

# CALGARY PHILATELIST

Issue 108

June 2011



In this issue: There are no prizes for guessing what was the social event of the year. Turn to page 6 for a brief look at the younger royals and their stamps.

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The CPS mailing address is Box 1478, Calgary, Alberta, T2P 2L6. The Web site is: [www.calgaryphilatelicsociety.com](http://www.calgaryphilatelicsociety.com) All articles as hard copy only, mailed to Box 6830, Calgary, T2P 2E7, or handed to Dale Speirs at meetings.

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.

## 2010/2011 EXECUTIVE

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**COMMITTEES** - see page 15 for list of committee chairpersons



Olaf (1860-1944) was born in Sweden, emigrated to Canada in 1886, and eventually wound up in Calgary in 1900. He and his wife Augusta had six daughters, two of whom became nurses and the other four, including Mary, became schoolteachers. The cover depicted in Figure 2 contained a letter from a fellow student of Mary's written on Mount Royal College letterhead, where both had been studying. It was dated August 25, mailed at Killam the next day, backstamped (not shown) with a Calgary machine cancel dated August 27, and given a receiving postmark by Mary's father on August 28.



*Figure 2: Cover from Killam to Hubalta to the postmaster's daughter.*

The Hubalta post office closed on 1915-12-21 and re-opened on 1919-04-15, with Olaf as postmaster again. No reason is given in the post office archives [2] but possibly the war had something to do with it. Olaf continued as postmaster until 1930-10-07.

### **Subsequent History.**

John Valentine Campbell took over until 1941-04-30, when he was granted military leave. His daughter Margaret was then postmaster until he returned to the position on 1945-04-02, to serve again until his death on 1949-02-16. His wife Edith then became postmaster until March 1950, by which time she was of advanced years.

John Goacher took over on 1950-04-01, and was the final postmaster to the annexation of Hubalta by Calgary. When the Calgary post office took over operations on 1961-02-28, they set up a new sub-post office #69, in the Zellers department store to the west at 5115 - 17 Avenue SE. There is no postal outlet in Hubalta today but the area is served by nearby retail postal outlets a few minutes down the street. A century ago, it would have taken half a day to travel the distance we now drive in ten minutes (outside rush hour, of course).

## References.

- 1] Glenbow Museum (downloaded 2011-02-18) Willison family fonds. ARCHIVES MAIN CATALOGUE [ww2.glenbow.org/search/archivesMainResults.aspx](http://ww2.glenbow.org/search/archivesMainResults.aspx)
- 2] Library and Archives Canada (downloaded 2011-02-18) Post offices and postmasters. <http://www.collectionscanada.gc.ca/databases/post-offices>

## SPECIAL POSTMARKS FOR ROYAL WEDDING

With little publicity, many Canadian post offices used an unusual rectangular postmark in blue ink for the happy day. It showed Westminster Abbey, where they were married. In Calgary, only the Central, South, and Marlborough offices had them.



## ROYAL WEDDINGS OF THE YOUNGER SET

by Elizabeth Saunaranta

The nuptials of William and Kate have revitalized the souvenir industry as they churn out countless knick-knacks in honour of the young couple. When it comes to this sort of thing, postal administrations take second place to no one, and are equally busy churning out high-priced paper. If you collect this topic don't rush to buy, as most of it will come back on the market several years from now at a steep discount, much like the previous royal wedding issues. Given that most of the young royals end up divorcing a decade later, one wonders why postal administrations don't cash in on the divorces as well.

### Anne, The Princess Royal.

Princess Anne was the first of her siblings to the altar, marrying Capt. Mark Phillips in 1973, by whom two children. The couple were divorced in 1992, and she then married Timothy Laurence that same year.

### The Prince Of Wales.



Prince Charles married Diana Spencer in 1981. Two sons were born but the marriage was in trouble by the early 1990s, and they finally got a divorce in 1996. Diana was killed in a horrific car crash in France the following year.

Charles subsequently married Camilla Parker Bowles in 2005. She had been his first true love as a young man and he had let her get away while he was in the Royal Navy. She divorced her first husband to marry him.



## The Duke Of York.



Prince Andrew married Sarah Ferguson in 1986 and they were divorced ten years later. They still share the same house but live in separate quarters, apparently to lessen the blow on their two daughters.

## The Earl Of Wessex.

Prince Edward and Sophie Rhys-Jones married in 1999 and have two children. Their marriage is still intact. He is the only royal son not to be named a Duke. When he married, the Queen stated that he would inherit his father's title. Since then, he has been taking over more and more of Prince Phillip's duties in his father's declining years, who is now 90 years old.



## Prince William.

William, next in line to the throne after his father Prince Charles, will be William V if he reigns. His bride, Catherine (Kate) Middleton, is a commoner from an upper-middle class family. The April 29<sup>th</sup> ceremony this year has triggered a flood of stamps from postal administrations, including Canada Post, and also postage meter labels from private companies such as Zazzle.



## MARKUP ON STAMPS

by Gordon Demke

In STAMP INVESTING, by Stephen R. Datz [1], the author notes an important distinction between financial markets and stamp markets. He states that *“Most financial assets trade with only a negligible transaction cost, usually expressed as a commission, load, or bid/ask spread.”* By comparison, *“Collectibles rarely trade on the basis of a commission or buy/sell spread. They’re purchased at one price and sold at another. The difference between the two prices is markup. Markups are usually significantly higher than transaction costs for financial assets.”* Datz emphasizes that markup is not the same as profit. *“The costs of delivering a stamp to the consumer (overhead, advertising, operating supplies, insurance, wages, travel, bourse fees, accounting fees, taxes, interest, and so forth) must be subtracted from markup in order to arrive at net profit.”*

He observes that there is no standard markup; it varies from item to item and from time to time. Also, information on markups tends to be closely guarded by those in the business. The author states: *“Having said that, and having spent a lifetime in the stamp trade, let me say that markups tend to be about 100 percent for midrange items- items retailing in the \$20 to \$500 range. A stamp purchased for \$20 will likely retail for \$40. Markups range from as little as five or ten percent at the top end of the market to as much as 300 percent to 1,000 percent at the low end- packet material and approvals- and this, in order to make it even marginally profitable.”* Irrespective of what markups may prevail in the stamp market at any particular time, the author’s main point is that *“the magnitude of markups for stamps (and other collectibles) profoundly differs from the transaction costs of financial assets.”* He provides an example of a \$5,000 common stock portfolio having to rise by only \$10 to \$20 to cover the transaction costs of buying and selling the stock using the services of an online broker. By comparison, a \$5,000 portfolio of stamps (100 stamps at \$50 each) has to rise to a market value of \$10,000 to cover a markup of 100 percent. The key then to making a profit on your stamps is to *“buy right, to buy for less than retail, to buy as close to ‘wholesale’ as possible.”*

### Tax Courts And Valuation Of Collections.

The markups between wholesale and retail and the pricing structure within primary and secondary philatelic markets were also the subject of a U.S. tax court case [2]. The case involved the disallowance by the Commissioner of Internal Revenue of certain noncash charitable contribution deductions by a Mr. Samuel Jacobson involving (in part) certain philatelic materials. Mr. Jacobson had donated 60,484 first day pages to a charity claiming this noncash property had a fair market value of \$900,430. This compared to a purported purchase cost of \$135,065 twelve years earlier (although this could not be corroborated). First day pages are a “first day of issue” collectible, similar to first day covers but different in size and format. Rather than a first day of issue

stamp affixed to an envelope, the stamp is affixed to a photograph, dinner menu, diploma reprint, copies of congressional minutes, etcetera which contain subject matter related to the stamp in some way.

A philatelic expert appearing for Internal Revenue, Mr. Paul T. Schmid, estimated a fair market value for the first day pages of \$16,185 assuming a competitive market and a combination of wholesale, retail, and unsalable categories. Alternatively assuming a noncompetitive market he set the value at \$15,000 to \$20,000 favoring the lower end of the range. He further testified that in his opinion the most accurate valuation would be in the wholesale market, and under that assumption the value of the first day pages would be between \$4,200 and \$9,000. The tax court judgement concluded that “*Based on Schmid’s [the philatelic expert] experience in stamp collecting and in the first day cover market, his valuation of the Kesslers [the first day pages which were created by Seymour Kessler] is the best evidence we have of fair market value, and it supports the respondent’s [Internal Revenue] determination.*” It was not a good day for Mr. Jacobson. The court upheld the exclusion of much of the noncash property value attributed to the philatelic materials and additionally assessed a substantial financial penalty for a gross valuation misstatement.

More interesting in the context here is the evidence of Mr. Schmid, who had been involved in philately on a full-time basis for 32 years. His experience included retail and auction sales and he had authored two books on the authentication of U.S. stamps. At the time of the court case, he was the owner of Colorano, a major publisher of first day covers in the U.S.

In supporting his opinions of value, Mr. Schmid described the pricing structure of first day covers within primary and secondary markets as follows. The primary market refers to current first day covers with newly issued stamps sold directly to customers by the manufacturer of the envelope containing a decorative design related to the subject matter of the applied stamps. Prices are set by the manufacturer and vary widely depending on the quality and method of sale. The secondary market refers to those first day covers sold by traditional stamp dealers who do not manufacture or publish first day covers. This market operates at both a retail and wholesale level and prices are determined by supply and demand. He attributed the substantial drop in price from the primary market to the secondary market to “tremendous oversupply”.

|                  | <b>Primary Market</b> | <b>Secondary Market</b> |
|------------------|-----------------------|-------------------------|
| <b>Retail</b>    | \$1.00 - \$3.00       | \$0.35 - \$2.00         |
| <b>Wholesale</b> | \$0.65 - \$1.65       | \$0.15 - \$0.35         |

In the absence of being able to identify a competitive market for the Kesslers themselves and arrive at an appropriate fair market value, he drew upon the first day cover market for evidence of fair market value. Schmid was of the view that the demand for first day pages was less than the demand for first day covers. Mr. Jacobson, on the other hand, submitted that a retail market existed for the Kesslers as items were listed for sale in trade periodicals. The court took the view that there was no evidence that any sales occurred at the prices listed in the periodicals, and stated: “We are convinced that 60,484 Kesslers would likely be sold, if at all, only in a wholesale market.”

### **Markups In Summary.**

Markups are of great importance to the collector, whether they are purchasing stamps for enjoyment or with the objective of making a profit on their purchases. Datz states explicitly that buying stamps for investment does not make sense if you pay full retail [p. 32]. Auctions offer good buying opportunities, as “*There are bargains to be had. That’s why so many dealers bid at auction. . . . The point is to be aware of markup and its impact on profits.*” [p. 33] He further emphasizes the importance of knowledge stating that “*the value of knowledge in stamp investing can never be stressed enough.*” [p. 33]

Datz concludes his chapter on “Markup” by stating: “*In summary, the investor must address the cost of markup in his strategy. He must understand that it varies, that it can be substantial, and he must strive to reduce its impact on his purchases. This cannot be emphasized enough, for above all, buying right is the key to profit in stamp investing.*” [p. 33]

For the collector purchasing stamps for enjoyment rather than profit, markup should similarly be a consideration in their purchasing strategy. After all, assuming a finite budget, paying less than retail should allow you to purchase more of what you derive enjoyment from. And it deserves consideration in estate planning. Upon death, financial objectives may take precedence and if the collection has been built on the basis of retail purchases and is sold in the wholesale market, there would have to be substantial appreciation in the value of the collection to break even much less generate a profit for the estate.

### **References.**

- 1) Stephen R. Datz STAMP INVESTING, General Trade Corporation: Loveland, Colorado, 1997 (fourth printing, revised & updated June 2009). Pages 30 to 33
- 2) United States Tax Court, T.C. Memo. 1999-401, Samuel Jacobson, Petitioner v. Commissioner of Internal Revenue, Respondent, Docket No. 20493-97, [www.ustaxcourt.gov](http://www.ustaxcourt.gov). Filed December 9, 1999

## CURRENT POSTMARKS OF CALGARY: PART 20

by Dale Speirs

### Closed RePOs.

University: basement of Macewan Hall, University of Calgary. This stand-alone postal outlet closed permanently on 2010-04-08. During the March 2011 Student Union elections, candidate Vincent St. Pierre included as part of his platform a promise to try and get the postal outlet back. This promise was conspicuously mentioned on his election posters, and his Website at [www.VoteVin.ca](http://www.VoteVin.ca). Unfortunately he was defeated. I don't imagine that students these days use the post office very much, so that particular campaign promise didn't really move them. Below is a screenshot of part of his Web page, downloaded 2011-03-05, a few days before the student elections.



NUTV.CA  
**Vincent St. Pierre**  
V.P. Operations and Finance

0:00 / 0:00 YouTube



### Platform

My name is Vince and I'm running for Operations and Finance. Please read the following for why you should VOTE VIN!

(1) Actual Business Experience, I've...

- Managed \$2.5 million worth of residential rental property
- Operated / Managed family's liquor store

I have a keen business sense and a strong work ethic. I have been on the SU Operation and Finance committee for two trimesters.

(2) Refocus on services to students: I want to...

- Open a Canada Post office in MacHall
- Install a webcam in front of Tim Horton's (so you can watch the line online rather than be in line)
- Annex the loft on the third floor loft from the university, get it new furniture and open it up 24/7 during exams.

### Have your say

Are you in favor of bringing back the post office to Mac Hall?

No (19%, 7 Votes)

Yes (81%, 29 Votes)

Total Voters: 36

[Vote](#)

## **YOUR HOBBY AND THE WEB**

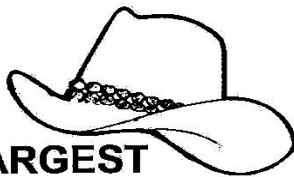
by Ron Tabbert

Every postal administration has its own website and they can be found easily. Just typing in “deutschpost” (Germany) or “usps” (US Postal Service) in the search line will bring you a website, and then most will have or respond to a search for “collecting” or “philately.” Canada Post has a site at [www.canadapost.ca](http://www.canadapost.ca) The postal archives at the National Library of Canada are fascinating as you scroll through pages showing all of Canada’s stamps: [www.collectionscanada.ca/philately-postal](http://www.collectionscanada.ca/philately-postal). Obviously commercial sites abound, as well as the various stamp societies and organizations. Many of us subscribe to LINN’S STAMP NEWS, which can be found at [www.linns.com](http://www.linns.com). The site also offers a wallpaper section from which various stamp illustrations from around the world can be downloaded. Mystic Stamps at [www.mysticstamp.com](http://www.mysticstamp.com) is an American company specializing in U.S. stamps, and they have just put their complete full colour catalogue online. You can also find it by entering [www.mysticstampcatalog.com](http://www.mysticstampcatalog.com) in your browser, and search by keyword or catalogue number.

The American Topical Association is a club for folks who collect topics on stamps. Their site is [www.americantopicalassociation.com](http://www.americantopicalassociation.com). I am also a member of the Royal Philatelic Society of Canada ([www.rpsc.org](http://www.rpsc.org)) and the American Philatelic Society ([www.stamps.org](http://www.stamps.org)). The RPSC also has links to Canada Post, where you can view recent issues. The APS has been producing small albums with spaces for American stamps on a certain topic. For example, [www.stamps.org/Albums/Baseball.pdf](http://www.stamps.org/Albums/Baseball.pdf) gives you pages you can print and then find the stamps to fill the spaces. They are in colour and include descriptive text as well as attractive layouts for the stamps. The Smithsonian Museum on the mall in Washington, D.C., houses the United States National Postal Museum. James Smithson, whose bequest established the museum, was a friend of French mathematician Francois Arago. The Museum has named its website after him. One of its features allows you to find stamps you would like in your collection and build it there on the site! That rare Black Jack, the expensive Graf Zeppelins? No problem. Just click on “add to my collection,” and there it is. For this adventure, go to [www.arago.si.edu](http://www.arago.si.edu) Click the “Create your collection” link in the right-hand column. You will be asked to login with an e-mail and password. Enjoy the adventure.

## **NEW CIRCUIT BOOKS CHAIRMAN**

After eight years behind the table, Mike McPhail has retired as Circuit Books Chairman. Thank you Mike for a job well done! His place has been taken by Larry Tweedale (282-9726 or [ltweed@telus.net](mailto:ltweed@telus.net))



## **CALGARY'S LARGEST STAMP SHOPPE**

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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: Lightly used Lighthouse album binders with protective slipcases. \$20 for one, \$36 for two, five or more for \$15 each. Contact Peter Fleck at 590-1574 or peterfleck@telus.net

FOR SALE: Four-volume collection of Canadian stamps in Unity albums. Price negotiable. Phone Al at 282-1030 or e-mail dorandal@shaw.ca

FOR SALE: USA mint sheets from 1967 to 1995 (Scott #1331 to 2979). Asking face value plus exchange rate and GST. Contact Peter at peterhay@shaw.ca

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.

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

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

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 [jcjperfin@hotmail.com](mailto:jcjperfin@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](mailto:pkborrowman@yahoo.ca).

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

## COMMITTEES

|                      |                   |          |
|----------------------|-------------------|----------|
| Archives             | Dale Speirs       | 701-0174 |
| Auctions - regular   | Doug Kollar       | 547-3838 |
| - silent             | Jim Senecal       | 547-7681 |
| Bulletin - Editor    | Dale Speirs       | 701-0174 |
| Circuit books        | Larry Tweedale    | 282-9726 |
| Library              | Penny Borrowman   | 686-2662 |
| Life Members         | Jim Taylor        | 238-3698 |
| Membership           | Julius Szekrenyes | 282-7982 |
| Private Treaty books | Gerry Vader       | 293-0158 |
| Programmes           | Penny Borrowman   | 686-2662 |
| Sergeant-At-Arms     | Dave Russum       | 284-4775 |
| Webmaster            | Jan van Staden    | 285-1874 |

## MEETINGS AND SPECIAL EVENTS

### 2011

|           |    |                                 |
|-----------|----|---------------------------------|
| May       | 18 | Auction                         |
| June      | 1  | General meeting                 |
|           | 1  | Elections                       |
|           | 15 | Auction                         |
| August    | 1  | deadline for September bulletin |
| September | 7  | General meeting                 |
|           | 7  | deadline for October bulletin   |
|           | 21 | Auction                         |
| October   | 5  | General meeting                 |
|           | 19 | Auction                         |
| November  | 2  | General meeting                 |
|           | 2  | deadline for December bulletin  |
|           | 16 | Auction                         |
| December  | 7  | Christmas social                |

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.

SPRING STAMP BOURSE will be at the Kerby Centre, ground floor. Details from Janice Brookes at 251-1769.

CALGARY REGIONAL GROUP OF BRITISH NORTH AMERICA PHILATELIC SOCIETY meets second Wednesdays. For details about meeting places and times, contact Dave Bartlet at 829-3580.

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

### 2011/2012 MEMBERSHIPS ARE NOW DUE

Before you forget, mail a cheque now to the Membership Chairman, Box 1478, Calgary, T2P 2L6, to pay next season's membership, which is due at the September meeting.