

was incorporated under Dominion Law. The account in Edmonton was opened there in accordance with the arrangements above referred to. No money in specie was sent to the branch office which the Bank possessed there, but the general manager in Montreal arranged for the proper credit of the special account.

Now there appears to have been public uneasiness about the action of the Alberta Government in entering into the arrangements above described, and a Royal Commission of inquiry was appointed. While it was sitting there was a change of Government, and the new administration introduced and passed a statute on the validity of which the question to be decided in the appeal turned.

This statute, which became law on December 16, 1910, after setting out in its preamble that the Railway Company had made default in payment of interest on the bonds, and in construction of the line, and then, ratifying and confirming the guarantee by the province of the bonds, enacted that the whole of the proceeds of sale of the bonds, and all interest thereon, should form part of the general revenue fund of the province free from all claim of the Railway Company, or their assigns, and should be paid over to the treasurer without deduction. It is only fair to the province to add that the Act also provided that, notwithstanding the form of the bonds and guarantee, the province should, as between itself and the Railway Company, be primarily liable on the bonds, and should indemnify the Company against claims under them.

The local Courts held this Act *intra vires*, the Judicial Committee has held it *ultra vires*, and their judgment proceeds entirely upon the construction they place upon that clause of the British North America Act, 1867, which enacts that "in each province the legislature may exclusively make laws in relation to property and civil rights in the province" (sec. 92, sub-sec. 13), their lordships observing that they were not concerned with the merits of the political controversy which gave rise to the statute the validity of which was impeached.

The question involved was simply what is the proper construction of the above broad power of legislation conferred upon provincial legislatures in Canada, without any regard to the fact