

million bushels and 55.1 million bushels of wheat, in annual lots of between 400,000 and 500,000 tons, i.e., between 14.7 million bushels and 18.4 million bushels. The exact amounts to be purchased in the second and third years, within these annual amounts, will be determined by the Government of the U.S.S.R., taking into account the volume of Soviet goods sold to Canada. The total over the three years, however, will amount to not less than 1,200,000 tons and the amount in any individual year will not be less than 400,000 tons. The Russian purchases of wheat are to be made at the prices and on the terms at which the Canadian wheat board is making sales to its major customers at such times as the Soviet purchases take place. The U.S.S.R. has already purchased more than 400,000 tons for delivery during the present year.

The agreement is written to terminate at the end of three years. At that time the two Governments could agree to extend it. The conditions governing an extension would have to be worked out in the light of our experience in the three-year period.

I shall not attempt to predict to what extent there may be a long term demand for Canadian wheat in the U.S.S.R. This agreement provides a demonstration that the Government is prepared to move vigorously, on commercial terms, into any market that develops. If there should prove to be a continuing market in the U.S.S.R. that we can satisfy, then we shall be all the more pleased. To the extent that it is possible to do so, we are establishing ourselves in a good position at present. It is reasonable to expect that there will be at least some continuing basis for Russian purchases of wheat from this continent, even if that country should not be short of grain. From the point of view of transport, it is cheaper to ship wheat across the Pacific to far eastern ports of the U.S.S.R. than to transport it overland from the major wheat growing areas in western Russia.

As for other Canadian commodities, it may well be possible to develop trade in non-strategic goods that the U.S.S.R. needs and that are competitive. The very fact that a trade agreement has been concluded indicates perhaps a willingness on the part of the U.S.S.R. to trade more with this country. To a very large extent, Canada and the U.S.S.R. export similar things. The potentialities of trade, while valuable we hope to both countries, would thus seem to be fairly limited. I do not wish to create the impression, therefore, that there will be a large market in Russia for very many Canadian products. At the same time, it is realistic for exporters to be alert to such opportunities as may develop and to take advantage of them.

My colleague, the Secretary of State for External Affairs (Mr. Pearson) will no doubt wish to take part in this debate. I would like to refer particularly to the part he played in making this agreement possible. During his trip to the U.S.S.R. late in 1955, the Secretary of State for External Affairs initiated the discussions on trade which led later to the negotiations which took place in Ottawa.

I am informed that the U.S.S.R. was represented by able experienced officials who conducted themselves throughout the negotiations in a straightforward, businesslike manner.

#### Mr. Pearson's Statement

Later on the same day, the Secretary of State for External Affairs, Mr. Pearson, spoke as follows:

Before the motion carries I might say a few words in connection with it, and deal with one or two points that have been raised. This discussion, which