

*Foreign Exchange Control*

Mr. HATFIELD: Then I must object to the continuation of regulations under this measure which will force exporters in this country to go to the expense of making out these forms, and which will require the exporter to make out the B form, one which is prepared in seven copies. Before making out these forms they have to make application and obtain permission to export goods. All this is unnecessary.

We always made out export papers which were required by the customs branch, and in those papers we stated the amount and value of the goods. These provisions set up by the foreign exchange control board have the effect of compelling exporters to add to their office staff. I am only a small exporter, but I have had to add four or five people to my staff to make out these forms. If one is going to export a cargo of goods from this country, and if he has about fifty consignees, days are required to make out these papers.

It is just a waste of paper and a nuisance to the exporter. We are an exporting nation, but we in the maritime provinces have lost sales of goods through the cancellation in July. The maritime provinces have lost sales amounting to millions of dollars. This is true particularly of the growers of certified seed potatoes, who were not as fortunate as the pulp and paper people. The market for seed potatoes in the United States and South America was limited, and we had to meet competition. The result has been that we have lost about half our market for certified seed potatoes in the United States, South America and South Africa because of the cancellation of the premium on United States funds, it has meant a loss of millions of dollars to the maritime provinces.

Mr. GRAYDON: Arising out of what was said by the hon. member for Victoria-Carleton, the minister made reference to forward contracts as distinguished from other types of contracts.

Mr. ABBOTT: Forward contracts for the purchase of exchange.

Mr. GRAYDON: I understand. Would it be correct or incorrect to suggest that the exporters who would have forward contracts would be the larger ones, while those without would be the little men?

Mr. ABBOTT: Not necessarily. My hon. friend will recall that in the days before the foreign exchange control board any exporter could hedge his sales in foreign exchange by making a forward purchase of foreign exchange.

[Mr. Abbott.]

Then, I do not know what the hon. member means by "the larger ones". I used to have a client who was a substantial tea importer and exporter, and who dealt extensively in foreign exchange. He always covered his commitments by purchases with his bank. Similar facilities are available to the trade to-day, under the conditions I outlined earlier, namely, that there must be definite commitments to pay a definite sum within a definite time. I do not think it would be fair to say that these arrangements are available only to the large exporters.

Mr. GRAYDON: I am not suggesting that, and I would not think that would be the case. But as it would work out in a practical way, I should think, as an onlooker of the argument, that the little fellow would be the one who would not have the money with which to purchase blocks of exchange that the big man would, and for that reason the little man in this case would be the greater sufferer instead of the larger exporter who would be in the business. I think the minister, on contemplation and reflection, will perhaps find that that assumption is correct.

Mr. ABBOTT: I am told that the cost of the protection referred to is only one-sixteenth of one per cent a month, which I would not think would be such as to preclude any reasonably solvent merchant from availing himself of this form of insurance.

Mr. HATFIELD: Any exporter could not take out a contract for more than three months. If I entered into a contract in May with a person in the United States for so many potatoes to be shipped this fall, I could get protection only up to three months. I could not enter into a contract for five months when the goods are going to be shipped, but other exporters can. The agents of the foreign exchange control board and the bankers have lists of preferred exporters. I tried to make a contract and I know.

Mr. MacNICOL: In former years I had a good deal to do with exporting. What the hon. member for Victoria-Carleton has said seems to me to be a serious statement. He has made the statement that the situation he is up against affects not only his business but has resulted in the loss of many millions of dollars of orders from South America. If that is so, that is an extremely serious situation. Anyone who knows anything about business knows that export trade is of great value to a country. If what the hon. member has said is so, I would think the minister or his department should rectify it.