

by-laws must be reasonable—in other words, not oppressive and unreasonable; and to the argument that it was unfair, he said he thought it was quite sufficient answer that those who got the discount had contributed largely to the purchase and construction of these waterworks, to which those who were exempt from taxation had contributed nothing, and that he thought practically that what was claimed by the defendants was a discrimination in their favour.

THE EARL OF SELBORNE: It practically makes those to whom the discount is not allowed pay twice as much as anybody else for water?

Mr. Robinson: It does. You must remember this is not for the support of the government in any general sense. It is the payment for the expense of and in support of this particular matter. The waterworks have been built at the expense of several millions of dollars, contributed by the general ratepayers.

THE EARL OF SELBORNE: There seem to be two points: one, whether it was a tax; and the other, whether they could allow a discount in favour of some favoured persons.

Mr. Robinson: The question of reasonableness is said in the judgment not to arise. It is not admitted, but it is said that the question of the reasonableness or unreasonableness of what we are doing does not arise, but that, as a matter of law, we are bound to treat all people equally, both in what we charge and in what we allow by way of discount, and that the fact of their not contributing anything—by which, in point of fact, they get the water for much less than the others do—has nothing to do with the question.

THE EARL OF SELBORNE: Other city taxes ought not to be taken into account, surely, in this question about the water rate.

Mr. Robinson: Suppose, for instance, other people, not including these people who are exempt from taxation, had paid half the cost of the waterworks, it would be very reasonable to say to them: "You, having done that, shall get the water at a cheaper rate than those who have done nothing towards the cost of the waterworks." That is, in substance, the state of the case here. In the Court of Appeal it was unanimously decided in favour of the city, affirming the judgment of the trial judge. In the Supreme Court that judgment was reversed, the late Mr. Justice Patterson dissenting, and saying that he could see no reason to doubt the correctness of the judgment. The judge who delivered the judgment of the Supreme Court was Mr. Justice Gwynne. I put it on the broad ground that I have stated. It is, of course, a matter of the gravest importance, for this reason, that it necessitates the readjustment of the waterworks; that is to say, if we are to receive £10,000 or £20,000 less each year by way of revenue from the waterworks by being compelled to allow this discount, of course it must be charged *pro rata* on others; and, although this decision involves only a comparatively small amount, it does practically involve an annual sum of about \$54,000. That is, I think, all that is to be said.

LORD HOBHOUSE: What were the grounds which the Supreme Court put it upon?

Mr. Robinson: The judgment of the Supreme Court put it simply on the ground of equality; that is to say, they said: "You must charge the same price to all."