

the City of Toronto in order to satisfy the judgment. This latter case was heard before Judge McGibbon of Brampton, and the judgment rendered by him is of considerable importance to all Dominion Government officials in Ontario, and will likely be followed all over Canada. Lengthy written arguments on all aspects of the question were submitted by Mr. R. A. Reid, counsel for Judge Morson, and by William Johnston and B. W. Essery, counsel for the City of Toronto.

Judge McGibbon held that no authority can be found in the British North America Act authorizing the imposition of an income tax on Dominion Government officials by or through municipalities under the authority of provincial legislation, and that under a Federal system of government such as obtains in Canada, one Government cannot tax another, nor tax the means and instrumentalities used by each, such as officials and employees engaged in maintaining and carrying on its powers and authority and the various departments of government, and executing and administering the law and other affairs of state.

He also held that the Ontario Assessment Act does not authorize the imposition of any such tax on Federal officers, but that, on the contrary, the Act impliedly exempts them from such tax, and does not apply to Canadian Government officials at all. He said the weight of judicial decision and authority is all against the contentions of the defendant, and the Privy Council decision relied upon by the City of Toronto is not applicable to the Canadian constitution.

Mr. Reid intimated at the hearing before Judge McGillivray on June 26th last, that he intended to apply to the Department of Justice at Ottawa for a reference in the form of a series of constitutional questions as to the respective powers of the Dominion and Provincial Governments in Can-

ada regarding the imposition of income taxes on the salaries of Government officials, to be prepared and submitted to the Supreme Court of Canada for answers thereto, and, if necessary, appealed to the Privy Council in England, in order to have the matters



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in dispute passed upon by these tribunals, as was done in the Companies case a short time ago. This would save all parties considerable expense, and at the same time, settle the question for all municipalities in Canada.

It has also been suggested that the Ontario Legislature should amend the Assessment Act and remove the doubt now existing as to this question by declaring all Dominion Government officials exempt from income taxes. This would be a speedy and decisive way of ending the dispute. In any event we think Judge Morson will succeed. His counsel, Mr. R. A. Reid, barrister, of Toronto, is one of the