

currency. It was thought desirable, on the assumption that an exchange control measure was needed, that the performance of services by Canadians for residents of the United States should not result, for example, in payment in the form of some blocked currency which was of no use to the Canadian economy, or possibly in the form of Canadian dollars acquired through the unofficial exchange market or in some other form that did not result in United States dollars being placed at the disposal of the Canadian economy.

The CHAIRMAN: Shall section 32 carry?

Some HON. MEMBERS: Carried.

The CHAIRMAN: Section 33, other transactions between residents and non-residents.

Some HON. MEMBERS: Carried.

The CHAIRMAN: Shall section 33 carry?

Some HON. MEMBERS: Carried.

Mr. MACDONNELL: Why is it needed in addition to section 26?

Mr. HAZEN: Carried on division.

Mr. HARKNESS: No, Mr. Chairman; I moved that section 32 be deleted.

Some HON. MEMBERS: Question.

The CHAIRMAN: Are you ready for the question?

Some HON. MEMBERS: Question.

The CHAIRMAN: All those in favour of taking out section 32 will signify in the usual manner. Those opposed?

Motion negatived.

Shall section 32 carry?

Carried.

Section 33. Shall section 33 carry?

Carried.

Section 34. It is simply mopping up the other. Is that carried.

Mr. JACKMAN: No. We have not even had time to read it.

The CHAIRMAN: It is simply mopping up.

Mr. JACKMAN: It is too bad if we have not time to read the marginal note.

Mr. MACDONNELL: Mr. Chairman, I did ask and you did not hear me, if we could have an explanation of why section 32 is necessary in consideration of the broad powers under section 26 and the other sections. Could we just have a brief explanation? Just on the face of it, section 26 seems to me to be so very broad.

Mr. LESAGE: And section 25.

Mr. MACDONNELL: Sections 25 and 26.

Mr. MAYHEW: Section 25 has not been passed.

The CHAIRMAN: Section 25 stands for the opinion of Justice. Is section 34 carried?

Mr. JACKMAN: Under section 34, if a Canadian owns a branch plant in the United States, apparently the board is going to insist, according to this, on him paying out all the earnings that the company can possibly stand. That is entirely a matter of management. They may wish to leave the funds there to allow the company to grow and do a larger business; but under this section the board may compel him to produce his statement.

The CHAIRMAN: Order, gentlemen.