

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

Part 10: Bonded Removal Permit Stamps, 1883 - 1939

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– Part 10 –

Bonded Removal Permit Stamps, 1883-1939

The Bonded Removal Permit stamps illustrated in Figure 176 were introduced in July 1883.[3, 93] This followed the discontinuation of the red, excise warehouse stamps that had previously been affixed to all packages placed in excise bond. Bonding postponed payment of excise duty until the time at which the goods were released from the warehouse for sale and consumption. Starting July 1st, 1883, this payment was made by the purchase and affixing of excise duty stamps. (See Part 1 in *CRN* № 38, February 2002, and Part 4 in *CRN* № 41, March 2003).

The initial supply of the permit stamps were lithographed by the Montreal firm of G.E. Desbarats & Company. (See Table 20.) In late 1884, this firm was absorbed by the Canada Bank Note Engraving & Printing Company, who continued to produce the stamps until the fiscal year 1886-87.[185] Thereafter, these items were printed by the Ottawa firm of Mortimer & Company, which became the Mortimer Company circa 1897. The *Annual Reports* of Canada's Auditor General record deliveries of permit stamps (detailed in Table 20) by Mortimer as late as the fiscal year 1919-20. In that year alone, 995,000 of the cigar permit stamps were purchased by the Revenue Department through the Department of Public Printing and Stationery. Starting with the fiscal year 1924-25, the reports do not provide sufficient detail to permit identification of the work done by Mortimer for the Department.

The function of the permit stamps was to seal what would otherwise be unstamped packages being transferred in bond from one excise warehouse to another. These stamps were to be cancelled in the same manner as the excise duty stamps. Additional permit stamps were not required for subsequent transfers of already sealed packages. When the sealed packages were eventually released for consumption, excise duty stamps were to be affixed over the permit stamp. The permit stamps were not used on imported or exported products. An example of a permit stamp on a package is given overleaf in Figure 177 courtesy of John Harper.

During the period of the permit stamps, removals in bond were allowed only for cigars in boxes of 25 or more, and for large packages of snuff, pressed and fine-cut-chewing tobaccos with individual weights of five pounds and up. The bonded transfers occurred for one of three reasons:

- A manufacturer could transfer stock between two of their own excise warehouses.
- The owner of a licensed excise warehouse, who was not also a licensed manufacturer, could buy stocks on which the duty had not yet been paid, transfer same in bond, and then pay the excise at a later date when the tobacco was released for sale and consumption.
- A merchant could purchase duty-unpaid tobacco and have it shipped in bond to a local Revenue office. When the merchant retrieved his tobacco he would pay the requisite duty and the Revenue officer would affix the applicable excise stamps.

The removal permit stamps were deleted from excise regulations effective April 1st, 1939. Removals in bond were still allowed, but stamps were no longer required. [3, 93, 94, 102, 103, 177]

Forerunners to the Permit Stamps

In addition to the regular Bonded Removal Permit stamps, the Broom catalogue also lists a number of so-called 'provisional' stamps. These items have the word 'removed' or 'removal' stencilled or rubber-stamped on pre-1883 red warehouse stamps. Simply put, these stamps are not provisionals. The regulations of 1883, and subsequent years, invalidated all of the old red warehouse stamps still present after June 1883

on packages transferred in bond and required the use of the new permit stamps. The old warehouse stamps were to be "*scraped off the package[s] and destroyed*" by excise officers.[3, 93, 94, 102, 103] This is presumed to have been done because the presence of the old stamps could have been taken as evidence that the excise duty had been paid on the released packages.

The 'removed' or 'removal' markings alone, and not the entire marked stamps, can be regarded as pre-July 1883 forerunners to the permit stamps. This conclusion is based on the observation that these markings did not change the original function of the warehouse stamps, which was to seal all packages placed in excise bond. The markings were applied in a later operation to indicate a particular excise treatment of previously-stamped packages.



Figure 176: Excise Bonded Removal Permit stamps introduced July 1883 for cigars (boxes of 25 and up), fine cut chewing tobacco (containers of 5 or 10 pounds), snuff (5, 10 or 20 pounds), caddies (5 to 25 pounds) and boxes (over 25 pounds) of plug tobacco, respectively. Discontinued in 1939.

Reference Notes

- [185] - Ryan, C.D., "History of the Canada Bank Engraving & Printing Company," *BNA Topics*, 2000, Vol. 57, № 1, pp. 6-22; "Revisiting the Canada Bank Note Engraving and Printing Company," *BNA Topics*, 2009, Vol. 66, № 1, pp. unavailable at press-time.
- [186] - Ryan, C.D., "Licence Codes for Canadian Cigar Manufacturers, 1883-1962," *Canadian Revenue Newsletter*, Dec 2005, № 51, pp. 3-10.

Table 20: Payments made for Bonded Removal Permit Stamps, listed by fiscal year, 1883 through 1924.

Fiscal Year	Printer	Details of Payment
82/83	GED	Engraving and printing bottling labels and tobacco removal permits: \$496.60
83/84	GED	Printing tobacco stamp labels and bonded removal permits: \$552.71
84/85	GED	Printing removal permits: \$401
	CBNEP	Cigar removal permits, and printing tobacco labels: \$94.55
85/86	CBNEP	400,000 plug caddy removal permits, at \$2 (per 1000): \$800
86/87	CBNEP	Engraving cigar labels, &c., lithographing removal permits: \$200
87/88	M&C	300 (000) bonded removal permit stamps: \$300
88/89 through 95/96	—	Print-work not itemized.
96/97	M&C	Transferring and printing 400,000 removal permits, plug 'caddy': \$236.00
97/98	MCo	No removal permit stamps purchased.
98/99	MCo	No removal permit stamps purchased.
99/00	MCo	Lithographing 400,000 'Plug Caddy' removal permits: \$236
00/01	MCo	- Transferring and printing 500,000 Caddy Removal Permits: \$295 - Transferring and printing 500,000 red Caddy Permits, \$125; putting up in 100 packages, \$5
01/02	MCo	Engraving, transferring and printing 250,000 'Cigar Permits,' \$125; numbering and perforating, \$75
02/03	MCo	No removal permit stamps purchased.
03/04	MCo	Transferring and printing 250,000 cigar bonded removal permit stamps: \$87.50
04/05	MCo	Transferring, printing, numbering, perforating, packing, &c.; 500,000 Caddy Removal Permits, \$425; 500,000 Cigar Removal Permits, \$400.
05/06	—	Print-work not itemized.
06/07	MCo	Transferring and printing 500,000 caddy removal labels, \$295; transferring and printing 500,000 cigar removal labels, \$175
07/08	MCo	Transferring and printing . . . 800 M cigar removal permits, \$175; perforating, numbering, &c., 1500 M removal permits, \$390
08/09	MCo	No removal permit stamps purchased.
09/10	—	Print-work not itemized.
10/11	MCo	No removal permit stamps purchased.
11/12	MCo	No removal permit stamps purchased.
12/13	—	Print-work not itemized.
13/14	—	Print-work not itemized.
14/15	MCo	Cigar removal permits, 500 M, \$271.
15/16	—	Print-work not itemized.
16/17	—	Print-work not itemized.
17/18	MCo	509 M cigar labels, \$325.25.
18/19	MCo	No removal permit stamps purchased.
19/20	MCo	Cigar Removal Permit Labels, 995 M, \$734.
20/21	MCo	No removal permit stamps purchased.
21/22	MCo	No removal permit stamps purchased.
22/23	—	Print-work not itemized.
23/24	MCo	No removal permit stamps purchased.

Legend: GED = G.E. Desbarats & Co., CBNEP = Canada Bank Note Engraving & Printing Co., M&C = Mortimer & Co., MCo = Mortimer Co.

Notes:

- 1- 'M', taken from the French *mille*, was used at the time to represent 1000.
- 2- The detail provided in the entries varied over time. In many cases the entry simply read along the lines of "Mortimer & Co., Ottawa: Lithographing and printing \$1120."
- 3- Entries for 88/89 onwards, as extracted from the Auditor General's Reports, were found under the heading of "Queen's Printer Advance Account" or "Department of Public Printing and Stationery" since these offices were charged with the task of supplying the printing and lithographing (other than contracted security-printing) for all government departments.

Sources: Canada, Annual Inland Revenue Department Reports, *Sessional Papers*; Annual Auditor General's Reports, *Sessional Papers*.



Figure 177: Excise Bonded Removal Permit Stamp on a box of 50 cigars. The Permit is correctly affixed underneath a red excise duty stamp of Series 1897. The red colour of the duty-stamp dates the package from 1897-1908. The licencee '3-14' is recorded in Revenue Department publications as being L.A. Bourdon of L'Epiphanie, Québec, who used red duty-stamps from 1903 through 1908.[186] (Courtesy of John Harper)