suggestion is that the section read as follows:

Every trustee appointed by the creditors as hereinafter provided shall within seven days give security in cash or by bond of an approved guarantee company, satisfactory to the official receiver, conditioned for the due accounting and for the payment over and transfer of all moneys and property received by him as such trustee.

The objection I see to the amended section as it stands in the bill is that the creditors may not understand the security which should be given by a trustee. The official receiver, on the other hand, is an officer of the court and deals with such matters daily; he knows the nature and the value of the security that should be given in such cases. Then again we may have cases where the custodian appointed is one of the creditors, and he may be a friend of the trustee appointed, and use his influence to see that no security is given or only nominal security, whereas if the matter is left to the official receiver and the different security laid down in the act is taken, namely, cash or the bond of a guarantee company, all would be safeguarded.

Sir LOMER GOUIN: The creditors are most directly interested. I understand that my hon. friend wishes the receiver to have a say in the matter, that he should name the company?

Mr. CLARK: Not necessarily.

Sir LOMER GOUIN: That he should approve it.

Mr. CLARK: As to the amount, yes.

Sir LOMER GOUIN: I think the creditors should decide that.

Mr. CLARK: I cannot think of any instance in the courts where the court does not say: I leave it to the registrar to fix the security; or the court itself says the security shall consist of a bond by a guarantee company conditioned in such and such an amount. That is the usual procedure.

Mr. CARROLL: Probably what my hon. friend is afraid of is that the persons fixing the security would be interested parties, which is of course opposed to the ordinary legal procedure.

Mr. CLARK: Yes.

Mr. CARROLL: That would be the objection I would see.

Sir LOMER GOUIN: I understand that my hon. friend wishes the receiver to fix the amount and the form of the guarantee, and not leave it to the creditors?

[Mr. Clark.]

Mr. CLARK: Yes.

Sir LOMER GOUIN: I do not see much objection to that.

Mr. CLARK: And it should be cash or the bond of a recognized guarantee company.

Mr. BLACK (Yukon): I do not think the security should be limited to the bond of a guarantee company. If the bond is satisfactory to the creditors it does not matter whether it is a guarantee company or not. There are places where these guarantee companies have no office and you could not find an agent to issue a bond. I submit that if the bond is approved by the official receiver, that should be quite sufficient, without limiting it to a guarantee company.

Mr. CLARK: The objection raised by my hon. friend (Mr. Black) is overcome by section 13 with the proposed amendment which provides that all these assignments shall be made in certain localities, and the localities will be such that there cannot be an instance where the registrar carries on where there is not a guarantee company.

The CHAIRMAN: It is moved by the hon. member for Burrard that section 14 be amended by substituting therefor the following:

Every trustee appointed by the creditors as hereinafter appointed shall within seven days give security in cash or by bond of an approved guarantee company satisfactory to the official receiver conditioned for the due accounting and for the payment over and transfer of all moneys and properties received by him as such trustee.

Amendment agreed to.

Sir LOMER GOUIN: Is the hon. member for St. John satisfied now as to a majority of the creditors?

Mr. BAXTER: This makes it all right. This goes to the official receiver. If it had remained in the original form I would have thought it advisable to submit an amendment.

The CHAIRMAN: The next amendment is to provide that the last paragraph of section 14 on page 6 of the draft bill be amended to read as follows:

And provided further that nothing in this section shall have the effect to terminate the security heretofore given by any such person; such security shall be kept in force until such time as the Governor in Council is satisfied that all moneys and properties received by the trustee have been duly accounted for and paid over to the parties entitled thereto.

Mr. BAXTER: I would move to substitute for the phrase "to terminate" the words "of