



# CANADIAN REVENUE NEWSLETTER

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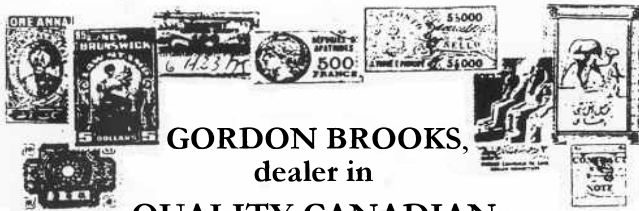
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# CANADA'S CUSTOMS DUTY AND WAR EXCHANGE TAX ON PERIODICAL PUBLICATIONS AND PRINTED ADVERTISING MATTER

Christopher D. Ryan

In recent years, there has been an increasing interest in the collecting of covers with Canadian customs markings and revenue stamps. With respect to the revenue stamps, such covers are found with regular customs duty stamps and, for items from the 1940s, with selected excise tax stamps. The latter are most commonly the ¼-cent and ½-cent values of the Three Leaf series. As a result, it may have been inferred by collectors that the excise tax stamps were used to pay the customs duty. However, this was not the case. The true situation was that the customs duty stamps were used during the 1940s to pay an excise tax, the War Exchange Tax, in addition to paying the duty.

This work examines the history of the customs duty and War Exchange Tax on periodicals and printed advertising matter. Details are presented of the application of the two levies with particular attention paid to rates and prepayment by means of revenue stamps. An examination of the impressions used to mark the covers and cancel the stamps is left to some other student of the subject.

## — Part 1: Printed Advertising Matter —

Specific references to printed advertising matter first appeared in Canada's Customs Tariff in 1879. The initial, relatively simple descriptions of "advertising pamphlets" and "advertising pictures or pictorial show-cards or bills" was expanded upon over time, attaining what was to become its final form by 1897.[1, 2] That year's amendment to the tariff introduced the following, all-encompassing definition of what was dutiable as printed advertising matter. This description was to remain in place throughout the lifetime of the Customs Duty stamps.

- Advertising pamphlets, advertising pictorial showcards, illustrated advertising periodicals;
- Illustrated price books, calenders and price lists, advertising almanacs and calenders;

- Patent medicine or other advertising circulars, fly sheets or pamphlets;
- Advertising chromos, chromotype, oleographs or like works produced by any process other than hand painting or drawing, and having any advertisement or advertising matter printed, lithographed or stamped thereon, or attached thereto, including advertising bills, folders and posters or other similar artistic work, lithographed, printed or stamped on paper or cardboard for business or advertisement purposes.[2]

Revenue stamps for the prepayment of the customs duty were not issued until 1914. In the absence of stamps, various means were used by Canada Customs to collect the duty on advertising matter arriving at their offices. These included the following:

- payment by a broker on behalf of the sender (the preferred method);
- notification of, and collection from, the sender (for shipments over one pound);
- notification of, and collection from, the recipient (for shipments under one pound).[3]

All of these procedures remained options following the introduction of the revenue stamps.

Figures 1 and 2 illustrate two covers from the pre-stamp period. Figure 1 consists of a cover, mailed in the United States as printed matter and customs dated-marked March 10<sup>th</sup>, 1903, along with the advertising matter that it contained. This matter consisted of a booklet and a form-letter promoting the purchase of corn-futures. Figure 2 shows a large, brown-paper cover that was mailed in the United States in 1905 as printed matter. This cover was marked is marked at right with a three-line violet handstamp that reads as "DUTY PAID. / Advertising Matter, / HALIFAX, N.S.".

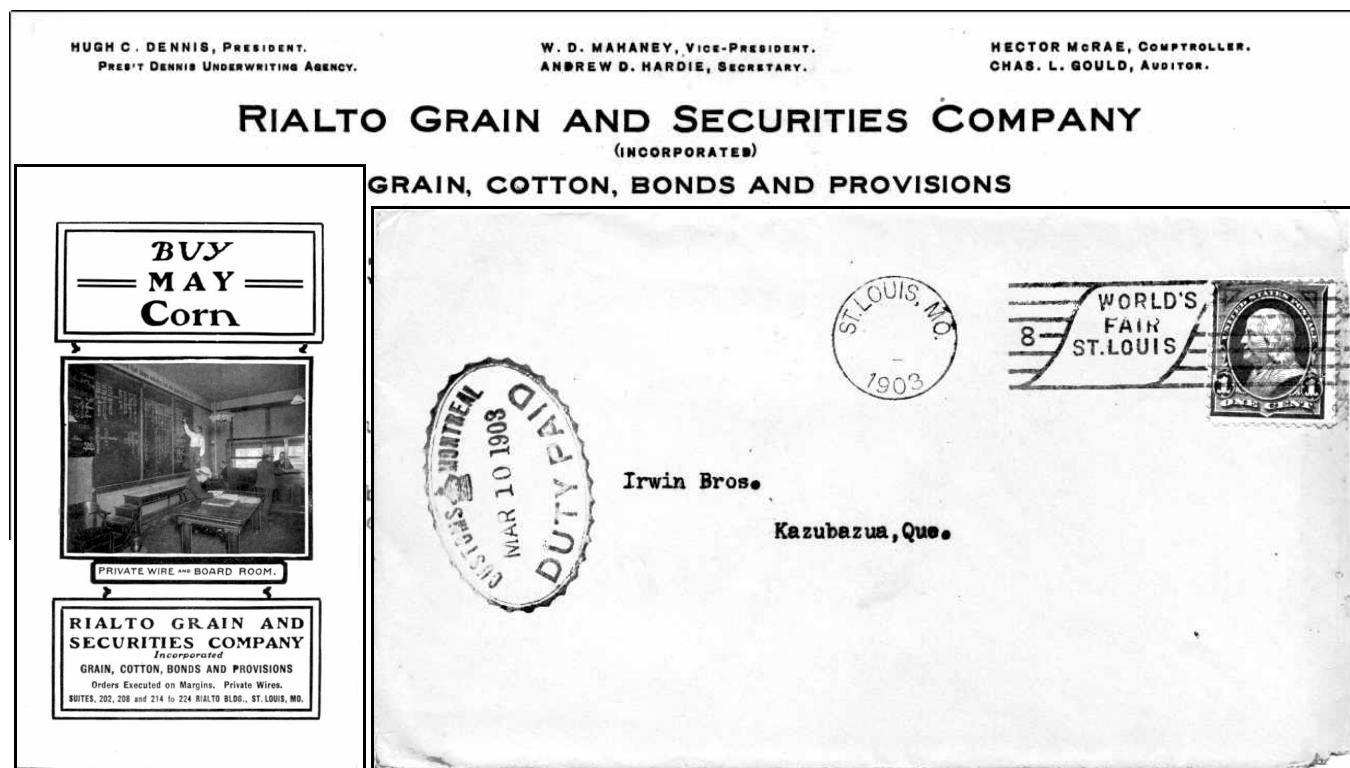


Figure 1: Printed Matter cover from 1903, along with the advertising matter that it contained, dated March 10<sup>th</sup> by Canada Customs, Montreal.

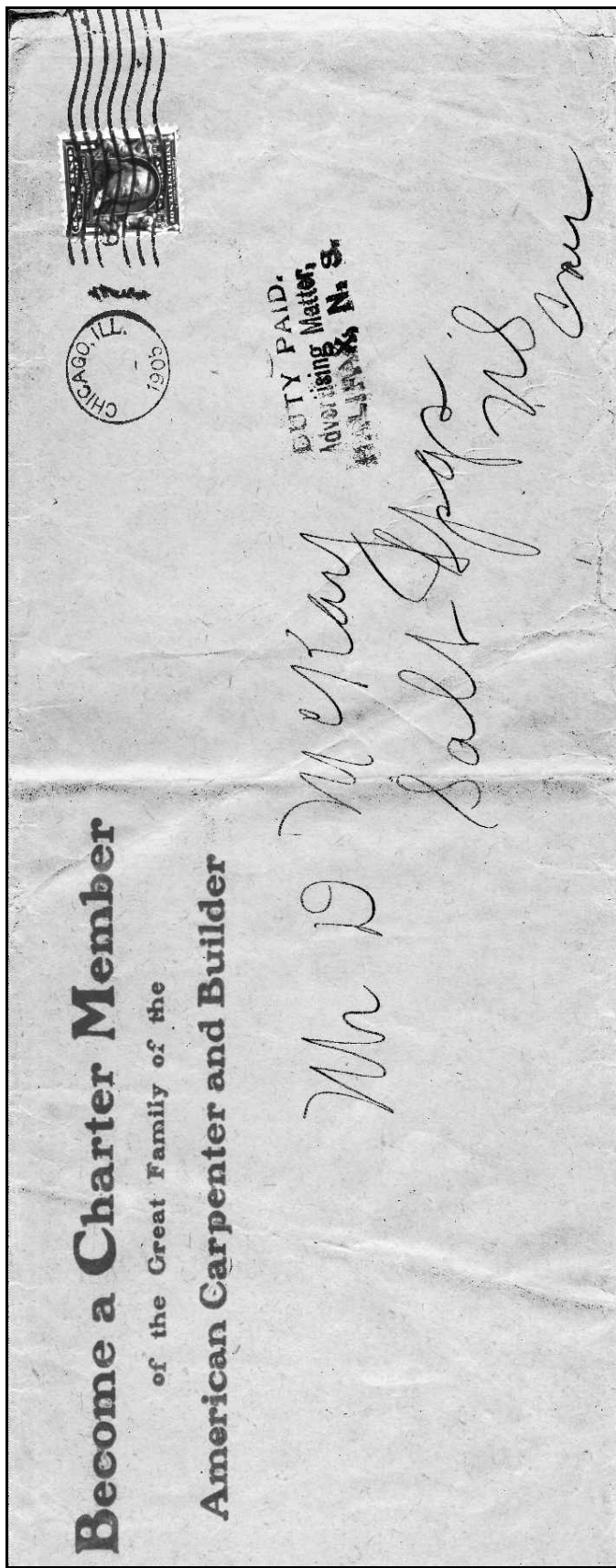
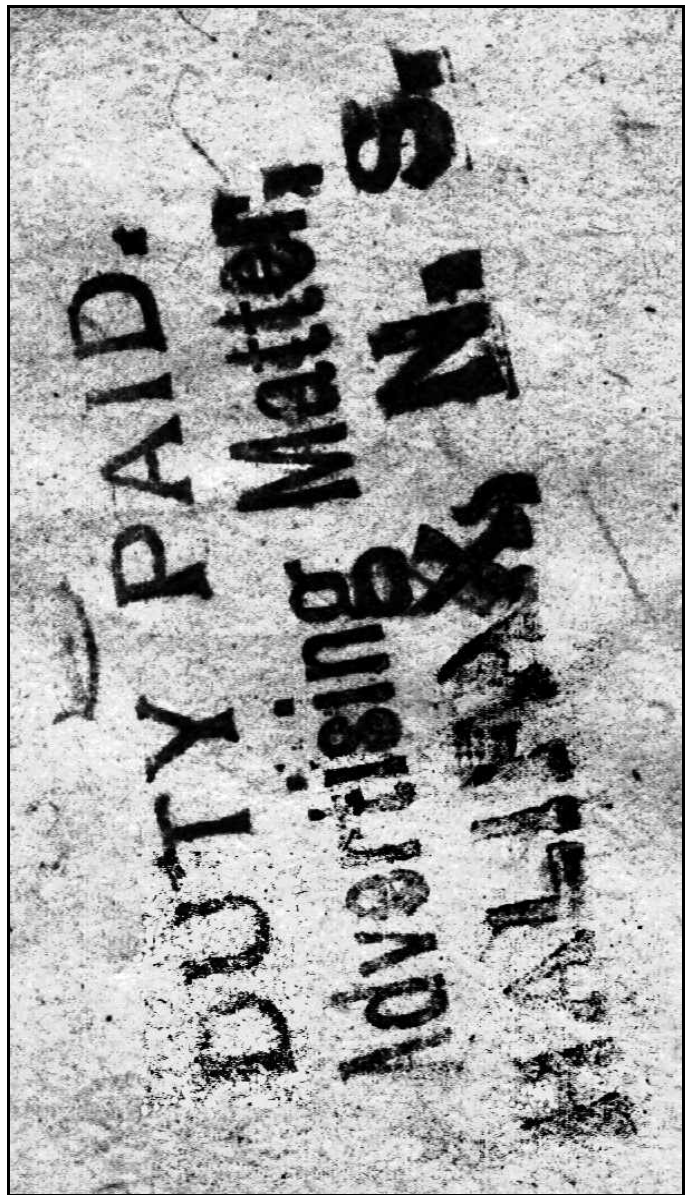


Figure 2: Printed matter cover from 1905, marked "DUTY PAID. / Advertising Matter, / HALIFAX, N.S." in violet. (See detail.)



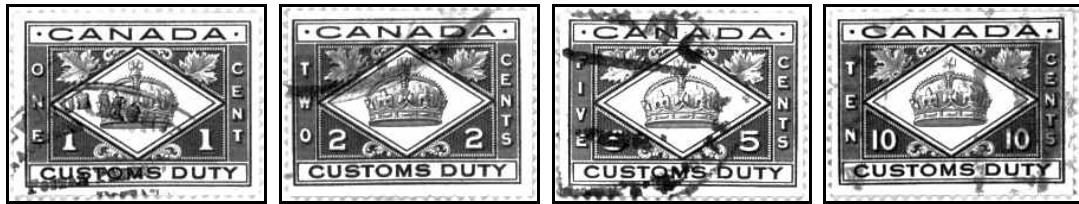
Detail of Figure 2 showing an enlargement of the "DUTY PAID" mark.

#### Introduction and Use of Customs Duty Revenue Stamps

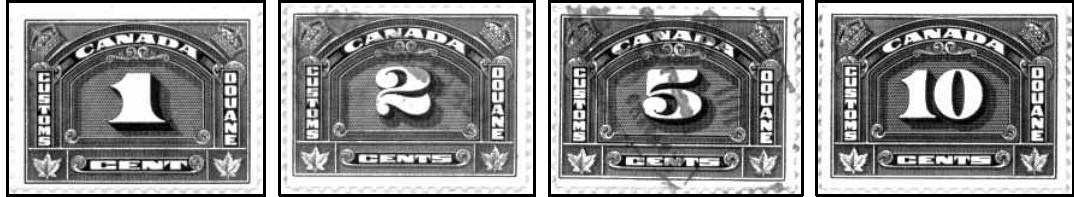
Difficulties experienced by Customs in collecting the duty (presumably on small items from their recipients) led to the August 1<sup>st</sup>, 1914, introduction of the 1, 2 and 5-cent customs duty stamps illustrated in Figure 3.[4, 5] The 10-cent denomination was issued in October of 1919.[6] Some years later, a new design, as shown in Figure 4, was released. According to a 1948 publication of the Canadian Revenue Society, the 2 and 5-cent stamps in Figure 4 were issued in 1935, the 1-cent in 1936 and the 10-cent in 1942.[7] These stamps allowed senders of advertising matter the option of prepaying the duty and thus avoiding delays in Customs. The benefit to Customs would have been the elimination of the effort and time required to collect numerous small amounts of duty from recipients of small, individual pieces of postal matter.

The stamps were available from the Customs Department in Ottawa, the Canadian High Commission in London, England, and the Canadian Mission in Paris, France. The supply of stamps in Paris was maintained from late-1921 or early-1922 until some time at or near the closing of the office on June 10<sup>th</sup>, 1940. However, only a token supply (\$18 worth) was

**Figure 3: Canada's First Issue of customs duty stamps, printed by the American Bank Note Co., Ottawa.**



**Figure 4: Canada's Second Issue of customs duty stamps, printed by the British American Bank Note Co., Ottawa.**



kept on hand after September 11<sup>th</sup>, 1939. Available documents suggest that the supply in London was withdrawn during the 1940s and not re-established until May of 1950. This supply was withdrawn again by July of 1970.[5, 8 to 21]

Canadian instructions regarding the placement of the stamps initially (1914) specified the upper-left corner of the front of the cover.[5] When use of the Canadian stamps was permitted by the United States Post Office on American mail in March of 1915, that authority required that the stamps be affixed to the back side of each cover.[22] With respect to countries other than the United States, subsequent Canadian instructions gave as follows:

- February 16<sup>th</sup>, 1921 - no position specified.
- May 5<sup>th</sup>, 1922 - duty-stamps to be affixed to the back side.
- June 1<sup>st</sup>, 1927 - duty-stamps to be affixed according to the postal regulations of the country of despatch. [8, 9, 11]

The 1927 phrasing remained unchanged through to the end of the duty-stamps.

**Scales for the Pre-payment of Customs Duty by Means of Stamps:**

**● under the General Tariff**

Over the entire period of stamp-use, the scales for prepayment under the 15-cent-per-pound General Tariff were subject to the fewest changes. These scales are given in Table 1.

The initial, 1914 scale for the General Tariff was limited to a maximum of one pound.[5] A provision for additional weight was added in 1927.[11] A 1930 amendment to the Customs Tariff Act raised the minimum duty payable on all tariffs from one to two cents. This was done to encourage the mailing of small items from within Canada.[12, 23, 24] In this scenario, the items would have been shipped in bulk to a customs broker who would then affix Canadian postage and forward them to individual addressees. The only major revision to the weight-classes comprising the scale was made in 1933. [13] A significant result of this revision was the elimination of the three-cent rate.

**● under the Most-Favoured-Nation Tariff**

A reduced rate for printed advertising matter under some form of “Most-Favoured-Nation” (MFN) Tariff began on September 5<sup>th</sup>, 1923, with the introduction of the Franco-Canadian Convention Tariff. A scale for prepayment by stamps was issued September 20<sup>th</sup>. The special 12½-cent-per-pound rate embodied in this Tariff was extended over time to other countries by way of bilateral trade agreements.[10, 36]

As of September 17<sup>th</sup>, 1930, the reduced MFN Tariff rate was also granted to the Intermediate Tariff. Thus, in respect of printed advertising matter, the MFN and Intermediate Tariffs became equivalent and were treated as such in regulations regarding the use of stamps. Eventually, use of the term “Intermediate Tariff” disappeared altogether

from both legislation and regulations.[12, 23 to 27]

The scales for the MFN Tariff are given in Table 2. The 1927 and 1930 alterations described previously for the General Tariff, also applied to MFN Tariff. In May of 1933, the weight classes for the MFN scale were re aligned.[13] The effect of this revision was incrementally higher rates. For example, three cents was now payable on an item weighing over 1 ounce, up to 2½ ounces, in place of the previous two cents.

As a result of the 1947 international General Agreement on Tariffs and Trade (GATT), the rate for the MFN Tariff was reduced by 20% to ten cents per pound (but not less than 25% of the value), with two cents payable on items of one ounce or less.[26] However, a new scale for prepayment on small items was not issued until January of 1949.[27] This delay may have been a result of a provision in the GATT that exempted most small pieces of advertising matter under sent into Canada under the MFN and British Preferential Tariffs. It is surmised by this writer that a provisional scale for the MFN Tariff may have been used during 1948 in the few instances where stamps could have been applied. This suggested scale, as given in Table 2, was reconstructed by taking 80% of the old rates, allowing for the two-cent minimum and the rounding of fractions of a cent to a full cent.

On January 12<sup>th</sup>, 1949, a scale that reflected the new ten-cent per pound MFN Tariff was issued.[27] It remained in effect through December 31<sup>st</sup>, 1979. As of January 1<sup>st</sup>, 1980, the MFN rate was incrementally reduced each year as shown in Table 2. However, by that date, exemptions had evolved to the point that the customs duty stamps had become obsolete and no new scales were issued to reflect the new rates.[21, 28, 29]

**● under the British Preferential Tariff**

The lowest rate of duty and greatest level of exemptions were granted to countries covered by the British Preferential (BP) Tariff. This comprised the United Kingdom and what were deemed to be “British” countries, that is, present and former possessions of the United Kingdom, with the notable exception of the United States of America. As of July 1<sup>st</sup>, 1974, the BP Tariff, under the title of the General Preferential Tariff, was also granted to “developing” countries.[30]

The scales for the BP Tariff are given in Table 3. The initial rate was ten cents per pound, with the minimum payable raised from one cent to two cents in October of 1930.[5, 12, 23]

As a result of a 1932 trade agreement with the United Kingdom, the BP Tariff was reduced to five cents per pound. This new rate took effect on October 13<sup>th</sup>, 1932, with a minimum payable of two cents. Shortly thereafter, the minimum was lowered to one cent.[31] However, a scale for the new rate was not issued until May 25<sup>th</sup>, 1933.[12, 13] This left a period of almost eight months during which some provisional measure would have been required. It is surmised by this writer that interim scales may have been devised by taking half of the previous scale and treating half-cents as full cents. (See Table 3.)

**NOTE:** The commencement dates given in Tables 1 through 3 are “official” dates as taken from statutes, regulations and budget resolutions. In keeping with Canadian practice, rate changes usually took effect immediately, with little or no advance warning. It would, of course, have taken time for the amendments to have become known to foreign sources of advertising matter. In some instances, a new rate was announced in advance of its start date. These instances include the following:

- the Aug 1<sup>st</sup>, 1914, scale and introduction of stamps,
- the 2¢ minimum of Oct 1<sup>st</sup>, 1930,
- the US exemption of Jan 1<sup>st</sup>, 1939,
- the MFN Tariff and exemption of Jan 1<sup>st</sup>, 1948.

**Table 1: General Tariff for Printed Advertising Matter.**

1 Aug 1914 through 24 May 1933		25 May 1933 through 15 Feb 1984	
Bulk Rate: 15¢ per pound (17 Sep 1930: minimum of 35 % of the value.)		Bulk Rate: 15¢ per pound, with a minimum of 35% of the value.	
Scale for Prepayment via Stamps.		Scale for Prepayment via Stamps	
Weight	Duty	Weight	Duty
1 ounce or less	1¢ (1 Oct 1930: 2¢)	1 ounce or less	2¢
over 1, up to 2¼ oz.	2¢	over 1, up to 2½ oz.	4¢
over 2¼, up to 3¼ oz.	3¢	over 2½, up to 4 oz.	5¢
over 3¼, up to 4¼ oz.	4¢	over 4, up to 5½ oz.	6¢
over 4¼, up to 5¼ oz.	5¢	over 5½, up to 7 oz.	7¢
over 5¼, up to 6½ oz.	6¢	over 7, up to 8½ oz.	8¢
over 6½, up to 7½ oz.	7¢	over 8½, up to 10 oz.	9¢
over 7½, up to 8½ oz.	8¢	over 10, up to 11 oz.	10¢
over 8½, up to 9½ oz.	9¢	over 11, up to 12 oz.	11¢
over 9½, up to 10½ oz.	10¢	over 12, up to 13 oz.	12¢
over 10½, up to 11¾ oz.	11¢	over 13, up to 14 oz.	13¢
over 11¾, up to 12¾ oz.	12¢	over 14, up to 15 oz.	14¢
over 12¾, up to 14 oz.	13¢	over 15, up to 16 oz.	15¢
over 14, up to 15 oz.	14¢	Each additional pound	15¢
over 15, up to 16 oz.	15¢		
(1 Jun 1927: Each additional pound 15¢)		(Sources: Reference Notes 5, 8 to 15, 19 to 21, 23, 24, 27)	

**Table 2: Most-Favoured-Nation Tariff for Printed Advertising Matter.**

5 (20) Sep 1923 through 24 May 1933	25 May 1933 through 31 Dec 1947	1 Jan 1948 through 11 Jan 1949	
Bulk Rate: 12½¢ per pound	Bulk Rate: 12½¢ per pound (2 May 1936: minimum of 27½% of the value.)	Rate: 10¢ per pound, 2¢ if 1 oz. or less, minimum of 25% of the value	
Scale for Prepayment via Stamps (Issued 20 Sep 1923)	Scale for Prepayment via Stamps	Scale for Prepayment via Stamps - Scale not issued until 12 Jan 1949. Surmised interim scale as follows	
Weight	Duty	Weight	Duty
1¼ ounces or less	1¢ (1 Oct 1930: 2¢)	1 ounce or less	2¢
over 1¼, up to 2½ oz.	2¢	over 1, up to 2½ oz.	3¢
over 2½, up to 3¼ oz.	3¢	over 2½, up to 4 oz.	4¢
over 3¼, up to 5 oz.	4¢	over 4, up to 5½ oz.	5¢
over 5, up to 6½ oz.	5¢	over 5½, up to 7 oz.	6¢
over 6½, up to 7¾ oz.	6¢	over 7, up to 8½ oz.	7¢
over 7¾, up to 9 oz.	7¢	over 8½, up to 10 oz.	8¢
over 9, up to 10¼ oz.	8¢	over 10, up to 11½ oz.	9¢
over 10¼, up to 11½ oz.	9¢	over 11½, up to 13 oz.	10¢
over 11½, up to 12¾ oz.	10¢	over 13, up to 14 oz.	11¢
over 12¾, up to 14 oz.	11¢	over 14, up to 15 oz.	12¢
over 14, up to 15¼ oz.	12¢	over 15, up to 16 oz.	12½¢*
over 15¼, up to 16 oz.	13¢	Each additional pound	12½¢*
(1 Jun 1927: Each additional pound 13¢)	(*fractions of a cent paid as full cent)		
<b>12 Jan 1949 through 31 Dec 1979</b>	<b>1 Jan 1980 through 31 Dec 1980</b>		
Bulk Rate: 10¢ per pound, minimum of 25% of the value	Rate: 8.75¢ per pound (2¢ if one ounce or less), minimum of 24.4 % of the value.		
Scale for Prepayment via Stamps	<b>1 Jan 1981 through 31 Dec 1981</b>		
Weight	Duty	Rate: 7.50¢ per pound (2¢ if one ounce or less), minimum of 23.8% of the value.	
1 ounce or less	2¢	<b>1 Jan 1982 through 31 Dec 1982</b>	
over 1, up to 3 oz.	3¢	Rate: 6.25¢ per pound (2¢ if one ounce or less), minimum of 23.1% of the value.	
over 3, up to 5 oz.	4¢	<b>1 Jan 1983 through 31 Dec 1983</b>	
over 5, up to 7 oz.	5¢	Rate: 5.00¢ per pound (2¢ if one ounce or less), minimum of 22.5% of the value.	
over 7, up to 9 oz.	6¢	<b>1 Jan 1984 through 15 Feb 1984</b>	
over 9, up to 11 oz.	7¢	Rate: 3.75¢ per pound (2¢ if one ounce or less), minimum of 21.9% of the value.	
over 11, up to 13 oz.	8¢	No scales were issued for the rates introduced during the 1980s since the stamps had been rendered obsolete during the early 1970s.	
over 13, up to 15 oz.	9¢		
over 15, up to 16 oz.	10¢		
Each additional pound	10¢		
		(Sources: Reference Notes 5, 8 to 15, 19 to 21, 23 to 29, 36)	

**Table 3: British Preferential Tariff for Printed Advertising Matter.**

1 Aug 1914 through 12 Oct 1932	13 Oct 1932 through 24 Nov 1932	25 Nov 1932 through 24 May 1933	25 May 1933 through 15 Feb 1984
Bulk Rate: 10¢ per pound	Bulk Rate: 5 ¢ per pound, minimum of 2¢ per item.	Bulk Rate: 5¢ per pound minimum of 1¢ per item.	Bulk Rate: 5¢ per pound.
Scale for Prepayment via Stamps	Scale for Prepayment via Stamps	Scale for Prepayment via Stamps	Scale for Prepayment via Stamps
Weight	Duty	- No scale issued.	- Scale not issued until 25 May 1933.
1½ ounces or less - 1¢ (1 Oct 1930: 2¢)	Surmised interim scale as follows:	Surmised interim scale as follows:	Surmised interim scale as follows:
over 1½, up to 3¼ oz.	2¢	Weight	Duty
over 3¼, up to 4¾ oz.	3¢	6½ ounces or less	2¢
over 4¾, up to 6½ oz.	4¢	over 6½, up to 9½ oz.	3¢
over 6½, up to 8 oz.	5¢	over 9½, up to 12¾ oz.	4¢
over 8, up to 9½ oz.	6¢	over 12¾, up to 16 oz.	5¢
over 9½, up to 11¼ oz.	7¢	Each additional pound	5¢
over 11¼, up to 12¾ oz.	8¢		
over 12¾, up to 14½ oz.	9¢		
over 14½, up to 16 oz.	10¢		
(1 Jun 1927: Each additional pound 10¢)			(Sources: Reference Notes 5, 8 to 15, 19 to 21, 23 to 29, 31)



Figure 5: German cover of Oct 12<sup>th</sup>, 1928, representing the 1-cent rate applied to advertising matter of 1 ounce or less under the General Tariff scale in effect from August 1914 through September 1930.



Figure 6: German cover of Sep 28<sup>th</sup>, 1929, representing the 2-cent rate applied to advertising matter over 1 oz, up to 2¼ oz under the General Tariff scale in effect from August 1914 through May 1933.



Figure 7: French cover of Feb 13<sup>th</sup>, 1925, representing the 2-cent rate applied to matter over 1 1/4, up to 2 1/2 oz under the Most-Favoured-Nation Tariff, Sep 1923 - May 1933.

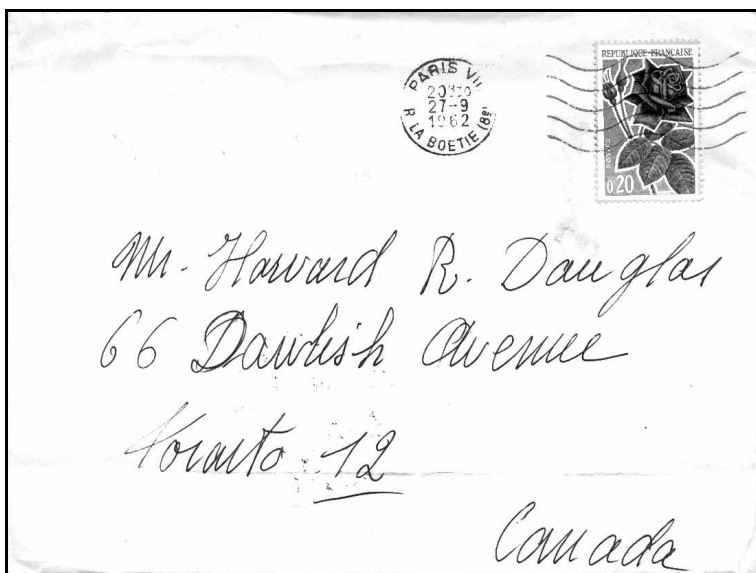


Figure 8: French cover of Sep 27<sup>th</sup>, 1962, representing the 2-cent rate applied to matter of 1 ounce or less under the Most-Favoured-Nation Tariff, Jan 1948 - Dec 1979.

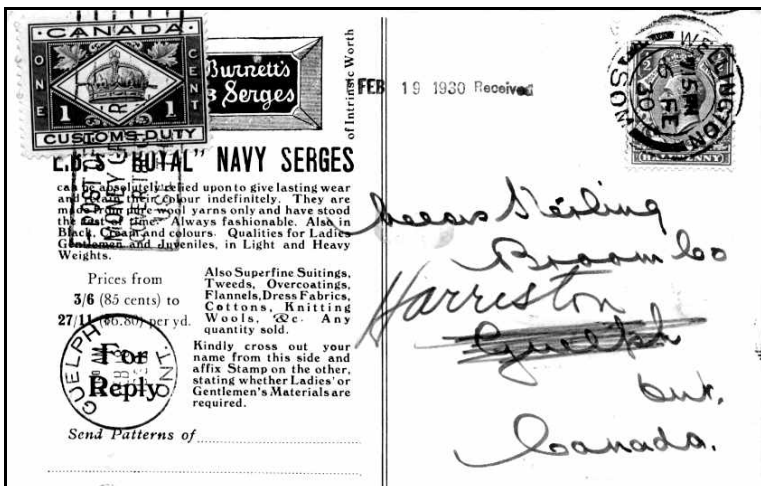


Figure 9: British postcard of Feb 6<sup>th</sup>, 1930, representing the 1-cent rate applied to matter of 1 1/2 oz or less under the British Preferential Tariff, Aug 1914 - Sep 1930.

### Examples of Customs Duty Stamps on Cover

The German covers illustrated opposite in Figures 5 and 6 are examples of the 1 and 2-cent rates from the scale introduced August 1<sup>st</sup>, 1914, for the General Tariff. The weight classes represented by the duty-stamps are '1 ounce or less' and 'over 1, up to 2 1/4 ounces,' respectively. The 5 and 10pf postage stamps respectively paid the printed-matter rates for items of 50 g (1.76 oz) or less and for over 50 g, up to 100 g (3.53 oz).[43, 44]

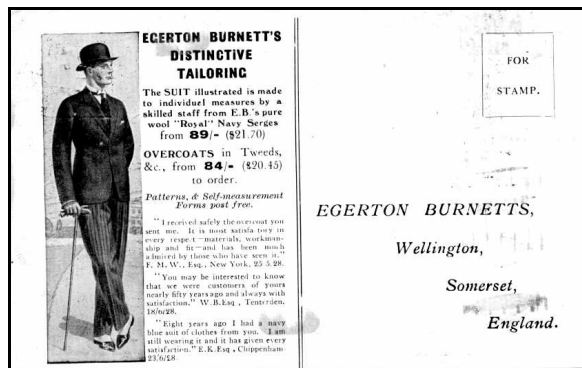
German advertising matter was subject to the General Tariff until December 31<sup>st</sup>, 1932.[33] Thereafter, the MFN Tariff was in effect until the September 1939 outbreak of the Second World War.[34] Following the war, the western portion of the country was readmitted to the MFN Tariff as of October 14<sup>th</sup>, 1948.[35]

The French cover illustrated at left in Figure 7 represents the 2-cent rate under the scale introduced September 20<sup>th</sup>, 1923, for the MFN Tariff. This rate applied to items weighing over 1 1/4, up to 2 1/2 ounces. The 15c postage stamp paid the printed-matter rate for items of 50 g (1.76 oz) or less.[43,44]

French advertising matter was subject to the General Tariff until September 4<sup>th</sup>, 1923. As of September 5<sup>th</sup>, the reduced MFN Tariff was introduced with scales for prepayment by way of stamps issued September 20<sup>th</sup>. [10, 25] Effective September 17<sup>th</sup>, 1932, France was moved to the General Tariff, then back to the MFN Tariff on June 10<sup>th</sup>, 1933.[36] France's MFN status was suspended in November of 1940 due to wartime conditions. France returned to the MFN Tariff on February 1<sup>st</sup>, 1945.[37]



Stamp affixed to the back of the cover shown in Figure 8.



Back of the postcard shown in Figure 9.

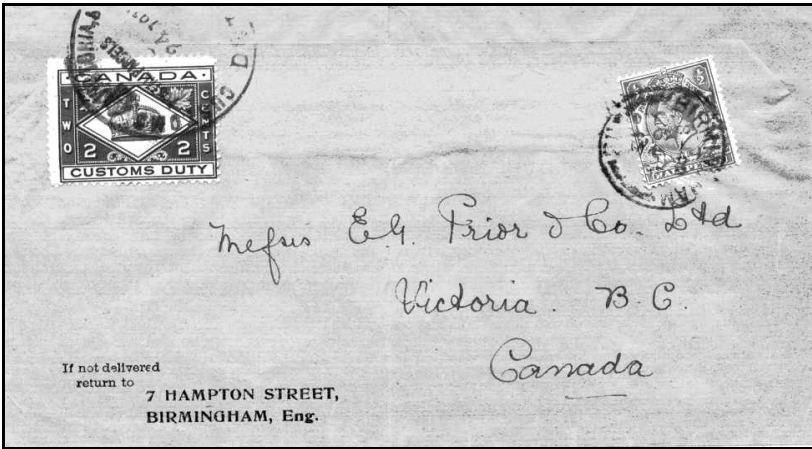


Figure 10: British wrapper of February 25<sup>th</sup>, 1915, representing the 2-cent rate applied to matter over 1½ oz, up to 3¼ oz under the British Preferential Tariff, Aug 1914 - Oct 1932.

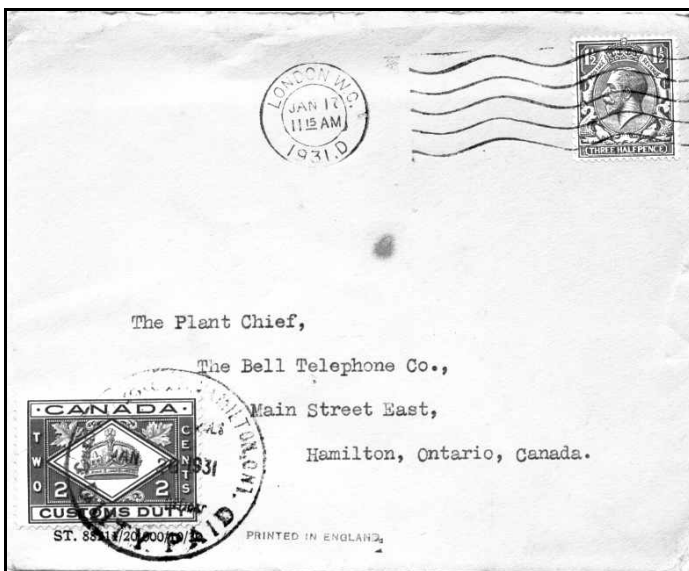


Figure 11: British cover of January 17<sup>th</sup>, 1931, representing the 2-cent minimum introduced to the BP Tariff for items of 1½ oz or less as of October 1<sup>st</sup>, 1930, and in effect through November 24<sup>th</sup>, 1932.

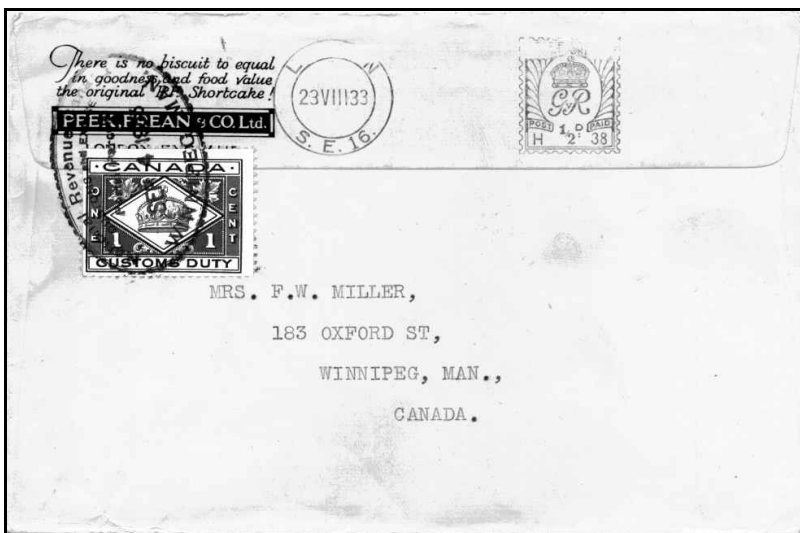


Figure 12: British cover of August 23<sup>rd</sup>, 1933, customs date-marked September 4<sup>th</sup>, representing the 1-cent rate applied to matter of 3 ounces or less under the BR Tariff scale in effect May 1933 through February 1984.

The French cover in Figure 8 represents a very late usage of a customs duty stamp. It illustrates the 2-cent rate for items of 1 ounce or less under the 10-cent per pound MFN Tariff in effect from January 1<sup>st</sup>, 1948 through, December 31<sup>st</sup>, 1979. This item, mailed as printed matter, postmarked September 27<sup>th</sup>, 1962, and customs date-marked October 23<sup>rd</sup>, is doubly scarce due to its French origin and a provision in the 1948 MFN Tariff that exempted most small items.

Figures 9 and 10 represent the 1 and 2-cent rates from the scale in effect under the BP Tariff as of August 1<sup>st</sup>, 1914. The 1-cent rate was in effect through September 31<sup>st</sup>, 1930, and applied to items of 1½ ounces or less. The 2-cent rate applied to items over 1½ ounces, up to 3¼ ounces and remained in effect through October 12<sup>th</sup>, 1932. The ½d postage stamp on the items in Figures 9 and 10 paid the printed-matter rate for items of 2 ounces or less.[43, 45]

The 2-cent minimum, introduced to the BP Tariff as of October 1<sup>st</sup>, 1930, is represented by the British cover shown in Figure 11. This item is postmarked January 17<sup>th</sup>, 1931, and customs date-marked January 26<sup>th</sup>. The 1½d postage stamp paid the letter rate for items of 1 ounce or less.[43, 45] The 2-cent minimum was reduced to 1 cent as of November 25<sup>th</sup>, 1932.

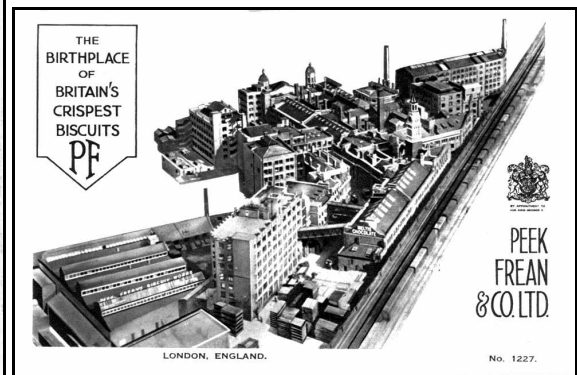
The reduced 1932 BP Tariff of 5 cents per pound is represented by the covers in Figures 12 and 13. The 1-cent rate shown in Figure 12 applied to items of 3 ounces or less as per the scale issued May 25<sup>th</sup>, 1933. Similarly, the 2-cent rate shown in Figure 13 applied to items over 3 ounces, up to 6 ounces.

### The Decline and End of the Use of Stamps

Beginning in 1935, a series of exemptions were introduced that incrementally rendered the customs duty stamps obsolete by the early-1970s. The chronology of the exemptions granted to advertising matter is as follows:

March 23<sup>rd</sup>, 1935 — Matter from British Preferential (BP) Tariff countries when related exclusively to the products of those countries.[38]

January 1<sup>st</sup>, 1939 — Matter from the United States when in individual packages valued at \$1 or less and not advertising goods or services sold or provided by a Canadian source.[39]



Back of the cover shown in Figure 12.



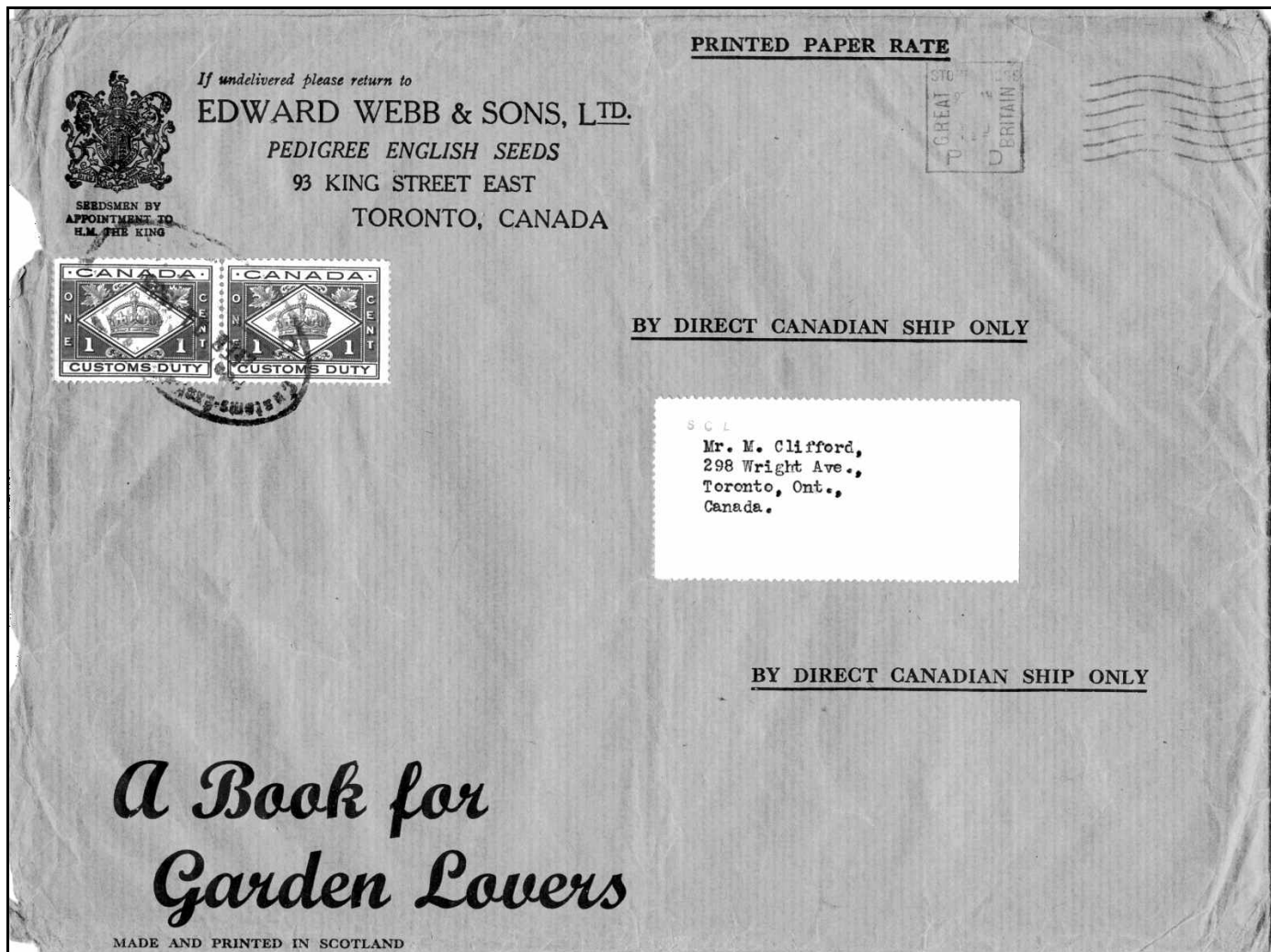


Figure 13: British cover, customs date-marked February 11<sup>th</sup>, 1935, representing the 2-cent rate applied to matter of over 3 ounces, up to 6 ounces under the BP Tariff scale in effect May 1933 through February 1984.

January 1<sup>st</sup>, 1948 — The exemption of 1939 was extended to all MFN Tariff countries, which included BP Tariff countries and the already exempt United States.[26, 27]

June 6<sup>th</sup>, 1972 — All matter, regardless of origin, imported by mail when the sum of the applicable customs duty and excise sales-tax did not exceed \$1.[29, 40]

November 20<sup>th</sup>, 1974 (retroactive to September 12<sup>th</sup>) — All matter, regardless of origin, that met one of the following conditions:

- consisted of only one document, or
- consisted of only one copy of each of several documents, or
- did not exceed 1 kg (2.205 lbs.) in weight, regardless of the number of documents,

when the name of a foreign supplier of the goods or services was clearly indicated and no Canadian source was mentioned.[29, 40]

From covers seen by this writer, it appears that the 1935 exemption significantly reduced the use of the customs stamps on advertising matter from BP Tariff countries. Aside of the 1940-1945 period of the War Exchange Tax (WET), the 1939 exemption significantly reduced the use of the customs stamps on advertising matter from the United States. The 1972 and 1974 exemptions almost completely terminated the usefulness of the customs duty stamps. Thereafter, only bulkshipments of advertising matter printed abroad for goods and services provided by a Canadian source were subject to duty.

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# A Book for Garden Lovers

MADE AND PRINTED IN SCOTLAND

During the 1940-1945 period, all advertising matter from non-BP Tariff countries was subject to the 10% WET for which stamps could be used in payment. Since available examples of this tax originate only from the United States (presumably due to wartime conditions), it will be discussed in the second part of this work.

The obsolescence of the customs duty stamps by the 1970s was noted in an internal 1980 Revenue Canada study. This document indicated that during a three-year period ending May 22<sup>nd</sup>, 1980, only eleven sales of the stamps were made, totalling \$101.60. Of these sales, only six were for “*advertising purposes*,” the rest being made to stamp collectors. A further four transactions comprised refunds in the amount of \$1,417.70 for stamps returned to the Department.[29]

It was also noted in the report that during a recent six-month period only one shipment bearing duty stamps was processed in Ottawa. Furthermore, this advertising matter was determined to have actually been free of duty under two of the exemptions detailed above.[29]

The result of the Revenue Canada study was a decision to not reprint the regulations governing the customs stamps. Such an action had been contemplated to reflect the new MFN Tariff rates that were being introduced annually from January 1<sup>st</sup>, 1980. (Table 2.) Yet, despite the obvious obsolescence of the Customs Duty stamps, the legislative authority for their use was not repealed until February 16<sup>th</sup>, 1984.[28, 42]

*(The second part of this article will discuss and illustrate printed advertising matter from the United States of America.)*

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