

CALGARY PHILATELIST

Issue 103

August 2010



In this issue: Gordon Demke discusses catalogue values of stamps. The block shown above was listed at \$20 in the catalogues even though at the time it could be purchased from Canada Post at \$8. What is the true value of a stamp? More inside.

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The CPS was founded in April 1922 by Dr. Edward George Mason. It is Chapter 66 of the Royal Philatelic Society of Canada, Chapter 1360 of the American Philatelic Society, and Chapter 91 of the American Topical Association.

A cumulative subject index from issue #1 to date for the CALGARY PHILATELIST exists but because of its length is too long to be published in this bulletin. A copy can be had for free from the editorial address at Box 6830.

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CATALOGUE VALUES

by Gordon Demke

“One of the major problems stamp collectors face is finding an accurate and truthful means of estimating the values of old to current stamp values. Personally, I use the Scott Standard Catalogue and Unitrade Catalogue of Canadian Stamps.” The writer goes on to observe that stamps frequently sell for less than catalogue value, and concludes: *“... I still feel that to keep an interest in this hobby, collectors want to know what the true value of their stamps are, if they are only going to be continuously fooled with false figures in catalogues then they might just as well start collecting samples of wall paper.”* [1]

Clearly, there is confusion about what catalogue values depict. Many of the major stamp catalogues suggest that their catalogue values are derived from market information and depict current market values for postage stamps in the grade and condition noted. I have surveyed three catalogues in this regard: Michel, Scott and Unitrade. Here are some excerpts.

Michel states that prices are approximate values for stamps with the quality as described. Stamp dealers' records, collector models and domestic/foreign working groups contributed to the pricing criteria. Pricing is determined by stamp trade documents, working papers from collectors as well as domestic and foreign study groups. And price movements are based on supply and demand. [2]

Scott states that its catalogue values are in line with the current market. Scott makes reference to *“hundreds of dealer price lists and advertisements and scores of auction catalogues and realizations that were used in producing the catalogue values”* and acknowledges a lengthy list of contributors who provided *“information on items not normally seen in published lists and advertisements. ... The Scott Catalogue value is a retail value; that is, an amount you could expect to pay for a stamp in the grade of Very Fine with no faults.”*

“The value listed for any given stamp is a reference that reflects recent actual dealer selling prices for that item. Dealer retail price lists, public auction results, published prices in advertising and individual solicitation of retail prices from dealers, collectors and specialty organizations have been used in establishing the values found in this catalogue. Scott Publishing Co. values stamps, but Scott is not a company engaged in the business of buying and selling stamps. Use this catalogue as a guide for buying and selling. The actual price that you pay for a stamp may be higher or lower than the catalogue value because of many different factors, including the amount of personal service a dealer offers, or increased or decreased interest in the country or topic represented by a stamp or set. An item may occasionally be offered at a lower price as a ‘loss leader’, or as part of a special sale.

You also may obtain an item inexpensively at public auction, because of little interest at that time or as part of a large lot. Stamps that are of a lesser grade than Very Fine, or those with condition problems, generally trade at lower prices than those given in this catalogue. Stamps of exceptional quality in both grade and condition often command higher prices than those listed. ... The minimum catalogue value of an individual stamp or set is 20 cents. This represents a portion of the cost incurred by a dealer when he prepares an individual stamp for resale.” And Scott states, “A stamp’s grade and condition are crucial to its value.” [3]

Unitrade states: *“The Unitrade catalogue provides retail values; that is, an amount you might expect to pay for a stamp in a particular grade with no faults. Where possible, the value listed for any given stamp is a reference that reflects recent actual dealer selling prices for that item.”*

“The prices in this catalogue are based on a number of factors including input from collectors, dealers and auction results. Although no catalogue can be 100% accurate as so many conditions affect the buying and selling of stamps, our pricing committee has endeavoured to put together the most accurate retail prices possible. Use this catalogue as a guide for buying and selling. The actual price you pay for a stamp may be higher or lower than the catalogue value because of many factors. These include the source of your purchase, the amount of supply on hand by that particular source, your specific demand for an item, and most importantly, condition. The best available material will always sell for more than the catalogue value; stamps that are damaged or with faults (even minor in nature) will sell for considerably less than catalogue value. You may also buy an item less expensively at public auction because of little interest in that item at that time or because it is part of a large lot.”

“Although some items are listed for less, it should be noted that a collector will probably have to pay a minimum of 20¢ for any single stamp. This is necessary because of the labour costs involved in single-purchase transactions. The relative value of the item as listed in this catalogue should prevail when a number of items are purchased at one time.” Unitrade further states: *“Condition is by far the most important item when pricing your collection.”* The Catalogue also includes a section on “Gems” in which it illustrates the extraordinary prices that have been realized on recent sales of extra-fine stamps, far in excess of the values listed in the Unitrade Catalogue. [4]

All of the catalogues speak to the grade and condition of stamps at length; far more than they address the subjects of catalogue values and pricing. [5] The importance of condition appears to be generally agreed upon by collectors and those in the philatelic business. From the foregoing it is easy to see how catalogue values might be interpreted as equating to market values. The confusion will likely be even greater for non-collectors.

The Philatelic Specialists Society of Canada cautions not to over-value or under-value your collection for estate planning purposes, because in the case of the former your heirs will be disappointed at the time of sale and in the case of the latter heirs might receive less than they are entitled to. *“The [catalogue] value of your collection is not market value. Remember that items you acquired at a fraction of catalogue will sell at the same kind of discount. Condition is the essential factor in stamp value. If you have acquired damaged or defective items, you are kidding yourself and your heirs if your collection is valued or insured at full catalogue. In making an inventory, list nominal catalogue, the discount value to replace with comparable material, and then a deeper discounted value, which might be realized at a forced sale.”* [6]

With this background, let us now consider the subject of valuation. Valuation of property involves four questions: the appropriate value standard or measure for the purpose at hand, what exactly is being valued, the date of valuation, and the method by which value is estimated? [7] The stamp catalogues are fairly clear on the questions of what and when, but less clear on the value measure itself and the related question of the methodology by which the value is estimated. I will therefore consider “catalogue value” (CV) in relation to the measure of “fair market value” (FMV). *“Fair market value is the highest price, obtainable in an open and unrestricted market between informed and prudent parties acting at arm’s length and under no compulsion to act, expressed in terms of cash.”* [8]

On the surface it may appear that catalogue value equates to market value. However, we have our suspicions that this may not be the case based on advertisements where stamps are offered for sale at a fraction of CV, our experience with dealers who discount their selling prices from CV, observations of realized prices for philatelic items sold by auction [9], and CVs that appear not to make sense. For example, Unitrade (2009 Edition) reports a catalogue value for the se-tenant plate block of Scott No. 1691-2 of \$20.00 (the \$2 Peregrine Falcon and Sable Island Horse definitives) whereas the block can be purchased from Canada Post at its face value of \$8.00. Thus, the FMV is \$8.00 as compared to the CV of \$20.00.

Consider a 2004 court case which involved the valuation of stamps which had been donated to a charity. The charity issued charitable donation receipts relying solely on the Scott catalogues to determine the fair market value of the donated stamps. The donor’s estimated cost of the stamps was \$3,569 (plus taxes), charitable donation credits of \$14,149 had been claimed by Mr. Robichaud, and the Court concluded that FMV was \$1,384 based on the testimony of a philatelic expert. In the Tax Court of Canada judgement [10], to the question, *“Is the Scott catalogue or guide an appropriate and reliable reference for determining the FMV of stamps?”*, the Court responded: *“The answer is clearly no.”*

With respect to the proper determination of the FMV of the stamps, the Court stated: *“... FMV is generally the price that a buyer free from any constraint, specific emotion or need is prepared to pay to acquire the property from its owner equally free from any pressure or influence of any kind. ... There is no sufficient or satisfactory guide, catalogue or register for determining the FMV of property. That type of reference exists for a number of consumer goods . . . and for property that is collected Those guides, catalogues or reference tools are essentially tools that give some idea of the possible value. They are not definitively sufficient for attributing a FMV at a given time. They are, at most, a reference that prevents one from making totally arbitrary decisions.”*

“the condition of the property, its purity, its authenticity, etc.” have a significant impact on the FMV of stamps. The Appellant (the donor of the stamps) *“was more concerned with the size of his inventory than with the quality, rarity or distinctiveness of certain stamps.”* Evidence before the Court distinguished between an accumulation of stamps and a collection.

In summary, stamp catalogues may be indicative of market value for philatelic items, but not determinative of market value. Adams puts it this way: *“As for the prices or valuations listed in the Scott catalogues, they are of major importance as a point of reference, but they are by no means absolute. Use these catalogue prices as guidelines in determining what you should pay for any given stamp, and use them in calculating the relative value of your own collection. But be aware that there is very little likelihood of ever realizing the catalogue value when selling stamps, and likewise when making a purchase you should always aim at paying less- sometimes considerably so- than the value listed.”* [11]

The conclusion then is that while stamp catalogues are a good tool for identifying particular stamps and for organizing collections, they should not be used as determinative of market value. Rather CVs are only a benchmark or point of reference found in catalogues that are readily available and widely accepted. As a collector gains experience in the marketplace, he/she will identify rules of thumb applicable to transactions for their particular areas of interest, e.g., XX% of CV for individual stamps or stamps in a set, YY% of estimated CV for large lots, and ZZ% of estimated CV for entire collections. For what Unitrade terms the “gems” one may observe the actual prices that have been obtained in auctions for selected stamps (of particular quality), but these are of course past prices and may or may not reflect current or future market conditions. There may be other benchmarks, for example, mint stamps have a minimum value equal to their face value if they can be used as payment for postal delivery service. [12] Margins between wholesale and retail prices must also be recognized. The collector purchases stamps from dealers at retail price, but a collector selling to a dealer should anticipate receiving a wholesale price.

References.

- [1] *Canadian Stamp News*, February 19, 2008, “Guest Editorial, by Gerry Logan”, pages 4, 20.
- [2] *Michel Germany Specialized Catalog 2007*, Schwaneberger Verlag GMBH, Germany, 2006, page 8.
- [3] *Scott 2010 Standard Postage Stamp Catalogue, Volume 6*, Scott Publishing Company, Sidney, OH, 2009, pages 3A, 4A, 10A & 18A.
- [4] *The Unitrade Specialized Catalogue of Canadian Stamps, 2009 Edition*, The Unitrade Press, Toronto, ON, 2009, pages 16-19.
- [5] Condition and grading involve both absolutes (e.g., mint, unused, used, hinged, never hinged) and relative (subjective) descriptions: VF, F & VG in describing overall stamp condition; VLH, LH and HH in describing hinging; lightly canceled and heavily canceled for cancellations; well-centered and off-center in describing centering; and so on.
- [6] Philatelic Specialists Society of Canada, *Estate Planning for a Philatelic Collection*, 2007, page 3. See http://www.rpsc.org/PSS_Final_Estate_Plan.pdf.
- [7] James C. Bonbright, *The Valuation of Property, Volume I*, The Michie Company Law Publishers, Charlottesville, Virginia, 1965 Reprint.
- [8] *Canada Valuation Service*, Ian R. Campbell *et al*, Carswell Publishing, Toronto, ON, 2001, page 4-20.1.
- [9] See for example www.canadianstampauctions.com which lists realized auction prices for selected postage stamps.
- [10] *Robichaud v. The Queen*, Citation: 2004TCC661, Court File No.: 94-2544(IT)G, Date of Judgement: 2004-Nov-10.
- [11] Charles F. Adams, *Stamp Collecting: The Complete, Easy Guide to the World's Most Popular Hobby*, Dell Publishing, New York, NY, 1992, pages 81-82.
- [12] This minimum price is theoretical and may be further reduced for things like inconvenience (numerous low-value mint stamps may be required to makeup the current postal rate) and transaction costs.

MAXIMAIL

by Walter Kerber

This is a relatively new postal service in south central Germany, centred on the city of Darmstadt. Although the company has been in the delivery business for over 60 years, the postal service started on August 1, 2009. They have issued a total of 16 different stamps, as well as seven of them in self-stick. There are also four first day letters and three of the stamps are semi-postals.

This postal service operates in addition to Deutsche Post, the government post office. Any letters going outside the area are handed over to Deutsche Post for delivery. How the letter with these stamps reached Canada is still a puzzle, especially who delivered it. Currently I am in contact with them to get a set of stamps for my collection. They are willing to supply single stamps instead of the sheets of ten. The choice is also, mint (postfrisch) or cancelled with first day cancel.



CURRENT POSTMARKS OF CALGARY: PART 16

by Dale Speirs

Transferred Retail Postal Outlets (RePOs).

Beddington: Beddington Mall at the northwest corner of Centre Street and Beddington Blvd NW. This was a Hallmark Cards RePO. The store closed and the RePO was transferred to the adjacent London Drugs in the same mall.



Hallmark Cards, closed early 2010

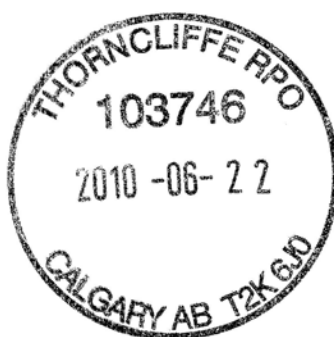


London Drugs, new RePO

Thorncliffe: 4 Street NW and 54 Avenue 7-Eleven RePO closed on June 5, 2010. Its place was taken by a new RePO at the Shoppers Drug Mart one block north of the old one, at 4 Street NW and Northmount Drive.



7-Eleven, now closed



Shoppers Drug Mart, new RePO

New Postmarks.

Hawkwood: Hawkwood Blvd NW and Hawksbrow Drive, 7 Eleven. This outlet has a new round cancel which differs by having the RePO name above the number.



Deer Run: Bow Bottom Trail SE, White Oak Cleaners. This outlet did the reverse and their new canceller now has the name at the bottom.



Westbrook: 37 Street SW north of 17 Avenue, Paragon Pharmacy. Change in style from initial capitals in name to all caps.



New Sub-Post Office.

Mckenzie Towne: Not a RePO but operated directly by Canada Post is the South Trail sub-post office, which opened on July 5, 2010. It is located at 5126 - 126 Avenue SE, in the transition zone between Mckenzie Towne's shopping plazas and the Douglas Glen industrial district, on the east side of Deerfoot Trail, hence its name.



Closed RePOs.

University: basement of MacEwan Hall, closed on April 8, 2010. No replacement; a sign on the wall directed users to the nearby RePOs at Stadium shopping plaza to the southwest or Brentwood Mall to the northeast, both a few blocks from the campus.

THE HISTORY OF MAIL BOMBS

by Ken Sanford

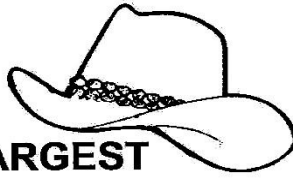
A new book from the Wreck and Crash Mail Society is now available, written by Calgary's own Dale Speirs. This 128-page softcover book, with 60 colour pages, provides a complete history of letter and package bombs. Philatelists seldom write about mail bombs for the obvious reason that there is little material available. Successful mail bombs are usually shredded by the explosion, and unsuccessful devices are confiscated by police as evidence. The closest one can get to exhibition material are handstamped postal markings and labels, indicating that a letter has been inspected by security forces. Mail bombs are invisible postal history.

The first recorded mail bomb was in 1764 in Denmark. A mail bomb is known from 1881 in Australia, and in 1895 a letter bomb was sent to Baron de Rothschild in France, which exploded when he opened it. Letter bombs and package bombs have been sent through the mail for various reasons, such as revenge, political causes, terrorism, personal vendettas, or crazy people who have a grudge against society, like the famous Unabomber.

The book gives a history and background of all types of mail bombs and the people who sent them. Many different types of letter bombs are shown and described, as well as the various types of markings and labels used by postal authorities to indicate that a letter or package has been inspected to check against bombs or chemicals, such as anthrax.

The book is available for US\$37.50 or UK£26.00 plus postage. Postage within the USA is US\$3.00 (media mail), to Canada is US\$6.00 (1st class), and to the rest of the world is US\$13.45 (Global Priority Mail). Payment may be made by US\$ cheque or money order made payable to Ken Sanford, or by PayPal to: kaerophil(a)gmail.com. For PayPal payments, please add \$1.75. For orders in UK£, please inquire on postage and payment. Mail orders from: Ken Sanford, 613 Championship Drive, Oxford, Connecticut, USA 06478-3128.

DO NOT order from Dale Speirs. He has no copies for sale; the Wreck and Crash Mail Society is handling all sales.



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NOTE TO INTERNET VIEWERS: Unless stated otherwise, telephone numbers are area code 403. Alberta is on Mountain Time. Any advertiser can be reached through the CPS e-mail at calphilso@shaw.ca, but please allow time for forwarding to offline members.

FOR SALE: Large collection Ontario postal history in two binders plus books and maps, two albums of Ontario postcards, five binders B.C. postmarks plus four books, four binders of Manitoba postmarks plus two books, set of PHSC Journals 1999-2008, Newfoundland Specialized catalogue, album of Canadian postcards, and four volume Canadian stamp collection. Contact Al at 282-1030 or dorandal@shaw.ca

FOR SALE: Large accumulation used off-paper, mostly pre-1990s commemoratives. Canada, USA, GB, Ireland, Australia, New Zealand and kiloware. Phone Roland 243-1637 or decaenr@shaw.ca

FOR SALE: Used Australian stamps. I have tens of thousands of them. 100 different only \$2, 200 different \$4, and I will pay the postage. Contact Jim at 485-6622 or jheath01@telus.net

FOR SALE: Major collections of many countries at liquidation prices while they last. Call John at 474-1212.

FOR SALE: British colonies KGV to QEII, New Zealand and Australia, very reasonable. All mint, LH or NH. Phone Felix at 464-3252.

FOR SALE: Used stamps of Australia and New Zealand. Also have Canada mint both singles and plate blocks. Call Craig Allison at 281-3852.

WANTED: Any covers, wrappers, or postcards from Great Britain sent after May 31, 1951, bearing 1d postage. Excellent prices paid for good items. Contact Dave at 284-4775.

FOR SALE: Canadian annual collections from 1980 to 2001. Call Al at 282-1031.

WANTED: Used Machin stamps with selvage attached. Cash or trade. Call Georg at 547-0409.

WANTED: Newfoundland VF used singles, preferably dated. Need #107, 123, 140, 142, 266. Cash or Canadian coils in trade. Phone Gordon at 249-1094.

WANTED: USA stamps, MNH, VF. Singles, sets, and sheets between 1980 and 2004. Paying face value plus exchange rate and GST. Call Bob at 257-1942 or email bob.dahl@shaw.ca

WANTED: Collector of stamps, books, and history. Special interest in submarine material. Contact Wayne at 295-3275 or kingwi@shaw.ca

WANTED: Canadian military covers and postcards with hospital ships (white with red crosses). Contact Jon Johnson at 253-8411 or jcjperfins@hotmail.com

WANTED: Tanna Tuva, especially covers. I used to have a few and now starting over. Phone Keith at (780)437-1787 (Edmonton)

WANTED: Owl stamps worldwide. Cash or trade. Call Pat at 238-3435.

TRADE: Need automotive work done on your car? Let's trade my labour for your stamps that I need. I am a licenced mechanic with 20+ years experience. Phone Doug Kollar at 547-3838.

WANTED: Advanced collector of World Wildlife Fund (anything with the panda logo) stamps, postally-used covers, FDCs, postcards, maximum cards, even cookie cans. Phone Jan at 251-1769.

WANTED: Private collector pays cash for larger stamp collections. Phone Willi at 239-2273.

WANTED: Stamps and covers from China to 1949, People's Republic of China, and Taiwan. Special interest in overprints and bulk lots. Prefer postally used. Call Penny at 686-2662 or pkborrowman@yahoo.ca.

WANTED: Canadian stamps, mint or very fine used. Call Arnie at 279-5957.

FOR SALE: various QE2 Canada plate block sets between Scott #727 and #1070, various QV to KGV Canada VFNH singles and pairs between Scott #51 and #300. Contact Les at 278-3511.

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MEETINGS AND SPECIAL EVENTS

2010

September	1	General meeting
	1	deadline for October bulletin
	15	Auction
October	6	General meeting
	15 to 17	CALTAPEX
	20	Auction
November	3	General meeting
	3	deadline for December bulletin
	17	Auction
December	1	Christmas social

2011

January	5	General meeting
	5	deadline for February bulletin
	19	Auction
February	2	General meeting
	16	Auction
March	2	General meeting
	2	deadline for April bulletin

MEETINGS and AUCTIONS are at the Kerby Centre, 2nd floor, 1133 - 7 Avenue SW, at 19h30. Auction lots should be in before 19h30 to allow bidder viewing.

CALGARY REGIONAL GROUP OF BRITISH NORTH AMERICA PHILATELIC SOCIETY meets second Wednesdays. For details about meeting places and times, contact Jim Taylor at 238-3698.

CALGARY ASSOCIATION OF PHILATELIC EXHIBITORS meets fourth Wednesdays. For details, contact Jim Taylor at 238-3698.

CALTAPEX will be held at the Kerby Centre, 1133 - 7 Avenue SW, in the ground floor gymnasium. Details from Janice Brookes at 251-1769.