



CANADIAN REVENUE NEWSLETTER

A Publication of the Canadian Revenue Study Group of BNAPS

May 1999

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Number 26

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The Revenue Study Group would like to thank the following members for their recent donations in support of the *Newsletter*:

Alice Rosborough, William F. Ross and Robert M. Terry.

MEMBERSHIP NOTES

New Members:

☛ William F. Ross, Victoria, British Columbia

☛ Raymond Russo, Laval, Québec

☛ David Symons, Coquitlam, British Columbia

ONLY TWO RESPONSES TO THE SURVEY OF REVENUES USED FOR POSTAGE HAVE BEEN RECEIVED.



WANTED:



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

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

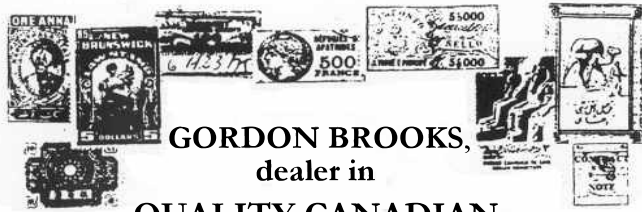
Hunting and Fishing Revenues

Avid collector of Canadian provincial hunting and fishing revenue stamps of Alberta (1964-1997), Manitoba (1972-1991), Saskatchewan (1987-1997), NWT (1978-1982), BC (1986-1997) and Ontario (?-1997).

I will buy, sell and trade these stamps.

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DALE STOVER, 2320 KINGSBURY DRIVE
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TOBACCO COMPANY CANCELLATION DATING CODES

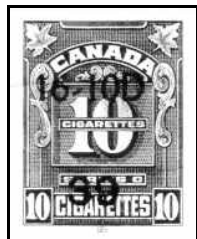
— Part 5 —

John B. Harper

The Coded Cigarette Cancellations of L.O. Grothe, "16-10D" (1939-44)

L.O. Grothe had been manufacturing tobacco products in Montreal since the early 1900's, the plant first appearing with an "Inland Revenue" domestic (green) license as the *Larue Tobacco Company*, "23-17", in the Official List of 1904. Subsequently they were called the *Grothe Tobacco Factory* in the Official List of 1914. (cf. Chris Ryan, *CRNN* 13, August 1996). Their early "Customs and Excise" cancellations, beginning in November 1921, were applied by a roller as multiples of "16-10-D". With successive Federal Budgets the colour, or the format, of this cancellation appears to have been varied to identify new production.

Designated as "L.O. Grothe, Ltd." in the Official Lists of 1935 and 1942, their first listed code dated cigarette cancellations occur on the ten cigarette, C-366, and on the twenty-five cigarette, C-378, in the third week of 1939. At this time they were using a weekly two, or three, digit dating code, in which the first number (or numbers) provided the week of the year, and the last digit gave the year. See examples given below.



C-366
16-10D

39

third week (January) of 1939



C-366
16-10D

369

thirty-sixth week (August) of 1939

In 1940 they switched to the use of a monthly two, or three, digit dating code with the first number (or numbers) providing the month, and the final digit (or digits) giving the year. In January, as is illustrated below, the code read "1-40" but by March 1940 they had settled for "30".



C-373
16-10D

1-40

January 1940



C-371
16-10D

30

March 1940

This monthly cancellation format remained unchanged from 1940 through 1944, with the final code dated example, "16-10D / 24", occurring on the BABN "8c." red Gothic overprinted twenty cigarette, C-602, in February 1944. As oddities in their cancellation sequence, between July 1943 and January 1944, the regular three letter *Imperial Tobacco* cancellation code was used on the twenty cigarette, C-371, (this has not been found on their other denominations).

The third illustration below is the last stamp in the collection cancelled by (or for) L.O. Grothe. Did they simply cease code cancelling their production in February 1944, or did Imperial Tobacco (their parent company) assume their production of cigarettes?



C-602

AOC

16-10D

July 1943



C-602

APA

16-10D

January 1944



C-602

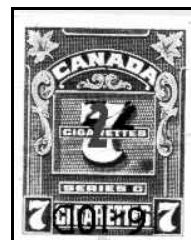
16-10D

24

February 1944

NOTES :

① The 1942 L.O. Grothe compressed Gothic orange-red company surcharges, C-495, C-496 and C-503 illustrated below follow the same cancellation format as was used by the company on their other stamps. The stamps with this style of surcharge are usually coded "16-10D / 72, or 82" for July / August 1942, although one copy of C-503 is coded "16-10D / 92" from September. Fritz Angst has a copy of the unlisted compressed "5" overprint on 22 cigarettes, Brandom C-497 (?), which was shown at BNAPEX Orlando '98.



C-495- "2" on 7 cigarettes

16-10D

72

July 1942

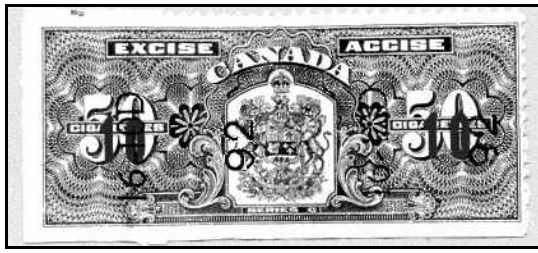


C-496- "4" on 20 cigarettes

16-10D

82

August 1942



C-503-“10” on 50 cigarettes

16-10D

92

September 1942

② The L.O. Grothe deep blue re-surcharges, C-628 to C-633, from March 1943, collected by me to date are not code-dated, as was the usual practice for Imperial Tobacco’s 1943 re-surcharges. The copy of C-630 is pencil inscribed “Grads” on the reverse side.



C-630 - “8c./ 4c.”
on 18 cigarettes
(March 1943)



C-631, “8c./ 4c.”
on 20 cigarettes
(March 1943)



C-632 - “10c./ 5c.”
on 22 cigarettes
(March 1943)

③ My main collection is missing both the seven cigarette C-628, and the twenty-five cigarette C-633 - any offers on a duplicate copy of either stamp will be greatly appreciated.

**Please check your collection of
1934 New Brunswick Probate Stamps
(perforated or rouletted)
and report any varieties not listed
by Fritz Angst. (See page eight.)**

**MOVED? MOVING?
Address Changes Sent To BNAPS
Are Not Forwarded To The
Study Groups.
Please Send Your New Address
To The Editor.
Otherwise, Your Newsletters
Will Be Delayed.**

PRIVATE PERFIN ON CANADIAN REVENUES

— Addendum —

David G. Hannay

The November 1998 issue of the *Canadian Revenue Newsletter* (Nº24) included survey information regarding Canadian revenue stamps with private perforated initials. Readers were invited to review their collections, checking for any unreported company patterns, stamp issues or perfin positions. To date the following additions to the list have been “discovered.”

Previously Unreported Pattern:

OSLER, HAMMOND & NANTON

- “OHN” in one line.

Perfin	Stamp	Position
O 11	FWT 9	2

Previously Unreported Stamps:

Perfin	Stamp	Position
G 1	FX 12	2
O 5	FX 41	4
W 7	FX 67	3

Previously Unreported Positions:

Perfin	Stamp	Position
C 24	FX 64	5, 8
C 58	FCD 8	3
C 62	FCD 6	6
E 1	FX 36	4
G 6	FX 39	4
G 17	FX 64	6
G 19	FWT 7	8
G 21	FWT 13	4
G 21	FX 3	4
G 23	FWT 8	4
N 16	FWT 8	6

The writer appreciates the input from **Russ Deveau, Neil Dowsley, Bruce Holmes and Edward Zaluski**. Please continue to examine your revenue perfins and advise me at **32 Aberdeen Road South, Cambridge, ON N1S 2X4** or by E-mail dhannay@sympatico.ca if you can add to the list.

AN ADDITION TO ANGST’S LISTING OF THE 1934 NEW BRUNSWICK PROBATE STAMPS

Back in *CRN* Nº 11 of March 1996, **Fritz Angst** reported his discovery of two dies for the 1934 New Brunswick Probate stamps. Angst noted that, while there are numerous differences between the two dies, the most readily identifiable variation can be found in the loop at the left end of the horizontal bar connecting the two floral decorations at the bottom of the stamp. In **DIE I** this loop is clear and unbroken (the “no-notch” variety), while in **DIE II** there is an extension of one or more of the lines that make up the horizontal bar into the loop, thereby creating a “notch.” Angst’s illustrations of the dies and a listing of the stamps identified by him are reproduced on page 8 of the present issue.

Illustrated below is an item submitted by member **Edward Zaluski** that is not listed by Angst. It is an variety of the \$20 denomination which may be described using Angst’s format as:

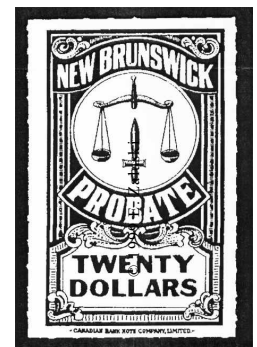
\$20 - NBP 26 (rouletted)

White paper, short inscription + graphics, PVA gum -

Die II



Enlargement showing the “notch” that is characteristic of Die II.



(reduced)

— C.D.R.

THE STORY OF THE NINE-HOLE PUNCH CANCEL

— Part 2 —

THE RETAIL PURCHASE TAX OF 1942-1949

Christopher D. Ryan

From stamped documents known to this writer, it appears that the nine-hole punch cancel (Figure 1) was rediscovered by Revenue Department officials some time in the early 1940s and put back into limited use. This event may have been connected to the June 24th, 1942, imposition of the Retail Purchase Tax (RPT), a tax which greatly resembled the 1920 Excise Luxury Tax described in Part 1 of this article.[1] (See *CRN* N° 20 of February 1998.)

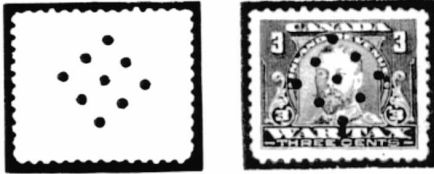


Figure 1.

In its initial form the RPT mimicked the old Luxury Tax not only in its application to “luxury” items but also in that regulations required the affixing of excise tax stamps to the sales slips or invoices given to retail customers.[2] An amendment to the legislation effective July 14th, 1942, officially did away with individually stamped sales slips in favour of a daily recapitulations of sales to which retailers were to affix and cancel the excise tax stamps.[1, 3] However, documents seen by this writer indicate that compliance with the new procedures was less than complete as some retailers simply stamped and retained duplicate copies of their sales slips. Jewellers and jewellery departments of large stores were permitted, at the discretion of the Revenue Department, to pay the RPT weekly in cash rather than use stamps. Chain stores were also permitted to make a single periodic payment, daily in stamps or weekly in cash, at their central office, covering the accumulated tax for all of their outlets.[4]

The sales records held by retailers were subject to periodic audits by the Revenue Department. With respect to the collection of any unpaid RPT, instructions given to the Auditors provided as follows.

Whenever possible, excise [tax] stamps in the amount of the arrears should be affixed in the presence of the Auditor, and cancelled . . .

If, for any reason, it is not possible to have the required stamps affixed at the conclusion of the audit, the Auditor should endeavour to obtain from the Retailer or Vendor subject to audit a certified cheque in the amount of the assessment. If this is not possible, definite arrangement regarding the payment of [the] assessment should be made and reported upon. Cheques received by Auditors must be immediately passed to the Collector.[5]

Other instructions, in effect since 1930, specified the procedure to be followed by the local Revenue Collectors when in receipt of the cheques mentioned above.

When a cheque in payment of assessment by an Excise Tax Auditor is received in your office, Excise Tax stamps of sufficient value are to be purchased and a separate entry passed, which entry is to show the name of the firm or company as well as the denominations of the stamps purchased.

A letter prepared by the Collector, to which the Excise stamps thus purchased are affixed and cancelled, is to be sent by registered mail to the firm or company making the remittance. This letter is to state clearly the Audit Report number, period covered by the audit,

denominations of stamps affixed and the entry number under which the payment was passed and credited to the Excise Tax Stamp Revenue.[6]

Letters bearing excise tax stamps were not sent to retailers who had been granted permission to make weekly cash payments of the RPT.[7]

The above procedures to be followed by the local Revenue Collectors remained in effect until 1947. As of March 1st of that year Collectors were no longer “*required to furnish stamps for the amount of assessments*” made by audit. In place of the letter, taxpayers were to receive a receipted copy of the excise tax entry.[8]

The documents illustrated in Figures 2 and 3 were issued in July of 1944 and 1943 by the Revenue Collectors at Toronto and Edmonton, respectively, following the instructions described above and covering payments of RPT assessed by audit. The excise tax stamps affixed to these documents were cancelled by the respective Collector using the nine-hole punch. A similar document, issued by the Calgary office in January of 1947, is known to this writer but is not illustrated here.

Evidence for the official reintroduction of the nine-hole punch cancel at the Toronto office in the early 1940s is provided by the document in Figure 4. This letter of September 21st, 1939, is of the same type as those given in Figures 2 and 3, but was issued by the Toronto Revenue Collector for an assessment of the federal stamp tax on the transfer of stocks and bonds. In this case the excise tax stamps were cancelled by a rubber stamp rather than by the nine-hole punch. This writer’s collection also contains a similar letter from the Toronto Collector dated December 10th, 1937. Of course, these two documents provide evidence only for the Toronto office. Thus, no conclusion can be made for the Edmonton and other offices until additional documents from these locations have been examined.

In addition, it is not known for certain if the reappearance to the nine-hole punch was a direct result of the imposition of the RPT, or merely a coincidental event. However, one can readily imagine a scenario in 1942 where, when presented with a tax very much like the 1920 Excise Luxury Tax, one or more revenue officers remembered the nine-hole punches and retrieved some from the “archives.”

Unlike 1920, the nine-hole punch was not distributed for general use during the 1940s. Retailers selling items subject to the RPT were simply instructed to “*cancel the stamps so as to render them incapable of being used for any other purpose.*”[9] Excise Tax Auditors were issued special roller cancels to deface the stamps affixed to daily statements and other documents.[10] An example of a document bearing an auditor’s cancel is illustrated in Figure 5.

The Retail Purchase Tax was revoked effective March 23rd, 1949. However, the use described here of the nine-hole punch by Revenue Collectors had probably ended by March of 1947 when the issue of stamped letters as receipts was terminated. Yet, as will be discussed in Part 3 of this article, a second, post-1942 use of the nine-hole punch may have extended its lifetime as far as the early 1950s when virtually all of the federal excise stamp taxes still in effect were repealed.[11]

Reference Notes

[1] - Canada, *Statutes*, 6 Geo. VI, 1942, Chap. 32.

[2] - Anonymous, “Jewellery Tax Effective Now,” *Toronto Globe and Mail*, June 25th, 1942, p. 2.

- Canada, *Debates of the House of Commons*, 1942, p. 4164.

- Ireland, [V.B.?], T. Eaton Company Superintendent’s Important Notice N° 97 (Notice N° 805) of June 24th, 1942, Archives of Ontario, Records of the T. Eaton Company, F229-20-0-208.



NATIONAL REVENUE, CANADA
(CUSTOMS AND EXCISE DIVISIONS)
REVENU NATIONAL DU CANADA
(SERVICES DES DOUANES ET DE L'ACCISE)

PORT OF Toronto, July 6, 1944
PORT DE

REGISTER

Jack Watson Sporting Goods Co.,
201 Church St.,
TORONTO

Gentlemen:

Receipt is acknowledged of \$42.27 in payment of retail purchase tax assessed by Excise Tax Auditor J. K. Cowan in his report No. 178 which covers the period June 24, 1942 to May 19, 1944.

Excise tax stamps as follows have been affixed hereto and cancelled under Entry No. 14926:

			4 x \$10.	\$40.00	
			1 x	2.00	
			1 x	.20	
			1 x	.07	\$42.27

Yours truly,

COLLECTOR OF CUSTOMS AND EXCISE
EXCISE DIVISION

HW/M

Figure 2: An official letter issued on July 6th, 1944, by the Toronto office of the revenue department acknowledging payment of Retail Purchase Tax as assessed by audit and bearing stamps cancelled by the nine-hole punch.

- [3] - Sim, D., National Revenue Circular 859-C of July 14th, 1942, Archives of Ontario, F229, Series 214, Box 1, Vol. 23 (*Retail Purchase Tax*.)
- [4] - Bishop, R.A., National Revenue Circular CA 75 of June 22nd, 1943, to Auditors, RG 16, Records of the Department of National Revenue, Accession 1993-94/542, Vol. 7, File *Chief Auditor's Circulars, Part 3*, Folio 390.
- Sim, D., National Revenue Circular 875-C of April 21st, 1943, Archives of Ontario, F229, Series 69, Box 41, File *Taxation 1942-1948*.
- [5] - Bishop, R.A., National Revenue Circular CA 61 of Oct. 24th, 1942, to Auditors, National Archives of Canada, RG 16, Accession 1993-94/542, Vol. 7, File *Chief Auditor's Circulars, Part 3*, Folio 376.
- [6] - Taylor, G.W., National Revenue Excise Circular of Feb. 15th, 1930, National Archives of Canada, RG 16, Accession 1993-94/542, Vol. 6, File *Circulars to Auditors 1927-1942*.
- [7] - Bishop, R.A., National Revenue Circular CA 73 of June 4th, 1943, to Auditors, National Archives of Canada, RG 16, Accession 1993-94/542, Vol. 7, File *Chief Auditor's Circulars, Part 3*, Folio 388.
- [8] - Bishop, R.A., National Revenue Circular CA 124 of Feb. 7th, 1947, National Archives of Canada, RG 16, Accession 1993-94/542, Vol. 6, File *Circulars to Auditors 1942-1965*.
- [9] - Nauman, V.C., National Revenue Circular of July 31st, 1942, Archives of Ontario, F229, Series 214, Box 1, Vol. 23, "Retail Purchase Tax."
- [10] - Bishop, R.A., National Revenue Circular CA 69 of Jan. 8th, 1943, to Auditors, National Archives of Canada, RG 16, Accession 1993-94/542, Vol. 7, File *Chief Auditor's Circulars, Part 3*, Folio 384.

- [11] - Canada, *Statutes*, 13 Geo. VI, 1949, Chap. 21; 1-2 Eliz. II, 1953, Chap. 35.

TOBACCO STAMPS WANTED.

Send me the Lee Brandom numbers or the stamps.
Will buy the complete collection if offered.

Maxwell M. Kalman
1904 S. Ocean Drive, Apt. 805 S
Hallandale, FL, USA, 33009

More Local Airport Departure Fees
have come to the attention
of the Editor, including:
Fort Frances ON, Fort St. John BC,
Kelowna BC, Moncton NB and Sydney NS.
If readers are aware of any such fees
that have not been mentioned in
the *Newsletter* please inform the Editor.



NATIONAL REVENUE, CANADA
(CUSTOMS AND EXCISE DIVISIONS)

Part of Edmonton, July 6, 1943.

REGISTERED

James D. Scoular, Esq.,
10119 - 102nd St.,
EDMONTON, Alberta.

Dear Sir:-

Attached herewith please find Excise Tax Stamps to the value of \$364.21, duly cancelled, covering Balance of Retail Purchase Tax, per Audit Report No. 160, for the period June 24, 1942 to May 25th, 1943.

Your cheque in the above sum has been taken to account this date per Entry No. 2175, a copy of which is enclosed herewith.

Please retain this letter and copy of Entry for your records.

STAMPS ISSUED

- 1 x .01¢ - .01
- 1 x .20¢ - .20
- 1 x 4.00 - 4.00
- 2 x 25.00 - 50.00
- 1 x 10.00 - 10.00
- 3 x 100.00 - 300.00

\$364.21

Yours truly,

E. HUNTLEY

a/ Collector Customs & Excise.

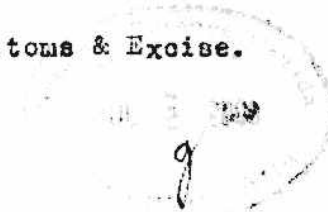


Figure 3: An official letter issued on July 6th, 1943, by the Edmonton office of the revenue department acknowledging payment of Retail Purchase Tax as assessed by audit and bearing stamps cancelled by the nine-hole punch. Unlike the document in Figure 2 and the Calgary document mentioned in the text, the stamps applied to this document were punched prior to being affixed. (Courtesy of Fritz Angst.)



NATIONAL REVENUE, CANADA
(CUSTOMS AND EXCISE DIVISIONS)

Port of.....Toronto, September 21, 1939.

REGISTER

J. R. Mooney & Company
200 Bay Street,
TORONTO

Dear Sirs:

Receipt is acknowledged of the sum of \$119.43 in payment of stock transfer tax assessed by Excise Tax Auditor M. J. Gorman in his report No. 93 for the period November 1, 1937 to August 31, 1939.

Stamps as follows have been affixed hereto and cancelled under Entry No. 20423:

1	x		\$100.00	
1	x		10.00	
3	x	\$3.	9.00	
1	x		.40	
1	x		.03	\$119.43

Yours truly,

E. D. Leanie
COLLECTOR OF CUSTOMS AND EXCISE
EXCISE DIVISION



Figure 4: An official letter issued on September 21st, 1939, by the Toronto office of the revenue department acknowledging payment of Stock Transfer Tax as assessed by audit and bearing stamps cancelled by an oval rubberstamp.

MADE IN CANADA FORM 16-42

THE CANADIAN BANK OF COMMERCE



Dec 22nd 1947

CREDIT

Harry Redfearn

CASH	SILVER		
X	1		
X	2		
X	5		
X	10		
X	20		
X			
X			

TOTAL CASH	\$		
CHEQUES (MAY BE LISTED ON BACK)	EXCH.		
<i>String Pearls</i>	<i>5.00</i>		
<i>tax</i>	<i>1.25</i>		
	<i>6.25</i>		

LESS EXCHANGE			
DEPOSITED BY			
	\$		

Figure 5: A bank deposit slip used on December 22nd, 1947, to record an individual sale that was subject to the Retail Purchase Tax with stamps subsequently obliterated by a revenue department Auditor with a Crown over "CANCELLED" roller-cancel.

OFFICERS OF THE REVENUE STUDY GROUP

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Newsletter Editor:

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

THE TWO DIES FOR THE 1934 NEW BRUNSWICK PROBATE STAMPS — Update —

This listing and its illustrations (not to scale) are reproduced from the article by **Fritz Angst** in the March 1996 issue of *CRN* (Nº 11). The new item (\$20 denomination) reported by **Edward Zaluski** on page 3 of the present issue is included in this list in italics. Please see Angst's 1996 article for a discussion of these dies and page 3 of the present issue for a written description of the two dies.



DIE I
"No-Notch"

DIE II
"Notch"

10¢

- NBP 14a (perf. 12) Yellowish paper, short inscription + graphics, regular gum - Die I
- NBP 14 (perf. 12) White paper, short inscription + graphics, regular gum - Die I
- White paper, short inscription + graphics, regular gum - Die II

20¢

- NBP 15 (perf. 12) Yellowish paper, short inscription + graphics, regular gum - Die II
- White paper, short inscription + graphics, regular gum - Die II
- White paper, long inscription, PVA gum - Die II
- NBP 22 (rouletted) White paper, long inscription, PVA gum - Die II

50¢

- NBP 16 (perf. 12) Yellowish paper, short inscription + graphics, regular gum - Die II
- White paper, short inscription + graphics, regular gum - Die II
- White paper, long inscription, regular gum - Die II
- NBP 23 (rouletted) White paper, long inscription, PVA gum - Die II

\$2

- NBP 17 (perf. 12) White paper, short inscription + graphics, regular gum - Die II

\$5

- NBP 18 (perf. 12) Olive, white paper, short inscription + graphics, regular gum - Die I
- Grey green, white paper, long inscription, PVA gum - Die II
- NBP 25 (rouletted) Grey green, white paper, short inscription + graphics, PVA gum - Die II

\$20

- NBP 19 (perf. 12) Yellowish paper, short inscription + graphics, regular gum - Die II
- White paper, short inscription + graphics, regular gum - Die II
- NBP 26 (rouletted) White paper, short inscription + graphics, PVA gum - Die II

\$100

- NBP 20 (perf. 12) Yellowish paper, short inscription + graphics, regular gum - Die II

