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UTAH BEER STAMPS

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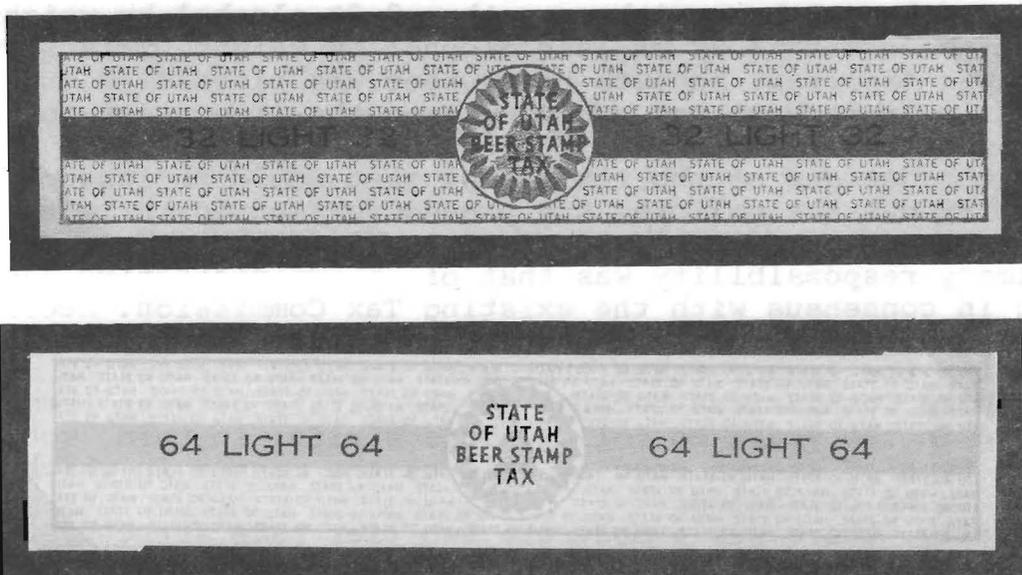


Figure 1.

Possibly because of a feeling that alcohol should not be consumed, alcoholic beverages have, almost from time immemorial, been subject to special taxes. The Dutch in New Amsterdam brought from Holland excise taxes on wine, beer and liquor. Very early in the eighteenth century, Massachusetts imposed taxes on wine and liquor. With the exception of the period of prohibition, the states have continued to tax alcoholic beverages (Dewey, 1928). For many states, in fact, prohibition was to be the precursor to their entrance into the regulation and taxation of alcohol, in particular that demon beverage called beer. Utah is included in this group. Early in 1933 the so-called "Hundred Days Congress" legalized the consumption of light wine and beer under the prodding of President Roosevelt. The legalized beer could not exceed 3.2% alcohol, by weight and was taxed at the rate of \$5 per barrel. So-called "drys" damned Roosevelt as a "3.2% American", but their voices were overridden by the official repeal of prohibition with the passage of the 21st Amendment later that same year (Bailey, 1979).

Following the lead that had been set by the U.S. Congress, Utah's legislature moved to impose a moderate tax on beer late in 1933. This

mirrored in many respects, the Federal 3.2% legislation regarding beer. This may have been a stopgap piece of legislation since it was followed by a major administrative overhaul in 1935 which had the stated purpose of

protecting the public health, peace and morals
(and to) prevent the recurrence of abuses
associated with saloons (and to) eliminate the
evils of unlicensed and unlawful manufacturer,
sale and distribution of alcoholic beverages

The 1935 "Intoxicating Liquors - Liquor Control Act" (hereafter referred to as "the Act") went on to refine the general term "alcoholic beverage". The generic term "beer" was divided into two classes, "heavy" beer with more than 3.2% alcohol by weight and "light" beer with 3.2% or less alcohol by weight. This term splitting was important because heavy beer was classified as a liquor, while light beer was excluded from the liquor category. These designations were to have far reaching impact on both the types and the designs of the tax stamps that would be issued.

To carry out the policies and procedures set forth in the Act, the legislature created a Liquor Control Commission (LCC). The LCC's primary responsibility was that of an administrative agency operating in consensus with the existing Tax Commission. According to the Act, the Tax Commission was charged with the responsibility of collecting the liquor taxes that were imposed. Attention is drawn to these Commissions because of the strife between them that would ensue in the years to follow. This strife, in turn, would impact the type of stamps used as well as the manner in which the taxes were to be collected.

Initially, there was a moderate two tier rate structure which taxed light beer at 80¢ per barrel (31 gallons) or fraction thereof and heavy beer at \$1.60 per barrel or fraction thereof. These rates were of no particular significance in regard to stamp design since all of the issues of the first six years were non-denominational. Section 103 of the Act simply stated that the Tax Commission was to keep on hand stamps suitable for paying the tax on bottles of a maximum capacity of 16, 32 and 64 oz.

Illustrated in Figure 1 are two examples of bottle stamps that were created to meet this provision. The stamps are diecut and measure 122½ x 22½ mm. The lettering on the centerband and the center tax medallion is black. Ten lines of "STATE OF UTAH" make up the background. This inscription is in the color of the individual stamps. In addition, there were to be keg stamps of one eighth,



Figure 2.

one quarter, one half and one keg (or barrel). The keg stamps' design was similar to that of the bottle stamps except that the keg size appeared in the four corners and there was a two line inscription denoting the alcohol content (Figure 2). The barrel stamps were rouletted 9½ in this initial issue, except for the one quarter barrel stamp, which is found both rouletted and perforated 12½. The Tax Commission was authorized to add stamps as they deemed appropriate. Thus, four additional strip stamps were added in the next three years. Listings of these stamps can be found in Cabot (1940) and Hubbard (1960).

Initially, each of the ounce denominated strip stamps had to be laboriously pasted by hand "directly onto the glass bottles" as directed by the Act. A limited alternative to the use of stamps was the use of "neck labels" that have been termed "Private Die Stamps for the Beer Tax" by Cabot (1940). As to the origins of these private die stamps, Section 104 of the Act states that

any person required by this Act to affix stamps to bottles containing beer may furnish to the State Tax Commission a design for a neck label which he proposes to affix to the bottle containing his beer, which design shall leave near the middle thereof a suitable blank space sufficient to have neck stamps imprinted therein. Such persons may thereupon deposit with the state auditor a sufficient sum to cover the cost of the manufacture and printing of such labels, whereupon the state auditor shall procure the quantity of such labels ordered and so paid for, and shall cause the appropriate stamp to be printed in the blank space. Such labels shall thereafter be sold to persons entitled to purchase them for the price on the stamps imprinted thereon, and maybe used as and for the stamps required by the Act

Those who opted for the use of these labels had to incur all the costs of their design and printing. Thereupon, the dies were turned over to the Tax Commission and reverted to and became property of the state. In subsequent years the Tax Commission would report that costs of administering this aspect of the Act were "negligible to nil". Neck labels were initially limited to 12 and 22 oz. denominations. Two representative examples are shown in Figure 3.

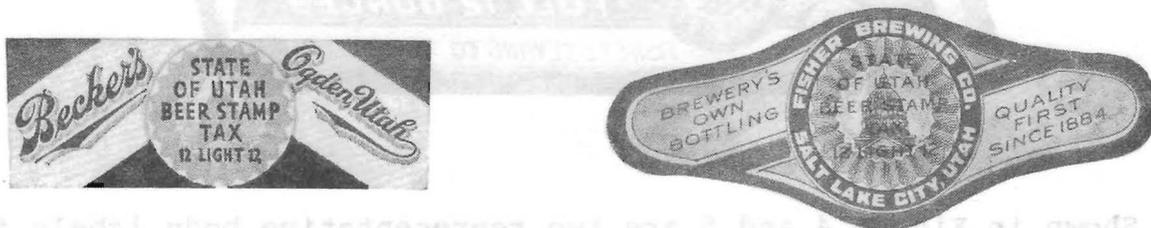


Figure 3.

From 1935 until late 1936 innumerable complaints continued to be lodged with both Commissions about the tax stamps. Most of the complaints were directed at the Tax Commission and in their report for those two years the following appears.

the use of new style containers in metal and different shapes and sizes of bottles makes it difficult to securely affix stamps and neck labels ... It is recommended that Section 104 be amended to permit the use of ... either neck labels or body labels, as are adaptable to the type of container

When the state legislature convened in 1937, the Act was amended to incorporate the Tax Commission's recommendation. Thus what were termed body labels came into dominance. All three of the ounce denomination that were to be used on the new body labels (12, 32 and 64 oz) were also available in the state issued strip stamps. But, due to the much greater convenience of the body labels, many manufacturer would switch to their use.



Figure 4.



Figure 5.

Shown in Figure 4 and 5 are two representative body labels from the dominant manufacturers and distributors of that era. Interestingly, in the years to follow, Fisher Brewing Company would consistently

follow the same basic design, while their counterpart Beckers would employ a diversity of design types.



Figure 6.

The advent of body labels was not to spell the demise of their small counterparts, the neck labels, since a totally new size neck label, for 11 ounces, appeared in 1937 (Figure 6). This label had no counterpart since the state had issued no strip stamp for 11 ounces. A summary of the ounce sizes of strip stamps and labels (private die stamps) issued in 1935 and 1937 is as follows:

1935: 12*, 16*, 22, 32*, 64*

1937: 11, 24*

*Issued in both strip stamp and private die label types.

The 1935 Act provided that labels, although not necessarily the neck label, had to have an inscription denoting "the percentage of alcohol contained herein." With the legislation enacted in 1937, this requirement was expanded so that the inscription had to read "the percentage of alcohol contained therein is not over 3.2 per cent by weight (or) is over 3.2 per cent by weight." In and of itself, this passage seems to be of little import. However, it was the catalyst which would help launch many of the body label sizes and types.

The "percentage of alcohol" inscription could be easily accommodated into the design along with the requisite tax medallion. In Fig. 7, the inscription appears just below the word "COORS" in the center of the label.

By contrast, the neck labels remained somewhat of a mixed bag. By this I mean that the inscriptions were not always part of the label design. Shown in Figures 8, 9 and 10 are a few examples of the post 1937



labels which illustrate this point. In Figure 8 the Pabst label has the inscription incorporated into the label design. In



Figure 8.



Figure 9.



Figure 10.

Figure 9 Walter's Quality has simply used a rubber stamp overprint reading "Alcoholic Content not over 3.2% by weight" to meet the legal requirement. The Brown Derby label shown in Figure 10 has no inscription but is, in fact, a post 1937 issue. It may have been a secondary label used on bottles with the primary label bearing the required inscription.

Yet another twist in the area of compliance with the 3.2% inscription requirement was the extremely rare provisionals created by Acme Breweries of San Francisco, California. These were handstamps applied to the state issued 12 oz. imperforate strip stamps. There were two different overprints. One read "ALCOHOLIC CONTENT / NOT OVER 3.2% BY WEIGHT" and is known in both black and in blue. The second read "3.2 PER CENT ALCOHOL BY WEIGHT" and was applied inverted in relation to the stamp. This is known only in black.

Returning to the private dies, these were deemed sufficient to meet the needs of those manufacturers who were using only glass containers. However, as previously noted, the industry was moving to metal containers and the users of these would be required to use the inconvenient strip stamps provided by the state. To accommodate these new container types, a clause was added to the 1937 Act which granted manufacturers the right to

print, lithograph, emboss or imprint upon crowns, caps, covers, lids, can ends or other means of covering, closing or sealing such containers

such words, symbols or devices as such regulations may authorize in lieu of stamps or labels herein prescribed

Manufacturers who opted for this method would pay the state the applicable tax due for each "cover" produced in lieu of the use of strip stamps or labels furnished by the state. The checklist by Green and Rordame (1937) is the only known philatelic reference to these special closures. A small excerpt from that checklist reads as follows:

Tax paid bottle caps, and stamps printed on can tops are replacing the adhesive stamps and private dies. The following have been seen:
Gold on red: (cap) small medallion, 11oz., 12oz., 22oz., 24oz., 32oz., and 64 oz. (used by Brown Derby, Dutch Lunch, Rainer and Lucky Lager).
Black on pale gold: (cap) small medallion, 32 oz. (user unknown).
Red on tin: (on cap top) (a red medallion) 12 oz., (Used by Becker's Products Co.).

Concerning the gold on red listing, no mention is made by Green and Rordame (1937) as to whether all these ounce sizes were used by all the four companies listed, but I suspect that this is not the case. Being bottle caps and metal lids from beer cans, it is understandable, although regrettable, that they were not actively collected and documented during the era when they were in use.

The Utah private die beer stamps, both neck and bottle labels, represent the most splashy and colorful area of state revenue collecting. The labels are printed in red, black, gold, silver, brown, and other colors and make a lovely display. The shapes also vary greatly, as do the designs. There is in excess of 100 different labels from no less than 15 different breweries to entice you into the hunt.

While the private die labels dominate Utah beer stamps in terms of the sheer numbers issued, the state issued another special type of beer stamp, the military beer stamp.

Utah, to my knowledge, is unique in that it was the only Western state to issue a specially designed tax stamp for use exclusively on case lots of beer scheduled for shipment to military reservations. Why, one might ask, would there have been a need for a special stamp with such a seemingly narrow purpose? A partial answer can, I believe, be obtained from reviewing the early Tax Commission records of this era. The year was 1940 and the LCC had just ruled that military reservations and, in particular, Fort Douglas, a large Army training base located near Salt Lake City, were outside the Commission's jurisdiction. The consequence of this ruling was that post exchanges and clubs located on such military complexes could ship beer through the state and onto the bases on a tax exempt basis. This action was clearly within the LCC's administrative authority, but the Tax Commission balked at such a sweeping exemption for the military. There was some apparent arm twisting and

negotiation over the extent of this ruling since the Tax Commission regained control over officers' clubs and similar organizations and asked that they be taxed at the applicable rate for light beer. The Tax Commission sought to have its taxing authority extended to commissaries as well, but the State Attorney General issued a special exclusion for commissaries dated December 1, 1941, a mere six days before the Japanese attack on Pearl Harbor. As a result, the LCC approved the Tax Commission's special non-exclusion for officers' clubs. As a result, a special case stamp was issued which was to be affixed to the exterior of cartons of light beer scheduled specifically for those military base locations subject to the special tax.

In addition to being Utah's first case stamp, it was the first Utah beer stamp to bear a monetary denomination (Figure 11). The stamp was issued in booklet format, perforated 12½ at the left

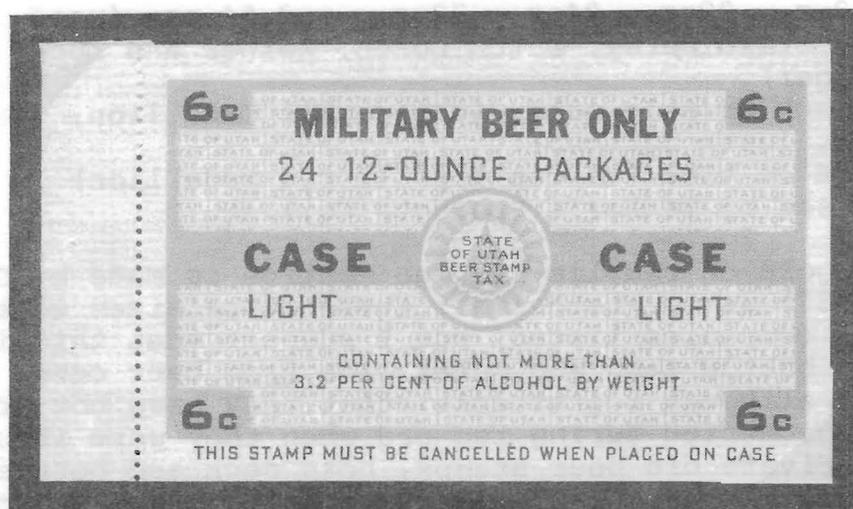


Figure 11.

with a small selvage which would remain in the booklet when the stamps were removed. The background of this issue was a two-tone tan. The value was printed in black, as was the text. Only one denomination was issued, 6¢ for 24 12 ounce "packages". Why weren't stamps also issued for the 32 ounce and/or the 64 ounce sizes as well? Answers, anyone?

The year 1940 was to see the advent of a second case stamp denominated in money, but it was not a military stamp. It was issued in connection with the first legalized sale of heavy (over 3.2% alcohol) beer. This case stamp (Figure 12) was like the military case stamp in format. It was issued in booklets, with selvage at left and was perforated 12½. The stamp design was printed in red with lettering and inscription in black. The background was white. The stamp often appears with the tip of the "1" of "12¢" missing at the upper left. This variety is also known to occur on the "12¢" in the lower left corner.

Records from that era reflect that a mere two thousand plus gallons of heavy beer was sold that first year. This figure seems, at best, miniscule in relation to the over four million gallons of



Figure 12.

light beer sold during the same time period. By LCC decree, sale of heavy beer was limited to military installations and railway companies. The latter had to hold what was termed a Special Public Service Liquor License. The license entitled the railroad to serve all types of alcohol, including heavy beer, in their club cars while passing through Utah. The Southern Pacific was the only railroad on record as availing themselves of this special license.

There also existed another heavy beer stamp, a strip version that was affixed to individual containers. The design (Figure 13)

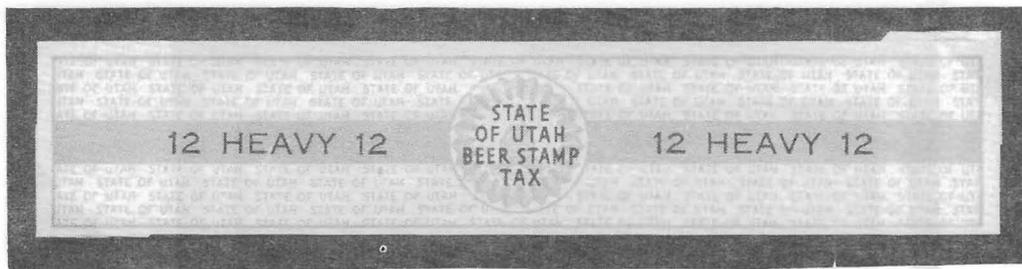


Figure 13.

is like that of the other strip issues except that the inscription in the center band reads "12 HEAVY 12" in red. This stamp is an example of "crossed wires" between the Tax Commission, which was responsible for the development and design of new tax stamps, and the LCC which was responsible for promulgating the administrative guidelines under which such stamps would be issued. This stamp was issued in error by the Tax Commission since the LCC had issued guidelines which restricted the sale of heavy beer to "by the case" and not "by the bottle" sales.

The state, it seems, did everything within its power to make the purchase of heavy beer difficult or impossible. Since, by statute, heavy beer was considered a liquor, it could only be purchased through state controlled liquor stores. And, if it was purchased

there, it had to be by the case. Further, the LCC, which operated these stores, had to make a 55% profit over cost, which made it prohibitively expensive to purchase heavy beer from LCC stores.

By the spring of 1944 even the United States Government was involved in restricting the sale of heavy beer and sales in Utah tumbled from an all time high of 13,488 gallons down to a mere trickle of 698 gallons. That year only the Southern Pacific Railroad purchased the heavy brew. By the summer of 1944, the Tax Commission had relinquished its heretofore tough stance on which military establishments would have to pay the tax on beer. Beginning June 1, 1944, commissioned and non-commissioned officers' clubs would be allowed refunds on the sale of tax paid beer sold at these facilities. Although the refund procedure was implemented, a revalued military beer stamp was issued that same year. Whether this was an error, in view of the removal of the tax, remains unresolved at this time.

The legalities of the tax on military beer aside, it had been almost ten years since the initial rates were established so it was not surprising to see the legislature move to boost the rates. The rate increases were of no special philatelic significance except for the revalued special stamps which were directly caused by these increases. The new rates were \$1 per barrel of light beer and \$4 per barrel of heavy beer. These rates became effective in 1945 and caused the issuance of two revalued booklet stamps. The new 8¢ military beer stamp was identical in design to that shown in Figure 11, with the obvious exception of the denomination. It is of interest to note that an error exists on this issue, with the black lettering inverted in relation to the tan design.

The second new stamps that resulted from the higher rates was



Figure 14.

a 30¢ case stamp for use on heavy beer (Figure 14). The heavy beer tax was an apparent thorn in the side of the Tax Commission as it was to lament that Utah was putting itself to "some slight expense" over the tax, but deriving no appreciable revenue therefrom. Why not? As stated, the military was obtaining refunds of taxes on the heavy

beer it purchased and the Southern Pacific Railroad was the only other purchaser. In LCC stores, the sale price of this type of beer was simply too high, as noted above, and almost none was purchased.

What, in the 1930s, had seemed to be imperative (using tax stamps, labels and crowns) later evolved into an administrative burden. As this burden grew, the Tax Commission prodded the legislature into a repeal of that aspect of the law which mandated the use of tax stamps, labels and crowns. Thus, the use of all types of Utah beer tax stamps came to an end in 1953.

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1947-48 (p. 72); 1949-50 (pp. 31-32); 1951-52 (pp. 58-63);
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UTAH REVENUE STAMP CATALOGING EFFORTS

The first major effort at cataloging the Utah beer stamps, especially the private dies, was made by Green and Rordame in 1937. In 1940 Cabot used portions of the Green and Rordame listing in his own catalog. Since then, very little has appeared on these stamps. Over the years I've made "hot or miss" progress in this area and now a draft of a new Utah catalog is about 80% complete. The private die section has reached the stage where critical review is needed. This draft is available for review by interested collectors who would like to examine it against their own collection and assist where appropriate. If you have any questions or information, please contact me: M. E. Matesen, 19828 80th Place, West, Edmonds, WA 98020-2414.

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