



CANADIAN REVENUE NEWSLETTER

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Editor — Chris Ryan, 569 Jane Street, Toronto, Ontario, Canada, M6S 4A3

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Number 71

MEMBERSHIP NOTES

New Members:

✉ **Mark Brener**, Montréal, Québec

✉ **Glen Lundeen**, Calgary, Alberta

✉ **Mel Boone**, Clarkes Beach, Newfoundland & Labrador

Rejoined:

✉ **Barry Senior**, Clarenville, Newfoundland & Labrador

Resigned:

✉ **Basil Burrell**, Lake Forest, Illinois

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Cigarette Excise Stamps of Series 1880, 1883 & 1897,
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Peter de Groot, 1954-2010

Peter de Groot (HSc Forestry, PhD Entomology) passed away in Sault Ste. Marie, Ontario on October 22nd, 2010, from treatment complications of metastatic prostate cancer in association with renal transplant immunotherapy. He was 56.

An entomologist by profession, Peter specialized in the insect-pests of Canada's forests. He was a meticulous and dedicated scientist of great ability and unlimited curiosity. Peter was highly regarded by his colleagues for his expertise, passion, ever-present good humour, and great love of the forest and its creatures. He was always generous in sharing these gifts with others.

Peter was a widely admired, award-winning philatelic researcher, collector and exhibitor. In this avocation he developed relationships with many of us who otherwise would not have had the honour of knowing him. Gracious and open, he eagerly shared his knowledge with others in the hobby.

Peter's professional skills were mirrored by his attention to detail in researching, planning and exhibiting his philatelic collections. His exhibiting style told a story using various documents to illustrate the applications and rates of fees and taxes paid by revenue stamps. It was always most stimulating to see how he could suggest that an exhibit be expanded or reduced to as little as one frame according to the depth of one's material. At ORAPEX 2010 Peter received the *Best Researched British North America Award* from the British North America Philatelic Society as well as the *Best Presentation Award* from the American Association of Philatelic Exhibitors. At BNAPEX 2009 he received the *Wilmer Rockett Award* for the best revenue stamp exhibit.

From 2006 through 2008, Peter presented a series of articles in *CRN* that reviewed the history and rates of Newfoundland's Inland Revenue stamp taxes and fees. These works will always be significant contributions to our knowledge and appreciation of Canadian revenue stamps.

Peter is survived by his beloved wife Elizabeth Deakin, his children Cathleen (Alexander Noonan) and Jonathan (Samantha Schruder) and his two grandchildren Adalia and Deiderich. Memorial donations can be made to The Kidney Foundation (www.kidney.ca), the Salvation Army (www.salvationarmy.ca) or the Nature Conservancy of Canada (www.natureconservancy.ca).

— Dave Hannay, et al.

Officers of the Revenue Study Group

✉ Chairman:

Fritz Angst, Briggs & Morgan P.A., 2200 IDS Center, 80 South 8th St., Minneapolis MN, USA, 55402

✉ Treasurer and Newsletter Editor:

Chris Ryan, 569 Jane Street, Toronto, Ontario, Canada, M6S 4A3

Official Post Band for Weights and Measures Inspection Circulars

The item illustrated below, courtesy of **John Parkin**, falls into four areas of Philately: Postal stationery, fancy cancels, British Columbia postal history and revenues. It is an example of one variety of the official post bands that were used by the Weights and Measures Inspection Service of Canada's Inland Revenue Department for its circulars. In this case, the post band is addressed to a candy manufacturer in Victoria, British Columbia. Used examples of these post bands are scarce, but what makes this piece extra special is a complete, sharp strike in black of Smythies' Type "B" (*BNA Topics*, Vol. 23, № 8, pp. 166-169) British Columbia Crown Cancel.

This official post band is listed as DW1g in the Seventh Edition of *Webb's Postal Stationery Catalogue of Canada and Newfoundland*. The period of issue for the DW1 group of official post bands is given as "**1879?-1888?**" The regular, nonofficial versions of these items (W1 & W1f) are dated in *Webb's* to the period of 1875-1880.

These dates correspond to the early years of the federal Weights and Measures Inspection Service in British Columbia. In September of 1878, the first federal inspector (officially titled *Deputy Inspector*) of Weights and Measures was appointed at Victoria for the *Inspection Division* of British Columbia, which comprised the entire province. However, this first officer was able to perform his duties for only six months. Due to defective language in the governing statute, the government could not enforce its provisions for manufacturers and vendors of measuring devices. This situation, along with the high salaries of inspection officers relative to the amount of fees collected, resulted in the suspension of the Inspection Service in March 1879 and the July 1st dismissal of all Deputy Inspectors. A new statute, with new *Inspection Districts*, took effect July 1st, 1879. However, a newly titled *Inspector of Weights and Measures* was not appointed at Victoria until August 1880. (CRN № 8, pp. 3-12; № 10, pp. 3-8.) — C.D. Ryan



(Image is approximately 130% of actual size.)

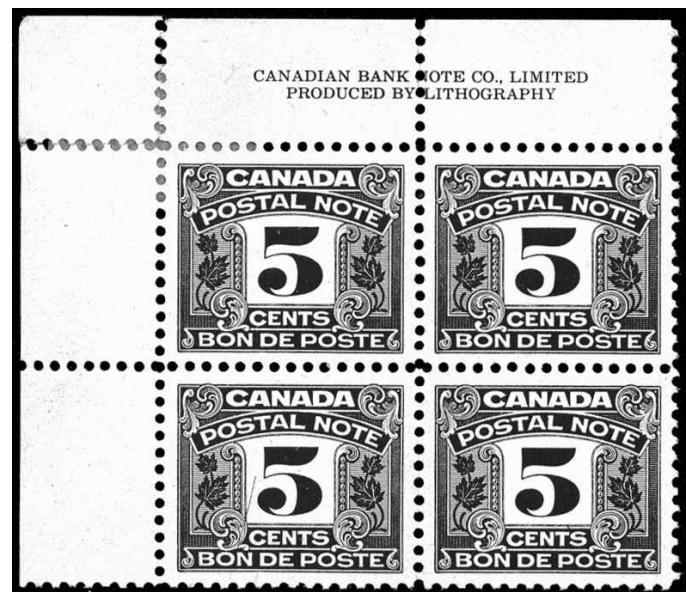
Lithographed Essay of the Five-cent Postal Note Stamp

Dave Hannay

While attending a recent local stamp-show, I found an upper-left corner inscription block of four that was described as the blue 5-cent value (van Dam's FPS7) of the first issue of Postal Note/Scrip stamps. My initial reaction was that I did not remember seeing any margin inscriptions on Postal Note or Scrip revenue stamps and that this would be a nice addition to my collection.

The two-line inscription reads "CANADIAN BANK NOTE CO., LIMITED /PRODUCED BY LITHOGRAPHY". However, the first issue of Postal Note/Scrip stamps was line-engraved and intaglio-printed. This can be confirmed by touching the surface of them lightly to "feel" the printing. Stamps, such as the block illustrated here, when printed by lithography feel "smooth" to the touch. So what do I have?

Edward Zaluski has described this lithographed block as one likely used internally by the CBN prior to the printing (by lithography) of the second issue of Postal Scrip stamps. Because it was not issued for normal use, it is effectively an Essay. Have other such essays been seen in the 5-cent or any other denomination? Some of the most interesting and treasured varieties come to light by careful checking through offerings of common stamps. (Image 134% of actual size.)



Unlisted Excise Tax Overprint on One-pound Series "C" Raw Leaf Tobacco Stamp



Illustrated above, courtesy of Fritz Angst, at full size is an unlisted companion to Brandom's P183. This newly-reported item is a green 1-pound Series "C" Raw Leaf Tobacco excise duty stamp with a red "20¢ EXCISE/TAX" and six red horizontal bars overprinted on an earlier overprint of "8¢/EXCISE/TAX" in dark blue. The sequence of overprints represents the April 1951 increase in the excise tax on raw leaf from one-half cent to one-and-one-quarter cents per ounce. (*Statutes*, 15 Geo. VI, Chap. 28)

The excise licence code cancelling the stamp is "10-40-D". This code represents O. Prévost Ltée, who operated as a licensed raw leaf tobacco packer in Joliette, Québec from circa 1943 until at least the late 1970s. The Company's licence code was 59-10-D from 1943 to late 1950 or early 1951, and 10-40-D thereafter. (CRN № 15, pp. 7-8)

Excise Tax overprints on Raw Leaf Tobacco stamps at the April 1951 rate were current for only one year. In April 1952, the excise tax was reduced to the previous one-half cent per ounce. (*Statutes*, 1 Eliz. II, Chap. 27) The effects of these tax changes were described in a letter from Customs and Excise that was reproduced in the May 1952 issue (Whole № 126) of *The Bulletin of the Canadian Revenue Society*:

The Canadian raw leaf tobacco stamps of the denomination of 1/4 lb., 1/2 lb. and 1 lb. were overprinted as to the excise tax applicable upon each denomination. All stamps were recalled [1952] from our ports and returned to our contractors, the British American Bank Note Company, who deleted the overprint as to tax, in blue; therefore, possibly it will be noticed by a collector that stamps of raw leaf would have the overprint blocked out possibly in two places, as it was necessary also to perform this operation a year ago [1951] when the taxes increased.

Raw leaf tobacco stamps will hereafter be issued by the Department not showing [an] overprint as to the amount of excise tax applicable.

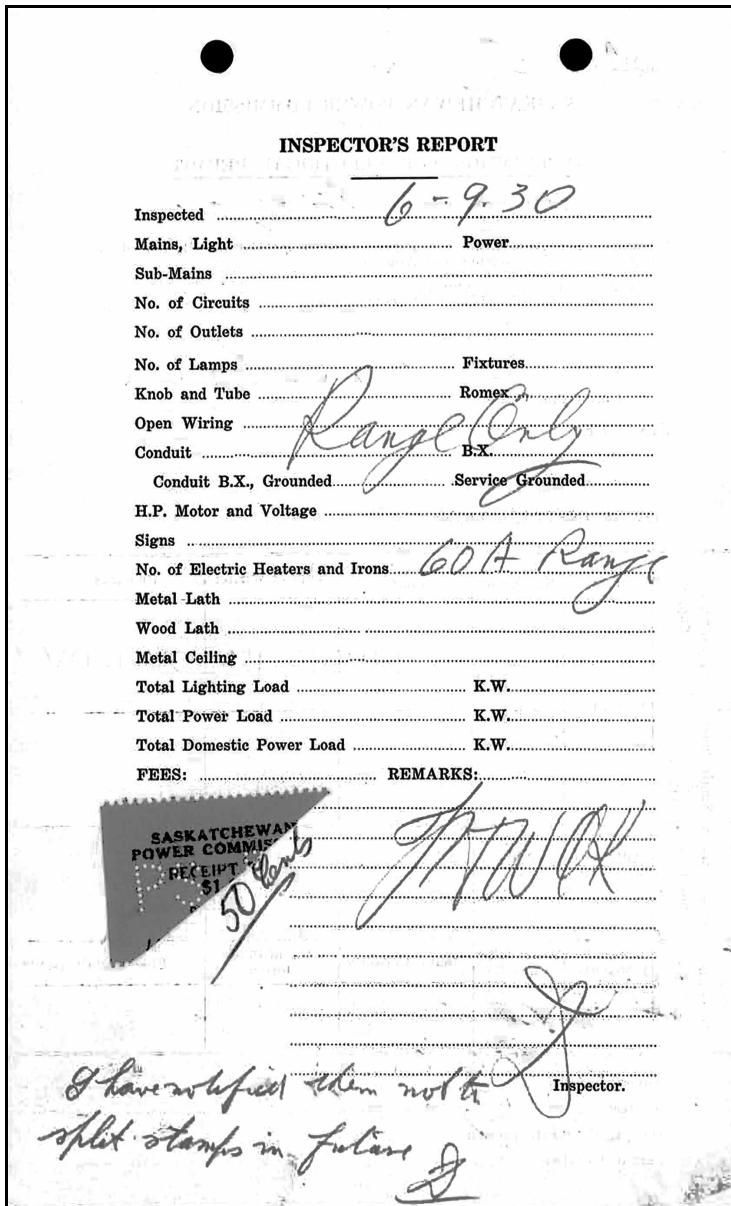
Angst's discovery represents the April 1951 deletion by the British American Bank Note Company (BABN) of the prior amount of excise tax. An example of the April 1952 deletion by BABN of the 1951 rate is listed as P179 in the 1980 supplement to the Brandom catalogue. (Brandom's description of this 1-pound Raw Leaf stamp as including a 10-cent overprint appears to have been an error.) — C.D. Ryan

Unauthorized Bisect of a Saskatchewan Electrical Inspection Stamp

Fritz Angst

The bisecting of the \$1 Saskatchewan Electrical Inspection stamp affixed to this 1930 document was unauthorized. However, it was accepted with a warning given to the contractor not to do it again. This was noted by the provincial Inspector below the bisected stamp on the back of the document: "*I have notified them not to split stamps in future.*" (Images 59% & 68% of actual size.)

Date	157	Permit	427		
SASKATCHEWAN POWER COMMISSION SASKATOON					
APPLICATION FOR ELECTRICAL PERMIT					
I, <i>Hudson Bay Co</i> We, <i>herewith make Application for Permit authorising the installation of the following Electrical Wiring and Apparatus.</i>					
LIGHTING INSTALLATION:					
Class of Building					
Type of Wiring					
No. of Lamp Outlets	<i>Conceal</i>				
No. of Plug Outlets					
FIXTURES:					
No. of Circuits					
Size of Main Leads					
POWER INSTALLATION:					
Two or Three Phase Supply	Size of Motors	Size of Sub Mains	Size of Main Leads	Type of Wiring	Remarks
Single Phase Supply 110-220 V.					
Other Electric Apparatus	State Appliance	Capacity in K.W.			
Domestic Power	Range Capacity	Water H'ten Capacity	Heater Capacity	No. of Plug Outlets	Size of Main Leads
Name <i>Mrs. Adams</i> Address <i>Suite 1-128 Broadway</i> Date ready for Inspection <i>6/9/30</i> Permit Granted					

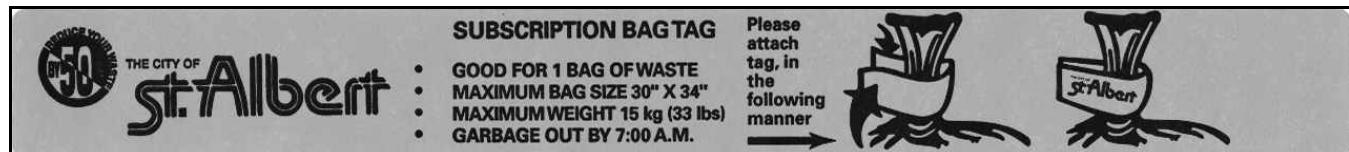
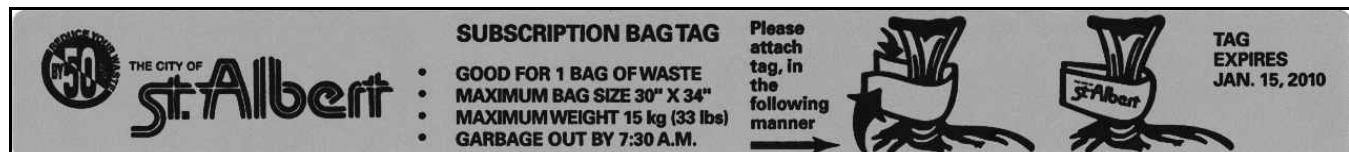


The User-pay Garbage Tags of St. Albert, Alberta (3)

Christopher D. Ryan

As of July 1st, 2009, the City of St. Albert eliminated the expiry date for its 2009 and all future Subscription Bag Tags. Tags originally

intended to expire as of January 15th, 2010, remain valid indefinitely and continued to be distributed in 2009 until supplies were exhausted.



- 2009A & B, black on dark blue, 4 small bullets, second line of centre inscription is blank, A- 'EXPIRES JAN. 15, 2010', B- no expiry date

Ontario Municipal User-pay Garbage Tags and Bags (7)

Christopher D. Ryan

Town of **BANCROFT** in Hastings County

- Population 3838. Households: 1655. (*Census 2006*)



**GARBAGE
BAG TAG**

Description: Black on yellow, 153 by 25½ mm. Cost \$2.00 each. Comments: Tags discontinued January 1st, 2010, all bags once required a tag.

City of **BELLEVILLE** in Hastings County

- Population: 48,821. Households: 20,490. (*Census 2006*)

Bag Tag Type 1 (*Previously reported in CRN № 31.*)



BELLEVILLE GARBAGE TAG 231200

Description: Black on fluorescent green, black serial number, 140 by 12½ mm. Cost: \$1.00 each.

Bag Tag Type 2 (*Previously reported in CRN № 46, in use during 2002*)



BELLEVILLE GARBAGE TAG 0662834

Description: Glossy green and white, black serial number, 152 by 12½ mm. Cost: \$1.00 each, sold in sheets of 10.

Bag Tag Type 3 (*New item, in use during 2005, discontinued July 2006*)



BELLEVILLE GARBAGE TAG 2094283

Description: Light green and white, black serial number, 153 by 13 mm. Cost \$1.00 each, sold in sheets of 10.

Bag Tag Type 4 (*New item, introduced July 2006*)



BELLEVILLE GARBAGE TAG 1009943

Description: Orange and white, black serial number, 153 by 13 mm. Cost: \$2.00 each, sold in sheets of 10.

Leaf & Yard Waste Tag: (*New item, in use July 2006*)



LEAF & YARD WASTE 098674

Description: Violet and white, black serial number, 152½ by 13 mm. Cost: \$0.50 each, sold in sheets of 10. Comments: Used only for leaf and yard waste put out in plastic bags.

Township of **BONNECHERE VALLEY** in Renfrew County

- Population: 3665. Households: 1580. (*Census 2006*)



Description: Blue on white, 217 by 51 mm. Cost: \$1.00 each. Comments: All commercial garbage collected in individual bags in the village of Eganville must be tagged at \$1 each. Residential garbage uses \$1 bags illustrated in CRN 53.

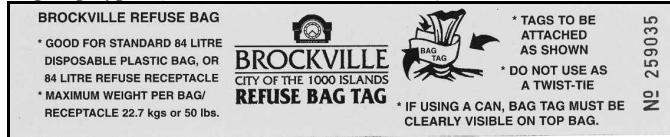
City of **BROCKVILLE** in the County of Leeds & Grenville

- Population: 21,957. Households: 10,005. (*Census 2006*)

Bag Tag Type 2 (*Previously reported in CRN № 46, Type 1 in CRN № 31.*)



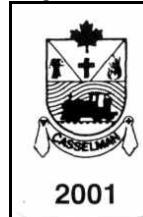
Bag Tag Type 3 (*New item, in use October 2006.*)



Description: Black on dark green, red serial number, 186½ by 38 (Type 1) or 39 (Type 2) mm. Cost: Increased from \$2.00 to \$2.50 in 2007.

Village of **Casselman** in County of Prescott & Russell

- Population: 3294. Households: 1240. (*Census 2006*)



Type 1 (left) (*Reported in CRN 46*)

Description: Black on fluorescent yellow, 24½ by 37 mm. Cost: \$1

Type 2 (right) (*Introduced Sept. 2008*)

Description: Black & grey on fluorescent yellow, 25 by 38 mm. Cost: \$2

Note: Type 1 remained valid following the introduction of Type 2.



Township of **CHAMBERLAIN** in Temiskaming District

- Population: 322. Households: 140. (*Census 2006*)

CHAMBERLAIN

Description: Black on fluorescent pink, 65 by 25 mm. In use 2008. Cost: \$2.00 each, except each municipal taxpayer can make one annual purchase of 110 tags for \$30.

Town of **DESERONTO** in Hastings County

- Population 1824. Households: 705. (*Census 2006*)

Type 1 (*Previously reported in CRN № 48*)

TOWN OF DESERONTO 371484

Type 2 (*New item, in use December 2007*)

TOWN OF DESERONTO 483401

Description: Light green on white, black serial number, 151 by 12½ mm. Cost: Increased from \$1.50 to \$2 each as of July 1st, 2008. Comments: All bags must be tagged.

Regional Municipality of **DURHAM**

Type 1 (*Previously reported in CRN № 48, distributed Feb 2003*)



Type 2 (*Previously reported in CRN № 46, introduced Feb 2003*)



Type 3 (*New item, distributed June 2006, for use as of July.*)



Type 4 (*New item, introduced July 2006*)



Description: Black lettering and serial number, blue logo, on glossy yellow. Dimensions: Type 1 - 194 by 19 mm. Type 2 - 192 by 24 mm. Type 3 - 193 ½ by 15 mm. Type 4 - 188 by 21½ mm. Comments: Types 1 and 3 were complimentary tags provided to residents in the named municipalities as a transition to the paid tags, Types 2 and 4, at \$1.50 each.

Town of **ENGLEHART** in Temiskaming District

- Population: 1494. Households: 655. (*Census 2006*)

Town of Englehart

Description: Black on fluorescent orange, 67 by 25 mm. In use 2008. Cost: \$2.00 each. Comment: All bags must be tagged.

Township of **FRONT OF YONGE** in County of Leeds & Grenville

- Population: 2803. Households: 1065. (*Census 2006*)

Pre-2007 Issue

(Previously reported in CRN № 49. Declared obsolete April 1st, 2007.)

FRONT OF YONGE

Description Black on fluorescent pink, irregular 97½ by 12½ mm. Cost: \$1.

2007 Issue

FRONT OF YONGE

Description: Black on fluorescent yellow, irregular 96½ by 12½ mm. Cost: \$1

2008 Issue (also used during 2009) and 2010 Issue

FRONT OF YONGE

Dimensions: 2008 black on fluorescent yellow, 2010 black on glossy blue, approx. 95 by 12½ mm. Cost: \$1. (All tags sold in sheets of 10.)

Town of **GEORGINA** in York Region

- Population: 42,346. Households: 15,260. (*Census 2006*)

Type 1 (Previously reported in CRN № 46)



TOWN OF GEORGINA

743832

Description: Shiny brown on light green, 138½ by 12½ mm. Cost: \$1 each, sold in sheets of 10.

Type 2 (New item, in use July 2007)

Description: Shiny brown on fluorescent green, 49 by 22 mm. Cost: \$1.00 each, sold in sheets of 10.



751257

GARBAGE TAG

Town of **GREATER NAPANEE** in the County of Lennox & Addington.

- Population: 15,400. Households: 6115. (*Census 2006*)

Type 1 (Previously reported in CRN № 48)

TOWN OF GREATER NAPANEE

217274

Description: Turquoise on white, wide black serial numbers, 151 by 12 ½ mm. Cost: \$1.50 each, sold in sheets of 10.

Type 2 (New item, in use December 2006)

TOWN OF GREATER NAPANEE

075402

Description: Dark turquoise on white, narrow black serial numbers, 151 by 12 ½ mm. Cost: \$1.50 each, sold in sheets of 10.

Municipality of **GREY HIGHLANDS** in Grey County

- Population: 9480. Households: 3685. (*Census 2006*)

Type 1 (Previously reported in CRN № 48)



**MUNICIPALITY OF GREY HIGHLANDS
GARBAGE BAG TAG**



Description: Black on light green, 150 by 25 mm. Cost: \$1.00 each.

Type 2 (New item)



**MUNICIPALITY OF GREY HIGHLANDS
GARBAGE BAG TAG**



Description: Black on fluorescent green, 148 by 13mm. Cost: \$1.00 each.

Town of **HANOVER** in Grey County

- Population: 7147. Households: 3045. (*Census 2006*)

Type 1 (Previously reported in CRN № 48)

TOWN OF HANOVER GARBAGE TAG

346947

Description: Black on orange, black serial number, thin numerals, 101 by 25mm. Cost: \$1.00 each.

Type 2 (New item)



TOWN OF HANOVER GARBAGE TAG

709245

Description: Black on darker, fluorescent orange, black serial number, thick numerals, 101 by 25 mm. Cost: \$1.00 each.

Township of **IGNACE** in Kenora District

- Population: 1431. Households: 590. (*Census 2006*)



**IGNACE
GARBAGE BAG TAG**



Description: Black on violet, with white in recycling symbol, covered by a polymer coating, 152 by 31½ mm. Cost: \$0.25 each, sold in sheets of 10. Comments: Tags introduced Summer of 2006. All bags must be tagged.

City of **KINGSTON** in Frontenac County

- Population: 117,207. Households: 48,925. (*Census 2006*)

Type 1 (Previously reported in CRN № 46)

CITY OF KINGSTON

GARBAGE
BAG TAG

67642

Description: Black on dark pink, background lettering in white, black serial number, 160 by 12½ mm. Cost: \$2.00 each.

Types 2 and 3 (New items)

CITY OF KINGSTON

GARBAGE
BAG TAG

33670

Description: Black and dark pink on white, background lettering in white, black serial number, 197 by 19 mm. Cost: \$2.00 each.

Type 2 (In use April 2007)

33670

Thick Numerals

Type 3 (In use December 2007)

42457

Thin Numerals

Township of **LIMERICK** in Hastings County

- Population: 364. Households: 175. (*Census 2006*)

LIMERICK TOWNSHIP

0045601

Description: Orange on white, black serial number, 151 by 12½ mm. Cost: \$1 each, sold in sheets of 10. Comments: Tags introduced 2003 for all bags. Limerick has a large number of seasonal residents that are not included in the official population statistics.

Township of **MINDEN HILLS** in Haliburton County

- Population: 5556. Households: 2385. (*Census 2006*)

Township of Minden Hills

268324

Description: Orange and white, black serial number, 151 by 12½ mm. Cost: \$1.00 each, sold in sheets of 5. Comments: Tags introduced July 1st, 2006, and discontinued March 2008. All bags were to be tagged. Eligible payers of municipal taxes received an annual supply of 'free' tags. Minden Hills has a large number of seasonal residents that are not included in the official population statistics.

City of **TEMISKAMING SHORES** in Temiskaming District

- Population: 10,732. Households: 4495. (*Census 2006*)



For more
Information
Contact
Physical Services
647-6220

1 tag per bag

Description: Black on orange, 101 by 36 mm. Cost: \$2.00 each. Comments: Tags introduced 2004. Residents in Haileybury Ward are permitted 2 untagged bags per week, other areas are permitted 3, excess to be tagged.

Nominal War Tax Stamps of the Canadian Post Office Department, 1915-1918

Christopher D. Ryan

The so-called “war tax” on selected postal items was introduced April 15th, 1915, to accompany other stamp taxes levied as of that date on commercial paper, perfumery and patent medicines. These followed upon an earlier, February 12th, stamp tax on wines. The 1915 tax rates for the respective postal items were as follows:

- One cent on each postal note issued in Canada.
- One cent on each postcard mailed in Canada to an address in Canada, the United States or Mexico.
- One cent on each letter mailed in Canada to an address in Canada, the United States, Mexico, the United Kingdom, British Possessions and other foreign countries for which the standard rate of postage was less than the maximum set by the Universal Postal Union (UPU) Treaty.
- Two cents on each postal money order issued in Canada. [1]

The postal war tax did not apply to postcards and letters sent free of postage, nor to items sent to foreign addresses at the full UPU postage rate. Foreign postal money orders were also exempt under the UPU Treaty.[1, 2]

The postal war taxes were announced in the federal Finance Minister’s budget of February 11th, 1915. The formal resolutions presented in the House of Commons noted that the taxes on postal items were to be paid by “*a postage stamp*” on which “*there may be printed or impressed the words ‘war tax’*.³” The optional requirement of marking the stamps as “war tax” was repeated in the final Statute given Royal Assent on April 8th, 1915.[1a, 3]

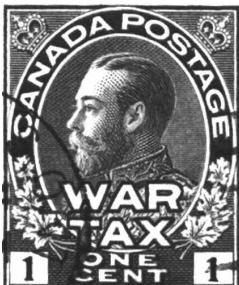


Figure 1: 1¢ Postal War Tax stamp, initially for letters, postcards and postal notes.



Figure 2: 2¢ Postal War Tax stamp, initially for postal money orders.

Initially, the Post Office chose to require the use of postal war tax stamps (Figures 1 and 2 above) on postal notes and postal money orders issued by their employees, and only to encourage their use by the general public for the tax on letters and postcards. These stamps were not to be accepted in payment of postage.

The decision to use these stamps was communicated to postmasters in a circular dated March 22nd, 1915, which was revised and reissued three days later on March 25th. Both editions of these detailed instructions regarding the procedures to be followed for the taxes included the following:

This War Tax [on letters and postcards] is to be prepaid by the senders by means of a War Stamp for sale by Postmasters and other postage stamp vendors. The Postmaster will estimate the quantity of these war stamps that will be required by patrons of his office and make requisition in the usual way for a supply.

Wherever possible, stamps on which the words “War Tax” have been printed should be used for prepayment of the War Tax, but should ordinary postage stamps be used for this purpose, they may be accepted. Postmasters are requested to use every endeavour to have

War Stamps used in prepaying the War Tax . . .

... It is essential that postage on all classes of mail matter should be prepaid by means of ordinary postage stamps. The War Tax Stamp will not be accepted in any cases for the prepayment of postage . . .

... On issuing a Postal Note the postmaster must first affix thereto a one cent War Stamp, immediately to the left of the space for the date stamp of issue. The Postal Note must then be signed and date stamped in the usual manner; and the War Stamp must also be cancelled with an impression of the date stamp . . . in no case must a Postal Note be paid until the war stamp is attached . . .

... On issuing a Money Order the Postmaster must collect from the Remitter, in addition to the amount of the Order and the proper commission thereon, a further sum of 2c., affix a War Stamp for that amount to the face of the Order at the upper right-hand corner above the number, and cancel it with the date-stamp of his office . . . In no case shall a Money order be paid until the War Stamp is attached.

[1c, d]

The one and two-cent postal war tax stamps went on sale at Post Offices and licensed vendors in the City of Toronto, Ontario on Saturday, April 3rd, 1915.[4] It has not been determined if this release occurred simultaneously across the country.

In the meantime, the Finance Minister made a significant change to the future procedure for the war stamp taxes in general, postal or otherwise. On March 24th, 1915, the legislative bill founded upon the budget resolutions was modified by the Minister to permit, for the public convenience, the use of postage stamps for all of the war stamp taxes on wines, perfumery, commercial paper, etc.[5]

While this new provision did not take effect until April 15th, 1915, the Post Office responded on April 9th, following the Royal Assent, with an amendment to its previous instructions to postmasters. This circular read in part:

The War Tax [on letters and postcards] may be prepaid in any convenient way; for instance, an ordinary two cent stamp may be used to prepay postage one cent and War Tax one cent on a drop letter.[6]

The very next day, April 10th, 1915, a second circular was issued. In keeping with the Act passed by Parliament, this directive extended to postal notes and postal money orders the general permission to use ordinary postage stamps for the war tax:

The Postmaster is informed that postage stamps may be used for the prepayment of war duties on bank cheques, bills of exchange, promissory notes, etc., on express money orders and on proprietary or patent medicines, perfumery, wines or champagne, as well as upon letters and postcards, postal notes and Post Office Money Orders.[7]

Thus, by the April 15th implementation date of the postal war taxes, the Post Office’s war stamps had been made redundant. The final blow to their status as “tax” stamps was dealt that evening by an announcement in the House of Commons by the Postmaster General of a decision to permit their use for postage.[8] Official notice of this decision was sent out the afternoon of following day, April 16th, in telegrams to postmasters and by a circular that read:

The Postmaster is informed that it has been decided that postage stamps upon which the words “War Tax” have been printed may be accepted for prepayment of postage, and he is to amend his instructions and procedure accordingly.

In no circumstances are Inland Revenue stamps to be accepted on letters, postcards, postal notes or Post Office Money Orders.[9]

The well-known ambiguity of the first sentence of the April 16th circular was clarified in a subsequent circular of May 20th, 1915:

The one and two cent postage stamps upon which the words ‘War Tax’ have been impressed may be accepted for the prepayment of postage, and may also be used for the payment of war duties in all cases whatsoever, but this does apply to postage stamps of higher denominations upon which the words “War Tax” are printed, nor does it apply to Inland Revenue war tax stamps of any denomination whatsoever, as these were issued for Inland Revenue purposes only.

[10]

After only one-and-one-half days of the new war tax, postage and postal war tax stamps were made completely interchangeable; the latter were now “tax” stamps in name only. The removal of the distinction between the two classes of Post Office stamps is reflected in *Annual Reports of the Postmaster General (PMG Reports)*. In these Reports, the money raised from the sale of postal war tax stamps is not segregated in a separate category. Instead, the so-called postal war tax was simply included in general postal revenue from stamp sales. Furthermore, sales of postal war tax stamps were subject to the same commission received for the sale of postage stamps by the many postmasters who did not receive a fixed salary. This commission ranged from 15 to 50 percent, on a graduated scale based on the postmaster’s annual revenue.[11]

The situation regarding the postal war tax stamps was described by the Deputy Postmaster General in a letter of June 15th, 1915:

When it was decided to issue a War Tax stamp the question was carefully considered and it was decided that postmasters should be paid the same commission on these stamps as the ordinary postage stamps. Commission is paid to all postmasters whose salaries are based on revenue.

If the Department had required postmasters to keep a record of all War Tax stamps received and sold and to sell such stamps without payment of commission or other compensation, it could not have allowed them to be used for payment of ordinary postage as every War Tax stamp so used would reduce the legitimate postal revenue of the office at which it was sold and the postmaster would thus be deprived of a portion of the salary to which he is fairly and legally entitled. It was never contemplated that any measure for the raising of additional revenue should have the effect of reducing the salaries of the country postmasters, many of whom are paid less than \$100 a year. Moreover, a great many postmasters at these small offices if they were asked to sell without compensation stamps that could be used for postage, would refuse to keep their office any longer. At the present rate of pay it is in many cases found difficult to get suitable persons to act as postmasters at the small country offices.

If it had been decided that postmasters should not be paid a commission on War Tax stamps, it would have been necessary for the Department to keep a separate account of the ordinary postage stamps and War Tax stamps issued to and sold by postmasters whose salaries are based on the revenue of their offices. This would have involved a great deal of clerical work of which the Department is relieved by keeping one account of the total issue and sale of stamps irrespective of their denomination or use.[12]

At the direction of the Postmaster General, this letter was not sent to its intended recipient, the secretary of a local committee of the political party that formed the federal government of the day.

In an official circular to postmasters dated December 30th, 1915, the Post Office announced the release of a new design of stamp that combined two cents in postage with one cent in postal war tax. This item is illustrated in Figure 3 below. Subsequently, in September 1917, a three-cent commemorative postage stamp (50th Anniversary of Confederation) was issued.[13] The design of this stamp (Figure 4) made no mention of the one cent of the postal war tax included.

Both the overt postage-war tax stamp and the three-cent Confederation stamp were classified in *Annual Reports of Auditor General (AG*



Figure 3: Combined 2¢ Postage and 1¢ War Tax stamp for use principally on letters.



Figure 4: Commemorative 3¢ Postage stamp, issued September 1917, classified by the Auditor General as a combined 2¢ Postage and 1¢ War Tax stamp

Reports) as combined postage and war tax stamps. However, as had been the case of the one and two-cent postal war stamps discussed previously, the amount of the nominal tax went into general postal revenue, with no separate accounting for the money.

During the first period (1915-1926) of the nominal war tax on postal matter, the sale of stamps, both postage and postal war tax, for the levy was a major source of revenue for the Post Office.[11] The financial importance of the war tax was emphasized in several *PMG Reports*, three extracts of which are given below:

● Fiscal Year ended March 31st, 1916 –

POSTAGE STAMPS. The issue for the fiscal year ended March 31, 1916, was the largest in the history of the department, amounting to \$21,455,176.70, as compared with \$14,783,049.08 for the previous twelve months, an increase of \$6,572,127.62.

This extraordinary increase is largely attributable to the war tax which became effective on the 15th of April, 1915. . .[14]

● Fiscal Year ended March 31st, 1921 –

The net revenue for the year, including war tax, amounted to \$26,331,118.97 and the expenditure to \$24,661,262.26, increases of \$1,881,202 and \$3,886,877.06 respectively. The surplus of revenue over expenditure for the year was \$1,669,856.71. Excluding the war tax, calculated at \$7,872,962.38, the expenditure exceeded the actual postal revenue by \$6,203,105.67.[15]

● Fiscal Year ended March 31st, 1927 –

As mentioned in last year’s Report, with the removal of the war tax on letters (other than drop letters [and postcards]) from the first of July, 1926, two cent postage was restored within Canada and became effective to all places in North America; and Canada’s Empire letter rate was at the same time reduced from four cents to three cents. The large reduction in postal revenue due to the loss of the war tax, has to a considerable extent, been offset by the year’s increase in different lines of postal business – parcel post, insurance, C.O.D. and so forth.[16]

Additional details of the extent to which the war tax financed postal operations can be found in Table 1 at the end of this work.

Discontinuation of the Postal War Tax Stamps

The *PMG Report* for the fiscal year ended March 31st, 1919, commented upon the discontinuation of the postal war tax stamps as follows:

During the fiscal year 1918-19 the one and two-cent war tax stamps previously issued by the Department were discontinued, the law permitting the use of ordinary postage stamps for all war tax purposes. The use of the combined postage and war tax stamp of a value of three cents (1 T.c.) was also discontinued, being replaced by a three-cent stamp, forming part of the regular series. The new stamp is also issued endwise in rolls.[17]

With respect to the one-cent and two-cent postal war tax stamps (Figures 1 and 2), data in the *PMG Report* for 1916-17 (Table 2 at the

end of this work) indicates that the central distribution depot in Ottawa held on average less than a one-month supply of these stamps at any given time. In contrast, the depot held a four-month supply of the regular one and two-cent postage stamps, and a three-month supply of the five-cent stamp.

Allowing for the year-over-year downward trend in the use of these stamps, data in the *AG Reports* for the 1914-1919 period (Table 3) indicates that only a two to three-month supply of the one and two-cent postal war tax stamps was received from the American Bank Note Company, Ottawa (ABN) in the fiscal year started April 1st, 1918. When combined with the stock on hand, this information places the depletion of the central Post Office stocks of the one-cent and two-cent postal war tax stamps at circa July 1918.

At first glance, a similar analysis (Tables 2 and 3) for the two-plus-one-cent (Figure 3) and the three-cent (Figure 4) combined postage and war tax stamps suggests a late June 1918 date for the discontinuation of the former item. However, a broader comparison of the total value of these stamps (and the newly released three-cent Admiral postage stamp) received from ABN and issued to postmasters during 1916-1919 (see Table 4) shows that there was an unusually large number of the combined postage and war tax stamps on hand at the central depot at the end of March 1918.

Calculations † presented in Table 5 estimate that the sum total of the large stock on hand as of March 31st, 1918, and the new stock received from ABN since April 1st was sufficient to last approximately five months. This estimation would place the depletion of the central Post Office stocks in circa August of that year.

In his 1982 book, *The Admiral Issue of Canada*, **George C. Marler** noted that August 6th, 1918, had been determined some time previously by the Post Office's Philatelic Agency as the date of issue of the three-cent Admiral postage stamp.[18] This regular postage stamp was the successor to the two-plus-one-cent postage-war tax stamp. According to a search of philatelic journals by **Leopold Beaudet**, an August 1918 date of issue is supported by the earliest recorded dates of use.[18, 19]

Thus, it appears that in mid 1918 the Canadian Post Office gave up the pretence of a patriotic postal war tax. However, there would remain in law a nominal tax for many more years.

Post Script

Over a two-year period, starting in 1923, the Post Office replaced adhesive postage stamps with imprinted "tax" stamps for postal notes and postal money orders. The money collected on these imprints was accounted as part of the commission charged and thus formed part of general postal revenue.[11, 20] As had been the case with the adhesive postal war tax stamps of 1915-1918, the imprints were tax stamps in name only.

Explanatory Note

† The figures arising from the calculations in Table 5 are approximations since they rely on the application to specific data for the combined postage and war tax stamps of the year-over-year percent change in the total value of all postage stamps issued to postmasters. During the fiscal year 1916-17 combined postage and war tax stamps comprised 39% by value of all stamps issued to postmasters. This was the largest proportion of any stamp denomination (the next highest was the regular two-cent postage stamp at 22.7%) and thus the year-over-year percent changes in the issue of the various three-cent stamps should be similar to the overall trend.

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Table 1: Total Post Office Revenue, Expenditure and “Calculated” War Tax by Fiscal Year, 1915-16 through 1923-24.

Fiscal Year to March 31 st	Gross Total Revenue	Net Total Revenue †‡ (Gross less commissions, etc.)	Total Expenditure †§ (Salaries, etc. paid by cheque)	Amount of War Tax “calculated” by the Post Office as being included in its Net Total Revenue
1916	\$22,739,698.86	\$18,858,409.93	\$16,009,138.77	Not given in <i>Annual Report</i> until 1920, see main text for effect of War Tax on stamp sales
1920	\$29,672,548.96	\$24,449,916.97	\$20,774,385.20	\$7,312,534.97 (30% of Net Revenue)
1921	\$32,330,380.06	\$26,331,118.97	\$24,661,262.26	\$7,872,962.38 (30% of Net Revenue)
1922	\$32,278,928.32	\$26,554,538.24	\$28,121,425.07	\$7,435,270.64 (28% of Net Revenue)
1923	\$35,051,510.41	\$29,262,232.78	\$27,794,501.89	\$8,505,447.34 (29% of Net Revenue)
1924	\$35,051,907.87	\$29,100,491.92	\$28,305,936.57	\$8,573,262.73 (29% of Net Revenue)

(Source: Canada, Annual Reports of the Postmaster General, *Sessional Papers*.)

Notes: † The overall surplus or deficit of the Post Office Department was determined by subtracting the Expenditure from the Net Revenue. ‡ The Net Revenue was determined by subtracting items such as commissions paid to non-salaried postmasters and postal charges paid to foreign postal services from the Gross Revenue.

§ Expenditure comprised payments “made by cheque from Parliamentary Appropriation” for items such as salaries and conveyance of mails.

Table 2: Receipts and Distribution of Postage and Postal War Tax Stamps (sheets and coils) for the Fiscal Year ended March 31st, 1917.

Fiscal Year 1916-1917	On Hand April 1 st , 1916	Received into Central Stock from American Bank Note Company	Returned by Postmasters to Central Stock for Reissue	Issued to Postmasters	On Hand March 31 st , 1917
1¢ War Tax	1,977,500	30,000,000 (2,500,000 per month)	6100	30,140,000 (2,511,666 per month)	1,843,600
1¢ Postage	90,946,900	329,850,000 (27,487,500 per month)	106,700	316,544,200 (26,378,683 per month)	104,359,400
2¢ War Tax	919,000	17,500,000 (1,458,333 per month)	7500	17,775,000 (1,481,250 per month)	651,500
2¢ Postage	88,806,500	254,450,000 (21,204,166 per month)	90,400	262,814,000 (21,901,166 per month)	80,532,400
2¢ Postage + 1¢ War Tax	6,301,900	323,750,000 (26,979,166 per month)	61,900	301,621,700 (25,135,142 per month)	18,492,100
5¢ Postage	4,589,950	18,000,000 (1,500,000 per month)	19,700	18,019,550 (1,501,629 per month)	4,590,100

(Source: Canada, Annual Report of the Postmaster General, Fiscal Year ended March 31st, 1917, *Sessional Papers*, 1918, 8 Geo. V, Paper № 24, pp. J2-J3.)

Table 3: Quantities of Postal War Tax Stamps purchased from the American Bank Note Company by the Post Office Department.

Fiscal Year ended March 31 st	1¢ War Tax	2¢ War Tax	2¢ Postage + 1¢ War Tax	3¢ Confederation
1915	29,500,000	1,500,000	Zero	Zero
1916	183,500,000	41,500,000	78,750,000	Zero
1917	30,000,000 (2,500,000 per month)	17,500,000 (1,458,333 per month)	323,750,000 (26,979,166 per month)	Zero
1918	21,000,000 (1,750,000 per month)	16,000,000 (1,333,333 per month)	274,750,000 (Total of 373,400,000; average of 31,116,666 per month)	98,650,000
1919	3,500,000	3,500,000	60,765,000	Zero

(Source: Canada, Annual Reports of the Auditor General, *Sessional Papers*.)

Table 4: Total Value § of Stamps Received from ABN and Total Value Issued to Postmasters by Fiscal Year, 1916-17 through 1918-19.

Fiscal Year	Total Value § of All Stamps Issued†	Value § of 2+1¢ War Tax Issued †	Value § of 2+1¢ War Tax Received from ABN ‡
		Value of 2+1¢ War Tax & 3¢ Confederation Issued	Value of 2+1¢ War Tax & 3¢ Confederation Received
1917	\$23,174,601.59	\$9,051,051.06 (39% of total value issued)	\$9,712,500.00
1918	\$24,171,170.03 (4.30% increase)	Not Published in <i>PMG Report</i> .	\$11,202,000.00 (15.3% increase)
		Value of 2+1¢ War Tax and 3¢ Postage Issued	Value of 2+1¢ War Tax and 3¢ Postage Received
1919	\$24,511,873.03 (1.41% increase)	Not Published in <i>PMG Report</i> .	\$10,635,000.00 (5.06% decrease)

(Sources: † Canada, Annual Reports of the Postmaster General, *Sessional Papers*. ‡ Canada, Annual Reports of the Auditor General, *Sessional Papers*.)

Note: § The “value” of the stamps as quoted by the Post Office included the \$0.06 fee charged per roll of 500 coil stamps, which for the 2+1¢ War Tax stamp in 1916-17 was only 0.04% of its total value. The value received from ABN was total face value.

Table 5: Analysis of Official Data regarding the 2+1¢ War Tax and 3¢ Confederation Stamps by Fiscal Year, 1916-17 through 1918-19

A - Number issued to postmasters during 1916-17:	A 301,621,700 (From Table 1. Note: Average of 25,135,142 per month.)
B - Estimated number issued during 1917-18, based on a 4.30% increase in the total value of stamps issued 1917-18:	B 314,590,000 (From Table 4. “A” times 1.043. Note: Average of 26,216,000 per month)
C - Total number available during 1917-18:	C 391,892,100 (From Table 2: 18,492,100 on hand. Table 3: 373,400,000 from ABN.)
D - Estimated number on hand at March 31 st , 1918:	D 77,302,000 (“C” subtract “B”)
E - Number received from ABN during 1918-19:	E 60,765,000 (From Table 3.)
F - Estimated number available during 1918-19:	F 138,067,000 (“D” plus “E”)
G - Estimated monthly issue in early 1918-19, based on a 1.41% increase in the total value of stamps issued 1918-19:	G 26,586,000 (From Table 4. Monthly average of “B” times 1.0141.)
H - Estimated time to deplete central stock during 1918-19:	H Five Months (“F” divided by “G”)