



CANADIAN REVENUE NEWSLETTER

A Publication of the Canadian Revenue Study Group of BNAPS — ISSN 1488-5255

December 2000

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Number 33

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NOTES ON THE LAW STAMPS OF ONTARIO AND THE PROVINCE OF CANADA

— Correction —

Christopher D. Ryan

In CRNN^o 28 (October 1999), on page 5 under the heading “Distribution of Law Stamps”, the date of “December 1st, 1865” in the second paragraph should be “January 1st, 1865”.

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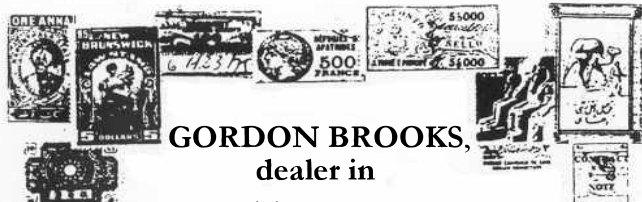
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**SECOND ISSUE BILL STAMP:
A RARE PERF VARIETY**

Mervin **Woike** has submitted the item shown at right. It is a blue 40-cent Second Issue Bill stamp (van Dam's FB31) with perfs of 12 horizontal by 13½ vertical in place of the usual 13½ by 13½. The 12 by 13½ perf variety of the 40-cent denomination was listed in the 1949 *Holmes Catalogue*, reported in a survey done for **Emery and van Dam's** 1979 *Canadian Revenue Reference Manual* and described as "reported, but existence not confirmed" in volume one of **Zaluski's Canadian Revenues** (1988). This **extremely rare** Bill-stamp variety has not been seen in years and is not listed in the 2001 edition of the **van Dam** catalogue. **Woike** found this item in a small remainder auction lot. – **C.D. Ryan**



©2000 M.E. Woike

ANOTHER BROKEN SURCHARGE VARIETY

Illustrated at upper right, courtesy of **Dave Hannay**, is a copy of van Dam's FX21, the 3/16¢ surcharge on the 1/4¢ George V Excise Tax stamp, with a broken "T" in "CENT". Is this break a constant variety or simply the result of a random bit of dirt on the type used for the surcharge? Does anyone have other examples of this broken surcharge? Blocks containing the variety would be of particular interest.



©2000 D. Hannay

A similar variety from **Hannay** was illustrated as part of a large block in CRN N° 21. The stamp itself is reproduced at lower right for ease of comparison with his more recent find. – **C.D. Ryan**



A DOUBLY INTERESTING DOCUMENT

Illustrated in CRN N° 28 (October 1999, p. 7) was a Special Summons from the Sixth Division Court of the County of Lambton, Ontario. The document was dated January 19th, 1870, and bore three FF Canada Law stamps. Illustrated opposite, courtesy of **Mervin Woike**, is a January 14th, 1870, Special Summons from the same Court that also bears FF Law stamps. As shown by Part 2 of "Notes on the Law Stamps of Ontario and the Province of Canada" (CRN N° 32, August 2000), this summons represents an improper usage of the FF stamps, whose last day of use was to have been December 31st, 1869.

Attached to **Woike's** summons is the subject of the action, an unpaid promissory note dated January 1st, 1868, and bearing a 3-cent Third Issue Bill stamp. This stamp is cancelled in manuscript with "Jan 1" and initials. This is the earliest reported date for a Third Issue Bill stamp. A 1-cent stamp of this issue with a manuscript date of January 9th, 1868, was illustrated in CRN N° 7 (November 1994, p. 2). Several handstamp bank cancels from February of 1868 were illustrated by **Lussey** in Issues N° 194, 195 and 196 of the old series of CRN (January, February and April 1991). The earliest of **Lussey's** stamps was dated February 1st.

In examining the Bill stamp illustrated opposite, the left side of which is not stuck down, **Woike** has noted that it has the characteristics of other early items: pelure paper, perf 12 by 12 and smooth, whitish gum. However, was this stamp actually affixed to the note on January 1st, 1868, or was it added later?

Quoted at length in CRN N° 7 (p. 8) was a document of December 24th, 1867, that appears to have been the first printing-order for the Third Issue Bill stamps. The NS-overprinted version of this issue was required by February 1st, 1868, the date on which the stamp tax of the old Province of Canada was extended to the Maritime Provinces. Thus, as evidenced by **Lussey's** stamps, at least some denominations of the regular issue were likewise in government hands prior to February 1st, 1868.

However, the January 1st, 1868, date of **Woike's** note shown opposite is just eight days after the placement of the printing-order with the British American Bank Note Company. For the stamp to have been affixed on the date of the note, initial supplies of the Third Issue would have had to have been received and distributed by authorities with a few days of December 24th, 1867. Did this occur? – **C.D. Ryan**

MOVED? MOVING?
PLEASE SEND YOUR NEW ADDRESS
TO THE EDITOR

SASKATCHEWAN \$10 ELECTRICAL: A NEW HIGH SERIAL NUMBER

Gary **McLean** has submitted the strip of van Dam's SE27a (Zaluski's SKEL 27) illustrated at right. The stamp at the far left of the strip, numbered A14557, represents a new high serial number for this stamp. This item, along with a similar item shown in CRN N°31 (June 2000, p. 3), extends the range recorded by **Zaluski** (*Canadian Revenues*, Vol. 4, p. 104) for the 4 mm digits from 10363 - 13619 to 10301 - 14557. – **C.D. Ryan**



AN ILLUSTRATED CHRONICLE OF CANADA'S EXCISE STAMP TAX ON MATCHES

— Part 2 —

Christopher D. Ryan

(Continued from Issue N^o 30, March 2000.)

In 1939, the tax rates for small packages of matches were once again realigned to introduce a 9/40¢ rate. As of Saturday, June 3rd, the rates for small packages were set by Statute as follows: 26 to 50 were taxed at 3/8¢, 21 to 25 at 3/16¢ and 1 to 20 at 3/20¢. However, the application of the 3/8¢ rate to packages of 26 through 30 (previously taxed at 3/16¢) appears to have been made in error. Almost immediately upon the June 3rd assent to the Act, the Revenue Department modified the application of the 3/8¢ rate in instructions to its officers. The new rates, effective Monday, June 5th, were as follows: 31 to 50 were taxed at 3/8¢, 26 to 30 at 9/40¢, 21 to 25 at 3/16¢ and 1 to 20 at 3/20¢. Note that the 3/20¢ rate remained unchanged from the tariff set in 1933, while the upper limit for the 3/8¢ rate was lower to 50 from 60.[34]

Two examples of the new 9/40¢ rate are illustrated below in Figures 41 and 42. Figure 41 illustrates a 30-count box from Federal Match. Figure 42 illustrates a 30-count matchbook from Book Match Manufacturers Ltd.



Figure 41: 30s, circa 1939-40

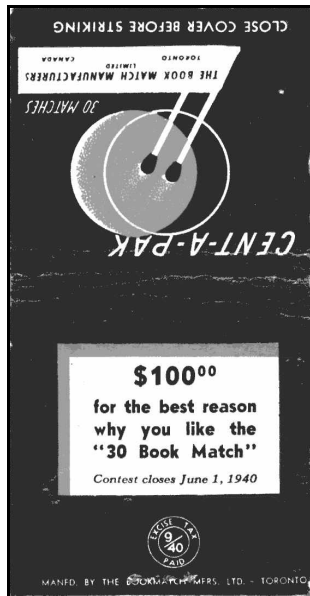


Figure 42: 30s, circa 1939-40

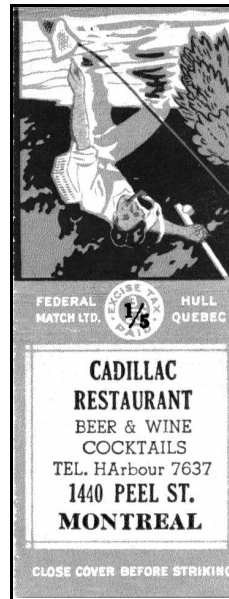


Figure 43: 20s, c. June 1940



Figure 44: 20s, c. June 1940

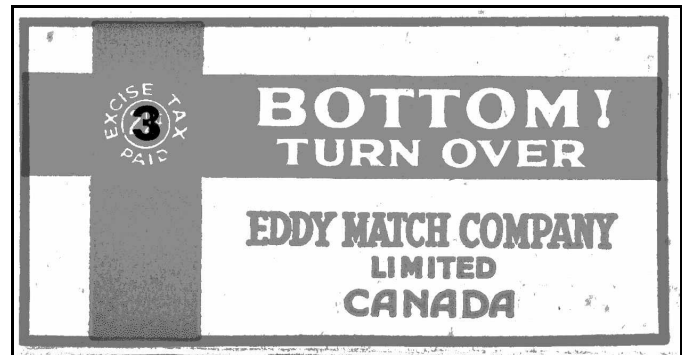
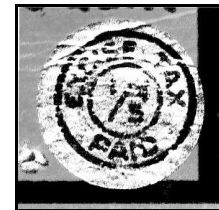
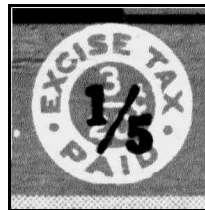


Figure 45: 300s, circa June 1940

The 9/40¢ rate was to last for only a year. Effective June 25th, 1940, the general tax on matches was returned from 3/4¢ to the pre-July 1927 rate of 1¢ per hundred sticks, or fraction thereof. The special rates for small packages were increased by a corresponding factor. The new tariff was as follows: 31 to 50 were taxed at 1/2¢, 26 to 30 at 3/10¢. 21 to 25 at 1/4¢ and 1 to 20 at 1/5¢.[35] The transition to the higher rates is represented by the surcharged items in Figures 43 to 46.

Figures 43 and 44 illustrate 1/5¢ surcharges by Federal Match and Strike Rite on existing 3/20¢ tax-paid marks. As shown in the enlarged detail below each figure, the Federal Match surcharge is a simple overprint while the Strike-Rite revaluation consists of a silver-coloured circle over the old rate upon which a completely new tax-paid mark is printed in black. Figure 45 illustrates the bottom of a 300-count box from Eddy Match where the old 2 1/4¢ value has been overprinted with the numeral "3" in black ink. Figure 46 illustrates an imported matchbook bearing a 1/5¢ surcharge on a 3/20¢ Three Leaf excise stamp. Other styles of surcharges are known.[36]

Figures 47 to 57 on the following two pages illustrate regular, unsurcharged tax-paid marks and adhesive stamps representing each tier of the 1940 tariff. Imported matchbooks, respectively bearing 1/5¢ and 1/2¢ adhesive Three Leaf excise stamps, are illustrated in Figures 47 and 54. Figure 48 illustrates a scarce French-language 1/5¢ tax-paid mark on a 20-count matchbook. Figure 49 illustrates the 1/4¢, 25-count successor to the old 3/16¢ rate. (See Figure 39 in Part 1). Figures 50 and 51 respectively represent 30-count book (ie. paper) and box (ie. wood) matches taxed at 3/10¢.

Figures 52 and 53 respectively represent 50-count boxes of wooden matches from Commonwealth Match and Eddy Match. The Eddy Match item relatively large 1/2¢ tax-paid mark. Large tax-paid marks were commonly used by Eddy Match prior to circa April 1934,

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MADE IN U.S.A.

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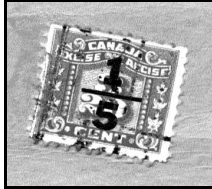
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CLOSE COVER BEFORE STRIKING MATCH

Figure 46: 20s, circa 1940



GOTTLIEB ADV. SANTA MONICA

GOTTLIEB ADV. SANTA MONICA

FRANK R. CONKLIN
Midway Farms
Rural Route No. 2
Brantford
Ontario

CLOSE COVER BEFORE STRIKING

Figure 47: 20s, circa 1940-49



CIE. D'ALUMETTES EDDY LTD. CANADA

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VOTRE PATRONAGE
VENEZ ENCORE!*

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GOULET & GOULET
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TEL. 186

REFERMER AVANT D'ALLUMER

Figure 48: 20s, circa 1940-49



EDDY'S
COMET MATCHES
MADE IN CANADA

EXCISE TAX PAID

BY **EDDY MATCH CO. LIMITED**

Figure 49: 25s, circa 1940-49

CLOSE COVER BEFORE STRIKING

SMOKERS SUPPLIES
GIANT HOT DOGS
HAMBURGERS
PETERBOROUGH - ONTARIO
65 Hunter St. E.
East City Bowl

BOTTLED SUNSHINE

A TOAST TO HEALTH

KIST BEVERAGES

EXCISE TAX PAID

MADE BY THE EDDY MATCH CO. LTD. TORONTO - CANADA

Figure 50: 30s, circa 1940-49

Loblaws
GROCERIAS CO. LIMITED

EXCELLENCE AND THE EXTRAVAGANCE

Loblaws Club MATCHES

Figure 51: 30s, circa 1940-49



Detail of Figure 51.

"SURE-LITE"
EXCISE TAX PAID

COMMONWEALTH MATCH CO. LTD.
ST. JOHNS. QUEBEC. CANADA

"SURE-LITE" MATCHES

Figure 52: 50s, circa 1940-49

EDDY'S PONY MATCH

NO "AFTER-GLOW"

EDDY MATCH CO. LIMITED

EXCISE TAX PAID

CANADA

Figure 53: 50s, circa 1940-49

ARROW MATCH CORPORATION - CHICAGO
MADE IN U.S.A.

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Galion Feature

There's a GALION for every job!

GALION
all steel hydraulic
HOISTS
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DUMP BODIES
GALION, OHIO.

CLOSE COVER BEFORE STRIKING

Figure 54: 40s, circa 1940-48

WILLOCK TRUCK EQUIPMENT CO.
1378 West Broadway
Vancouver, B. C., Canada
Phone Bayview 8477

and apparently retained thereafter for some, but not all, of their 50-count production. The items illustrated in Figures 55, 56 and 57 below represent the then current industry standard 300-count box of household wooden matches. Identification of such items with the post June-1940 period may be made from the following characteristics:

- ① side panels having widths of approximately 35 mm, as compared to the approximately 40 to 45 mm for the pre-April 1934, 400-count standard.
- ② relatively small tax-paid marks on the bottom panel of Eddy Match boxes, which is characteristic of post-April 1934 production.
- ③ product of a company, such as Federal Match, that only operated in the period post-April 1934 period where 400-count boxes had been discontinued in favour of the 300-count standard.

In 1946, the six existing match manufacturers (Book, Canada, Commonwealth, Eddy, Federal and Strike-Rite) were joined by two new enterprises. Premier Match of Montreal, Quebec specialized in paper bookmatches, an example of which is illustrated opposite in Figure 59. This cover is unusual in that it has the tax-paid mark on the inner side, a practice common to this company but rarely found elsewhere. Western Match of Victoria, British Columbia specialized in wooden matches. A 50-count box from Western Match, taxed at 1/2¢, is illustrated in Figure 58. In March 1949, Western Match was bought by Eddy Match and closed. By 1946, Eddy Match had opened a plant in Mission, British Columbia to more effectively compete with Western Match.[37]

A further realignment of the tax-rates for small packages took effect May 19th, 1948: 41 to 50 were taxed at 1/2¢, 31 to 40 at 2/5¢, 26 to 30 at 3/10¢, 21 to 25 at 1/4¢, 16 to 20 at 1/5¢, 11 to 15 at 3/20¢ and 1 to 10 at 1/10¢. Presuming that 15-count matchbooks would have been of

the same dimensions as 30-count books, the Author knows of no examples of these 2/5¢, 3/20¢ and 1/10¢ rates. No 2/5¢ and 1/10¢ tax-paid marks were reported in a 1990 study by Zaluski.[38]

The End of the Stamp Tax

Effective March 23rd, 1949, the excise stamp tax on matches was repealed and replaced with a non-stamp 10% manufacturers excise tax.



Figure 56:

300s, circa 1940-49



Figure 55:

300s, circa 1940-49



Figure 57:

300s, circa 1940-49

The new 10% rate was significantly less than the old stamp tax. For example, the excise tax on a 300-count box of Eddy matches dropped from three cents to slightly over four-tenths of a cent, a reduction of approximately 86%.[39]

With the elimination of the stamp tax, match manufacturers were no longer required to print tax-paid marks on their packages. As a result, the marks on existing designs were deleted to various degrees. The 20-count matchbook in Figure 60 has only the 1/5¢ value removed while the tax-paid mark on the 30-count book in Figure 61 is almost completely defaced. In Figure 62, the text of the tax paid mark has been removed altogether, leaving only a circle. Eventually, the graphics on the books and boxes were reworked to eliminate all traces of the now defunct stamp tax. This is illustrated by the progression of designs given in Figure 63.

Post Script

Post-1927 competition for Eddy Match in the field of wooden matches was to become an illusion during the 1930s. From its very inception in 1933, Commonwealth Match was 100% owned by the same foreign interests that controlled Eddy Match. In January of 1936, Canada Match was acquired by Eddy Match and operated as a separate company under the title of Canada Match, into which Commonwealth Match was merged in 1949. Federal Match became a wholly owned subsidiary of Eddy Match in May of 1940, just four years after its inception.[40]

Canadian manufacturers that produced only paper bookmatches, namely Book, Premier and Strike-Rite, remained independent of Eddy Match during the period of the stamp tax. During the 1940s, these independent companies accounted for about 60% of domestic bookmatch sales.[41]

The actions taken by Eddy Match to achieve and maintain a monopoly on Canadian wooden matches, ignoring paper bookmatches, stemmed from the overwhelming market dominance of the wood variety. In 1938, wooden matches accounted for almost 99% by number of total domestic sales. By

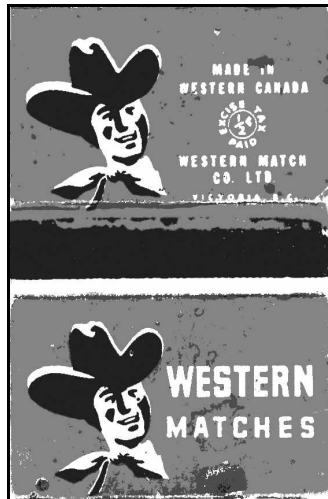


Figure 58: 50s, circa 1946-49



Figure 59: 20s, circa 1946-49



1946, this share had been reduced to just over 82% owing to the rise in the sales of advertising bookmatches. Eddy Match's marketing practices and reoccurring monopoly on the wooden match market were the subject of a 1949 Combines Investigation by the federal government. Its December 1949 report recommended that the high Customs duties on matches be modified to encourage foreign competition for Eddy Match.[41, 42]



Figure 60: 20s, circa 1949

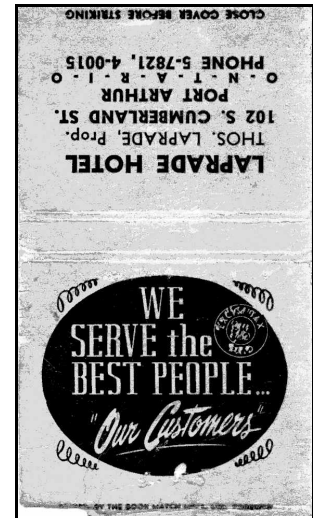
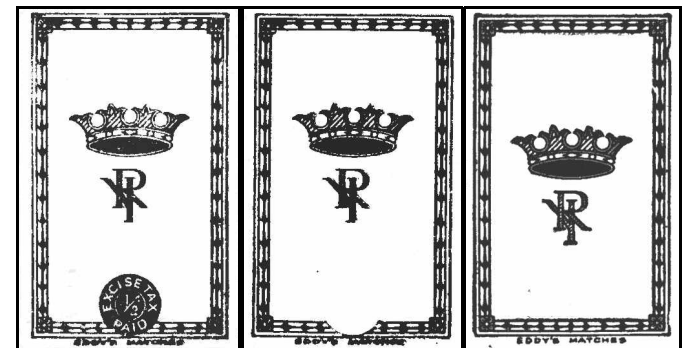


Figure 61: 30s, circa 1949



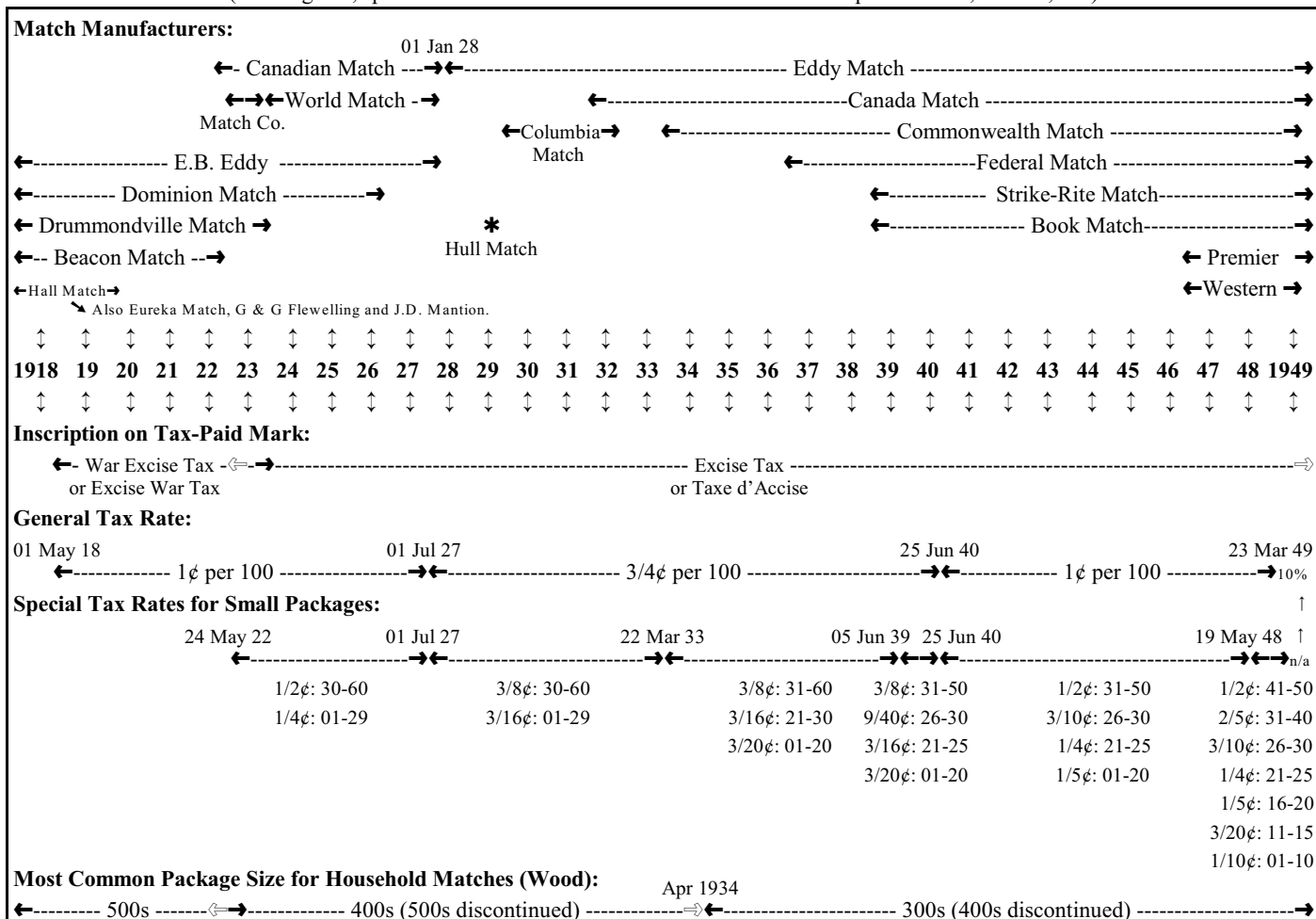
Figure 62: 300s, circa 1949



"1/2¢ Excise Tax Paid" "Tax Paid" Removed New Design
Figure 63.

Summary Timelines for Canada's Match Manufacturers and Excise Stamp Tax

(Where given, specific dates refer to the commencement of a new corporate status, tax rate, etc.)



Reference Notes

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- *Matches*, p. 12.
- Sim, D., National Revenue Excise Circular of June 7th, 1939, National Archives of Canada, Records of the Department of National Revenue, RG 16, Vol. 890.
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- [36] - Holmes, L.S., *Holmes Catalogue of Canada and British North America* (7th Edition), 1949, p. 201.
- Fritz Angst, Earle Covert, personal communications.
- [37] - Anonymous, *A History of Progress and Service*, Montreal: Eddy Match Co. Ltd., 1946.
- *Matches*, pp. 72, 75-76, 79, 100, 126.
- [38] - Canada, *Statutes*, 11-12 Geo. VI, 1948, Chapter 50.
- Zaluski, E., *Canadian Revenues*, Vol. 3, Nepean, Ontario: Right Road Printing Ltd., 1990.
- [39] - Canada, *Statutes*, 13 Geo. VI, 1949, Chapter 21.
- *Matches*, p. 12.
- [40] - *Ibid.*, pp. 30-37, 49-52, 66-68, 125.
- [41] - *Ibid.*, pp. 99-101.
- [42] - *Ibid.*, pp. 124-129.

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