



CANADIAN REVENUE NEWSLETTER

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

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Number 37

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✉ **Steven Zirinsky**, P.O. Box 49, Ansonia Station, New York New York, U.S.A. 10023

SPEAKERS AT OTTAWA MEETING

Two members will be speaking at the meeting of the Revenue Study Group at BNAPEX 2001 in Ottawa. **Richard Fleet** will present a slide-show of his award-winning exhibit of Second Issue bill stamps. The exhibit includes a unique assemblage of usages as well as proof material. **Jean-Pierre Forest** will discuss the colour variations found in the 50-cent Quebec law stamp of the 1893-1908 issue. Documentation and proof material will be available for viewing, accompanied by a bilingual, three-page hand-out. — **F.P.A.**

MEMBERS SUPPORT

The Revenue Study Group would like to thank the following member for his donation in support of the *Newsletter*:

Ulric Levesque

MEMBERSHIP NOTES

New Members:

✉ **Jean-Pierre Forest**, Cap-Rouge, Quebec

✉ **A. David McHugh**, Orinda, California

Deceased:

✉ **G. Walburn**, Kelowna, British Columbia

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✉ **Chairman and Treasurer:**

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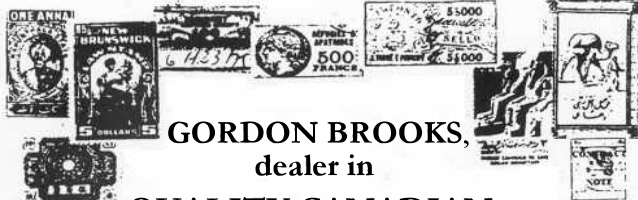
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Fellow collectors to exchange or sell revenue stamps. I am looking for: **Liquor stamps**
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(mint, o.g.: FU31S, 35*, 35S, 105S),
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Please note my NEW phone number: (514) 722-3077
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GREEN \$4 ONTARIO LAW STAMP ON 1904 DOCUMENT

In CRN N° 32 (August 2000), a 1908 date was documented for the issue of the \$5, \$10, \$20 and \$50 values (van Dam's OL62 to 65) of Ontario's First Issue of law stamps. The available documents did not provide any information regarding the green \$4 stamp (OL61) from this issue.

Illustrated here, courtesy of Russell White, is the front of a 'memorandum of fees' dated July 7th, 1904, and issued by the Surrogate Court of the County of Brant in connection with the probate of the estate of a William Willett. A search of the provincial death registrations at the Archives of Ontario revealed that William Willett died in Brant County on May 21st, 1904, at the age of ninety.[1]

The document bears a total of \$151.50 in First Issue Ontario law stamps, comprising thirty-seven of the green \$4 value, three of the red \$1 and one of the red 50-cent stamp. White notes that the green \$4 stamps are perf-12. Eighteen of the \$4 stamps are affixed around the edges of the front of the document, while the remaining stamps are similarly affixed to the back.

This document illustrates that the green \$4 denomination of Ontario's first law stamps was issued by mid-1904. It also demonstrates the need for the higher denominations of 1908 in connection with fees levied on large estates. The estate of William Willett was valued in the document at \$99,431.83 personal and \$25,400 real. — C.D. Ryan

Reference Note

[1] - Archives of Ontario, Records of the Office of the Registrar General, Deaths-Registrations, RG 80-8-0-289, Reg. N° 5904 (Microfilm MS 935, Reel 114).

Form 21—Memorandum of Fees. Hurley & Watkins, 20 Colborne Street, Brantford.

In the Surrogate Court of the County of Brant.
 In the Estate of *William Willett* DECEASED.
 UPON READING THE APPLICATION OF *Anne Willett*
 the affidavits and papers filed in support thereof, and the report of the Registrar thereon, I do order that *Willett Probate* issue to the Applicant.
 DATED at Chambers this *7th* day of *July* } *A. D. Hardy.*
 A.D. 190*4*. }
 Surrogate Judge.
 Memorandum of Government Fees, and Fees Payable to Judge and Registrar.

PROCEEDINGS.	FEES OF		IN STAMPS
	Registrar	Judge	
	\$ c.	\$ c.	\$ c.
1 For Services rendered under Secs. 67 and 68 of Act (Rule 40) where value of property does not exceed \$400.....	50	50	
2 Application.....			50
3 Receiving and examining papers, and entering application.....	1 00		
4 Every necessary notice to Surrogate Clerk.....	50		
5 Certificate of Surrogate Clerk.....			50
6 Receiving and entering Certificate.....	25		
7 Recording every bond with affidavits of justification and execution.....			
8 Submitting papers with Registrar's Report thereon to Judge to lead grant....	50		
9 Grant—Value of property—Personality, <i>\$99,431.83</i> , Realty, <i>\$25,400</i>	<i>5 00</i>	<i>10 00</i>	<i>20 00</i>
10 For preparing Probate or Letters of Administration or Guardianship issued under Seal of the Court.....	75		50
11 For preparing Probate—if grant is special.....			
12 Recording Grants or other Instruments under Rule 46 or Letters of Guardianship Folios..... 10 cents per folio	<i>60</i>		
13 Transcript of Will folios..... 10 cents per folio	<i>20</i>		
14 Certified Copy of Will for Surrogate Clerk..... 10 cents per folio	<i>20</i>		
15 Certificate.....	50		
16 Attending and entering every order or minute.....	50	50	
17 Taking every affidavit or administering oath to a witness (only charged when actually sworn by Registrar, 20c. each.....			
18 Drawing special orders or other papers directed by the Judge..... 10 cents per folio			
19 Filing necessary papers, each 10 cents.....	<i>1 50</i>		
20 Writing necessary letters, each 25 cents.....	<i>1 00</i>		
21 Fiat on Bond.....			
22 <i>True Only Papers</i>	<i>1 00</i>		
23			
24			
25 Postages—No greater sum than 25 cents should be charged unless Will extra heavy.....	<i>25</i>		
			<i>5 95 100 50 8 1 50</i>

Place Stamps here and on back.

**CANADA'S CUSTOMS DUTY AND WAR EXCHANGE TAX
ON PERIODICAL PUBLICATIONS AND PRINTED ADVERTISING MATTER
— Part 3: Periodical Publications —
Christopher D. Ryan**

An intention to impose a customs duty on magazines and similar periodical publications was announced in the Federal budget of June 1st, 1931.[50] The planned duty of 15-cents per pound under the General Tariff was the subject of many protests. In response, the duty was modified prior to its implementation as follows, taking effect on September 1st, 1931, and lasting through December 31st, 1935:

British Preferential and Most-Favoured-Nation (Intermediate) Tariffs

- All periodical publications (newspapers, magazines, etc): Free

General Tariff

- Newspapers: Free
- Magazines subject in their country of origin to additional postal fees based on distance carried and amount of advertising content;
 - containing over 20%, up to 30% advertising: 2 cents per copy
 - containing over 30% advertising: 5 cents per copy
- Periodical publications and portions of newspapers consisting primarily of fiction, feature stories or comics:
 - 15 cents per pound, but not less than 15 cents per copy
- Exempt from the duty were magazines that met one of the following criteria:
 - contained 20% or less advertising content,
 - published in a language other than English or French,
 - issued by, or on behalf of, religious, educational, labour, scientific, philanthropic, agricultural, fraternal and other not-for-profit organizations.
- Individual subscriptions taken on or before June 2nd, 1931, were exempt until April 1st, 1932. [51, 52]

The net effect of the tariff provisions was to limit the new duty to magazines and other, non-newspaper periodicals from the United States of America. This situation is reflected in the applicable Departmental regulations and instructions, which referred exclusively to the importations from the United States.[53, 54]

The 2 and 5-cent rates were intended to tax the advertising content

of the publications, which had previously escaped the duty on printed advertising matter. The 15-cent rate applied mainly to comic-books and 'pulp-fiction' publications. The latter rate was intended to discourage the importation of such publications. An additional, overall motive for the duty was to provide some protection for the Canadian magazine industry.[51]

The duty on periodical publications shipped in quantity by rail, freight or express companies was to be paid at the customs port-of-entry in the same manner as other goods, without the use of revenue stamps. The duty on periodicals sent into Canada by mail to individual subscribers or dealers was to be prepaid by the customs duty revenue stamps. Regulations required that dutiable periodicals mailed as single copies were to be individually stamped on their outer wrapper. For multiple copies contained within a single postal-parcel and destined for a single addressee, sufficient duty stamps were to be affixed to the outer covering to pay the total amount owing.[53]

Figure 27 below illustrates a magazine wrapper mailed at Portland, Maine. The 5-cent duty stamp shown in the inset is customs date-marked January 1933. The 1-cent postage stamp paid the rate for periodicals of 4 ounces or less.[44] Figure 28 on page 4 illustrates a cut-down cover-slip from a postal-package that once held four copies of *Time* magazine. The block of the 5-cent duty stamps is customs date-marked September 14th, 1934. To the left of the stamps is a rubber-stamped notation in red that reads '---- copies at 5¢ duty ----'.

Under the terms a bilateral trade agreement, the customs duty on magazines and other periodical publications from the United States was revoked effective January 1st, 1936.[46, 55] However, as was the case with printed advertising matter, the agreement permitted the application of the 10% War Exchange Tax (WET) to American periodicals from June 25th, 1940, through October 12th, 1945.[47, 49] According to the Customs Department, the amount of WET payable on a periodical was to be based "*on the regular selling price in the country of export to purchasers of the same trade status as the importer.*"[56] It may be inferred from this definition that the basis for the tax was the wholesale

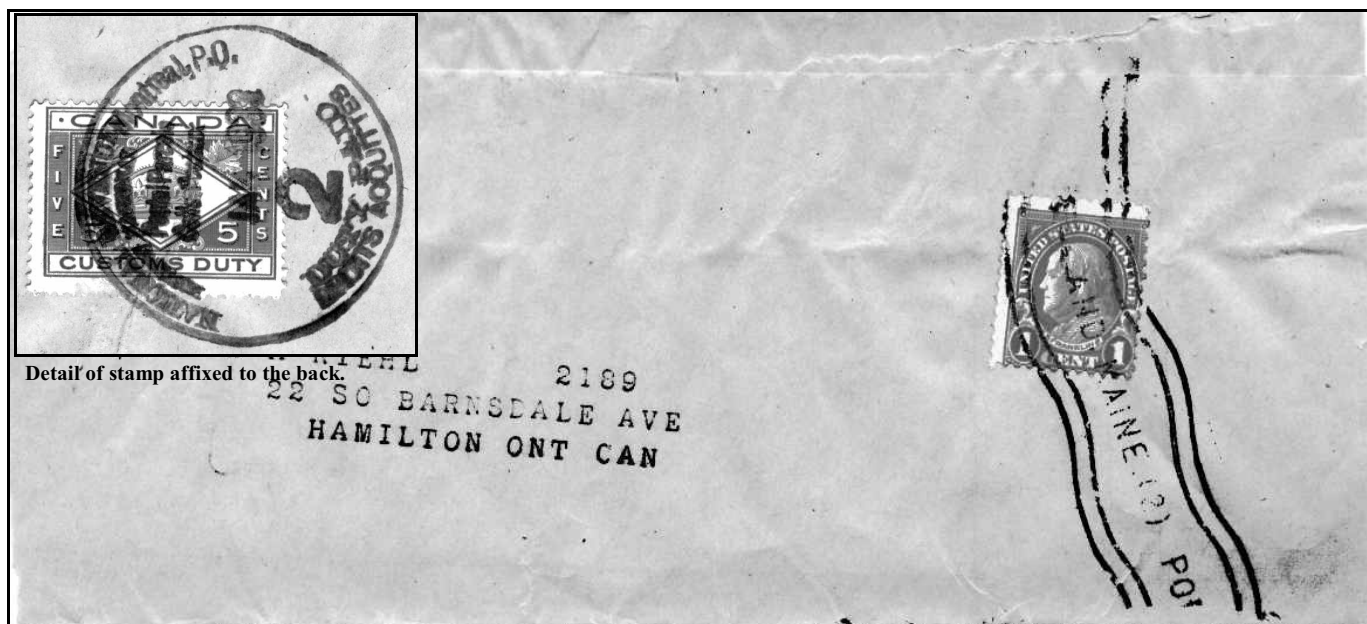


Figure 27: US wrapper, customs-dated Jan 1933, representing the 5¢ duty on magazines having over 30% advertising, in effect Sept 1931-Dec 1935.

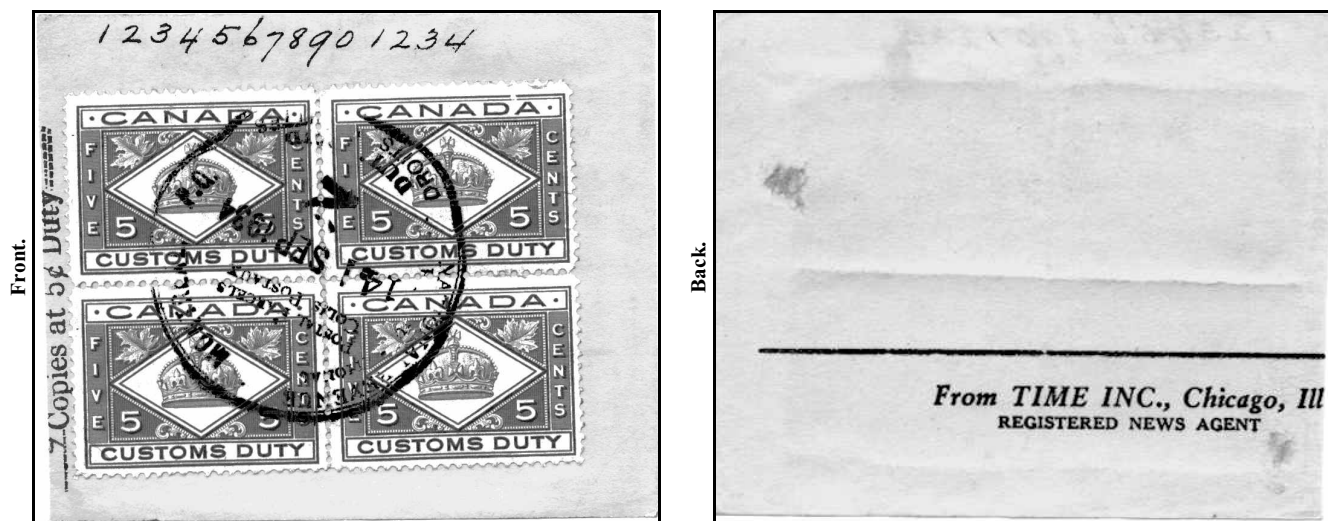
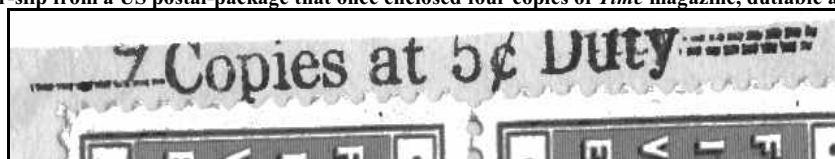


Figure 28: Portion of a cover-slip from a US postal-package that once enclosed four copies of *Time* magazine, dutiable at 5¢ each, Sept 1931-Dec 1935.



Detail of hand stamped notation at left side of duty stamps.

price for items sent into Canada to dealers for resale and the subscription price for items sent directly to consumers.

Unlike the old customs duty, the new WET also applied to newspapers and all other periodicals from non-British Preferential Tariff countries regardless of their percent advertising content or language of publication. On August 8th, 1940, the Customs Department granted an exemption to copies of periodicals issued by, or behalf of, religious, educational, labour, scientific, philanthropic, agricultural, fraternal and other not-for-profit organizations when not sent to a dealer for resale.[57] Over the 1940-1945 period of the WET, approximately 1700 periodicals were admitted to this exemption.[58]

Initially, no special provisions were made for the collection of the WET on periodicals mailed into Canada to individual subscribers. As described in the following letter of July 22nd, 1940, from a New York City publisher to its Canadian subscribers, the absence of such provisions led to significant delays.

The imposition of the 10% war duty on newspapers and periodicals without supplying the machinery to collect the tax, has seriously disrupted the regular service we have been privileged to render these many years.

We have offered to post a substantial cash deposit with the Canadian Customs for them to draw on at will — we have offered to use duty stamps available in New York. Both of these ideas have been rejected.

*In their places, we were told to engage a customs broker in each town to which *The Journal of Commerce* is mailed until the machinery is in order. This expense, however, would be prohibitive.*

Therefore, we must impose on your good nature for assistance. Will you contact your Customs Office and make some arrangement to move your daily issues promptly? Or can you send us some revenue stamps acceptable to the Customs Office? We are willing to affix these stamps to your issues if it will solve the problem.

*Meanwhile, there is bound to be a delay in your issues, but it is all beyond our control. As soon as we are given the means to pay the tax without delaying *The Journal of Commerce* in transit, it will receive our immediate attention.[59]*

In response to the situation, the Customs Department soon consented to the use of revenue stamps. Regulations approved by Order-in-Council on July 24th, 1940, and sent to Customs officers July 23rd, provided that “*customs revenue stamps*” in denominations of ¼, ½, 1, 2, 5 and 10 cents were obtainable from the Commissioner of Customs in Ottawa. These stamps were to be affixed in payment of the 10% WET to the wrappers or envelopes enclosing copies of taxable periodicals sent by mail.[60, 61]

The amount of WET payable on an individual subscription was to be calculated as 10% of the weighted-average subscription price in Canadian funds. The tax payable per individual copy in stamps was defined by Customs as the total amount on the subscription divided by the number of issues per year, rounded to the nearest quarter-cent. The minimum tax payable per copy was a quarter-cent.[61]

A number of American publishers objected to the time and expense involved in affixing multiple stamps to the many subscription copies that were mailed into Canada. In response, Canada Customs formally agreed on August 8th, 1940, to a procedure whereby American publishers could pay the WET on subscriptions directly to the Customs Department in Ottawa without the use of stamps. Under this procedure, publishers were to submit periodic statements of issued mailed to individual subscribers, accompanied by a money order for the amount of WET owing on such issues. Copies of periodicals sent to dealers for resale were not eligible for direct payment of the tax.[62]

Use of the direct payment scheme by a publisher was contingent upon the following conditions:

- the recommendation of the American Newspaper Association or the National Publishers Association.
- the approval of the Customs Department.
- the maintenance of detailed accounts and records by the publisher.
- a Canadian circulation of more than 50 copies per issue.[62]

From August 1940 through August 1945, 443 periodical publications were granted permission to pay the WET directly, thus removing the need for revenue stamps on their subscription copies sent by mail.[63]

The large wrapper in Figure 29 opposite once held an issue of *News-week* and paid 2 cents in permit-postage for periodicals over 4 ounces,

U. S. POSTAGE
2c. PAID
DAYTON, OHIO
Permit No. 439

NEWSPAPERS

Aug. 26/40



MR. D. R. POWELL
237 FAIRVIEW
WEST TORONTO ONT CAN
FRSO 9MNS9 530F
1940

NEWSWEEK
350 Demmison Ave., Dayton, Ohio
RETURN POSTAGE GUARANTEED



Figure 29: US wrapper of circa July/August 1940, representing the 10% WET on periodicals in effect June (July) 1940 - October 1945.

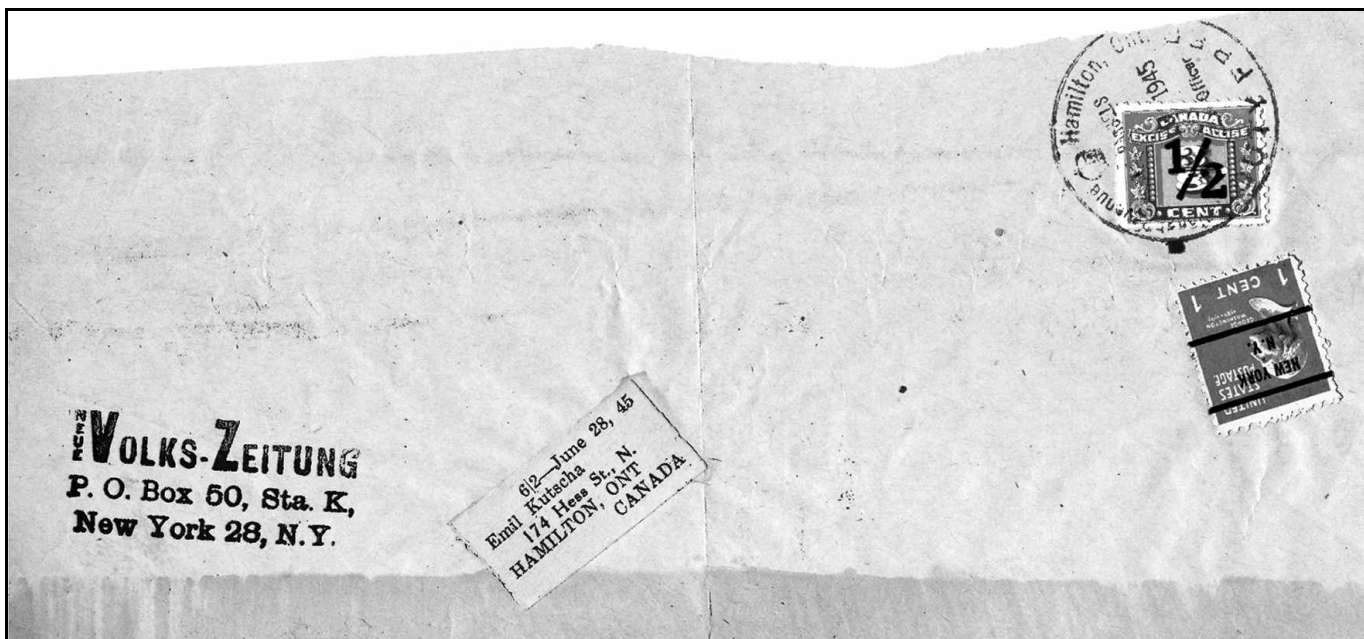


Figure 30: US wrapper, customs-dated Apr or Aug 10th, 1945, representing the 10% WET on periodicals in effect June (July) 1940 - October 1945.

up to 8 ounces.[44] This item bears a ¼-cent George V excise tax stamp (van Dam's FX1) and a ½-cent Three Leaf excise tax stamp (FX60) in payment of ¾ cent in WET. The wrapper does not bear a dated cancel but does have an added pencil notation of 'Aug 26/40', which was possibly added by the recipient of the periodical. This date is supported by a Customs Department Memo of August 21st, 1940, in which customs officers were informed that the "privilege" of direct payment of the WET had been granted to *Newsweek*, thus eliminating the use of stamps for this publication after August 1940.[64]

Figure 30 above illustrates a wrapper from the publication *Niue Volks-Zeitung*. The 10% WET is paid by a ⅜-cent Three Leaf excise tax stamp surcharged as ½ cent (FX111) and customs date-marked April or August 10th, 1945. The precancelled 1-cent postage stamp paid the rate for periodical publications of 4 ounces or less.[44]

Figure 31 opposite illustrates a large envelope that once enclosed an issue of *The Glass Industry*. Two cents in postage is paid by permit, representing the rate for periodicals over 4 ounces, up to 8 ounces.[44] The inset shows a combination of a 2-cent customs duty stamp (FCD7), a ½-cent Three Leaf excise tax stamp (FX60) and a red ¼-cent Three Leaf excise stamp (FX56) in payment of 2¾ cents in WET. The three revenue stamps are customs date-marked February 4th, 1941..

The large envelop in Figure 32 once held an issue of the periodical *Wire & Wire Products*. The 3-cent postage stamp, postmarked December 8th, 1944, paid the rate for periodicals over 8 ounces, up to 12 ounces.[44] The revenue stamps on the back side (as shown in the inset) are customs date-marked December 10th, 1944. The 4¾ cents of WET was paid by a pair of 2-cent customs duty stamps (FCD7) along with a ½-cent Three Leaf excise tax stamp (FX60) and a green ¼-cent stamp (FX57) from the same series.

Reference Notes

- [46] - Canada, *Treaty Series*, 1936, Treaty N° 9.
- *Canada Gazette*, 1935/36, Vol. 69, p. 1688.
- [47] - Canada, *Debates of the House of Commons*, 1940, pp. 1020-1022, 1034.
- Canada, *Statutes*, 1940, 4 Geo. VI, Chap. 41.
- [48] - Sellar, W., Letter of May 27th, 1941 to D. Sim, National Archives, RG 16, Vol. 790, File 177074.
- [49] - Canada, *Debates of the House of Commons*, 1945.
- Canada, *Statutes*, 1945, 9-10 Geo. VI, Chap. 30.
- [50] - Canada, *Debates of the House of Commons*, 1931, pp. 2172-2173, 2187.

- [51] - *Ibid.*, pp. 2596, 3877-3879, 3884-3891.
- Mears, F.C., "Free Magazine Entry in Trade Pact Attacked," *Montreal Gazette*, March 14th, 1936, pp. 1-2.
- [52] - Canada, *Statutes*, 1931, 21-22 Geo. V, Chap. 30.
- *Canada Gazette*, 1931/32, Vol. 65, p. 498.
- [53] - Blair, C.P., Customs Memo 445, August 18th, 1931, National Archives, RG 16, Vol. 1060; Customs Memo 445, Supplement 1 of August 29th, 1931, Supplement 2 of January 21st, 1932, National Archives, RG 16, Vol. 1061.
- [54] - Blair, C.P., Customs Appraisers Bulletin N° 3738 of September 1st, 1931, Supplement 1 of September 11th, 1931, Supplement 2 of September 24th, 1931, Supplement 3 of October 17th, 1931, Supplement 4 of December 14th, 1931; Bulletin N° 3844 of March 22nd, 1932; Bulletin N° 4422 of September 23rd, 1935, National Archives, RG 16, Vol. 1059.
- [55] - Canada, *The National Revenue Review*, Dec 1935, Vol. 9, N° 3, p. 7.
- [56] - Scully, H.D., Letter of July 4th, 1940, to I.D. Carson, National Archives, RG 19, Vol. 136, File 164E-114 (1941).
- [57] - Jackson, L.F., Customs Memo D50-18, August 8th, 1940; Customs Memo D50-18 revised, October 8th, 1940, National Archives, RG 16, Vol. 1038.
- [58] - Canada, *Auditor General's Report*, 1944/45, p. 18.
- Canada, Customs Memo D50-18 and Supplements from August 16th, 1940, National Archives, RG 16, Vol. 1038.
- [59] - Peterson, C.N., Circular letter of July 22nd, 1940, National Archives, RG 19, Vol. 136, File 164E-114 (1941).
- [60] - Canada, Order in Council PC 131/3404 of July 24th, 1940, DNR Library.
- *Canada Gazette*, 1940/41, Vol. 74, p. 406.
- [61] - *McGoldrick's* . . .
- [62] - Jackson, L.F., Letter of August 8th, 1940, to the American Newspaper Publishers Association, National Archives, RG 16, Vol. 890.
- [63] - Canada, Customs Memo D50-19 and thirty-two Supplements, August 17th, 1940, through August 29th, 1945, National Archives, RG 16, Vol. 1038.
- [64] - *Ibid.*, Supplement N° 1 of August 21st, 1940.

**WANTED: Office Stamp Cancellations on
the Ontario and Upper Canada Law Stamps.**

MARSHALL LIPTON
500 WASHINGTON AVE, APT 9G
KINGSTON, NY, USA 12401

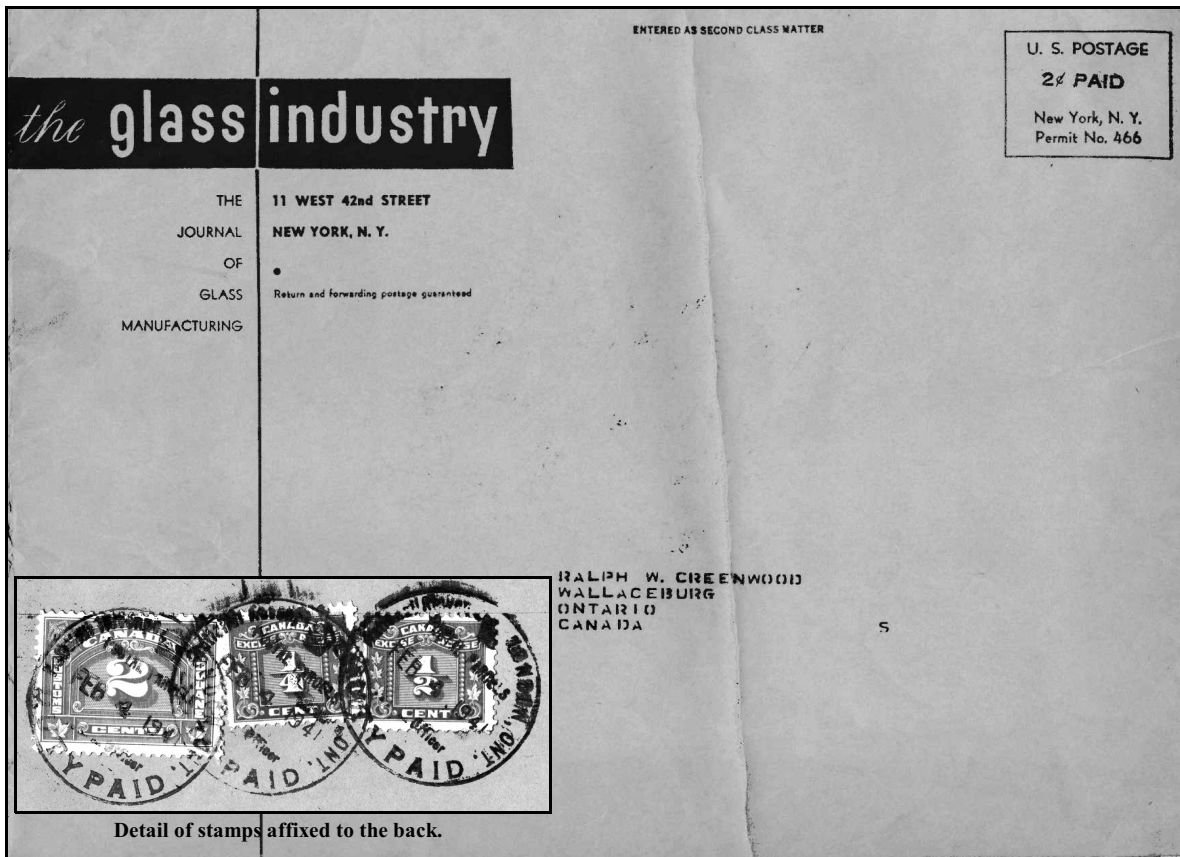


Figure 31: US cover, customs-dated Feb 4th, 1941, representing the 10% WET on periodicals in effect June (July) 1940 - Oct 1945.

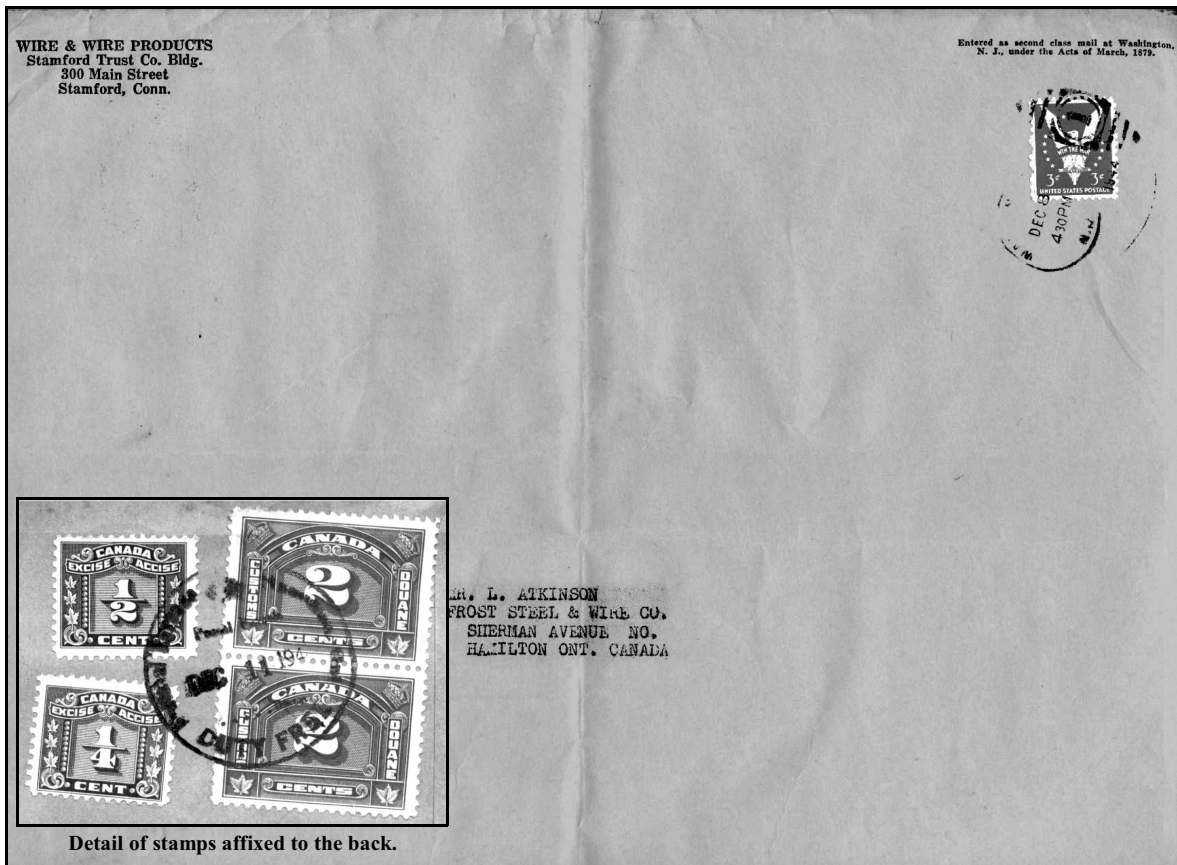


Figure 32: US cover of December 8th, 1944, representing the 10% WET on periodicals in effect June (July) 1940 - October 1945.

THE EXCISE TAX AND EXCISE DUTY ON MALT SYRUP FOR HOME-BREWING

Christopher D. Ryan

As of March 22nd, 1933, Canada imposed a manufacturers excise tax of 50¢ per pound on malt syrup, syrup-powders, extracts and all other malt products intended for the home-brewing of beer by consumers. On April 26th, 1933, the rate was reduced to 20¢ per pound.[1] (For simplicity, and in keeping with the practice of the Revenue Department, the terms ‘malt syrup’ or ‘syrup’ will be used hereafter for malt products subject to this levy and its successor.)

The excise tax on malt syrup was in addition to a pre-existing excise duty paid by manufacturers on the raw malt (germinated grain). The tax on the syrup was levied under the Special War Revenue Act (later renamed the Excise Tax Act) and did not require the use of revenue stamps. The amount payable on taxable production was based on reported sales and was remitted monthly by the manufacturer.[1, 2]

Effective July 1st, 1934, the excise tax on malt syrup for home-brewing was replaced by an excise duty, which was also collected at the manufacturers level. The rates of the duty were as follows: domestic production, 10¢ per pound; imported stocks, 16¢ per pound; stock on hand at domestic manufacturers as of July 1st, 13¢ per pound. The difference in the rates for old and new domestic production allowed for a July 1st increase in the excise duty on raw malt.[3]

The new excise duty on malt syrup was levied under the Excise Act, a statute quite separate and distinct from the Special War Revenue Act, and was payable when the goods were released for consumption from the custody of an excise officer. Under the Excise Act, producers of malt syrup were licensed as ‘bonded manufacturers’ and all aspects of

their production were under the supervision and bond of the Revenue Department. These provisions under the Excise Act for excise duties provided greater security than was available under the Special War Revenue Act for excise taxes in ensuring payment of monies to the government.[2, 3]

The excise duty on malt syrup was collected by means of revenue stamps purchased by the manufacturer or importer from the local Revenue Collector. These stamps, as illustrated in Figures 1 and 2 below, were to be affixed to containers for retail sale prior to their release from bond. No provision was made for the stamping of existing stocks held by retailers and wholesalers. All such stocks were to be sold prior to the July 1st, 1934, introduction of the duty. As of that date, only stamped, duty-paid containers of malt syrup were permitted to be sold. Unstamped stocks offered for sale by merchants were subject to seizure by revenue officers and forfeiture to the Crown. The offending merchants were subject to fines and possible imprisonment.[3, 4] (See Figure 3 opposite.)

In early June of 1934, the Revenue Department corresponded with the Canadian Bank Note Company (CBN) regarding the excise duty stamps required for malt syrup. Authorization for the preparation of plates for the approved design in denominations of 2, 2½ and 3 pounds was given on June 12th. Two days later, a die-proof of the 2½-pound stamp was sent to the Revenue Department. Initial supplies of the three denominations of stamps were delivered by CBN near the end of the month.[5]



Figure 1: Series ‘A’ malt syrup excise duty stamps as prepared by CBN and introduced in July 1934. The 1-pound stamp is as issued with serial numbers. The 2, 2½ and 3-pound stamps are taken from die proofs. (Images not to scale.)



Figure 2: Series ‘C’ malt syrup excise duty stamps as prepared by BABN beginning in 1936. The 2½-pound stamp is as issued. The 3-pound stamp is unfinished, lacking serial numbers. (Not to scale.) 1 and 2-pound stamps in this series are not known to this writer.

(The illustrations in Figures 1 and 2 are courtesy of E.S.J. van Dam.)



TORONTO PRODUCE LIMITED

Distributors of Home Brew Supplies & Accessories

1103 Yonge Street

Toronto



June 11th, 1934.

Britannia Malt Extract
in 4 Flavours

Britannia Crown Corks

Britannia Hops in
Packets

B.C. and Oregon Hops
in Bales

Demarara Sugar

Burnt Barley

Clearing
Sheet Gelatine

English Sheet Isinglass

Britannia Clearing in
Packages

Accessories

Capping Machines

Bottle Brushes

Syphons, Red or White

White Tubing

Hose Holders

Strainer Ends

Automatic Bottle Fillers

Shut Offs

Sugar Spacers

Wood Taps

Corks and Bunges

Cork Screws

Spiller's English
Dog and Bird Foods

Clay's English
Fertilizers

Pep Powder for Plants

Gentlemen:-

We are advised that the following new Government regulations in connection with the packing and sale of Beverage Malt Syrup, will be effective on July 1st, 1934:-

- All beverage malt extract must be packed, by the manufacturer, in sealed containers of 2½ or 3 pound content. To each tin will be affixed a Revenue stamp showing the amount of tax paid. (Similar to cigar and cigarette boxes).
- On and after July 1st, it will be illegal to sell or have in possession any beverage malt extract other than that packed in the above mentioned containers. The authorities intend to make a strict check up on the trade and all beverage malt extract, other than that contained in the legal package and bearing the stamp, found after July 1st will be subject to confiscation. Very stringent penalties, heavy fine or imprisonment, or both, are also provided for infraction of these regulations.

We are glad to be able to advise you now of the above, giving you, as it does, some 18 days or so to dispose of your present stocks. Should you be distributing malt to other merchants, we suggest that you, in turn, advise them of these proposed new regulations.

We are not permitted to take back unsold stocks of unstamped stocks and no provisions are made to affix stamps to sealed cans already in possession of the trade. It is just a matter of clearing off all existing stocks by July 1st and starting afresh on that date with the new legal package.

Yours very truly,
TORONTO PRODUCE LIMITED
H. S. Rainthorpe,
President.

P.S. Owing to an expected demand for Malt, for date above referred to, which cannot be supplied before, we are enclosing order post card for your convenience, as orders will be filled according to order of receipt.

Figure 3: Circular letter of June 11th, 1934, from Toronto Produce Ltd. regarding the treatment of retail stocks on hand at the introduction of the excise duty on malt syrup and similar products intended for home-brewing. The upper corners of the letterhead show cans of malt extract to which duty-stamps were to be affixed as of July 1st, 1934.

On the 27th a printing order was placed with CBN for a 1-pound malt syrup stamp. Due to the very short time available, a provisional 1-pound stamp was prepared by overprinting 20,000 of the 2½-pound value. A letter of June 28th, 1934, from CBN (Figure 4 on next page) described the provisional as having the inscription '1 pound' printed by typography in the space intended for the serial number. The old denomination of '2½ pounds' was obscured in an unspecified manner and the serial number was omitted. A manuscript notation on the letter suggests that the provisional 1-pound stamp was received by the Revenue Department on June 29th. [6]

A die-proof of the regular 1-pound stamp was approved by the Department on June 27th. CBN anticipated that it would deliver an

initial supply of the regular stamp by July 12th. [6]

Figure 1 illustrates the Series 'A' malt syrup excise duty stamps as produced by CBN and introduced in July of 1934. No examples of the 1-pound provisional stamp are known to this writer. In the absence of known provisionals and given the existence of 2½-pound stamps without serial numbers, any supposed provisionals that may appear in the future must be treated with caution.

On April 1st, 1935, the contract for Revenue Department stamps was transferred from CBN to the British American Bank Note Company (BABN). [7] This resulted in the introduction over time of the Series 'C' malt-syrup stamps illustrated in Figure 2. The 2½-pound stamp was prepared in April 1936. [8] The 3-pound stamp was in production by



CANADIAN BANK NOTE COMPANY, LIMITED.

HEAD OFFICE AND WORKS
224 WELLINGTON STREET, OTTAWA.
P.O. BOX 737
BRANCHES - MONTREAL AND TORONTO.

JOSE A. MACHADO
PRESIDENT
PHILIP B. TOLLER
VICE-PRESIDENT & TREASURER
PERCY J. WOOD
VICE-PRESIDENT
CHARLES J. MILLS
SECRETARY

OTTAWA, June 28th, 1934.

Letter No.
Records 254881

JUN 28 1934

CUSTOMS-EXCISE

File No.
181357

The Commissioner of Excise,
Department of National Revenue,
O t t a w a.

Dear Sir: ATTENTION - Mr. P. L. Smyth

We acknowledge receipt of your Order #11865 dated June 27th, calling for delivery of 20,000 - 1 pound Malt Syrup Stamps it being understood that we are to use the 2 1/2 pound stamps by over-printing on the denominational panel and type printing 1 pound in the serial number panel. It is further understood that inasmuch as these stamps will be used as a temporary measure it will be satisfactory to forgo the regular serial numbers.

H
New York

Arrangements have been made to hasten the work and we will deliver the over-printed 1 pound stamps to the Department on the morning of the 30th instant.

In accordance with your verbal instructions, we are also proceeding with the engraving of a new plate for the regular 1 pound stamps as per die proof approved by you on June 27th, duplicate of which we enclose herewith for your records. Will you kindly send us an official order authorizing the quantity of these stamps to be printed and for your information we are hoping to be able to deliver some of the regular stamps by July 12th.

Yours very truly,

Vice-President.

PBT/M

Figure 4: Letter of June 28th, 1934, from CBN regarding production of the provisional and regular 1-pound syrup stamps.

March 1938.[9] No examples of 1 and 2-pound stamps in this series are known to this writer and documents show that none were produced by February of 1939.[10] The 1935 contract with BABN indicates that the annual requirement for each of the 1 and 2-pound stamps was one-tenth that of the 2½-pound stamp and one-fifth that of the 3-pound. Thus, given an unknown, but potentially large, stock of Series 'A' on hand, the 1 and 2-pound stamps in Series 'C' may not have appeared until much later, if at all.[7]

The excise duty on malt syrup for home-brewing was revoked as of October 1st, 1948. This revocation was accompanied by the transfer of the collection of the duty on raw malt from its point of production to its point of entry into breweries. The changes were designed to reduce the expenses of the Revenue Department since large quantities of malt and malt syrup were used in food and other products for which the duty on malt was refunded and the duty on malt syrup did not apply.[11]

Reference Notes

- [1] - Canada, *Debates of the House of Commons*, 1933, pp. 3225, 3235-3236, 4260, 4316-4317.
- Canada, *Statutes*, 1932-33, 23-24 Geo. V, Chapter 50.

- [2] - Canada, *Revised Statutes*, 1927, Chapters 60 and 179.
- [3] - Canada, *Debates of the House of Commons*, 1934, pp. 2292, 2296, 3497-3501, 3628, 3633, 3635.
- Canada, *Statutes*, 1934, 24-25 Geo. V, Chapters 42 and 52.
- [4] - Toronto Produce Ltd., Circular letter of June 11th, 1934, to customers regarding the introduction of the excise duty on malt syrup. (Held by the Author.)
- [5] - Smyth, P.L., Letter of June 8th, 1934, to P.J. Wood of CBN, National Archives of Canada, Records of the Department of National Revenue, RG 16, Vol. 790, File 181357.
- Wood, P.J., Letters of June 7th, 11th, and 14th, 1934, to P.L. Smyth of the Dept. of National Revenue, National Archives, RG 16, Vol. 790, File 181357.
- [6] - Toller, P.B., Letter of June 28th, 1934, to P.L. Smyth, National Archives, RG 16, Vol. 790, File 181357. (Reproduced in Figure 4.)
- [7] - Contract of March 7th, 1935, between BABN and the Government of Canada, effective April 1st, National Archives, Records of the Department of Finance, RG 19, Vol. 555, File 150-5 (1934).
- [8] - Cowan, C.G., Letter of April 17th, 1936, to P.L. Smyth, National Archives, RG 16, Vol. 1058, File 191207.
- [9] - *Ibid.*, Letter of March 23rd, 1938.
- [10] - BABN, Cowan, K.A., Letter of February 17th, 1939, and cover-letter of Feb 21st, 1939, to P.L. Smyth, National Archives, RG 16, Vol. 1058, File 191207.
- [11] - Canada, *Debates of the House of Commons*, 1948, pp. 3575, 4740-4742.
- Canada, *Statutes*, 1948, 11-12 Geo. VI, Chapter 49. §