

THE SENATE

Saturday, June 26, 1948.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. WISHART McL. ROBERTSON: Honourable senators, before we proceed with the Orders of the day, I think I should say for the information of honourable members that the business of the other house has not proceeded far enough to enable me to state definitely whether prorogation will take place tonight or not. I would therefore suggest that when the items on the Order Paper have been disposed of this afternoon, we adjourn during pleasure, to reassemble at eight o'clock. At that time I hope to be in a position to advise the house whether we can conclude our labours this evening or will have to come back on Monday at three o'clock in order to do so.

FOREIGN EXCHANGE CONTROL BILL

FIRST READING

A message was received from the House of Commons with Bill 396, an Act to amend The Foreign Exchange Control Act.

The bill was read the first time.

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of the bill.

He said: Honourable senators, the purpose of this bill is to close a loophole which has been found to exist in the Foreign Exchange Control Act. When the Act was originally drafted, it was intended that its provisions should affect transactions by Canadian residents whether in Canada or outside. The words "in Canada or elsewhere" appeared in most clauses, but through an oversight were omitted from sections 21, 22, and 23. In a recent case in Toronto, in which a Canadian resident was charged with failing to sell to the board some \$15,000 in United States funds which he had in his possession, the magistrate held that the man was not guilty because the transaction took place in Niagara Falls, New York, and the relevant sections of the Act applied only to transactions in Canada.

It is absolutely essential that the transactions of Canadian residents be controlled, wherever they take place; therefore the government is asking for this amendment to bring the wording of the Act into line with the needs of our exchange conservation program. The amend-

ment simply inserts the phrase "in Canada or elsewhere" in the three sections from which it was omitted.

Hon. W. M. ASELTINE: I have read the bill very carefully, and may say that we on this side of the house have no objection to the amendments.

The motion was agreed to, and the bill was read the second time.

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the bill.

The motion was agreed to, and the bill was read the third time, and passed.

EMERGENCY EXCHANGE CONSERVATION BILL

FIRST READING

A message was received from the House of Commons with Bill 397, an Act to amend The Emergency Exchange Conservation Act.

The bill was read the first time.

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of the bill.

He said: Honourable senators, the purpose of this bill is to make a number of minor changes in the Emergency Exchange Conservation Act which was passed earlier this session. An examination of the bill will reveal that the changes consist partly of clarifications of the existing wording, and partly of the insertion of a few tariff items in the schedules where it appears possible to make a further saving of United States dollars.

It will be noted that goods added to the list of prohibited or restricted imports do not differ in character from those which it already includes. In view of the extent and complexity of the conservation program, it is inevitable that changes in the schedules will be found necessary from time to time to improve the working of the import restrictions and correct anomalies of one kind or another.

In the other place the ministers responsible for the exchange conservation program outlined the progress made to date in improving our United States dollar position. I do not intend to repeat their observations, except to point out that our United States dollar reserve as of June 23, stood at \$742 million, including \$140 million drawn from the Export-Import Bank. If we do not count these drawings, we may say that our dollar reserve increased from \$461 million on December 17, 1947, to \$602 million on June 23, 1948. It