

that provide for payment within six months", and so forth. You need no permit if you comply with that.

Mr. MACDONNELL (Muskoka-Ontario): I ask the minister whether he considers that clause, interpreted as he likes, necessary for the protection of the Canadian dollar.

Mr. ABBOTT: Yes, I do. Take my own case. When I was a practising lawyer, if I did a job for a client in New York and sent him a bill in United States dollars and it was payable in six months I did not have to consult the foreign exchange control board at all. I got a cheque in United States dollars and it went into the bank. If I were to give my client twelve months to pay, or wanted to be paid in Brazilian currency, I suppose I should have to get a permit.

Mr. MACDONNELL (Muskoka-Ontario): If it was not paid within six months. Does the minister consider the difference between six months and six months and a day so important as to justify this provision?

Mr. ABBOTT: The same term applies to the sale of merchandise. I used the example of a bill submitted by a lawyer. My bill is payable on demand and in United States dollars; and if I sent the bill to my client in New York with a polite request for a remittance, I would not have to go near the foreign exchange control board at all.

Mr. MACDONNELL (Muskoka-Ontario): The minister will agree that lawyers very often do not get paid within six months, in which event does the minister think—

Mr. ABBOTT: My bill must not give a longer term of payment than six months. If my client is not able to pay me within six months, that is my misfortune. But I cannot without a permit give him a term of twelve or sixteen or eighteen months within which to pay.

Mr. CRUICKSHANK: Mr. Chairman, I wonder if I would be in order under this section in referring to the arrest of a director of Fresno Mines Limited in Toronto in the company's office on Temperance street, on a charge of receiving \$100,000 under false pretences in 1945-46?

Mr. ABBOTT: I do not think that has anything to do with the exchange control board. It is another type of control.

Mr. FLEMING: I cannot yet persuade myself that certain hon. members opposite can meekly submit to being parties to this kind of legislation. Let me reduce it to its simplest terms.

I suggest that this section has inherent in it this vice, that it puts power into the hands of the foreign exchange control board to make its own interpretations of the statute itself. Just what is involved in a decision of the foreign exchange control board under this section?

I say that there are at least eight places in this section where the foreign exchange control board may make a determination. In the first place, it may determine whether the individual in question is a resident or not. That is not unusual; it is being done in many cases. In the second place, the board may determine whether the resident has performed an obligation. That is the exercise surely of judicial functions, but this section purports to give the board that right. In the third place, it gives the board power to determine whether there has been on the part of a resident of Canada an agreement to perform a service. Fourth, the board has to determine whether the service is to be performed or has been performed for a non-resident. Fifth, the board has to determine whether a service has been performed, and if anybody thinks that is a simple determination let him examine the provisions of paragraph (w) of section 2 of this bill and see what the services are. I quote:

(w) "services" include skilled and unskilled labour, professional services, services as an agent or employee, storage and warehousing, freight, transportation, advertising, services to vessels and any other services whether payment for such services is ordinarily made in the form of wages, salaries, fees, rents, royalties, commissions, profit-sharing, or by payment of a lump sum or otherwise howsoever;

An hon. MEMBER: Carried.

Mr. FLEMING: Some hon. members opposite may derive a certain amount of mirth from this, but I think, when it comes down to persons in their constituencies whose transactions are to be brought under review by the foreign exchange control board—

An hon. MEMBER: We will take a chance on that.

Mr. FLEMING: —they will take a somewhat different attitude.

An hon. MEMBER: We don't represent stockholders.

Mr. FLEMING: Then, number six: no resident shall perform for a non-resident any services of a kind ordinarily performed for remuneration. What kind? The foreign exchange control board, sitting in judgment, will decide whether the services in question are of a kind ordinarily performed for remuneration.