THE ALBERTA AND GREAT WATERWAYS RAILWAY CASE.

The decision of the Judicial Committee of the Privy Council in this case, delivered on January 31 last, was on appeal from a judgment in an action brought by the Government of Alberta against the Royal Bank of Canada, the Alberta and Great Waterways Railway Company, and the Canada West Construction Company, to recover $6,042,083.26, with interest, being the proceeds of the sale of certain bonds of the Railway Company, on deposit, at the time of action brought, with the Royal Bank of Canada. It is of epoch-making importance so far as concerns the powers of provincial legislatures in Canada, under the constitution of the Dominion established by the British North America Act, 1867, over "property and civil rights", or, at all events, over "civil rights", in the respective provinces. The following concise statement of the facts of the case will, I think, correctly explain the point decided by the Board, and satisfy the purposes of this article.

The Railway Company was incorporated in 1909 to build a railway within the province of Alberta, and empowered to issue bonds on which to raise the necessary funds for that purpose. These bonds the Government of the province guaranteed under statutory authority of the same year in that regard. They were taken up by a financial house in London, under an arrangement confirmed by Alberta statute and Orders in Council, whereby the money, the proceeds of the bonds, was to be deposited to the credit of a special account in the name of the provincial treasurer in the branch of the Royal Bank at Edmonton, in Alberta, to be paid out, from time to time, to the Railway Company, or its nominee, in monthly payments so far as practicable, as the construction of the lines of railway and the terminals was proceeded with to the satisfaction of the Lieutenant-Governor in Council, and according to certain specifications.

These arrangements were carried out in this way. As the proceeds of the bond issue in London came over to New York, the money was paid into the branch office of the Royal Bank in New York, and credited to the provincial treasurer, to the Railway Special Account. The Bank had its head office in Montreal, and