

Fiscal History of the Third Bill Stamp Era in Nova Scotia (1868 - 1882)

PURPOSE and SCOPE

This primary purpose of this fiscal history revenue exhibit is to show the use of the Third Bill Stamp in Nova Scotia from February 1868 until repeal of the Bill Stamp Act in 1882. A secondary purpose is to present improper use of postage stamps to pay duties and bill stamps to pay postage in the Third Bill Era.

PLAN and EXHIBIT DEVELOPMENT

This exhibit shows use of the Third Bill Stamp in Nova Scotia to pay duties on three types of financial instruments – drafts, bills of exchange and promissory notes.

In addition, three broad phases of promissory note use are presented chronologically:

1. Mandatory use of the overprint until currencies were synchronized (July 1, 1871)
2. Accepted use of remaining overprint stamps when no longer required, often in combination with non overprint stamps
3. Use of non overprint stamps thereafter, until Bill Stamp Act repealed

Type II / fake overprints are not presented as there are no examples of contemporary use. They were produced for collectors after this Era.

IMPORTANCE

The Third Bill Stamp is the first issue of the Dominion of Canada reflecting the rate changes of February 1868. However, Nova Scotia was still using the colonial currency system. The NS dollar was worth 2.67% less than the Canadian dollar. This created a need to identify Third Bill stamps for use in Nova Scotia and to prevent sale or use in other provinces. The black “**N.S.**” overprint was required until the currency systems were harmonized four years after Confederation.

However, even after Nova Scotia adopted Canadian currency, confusion remained about the correct rate. This often resulted in overpayment of duty.

PERSONAL STUDY & RESEARCH

I have studied acts of parliament pertaining to the requirement for, and use of, bill stamps, including the calculation of rates to determine appropriate payment, and penalties for misuse.

I have personally undertaken field research of a six-cent Large Queen used to pay the tax on a promissory note. My first task was to determine whether the Shelburne on the note was in Ontario or Nova Scotia. My article is referenced below.

RARITY / CONDITION

Nova Scotia revenue documents are very difficult to find. In past years collectors and dealers have travelled from town to town in Nova Scotia looking for such documents, with little success. Even though I have been collecting them for more than 30 years, I have found very little new material in recent years.

Overprinted dollar values on document are almost never seen; when found, they are often in poor condition.

This exhibit contains the following scarce and important revenue items:

1. Example of one-cent orange stamp, called a “major error” by Zaluski
2. Double taxed document, because bill stamps were not affixed at the time the note was drawn (my research has found only one other example)
3. Six cent Large Queen stamp used to pay duty instead of bill stamp(s)
4. Six cent Small Queen stamp used to pay duty instead of bill stamp(s)
5. International bill of exchange
6. Cover with N.S. overprinted bill stamp used postally after demonetization

REFERENCES

1. Edward Zaluski, *Canadian Revenues: Federal Bill and Law Stamps*, vol one, 1991, pages 27-40)
2. E. S. J. van Dam *ReveNews* and catalogues
3. Chris Ryan, *Canadian Revenue Newsletter*, March 2011 and September 2016
4. Richard Fleet, *British Colony of Canada, 1865, Second Bill Stamp Issue* (BNAPS Exhibit Series Number 62, March 2011) [All of the Bill Stamp Acts are printed in their entirety at the end of the book].

ARTICLE BY THE EXHIBITOR

1. M Berner, “The 6¢ large Queen – Used as a revenue stamp”, *BNA Topics*, Vol 70, No 2, pp 16-19 (2013)