

11. Or could he do so if Parliament made the necessary amendments to the Bank and Finance Acts?
12. How is it that under Peace conditions with all international markets open to us a large section of the nation's producers were not esteemed by the Banks to be credit worthy?

However, under peril of war with many foreign markets closed these producers are now credit worthy.

What is the basis of credit worthiness?

It would seem that an enterprise that can cater to a market for destructive purposes is esteemed by the banks to be credit worthy.

But under Peace conditions where there is no market for destructive purposes the same enterprises would not be credit worthy for constructive purposes.

Yours truly,

H. E. NICHOLS,

Secretary, Alberta Farmers' Union.

BILL 91

AN ACT RESPECTING BANKS AND BANKING

Memorandum submitted on behalf of the Attorney General for Alberta as to Section 92

1. The position of a depositor of funds in a bank is that of a simple contract creditor and the *situs* of the debt or chose in action is the Province in which is situate the branch bank in which the deposit was made: *The King vs. Lovitt 1912 A.C. 212.*

The effect of Section 92 of Bill 91 is to substitute a new debtor, the Bank of Canada, for the debtor bank with whom the deposit was made and to release and discharge the bank from its liability to pay the depositor or his legal representative. In the submission of the Attorney General for Alberta such legislation, if intra vires Parliament, would have the effect of removing the situs of the debt from the branch bank in Alberta to the head office of the Bank of Canada in Ontario.

2. If the effect of the new section 92 is to change the situs of bank deposits the rights of individual depositors will be seriously interfered with and the rights of the Crown in the right of the Province will be prejudicially affected in respect of bona vacantia, succession duty and in addition its legislative power to enact a statute similar to the Quebec Vacant Property Act, Chapter 28 of the Statutes of Quebec 1939, will be impaired.

Rights of Individuals

3. The right of a creditor depositor is one which can be exercised in the local courts of the Province where the debtor bank operates a branch or branches:

Rex vs. Lovitt 1912 A.C. 212.

As a result of the enactment of section 92 a depositor or his legal representative will find themselves at disadvantages, more particularly:—

- (a) suit against the Bank of Canada may constitute suit against the Crown in the right of the Dominion necessitating the grant of a fiat before suit could be commenced.