

SCRIPPHILLY

APRIL 2012

No.88



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The World's Oldest



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Record Chinese Price



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Help!

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The journal of the

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IBSS AGM 2012

The 2012 IBSS Annual General Meeting will be held in the Spink Auction Room, 69 Southampton Row, London WC1B 4ET commencing at 18.00 on Tuesday 3rd July. The purpose is to elect the Officers and Committee of the IBSS, review the Society's activities and accounts, and to discuss any matters which members wish to raise. The AGM is open to all members worldwide. Members wishing to raise resolutions and motions at the AGM should send these to reach the Secretary (contact details on page 1) as soon as possible. Strictly speaking, these should be signed by a proposer and seconder, but if you do not know anyone who could second your resolution, you are welcome to send it to the Secretary anyway, and he may be able to find a seconder for you. You may ask for a subject to be discussed even if you are not able to come to the AGM in person. The Agenda for the AGM will be published on the Society's website by the beginning of June. Members may request a written notice of the Agenda from the Secretary.

IBSS OFFICERS & COMMITTEE ELECTIONS

Elections for the IBSS Committee will take place at the AGM on 3rd July. New Committee members are always most welcome. If you would like to join the Committee or propose someone you think suitable please send names to reach the Secretary as soon as possible. If you would like to discuss it first, you should contact the Chairman or the Secretary (contact details on page 1). Nominations will be published on the Society's website by the beginning of June.

LONDON BOURSE SET FOR 19th MAY

We are pleased to announce that following the success of our events over the last two years we will be holding a bourse in London again this year. We have again booked the Imperial Hotel, Russell Square, same room. The Imperial Hotel is in Southampton Row overlooking Russell Square, and almost opposite Spink. The nearest tube stations are Russell Square and Holborn, the nearest main line station is Euston. St Pancras International (Eurostar) is only one stop away from Russell Square tube station. The hotel has its own car park. This year there will need to be a charge of £30 for tables, payable on the day.

Again this year Spink will hold their first London sale of 2012 the day before our bourse, Friday 18th May. This gives London scripophily events on consecutive days which we hope will prove attractive to both dealers and collectors alike. For further information contact either Mike Veissid at Spink or Bruce Castlo. Contact details for both are given on page 1.

VISITING LONDON? STOP BY FOR THE REGULAR SCRIPOPHILY MEETINGS

The London monthly meetings will continue during 2012 at Spinks in London, 6pm first Tuesday of each month except for June and August. Each meeting last year enjoyed double digit attendance, but more members would be welcome. The regular attendees are invited to bring along an item to show, talk or ask about. The March talk was on Confederate Cotton Loans.



This scarce 1855 certificate, shown at the last meeting, is one of the few UK certificates to depict recreational fishing - the most popular British hobby

SOCIETY AUCTIONS

We are pleased to enclose another Society auction catalogue with this edition of *Scripophily*. This will be the 58th auction under the direction of our present auctioneer Bruce Castlo. The hammer total of the previous 57 is just over £190,000. All the material in our auctions comes from our members and occasionally a piece comes to us, which fits into a popular theme and which we do not think has been offered for sale before.

One such certificate in the current auction is the **Sheffield & South Yorkshire Navigation Company**. This company was formed in 1889 under an Act of Parliament to purchase by agreement from the **Manchester, Sheffield & Lincolnshire Railway Company** its navigations between Sheffield and the Humber, the object being to run and improve them. In 1948 the company was nationalised under the 1947 Transport Act. Ordinary shareholders received Government British Transport stock in exchange for their shares.



Also in the present catalogue is an American railway certificate which we think has not been seen before, it is a certificate of the **Gulf of Mexico & Tennessee Railway Company** issued in London in 1893.

11th ANNUAL NATIONAL STOCK & BOND SHOW A BARGAIN HUNTER'S OPPORTUNITY

This bourse, also known as the Dulles Show, is always a great wholesale opportunity, meaning that there is a great deal of material and most of the trading is among dealers. This one was the same, except more so thanks to auctioneers who brought large groups of material unsold in prior auctions. Bob Schwarz of Archives International offered a small group of quality unsold items, mostly highly decorative specimens, from his previous auctions, while Spink occupied two tables with a voluminous pile of unsold lots from the last few Collector's Series sales, mostly the remains of the former Smythe inventory. For the most part, these lots were sold at fixed prices of about half the low estimates when first offered at auction.

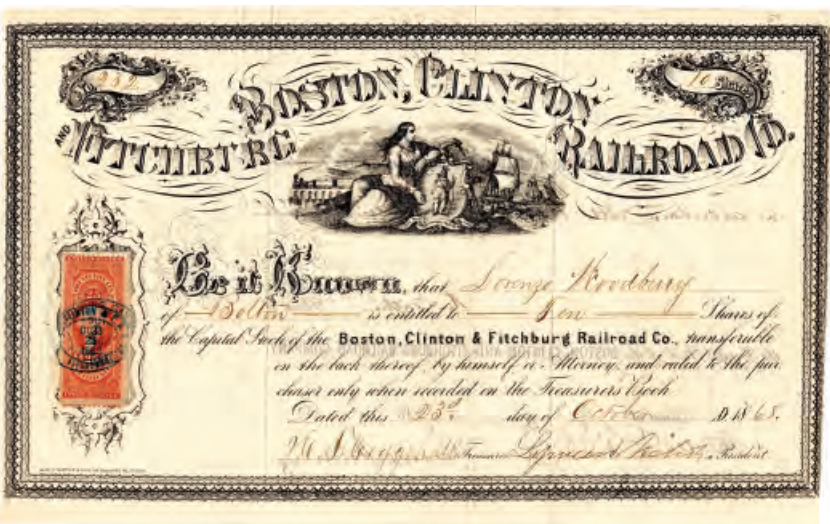
No red carpet scripophily surprises occurred this year, unlike last year when the **Novelty Airship Co** certificate walked in the door in the hands of a non-collector to be snapped up by a succession of dealers (see the Spink NYC auction report in this issue).

Show organiser Bob Schell made a conscientious effort to publicise the show, with newspaper listings and the like. The collector attendance was similar to last year, but there seemed to be more curiosity seekers this year, people who had heard about the show and wanted to learn more about scripophily. The number of dealers in attendance was the same as last year except that three of them this time were not scripophily dealers (coins and autographs).

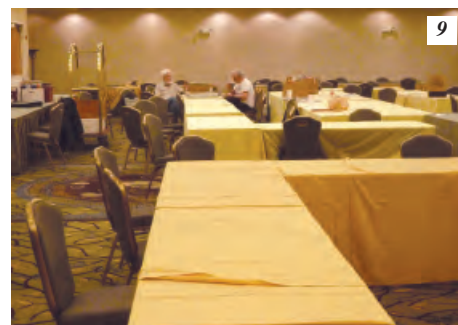
This year the Germans were back, though no other Europeans. Michael Weingarten of FHW and Stefan Adam were buying again.

As usual, this was an opportunity to renew acquaintances with collector and dealer friends, and hoist a brew or two. Bob Greenawalt, the nonagenarian Ever Ready Bunny of scripophily, returned, as did Georgia rails collector and author Garry Eubanks, and noted NYC collector Ira Unschild. Richard Urmston, who formerly dealt stocks and bonds as Centennial Documents, also made an appearance. We missed Howard Aaronson (who attended the Herzog Bourse in New York in October). It was also a treat to see former US Chapter President Richard Gregg drop by.

According to a dealer, "Most of the dealers I talked to seemed pleased with sales. The material from the most recent Spink/Smythe sales may have provided a significant portion of those sales. There seemed to be little new material offered (at least I did not find it) and again the aforementioned Spink/Smythe material may have accounted for much of what passed for new, but most of this has been around before. 'Lack of new material' is a litany I have repeated often and one that I think is echoed by many experienced collectors. Other than Bob Schwartz, who appears to have a (seemingly) endless supply of wonderful specimens, most dealers did not appear to have



1. Buyers flock to Spink's sale of unsold auction lots. 2. Left to right Bob Schell, Stefan Adam, Marianne Braitsch, Andreas Reineke, Judy Schell. 3. Cora Feintuch and Bob Kluge. 4. Dealer Tom Lareau and new collector William Benz. 5. Cliff Priest and Joann Davic. 6. Dealer William Harper with mobile 'shop'. Left: one of the certificates found by collectors



much that is ‘new and exciting’ (to me anyway). My hunch is that many collectors who might have an interest in selling are waiting out the current down market to see if prices will rise again. With Spink taking over the Smythe auction and the loss of a show (Strasburg) connected to the auction, there has been a significant decline in both the quality of material available and the prices realised, resulting in fewer collectors being willing to consign, and not knowing where else to sell except on eBay (which appears to be improving as a venue to sell quality material).”

Whatever the source of the material that was selling, another dealer reported that the show was one of his best, both in sales volume and in new collectors appearing at his table.

A number of curiosity seekers arrived on Saturday. The problem was that many dealers departed well before the Saturday closing, just as the Saturday afternoon visitors were arriving. Admittedly, these were not likely to be big buyers, but dealers need to take time with curiosity seekers if they expect to develop new collectors to supplement their established clientele. These shows only happen a few times a year. We should all take time to introduce others to our hobby, and that means staying until closing time.



7. Michael Weingarten and family. 8. Scott Winslow and Bob Schell unwind after closing. 9. Tom Lareau and Richard Strebe outlast them all. Above: Another certificate uncovered

SCRIPOPHILY SHOWS – A MEMBER’S THOUGHTS

Thanks to the new ‘Wall Street Bourse’ coordinated by John Herzog, there have been two major scripophily shows in the US this year – the other one being the long established Bob Schell show in the Washington Dulles area. In Germany on the other hand, the number of bourses has been reduced in recent years from four in 2009 (2x FHW Frankfurt, 1x HWPW Wiesbaden, 1x HWPW Würzburg) to two this year (1x FHW Frankfurt, 1x HWPW Wiesbaden). Since Matthias Schmitt, CEO of HWPW, announced that he will focus entirely on his auctions and hence stop the Wiesbaden bourse, there will only be one bourse in Germany left next year: FHW’s Frankfurt bourse.

Apart from that, there are the two bourses a year in Belgium, organised by Mario Boone’s Scripophily Center in Antwerp, and – since 2010 – the annual IBSS bourse in London. We know of no other full day (or two-day in the case of Bob Schell) bourses entirely focused on scripophily.

Are these six bourses scheduled for 2012 enough, too little or too much for our hobby? Are live auctions and internet contacts (from eBay to email) sufficient? The fact is that, compared to say five years ago (and even more so if we go further back in time), the number of visitors as well as dealers showing up at bourses has clearly diminished. True: it takes time, effort and (some) money to travel. But on the other hand, one does get to see the people with whom one deals over the internet, and more importantly, meet that still important group of people – and their collection duplicates – who are not, for various reasons, spending their hobby-time online. Furthermore, and this is for a collector perhaps most important, you get to see with your own eyes what you want to buy, before you actually buy it. There’s

no photoshopping on a bourse! By definition, a bourse brings together a group of people with the same passion. The atmosphere that this creates is priceless for many. Finally, you might have someone whisper in your ear some inside info about the latest lot discovered, which is much too sensitive to put in a letter or email.

Now then, why aren’t there any more bourses? Or why are some reducing, even stopping, to organise such events? To answer these questions, we must distinguish the three different types of bourse organisers.

Firstly, a collectors’ society such as IBSS. These bourses may perhaps be not very elaborate, but they are cheap and (without the aim of making a profit) entirely focused towards the collector community. The key here is to find sufficient voluntary help to promote and organise the bourse, and dealers to come.

Secondly, there are the ‘professional’ bourse organisers who do perhaps a little dealing on the side, but are not representing any auction house. For them, a successful (read profitable) bourse is the key objective (even with a healthy dose of self-sacrifice). In the world of scripophily, only the US bourses fall under this category. Hence, they typically ask a (moderate) admission fee for visitors and a three-digit table rent.

Thirdly, you have the historical situation on the European Continent (in practice Belgium and Germany) with professional auction houses organising an international bourse for the day after their auction. For auctioneers, such a bourse is surely just a side-light – perhaps the most important function is to attract

more collectors to the auction. There are no admission fees and table rents are two-digit. These are not very profitable if one takes into account the hotel bourse room rent and general organising expenses (paperwork, advertising, staff time ...). Is this the reason why we see, unlike the other two types, the number of this type of bourse diminishing? Yes, but there is more. For an auctioneer, a bourse represents a form of competition: all dealing at a bourse is dealing for which the auctioneer (logically) doesn't get any commission, contrary to the possible alternative, consisting of extra consignments. Even worse, a collector might find a certain certificate offered cheaper at the bourse than in the auction. Anyway, there clearly

is a conflict of interest for auctioneers who also organise bourses. Historically however, these auction+bourse events (from Frankfurt in Germany to Strasburg in the US) played an important role in the development of scripophily. It seems that, with bourse and auction organisers growing apart, the best days of joint bourses may over.

Yet, this doesn't mean that collectors shouldn't be prepared to spend some of their time and money in visiting bourses, of any type. As laid out above, they are worthwhile in terms of finding additions to one's collection and as an informative and fun way to meet more like-minded people.

IBSS BREAKFASTS WORLDWIDE

Antwerp, 11th March

At 8am sharp almost 50 collectors attended the annual IBSS Breakfast in Antwerp. Our chairman, Andreas Reineke, welcomed everybody personally and also introduced the guest speaker, our long time Swiss member Dr Peter Christen. He gave a very informative, and also often amusing, 20 minute talk about the history of canal building and financing, in particular the French **Canal du Midi**. His presentation (in English) is available on our website (www.scripophily.org). After the presentation and breakfast, the international crowd (Austrian, Belgian, English, French, German, Italian, Spanish and Swiss members) moved on to the bourse which opened at 9am. The breakfast is free to the IBSS since the hotel includes breakfast with the room rate, and the Boone firm underwrites the meeting room rental fee.



Dr. Peter Christen uses an excellent Powerpoint presentation to lecture on worldwide canals

National Show, Dulles, 28th January

The annual IBSS breakfast this year was attended by a standing-room-only crowd of about 45 members. As usual, it was held on the morning of the second day of the show prior to opening. It featured a smorgasbord of speakers, starting with *Scripophily* Chief Editor Max Hensley, who commented on Society business.

Hensley noted that IBSS printed 700 copies of the 36 page December *Scripophily* on A4 stock for £3,224, compared with the £4,195 for 600 copies of the 40 page August *Scripophily*. A4 paper contains about 30% more space than our previous pamphlet size, so we got a bigger journal for considerably less money. While slightly higher mailing costs ate into the savings, the overall savings exceed £2,000 per year. The reason for the savings is that A4 is a much more commonly used paper size in Europe, so our printers could use economies of scale not otherwise available to us. While the prior pamphlet size offered advantages, the state of the Society's finances compelled the change.

Hensley also called for volunteers to write articles for the journal. *Scripophily* is an entirely volunteer activity, and without member contributions it will wither on the vine. Particularly wanted are pieces on UK scripophily, and scripophily outside of the US and Europe. US topics particularly wanted are recently neglected subjects like general industrial, agriculture, land development, chemicals and foods, electrical industries, automobiles and maritime. Hensley also pointed out the steady decline in Society membership, particularly in the United States, as a matter of concern and asked dealers to alert non-member customers to the advantages of Society membership. Dealer Tom Lareau stepped up to the plate, agreeing to add IBSS membership flyers to all his scripophily shipments.

We are still looking for someone to write up US auction results and eBay news, both for Europe and the US.

The next speaker was Mike Veissid of Spink, who addressed the audience on current market trends. He reported on the rapid development of Chinese scripophily far beyond the well-known speculative bond field as evidenced by Spink's success with its Hong Kong auctions.



Mike Veissid discusses the scripophily market to standing-room-only crowd

Finally, Neil Frampton, a long-standing collector of navigation and Maryland/Baltimore scripophily, told the story of the **Mercantile Trust Co** hoard of about 8,000 vintage securities he purchased in 1982 for \$2,250, most decidedly the "good old days" at the dawn of scripophily. He went on to sell 800 of them to Ted Robinson for about \$4,000-\$5,000, including some duplicates such as about 50 **Copper Knob Mining Co** (NC) certificates (*Ed Note – so that's where all those certificates with the cherub vignette came from!*). He has gradually sold off the hoard over the years, including 30 rare auto certificates in a 1983 Smythe auction that netted over \$3,000 and "made life a lot easier with Kay [his wife]" who had been concerned about Neil's



Breakfast speaker Neil Frampton displays certificate from a hard-luck insurance company, shown below right



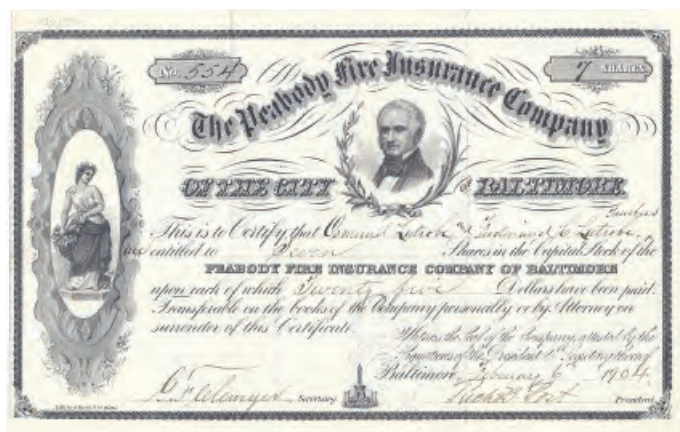
Raffle prize donors Larry Schuffman (left) and Ted Robinson (right) present raffle winner Mike Brida a Geneva Award Check

big plunge into this unknown hobby. Neil reports that you can identify Mercantile hoard pieces because he penciled in “M882” (for Mercantile 8/1982) in the upper left hand corner of the certificates so he could identify what came around again. Many of them also had two file hole punches in the left margin area.

Neil brought to his talk an interesting example of one of the hoard pieces, a **Peabody Fire Insurance Co of the City of Baltimore** certificate dated Saturday 6th February 1904, “just 24 hours before the great 1904 Baltimore Fire, which wiped out more than 1,500 structures in the centre of Baltimore, and bankrupted most of the insurance companies in the process. This may have been one of the last certificates ever issued by this insurance co”.

Members Larry Schuffman and Ted Robinson generously contributed a valuable uncanceled Geneva Award Check for the breakfast raffle, which was won by collector Mike Brida. For the story on these interesting US Civil War items see the report on the Herzog Bourse that appeared in the December issue of *Scripophily*.

IBSS wishes to extend its gratitude to Scott Winslow, the LaBarres and Bob Schell for helping to underwrite the cost of the breakfast.



Peabody Fire Insurance Co certificate (George Peabody vignette) dated a day before the great Baltimore Fire, certainly an ill-timed stock investment



“WOMEN AND FINANCE – AN EVOLVING IMAGE”

On 2nd March the Swiss society Scripophila Helvetica invited its members on a special guided tour of the Wertpapierwelt Museum’s new exhibit on women and finance. The Museum has a treasure trove of significant world-wide historical securities that it uses to prepare rotating exhibits like this one, each of which takes up all the Museum’s public exhibition space.

Around 25 members of the Swiss society took part, including IBSS Chairman Andreas Reineke. Museum curator Mrs Dagmar Schöning gave a very entertaining, informative and knowledgeable lecture, including an explanation of the roles for the different allegorical women on the certificates. She and the exhibit noted that investment portfolios managed by women on average obtain a 5% higher yield than those managed by men; all visitors were male! The Swiss society paid the entrance fee, and the Museum offered wine and nibbles afterwards.

The first section of the exhibition is dedicated to securities bearing the images of women from a time when security certificates were an important marketing tool. The second section of the exhibition features real-life prominent women who appear on companies’ certificates. This section also highlights the history of early female investors and businesswomen through to today’s female management staff, who have all left their mark on securities. The exhibition also features a number of interviews filmed with male and female representatives from the worlds of science and financial planning.

A small book about the exhibition, in German and in English, is available for CHF15 on the Museum website. The Museum is located in Olten, Switzerland, near Basel. It is only open Tuesdays and Wednesdays from 9:30 to 5:00, so plan your visit carefully. Special tours for groups can be arranged in advance for other times. There is a modest admission fee.



Members of Swiss society Scripophila Helvetica view the new exhibit, with some of the scripophily on display in the Wertpapierwelt Museum

THE WORLD'S OLDEST

A recent remarkable discovery is a city bond issued in 1485, making it 70 years older than anything previously seen in scripophily. Manuscript, in Dutch, it was issued by the city of Haarlem in North Holland, at that time part of the Duchy of Burgundy.

On 15th April 1485 Jacob Boudins lent the city of Haarlem 160 Flemish pounds at an interest rate of '16th penny' (6.25%) payable to bearer in Haarlem or in Antwerp. Thus the bond was transferable and could be traded in the city that was Northern Europe's leading centre for international banking. Termed a 'losrente', it was an investment not a 'forced loan' as sometimes demanded for government funding in the 15th, 16th and 17th centuries. An endorsement shows that it was redeemed in due course.

The earliest bonds previously known to us are a forced loan to the English Queen Mary dated 1557, in manuscript, and another forced loan, to the city of Leiden (just 30km from Haarlem), dated 1587, which is the earliest known printed scripophily. Discovered by the Dutch dealer Corné Akkermans, the important 500-year-old Haarlem bond has gone to a private collection at an undisclosed price. The Leiden printed bond was sold for €50,000 plus premium in Akkermans' 2002 auction, which was of course before the debt crisis.



Bond for 160 Flemish pounds issued 15th April 1485, on vellum with a pendant wax seal of the city of Haarlem (seal enlarged). Unusually, the signatures are on the strip of vellum attaching the seal

MILLION POUND BOND SETS PRICE RECORD

Another discovery. Monies received through the US Marshall Aid reconstruction plan for Europe after World War II were subject to strict accountability. To cover a temporary embarrassment the UK Treasury borrowed from the Bank of England on a short term basis, and to help with the book-keeping requested the printing of high value 'notes'. The total order sent to the Bank of England print works was for £300,000,000 in various denominations starting from £25,000. It is believed that the entire issue was subsequently destroyed with the exception of numbers 7 and 8 for One Million Pounds which were presented as souvenirs to the British and American Treasury Secretaries respectively.

Number 7 was sold in a paper money auction last September by Dix Noonan Webb, one of the market-leading London coin and banknote auction houses, for £67,200 including premium, the highest auction price ever for British scripophily. This remarkable bond

was in a banknote sale perhaps because of its appearance, but it was not money because, quite apart from the huge amount, it was not negotiable and could only be repaid to the lender, the Bank of England. It carried no interest and was repayable on demand but was in all other respects a typical government loan instrument.

NB Not to be confused with a stage prop, seen before, printed for the 1954 Gregory Peck film of Mark Twain's story 'The Million Pound Bank Note'.

One Million Pounds, 30th August 1948, payable to the Bank of England on demand, not negotiable, with the signature, probably facsimile, of E E Bridges, Secretary to the Treasury, stamped 'CANCELLED, 6 OCT. 1948, BANK OF ENGLAND'



WARNING: RAMPANT SPECULATION CONTINUES

The Mexican speculation continues unabated. 1903 share certificates of the **Banco Central Mexicano SA** ('BCM') have sold for very high prices on eBay, and similar pieces dated 1905 and 1908 have been bringing prices in the \$500-\$600 range. Keep in mind that these results are only as *reported* on eBay – the items *may or may not* have been paid for (one seller said “So many buy but so few pay”).

BCM was a privately funded bank. The stated capital increased from 10,000,000 pesos in 1903 to 30,000,000 in 1908. All the shares seen are series A and for one share (green), 10 (brown) or 25 (blue) having par value \$100 per share. Most eBay listings carry partial sets of dividend coupons, which is correct. They bear stamps in Spanish, presumably from the 1917 liquidation (*Fisher's Manual*, 1957).

The 1903 blue 25-share certificates bring the highest prices, but the market has steadily declined from eBay no.250953996133, which sold on 20th December 2011 for \$27,100. Another one, eBay no.280808043928, sold on 23rd January 2012 for \$15,700 (all bidders had the usual low number of prior transactions). On 29th February one of these brought only \$6,900 on 48 bids. Prices are somewhat proportional to the denomination, being about \$3,000-\$4,000 for the brown 10 share (1,000 pesos) certificate and about \$500 for the green single shares, this being clear evidence that this is a redemption speculation. A 10-share brought \$3,750 on 25th March (no. 220975127043) with 55 bids from 18 distinct bidders, all with low transaction volumes. The seller was Gutowski (part of the FHW Group). One sold on 10th March for \$3,160 (with only two bidders!).

In addition, large numbers of the 1905 and 1908 BCM shares have been bringing sums far out of line with scripophily. The design of the 1905 and 1908 issues is quite similar to the 1903 type. More than 64 of the 1905 and 36 of the 1908 shares appeared on eBay in December and January. The 1905 has ranged from \$305 to \$880 and the 1908 from \$405 to \$1,013. Remarkably, groups of as many as eight have sold with no diminution in the price compared to the average selling price of singles – for example, ten 1908s brought \$7,350.

Speculation is no longer limited to BCM. Share certificates of the **Banco de Londres y Mexico** ('BLM') also have consistently been bringing high prices (not per certificate but per share, again illustrating the non-scripophily aspect of this speculation). Single-share 1905 certificates (100 pesos) in green sold on eBay in January and February for from \$384 to \$770. However, another of these failed to sell at \$250, and another supposedly sold on 6th March for \$3,350 (item no. 230755674720). Pricing on these has been quite erratic, though trending upward.

Apparently, there is a sweeping delusion that these items are going to be redeemed – the buying has extended even to **Banco Nacional de Mexico** shares from 1935 – eBay no. 200693078467, which brought \$1,226 for a French seller.

This has stirred up a hornet's nest in Europe (where most of this material resides). In a 16th February email, Hanseatisches Sammlerkontor (part of the FHW Group) reports receiving over 200 BCM certificates in response to an earlier solicitation. They were offering to buy BLM 100-Pesos at €100 and 1,000-Pesos for €300, and BCM green at €50 and brown or blue for €150-€250 each. They reported their buyer had reduced his offer prices (not surprisingly). The company cautions that “since the bubble could burst very fast again, and probably will, be fast

please and send your pieces right away, no matter what quantity we have”. The firm is also buying other speculative scripophily.

We reported in our last issue that Spink New York sold two **1865 Mexican Emperor Maximilian bonds** in its September sale, with only one having been paid for. Now we learn that the second, at \$201,000, has also been paid for. This, taken together with the astonishing £30,000 paid for 14 **Cuyutlan Gold Mines Co 1913 bearer share certificates** in Spink London's November sale, illustrates that the Mexican insanity can strike anywhere. While naïve expectation of Mexican Government redemption (in the face of its express denials) might underpin the **Mexican Republic bonds** speculation we have reported previously, the sales of Imperial bonds and non-governmental instruments are completely unmoored. These long-dead enterprises are not going to rise like a phoenix from the ashes of the Mexican Revolution. While we are grateful for the nourishing waves of capital pouring into scripophily, it is not what we know as the scripophily hobby and is bound to lead to a lot of angry and disappointed people.

On the other hand, other Mexican scripophily, eg various mining and petroleum certificates, brings only modest prices on eBay, well below \$100 each. One good result of the speculation is that much more Mexican material is appearing on eBay. Previously, it was rather invisible.



Single 1905 shares in **Banco de Londres y Mexico** have sold on eBay at prices from \$384 to \$3,350

A certificate for 25 Banco Central Mexicano shares dated 1903 sold for \$27,100 on eBay in December



(Archive images courtesy Mario Boone)



The Wall Street Collectors Bourse

*Trading opportunities for
lovers of financial history*

SAVE THE DATE

WALL STREET COLLECTORS BOURSE II *"MEMORABILIA OF FINANCE"* AT THE MUSEUM OF AMERICAN FINANCE OCTOBER 18-20, 2012

The Wall Street Collectors Bourse, a show intended for lovers of financial history, made its debut at the Museum of American Finance in October 2011. Successful beyond expectations, it will be held there again October 18-20, 2012. The Museum is open free during the event and with its fascinating financial exhibits, provides an ideal setting for this numismatic show as museum visitors spill over into the Bourse and bring new interest to the hobby. The theme of Bourse II, "Memorabilia of Finance," relates financial collectibles to important historical events. Archives International Auctions will again host an exciting auction during the Bourse event.

- Event:** Wall Street Collectors Bourse II
- Dates and Times:** Thursday, Oct. 18th, Noon to 8pm;
Friday, Oct. 19th, 10am to 4pm;
Saturday, Oct. 20th, 10am to 3pm
- Place:** Museum of American Finance
48 Wall Street, New York City
- For information:** Wall Street Collectors Bourse, Event Organizer
info@wallstreetbourse.com



Photos courtesy of the American Numismatic Society

US SAVINGS BONDS DE-MATERIALISE

As of 1st January 2012 most paper US savings bond certificates will no longer be available. Instead the Government will sell them through the internet as part of a plan to reduce \$120 million in printing, mailing and administrative expenses over the next five years. Also, the annual sales of the Series EE and I bonds have dropped precipitously after the maximum annual purchase was reduced to \$5,000 and interest rates have dropped, in effect, to virtually zero. Series I bonds in paper will be available, at least in 2012, for income tax refunds. The savings bond programme was instituted by Franklin Roosevelt in the Depression and heavily promoted during WWII. These bonds still make up about 1% of the US \$14 trillion debt.



Paper US Treasury bonds have a long history, now coming to an end

Some banks have publicised the transition, leading to a rush by nostalgic people to obtain one last one. This, in time-honoured collectables tradition, may ensure that all these last minute purchases will never be rare or see much appreciation in value – but impending dematerialisation may spur interest in older material. Financial historian and author, Larry Schuffman says, “I just saw an Unredeemed \$100 WWII War bond sell for over \$300 as a collectable ... Perhaps this is one of the reasons behind the US Treasury’s decision to stop printing them? People want to ‘hold a piece of history’ in their hand. How many billions of dollars of bonds will NEVER be redeemed because of sentimental or collector value? Only time will tell!”

EU FOLLOWS SUIT

The London *Financial Times* reported on 3rd March that British diplomats in Brussels are fighting a last-ditch campaign to save the paper share certificate, fearing a backlash from UK pensioners against EU proposals to dematerialise by 2018. France phased out paper certificates in 1984 and Sweden, Denmark and Finland followed. About 7 million UK shareholders still hold paper certificates, many bought in the 1980s/90s privatisations. Brussels claims that termites eat through millions of pounds of investments. Britain’s grannies are not convinced.

THE AMPERSAT AND THE BOND

The ampersat symbol @ has assumed iconic meaning today in our internet world. But it has been around for a great deal longer, as shown by this £20 Portuguese Government bond, part of a £4 million loan issued in 1877 by Portugal under Luis I, King of Portugal and the Algarve. According to Wikipedia, there are several theories about the origin of the ampersat character.

- The symbol developed as a mercantile shorthand symbol of “each at” – the symbol resembling a small “a” inside a small “e” – to distinguish it from the different “at” (symbolised by the mere letter “a”) or “per.”
- Medieval monks abbreviated the Latin word *ad* (“at, toward, by, about”) next to a numeral to save space and ink on expensive papyrus or hide writing surfaces. The d is spelled in capital, and then inversed back over the alpha in front of it, thus forming a shape that resembles @.
- It was originally an abbreviation of the Greek preposition *ανά* (transliterated *ana*), meaning *at the rate of* or *per*.
- An Italian academic claims to have traced the @ symbol to the Italian Renaissance, in a Venetian mercantile document signed by Francesco Lapi on May 4, 1537. The document is about commerce with Pizarro, in particular the price of an @ of wine in Peru. @ has long been used in Spanish and Portuguese as an abbreviation of *arroba*, a unit of weight equivalent to 25 pounds, and derived from the Arabic expression of “a quarter”. In Italian, the symbol was interpreted to mean amphora (*anfora*). Currently, the word *arroba* means both the at-symbol and a unit of weight. In Italian, the symbol represents one amphora, a unit of weight and volume based upon the capacity of the standard amphora jar, and entered modern meaning and use as “at the rate of” or “at price of” in northern Europe.
- The Norman French “à” meaning “at” in the “each” sense, i.e. “2 widgets @ £5.50 = £11.00” gave birth to the accountancy shorthand notation @ in English commercial accounts to the 1990s, when the email usage superseded the accountancy usage. It is also used like this in modern French and Swedish; in this view, the @ symbol is a stylised form of à that avoids raising the writing hand from the page in drawing the symbol.

@ in this bond’s context designates the bond serial number ranges, in the sense of “extending from X to Y”, and thus has a unique function not considered by the infallible Wikipedia. Has anyone seen another piece of scripophily with the ampersat?

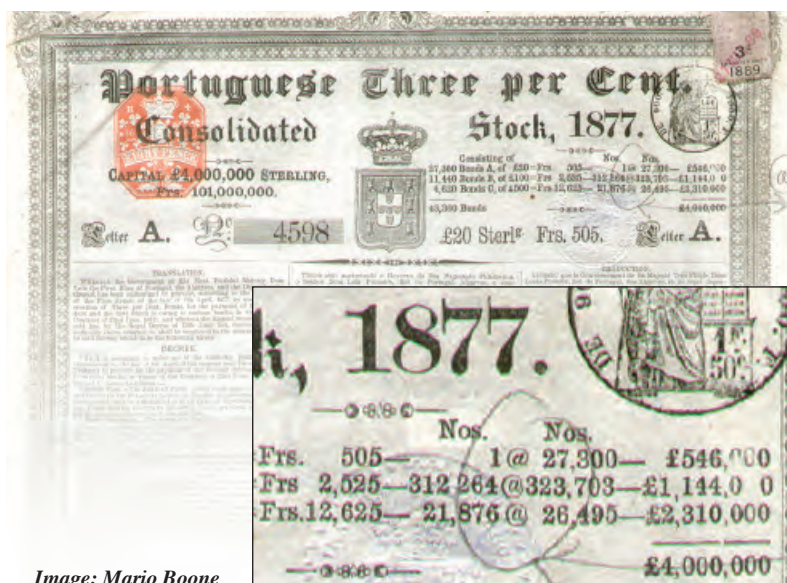


Image: Mario Boone

ARCHIVES INTERNATIONAL AUCTIONS

Scripophily Auction in New York

U.S. & Worldwide Scripophily
at the Wall Street Bourse in October, 2012



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“Mackay Before He Was Mackay”

Signed Certificate of the Bullion Mining Co, 1867

Michael Mahler

John W Mackay was the best known, most esteemed, and certainly the most financially successful man of Nevada’s fabled Comstock region, rising from day laborer in 1860 to become, with James Fair, the architect and overseer of the legendary “Big Bonanza” of 1873-8 in the California and Consolidated Virginia mines, which yielded over \$100 million in silver and gold, and made Mackay one of the richest men in the world. Here are two remarkable stock certificates that show his presence on the Comstock long before those heady times.



John W Mackay
“Rocket of the Comstock”

The certificate shown here of the **Cosser Gold & Silver Mining Co** of Virginia City, Nevada Territory, made August 23, 1864, is notable most obviously for its fantastic vignette, depicting a dragon-guarded pile of coins, promising similar riches to investors. The company was named for Walter Cosser, who in 1853 erected the first substantial building in Gold Canyon, a store two miles above its mouth. Around it would coalesce Johnstown (for “John Chinaman”), irreverently named for the contingent of Chinese placer mining there. The Cosser claim, made in 1859, was acquired by the **Bullion Mining Co**, whose location on the very heart of the Comstock Lode would beguile a succession of mining operators and investors throughout the 1860s and ’70s. Note that the Bullion Co was incorporated in February 1863, and the Cosser Co not until January 1864. Perhaps it was an attempt to challenge the Bullion’s rights to the Cosser claim; certainly there never was a Cosser mine.



Cosser Gold and Silver Mining Co 1864 share certificate and vignette

The history of the Bullion is one of dashed hopes. It lay on “The Divide” separating Gold Hill and Virginia City, between two great ore bodies, the Chollar-Potosi and the Gold Hill Bonanza. Lord’s *Comstock Mining and Miners* (1883) illustrates its impressive works with a heartbreaking caption summarizing two decades of development: “2,550 feet [down] and no ore”.

The History of the Comstock Lode (Smith, 1943) states that the Bullion “was incorporated in 1863 ... by JM Walker and fifty-five co-owners, who were preparing to sink a deep shaft and explore the Lode in search of the great ore bodies that all believed to exist there. Walker, one of the principal owners and the superintendent, invited Mackay to join the enterprise, who welcomed the opportunity. ... Walker had offered a partnership embracing all of their interests and they operated together for

four years. ... Mackay and Walker did not own the control of the Bullion but retained the management by consent of the stockholders, Walker having the title of superintendent and Mackay without official authority except as one of the five trustees, but it is probable that he was the mainspring of the organization”. This partnership is nicely demonstrated on the reverse of the Cosser Co certificate shown here, which transfers five shares apiece to JM Walker and JW Mackay in December 1864. Here is an extraordinary early mention of Mackay when he was nothing more than a mining contractor and part owner of small claims, the only mention recorded on a Territorial stock certificate. It seems probable that he and Walker acquired shares of the Cosser to help cement their control of the Bullion.

Smith continues, “When the Kentuck [another mine Walker and Mackay controlled, which made the latter his first fortune] became profitable in the fall of 1867, Walker sold his stock to

[William] Sharon and disposed of his other Comstock interests, and left for an extended stay in Europe. Mackay was then elected superintendent”. Certificate #1516 of the Bullion Co, dated September 16, 1867, establishes a fact not evident in the literature on the Comstock: that Mackay also became President of the Bullion Mining Co. His tenure was brief since certificate #1496, dated August 20, 1867, is signed by Charles Bonner as President; and Thomas Williams had succeeded Mackay by April 8, 1868, as shown by certificate #1616, and possibly much earlier. For some time this was believed to be the only recorded stock certificate signed by Mackay; I have since been informed by a reliable source that another exists.



Reverse of Cosser certificate showing transfer to J W Mackay and partner J M Walker in December 1864

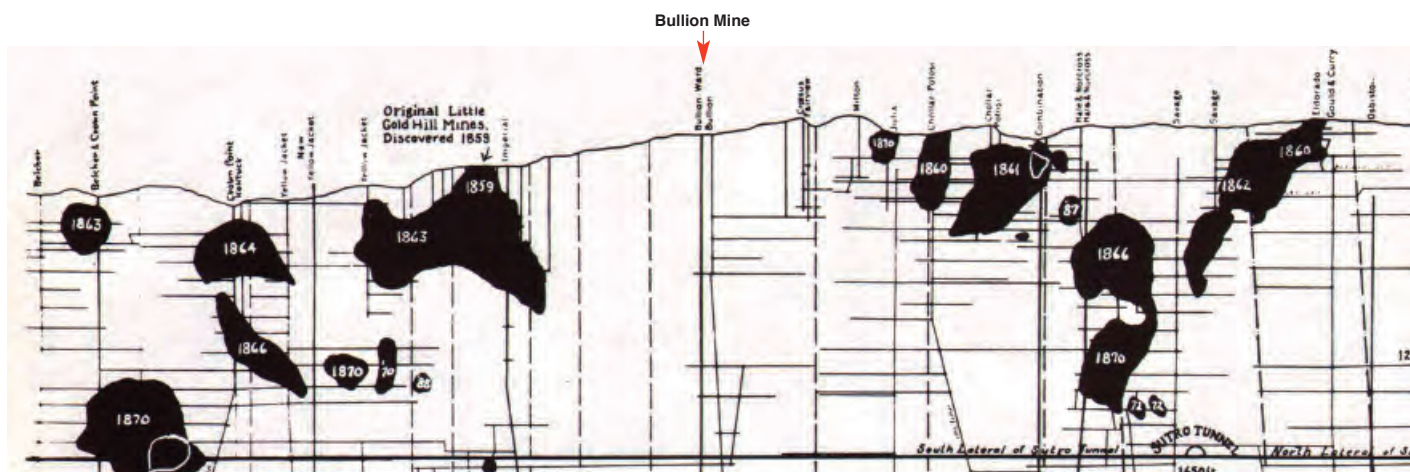


Diagram of Comstock Lode ore bodies showing the Bullion Mine “gap”

Again from Smith, “The Bullion, however, defied all efforts. On August 29, 1869, the editor of the *Gold Hill News* regretfully announced that Bullion shaft was 1,400 feet deep, and dry, with no ore, and no indications of ore. ... That was the only deep shaft on the Lode that did not encounter great volumes of water, which probably accounts for the lack of ore. It would seem that the Lode where it extended through the Bullion, and for several hundred feet beyond each end was too ‘tight’ to give entrance to the hot waters and gases which deposited the rich minerals in other portions of the vein after it had been filled with masses of low-grade quartz. A million dollars had been spent on the mine without producing a ton of ore, and Mackay and his associates were content to quit”.



The Bullion shaft: “2,550 feet and no ore”! (Lord, 1883)

Mackay’s first fortune, acquired through his partnership with the now-departed Walker in the Kentucky mine, was largely squandered on the Bullion. Now he would form a new partnership with three bit players on the Comstock – mining superintendent James Fair and San Francisco stock brokers James Flood and William O’Brien – to secretly and shrewdly wrest control of the Hale and Norcross mine from the Bank of California. The Bank had maintained a virtual stranglehold on the important Comstock mines and mills throughout the mid- to late 1860s under its rapacious Virginia City Agent William Sharon. Like the Bullion, the Hale and Norcross was in the heart of the Lode, and was unprofitable during 1868. However, it had produced some \$2.2 million in 1866-7, and Fair and Mackay, each with a miner’s “nose for ore”, felt its lower depths would yield a new bonanza. This time fortune smiled: almost immediately paying ore was struck, and by the time it pinched out in 1872 the mine had produced some \$5 million.

With its profits the partnership now employed this same formula to yet another unproductive but promising portion of the Lode, acquiring the California mine and a number of small claims that had been incorporated in 1867 as the **Consolidated Virginia Mining Co.** These locations had long been among the most highly prized on the Lode, but by 1870 the 500-foot level had been reached and \$1 million invested, with no return. Shares in the Consolidated Virginia, with a par value of \$2,000, fell to \$1 in July 1870. Having gained control, the partners now made a fortunate choice. Far below, with its first signs evident at the 1,086-foot level, lay the fabled “Big Bonanza” that would yield some \$105 million between 1873 and 1876. Already the Latrobe Tunnel, driven 2,800 feet into the Lode at a depth of 700 feet beginning in 1864, had passed directly over the top of the Bonanza. Now it was decided to sink the Consolidated Virginia shaft another 500 feet, which would in retrospect have been similarly unsuccessful. Bids were advertised, but fate intervened and instead a long crosscut was made from the 1,167-foot level of the Gould and Curry. The rest is history: the “Four Irishmen” would become the “Silver Kings”; James Fair would become US Senator from Nevada; and John W Mackay, the driving force and major partner, would become one of the richest and most respected men on earth.

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- Lewis, Oscar - *Silver Kings*. New York: Alfred A Knopf, 1947.
- Lord, Eliot - *Comstock Mining and Miners*. Originally published as United States Geological Survey Monographs, v4, 1883, reissued Berkeley, California: Howell-North, 1959.
- Manter, Ethel - *Rocket of the Comstock*. Caldwell, Idaho: Caxton Printers, 1950.
- Smith, Grant H - *The History of the Comstock Lode, 1850-1920*. Reno: University of Nevada Bulletin, Geology and Mining Series No.37, 1943.



Bullion Mining Co 1867 share certificate signed by Mackay as President, bearing federal and state 25¢ revenue stamps

SCRIPOPHILY IN FINLAND

— G KOCK —

PRODUCTION OF SHARE CERTIFICATES

From the early 19th century up to the 1940s in Finland vignetted certificates of the highest quality and beauty were printed by lithography, with a cheaper method being letterpress. The most famous litho printer was **Tilgmann**, though **Frenckell** was another large firm. Bank note printers who had previously produced bonds started printing partly line-engraved (recess) share certificates around 1965.

Beginning in 1934 Frenckell started to add a patented (system Thörnblad) dorsal colour ribbon to one margin of the securities in order to enable fast distinguishing of different denominations. This ingenious invention never went out of use. The smallest size of a certificate is **Viasveden Laiva's** 11x16 cm and the largest **Åbo Skeppsvärk's** 33x49 cm, but A4 eventually became the standard.

Transfers of share ownership were noted on the certificates, which were rarely physically replaced. In the 1980s it was still possible to find certificates issued in the late 19th century trading on the stock exchange. But by that time the total costs of just substituting a used-up sheet of coupons (between the folded cover) had exceeded those of replacing the entire certificate.

Trading on the stock market boomed in the 1980s with a lot of new issues. In 1984 **Polytypos** entered the security printing market and adopted a new kind of single A4 sheet certificate with attached coupons, resembling bonds and the old French system. Starting 1986 this became compulsory for new listed shares. This type is not appreciated by scripophiles because it results in a considerable reduction in the decorative portion of the certificate.

Physical shares soon became impossible to handle with the enormous expansion of trading. From 1992 to 2000 all quoted securities were therefore transferred into a centralised electronic book-entry system. The very last quoted company issue of paper shares was in 1995.



Kansallispankki 1889. One of Finland's two largest banks that had to merge in 1995. This is an example of the modern type of share certificate: a single sheet with ten coupons (combined dividend and new issue ones) in the lower half. Very practical, but no collector likes them

AVAILABILITY OF COLLECTABLE CERTIFICATES

Finland was an autonomous part of the Russian Empire from 1809 to 1917. A forerunner to the stock exchange was founded in 1862. The first act regulating limited liability companies was instituted in 1864. Stock certificates of about ten companies issued before 1865 are known to have survived, the oldest being from 1762 (the only one from the 18th century). The oldest one in private hands is from 1828. About 140 companies have issued 19th century certificates that are now owned by collectors. These shares are usually inscribed in Swedish, the later ones gradually more predominantly bilingually or in Finnish

Certificates issued before 1870 are rare and those before the new law of 1896 are for the most part uncommon. After that availability improves drastically because the economy of the country had developed rapidly. In all, it is estimated that share certificates of about 2,000 different companies (not counting those in museums and archives) are known to collectors – much fewer than Sweden and very little by international comparison. Only 3,200 limited liability companies were formed up to 1912 (in which year the stock exchange was founded). The number of identical copies of the same item is often modest and there are many unique ones, though today's high prices have led to an increasing number of hitherto unknown items coming up for sale.

HOW ARE SHARE CERTIFICATES COLLECTED?

Due to the limited number of companies and share certificates available most collectors are general collectors. However, quite



Helsingfors Skridskoklubb 1885. Founded in 1875 to maintain a skating-rink. In reality it was an association, but lack of suitable legislation at that time forced the forming of a limited liability company. Later the company was transformed into the HSK skating association that still exists. A rare and celebrated certificate

a few specialise in papers of listed companies. It is also feasible to limit a collection to a certain region (such as one's native region, or ceded Karelia) or a particular time period. Collecting by industry would require the inclusion of foreign items, but there is even a small collection of stamp shop shares. If there are any industries that are both popular and accessible it would be shipping companies and railways.

In Finland only a few enthusiasts are interested in different years of issue or denominations of the same share as these are too difficult to obtain. Restricted and unrestricted (for foreigners) ones are not separated either. Ordinary and preferred shares (as well as A and B ones), however, are sometimes differentiated. A collection comprising 1,000 companies is a big one. There are no forgeries or fakes, but a few reproductions have been made in Germany.



Börs 1916. This is the company that financed, built and owned the Helsinki Stock Exchange building of 1912, the year the Stock Exchange was founded by the city's businessmen. By 1918 the Stock Exchange had bought the majority of the shares and in 1985 the Stock Exchange donated the building to the Finnish Foundation for Share Promotion. Every collector wants to own this certificate

BONDS AND FOREIGN STOCK CERTIFICATES

A great variety of repaid bond certificates are sold on the collectors' market for just a few euros each, because when the loan had been paid the stub remained with the owner. There are loans issued by the State (Republic) and by mortgage banks and by private companies for the public, as well as convertibles and warrants. Of special interest are bonds issued abroad by Finnish entities. Shares of co-operative societies often look uniform and are thus of less interest.

Foreign stock certificates, especially American and German ones, are very common and cheap on the scripophilic market here too, but attract only limited interest. No foreign country is more popular than another – it is the certificate as such that can be tempting – although neighbouring Sweden has a couple of



Imatra 1871. The company's purpose was to promote tourism and maintain an hotel. The Imatra rapids were at that time Finland's most famous tourist attraction and it was important that by 1919 the State of Finland had acquired a majority of the shares. In 1922 the company was dissolved. Unique

non-serious followers. World famous corporations would draw buyers, but are usually not available. Foreign companies with a Finnish background are sought after.

ITEM CATEGORIES ENCOUNTERED

Issued share certificates, whether cancelled or not, are the most wanted ones. Earlier the shareholder could specifically ask the company for the favour of getting back his certificate, made void by hand stamping or punching. Few owners did. Sometimes certificates were mislaid and are invalid but uncanceled when found. They are now appreciated.

A great portion of the items in collections are from bankrupt or otherwise defunct enterprises. Printers' specimen copies and the companies' own unissued (blanco) forms are frequently seen. They are of lesser value but are usually the only way to obtain certain certificates.

Bearer shares were only rarely used in Finland. The very oldest certificates are denominated in Russian Roubles. The Markka was in use from 1862 to 1962 and the New Markka (100:1) from 1963 until 2001. Today the currency is the Euro, but many shares are now without par value. From 1916 to 1966 revenue stamps were stuck to certificates.

THE FINNISH CATALOGUE

The first catalogue of all known Finnish certificates in the hands of collectors has been available since 2006 on the internet at www.porssitieto.fi/osake/list.html. It is collector maintained and there is no charge for its use. Note that "Osakeyhtiö", "Oy" and "Ab" (all meaning "Ltd") have been disregarded when sorting the list alphabetically. "Helsingissä" just means "in Helsinki". An appendix with additional company information (in Finnish) is linked to when applicable and there is also a list by industries.



Nokia 1886. Founded in 1865 (Ltd 1871) this is really (even legally) the very same Nokia Corporation we know today as the mobile phone manufacturer. Originally a pulp and paper company it diversified its activities in 1966 in a big merger. Step by step it divested all its other activities except mobile phones in the 1980s and 1990s. Only a couple of these certificates are known – and they are expensive

PRICES AND HOW WE BUY AND SELL

In the over-optimistic 1980s people unconcernedly spent money on collectables. During the next decade scripophily prices either went down somewhat, or the market contracted, during which time a German managed to cheaply gather the largest collection (now sold) of Finnish certificates. In the following years demand improved and prices at least regained their pre-depression levels. The foundation of the Share Certificate Collectors Society in 2007 resulted in a veritable boom and prices perhaps tripled, and now there are signs of overheating.

The universal criteria for valuing items apply here too. A common paper will typically cost €15 to €25. If the price exceeds €100 it can be considered expensive. The highest price paid in Finland is €900 in November 2011 for a **Kägelban** certificate.

The most important Finnish scripophilic market (for buying and for selling) can be found online at huuto.net (a local site similar to eBay). There are no buyers' commissions. In addition there are several other auctions (both live and web, including numismatic ones), as well as some ephemera e-commerce shops that sell certificates at fixed prices. The online shops became active less than ten years ago; the first specialised one in 2004. There are no scripophily bourses, but the Society offers efficient and free assistance in their auctions to all who want to sell Finnish items. The Society does not charge any commission. Of course there are private buyers too.

THE COLLECTORS AND THEIR SOCIETY

The first scripophilists started collecting in the late 1970s. In 1980 Mr Erkki Borg, a numismatics dealer, published a book with, among other content, images of old securities. In 1986 the collector Mr Pekka Kantanen established an unofficial auction club. It ceased operating, however, after a year and a half. In 1988 he and Mr Kari J Sillanpää wrote *Osakekirjat kertovat*, a magnificently illustrated volume with tri-lingual text, including English. The book is still easy to obtain second hand.

Auction catalogues of the 1980s had more than 100 different subscribers, but most of them were not true scripophilists. During the economically difficult years of the 1990s the number of collectors was reduced to maybe just a dozen – during the very period when printed shares were being abolished. After the

1990s interest slowly improved. Now the Society has about 50 members, ie nearly all the active collectors in Finland.

On 1st August 2007 the Share Certificate Collectors Society, Osakekirjakeräilijät ry (OKK), was formally founded with Mr Kantanen as initiator and chairman. It is a registered non-profit organisation and a member of the Finnish Numismatic Society. OKK's activities include monthly online auctions open to the public, a web site, various meetings, advice regarding the hobby, its dissemination, as well as charitable activities. Most of the auction sellers are members, but anybody may submit lots for sale. There is no other association.

Shows/exhibitions are unusual but have been arranged by the Society or by investment fairs. Numismatic societies regularly run their own bourses and the Share Certificate Collectors Society used to take part in such twice a year with a table of their own, mainly for public relation reasons.

MORE ECONOMIC HISTORY INFORMATION

Suomalaisia Arvopapereita Oy (incl. Bensow), an early equity fund.
www.porsstieto.fi/kirjoitus/suomalaisia-arvopapereita.html

Korvausosakkeiden Hallintoyhteisö, compulsory government holding co. 1945.
www.porsstieto.fi/osake/holding.html

German companies in Finland confiscated by the Soviet Union 1944.
www.porsstieto.fi/kirjoitus/ulkomaalaisen-omaisuuden-hoitokunta.html

Bibliography of company history books. www.porsstieto.fi/historiikki.html

Facts about all former quoted companies (link list at the bottom of page).
www.porsstieto.fi/vanhat.html

List of the different economic history articles on this web.
www.porsstieto.fi/kirjoitus/index.html

All limited liability companies founded in Finland before 1913.
www.porsstieto.fi/yhtiot/index.html

Articles about individual Finnish companies (in Finnish):

Seurahuone 1828. www.porsstieto.fi/kirjoitus/seurahuone.html

Kägelbanbolaget 1860. www.porsstieto.fi/kirjoitus/keilarata.html

Privatbanken. www.porsstieto.fi/kirjoitus/privatbanken.html

Emissioniyhtiö. www.porsstieto.fi/kirjoitus/emissiooni.jpg

Helsingin Makasiini. www.porsstieto.fi/kirjoitus/makasiini_hist.jpg

Helsingin Raitiotie ja Omnibus. www.porsstieto.fi/kirjoitus/omnibus_hist.jpg

Vaasan Puuvilla bond 1871. www.porsstieto.fi/osake/jvk/vaasan-puuvilla.html

Articles about individual foreign companies (in English):

Mines de Balia-Karaidin (Turkey):

<http://www.porsstieto.fi/kirjoitus/balia-karaidin.html>

Mines d'Or de Kilo-Moto (Belgian Congo):

<http://www.porsstieto.fi/kirjoitus/kilo-moto.html>

Banque Industrielle de Chine (Paris): <http://www.porsstieto.fi/kirjoitus/bic.html>

La España Industrial (Spain):

<http://www.porsstieto.fi/kirjoitus/espana-industrial.html>

G Kock has collected Finnish scripophily since the mid-1970s, and maintains an English language website from which this article was obtained. www.porsstieto.fi/osake/scripophily.html



Uleå 1912. This share is from the foundation of this important sawmill company from the north of Finland. It employed 1,700 and owned 200,000 hectares of forests in 1927. In the same year the Kajaani Co, also a listed one, bought the majority of the Uleå, which was merged in 1937. Six copies are known of this certificate with its imaginative vignette

Dr Richard C Flower and the Famous Spenazuma Scam

— Richard Lingenfelter —

The titillating tales of fabulous fortunes from the great bonanzas of the American West excited an ever swelling number of prospective investors and speculators, whose lust for quick wealth drove the demand for shares far beyond the available stock of legitimate ventures. But an ever-ready corps of con men eagerly filled the void. Touting mere prospects as big bonanzas, or not even bothering to get a mine, they conjured promising new ventures all over the West and guaranteed a fortune to anyone with a dollar or more to spare. Most of these were simple run-of-the-mill scams that passed with barely a glimmer and were never heard of again. But a few, like the versatile “Doctor” Richard C Flower’s Spenazuma, were so elaborately orchestrated and duped so many hungry investors that they gained national notoriety.

The eldest son of a poor Illinois preacher, the studious but charismatic Flower had left home in 1862 at the age of thirteen to work his way through business college as an impassioned “boy evangelist”. He preached to a growing flock for the next thirteen years before his more conservative rivals drove him out of the church, and he turned to “vitapathic” healing after graduating from the one-man American Health College of Cincinnati. Claiming “almost supernatural powers”, he diagnosed ailments by simply placing a patient’s left hand to his ear for just a second, and his “miraculous cures” were just as simple. He again drew a large following, and in 1882 he moved to Boston, where he boasted the “largest medical practice in the world”, treating a hundred patients a day in his “great health palace, the finest ever built”!

There he also cultivated many wealthy patients, and claiming that his “strange power” of perception also extended to finance, he offered them a cure for what one wag called the “swollen pocketbook malady”. Assuring them that “if I buy stocks or anything in the market they always go up; and when I sell them I have noticed that they fall”, his patients then should have been leery of buying stock he was selling. But they somehow missed that message and confidently bought whatever he offered. Some were so enthralled, in fact, they gave him nearly everything they had. One Boston patient alone put about \$400,000 into Flower’s various schemes, while one of his old Illinois parishioners turned over financial control of his coal company and lost \$350,000.

Flower offered them a mix of schemes before he finally came up with the Spenazuma. One of the first was a hopeful \$10,000,000 in \$10 shares of the reassuringly named **Security Mining & Milling Co (CO)**, an 1887 resurrection of the Silver Cliff mine in Rosita, Colorado, that had been briefly worked on the New York exchanges half a dozen years before. Flower had picked it up for only \$25,000, and in a pool with a few friends he tried to pump it up to par with wash sales in New York before

he unloaded it on his admiring patients. But Rossiter Raymond, editor of the *Engineering & Mining Journal* exposed it as an “utter humbug ... a delusion and a snare”, and badly stunted the deal, so the price soon shrank to just pennies.

Next, in 1889, he simply incorporated his health palace as the **Flower Medical Co** for \$1,000,000 at \$25 a share and briefly paid himself \$1 a share monthly dividends to lure his admirers. But once he sold the shares the dividends stopped, and within two years it was bankrupt, so he went to Europe for a while. After he returned, he formed the **Sour Lake Medical Co** around a mythical lake in Florida, a glass of whose acidic waters needed only a spoonful of sugar to turn it into a wonderful lemonade with “marvelous medical properties”! Then he cooked up the **Standard Coal & Fuel Co** to sell a “fuel economy” additive he called Kem-Kom, to sprinkle on coal so it would burn better.



R. C. Flower

Richard C Flower (1849-1916), a preacher's son, was by turns a boy evangelist, a charismatic quack, and one of the most imaginative and infamous con men in the country

By the time that fizzled he was peddling stocks and bonds in a New Mexico scheme, the \$700,000 **Deming Land and Water Co (NM)**, and he managed to unload at least \$45,000 on a single Wisconsin admirer, who soon found they were worthless. Finally, in 1894 several of Flower’s former admirers and their heirs charged him with fraud and embezzlement, and he spent the next two years tangled in those suits, until he at last emerged triumphant, ready to go again.

Early in 1898 Flower took the train west from Deming into Arizona with an old confederate from the Silver Cliff scam, Thomas McEniry. There he picked up a bunch of abandoned mining claims in the low hills south of Fort Thomas, just outside the San Carlos Apache reservation. The claims showed hardly a trace of ore, but what attracted him was a bold black volcanic knob above them, which from just the right angle almost looked like a face, and from

this his imagination would run wild.

Around it he concocted a wonderful fantasy of fabulous, secret mines of the Aztec Emperor Montezuma, mines so rich that they “can never be exhausted in a dozen generations, and which will grow richer for centuries as they are worked!” The secret, handed down for generations, Flower said, came from the dying breath of a hundred-year-old Mexican, who whispered it in gratitude to a recent benefactor, “a gentleman from the East”. The old man confided that this great, lost “treasure vault” was marked and guarded by a towering black rock with the “monstrous stone image of Spenazuma the guiding angel of Montezuma”. But the lucky benefactor was unwilling to risk “his life and limb” in the quest even for millions in gold, so he passed the word on to a Colorado “mining expert”. After three years’ searching, the diligent expert found it at last and passed



It was this Deming scheme that drew Flower to the Southwest where he later concocted Spenazuma



Flower's first mining scam



Flower's Spenazuma "mine" was by far his most creative, most elaborately staged and most notorious scam; share counter not filled in

the secret on to the fortunate Flower. Critics, of course, laughed at the fairy tale and speculated that the name was just a play on the popular slang expression "Spend the mazuma". Nonetheless, it would attract many innocents in Flower's flock, and he would fleece them all.

That romantic little tale, moreover, was just the prelude in Flower's elaborate charade. For the "smooth" McEniry agreed to handle all the "preliminary dirty work" for a \$50,000 cash share of the take. He set up the comfortable little camp of Spenazuma among the sycamores lining the gulch at the base of the great rock and put an amused, if unsavory, crew to work. He had them sink a few shallow shafts and run a short tunnel, all in barren rock, and erect the flimsy shell of a mill, while teamsters hauled in wagonloads of miscellaneous old machinery to set around it. Then McEniry packed in several tons of real ore, bought quietly from distant mines, to sprinkle on the mine dumps and pile in bins at the mill.

His disreputable crew even made news for the camp with a fatal shooting and a nasty knifing that added to the illusion that it was in fact an authentic bit of the "Wild West". Once the stage was set, Flower brought in a Tucson photographer to take carefully posed shots of bristling activity to decorate his new suite of offices right next door to the New York Stock Exchange, together with some of the best ore specimens that money could buy.

Flower meanwhile formally organized his **Spenazuma Gold Mining & Milling Co (NM)** with \$10,000,000 in handsome shares of \$10 par, and issued a wonderfully fanciful "fairy-tale" of a prospectus. In it and a flood of fliers that followed, he not only stretched his readers' credulity with his fantasy of the mythical mine, he strained it to the breaking point with even more fantastic visions of a vast "vein one-half a mile in width and two miles in length, every foot of it rich in gold, copper and silver!" To give voice to these fantasies, he called upon "the Great Halchu", the imaginary "Professor T A Halchu of Longhorn, Montana, the great gold and copper expert of two continents", who declared them to be nothing less than "the greatest gold, copper and silver producing mines in the world!"

By his most modest estimate they would pay dividends of \$10,000,000 a year, or 100 percent on par, with a five hundred-ton-a-day mill and smelter. Flower's exuberant vice president, former traveling salesman Schuyler Moore, topped even that, claiming the mine should be broken into five companies, each with a 5,000-ton mill, to pay a grand total of \$350,000,000 a year! And there was still more. He said the company also owned six miles of "the richest gold placer digging in the world", certain to produce countless more "millions upon millions". And if all that wasn't enough, to hawk

more shares Flower also formed two subsidiaries, the \$1,200,000 **Black Rock Smelting Co (WV)** to work rebellious rock and the \$3,600,000 **Black Rock Land & Irrigation Co** to dam the dry little gulch, not only to provide water for his mill and to irrigate 1,030,000 acres of rich land below, but also to provide hydro-electric “power sufficient to smelt all the ores and run all the mills in Eastern Arizona”, as well as a two hundred-mile-long electric “trolley line” to God only knows where! What more could anyone want?

The expansive Flower also put together a multi-pronged marketing plan for all his shares. First he let in “on the ground floor”, at a rock-bottom rate of just \$1 a share, a select group of his most credulous, and perhaps most larcenous, followers. They were all modestly prosperous middle-aged New England businessmen – a traveling salesman, an insurance agent, a dentist, a wholesale grocer, and even a farmer, drawn from small towns like Barnstead, New Hampshire, and Tivoli, New York, and small cities like Troy, Syracuse, Hartford, and Jersey City. He took them all out to see for themselves the show at his great mine, and he urged them to tell all their friends and even make a little extra money by selling them shares at a nice mark-up. This networking worked so well that he soon upped the admission price to \$3.50 or more, and he organized a grand, two-week chartered train excursion for another fifty innocents in March of 1899, entertaining them for two nights at the foot of the ancient Spenazuma and loading them with rich ore samples to show their friends. When one overly curious woman wanted to see the exact spot her prized rock had come out of, the resourceful McEniry graciously offered to take her down the shaft, but when they got to the windlass they sadly found that the rope had unwound and fallen in.

Casting a wider net, Flower also recruited Henry B Clifford, a “slippery and slick steerer” and self-anointed champion of the small investor – who called himself the “Commissioner of Arizona” – to canvass rural New England, giving well-honed town hall lectures on the wonderful profits to be had in western mining investment. Clifford cautioned his listeners, of course, only to buy shares in the “big companies” like the **Copper Queen**, the **United Verde**, and the great Spenazuma, and he wound up his lectures by generously inviting anyone who wanted a personal tip on “stock they could safely and profitably buy” to come to his hotel room, where he generously sold them “all the Spenazuma stock he could load onto them”.

Meanwhile, at the cost of a few gratuitous shares to the editors, Flower was stuffing the newspapers with phony news items and puff pieces by more imaginary “professors”, plus paid full-page ads in the Sunday supplements and even big double-column ads on the front page of the *Wall Street Journal*.



Flower floated this modest subsidiary ostensibly to draw the metal out of the Spenazuma ores, but all it really did was drawn a little more money out of its stockholders

The Spenazuma Gold Mining and Milling Co. of Arizona.

Room 916,
20 BROAD STREET, NEW YORK CITY.

The Spenazuma Mining Co. owns 110 claims of copper and gold property, situated in Graham County, Arizona, sixteen miles west of Fort Thomas.

The Company is less than one year old, yet it has made extensive mining development and is working several mines which are all in good pay ore. Its openings include three tunnels from 200 to 700 feet in length, and 8 shafts from 30 to 100 feet, all showing good ore.

The Spenazuma Company has within the last fifteen days bought 75 per cent. of the capital stock of the ~~Black Rock~~ Black Rock Land & Irrigation Company, which owns and controls the greatest and richest water franchise or proposition in the Territory, and which will furnish water privileges to about 130,000 acres of the richest irrigable lands situated between Spenazuma Camp and Fort Thomas. In addition to irrigating this large body of land, the Company will furnish water power sufficient to smelt all the ores and run all the mills in Eastern Arizona (including the operation of a trolley line, 200 miles in length), and still have an almost unlimited amount of power to spare.

The Spenazuma Company has also secured control of three-fourths of the Capital Stock of the Black Rock Smelter Company of Graham County, Arizona.

<p>Capital of the Spenazuma Co., 1,000,000 shares at \$10 each.</p> <p>Capital of the Black Rock Land and Irrigation Co., 1,200,000 shares at \$3 each.</p> <p>Capital of the Black Rock Smelter Co., 400,000 shares at \$3 each.</p>	<p>Now in the Spenazuma Co.'s Treasury of Spenazuma stock, 100,000 shares.</p> <p>Now in the Spenazuma Co.'s Treasury of Black Rock Land & Irrigation Co. stock, 800,000 shares.</p> <p>Now in the Spenazuma Co.'s Treasury of Black Rock Smelter Co. stock, 300,000 shares.</p>
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70,000 Shares of Its Treasury Stock at \$12 per Share.

A new prospectus will be out by April 1st, will be mailed free on application.

Flower hawked his Spenazuma stock in a campaign that ranged from social networks and travelling salesmen to full-page spreads in Sunday papers and this front-page ad in the Wall Street Journal, April 3, 1899

By May of 1899 Flower had already unloaded over half the stock for about \$3,000,000, clearing nearly half that for himself. Some \$60,000 had come just from the tiny town of Tivoli on the Hudson with barely 1,041 souls. That nearly equaled a whole year's wages for every man in the town, and it surpassed the total property value. "No such chance to make money easily had ever come to Tivoli!" So, led by the local baker and church treasurer, who had gone out to see the great mine, many had withdrawn all their savings and some had even mortgaged their homes to buy shares. But all were still happy then, because Flower was advertising shares for sale at \$15, 50 percent over par, and predicting they would soon go to \$30, or perhaps even \$50, citing the past performance of Anaconda, Alaska Treadwell, and the notorious Sierra Nevada. Even though the *Engineering & Mining Journal* had dutifully branded it a "fake", pointing out that "Professor Halchu" was purely fictitious and that the company's grandiose claims were "absolute nonsense, manifestly intended to deceive", none of Flower's followers or their friends had ever heard of that journal. But suddenly, in mid-May the Phoenix *Arizona Republican's* aggressive young mining reporter, George Smalley, wrote a meaty exposé of the "fraudulent nature of the Spenazuma", declaring it "A Tenderfoot Trap" and a "crime against Arizona".

Smalley had found the mine owners who had sold their richest ore to the Spenazuma, and he had talked to some of its miners, who said it was a worthless hoax. Right after that Arizona's popular Republican governor, Oakes Murphy, issued an unprecedented proclamation, "warning against fake mining schemes" and naming the Spenazuma. That news finally penetrated the rural Northeast, and towns like Tivoli were thrown into a panic. The Tivoli police chief and hundreds of stockholders from all over the Northeast frantically wrote the governor for more information. An Arizona law officer also blasted the "Spenazuma outfit" as a "miserable damnable fake" and offered evidence to prosecute them. But while the company tried to brush off the charges as the grumblings of discharged employees, the fast-footed Flower immediately abandoned the discredited claims, and on June 1st he moved all the Spenazuma operations to a new clutch of claims eighteen miles to the south at a camp he called Aura. At the same time, he generously gave his unsold shares back to the company treasury, and they "reorganized", albeit with the same officers, and issued a new prospectus, and the undaunted Schuyler Moore moved to Arizona as general manager to direct the new operations. Thus they successfully strung along most of their shaken but still faithful stockholders for another couple of years, before most finally conceded that they had been had and some desperately offered their shares at only two cents on the dollar!

Flower and Clifford, meanwhile, had shifted to a whole new and much harder-to-pin-down proposition, the long-winded **Arizona, Eastern and Montana Smelting, Ore Purchasing and Development Co** (WV) chartered in April of 1899 with a fresh \$2,500,000 in pretty paper for Flower's expanded crew of canvassers to push on New England and Midwestern country folk. They touted it as a giant combine, but it was just a grab bag of leases on mostly Arizona mines and a couple smelters. Their prize smelter was an old abandoned plant in Spokane, a handy thousand miles from their supposed mines, that they naturally never used, except as a very enticing vignette on their stock certificates! The smelter that they did operate was a little old makeshift affair in the Big Bug district, south of Jerome, Arizona, that they ran briefly on ore bought from surrounding mines, to claim some production as a cover for a spate of two percent monthly dividends that they paid out of stock sales to bait more investors.

For that purpose Clifford also actually bought one working mine, the Lone Pine, for which he paid \$2,500 down, then swapped it for a big block of the stock and kept a \$60,000 mortgage on it in his wife's name. With a new round of hype and three consecutive monthly dividends at a dazzling rate of 24 percent a year, they easily unloaded most of that stock at par on another flock of lambs before they grew wise. Then, in the summer of 1900, just as soon as they dumped the last blocks on Eastern speculators at a discount, they foreclosed on everything. Flower and Clifford grabbed back the Lone Pine at a sheriff's sale for a mere \$1,305, and Flower's young lawyer son, Jewell, floated it simply as the **Lone Pine Mining Co** (WV) with yet another \$2,000,000 in paper that they again passed off on investors in another brief flurry of dividends!



With stock selling like hot cakes, Flower cooked up more shares in a newly hatched affiliate, the long-winded Arizona, Eastern &c, a grab bag of nearly worked out mines and abandoned works. But this was the scam for which he would finally go to prison, after a decade long chase



To grab a little more cash just before he fled to Mexico, Flower floated the Lone Pine around the only working mine is his menagerie

By then, however, some of the shareholders in the Spenazuma and its offspring were starting to wise up and head for the courts, so the skillful “doctor” abruptly moved his operations to Chihuahua. There, safely out of reach, he delivered up half a dozen new Mexican companies for his helpers to happily hawk to the hayseeds. But he was lured back to New York in 1903 to fight for \$235,000 he had gotten from one of his former confederates, Theodore Hagaman, a shady broker who “drank himself to death” in his Waldorf-Astoria suite under rather “peculiar” circumstances just before Flower had skipped out.

Hagaman, unofficially “doctored” by Flower and “nursed” by Flower’s brother-in-law and smelter scam secretary, Maurice Willis, had liquidated his business assets just a few days before his death and given his wife, Fannie, a check for over \$570,000, which she generously and suspiciously, some thought, split with Flower. Hagaman’s brothers and sisters had gotten only a pittance, and they called for an investigation. They even got the New York district attorney to dig up the body to look for poison, but it was too decomposed to tell, so they finally settled out of court. The heirs were egged on, Flower said, by some “troublesome” stockholders, led by the Lone Pine company’s president, Andrew Meloy, a former Naugatuck, Connecticut, school superintendent.

With Flower back within reach, the stockholders also got the district attorney to arrest him on charges of grand larceny in the Arizona Eastern scam. Before he came to trial, his lawyer was lured by Meloy into trying to bribe the prosecuting attorney to drop the charges, and was swiftly arrested, tried, convicted, and sent to Sing Sing in less than two months. That so frightened Flower, who had come to believe he was “immune from the law”, that just before he was finally scheduled for trial, he skipped out on the bail of \$23,000 put up by a trusting widow, who had already lost \$300,000 in his schemes but swore he had saved her life.

He turned up in Chihuahua again, then moved on through South America and Europe to Canada, and eventually slipped back into [the United States] and in and out of the hands of the law for the next ten years. Under the guise of “Professor Oxford” and a string of other aliases, he kept right on selling shares in imaginative new scams, including “a big plant out West where they made telegraph and telephone poles out of mud!” But in 1914 he was finally captured in Toronto. By then a penniless drug addict, he pled guilty to the long standing charges in the Arizona Eastern scam, and was sentenced to two years in prison. His wife and his old Spenazuma accomplice, Thomas McEniry, smuggled morphine and cocaine to him, and he died in 1916 at sixty-six just after his release.

Ed. Note: *The Flower Scripophily.* Despite Dr Flower's prolific activities, his residual scripophily generally is surprisingly scarce or rare. The illustrated example of the **Spenazuma Mining and Milling Co** is the only one recorded in the Whaco database. Fred Holabird sold it in December 2002 (lot 123) for \$2,300 (with 15% premium; the lot also included a receipt for \$250 signed by Whitehead). Another issued certificate (serial no. 650) is known, as is an American Bank Note Co specimen. The **Security Mining and Milling Co** and the **Lone Pine Mining Co** are more available, with about 5 of the Security and 10 of the Lone Pine known. No sales of the **Arizona, Eastern and Montana Smelting, Ore Purchasing and Development Co** are listed in Whaco, although one listed as “Arizona, Eastern and Montana Smelting” appeared in another database and Doug McDonald has recorded three of them, none at auction. **Black Rock Smelting** has been seen only once (on eBay!). The **Deming Land & Water Co** certificates and a bond are known but their population would be speculative at this point – although they are at least scarce. Scripophily is not known from Standard Coal & Fuel, Black Rock Land & Irrigation, Flower Medical or Sour Lake Medical. Flower is not known to have signed any certificate of his companies. Collectors with unrecorded certificates are invited to contact the Editor at maxdhensley@yahoo.com

Earlier discussions include Harold Herbert’s “George Smalley, Territorial Journalism, and the Spenazuma Mining Fraud”, *Journal of Arizona History*, 46, (Summer 2005), 135-160, and Dan Plazak’s *A Hole in the Ground with a Liar at the Top*, (University of Utah, 2006), 153-171.

*The author, a physicist and historian, picked up his first stock certificate, one of the **Emma Gold and Silver Mining Co**, signed by Adolph Sutro in 1863, as a gratis bookmark in Sutro’s copy of the Nevada Territorial laws, which he bought from that grand old bookman Maxwell Hunley for about \$20 in 1956.*

This article is an excerpt from the author’s new (2012) two-volume history of western mining finance, **Bonanzas & Borrascas, Copper Kings and Stock Frenzies, 1885-1918** and **Bonanzas & Borrascas, Gold Lust and Silver Sharks, 1848-1884**. **Bonanzas & Borrascas** is a study of the heyday of gold, silver, and copper mining in the American West, 1,048 total pages, copiously illustrated and cloth-bound. It is available from book stores and on-line at www.ahclark.com for \$40 each volume or \$72 for the two.



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COX'S CORNER #13

Solving problems with collectibles

Back when I collected glass insulators, I hiked up to near tree line to salvage a crossbar from an abandoned telegraph pole. That's when I learned crossbars are much larger than they appear. It took a couple hours to lug the ten-foot wooden timber down the mountain where I learned it was too large for the bed of my truck and certainly too large for the intended wall space. To top it all, it only held ten or twelve insulators. After thirty-four years, I am now able to admit my display solution was ill-conceived.

By their very natures, collecting hobbies create their own peculiar problems. Every collector ends up solving them in ways that fit their individual situations. I will mention some typical problems with collecting stocks and bonds and I ask for your insights. What problems have you encountered and how have you solved them?

In my case, one of my lingering problems has been accidentally buying duplicates of certificates I already own. I always think I have a solution, but somehow I always fail. I always fume and fuss and vow never to buy duplicates again. And then, in a short time, I start the cycle all over.

I've tried keeping an inventory of my collection on spreadsheets, but it seems like I never have the list when I need it. Or maybe I don't record sufficient details. Or maybe I convince myself that I've found a new item and my list is wrong. Or maybe I don't keep my list up to date. Someone has bound to have created a good solution. Right?

My latest solution is technological. Today's electronic devices have magnificent storage capacity, so I've decided to keep pictures of all my certificates on my smart phone. Catch me in a year and we'll see if the idea works.

Sharing our hobby with others seems to be another big issue. I'm fortunate because I have a large web presence and I'm always corresponding with someone new. But among my "real world" non-hobby friends, I've only met one who was remotely interested in old stocks and bonds. And he is interested in only one railroad which is currently represented by only one certificate. Our conversations about stocks and bonds are short.

Several of my correspondents have solved the sharing problem by creating their own personal web sites whereby they show and share their collections with the world at large. I'd love to know how successful they are. Some correspondents participate in scripophily groups on LinkedIn and Facebook. My time is overly tight, so I can't

participate very often. However, I support and applaud their efforts in the strongest way possible. Again, I'm interested in learning about their experiences in sharing our hobby.

I have written several times about the necessity for specialization. Like most other human endeavors, specialization creates its own mirror-image challenges. In our hobby, over-specialization leads to the frustration of being unable to find "new material". I know a few people who've shelved the hobby because of that problem. Fortunately, most modify their specialties. Some enlarge their focus from single cities to whole states or provinces. Others decide to collect certificates from ancestral companies of large, late-date corporations. Still others choose to pursue certificates from other industries or other countries.

Whenever someone complains about being unable to locate "anything new," I try to remind them that they may be overly specialized. "Branch out, just a bit, and see what happens".

Housing and storing collections is yet another universal problem among all kinds of collectors. Coin collecting suffered from limited participation until Whitman came along with a simple solution in the 1930s. Once Whitman's wide selection of blue coin folders became known, the hobby multiplied. Stock and bond collecting is similarly challenged, but it is complicated by the fact that no two people collect the same things. We all need different types and sizes of holders and albums. Thankfully, we share identical concerns of keeping our fragile paper safe, secure, dry and free from migratory acid.

My favorite albums are the handsome Art Portfolios produced by Itoya. They come in a huge array of sizes and are supposedly archival quality and acid-free. Depending on sizes, each Itoya album can hold 24 to 48 certificates. These albums can be found in most art supply stores, but I always advise collectors to contact their favorite certificate dealers first.

As nice as these albums may be for housing certificates, I still have not solved the problem of efficiently protecting my albums. They are too large for typical safe deposit boxes, and in fact, are too large for most home fire protection safes. If readers have discovered any reasonable-cost solutions, please let me know.

Storage and display was always a big, big problem with collecting fragile glass insulators. Moving the collection was exhausting. Stock and bond collecting entails much less effort and is greatly more compact. Nonetheless, it is not without the problems that all collectors encounter. In an effort to discover and share solutions with others, I ask you to tell me how you've approached these and other universal "problems". If sufficient time has passed, tell me about your failures. tcx@coxrail.com

Terry Cox tcx@coxrail.com is the author and publisher of the price guide 'Collectible Stocks and Bonds from North American Railroads' and of the regular 'Update' newsletter. See the article on scripophily databases in Scripophily No.84, December 2010, for more on Cox's rails database.



CHINA – CHINA – CHINA

We include for the first time a report on an auction in mainland China. The Shanghai Hosane Auction Company has been offering scripophily in room auctions for some time now, alongside paper money, stamps, coins, ceramics, art and other collectables. Scripophily sales are held approximately every six months. The website www.hosane.com is fairly easy to navigate and flips readily between English and Mandarin, changing currency at the same time – US\$/Renminbi.

All the scripophily we have seen at Hosane is Chinese or China-related (except we did note a **EuroDisney** share which sold in March for RMB3,200, £325). The prices realised reflect the enthusiasm of a young market. In June last year Hosane obtained RMB724,500 including premium (£69,280) for a 1915 **Bank of China** 100-yuan share, the highest bid ever for Chinese scripophily.

In Hong Kong, Spink of London is running a series of highly successful auctions of Chinese scripophily. The results of its January sale and of Hosane's March event were very similar – over 80% sold from 250-plus lots for a hammer total over £100,000. Whereas Hosane has been offering mainly local shares, Spink carries more government bonds and is also successful with London-issued shares in China-

related businesses. Hosane has had difficulty finding buyers for these.

Old hands will find echoes of the enthusiastic London of 30 years ago. High success rates (over 80%), competitive bidding taking most prices above reserves, often little price distinction between common items and rare. In the coming years, the stars will emerge. The moral as always is to buy quality – which means learning to identify quality.



RECORD CHINESE PRICE – £69,280
(Image from Hosane website)

In Europe and America speculation continues in some Chinese government bonds, particularly the **1913 5% Reorganisation Gold Loan**, although not at the exotic price levels seen for Mexicans. Our auction reports show the £20 'Reorg' (brown) selling in London in quantities at £130 per piece (plus premium) and the £100 (blue) at £580, the differential indicating that the speculators anticipate redemption. Prices for these pieces on eBay are higher, bids of more than £250 for the £20 bond being common.

The markets in Shanghai and Hong Kong are not much affected by this speculation. Choice Chinese shares and bonds are being bought up by genuine scripophily collector-investors who we hope and believe are buying for the long term.

WORLDWIDE AUCTION SALES – FOUR MONTHS TO APRIL 2012

Firm	Date	Place	No. of scripophily lots offered	% sold by number of lots	Total sales including buyer's premium		
					€	£	\$
DWA	10-Dec	Wolfenbüttel	1,800	39%	65,458	55,508	86,738
Gutowski	30-Jan	Mailbid	1,157	43%	96,350	80,086	126,315
HSK	25-Feb	Hamburg	1,253	51%	262,049	221,431	350,831
		Germany	4,210	44%	423,857	357,025	563,884
Boone	10-Mar	Antwerp	1,588	71%	325,135	272,854	426,544
Spink	17/18-Jan	New York	1,837	62%	213,523	178,046	273,972
Hosane	29-30 Mar	Shanghai	263	83%	146,233	122,086	194,677
Spink	14-Jan	Hong Kong	283	82%	146,025	121,531	186,490
London Coins	3-Dec & 3-Mar	Bracknell	251	70%	39,986	33,695	53,150
IBSS	20-Jan	Mailbid	223	81%	8,071	6,730	10,413
Others			853	33%	14,905	12,569	19,648
		World	9,508	55%	€1,317,735	£1,104,536	\$1,728,777

The recent period is the quiet part of the scripophily auction year. World sales at €1.3 million benefited from the inclusion of Hosane for the first time. Without Hosane, sales were up about 5% on last year. Apart from the Mexican speculation, the force at the moment is with China. Both Spink in Hong Kong and Hosane in Shanghai had excellent results and Chinese strength was seen too in the Boone and London Coins sales. Partly for this reason the German share of the world market was down to 32%, and this entirely from the FHW Group. The US share was less than half that, and beaten by China at 22%. To keep this in perspective, the solitary Belgian auctioneer made 25% of the world's auction sales. Bear in mind that these figures do not include eBay, which would significantly increase the US share.

Held at FHW Group's premises in Wolfenbüttel as a public auction, this was in practice mainly a mailbid event. The agenda called for an open house visit the day before and a collectors meeting the evening before the auction. Offered were 1,800 lots from the Reichsbank hoard, no bulk lots but mainly single pieces. They were mainly from bulk material though, at estimates in the two-digit to low three-digit euro range, with only 100 lots at more than €500, with €2,500 being the highest estimate. Bidding was started at 80% of the estimate. In all, 703 lots sold at a total hammer price of €55,473 (£47,000/\$73,500). This means a little more than 39% of the lots sold.

The highest sale was a **Deutsch-Ueberseeische Elektrizitäts-Gesellschaft**, preference share 1,000 Marks, Berlin 1914, at €1,000, estimated €1,000-1,250. The company was founded in 1898 under the leadership of **AEG** to build power plants in South America (Buenos Aires, Santiago de Chile, Valparaíso, Montevideo) with the electrical power supply of Buenos Aires being their most important activity. The runner up was a **Junkers-Flugzeugwerk AG** 5% debenture of 1,000 Marks, Dessau 1920, with facsimile autograph of Hugo Junkers, sold at €960 which is exactly 80% of the lower estimate.



A traditional Chinese design on this 1920 share in the Po Tung Coal Mine Co helped it to almost double its estimate, selling at HK\$8,500

This sale of Chinese scripophily proved another huge success for Spink with 234 of the 283 lots (82%) selling for a hammer total of HK\$1,207,100 (€121,700/£101,300/US\$155,400). Many British-issued shares sold at multiples of the prices being obtained in London comparatively recently, reflecting strong collector-investor demand from Hong Kong and mainland China, presumably based on the belief that interest in the Chinese heritage can only grow. While the prices of some of the common government bonds are currently influenced by redemption speculation, this does not apply to the majority of bonds nor to private company shares.

The first hundred lots were foreign and local government bonds. All the foreign loans sold, fetching some strong prices. A **1912 'Crisp' Gold Loan** bond for £1,000 made HK\$14,000 (£1,175). A **1913 Chinese Central Government 'Austrian' Loan I** bond for £50 sold for HK\$15,000 and the £100 denomination rose to an above-estimate HK\$22,000 (£1,764). A **1925 Gold 'Boxer' Loan**, certificate no.1 signed by 20 or so officials from the issuing bank, made HK\$28,000.

The largest part of the sale comprised company bonds and shares from a wide range of industries – land companies, textiles, glass, rubber estates, banks, restaurants, tobacco, horse-racing and many more. The star item was a Russian issue, an **East Chinese Railway Company** 1897 bond for 100 roubles, which sold for HK\$48,000 (£4,027). Lots beating their estimates included a **Quong Jee Sue Kouk Ltd** share from 1902, one of only two known, fetching HK\$42,000 on an estimate of HK\$12,000-HK\$18,000 (its companion was sold for HK\$19,000 in last year's sale). A Shanghai department store share, **Sun Sun Co Ltd** from 1936, made HK\$35,000, seven times its top estimate. More common Shanghai shares did not do so well.

Banking shares were in demand with a **Bank of China** certificate for ten shares dated 1915 selling for HK\$15,000 (£1,258), a **Commercial Bank of China**, Shanghai, share from 1937 fetching HK\$2,200, and a British share of **Hongkong & Shanghai Banking Corporation** (now HSBC) from 1890 doubling its top estimate to sell for HK\$16,000. Many of the pieces on offer were British or French issues and some US. A pair of specimen bonds of the **Chemins de Fer de l'Indochine & du Yunnan**, Paris 1901, sold for HK\$10,000.



HK\$42,000, the sale's second highest price, was paid for a 1902 share in Quong Jee Sue Kouk Ltd, one of only two examples known



An early (1890) London-register share of the company that is now HSBC doubled its top estimate to sell for the Hong Kong equivalent of £1,342

Horse-racing shares are almost as popular in Hong Kong as the sport itself. This 1922 share in the Canton Fooklee Race Club sold for HK\$13,000, more than twice the top estimate



SPINK

New York City, January 17-18

This sale was essentially a gigantic estate sale containing some interesting gems, mostly from the former holdings of R M Smythe. 3,500 lots of which 1,800 were scripophily, many of them multiple lots with hundreds of pieces. It took a full day to view, and even then it was difficult to devote enough time to the last few bulk lots, one of which had 1,500 mixed certificates from the former Smythe retail sales drawers. Sadly, this was the last sale to include the inventory of R M Smythe & Co. These have been a great opportunity for collectors and opportunistic dealers to acquire material reasonably, since the start prices have been set at realistic levels for the most part. Spink should be commended for its Herculean cataloguing effort, including careful descriptions of defects and cancellations. Total sales this time came to \$228,310 (£177,900/£148,400) on the hammer with 62% of the lots sold.

Several hundred **Confederate bonds** were offered to a quiet market, almost all of them selling under estimate. Still, most of them did sell, some over \$1,000. Railroads generally consisted of large lots of common material which went cheaply, for example \$1 each for hundreds of 1899 **Chicago & Alton Railroad Co** \$1,000 bonds and **United New Jersey Railroad & Canal Co** shares. A small group of **Jay Gould**-signed **Missouri Kansas & Texas Railroad** shares did not sell, but were purchased at the after-sale during the Dulles show. Several nice collector starter lots were available, for example 122 **Ohio rails** with little duplication at \$525. 145 **Pennsylvania railroad** certificates brought \$500.

By no means all lots were bulks. Here are some representative single-certificate lots (with past WHACO-reported numbers sold and auction price ranges in brackets). **Pettengill Telegraph Revolver Co** \$1,400 (WHACO: 9 sales at \$310-\$1,485), **New Arkansas & Texas Land Co** \$1,800 (2 at \$270-\$600), **North American Land Co** 1795, **Robert Morris** signature, \$400 (47 at \$303-\$1,320), **Gold Crater Mining Co** signed by **William S Stratton** as president, \$625 (8 at \$300-\$1,700), **Globe Telephone Co** \$100 (8 at \$110-\$240), **Mokelumne & Campo Seco Canal & Mining Co** \$350 (5 at \$370-\$750). And three scarce pieces not recorded in WHACO: **Sammy Davis Enterprises** share no.1, signed by the entertainer as president, \$1,300 on \$1,000-\$1,500 estimate; **Pennsylvania Population Co** 1794, \$2,200 on a \$2,000-\$3,000 estimate; **Houdini Picture Corp** share of 1922 signed by **Harry Houdini** \$2,000 on \$2,500-\$3,000 estimate (not much more than half the estimate for the same certificate in the January 2011 sale when it was unsold). In general, prices were not give-aways but settled at wholesale levels.

One collector commented that he was pleasantly surprised to find he bought most of what he wanted at prices under his limits. In a sign of the times, though, he was concerned that this might be emblematic of market weakness rather than an all-too-infrequent opportunity to add to his collection at reasonable prices. Nonetheless it is impressive that over this series of Spink Smythe sales dealers and collectors have been willing and able to absorb such a huge quantity of scripophily material.



Erie Canal Navigation Co 1823 share, the only one seen, of the early New York company (not the later 'Erie Canal Co' Pennsylvania corporation), \$2,300 on a \$2,000-\$3,000 estimate. Work on the canal began in 1817 and it was opened officially in 1825



Eight of these scarce 1890 Thistle Curling Association certificates brought from a dealer an above-estimate \$525 for the lot



This Novelty Airship Co certificate, 1888, the only one known, brought the sale's highest scripophily price at \$9,000 on a \$15,000-\$20,000 estimate. It was originally sold by a 'walk in' to a dealer at a Dulles Show, then traded among dealers and ended up here at a much higher price

\$130 MILLION FIND

In 2008 Tony Marohn bought some documents at a garage sale for peanuts, one of which was a stock certificate for **Palmer Union Oil Co**, the *London Daily Mail* reports. Marohn then discovered the company's successor is Coca-Cola and claimed that the certificate represents 1.8 million shares of that company, a \$130 million stake.

The shareholder's name had not been written in. "It was like a blank check", Marohn's attorney told *ABC News*. "Whoever holds this stock certificate, whoever puts their name on it, owns it." Coca-Cola denied the claim and sued Marohn the next year. Now, after his death, his California family is continuing the fight, saying they are entitled to the Coca-Cola shares as Marohn's signature is on the piece.

(Palmer Union are not uncommon. Better check your collection - Ed.)

(Story courtesy LaBarre Galleries)

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Isabella Gold Mining c.1900, Colorado USA orange, engraved beautiful certificate \$35

IBSS Mailbid, January 20

This was the Society's best sale ever, achieving a hammer total of £6,118 with 81% of the lots selling. The British railways section of 24 lots did especially well with all lots finding buyers. A **Stockton & Darlington** 1858 share sold for £461, a **Great Western** 1840 share sold for £126, and a **Gorsedda Junction & Portmadoc** 1875 share made £106. Elsewhere a **Manchukuo Government 28th Year Loan** 1,000 yuan sold for £156, a **North China Power Plant Co** 1943 share fetched £151, a **Manchester & Salford Water Works** share from 1818 sold for £101, and the attractive Mexican **Ferrocarril de Pasco** bond from 1872 made £111. A 1920 French share in **Verreries de Vertou** rose to £96. The full results are included with the accompanying catalogue.

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GUTOWSKI

Mailbid, January 30

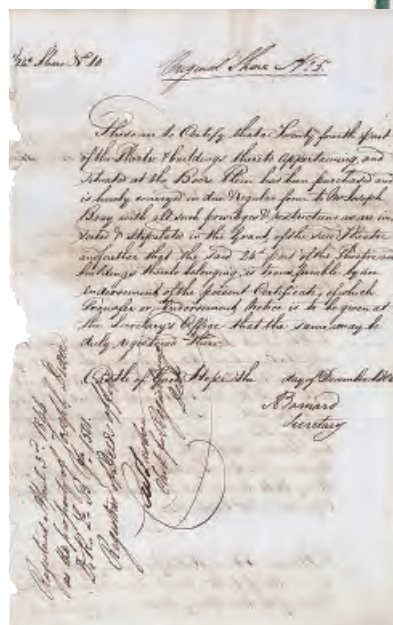
Once more Gutowski achieved some good prices for a mailbid auction, often well above the start price. Some were due to Mexican speculation but most were genuine collector prices. Overall 43% of 1,157 lots were sold for €82,000 (£68,000/\$107,000).

The highest price was €4,800 for a 1917 10,000-Rouble share in **Russische Elektrotechnische AG ASEA**, believed to be the only one known. This share in the Russian associate of the Swedish company ASEA was bid up from €3,500. A section of 43 Swedish lots sold quite well – 53% – but all at prices below €250. Two-thirds of the lots were German. The highest German price was for share no.16, one of only five known, in **Bonner Preussenkneipe** ('Bonn Prussian Beerhouse') of 1887, sold for €2,500 start price. An 1880 *kuxe* of the **Kupfer- & Bleierz-Bergwerk Bismarck, Bochum**, was bid up from €1,500 to €2,050.

Seven out of the nine British lots sold, led by a 1925 share in the locomotive builder **Kerr Stuart & Co** at €135. The large US section did better than last time, 37% of the 244 lots finding buyers, boosted by **railroads** where 71 of 118 lots were sold. Compare this with **US autos**, where not one of the 15 lots sold. An attractive 1899 French share in the **Société Internationale de la Photographie des Couleurs** made €820 from a €750 start and the similarly artistic **La Gravure Française** share dated 1934 sold for €1,050 from €800 start.

Competitive bidding produced €3,600 and €2,000 (from €500 and €200 starts) for two Mexican speculation pieces – the \$1,000 and \$500 denominations of the **United States of Mexico 4% Gold Bond 1904**. There is no speculative appetite for equally impressive Mexican \$100 gold bonds issued in 1908 by the **Institution for Encouragement of Irrigation Works and Development of Agriculture** – one sold at its €40 start.

Mexican 4.5% \$100 gold bond issued in 1908, sold for €40



This 1800 share of The Theatre & Buildings on the Boere Plein, Cape Town, is the oldest known South African scripophily. Two centuries later the Plein had been renamed Riebeeck Square and the theatre building was in use as St Stephen's Church. The share was sold at its €2,000 start

LONDON COINS

Bracknell, December 3 and March 3

The December auction contained 111 lots of scripophily of which 68% sold for a hammer total of £9,600. Most were multiple lots. There were three £100 **Chinese Reorganisation 1913 Gold Loan bonds** which sold for £580 each. In general the Chinese section of 28 lots was very strong with all but two lots finding buyers. In Russians a **City of Baku 1910** £500 bond made £180 and a **City of Kieff 1914** £500 bond fetched £160. In the American section a lot containing 5 **Mobile & Alabama Grand Trunk Railroad** \$1,000 gold bonds sold for £90.

The March auction was stronger in scripophily with 140 lots, of which 72% sold for a hammer total of £19,199. There was a strong Chinese section with 39 lots most of which sold. There were 15 lots of multiple **Chinese Reorganisation 1913 Gold Loan bonds**, £20 denomination, all sold for an average of £130 per bond; these accounted for over half of the sale's hammer total. A **Chinese Vickers Loan** £1,000 bond made £300, but a £500 denomination sold for only £40. There were other inexpensive high denomination Chinese lots, with a **Chinese Government 23rd Year Sterling Indemnity Loan** £1,000 bond selling for £180 and a **Republic of China Two Year 1919 Treasury Loan** \$1,000 selling for a very modest £130. The American section was weak with only one of three **American Express** (dog's head type) selling, this for just £80 even though signed by **Wells and Fargo**. A **Bank of the United States** signed by **Nicholas Biddle** was unwanted at an estimate of £450-£550 (reserve probably around £300-\$470), as was a **Standard Oil Trust** signed by **John D Rockefeller** at an estimate of £2,000-£2,500 (\$3,200-\$4,000) – very optimistic in today's market.



The Italian artist Achille Beltrame contributed the design of this 1909 share in the Société des Phosphates Tunisiens SA, taking it to €300 from €240 start



Mid-price US railroads seem to be making a comeback: 60% sold including this Cincinnati Portsmouth & Virginia Railroad 1903 share at €220



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RAAB/KÜRLE

Internet, December 10 and March 12

The catalogues for these sales could be browsed online, downloaded or obtained on request in printed form. The firm does not publish results lists (we wonder why – perhaps a good place to buy?) but does publish an after-sales list of unsold lots.

In December 413 lots were offered at a total start price of €25,479, an average price of €62 – at the lower end of the market but well in range for an online auction. From the after-sales list we can see that 129 lots or 31% were sold. The scripophily journal *der Aktiensammler* reported that 112 bidders took part in the auction. The highest price was for an **Armaturen-Fabrik und Alexander-Fahrradwerk AG** 1,000-Mark share, Brandenburg 1898, sold at €350 start price. Two other lots made more than €300.

The March sale comprised solely Russian material, so that catalogue was part-German part-Russian. A similar number of lots was offered at a total estimate of €24,438. Bids came in from Russia, Ukraine, Azerbaijan, Germany, France and the UK. The highest sale was a £20 bond of the **'Manufacturer of Russian Mineral Oils and other Chemical Products trading as S M Schibaieff & Co'**, Moscow 1900; estimated at €1,100, it went to the UK for €1,250. A **Banque Foncière de la Noblesse** 5% bond, 100 Roubles, Moscow 1889, estimated at €1,000, sold to Russia at €1,100. The auctioneer reported that mining did very well, banks, metal industry and textiles were good but government bonds and railways only mixed.

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Another HSK tripartite one-day event at the Elysee Hotel in Hamburg. A lecture by Jan Martin Kayser about ‘Mining pictured on Scripophily’, illustrated by beautiful mining vignettes from all over the world, started the event. More than 30 scripophiliasts were present right from the beginning. Following the auction a small bourse was held.

As expected, the highest sales of the auction were in the large German section of over 700 lots. **Neue Theater-AG**, Frankfurt 1877 250-Mark share, sold at €10,500 from €9,000 start. A **Weser-Dampfschleppschiffahrts-Gesellschaft** (‘Weser Steam Tugboat Co’), Holzminden 1882 200-Mark share, only three seen by the auctioneer in ten years, sold at €10,000 start. Amongst the cheaper material, the younger post-1949 DM certificates did much better than the older RM pieces.

The Americas section (not solely USA) seemed more lively than recently; 55% of 144 lots found buyers. Selectively, US railroads did quite well. A scarce **Hopkinton Rail Road Co** 1872 7% \$500 bond, sold for €1,200 (\$1,600) from €1,000 start. An important **Buffalo, Bradford & Pittsburgh Rail Road** certificate for 95% of the capital, 21,875 shares issued in 1882 to the New York, Lake Erie & Western Railroad (a reorganisation of the failed Erie Railway), fetched €900 from a €600 start. A **Standard Oil Trust** 1882 odd-shares signed by **John D Rockefeller** sold for €1,000 (start) but the 100-share variant was not wanted at €1,200 start, and nor was a **Standard Oil Company** 1878 share at €2,500.

Amongst British, a 1997 **Manchester United** share sold above start price at €75. Early 19th century British canal navigation shares were not wanted at starts in the €400-€500 range but several more modern shipping shares sold such as **Devon Shipping Co** 1920, **Llewellyn Shipping Co** 1919, **Portsmouth Steamship Co** 1925, **Royal Mail Steam Packet** 1910, all in the range €40-€60, and **North of Scotland Steam Packet** 1856 with a nice vignette at €150. In contrast a maritime collection consisting of 100 lots mainly from France, the Netherlands and Belgium was unsold when offered as a whole at €7,500, and didn’t do much better when offered separately. Two vignetted 20th century Indian shares sold: **Eastern Steam Navigation** 1920 for €120, and **Premier Automobiles Ltd** 1944 for €250, both Bombay, both at their start prices.

The highest sale in the international section was a **Kongelige Octroijerede Danske Asiatiske Compagnie** (‘Royal Danish Asiatic Company’), Copenhagen 1802 500-Riksdaler share, at €5,000 start price. The exact same piece #478 had been offered at the same price in last year’s HSK sale and was then unsold. Apart from that, Scandinavia, usually an HSK stronghold, was mixed with 48% sold. A Danish local railway share, **A/S Gribskovbanen** 1945, did very well at €850 from a €350 start. The Russian section sold 58% of the 38 lots but the prices were not strong; the boom seems to be flagging. €1,000 (start €600) was paid for a 25-franc bond in French issued in Berlin in 1922 by **SA d’Industrie et Commerce**, a company formed to enable international workers to give support to their Soviet brothers. All but two of 37 **speculation lots**, mainly Mexican with some German and Chinese, sold at a total hammer price of €22,415, all conditional sales awaiting payment.

Of the 1,253 lots offered, 51% sold at a total hammer price of €222,075 (£187,650/\$297,300), a good start for the year in Germany.



A ‘Weser Steam Tugboat Co’, Holzminden 1882 200-Mark share, was sold at the €10,000 start

Banque Industrielle de Chine 500-franc share of 1913, was bought at its €350 start price



Republica Mexicana 6% 1,000-Peso bond of 1845 was bid up to €3,600 from €3,000 start



The auctioneer has seen only three of these Hopkinton Rail Road Co 1872 7% \$500 bonds in 10 years. This one sold for €1,200 (\$1,600)

BOONE

Antwerp, March 11

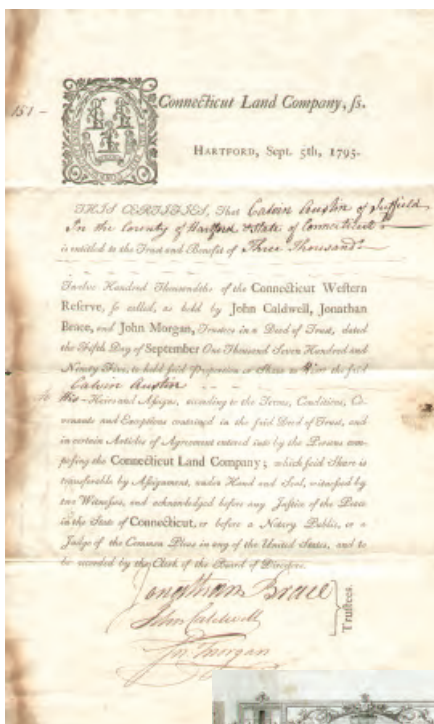
This time 1,590 lots were offered in total. Fortunately a huge collection of 311 Chinese internal and external pieces sold as one lot at the end of the auction. Not only did this shorten the event considerably (all of a sudden at lot 1317 the auction was over!), it was a contributing factor to the quite high sale rate of 71%, and going up from €27,500 start to €44,000 hammer price, it was the highest sale of the auction. And of course it contributed to the total hammer price of €283,000 (£237,000/\$370,900).

The auction room was densely filled, standing-room only, although more lots went to mail bidders than to room and telephone bidders with the exception of high-value pieces and the Chinese collection, which were bought in the room.

A **Chinese Republican Government 6% National Bond 1912**, not seen before, attained the highest hammer price for a single piece at €10,000 from €5,000 start. A collection of 67 **Cuban railroad** certificates in one lot sold for €6,500 from €5,000. A remarkable sale in the Russian section was a **Towarzystwo Akcyjne Wyrobow Bawelnianych S Rosenblatta w Lodzi** ('Cotton Mill Company S Rosenblatt in Lodz') 1893, share 5,000 Roubles, text in Russian and Polish, sold at €6,000 start price, probably not because of a new Russian boom but because it is one of the most attractive 19th century Russian/Polish pieces. 83 of the 102 Russian lots were sold.

France did well, selling 77% of 176 lots. A unique collection of 27 different **Paris-France SA** shares and bonds, 1898-1946, some not seen in auction before, sold for €10,000 (the start price). The oldest known French railway share, the only piece known, sold at its €2,500 start. Belgium was also successful, selling 66% of 121 lots. The highest sale in the German section was vigorously bid for: a BASF share, **Badische Anilin- & Soda-Fabrik**, Mannheim and Ludwigshafen, 1917 1,200-Mark share, started at €2,000 and chased up to €5,000.

An English **South Sea Company** 1717 capital increase receipt signed by the cashier **Robert Knight** (charged with fraud after the Bubble burst), sold for €2,700 (£2,260) from €2,500 start price. One of the attractive **Australian Agricultural Co** shares of 1825 sold for €4,600 from a €4,000 start. In the large US section 53% were sold. A rare share of the first **Bank of the United States**, Philadelphia 1793, de facto the Central Bank of the United States, sold for €5,500 (\$6,550) from €5,000 start price. A 1795 certificate for 3,000 founders' shares in the **Connecticut Land Company** sold at €3,000 from €2,500. An 1876 **Standard Oil Co** share signed by **John D Rockefeller** sold for its €2,500 start.



The group dinner at an old town brewery with a beer-themed meal was tasty but lengthy. The bourse on the next day was lively but without many new faces. Keen collectors could find new pieces for their collections but most of the business was among dealers.

A rare 1795 certificate for 3,000 founders' shares in the Connecticut Land Company (owner of much of Ohio and founder of the city of Cleveland) reached €3,000 (\$3,900) on the hammer



A Chinese Republican Government 6% National Bond 1912, text in Chinese on one side and English on the other, not seen before, was the top-priced piece at €10,000

The splendidly named 'Route en Fer, Dite du Nord, de Paris à Lille, Desservant Calais SA', the oldest known French railway share, 1831, sold at a modest €2,500 for the only example known



American oil wells financed from Belgium – a 1905 share in the Société Belgo-Américaine des Pétroles de Wyoming, which was sold for €160 (\$200)



HOSANE

Shanghai, March 29-30

This is the first time we have reported an auction by the **Shanghai Hosane Auction Co.** The website www.hosane.com is user-friendly and has an English option. Our Mandarin is not of the best but it appears that the catalogue 'estimates' are actually start prices, because we have not found a realised price less than its 'estimate'. The buyer's premium is 15%.

In two days of room sales, mainly paper money, the company offered 263 lots of China-related bonds and shares. They sold 83% of these lots for a total on the hammer of RMB1,042,800 (€127,000/£106,000/\$169,000). Most of the bonds and shares were gathered in a scripophily section on each day but a few were scattered elsewhere, making them difficult to find. One of these was a 1900 Shanghai-issue **Deutsch-Asiatische Bank** 1,000-Tael share, which was buried in a paper money section and sold for RMB26,000 (£2,650) from a start price of RMB20,000.

Banks generally performed very well. The highest hammer price for a single piece of any theme was RMB50,000 (£5,090) for a 100-Yuan share in the **Hou-Te Commercial Bank**, Peking, five times its start price. A **Commercial Bank of China** 70-Yuan share, 1934, sold for RMB40,000, almost six times its start. There was a much higher start price, RMB150,000, on a **Bank of China** 1915 share of 100 silver yuan, but no-one wanted it – perhaps because of its condition – even though the auctioneer raised RMB630,000 on the hammer for a similar piece in June last year.

In industrials several pieces sold for RMB35,000 (£3,563), at or above their starts, such as a **Meng-Hua Chang Chi Copper Mine Co** share, 1909, and a **Chih Cheng Co** 750-Yuan share of 1914. Also sold at good prices were a **Manual Test Factory** share, Hupeh, 1904, at RMB26,000 and a **Szechuan-Hankow Railway Co** 1912 share, RMB22,000. A **Shensi Sian-Tungkuan Railway Co** 5-Tael share 1904 and a 1908 **Pekin Tap-water Co** share both sold for RMB28,000, yet the water company had started at only RMB10,000 while the railway could not rise above its start price.

As can be seen, most of the very successful lots were century-old local-issue shares. However, the vast majority of lots sold below RMB5,000 (£500) and many below RMB2,000. For example, shares in **Chiu-An Industrial Co** 1945 at RMB345 (£35), **China Textile Construction Co** 1948 RMB460, **Pai-Chih-Mao Motor Road Co** 1928 RMB920 and **Yeh-An Properties Co** 1944 RMB1,035.

A disproportionate number of the 46 unsolds were shares from foreign companies such as a British **Oriental Bank** and a French **Banque de Cochinchine**. However some foreign shares sold, such as a **Pekin Syndicate Ltd** share of 1911.



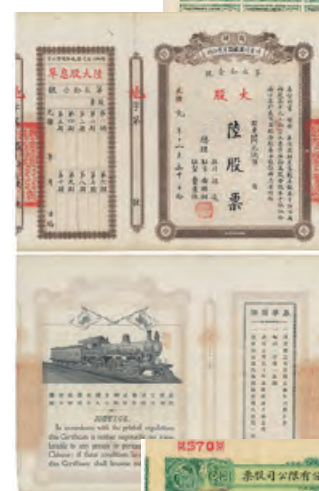
A 1900 *Deutsch-Asiatische Bank* 1,000-Tael share issued in Shanghai was sold for RMB26,000 (£2,650)



A 1911 bearer share warrant of *Pekin Syndicate Ltd*, a company incorporated in England, was sold for RMB1,800 (£188)



A vignetted *Szechuan-Hankow Railway Co* 1912 share, sold for RMB22,000



This *Commercial Bank of China* 70-Yuan share, 1934, was chased up to six times its start price



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EVENTS CALENDAR

May

- 1 IBSS Monthly London Meeting, 6.00 p.m.
Spink London Office
- 15 * Archives International Auction,
Fort Lee, New Jersey
- 18 Spink Auction, London
- 18-19 * Spink Collectors Series Auction,
Fort Worth
- 19 IBSS Bourse, Imperial Hotel, London
- 19 HIWEPA Auction, Basel
- 21 HIWEPA Mailbid Auction
- 23 MPO Online Auction www.mpo.nl
- 26 FHW Auction, Munich

June

- 1 IBSS Mailbid Auction

Most of the event organisers can be contacted via their details in the Membership Directory 2010 and/or in their ads in this issue. It is advisable to check dates with the organisers before attending as dates are sometimes changed at short notice. TBC = To be confirmed/Date not yet established.

- 2-3 * London Coins Auction, Bracknell
- 30 * Spink Collectors Series Auction,
Hong Kong

July

- 3 IBSS AGM and London Meeting,
6.00 p.m. Spink London Office
- 16 Gutowski Mailbid Auction
- 18 * Bonhams Auction, London

August

- 22-23 * Spink Collectors Series Auction, NY
- 25 * Spink Collectors Series Auction,
Hong Kong

September

- 1 RAAB/Kürle Auction, Gelnhausen

- 1-2 * London Coins Auction, Bracknell
- 4 IBSS Monthly London Meeting, 6.00 p.m.
Spink London Office
- 27 * Akkermans Auction, Valkenburg
www.akkermansauctions.com
- 28-29 * Paper Money Fair Maastricht, Valkenburg
- 29-30 FHW Auction, Frankfurt

October

- 2 IBSS Monthly London Meeting, 6.00 p.m.
- 6-7 Boone Auction & Bourse, Antwerp
- 17 * Bonhams Auction, London
- 18-20 Wall Street Collectors Bourse, NY City

* Scripophily with paper money,
coins or other collectables.



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Further details are given in the Society News section of this Journal.