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The Income Tax

The Question of the Right of Municipalities to Tax Salaries of Officials of the Federal Government.

The Civil Service Federation and *The Civilian* both have upon their shoulders a certain responsibility which has caused no little annoyance to their respective constituents. The most recent developments in the matter have happened in Toronto where Judge Morson, an officer of the Federal Government, has put his back against the wall and is defying Hercules to move him. The secretary of the Federation applied to the officers of the Toronto association for a statement of the facts, and this has now been received and is published hereunder.

The Civilian would be proud to reproduce the photograph of Judge Morson on this occasion, but failing the opportunity to do so is placing in this issue the photograph of the second best man in the legal contest, viz., Mr. R. A. Reid, LL.B., D.C.L., counsel for the judge in this important case. The story of the battle to date follows:

The legal battle which has been waged by Judge Morson and the City of Toronto for about three years, over the question of the right of the municipal authorities of Toronto to impose an income tax on the salaries of Canadian Government officials residing in that city, is now about to be carried into the Appeal Courts and thence to the Privy Council for final decision. The matter was up again for hearing before Judge McGillivray of Whitby on Saturday, June 26th, 1915, by way of a motion made on be-

half of Judge Morson by his counsel, Mr. R. A. Reid, to set aside a default judgment obtained by the Toronto authorities against the judge.

The income taxes over which this present dispute arises amount to \$126.98. After hearing argument by counsel for the City of Toronto and for Judge Morson, Judge McGillivray upheld the contention of Mr. Reid, namely, that the city had not taken the proper legal steps to secure the judgment and that as the matter involved a question of constitutional law of very great importance to municipal authorities all over Ontario, and would no doubt be watched with interest by all municipalities in Canada, he ordered that the judgment against Judge Morson be vacated and set aside, and the case proceed to trial in the usual way. It will probably come on for trial in September next.

As this is a matter of great interest to the Civil Service of Canada, it may be stated that in the previous action brought by Judge Morson against the City of Toronto to recover taxes paid by the judge under protest on his income which is received by him from the Dominion Government, he obtained a judgment for \$79.60, being the amount of the said taxes, and an execution against the city was placed in the hands of the bailiff for service, but the judge was promptly paid the amount of his judgment before it became necessary for the bailiff to make a seizure of the goods and chattels of