

form of foreign exchange which he could not obtain under the exchange policy of the government. If a resident owned a right to property which was located abroad—

Q. "or fails to take".—A. And fails to take reasonable steps to enforce that right—

Q. Without a permit of the board?—A. Without a permit of the board then he might come into possession without that permit of his rights in a property, which might be a sum of money, without being under any obligation to place that sum of money at the disposal of the Canadian economy by selling it to a bank in Canada.

By Mr. Macdonnell:

Q. Has that case often arisen?—A. No, I do not think it has.

Q. Has it ever arisen?—A. Whether this particular case has arisen?

Q. Yes.—A. A typical case would be a resident who received a bequest in a will of a non-resident, who was left say \$100,000. That would be a right, title, or interest in property, and if he failed to take steps to enforce that it would in effect amount to an export of capital from Canada.

By Mr. Jackman:

Q. Canada never had the capital?—A. It would deprive Canadian economy of that amount of money.

Q. Which it never had?

By Mr. Rinfret:

Q. He will have to have a permit not to do anything?—A. He would require a permit to fail to enforce his rights.

Q. To stay quiet about his rights.

The CHAIRMAN: Section 34, gentlemen. I cannot see anything wrong with that.

Mr. JACKMAN: It is so easy. A testator or testatrix in the United States merely leaves a bequest in American money in which case you have no legal right to it in Canada. A lot of these sections are very easily defeated if people know about them. It seems to me they should not be there because they are nuisance sections. Here is a section which says that if an American leaves money under a will to a Canadian the Canadian may not take steps to enforce payment of it to him in Canada. If he does not want the money in Canada all he needs to do is tell the American testator who is looking after the matter to leave those moneys in the United States in which case he has no right to it in Canada. Is that not right? You have no legal right to it in Canada?

The WITNESS: I think the same question is involved in all of these sections that are under discussion now. The question is do you want an effective system of exchange control or do you not?

Mr. JACKMAN: Do you want freedom of the individual or do you want state control? I am for freedom of the individual.

Mr. RINFRET: We gathered that.

By Mr. Jackman:

Q. Let me ask Mr. Rasminsky if the suggestion I made is not one which would successfully prevent this section of the Act being enforced? It would defeat the purpose of the Act if the money is left in the United States under certain conditions. The person goes to the United States and claims it. He has no right to it in Canada.—A. I do not suppose there is one section of this Act or any other statute that cannot be evaded in some way or other, but I do not know what inference one should draw from that fact.