

# **Ontario's Luxury Tax on Beverages**

**by Christopher D. Ryan**

Copyright © 1997 by Christopher D. Ryan

Reprinted from *Canadian Revenue Newsletter* № 18, September 1997

ISSN 1488-5255

## ONTARIO'S LUXURY TAX ON BEVERAGES

Christopher D. Ryan

### Preface

This article is the first in a series covering Ontario's statutes and regulations for which stamps or tickets served as a collection medium for monies due to, or held in trust, by the government or judicial system. Out of the six categories of such items, four represented taxes: Amusements, Gasoline, Luxury and Security Transfer.

With the exception of the Security Transfer Tax, the use of revenue stamps or tickets for these taxes was made necessary by the terms of the British North America Act. This constitutional statute limited the taxation powers of the provincial governments to direct taxes only. Such taxes are defined as those which are "demanded from the very person who it is

intended or desired should pay it." [1] In other words, direct taxes are not transferable by the taxpayer to a third party as part of a marked-up sale price.

Under the terms of the British North America Act indirect taxes, such as excise duties, were to have been the exclusive domain of the Federal government. However, through the use of revenue stamps and tickets the Ontario government had sought to construct legal fictions in order to extend its jurisdiction into these otherwise forbidden fields of taxation. In general terms, the Ontario government tried to convert otherwise indirect taxes into direct taxes by imposing the duty upon the end user of certain goods rather than upon the goods themselves.

On March 31st, 1925, the Ontario government introduced a bill to impose a "luxury tax" on beer, soft drinks and wine sold in the province. The Toronto *Star* reported that the provincial treasurer intended to impose this tax at the following rates:

5 cents per gallon on soft drinks	
10 cents per gallon on beer	
50 cents per gallon on domestic wine	[2]

The Luxury Tax Act that arose from this bill was given royal assent on April 14th and took effect as of May 15th, 1925.[3]

This Act specified that consumers of:

- (i) Beer, ale, porter and any malt liquor;
- (ii) Wines and other drinks prepared or manufactured from grapes or any other fruit or from any plant or vegetable;
- (iii) Ginger beer, ginger ale, root beer, coca cola, sarsaparilla, and other compounded or mixed drinks;
- (iv) Mineral waters and aerated or carbonized waters and drinks of every description;
- (v) Any combination of any of the drinks mentioned in clauses (i) to (iv);[3]

were to pay to the province a tax at the following rates:

ALCOHOL CONTENT	TAX PER GALLON
Zero up to ½%	5 cents
More than ½% up to 2½%	10 cents
More than 2½%	50 cents

The Luxury Tax Act specifically limited the 50-cent tax to Wine. For beverages other than wine, the Temperance Act of the time limited the alcohol content to 2½%.[4]

On May 14th, 1925, regulations were issued that covered two methods for the collection of the luxury tax from two possible sources:

For **Manufacturers / Bottlers** who chose to incorporate the tax into their prices:

They were to submit monthly affidavits attesting to the quantities sold by them in Ontario, accompanied by a cheque in payment of the tax thereon.[5,6] A July 9th, 1925, amendment to the regulations permitted the treasurer to pay a "commission not exceeding ten per cent. (10%) to bottlers of carbonated beverages acting as agents of the Treasurer of Ontario." [7]

For **Retail Dealers** selling taxable beverages:

- Whose manufacturer had chosen not to remit the tax themselves, or
- Produced by themselves, as in the case of soda fountains.

They were to affix stamps "to the bottle, glass or other container in which a beverage was sold either at the time of sale to the person purchasing such beverage for his own use or previous thereto." [5] In this instance the dealer was required to keep a record of the number and

denominations of stamps sold and to submit a monthly affidavit giving details thereof as well as the quantity of taxable beverages sold and purchased by him.[5]

Exceptions to the use of stamps by retailers were made in special circumstances. Three such instances were noted by the Toronto *Star* on June 1st, 1925:

*In regard to baseball ground[s] and race tracks where soft drinks are sold quickly and in large quantity, a record is kept by those catering and the amount is paid to the department, the stamp method not operating. The same applies to railway dining cars.*[8]

A similar exception was reported by the June 3rd, 1925, issue of the *Hamilton Spectator*.

*Grocers who sell domestic aerated waters and imported table waters by the case, and who made a vigorous protest to the provincial treasurer's department, following the visit this Saturday, have been promised some relief. They will be permitted to file a sworn statement monthly, showing their total sales and the amount of tax due, and may pay monthly the total tax instead of placing a luxury stamp on each bottle.*[9]

Retail establishments using soda fountains were required by the regulations to post security to guarantee payment of the tax or, in its place, pay a yearly license fee. This fee was \$5 plus \$10 for every "draught arm, goose neck or similar device used in drawing carbonated water." [5] The application of the tax to soda fountains was postponed until June 1st, 1925, and the license was to be renewed by June 1st of each subsequent year.[5, 10]

Amendments to the licensing fee were made on July 9th, 1925, and January 27th, 1926. The first amendment placed an additional \$5 per annum fee "on each barrel used for dispensing root beer." [7] The second permitted the treasurer to impose a reduced soda fountain fee of "not less than the equivalent of five cents (5¢) per gallon" whenever the total sales of taxable beverages amounted "to less than two hundred gallons per year." [11]

The phrasing of the regulations appears to have left the choice of posting security and using stamps or paying the license fee to the discretion of individual retailers. However, newspaper reports indicate that no option was actually given. For example:

*The question is fairly simple as far as unbottled drinks go, for ten dollars per annum is charged for goose-neck, or tap, or any other means of drawing carbonated drink, in use. The government intended, at first, to have every glass that passed over the counter stamped, but it was decided that the plan was not feasible. The legislating members probably caught a mental picture of a beaker disguised as a stamp album.*[12]

and

*In places where any such beverages are not sold in bottles there will*

be imposed as an equivalent of the tax, a license fee of \$5 per annum with \$10 per annum on each draught arm, goose arm, or similar device used in drawing carbonated water. It is estimated that there are between 5,000 and 6,000 places where beverages are not sold in bottles and which will be subject to this license.[6]

With respect to the calculation of the tax payable, the May 14th regulations specified that:

The basis of taxation on beverages sold in bottles reputed to hold quarts, pints and half pints respectively when the tax is collected by the bottler and paid in cash shall be as follows,--

Quarts	1.70 gallons per dozen bottles,
Pints	.90 gallons per dozen bottles,
½ Pints	.45 gallons per dozen bottles.

When paid in stamps,--

- 20 bottles containing more than 5 ounces and not more than 8 ounces,
  - or
  - 10 bottles containing more than 8 ounces and not more than 16 ounces,
  - or
  - 5 bottles containing more than 16 ounces and not more than 24 ounces,
  - or
  - 4 bottles containing more than 24 ounces and not more than 40 ounces
- shall constitute a gallon.[5]

The number of bottles per gallon as defined in the second part of the above quotation would have required the production of the following denominations of stamps:

	20 bottles	10 bottles	5 bottles	4 bottles
5-cent rate	2½ mills	5 mills	1 cent	1 cent 2½ mills
10-cent rate	5 mills	1 cent	2 cents	2 cents 5 mills
50-cent rate	2 cents 5 mills	5 cents	10 cents	12 cents 5 mills

However, as will be discussed later, only a few denominations were issued (Figure 1). These stamps were used almost exclusively in connection with the 5-cent rate on soft-drinks.

For bottled beverages, the collection of the tax by the manufacturer was the preferred means as reported by the May 15th, 1925, edition of the *Toronto Star*:

*Provincial Treasurer Price, referring to the regulations after they had been passed, stated that the department had been in touch with the wine manufacturers and asked then whether they would prefer collection by the stamp method or whether they would keep a record and pay by cheque each month. [In] nearly every case they had favored keeping a record. The brewers had agreed to collect the same way, and a return would also be made by the soft drink manufacturers.[6]*

However, in reality, most soft-drink manufacturers had refused to act as tax collectors. This forced the government to require retail soft-drink dealers to collect the tax directly from their customers via the use of stamps. One of the many news reports to comment upon the situation is the following from the June 12th, 1925, issue of the *Canadian Grocer*.

**Retailers Resent Becoming Stamp Lickers  
Merchants Claim Manufacturers Should Absorb Tax  
on Beverages and Make Return to Government**

*Retailers throughout the province of Ontario are voicing their disapproval of [the] luxury tax on beverages and especially on the method of collecting. The manufacturers of soft drinks, in the majority of cases, are simply doing nothing in the matter, they state, and are placing the onus for the collection of the tax upon the retailer. . . .[13]*

The reasons behind the manufacturers refusal to absorb or collect the tax are given in the following newspaper reports:



May 21st, 1925

June 15th, 1925



May 21st, 1925

August 19th, 1925



July 24th, 1925



May 14th, 1925



Never Used

Figure 1: Luxury Tax Stamps, Each with its Date of First Availability.

June 22nd, 1925, *Toronto Star*:

*The government set out to collect a tax on soft drinks at the expense of the manufacturers. It knew that the British North America Act gave it no power to tax the manufacturers, but it hoped that the manufacturers would ignore the illegality of the tax and, rather than fight the government, absorb the tax. It so happens that the manufacturers of cheap five-cent drinks cannot afford to pay the tax and most of them left it to the retail dealers to collect the tax from their customers or to deduct the amount of it from their meagre profit.[14]*

June 13th, 1925, *Hamilton Spectator*:

*The makers are obeying the law now by not paying the tax, and it was said, when several of them gathered, that they would continue to do so. The only way to get what they considered an unjust law out of the way was to wait for public opinion to sweep it overboard, the same as the gallon tax went up in smoke in 1922-23. If they paid it in a lump sum and made it easy for the government to collect, then it would continue. At present the government would have a hard time getting the money, and when it came to see this, then the law would probably be abolished, was the opinion.[12]*

At odds with the reports that most soft-drink manufacturers refused to collect the tax is a May 22nd, 1925, statement by the Provincial Treasurer which appeared in the *Toronto Globe*:

*Replying to newspaper reports speculating upon the absence of stamps upon soft-drink bottles, coupled with the assumption that the tax was not being collected, Provincial Treasurer Price yesterday referred back to his pre-tax statement of a week or more ago, in which he explained that most of the manufacturers preferred to remit the tax in bulk to the government on the tenth of each month, and submit their books for inspection. In such cases, explained Mr. Price, there would be no stamps. Absence of stamps did not indicate failure to collect the tax.*[15]

The assertion by the Treasurer with respect to the absence of the stamps on soft-drink bottles was false. The first shipment by BABN of the 2½-mill and 1-cent luxury stamps did not occur until May 20th and 19th, respectively.[16] The record of the reserve stock of these stamps (see Appendix) indicates that these shipments were entered into stock on **May 20th and 21st**, with the first transfer to the "current" stock (for public sale) occurring on the **21st**.[17] Thus, the true reason for the absence of stamps on bottles was not the payment of the tax in bulk but rather an absence of the stamps themselves.

This delay in the production and release of the stamps correlates with the reports that a widespread refusal by soft-drink manufacturers to collect the tax had occurred. It appears that the stamps were prepared only once the Government had come to the realization that its preferred method of collection would not work in the case of soft-drinks.

Distribution of the 2½-mill and 1-cent stamps in Toronto, the provincial capital and largest city, likely began on or soon after May 21st as the first transfer of 49,990 of the 2½-mill stamps and 85,000 of the 1-cent stamps from the reserve to the current stock occurred on that date. The Toronto *Telegram* of May 23rd, 1925, contained a photograph of a single 2½-mill stamp.[18] However, distribution in other centres may have begun only as late as the end of May. This situation is indicated by the June 3rd, 1925, issue of the *Hamilton Spectator* which reported:

*The inspector who came here a few days ago brought a supply of luxury stamps, and many owners of restaurants and soft drink parlors purchased a supply, and bottles bearing these stamps are now being handed out. But not all owners are affixing the stamps. . .*[9]

Earlier in the article, reference was made to this visit as having occurred on "*Saturday*." This corresponds to a date of May 31st, 1925. According to the national census of 1921, Hamilton was Ontario's second largest city and as such should have been one of the first areas targeted for enforcement of the tax.[19]

The extent to which manufacturers eventually relented and agreed to pay the tax as demanded by the government is not known. The June 22nd, 1925, Toronto *Globe* quoted the Provincial Treasurer as claiming, "*Out of nearly 200 bottlers, he said, only 20 were adhering to the stamp method of collection, which rendered collection for them more cumbersome.*"[20]

However, given the falsehood uttered by the Treasurer on May 22nd, the following assertion made in the December 25th, 1925, issue of the *Canadian Grocer* is probably a far more reliable reflection of what had been the true situation.

*After being in force since May 15 of this year, the revenue derived by the Ontario Government from the luxury, or beverage tax, amounted to only \$84,000. The sources from which this revenue was obtained included licenses for the sale of soft drinks [and] the sale of beverage stamps; while a certain portion was paid in direct to the government by a few manufacturers of soft drinks who absorbed the tax of five cents per gallon rather than pass it along to the retailers.*[21]

An editorial comment attached to this article noted:

*Merchants selling beverages generally agree that the Luxury Tax cannot be collected from the consumer, and must, therefore, come out of the profits of the retailer. As the margin is small to begin with, such a tax, if continued, will undoubtedly force many retailers to cease handling soft beverages. Many manufacturers claim that their profit is also small, so they, too, cannot absorb the tax. The opportunities for*

*evading the law are very great, which is one reason why the Government has not realized the amount of revenue that was estimated.*[21]

The low amount of revenue collected does indeed corroborate the view that very few soft-drink manufacturers were remitting the tax themselves.

#### **Difficulties with the Stamps Lead to a Modification in the Regulations**

The stamps proved to be an ineffective means of collection as many avenues for evasion presented themselves. Examples of such evasions (by retailers and consumers alike) are listed below:

- The reuse or non-use of the stamps;
- The purchase by consumers of taxable drinks directly from a manufacturer who had refused to collect or absorb the tax;
- The purchase by retailers of soft drinks from outside the province, (Ontario manufacturers were required to submit a list of quantities sold and to whom sold);
- The practice of setting up temporary refreshment stands along highways and in tourist areas; (These represented as much as 20 to 30 percent of all soft drink sales during the summer).[12, 13, 21]

Evasion of the tax was probably deemed a necessity by many dealers as the public balked at a one-cent increase in the price of small bottles and frequently refused to use the stamps. Incidents of this nature are described in various commentaries and news reports, for instance:

December 25th, 1925, *Canadian Grocer*:

*If this tax is continued, I will find it necessary practically to discontinue the handling of soft drinks. The retail margin will not permit that a tax such as this be paid by the merchants, and still show him a profit. It is practically impossible to sell the goods at an increased price, because the public will not pay more.*[21]

June 13th, 1925, *Hamilton Spectator*:

*. . . According to several retailers who were approached, the consumers were laughing at the law when they heard of the conditions. They wouldn't hear of affixing stamps, and if they were told that they couldn't buy drinks unless they did, they refrained from drinking. They simply went to a place where the dealer was not so insistent that the letter of the law be lived up to.*[12]

Aside from the refusal of consumers to use the stamps, the procedures for their use were found by retailers (restaurants, soda shops, et cetera) to be very cumbersome. Details of the procedure suggested by the government were reported as follows:

*Every time a dealer bought [sic, sold] a bottle of what is known as soft-drink, the dealer was to hand out four stamps, for which an extra cent was charged, according to the law. Those who framed the act had it figured that the buyer would affix one stamp, representing the quarter of a cent, and would file the other three in a handy corner of his pockets for use on future occasions.*[12]

Both this method and the alternative of affixing a stamp to every bottle exposed for sale both proved to be difficult for the retailer as the above article went on to state:

*From the retailer's point of view the tax is equally impossible. Each storekeeper has to have the stamps all ready, and when a thirsty customer comes in one of these has to be affixed to the bottle before it is handed to him, and the other three given into his keeping. If a customer comes in with some stamps left over from a previous purchase, and demands a bottle, promising to put on the stamps, and then takes the bottle outside to drink it, the dealer has no way of knowing whether the law was broken. That is one place where it is impossible to stick to the law.*

*The only way the thing could be carried out would be for the dealers to stamp every bottle before they let it out of their hands. This would mean six cents a bottle for soft drinks, though, and from previous experiences it has been shown that the public would not stand for an*

extra and inconvenient cent. Then the dealers could not put pop on the ice, for the stamps would be removed from contact with the stuff that kept the liquid cool.[12]

The suggested procedure of selling four of the 2½-mill stamps at one time would have made the tax collected by retailers impossible to audit accurately. The quantities of soft drinks sold by any single retailer would have had no relationship to the number of stamps sold by him.

The troubles encountered in the collection of the luxury tax on soft-drinks motivated the Retail Merchants Association of Ontario to present a formal protest to the Provincial Treasurer in a meeting on June 22nd, 1925.[20, 22] The Treasurer promised to ease the difficulties, but no specifics were given in the newspaper reports. However, on July 9th, authority was given to compensate soft-drink manufacturers for their collection of the tax. This compensation was a 10% commission on the tax "collected" by them.[23] Later that same month, the requirements were altered to permit retailers to affix stamps to the invoices received from their suppliers rather than the bottles sold by them. For this purpose a new 6-cent luxury tax stamp was issued. Details of the new procedure appeared in the July 28th, 1925, issue of the *Hamilton Spectator*:

*Restaurant keepers, grocers, and other dealers in soft drinks who have failed to observe the law regarding the payment of a tax on pop, carbonated waters and other drinks, had better beware, as the provincial treasurer's department has instructed its inspectors to prosecute all who disregard the new tax act.*

*Some of the dealers, when the act came into force, complained against the trouble involved in affixing a stamp to each bottle of pop sold. This is in no way necessary, for the department will be quite pleased if the retailer affixes a six-cent tax for each two-dozen case on the invoice.[24]*

A similar report in the July 27th, 1925, issue of the *Toronto Star*, stated:

*The complaint which was made in some quarters to having to put the stamps on the bottles has been made unnecessary if the retailer instead will affix a stamp of the requisite tax amount to the invoice when he receives his supplies.[25]*

The *Spectator* report clearly refers to small bottles on which the tax was 2½ mills each, but the *Star* report seems to leave open the possibility that the actual government directive also allowed the tax on larger bottles to be paid in a like manner. Unfortunately, the exact text of the treasurer's directive has not yet been found and thus the precise truth is not known.

The first and only supplies of the 6-cent stamp were shipped by BABN on July 21st, 22nd and 23rd.[16] The first transfers from the reserve to the current stock occurred on July 24th and 30th.[17]

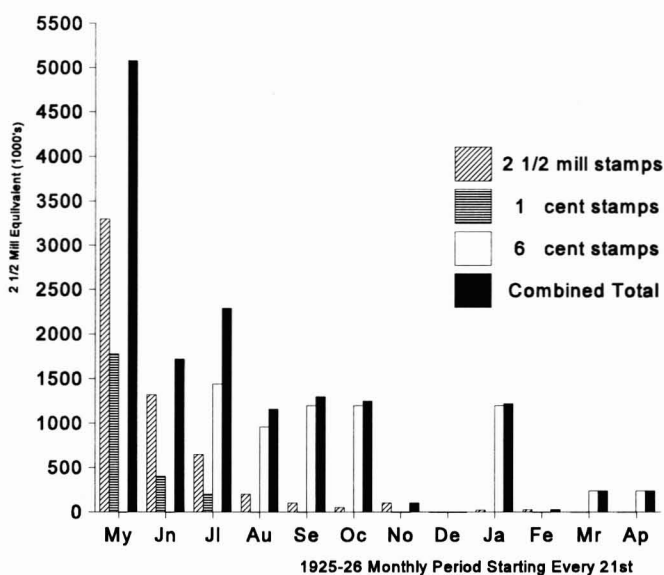
Despite the new procedures, evasions evidently continued as was noted by the December 25th, 1925, issue of the *Canadian Grocer* quoted earlier. The motivation for this would have been the still unsatisfied complaint that the profit margin on soft drinks was so small as to allow neither the retailer nor the manufacturer to absorb the tax. Reference to continued evasions is also made in an editorial from the Peterborough

*Examiner* as quoted in the January 15th, 1926, issue of the *Canadian Grocer*.

*It seems quite safe to list the soft drink tax with a number of other nuisance taxes imposed by the provincial and federal governments, the revenue from which is all out of proportion to the effort involved and trifling in relation to the interference with business resulting. What is more, experience has shown that the tax is difficult to enforce, and thus becomes another conscience levy which places those who pay at a distinct disadvantage in competition with those who take advantage of the available opportunities for evasion.[26]*

Retailers were now given a choice of affixing a stamp to each bottle of soft-drink or multiple 6-cent stamps to their invoices. A comparison of the quantities of 2½-mill, 1 and 6-cent stamps transferred from the reserve to the current stock (see Appendix) indicates that the use of stamped invoices quickly became the preferred means but also that the stamping of bottles continued. For ease of comparison, the quantities of stamps transferred are represented graphically at left in Figure 2 as their volume equivalent in 2½-mill stamps.

Figure 2: Quantities of Luxury Tax Stamps Transferred to Current Stock Expressed as 2 1/2 Mill Equivalent



The trends given by this graphical data indicate that while the 2½-mill stamp remained in use after the introduction of the stamped invoices its use had declined quite drastically. The decline was especially pronounced for the 1-cent stamp as its last transfer occurred on August 19th, 1925. This data supports the earlier suggestion that the 6-cent stamp was used in lieu of both the 2½-mill and 1-cent stamps.

#### Stamps Used Exclusively on Soft Drinks, Except for the 50-cent Value

All of the information presented above implies that the use of stamps (other than the 50-cent denomination) was limited to soft drinks. Additional evidence for this restriction is contained in a statement of amounts derived from each of the three types of beverages. This statement, entitled "*Luxury Tax. Collections to October 29th, 1925,*" includes the following notation, "*NOTE: Soft Drinks includes Returns, Stamp Sales and Licenses.*" [27]

The final, confirming evidence for the exclusive use of the 2½-mill, 1 and 6-cent stamps on soft drinks is given by the following items:

— The 1926 dates of the final entries in the record of the reserve stock of the stamps.

— The 1926 overprinting of the surplus stock of the luxury tax stamps as stock transfer stamps.

— The termination by the end of May 1926, of the employment of all of the special inspectors hired to enforce collection of the luxury tax.

These dates correlate with the repeal of the tax on soft drinks. This was announced in the budget speech of March 11th, 1926, without giving

the date on which it would occur. The actual revocation was achieved by an April 27th, 1926, Order in Council entitled, "*Exempting all purchasers of soft drinks from tax under the Luxury Tax Act,*" which repealed the five-cent rate as of May 1st, 1926.[28] The 10-cent tax rate, which applied primarily to beer, was not repealed until May 1st, 1927.[29] The tax on wine was repealed on December 11th, 1928, retroactive to November 1st, 1928.[30]

The reason for the repeal of the tax on soft drinks was explained by the Treasurer as follows:

*The tax on carbonated drinks produced somewhat over \$80,000. It is quite probable that for a full year the tax on carbonated drinks would be no more than \$100,000.*

*We have decided to abandon the tax on carbonated drinks. This done on account of the small revenue received and the extreme difficulty found in collecting this tax.*[31]

According to Ontario's *Public Accounts*, the total amount spent by the government on the enforcement of the luxury tax during the lifetime of the levy on soft drinks was \$52,595.26.[32] This figure excludes the salary of the "*Chief Luxury Tax Inspector*" who was retained following the repeal of the tax on soft drinks.[33] Even with this exclusion, the cost of collection was well over 50% and thus a very good reason to discontinue the tax.

The entire record of the reserve stock of the 2½-mill, 1 and 6-cent luxury tax stamps is reproduced in the Appendix. Its final entries are as follows:

2½-mill:			
February 8th, 1926.	Transfer to Current Stock.	50,000	
February 17th, 1926.	Returned to Reserve Stock.	26,328	
March 20th, 1926.	Transfer to Current Stock.	26,328	
1-cent:			
August 19th, 1925.	Transfer to Current Stock.	50,000	
February 17th, 1926.	Returned to Reserve Stock.	29,672	
6-cent:			
January 21st, 1926.	Transfer to Current Stock.	50,000	
March 25th, 1926.	Transfer to Current Stock.	10,000	
May 4th, 1926.	Transfer to Current Stock.	10,000	[17]

The Ontario *Public Accounts* for the fiscal year 1925/26 list twenty special luxury tax inspectors. As detailed in the Appendix, the employment of all of these inspectors for the enforcement of the luxury tax was terminated in or before May of 1926.[34]

#### Overprinting of Luxury Tax Stamps

The first confirmed overprinting or surcharging of luxury tax stamps occurred in or prior to August of 1926. A December 22nd, 1926, British American Bank Note Co. statement indicated that 1,027,500 of the surplus 6 cent luxury tax stamps still held by the printing company had been overprinted as stock transfer stamps with the invoice issued on September 30th, 1926.[35] An Audit report indicates that sometime between May and August 1926 an initial quantity of 20,000 of the six cent stamps held in stock by BABN was overprinted for use as stock transfer stamps. The first of these new stamps were sold to the public in August 1926.[36] The remaining 1,007,500 stamps were delivered by BABN sometime during the period of November 1926 through May 18th, 1927.[37]

At about the same time as the first 20,000 of the new 6-cent transfer stamp (Figure 3) were delivered, 30,000 of the 2½-mill stamp (Figure 3) were also surcharged for the same purpose. The audit report noted that such a quantity of 3-cent stock transfer stamps were delivered in the period of May through October 1926 but does not indicate the exact design of the stamps.[36] An additional 990,000 were delivered by

BABN in the period of November 1926 through May 1927.[37] The total 1,020,000 delivered would have consumed almost all of the 1,130,000 held in surplus by BABN.

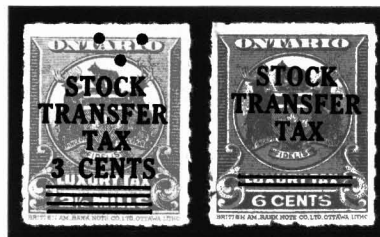


Figure 3: Luxury Tax Stamps Overprinted in 1926 as Transfer Tax Stamps.

If one adds the overprinted quantities one obtains the sum of 2,047,500. Comparing this sum to the \$143.33 amount charged by a September 30th, 1926, invoice, and listed in the 1926/27 *Public Accounts* as paid for the printing of stock transfer stamps, yields a precise figure of 7,000 cents per 1000 as the charge for the overprinting.[38] This figure indicates that the 1,020,000 of the 2½-mill stamps, like the 6-cent value, were indeed those overprinted as stock transfer stamps.

These 1,020,000 stamps could not have been 3-cent surcharges on the 2-cent stock transfer as this stamp was issued in 1920 when the transfer tax rate was raised from 2 cents to 3 cents per \$100.[39] When this occurred, the 2, 10, 20, 50, \$1.00, \$2.00 and \$10.00 denominations were declared obsolete and replaced by 3, 15, 30, 60, \$1.50, \$3.00 and \$15.00 values.[40] An internal audit report for the period of July 4th, 1921, through January 31st, 1926, indicates that only 38 of the obsolete 2-cent stamps remained in stock as of July 4th, 1921.[40] Therefore, it would not have been possible for the 3-on-2-cent surcharge to have been produced after July of 1921.

If the initial 30,000 were surcharged 2½-mill luxury stamps then their use would have commenced in or before August 1926. This assertion is based on the following figures as given in the audit report:

— Total stock on hand as of Feb. 1st, 1926:	64,111
— Added to stock in the period Feb. 1st to Oct. 31st, 1926:	30,000
— Total sold to the public in the period Feb. 1st to Jul. 31st, 1926:	59,384
— Total sold to the public in the period Feb. 1st to Aug. 31st, 1926:	69,179

[36]

These quantities indicate that it would have been necessary to use the stamps contained in the most recent shipment by August of 1926.

The next reassignment for the surplus occurred in 1929 when the 1 and 6-cent denominations were overprinted and surcharged as gasoline tax stamps. Details of this will be presented in a future article.

#### Limited Use of Stamps on Wine, Stamps NOT Used on Beer

Given the tax rates and stamp denominations issued, beer could also have been a candidate for stamping. However, the evidence presented in the previous section indicates that this did not occur. This situation is confirmed by comments made by the Treasurer of Ontario which indicate that none of the breweries in Ontario had chosen the stamp method. The June 12, 1925, *Toronto Star* contained the following item:

#### *\$25,000 in 10 Days Is Beer Revenue*

*An estimate made from certain returns to the provincial treasurer under the beverage tax shows breweries sold at least 250,000 gallons of 4.4 [proof or 2.2%] beer to thirsty citizens of Ontario during the first ten days after the introduction of 4.4 beer to the public in Ontario. The payment of the beverage tax for each month is to be paid by the tenth of the month following. The tide of Ferguson beer was released on the 21st of May, and there was ten days for its sale in the month of May.*

*Hon. Col. W.H. Price told the Star yesterday that from one brewery*

alone a check for \$2,000 had been received, and from another \$1,500. Taking these figures as a basis, with the fact that there are approximately 24 breweries in the province with beer permits, if an average of \$1,000 is sent in for the ten days tax on the business, then the breweries sold or distributed approximately 250,000 gallons. The tax collected is ten cents per gallon, or \$25,000 for the ten days.[41]

These comments, unlike some of the Treasurer's other statements, are valid as they correlate with the evidence presented in the previous section. Collection of the tax by beer (and wine) manufacturers would have been far easier to enforce as the sale of these products within the province required a government licence.[42]

Stamps, other than the 50-cent denomination, could not have been used on wine as the Temperance Act in effect at the time required that individual bottles of domestic wine have a minimum capacity of "three half pints" or thirty ounces.[42] The tax payable by stamps on these bottles would have been 12½ cents and would (given the values available) have required the affixing of a minimum of four stamps to each and every bottle.

The two 50-cent luxury stamps were intended for use exclusively on wine. However, as will be shown hereafter, only one of the two designs saw limited use while the second was never used, despite its availability. The entire record of the reserve stock of these stamps is reconstructed below:

**LUXURY TAX STAMPS  
.50  
WINE MANUFACTURERS**

Date Entered	Receipts	Transfer to Current Stock	Initials of Official
14 May 1925 BABN Co	30,000		
14 May 1925		5,000	J.A.K
22 May 1925 BABN Co.	100,000		
31 Oct 1925 Received from J.A.K.	4,700		
Sales as per summary	<u>300</u>		
	5,000		F.G.D

(Source: Archives of Ontario, RG 6 – 27, Box 8, File "Luxury Stamps.")

The two shipments of the 50-cent denomination were made by BABN on May 12th and May 21st, respectively. Notations on the advice slips included in the shipments indicate that the government paid \$2 per thousand for the first shipment and 75 cents per thousand for the second.[16] These figures indicate that the first 30,000 represent the provisional overprint on the law stamp while the second 100,000 represent the smaller, lithographed stamp. A second notation on the first advice slip confirms that stamps from the first shipment had been transferred to the current stock for sale to manufacturers. Thus it seems evident that only 300 of the provisional stamp and none of the lithographed stamp were ever sold for actual use as luxury tax stamps. This left the vast majority of the stamps — 29,700 and 100,000, respectively — as remainders.

As noted earlier, the luxury tax on wine was repealed in 1928. As of May 1st, 1932, a similar tax was reimposed at a reduced rate of 10 cents per gallon.[43] However, stamps were not used in connection with this new impost. The instructions given to the wine producers were as follows:

*The tax of 10¢ per gallon on wines sold in Ontario imposed at the end of the last session of the Legislature became effective on May 1st and will be payable on all sales made on and after that date.*

*It has been arranged for the companies to forward to this Department a cheque during the first week of June and each subsequent month, for the tax collected on all wines sold by your company in Ontario, including sales to the Liquor Control Board, at the rate of 10¢ per gallon.*

*This tax does not apply to wines sold outside of Ontario.*

*In reference to wines sold to the Liquor Control Board of Ontario, it will be necessary for you to add to the price of the same, 10¢ per gallon to cover the tax you will be paying to this office on the said sales.*

*In calculating this tax the following measurements should be used, -*

- (a) A gallon shall be considered as containing 160 ounces.*
- (b) Six bottles containing not more than 26 ounces each shall be considered as containing 156 ounces or 97½% of a gallon.*

*If there is any further information you desire, the Department will be only too pleased to supply the same.[44]*

A March 16th, 1935, report gives additional details:

*Each winery in Ontario is required by the Liquor Control Act to have a license. Each such winery is required to forward daily to the Liquor Control Board copies of all sales slips together with a recapitulation listing such sales and a certificate thereon of the Manager of the winery covering the truth and completeness of such recapitulation.*

*The Liquor Control Board forwards to this office monthly a summary of such sales slips for all wineries so that the payments received in this office may be checked thereagainst.*

*The reports to be made by the wineries to this office and to be accompanied by their cheques covering the tax do not arrive in this office at any specified date.[44]*

**Quantities of Stamps Printed, Issued, and Remained**

The BABN invoice statements and advice slips as well as the government's own record of its reserve stock make no explicit differentiation between the surcharged and unsurcharged varieties of the 2½-mill and 1-cent luxury tax stamps.[17, 45] However, the quantities of each design and their shipment dates can be derived from the prices charged to the government by BABN. These are as follows:

**2½-mill denomination**

(including 2½-mill and 2½-mill surcharge on 2-mill.)

BABN Shipping Dates:	May 20th to Jun. 9th	Jun. 12th to Jul. 15th
Quantity Delivered:	2,540,000	3,890,000
Price Charged:	25¢ per 1000	15¢ per 1000

Remainders Held by BABN: 1,130,000 at 15¢ per 1000

**1-cent denomination**

(including 1-cent and 1-cent surcharge on 1-mill.)

BABN Shipping Dates:	May 19th to Jun. 19th	Jul. 8th to Jul. 20th
Quantity Delivered:	1,535,000	2,040,000
Price Charged:	25¢ per 1000	15¢ per 1000

Remainders Held by BABN: None.

**6-cent**

BABN Shipping Dates:	Jul. 22nd to Jul. 24th
Quantity Delivered:	1,600,000
Price Charged:	15¢ per 1000

Remainders Held by BABN: 3,400,000 at 15¢ per 1000

Given that:

— The charge made for the 1926 stock transfer overprints was 7¢ per 1000.

— The 2½-mill stamps used as illustrations in the May 23rd, 1925, edition of the Toronto *Telegram* and the June 12th, 1925, issue of the *Canadian Grocer* were of the surcharged variety.[13, 18]

— The two prices charged for the 2½-mill and 1-cent stamps whereas a single 15¢ per 1000 price was charged for the unsurcharged 6-cent stamp.

It is evident that the 25¢ price represents the combined charge for the basic printing and the surcharging while the 15¢ represents charges for the delivery of unsurcharged stamps. Therefore, the following quantities can be extracted from the statements, slips and records:

2½-mill surcharge on 2-mill:

- 2,540,000 were printed and delivered to the government.
- Of which 2,300,000 were transferred from the reserve to the current stock (and presumably sold) prior to the arrival of the corrected stamp, leaving 240,000 in stock.

2½-mill:

- 3,890,000 were delivered to the government.
- During which time, 3,600,000 were transferred from the reserve to the current stock. Of this quantity transferred, an unknown number may have been of the earlier surcharged variety.
- An additional 1,130,000 were held by BABN of which 1,020,000 were overprinted in 1926 as stock transfer stamps leaving 110,000 held by BABN.

1-cent surcharge on 1-mill:

- 1,535,000 were printed and delivered to the government.
- Of which 545,000 were transferred from the reserve to the current stock prior to the arrival of the corrected stamp, leaving 990,000 in the reserve stock.

1-cent:

- 2,040,000 were delivered to the government.
- After which a net transfer of 20,328 was transferred from the reserve to the current stock. (50,000 transferred to the current stock on August 19th, 1925, 29,672 returned to the reserve on February 17th, 1926)
- No remainders were held by BABN.

6-cent:

- 1,600,000 were delivered to the government.
- Of which 270,000 were transferred from the reserve to the current stock, leaving 1,330,000 in the reserve stock.
- An additional 3,400,000 were held by BABN of which 1,027,500 were overprinted in 1926 as stock transfer stamps leaving 2,372,500 held by BABN.

The reserve stocks held by the government at the time of the repeal of the tax on soft drinks was, without reference to surcharge varieties, as follows:

2½-mill	530,000
1-cent	3,009,672
6-cent	1,330,000

For the 2½-mill denomination, the previous analysis would indicate that the majority of these remainders were probably of the unsurcharged, corrected design. With the 1-cent denomination, the distribution of the remainders would have been in an approximate ratio of 1:2 with respect to surcharged versus corrected varieties. The quantities of the remainders and the suggested proportions would explain the present scarcity of the 2½ surcharge on 2-mill stamp as compared to the corrected 2½-mill stamp and both of the 1-cent varieties. The 110,000 of the 2½-mill denomination held by BABN should have been entirely of the corrected variety.

The ultimate fate of the stocks held by BABN after the 1926 surcharging is not precisely known. The 110,000 of the 2½-mill stamps were paid for by the government on December 31st, 1925, and thus were its property.[34, 46] However, the 2,372,500 of the 6-cent stamps were left unpaid for as late as December of 1926 and quite probably into the next fiscal year beginning in November of 1927.[35] Sometime in that year, remuneration for these remainders appears to have been made as the Ontario *Public Accounts* for 1927/28 contain the following entry:

*British American Bank Note Co., luxury tax stamps, 177.93* [47]

This dollar amount, when compared to the quantity of the 6-cent

remainders, yields a price of 7½ cents per thousand. This is exactly half of the earlier price and could mean that either:

- The government took delivery of half of BABN's stock, or;
- Negotiations took place over the fate of the now obsolete stamps and a deal was struck at half the previous rate.

Since the surplus stock held by BABN was now owned by the government, it is probable that it was delivered to them at some unknown time. It appears that these stamps, particularly the 6-cent, would have been delivered without a surcharge or other overprint. This observation is based on the following information:

- The only payment made to BABN for security transfer stamps prior to 1932/33 when it took over the printing of these stamps from the Canadian Bank Note Company was the \$144.33 mentioned previously.
- The only payment to BABN for gasoline tax stamps was made in 1924/25.
- An analysis of the numbers of transfer stamps given in the Annual Reports of the Controller of Revenue indicates that no 6-cent transfer stamps were delivered to the government in the period of November 1927 through October 1934.
- There is no entry in the *Public Accounts* for the year 1934/35. Unfortunately, as of the 1935/36 fiscal year the *Public Accounts* no longer specify the item or items covered by the payments to BABN. These payments are simply entered under the generic headings of "*Government Stationary Account — Stock Printing Purchases.*" However, as will be shown in a future article, the use of stamps in connection with the gasoline tax ended in 1935 or 1936.
- The average annual usage of the 6-cent transfer stamp, as given the Controller of Revenue's Reports, during the period of November 1927 through October 1934 was 21,879. At this rate, the 1,027,500 stamps delivered in 1926 would have lasted almost 47 years, or until 1973.
- As will be noted in a future article, the rate of stamp usage for the Security Transfer Tax declined as the years passed. This followed the introduction of a system of weekly cash payments for this tax. The decline would have extended the lifetime of the 1926 stock of stamps for an even greater length of time.

From the above evidence it appears that the government took possession of BABN's surplus stock as unsurcharged stamps. Thus the surcharges applied at later dates in connection with the gasoline tax must have been applied locally by the government itself or by some other printer.

#### Stamps Returned by Retailers Were Destroyed

Not included in any of the above considerations are stamps returned to the government by retailers for a refund after the termination of the tax. It was standard practice in the Treasury Department to deface and/or destroy any returned stamps or tax tickets as evidenced by Audits Reports and the Annual Reports of the Controller of Revenue.[48] Given this practice, it is probable that most or all of the luxury stamps returned by retailers were treated in a similar manner.

#### A Final Comment on the Luxury Tax Stamps

What remains unknown is the reason for the initial production by BABN of the unissued 1 and 2-mill varieties of the luxury tax stamps. Three possibilities come to mind:

1. The original intent of the government was to levy the tax on soft drinks at a lower rate, perhaps at 2 or 4 cents per gallon.
2. An error (or lack of clarity) on the part of the government when placing the order for the stamps.
3. An error or misinterpretation on the part of BABN.

The third possibility seems improbable as the government paid an extra 10 cents per thousand (25 versus 15 cents) for the surcharged stamps. This extra fee would indicate that the surcharging originated with the government. This leaves the first two possibilities as the more probable scenarios.



**APPENDIX**

**Luxury Tax Inspectors Employed In 1925 Along With The Dates Upon Which Their Duties Commenced:**

J.R. Bowen	Jun 1st	T.J. Ingoldsby	May 26th
R. Burrows	Jun 1st	J.C. Locklin	May 23rd
W.J. Challenger	May 27th	J.W. McConnell	May 27th
J.M. Clarke	May 27th	G. Moore	May 26th
F.G. Davies	May 26th	G.W. Nesbitt	May 22nd
A.O. Dawson	May 22nd	J. Netterfield	Jun 16th
W.H. Derrick	Jun 2nd	J.T. Nidd	Jun 22nd
O.R. Dew	May 22nd	M.F. Pinkerton	Jun 10th
E.J. Drury	May 23rd	G.M. Reid	May 13th
T.P. Eversfield	May 26th	P.A. Richards	Jun 5th
A.J. Ferguson	Jun 1st	S. Rusling	May 22nd
A. Gillies	Jun 16th	D. Sharpe	May 20th
L. Girouard	Jun 10th	W.H. Sing	May 20th
R.J. Hanna	May 22nd	B. Smith	May 23rd
J.F. Harper	May 18th	B. Spencer	May 22nd
A. Hergott	Jun 9th	F. Tooms	May 27th
J. Hitzroth	Jun 11th	J.F. Trant	May 22nd
J.S. Hunt	May 30th		

**Luxury Tax Inspectors With Their Approximate Termination Dates Based On Salary And Amount Paid During The Fiscal Year Of Nov. 1st, 1925, Through Oct. 31st, 1926:**

Inspector	Salary	Amount Paid	Approx. Termination Date
R.S. Burrows	\$1900 per year	\$1029.08	Mid May 1926
J.C. Carling	\$30 per week	\$125.00	End of November 1925
F.G. Davies	\$141.16 per month	\$905.00	Mid May 1926
W.H. Derrick	\$1800 per year	\$900.00	End of April 1926
O.R. Dew	\$30 per week	\$840.00	Mid May 1926
T.P. Eversfield	\$30 per week	\$420.00	Start of February 1926
A.J. Ferguson	\$1800 per year	\$1050.00	End of May 1926
L. Girouard	\$30 per week	\$645.00	
	\$30 per week	\$186.00	Mid May 1926
R.J. Hanna	\$30 per week	\$840.00	Mid May 1926
J.F. Harper	\$1800 per year	\$985.00	Mid May 1926
A. Hergott	\$1800 per year	\$965.00	Mid May 1926
J. Hitzroth	\$30 per week	\$905.00	End of May 1926
J.S. Hunt	\$30 per week	\$840.00	Mid May 1926
J. McConnell	\$1800 per year	\$1050.00	End of May 1926
J.F. Nidd	\$1800 per year	\$1050.00	End of May 1926
M.F. Pinkerton	\$30 per week	\$905.00	End of May 1926
P.A. Richards	\$30 per week	\$710.00	Mid April 1926
D. Sharpe	\$1800 per year	\$1050.00	End of May 1926
W.H. Sing	\$1800 per year	\$450.00	End of March 1926
B. Smith	\$30 per week	\$905.00	End of May 1926

**Luxury Tax Inspectors Whose Duties Began At Unknown Dates Between June 22nd And November 1st, 1925:**

J.C. Carling, R. Marter, Robert Clarke.

(Sources: Archives of Ontario, RG 6 - 27, Box 8, File "Luxury Stamps;" Ontario, "Public Account," 1924/25, *Sessional Papers*, 1926, Paper N<sup>o</sup> 1, Section N, p. 25.; "Public Accounts," 1925/26, *Sessional Papers*, 1927, Paper N<sup>o</sup> 1, Section O, p. 18.)

**Reproduction of the Record of the Reserve (or "Surplus") Stock of the Luxury Tax Stamps**

<b>1-cent denomination:</b>				17	"	10,000	F.G.D.	10	BABN	700,000		
1925	Receipts	Delivered	Initials	25		10,000	F.G.D.		J.T. White		200,000	J.T.W.
May 20	BABN	100,000		Oct 01		40,000	F.G.D.		F.G. Davies		50,000	F.G.D.
21	"	435,000		Nov 19		50,000	F.G.D.		J.A.K.		50,000	J.A.K.
21	J.A. Kennedy			1926				10	J.T. White		100,000	J.T.W.
	- Current Stock	85,000	J.A.K.	Jan 21		50,000	F.G.D.	12	J.A.K.		50,000	J.A.K.
23	J.T. White	50,000	M.S.	Mch 25		10,000	F.G.D.	"	"		50,000	J.A.K.
28	"	50,000	M.S.	May 04		10,000	F.G.D.	"	"		50,000	F.G.D.
30	J.T. White	50,000	J.T.W.					13	BABN	150,000		
Jun 04	J.T. White	50,000	J.T.W.	<b>2½-mill denomination:</b>				15	J.T. White		100,000	M.S.
09	F.G. Davies	50,000	F.G.D.	1925				"	"		50,000	M.S.
10	J.T. White	50,000	J.T.W.	May 21	BABN	150,000		"	"		50,000	F.G.D.
13	"	10,000	M.S.	21	J.A. Kennedy			"	"		50,000	F.G.D.
13	BABN	250,000			- Current Stock	49,990	J.A.K.	15	BABN	140,000		
18	BABN	50,000			J.T. White			"	F.G. Davies		100,000	F.G.D.
19	BABN	400,000			For Experimental Purposes	10	G.S.	"	J.T. White		50,000	M.S.
"	F.G. Davies	50,000	F.G.D.	23	J.T. White	10,000	J.T.W.	16	BABN	200,000		
20	BABN	300,000		23	J.T. White	10,000	M.S.	16	F.G. Davies		40,000	F.G.D.
24	F.G. Davies	50,000	F.G.D.	22	BABN	350,000					150,000	F.G.D.
Jul 04	"	50,000	F.G.D.	22	J.T. White	150,000	J.T.W.	17	F.G. Davies		50,000	F.G.D.
09	BABN	200,000		23	"	30,000	J.T.W.		BABN	400,000		
10	BABN	200,000		26	"	30,000	M.S.	18	BABN	140,000		
11	BABN	200,000		26	"	120,000	M.S.	18	F.G. Davies		50,000	F.G.D.
17	BABN	400,000		26	"	10,000	J.T.W.	19	F.G. Davies		50,000	F.G.D.
18	BABN	400,000		27	J.T. White	90,000	J.T.W.	"	"		50,000	F.G.D.
Aug 19		50,000	F.G.D.	29	J.T. White	200,000	J.T.W.	20	BABN	100,000		
1926				29	J.A.K.	200,000	J.A.K.	"	F.G. Davies		190,000	F.G.D.
Feb 17	Returned to Stock from J.A.K.			30		100,000	M.S.	"	"		50,000	F.G.D.
	29,672		G.H.	28	BABN	100,000		22	"		50,000	F.G.D.
(NOTE: An additional 640,000 of the 1-cent stamps were shipped by BABN on July 20th, 1925. However, no entry was made in the record for this shipment.)				29	BABN	400,000		22	BABN	200,000		
				30	BABN	400,000		23	F.G. Davies		50,000	F.G.D.
<b>6-cent denomination:</b>				Jun 01		50,000	M.S.	24	"		50,000	F.G.D.
1925				01	BABN	140,000		26	"		70,000	F.G.D.
Jul 22	BABN	400,000		02	J.T. White	100,000	J.T.W.	"	"		50,000	F.G.D.
23	"	600,000		04	J.T. White	40,000	J.T.W.	27	"		100,000	F.G.D.
24	"	600,000		04	J.T. White	50,000	J.T.W.	30	"		200,000	F.G.D.
	F.G. Davies	10,000	F.G.D.	05	J.T. White	10,000	M.S.	Jul 02	"		50,000	F.G.D.
30	"	10,000	F.G.D.	08	J.T. White	50,000	M.S.	Jun 23			400,000	
Aug 07	"	10,000	F.G.D.	08	BABN	100,000		Jun 24			260,000	
13	"	10,000	F.G.D.	09	BABN	200,000		Jul 03	BABN	400,000		
18	"	20,000	F.G.D.	09	J.T. White	100,000	J.T.W.		BABN	400,000		
25	"	10,000	F.G.D.	09	J.A.K.	50,000	J.A.K.	04	BABN	500,000		
31	"	10,000	F.G.D.		F.G. Davies	50,000	F.G.D.	06	"		50,000	F.G.D.
Sep 09	"	10,000	F.G.D.					09	"		100,000	F.G.D.

13	"	50,000	F.G.D.	04	150,000	F.G.D.	07	50,000	F.G.D.
14	"	50,000	F.G.D.	06	50,000	F.G.D.	17	50,000	F.G.D.
15	BABN	200,000		08	50,000	F.G.D.	Nov 19	50,000	F.G.D.
16	BABN	400,000		17	50,000	F.G.D.	Dec 05	50,000	F.G.D.
17	F.G. Davies	50,000	F.G.D.	20	50,000	F.G.D.	11	50,000	F.G.D.
20		50,000	F.G.D.	20	50,000	F.G.D.	1926		
21		50,000	F.G.D.	24	50,000	F.G.D.	Feb 08	50,000	F.G.D.
22		50,000	F.G.D.	Sep 04	50,000	F.G.D.	17	Returned to Stock	
24		50,000	F.G.D.	15	50,000	F.G.D.		from J.A.K.	26,328
24		50,000	F.G.D.	19	50,000	F.G.D.	Mar 20		G.H.
Aug 01		50,000	F.G.D.	Oct 02	50,000	F.G.D.			26,328
									F.G.D.

(Sources: Archives of Ontario, RG 6 – 27, Box 8, File "Luxury Stamps;" RG 6 – 14, Box 8, File 1206/1 "Luxury Tax.")

## Reference Notes

- [1] - Solicitor to the Treasury, "Memo for Mr. McLean, Deputy Minister of Highways: Re Gasoline Tax," Nov. 28th, 1921, Archives of Ontario, Records of the Ministry of Finance, RG 6 – 27, Administrative Services Branch Director's Subject Files, Box 5, File "Gasoline Tax General and Miscellaneous."
- [2] - Anonymous, "Levy on Ferguson Beer to be 10 Cents a Gallon," *Toronto Star*, Apr. 1st, 1925, p. 3.
- [3] - Ontario, *Statutes*, 15 Geo. V, 1925, ch. 14.
- [4] - Ontario, *Statutes*, 6 Geo. V, 1916, ch. 50; 7 Geo. V, 1917, ch. 50; 15 Geo. V, 1925, ch. 67.
- [5] - Ontario, Order in Council 144/451, May 14th, 1925, Archives of Ontario, Records of the Cabinet Office and the Executive Council, RG 75 – 57.
- [6] - Anonymous, "Beverage Tax Rules — Fee on Draught Pop," *Toronto Star*, May 15th, 1925, p. 3.
- [7] - Ontario, Order in Council 146/70, Jul. 9th, 1925, Archives of Ontario, RG 75 – 57.
- [8] - Anonymous, "Retailers Opposing Beverage Tax Method," *Toronto Star*, Jun. 1st, 1925, p. 6.
- [9] - Anonymous, "Retailers Must Absorb the Tax," *Hamilton Spectator*, Jun. 3rd, 1925, p. 16.
- [10] - Anonymous, "Taxes to be Imposed on Soda Fountains and on Draft Arms," *Toronto Globe*, May 15th, 1925, p. 10.
- [11] - Ontario, Order in Council 150/137, Jan. 27th, 1926, Archives of Ontario, RG 75 – 57.
- [12] - Anonymous, "Soft Drink Trade Hurt by New Tax," *Hamilton Spectator*, Jun. 13th, 1925, p. 5.
- [13] - Anonymous, "Retailers Resent Becoming Stamp Lickers," *Canadian Grocer*, Vol. 39, N<sup>o</sup> 24, Jun. 12th, 1925, p. 15.
- [14] - Anonymous, "Harassing Canadian Manufacturers," *Toronto Star*, Jun. 22nd, 1925, p. 6.
- [15] - Anonymous, "Soft Drink Taxes Collected in Bulk," *Toronto Globe*, May 23rd, 1925, p. 14.
- [16] - Anonymous, Advice Slips from the British American Bank Note Co., May 19th, 1925, to Jul. 24th, 1925, Archives of Ontario, RG 6 – 27, Box 8, File "Luxury Stamps."
- [17] - Anonymous, Record of the Reserve ("Surplus") Stock of Luxury Tax Stamps, Archives of Ontario, RG 6 – 27, Box 8, File "Luxury Stamps."
- [18] - Anonymous, Untitled, *Toronto Telegram*, May 23rd, 1925, p. 19.
- [19] - Canada, *Yearbook*, 1925, p. 122.
- [20] - Anonymous, "May Yet Readjust New Beverage Tax," *Toronto Globe*, Jun. 23rd, 1925, p. 11.
- [21] - Anonymous, "Why Continue a Tax that Fails to Produce Sufficient Net Revenue," *Canadian Grocer*, Vol. 39, N<sup>o</sup> 52, Dec. 25th, 1925, p. 11.
- [22] - Anonymous, "Beverage Tax," *Hamilton Spectator*, Jun. 18th, 1925, p. 16.
- [23] - Ontario, Order in Council dated July 9th, 1925, *Gazette*, 1925, vol. 58, p. 937.
- [24] - Anonymous, "Soft Drink Tax," *Hamilton Spectator*, Jul. 28th, 1925, p. 5.
- [25] - Anonymous, "Stamps on Invoice," *Toronto Star*, Jul. 27th, 1925, p. 13.
- [26] - Anonymous, "Another Nuisance Tax," *Canadian Grocer*, Vol. 40, N<sup>o</sup> 3, Jan. 15th, 1926, p. 14.
- [27] - Anonymous, "Luxury Tax: Collections to October 29th, 1925," Archives of Ontario, RG 6 – 14, Deputy Minister's General Correspondence, Box 8, File 1206/1 "Luxury Tax."
- [28] - Ontario, Order in Council 151/335, Apr. 27th, 1926, Archives of Ontario, RG 75 – 57.
- [29] - Ontario, Order in Council 157/270, Apr. 5th, 1927, Archives of Ontario, RG 75 – 57.
- [30] - Ontario, Order in Council 169/376, Dec. 11th, 1928, Archives of Ontario, RG 75 – 57.
- [31] - Ontario, *Financial Statement of the Hon. William H. Price, Treasurer of the Province of Ontario*, Toronto: King's Printer, 1926, p. 42.
- [32] - Ontario, "Public Accounts," 1924/25 and 1925/26, *Sessional Papers*, 1926, Paper N<sup>o</sup> 1, Section N, p. 25; 1927, Paper N<sup>o</sup> 1, Section O, p. 18.
- [33] - Ibid, 1927, Paper N<sup>o</sup> 1, Section O, p. 8.
- [34] - Ibid, p. 18.
- [35] - Anonymous, Statement from the British American Bank Note Co. Re: Luxury Stamps on Hand, Dec. 22nd, 1926, Archives of Ontario, RG 6 – 27, Box 8, File "Luxury Stamps."
- [36] - MacFadyen, H.H., "Audit Report: Corporations Tax Act - Stock Transfers," Feb. 1st, 1926, to Oct. 31st, 1926, Archives of Ontario, RG 6 – 16, Deputy Minister's Subject Files, Box 1, File "Audits - Treasury Branches."
- [37] - MacFadyen, H.H., "Audit Report: Corporations Tax Act - Stock Transfers," Nov. 1st, 1926, to May 18th, 1927, Archives of Ontario, RG 6 – 14, Box 3, File 302/7 "Corporation Tax - Stock Transfer Tax."
- [38] - Anonymous, Statements from the British American Bank Note Co. Re: Luxury Stamps on Hand, Dec. 15th and 22nd, 1926, Archives of Ontario, RG 6 – 27, Box 8, File "Luxury Stamps."
- [39] - Ontario, *Statutes*, 10-11 Geo. V, 1920, ch. 9.
- [40] - MacFadyen, H.H., "Audit Report: Corporations Tax Act - Stock Transfers," Jul. 4th, 1921, to Jan. 31st, 1926, Archives of Ontario, RG 6 – 16, Box 1, File "Audits - Treasury Branches."
- [41] - Anonymous, "\$25,000 in 10 Days Is Beer Revenue," *Toronto Star*, Jun. 12th, 1925, p. 3.
- [42] - Ontario, *Statutes*, 6 Geo. V, 1916, ch. 50, section 44.
- [43] - Ontario, *Statutes*, 22 Geo. V, 1932, ch. 32.
- [44] - Clark, P.T., Memorandum Re: "Wine Tax" dated Mar. 16th, 1935, Archives of Ontario, RG 6 – 15, Interministerial and Intergovernmental Correspondence, Box 51, File 14L "Wine Tax."
- [45] - Anonymous, Invoice Statements and Advice Slips from BABN, Archives of Ontario, RG 6 – 27, Box 8, File "Luxury Stamps;" RG 6 – 14, Box 8, File 1206/1 "Luxury Tax."
- [46] - Anonymous, BABN Invoice 2173, Aug. 31st, 1925, Archives of Ontario, RG 6 – 27, Box 8, File "Luxury Stamps."
- [47] - Ontario, "Public Accounts," 1927/28, *Sessional Papers*, 1929, Paper N<sup>o</sup> 1, Section O, p. 9.
- [48] - Anonymous, Aug. 17th, 1933, Letter to the Controller of Revenue from the Chief Clerk Re: Stamps Exchange of Jun. 24th, 1924, Archives of Ontario, RG 6 – 15, Box 4, File 105/1 "Controller of Revenue - General."  
- Orr, W.A., White, J.T., Annual Reports of the Controller of Revenue, Archives of Ontario, RG 6 – 36, Box 1.  
- MacFadyen, H.H., "Audit Report: Corporations Tax Act - Stock Transfer Tax," May 19th, 1927, to Oct. 31st, 1927, Archives of Ontario, RG 6 – 16, Box 1, File "Audits - Treasury Branches."  
- Scott, J.M., McKinlay, W.W., Letter Certifying the Destruction of Some Luxury Tax Stamps, Jul. 18th, 1934, Archives of Ontario, RG 6 – 27, Box 8, File "Luxury Stamps."

## OFFICERS OF THE REVENUE STUDY GROUP

### Chairman and Treasurer:

Fritz Angst, W2200 First National Bank Building, 332 Minnesota Street, St. Paul, Minnesota, U.S.A., 55101.

### Membership Director:

Bill Rockett, 540 Overlook Avenue, Willow Grove, Pennsylvania, U.S.A., 19090.

### Newsletter Editor:

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