

by charles j.g. verge

The 1994 Unissued Christmas Stamps

In the spring of 1994, Canada Post announced that it would raise the price of postage effective October 1 of that year. The domestic letter rate would go up by two cents, from 43 to 45 cents; the basic rate to the United States would be increased by two cents as well, from 50 to 52 cents; and the international rate would go up from 88 to 90 cents. At the time, such rate increases required the approval of the Federal Cabinet before being implemented. As usual with such increases, the public was not impressed — particularly since the new rates were scheduled just in time for the Christmas card season — and it put political pressure on the Cabinet.

Christmas stamps require a longer lead-time to produce, because they are printed in much larger quantities than most other commemoratives (44 million versus 15 million in 1994). In anticipa-

tion of getting the rate increase, Canada Post proceeded to print the 1994 Christmas stamps denominated in the new rates. On September 28, however, the Federal Cabinet decided to postpone the rate increase pending further study by the Cabinet on its impact, especially on small businesses.

This decision left Canada Post in an awkward position. It proceeded to reprint all the Christmas stamps and booklets in the old rates of 43, 50, 88, and 38 cents (Canada Scott 1533–1536, issued November 3, 1994). Canada Post also had printed a number of new definitives in the new rates that were to go on sale September 29. What were they to do with these unissued higher rate stamps?

Ralph Mitchener, in his October 15, 1994 *Ottawa Citizen* "Stamps" column, asked, "Will they be reprinted, revalued with overprints for the unchanged rates, or sold as is?" For the definitives the answer was easy, they would be stored until the new rates were approved. The Christmas stamps would be destroyed.

Canada Post has since confirmed that the stamps were destroyed but will not say where, when, and by whom. In fact, Canada Post has not been very forthcoming with information on the 1994 Christmas issue when asked about the unissued higher rate stamps.

Canada Post's normal procedure for the destruction of unwanted stamps and printer's waste is to send it to a security firm in Toronto where they are incinerated and proper accounting is kept. There is no reason *not* to believe that the Christmas stamps were destroyed by



Above, the 1994 U.S. rate stamp as issued. At the left, the unissued 52-cent U.S. rate found in 1998 in Halifax, Nova Scotia.

fire. So why are some of them now on the market?

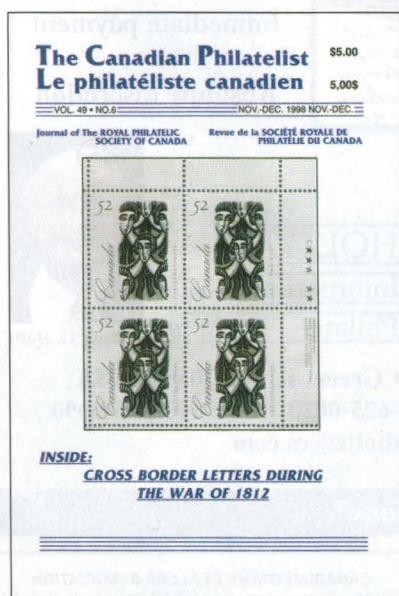
In late Spring 1998, Bruce Holmes of Halifax, Nova Scotia, a collector formerly from Montreal whom I had met on numerous occasions at the Lakeshore Stamp Club, phoned to inform me that he had just recently bought three sheets of the U.S. rate 1994 Christmas stamp as discount postage at a flea market in Hal-

ifax. He told me that it was only when he got home that he realized that the denomination on the stamps was 52 cents and not the 50 cents found in the catalogue. He also indicated that there was no difference between the two stamps. They both had the same design, perforations, and tagging. Holmes said that he was approaching me in my

capacity as Canada Post Liaison for the Royal Philatelic Society of Canada (RPSC) to ask if I would enquire from Canada Post as to their position on ownership of these evidently non-issued stamps.

I met with officials of Canada Post a few weeks later to discuss three separate cases of "unissued" stamps and printer's waste that recently had flooded the Canadian philatelic market. After some weeks of investigation, Canada Post decided that they were not interested in obtaining ownership of these three

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Cover of the November–December 1998 issue of *The Canadian Philatelist* showing a corner block from the Holmes discovery sheet.

sheets. I so informed Holmes. He then proceeded to contact a great number of dealers across North America to try and market his treasure trove. The interested dealers felt that Holmes was seeking too much money for these stamps.

In September, Holmes wrote a Letter to the Editor of *The Canadian Philatelist*, the journal of the RPSC. His discovery became public knowledge when the letter was published in the November–December 1998 issue (Vol. 49, No. 6). A large photo of the upper right block of four figured prominently on the cover of the magazine.

While negotiating with Holmes to buy his sheets, John Jamieson of Saskatoon Stamp Centre was made aware that the seller at the flea market might have more than the three sheets he sold to Holmes. At the October 1998 convention of the British North America Philatelic Society (BNAPS) held in Orlando, Florida, a collector with three other sheets of the same stamp approached Jamieson. They made a deal and the collector “promised he would check back with his source to see if there were more.” By January 1999, Saskatoon Stamp Centre had purchased “what we were assured was all there was.” Jamieson is convinced that these came from the same source as the Holmes sheets, albeit by a circuitous route. Jamieson split his purchase with Bathurst (Nova Scotia) stamp dealer Gary J. Lyon (Eastern Auctions, Ltd.).

A year or two ago, I picked up the threads of this story and I asked Cimon Morin, Chief, Canada Postal Archives (CPA), to check in the CPA’s holdings to see what they had on these Christmas stamps. He reported that they had preliminary designs and proof sheets of not only the 52-cent rate but of all the other higher rate stamps (45, 90, and 39 cents) as well as the essays and proofs of the booklet covers. He also mentioned that the holdings did not include “finished” stamps. The “finished” stamps are defined as stamps that are ready for distribution to post offices to put on sale. In most cases, it means that the sheets on hand are not perforated.

The 39-cent stamp was to be issued only in booklet form. These Christmas booklets, called “Greet More,” were a discounted postage incentive for postal patrons to buy Christmas cards with envelopes that allowed the sender to

enter the postal code in special boxes for faster sorting. For these cards, the domestic rate postage would have been reduced from 45 cents to 39 cents had the new rates gone into effect on October 1. The Greet More booklets were reprinted with a star replacing the lower rate denomination and they were valued at 38 cents each, a reduction of five cents from the domestic letter rate of 43 cents.

Either because the printer, Canadian Bank Note Co. (CBN), ran out of time or because the Post Office decided to salvage some of the material, labels were produced for the Greet More booklets to put over the sales information originally printed on the covers for the higher rate. Before going further, I must mention that the 39-cent denomination must have been an error. It should have been 40 cents, an increase of 2 cents on the old rate like all the other higher rates. Proof of this comes when you remove the label from the booklet and you see the sales notation of “10 x 40 cents/\$4.00.”

The amount of paper required to print so many stamps strained the paper inventory of the CBN. It originally had printed the 52-cent stamps on Coated paper, but had to switch to Peterborough



Color essay for the revised 38-cent discount stamp showing, in orange, where the tagging would be.



Black proof of the proposed and unissued 39-cent discount stamp. It is labeled as a “final Greet More-lino” and dated October 9, 1993.

paper when it reprinted the stamps with a 50-cent denomination. With all this reprinting even Canada Post was confused. They listed all the Christmas stamps as being on Coated paper in their November/December *Canada Stamp Details* and in the winter 1994 edition of *Collections Canada*. William J. Wilson in his “New Issues” column in *BNA Topics*, the journal of BNAPS, picked up on this and wrote:

In fact, only the 38¢, 50¢ and



On the left the 50-cent plate block with the letter “P” beside the colored stars indicating the use of Peterborough paper. On the right the 52-cent plate block with a “C” indicating Coated paper.



The "Greet More" booklet with an added sticker to cover the higher rate information.

88¢ stamp booklets are on Coated paper; all sheet stamps and the 43¢ stamp booklet are on Peterborough paper. The information in these two official publications of Canada Post might have been correct if the higher rate stamps had not been replaced.

The gum on Coated paper is of a greenish hue, while that on Peterborough paper is much whiter in appearance. Jamieson believes that by studying the use of the two different papers by

CBN during 1994 it is possible to date the printing of the 52-cent stamps to no later than August 1994.

It is likely that a full post office pad of fifty panes of fifty stamps each was in the hands of the flea market dealer. Holmes has three, the Jamieson/Lyon horde is forty-two panes, and five panes must have been sold the same day as those purchased by Holmes. From these five panes, whose purchaser remains unknown, come the only possible usages. At the time of discovery of these panes in the spring of 1998, the rate to the United States was 52 cents and the purchaser may have used these on mail. None have surfaced so far, and any use after September 1998 could be construed as philatelic since after that date forty-five panes were in the hands of philatelists or dealers.

It was only when Jamieson put his 52-cent stamps up for sale and sent out a flyer in mid-September, 1999, that I found out that a number of 90-cent international rates also had appeared on the market. Jamieson tells me that there are 1,000 single 90-cent stamps available but no multiples. Why no multiples? The story of the 90-cent stamp remains to be told.

The next question is, how did these stamps get on the market? There are three possibilities. First, I need to point out that new issues normally are sent out to the retail post offices a week to ten days before the issue date and that there are two types of pane stock: retail and philatelic. The difference between them is that on retail panes the printing and plate information found on all four corners of the philatelic panes

have been guillotined. Retail panes are sent to retail post offices, and philatelic panes are sent to philatelic outlets and to the National Philatelic Centre in Antigonish, Nova Scotia. All full panes of the 52-cent stamps so far discovered have the printing and plate information on them. Therefore, they either came from the National Philatelic Centre, a philatelic outlet, or were sent

to a standing order customer of the National Philatelic Centre prior to the release date. This latter possibility is not impossible, as I know of at least one stamp dealer who frequently receives his order from Antigonish many days before the stamp's official release date. Knowing the security measures put in place by Canada Post, I am amazed that, when the stamps were recalled, a full pad of fifty panes was unaccounted for.

What is the status of these stamps? Going back to the nineteenth century, Canadian unissued designs and values were known as essays, die proofs, or plate proofs. Rarely were they perforated or intended for sale. In the late 1990s, imperforates appeared in designs or denominations that were never planned or issued. These are definitely printer's waste, as they could not have come from anywhere else but the printers. However, this is the first time in Canadian philatelic history that an unissued "finished" stamp has reached the market.

In my view they are still essays, because they were never intended to be issued. In the October 4, 2002, issue of *Linn's*, Denise McCarthy reports that James E. Kloetzel, the editor of the *Scott Standard Postage Stamp Catalogue*, indicates that Scott will list these in a footnote as they consider them as essays. Unitrade's *Specialized Catalogue of Canadian Stamps* also lists them in a footnote, while Darnell's *Canada-BNA* gives the stamps minor numbers.

In conclusion, readers might be interested to know that the 2-cent rate increase did not go into effect until August 1, 1995. Canada Post had lobbied for May 1, 1995. The Post Office learned its lesson with the 1994 Christmas stamps and had prepared non-denominated stamps for the thirtieth anniversary of the Canadian Flag commemorative issued on May 1 (Canada Scott 1546) and the booklet of ten stamps in honor of the Fortress of Louisbourg issued May 5 (Canada Scott 1547-1551). Although sold for 43 cents, these stamps are still valid for the current 48-cent domestic rate.



The left stamp is the 88-cent issued International rate stamp and the right stamp is the unissued 90-cent stamp.

Holiday Greetings to All!