



CANADIAN REVENUE NEWSLETTER

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Number 56

British Columbia Law Stamp Mystery

Dave Hannay has submitted some unusual BC law stamps. The 10-cent stamps (van Dam's BCL 1) are primitively overprinted in violet with multiple '\$'s and '1's. The 'CANCELLED' is in the same violet colour. These items come from the Cariboo County Court in Prince George. Please contact Dave if you have any information about these items: dhannay@sympatico.ca



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Laurie van Dam, 1949-2007

Laurie van Dam passed away on January 6th, 2007, after a three-year battle with cancer. She was 57.

Laurie was born in 1949 in Holland and emigrated to Canada as a little girl with her parents. She grew up in the Peterborough area, attending public and secondary school in the city. Later, she entered the registered nursing program at the Peterborough Civic Hospital. Following her graduation, Laurie worked at the Civic Hospital in the pediatrics unit as a registered nurse; Laurie always loved children.

Laurie married Erling van Dam in 1969. They have two sons, Michael and Mark. In 1978, she joined Erling in the family business, E.S.J. van Dam Ltd. Laurie and Erling did a large number of national and international shows together. She was always at Erling's side wherever they went. The last shows they did were the fall shows - 2006 Royal in Calgary and 2006 BNAPS in Sudbury.

Laurie was a major force in the business – she particularly loved Canadian tobacco stamps. Her own philatelic interests included early Christmas seals from Canada and around the world. Another of her interests was early postcards from the Peterborough and Bridgenorth area. Some of her many non-philatelic interests included water-colour painting, music, rug-hooking, knitting and gardening. The gardens around her house were Laurie's pride and joy.

Laurie is greatly missed by all her friends, her sons Michael and Mark, and Erling.

MEMBERSHIP NOTES

New Member:

✉ Alex Worsfold, Bathurst, New Brunswick

Rediscovered:

✉ Geoffrey Russell, Woodstock, Ontario

Just released, van Dam's ReveNews #145

Featuring: Die Proofs of Ontario 1864 Law stamps, and Federal Inspection stamps,
A complete set of the 1971 Alberta Hunting stamps,
B/W Photographic Essays of BC Laws,
Supreme Court Law stamp documents,
Package of Cigarette Papers with Tax Paid imprint,
Complete set of New Brunswick Vacation Pay stamps,
Federal Inspection stamps in used strips of 10.

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Corner Fold on Second Bill Issue

In the December 2002 issue of *CRN* (№ 40, pp. 2-5), I compiled a list of 61 corner folds on Revenue stamps, but had never seen one on the Second Bill Issue of 1865. An example, albeit minor, finally surfaced near the end of March 2004. It was auctioned on eBay for US\$22.50.

As shown in the illustration, the fold is on the 6¢ value (van Dam's FB23, perf 12.0 x 12.0). The corner was folded before the sheet was perforated since there are both horizontal and vertical skewed perforations.

– Leopold Beaudet



Cigarette Stamp Discovery

Illustrated below, courtesy of Fritz Angst, is a stamp from circa March 1943 on which a new excise tax of 2 cents per 5 cigarettes has been surcharged in dark blue over a previous red surcharge at the 1942 rate of 1 cent per 5 cigarettes. To the best knowledge of this writer, both this stamp and the 1942 item have never been reported before. They are listed neither in the 1976 Broman catalogue, nor in Canadian Revenue Society publications from the 1940s.

– C.D.R.



Corner Fold on British Columbia Hospitals Aid Stamp

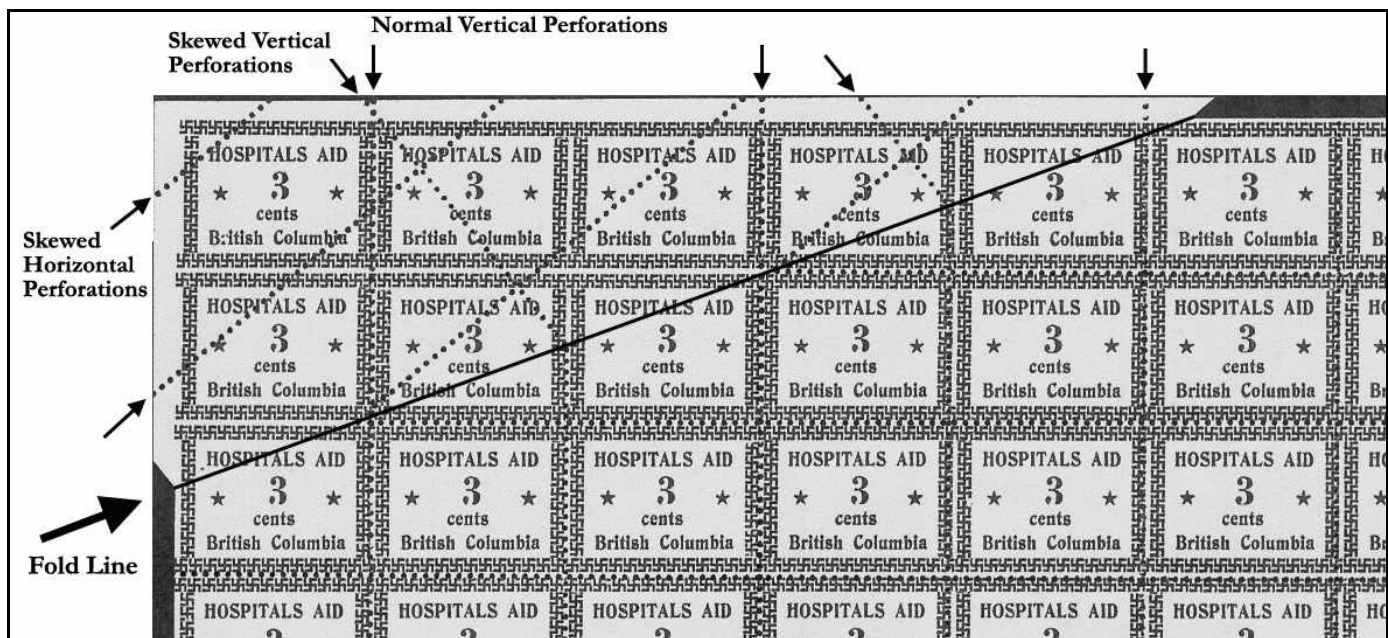
Illustrated below, courtesy of Brian Peters, is a large corner fold from a full sheet of 100 of the 3-cent British Columbia Hospitals Aid tax stamp. The presence of overlapping holes at several intersections of vertical and horizontal perforations indicates that a line perforator was used.

The very interesting aspect of this piece is that the folded portion includes both normal and skewed vertical perforations. From this, it appears that the printer did not have enough perforating devices to do a complete sheet at once. The characteristics of the folded corner

suggest the following sequence of events:

- The untrimmed sheet was first perforated vertically on every other gutter.
- The corner was folded.
- The remaining vertical gutters were perforated.
- The horizontal gutters were perforated also in two passes through the machine.
- The sheet was trimmed and the corner unfolded.

– C.D.R.



A Survey of Newfoundland's Statutes Governing the use of Inland Revenue Stamps

Peter de Groot



This article is the third in a series of articles describing Newfoundland's Statutes that required the use of stamps to collect fees and charges payable to the Crown. Herein the fees for various documents registered under The Registration of Deeds Act are listed.



Part III: The Registration of Deeds

The most commonly found documents bearing Newfoundland's revenue stamps are those that have originated from the Registry of Deeds (personal observations). When the *Stamp Act* came into effect on 1 July 1898, it required the use of stamps on documents deposited for registration in the Registry Office.[1] In the Schedule of Acts to which the *Stamp Act* was to apply, was Chapter 80 *Of the Registration of Deeds* as found in the *Consolidated Statutes* (2nd series) of 1892.[2] The registration of deeds was conducted in the Registry office located in St. John's, Newfoundland, and it required the use of "**fire-proof safes for the safe custody and preservation of all records, books, and papers of registry, and all deeds and writings deposited for registration.**"[2]

Of interest to collectors of Newfoundland's revenue stamps is the section in the *Registration of Deeds Act* that provided the fee structure for the various documents requiring the use of stamps. In this article, the fees charged for the various documents are provided from 1 July 1898 through 31 March 1969 when the documents no longer required the use of stamps. The *Registration of Deeds Act* (which actually had several different names – see references) was amended several times from 1898 to 1969, but only those amendments that affected the fee structure are documented here. In some cases, the consolidated, revised, or amended Acts came in force after the Act was passed – these are noted. In other cases, it is assumed that the changes came into force on the date they were passed as no evidence has been found to the contrary.

Tariffs of Fees:

1 July 1898 – 25 March 1907 (with an amendment on 22 April 1902)

- For registering all deeds, decrees, judgments, bills of sale, conveyances, mortgages and the certificates thereto, required to be registered, when the actual value of the property passing thereby shall not exceed Four hundred dollars – \$2.00
 - Where such value shall exceed Four hundred dollars and be under Two thousand dollars, \$2.00 for the first Four hundred dollars, and \$0.25 for every additional One hundred dollars.
 - Where the value shall exceed Two thousand dollars, the sum of \$0.20 for every additional One hundred dollars.
- For registering every release or transfer of mortgage – \$1.00
- For every search. Every search to consist of the examination of any number of volumes or different parts of the same volume or volumes, and of the indexes thereto in relation to the same property or subject matter at the same time or visit – \$0.25
- For every certificate – \$0.50
- For registering a power of attorney – \$2.50

(Two new items as of 22 April 1902 [3])

- For registering every document other than specially provided for – \$2.50
 - But in case said instrument exceeds one thousand words, then at a rate of \$0.10 for each additional hundred words or fractional part thereof.
- For registering every plan – \$1.00

26 March 1907 – 29 April 1932

NOTE: The Registration of Deeds Act was revised extensively and passed on 26 March 1907 [4]. In 1916, Newfoundland consolidated its Statutes again [5], which were passed on 6 May 1918, but not in force until 6 April 1920. Other than some minor changes in words, the fee structure remained the same. The Act was revised once more [6], and passed on 1 June 1929, which increased the maximum payment in fees from five hundred to one thousand dollars.

- For registering all conveyances and assignments when the actual value of the property passing thereunder does not exceed Five hundred dollars – \$2.00
 - When the value exceeds Five hundred dollars, then at the rate of \$0.20 for each additional One hundred dollars or part thereof.
- For registering all mortgages when the amount secured thereby does not exceed Five hundred dollars. – \$2.00
 - When the amount secured thereby exceeds Five hundred dollars, then at the rate of \$0.20 for each additional One hundred dollars or part thereof.
- For registering a release or transfer of mortgage – \$1.50
- For registering a Power of Attorney – \$2.50
- For registering any instrument other than those specially provided for – \$2.50
 - But in case said instrument exceeds one thousand words, then at a rate of \$0.25 for each additional hundred words or fractional part thereof.
- For registering any judgment – \$2.50
- For every search, consisting of the examination of any number of volumes or different parts of the same volume, in relation to the same property, at the one (same) visit – \$0.25
- For every search, consisting of the examination of any number of volumes or different parts of one volume, in relation to the same person, at the one (same) visit – \$0.50
- For making copies of any instrument registered in the books of Registry, or extracts therefrom, at the rate of \$0.10 for every hundred words or fractional part thereof
- For every affidavit – \$0.25
- For every certificate of acknowledgment – \$0.50
- For every certificate of search under section 31* – \$0.50 (section 32* after 6 April 1920).
- For every office copy of a certificate of search – \$0.25

(Before 1 June 1929) Provided that no person shall be liable to pay for the registration of any instrument any greater amount of fees than \$500.00.

(After 1 June 1929) Provided that no person shall be liable to pay for the registration of any instrument any greater amount of fees than \$1000.00.

(Continues on next page.)

* Section 31/32 reads “*The registrar shall, when required in writing, and upon being paid the fee for so doing, make searches and furnish copies of all deeds and other documents registered in the books of the Registry, and shall give certificates of all copies and extracts under his hand. The Registrar shall not allow any book to be taken out his possession or custody.*”

30 April 1932 – 31 March 1969

NOTE: The Registration of Deeds Act was amended again and passed on 30 April 1932 [7]. There were significant changes in the fee structure for the registration of conveyances, assignments, and mortgages, as well as an increase in the registration of a release or transfer of a mortgage. In 1952, Newfoundland revised its Statutes [8], and these came into force on 20 October 1953. The fee structure remained the same as previously. The Registration of Deeds Act was amended three times after the 1952 Revised Statutes, but none affected the fee structure until the act was amended once more and passed on 20 June 1963[9]. The amendment consisted of redefining the searches. The Registration of Deeds Act was amended again and passed on 10 June 1964 [10]. One further amendment occurred in 1966 but it did not affect the fee structure. When the Registration of Deeds was amended in 1968 (passed 3 May 1968, but not in force until 1 April 1969)[11], the sections referring to the use of revenue stamps were deleted, thus ending the use of revenue stamps on these documents after more than 70 years.

- For registering all conveyances and assignments when the actual value of the property passing thereunder does not exceed Two hundred and fifty dollars – \$2.50
 - When the value exceeds Two hundred and fifty dollars but does not exceed Five hundred dollars – \$5.00
 - When the value exceeds Five hundred dollars, then at a rate of \$0.20 for each additional One hundred dollars or part thereof.
- For registering all mortgages when the amount secured thereby does not exceed Two hundred and fifty dollars – \$2.50
 - When the amount secured thereby exceeds Two hundred and fifty dollars but does not exceed Five hundred dollars – \$5.00
 - When the amount secured thereby exceeds Five hundred dollars then at a rate of \$0.20 for each additional One hundred dollars or part thereof. Provided however that in the case of any mortgage where the amount secured exceeds the value of the property passing by way of security, the fees shall be calculated upon the value of the property so passing, instead of upon the amount secured.
- For registering a release or transfer of mortgage – \$2.50
- For registering a power of attorney. – \$2.50
- For registering any instrument other than those specially provided for – \$2.50
 - But in case said instrument exceeds one thousand words, then at a rate of \$0.25 for each additional hundred words or fractional part thereof.
- For registering any judgment. – \$2.50
- For every search (**before 20 June 1963**), consisting of the examination of any number of volumes or different parts of the same volume, in relation to the same property, at the same visit – \$0.25
- For every search (**before 20 June 1963**), consisting of the examination of any number of volumes or different parts of one volume, in relation to the same person at the same visit – \$0.50
- For every search (**from 20 June 1963 to 10 June 1964**), consisting of an inspection of the records on one occasion in relation to:
 - (a) one person or corporation
 - (b) one piece or aggregate of property
 - (c) one financial transaction – \$0.25
- For every search (**after 10 June 1964**), consisting of an inspection of the records on one occasion in relation to:
 - (a) one person or corporation
 - (b) one piece or aggregate of property
 - (c) one financial transaction – \$0.50

- For making copies of any instrument registered in the books of Registry, or extracts therefrom, at the rate of \$0.10 for every hundred words or fractional part thereof
- For every affidavit (**before 10 June 1964**) – \$0.25
- Upon the filing (**after 10 June 1964**) of any affidavit, statutory declaration or other form of proof required on or ancillary to the registration of any document under this Act, whether separate or annexed to or included in the document, and before whomsoever taken, save as in the next item provided – \$0.25
- For every certificate of acknowledgment (**before 10 June 1964**) – \$0.50
- For every certificate of acknowledgment (**after 10 June 1964**), and for this purpose the attestation of a signature before a barrister or solicitor shall be deemed to be an acknowledgement – \$0.50
- For every certificate of search under section 33* (**before 10 June 1964**) – \$0.50
- For every certificate of search under section 33* (**after 10 June 1964**) – \$2.50
- For every office copy of a certificate of search – \$0.25

Provided that no person shall be liable to pay for the registration of any instrument any greater amount of fees than \$1000.00.

* Section 33 reads “*The registrar shall, when required in writing, and upon being paid the fee for so doing, make searches and furnish copies of all deeds and other documents registered in the books of the Registry, and shall give certificates of all copies and extracts under his hand. The Registrar shall not allow any book to be taken out his possession or custody.*”

Examples of Stamps and Markings on Registered Documents

Illustrated in Figure 1 opposite is the stamped portion of a conveyance registered on 17 December 1947. The value of the conveyance was \$700 and thus the fee was \$5.40 (\$5.00 for the first \$500 + 40 cents for the balance of \$200 charged at 20 cents per hundred) and because an affidavit was attached and registered (not shown), an additional fee of 25 cents was charged bringing the total to \$5.65. Shown in Figure 2, is the stamped portion a mortgage registered on 23 July 1963. Note the difference in the Registry handstamps. The value of the mortgage was \$40,000 and thus the fee was \$84 (\$5 for the first \$500 + \$79 for the balance of \$39,500 charged at 20 cents per hundred).

The author welcomes correspondence on any aspects of Newfoundland's revenue stamps (peter.degroot@sympatico.ca)

References

- [1] - Newfoundland, *An Act respecting the Payment of certain Fees and Charges by Stamps*, Statutes of Newfoundland, 61 Vic., Chapter 14, Passed 30 March 1898, In force 1 July 1898.
- [2] - Newfoundland, *Of the Registration of Deeds, Consolidated Statutes of Newfoundland*, 1892 (Second Series), Chapter 80, In force 1 August 1896.
- [3] - Newfoundland, *An Act respecting the Registration of Deeds, Statutes of Newfoundland*, 2 Ed VII, Chapter 3, Passed 22 April 1902.
- [4] - Newfoundland, *An Act respecting the Registration of Deeds and other Documents*, Statutes of Newfoundland, 7 Ed VII, Chapter 19, Passed 26 March 1907.
- [5] - Newfoundland, *Of the Registration of Deeds and Other Documents, Consolidated Statutes of Newfoundland*, 1916 (Third Series), Vol II, Chapter 111, Passed 16 May 1918, In force 6 April 1920.
- [6] - Newfoundland, *An Act to Amend Chapter 111 of the Consolidated Statutes (Third Series) Entitled "Of the Registration of Deeds and Other Documents, Statutes of Newfoundland"*, Statutes of Newfoundland, 20 Geo v., Chapter 17, Passed 1 June 1929.
- [7] - Newfoundland, *An Act to Amend Chapter 111 of the Consolidated Statutes (Third Series) Entitled "Of the Registration of Deeds and Other Documents"*, Statutes of Newfoundland, 22 Geo v., Chapter 12, Passed 30 April 1932.

- [8] - Newfoundland, *An Act respecting the Registration of Deeds and other Documents*, Revised Statutes of Newfoundland, 1952, Chapter 141, In force 20 October 1953.
- [9] - Newfoundland, *An Act to Amend the Registration of Deed Act*, Statutes of Newfoundland, Act 58 of 1963, Passed 20 June 1963.

- [10] - Newfoundland, *An Act to Further Amend the Registration of Deed Act*, Statutes of Newfoundland, Act 70 of 1964, Passed 10 June 1964.
- [11] - Newfoundland, *An Act to Further Amend the Registration of Deed Act*, Statutes of Newfoundland, Act 65 of 1968, Passed 23 May 1968, In force 1 April 1969.

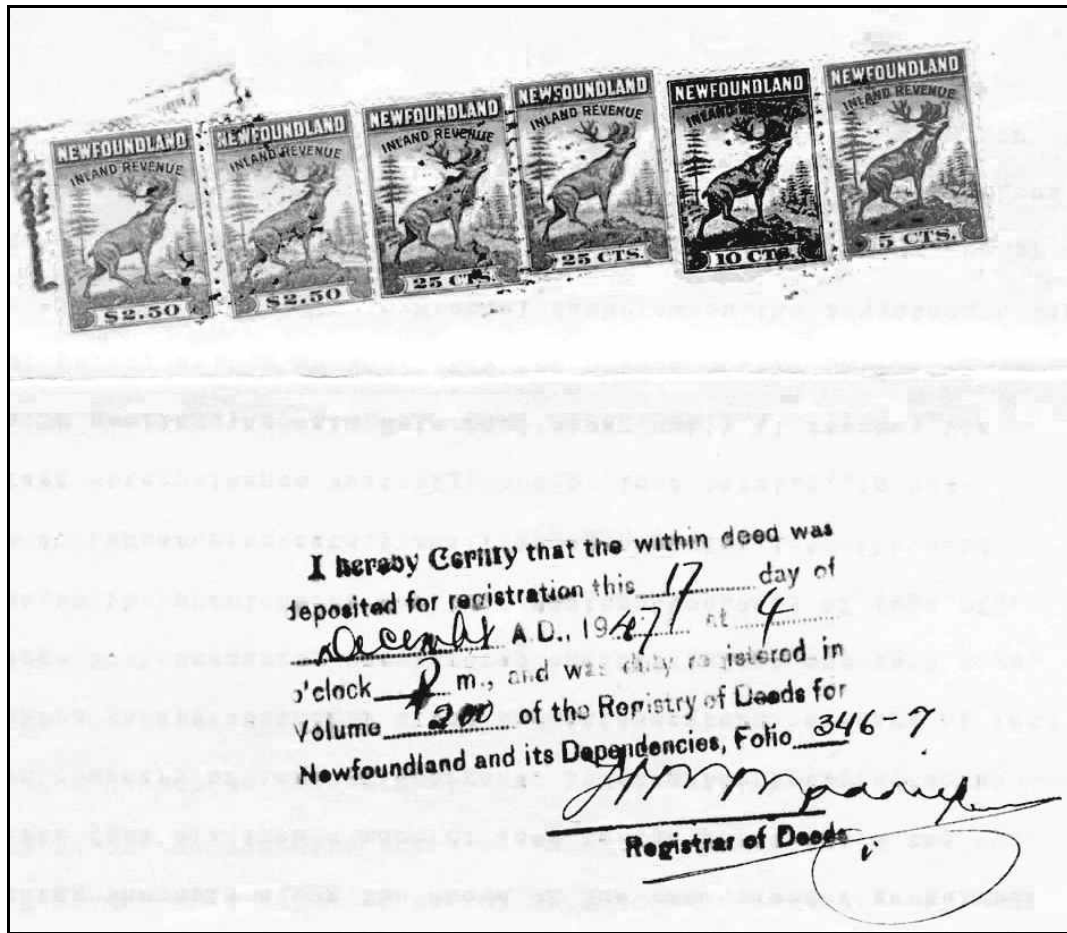


Figure 1: Conveyance registered on 17 December 1947, and charged a fee of \$5.65. The value of the conveyance was \$700 and thus the fee was \$5.40 (\$5.00 for the first \$500 + 40 cents for the balance of \$200 charged at 20 cents per hundred) and because an affidavit was attached and registered (not shown), an additional fee of 25 cents was charged.

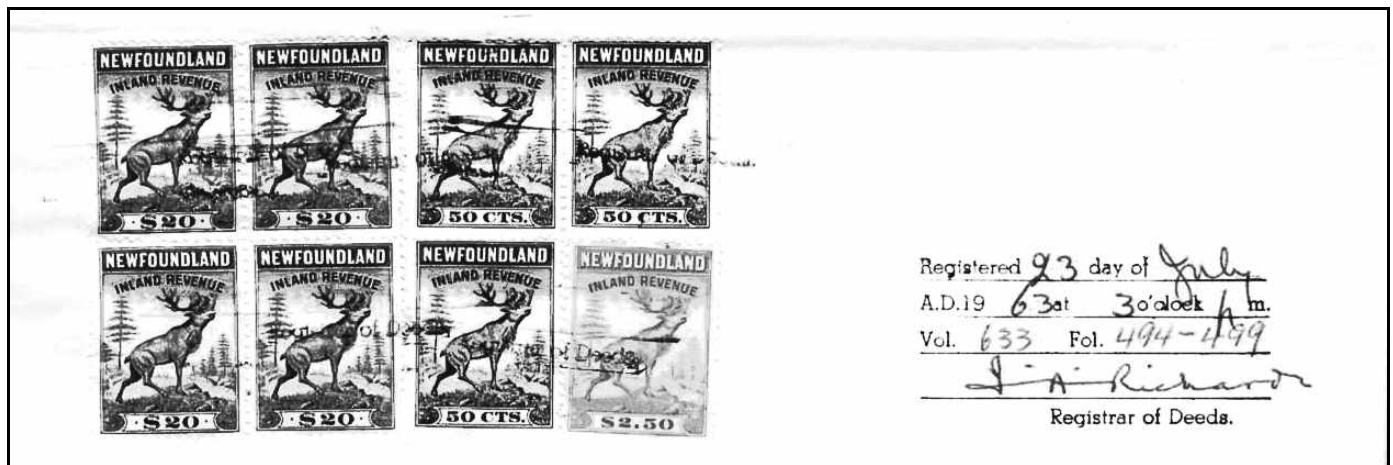


Figure 2: Mortgage registered on 23 July 1963 and charged a fee of \$84.00. The value of the mortgage was \$40,000 and thus the fee was \$84 (\$5 for the first \$500 + \$79 for the balance of \$39,500 charged at 20 cents per hundred).

Canada's Stamp Taxation of Tobacco Products, 1864-1974

– Part 7 –

Christopher D. Ryan

The Canadian Cigar Industry in the Late 19th Century

Canadian cigar manufacturers of the late 19th Century were small-scale enterprises that operated without sophisticated machinery in numerous town and cities across the Country. This situation was quite unlike that of the much larger manufacturers of other tobacco products, who required extensive machinery, facilities and capital to produce the pressed tobaccos that dominated the legal market of the day.[162] For example, in the fiscal year 1885/86 Canada had 24 licensed tobacco manufacturers with a total production of 8,413,277 pounds, and 126 licensed cigar manufacturers with a total production of only 916,801 pounds.[163] The output of the average tobacco factory was 48 times that of the average cigar factory.

Cigars produced in the late-1800s fell into two broad classes. High quality products were made by trained craftsmen using the traditional method of individual hand-rolling. Lower grades of cigars were also made by hand, but in batches by children* and other low-paid, semi-skilled workers using moulds and other labour-saving devices. Mechanical mass-production of cigars did not start until just after the Great War of 1914-18.[162b, 164]

During the early years of the excise duty, the Canadian cigar industry shared the domestic market with imports on a roughly even basis. On average over the 1865-1870 period, the imports at 52.9% of duty-paid cigars held an edge of 5.7% over domestically produced cigars at

47.1%. The principal source of imported cigars was Germany.[162a, 165] See Table 12 below for details.

In April of 1870, a revision to the Customs and Excise tariffs reduced the differential that protected the Canadian industry.[50, 51, 166] This resulted in a flood of cheap German imports. For four years, these German cigars would be the largest component of the Canadian market, representing a majority of cigars in two of those years. Domestic production was reduced to 31.6% of the market on average over the period.[162a, 165]

The Canadian cigar industry did not become predominant in the domestic market until the fiscal year of 1874/75. This event followed the re-introduction in April 1874 of tariff protection for the domestic cigars. As a result, a complete turnaround occurred in the marketplace with Canadian cigars now occupying the position formerly held by the imports. The tariff protection was enhanced in February 1877. This solidified the dominance of domestic manufacturers.[165, 167]

However, even with the new preeminence of Canadian production, the domestic market for cigars remained small. As shown by the figures in Table 12, cigars comprised only a small percentage of total duty-paid tobacco consumed in Canada during the period of 1865 to 1885.[162a, 165] Prior to the rise to prominence of cigarettes in the 20th Century, Canadian men were predominantly pipe-smokers and Canadian women rarely smoked at all.[164c, 164a, vol. 5, p. 618]

Table 12: Duty-paid Cigars in the Canadian Market, 1865-1885, by Country of Manufacture, along with Total Weight† of Cigars, as well as Cigars as a Percentage by Weight of Total Duty-paid Tobacco, both Imported and Domestic.

Fiscal Year	1865/66	1866/67	1867/68	1868/69	1869/70	1870/71	1871/72	1872/73	1873/74	1874/75
Canada	49.0%	45.6%	43.0%	52.9%	45.2%	34.4%	28.8%	27.9%	35.4%	64.0%
Germany	32.0%	31.0%	48.0%	42.6%	33.6%	42.3%	53.8%	55.5%	41.8%	11.4%
Other Countries‡	19.0%	23.4%	9.0%	4.5%	21.2%	23.3%	17.4%	16.6%	22.8%	US 14.6% SWI 5.6% Other 4.4%
Total Weight† (Pounds)	159,677	231,099	272,001	225,760	283,470	366,091	664,228	674,609	676,429	488,273
Percent of Total Duty-paid Tobacco Products	5.0%	4.9%	4.7%	3.8%	3.8%	5.1%	7.6%	9.3%	7.1%	6.7%
Fiscal Year	1875/76	1876/77	1877/78	1878/79	1879/80	1880/81	1881/82	1882/83	1883/84	1884/85
Canada	61.5%	76.2%	73.0%	65.1%	81.5%	81.2%	79.2%	82.8%	81.6%	86.1%
Germany	15.4%	3.1%	4.2%	8.3%	4.0%	5.2%	5.4%	4.5%	4.5%	3.3%
Other Countries‡	US 14.5% SWI 4.5% Other 4.1%	US 11.9% SWI 6.0% Other 2.8%	US 15.0% SWI 4.2% Other 3.6%	US 16.1% SWI 4.6% Other 5.9%	US 6.4% SWI 5.6% Other 2.5%	US 6.4% SWI 4.3% Other 2.9%	US 6.7% SWI 5.9% Other 2.8%	US 4.6% SWI 7.9% Other 2.4%	US 3.7% SWI 7.9% Other 2.3%	US 2.9% SWI 6.3% Other 1.4%
Total Weight† (Pounds)	530,312	417,704	496,861	606,864	504,232	647,798	927,843	1,124,954	1,054,361	1,228,502
Percent of Total Duty-paid Tobacco Products	5.9%	5.1%	6.3%	7.6%	6.2%	7.3%	9.8%	11.0%	9.3%	9.8%

(Sources: Canada, Tables of the Trade and Navigation, *Sessional Papers*; Annual Reports of the Department of Inland Revenue, *Sessional Papers*.)

† - Where cigar production was recorded as number of cigars (fiscal years 1865/66 to 1869/70, and 1883/84 to 1884/85), the quantities have been converted to pounds using the Revenue Department's conversion factor of ten pounds per 1000 cigars. Domestic production comprised stocks paying duty upon release from factories and from bonded warehouses.

‡ - US = United States, SWI = Spanish West Indies.

The market that did exist for cigars was inhibited in the late-1800s by various local prohibitions on the sale of alcoholic beverages. A number of these bans were imposed and revoked piecemeal by cities and counties under the authority of the federal *Canada Temperance Act* of 1878. In addition, various provincial statutes during the period permitted individual municipalities and, in some instances, even districts within a municipality to declare a prohibition within their respective boundaries. The effect was to curtail the prevailing social custom of combining cigars and alcoholic beverages in licensed establishments such as taverns and hotels. Outside of this context, cigars were commonly smoked only by the social elite.[168, 164b, pp. 29-32]

The true percent-consumption of cigars was actually less than the official, duty-paid figures. At the time, there was a large trade in the Province of Quebec in domestic tobacco on which no excise duty was paid.** This tobacco was consumed not only in its raw state, but also as illicitly manufactured Canada Twist and cut tobacco, both of which required minimal processing.[83, 169]

Cigar Stamps and Stamping, 1864-1883

Cigars were the first form of tobacco to be given its own distinctive excise and customs stamps. This occurred at the 1864 introduction of the duties and was a result of the manner in which the duties were applied. All other forms of tobacco were taxed on the basis of weight, while cigars were taxed per thousand based on a graduated scale of value. For example, domestic cigars valued at over \$4 and up to \$10 per thousand were taxed at \$2 per thousand.[6, 18, 33, 34]

Four of the five 1864 cigar stamps are illustrated in Figures 127 to 130. All together, these items from the Province of Canada consisted of stamps for excise consumption, excise warehousing, customs duty and two green items for exempt and dutiable stocks on hand. These stamps were marked with the enacting legislation of “27-28 Victoria.” Later additions to the set were a small diamond (Figure 131) and a long strip-stamp (Figure 132) consisting of the small diamond within a band of tracery. The large majority of domestic cigars paid duty upon release from a factory and were thus affixed with consumption stamps.***

Following Confederation, harmonized excise and customs tariffs were introduced December 13th, 1867, for the new Dominion of Canada. The new statute of “31 Vic.” was quoted only on the Customs stamps (Figures 133, 134), the Excise stamps continued to use “27-28 Vic.” A green excise stamp was applied to stocks on hand in New Brunswick and Nova Scotia. These stocks were exempt from the new duties.[7, 27, 28, 29, 31, 32]

Starting circa September 1868, the typographed stamps were replaced over time by more elaborate items lithographed by BABN. The new stamps initially appeared only in black for excise consumption and red for excise warehousing, and did not have serial numbers (Figure 136). Versions with serial numbers (Figures 135, 137, 138) appeared circa April 1869 for both excise and customs purposes.[32, 47] The distinctive characteristic of these two issues lays in the seventh line of the central inscription, which reads as “Val per M _____”, the ‘M’ representing *mille*, being French for one thousand. Another important detail is the presence of the two line ‘XXI Vict./Cap. VIII’ inscription reading vertical in the side frames.



Figure 127: Green ‘M’-stamp for exempt stocks on hand at the introduction of the excise duty. The stamps for dutiable stocks were marked ‘D’.

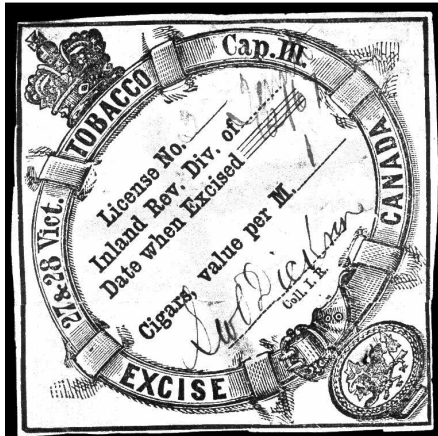


Figure 128: Issue of 1864, excise stamp for products released for consumption from a factory.

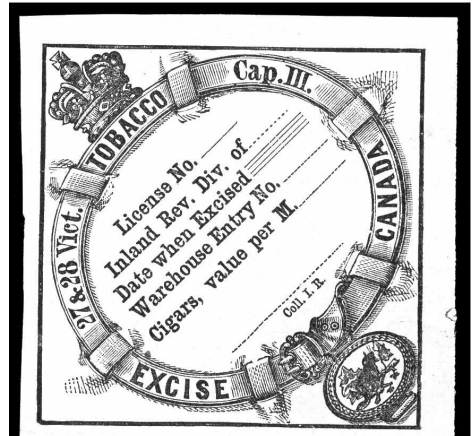


Figure 129: Issue of 1864, excise warehouse stamp.

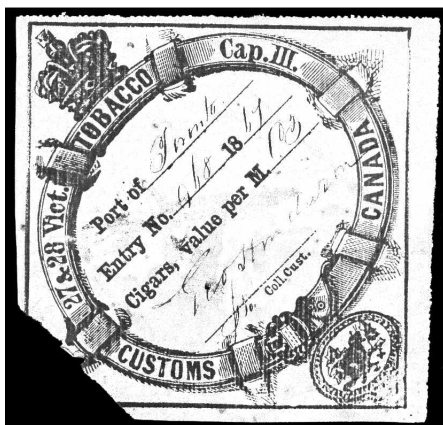


Figure 130: Issue of 1864, customs stamp.



Figure 131: Later addition to the Issue of 1864.

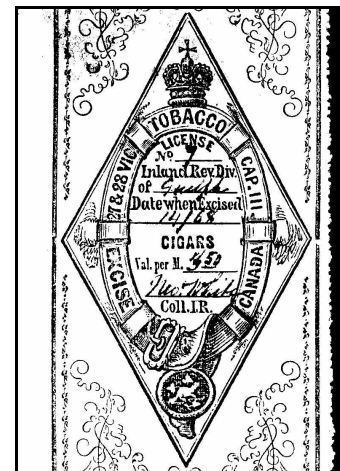


Figure 132: Later addition to the Issue of 1864.

Effective April 8th, 1870, the graduated rates of excise and customs duties were replaced by single rates per pound, regardless of the value of the cigars.[50] In an April 14th circular, local Revenue officers were instructed to “adapt the Cigar labels now in your possession to the change in the mode of levying duty, by drawing your pen through the words ‘val. per,’ leaving the ‘M’ to signify thousands, and writing thereafter the fractional part of the thousand Cigars contained in the box, and the weight thereof on which the duty is charged thus: – ‘M 1/10 = 1 1/4lb.,’ signifying that the package contains 100 Cigars weighing one and a quarter pounds.”[51] However, surviving stamps show that these instructions were not always followed.

Subsequently, new printings of the excise cigar stamps appeared on which the seventh line was changed to read as ‘M ___ lbs’ in reflection of the new tariff. One such stamp, dated September 1870, is illustrated in Figure 139. The alteration was not made to the Customs stamps. As noted earlier in this work (CRN № 39), the Customs Department was frequently delinquent in keeping its tobacco stamps up to date.



Figure 133: Issue of 1867 or 1868, customs stamp.

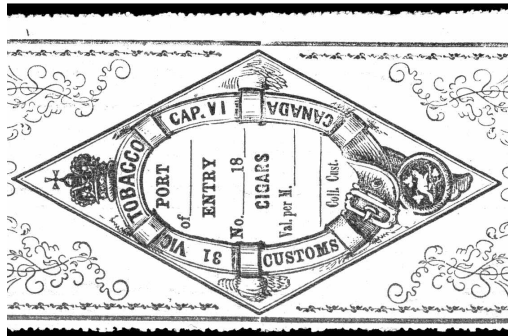


Figure 134: Issue of 1867 or 1868, customs stamp. (Image cropped.)

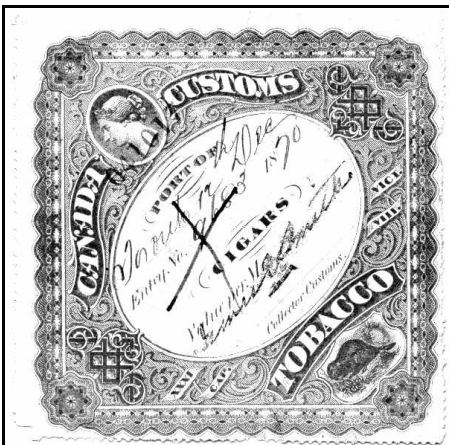


Figure 135: Issue of 1869, square customs stamp.

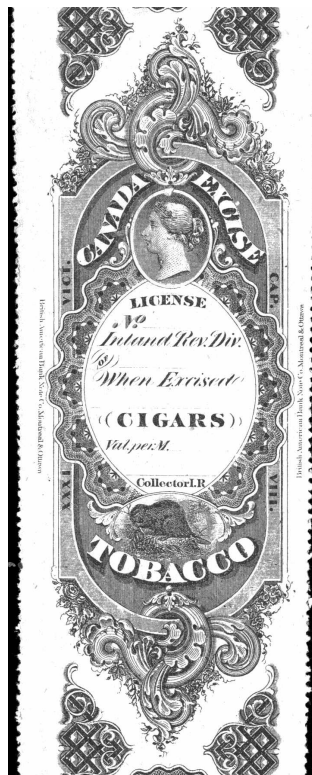


Figure 136: Issue of 1868, excise stamp in black for consumption, red for warehouse. This Issue has ‘Val per M’ in its central inscription and lacks serial numbers. (Image cropped.)

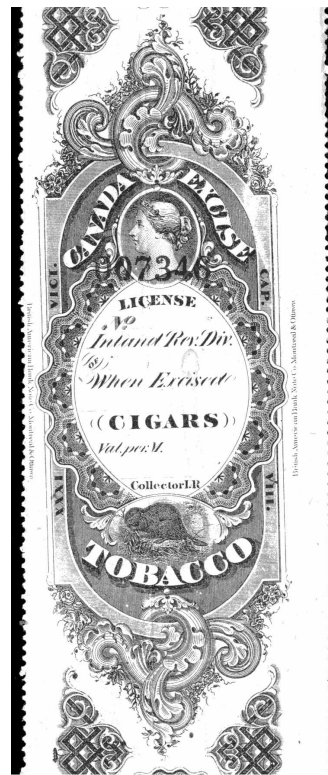


Figure 137: Issue of 1869, excise stamp in black for consumption, red for warehouse. This Issue has ‘Val per M’ in its central inscription and lacks serial numbers. (Image cropped.)

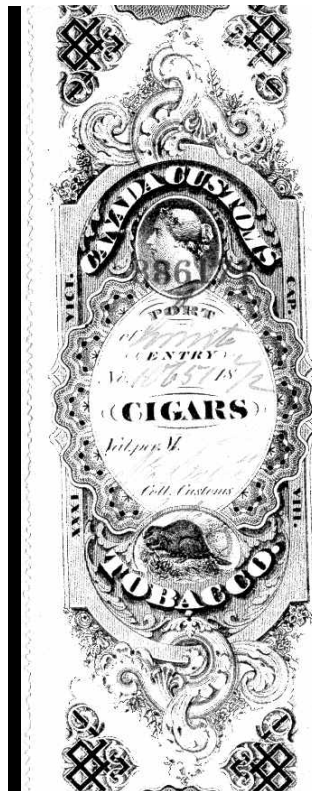


Figure 138: Issue of 1869, strip customs stamp with serial numbers across the Queen's portrait. (Image cropped.)

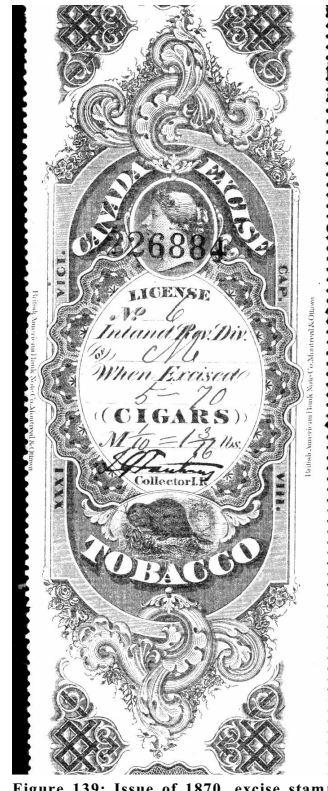


Figure 139: Issue of 1870, excise stamp with ‘M ___ lbs’ in seventh line in place of the previous ‘Val per M’. (Image cropped.)

September of 1874 marked the next revision of the cigar excise stamps. In that month, BABN was given three directives: First, the company was to immediately prepare two new sets of stamps for use exclusively at the Inland Revenue Divisions of Montreal and Toronto (Figure 140). Each set was to have its own sequence of serial numbers and their design was to incorporate the name of the respective Division as well as the signature of its Collector. Second, once the serial numbers on the regular cigar stamp had reached one million, the numbers were to be started again from one with a prefix-letter 'A' (Figure 141). Third, the 'M' was to be erased from the seventh line of the central inscription on the Montreal and Toronto series, leaving it to read simply as '_____lbs'. [64]

The Revenue Department had probably intended to also delete the 'M' at this time from the regular stamps as well, but the instructions to BABN did not mention them. The 1874 order for Division-specific stamps coincided with a sharp increase in the demand for stamps by manufacturers that arose from the sudden elevation of the Canadian cigar industry from its formerly weak position in the domestic market to one of dominance.

The new Montreal and Toronto stamps were likely put into use soon after their production in September 1874. **John Harper's** study of dated stamps shows that the regular stamps with the 'A' appeared circa December 1874/January 1875. The use of the 'A' as a prefix letter was first done with the customs stamp. **Harper's** study indicates that these were in use by 1873. Similarly, dated stamps give 1875 for the appearance of the customs stamp with 'B' as a prefix letter.

In 1876, an error was made in a print-run of the customs 'B' cigar stamp. In place of the word 'customs' at the upper-right of the Queen's head, the word 'excise' was used (Figure 142). These stamps were recalled by the Customs Department on November 25th, 1876. [173] However, at least one example is known used in 1878 at Montreal, a principal entry-point for imports. It is possible that some of the errors may not have been returned to Ottawa in the 1876 recall, but it seems more likely, given the 1878 date, that the stamps were reissued for unknown reasons.

A number of these defective customs stamps were subsequently overprinted 'Canada/Customs' in two lines in red. An example of the corrected stamps is illustrated in Figure 143.

In 1880, a new Inland Revenue Act replace the 1867 Statute and on July 1st, 1880, BABN was instructed by the Revenue Department to remove all references to the old law from the stamps. [66, 70] This produced the Series of 1880 illustrated in Figures 144 and 145, in which the outer frames of the stamps no longer have the two-line inscription 'XXXI Vict./Cap. VIII'. This series included regular, blank stamps in black, red and blue, as well as a few division-specific items.

Early in 1881, a completely new, simplified design appeared (Figure 146) into which an alpha-numeric code was incorporated to facilitate identification of the multitude of new stamps introduced under the 1880 Act. [58, 61] Blue, black and red 1881 cigar stamps were produced in blank versions and in several division-specific versions.

New to the Act in 1880 was a special reduced rate of 30 cents per pound for cigars made exclusively of Canadian leaf. [66] In 1882, it was further reduced to 20 cents per pound. [77] The regular rate was 40 cents. However, Canadian leaf was widely regarded in the tobacco industry as being unsuitable for cigars. The figures in Table 13 below, along those in Table 12, show that the lower duty was not a sufficient inducement at the time for any significant production.

Table 13: Weight in Pounds of Cigars Produced from Canadian Leaf only

Fiscal Year	Weight	Locations (Inland Revenue Divisions)
1880/81	1853	Guelph, Montreal, St-Hyacinthe, Trois Rivieres
1881/82	6394	Montreal, Sorel, St-Hyacinthe, St-Jean, Trois Rivieres
1882/83	7915½	Iberville, Montreal, Sorel, St-Hyacinthe, Trois Rivieres

(Source: Canada, Annual Reports of the Inland Revenue Department, *Sessional Papers*.)

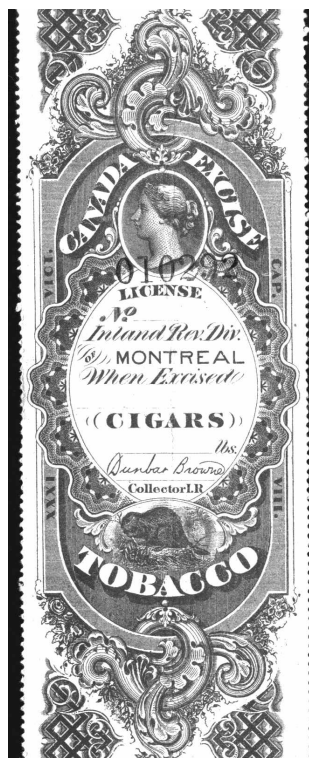


Figure 140: Excise stamp prepared September 1874 with the name and signature of the Montreal Division, for use exclusively at that Division. (Image cropped.)

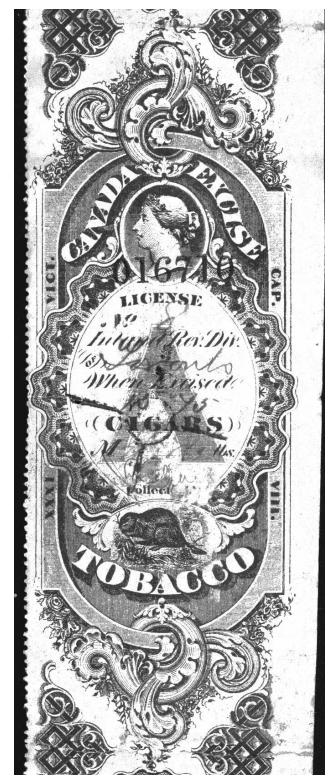


Figure 141: Excise stamp with 'A' added in central panel as part of the serial number, ordered by Revenue Department September 1874. (Image cropped.)

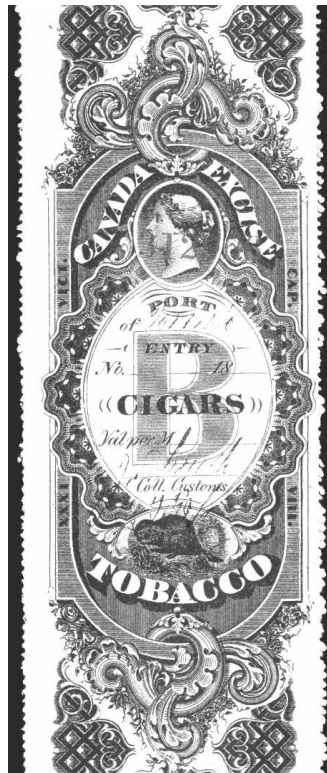


Figure 142: Blue customs stamps with error 'excise' inscription at upper right, produced and recalled in 1876, later re-released for use. The 'B' is a prefix to the serial number. (Image cropped.)



Figure 143: The Central portion of an error stamp of 1876 corrected by a red 'Canada/Customs' overprint in two lines. The 'B' is a prefix to the serial number.

Notes:

* According to statistics presented in 1888 to a Royal Commission, children comprised nearly 40% of the cigar-makers employed in Montreal, one of the Country's principal centres for cigar production.[164a, vol 4, pp. 33-35]

** From 1868 through 1880, raw tobacco leaf sold by farmers and licensed dealers for direct consumption by the public was subject to the same excise duty as manufactured tobacco. For domestic leaf, the duty was set at the same rate as Canada Twist, which was initially five cents per pound.[170] This rate was increased to seven cents in April 1870 and ten cents in February 1874.[51, 167c] No stamps were used on this duty-paid leaf. It was simply released for consumption under a permit issued by the local Revenue Department officer.[170]

During this period, an underground trade developed in raw domestic tobacco. This covert market appears to have reached its peak in the late-1870s following the increases in the duty. By that time, the excise collected on both raw and manufactured domestic leaf had declined to a trivial amount. In 1878, the Revenue Department estimated that just over one-half of the tobacco consumed in Quebec was illegal.[83, 169]

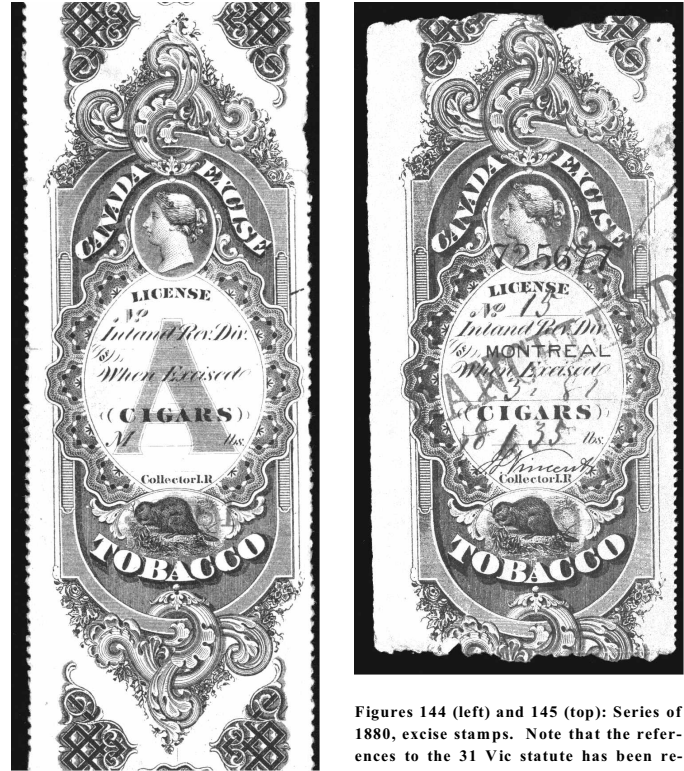
The government's response in 1880, after years of lobbying by both the tobacco industry and the Revenue Department officials, was a combination of incentives and restrictions. The incentives were special reduced excise rates for products of Canadian leaf. The restrictions were a complete prohibition on the sale of raw leaf for direct consumption, the mandatory licensing and excise supervision of tobacco farmers as cultivators, and the separate, optional licensing of interested farmers as manufacturers of Canada Twist.[66, 83, 169, 171]

However, the restrictions were short-lived. In 1882, the requirement for cultivator licences was revoked and sales were now unrestricted except for a provision that limited purchases of duty-free raw leaf by private individuals to a set amount per year for personal consumption only. Then in 1883, all restrictions on the purchase of domestic raw leaf were abolished. This left only the special Canada Twist licence as the sole excise control over farmers. Canadian raw leaf could now be consumed freely, but any unlicensed processing of this leaf for sale to other people remained illegal. For many years thereafter, excise-free tobacco remained a significant part of the Quebec market.[77, 88, 89, 91, 164c, 172]

The lifting of excise control over tobacco farmers and domestic raw leaf was done for political reasons connected with the General Election of June 1882. Farmers held a large number of votes and were unhappy with the restrictions on their sales and the close supervision of their activities.[172]

*** As was discussed in a previous Part of this work (CRN № 39), domestic manufactured tobacco products in this period were by a large margin warehoused prior to paying duty. As such, these packages were affixed with an excise warehouse stamp whose colour was standardized as red by 1868. However, with cigars the reverse was true.

The majority of domestic cigars were released for consumption and paid duty directly from the factory. These were therefore affixed with excise consumption stamps whose colour was standardized as black by 1868. As shown by the figures in Table 14 below, only a small percentage of domestic cigars were warehoused during the period of 1865 to 1872. Thereafter, until the end of the special warehouse stamps in 1883, the proportion of cigars warehoused rose to a significant level, but remained a minority of total domestic production.



Figures 144 (left) and 145 (top): Series of 1880, excise stamps. Note that the references to the 31 Vic statute has been removed from the left and right frames. (Image of 144 cropped.)



Figure 146: Series of 1881, strip-stamps for cigars. Full customs shown at top, detail at lower-left. Detail of excise stamp shown at lower-right.

Table 14: Domestic Cigars placed in Excise Warehouses as Percent by Number (1865-1870) of Total Production, or by Weight (1870-1883)

Fiscal Year	1865/66	1866/67	1867/68	1868/69	1869/70	1870/71	1871/72	1872/73	1873/74
Cigars Warehoused	4.7%	7.6%	2.2%	1.9%	1.7%	6.2%	5.6%	24.4%	16.2%
Fiscal Year	1874/75	1875/76	1876/77	1877/78	1878/79	1879/80	1880/81	1881/82	1882/83
Cigars Warehoused	20.1%	26.1%	29.9%	27.5%	29.6%	42.1%	33.8%	26.9%	29.4%

(Source: Canada, Annual Reports of the Department of Inland Revenue, *Sessional Papers*.)