



CANADIAN REVENUE NEWSLETTER

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Number 49

Revision to Angst's New Brunswick Probate Dies

Edward Zaluski

I recently reviewed again the New Brunswick Probate stamps and have come up with the items illustrated below. In addition to the one I identified some years ago (\$100 rouletted), there are two more items (\$20 perforated and rouletted) that should be included. All three of these stamps are on white paper with PVA gum.

However, in my opinion, the Die I and Die II terminology identified in **Fritz Angst's** March 1996 article (*CRN* № 11, p. 3) should be expanded to include the type of lettering found below the Die II design, as follows:

Die I: The left end of the wide horizontal bar near the bottom of stamp does not protrude into ornamental circle. The inscription at the bottom of each stamp has squeezed letters with triangular points at each end. This inscription and its end triangular points measure 16 millimetres long.

Die IIa: The left end of the wide horizontal bar near the bottom of stamp comes to a point and protrudes into ornamental circle. The inscription at the bottom of each stamp is the same as with Die I.

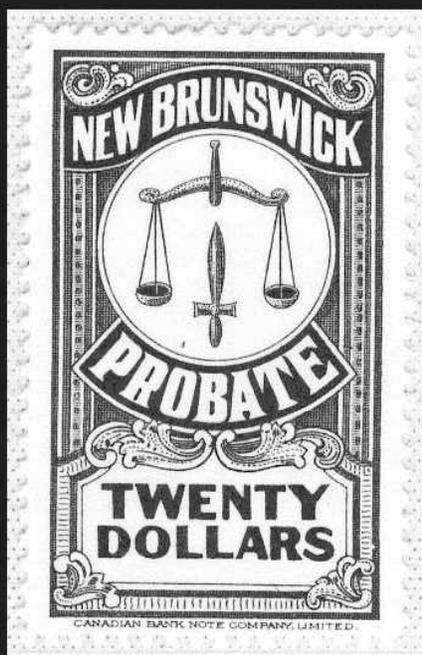
Die IIb: Same as die IIa, except that the inscription at the bottom of stamp has wide letters and is 19 millimetres long. There are no triangular points at the start or end of the inscription.

Important Notice from Edward Zaluski

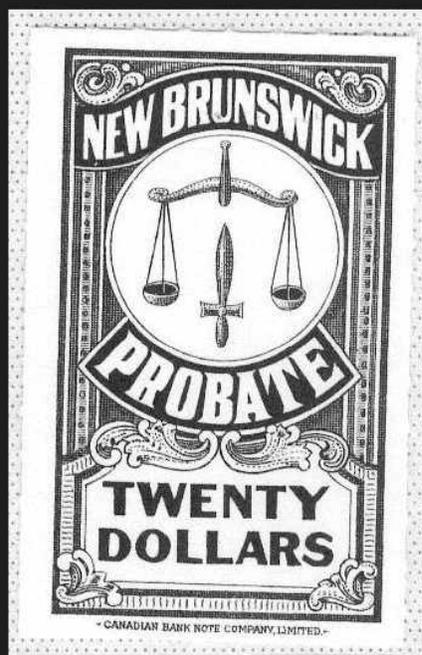
I have started a major project to update my series of Reference manuals. But this time, rather than producing hardcopy products, I intend to issue four CDs, two for the Federal Issues planned for 2008, and two for the Provincial Issues planned for 2009. There will be many graphic images to supplement the write-ups, and it is those images that will take up much of the capacity of the CDs.

I would like to inform all Revenuers of this project, and to request that they send to me their corrections of "old" information and inputs of new discoveries, beyond what has appeared in *CRN*. For those "electronically" capable, e-mail inputs would be appreciated, particularly with supporting colour pictures scanned at 300 bits per inch.

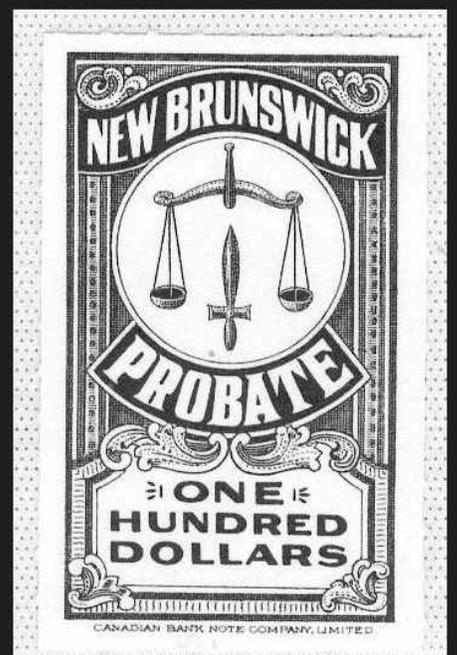
Edward Zaluski (Zaled@Auracom.com)
2696 Flannery Drive, Ottawa ON Canada, K1V 8M2



NBP19, Die IIb



NBP26, Die IIa



NBP27, Die IIb

Company Cancellations on Second Issue Bill Stamps

J. Richard Fleet

This is an illustrated listing of the company cancellations in my collection of Second Issue bill stamps. They are listed in alphabetical order by company name or surname of the proprietor. The images are not to scale.



*E. Adams & Co.
Wholesale Grocers*



*Ames, Millard & Co.
Boot & Shoe
Manufacturing.*



*R. Bell & Fred Grundy
Bankers, Agents for the
Bank of Montreal*



*Benson & Co.
Lumber Merchants*



*Adam Brown & G.H.
Gillispie, Merchants,
Barton Township*



*Edward Burstall
General Merchant*



*John Burstall
General Merchant*



*C.E. Colson & J.Lamb,
General Merchants*



*Richard R. Dobell
Timber Merchant*



*Henry Fry
Merchant &
Lloyd's Agent*



*Gault Brothers & Co.
Importers of Fancy &
Staple Dry Goods*



*Allan Gilmour
Lumber Merchant*



*James Y. Gilmour & Co
General Merchants*



*W. Hargraff & J. Urguhart
Dealers in Groceries
Crockery & Glassware*



*Alex Harvey &
John Stewart,
Wholesale Grocers*



*Kerr, Brown & Co.
Importers of Dry
Goods & Groceries*



*Lewis, Kay & Co.
Wholesale Importers of
Dry, Fancy and Staple goods*



*Lutz & Co.
Iron Founders and
Maker of Agricultural
Implements*



*Alexander Macgregor
Insurance Agent*



*John Mathewson
Soap, Candle & Oil
Manufacturer*



*Moffat, Murray & Beattie
Wholesale Drygoods
and Insurance Agents*



*Morland, Watson & Co
Wholesale Hardware
Merchants and Agents
for the Commercial
Union Assurance Co.*



*John W. Murton
General Passage and
Exchange of Uncurrent
Money & Specie*



*William Nivin & Co
General Merchant*



*William B. Phipps
Banking, Exchange,
Notary Public and
General Agent*



*Pillow, Hersey & Co.
Manufacturers of Cut
Nails, Sheet Metal and
other Iron Goods*



*William Price & Sons
Lumber Manufactur
ing and Exporting*



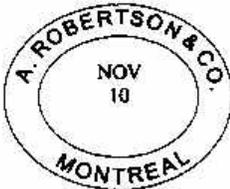
*William Evan Price
& Evan John Price
(Successors to
William Price & Sons)*



*John Redpath & Son
Stone Mason, Industrialist
& Sugar Refiner*



*Rimmer, Gunn & Co.
Commission Merchants*



Andrew Robertson & Co.
Dry Good Importers



Andrew Robertson &
Francis Stephen & Co.
Dry Good Importers



Mark J. Salmoni
Dealer in Dry Goods
& Groceries



William Sanford &
Alex McInnis
Clothing Manufs.



Charles & John Sharples
Timber Merchants



Sinclair, Jack & Co.
Wholesale Grocery



Cranson A. Stark
Commission Merchant



H.W. Welch
Agent for the Canada
Life Assurance Co.



M.I. Wilson
Timber and
General Merchant



Winning, Hill & Ware
Distillers and Manu
facturers of Cordials



David D. Young
General Merchant

CCRA is now the CRA

On December 12th, 2003, the Canada Customs and Revenue Agency (the 1999 successor to Revenue Canada) became the Canada Revenue Agency. The customs functions of the old Agency have been transferred to the new Canada Border Services Agency. — C.D.R.

Major Changes to the Tobacco Excise

Under the *Excise Act 2001*, significant alterations were made to the excise on tobacco products, effective July 1st, 2003. The most important of these changes was the elimination of the excise tax, which had been in place since 1942. The tax was replaced by a corresponding increase in the excise duty to keep the same overall level of taxation.

The Act also replaced the separate tobacco manufacturer and cigar manufacturer licences with a single 'tobacco licence'. In addition, the new, unified licence is not site-specific, as was the case under the old system. A single tobacco licence is now issued to each manufacturer to cover all operations regardless of the product or location. The posting of security for the payment of the excise duty has been retained, but annual licence fees have been eliminated.

The new tobacco licences do not permit manufacturers to warehouse tobacco products on which the excise has not been paid. Separate warehouse licences must now be obtained. In effect, manufacturers cannot produce duty-free stock unless they receive special permission from the Canada Revenue Agency. — C.D.R.

Calling all Newfoundland Revenuers

Peter de Groot, a member of BNAPS' Revenue and Newfoundland study groups, would like to get in contact with members of the Revenue group to study the periods of use, rates and usages of the Inland Revenues of Newfoundland.

If you have some information to share from documents in your collection, and/or are interested in helping to compile the survey, please contact Peter at **RR 1, Richards Landing ON P0R 1J0**; or by email at peter.degroot@sympatico.ca.

Second Issue Bill Stamps

Please check out my web site:
www3.telus.net/billstamps/

I have a selection of company cancels on the Second Issue bill stamps available for sale or trade, and I am also looking for new and unusual cancels to add to my collection. I am especially looking for a cancel of the St. Lawrence Tow-Boat Company.

Please contact me via email at:
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Payment Records Improperly Taxed as Receipts

Christopher D. Ryan

Canada's excise tax on receipts acknowledging payments of \$10 and up was in effect from January 1st, 1923, through April 15th, 1926. (See *CRN* No 46, pp. 7-10.) The document illustrated below (Figure 1) is a record of wages and other monies paid during the period of April 1st through November 1st, 1924, and contains no receipts. However, several of its pages appear to have been improperly tax-stamped as receipts.

Regulations governing the application of the receipt-tax provided that each employee signature on a payroll was individually taxable as a receipt for wages received. In place of a single 2-cent stamp for each signature, employers were given the option of affixing stamps that covered the entire amount of tax due.^[1]

Evidence for the treatment of the illustrated document as a series of payroll-type receipts is provided by the contents of the pages for which stamps were affixed. A summary of this information is given in Table 1 below. It can be inferred from a comparison of the data for the six-

day work-weeks ending April 11th, 18th, 25th, and May 2nd that two cents in tax stamps were affixed for each payment of \$10 and up. However, this analysis is dependent upon on six payments, presumably one per working day, having been made in each of these weeks for what is described as 'baskets etc.'

Yet despite the stamps, the document is not a formal payroll with employee signatures. It is a record of employees, hours worked, wages paid and other miscellaneous payments. Since it is just a record of payments, tax stamps would not have been required. Entries subsequent to May 2nd have no stamps. Perhaps the record-keeper had realized that the document was not taxable or perhaps he had just ignored the tax.

Reference Note

- [1] a- Canada, *Debates of the House of Commons*, 1923, pp. 282-283.
- b- Anonymous, *Sales Tax Pamphlet (Corrected to January 1st, 1924)*. Toronto: Canadian Manufacturers' Association, January 2nd, 1924.

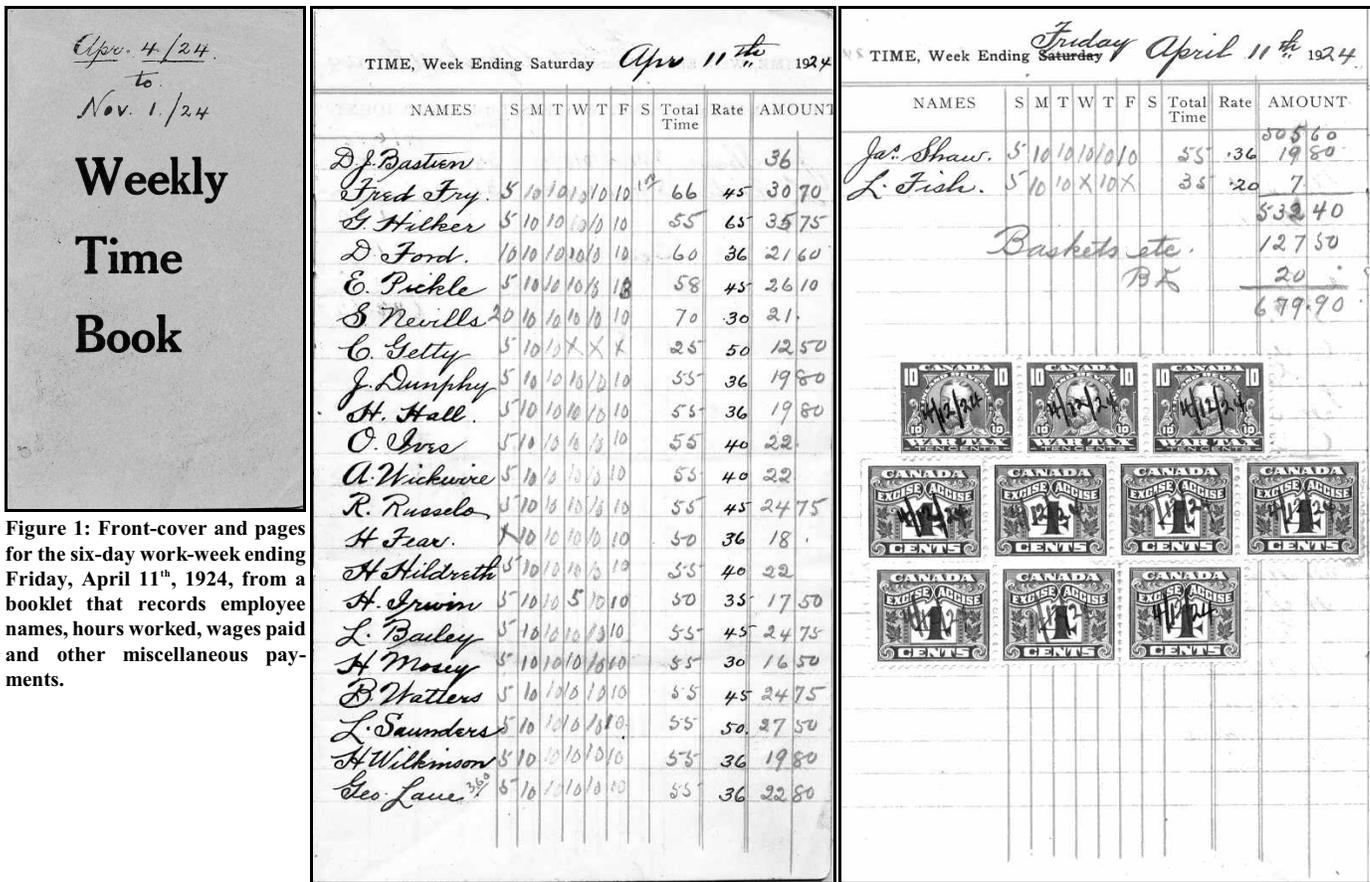


Figure 1: Front-cover and pages for the six-day work-week ending Friday, April 11th, 1924, from a booklet that records employee names, hours worked, wages paid and other miscellaneous payments.

Table 1: Extract of payments made for which tax-stamps were affixed

| Six-day work-week ending on the given Friday: | April 4 | April 11 | April 18 | April 25 | May 2 |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|
| Number of employees paid wages of \$10 or more for the week: | 22 | 22 | 21 | 22 | 22 |
| Other amounts paid during the week as specified - 'baskets etc.': - 'B.K.' or (May 2 only) 'unloading coal': | \$121.00 \$20.00 | \$127.50 \$20.00 | \$112.89 \$20.00 | \$131.38 \$20.00 | \$135.73 \$7.50 |
| Value of tax stamps affixed for the week: | \$0.60 | \$0.58 | \$0.56 | \$0.58 | \$0.56 |

Canada's Embossed Excise Tax Stamps: 1915-1953

Christopher D. Ryan



Figure 1a: June 1915



Figure 1b: July/August 1922



Figure 1c: Circa May 1932



Figure 1d: Circa April 1935

Embossed revenue stamps for the excise tax on cheques and other forms of commercial paper (CRN № 45, pp. 2-10) could be requisitioned by interested parties as of June 1st, 1915.[1] The first design (Figures 1a and 2) was inscribed 'war tax', had a value of 2-cents, and remained current through April of 1932.[2] From January of 1923 through April of 1926, this stamp was also used for the excise tax on receipts (CRN № 46, pp. 7-10).

Businesses were the principal users of the embossed war/excise stamps on cheques and drafts. However, during the early years of the tax on commercial paper, it was also common practice for banks to keep stocks of tax-embossed personal cheques for sale to their clients. This policy continued until circa-1925/27 when cheques of small amounts were exempted. As a consequence of this exemption, public demand for pre-stamped cheques ended and banks discontinued their practice of routinely stocking such items.[3]

From July/August 1922 through June 1927, the first design of embossed stamps was supplemented by a non-denominated variety (Figures 1b and 3). Unlike the fixed 2-cent value of the 'war tax' stamp, the new 'excise tax paid' stamp represented a variable amount of tax paid on commercial paper at the August 1st, 1922, tax rate of 2 cents per \$50.[4]

Use of the 2-cent embossed stamp required payment of the tax in advance. Under the 'tax-paid' system, this advance payment was not required. In its place, users of this stamp were obliged to maintain detailed records of all cheques or drafts issued and the tax due on each. Separate records were to be maintained for each bank or bank branch through which a single user issued cheques or drafts. The total combined tax due on all such accounts was to be remitted monthly to

the local office of the Revenue Department. Copies of all accounts and relevant bank statements were to be attached to the remittance.[4]

Those wanting to use the tax-paid embossed stamp were required to apply to Ottawa for a licence and furnish a security deposit of 125% of the estimated monthly tax. Each approved applicant was assigned a licence number that was then incorporated into the design of all of his stamps. If a licensee decided or was forced to surrender his licence he was required to return all unused documents bearing the tax-paid stamp to the Revenue Department.[4]

The need for the non-denominated embossed stamp ended as of July 1st, 1927, with the return to the flat 2-cent tax rate. However, documents bearing this stamp were not recalled and licensees were permitted to exhaust whatever supplies remained on hand.[5]

In May of 1932, changes in tax rates required the replacement of the 2-cent embossed stamp with 3 and 6-cent values (Figures 1c and 4).[2, 6] These new stamps were inscribed 'Excise-Accise', which had been the practice since 1923 for the adhesive excise tax stamps.

In April of 1935, the printing contract was transferred from the Canadian Banknote Company (CBN) (the 1923 successor to the Ottawa Branch of the American Bank Note Company) to the British American Bank Note Company (BABN).[7] This event required new versions of the 3 and 6-cent stamps (Figures 1d and 5). The most obvious difference between the CBN and BABN versions is two letter 'C's that appear on the BABN stamps below the maple leaves. In addition to this, the lettering on the BABN items is slightly smaller with a square 'S' at the end of 'CENTS'. The BABN stamps remained current through to the end of the of the tax on commercial paper in February of 1953. *(Text continues on page 8.)*

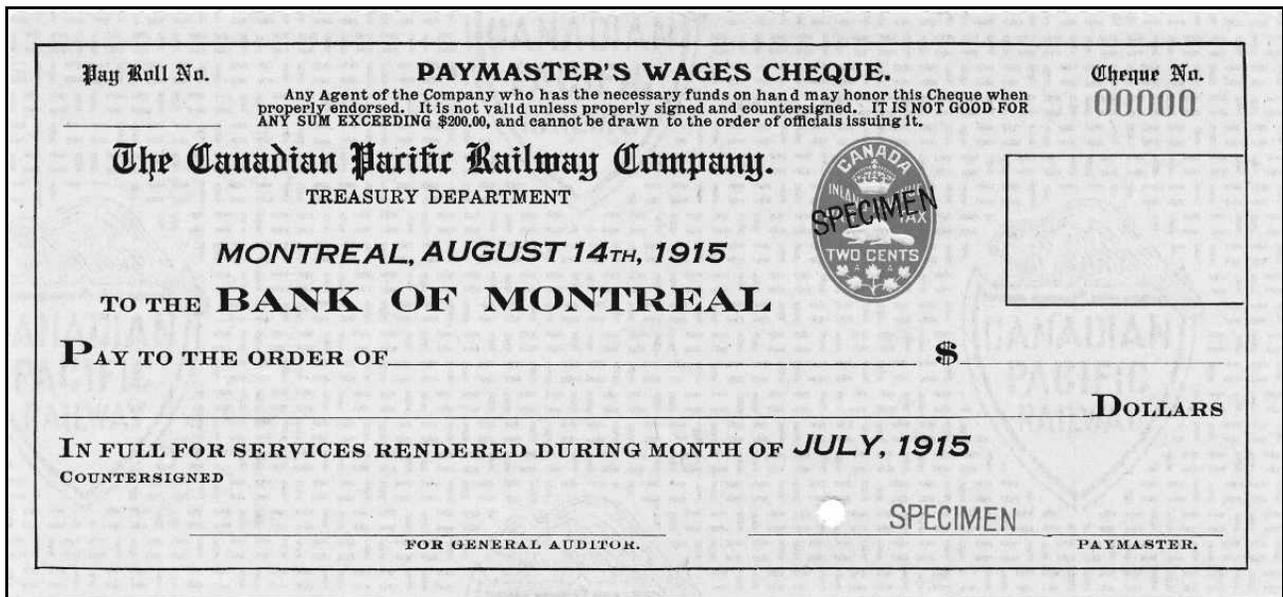


Figure 2: Specimen cheque-form showing a very early use of the 2-cent embossed 'War Tax' stamp, also marked as 'specimen'.

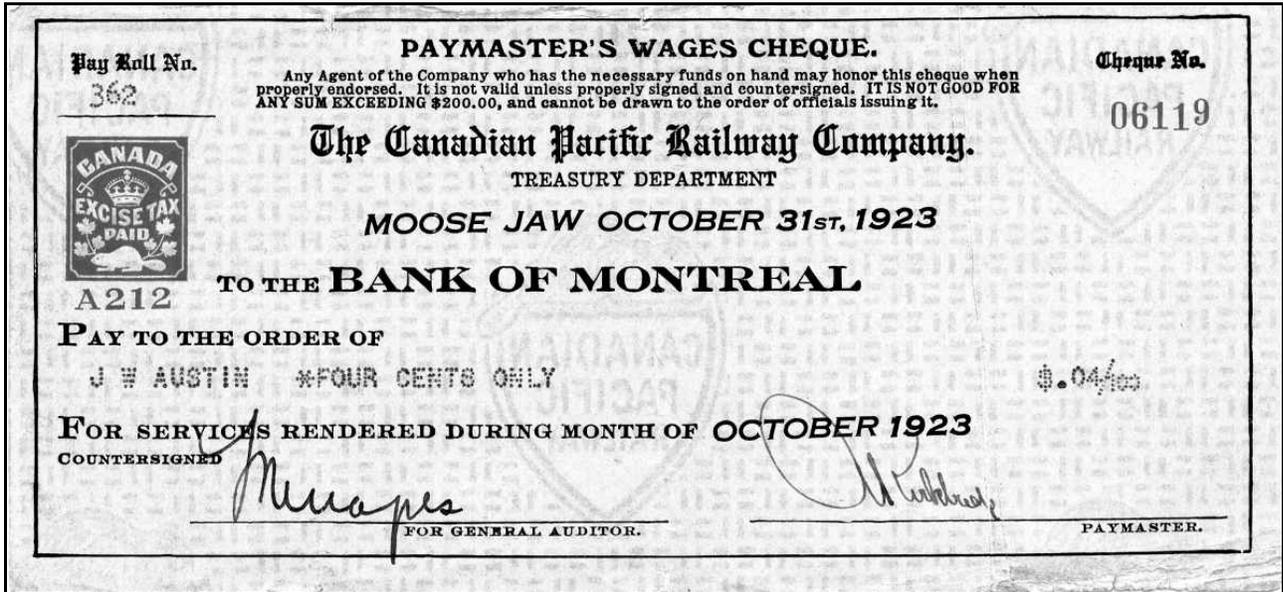


Figure 3: Cheque of October 31st, 1923, with an embossed, non-denominated 'Excise Tax Paid' stamp representing two cents in tax paid on a four-cent transaction. (!)

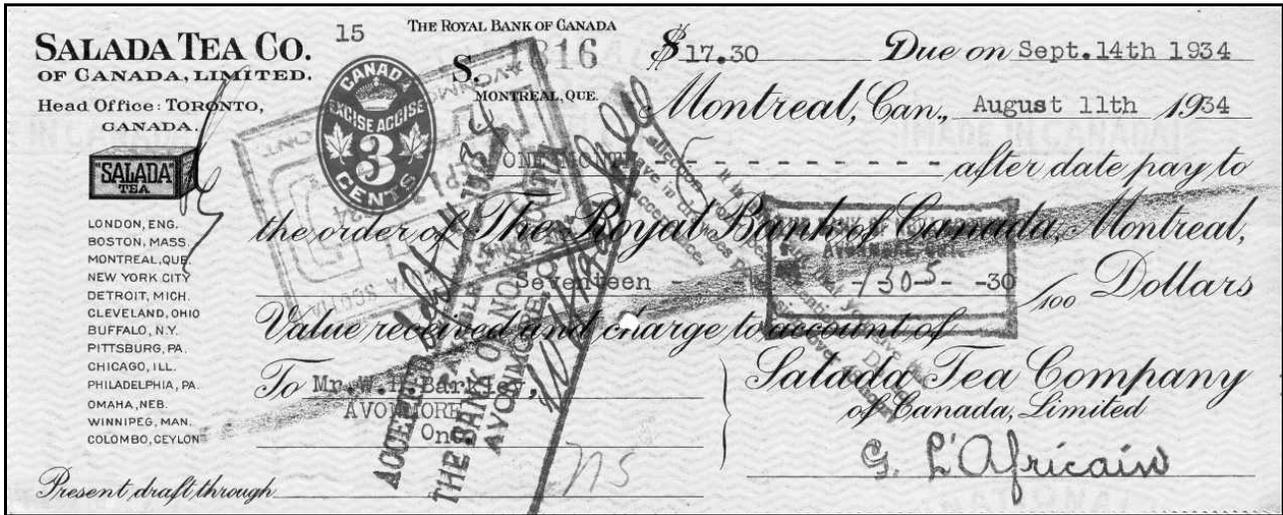


Figure 4: Time-draft of August 11th, 1934, with CBN's 1932 version of the embossed 3-cent 'Excise-Accise' stamp.

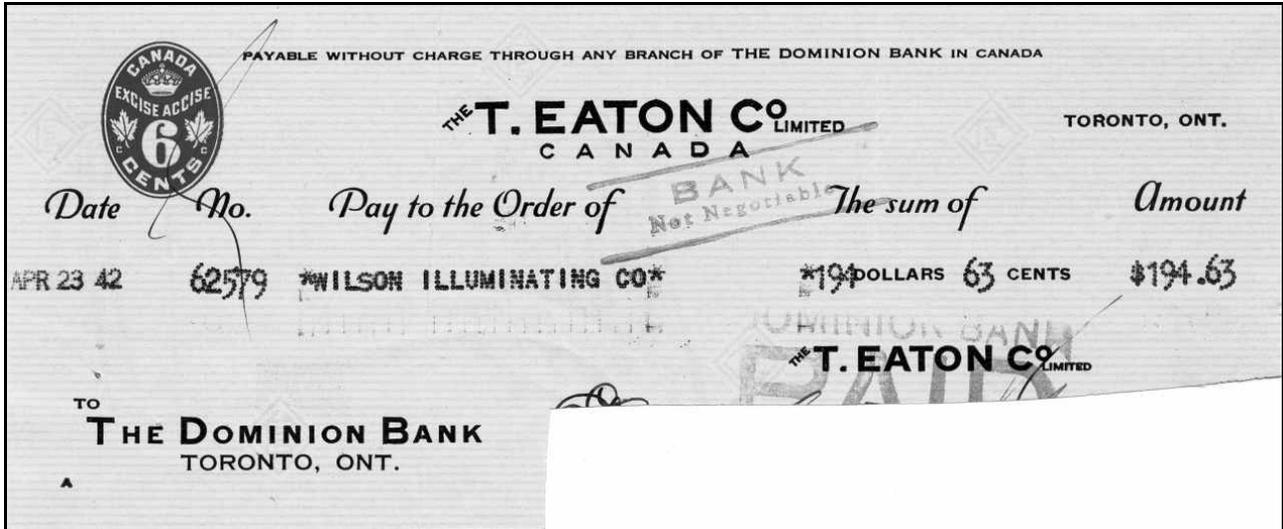


Figure 5: Cheque of April 23rd, 1942, with BABN's 1935 version of the embossed 6-cent 'Excise-Accise' stamp.

(Continued from page 6.)

The regulations governing the application of the embossed stamps varied slightly over time but generally required that the forms be in flat, printed but unfinished, sheets of four or more items. The sheets were to be unbound, unnumbered and have no adhesive, rouletting or perforations. The minimum order was one thousand of one type of stamp or form and extra forms were to be included to allow for spoilage. All orders for embossing were to be shipped by the public directly to the bank note company, who returned the stamped forms directly back. The Revenue Department did not handle either stamped or unstamped forms, except when unused items were being returned for a refund of the tax paid. Failure to meet the full requirements resulted in either extra fees being charged or the rejection of the order.

Initially, persons who ordered embossed stamps had to pay the cost of the embossing and shipping both ways in addition to the face value of the stamps. Two payments were required, one to the bank note company for the embossing, the other to the government for the stamps. Return shipments were sent collect by the bank note company. As of April 1st, 1919, the government paid the embossing costs. From June 1st, 1920, through September 30th, 1936, the government also paid the cost of shipping the forms to and from the bank note company.[1, 4d, e, 6, 8]

Beginning in or before 1919, refunds could be obtained from the Revenue Department for stamps embossed on spoiled, cancelled and other unused documents when the tax totalled \$5 or more.[8] Later, refunds were also given for stamps embossed on documents used after the February-1953 end of the tax on cheques and other forms of commercial paper.[9] It is not known if similar refunds were provided at the April-1926 end of the tax on receipts.

Reference Notes

- [1] - Burn, G., Circular Letter "R" of June 1st, 1915, Canadian Bankers Association Archives, CBA President's Letters, Volume № 1.
- [2] - Canada, *Statutes*, 1932, 22-23 Geo. V, Chapter 54.
- [3] - McLeod, J.A., Circular № 814 of June 11th, 1931; Circular № 819 of June 24th, 1931, Scotiabank Group Archives, Chief General Manager's Circulars and Letters, Book № 21.
- [4] a- Anonymous, *Excise Tax Pamphlet*. Toronto: Canadian Manufacturers' Association, June 30th, 1922.
b- Canada, *Debates of the House of Commons*, 1922, pp. 3258-3261.
c- Canada, *Statutes*, 1922, 12-13 Geo. V, Chapter 47.
d- Farrow, R.R., Customs & Excise Circular № 194C, Supplement "A", of August 23rd, 1922, National Archives of Canada, Records of the Department of National Revenue, RG 16, Vol. 1057, File *Circulars 50C to 243C*.
e- Taylor, G.W., Customs & Excise Circular № 194C of July 7th, 1922, National Archives, Records of the Department of Finance, RG 19, Vol. 445, File *111-3-26 to 60*.
- [5] - Anonymous, *Sales Tax Pamphlet*. Toronto: Canadian Manufacturers' Association, June 1st, 1927.
- [6] - *National Revenue Review*, June 1932, Vol. 5, № 9, p. 16.
- [7] - Contract of March 27th, 1935, between the Government of Canada and the British American Bank Note Company, National Archives, RG 19, Vol. 555, File 150-5 (1934).
- [8] a- Farrow, R.R., Customs & Excise Circular № 197C of July 25th, 1922, National Archives, RG 19, Vol. 445, File *111-3-26 to 60*.
b- Machado, J.A., Letter of February 11th, 1919, National Archives, RG 19, Vol. 445, File *111-3-20*.
c- *National Revenue Review*, November 1936, Vol. 10, № 2, pp. 14-15.
d- Taylor, G.W., Customs & Inland Revenue Circular G 5 of February 5th, 1919, National Archives, RG 16, Vol. 1057, File *Excise Circulars G 1 to G 49*. (Can also be found in RG 19, Vol. 445, File *111-3-20*.)
e- Taylor, G.W., Letter of February 24th, 1920, National Archives, RG 19, Vol. 445, File *111-3-20*.
f- Taylor, G.W., Letter of March 29th, 1920, National Archives, RG 19, Vol. 445, File *111-3-20*.
g- Taylor, G.W., Letter of May 14th, 1920, National Archives, RG 19, Vol. 445, File *111-3-1*.
h- Taylor, G.W., Customs & Inland Revenue Circular G 22 of May 14th, 1920, Customs & Excise Library, Connaught Building, Ottawa. (A draft of the circular is in National Archives, RG 19, Vol. 445, File *111-3-1*.)

- i- Taylor, G.W., Customs & Inland Revenue Circular G 24 of June 19th, 1920, National Archives, RG 16, Vol. 1057, File *Excise Circulars G 1 to G 49*.
j- Taylor, G.W., Customs & Inland Revenue Circular G 26 of July 1920, National Archives, RG 19, Vol. 445, File *111-3-1*.
k- Taylor, G.W., Customs & Inland Revenue Circular G 29 of July 26th, 1920, National Archives, RG 16, Vol. 1057, File *Excise Circulars G 1 to G 49*.
l- Sim, D., National Revenue Circular № 718C (Second Revision) of May 8th, 1937, *Statutory Orders and Regulation, Consolidation 1949*, pp. 1224-1226.
m- Sim, D., National Revenue Circular № 718C (Third Revision) of June 6th, 1950, *Canada Gazette, Part II*, 1950, Vol. 84, pp. 903-905.
[9] - Robson, H.L., Canadian Bankers Association Circular № 419E of February 23rd, 1953, Scotiabank Group Archives, Secretary's Department fonds, CBA Subject files series.

MEMBERSHIP NOTES

New Members:

- ✉ Peter de Groot, Richards Landing, Ontario
- ✉ Peter MacKenzie, Niagara Falls, Ontario

Mail returned as undeliverable, current address unknown:

- ✉ Sid Bedwell, Salmon Arm, British Columbia

Resigned:

- ✉ Brock Covington, Glen Echo, Maryland
- ✉ Allen Hopkinson, San Jose, California
- ✉ Marshall Lipton, Kingston, New York
- ✉ Larry Paige, Chesapeake, Virginia

Deceased:

- ✉ Kasimir Bileski, Winnipeg, Manitoba
- ✉ Jim Hennok, Toronto, Ontario
- ✉ J. Don Wilson, St-John's, Newfoundland

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