



# CANADIAN REVENUE NEWSLETTER

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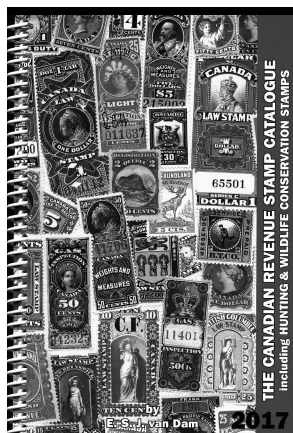
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Number 92

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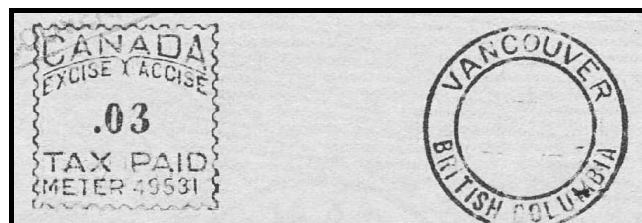
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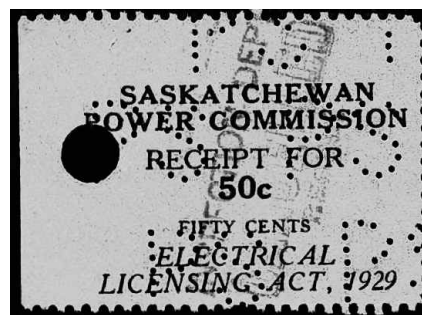
## New Variety of Excise Tax Meter

A classification system for the Excise Tax meters appeared in *CRVN* 29 of January 2000. In reviewing the meters in my collection, I have found meter 49531 used by General Western Supply, Vancouver BC, shows a "townmark" to the right of the impression, making it different from the Types 4A and 4B given in the system. Type 4A has only the square stamp impression, while Type 4B has the stamp impression and a date (e.g., JUL 29'49) on its left. — **Dave Hannay**



## Triple Perfin on the 50-cent Saskatchewan Electrical Inspection

Dave Hannay



The first Saskatchewan provincial electrical inspection stamps were provisionals appearing in 1929. Initially, the stamps were purchased by electrical contractors and affixed to their installation applications and notices to pay fees for the inspection of their work under the Canadian Electrical Code. Later, inspection fees were collected only by cheque, money order or cash, and the stamps were affixed at the Power Commission office as an accounting tool.

The three denominations of the provisional stamps (25¢, 50¢ and \$1) were typographed in black on coloured paper by a commercial printer in Regina and then perforated with the initials 'PS PS' (i.e. Province of Saskatchewan) in a horizontal pattern before being issued. Stamps occasionally are found with the perforated pattern shifted producing incomplete patterns, and rarely with a missing pattern or a doubled pattern (i.e. 'PS PS' applied twice), the latter two varieties commanding a premium price from dealers.

This is the first reported provisional found with a triple pattern. It is on SE7, the blue 50-cent inspection provisional, having a purple 3-line handstamp cancel reading "INSPECTION DEPT. / CANCELLED / REGINA". Collectors having stamps with tripled patterns on either of the two other values are encouraged to report them to the editor.

## Newfoundland's Stamp Duty on Postal Money Orders, 1914-1915

Christopher D. Ryan

Effective October 1<sup>st</sup>, 1914, Newfoundland imposed stamp duties on certain types of documents. The statute stated as follows:

Cheques on a Banker ... 2 cents  
Promissory Notes ... 2 cents  
Bills of Lading and Shipping Receipts ... 2 cents  
Bills of Exchange for every \$100 or part thereof ... 5 cents  
Charter Parties ... \$1.00 [1]

The statute did not name Express Company and Post Office money orders as taxable, but it is evident that they were included by an official interpretation of the act. In April of 1915 the Colonial Secretary commented as follows during a discussion of the Stamp Act in the House of Assembly:

The Express Orders of the Reid Newfoundland Co. require [a] 2¢ stamp as cheques. A Postal Order is considered a Bill of Exchange and therefore is subject to a 5¢ tax. ... [2]

However, contrary to the above statement, in law postal money orders were NOT bills of exchange, and likewise express money orders were NOT cheques. Bills of exchange, of which cheques are a special class, were (and continue to be) negotiable paper in law and as such given certain legal protection. Postal and express money orders were not negotiable paper and therefore did not benefit from the same legal protection [3]. In practice, these money orders served the same function as a cheque or bill of exchange – the payment of a sum of money – but that did not make them either cheques or bills in law. It is thus likely that the Newfoundland ruling that made the postal and express money orders taxable would not have withstood a court challenge had one been made. In comparison to the Newfoundland situation, Canada's Special War Revenue Act of 1915 levied a stamp tax specifically on postal and express money orders by name, in addition to its tax on cheques and bills.

On Friday, April 23<sup>rd</sup>, 1915, the Minister of Finance and Customs introduced resolutions in the House of Assembly that, amongst other provisions, would have amended the Stamp Act to place a specific stamp duty of two cents on postal money orders. This was being done to equalise the rates for postal and express orders. Following a lengthy discussion in the Committee of the Whole, no vote was taken on the resolutions [4].

The resolutions reappeared in the House on May 6<sup>th</sup> at which point they had been amended to exempt postal money orders from the stamp tax in place of a reduced duty. The Minister noted that the change had been made "on account of information received from the committee." The resolutions were approved by a vote of 22 to 10 and then formed into a formal bill that was given first reading [5]. Second and third readings occurred in the House, followed by the approval of the Legislative Council, and finally the June 5<sup>th</sup>, 1915, signature of the Governor [6].

### References

- [1] - Newfoundland, *Acts of the General Assembly* (Statutes), 1914 second session, 5 Geo. V, Chapter 10.
- [2] - Newfoundland, *Proceedings of the House of Assembly*, 3<sup>rd</sup> Session of the 23<sup>rd</sup> General Assembly, 1915, p. 264.
- [3] a- Anger, W.H. & H.D. Anger. *Digest of the Mercantile Law of Canada and Newfoundland*, Eleventh Edition. Toronto: W.H. Anger, Law Book Publisher, 1920, Chapter V, p. 78.  
b- Bank of Nova Scotia, *Rules and Regulations*, 1917, Sec. 5, Rule 78; *Manual of Rules and Regulations*, 1927, Sec. 3, Sub-sec. 4, Para. 14; Sec. 5, Sub-sec. 11, Para. 1 & 2. Scotiabank Group Archives, Toronto, Ontario.  
c- Falconbridge, J.D. *The Canadian Law of Banks and Banking*, Second Edition. Toronto: Canada Law Book Company Ltd., 1913, pp. 413-420.

## Where is this Composite Die Proof of Edward VII Inland Revenue Stamps?

John M. Walsh

While rummaging through images of Newfoundland revenue stamps, I came upon this intriguing delight: A composite die proof in brown, numbered 317 at top, of the 25¢, \$1, \$50, and \$100 values from the King Edward VII series of Inland Revenue stamps. It was found in the Pratt digital files that the Collectors Club of Chicago had created from the 35 mm slide images that were taken by Pratt of his stamp collection.

Possibly someone knows where this is hiding? Hopefully it is not lost but just residing in a collector's album. It would be nice to know if it still exists. It has now found a listing in the *Newfoundland Specialized Stamp Catalogue*.

I can be contacted at [nsscatt@nf.sympati.co.ca](mailto:nsscatt@nf.sympati.co.ca)



(Courtesy of the Collectors Club of Chicago)

- [3] d- Ryan, C.D., "Canada's Excise Tax on Cheques and other Types of Commercial Paper, 1915-1953," *CRN*, June 2004, N° 45, pp. 2-12.
- [4] a- Newfoundland, *Proceedings of the House of Assembly*, 1915, pp. 256, 263-267.  
b- "At The House," *The Evening Telegram* (St. John's, Nfld.), Apr 24<sup>th</sup>, 1915, p. 8.
- [5] a- Newfoundland, *Proceedings of the House of Assembly*, 1915, pp. 486-491.  
b- "Three Opposition Members Cast Votes with Government on the Stamp Bill," *The St. John's Daily Star* (Nfld.), May 7<sup>th</sup>, 1915, p. 1; "Interesting Situation over the Stamp Bill," p. 4.
- [6] a- Newfoundland, *Acts of the General Assembly* (Statutes), 1915, 6 Geo. V, Chapter 25.  
b- Newfoundland, *Proceedings of the House of Assembly*, 1915, pp. 500, 537, 545, 615.

## Newfoundland Postal Money Order with Tax Stamp

Illustrated here, courtesy of **John Jamieson**, is a Newfoundland postal money order of March 6<sup>th</sup>, 1915, to which is affixed a five-cent Money Order Tax stamp cancelled by a bright red smudge. These orders were taxed incorrectly as bills of exchange during the 1914-15 period.

A bill of exchange is an unconditional order in writing (e.g., "Pay to the Order of Jane Doe . . ." or "Pay to John Doe, or Bearer . . .") from one person or organisation to another requiring the payment of a specific sum of money on demand, or at a specific future time, to or to the order of a specific person or organisation, or to its bearer. Under Newfoundland (and Canadian) law, bills that did not use the word "order" in their instructions to pay and gave no prohibition on transfer (e.g., "Pay to John Doe the sum of . . .") were treated as also payable to the order of the payee.

As negotiable paper, a bill of exchange was given certain legal protections and could be transferred under those protections to a new payee by the written endorsement or "order" of the existing payee. Items payable to "bearer" did not require an endorsement. *(Continues at lower right.)*

The receipt on the other side must be signed in the manner here described.

Whoever presents the order for payment, whether the rightful owner or otherwise, must give full information as to the Christian Name, Surname and Address of the party who originally obtained it, unless such party be a firm when the name of the firm, together with its address, will suffice.

*The only exception to this rule is:*

When an order is presented through a Bank of the Town upon which it is drawn, in which case it will suffice that the Order being properly signed, be also crossed with the Banker's name.

These instructions are intended to secure, as far as practicable, that payment be made to the rightful party; and Postmasters have been instructed to enforce them, so far as a due regard to the public convenience will permit.

As however, **AFTER ONCE PAYING A MONEY ORDER BY WHOMSOEVER PRESENTED, THE DEPARTMENT WILL NOT BE LIABLE TO ANY FURTHER CLAIM**, the public is strictly cautioned—

1st—To take all means to prevent the loss of the Money Order.

2nd—To be careful, on taking out a Money Order, to state correctly the Christian Name, as well as the Surname, of the person in whose favour it is drawn.

3rd—To see that the Name and Address of the person taking out the Money Order are correctly known to the person in whose favour it is drawn.

Neglect of these instructions will risk the loss of the money, besides leading to delay and trouble in obtaining payment.

### English version of bilingual instructions on back of Money Order

|  |  |                        |  |                                 |  |
|--|--|------------------------|--|---------------------------------|--|
| MONEY ORDER  |  | NEWFOUNDLAND           |  | MANDAT L'ARGENT                 |  |
| St. John's   |  | 1868                   |  | DATE March 6 <sup>th</sup> 1915 |  |
| Stamp of Issuing Office  | Name of Newfoundland Exchange Office if Order is drawn upon the United States. |                        | *  |                                 |  |
|  | Bureau d'Exchange a Terre Neuve si le payeur est un résident des Etats-Unis    |                        |  |                                 |  |
|  |  | Amount—(Montant)       |  |                                 |  |
|  |  | \$                     |  | cts                             |  |
|  |  | —                      |  | 15                              |  |
| PAY to the person mentioned in Advice—(PAYEZ a la personne mentionnée dans l'avis)   |  |                        |  |                                 |  |
| Dollars Fifteen Cents  |  |                        |  |                                 |  |
| Postmaster—(Maître de Poste)   |  | Stamp of Paying Office |  |                                 |  |
| To the Post Office at (Au Bureau de Poste à)   |  |                        |  |                                 |  |
| RECEIVED the amount of the above order (Reçu le montant du mandat ci-dessus)   |  |                        |  |                                 |  |
| Signature  |  |                        |  |                                 |  |
| A Money Order payable in Canada or the United States will be paid according to the Regulations of the Departments in either country. |  |                        | Le paiement d'un mandat tiré sur un bureau au Canada ou aux Etats-Unis, sera fait d'après les règlements des Départements de chacun de ces pays.               |                                 |  |
| After once paying a Money Order, by whomsoever presented, the Post Office will not be liable for any further claim.                  |  |                        | Une fois qu'un mandat d'argent a été payé, qu'il ait été présenté par qui que ce soit, l'Administration Postale ne sera tenue à aucune réclamation ultérieure. |                                 |  |
| The Order is payable only if presented within twelve months from the date of its issue.  |  |                        | Le mandat est payable pendant douze mois à partir du versement des fonds.  |                                 |  |



Detail of Money Order Tax Stamp

This postal money order is not a bill of exchange as its form and treatment do not conform to that of an "unconditional order" that was negotiable in law. The variant characteristics include the following:

- 1- The payee was not named in the order, as such it was not transferable by written endorsement.
- 2- Payment required the reception at the paying office of a separate "advice" of the order in which the payee and purchaser were identified.
- 3- Payment required the payee provide the paying office with the name and address of the purchaser of the order. Under the one exception to this rule, where the signed order was presented on behalf of the payee by a bank and "crossed" with its name, it remained not negotiable as the money could then only be paid through the bank account of the payee.
- 4- Payment required the signing of a receipt by the payee.
- 5- If the order was paid to the wrong person, the Post Office Department was not liable to claims by the purchaser or the true payee.

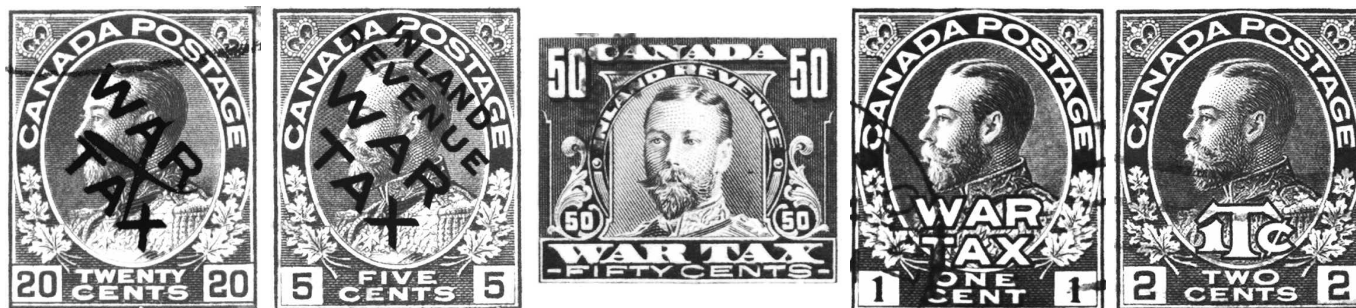
— Christopher D. Ryan

### References

- Newfoundland, *Consolidated Statutes*, Second Series, 1892, Chap. 93, Part II; Third Series, 1916, Chap. 185, Part II.
- Anger, W.H. & H.D. Anger. *Digest of the Mercantile Laws of Canada and Newfoundland*, Ninth Edition. Toronto: W.H. Anger, Law Book Publisher, 1915, pp. 77-78.

# Canada's Inland Revenue and Postal War Tax Stamps did not Finance its War Expenditures during the First World War

Christopher D. Ryan



Canada's postal war tax stamps of 1915-1918 are neither revenue nor semi-postal stamps; they are postage stamps. The so-called "war tax" on postal matter was a "tax" in its name only. In practice, it was simply an increase in the postage rates cloaked in a patriotic guise. There was no separate accounting for the money raised by the "postal war tax." All of the funds went into general postal revenue and financed the operations of the Post Office. The money from the "postal war tax" did not finance the war effort of 1914-1918.

Similarly, the funds raised by the Inland Revenue "war taxes" did not finance the war effort. In 1915, these taxes included levies on banks, trust and loan companies, insurance companies, railway and steamship tickets, telegrams, cheques, wine, etc., only some of which were paid by stamps. Their purpose was to replace Customs revenue lost as a result of the wartime reduction in international trade.

Unlike the Second World War where a "pay-as-you-go" policy was followed as much as possible, Canada's philosophy during the First World War of 1914-1918 was to finance its military expenditures by borrowing, and, to a lesser extent, by expanding its money supply. At the time, federal government revenues came primarily from customs and excise duties and the Minister of Finance, W. Thomas White, was opposed to significant new taxation to pay for the War. His reasons included the lack of the organizational infrastructure required for the large-scale introduction of direct taxes, the intrusion into fields already being taxed provincially, the opinion that high taxes would suppress economic activity, and a belief that the cost of the conflict should be shared with future generations.

In 1915, Minister White kept the new taxes "to the minimum amount regarded by the Government as necessary", and claimed to have targeted them "at those members of the community who are best able to sustain it". Relative to the amounts spent on the War, the amounts raised by the various Inland Revenue "war taxes" during 1915-1920 were small, and were consumed by regular expenditures. Even near the end of the conflict when the Income Tax and additional "war excise taxes" were introduced, the amounts raised went entirely towards regular expenditures as well as interest and charges on the immense war debt (see Tables 1 and 2).

At the 1915 introduction of the "war taxes", objections to their title were made both in and out of the House of Commons, a title that the Government defended.

## • The Opposition (J.G. Turriff):

The Minister of Finance tells the House and the country that a part of this taxation that he proposes to put on is a war tax – that it is a tax to help out the war. I say this Government is deliberately making an attempt to get money from the people under false pretences. Not a dollar of what the minister

proposes to raise by direct taxation or by the increased tariff duties is for the purposes of the war. I give the Minister of Finance and the members of the Government generally credit for this – that they have made the people of Canada to a certain extent believe that this money is for the war. But I can tell them that, when the people of Canada realize that there is not a word of truth in the representations that they have made on this subject, when they realize that the Minister of Finance is borrowing all the money for the war and that all he has collected by taxation is to enable the Government to continue its course of reckless extravagance, the Government will not last five minutes after that question has been fairly submitted to a vote of the people.

It takes a good deal of work, a good deal of explanation by the newspapers and public men to get the facts home to the people. But they will learn it. They will learn that the increased taxation is raising the cost of living, and God knows it was high enough. But it is going to be higher because this Government taxes practically everything the poor man eats or wears. The people will understand that before long, because each man will feel it in his pocket. Every time a postcard is mailed there is a special tax of one cent – the cost is doubled. Every time a letter is mailed, a stamp printed "war tax" must be put on at the cost of an additional cent. I wonder at the Government having the nerve to call this a war tax when they know it is nothing of the kind. (*Debates*, 1915, pp. 420-421.)

## • The Government (A.C. Macdonell):

My hon. friend denies that this is a war tax, but I submit that this a war tax, if there ever was one. They are made necessary by the war, whether the proceeds are used to buy guns and war material or to make good revenue deficits caused by dislocation of trade and consequent loss of revenue. The war has closed off borrowing by Canadian corporations, thereby diminishing imports.

The new taxes will pay interest on war loans, pensions, and part of capital expenditure. The interest on the \$50,000,000 to be borrowed this year and the \$100,000,000 to be borrowed next year will amount to nearly \$7,500,000 annually. This the new taxes will have to provide for, together with interest on additional borrowings during the war. It must also provide for a pension list amounting to about \$4,000,000 or \$5,000,000 a year. If there were no war the Government could borrow money in the London market under the usual conditions, but, as I have attempted to show, the war makes that impossible.

(*Debates*, 1915, pp. 372-373.)

(Text continues at the bottom of next page.)

**Table 1: Federal “War Tax” and Total Revenue, Fiscal Years 1916 through 1920 (millions CDN\$)**

| <b>Fiscal Year ended 31 March</b>  | <b>1916</b>        | <b>1917</b>                                 | <b>1918</b>                                 | <b>1919</b>                                    | <b>1920</b>          |
|--|--------------------|---|---|--|----------------------|
| Inland Revenue War Tax Stamps<br>Sold by Collectors of Inland Revenue –<br>Amount and Percent of Total Revenue | \$0.755<br>(0.44%) | \$0.900<br>(0.39%)                          | \$1.034<br>(0.40%)                          | \$2.813 †<br>(0.90%)                           | \$4.133 †<br>(1.18%) |
| Other War Taxes ‡ of 1915 and 1918 collected<br>by the Inland Revenue Dept. and the Finance Dept.              | \$2.837            | \$2.901<br>(includes<br>embossed<br>stamps) | \$3.088<br>(includes<br>embossed<br>stamps) | \$11.072 †<br>(includes<br>embossed<br>stamps) | \$13.118             |
| Embossed Stamps on Cheques, Drafts, etc.   | \$0.028 ¶          |   |   |  | \$0.439 ¶            |
| Business Profits Tax of 1916   | —                  | \$12.5                                      | \$21.3                                      | \$33.0   | \$44.1               |
| Income Tax of 1917   | —                  | —   | —   | \$9.35 §                                       | \$20.3               |
| <b>Total Revenue from All Taxes and Fees,<br/>Including Post Office Revenue</b>                                | <b>\$172.1</b>     | <b>\$232.7</b>                              | <b>\$260.8</b>                              | <b>\$312.9</b>                                 | <b>\$349.7</b>       |

(Sources: Canada, *Auditor General’s Reports* and *Inland Revenue Reports*, as published in *Sessional Papers*.)

† On 1 May 1918, stamp taxes were imposed on matches and playing cards. The new tax on matches comprised 54.6% of the total amount of stamp taxes collected in the fiscal year ended 31 March 1919. In addition, non-stamp war taxes were levied on tea, jewellery, automobiles, and other goods. In 1918-19, the new tax on automobiles comprised 34.2% of the total amount collected under the heading of “other war taxes.”

‡ These figures do not include the additional Customs Duty of 5% or 7½%, which is buried in Customs revenue. The Finance Dept. collected the taxes on banks, insurance, trust and loan companies, as well as on incomes and profits.

¶ The tax represented by the embossed stamps was paid to the central Inland Revenue office in Ottawa.

§ Collected in the Fiscal Year 1918-19 for the Taxation Year 1917.

**Table 2: Federal Receipts (+) and Payments (–), Fiscal Years 1916 through 1920 (millions CDN\$)**

| <b>Fiscal Year ended 31 March</b>                                       | <b>1916</b>     | <b>1917</b>     | <b>1918</b>     | <b>1919</b>     | <b>1920</b>     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Revenue from All Taxes and Fees,<br>Including Post Office Revenue | +\$172.1        | +\$232.7        | +\$260.8        | +\$312.9        | +\$349.7        |
| <b>Money Borrowed Net</b>   | <b>+\$225.9</b> | <b>+\$433.2</b> | <b>+\$424.2</b> | <b>+\$774.0</b> | <b>+\$624.2</b> |
| General Expenditures – Ordinary, Capital and Misc.                      | –\$146.4        | –\$138.7        | –\$170.6        | –\$178.9        | –\$266.5        |
| Interest & Other Charges on the Public Debt †                           | –\$25.3         | –\$51.1         | –\$58.8         | –\$78.7         | –\$126.9        |
| Investments Bought for Sinking Fund                                     | –\$1.77         | –\$1.47         | –\$3.18         | –\$1.45         | –\$3.67         |
| Other Investments Net   | +\$1.78         | –\$38.6         | –\$90.2         | –\$71.7         | –\$177.9        |
| Savings Banks Net   | –\$0.473        | +\$2.69         | –\$2.86         | –\$0.303        | –\$10.7         |
| Dominion Notes Net  | +\$20.9         | +\$5.31         | +\$67.5         | +\$38.5         | +\$22.7         |
| Trust Funds Net   | –\$0.193        | +\$0.463        | +\$0.841        | +\$0.646        | +\$1.67         |
| Miscellaneous Accounts and Funds Net                                    | –\$34.0         | –\$122.6        | +\$39.5         | –\$371.6 ‡      | –\$60.0         |
| Cash Accounts – Canada, London, New York Net                            | –\$19.9         | –\$17.9         | –\$121.5        | +\$16.3         | –\$23.1         |
| Specie Reserve Net  | –\$26.4         | +\$2.46         | –\$1.59         | –\$1.81         | +\$17.2         |
| Refund of Management Charges on Loan Account                            | —               | —               | —               | +\$7.48         | —               |
| <b>War Expenditures</b>   | <b>–\$166.2</b> | <b>–\$306.5</b> | <b>–\$343.8</b> | <b>–\$446.5</b> | <b>–\$346.6</b> |

(Source: Canada, “Statements of Receipts and Payments,” *Public Accounts*, as published in *Sessional Papers*. The format of the *Public Accounts* was significantly altered in 1920. For that year, the statements and schedules of the “Expenditure and Revenue Account” and the “Condensed Cash Statement” were used.)

† Interest, management charges, premiums, discounts, exchange.

‡ This unusually large amount was due to \$385.8 million paid to the Imperial Government (UK) and \$61.9 million received therefrom for unspecified purposes.

(Text continued from page 4.)

- The Government (W.T. White):

The reason why we are calling this a war tax is this: the country is at war; revenues are diminished, and we are required to find money to meet, in addition to the ordinary expenditure required to carry on the affairs of the country, the interest upon the debt which we shall incur in borrowing for the purposes of our participation in the war. In addition to that there will be pension charges upon the Government.

But, putting this all aside, I desire to say now, without the slightest intention of stirring up any discussion in the matter, that even if not a dollar of the money would go for the specific purposes of the war – that is to say, be ear-marked and specifically applied to some purpose immediately connected with the war – the tax would still be purely a war tax, because the only reason for its imposition is that the country is at war and that the normal revenues are not sufficient to meet the abnormal strain which is upon us.

(*Debates*, 1915, pp. 1206-1207)

(Text continues at bottom of next page.)

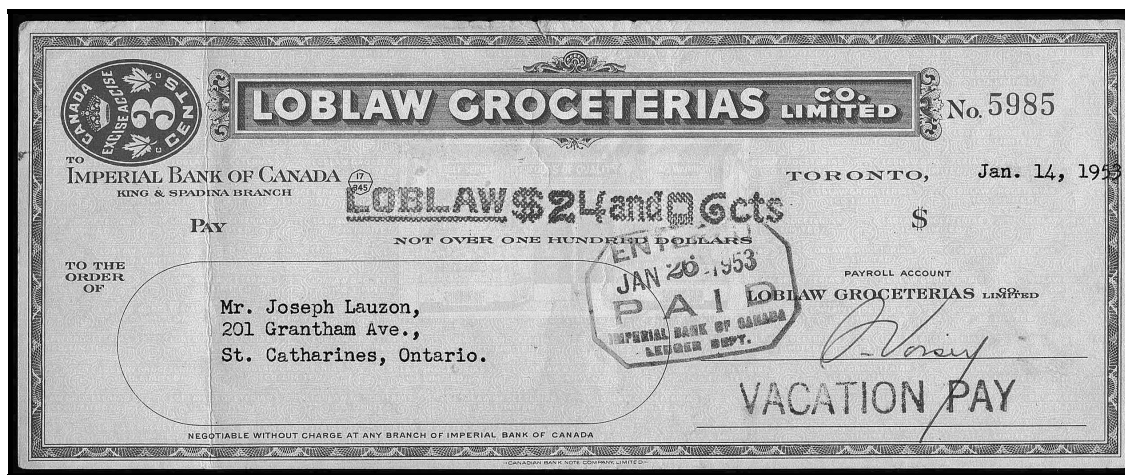


## Embossed War and Excise Tax Stamps in Horizontal Orientation

Dave Hannay

Illustrated here are examples of embossed war and excise tax imprints on complete cheques showing impressions rotated 90 degrees left of their usual vertical orientation. These are listed for the first time in the 2017 edition of *The Canadian Revenue Stamp Catalogue* by E.S.J. van Dam as FCH1b and FCH5b.

The 2-cent FCH1b is on a cheque prepared for the convenience of clients of the Bank of Nova Scotia and was used in 1921. The 3-cent FCH5b is on a cheque drawn by Loblaw Groceterias Co., Ltd., Toronto, on the Imperial Bank of Canada. Dated "Jan. 14, 1953," it is a late usage as the tax on cheques was repealed as of February 20<sup>th</sup>, 1953.



(Text continued from page 5.)

This dispute over the title of the taxes was discussed by Oscar D. Skelton of Queen's University as part of a July 1915 essay:

There has been much discussion in party newspapers as to whether these new taxes are properly termed 'war taxes.' If by war taxes we mean taxes imposed during war, or taxes made necessary, in whole or in part, by the effect of war on revenue, the new Canadian taxes are certainly war taxes, just as are the stamp taxes recently adopted in the United States. If the term means taxes imposed to meet the expenses of the war, its applicability is a matter of individual choice. The plain facts are that, with the new taxes, total revenues fall short of meeting expenditures other than for war by sixty millions in 1914-15 and fifty in 1915-16, and that this deficit as well as the whole war expenditure is met by borrowing.

(*Federal Finance*, p. 15)

Thus, the Inland Revenue "war tax" stamps represented taxes because of war – a reduction in Customs revenue – and not taxes for war, while the postal "war tax" stamps were postage stamps. Starting with the budget of May 1920, the labels "war tax" of 1915 and "war excise tax" of 1918 were dropped in favour of the new designation of "excise tax."

### References

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## Another Saskatchewan Electrical Inspection Bisect Document

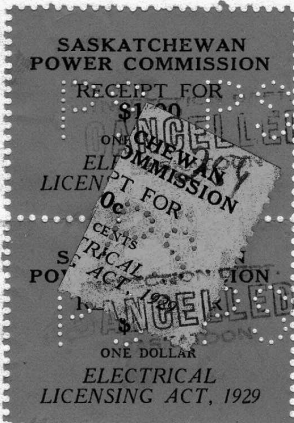
### Fritz Angst

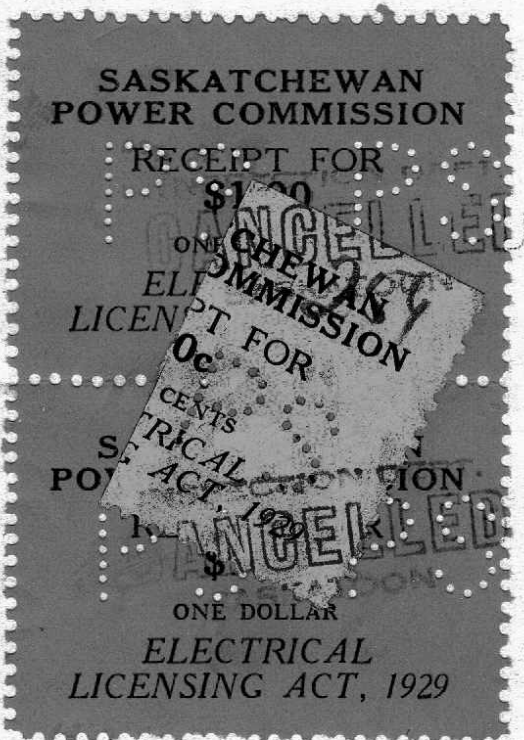
In CRN N° 71, December 2010, I showed an unauthorized bisect on a document of the \$1 Saskatchewan's first issue Electrical Inspection stamps. That document bore the notation "I have notified them not to split stamps in future" followed by the initials of an official.

Here is another example of a Saskatchewan Electrical Inspection bisect on document. This bisect of the 50-cent first issue stamp is tied across the cut by the rubber-stamp cancellation of the Saskatoon office of the Inspection Department.

**INSPECTOR'S REPORT**

|                                   |                |
|-----------------------------------|----------------|
| Inspected <u>28-7-30</u>          |                |
| Mains, Light <u>10</u>            | Power <u>4</u> |
| Sub-Mains <u>14</u>               |                |
| No. of Circuits <u>3</u>          |                |
| No. of Outlets <u>16 + 12 + 4</u> |                |
| No. of Lamps                      | Fixtures       |
| Knob and Tube <u>yes</u>          | Romex          |
| Open Wiring                       |                |
| Conduit                           | B.X.           |
| Conduit B.X., Grounded            | Service Gro    |
| H.P. Motor and Voltage            |                |
| Signs                             |                |
| No. of Electric Heaters and Irons |                |
| Metal Lath                        |                |
| Wood Lath <u>yes</u>              |                |
| Metal Ceiling                     |                |
| Total Lighting Load               | K.W.           |
| Total Power Load                  | K.W.           |
| Total Domestic Power Load         | K.W.           |
| FEES:                             | REMARKS:       |





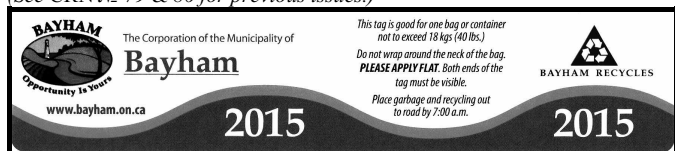
#225 XX

Inspector. [Signature]

# Ontario Municipal User-pay Garbage Tags and Bags (12)

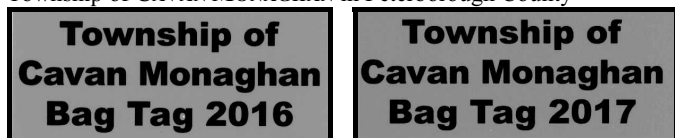
## Christopher D. Ryan

Municipality of **BAYHAM** in Elgin County  
(See CRN № 79 & 86 for previous issues.)



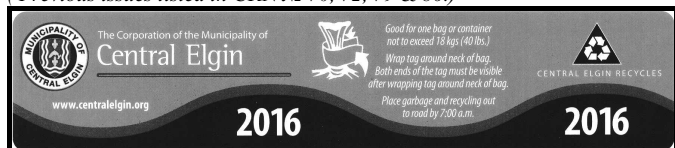
Cost: \$1.50 each. Comments: All bags tagged; annual allotment of free tags.  
Description: **2014** - White, yellow, violet & multicolour, 149 by 32 mm.  
**2015** - White, dark orange, brown & multicolour.  
**2016** - White, green, navy blue & multicolour.

Township of **CAVAN MONAGHAN** in Peterborough County



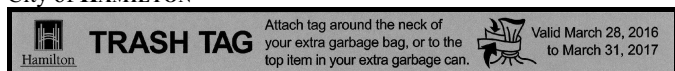
Comments: 2012-2015, all bags tagged, maximum of 2 per residence, 4 per business, with an annual allotment of free tags. 2016 onwards, no tags for curbside collection, but bag limits remain. Residents choosing to forgo curbside collection and bring their garbage to the waste transfer station receive an annual supply of "free" tags. Tags now used only on ordinary bagged waste deposited at the waste transfer station. Cost: \$2.25 each. Dimensions: 51 by 21 mm.  
Colours: Black and as follows, where 'res' = residential, 'com' = commercial:  
**2012** - Red = res, ??? = com      **2015** - Yellow = res, Orange = com  
**2103** - Orange = res, Green = com      **2016** - Red  
**2014** - Blue = res, Red = com      **2017** - Magenta

Municipality of **CENTRAL ELGIN** in Elgin County  
(Previous issues listed in CRN № 70, 72, 79 & 86.)



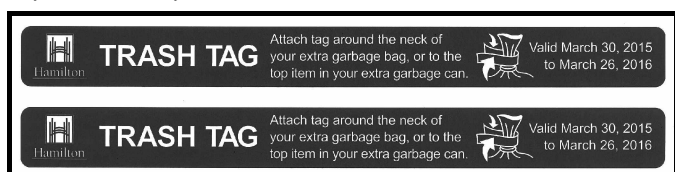
Cost: \$1.50 each. Comments: All bags tagged; annual allotment of free tags.  
Description: **2014** - Orange, blue, navy blue & multicolour, 149 by 32 mm.  
**2015** - Violet, blue, navy blue & multicolour.  
**2016** - Blue, dark blue, navy blue & multicolour

City of **HAMILTON**



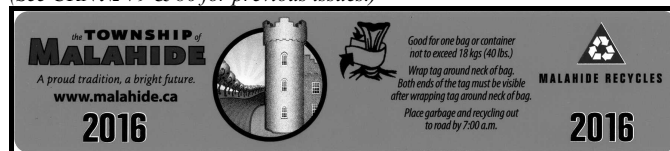
Description: 204 by 19 mm. Cost: None. Comment: Introduced April 1<sup>st</sup>, 2013. One untagged bag per week, excess to be tagged. Each residence receives an annual allotment of 12 free tags, with a further 14 available upon application.  
**2013** - Black on fluorescent Pink      **2015** - Violet with white lettering.  
**2014** - Black on fluorescent Green      **2016** - Black on Blue.

NOTE: There are two versions of the 2015 tag. The standard version (**2015A**), as found in other years, has square corners with the tags touching each other in a sheet of six. A second version (**2015B**) has rounded corners and the tags do not touch one another in a sheet of two as illustrated below. The 'B' version may exist for other years.



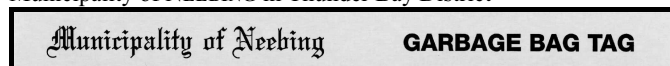
**2015B** - Sheet of two.

Township of **MALAHIDE** in Elgin County  
(See CRN № 79 & 86 for previous issues.)



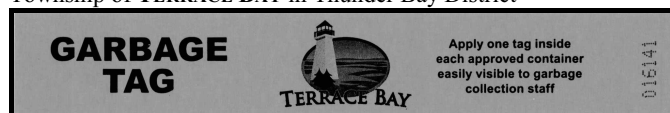
Cost: \$1.50 each. Comments: All bags tagged; annual allotment of free tags.  
Description: 149 by 32 mm. **2014** - Yellow, black & multicolour. **2015** - Blue, black & multicolour. **2016** - Red, black & multicolour.

Municipality of **NEEBING** in Thunder Bay District



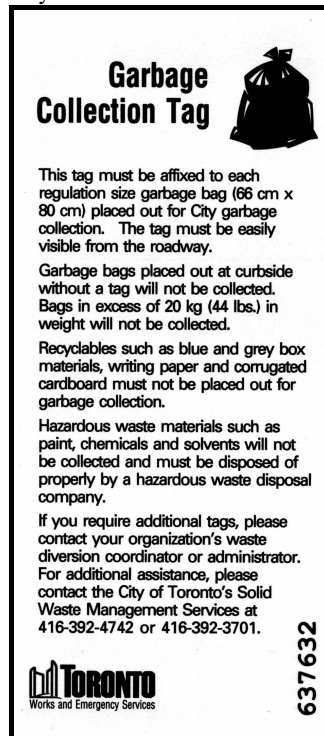
Description: Black on fluorescent light orange, 241 by 19 mm. Cost: \$0.20 each, issued in sheets of 5. Comments: Tags introduced March 1<sup>st</sup>, 2013. No curbside collection. All bags of residential waste deposited at the landfill must be tagged. Each residence receives an annual allotment of free tags. Additional tags sold in lots of 50 for \$10. In addition, the landfill attendant will give one free tag for each a bag (or equivalent) of recyclables deposited.

Township of **TERRACE BAY** in Thunder Bay District



Description: Black on bright, glossy pink; black, dot-matrix serial number, 171 by 27 mm. Cost: \$2.00 each. Comment: Introduced July 2014. One tag must be applied to the top of the contents of each approved hard-sided, cylindrical garbage container of a maximum capacity of 121 Litres.

City of **TORONTO**



These tags are used at schools, as well as municipal offices and related agencies (CRN № 70). Type 1 was introduced Jan 2002. Type 2 was observed in use 2007-2010. The 311 system was introduced Sept. 2009 (Types 3 & 4).

Text on Types 1, 2 and 3:

Recyclables such as blue and grey box materials, writing paper and corrugated cardboard must not be placed out for garbage collection.

Text on Type 4:

Recyclable material must not be placed out for garbage collection.

Type 1 contact information:

For additional assistance, please contact the City of Toronto's Solid Waste Management Services at 416-392-4742 or 416-392-3701. 637632

Type 2 contact information:

For additional assistance, please contact the City of Toronto's Solid Waste Management Services at 416-392-4742. 840103

Types 3 & 4 contact information:

For additional assistance, please contact 311 1188776



# Introduction of Small Packages of Pressed Tobacco in the Late Nineteenth Century

Christopher D. Ryan

In late Nineteenth Century Canada the dominant form of manufactured tobacco was pressed tobacco in the shape of twists and plugs. The leaf used for this tobacco was first soaked in highly flavoured sauces before being formed into the twists or plugs and fermented under pressure for an extended period. Pressed tobacco was sold at retail as individual pieces out of plain, unlined wooden containers that fell into two classes: caddies, typically of 15 to 25 pounds, and boxes of 35 pounds and up.

At 10 pounds, even the smallest allowable caddy under the Act of 1883 was too large for the many small grocers of the day and so the illegal practice arose in the wholesale trade of splitting packages. The Inland Revenue responded in 1888 with a 5-pound coupon stamp for caddies of 5 through 9½ pounds. However, these smaller packages were not popular with the tobacco trade and thus not used in any significant number. The splitting of caddies continued, and in 1890 a 1-pound coupon stamp was introduced for packages of 1 to 4 pounds, with a 5% discount on the duty charged thereon only for manufacturers paying the full rate of excise (black stamps). Despite this, the practice of splitting caddies persisted. The Department finally yielded in July 1900 to permit the cutting of caddies of up to 25 pounds each into two parts, where one half retained the excise stamp and the other bore a certificate of the dealer quoting the serial number on the stamp.

The situation regarding pressed tobacco was reported upon numerous times, occasionally at great length, in *Canadian Grocer* of 1889 and 1890. Selected extracts from *Canadian Grocer* and an internal Inland Revenue memorandum of July 1900 are reproduced below.

- *Canadian Grocer*, May 10<sup>th</sup>, 1889, Vol. 3, N<sup>o</sup> 19, page 2.

## SEIZURES OF TOBACCO IN RETAIL GROCERIES

About three years ago the Inland Revenue Department of Canada came to the conclusion that it was not getting the duty on all tobaccos sold in a retail way. To prevent any fraud in this particular it was decided that tobacco must not be exposed for sale out of the stamped packages received from the manufactures. By this means the payment of duty upon every package was ensured. The presence of the stamp upon the package from which the goods are being sold is regarded as prima facie evidence that the duty has been paid, and the absence of such a stamp as evidence that it has not been paid.

When this regulation was adopted the retail grocers and tobaccoists were notified. The Department, however, never enforced the law, and it soon became a dead letter. Last week, however, the Department, which had evidently been stirred up, commenced a raid on the retailers and seized all tobaccos not found in the original package. The crusade is now going on, and further seizures may be expected. It is worthy of special note that very few, if any, of the members of the Toronto Retail Grocers' Association suffered. This was due to the prompt and energetic action of Mr. J. F. Thackray, the Secretary. Being down town he learned that the Inland Revenue officers were around seizing all tobaccos they could lay their hands on which were not in their original packages. He at once issued a postal card to each member notifying him of the raid, and thus warned them of the impending danger.

The following circular was issued yesterday from the Inland Revenue Department:

Sir, — I beg to draw your attention to the fact that the law relating to the sale of manufactured tobacco requires the dealer to sell all packages properly stamped, and the practice of cutting up the contents of the package and selling the divided portions to be again offered for sale by retail dealers is positively prohibited. I have to request you to conform to this requirement if you have not already done so.

W. C. STRATTON, Collector.

- *Canadian Grocer*, October 11<sup>th</sup>, 1889, Vol. 3, N<sup>o</sup> 41, pages 1-3.

## THE TOBACCO SEIZURES

... Mr. Wilson keeps a large stock of tobacco and cigars on hand, and does an extensive jobbing trade, as well as a retail business. Mr. Wilson gave a droll account of the attempt to bring him under the penalties of the Regulations, and its issue. On the 7<sup>th</sup> of last May a circular had been sent to the jobbing trade, advising dealers that the law required them to sell only in whole packages to the retail trade. Some time after this, Mr. Wilson had opened a butt of tobacco, and to get his customer a fresh lot of plugs, had cast the surplus plugs into a crock behind the counter. An Inland Revenue officer came in and found them there. The contents of the crock, about five pounds, were confiscated.

This seizure was based on the same interpretation of the regulation as was the circular of the 7<sup>th</sup> of May. But this circular was afterwards withdrawn, the Department retiring from the position that jobbers could not sell broken portions of a package. Consequently, Mr. Wilson lately got a card from the Inland Revenue office here, notifying him that he could have his five pounds of tobacco if he would call for it . . .

... Although it is not unlawful for a jobber to sell in packages of five pounds, fifteen pounds, twenty-five pounds, etc., sent from his store in other than stamped packages, yet it is unlawful for the small retailer to buy such lots of tobacco. If he buys it, it can be seized wherever it is exposed for sale. This is manifestly illogical, but Mr. Wilson comes in contact with classes of traders in whose business the real hardship of this law is felt. Many a poor woman, striving to do a little grocery trade, finds it impossible to buy tobacco in large quantities, or in even the smallest quantities that it is put up and stamped in . . .

Mr. Bayley, the Toronto representative of the Macdonald Tobacco Manufactory, of Montreal, was also consulted . . . The apparent indulgence of the Department in issuing stamps for 5-lb. packages did not diminish the evil, nor did it throw the responsibility for a continuance of it upon the manufacturers. The manufacturer may be thoughtlessly blamed for not packing in 5-lb. packages, but such censure, like the apparent concession of the Department, rests upon ignorance of the necessities of tobacco preservation. Tobacco, before it is put in a case, must be pressed so as to expel every atom of air. The pressure required for this purpose is enormous. After it has been brought to bear, the tobacco must be packed in boxes perfectly air tight. Tobacco exposed for sale in such boxes is apt to become dry very rapidly. The process of pressing cannot be profitably brought to bear on small quantities so as at the same time to yield as good an article of merchandise or consumption as upon large masses. Tobacco sold from large cases continues to be in great demand, a fact which confirms the experience and practice of the great tobacco makers. In small cases the pressed tobacco is liable to swell or break the frailer cases that must be made to keep prices down to competition with tobacco pressed in larger cases. This exposes it to the outer air, which quickly absorbs the moisture in it . . .

- *Canadian Grocer*, April 11<sup>th</sup>, 1890, Vol. 4, N<sup>o</sup> 15, pages 1-2.

## THE TOBACCO EXCISE AGAIN

In a notice of motion given a few nights ago in the House of Commons, the Hon. John Costigan announces the latest remedy which his Department is prepared to offer for the relief of the excise-ridden tobacco trade. Mr. Costigan's proposed treatment is strictly homeopathic. What the trade is suffering from is a restriction of its freedom to deal in the best product of tobacco manufacture. The Minister frames a bill which preserves that

restriction by increasing the option to deal in a lower quality of tobacco. All his amendment contemplates is further warrant for that officious interference with trade which was carried to an exasperating degree in this city last summer.

The cardinal provision of Mr. Costigan's bill would give manufacturers the privilege to put up their tobacco in two-pound packages. This, the Minister holds, would open the tobacco trade to dealers in the poorest circumstances. Since the regulations require the trade to lay in only unbroken packages, the size of the packages should be so graded that the smallest trader may afford to buy tobacco legitimately. This looks as if the Department were solicitous for the interests of the humblest dealer who aims at a tobacco trade. But it is not the outcome of knowledge, and it should be, for the Department is not inexperienced in the effect of such a method of meeting the difficulty.

About two years ago a less degree of the same mode of relief was conceded to the trade, and is yet a refuge to the dealer who cannot buy in large packages. But does the small dealer avail himself of it? He has had it in his right for two years to buy five-pound packages, but he does not buy them. It has been since that right was secured to him by the same paternal Department, that the greatest number of seizures have been made for trade in broken packages. And why does the small dealer persist in the dangerous trade in broken packages? Is it from waywardness, or the love of risk? It is because his trade is ruled by the demand for good tobacco, and because that demand discriminates against the tobacco put up in five-pound packages.

Chewing tobacco, particularly, of which moisture is an essential, retains its vitality only in large masses, formed by enormous pressure, and cased in strong air and watertight packages. Even under these conditions surface-plugs soon part with their liquidity. Put up in five-pound packages, the tobacco rapidly loses all that is springy and toothsome to the chewer. The small packages are scarcely ever handled by general merchants or grocers. Trade in them is confined to the tobacconists, one of whom told us the other day that he sells a ton of the large package contents for a hundredweight of the small. After the small package has lain in store a few weeks, the casing material might almost as well be chewed as the tobacco in it, as the wood soon becomes rich with tobacco essence. If five-pound packages cannot but be leaky of the volatile part of their contents, then must two-pound packages be much more leaky.

The tobacco depreciates as the weight of the package is reduced. The Minister's amendment, therefore, virtually would still restrict the trade of the small dealer. That dealer cannot now get the tobacco his customers want, and the proposed change will only put it in his power to supply what his customers are still more averse to. Those who want tobacco will go where the best of it can be got at the lowest price. The small packages must come dearer as a consequence of the greater number of packages, the increased number of excise stamps, etc., and they contain a poorer class of tobacco. The change would simply make it more obligatory on the small dealer to keep inferior tobacco, and would thus drive the tobacco trade from him.

The joint committee of Toronto wholesale and retail grocers which met both the Commissioner and the Minister of Inland Revenue last winter, did not base the statement of its case upon the fact that packages were not made small enough, and did not urge or even suggest relief through the authorizing of smaller packages. Nor does the conservatism of manufacturers who continue to make in large packages rest upon the fact that to make in smaller packages is more expensive. The impression that this fact is the basis of the preference for large packages is left by the Minister, if his notice of motion is correctly reported in the *Empire's* despatch. It was felt by the joint grocers' committee of

this city that the minds of both Mr. Costigan and Mr. Miall were disabused of any such idea; that they were aware the present leaning to large packages was determined by the demand. The Minister proposes a method of dealing with the case that has not been suggested, and to give countenance to that method suggests a reason that has never been urged from the source of demand.

To induce the manufacturers to do what the necessities of trade do not call upon them to do, the Minister expects that Parliament will vote compensation to such manufacturers as shall make tobacco in two-pound packages. There is no trade demand, there is merely the demand of an excise system which the Minister finds has not adaptability enough in itself to fit it to the normal needs of trade. The excise system, however, must not be changed. The Minister prefers to arrogate to himself the power of saying what kind of tobacco manufacturers shall make, a prerogative that naturally belongs to the consuming public. The demand too often is responsible for a low quality of commercial product. It is very seldom we see it in the position the Minister now puts it, striving to uphold the quality against fiscal methods which would debase it.

If manufacturers caught in a modification of the demand any hint that smaller packages were wanted, would they in this progressive age go on in violation of it making tobacco in large packages? If small packages were imperatively called for they would forthwith be supplied. There is no commodity on which an increase in price would be more easily and naturally realizable [sic]. Whenever small packages have to be made, manufacturers will make them and get what they are worth. The Minister's proposal therefore, to bonus makers to induce them to put up only in small packages is absurd. Tobacco is not an indispensable, and if the conditions of its manufacture make it dear, the want of it is no privation . . .

The proposal to indemnify manufacturers for a change they do not want, and who, it they did would make it pay for itself, has rather a sinister look. These manufacturers have been given protection that they consider ample, at all events no addition to the protection on plug tobacco was thought necessary in the late tariff revision, and none was asked. The Minister's proposal, therefore, while it affords no redress to the small dealers, is apt to be looked upon with suspicion because of the money vote to the manufacturers it involves. The choice is before the Department of conciliating the trade or of sticking to its regulations. The latter Mr. Costigan chooses . . . It seems plain, however, that despite the encouragement given the trade last winter by both Mr. Miall and Mr. Costigan, there is to be no surcease, if the Department can help it, of the persecution that followed the tobacco trade last summer . . .

● W.J. Gerald, Assistant Commissioner, Inland Revenue Department, Memorandum of July 14<sup>th</sup>, 1900, Library and Archives Canada, RG 16, Vol. 829, *Reports and Submissions to Council*, N<sup>o</sup> 11, pages 305-306.

Notwithstanding the efforts made by the Department to meet the requirements of small dealers and induce manufacturers to put up plug tobacco in small packages, it has met with but limited success, some manufacturers being so firmly established on the market as to enable them to do as they wish and not as the trade demands. On the other hand a number of manufacturers put their plug tobacco on the market in packages weighing 3, 3½, 4, 5, 6, 6½, 7, 8½, 9, 9½ and 10 lbs. each . . .

The object of this amendment is to permit the wholesale dealer to subdivide a package into two parts in order that he may furnish the small dealer with a quantity within his means, and to sell from these subdivided portions.

The amendment was approved by Order in Council PC 1796 of July 20<sup>th</sup>, 1900 (online 1900-1796), and issued in Circular G595 of July 25<sup>th</sup>. ♪