

position. He may or may not be going back to China, but if he did appear at an off-the-record session, I think it might be interesting.

Mr. COLDWELL: That is, "off the record"?

Hon. Mr. PEARSON: Well, it could be done that way. If it was off the record, he would be in a much freer position to discuss matters. That will be for the committee to decide.

Mr. MACINNIS: In case Russia holds up a peace treaty with Japan indefinitely, which is very likely, are the other powers considering any action they might take.

Hon. Mr. PEARSON: Consideration is being given to the possibility of going ahead without the U.S.S.R. However, I think it likely that that problem will be related to the Chinese problem. It will be one thing to have a Japanese peace conference and a representative of the nationalist government of China there, and it will be another thing to have one with a representative of the communist government there. Until that matter is cleared up one way or the other, there cannot be very much progress in respect of some of these matters.

Mr. GREEN: I would like to ask the minister about the present position concerning the Hyde Park Declaration. That declaration was first made on April 20, 1941, and then in May of 1945, the principles of the Hyde Park Declaration were extended into the post-war transitional period with special reference to the problems of recognition of industry. I would judge from statements made by the Prime Minister and the Minister of Defence within the last few weeks that this Hyde Park Declaration is now of no effect, but I may be wrong in that. Could the Minister explain just what the present position is?

Hon. Mr. PEARSON: Well, that is not easy to do, and I would like to have a chance to look into the matter. The Hyde Park Declaration was a wartime declaration of principles governing trade between two countries. And as you have said, Mr. Green, we have not assumed that those principles would apply in the post-war period after reconversion.

Mr. GREEN: There were letters setting out that it would be applicable in the post-war period of reconversion.

Hon. Mr. PEARSON: That is quite true. But the period of reconversion has, I think, been completed. This Hyde Park Declaration was never a formal arrangement in the sense of a treaty or convention, and we could not hold the United States to that arrangement, nor could they hold us to those terms. But we did hope that that spirit would prevail in the post-war period so that we would be able to buy United States supplies for defence purposes, which could only be done if financial exigencies were met by the United States buying an equivalent amount of material in Canada.

Mr. COLDWELL: A sort of barter arrangement?

Hon. Mr. PEARSON: It was an undertaking on the side of both governments not to allow financial considerations to interfere with defence procurement. I would not like to say that those considerations, at the present time, are not interfering with defence procurement.

Mr. GREEN: I beg your pardon?

Hon. Mr. PEARSON: I would not like to say that those considerations, at the present time, are not interfering with defence procurement, because they are interfering.

Mr. GREEN: The Hyde Park Declaration is very clear. It says that:

It was agreed as a general principle that in mobilizing the resources of this continent each country should provide the other with the defence articles which it is best able to produce, and, above all, produce quickly, and that production programs should be co-ordinated to this end.