

patterns, except, of course, in the special case of Yugoslavia.

Since the Partial Test Ban Treaty of 1963 and related agreements, the possibilities of a move towards friendlier and more normal relations in all fields have certainly appeared greater. I give you the impressions derived from personal involvement.

You will be interested in the significant trends in our relations with the European Communist countries, particularly with reference to formal diplomatic contacts, trade, scientific and cultural exchanges and political discussions.

We have started to expand the diplomatic representation in Eastern Europe first established during and shortly after the Second World War. Under an agreement in 1964 with Hungary concerning diplomatic relations and other matters, a Hungarian mission was opened in Ottawa and our Ambassador in Prague was accredited in Budapest. We hope to establish a resident mission there before too long.

Negotiations with Roumania and Bulgaria are under way, which will likely lead in due course to the exchange of diplomatic missions. This morning I had talks at the United Nations with the Roumanian Foreign Minister.

COMMERCIAL TIES

In the field of trade, more favourable political conditions in 1963 coincided with a period of agricultural failure in the Soviet Union. Wheat sales have always been an important part of Canadian commercial relations with Eastern Europe, but the years since 1963 have marked the first really big rise in our exports, chiefly because of Soviet purchases.

Since 1963, the Soviet Union has purchased wheat valued to approximately \$1 billion. A new three-year contract worth approximately \$800 million was signed this summer, the largest three-year commercial contract for a fixed quantity of Canadian wheat and flour ever concluded.

This contract, and the general trade agreement renewed this summer, mark important steps in Canadian-Soviet relations. There are indications of continuing markets for wheat even in normal years and sales of industrial products and technology might be possible.

In the field of communications, closely related to trade and general contacts, it is important to note that the first air-transport agreement between Canada and the Soviet Union, establishing service between Montreal and Moscow, was signed this summer. The first direct passenger-liner service has just been established between the ports of Leningrad and Montreal.

Both these services have been established shortly before the opening of Expo '67 in Montreal, in which the Soviet Union, Czechoslovakia and Yugoslavia will be represented. One can appreciate, therefore, the cumulative effect of these developments in increasing contacts. Exchanges with East European countries in scientific, technological, cultural and informational fields have generally been increasing.

It is important to bear in mind that, because of geography and climate, Canada and the Soviet Union have a common interest in certain technological problems.

Finally, in this enumeration of the facts of our relations with the Eastern European nations, I would point to the exchanges of parliamentary delegations which have taken place in the past few years between Canada on the one hand and the Soviet Union, Poland, Czechoslovakia and Yugoslavia on the other. In addition to the normal diplomatic contacts in various capitals and in international gatherings, these exchanges have a genuine political value....

POLITICAL DIALOGUE

I do not suggest, of course, that contacts, exchanges and visits by themselves necessarily indicate that significant political discussion of the main international problems has increased. Progress in this latter area is inevitably much slower.

I do feel, however, that progress is being made. One of the reasons for this may be that Soviet representatives are trying to clarify certain difficult questions about relations between Communist and other nations.

I recall, for example, what the Soviet Ambassador to Canada, Mr. Shpedko, said at a conference in Toronto two years ago: "The principle of peaceful coexistence does not at all require from any state the renunciation of its established system and ideology. One should not identify the problem of ideological struggle with the question of relations between states. The main tenet of peaceful coexistence is to confine the struggle to the ideological level and not to resort to force to prove your point."

There are still many aspects of "peaceful coexistence" as proclaimed and practised which I find it hard to understand or which concern me. Canadians have had experience in recent years in the United Nations in consulting with Czechs and Yugoslavs over attempts to relate the principles of coexistence to the codification and progressive development of international law. It is not easy to reach agreement on some of these long-term ideological, legal or philosophical questions.

Nevertheless, I welcome the emphasis on specific questions arising between states. I think that the conditions for business-like discussions of international affairs are improving. I value the impressions derived from contacts with individual leaders of foreign countries. I have found no hostility towards Canada in any of my recent conversations with Soviet or other East European representatives but, on the contrary, a real desire to develop new areas of agreement.

Perhaps the immediate prospects, for us as for other Western countries, are for agreements on marginal matters only. We are not likely to approach the central questions, however, except by successful solution of marginal matters, nor are we likely to solve the central questions eventually if we do not continually probe the current positions of the powers concerned....