



CANADIAN REVENUE NEWSLETTER

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Number 66

Revenue Exhibits Receive Awards

ORAPEX, May 2-3, Ottawa, Ontario

(Corrections to report in CRN N° 65.)

- **Terry Harris** – *Newfoundland Revenue Usages* – **Gold**
- **John Walsh** – *Newfoundland 1898 Queen Victoria Revenue Issue: First Issue used on Documents* – **Vermeil**

Royal 2009 Royale, June 12-14, St. Catharines, Ontario

- **David Bartlett** – *Newfoundland War Savings Stamps* – **Gold** and **BNAPS Best Research Award**.
- **David Schurman** – *The Supreme Court Revenue Stamps of Canada* – **Vermeil** and **BNAPS 2'n'4' Exhibit Award**.

BNAPEX 2009, September 11-13, Kingston, Ontario

- **David Bartlett** – *Savings Booklets, Certificates and Stamps of Newfoundland* – **Gold**.
- **Peter de Groot** – *Til Death Do Us Part: Usages of the Caribou Revenues in the Lives of Newfoundlanders* – **Vermeil** and **Wilmer Rockett Award**.
- **John McEntyre** – *The Electricity and Gas Inspection Document Stamp Issue of Canada* – **Bronze**.
- **John Walsh** – *Newfoundland 1898 Queen Victoria Issue: First Revenue Series on Documents* – **Vermeil**.

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Issue Dates for Three Series of Canada's War and Excise Tax Stamps

– **Second Addendum** –

Christopher D. Ryan

Previously in this work (CRN N° 57, pp 2-3; N° 58, p 6), it was noted that at least three denominations of the George V War Tax stamps were released by April 13th, 1915. This was based largely on a report in the April 14th, 1915, edition of the *Toronto Globe* newspaper in which the 1, 2 and 5-cent denominations were illustrated and a description of sales of these stamps on the previous day. New information now places the receipt and initial sale of these stamps in Toronto at April 12th, 1915. Given the circumstances surrounding the February release of the Provisional War Tax stamps (CRN N° 61, pp 7-10), it is likely that the regular issue stamps were shipped from Ottawa on April 11th, 1915, and could possibly have been on sale in that city as of that date.

The report of the new stamps in the April 13th, 1915, edition of the *Toronto Daily Mail and Empire* is given below. It lists five denominations of Inland Revenue stamps: 1, 2, 5, 10, 20 and 50 cents. The descriptions of the 20 and 50-cent values are incorrect as to denomination and/or colour, and thus these items might have actually been the earlier Provisionals. There are other errors in the article, such as the application of the postal war tax to parcels.

STRICT PROVISIONS OF WAR TAX ACT . . .

. . . *The Inland Revenue office presents another scene of animation, the first bundle of special Inland Revenue war tax stamps having arrived. These are for the use of banks, financial and commercial houses, and are sold in large lots. Unlike the ordinary postage stamps, with the surcharge, the Inland Revenue stamps are specially designed, with a large portrait of the King in the centre and the words "Canada" above and "war tax" underneath. The design is an attractive one, and the complete sets are as follows: 1-cent stamp in orange, 2-cent brown, 5-cent olive-yellow, 10-cent olive, 20-cent blue and 50-cent red . . .*

The Inland Revenue officials stated that they received 50,000 of these stamps yesterday from Ottawa and that before the hour of closing over 30,000 had been sold and other 50,000 had been ordered from Ottawa. The great demand for them came from the financial houses who bought hundred of dollars' worth yesterday.

(Source: *Toronto Daily Mail and Empire*, April 13th, 1915, p. 5)

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Revenue Stamp Varieties Illustrated (2): British Columbia Law

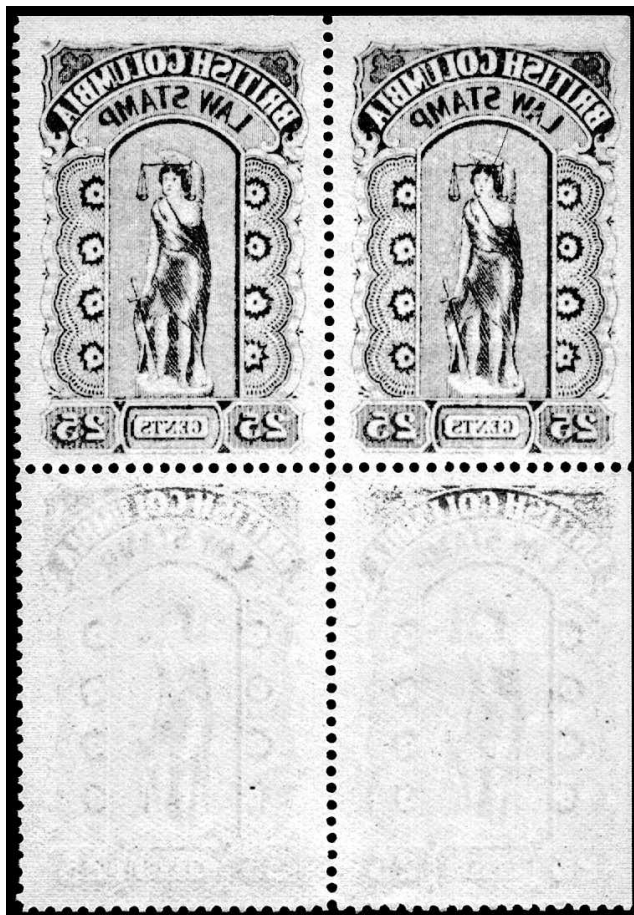
Dave Hannay

BC Law Stamp Double Print

Here is a nice example of a used copy of van Dam's BCL26c, the double print variety of the \$1 value in the Fifth Series. The stamp has very wide vertical margins and shows a clear doubling of the design. This doubling is particularly noticeable in the upper frame and lettering, as well as in the 'dollar' at bottom. (Shown at 174% of actual size.)




The only offset variety currently catalogued for the BC Law stamps is van Dam's BCL37c, the grey 10¢ value in the Eighth Series. It is priced at a 3000% premium to the normal single, indicating the relative scarcity of the offset variety. Check your inventory of BCL23 to try to find any of the three adjoining stamps of the one-time strip of five, all of which probably have the offset image.




BC Law Stamp Offset Image

The second item is a striking unlisted variety of van Dam's BCL23, the green 25¢ value in the Fifth Series. The reverse side of a mint-never-hinged, upper-left corner block of four shows a full offset of the design on the top two stamps and a tiny portion offset near the top edge of the lower stamps. The upper corner stamp (position 1 on the sheet of 25) has a plate scratch on its face that extends downward from the 'W' in 'LAW' diagonally to the right hip of 'Justice' in position 7. This scratch indicates that this block came from Pane 'A' of the first printing of this stamp. (Item shown at 130% of actual size.)




Canada Embossed Revenue Stamps Census Underway



To determine how many stamps have survived on complete cheques and documents, as well as to identify all known users, I am conducting a census of these issues. Based on input from dealers and collectors I will identify all banks and companies that used the embossed stamps.

Collectors and dealers can assist in this project by providing scans or photocopies of items in their possession. Contributors will be listed in the acknowledgments of the final report unless anonymity is requested. Write:

Peter Martin
PO Box 463, Naugatuck, CT 06770, USA
 or e-mail <pmartin2525@yahoo.com>



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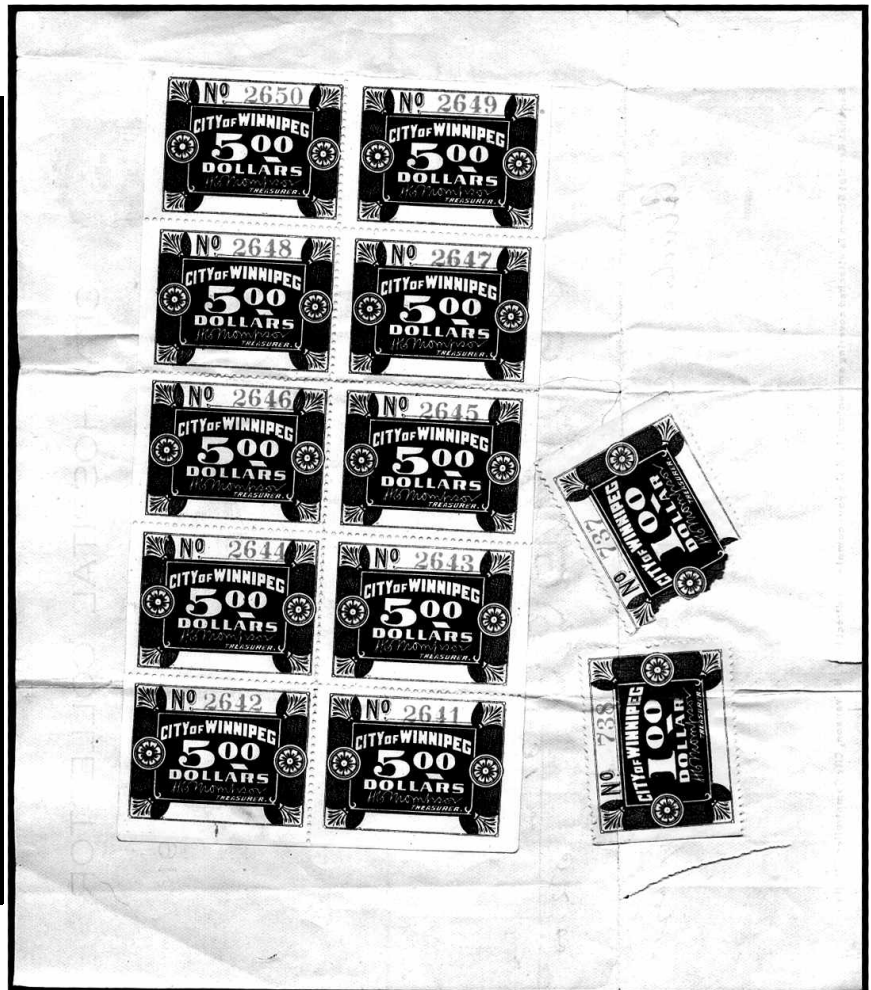
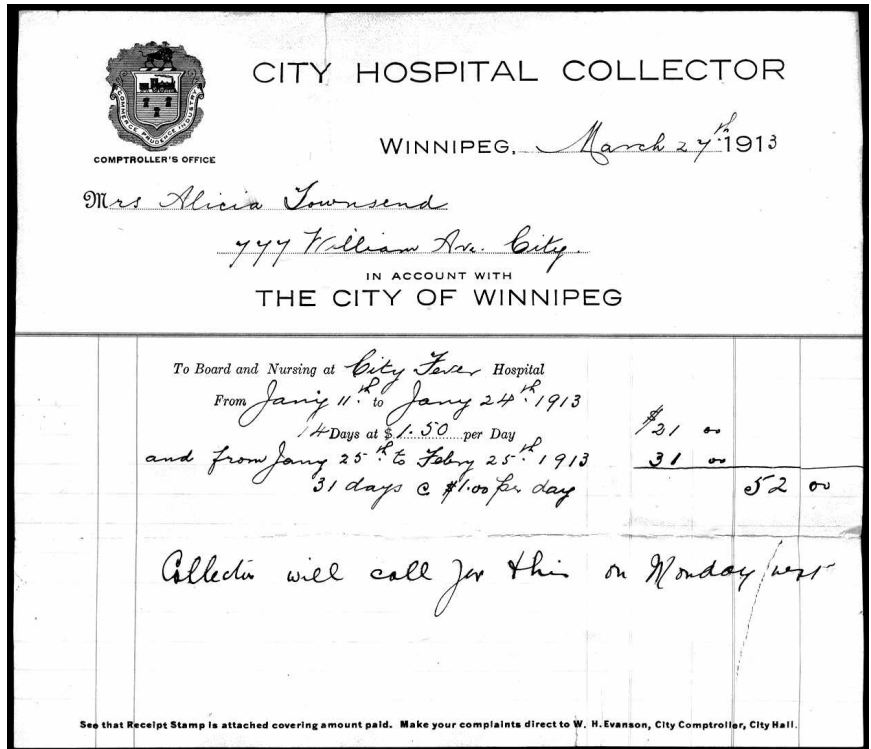
Document bearing Receipt Stamps of the City of Winnipeg, Manitoba

One of the new listings in the 2009 van Dam catalogue is a series of Receipt Stamps from the City of Winnipeg, Manitoba. The stamps in this series are given as 25 and 50 cents in black, \$1 in green, \$1 in black and \$5 in black (MCW 1 through 5), with red serial numbers.

Illustrated here, courtesy of **Rick Hynek**, is a March 27th, 1913, statement of charges levied for a stay of forty five days in the Winnipeg City Hospital. The inscription at the bottom of the statements reads, in part, "See that Receipt Stamp is attached covering amount paid."

Payment of the \$52 in charges is receipted on the back of the statement by ten of the black \$5 stamps and two of the green \$1 stamps. The block of the \$5 stamps has straight edges at left, right and bottom. Likewise, the \$1 stamps each has straight edge at left or right. Thus, the block of ten might represent a full pane. The stamps are not cancelled.

The front of the statement is shown at 54% of actual size, the back is at 62% and the detail of the stamps at 160%. At the time of this writing, colour images of this document are posted on eBay: keywords – Winnipeg, revenue. – C.D. Ryan



Canada's Excise Tax on Cigarette Papers and Paper Tubes, 1933-1951

Christopher D. Ryan

As of March 22nd, 1933, an excise stamp tax was imposed on cigarette papers and paper tubes manufactured or imported for consumption in the form of 'roll-your-own' cigarettes. The tax did not apply to papers and tubes exported, used in the excise-licensed manufacture of cigarettes, or already in stock at dealers and other distributors, such as tobacco manufacturers.[1, 2d]

The initial rate for cigarette papers was 2 cents per 100 leaves in a booklet. For paper tubes the initial rate was set at 5 cents per 50 tubes in a package. The rate for tubes was soon found to be too high and was reduced to 4 cents per 100 tubes as of April 27th, 1933. The initial 5-cent rate for tubes had caused at least one of the two known Canadian manufacturers of cigarette paper tubes to suspend operations until after the rate was reduced.[1, 2] Subsequent changes in the tax rates are detailed later in this work.

Booklets of Cigarette Papers and Tobacco Manufacturers

In early 1933, booklets of cigarette papers were being distributed in Canada in a wide variety of sizes, including 24, 25, 30, 35, 40, 50, 85, 100, 120 and 150 leaves. The distribution was usually done by tobacco manufacturers who included papers with their packages of fine-cut tobacco for 'roll-your-own' cigarettes. An example of this practice is illustrated in Figure 1. At the time, small packages of cut tobacco sold for 10, 15, 20 or 25 cents each and, according to the manufacturers, the public insisted on prices being multiples of five cents.[3]

The combined amount of the excise stamp tax, customs duty and other levies on the smaller booklets of cigarette papers was now many times greater than their value. Tobacco manufacturers protested the excessive taxation and sympathetic Revenue Department officials, including the Minister, lobbied the government on their behalf.[3b, 4]

The Department's efforts included an April 1933 application through the Treasury Board to the Privy Council for an Order remitting or refunding \$206,092 in excise stamp tax on 9,700,000 booklets of papers and 20,000 tubes in bond, in transit or on order for tobacco manufacturers from their foreign suppliers as of March 22nd. [3b] However, there was resistance within the government to the surrender of such a large sum by an Order in Council. Thus, on May 12th the Department submitted a draft amendment to the parliamentary bill that, had it been implemented, would have retroactively postponed the entire tax from March 22nd to July 1st, 1933.[4e]

An Order remitting or refunding the excise stamp tax on specific shipments of cigarette papers for tobacco manufacturers was eventually approved on June 22nd, 1933. Additional shipments were exempted on July 20th. However, these Orders were not approved until after the original application of the Revenue Minister had been discussed at the Privy Council on three occasions (April 28th, May 23rd and May 30th), and after it was revised in June to exempt only papers in bond or in transit. The exclusion of cigarette papers on order for tobacco manufacturers reduced the amount given up by the government to \$105,940 on 4,841,000 booklets of various sizes.[5]

In addition to the tax-free cigarette papers provided by the Orders, there was also a large supply of pre-tax papers on hand at an unknown number of tobacco manufacturers and other importers. In February 1933, there had been a surge in the removals of papers and tubes from customs bond, comprising 34.8% by value of the total imports of these goods for all of 1933. (At the time, imports were the only source of cigarette papers.) Following the March stamp tax, the removals dropped to an insignificant 0.05% in April and 0.7% in May. (See Table 1 at the end of this work.) A similar surge occurred in March 1932 at 26.6% of the total for 1932. In both years, the surge in removals likely occurred in anticipation of a possible new tax in the traditional spring budget of the federal government.



Figure 1: Package of fine-cut cigarette tobacco from circa 1933-1935. This dating is derived from the presence of the 2-cent Two Leaf excise tax stamp combined with the legend "for over seventy years . . ." on the back of the package. A study of Macdonald's Tobacco products suggests that the Company, established 1858, changed the legend at five-year intervals.

(Courtesy of MIKE HUEN.)

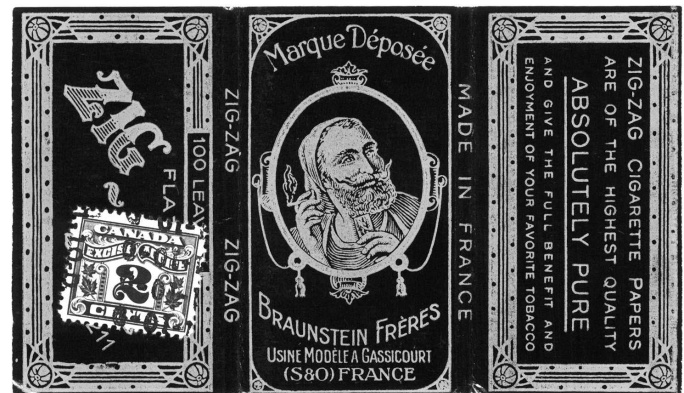


Figure 2: Stamped cover from a 'flat'† booklet of 100 leaves of Zig Zag brand cigarette papers, circa 1933-1935. This form of booklet, with its black and gold cover, was introduced in Canada by September 1933 at a retail price of 5 cents. It supplemented an existing 'double-automatic' version in black/gold that sold at 8 cents, or two for 15 cents, until December 1933 at which time the price was reduced to 5 cents. A 'single-automatic' in black & gold was introduced in Canada in April 1934.[7]

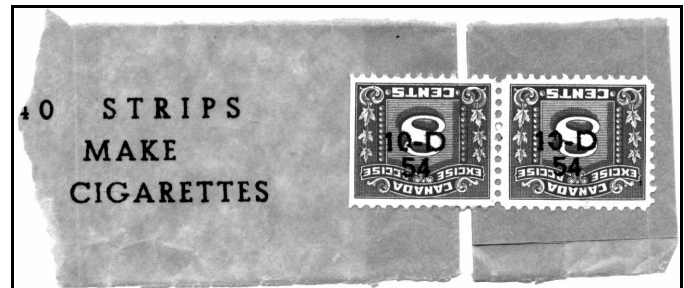


Figure 3: Remnant of a wrapper, circa 1946-1951, that once enclosed 200 cigarette papers in the form of 40 strips of 5 papers each for use in a V-Master cigarette making machine. The March 3rd, 1943, tax of 8 cents per 100 papers is paid by a pair of blue 8-cent Three Leaf excise tax stamps with a printed precancel '10-D / 54'. A study of stamped booklets suggests that this precancel was used by the Montréal firm of Clark, Fruitier & Co., the Canadian agents for the world-renowned Zig Zag lines of French cigarette papers.[3b, 8]

During the third quarter of 1933, tobacco manufacturers depleted their stocks of pre-tax and tax-free cigarette papers. Now confronted with a significant new expense, their principal responses were to change the sizes of their small packages and to remove the papers from all but one or two of their brands of fine-cut tobacco. In at least one instance, papers continued to be included in larger, half-pound cans of a brand from which they had otherwise been removed. The first of the new packages of cut tobacco, without enclosed papers, appeared mid July 1933, although references to the free papers were removed from advertisements as early as April. Subsequently, small packages without papers were reported to have had larger sales volumes than those that still included papers.[3a, 4c, 6].

Another response by tobacco manufacturers was to purchase booklets of 100 leaves, which they then divided into smaller units for insertion into their products. This practice was prohibited by a Revenue Department regulation in January 1934.[9]

Retail Booklets of Cigarette Papers

At the March 1933 imposition of the excise stamp tax, cigarette papers were being sold at retail in 'double-automatic'† booklets of 120 leaves for 5 cents.[10] In the aftermath of the tax, following the depletion of the large pre-tax stocks on hand, these retail booklets were switched over time to 100 leaves (Figure 2) to minimize the tax burden. In late 1946, special packages containing the equivalent of 200 leaves were introduced (Figure 3). These larger packages held forty long strips, each equivalent to five leaves, for use in the recently released 'V-Master' cigarette-making machine.[11]

Imported versus Domestic Cigarette Papers

The retail price for a booklet of 100 cigarette papers during the 1930s was five cents, of which over two cents was paid to the government. The latter was due to an existing 6% general tax levied on sales by manufacturers. The amount of the sales tax was calculated on the manufacturer's total selling price of the papers, including the two-cent excise stamp tax. The sales tax was, in part, a tax on a tax.[2d, 12]

However, for at least the first two years of the stamp tax, all of the booklets of cigarette papers sold in Canada were imported, primarily from France. (See Table 2 at the end of this work.) During the 1930s, French exports to Canada of packaged cigarette papers and tubes were of sufficient importance for them to be one of a select group of goods granted progressively reduced rates of customs duty in bilateral trade agreements. However, in addition to customs duty and sales tax, French

cigarette papers were also subjected to a general import excise tax until April of 1939. Thus, the five-cent retail price of the day for one booklet of 100 French papers included all of the following costs:

- A base value in the order of \$0.0056 (January 1934) plus shipping.
- A customs duty of 32½% (March 1933), 29¼% (June 1933), 27⅝% (October 1934) or 22¾% (March 1936) of the base value.
- An excise stamp tax of 2 cents.
- An import excise tax of 3% and a manufacturers/importers sales tax of 6% of the sum of the assessed value, the customs duty and the excise stamp tax.

In January of 1934, the government took approximately 48 percent of the five-cent retail price. [2d, 3b, 4a, b, 6a, 12, 13]

Canadian production of the special paper required for cigarettes did not start until the first quarter of 1935.[2c, 4a, 14] At the time, the Canadian market for bulk-rolls of cigarette paper was dominated by imports from the United Kingdom (Table 3). Domestic production remained relatively low until 1938 or 1939 (Table 4).

The first Canadian producer of cigarette paper was a branch of Howard Smith Paper Mills Limited in Beauharnois, Québec.[14c] The 1936 through 1947 editions of the *Canadian Trade Index*, published annually by the Canadian Manufacturers' Association, list Howard-Smith as Canada's only manufacturer of cigarette paper. The 1936 edition of the *Index* was the first to list any manufacturer for this highly specialized product.

In 1942, Herbert A. Brawn, a Howard-Smith employee at Beauharnois, filed applications in Canada, the United Kingdom and the United States for patents on a major modification to a pre-existing machine (known as the 'Lerner Machine') for the folding and interleaving of cigarette papers. These patents reflect a familiarity with the device that would have arisen from its prior use at the Company for some time. Text and photographs in the Howard-Smith's annual report for 1947 show that it was producing completely finished booklets of cigarette papers at its Beauharnois facilities.[15]

It has not been determined exactly when Canadian cigarette paper was first formed into booklets for 'roll-your-own' tobacco. What is known is that it was not until the fiscal year started April 1937 that a relatively modest amount of excise tax collected on domestic cigarette papers (and paper tubes) was first listed as a separate item in the *Annual Reports* of the Revenue Department (Table 5). Unfortunately, the *Reports* did not distinguish between the tax collected on papers and the tax collected on tubes, giving only a total amount each year. (Cont.)



Figure 4: Chantecler and Vogue were brands of the Imperial Tobacco Company of Canada, who is represented by the licence code '6-10D' in the precancel on the excise tax stamps. The illustrated examples were both taxed at the 5-cent rate in effect from June 25th, 1940, through June 23rd, 1942. The first booklet, Chantecler, with a production code of 174 in its precancel, was imported from France. The Vogue booklet, with a production code of 201, has the legend 'GUMMED EDGE' replacing the 'MADE IN FRANCE' or 'MADE IN ENGLAND' that is found on earlier printings of this brand (not illustrated). Likewise, later printings of the Chantecler booklets, extending into the post March 1943 era of the 8-cent rate, also have the new legend in place of the country of origin (not illustrated). A calculation by this writer using the detailed listing of Imperial Tobacco production codes on excise tax stamps compiled by EDWARD ZALUSKI (*Canadian Revenues*, 1990, Vol 3, pp 70-72) places the 174 code in circa March 1941, and the 201 code in circa May 1941. It is in the first quarter of 1941 that the Canadian cigarette papers were switched from predominantly foreign to predominantly domestic suppliers.

(Continued from overleaf.)

A shift in the Canadian market from predominantly foreign to predominantly domestic cigarette papers (and tubes) appears to have occurred in first quarter of 1941, following the November 1940 suspension of normal trade relations between Canada and France.[16] As shown in Tables 1 and 2, imports of papers (and tubes), including those from France, the principal exporter to Canada, fell at that time to a fraction of their former volume. (Imports from France ended altogether in September 1941 for the duration of World War II.) At the same time, domestic production and applicable excise tax (Tables 4 and 5) rose significantly. This shift from foreign to domestic production is represented by the two booklets in Figure 4 above.

Retail Packages of Cigarette Paper Tubes

The excise stamp tax of 1933, even at the reduced level of 4 cents per 100 tubes, all but destroyed the consumer market in Canada for cigarette paper tubes. According to industry sources quoted by the Toronto *Star* newspaper in April 1934, the then current consumer demand for cigarette tubes was only 5 per cent of the pre-tax level.[17] This severely diminished market was likely the reason for the step-wise reduction in the rate for tubes, to 3 cents in April 1934 and 2 cents in May 1936, until it was equal to the rate for booklets of papers.[18]

It appears that during the years following the 1936 equalization of the tax rates consumer demand for tubes did recover to some extent. The magnitude and timing of this improvement have not been determined, but it was eventually sufficient to prompt an April 1941 return to a rate for tubes that was double that for papers. The reason given by the government for the doubling of the tax was the use of tubes in the manufacture of cigarettes for illicit sales.[19]

The 1933 reduction of the consumer market for cigarette tubes and a later, partial recovery are reflected in the survival rate of stamped boxes. Unlike booklets of papers, stamped boxes of tubes are scarce. All of the boxes known to this writer contain 100 tubes and date from the 1943-1951 tax period of 14 cents per 100 tubes. An example is given in Figure 5.

Very little information has been found by this writer regarding the pre-tax packages of cigarette paper tubes. However, it has been determined that prior to the imposition of the excise stamp tax, boxes of 500 paper tubes (made in Canada from foreign paper) were retailing at 10 or 15 cents each, depending on their quality.[2a, b, 20]

During the period of the stamp tax the standard sizes for boxes of tubes appear to have been 100, 200 and 500.[21] As was the case with papers, the combined excise, sales and customs levies on tubes comprised a very large component of the retail price.

Adhesive and Imprinted Excise Tax Stamps

At the March 1933 start of the excise stamp tax, manufacturers and importers of cigarette papers and tubes were required to affix an adhesive stamp to each individual booklet for papers or package for tubes.[1, 2b, c] The stamps on imported goods were to be applied prior to their removal from Customs bond. A 1934 amendment to the excise tax statute required that pre-tax packages of papers and tubes still held by dealers be stamped as of July 1st of that year.[18]

As noted previously, in 1933 all booklets of cigarette papers sold in Canada were imports. For the first three months of the tax, relatively few booklets were removed from Customs bond. Once the exempted stocks of June 22nd had moved through the system, Customs offices were now faced with the on-site stamping of millions of small, individual items. This would have created a great deal of congestion and it is surmised that this actual or potential situation was the motivation for new excise regulations of June 30th, 1933.[22]

Under the new regulations, licensed tobacco manufacturers, the principal importers of cigarette papers, were now allowed to transfer the papers from Customs bond to their own Excise bonding warehouses for

stamping. The regulations also provided three methods by which the tax on cigarette papers and tubes could be paid as follows:

- 1 – The application of an adhesive excise tax stamp to each individual booklet of papers or packages of tubes (Figures 1 to 5). This option was mandatory for all papers that were to be enclosed with packages of cut tobacco.
- 2 – The application of a single adhesive stamp to a display-carton of papers or tubes covering the tax payable on all of the enclosed booklets or packages (Figure 6). The stamped cartons were required to bear a printed caution notice that directed the retailer to destroy the cartons as they were emptied.
- 3 – The use of display-cartons with a caution notice and an imprinted excise stamp covering the total tax on the contents (Figures 7 and 8).

[22]

All three of the above options were available to tobacco manufacturers who imported cigarette papers, and to Canadian manufacturers of papers and tubes. For other importers of papers, the regulations permitted only the use of adhesive stamps, either on booklets or on display-cartons. However, an example of an imprinted stamp used by an importer who was not also a tobacco manufacturer was reported in the *Revenue Group News* of May 1957.[23] The importer was the Montréal firm of Clark, Fruitier & Co., Canadian agents for the world-renowned Zig Zag line of French cigarette papers.[3b, 8]

Booklets of Zig Zag papers are commonly found with excise tax stamps precancelled '10-D / 54' in the manner of a excise-licensed tobacco manufacturer. However, the annual *Official Lists* of such licences do not include this designation. In view of this, and the imprint reported in 1957, it appears that Clark, Fruitier & Co. had been granted a special excise licence to stamp its cigarette papers.

There was no provision in the June 1933 regulations for the transfer of imported cigarette tubes from Customs to Excise bond. Likewise, there was no mention of imprinted stamps for imported tubes. This may have been an oversight, or it could have been a reflection of the greatly

(Text continues on page 8.)



Figure 5: Box of 100 cigarette tubes manufactured in Canada in or after June 1944 from French paper. The October 1948 installment of Canadian Revenue Society Publication N° 1 (Second Edition) gives the date of issue for the '14 Cents' overprint on the 7-cent Geo. V stamp as June 1944. The publication also states that this stamp was followed by similar overprints on other stamps, two in July and one in October 1944. (93%)



Figure 6: End panels of two different display-cartons of circa 1933-1935 for 25 booklets of imported cigarette papers. The 2 cents per booklet excise stamp tax is paid by adhesive 50-cent Two Leaf excise tax stamps. The partially legible cancel on the stamps is that of an unidentified tobacco manufacturer. (Courtesy of FRITZ ANGST.)

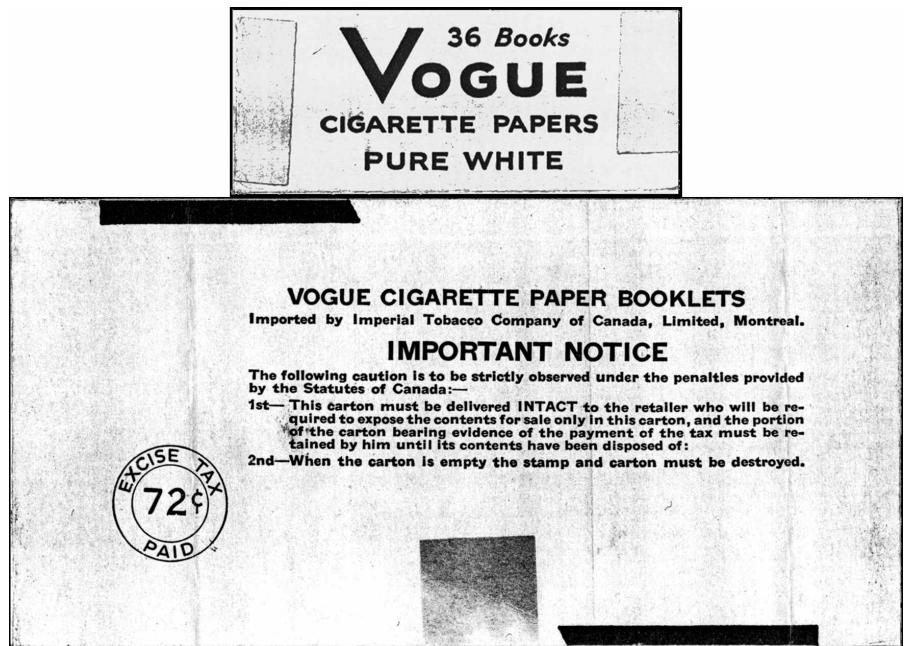


Figure 7: End and bottom panels of the flattened lower half of a display-carton of circa 1933-1935 for 36 booklets of Vogue cigarette papers imported by Imperial Tobacco. The 2 cents per booklet excise stamp tax is represented by the circular 'EXCISE TAX 72¢ PAID' imprint at lower-left. (80% of actual size.) (Courtesy of FRITZ ANGST.)

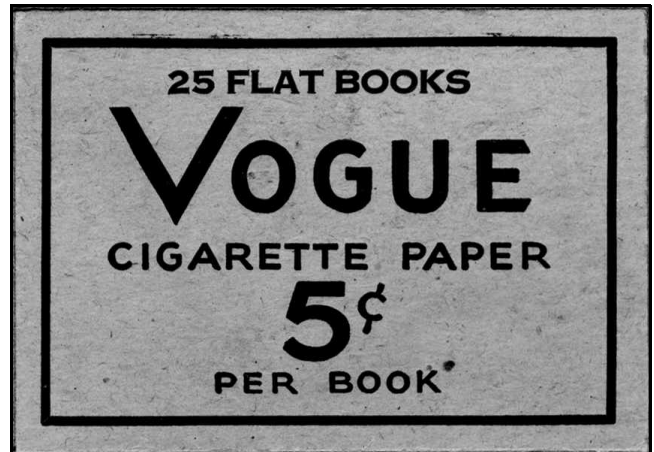
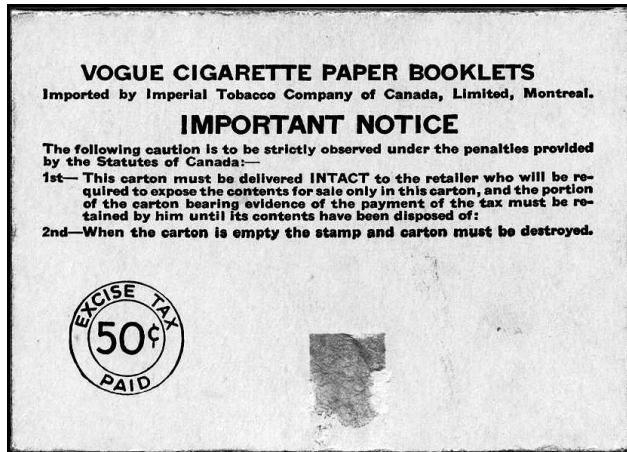


Figure 8: Complete display-carton of circa 1933-1935 for 25 booklets of Vogue cigarette papers imported by Imperial Tobacco. The 2 cents per booklet excise stamp tax is represented by the circular 'EXCISE TAX 50¢ PAID' imprint at lower-left. (78% of actual size.)



Figure 9: Panel from a 1945 booklet of Imperial Tobacco's Chantecler cigarette papers with a violet hand-stamp 'EXCISE TAX PAID' in two concentric circles.



Figure 10: Cover from a circa 1945-1951 booklet of Imperial Tobacco's Vogue cigarette papers imprinted 'EXCISE TAX PAID' in two concentric circles.

(Continued from page 6.)

diminished market for tubes created by the stamp tax. Perhaps such imports had been rendered insignificant.

The use of adhesive stamps on display-cartons (Option 2 above) was discontinued by a Revenue Department circular dated January 8th, 1935, effective immediately. Users of cartons with imprinted excise stamps (Option 3) were permitted to use up their stocks on hand before switching to the use of adhesive stamps on all individual booklets and packages.[22]

The discontinuation of the stamped display-cartons prompted a January 31st, 1935, request from the Imperial Tobacco Company to the Revenue Department for the preparation of excise tax stamps in an imperforate and ungummed form to be used in an automatic stamping machine. This machine was on order at the time of Imperial's request and did not enter service until after April 12th, 1935.[24]

Subsequent to the initial request, correspondence between the Revenue Department and Imperial Tobacco fixed the new form of excise tax stamp as a single, 2-cent denomination in sheets of 100 with a half-inch margin at the top or bottom edge. If both top and bottom margin varieties were produced (which may or may not have occurred), the two forms of sheets were to be sorted separately by the printer. The first supply of the stamp was delivered to the Montreal office of the Revenue Department in early April 1935.[25] As the tax rates for papers were increased in subsequent years the corresponding stamps were also produced as ungummed imperforates.

The use of imprinted stamps for the tax on cigarette papers appears to have been revived in 1945. Unlike the earlier versions used on display-cartons, the new imprints were non-denominated and appeared on individual booklets. Their introduction was reported in the October 1945 issue of *The Bulletin of the Canadian Revenue Society*:

PAPERS. Cigarette papers are now coming with 'EXCISE TAX PAID' impressions, similar to those used on matches, instead of bearing stamps. These so far seen by the writer are purple handstamps. If you have any, please send them to the secretary for record: the entire cover of the book is desired. [26]

A further comment on the new imprints appeared in November 1950:

EXCISE TAX – September 1st saw the release of a new 8¢ excise tax stamp of the same design as its predecessor, but in red instead of in blue. This may not be common; it is intended for collecting excise on cigarette papers, most of which now come without stamps, but inscribed 'Excise tax paid'. [27]

By 1950, the majority of cigarette papers sold in Canada were domestically produced. In 1948, 1949 and 1950, for example, domestic production accounted for over 95% of the total excise tax collected from papers and tubes.[28] This accounts for the reported prevalence of the new form of imprinted excise stamps.

An example of the 1945 rubber-stamp version of the imprint is illustrated in Figure 8. These were followed by a properly printed version, an example of which is illustrated in Figure 9. This writer is not aware of similar imprints for boxes of cigarette paper tubes.

The End of the Stamp Tax

The excise stamp tax on cigarette papers and paper tubes was repealed effective April 11th, 1951, and replaced by an increase in the excise tax on tobacco products other than cigars and cigarettes. The reasons for the repeal were extensive smuggling from the United States and the diversion of production by workers at paper and tube factories within Canada. The motivations for these evasions of the tax were its rates, which were higher than the value of the goods themselves.[28]

The tax had been a significant source of revenue. For example, in 1948 and 1949 the Revenue Department collected \$6.88 million and \$7.00 million, respectively, from the excise tax on cigarette papers and

paper tubes. By comparison, the excise tax on the 'roll-your-own' fine cut tobacco was approximately \$8 million each year, while the separate excise duty on the tobacco was \$7.37 in 1948 and \$7.34 million in 1949. The two levies produced a total revenue from fine cut tobacco of approximately \$15 million in each of 1948 and 1949. The paper enclosing the fine cut tobacco had amounted to nearly one-third of the total excise revenue from 'roll-your-own' cigarettes.[29]

Rates of the Excise Stamp Tax:

Cigarette Paper Tubes

Tax per 50 tubes, or fraction:

- March 22nd, 1933 – 5 cents

Tax per 100 tubes, or fraction:

- April 27th, 1933 – 4 cents
- April 19th, 1934 – 3 cents
- May 2nd, 1936 – 2 cents
- June 25th, 1940 – 5 cents
- April 30th, 1941 – 10 cents
- June 24th, 1942 – 12 cents
- March 3rd, 1943 – 14 cents

Cigarette Papers

Tax per 100 leaves, or fraction:

- March 22nd, 1933 – 2 cents.
- June 25th, 1940 – 5 cents
- June 24th, 1942 – 6 cents
- March 3rd, 1943 – 8 cents

Repealed: April 11th, 1951.

[1, 2b, d, 18, 19b, 30]

Explanatory Note

† Booklets of cigarette papers were produced in three basic types: flat, single-automatic and double-automatic. Flat booklets consisted of an unfolded pad or wad of papers enclosed in a rectangular, folded cover (Figure 2). Single-automatic booklets contained one stack of individually folded and interleaved papers, which were enclosed in a small cardboard box and drawn out through a single slit in the box (not illustrated). Double-automatic booklets held two stacks of papers and possessed two slits (Figures 4 and 10).

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TO THE EDITOR.

Table 1: Monthly Removals from Customs Bond of Cigarette Papers and Paper Tubes in Packages, Value (\$) Imported 1930, 1931, 1932 and 1933 from All Countries, and Weight (in pounds) Imported 1940 & 1941 from France only. (Source: Canada. *Trade of Canada*. (Monthly))

Year (unit)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1930 (\$)	\$25,817	\$13,127	\$31,189	\$23,389	\$26,737	\$42,494	\$34,557	\$23,319	\$32,916	\$13,052	\$43,897	\$18,325
1931 (\$)	\$28,374	\$29,047	\$44,085	\$13,006	\$43,135	\$22,269	\$37,362	\$29,055	\$26,788	\$38,335	\$40,652	\$26,051
1932 (\$)	\$25,525	\$37,055	\$123,588	\$12,469	\$37,065	\$74,080	\$7479	\$13,791	\$37,159	\$34,652	\$34,321	\$27,610
1933 (\$)	\$17,811	\$121,599	\$19,949	\$171	\$2552	\$18,338	\$30,309	\$32,702	\$22,117	\$21,606	\$31,770	\$30,781
1940 (lbs)	75,985	89,727	70,510	61,046	98,299	79,634	51,613	104,032	177,259	91,446	58,761	46,162
1941 (lbs)	46,574	11,813	14,314	19,826	10,709	10,263	29,722	3933	57	Zero	Zero	Zero

Table 2: Annual Importations of Cigarette Papers and Paper Tubes in Packages, Calendar Years 1933 through 1950

Calendar Year	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942
Weight‡ of Cigarette Papers & Tubes imported	—	—	—	—	—	—	1,235,199 pounds	1,028,194 pounds	225,867 pounds	175,530 pounds
Principal Countries of Origin as % by Weight‡	—	—	—	—	—	—	FR 82.8% UK 17.0% IT 0.1%	FR 97.7% US 2.0% IT 0.2%	FR 65.2% US 34.8%	US 97.0% UK 3.0%
Value of Cigarette Papers & Tubes imported	\$349,705	\$395,001	\$402,147	\$423,688	\$474,808	\$479,016	\$478,496	\$390,923	\$119,823	\$135,317
Principal Countries of Origin as % by Value	FR 86.7% BE 6.4% UK 4.3%	FR 96.4% UK 3.4% IT 0.1%	FR 86.5% IT 8.0% UK 5.5%	FR 76.8% UK 22.3% IT 0.6%	FR 70.6% UK 28.1% IT 0.8%	FR 61.5% UK 38.2% US 0.2%	FR 82.6% UK 17.2% IT 0.1%	FR 95.5% US 4.1% IT 0.2%	US 51.6% FR 48.3%	US 97.1% UK 2.9%
Calendar Year	1943	1944	1945	1946	1947	1948	1949	1950		
Weight‡ or Packets of Cigarette Papers & Tubes Imported	820,727 pounds	525,611 pounds	127,916 pounds	96,063 pounds	41,759 pounds	35,203 pounds	3,535,000¶ packets	4,334,000¶ packets		
Principal Countries of Origin as % by Weight‡ or Packets	US 99.8% UK 0.2%	US 100%	US 100%	US 76.8% FR 23.2%	FR 76.5% US 23.5%	FR 100%	FR 96.0% US 4.0%	FR 98.6% US 1.4%		
Value of Cigarette Papers & Tubes imported	\$562,712	\$418,103	\$115,858	\$56,970	\$37,910	\$35,152	\$41,206	\$56,423		
Principal Countries of Origin as % by Value	US 99.8% UK 0.2%	US 100%	US 100%	US 75.2% FR 24.8%	FR 85.7% US 14.3%	FR 100%	FR 95.8% US 4.2%	FR 98.6% US 1.4%		

Legend: BE = Belgium, FR = France, IT = Italy, UK = United Kingdom, US = United States

(Source: Canada. *Trade of Canada*. (Annual))

Notes for Tables 1: ‡ Each weight given above "is the net weight of the goods, that is, it excludes the weight of the covers or receptacles." A weighing of cigarette papers from the period indicates that one pound is equivalent to approximately 70 standard packs or booklets of the one-hundred leaves. Thus, the number of packages of cigarette papers imported in the period of 1939 and 1940 can be estimated at 80 to 100 million each year. In February 1935, Imperial Tobacco estimated that it excise-stamped 2,750,000 booklets per month.[11b] This represents a total for that company alone of approximately 33 million booklets per year. ¶ In the original data the number of packets is expressed in thousands, e.g. 3,535M where M is the French *millie*.

Table 3: Annual Importations of Paper in Rolls for Cigarettes, Calendar Years 1933 through 1942

Calendar Year	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942
Weight of Imported Cigarette Paper in Rolls	—	—	—	—	—	—	114,543 pounds	336,644 pounds	184,409 pounds	464,660 pounds
Principal Countries of Origin as % by Weight	—	—	—	—	—	—	US 50.4% UK 26.4% FR 20.2%	FR 60.0% US 21.2% UK 14.2%	US 44.4% UK 41.8% FR 13.3%	US 81.7% UK 18.3%
Value of Imported Cigarette Paper in Rolls	\$134,187	\$108,711	\$131,664	\$96,244	\$115,372	\$29,885	\$40,517	\$105,090	\$74,699	\$195,547
Principal Countries of Origin as % by Value	UK 90.8% FR 7.9% US 0.9%	UK 84.0% FR 12.3% US 0.8%	UK 89.9% FR 8.4% US 0.5%	UK 80.3% FR 14.8% US 2.7%	UK 75.7% US 14.9% FR 6.7%	UK 72.5% FR 14.7% US 8.7%	US 63.7% UK 19.4% FR 15.1%	FR 52.8% US 30.1% UK 12.9%	US 58.5% UK 31.8% FR 8.2%	US 85.5% UK 14.5%

Legend: FR = France, UK = United Kingdom, US = United States

(Source: Canada. *Trade of Canada*. (Annual))

Table 4: Total Value‡ Reported by Manufacturers of all Domestic Production¶ of "Cigarette tubes and paper" Showing the Relative Magnitudes for the Calendar Years 1936, 1937, 1939 and 1941§

Calendar Year	1936	1937	1939	1941
Value Reported by Manufacturers	\$51,954	\$60,779	\$431,619	\$1,187,376

(Source: Canada, Dominion Bureau of Statistics. *The Manufacturing Industries of Canada*, also known as *General Review of the Manufacturing Industries of Canada*.)

Notes for Table 4: ‡ The figures were not guaranteed by the compilers to be completely accurate since the data were compiled from unverified returns made by manufacturers. The accuracy of the returns and the means by which the 'value' was determined by the manufacturers is not known and a comparison to the value of the imports in Table 1 is not possible. However, the figures in Table 4 do give a good indication the relative magnitudes of domestic production for the years quoted. ¶ The figures also do not differentiate between cigarette paper used in excise-licensed cigarette production and paper subsequently packaged for 'roll-your-own' cigarettes. Thus, these figures do not necessarily correlate with the amount of excise stamp tax collected on the packaged paper. § With the exception of 1940, the figures were published for each year during the period of the excise stamp tax. However, in all but the quoted years the compilers of the publication did not include a value for cigarette paper since "the commodity was reported by only one or two concerns."

Table 5: Excise Stamp Tax Collected by Fiscal Year on Domestic Production of Packages of Cigarette Papers and Paper Tubes

Fiscal Year ended March 31 st	1938	1939	1940	1941	1942	1943
Total Excise Tax collected from Domestic Cigarette Papers and Tubes‡	\$146,152	\$242,241	\$536,151	\$1,313,173	\$3,689,840	\$3,531,201
Excise Tax expressed (where possible) as Units of 100 Papers or Tubes	7,307,600 units at 2¢ per unit	12,112,050 units at 2¢ per unit	26,807,550 units at 2¢ per unit	30,898,188 units at a weighted average of 4¼¢ ¶	Unable to calculate due to multiple rates	Unable to calculate due to multiple rates

(Source: Canada, Annual Reports of the Department of National Revenue)

Notes for Table 5: ‡ Prior to 1937-38, the excise stamp tax from cigarette papers and paper tubes was not listed as a separate item in the annual reports of the Revenue Department. ¶ Three months at 2 cents per unit, nine months at 5 cents per unit. The monthly collections are not known so this weighting is very imperfect