

As a further measure to facilitate the growth of trade, Mr. W. J. Van Vliet has been appointed Commercial Counsellor at the Canadian Embassy in Moscow, where his main responsibility will be to assist in the promotion of our exports to the U.S.S.R.

The House will recall that, under the 1956 arrangement, the Soviet Union took an annual obligation to purchase a specified minimum quantity of wheat (400,000 tons). The new arrangement provides that at least half the value of the annual Soviet purchase commitment will be in the form of wheat. If Soviet purchases were to rise to the value of \$25 million, our sales would include at least 200,000 tons of wheat. Accordingly, while the Soviet Union will continue to purchase significant quantities of Canadian wheat, we may look towards more diversified sales to the U.S.S.R. Both sides are aiming to diversify as well as to expand trade. The House is aware that the Soviet Union has greatly enlarged its production of wheat and is a regular wheat exporter. In the circumstances, the amount of wheat which the Soviet Union has undertaken to purchase may be regarded as satisfactory. I should add that I raised with the Soviet Government the question of the approximately 200,000 tons of wheat still outstanding under the old Agreement. Provided trade develops in a satisfactory manner, in accordance with the Agreement and the letters exchanged in Moscow, I was assured by Mr. Patolichev that the Soviet Union would endeavour to make up this deficiency so that there would be no question of the Soviet Union not having fulfilled the earlier obligation. . . .

I believe that over and above the provisions of the Agreement and the exchange of letters, a basis has been established for closer and more fruitful co-operation between the two countries in the field of trade.

The texts follow of the Protocol and the letters exchanged by the signatories:

In connection with the expiration of the Canadian-Soviet Trade Agreement concluded in Ottawa on February 29, 1956, for a period of three years, the Government of Canada and the Government of the Union of Soviet Socialist Republics, desiring to expand and diversify further the trade between the two countries on the basis of mutual advantage, have agreed as follows:

- (1) With the exception of Article IX, the Trade Agreement between Canada and the Union of Soviet Socialist Republics of February 29, 1956, as well as the understanding set out in the letters which the two Parties exchanged on the same date regarding the establishment of values of goods for duty, are hereby extended for a period of three years from the date of signature of this Protocol.
- (2) Each of the two governments hereby affirms that it will give sympathetic consideration to any representations which the other government may make in respect to the implementation of this Protocol and of other matters affecting their commercial relations.
- (3) This Protocol shall be ratified by both contracting parties as soon as possible and shall enter into force provisionally on the date of its signature and definitively on the date of exchange of the instruments of ratification which shall take place in Ottawa. The Protocol shall remain in force for three years from the date of signature.