

the probability of the tax being imposed and the probable procedure of the city in case it was imposed were submitted to the city council through the kindness of Ald. Foran. A list of these questions, with the answers of the Assessment Commissioner and the City Solicitor, have already been furnished the members of the Executive and were published in the daily papers in April last.

Copies were also obtained of all papers in connection with the appeal of the Civil Service Employees of the City of St. John, N.B., from the decision of the Supreme Court of New Brunswick to the Supreme Court of Canada. Judgment has not been given in this case as yet and inquiry at the Supreme Court Chambers, on Friday last, elicited the reply that the judges were engaged in preparing their opinions and that it is expected that this decision will be one of the first to be handed down when the court resumes its sittings.

As the judgment of the Supreme Court in the St. John case will establish the liability or non-liability of employees of the Government of Canada to pay taxes on their incomes, it will, of course, determine, in a large measure, the procedure to be followed in connection with our case. Your committee is of opinion, however, that even in the event of the decision of the Supreme Court being an adverse one, the city will still be prevented from collecting this tax by reason of its agreement with the government. That this is also the opinion of the government is evidenced by the letter of the Hon. Wm. Pugsley, Minister of Public Works, addressed to the city council in June last, in which a protest was lodged against further proceedings in this direction.

The determination of the city to attempt the collection of the tax has been confirmed, however, by the distribution of notices of assessment to all civil servants not exempt under the statute.

As soon as your committee learned

of the distribution of the assessment notices, the officials of the Department of Justice were consulted. Their advice was to the effect that the Association should employ a lawyer and place the matter in his hands with a view to having an appeal taken to the Court of Revision.

At this stage an unfortunate complication was discovered. It appears that in a number of cases individuals who are exempt under the statute have been assessed. In other cases there are errors in the amounts levied, while clerical errors, of more or less importance, appear to be quite general. It was at first thought that it would be necessary to have an appeal made in each of these cases, but on consulting with Mr. Stewart, the Assessment Commissioner, who was most courteous in his dealings with the committee, it was learned that errors of this nature could be corrected, prior to the 1st of October, by the Commissioner himself. Mr. Stewart suggested that a report of all such cases be made, at once, by the parties affected, to your committee, and that the committee then take the matter up with him, he undertaking to make the necessary corrections in all cases where the contention as to errors could be established.

It was further learned that an arrangement could probably be made with the City Solicitor whereby a test case could be argued before the Board of Assessment Commissioners as to the power of the city to levy and collect the tax. Your committee was advised to consult with the City Solicitor upon this point, but deferred doing so until the question as to the employment of legal assistance was decided and further instruction from the Executive received.

In view of the foregoing your committee begs to recommend as follows:

1st. That authority be given to engage the services of a competent lawyer who shall be instructed to enter an appeal against the assessment upon