



CANADIAN REVENUE NEWSLETTER

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Number 38

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IN MEMORIAM

It is with great sadness that we report the passing of our good friend and colleague **Mervin Woike** on December 29th, 2001. **Merv** was an enthusiastic collector of all varieties of Canadian revenues, but he was particularly proud of his extensive collection of Second and Third Issue bill stamp proofs. His ever-present smile and cheerful attitude will be missed by all those who knew him. Our condolences are extended to his wife, Natasha, and family. — F.P.A.

MEMBERS SUPPORT

The Revenue Study Group would like to thank the following members for their recent donations in support of the *Newsletter*: **Fritz Angst, Richard Fleet, Jim Hansen, John Harper, John Newman, Don Wilson and Edward Zaluski.**

REVENUE STUDY GROUP AT BNAPEX 2001

Two members of the Revenue Study Group exhibited at BNAPEX 2001 which took place in Ottawa over the Labour Day weekend. **Richard Fleet** showed his extensive collection of Second Issue Bill Stamps for which he received a Gold and the **Bill Rockett Award** for the most outstanding revenue exhibit at the convention. **Edward Zaluski** displayed his Supreme Court revenues. It was a complete and outstanding exhibit and deserved better than the Vermeil it received.

The annual meeting of the Group was well attended. Attendees were treated to two wonderful presentations. **Richard Fleet** presented a very interesting slide-show of his Second Issue Bill Stamp exhibit. **Fleet** also furnished members with a three-page handout regarding bank cancels found on these stamps. The core of **Jean-Pierre Forest's** presentation was a display of dated documents covering the usage period of the colour varieties in the 50-cent Quebec Law Stamp, QL36/36a. **Forest's** study of these documents has permitted him to determine that use of the true brown variety (QL36a) was limited to April and May of 1904.

In addition to the formal presentations, **Edward Zaluski** circulated colour photocopies of the \$5 George V Excise Tax stamp (FX18) in orange instead of the usual vermilion. Accompanying the photocopies were details of the means by which this colour changeling can be made by artificial means. Collectors were warned that significant numbers of artificially-modified stamps have surfaced recently and thus orange \$5 stamps should only be purchased with a certificate from a recognized authority.

Donations were received from **Fritz Angst, Richard Fleet, Jim Hansen, John Harper and Edward Zaluski.** — F.P.A.

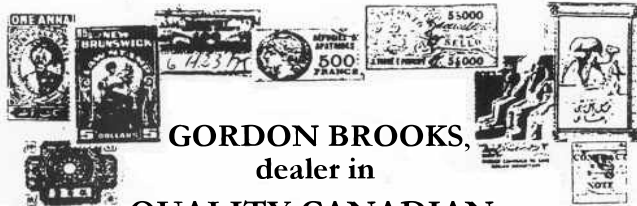


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THE BROWN 50-CENT QUEBEC LAW STAMP

From a study of over 200 documents, member **Jean-Pierre Forest** has made two observations regarding the scarce brown-colour variety (van Dam's QL36a) of Quebec's 50-cent law stamp from the 1893-1908 issue. According to his study, brownish shades of this stamp were in use at the registration offices of Montreal and Labelle from December 1903 to March 1904, and again from June 1904 to April 1905. During the intervening period of April-May 1904 the true brown colour (QL36a) was in use. It surmised by **Forest** that these dates reflect use of the colour-varieties elsewhere in the province.

A copy of **Forest's** study has been deposited with the following organizations as a Special Supplement to *CRN* N° 38.

In Canada:

- Canadian Postal Archives (National Archives of Canada)
- National Library of Canada

In the UK:

- National Philatelic Society Library
- Revenue Society of Great Britain Library

In the USA:

- American Philatelic Research Library
- American Revenue Association Library.

Revenue Group members desiring their own copy of the study are asked to send \$1.50 in mint Canadian postage or a \$1 US bill to **Jean-Pierre Forest** at **4014 Rue des Cedres, Cap-Rouge, Quebec, Canada, G1Y 3T5.** — **C.D.R.**

CANADIAN REVENUES AT CHICAGOPEX 2001

On November 17th, 2001, Chairman **Fritz Angst** spoke on the topic of Canadian revenue stamps at the annual meeting of the American Revenue Association, which was held in conjunction with CHICAGOPEX 2001. The talk was well attended and lasted just over an hour.

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Newsletter Editor:

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GREEN 30-CENT AND \$4 ONTARIO LAW STAMPS ON A 1903 DOCUMENT

Marshall C. Lipton

In the August 2001 issue of *CRN* (N° 37, p. 2), a document was illustrated that showed that the green \$4 Ontario law stamp (van Dam's OL61) had been issued by mid-1904. The document illustrated here in Figure 1 now indicates that both the green 30-cent law stamp (OL50) and the green \$4 stamp (OL61) were issued in or before mid-1903. Prior to the presentation of this document, the earliest reported date for the green 30-cent stamp was 1909.[1]

The present document, a 'Memo of Fees', is dated June 8th, 1903, and details fees charged in connection with the examination of one E. Sleeman as a defendant in the case of *Traders Bank vs Sleeman*. The back of the document (detail in Figure 2) bears a filing notation of '5-03' in blue crayon along with the three-line inscription 'H.C.J. / Traders Bk vs Sleeman / Memo Fees' in black ink. The text of the document suggests that it was prepared by the Court stenographer who transcribed the testimony of E. Sleeman. The crayon notation was probably applied by the clerk that filed the memo.

A search by **Chris Ryan** of Court records held by the Archives of Ontario produced the following list of documents filed in the Wellington County High Court of Justice at Guelph:

Regarding Action N° 71 of 1902, *Traders Bank versus Sleeman*,

- Writ issued	1902 Dec 1
- Prae[cipe] Cert[ificate] Lis pendens	Dec 1
- App[earan]ce. for all def[endan]ts.	Dec 9
- Statement of Claim	Dec 15
- Statement of Defence	Dec 23
- Prae[cipe] for order to produce (def[endan]ts)	1903 Jan 7
- Aff[idi]v[its] of def[endan]ts in production	Jan 19
- Additional Aff[idi]v[its] of 2 def[endan]ts	Jan 24
- Rec[eive]d Ex[amination]s of def[endan]ts	Jan 28
George Sleeman, Sarah Sleeman, & George A. Sleeman	
- Amended Statement of Claim	Apr 6
- Rec[eive]d Ex[amination]s of other def[endan]ts	Jun 10
- Prae[cipe] for order to produce (def[endan]ts)	Sep 2
- App[lication] on production of Manager	Sep 17
- Prae[cipe] enty action for trial	Nov 21
- Rec[eive]d Ex[amination] A&H Jones	Nov 27
- Consent to order dismissing action	1904 Apr 8

Regarding Action N° 5 of 1903, *Traders Bank versus Sleeman*,

- Writ issued	1903 Jan 14
- Appearance	Jan 23 [2]

Published court reports indicate that at least some proceedings for one or both of the above actions occurred in Toronto, the location of the Bank's head office. In February of 1903, a motion for an order in connection with *Traders Bank versus Sleeman* and an appeal of that order were respectively heard before the Master (February 12th) and Chief Justice (February 14th) of the High Court in Toronto.[3] The absence of further documents at Guelph for 'Action N° 5 of 1903' may have been a result of a transfer to the High Court at Toronto. An alternate scenario would have the second writ (N° 5/1903) serving as a supplement or amendment to the first (N° 71/1902).

Unfortunately, it is not clear from the document illustrated in Figure 1 whether it was produced and/or filed in Guelph or in Toronto.

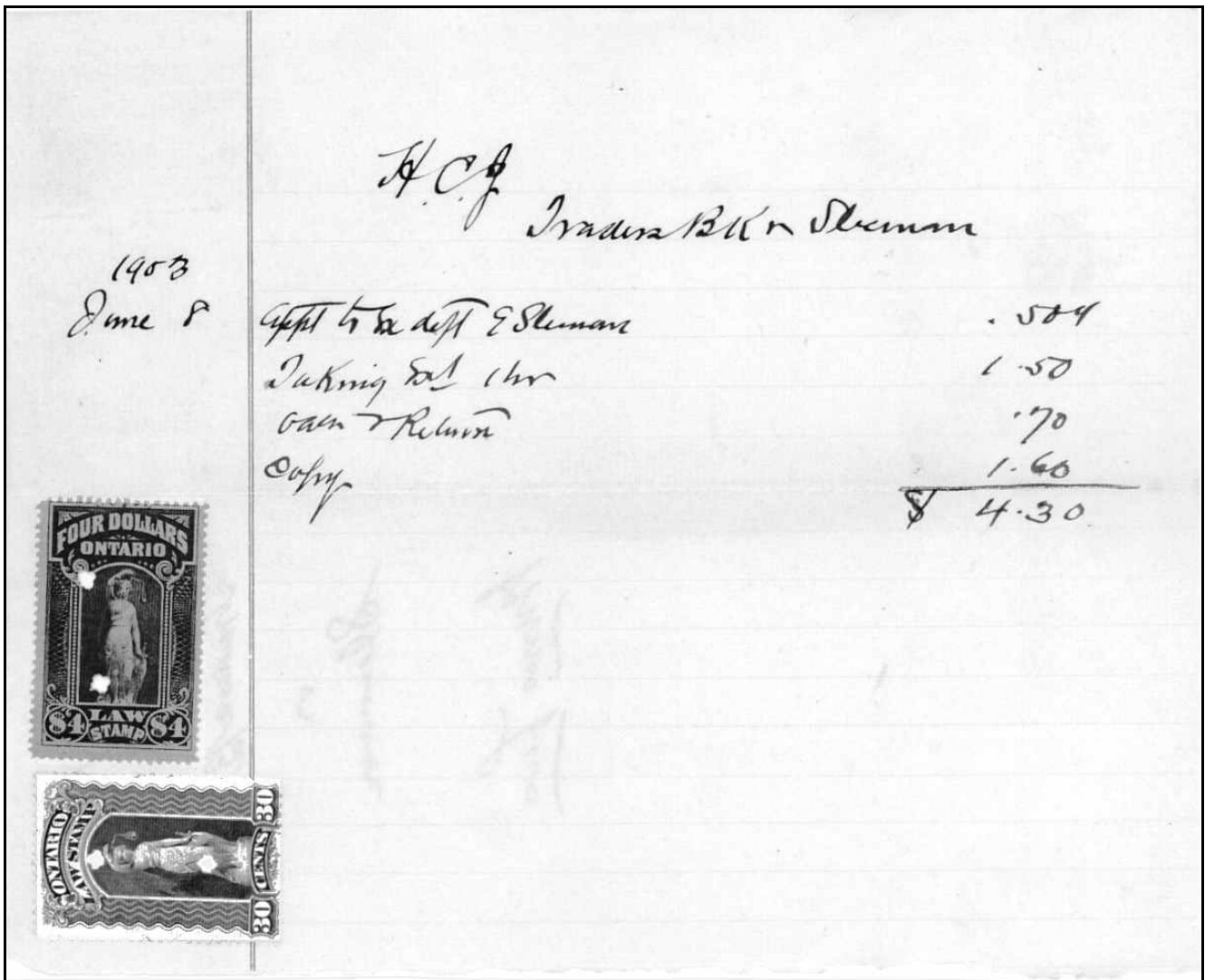


Figure 1: Memo of Fees for proceedings in the case of *Traders Bank versus Sleeman*, dated June 8th, 1903, and bearing a green 30-cent Ontario law stamp (van Dam's OL50) in combination with a green \$4 stamp (OL61). This document represents the earliest reported usage of these stamps.

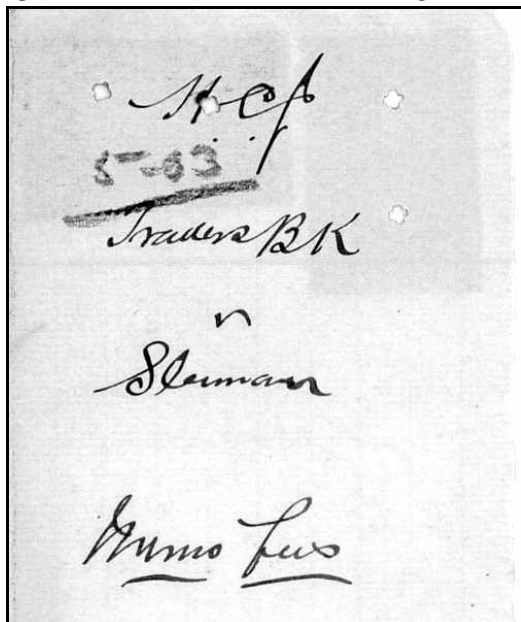


Figure 2: Detail of the back of the document in Figure 1.

Reference Notes

- [1] - Zaluski, E., *Canadian Revenues*, Vol. 6, p. 20.
- [2] - Archives of Ontario, Courts and Related Officers Records, RG 22-5604, Wellington County High Court of Justice procedure book, pp. 195, 197.
- [3] - Brown, E.B. (editor), *Ontario Weekly Reporter*, 1903, pp. 127-129, 133-135.



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CANADA'S STAMP TAXATION OF TOBACCO PRODUCTS: 1864 – 1974

Christopher D. Ryan

— Part 1 —

Introduced in 1864, Canada's excise duty on tobacco products has endured to the present day. Currently, the amount of excise duty payable is based on total production in a prescribed period. Individual packages being sealed by manufacturers or importers with a label of their own design, based on guidelines issued by the Revenue Department. An example of these private seals is illustrated in Figure 1. Prior to mid-August of 1974, the duty on each package of a tobacco product was paid by affixing a government-issued revenue stamp, an example of which is illustrated in Figure 2. These stamps were purchased from excise officers for an amount of duty corresponding to the mass they represented.[1] This work examines the legislative and regulatory history of the federal levies on tobacco products in so far as they affected the revenue stamps affixed to the packages.

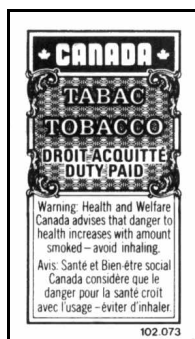


Figure 1: Manufacturer's label used to seal packages of duty-paid tobacco, a requirement since mid-August of 1974.

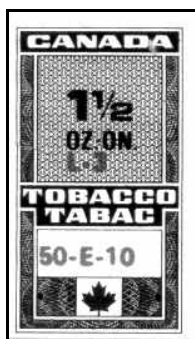


Figure 2: Excise duty revenue stamp from the Issue of 1971, in use through mid-August of 1974.

Colours of the Revenue Stamps

One of the most striking features of the tobacco revenue stamps is the many colours in which they were produced. This is particularly true for the early issues. Prior to June of 1908, the colour of the stamps almost always indicated the excise treatment of the tobacco product. These colour schemes were as follows.

In 1864 and 1867, green stamps were used primarily for stocks on hand at the commencement of the excise duty, which were exempt. From the very start in 1864, Blue stamps were used at Customs on importations. At first, red and black stamps appear to have been used interchangeably for domestic production either for consumption directly from the factory or warehoused in bond for future sale (and thus postponing payment of the duty). By 1868, red had become the sole colour for warehouse stamps and black the sole colour for consumption stamps.

In 1880, green stamps were reintroduced for use on products made exclusively of Canadian leaf-tobacco, which were granted a lower rate of duty. The black stamps were now used for products made, in whole or in part, of foreign leaf-tobacco. Also in 1880, brown stamps were introduced for 'reworked' tobacco products. These last stamps were replaced by violet stamps in 1881. The term 'reworked' referred to finished products that were reprocessed by their manufacturer in some manner, which included repackaging.[2]

The system of excise duty-stamps was overhauled in 1883. The changes included the elimination of the red warehousing stamps as well as the brown or violet 'reworked' stamps. The remaining colours, black, green and blue, continued to serve the same purposes as before. New in 1883 were red-orange 'removal permit' stamps, which were to be affixed to packages moved in bond (ie. without payment of the excise

duty) between bonding warehouses. Under the new statute, tobacco-products entered into a bonded warehouse were not affixed with a duty-stamp until released for consumption.[3] In 1897, dark-red duty-stamps were introduced for products of a mixture of Canadian and foreign leaf-tobacco. Such products were now subject to a rate of duty that was intermediate between products of Canadian leaf exclusively (green stamps) and those of foreign leaf exclusively (black stamps).[4]

As of June 1st, 1908, the use of colour to signify excise treatment was ended. Thereafter, black was used for payment of the duty on all importations and new domestic production. The old colours continued to be used for a time on products warehoused prior to June 1st and red-orange continued in use for the removal permit stamps.[5] For the latter, it is surmised that the colour was kept to show that the duty had not yet been paid such goods. Later, green stamps were used for a time on oversized cigarettes on which a higher duty was payable. Other, post-1908 variations in the colour of the duty-stamps did occur, but these did not represent differences in excise treatment.

Excise Duty versus Excise Tax

The 1864 levy on tobacco products was an 'excise duty' imposed under the Excise Act of the Province of Canada.[6] This statute was succeeded in 1867 by the Inland Revenue Act of the Dominion of Canada.[7] The title of 'Excise Act' was restored in 1924.[8] Under the Excise (or Inland Revenue) Act all aspects of tobacco manufacturing were under the supervision and bond of the Revenue Department. These provisions were intended to secure payment of the duty to the government.

The Act of 1864 introduced a system of semi-monthly payments for the excise duty. Under this system, government excise officers were required to personally affix stamps to packages of tobacco. In addition to the signature of the local Collector of Inland Revenue, the stamps were to have administrative details written on them by the excise officers. At first glance, this would seem to have been an onerous task. However, during the mid-1800s, packages of tobacco products (particularly the 'plug' varieties) were usually much larger than what is generally produced today (2002). At the time, a single package of tobacco could range from a few pounds to well over one hundred pounds. For smaller packages, it was often the practice at the time to stamp only the outer packing-case and not the individual items that it enclosed. The practice of stamping small, individual packages was not rigorously adhered to until 1880 for domestic production and until 1881 for imported products.

July 1st, 1883, marked the introduction of two significant procedural changes. The first change was the elimination of the semi-monthly payments. Manufacturers were now required to pay the duty in advance by purchasing the revenue stamps from excise officers. The second change was the transfer of responsibility for the affixation and cancellation of the revenue stamps to the manufacturer or importer.[3, 9] The cancels used by manufacturers were coded (eg. 1-18-E) to identify their user and in many instances evolved over time to include a date-code.

In June of 1942, the excise duty on tobacco products (excluding cigars) was supplemented by an 'excise tax' imposed under the Special War Revenue Act (later called the Excise Tax Act).[10] The Special War Revenue Act did not provide for strict monitoring and control of taxable production by excise officers. But this was irrelevant as far as tobacco products were concerned due to the existing controls provided to ensure collection of the excise duty. The excise duty and excise tax on tobacco products remained in concurrent effect through to the end of the government revenue stamps in 1974.

When introduced, the excise tax was designated as a 'stamp-tax'. As such, it was payable by means of excise tax-stamps, which were in law separate from the excise duty-stamps. While duty-stamps with added adhesive tax-stamps are known to present-day collectors, it is apparent that immediately upon, or soon after, the introduction of the tax manufacturers were given permission to surcharge the amount of excise tax on their existing stocks of duty-stamps. Thereafter, the Revenue Department sold duty-stamps already surcharged with the applicable amount of excise tax.[11] Thus, when a manufacturer (or importer) purchased its duty-stamps it also paid the excise tax on its production. Figures 3 and 4 respectively illustrate a regular excise duty-stamp and the same stamp surcharged with the applicable excise tax. When the excise tax was doubled in March of 1943, manufacturers were again given permission to surcharge their existing stocks of duty-stamps to reflect the new rates.[12]

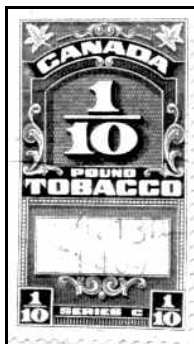


Figure 3: Excise duty revenue stamp.

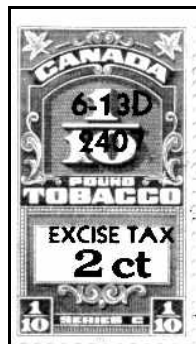


Figure 4: Combined excise duty and excise tax revenue stamp.

In April of 1943, payment for the excise tax represented by the surcharges was consolidated and moved from the time at which the duty stamps were purchased to a single monthly payment due by the last day of the month following the one in which the stamps were received. [11, 12, 13] Effective August 1st, 1947, the excise tax on tobacco products (except for raw leaf sold for consumption) was converted from a stamp-tax to a levy based on reported sales during a month. This eliminated the need for the excise tax surcharges on excise duty stamps. As part of the transition to the new system, manufacturers were given a credit for surcharged stamps on hand as of July 31st, 1947.[13] In the meantime, manufacturers had continued to pay the excise duty in advance through the purchase of the requisite stamps. This procedure for the payment of the excise duty remained in effect through to the end of the government duty-stamps in 1974.

Imposition of the Excise Duty: 1864 and 1867

The 1864 introduction of an excise duty on tobacco products manufactured in the Province of Canada was a result of the 1854 reciprocity treaty with the United States of America combined with conditions in the American tobacco industry brought on by their civil war.

Under the terms of the reciprocity treaty, manufactured tobacco entering Canada could be subjected to a customs duty while raw, unprocessed tobacco was to be admitted free.[14] The United States was by far Canada's most important source of imported tobacco, supplying (in 1860) 98.1% of the manufactured tobacco and 99.9% of the raw tobacco imported into this country.[15] According to the United States census of 1860, the Confederate States possessed 65.3% of American tobacco manufacturers, who generated 67.0% of the total value of the national production. The states of Virginia and North Carolina alone held 57.2% of the industry producing 61.2% of the total value.[16]

Beginning in 1861, the northern Union began an economic and naval

blockade of the southern Confederacy. This blockade became far more effective in subsequent years and thus resulted in the withdrawal of two-thirds of the domestic supply for the heavily populated Union states. The extent to which the Union succeeded in obstructing the distribution of the Confederacy's manufactured tobacco is indicated by the 1866 report of the United States' Commissioner of Internal Revenue as follows:

Large quantities of tobacco manufactured in the South before the war and during its progress were thrown upon the market during the past year, to the great derangement of trade and the embarrassment of regular manufacture.[17]

This state of affairs in the United States was probably responsible for a sharp decline in Canada's imports of manufactured tobacco products during 1862 and 1863. Accompanying this decline was an immense increase in imports of raw leaf. This trend is illustrated in Figure 5. This shift to the importation of customs duty-free raw tobacco was the motivation for the imposition of Canada's excise duty on domestically-produced tobacco products.[18]

The new excise duty was announced in the budget speech of May 10th, 1864, and was to take effect on July 1st of that year.[18] However, on the evening of May 31st, formal resolutions were drafted by a committee of the Legislative Assembly and put into effect as of June 1st. These resolutions imposed an excise duty on all new production as well as all stocks on hand at manufacturers of partially or completely manufactured tobacco products. All dutiable stocks were to be immediately secured by excise officers. Release of such stocks for consumption required the permission of the excise officer and payment of the duty to which they were liable.[19]

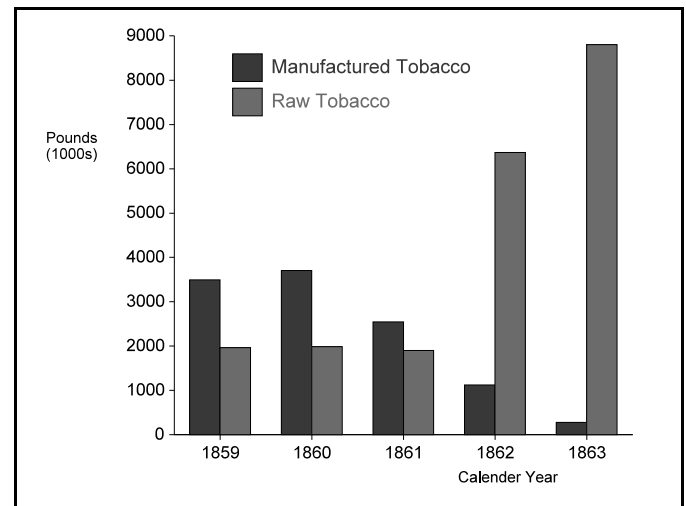


Figure 5: Imports of Raw and Manufactured Tobacco: 1859-1863. (Source: Tables of Trade and Navigation for Canada, *Sessional Papers*.)

The sudden imposition of the excise duty and the immediate seizure and sealing of stocks on hand at manufacturers by excise officers were reported by two Toronto newspapers as follows:

Considerable excitement prevailed yesterday among the tobacco manufacturers upon the publication of the news that the duties upon tobacco had come into effect. Large stocks are held by many among them, and there are, we believe large contracts to be filled. The Revenue Inspector yesterday visited the manufactories and sealed the stocks.[20]

It was not until between eight and nine o'clock yesterday morning that the excise duties on tobacco came into force. Previous to that time several parties interested in the manufacture of the article had

seen the newspapers, and removed a good deal of tobacco from the factories, hoping thereby to avoid the imposition of the new duties. The excise officers took a different view of the matter. They regarded the law as in operation from midnight, although they had not been officially advised to that effect until the morning; and seized all the tobacco that had been removed that they could lay their hands upon. A difficulty is apt to arise on this point which may require settlement in the Customs' Department at Quebec. The manufacturers also complain of the duties affecting whatever tobacco they may have on hand, while the stocks held by dealers do not come under the operation of the law. They speak of sending an agent to Quebec to remonstrate with Government on this score.[21]

The reaction of the tobacco industry to the application of the duty to stocks on hand was predictably negative. Protests occurred immediately and these culminated in the presentation of formal petitions to the Legislative Assembly from tobacco manufacturers in the cities of Hamilton, Montreal and Toronto. Members of the Assembly took up the manufacturers' cause and pressed the government on the issue.[22]

On June 27th the government relented and exempted fully-manufactured stocks on hand at manufacturers as of May 31st. The legislation, as passed on June 27th and assented to on the 30th, also provided for the non-payment or refund of duty collected on stocks released during June in fulfilment of contracts made prior to June 1st. [6]

With the exemption granted to manufacturers, excise officers were now required to differentiate between duty-free products completely manufactured prior to June 1st, 1864, and dutiable products manufactured on and after that date. It is apparently to this end that the Act gave until June 30th for tobacco manufacturers to submit a detailed inventory of raw and manufactured tobacco on hand. This inventory was to include the number of packages held, as well as their individual weight, contents, origin and date of entry into the premises. Upon receipt of the inventories, excise officers were to visit the manufacturers and affix stamps to the packages.[6]

Complementing the inventory and stamping of manufacturers' stocks on hand were similar provisions regarding stocks held by wholesale and retail dealers. These stocks were not subject to the new excise duty. The deadline for the vendor inventories was set by Statute at August 1st, 1864.[6] However, difficulties in enforcing these provisions must have occurred as this deadline was extended twice. The first extension was to August 20th, the second to September 10th. Yet, despite the extensions, the requirement that the tobacco products were to have been in stock prior to August 1st remained in force.[23]

It also appears that, by means of an as yet undiscovered circular or directive, a similar extension was granted to tobacco manufacturers for the fulfilment of their pre-June 1st contracts. This is noted in a report of a July 9th, 1864, meeting of Toronto tobacco manufacturers.

. . . The Finance Minister, who, acting conscientiously as a public officer, and having great difficulty in raising the supplies necessary to carry on the government of the country, was nevertheless willing to concede that all orders not filled to the first of July should be completed excise free.[24]

A literal reading of the above would place no termination date for the completion of the contracts. But it seems likely that the government would have imposed some form of deadline. The potential for abuse would have caused the absence of a deadline to be a highly undesirable situation. In any event, a new delivery deadline would only be significant for tobacco manufactured on and after June 1st as any older stock could be delivered free of excise duty.

The above quote refers only to the fulfilment of pre-June contracts and not to the submission of the inventory. However, it is highly probable that a similar extension was granted for the inventory. As was the case with the initial deadline provided by the Statute, the new

deadline for both contracts and inventory would logically have been the same date. This new deadline was evidently July 31st or August 1st, 1864.

The reasoning for these suggestions is as follows:

1. The Act gave tobacco manufacturers only **three days** notice to submit the detailed inventory and to complete of all their pre-June contracts by June 30th. This would have made that date an impossible deadline.

2. To the best knowledge of this writer, there is complete absence of any stamps whatsoever bearing the inscription 'In stock prior to July 1st, 1864'. This is especially significant in light of the immense stocks held by tobacco manufacturers at the introduction of the excise duty. The size of these duty-free stocks is alluded to in the Inland Revenue Report for the year ending June 30th, 1870, as follows:

The [tobacco] manufacturers had, for some time previous, anticipated the imposition of this duty, and large stocks of the manufactured article were accumulated, which escaped the tax, consequently, the amount of revenue received from this source during the first two years was no index to the demand for consumption during that period; indeed, there is reason to believe that the quantity of duty paid tobacco taken for consumption even in the third year of the tax was considerably affected by the old duty free stocks still on hand.[25]

3. The stock-books to be used by manufacturers for the record-keeping required under the Act (in connection with the newly-introduced semi-monthly returns) were not available until about August 11th. On that date, notices regarding the availability of such books appeared in newspapers for the very first time.[26]

The stamps used for stocks on hand in 1864 at both manufacturers and dealers are those illustrated in Figures 6 and 7. On the basis of the evidence previously presented, combined with the use of 'M'-stamps in 1867 for duty-free stocks held by both manufacturers and dealers, the significance and application of these stamps have been surmised as follows:

M - represented 'Manufactured', and therefore duty-free.

- was used on fully manufactured stocks held by manufacturers prior to June 1st, 1864, and on dealer stocks held prior to August 1st, 1864, and still on hand at the August/September inventory submission and stamping of such stocks..

D - represented 'Dutiable'.

- was used on manufacturers' stocks produced after June 1st, 1864, and still on hand at the August/September inventory submission and stamping of such stocks..

When the Provinces of Nova Scotia and New Brunswick joined with Upper and Lower Canada on July 1st, 1867, the terms of Confederation decreed that the existing laws of excise and customs in each of the Provinces would continue in force until replaced by the new Federal Parliament.[27] This replacement occurred on December 13th, 1867. The budget provisions passed by Parliament the previous evening essentially extended the old Acts of the Province of Canada to New Brunswick and Nova Scotia. However, the new Customs Act neglected to provide for the stamping of imported tobacco products. This oversight was rectified by an Order in Council on December 28th, 1867.[28]

As had been the case in 1864, existing stocks held in 1867 by both manufacturers and dealers in the Maritime provinces were exempt from the new Dominion excise duties. However, in 1867 the exemption was applied immediately upon the introduction of the new duties, unlike the retroactive provisions of the 1864 Statute. Given this situation, there

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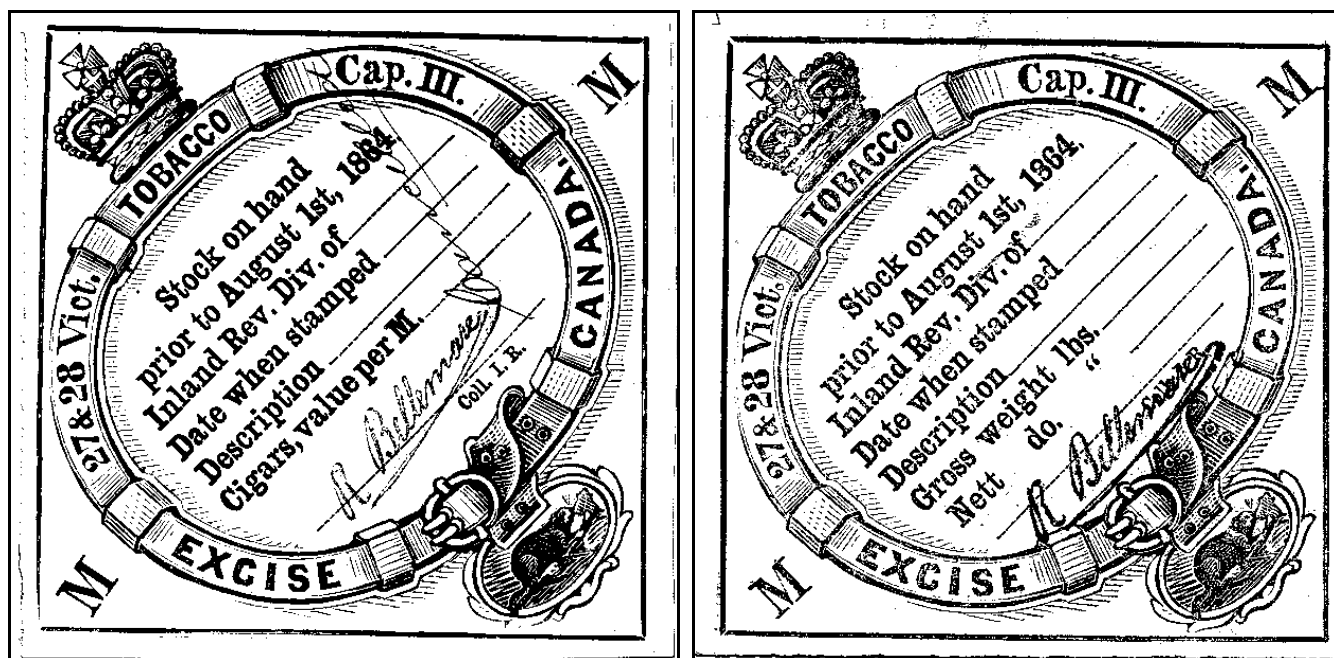


Figure 6: Cigar and Tobacco excise stamps applied to duty-free stocks on hand at manufacturers prior to June 1st, 1864, and on hand at wholesale and retail dealers prior to August 1st, 1864, and still on hand at the August/September stamping of such stocks.

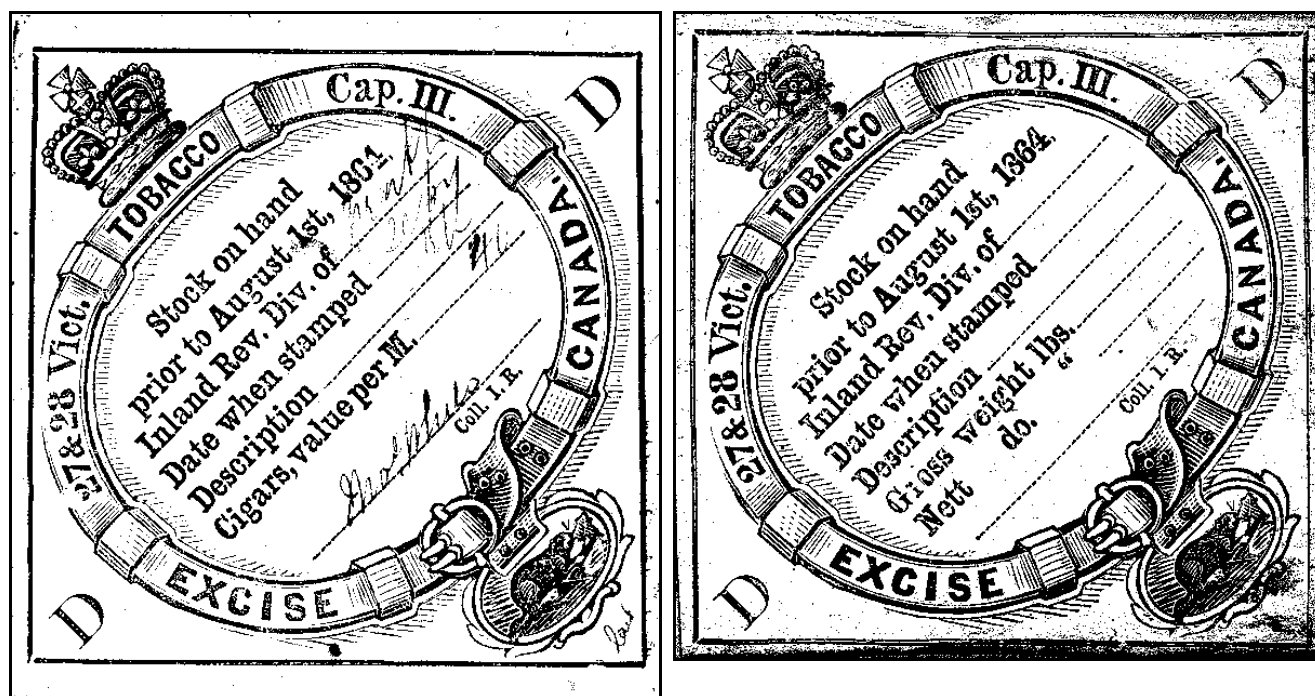


Figure 7: Cigar and Tobacco excise stamps affixed to dutiable stocks produced on and after June 1st, 1864, and still on hand at manufacturers at the August/September stamping of such stocks.

was no need in 1867 to differentiate for excise purposes between dutiable and duty-free stocks on hand as had been the case in the Province of Canada in 1864. Thus, there would have not been a need for 'D' stamps and no such stamps are currently to this writer.

A notice ordering Nova Scotian manufacturers and dealers to have their existing stocks stamped as duty-free was issued December 13th, 1867, and published in the Halifax *Chronicle* on December 14th. It read as follows:

... Tobacco, Snuff, and Cigars, now being held in stock, being exempt from duty under the Act, manufacturers and dealers in the

County and City of Halifax will make immediate application to Samuel Tupper, Esq, Collector of Inland Revenue for Halifax, to have the same stamped in accordance with the requirements of the Act and the regulations of the Department.

Arrangements will be made for the immediate stamping of stocks held in the Province outside of Halifax by the Collectors of Customs in the several localities.[29]

One of the 'M' stamps that were affixed in 1867 to these duty-free stocks is illustrated in Figure 8. The central text of this item indicate that it was applied to manufactured tobacco products other than cigars.

An 1885 philatelic publication describes a similar stamp for cigars.[30] This second stamp is currently unknown to this writer. However, the green cigar stamp illustrated in Figure 9 dates from the 1867 period. This stamp would thus appear to have been used on the duty-free stocks.

The green, 'duty-free' stamps of 1867 may have been available for use up until February of 1868. On the 22nd of that month, a recall notice was issued to Collectors of Inland Revenue as follows: "*All Tobacco and Cigar Stamps in your possession as per samples enclosed, are to be forwarded to this Department with a specification showing quantities of each.*"[31] While this notice does explicitly mention the green, 'duty-free' stamps, a notation in a September 11th, 1868, circular indicates that these stamps were probably included in the recall. The notation reads as follows: "*Green labels of a similar description have also been used in the Excise for stamping stocks of Tobacco on hand before the Excise duty was imposed. They are no longer in use and have been called in.*"[32]

(To be continued.)

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Reference Notes

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Figure 8: Green excise stamp affixed in 1867 to stocks of manufactured tobacco on hand in the Provinces of New Brunswick and Nova Scotia as a result of the extension of the Canadian excise duty to the new maritime provinces. These stocks were duty-free.

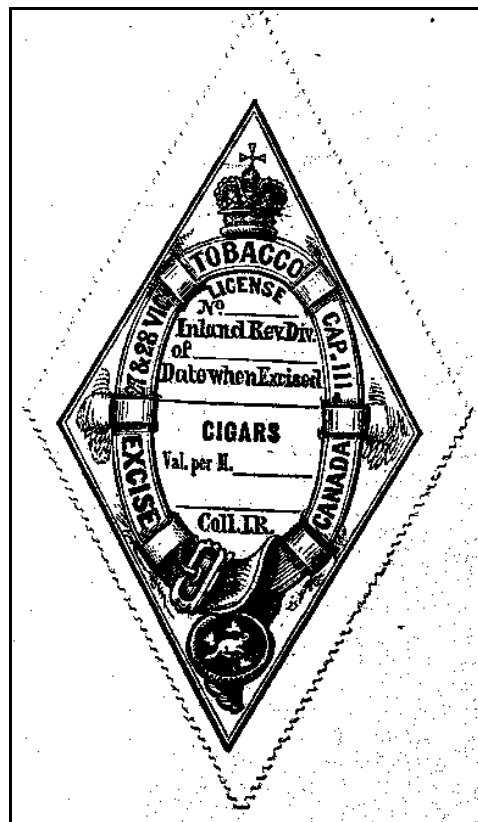


Figure 9: Green excise stamp from 1867. This stamp was likely used in conjunction with the stamp in Figure 8 for duty-free stocks in New Brunswick and Nova Scotia