

Hon. Mr. HOWARD: That is correct.

Hon. Mr. MORAUD: Does that provision come under the agreement? The secretary went on to say that if the United States could put an embargo on fuel oil to Canada that would help the situation in New England.

Mr. DEUTSCH: I believe the situation, Mr. Senator, at the present time is this: The United States does control the export of petroleum and petroleum products, but it does not control their export to Canada. That is as a result of the Hyde Park Agreements which in certain respects are still in effect. Under those agreements the United States did not impose export controls on items going to Canada during the war. They have maintained that policy under the Hyde Park Agreements, and at the present time while the United States is controlling exports to other countries, she is not controlling them to Canada.

The CHAIRMAN: When does the agreement expire?

Mr. DEUTSCH: I believe it has no definite expiry date; it is just running on.

Hon. Mr. MORAUD: They cannot control these products under the provisions of the Hyde Park Agreements.

Mr. DEUTSCH: It has that effect; there is still the general understanding under the Hyde Park Agreements, which as far as I know have no definite term. As to whether or not they consider it wise to take this action, and thereby more or less modify the Hyde Park Agreement, is a question that I cannot answer.

The CHAIRMAN: Can the United States terminate that agreement at will without giving notice?

Mr. DEUTSCH: I am not certain about that, Mr. Senator.

Hon. Mr. CAMPBELL: Are fuel oil and petroleum products dealt with in the schedules?

Mr. DEUTSCH: Under this agreement they are not permitted to place an embargo or control on exports, except, as I said before, there are certain provisions to take care of immediate post-war difficulties. One exception has to do with items that are in short supply; until 1950 a period is provided in this agreement giving time for countries to adjust their controls, particularly on scarce items; and in these special circumstances they may put on a control for a temporary period only.

That is to say, in respect to scarce items a country could probably put a control on for a temporary period in accordance with the agreement, for the time being, but they could not do it as a permanent measure.

The CHAIRMAN: In spite of the Hyde Park Agreement?

Mr. DEUTSCH: Hyde Park is a separate question.

Hon. Mr. MORAUD: I understand that there is no duty on fuel oil, but there is on the manufactured product, gasoline.

Mr. DEUTSCH: That is correct.

Hon. Mr. MORAUD: If in spite of our agreement duties were put on fuel, or fuel oils, that would have the effect of putting on an embargo.

Mr. DEUTSCH: No, they could not put a duty on the export of fuel oil. That would not be permitted under this agreement.

Hon. Mr. MORAUD: Why could they not?

Mr. DEUTSCH: It would be contrary to the terms of the agreement.

Hon. Mr. MORAUD: Of the Geneva agreement?

Mr. DEUTSCH: Yes.

Hon. Mr. McKEEN: Then I take it that the Hyde Park agreements are giving us the benefits with regard to fuel oil and lubricating oils that we will have under the Geneva agreement in 1950?