

Cigar and Tobacco

JOURNAL

Vol. 49, No. 9

Toronto, Canada

September, 1943

New Brunswick's Tobacco Tax Act is Held Valid By Empire's Final Court

Atlantic Smoke Shops Lose Long Legal Battle to Invalidate Province's Ten Per Cent Tax on Tobacco Products

THE long and interesting legal fight of Atlantic Smoke Shops, Ltd., a firm whose actual business existence was the shortest of any tobacco store in the history of St. John, N.B., came to an end recently when a cable was received by the attorney-general's department at Fredericton, N.B., advising that the firm's appeal to the Privy Council, the final court of appeal in the British Empire, held valid in all respects New Brunswick's Tobacco Tax Act. The act called for a ten per cent provincial tax on all retail sales of tobaccos, cigars, cigarettes and snuff, the revenue to be earmarked for aid to municipalities in financing treatment for tuberculosis sufferers.

When the Tobacco Act was put into force in 1940 a Company was incorporated under the name of Atlantic Smoke Shops Ltd., and opened a store in the centre of St. John. It did not take out a license or comply with other

provisions of the act, it was charged at the time, so inspectors entered the premises and questioned customers as to their purchases, asking them to show tobacco tax receipts. About 30 persons were brought into police court, but the charge against each was dropped. The Company retaliated by bringing action against the tobacco tax commissioner and inspectors, for an injunction to restrain them from interfering with the Company's business. This was the initial step in a spirited legal battle which went the gamut of litigation.

The matter came before the appeal division of the New Brunswick Supreme Court which ruled unanimously that the Tobacco Tax Act was valid. The appellant, however, took the matter to the Supreme Court of Canada. The opinion of that Court was divided, although the majority of the judges held the act to be valid, with the exception of certain provisions which made the to-

bacco agent liable for the tax. The case then was taken to the Privy Council in England, which has ruled the act is valid in all respects, including the provision making the agent liable for the tax.

Judging from editorial

F. Chesters' Son Leads "Train Busting" Parade in the R.C.A.F.



FLT. LT. F. H. CHESTERS

Flt. Lt. Frank H. Chesters, 28, youngest son of Frank H. Chesters, Imperial Tobacco Company salesman living in Regina, Sask., has the honour of leading the "train-busting" parade among three gallant Canadian train-busting aces overseas. He has seven locomotives to his credit.

He was made a flight commander in a new army co-operation squadron in the R.C.A.F. overseas, in February of this year. That squadron was designed to add to

comment in New Brunswick's leading papers the province's Tobacco Tax Act is far from popular even though the ruling of the Privy Council makes it legal. It is generally felt that the act is the wedge opening a dangerous door through which a future government might let pass many new taxes on such everyday articles as chewing gum, chocolate bars and groceries.

With each purchase a customer is given a paper stamp to inform him that the tax money will be used for worthy causes. The Maritimes' press considers the tax as the wedge of a revenue producing movement which might be carried to almost any vicious length.

the air formations which directly serve the Canadian army for reconnaissance, communications and in other ways. This squadron, a crack one, was drawn from existing Canadian army co-operation units so that experienced personnel were obtained from the start.

Some idea of the scope and importance of this squadron's work may be gained from the fact that during the Dieppe operations planes of an army co-operation squadron covered an area equal to the whole of the western front in the Great War.

Train-busting, an activity which brings great joy to the three Canadian aces, consists of flying against the locomotives at very low levels and shooting them up, putting many of them in the scrap yard.

Though born in Winnipeg, Flt. Lt. Chesters was educated in Regina, attending Central Collegiate and Commercial High School.

His parents, Mr. and Mrs. Chesters, reside in Regina. The former has been in the service of the Imperial Tobacco Co. continuously since August, 1911.

Illegal For Merchant to Require Extra Purchases in New Order

A Wartime Prices and Trade Board order, effective immediately, makes it illegal for a merchant to require a customer to buy additional goods when purchasing other goods that are in short supply. Exceptions are made for any practices of this nature that were established during or before the basic period, Sept. 15 to Oct. 11, 1941, and the order does not apply to goods which are distributed under provincial direction, such as alcoholic beverages. The or-

der does not interfere with the sale of goods ordinarily sold in sets.

The Board alleges that there has been an increasing tendency on the part of some merchants to impose new conditions when selling goods that are in short supply. The Board, while not wanting to prevent a merchant from refusing to sell to casual customers goods of which there is a shortage is not desirous of his encouraging unnecessary purchases of any goods.

Toronto "Vet" Builds Successful Retail Business With \$68 Capital

Family Co-operation Plus Friendly Spirit Prove to be Successful Combination as Two-Year-Old Store Prospers. Four Sons Serving in the Armed Forces



The attractive Ray Townley store in the east end of Toronto. Along the lower edge of the window are framed pictures of neighbourhood lads serving in Canada's armed forces. Among them are the owner's four sons. Standing in the doorway are Mr. and Mrs. Ray Townley and their youngest son Harvey.

SLIGHTLY more than two years ago a certain store in the east end of Toronto stood vacant. This store, though quite usual as regards size, was different than even many of the larger ones in that it was especially built for a particular business—the tobacco trade.

Though situated on a corner in a really fine trading area it was unoccupied and badly in need of repairs.

A certain man—one who had known the suffering of a serious wound and the disappointment of invalidism—went to William Dyes, the blind and one armed radio personality and owner, offering to rent it. The deal was made.

The new tenant walked with the aid of two canes and had but \$68 in his pocket. Besides repairs the store needed fixtures and equipment. It was the tenant's first venture into the retail tobacco business.

Add these together and you have all the necessary and unadulterated ingredients for a failure. In fact people openly hinted that the would-be business man was doomed before he began. They did not, however, know that the man who had tackled an apparently insurmountable task was equally as resourceful in peace as in war.

That man was Ray Townley who is suffering to this day from wounds suffered in the battle of Paschendaele

in which Canadians of that day upheld the noblest traditions of their race.

Feeling the call of duty in the first Great War, he joined the army at St. Catharines, Ont., on August 18, 1918. From that day, his life became one of feverish activity. On August 28th, he arrived at Valcartier Camp. On the 28th of October he was on the high seas for England. He held the rank of corporal. At the time of enlistment he weighed 176 pounds. When invalided back to Canada he weighed but 96 pounds. "Why", he said with that contagious smile accompanying the words, "my overcoat was the biggest part of me."

Mr. Townley who has spent in all seven years in Christie Street Hospital, Toronto, was born on November 11th fifty years ago. The war in which he fought ended on his twenty-fifth birthday and he hazarded the prophecy that the present one will end on the same day this year. In spite of his injuries he successfully represented a widely known paint and varnish firm throughout Western Ontario for nineteen years. One day in 1937 he took suddenly sick at a hotel in London. Not until 1941 was he able to resume a normal life. With the aid of two canes he walked from his home to the store. Today he uses but one. About the store he walks unaided. With the assistance of his four sons, who are so

keenly interested in the trade that they were eager to work in the store and did, all repairs and the main fixtures were made in record time.

From the outset he resolutely believed that the progress of a tobacco business would not be hampered in the least by a woman's influence. "In fact," he said, "my wife is 90% of the store." Being the mother of four fine sons, she endeavoured to include in the store's business methods those very things which make the store the sort of place in which even children would be sent by their mothers. Mr. Townley, who had like ideals, gave his fullest co-operation.

As a result of such a policy the store is singularly free from the presence of idle, worthless and objectionable characters so noticeable in some shops. The few who thought the new owner would tolerate their presence were politely but firmly told to go elsewhere. "We have found it pays to not even

handle the type of reading material that that class prefers," he said.

Finding a business-like and distinctly wholesome air to the store the better type of citizenry favored it with their patronage. Women appreciated this, too, and not only purchased their cigarettes there but other goods as well. Mothers instructed their children to patronize it.

The store has well earned the slogan "The Friendly Corner" because of its personal friendliness, a quality possessed in appreciable degree by Mr. and Mrs. Townley.

Through constant effort the Townleys endeavour to well deserve that slogan. Ample evidence of that was shown at the time of our visit. Take just one example: that of a young lady who, moving to another location, came in for some empty cartons in which to pack goods. Mr. Townley not only informed her that he would have his son, Harvey,



View of the west wall of the store showing the well stocked magazine rack and electrically operated soft drink cooler. The pipe around the cooler, a novel idea, is to guard it from possible injury. When conditions will permit it, Mr. Townley plans to have the pipes chromed. The racks visible in this photo were all made by Mr. Townley.



Mr. and Mrs. Townley's four lads all wear the King's uniform as did their Dad in the last War. Robert G., No. 1 son, is a navigator in the R.C.A.F. He was, we regret to say, reported missing over Germany last month. Jack, No. 2, is in the R.C.A. and has been overseas two years. No. 3 son, Gordon, is also overseas. He, too, is with the R.C.A.F. The youngest, Harvey, No. 4 son, is in the R.C.N.V.R. and has seen many months of active service in the North Atlantic.

home on leave from the Canadian navy, hunt them up in the stockroom, but would have one of the kiddies deliver them to her address in the evening.

Unusual to a tobacco store was the amount of children's patronage. Kiddies, home-ward bound, in goodly numbers were making their purchases. Each, even to the tiniest, was made welcome and his or her needs quickly supplied. The Townleys not only give the younger members of the coming generation good service but manage to find time to say a few words to each. Children, they find, enjoy having their birthdays appreciated. When a child mentions that he had a birthday, Mr. Townley asks "Why didn't you tell me?" He then gives him or her some little article as a gift.

One piece of equipment for which Mr. Townley has nothing but the highest praise is a fine electric cash register purchased a few weeks ago. "It has not only proved most useful in keeping accurate check of sales but saved us from loss and the embarrassment of mistakes," he informed us. "The trouble with tabulating a number of purchases on a package of cigarettes, as is commonly done, is that you sometimes forget to charge for the cigarettes. To every child, regardless if he or she spends a cent or a dollar, we give a receipt showing amount of each individual purchase as is the custom in the chain grocery stores. Parents, at first rather surprised at cigar stores giving receipts, began to quickly appreciate the idea as it presented indisputable proof of exactly what the child had paid for each item. Adults, too, appreciate a statement of purchases. It greatly assists in the settling of any dispute which might arise when we happen to make an error."

Another business getter is

the practice of placing in an envelope all cigarette purchases made by children for their parents. These envelopes, bearing a rubber stamp impression of the store's name, address and slogan, have proved much better business pullers than circulars thrown on verandas.

Something quite unusual in the store is the guard around the electrically operated soft drink cooler. This guard, made of heavy piping, prevents the enamelling being chipped or scratched. Chrome piping will replace the present pipe as soon as chromium again becomes available.

Experience has proved that it is definitely advisable for a tobacco store to handle

sidelines. Well displayed on the counters, show cases and in the window are such articles as electric bulbs, greeting cards, stationery, etc. A considerable trade has also been developed in photo finishing and enlarging. Mr. Townley said: "I would much rather get a customer what he or she wanted than attempt to persuade them to accept something else. You would be surprised how much people appreciate being able to secure a house fuse nearby in case of emergency. There is a reasonable profit in electric fuses and bulbs and the turnover's fast." Greeting cards, reprint fiction and a well known line of pocket size books, recently added, have

proved ready sellers.

Credit for the attractive, commodious and convenient counter and wall case must go entirely to Mr. Townley. Though totally inexperienced in cabinet making, he created fixtures along lines such as used in the most modern cigar stores. Along the front of the counter, reaching from its top to the floor are shelves fronted by glass doors. Here are displayed such goods as inks, stationery, etc. Beneath the counter are a series of shelves for open stock of tobaccos, cigarettes and other lines. Along the wall and running the full length of the counter is a wall case with glass doors. Behind the visible shelves is ample space for the large stock of tobaccos and cigarettes.

Along the opposite wall and extending to a large show case stands the magazine rack on which is displayed a most extensive range of magazines and newspapers. At the end of the rack is a 'phone booth.

The basement is not a repository of rubbish. Part of it is devoted to a well arranged stock room in which is kept all reserve advertising matter, etc. A feature of it is the built-in humidifier for stock before it is taken to the store.

The store is open seven days a week. On week days the opening hour is 8 and the closing 10 o'clock at

(Please Turn to Page 30)



The counter and wall cases, strictly modern and convenient, were made entirely by the resourceful store proprietor. They contain a fine stock of other quick-selling goods besides a complete line of cigarettes, tobaccos, smoker's supplies, etc. It pays, Mr. Townley claims, to have a modern cash register. It not only is a very valuable help in the rush hour but eliminates mistakes and makes for the easy settlement of disputes over prices charged. Parents who send their children for goods quickly learned to appreciate a statement of the price of each purchase.

"Vet" Builds Successful Business

(Continued from Page 7)

night. On Sunday the hours are 12 to 4 and 6 to 9. Mrs. Townley, being a busy housewife, does not come until two hours after the opening hour.

Improvements planned for the near future are alterations to the display window to make it conform to the type of a well known chain drug store. To do this will necessitate cutting the shelf to a depth of 18 or 20 inches. This will not only permit the making of a more attractive display but for ease of cleaning. In the space remaining a case with glass front will be fitted. In this will be displayed leather billfolds and items in constant demand but often forgotten in the course of the regular shopping.

Framed pictures of the four Townley lads and of neighborhood boys serving in the armed forces stretch along the lower part of the display window.

An air of sadness hangs over the happy Townley home due to receipt recently of news that R.C.A.F. Sgt. Robert Garfield Townley is

missing in the August 30 raid over Berlin. Robert, the eldest, was a very popular and highly regarded member of the drug stock room of a well-known department store prior to enlistment. The other sons are Jack in the army; Gordon in the R.C.A.F.; and Harvey in the navy. All are overseas with the exception of Harvey.

Legion affairs always held his interest. Besides being one of the founders of the Original Club, Toronto, he held the office of secretary in that organization for a number of years.

Mr. Townley gives credit entirely to the tobacco business for rebuilding his nerves and body. His doctor told him two years ago that he should have opened a store twenty years ago instead of travelling. He claims that it is not only more interesting than travelling but got him away from himself and on the way to greatly improved health.

Enthusiasm springing entirely from a most pleasant association with his numer-

ous customers, whose wants he believes in making every endeavour to satisfy, has caused him to feel beyond doubt that the tobacco business is one with a future in it for his sons. If the lads serving their country all return he plans to open four stores in Toronto, each operated by his war veteran sons. In fact, two locations have already been selected.

A broad knowledge of human nature gained from much selling experience assisted by lessons learned in two courses in salesmanship is used with telling effect by Mr. Townley. With it is admirably combined a helpful friendliness. Add to salesmanship and friendliness, close attention to all those details the unsuccessful business man considers too small and you have the reason why the Townley store is a pronounced success.

Sells Stock

W. H. Stepler, druggist of Strathroy, Ont., has taken over the cigar and tobacco stock of C. Smith who recently went into the Army.

A young man applied for a constable on the Toronto police force. The desk sergeant asked him what he would do to disperse a crowd quickly.

Without an instant's hesitation, the applicant answered: "I'd pa... what!"

Non-Duty Smokes Cost Sailor \$50

Appearing recently in police court at Halifax, N.S., charged with possessing 6,000 cigarettes on which duty had not been paid, Joseph Halligan, a sailor, pleaded guilty. The magistrate, in fining him \$50 or one month in jail, intimated Halligan may have been the scapegoat for others. The smuggling of cigarettes into Canadian Atlantic ports by merchant seamen has greatly increased in recent years.

Sydney Shop Says To Buy For Trip

McMullin's Tobacco Shop, Sydney, N.S., made real good use of the vacation season by urging the public to stock up on tobaccos, cigarettes, cigars, pipes, etc., at the store before leaving on pleasure trips, and thus insure more enjoyable stays in the country or at the beaches. It was pointed out that getting smokers' supplies in isolated places would be difficult.

More Smokes from Cranbrook, B.C.

Contributions of cash or regular payments on pledge to the Overseas Tobacco Fund for men and women in the Cranbrook, B.C. District has reached more than \$1,273. Response to the appeal has been so gratifying the committee has announced that overseas shipments of cigarettes and tobacco will be made monthly in place of quarterly, as formerly.

Vets on Toes

The Army and Navy Veterans of Canada branch in Simcoe, Ont., has sent to date, 271,200 cigarettes overseas. Money with which to purchase the smokes was obtained almost wholly through the proceeds of dances and bingos held at regular periods.

Sells Store

J. Allace of Hamilton has taken over the business of Charles Murphy at Canfield, Ont.


A confident young sailor phoned from the Toronto Union Station to his girl, addressing her thus: "Hello, baby. This is Gideon."

"Who did you say it was?" asked the feminine voice on the other end of the wire.

"Gideon, honey. G for gin, I for ice, D for drinking, E for excess, O for off duty and N for Navy. Get that honey?"

"Well," answered the young lady, "not all of it, but come on over anyhow."

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