

individuals. This amendment provides that licensees will be obliged to furnish bonds by guarantee companies which is a preferable system.

Mr. R. L. BORDEN. I have no doubt that this Bill is carefully drafted, but it would appear that something is omitted. You seem to take it for granted that a guarantee company can give security.

Mr. BRODEUR. Section 19 of the old law provided that the department would have power to accept the bonds of guarantee companies, and section 13 provided that security might be given by private persons. We have amended all the sections of the law bearing on securities so that in future the bonds must be given by guarantee companies alone.

Mr. LENNOX. I presume the government has considered the advisability of making this change and doing away with securities given by private persons?

Mr. BRODEUR. Yes.

Mr. LENNOX. What is the reason?

Mr. BRODEUR. My hon. friend will understand how difficult it is for the department to find out whether a person who is offered as surety is solvent or not. This leads to a great deal of correspondence and difficulty, and the result is sometimes to put the department in a very awkward position. The guarantee companies offer a better security in every respect than personal sureties.

Mr. LENNOX. It makes business for the guarantee companies; but all the same, I am inclined to think that it is an improvement, because, as the minister says, it is sometimes difficult to ascertain the solvency of the personal security, while this makes the security absolutely sure, I presume.

On section 6—security to be given before bonding warehouse is licensed—

Mr. BRODEUR. The only change in this clause is to provide that the security shall be by bond of a guarantee company approved by the department.

Mr. HENDERSON. May I ask if the losses of forfeitures under these bonds amount to very much, or are they only trifling?

Mr. BRODEUR. For some years, I am advised by the deputy minister, there have not been any great losses, but in former years some heavy losses were incurred.

Mr. HENDERSON. Has the government taken into consideration the question as to whether it would be profitable for the government to bond these people themselves, and take the fee that would otherwise accrue to the guarantee company? Possibly there might be a saving to the country.

Mr. BRODEUR. You mean to make our own guarantee business.

Mr. HENDERSON. Let the government guarantee these various persons and collect the same fees that would be paid to a guarantee company. At the end of a few years the government would have saved a considerable sum. I understand this system prevails in the Post Office Department and works there satisfactorily.

Mr. BARKER. I do not quite agree with my hon. friend in that respect. I fear that where losses occur without security to the government, the government would be importuned by friends of the defaulters to overlook the offence; but when the government collects from the guarantee company, the company collect from the individual. I am not at all sure of the illustration my hon. friend has given as the very best. We have had lately one or two instances in connection with the Post Office Department in which the government has been very lenient indeed to the officers in default. Had there been a guarantee company, as surety, the government would have collected the money, and the guarantee company would have looked after the officers.

Mr. BRODEUR. As to the special bond the licensees have to give, the guaranty given by the guarantee companies would be very much better than if the department assumed the risk itself and collected the fees. True we have not been losing much money these late years but it would be a dangerous policy to adopt. In some cases these bonds are for a very large amount. Some of the licensees have to obtain a guarantee for half a million dollars.

Mr. HENDERSON. The government does not insure its own property against fire.

Mr. BRODEUR. We control that to a certain extent.

Mr. HENDERSON. I understand it works satisfactorily in the Post Office Department, but the minister does not seem to agree with his colleagues on this question.

On section 8,

Mr. BRODEUR. The system of gauging has been done away with and replaced by a system of weighing, which is found more accurate. This clause simply provides that the quantity of spirits shall be determined by weight instead of by gauging.

On sections 13, 14 15 and 16,

Mr. BRODEUR. These are all to provide for the substitution of guarantee companies for the present bondsmen.

On section 17,

Mr. BRODEUR. The original Act provided that the quantity of grain should be stated in pounds and malt measure. We now substitute for the malt measure the