

**Precancelled Stamps on Decks of Playing Cards**  
– Part 2 –

**by Christopher D. Ryan**

Copyright © 1996 by Christopher D. Ryan  
Reprinted from *Canadian Revenue Newsletter* N° 14, November 1996  
ISSN 1488-5255

## PRECANCELLED STAMPS ON DECKS OF PLAYING CARDS

— Part 2 —

Christopher D. Ryan

(Continued from Issue #12, May 1996.)

The following group of decks from the United States Playing Card Company (USPCC) represents the bulk of the playing cards comprising the horde mentioned previously. These cards date from the period of 1918–early 1920s and, with respect to the stamp tax, represent three different rate structures. The assignment of individual decks to specific tax rates was done in view of the entire group and relative wholesale prices as given by a printed wholesale price-list which accompanied a September 1923 letter from the Windsor, Ontario branch of USPCC. This letter and price-list are reproduced in the Appendix along with calculations designed to approximate the manufacturer's sale price. From 1920 to 1927 the rate of the stamp tax was based upon this price.

The Special War Revenue Act of 1918 required the affixing by playing card manufacturers and importers of a stamp (or stamps) to the value of 8 cents for every 54 cards (or fraction thereof) in a deck. The Act did not specify the time of payment for the stamps. However, regulations decreed that manufacturers were to make monthly payments of the tax beginning July 1st, 1918. These payments were to be accompanied by an attested statement of quantities of cards produced and shipped during the preceding month. As security for the monthly payments manufacturers were required to post a bond for the sum of 125% of the estimated maximum monthly tax. In addition, an excise officer was assigned to supervise the daily production and shipments. The privilege of monthly payments was not accorded to importers who thus were required to purchase the stamps upfront.

Beginning with the 1920 introduction of a graduated tax rate based on the manufacturer's selling price the Act specified that the

stamp tax on cards was payable "at the time of sale by the manufacturer." Regulations issued subsequent to this change — the earliest set known to the author is dated 1923 — reduce the posted security to 100% of the estimated monthly tax and make no mention of the monthly payments or excise supervision. However, retention of a security bond made specifically conditional on the payment of the excise tax does imply retention of the monthly payments. In addition, monthly payments were the norm with other, non-stamp, excise taxes.

The decks in this group bear two different types of the USPCC precancel. In the first type (Figure 8) the company name in the second line is all serified capitals. In the second type (Figure 9) the company name is in an unserified typeface. All of the precancels in this group of decks are black in colour.



Figure 8. Type I



Figure 9. Type II

The "6x Hornet" deck in Figure 10 with its gold edges would have been a medium priced item. As such, had it been sold in the 1920-27 period it would have been taxed at a rate greater than 8¢. Thus it appears to originate from the the May 1918 through May 1920 period when a flat 8¢ tax was in effect. The attached stamp bears a Type I precancel.



Figure 10.

The "606 Congress" deck in Figure 11 represents one of USPCC's most expensive products. The attached 50¢ war tax stamp (with inverted Type I precancel) indicates that this deck was sold by the company in the period of May 1920 through May 1921 when the following rates were in place:

Effective May 19th, 1920;

- 25¢ per deck for cards selling for up to \$36 per gross,
- 50¢ per deck for cards selling for more than \$36 per gross.

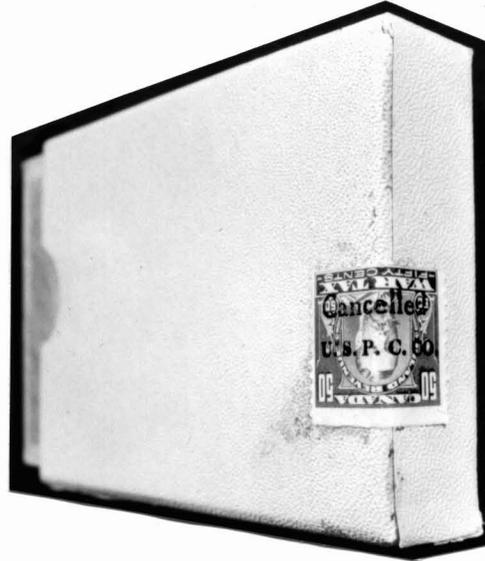
Effective June 17th, 1920;

- 15¢ per deck for cards selling for up to \$24 per gross,
- 25¢ per deck for cards selling for over \$24, up to \$36 per gross,
- 50¢ per deck for cards selling for over \$36 per gross.

The May 19th rates were announced in the May 18th budget speech and, like most Canadian tax changes, immediately put into effect. The June 17th rates were a later modification which alone were embodied in the final statute. While the statute made the new rates technically retroactive to the May 19th, House of Commons Debates and a Canadian Manufacturers' Association publication indicate that no rebates were given.



Figure 11.



As of May 10th, 1921, the stamp tax on playing cards was reduced to 8¢ per deck for cards selling for up to \$24 per gross, and 15¢ per deck for cards selling for over \$24 per gross. Thus both medium and high-priced decks were now subject to the same tax rate of 15¢. This tax structure remained in effect through April 15th, 1926.

Figures 12, 13, and 14 respectively illustrate decks from

USPCC's low, medium, and high-price categories. These represent the 1921 rates and bear the Type I precancel illustrated in Figure 8. The "6 Hornet" deck in Figure 12 could have originated from either the 1921 rates or the pre-May 1920 flat 8¢ tax. This deck probably represents the 1921 rates as it was during the effective period of these rates that the source of the entire group of decks had ceased operations.



Figure 12.





Figure 13.

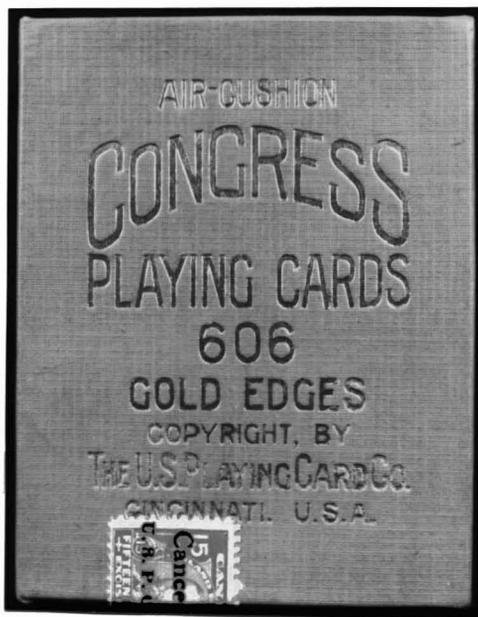


Figure 14.



Figures 15, 16, and 17, like the previous three figures, also represent USPC's three price groups. However, the stamps on these particular decks bear the Type II ("sans-serif") precancel illustrated in Figure 9. The "606 Congress" deck in Figure 17 was manufactured in Windsor, Ontario, unlike the two previous

"Congress" decks which had been imported from the United States. The Windsor-made "Congress" decks would appear to mark an extension of the Canadian production line during the early 1920s.

*(To be continued.)*

Figure 15.

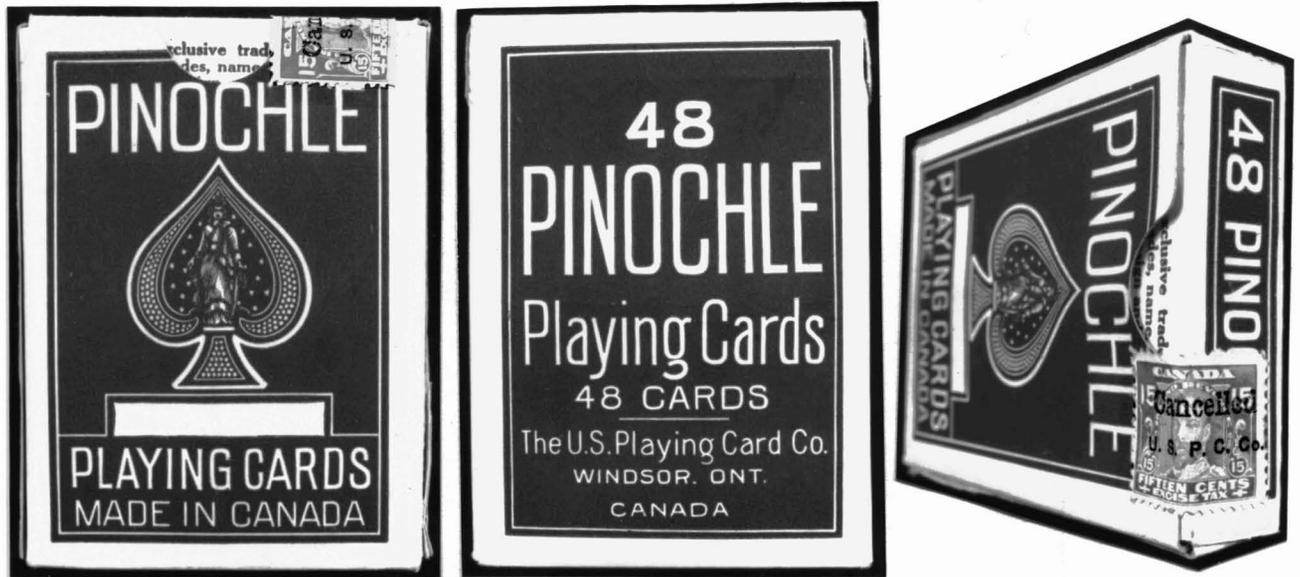
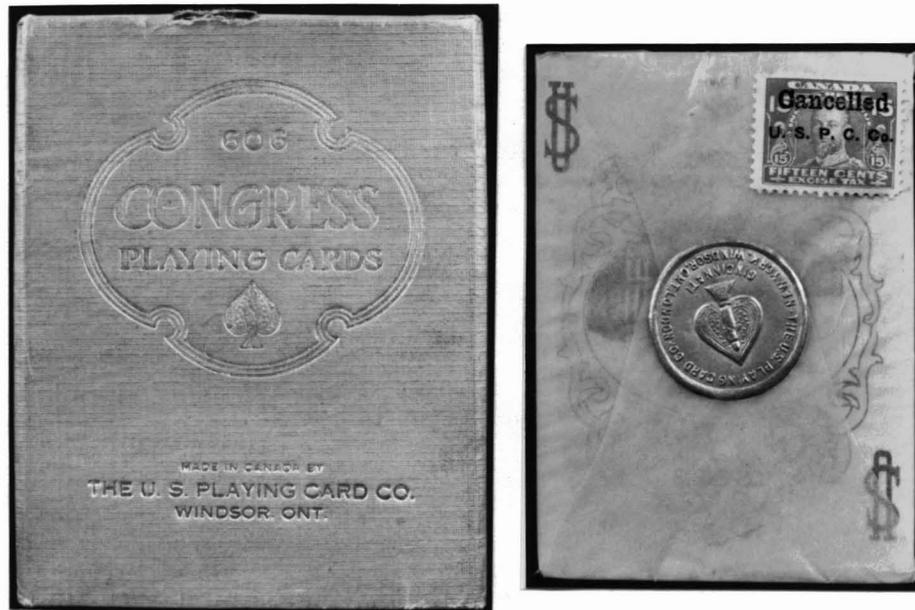


Figure 16.

Figure 17.



## APPENDIX

Windsor, Ont. Canada, Sept. 18, 23.

Dear Sirs:-

Answering your kind favor of September 7th would say that we endeavored to explain in our letter of August 25th why the price list was omitted [from the sample book], this being due to the fact that our distribution is through the wholesale trade only. In case however, you desire to place any orders for shipment from our factory, to be charged through any of the wholesale dealers, we will be pleased indeed to give the matter our very best attention and enclose a small slip containing net prices of various grades.

Very truly yours,  
The U.S. Playing Card Company

Brand Names	Quoted Wholesale Price per Dozen	Calculated Values per Gross (144)			
		A Wholesale Price per Gross	B "A" Less an Arbitrary 25% Wholesale Mark-up	C "B" Less 2¼% Sales Tax Levied on Manufacturer's Selling Price	D "C" Less 8¢ per Deck Stamp Tax
999 Steamboat 343 Cadets	\$2.90	\$34.80	\$27.84	\$27.23	\$15.71
6 Hornet	\$3.10	\$37.20	\$29.76	\$29.11	\$17.59
515 Picket	\$3.35	\$40.20	\$32.16	\$31.45	\$19.93
155 Tourists 29 Fauntleroy	\$3.45	\$41.40	\$33.12	\$32.39	\$20.87
					"C" Less 15¢ per Deck Stamp Tax
33 Apollo	\$5.35	\$64.20	\$51.36	\$50.23	\$28.63
45 Texas, 48 Pinochle 133 Columbia Whist 808 Bicycle - margin	\$5.50	\$66.00	\$52.80	\$51.64	\$30.04
516x Picket, 831x Vogue 808 Bicycle - allover	\$5.75	\$69.00	\$55.20	\$53.99	\$32.39
202 Sportsman	\$7.10	\$85.20	\$68.16	\$66.66	\$45.06
303 Army and Navy	\$7.65	\$91.80	\$73.44	\$71.82	\$50.22
68x Nile Fortune 357x Revelation Fortune 606 Congress 606w Congress W	\$9.00	\$108.00	\$86.40	\$84.50	\$62.90

### NOTES:

1- The figures in column "D" represent an *approximation* of the manufacturer's selling price. The tax rates of eight or fifteen cents are those in effect at the time of the price-list.

2- In 1923 a 2¼% sales tax was levied at each of the wholesale and manufacturers' levels. It is not clear from the letter if the quoted prices were inclusive or exclusive of the wholesale sales tax. Thus, it was not used in these calculations. To include the wholesale sales tax in the quoted prices would reduce the price in column "D" by 60 to 71 cents for decks at the 8-cent tax rate and \$1.11 to \$1.86 for decks at the 15-cent tax rate.

3- The choice of a 25% mark-up was arbitrary, representing the approximate midpoint of the possible range of mark-ups. The actual mark-up is unknown to the author. Given the quoted wholesale prices, the 8 and 15-cent tax rates, and, to a lesser extent, the mode of the calculations, the wholesale mark-

up could have been only in the approximate range of 14 to 38 percent. Mark-ups outside of this range are mathematically impossible. For example, a contradiction occurs at higher mark-ups in that the application of the 15-cent tax to the "33 Apollo" brand yields a manufacturer's sale price to which the 8-cent tax would have applied and vice-versa.

4- A Canadian Manufacturers' Association publication dated June 1st, 1927, and a Revenue Department circular dated January 1st, 1935, specifically stated that the stamp tax was to be included in the manufacturer's sale price for the purpose of the sales tax calculation. It is not known to the author if this policy applied in 1923. The above calculations assume that it did apply. Excluding the stamp tax from the sale price would increase the value in column "D" by 25 cents at the 8-cent tax rate and 48 cents at the 15-cent tax rate.