



CANADIAN REVENUE NEWSLETTER

A Publication of the Canadian Revenue Study Group of BNAPS

April 1998

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Number 21

**It is with great sadness that
we report that Bill Rockett
passed away on April 26th.**

MEMBERSHIP NOTES

New Members:

- ☛ Gordon Brooks, Montréal, Québec
- ☛ T. Malcolm Jones, Oxon, United Kingdom

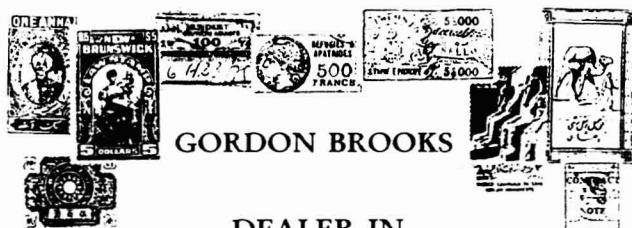
Resigned:

- ☛ Paul Prévost, St-Hippolyte, Québec

Deceased:

- ☛ Alfred P. Cook, Ithaca, New York

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☛ **Jim A. Hennok Auctions**, 185 Queen Street E., Toronto Ontario, Canada N5A 1S2

☛ **Robert Lee**, 203 — 1139 Sutherland Avenue, Kelowna B.C., Canada V1Y 5Y2

☛ **E.S.J. van Dam Ltd.**, P.O. Box 300, Bridgenorth Ontario, Canada K0L 1H0

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

**E.S.J. van Dam Ltd. announces the release of its
van Dam's Revenews #109 and its
March 1998 Canadian Revenue Stamp and
Telephone & Telegraph Frank price list.**

Revenews #109 is loaded with new and interesting material, including a unique reverse die-proof block of the **1918 United Empire Loyalists** vignette whose design was eventually used for Canada's first two semi-official air mail stamps. Also available are the rare **CL52a inverted overprint**, a superb copy of the rare **Saskatchewan SL1a**, the new **Halifax law library stamp**, a spectacular **Match Tax** collection, **British Columbia hunting and fishing licences and stamps**, a fabulous selection of Canadian **semi-official air mail covers** (including a rare Moose Jaw cover), beautifully engraved **large Tobacco Stamps** from the **1872, 1883 & 1890** series, an assortment of **revenue documents** (promissory notes, weights & measures, war tax payments, etc.) and **rare and unusual revenue stamps and proofs** (malt syrup, liquor, 1-pack playing card strip of 5, etc.)

The 26-page Canadian Revenue Stamp and Telephone & Telegraph Frank price list is the most complete price list published by us since we first started in the revenue stamp business in 1970. A very generous discount schedule provides for discounts of up to 25% for large purchases. Included in the list is a page of net priced lots of stamps and documents.

Copies of Revenews #109 and the March 1998 Canadian Revenue Stamp and Telephone & Telegraph Frank price list are available **free** to readers of the *Canadian Revenue Newsletter*.

P.O. Box 300, Bridgenorth, Ontario, Canada, K0L 1H0
website: www.esjvandam.com e-mail: esvandam@esjvandam.com

FOUR UNLISTED VARIETIES



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Dave Hannay has submitted colour photocopies of two items from his collection. The first item, a portion of which is illustrated above, is a top margin block of twenty of van Dam's FX31 with the inscription "T-5 OTTAWA N° A 3 1161-N" and, more significantly, a break in the "t" of "cent" in the seventh position. Is this break a constant plate variety or a unique printing flaw? Readers are asked to check their collections for other examples of this stamp.

Hannay's second item, illustrated at right, is a variety of van Dam's SL43 with an imperforate top-margin. Has anyone seen other examples of this variety? Or is this particular item the sole surviving stamp from what may have been a single strip of ten.

Gordon Brooks has submitted an enlarged colour photocopy of a faint partial double overprint "Honoraires/Fees" overprint variety of van Dam's QL74, the 20¢ Law Stamp. Due to the faintness of the second impression, the stamp is not illustrated. Instead the entire overprint is recreated below with the outline text representing the partial second overprint:

HONORAIRES
HO FEES
FE

The first impression of the overprint is heavily inked, much more so than is commonly found with these stamps.

Brooks has also reported that he has a watermarked copy of van Dam's FB39, the 2¢ orange Third Issue Bill Stamp.

Readers are encouraged to check their collections for these varieties and the items reported in previous issues of the *Newsletter* so that relative scarcities may be approximated. In addition, reports of other new varieties are always welcome. — C.D.R.

OFFICERS OF THE REVENUE STUDY GROUP

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Fritz Angst, W2200 First National Bank Building, 332 Minnesota Street, St. Paul, Minnesota, U.S.A., 55101.

Newsletter Editor:

Chris Ryan, 569 Jane Street, Toronto, Ontario, Canada, M6S 4A3.



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A research project requires photocopies of Documents bearing

First Issue Alberta Law Stamps.

Please send to John Gaudio at:

P.O. Box 280828, Lakewood, CO, USA, 80228

FIRST ALBERTA LAW ISSUE

Specialized collector has many to exchange or sell and is interested in purchasing.

Contact: John J. Gaudio

P.O. Box 280828, Lakewood, CO, U.S.A., 80228

UNUSUAL EXAMPLES OF THE EXCISE TAX ON COMMERCIAL PAPER

— Part 1 —

Christopher D. Ryan

This piece begins a series which will illustrate a number of unusual examples of the excise tax on commercial paper. The term "commercial paper" refers to cheques, bills of exchange, promissory notes and other related documents which serve as a medium of exchange.

Illustrated below are two 1947 cheques as written by a Gladys Whalen on the Keene, Ontario, branch of the Bank of Toronto. Keene is a village located just southeast of Peterborough, near the north shore of Rice Lake.

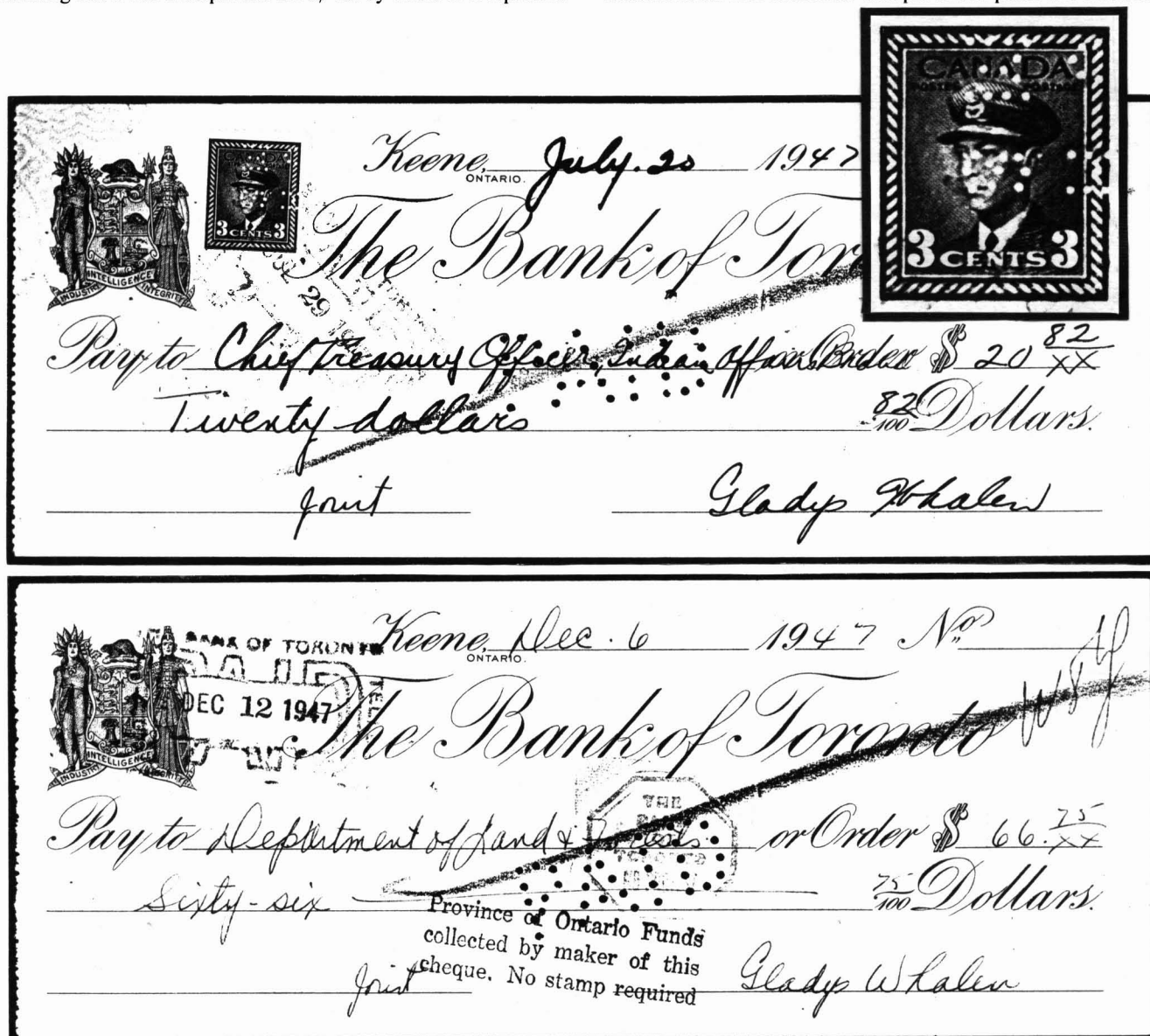
The first cheque is payable to the "Chief Treasury Officer, Indian Affairs Branch" of the federal Department of Mines and Resources and bears a "four-hole" O.H.M.S. perforated postage stamp (see inset) in payment of the 3¢ tax. The stamp is tied by a light bank-cancel.

The second cheque is payable to the Ontario Department of Lands and Forests. This document bears a special rubberstamped mark indicating that it was exempt from the 3¢ tax by virtue of it represent-

ing provincial funds collected by its maker.

This writer has been unable to find any information about Gladys Whalen. It appears from these cheques that she had been employed by either or both of the federal and/or provincial governments and, as part of her duties, collected fees on their behalf. The nature of such fees may be surmised from the Departments involved and from Keene's close proximity to both Rice Lake and the Hiawatha First Nations Reservation.

Rice Lake, as part of the picturesque Trent-Severn Waterway linking Lake Ontario with Georgian Bay on Lake Huron, is a major attraction for cottagers as well as recreational boaters and fishers. Contemporary *Public Accounts* describe the provincial lands department as responsible for the collection of monies due for water leases, timber cutting, crown land leases and occupation licences, aerial surveys, forest ranging, reforestation materials as well as rentals and miscellaneous fees connected with provincial parks and beaches.



Cheques are 80% of actual size, inset of stamp is 200%.

FROM THE FILES OF REVENUE CANADA: NOTES ON THE LIQUOR STAMPS

— Part 1 —

Christopher D. Ryan



Through a request made under the federal Access to Information Act, the author has been able to obtain a number of documents concerning the recent history of the federal liquor stamps which were once applied to whisky bottled in bond. The documents date as far back as 1974 and reveal interesting details of the production and use of these stamps. This information will be presented in a periodic article of which this is the first part.

The first revelation of the documents is the use of lithographed liquor stamps (in place of the usual steel-engraved version) during the last quarter of 1977 and the first half of 1978. A memo of circa December 1977 from D.E. MacKay, Chief of the Material Management Division, to W. Horner, Chief of Excise Duty Operations, provided as follows.

*Further to our telephone conversation of December 20, 1977 I have confirmed by telephone with the Department of Supply and Services, Miss Lunney and with the contractor, The British American Bank Note, Mr. K. Sargent that we wish to continue the policy of having Lithographed Spirit Age Labels supplied to March 31, 1978 for our use in the second quarter of 1978 (April 1 - July 31). * You and I have agreed verbally, that the price of \$1.90 per M will continue as the established price for the sale of these spirit age labels during the second quarter.*

As highlighted by yourself this will give all distillers an appropriate time to evaluate the capability of spirit age labels in a lithographed form. I would therefore appreciate that you communicate with the Distillers to receive their comments i.e. acceptance. It should be mentioned that we have requested of the British American Bank Note to identify all shipments by means of a card inserted into each carton stating that these are lithographed spirit age labels instead of steel engraved. As discussed, we have taken this action for two basic reasons:

- 1. to permit sufficient time to do a proper evaluation of the labels.*
- 2. to eliminate any unforeseen problems that may develop with the arbitration [sic] negotiations currently taking place between the union and management of The British American Bank Note (while they may have agreed to automatic arbitration [sic] they can still elect to strike at some future time.)*

Consequent upon this memo the following letter of January 9th, 1978, was sent to all licensed distillers.

Last Fall, circumstances at the British American Bank Note Company interfered with the normal supply of steel engraved spirit age labels. To ensure that a supply of age labels would be available, arrangements were made to have them produced by the lithographic process. The steel engraved label will again be available later in the year.

In the meantime, we are interested in obtaining an evaluation of the use of the lithographed spirit age labels. Your comments pertaining to any advantages and disadvantages, operationally or in appearance, are invited. We understand that the British American

Bank Note Company has identified all shipments of such labels by means of a card inserted into each carton.

In response to the January 9th letter, two distillers (whose identities were deleted by the Access to Information Officer) wrote on January 16th as follows.

Letter ①: *We have been experiencing serious problems in the last two to three months with our age labels in the "pick-up" mechanism in our automatic stamp machines.*

The operator "fans" each bundle of stamps before they are placed in the machine. This works very well for each end of the bundle, but there is approximately 1½" in the centre of the stamp where each stamp adheres to the one under it. This causes us serious problems in missing stamps, etc., and in production downtime.

We have also experienced misaligned cutting more frequently than in the past.

The appearance of the lithographed labels appears to be on a par with the steel engraved labels.

Letter ②: *We are in receipt of your letter of January 9, 1978 requesting our appraisal of a recent and temporary change in the method of printing spirit age labels.*

Perhaps the best means of indicating our satisfaction with the lithographic process is to state that we were not aware of the changeover. A survey of the individuals who handle the stamps on a day to day basis revealed that no visual change in the appearance was noted.

We do wish to state that the problem of inconsistent cut remains with us. We doubt that the variations we experience in width and which cause some malfunctions of application machinery is relevant to the question at hand but mention it in the event it does have some bearing.

A third, undated response read as follows.

In reference to your letter of January 9, 1978 concerning the use of lithographed age stamps, we preferred the steel engraved process. Firstly the engraving helps to breakdown the paper fiber slightly. Once the stamp has been pressed over the bottle cap, it has less memory and therefore less desire to spring open after application.

Secondly the appearance of the engraved stamp is superior.

The references in the above correspondence to misaligned cutting of the stamps originate from the practice of the bank note companies of delivering the stamps cut individually rather than in the form of sheets or rolls. An August 27th, 1980, official acknowledgement by BABN of an order received from Revenue Canada specified that the liquor stamps were "to be cut singly and banded in lots of 1,000 labels with the low number on top and put up in parcels of 10,000 labels in upright form so that the lowest number will be at the labelled end of each parcel." Unfortunately, available Revenue Canada documents do not indicate when this mode of packaging the stamps first came into

use.

Given that the date on a liquor stamp does not represent the year in which it was used but rather the year in which the contents were manufactured, a range of dated stamps should exist in a lithographed version. In view of Canadian aging practices for whisky the most likely dates for the lithographed stamps are 1965 through 1975.

What remains to be found is some easy and secure means of identifying the lithographs which should bear the signature of J.P. Connell, Deputy Minister of National Revenue for Customs and Excise from October 1975 through April 1982. As he is not an active collector of the liquor stamps, the author's collection holds few stamps from the period of interest. One item, dated 1974, possesses the flat texture that is characteristic of lithographed stamps and seems to be of a lighter shade of orange than other stamps from the same period. However, the quantity of stamps examined is far too small to arrive at a definite conclusion.

NOTE

* Beginning in 1976 or 1977, Revenue Canada made quarterly purchases of the liquor stamps from the bank note company. The quantities so purchased were based on requisitions submitted by distillers at least three months in advance of the first day of the quarter in which the stamps were to be delivered to the distillers. The earliest mention of this procedure (that is known to the author) occurs in Excise Circular ED 203-73 of April 7th, 1977. However, this version of ED 203-73 does not highlight the procedure as an amendment to the previous edition of the circular, dated June 28th, 1976. By 1977, it was the practice of Revenue Canada to specifically bring any amendments to the attention of those concerned. This suggests that the quarterly scheme may have been initiated by the June 28th, 1976, circular, a document which has not yet been seen by the author. This possibility is supported by a June 16th, 1976, edition of ED 203-73, as received from Revenue Canada, which makes no mention of the quarterly scheme and is rubber-stamped as being superseded by the June 28th circular.

A FEW QUEBEC LAW STAMP METERS

Brian H. Peters



Figure 1.

I do not have much information on these items, but I will give you what data I do have as based on items in my collection.

BILINGUAL -

Montreal Superior Court - Province de/of Quebec,

- serial number 149033 (see Figure 1),
- dated "26 VIII '58" in brown;

Soulanges Registry Office - Province de/of Quebec,

- serial number LM1185 (not illustrated),
- dated "JUN 27 '77" to "AUG 26 '77",
- in red on faint Pitney-Bowes security tape,
- some copies have an attached top "blue" strip;

Temiscouata Registry Office - Province de/of Quebec,

- serial number LM1157 (see Figure 2),
- dated "APR 11 '80" to "APR 16 '80",
- in red on faint Pitney-Bowes security tape;

Temiscouata Registry Office - Province de/of Quebec,

- serial number LM1123 (see Figure 2),
- dated "JUL -3 '80" to "NOV -6 '80",
- in red on faint Pitney-Bowes security tape;

FRENCH ONLY -

Temiscouata Bureau d'Enregistrement - Province de Quebec,

- poorly centred on Pitney-Bowes security tape so serial number is missing (see Figure 3),
- dated "-1 XII '81" to "10 XII '81" in red.

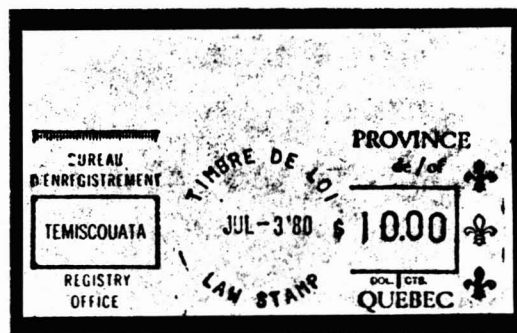


Figure 2.



Figure 3.

AIRPORT IMPROVEMENT FEES

Christopher D. Ryan

Listed below are local Airport Authorities known to have imposed a departure charge at their terminals. The charges are officially called "Airport Improvement Fees" (AIFs) after the purpose to which the funds are directed.

	Date Imposed	Fee(s) Charged	Tickets Used?
Calgary, AB	01 Oct 1997	\$5	No
Edmonton, AB	12 Apr 1997	\$5/\$10	Yes
Montreal (Dorval), QC	01 Nov 1997	\$10	Yes
Thunder Bay, ON	21 Mar 1998	\$10	Yes
Vancouver, BC	01 May 1993	\$5/\$10/\$15	Yes

The local Authorities operate the publicly-owned airports on behalf of the federal government and have been granted the right to levy the AIFs as part of their agreements with the government. As such, the AIFs are considered by the general public to be taxes, in spite of protestations to the contrary by the Authorities. This writer agrees with the view that AIFs are a form of taxation. Thus, the tickets issued by the Authorities to collect the fees are considered by him to be non-adhesive revenues along the lines of the provincial amusement tax-tickets.

Illustrated at right and below are the various AIF tickets currently in use across Canada. These tickets are divided into two parts by roulettes, with the right-hand portion being removed by airport staff as the ticket-holder passes through the security checkpoint. The tickets are serially numbered, usually on the back.



Figure 1: A current Montreal AIF ticket, serially numbered in red on its reverse. The green background design shows part of the terminal building.



Figure 2: A current, machine-generated Edmonton AIF ticket, serially numbered in yellow on the reverse. The reddish-violet and blue background design shows construction plans at left and clouds at right. The horizontal stripe along the lower part of the coupon is red.

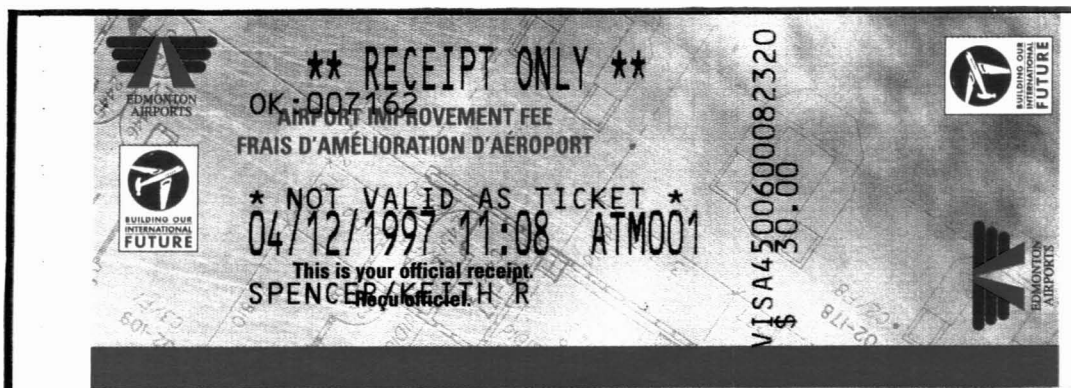


Figure 3: A machine-generated receipt for the charge-card purchase of Edmonton AIF tickets. Note that the coupon is the same as is used for the tickets. Thus, the serial numbers on the reverse of the receipts form part of the same sequence as the tickets.

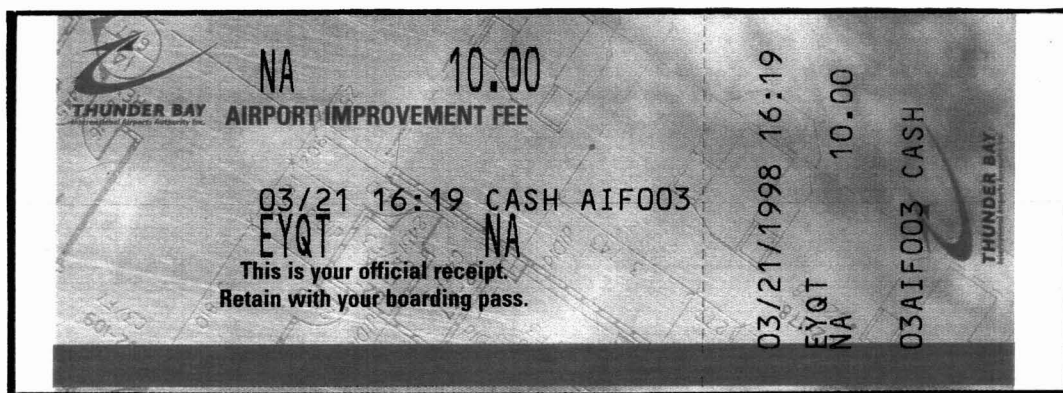


Figure 4: A current Thunder Bay AIF ticket as sold at the airport terminal, serially numbered in red on the reverse. The violet and blue background design shows the same construction plans and clouds as are found on the Edmonton tickets. The horizontal stripe is blue.



Figure 5: A current Thunder Bay AIF ticket as sold by travel agents in the city, serially numbered in red. Unlike the typical, machine-generated tickets, this item has colour printing (violet and turquoise) on a white coupon.

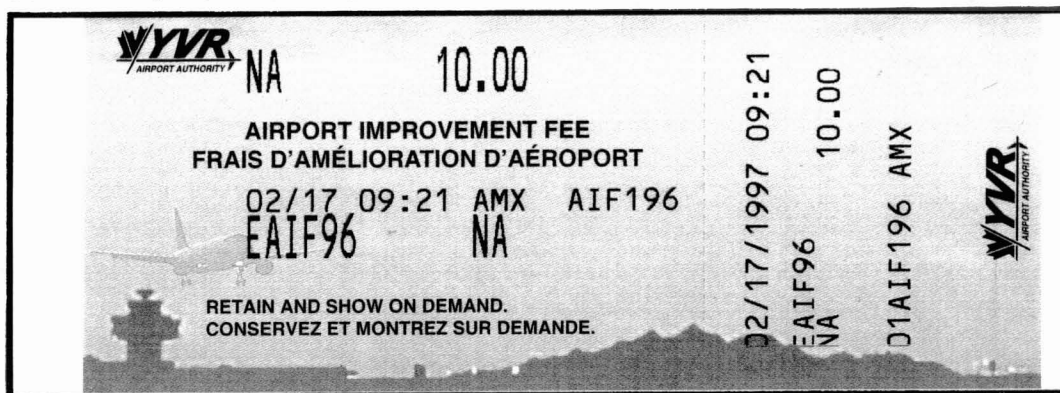


Figure 6: A current Vancouver AIF ticket, serially numbered in red on the reverse. The yellow and brown background design shows mountains, a control-tower and a departing airplane. For more information on the Vancouver AIF see *CRN* №16, March 1997. (Note: Vancouver used several other designs of tickets prior to the introduction of the design shown here.)

**WANTED – "Savings Stamps,"
Canada & Newfoundland.**

I am looking for savings stamps, savings cards, advertising, instructions, rules *etc.* of any type or akin to, in any time period on the above named subject. These are not revenue stamps, but cover a closely related collecting area. Some examples are Hamilton Savings, La Caisse Populaire, Thomas Cook, Newfoundland Savings Bank and Scotia Bank, to name only a few.

I am *always looking to buy, sell, trade or discuss any of these items* and welcome hearing from anyone.

Brian H. Peters (BNAPS #L4274)
R.R. #3, Conn, Ontario, Canada, N0G 1N0
(519) 323-9361

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requests. Catalogue numbers are from *The Canadian Revenue Stamp Catalogue* by E.S.J. van Dam.

April 1998