



# CANADIAN REVENUE NEWSLETTER

A Publication of the Canadian Revenue Study Group of BNAPS — ISSN 1488-5255  
Editor – Chris Ryan, 569 Jane Street, Toronto, Ontario, Canada, M6S 4A3

September 2007

Contents are Copyright ©2007 by the authors and contributors.

Number 58

## Document with Rare British Columbia Se-tenant Law Stamp Variety

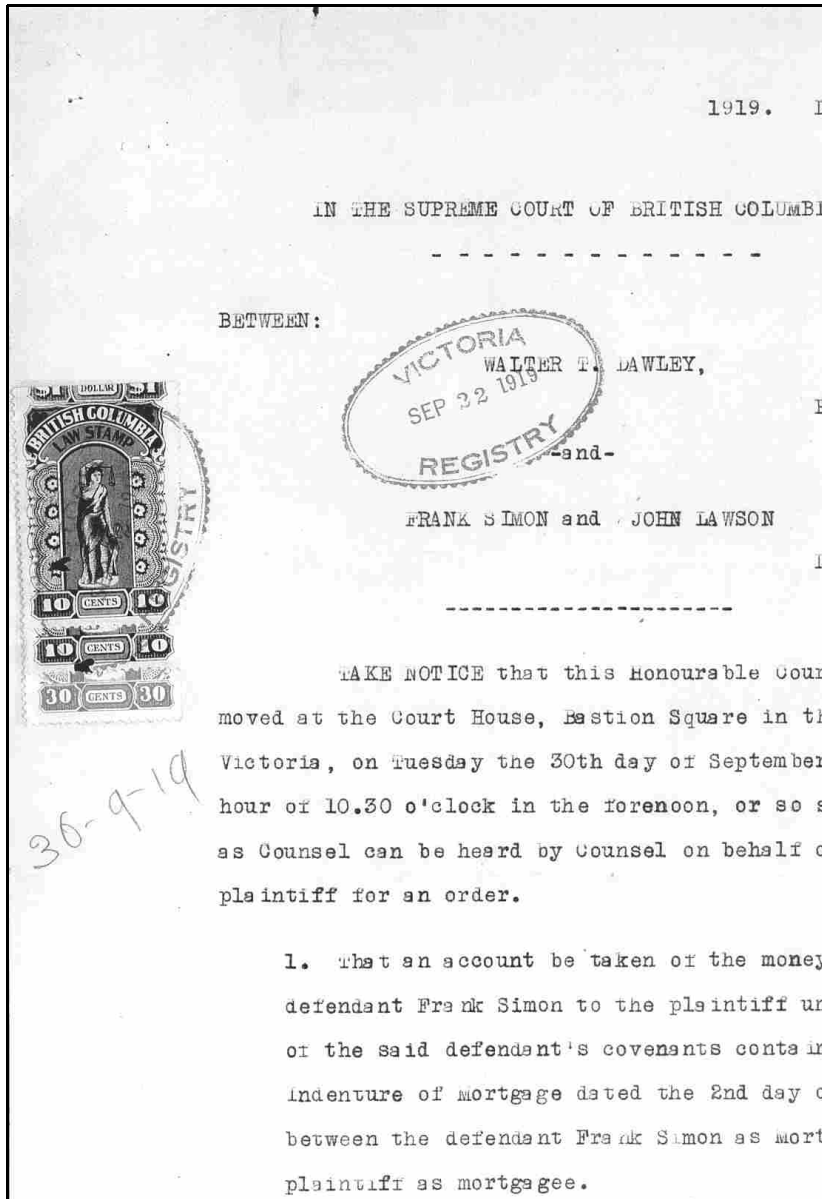
Brian H. Peters

One of the rare oddities of the Fifth Issue of British Columbia's Law stamps is a variety of the black 10-cent value that has part of a se-tenant blue \$1 stamp at its top edge. This item is illustrated below on a September 22<sup>nd</sup>, 1919, document from the Supreme Court of British Columbia. The design of the upper \$1 stamp is touching that of the 10-cent stamp and there are no perforations between them. The better part of the \$1 stamp has been simply cut off. The compliment of this stamp

is also known in the form of a \$1 stamp with part of a 10-cent stamp at its bottom. In addition, a variety similar to the one illustrated here is listed in catalogues for the 50-cent stamp in the Fifth Issue.

### References

- van Dam, E.S.J. *The Canadian Revenue Stamp Catalogue*. The Unitrade Press: Toronto, 2000
- Zaluski, E. *Canadian Revenues*. Volume 7. First Edition, 1994.



CANADA IN A BOX  
A virtual exhibit of cigar boxes  
at [www.civilization.ca](http://www.civilization.ca)

# Stock Certificate of the Acadia Coal Company

Christopher D. Ryan

The Acadia Coal Company was established in 1865. In 1885, it merged with the Halifax Company and the Vale Coal, Iron and Manufacturing Company under the name of Acadia Coal Company.[1]

During 1919, the Nova Scotia Steel and Coal Company acquired a controlling interest in Acadia-Coal, and in subsequent years significantly increased its ownership. Of note was the complete acquisition by Scotia-Steel in 1919 of Acadia-Coal's First Preference shares from a syndicate of Belgian investors.[2]

In April 1921, Scotia-Steel merged with other Nova Scotian companies to form the British Empire Steel Corporation (BESCO). BESCO was a holding company to whom ownership of shares of its constituent companies was transferred in exchange for its own shares. The constituent companies continued to exist as separate legal entities under the controlling interest of BESCO. Most of the companies comprising BESCO were not wholly owned by that corporation and their shares continued to be publicly traded.[3]

The structure of BESCO allowed Acadia-Coal to retain its corporate identity, but under the control of BESCO by way of Scotia-Steel. By January 1922, Scotia-Steel had begun to divest itself of a major portion of its ownership of Acadia-Coal, including all of the First Preference shares mentioned previously. By late-1925, Scotia-Steel's interest in Acadia-Coal had been reduced to 57.6%.[3e]

The Acadia-Coal certificate for 1519 Common shares illustrated in Figure 1 was issued on December 16<sup>th</sup>, 1919, at Montreal, Quebec in the name of the Royal Securities Corporation. It transferred that very same day by Royal-Securities to the ownership of Scotia-Steel. The transfer was made by an assignment on the reverse side of the certificate. At the

time, a Quebec stamp-tax only was levied on such transfers, but no provincial stamps were affixed to this document for the transaction. If the transfer had been taxable, the tax must have been paid elsewhere such as by the application of stamps to a register of transfers.

The federal and Quebec tax stamps affixed to the certificate (Figure 2) are cancelled January 25<sup>th</sup>, 1922. Furthermore, this writer also possesses two similar Acadia-Coal documents:

- Certificate for 1125 Second Preference shares, issued December 16<sup>th</sup>, 1919, to Royal-Securities, transferred the same day to Scotia-Steel, tax-stamps cancelled January 25<sup>th</sup>, 1922.
- Certificate for 500 Common shares issued April 30<sup>th</sup>, 1921, to Royal-Securities, transferred May 3<sup>rd</sup>, 1921, to Scotia-Steel, tax-stamps cancelled February 28<sup>th</sup>, 1922.

These three documents represent both Scotia-Steel's 1919-1921 acquisition of Acadia-Coal shares and its partial divestment post-1921.

The tax-stamps for the 1922 transactions should have been placed on certificates issued in 1919 or 1921 in the name of Scotia-Steel. Their presence on the certificates issued to Royal-Securities, the vendor in 1919 and 1921, suggests that the purchases by Scotia-Steel were simply recorded on the books of Acadia-Coal, without the issuance of new certificates. In such a situation, the assignments by Royal-Securities of the shares to Scotia-Steel, as inscribed on the reverse of the certificates, would have served as proof of ownership for the purpose of the 1922 transfers.

The practice of recording a transfer of ownership only on the books of a company, without issuing certificates, would not have been excep-

*(Text continues on next page as Acadia Coal.)*



Figure 1: Certificate A532 of December 16<sup>th</sup>, 1919, for 1519 Common shares in the Acadia Coal Company, issued to Royal Securities Corporation Limited. The reverse of this certificate in Figure 2 opposite shows evidence of two subsequent transfers of ownership occurring just over two years apart.

## The Story of the Nine-hole Punch Cancel – Corrigenda to Part 1 –

Recently, it has been discovered that the start-date of August 1<sup>st</sup>, 1920, given in *CRN*<sup>1</sup> 20 (February 1998, p. 6) for the use of stamps to pay the Excise Luxury Tax is incorrect. The August 1<sup>st</sup> date had been officially announced but passed without being acted upon and the stamp-regulations of July 30<sup>th</sup> appear to have not been released to the public until October. For reasons as yet undiscovered, the use of stamps (and likewise the nine-hole punches) for this tax was postponed to Monday, November 1<sup>st</sup>, 1920. Thereafter, the Luxury Tax remained in effect through December 19<sup>th</sup>, 1920, resulting in a lifespan of just 49 days for this particular application of the excise tax stamps.

Furthermore, the new information indicates that all vendors of luxury items were licensed at \$2 each and thus received the punch on-loan from the Revenue Department. This raises the question as to nature of the recorded sale in 1920-21 of a number of perforators totalling \$1294. To whom and when did this sale (or sales) occur? – C.D. Ryan

### References

- Anon, "All Merchants Must Have Licenses Nov. 1: Luxury Tax Stamps and Perforators are Now Being Distributed," *Toronto Globe*, Oct 29<sup>th</sup>, 1920, p. 5.
- Anon, "Merchants Apply for New Licenses: Trading Under New Tax System Begins on Monday Morning," *Montreal Gazette*, Oct 29<sup>th</sup>, 1920, p. 13.
- Anon, "Merchants Selling Articles Subject to Luxury Tax Must Take Out License," *Canadian Grocer*, Nov 12<sup>th</sup>, 1920, p. 33.
- Anon, "Rush of Merchants for Revenue Stamps: Perforators did not Arrive Until Late Yesterday," *Toronto Globe*, Oct 30<sup>th</sup>, 1920, p. 18.
- Canada, Customs & Inland Revenue, "Notice to Manufacturers, Wholesalers and Retailers," *Montreal Gazette*, July 29<sup>th</sup>, 1920.

- Henry Morgan & Co., "A Convenient Tax Stamp Drawer for Retail Merchants," *Montreal Gazette*, Nov 2<sup>nd</sup>, 1920, p. 2.
- Henry Morgan & Co., "The Government Stamp Tax," *Montreal Gazette*, Nov 3<sup>rd</sup>, 1920, p. 3.

### Acadia Coal (continued from page 2)

tional. Such an action would explain why the three Acadia-Coal certificates held by this writer were all issued on or just prior to the date of their transfer to Scotia-Steel. It is possible that Royal-Securities had owned shares in Acadia-Coal without possessing certificates issued in its own name to document that ownership. Alternatively, the shares held by Royal-Securities might have been represented by many certificates that were consolidated as single documents for the sales to Scotia-Steel.

### Reference Notes

- [1] - Nova Scotia, *Statutes*, 1865, 28 Vic., Chapter 64; 1886, 49 Vic., Chapter 162.
- [2] a- Annual Report of the Nova Scotia Steel and Coal Company for the year ending December 31<sup>st</sup>, 1919. *Monetary Times*, March 19<sup>th</sup>, 1920, p. 44.  
b- Annual Report of the Nova Scotia Steel and Coal Company for the year ending December 31<sup>st</sup>, 1920. *Monetary Times*, March 18<sup>th</sup>, 1921, p. 34.  
c- *Monetary Times*, December 19<sup>th</sup>, 1919, p. 42.
- [3] a- *Canada Gazette*, 1919-20, Vol. 52, pp. 3246-3248.  
b- Frank, D., "The Cape Breton Coal Industry and the Rise and Fall of the British Empire Steel Corporation," *Acadiensis*, Vol. 7, 1, pp. 3-34.  
c- *Monetary Times*, May 28<sup>th</sup>, 1920, p. 40; April 15<sup>th</sup>, 1921, p. 42.  
d- Nova Scotia, *Statutes*, 1921, 11-12 Geo. V, Chapter 152.  
e- *Report of the Provincial Royal Commission on Coal Mining Industry in Nova Scotia*, January 1926, reprinted by Canada's Department of Labour as a supplement to *Labour Gazette*, 1926, Vol. 26.

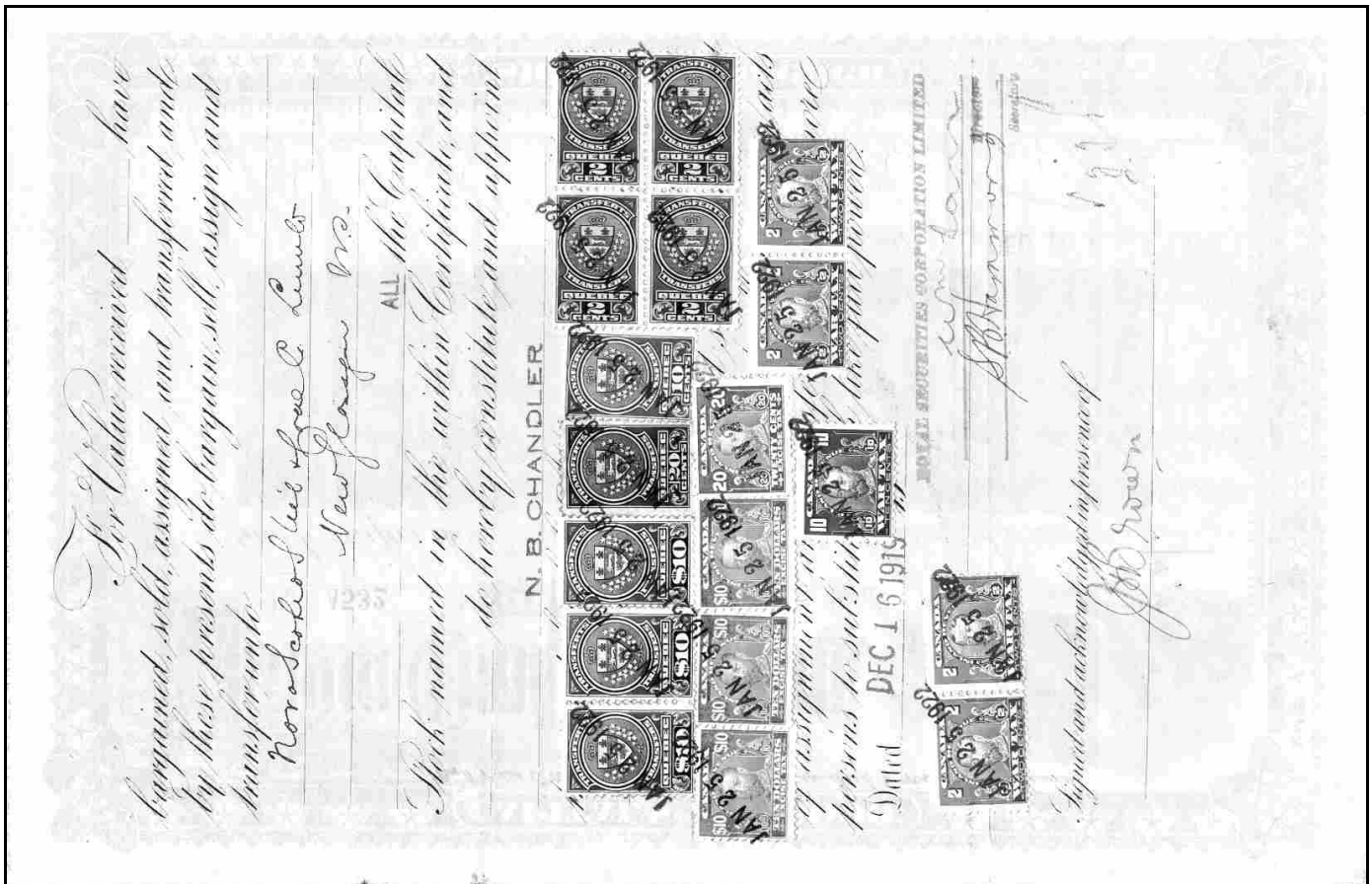


Figure 2: The reverse of certificate A532 from Figure 1. It bears the signed, December 16<sup>th</sup>, 1919, transfer of the shares from Royal Securities to the Nova Scotia Steel & Coal Company. A second transfer of the shares occurred in January 1922 for which \$30.38 in each of federal and Quebec tax-stamps (3 X \$10, 1 X 20¢, 1 X 10¢, 4 X 2¢) at the rate of 2¢ per \$100 par value were affixed and cancelled 'JAN 25 1922.'

# Beaver Vignettes of the Series 1883 Cigar Stamps

John B. Harper

The fifty and one-hundred-cigar stamps in Series 1883 are known for their beaver vignette. A study of these stamps in their various colour varieties (black, blue and green) has shown that there are three distinct versions of the vignette and that the versions appeared sequentially over time.

The first printings of the Series 1883 stamps from the British American Bank Note Company (BABN) were lithographed. It appears that under the Third BABN Contract of 1878-1886 the original plates were made using a master die showing three beavers in a pond, one in the foreground and two in the left background, *with foliage* over the large beaver. (Figure 1) These plates were then used to prepare the stone. Stone *lithographing* of strips does not require an extensive use of the steel plates involved, and many of the original three beavers *with foliage* plates survived for years.

As individual plates were becoming worn, or simply to improve the muddy appearance of the beaver on the cigar strips, the original 'beaver' master die was re-worked during the Fourth BABN Contract of 1886-1892 to eliminate the foliage over the large beaver. Traces of the foliage can still be seen on this *re-worked die* - above and to the left of the middle small beaver, and also sprouting out of the large beaver's back. (Figure 2) As required by plant use in the late 1880's this re-worked die was used to make new 'second generation' printing plates, thus giving rise to both *lithographed* and *recess printed strips* without foliage over the large beaver.

Further work was done on this re-worked 'beaver' die during the Fifth BABN Contract of 1892-1897, completely eliminating the small beavers, and strengthening the bull rushes and lily pads beneath the large beaver. (Figure 3) As BABN lost the Contract to ABN in 1897, only a few 'third generation' printing plates were prepared from this third, and final, BABN 'beaver' die.



Figure 1: The 'original' vignette – three beavers in the pond, *with foliage* over the large beaver.

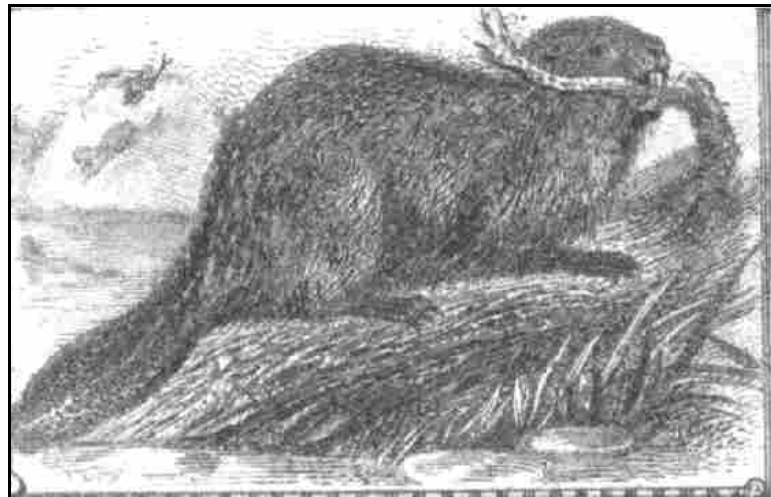


Figure 2: The first 're-working' – three beavers in the pond, *without foliage* over the large beaver.

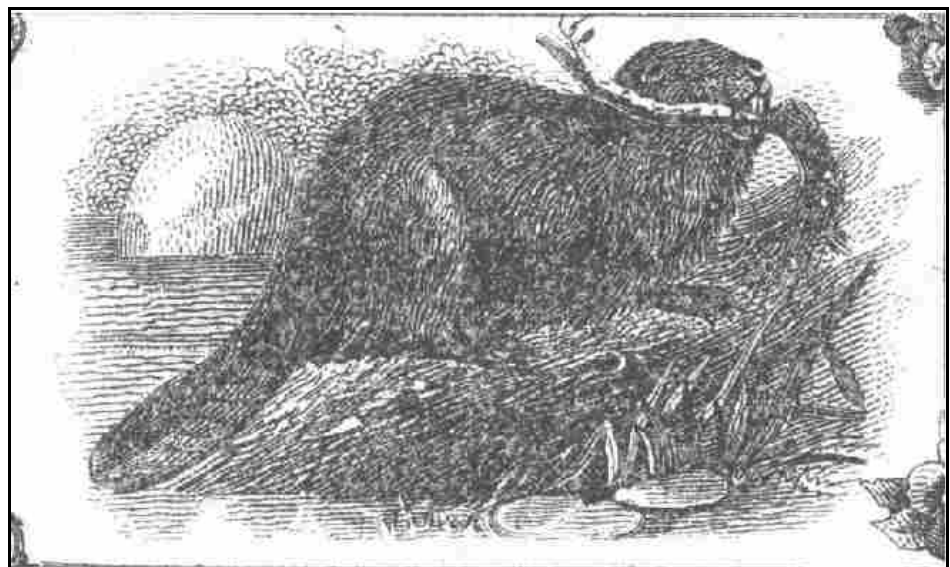


Figure 3: The second 're-working' – a single beaver in the pond, *without foliage* over the beaver.

## Red, No-denomination Weights & Measures Stamp

Check your copies of this stamp, van Dam's FWM33, Zaluski's CAWM-11. According to the records of the British American Bank Note Company, the entire supply of 25,000 of this item was produced by lithography, instead of by standard, steel-plate recess printing. (The 25,000 appears to have been a rounded quantity.)

– C.D. Ryan