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CANADA-U.S.S.R. TRADE AGREEMENT

The following statement was released on September 16 by the Minister of Trade and Commerce, Mr. Mitchell Sharp:

On behalf of the Canadian Government I have just signed a renewed Trade Agreement between Canada and the U.S.S.R. Earlier today the Canadian Wheat Board signed related contracts with V/O Exportkhleb for the supply of wheat and flour to the U.S.S.R. during the present crop year.

I am happy that these negotiations have been successfully concluded. They will have results of great significance for both the U.S.S.R. and Canada.

The first Canada-U.S.S.R. Trade Agreement was signed in Ottawa February 29, 1956, and provided for an exchange of most-favoured-nation treatment, together with a Soviet purchase commitment amounting to between 1.2 million and 1.5 million metric tons (between 44 and 55 million bushels) of Canadian wheat over the three-year period, of which a minimum of 400,000 tons (14.7 million bushels) would be taken in each year of the arrangement. A renewed Agreement, which came into effect April 18, 1960, for a further three-year period, provided that the U.S.S.R. would purchase twice as much from Canada as Canada bought from the U.S.S.R., up to a maximum of \$25 million per year, with half the Russian purchases in wheat.

Exploratory talks were held in Moscow in November 1962 on the further renewal of the Agreement beyond April 17, 1963, and negotiations to this end

were initiated in Ottawa on March 13, 1963. These talks were recessed on March 26 to provide time for both sides to consider further the important issues involved.

On August 24, the Government of the U.S.S.R. suggested that the recessed negotiations be reopened, and the Canadian Government was pleased to agree. The Canadian delegation, led by myself, held its first meeting with the Soviet delegation headed by Mr. S.A. Borisov, First Deputy Minister, Ministry of Foreign Trade for the U.S.S.R., on September 3.

TERMS OF AGREEMENT

Following intensive discussions over the past two weeks, between the two delegations and between representatives of the Canadian Wheat Board and the U.S.S.R. grain-trading organization V/O Exportkhleb, the Canada-U.S.S.R. Trade Agreement has been renewed for a further three-year period, that is, until April 17, 1966. In this connection, the Soviet Government has undertaken to purchase from Canada 5.3 million long tons (198 million bushels) of wheat and 575,000 long tons of flour (29.5 million bushels of wheat equivalent) to be shipped from Canadian ports by July 31, 1964. In addition, the Soviet Government has undertaken to purchase a further 500,000 long tons (18.7 million bushels) of wheat (or flour equivalent) in the third year of the Agreement. The quantities now purchased for shipment this year total approximately 228 million bushels of wheat. When added to the recent purchase of 11 million bushels by

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