

So far as Canada is concerned, the effort to escape from the sterilities of the Cold War goes back many years, to the period in the fifties after Stalin's death, when it seemed that a different sort of relationship with the Soviet Union might be possible. This period brought our first trade agreement with the Soviet Union, but it took years of carefully increased contacts before the exchange of visits between Mr. Trudeau and Mr. Kosygin finally became possible. We had to work and wait for the Soviet Union itself -- driven no doubt partly by tension with China, partly by need for Western technology -- to arrive at the point where it was prepared to contemplate self-confident and more relaxed relations with the Western world, including Canada. In this sense, what some critics misunderstood last year as an unwelcome departure in Canadian policy was in fact the reward for a long period of prudent but imaginative effort. And it is interesting to see how the United States, with so many more complications to overcome, has been moving to place its relations with the Soviet Union on a similar basis.

So too with China. Our recognition of Peking a year and a half ago was another victory for an idea whose time had come. Again, there was a long and tortuous prelude of negotiation before success was achieved. Initial success led logically on to the debate in the United Nations over Chinese membership. There, Canadian action was a key factor in opening the way for Peking to take the China seat in the Security Council and the General Assembly. And again, United States policy has since shown itself responsive to the same logic.

There could hardly be a better illustration of the Government's desire to diversify Canada's foreign relations than these changes in our relations with the Soviet Union and China. They have had an immediate effect on our trade relations with both countries. Canada's position, established earlier, as the first foreign source to which the Soviet Union looks to meet its wheat needs, has been confirmed. Now through six commissions established under the Scientific and Technological Exchanges Agreement, Canada and the Soviet Union are working to expand trade in industrial goods. With China, a rather similar development is taking place. Negotiations to establish a commercial air service between Canada and China will begin shortly. In August, an exclusively Canadian trade fair will open in Peking, matched by Chinese participation in the Canadian National Exhibition in Toronto and "Man and His World" in Montreal.

The prospect is thus for an expanding and better-balanced trade with both the Soviet Union and China. But on the most hopeful analysis, I would not expect this to be more than a useful element of diversification. I would not expect the sort of transforming effect on our trade patterns that the opening of the Russian and Chinese markets had on our grain trade. The two trading systems are more open to one another than ever before. But we still have a long way to go before we can sell with uniform success in the Chinese and Soviet markets. The Chinese and the