

Mr. ILSLEY: The last rectifier's licence was issued in Toronto and was abandoned on March 31, 1920, and since that time no licences have been issued.

Section agreed to.

On section 6—Section 132 of the said act is repealed.

Mr. ILSLEY: There is no purpose in providing for a licence for importing and manufacturing stills alone; that is to say, the licence might as well cover not only importing and manufacturing but possessing and using, and so instead of having two sets of sections in the act as before, one set relating to importing and manufacturing and the other relating to possessing and using, under one section the licence will be issued to authorize the licensee to import, manufacture, possess and use.

Mr. BENNETT: Is the language of the other section broad enough to ensure the licence covering all these various activities?

Mr. ILSLEY: As amended, yes. This bill provides for the amendment.

Section agreed to.

On section 7—Application for licence for chemical still.

Mr. STEWART: Is this the section that contains the amendment?

Mr. ILSLEY: This is part of it. This, taken with the next section, covers the situation. Section 133 deals with the application for a licence, and section 134 deals with the conditions of the licence.

Section agreed to.

Section 8 agreed to.

On section 9—Distilling and rectifying licence fee, \$250.

Mr. ILSLEY: This takes out of the section the words relating to rectifying.

Section agreed to.

On section 10—Licence fee for chemical still.

Mr. ILSLEY: This section carries out still further the scheme of combining importing and manufacturing with possessing and using.

Section agreed to.

Sections 11 and 12 agreed to.

On section 13—Abatement of spirits re-warehoused.

Mr. ILSLEY: This section is perhaps a little more important; it effects some change

[Mr. Bennett.]

in the law. The effect of subparagraph (iii) of section 13 is simply to permit warehousing to go on for more than fifteen years. Subparagraph (iii) is the same as subparagraph (iii) on the opposite page of the bill with the exception of the words underlined. That authorizes the distillers to warehouse for more than fifteen years, without adjusting the legal abatement. There has been no provision for that up to the present, but I do not think there could be any possible objection to it. The next subparagraphs, (iv) and (v) call for a little attention. Subparagraph (iv) relates to distillery stock which is not warehoused stock, and it permits an abatement allowance of two per cent. That is not a new abatement, but it is computed on a different principle from the abatement now allowed.

Mr. BENNETT: It was not statutory before.

Mr. ILSLEY: No.

Mr. BENNETT: It was done by regulation.

Mr. ILSLEY: Yes. There was nothing statutory before, nor was there anything scientific about it; there was nothing definite about it. The rather curious practice in vogue was this, that no matter at what temperature the spirits were tested they were read as of 40 degrees Fahrenheit, and the distiller was required to account only for the gallonage which there would be if the spirits were at 40 degrees Fahrenheit. That would be a quantity somewhat less than the actual quantity. The difference was the abatement allowance which the distiller had. The standard temperature at which spirits are warehoused is 62 degrees Fahrenheit; it is not the temperature at which they are distilled, which is considerably higher than that, and it is certainly not a low temperature such as 40 degrees Fahrenheit. It is proposed now to bring spirits to 62 degrees Fahrenheit, which is the standard temperature, and then make a flat abatement allowance not exceeding two per cent. When this section refers to two per cent it means not exceeding two per cent.

Mr. BENNETT: It says, "not exceeding two per cent." Why should we not say exactly that instead of leaving it open to argument?

Mr. ILSLEY: The distiller is obliged to account for all the spirits he has and that may be only one per cent less than he started with. But if he comes along and has a deficiency of over two per cent, he is allowed