Canada's Excise Tax on Advances of Money, 1920-1927

by Christopher D. Ryan

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In May of 1920, the federal budget speech announced the government's intention to increase excise tax on all promissory notes and bills of exchange (drafts) from a flat 2 cents to 2 cents per $100 of the amount of the document. Before the July 1st introduction of the new rate, anticipated difficulties in its application resulted in it being limited to time-drafts and time-notes (drafts and promissory notes payable at a specified time greater that three days) and in the introduction of a tax on the advances of money given by banks.[1]

The anticipated difficulties took two forms, excessive taxation in some cases and evasion of the tax in others. Excessive taxation would have occurred in situations where a demand-note (a promissory note payable on demand) was renewed on a daily basis for a variable amount as determined by transactions in a commodity. The net effect would have been a multiplication of the tax on what was in effect a single, ongoing credit. Demand-notes could also have been used to evade the tax by acting as a substitute for the standard commercial practice of renewing a time-note each month. In this case, a single demand-note would be given to the bank against which periodic payments would be made over a long period of time. Another means of evading the proposed increased in the tax rate would have been the excessive use of overdrafts of bank accounts.[1]

To counter these potential difficulties, the government continued to tax demand-notes and drafts (other than time-drafts) at the old rate of 2 cents per document. However, the advances of money given by banks against demand-notes or by way of overdrafts were made taxable at 2 cents per $100 or fraction thereof as of July 1st, 1920. This rate was increased to 2 cents per $50 as of August 1st, 1922.[1, 2]

For consistency and equity, other forms of advances made against agreements to pay and/or pledges of security were also made taxable. This resulted in the taxation of three basic forms of advances:

- Overdrafts of bank accounts,
- Demand-loans (i.e. advances made against demand-notes), and
- Call-loans (i.e. advances made without demand-notes, but against agreements to pay and/or pledges of security),

All of these advances were now taxed on par with credits or advances granted by the use of time-notes and time-drafts. The tax on overdrafts, demand-loans and call-loans was to be paid by the bank affixing stamps to a statement of advances and charging the amount to the respective customer. Either excise tax or postage stamps were permitted through September 30th, 1923.[1, 2] As of October 1st, 1923, only excise tax stamps could be used.[3] (Note: 'War tax' was the pre-1920 designation for Canada's excise tax stamps.)

In December of 1920, the Revenue Department ruled that advances made prior to July 1st, 1920, and still outstanding on or after that date were not subject to the new tax regime. When forwarding details of the ruling, at least one bank instructed its employees not to refund any such tax that had already been paid.[4] As will be discussed later in this work, it appears that a similar ruling was made concerning the August 1st, 1922, introduction of the 2 cents per $50 rate.

As of July 1st, 1925, the tax was extended to advances made by any financial institution against a loan agreement and/or pledge of securities. It was revoked as part of the July 1st, 1927, return to a flat 2-cent tax for commercial paper. The final payment for the month or quarter ending June 30th was to be made by July 6th, 1927.[5]

The excise tax on overdrafts was to be paid at the end of each month unless the account was closed or called in during the month at which time the tax was immediately due. The tax was to be calculated using the maximum amount of overdraft that was still outstanding after a three-day period. Overdrafts of three days or less in duration were not taxable. This exemption allowed for accidental overdrafts.[1, 2]

Figure 1 opposite illustrates a stamped debit-slip used by the Union Bank of Canada to collect the tax on the overdraft for the month of July 1922 at the 2 cents per $100 rate. Figure 2 illustrates the 2 cents per $50 rate where the overdrawn account was closed or called in during the month of September 1925. This required the payment of the tax prior to the end of the month.

The tax on call-loans was to be paid quarterly at the end of March, June, September and December, respectively. If a call-loan were paid off, or called in, during a quarter, payment of the tax was to be made immediately.[1, 2]

Figures 3 and 4 respectively illustrate the first and last quarterly payments of the tax on call-loans. Both of the illustrated statements were issued by the Canadian Bank of Commerce in Montreal, Quebec at the respective rates of 2 cents per $100 and 2 cents per $50.

In the case of the quarterly tax on demand-loans, the 1920 Statute specified that whenever ***"a promissory note, payable on demand"*** was given to a bank against an advance of money that bank was to prepare ***"a statement showing the maximum amount of advances"*** made against such ***"notes"*** and to affix stamps equal to the value of ***"two cents for every one hundred dollars or fraction thereof by which the maximum amount of the advances as aforesaid exceeds one hundred dollars."*** This phrasing was repeated in the 1922 Act at the new 2 cents per $50 rate. As was the case with call-loans, the tax on demand-loans was immediately due if the loan was paid off or called in during a quarter. The Statutes also stated that the demand-notes received by the bank required only a two-cent stamp regardless of the amount of the note.[1, 2]

A strict reading of the statutory provisions would indicate that credit was to be given in the quarterly tax-payments for only one demand-note regardless of how many were actually issued. However, applicable tax-statements seen by this writer represent two other scenarios, credit given for multiple demand-notes and no credit given for any demand-notes. These applications of the tax may have been made by a Revenue Department ruling that has not yet been found. Such a ruling would have put the various types of demand-loans on an equal footing with respect to the total amount of excise tax paid.

An example of a stamped demand-loan statement in which multiple credits were apparently allowed is illustrated in Figure 5. This statement is for the quarter ending March 31st, 1922. It quotes a maximum advance of $10 000, taxed at 2 cents per $100, with an apparent credit of four cents presumably representing two demand-notes for a total tax paid of $1.96.

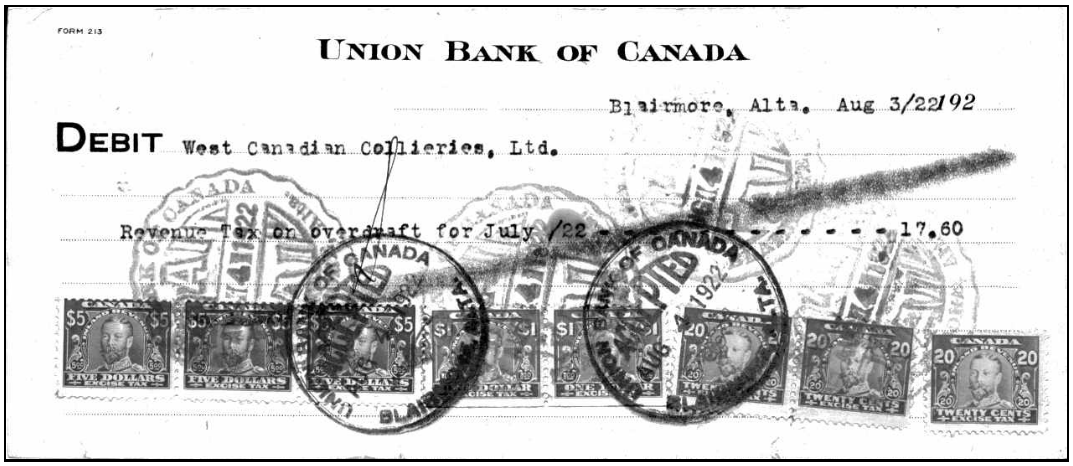
Quarterly demand-loan statements that include no apparent credit, such as the one illustrated in Figure 6, may have been, given an undiscovered Revenue Department ruling suggested previously, the product of one of several situations as follows: First, the applicable demand-notes were issued in a previous quarter and therefore no credit was given in the current quarter. Second, the bank ignored the credit for the demand-notes and charged the tax on the whole amount of advances, which would have probably upset an attentive customer. Third, the portion of the advances represented by the credit was deducted from the quoted total amount of advances, which seems unlikely as it would have produced an inaccurate statement. Fourth, the bank had not affixed a single two-cent stamp to each demand-note as was required by the Statute.

Evidence for the fourth of the above situations is provided by the documents in Figures 7 and 8. The first item (Figure 7) is a stamped statement for an advance against what is specifically described in the document as a $5000 demand-note given by the Rural Municipality of

Lipton, Saskatchewan to the Royal Bank of Canada. The twenty blue 10-cent Admiral postage stamps affixed to the back of the statement paid a tax of $2 at the 2-cents per $50 rate in place of the $1.98 required by the Statute. As required by law, the statement was issued on December 18th, 1922, when the note was paid by the Municipality. Shortly thereafter, on December 21st, 1922, the Municipality gave the bank a second demand-note (Figure 8) for $5000 that was likewise paid on December 30th, 1922. However, a stamped statement was not issued for this second note. In the place of the statement, the requisite stamps, ten 20-cent Admiral postage stamps, were affixed and cancelled on the back of the note. According to the Statute, this demand-note should have been stamped on December 18th with a single two-cent stamp. The remaining $1.98 in stamps should have been affixed on December 30th to a separate statement.

These documents suggest that the Royal Bank branch in Lipton (and, by extension, other branches and banks) had adopted the practice of stamping only the periodic statements of advances and not the individual demand-notes represented by the statement. Given the credit of two cents per note presumed earlier in this article, the practice suggested here would have simplified the application of the tax and yielded the same revenue for the government. One suspects that the consent of the Revenue Department would have been required, but this writer has not found an applicable ruling to confirm this.

(Text continues on page 6.)


FORM 213

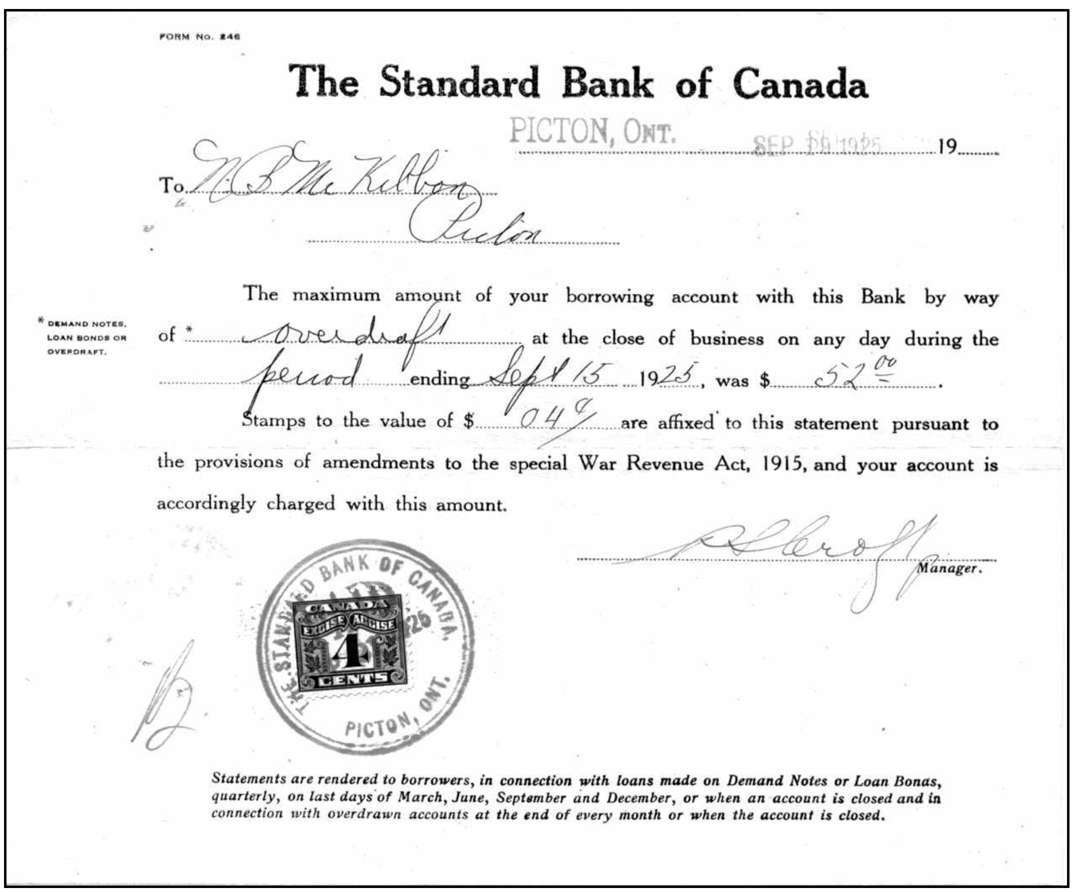
UNION BANK OF CANADA

Blairmore, Alta. Aug 3/22 192

DEBIT West Canadian Collieries, Ltd.

Revenue Tax on overdraft for July /22 - - - - - - - - - 17.60

Figure 1: Debit-slip of August 3rd, 1922, from the Union Bank of Canada at Blairmore, Alberta regarding the monthly excise tax on an advance by way of an overdraft of a bank account. A tax of $17.90 for the month of July 1922 at the 1920-1922 rate of 2 cents per $100 is paid by three $5, two $1 and three 20-cent George V excise tax stamps


FORM No. 246

The Standard Bank of Canada

PICTON, ONT. SEP 18 1925 19

To N. B. McKibbon
Picton

The maximum amount of your borrowing account with this Bank by way of * overdraft at the close of business on any day during the period ending Sept 15 1925, was $ 52.00.

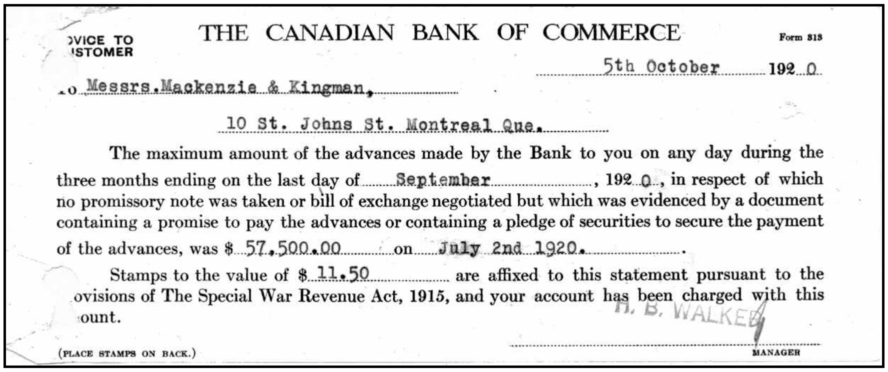
Stamps to the value of $ .04 are affixed to this statement pursuant to the provisions of amendments to the special War Revenue Act, 1915, and your account is accordingly charged with this amount.

* DEMAND NOTES, LOAN BONDS OR OVERDRAFT.

Manager.

Statements are rendered to borrowers, in connection with loans made on Demand Notes or Loan Bonds, quarterly, on last days of March, June, September and December, or when an account is closed and in connection with overdrawn accounts at the end of every month or when the account is closed.

Figure 2: Statement of September 18th, 1925, from the Standard Bank of Canada at Picton, Ontario regarding the monthly excise tax on an advance by way of an overdraft of a bank account. A tax of four cents is paid by a 4-cent Two Leaf excise tax stamp. The account was evidently closed or called in on September 15th, requiring payment of the tax prior to the end of the month.



ADVICE TO CUSTOMER

THE CANADIAN BANK OF COMMERCE

Form 813

5th October 1920

To Messrs.Mackenzie & Kingman,

10 St. Johns St. Montreal Que.

The maximum amount of the advances made by the Bank to you on any day during the three months ending on the last day of September, 1920, in respect of which no promissory note was taken or bill of exchange negotiated but which was evidenced by a document containing a promise to pay the advances or containing a pledge of securities to secure the payment of the advances, was $ 57,500.00 on July 2nd 1920.

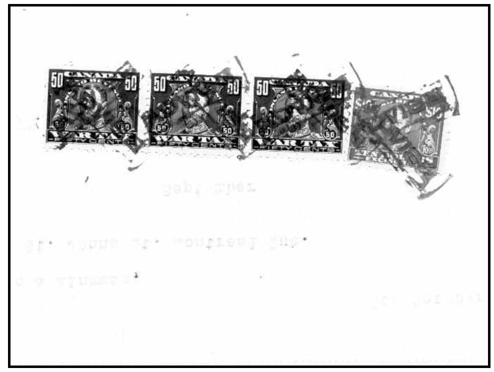
Stamps to the value of $ 11.50 are affixed to this statement pursuant to the provisions of The Special War Revenue Act, 1915, and your account has been charged with this amount.

H. B. WALKER

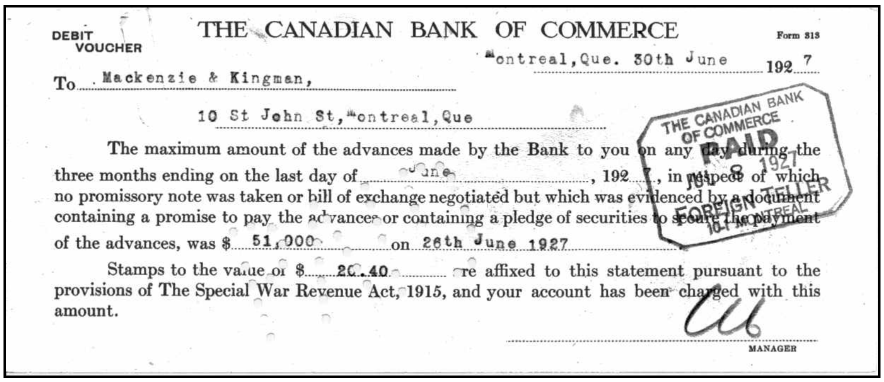
MANAGER

(PLACE STAMPS ON BACK.)

Figure 3: Bank statement of October 5th, 1920, regarding the excise tax for the quarter ending September 30th on a call-loan of $57 500. The $11.50 in tax at the 1920-1922 rate of 2 cents per $100 was paid by one $10 George V excise tax stamp and three 50¢ George V war tax stamps. This document represents a first payment of the tax, which took effect July 1st, 1920.



George V excise and war tax stamps affixed to the back of the statement at left.



DEBIT VOUCHER

THE CANADIAN BANK OF COMMERCE

Form 813

Montreal,Que. 30th June 1927

To Mackenzie & Kingman,

10 St John St,Montreal,Que

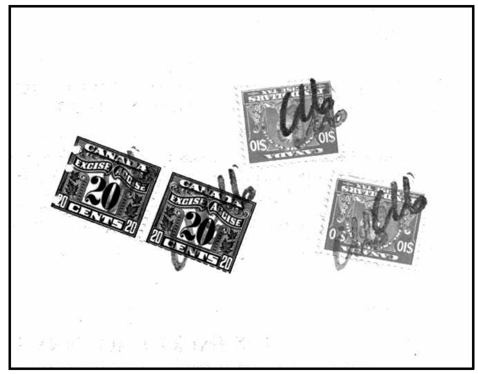
The maximum amount of the advances made by the Bank to you on any day during the three months ending on the last day of June, 1927, in respect of which no promissory note was taken or bill of exchange negotiated but which was evidenced by a document containing a promise to pay the advances or containing a pledge of securities to secure the payment of the advances, was $ 51,000 on 28th June 1927

Stamps to the value of $ 20.40 are affixed to this statement pursuant to the provisions of The Special War Revenue Act, 1915, and your account has been charged with this amount.

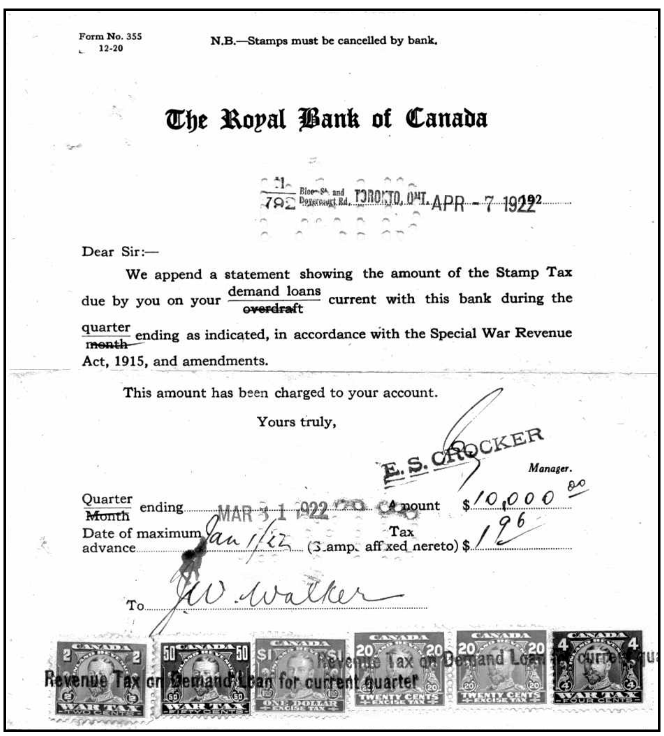
THE CANADIAN BANK OF COMMERCE PAID JUL 8 1927 FOREIGN TELLER

MANAGER

Figure 4: Bank statement of June 30th, 1927, regarding the excise tax for the quarter ending June 30th on a call-loan of $51 000. The $20.40 in tax at the 1922-1927 rate of 2 cents per $50 was paid by two $10 George V and two 20¢ Two Leaf excise tax stamps. This document represents a final payment of the tax, which was revoked as of July 1st.



George V and Two Leaf excise tax stamps affixed to the back of the statement at left.



Form No. 355 12-20

N.B.—Stamps must be cancelled by bank.

The Royal Bank of Canada

TORONTO, ONT. APR - 7 1922

Dear Sir:—

We append a statement showing the amount of the Stamp Tax due by you on your demand loans ~~overdraft~~ current with this bank during the quarter ~~month~~ ending as indicated, in accordance with the Special War Revenue Act, 1915, and amendments.

This amount has been charged to your account.

Yours truly,

E. S. CROCKER

Manager.

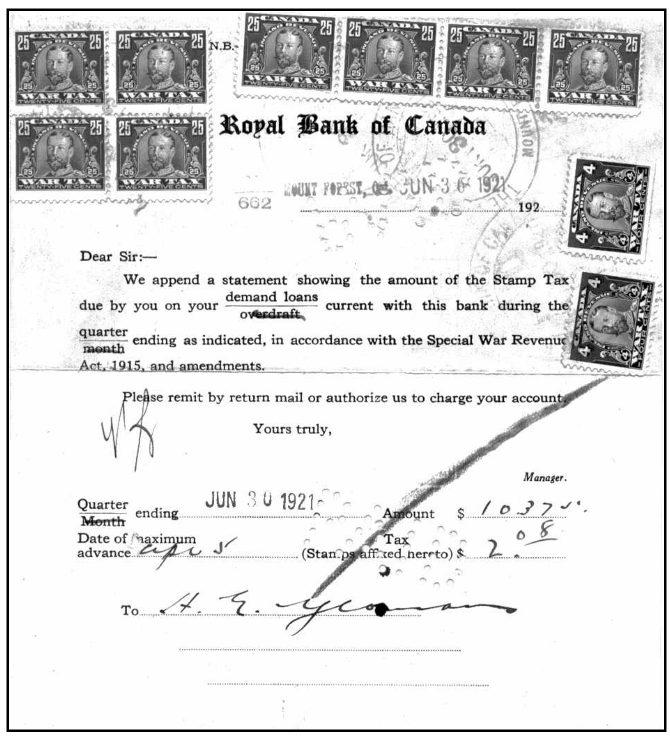
Quarter ~~Month~~ ending MAR 31 1922 Amount $ 10,000 00

Date of maximum advance Jan 1/22 Tax (Stamps affixed hereto) $ 1 96

To J.W. Walker

Revenue Tax on Demand Loan for current quarter

Figure 5: Statement of April 7th, 1922, from the Royal Bank of Canada at Toronto, Ontario regarding the excise tax for the quarter ending March 31st on demand-loans totalling $10 000. The $1.96 in tax at the 1920-1922 rate of 2 cents per $100 suggests that a credit was given for two demand-notes. See text for details.



N.B.

Royal Bank of Canada

MOUNT FOREST, ONT. JUN 30 1921

Dear Sir:—

We append a statement showing the amount of the Stamp Tax due by you on your demand loans ~~overdraft~~ current with this bank during the quarter ~~month~~ ending as indicated, in accordance with the Special War Revenue Act, 1915, and amendments.

Please remit by return mail or authorize us to charge your account.

Yours truly,

Manager.

Quarter ~~Month~~ ending JUN 30 1921 Amount $ 10375

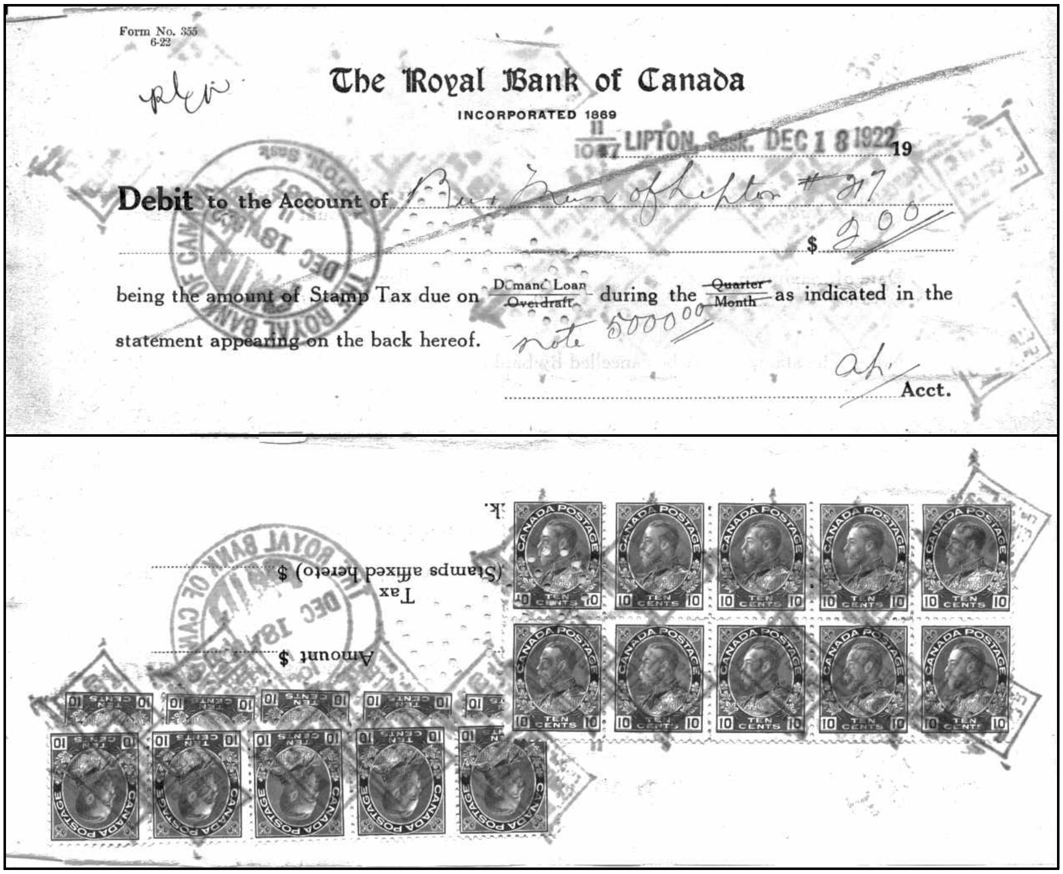
Date of maximum advance Apr 5 Tax (Stamps affixed hereto) $ 2 08

To H. E. Glenn

Figure 6: Statement of June 30th, 1921, from the Royal Bank of Canada at Mount Forest, Ontario regarding the excise tax for the quarter ending June 30th on demand-loans totalling $10 375. The $2.08 in tax at the 1920-1922 rate of 2 cents per $100 suggests that no credit was given for any stamps affixed to demand-notes. See text for details.

Figure 7: Statement of December 18th, 1922, for an advance of money against what is specifically described in the document as a $5000 demand-note given by the Rural Municipality of Lipton, Saskatchewan to the Royal Bank of Canada. As required by law, the statement was issued when the note was paid by the Municipality, rather than at the end of the quarter.

The twenty blue 10-cent Admiral postage stamps affixed to the back of the statement paid a tax of $2 at the 2 cents per $50 rate in place of the $1.98 required by the Statute. The difference of $0.02 to make a total of $2 tax should have been affixed to the demand-note.



Form No. 355
6-22

The Royal Bank of Canada

INCORPORATED 1869

11/1067 LIPTON, Sask. DEC 18 1922 19

Debit to the Account of R. M. of Lipton # 217

$ 2.00

being the amount of Stamp Tax due on Demand Loan / Overdraft during the Quarter / Month as indicated in the statement appearing on the back hereof. note 5000.00

ah. Acct.

Tax (Stamps affixed hereto) $

Amount $

Figure 8: $5000 demand-note of December 21st, 1922, given by the Rural Municipality of Lipton, Saskatchewan to the Royal Bank of Canada. The note was paid on December 30th, 1922, making the advance that it represented taxable as of that date.

The $2 in tax at the 1920-1922 rate of 2 cents per $50 was paid by ten green 20-cent Admiral postage stamps affixed to the back of the note. This was an improper procedure. Only a 2-cent stamp was to be affixed to the note on December 21st with the remaining $1.98 in tax being paid by stamps affixed to a separate statement (such as the one in Figure 7) on December 30th.

$ 5,000.00
Int. 11
$ 5011.00

11/1067 LIPTON, SASK. December 21/ 1922

On demand ~~months~~ after date, for value received, the Corporation of the Rural Municipality of Lipton # 217 by its Corporate seal, promises to pay to The Royal Bank of Canada, or order, at its office in Lipton Sask the sum of Five thousand 00/ DOLLARS with interest thereon from date at the rate of eight per cent. per annum, until paid. Signed on behalf of the said Corporation by the MAYOR REEVE and Treasurer under authority of Resolution By-Law passed in open council the third day of January 1922

(Seal) THE PROPERTY OF THE ROYAL BANK OF CANADA L66 LIPTON, SASK.

MAYOR REEVE

Eric McWean Treasurer.

Form No. 164

An interesting example of the tax on advances is illustrated in Figure 9 opposite. This statement of April 4th, 1923, for the quarter ending March 31st, 1923, represents a total advance of $193 000 against demand-notes with $64.70 paid by a large number of $1 and $2 George V excise tax stamps. A notation present at the left side of the document, just above the stamps, reads as follows:

62 500 @ 2¢ per $100	*12.50*
130 500 @ 4¢ per $100	*52.20*
	64.70

This tax assessment can be explained by a scenario in which the Revenue Department had ruled that advances accumulated before the mid-quarter increase on August 1st, 1922, to 2 cents per $50 remained subject to the old rate of 2 cents per $100. Such a ruling would be in keeping with the precedence set in 1920 when the Department ruled that pre-July 1920 advances were not subject to the new tax. In addition, the proposed 1922 ruling would have put the tax on advances on the same footing as that on time-notes.

Given the above analysis, the advances represented by the document in Figure 9 were accumulated over a period of at least nine months. The accumulation of advances against numerous demand-notes over a long period of time is also illustrated by the documents in Figure 10. (See page 8.) The demand-note at the bottom of the figure was given to the bank on October 30th, 1931. Its excise stamp was cancelled on October 31st, 1931, with a simple straight-line date in green and again in July of 1934 with a boxed cancel in pink. The later cancel would appear to mark the time at which the note was paid. Accompanying the demand-note was a form, also dated October 30th, 1931, in which sixty-two demand-notes of various amounts from $300 to $2000 were listed as comprising a cumulative advance of $57 500. The dates of the notes ranged over a fourteen-month period of August 30th, 1930, through October 30th, 1931.

References

[1] a- Anonymous, "Memo for Mr. Roberts" of June 7th, 1920, National Archives of Canada, Records of the Finance Department, RG 19, Vol. 445, File 111-2-1.
b- Canada, *Debates of the House of Commons*, 1920, pp. 2494, 3624-2625, 3797-3800.
c- Canada, *Statutes*, 1920, 10-11 Geo. V, Chapter 71.
d- Richardson, H.A., Circulars of May 19th, May 20th and June 7th, 1920, Scotiabank Group Archives, Chief General Manager's Circulars & Letters, Book 10.

[2] - Canada, *Statutes*, 1922, 12-13 Geo. V, Chapter 26.

[3] a- Canada, Customs and Excise Circular № 274C of September 12th, 1923, National Archives of Canada, Records of the Department of National Revenue, RG 16, Vol. 1057, File *Circulars 244C to 336C*.
b- Canada, *Statutes*, 1923, 13-14 Geo. V, Chapter 70.

[4] - Richardson, H.A., Circular of December 21st, 1920, Scotiabank Group Archives, Chief General Manager's Circulars & Letters, Book 10.

[5] a- Anonymous, Enclosure with Circular № 54-Z, Scotiabank Group Archives, Secretary's Departmental fonds, Canadian Bankers' Association files series.
b- Canada, Bill № 119 of May 18th, 1925, Customs and Excise Library, Connaught Building, Ottawa.
c- Canada, *Debates of the House of Commons*, 1925, pp. 3332-3333.
d- Canada, *Statutes*, 1925, 15-16 Geo. V, Chapter 26; 1927, 17 Geo. V, Chapter 36.
e- McLeod, J.A., Circular № 99 of June 23rd, 1927, Scotiabank Group Archives, Chief General Manager's Circulars & Letters, Book 17.

www.bnaps.org/tutor/tut_rev.htm

Excise Tax Meter Update (2) *(continued from page 1.)*

Meter	Type	Colour	Values	Name or number in meter and/or (on document.)
49293	2B	Red	3, 6	2610 (Rock City Tobacco Co. (1936) Limited)
49331	2B	Red	3, 6	2649 (Canada Varnish Co.)
49362	2B	Red	3, 6	2728 (Elkin Sportswear Limited)
49370	2C	Red	3	2748 (Slade & Stewart Ltd.)
493(9?)4	2B	Red	6	2735 (Cameo Crafts Inc.)
49413	3A	Red	3	(Smith Davidson & Wright Ltd.)
49415	3A	Red	3, 6	(The Andrew Jergens Co. Ltd.)
49417	3A	Red	6	(The Canadian Fishing Company Limited)
49454	3A	Red	3	(Vancouver General Hospital)
49490	4A	Red	.03	(Bancroft Industries Ltd.)
49493	4A	Red	.03	("?"ric Supply Co. Ltd.)
49531	4A	Red	.03	(General Western Supply)
49532	4A	Red	.03	(Nyal Company Limited)
49569	4A	Blue	.06	(Hobbs Hardware Co. Limited)
49576	4A	Blue	.03	(Canadian White Pine Company Ltd.)
49580	4A	Red	.03	(Modern Office Industries)
49618	4A	Red	.03, .06	(The Andrew Jergens Co., Limited)
49629	4A	Red	.03, .06	(Standard Oil Company of British Columbia Limited)
49638	4A	Violet	.03, .06	(The G. McLean Company Limited)
49640	4A	Red	.03	(Shell Oil Company of British Columbia Limited)
496?4	4A	Red	.03	(Electrolux (Canada) Limited)
49662	4A	Red	.03, .06	(N. C. Polson & Company Ltd.)
49789	?	Red	3, 6	(Personna Blade Co. of Canada)
54900	4A	Red	.03, .06	Proof impression on card "CV-2" sample impression previously used by Robert Simpson Co.
249065	7A	?	6	(Parke, Davis Co.) **(See Figure 1 below.)**
———	?	Blue	0, 3	Sample impression Pitney Bowes meter from 1951 on Canadian Bank of Commerce cheque paper **(See Figure 2 below.)**

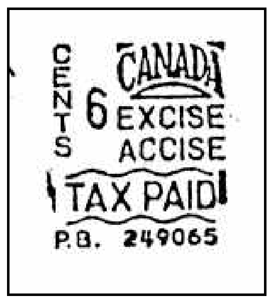


Figure 1: Ryan Type 7A. (Courtesy of **C.D. Ryan**.)

Figure 2: Sample Pitney Bowes meter from 1951.

Membership Notes

New Member:

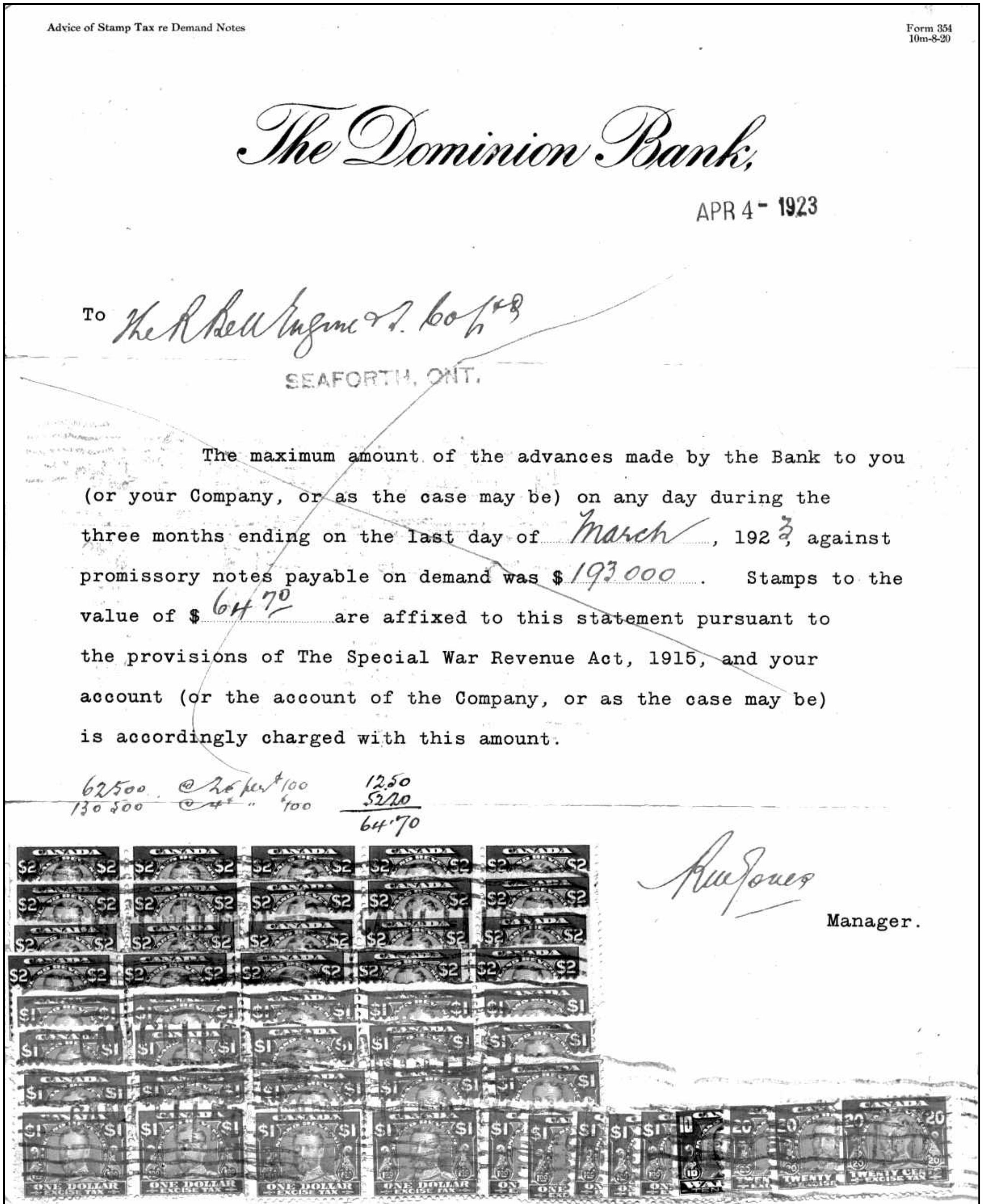
☞ **Ian Mowat**, Victoria, British Columbia

Mail returned as undeliverable, current addresses unknown:

☞ **Richard T Brown**, Fergus, Ontario.
☞ **N N Sheklian**, Visalia, California
☞ **C A Stillions**, Washington, DC
☞ **Fred Whitaker**, Lompoc, California

MOVED? MOVING?

Please send your new address to the Editor.
Notices sent to BNAPS are not forwarded to the Study Groups.



Advice of Stamp Tax re Demand Notes

Form 354
10m-8-20

The Dominion Bank,

APR 4 - 1923

To The R Bell Engine & T. Co Ltd

SEAFORTH, ONT.

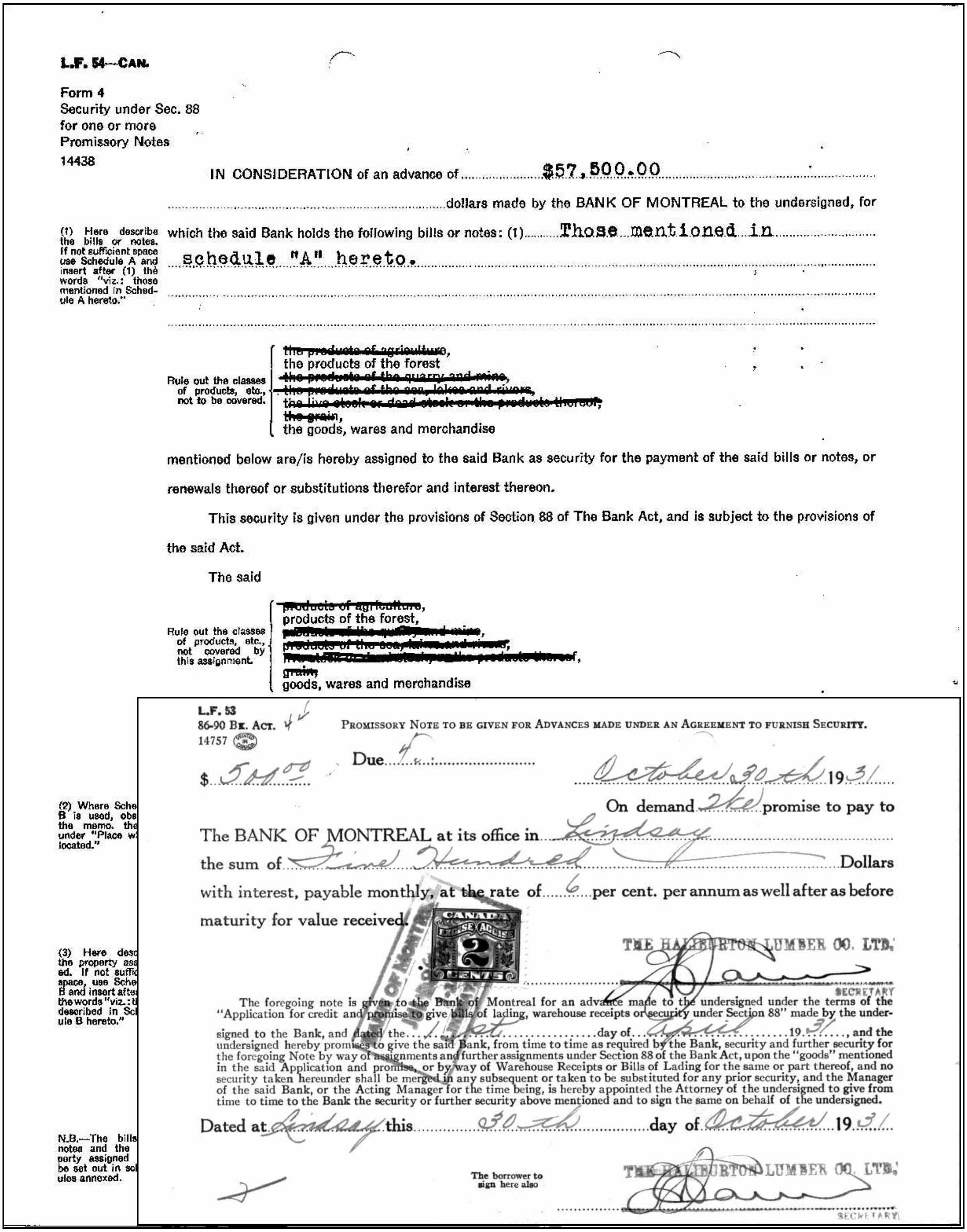
The maximum amount of the advances made by the Bank to you (or your Company, or as the case may be) on any day during the three months ending on the last day of March, 1923, against promissory notes payable on demand was $193 000. Stamps to the value of $64 70 are affixed to this statement pursuant to the provisions of The Special War Revenue Act, 1915, and your account (or the account of the Company, or as the case may be) is accordingly charged with this amount.

62500 @ 2c per $100 12.50
130 500 @ 4c " $100 52.20
64.70

[illegible]
Manager.

Figure 9: Statement of April 4th, 1923, from the Dominion Bank regarding the excise tax for the quarter ending March 31st, 1923, on demand-loans totalling $193 000. The tax of $64.70 was paid by a large number of $1 and $2 George V excise tax stamps. A notation present at the left side of the document, just above the stamps indicates that part of the loan was taxed at the 1920-1922 rate of 2 cents per $100, while the remainder was taxed at the 1922-1927 rate of 2 cents per $50.

This tax assessment can be explained by a scenario in which the Revenue Department had ruled that advances accumulated before the mid-quarter increase on August 1st, 1922, to 2 cents per $50 remained subject to the old rate of 2 cents per $100. Such a ruling would be in keeping with the precedence set in 1920 when the Department ruled that pre-July 1920 advances were not subject to the new tax. In addition, the proposed 1922 ruling would have put the tax on advances on the same footing as that on time-notes.


L.F. 54—CAN.

Form 4
Security under Sec. 88
for one or more
Promissory Notes
14438

IN CONSIDERATION of an advance of .... $57,500.00 ....

.... dollars made by the BANK OF MONTREAL to the undersigned, for

(1) Here describe the bills or notes. If not sufficient space use Schedule A and insert after (1) the words "viz.: those mentioned in Schedule A hereto."

which the said Bank holds the following bills or notes: (1) .... Those mentioned in ....

schedule "A" hereto.

Rule out the classes of products, etc., not to be covered.

~~the products of agriculture,~~
the products of the forest
~~the products of the quarry and mine,~~
~~the products of the sea, lakes and rivers,~~
~~the live stock or dead stock or the products thereof,~~
~~the grain,~~
the goods, wares and merchandise

mentioned below are/is hereby assigned to the said Bank as security for the payment of the said bills or notes, or renewals thereof or substitutions therefor and interest thereon.

This security is given under the provisions of Section 88 of The Bank Act, and is subject to the provisions of the said Act.

The said

Rule out the classes of products, etc., not covered by this assignment.

~~products of agriculture,~~
products of the forest,
[redacted],
~~products of the sea, lakes and rivers,~~
[redacted],
~~grain,~~
goods, wares and merchandise

(2) Where Sche B is used, obs the memo. the under "Place w located."

(3) Here desc the property ass ed. If not suffic space, use Sche B and insert afte the words "viz.: t described in Sc ule B hereto."

N.B.—The bills notes and the perty assigned be set out in sc ules annexed.

L.F. 53
86-90 Bk. Act. 4
14757 (Printed in Canada)

PROMISSORY NOTE TO BE GIVEN FOR ADVANCES MADE UNDER AN AGREEMENT TO FURNISH SECURITY.

$ 500.00 Due 4 .... October 30th 1931

On demand I/we promise to pay to

The BANK OF MONTREAL at its office in Lindsay ....

the sum of Five Hundred .... Dollars

with interest, payable monthly, at the rate of 6 per cent. per annum as well after as before maturity for value received.

CANADA EXCISE ACCISE 2 CENTS

THE HALIBURTON LUMBER CO. LTD.
SECRETARY

The foregoing note is given to the Bank of Montreal for an advance made to the undersigned under the terms of the "Application for credit and promise to give bills of lading, warehouse receipts or security under Section 88" made by the undersigned to the Bank, and dated the 1st day of April 1931, and the undersigned hereby promises to give the said Bank, from time to time as required by the Bank, security and further security for the foregoing Note by way of assignments and further assignments under Section 88 of the Bank Act, upon the "goods" mentioned in the said Application and promise, or by way of Warehouse Receipts or Bills of Lading for the same or part thereof, and no security taken hereunder shall be merged in any subsequent or taken to be substituted for any prior security, and the Manager of the said Bank, or the Acting Manager for the time being, is hereby appointed the Attorney of the undersigned to give from time to time to the Bank the security or further security above mentioned and to sign the same on behalf of the undersigned.

Dated at Lindsay this 30th day of October 1931

The borrower to sign here also

THE HALIBURTON LUMBER CO. LTD.
SECRETARY

Figure 10: Demand-note for $500 issued October 30th, 1931, and paid July 1934, being one of a series of such notes, of various amounts, dating back to August 30th, 1930. The notes were given over time to the Bank of Montreal at Lindsay, Ontario for a cumulative demand-loan of $57 500 as of October 30th, 1931. The dates and amounts of the notes comprising the debt were itemized in papers attached to the illustrated note. These documents post-date the tax on advances but are presented here to show that demand-loans could remain outstanding for a significant amount of time. ♬