

Bill No. 43 of 1950.

A BILL TO AMEND THE SALE OF GOODS ACT.

NOTE.

This Bill amends *The Sale of Goods Act*, being chapter 228 of the Revised Statutes of Alberta, 1942.

Section 26 is amended by striking out subsection (2). The law in Canada and the common law of England both provide in the case of property which is stolen and disposed of by a thief that if it is recovered it shall be returned to its original rightful owner. This law was changed in Alberta in 1948 in so far as cattle, sheep and swine are concerned by an amendment which added subsection (2) to section 26 of this Act. As a result of the amendment if a farmer had his cattle, sheep or swine stolen and sold they would not be returned when they were recovered to the farmer who was the original rightful owner in accordance with the usual law but would remain the property of the purchaser from the thief. This has rendered law enforcement more difficult because an unscrupulous buyer has no hesitation in buying from a thief as he gets good title so long as he doesn't inquire and obtain actual knowledge that the stock was stolen. If one of two innocent persons had to suffer loss by reason of the actions of the thief the effect of the 1948 amendment was to transfer the loss from the purchaser and to impose it upon the farmer who owned the stock thereby protecting the purchaser from the thief. Normally the purchaser would have the best opportunity of protecting himself against a loss of this kind by making genuine inquiries as to the identity and title of the vendor of the stock. The amendment removed the incentive to inquire as it provided that the purchaser would get good title so long as he had no actual knowledge that the property was stolen. The purchasers protected by the amendment were live stock shipping and live stock marketing organizations which are better able to stand a loss of this nature than the individual farmer because only a few losses would occur in a comparatively large number of transactions. It might also be possible for such organizations to insure against a loss of this nature whereas this is less practicable for an individual farmer. In addition to the above the amendment has been criticized as being discriminatory in that it protects live stock marketing and shipping organizations but does not extend the protection to packing plants and individual dealers who are faced with similar problems. It

would appear expedient to repeal this subsection and to return to the ordinary law applicable to all other types of property.

KENNETH A. MCKENZIE,
Acting Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 43 of 1950.

An Act to amend The Sale of Goods Act.

(Assented to _____, 1950.)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. *The Sale of Goods Act*, being chapter 228 of the Revised Statutes of Alberta, 1942, is hereby amended as to section 26 by striking out subsection (2).

2. This Act shall come into force on the day upon which it is assented to.

No. 43

FIRST SESSION
TWELFTH LEGISLATURE

14 GEORGE VI

1950

BILL

An Act to amend The Sale of
Goods Act.

Received and read the

First time

Second time

Third time

HON. MR. MAYNARD.
