THE BOND AND SHARE SOCIETY

NEWSLETTER

1/80

Heatherdene,
Blackhall Lane,
Sevenoaks,
Kent.

December, 1979.

NEWS LETTER

1/80

Dear Collector,

I am pleased to be able to report that in its first year your Society has attracted 385 members and it can be confidently predicted this number will exceed 400 by the time this letter reaches you.

2. Talks. London members have been fortunate to be able to attend most interesting and informative talks given by:-

Derek Fawcett - on Baku Bonds

Michael Gough - on the Corporation of Foreign Bondholders (please refer to the Handbook if you wish to see how to obtain a copy of the Corporation's annual report).

They are also looking forward to John Herzog's lecture next week.

3. Exhibition of Bonds at Guildhall Library. The Society, in conjunction with Stanley Gibbons, will be staging a small exhibition of Bonds in the Whittington Room at Guildhall Library, London, throughout May 1980. It will be open from 0930 to 1645 on Mondays to Fridays. The theme of the Exhibition will be to introduce bonds to the general public and at the same time illustrate the City of London's position as a financial centre.

4. Postal Auctions. The first postal auction resulted in sales amounting to £500 - 10% of which was deducted for the Society's Funds. Details of the second postal auction are enclosed.

5. Other Clubs and Societies. Liaison has been established with organisations in Sweden, Switzerland, Austria and Holland.

6. New Branch. Member E.T. Hall of 32 Station Road, Darlington, Co. Durham, is endeavouring to establish a Northern Branch. Members interested in meeting in Darlington please contact him direct.

7. Auctioneer. Members will wish to join in thanking Michael Veissid of Belcher Associates for acting as auctioneer at the London Meetings. Michael has always been a strong

supporter of the Society and has made the mini auctions a well established and popular feature of these meetings. Jonathan Lyttleton will take his place.

8. Future Talks at Monthly Meetings. Speakers are always required for future monthly meetings. Please let me know if you are a volunteer. Even if you are not, suggestions for subjects for talks are always welcome.

9. News Letter 2/80. Please let me have your contributions and items for the Wants and For Sale section not later than 15th March, 1980. If you want your article illustrated, please enclose a black and white photograph of the bonds.

10. Future Meetings. Meetings will be held at 6 p.m. in the basement at Basildon House, 7/12, Moorgate, London. E.C.2. as follows:-

Tuesday, 5th Feb. - 1st Annual General Meeting and mini-auction.

Tuesday, 4th March - Talk by official from Barings Bank and mini-auction.

Tuesday, 6th May - Mini-auction and probably a talk.

Members will be grateful to Laurence, Prust who have made their meeting room at Basildon House available but increasing attendance means we must now seek larger premises. The search for these continues and (hopefully) will be promulgated in News Letter 2/80. It is intended to continue to meet at Basildon House until and including the May meeting.

11. Notice of 1st Annual General Meeting. For the benefit of out of town members, it was hoped to hold the Annual General Meeting on a Saturday or Sunday and at the same time arrange some special features such as a fair or exhibition. In the event this has proved too difficult and the meeting will be held at Basildon House as shown above. The agenda for the meeting will be as follows:-

(a) Annual Report

Details of the Society's activities have already been reported in the news letters. The Chairman will report any recent activities not already promulgated.

(b) Annual Accounts

To approve the 1979 accounts which will be available at the meeting.

(c) Auditor

To re-appoint Mr. R. Stokes as Hon. Auditor for 1980/81.

(d) Resolutions and Motions Notified

None have been received.

(e) Election and Retirement of Committee Members

In accordance with Rule 9 (1), the following retire and being eligible offer themselves for re-election

Chairman	J.P. Berthoud
Hon. Secretary & Editor of the News Letter	R.D. Ross
Hon. Treasurer & Membership Secretary	B.W. Mills
Committee Member	M. Moule

The following have been proposed and seconded for the Committee:-

R.E. Jackson

12. Subscriptions. Annual subscriptions for the year 1st April 1980 to 31st March 1981 will remain unchanged and are due not later than 1st April. Please send your subscription to the Hon. Treasurer with the form enclosed. New members joining before 31st March 1980 may pay half subscription for 1979/80 and receive half the publications. New members joining in March 1980 and paying full subscription will be given full membership until 31st March, 1981. Payment must be made by cheque (£ or U.S. $ or Eurocheque) or cash (£ or U.S. $) or foreign bankers draft.

Yours sincerely,

Donald Ross

Hon. Secretary

INFORMATION ABOUT BONDS

THE BOND & SHARE SOCIETY'S NEWSLETTER 1/80

COWBOY CERTIFICATES

So far as I know, no share catalogue has contained any reference to Scottish and later English investment in the cattle ranching industry of the U.S.A. in the years 1880 to about 1900. Yet it is of great importance for from such a relatively small base sprung much of the present day investment trusts' involvement in the U.S.A.

Edinburgh and Dundee money played a big part for many of the earliest companies were established in those places. The most successful was the Matador Land & Cattle Co. founded in 1882 in Dundee with an initial ordinary share capital of £300,000 plus £20,000 in debentures and preferred stock. When sold to a New York group in 1951 the properties were valued at $19 millions; dividends had also been paid in most years.

Other companies were less successful. They included such names as Swann, Prairie, Western Ranches, Hansford, Arkansas Valley, Texas, Deervale, Cresswell, Espuela and so on. Even the famous present day King Ranch of Texas nearly fell into British hands.

The U.K. - U.S. cattle businesses have been well researched by historians but far less is recorded about similar pastoral companies in other countries like Australia and Argentina. Or am I wrong?

Henry Edmunds

BULGARIAN BONDS

This note supplements Patrick Berthoud's article in NL 3/79.

5% State Loan

Issued	30,000,000 Francs	(£750,000)
Outstanding	10,921,000 Francs	(£273,025)
Outstanding (ex-Bulgaria)	1,052,000 Francs	(£26,300)

Denomination: Bearerbonds of Frs. 500
(with equivalent £19.16.10d., Mks. 404.50, or Aust.G Fl.200)

Estimate of Bonds outstanding (ex. Bulgaria) 2,104 certificates.

6½% Loan 1923

Issued Fr. Francs	58,890,000
Outstanding Fr. Francs	43,193,500

viz: Bulgarian Govts. share 27,114,500 Frcs.
Liability of Sofia Municipality 16,079,000 Frcs.

5% Govt. Loans 1902 and 1904

The above loans may have been issued in both 500 Fr. and 2,500 Fr. denominations (or equiv. in £, Aust Kr., Fls., Mks., Rbls., and G.Leva) The 500 Fr. denomination is fairly easily obtainable, but the 2,500 Fr. certificate appears to be a very elusive animal (does it in fact exist?)

Ernest Gadd

THE OLDEST COMPANY?

I believe that the oldest limited company in the world is probably the Societe Toulousaire d'Electricite du Bazade. This name was adopted in 1709 and survived until the French Government nationalised, after the 1939-45 war, all the electricity companies.

The history of the company, however, goes back a long way in history, nearly eight centuries to be precise!

It was the millwrights of Toulouse who in roundabout 1177 harnessed the Garonne river to produce power for grinding grain. The dam itself was 400 metres long and was situated diagonally across the river to offer more efficient resistance to the waters.

The river itself was dammed in three places at Chateau-Narbonnais at Daurade and at Bazade, each was dependant on the other for its power and inevitably the upstream dams continually raised their walls thus starving the downstream dams of water-power. Throughout the thirteenth and fourteenth centuries the three dams fought legal case after legal case concerning the heights of the dams. Finally in 1356 a lawsuit was filed which took until 1408 to clear. But whilst the case continued the Daurade dam was put out of action by its rival the le Bazade. It went broke. The dam was then bought out by the other dam's shareholders, (the shares being called Uchaus). Annual dividends were paid in kind, corn, grain and tanned goods. However, the exchanging of shares was paid for in hard cash. Gradually the shareholders decided it would be in all their general interests to pool the profits and losses. This they did and by the 1370s the Chateau-Narbonnais and Bazade associations had formed themselves into what we now call limited companies.

Through the centuries the two associations agreed on such issues as common purchase of raw materials and employee's working conditions.

In 1840 all dividends were paid in cash and not goods. The Bazade dam no longer produced grain but electricity and changed its name until it was nationalised as mentioned earlier.

Timothy J. Robson

EARLY BRITISH COMPANIES

Collectors of early British certificates may be interested in the following figures extracted from "A complete view of the Joint Stock Companies formed during the years 1824 and 1842" by Henry English (1827) and "Companies quoted on the London Stock Exchange in 1842" by W.F. Sparkman (1842).

Joint Stock Companies established prior to 1824:-

No.	Type
63	Canal
7	Docks
25	Insurance
16	Waterworks
4	Bridges
27	Gas
7	Roads
7	Miscellaneous
156	

Companies quoted on the London Stock Exchange in 1842:-

No.	Type
66	Railroads
417	Joint Stock Banks
59	Canals
8	Dock Companies
24	Foreign Mining Companies
81	British Mining Companies
27	Gas, Light & Coke
11	Water
4	Bridges
58	Miscellaneous
755	

THE LAWRENCEBURGH AND INDIANAPOLIS RAILROAD

In the first issue of the Newsletter, Brian Mills speculated as to the railway company that had issued the first stock certificate bearing a vignette. One of the companies listed was the Lawrenceburgh and Indianapolis Railroad Company. I too have a certificate (undated) from that company and, as the following historical sketch shows, I feel it is a good candidate for having issued the first certificate with a vignette.

The Lawrenceburgh and Indianapolis Railroad began operations in 1834 when the Indiana state legislature authorised surveys for the proposed route. Several citizens of Shelbyville, Indiana, were actively interested in the project. Thus, as a promotional measure to stimulate sales of stock, an experimental section of railroad extending a mile and a quarter was constructed near Shelbyville.

Judge William J. Peaslee was the leader of the project. The car, track and roadbed were made entirely of wood, and the car was horse drawn. The railroad was first put in operation on July 4, 1834, with much festivity. The car was kept constantly full, the passengers paying twenty-five cents for a round trip ride.

In January 1836, the firm was authorized by the state legislature to borrow $500,000 on the credit of the state and secured by real estate owned by the company. This was part of the ill-fated Internal Improvement Act of 1836. In May of 1836 when the bonds were sold, the president of the company was George H. Dunn. The firm later became the Indianapolis and Cincinnati Railroad. By 1866, the line had become part of the 163 mile long Indianapolis, Cincinnati & Lafayette Railroad when the Lafayette & Indianapolis line sold out to the Indianapolis and Cincinnati Railroad (headquartered in Cincinnati). Thereafter, the new company fell into and out of receivership 3 times before 1880. This was during the depression years of the 1870's. In 1880, the line was sold under foreclosure and reorganized as the Cincinnati, Indianapolis, St. Louis, & Chicago Railroad.

Given the fact that the Lawrenceburgh and Indianapolis Railroad was trying to sell stock as early as 1834, there is good reason to believe that the undated certificates are of that era. Much of the above facts concerning the railroad was taken from The Diary of Calvin Fletcher, Vol. 1, published by the Indiana Historical Society.

Dale L. Flesher

POYAISIAN LAND DEBENTURE, 1838.

In the mid-1820s there was a speculative mania in Britain during which a vast number of joint-stock companies were promoted, and large subscriptions to foreign loans were made. Amongst the many newly independent South American governments seeking funds was the 'Kingdom of Poyais', located on the Mosquito Coast, and ruled over by a Scottish officer with the title of 'Cazique', 'King of the Mosquito Nation'.

The government first came to the market in 1882 and advertised widely in the British press. Its prospectus made the country appear akin to the 'Garden of Eden'. For example,

"The Territory of Poyais (on the mountainous side of the Sea of Honduras) is distinguished by a climate which agrees admirably with the constitution of Europeans, and by a soil producing the necessaries of life almost without labour. The face of this fine country is varied by Hills, Valleys, Savannahs or Plains, and Forests of the most valuable Timber, such as Mahogany, Cedar, Santa Maria, Pitch Pine, Rose and Zebra Woods, and the abundance of Dye Woods. Horses and Black Cattle are plentiful; as also Deer, Wild Hogs, Poultry, etc. - Rivers and Streams of water are numerous. The lands for sale are subject to no tax or Import whatever, except a very trifling few duty. The price will shortly be advanced 25 or 50 per cent."

It was reported that the Edinburgh Office of the Government of Poyais had sold 12,800 acres at 1/- per acre between January and March 1822. There were other offices in Glasgow, Inverness and Stirling as well as London.

However, the State of Poyais was a complete fiction being created to swindle gullible investors out of their money - or so it is thought.

However, if this is the case why should a Debenture exist dated 1838, issued by the Poyaisian Office, 13 Pancras Lane, London, and apparently verified by the Secretary in January 1853?

Ranald Michie

WHAT IS A TONTINE?

From time to time certificates for Tontines are offered for sale. Readers may like to know that Everyman's Encyclopaedia describes a tontine as follows:-

"A form of mutual insurance by which a number of people invest a sum of money in the purchase of property. They share the income and as each dies the shares become the proportionately larger per survivor, until eventually all the property devolves on one. It owes its name to an Italian banker - Lorenzo Tonti, whose idea it was. In France and Great Britain in the 18th century, the state raised money by this means."

EWO BREWERIES

Holders of these Hong Kong certificates may like to know the origin of the word "EWO."

Hong Kong Chinese have the habit of shortening and giving a felicitous turn to the names of firms which they respect and admire. Thus they refer to Jardine, Matheson & Co. as "EWO" which means "Upright and Harmonious."

(With acknowledgement to "Wayfoong" by Maurice Collis.)

THE HISTORY AND ORIGINS OF THE STOCK EXCHANGE

During the first three-quarters of the eighteenth century a continuous struggle had been taking place between the stockbrokers and the authorities of the City. The main bone of contention between the two parties lay in an old selection of statutes.

Were the brokers to be counted amongst the limited body of 'exchange brokers' who, by an ancient statute recently defined and considerably strengthened under William III and Anne, had to be licensed and badged by the Lord Mayor and Alermen? The brokers won.

In 1767 two test cases went in favour of the view that government stock could be dealt in by brokers who did not possess the Lord Mayor's badge. Five years earlier, the principle and most substantial dealers in stocks, feeling after respectability, had adopted its symbol - a club, which met at Jonathan's Coffee House in Change Alley. All in all there were 150 brokers in this club which was rented for their exclusive use. Disagreement with the proprietor led them to purchase their own premises in Threadneedle Street in 1773, the first stock exchange. Anyone was able to transact their business there for a daily fee of 6d.

Their number on moving is reckoned to be five hundred. The less respectable remained outside this new exchange and continued to haunt Change Alley and Sweeting's Alley.

In 1802, the exchange moved again to its present home in Capel Court and adopted a stricter constitution. As mentioned above many of the less respectable brokers were not allowed in, they continued as before outside in the alley-ways. Membership was to be by ballot and an annual subscription paid. Members could not deal on their behalf nor could they engage in brokerage in other trades.

In 1815 a French Government loan was dealt on the exchange for the first time, in fact not only dealt but also floated there as well. Loans for many of the powers in Europe followed in the next ten years. In 1823 transactions of a different kind began to be carried out in a different part of the building, the Foreign Stock Exchange, this was later abolished. London now became the money centre of Europe and Capel Court its instrument.

The 'club' was run by its own committee elected through its own votes.

Its dealings grew with the introduction of the Canal, Dock Gas, Insurance, Waterworks, Bridge, Railway and numerous Mining companies.

Timothy J. Robson

THE GREAT NORTHERN RAILWAY COMPANY

The Railway began it's distinguished genealogy in 1857 with the chartering of the Minnesota and Pacific railway by the State of Minnesota, a road that was soon taken over by the St. Paul and Pacific Railway. Ten miles of actual track were laid between St. Paul and St. Antony, now Minneapolis, upon which service was established in 1862, the first in the North-West.

In 1875, Mr. J.J. Hill and a group of fellow associates commenced to reorganise the St. Paul and Pacific railway which was at that time in the hands of the receivers. Their efforts produced the St. Paul and Minneapolis and Manitoba railway. Under the able leadership of Mr. Hill the new railway flourished even without any State aid then considered essential to the well being of any railway. By 1888 the line had reached central Montana and five years later the Rockies were successfully crossed by way of the Marias Pass. It was during this period that the Great Northern was formed.

In 1939 the Great Northern ranked amongst the top railways in the U.S.A. It operated 8,069 miles of track in ten states and two Canadian provinces, covering a territory extending from the Great Lakes to the Pacific seaboard. It also owned a half interest in the Chicago, Burlington and Quincy railway, and in the Spokane and Portland and Seattle railway.

The railway in 1945 possessed nearly 1,000 locomotives, 825 passenger cars, 50,000 freight cars and other trucks. Freight carried by the railway includes, principally, grain,iron, dairy products and lumber.

Timothy J. Robson

VANDERBILT .. CHARISMA AND LEGEND

The discovery of the railway during the last century provided speculators with an exciting combination of high risk with adventure into a hitherto uncharted investment area. Wise and sophisticated (but also some unscrupulous) businessmen during the 1850's laid the foundations of subsequent legendary fortunes.

Among the so-called 'railway kings', the name Vanderbilt is pre-eminent. Starting from nothing, be built a transport empire employing thousands, whilst his son took over with a fortune of well over $100m - which he further enhanced.

He began, simultaneously with his shrewd competitor Drew, with stock market manipulation and operations on a scale unknown before. Indeed, if one compares market turnover during Vanderbilt's time with that of today, one would be surprised to note that the difference is not all that great.

As a ferryman's son, already as a young boy he was doing a healthy trade transporting vegetables from Long Island to Manhattan. He invested the initial proceeds in a sailing ship and not long after that, at a little over the age of twenty - and to the derision of all the experienced shippers of the day - he ordered the first steamship. By the time he was thirty, he had an entire fleet at his disposal but had not yet thought of branching out into railways. Towards middle age, he came to realise that railway companies would in due course own vast tracts of land, whilst shipowners would never own even the water beneath their ships! So he joined the 'railway epidemic', seeing his lines basically as property investments. Viewed from our times his methods tended towards the unscrupulous, but one has to bear in mimd that at that time there was an almost religious belief in the untrammelled rights of the successful entrepreneur. He should also be judged within the context of his contemporary competitors - the most formidable among whom was Drew.

Vanderbilt started off with a small, modest, loss-making line, the Harlem Rail Road, which he was able to buy on favourable terms. He renovated the line and extended it to Manhattan. He then bought a majority shareholding in the Hudson River Rail Road Company, improved that, too, and put out feelers for the New York Central - the connecting line from Albany to Lake Erie. This proved difficult to obtain, and Vanderbilt carefully considered his next step. He finally decided upon stopping all his own trains somewhat short of the NY Central connecting station and forced passengers to complete their journey, with their luggage, on foot. Word of this forced march spread and people bound for Lake Erie naturally avoided travelling on his line - as well as on the NY Central Rail Road - using instead the alternative Erie Rail Road somewhat further to the south, but going, of course, to the same place. NY Central income dwindled and its shares dived on the stock market. And so

Vanderbilt came to be offered the presidency of the NY Central Rail Road Company!

One may argue, of course, that without recourse to such tactics, Vanderbilt would never have undertaken his vast technical improvement and innovation programmes and that they were, therefore, in the interest of progress. Having learned methods of railway permanent way construction on a trip to Europe, as soon as he gained control of a line, he introduced similar, long-term techniques in the rebuiling of his own tracks. Using the European example, once again, he turned the New York Central Rail Road Company into the elite railway of the USA - at the same time cementing his title as 'Railway King' (- in marked contrast to the successor Penn Central management one hundred years later!) He succeeded against the odds of the anti-trust laws, to merge his three railway companies, netting him approximately six million dollars cash and twenty million dollars in shares. But this was merely a prelude to the gigantic stock market battle that was to rage over the Southern Erie Rail Road Company - of which Drew was the majority shareholder. The market duel was followed by the entire country and the story is now being made into a gripping television series! Originally, around 1846, both Vanderbilt and Drew plied their trade as shipowners on the Hudson, Drew catching up with Vanderbilt's supremacy in terms of shipping horsepower and thus winning the battle for prestige in this market. During the later stock market context, they staked thousands upon thousands of dollars instead of horsepower against each other, but with the fighting spirit reminiscent of the wild west. The outcome was important for the prestige of both men and the national spotlight remained focussed on the stock market throughout the takeover struggle. One by-product of the battle was a stricter set of rules governing stock market dealings. When the contest appeared ultimately to have been won by Vanderbilt, Drew set new limits for what became later known as 'insider trading' - and for its proscription.

In this context, the term 'capital dilution' can also be traced back to the Vanderbilt deal, when he was swindled out of millions through Drew's exercise of his option in a large block of undisclosed shares in the Erie Rail Road! Drew, who had started his business career as a cattle dealer, as a young lad once fed a herd of rather scraggy cattle with a generous dose of salt and when they were well watered, and entirely bloated, sold them at auction. As the purchaser turned out to be Henry Astor, the largest butcher in New York and a brother of the famous Jacob Astor, the ruse found its match.

Astor saw to it that trade competitors bought some of his 'wonder cows', not only to spread his loss but also to highlight and publicise Drew's doubtful business ethics. With variations on a similar theme, however, Drew went on to become in turn shipowner, railway tycoon and finally, a stock market dealer!

On a more solid basis, Cornelius Vanderbilt (1794-1877), shortly before his death endowed the Vanderbilt University, and the tradition of the business was continued by his son and grandsons.

(With acknowledgement to Muenzen)

A BRIEF FINANCIAL HISTORY OF THE DUNDEE PERTH AND LONDON SHIPPING COMPANY

The Dundee Perth and London Shipping Company was formed in 1826 as an amalgamation of two companies, The Dundee and Perth Shipping Company (established 1798) and the Dundee and Perth Union Shipping Company (established 1819). When the valuation of the assets of each company had been completed the capital of the new company was fixed at £38,045 in 1200 shares of £31.14s.1d., of these 713 shares were to be held by the former shareholder of the Dundee and Perth Shipping Company. The nominal capital remained at £38,045 while the sum subscribed was £34,240. On a number of occasions during the life of the company the capital stock was increased. By 1914 it was £280,000 in 280,000 shares of £1.

On the 9th June 1914 the company was registered at Edinburgh as a limited liability concern. The company carried on its 'coasting' activities with a fleet whose aggregate tonnage never exceeded 15,000 tons through two World Wars until its three remaining vessels were sold in 1966/67. However, it retained an interest in 'shipping' through its subsidiary companies. In 1971 the company was taken over, its share capital being acquired for approximately £650,000, and on 29th October of that year the name of the company was changed to 'Dundee Perth and London Securities Ltd.' the capital being increased to £1,000,000 in 20p shares. In July 1972 the capital was again increased to £1,500,000. The company was taken over by Charrington, Gardner, Locket & Co. Ltd. in October 1973, then in September 1977, the Charrington Group became a subsidiary of 'Coalite and Chemical Products Ltd.' The name of the original company founded in 1826 has been carried on since 1971 by the company's shipping agents previously operating under the name of P.S. Nicholl.

Share certificates of the 1868, 1879 and 1914 issues are available from dealers. I include a short list of certificates known to be in existence, the majority of which are in the Belcher Associates reference collection.

No. 113 July 1868, denomination £20, black printing on white, thin paper, printer C. Girdwood, Dundee.

No. 726/718 March 1877, denomination £20, black on white, thin paper, printer C. Girdwood, Sc.

No. 1028 September 1879, denomination £20, black on white, thick paper, printer C. Girdwood, Sc.

No. 1429/1426 December 1882, denomination £20, black on white, no printers name.

No. 404/386 December 1882, denomination £10, red on white, no printers name.

No. 547/189 July 1888, denomination £10, red on white, thick paper, no printers name.

No. 2098 March 1923, denomination £1 blue.

The 1868/1888 certificates seem to be of a standard design, the name of the company at the head is executed in Gothic style with surrounding decoration. To the left side of the certificate is an elaborately decorated cartouche containing the initial letters of the company title. The body of the certificate contains both Gothic and Copper plate script and the company stamp depicts a three masted steamer in full sail.

T.M. Quinn

THE IRON BRIDGE COMPANY, 1777

A share certificate of this company, dated 1777, was on show at the Royal Academy, London, in September, as part of an exhibition marking the 200th anniversary of the opening of the world's first iron bridge.

The area of Shropshire now known as the Ironbridge Gorge, was the centre of the development of the iron industry in the eighteenth century. In 1709 Abraham Darby first used coke successfully instead of charcoal for smelting iron at Coalbrookdale near Ironbridge. The Coalbrookdale Company is known to numismatists for the trading tokens showing the Iron Bridge which it issued to its workers in the late eighteenth century. By that time the company was operated by Abraham Darby's grandson, of the same name.

In 1777 Darby joined with John Wilkinson and another partner to raise funds to build an iron bridge over the River Severn. These three partners signed the vellum share certificate exhibited at the Royal Academy. The bridge, an attractive structure in cast iron with a 100 ft span arch and still standing, was opened in July 1779.

Wilkinson went on to build a number of "firsts" in iron - a boat in 1787, a church and finally his own coffin in 1805. He had hoped to live to see iron used for all road surfaces as well as houses.

Further details from the Ironbridge Gorge Museum Trust, Ironbridge, Telford, Salop TF8 7AW.

Brian Mills

BANCO DO CAFE (THE COFFEE BANK), SAN PAULO, BRAZIL. 100 Mil Reis Coupon Bearer Bond, early 1900s.

The two pictures show the complete front and back of the Bond, actual size. It is the size of a large banknote, and probably circulated as currency, though this is conjecture.

The reis (derived from "real") was Portuguese money of account, and around the early 1900s was worth about 1/20d in Portugal, 1/40d in Brazil.

This Bond was for 100 (cem) Mil (thousand) Reis. The principal was repayable by means of drawings (por meio de sorteio). The interest was 7% payable half-yearly (semestralmente), so long as the Bond was not drawn for repayment (emquento nao for sorteada), and was payable at the Bank and its agencies (na sede e agencias do Banco do Cafe).

An unusual and interesting feature of this Bond is that the Bond and the interest coupons are printed back to back on the very

The Swiss Nonvaleurs Club was founded in Berne on 3 November 1979. Collectors who are interested in joining the club and subscribing to the magazine should apply to Swiss Nonvaleurs Club, P.O. Box 163, CH-3000 Berne 15.

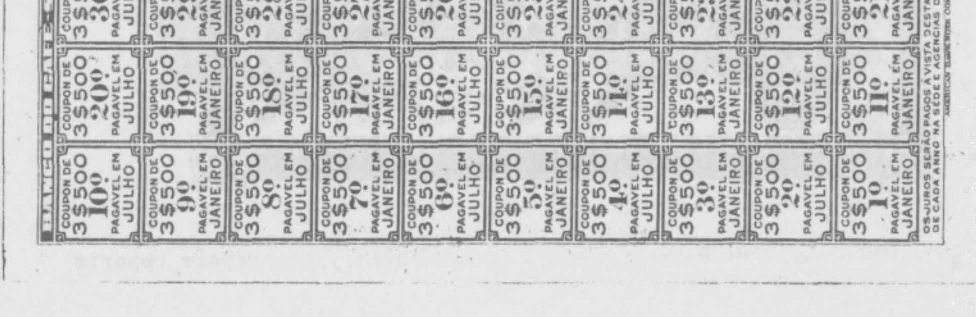

C912
C912
100
100
The Holder of this SCRIP has the right to
EXCELSIOR
CALL FOR
ONE HUNDRED SHARES of £20 each
IN THE CAPITAL STOCK
OF
THE COMMON FUND COMPANY. LIMITED.
and to receive Certificate of Full Stock on paying to the Company the par cost of Twenty Pounds per share in one sum.
London, 20th December, 1869
for the Company.
Registrar
INCORPORATED UNDER THE COMPANIES' ACTS, 1862 _ 67.
CONVERTIBLE INTO STOCK AT PAR BY ALL THE COMPANY'S BANKERS IN EUROPE AND AMERICA.
OFFICES, WASHINGTON, BERLIN, PARIS, LONDON.
E PLURIBUS UNUM
NORTH AMERICA
AMERICA
NORTH
EUROPE

same paper, which must mean that the coupons were not cut off and surrendered when the interest was claimed (the normal procedure with most coupon Bonds), but were presumably merely defaced and cancelled on the Bond being produced by the Bearer in person.

Another interesting feature of this Bond is that it is an example of the use by ABNC (who printed the Bond) of planchettes as an anti-counterfeit device, which was described and explained on page 22 of the Society's Newsletter 3/79.

The Bond, in unissued form, has recently been available from Coinette, Tiptree, Colchester, Essex, at around £5, but I do not know whether they can still supply it.

K.G. Morris



ROBERT MORRIS (1734-1806)

This man's signature can be found on a good many of the older certificates from the United States, not surprisingly he was a legend in his life-time.

He was an American financier, a signer of the American Declaration of Independance and he was born an Englishman from Liverpool.

He joined his father in America in 1747 and promptly entered a mercantile house. In 1754 he became a member of a prosperous firm and later became a partner.

During the days of the struggle for Independance Morris although supporting the Revolution preferred to side with the conservative group of Pennsylvanian Whigs rather than with the more radicle factions lead by Thomas Paine.

In 1775 he joined two committees; the first was as vice president of the Pennsylvanian Safety committee, the second as a member of the Continental Congress. At first he was opposed to the Declaration of Independance but he dutifully signed it on August 22. In 1778 he retired from Congress and was immediately despatched to serve on the Legislature, serving in 1778-1779 and in 1780-1781. Perhaps his greatest contribution to the new America was his financing of the Revolution. From 1776-78 he ran the financial operations of Congress through his Chairmanship of various committees. When in 1781the board system was abolished he was chosen to head the department as superintendent.

The two Morrises ran the department ably through the troubled years from 1781-84, the other Morris, his assistant was in no way related. During this period he was also an agent of Marine for the Navy dept.

In 1781 through loans raised on the States and from French loans and also money from his own pocket he managed to pay for the transference of Washington's army from Dobb's Ferry to Yorktown. Also in this year he formed the Bank of North America in Philadelphia. A confusion of public and private accounts during the war, when his own credit surpassed that of the Government, gave rise to charges of dishonesty, he was however acquitted by a vote of Congress. He turned down further appointments including that of secretaryship of the Treasury. He did accept the post of U.S. senator (1789-95).

After the close of the war he disposed of his mercantile and banking interests, to replace them with active land speculation. This speculation was concentrated in the new western lands. But these speculations lead him into a debtors' prison for three years. He died in Philadelphia in May 1806.

His old friend George Washington was a frequent dinner guest behind his locked doors in prison.

Listed below are his most famous companies:

The North American Land Company
The Asylum Company
Pennsylvania Property Company
Delware and Schuylkill Canal Navigation Co.
Bank of North America

R.M. Smythe & Co. of New York are shortly to prepare reports on some of his more colourful exploits.

T.J. Robson

"DRAWN BONDS"

A member has asked for a definition of "drawn" bonds. The following explanation has been provided by the Stock Exchange:-

"The term is used when part of an issue, or the whole of an issue is called in for early redemption, irrespective of the current price for the issue."

Nowadays drawn bonds are found mostly in the case of Swiss Eurobonds and Deutschmark Euro bonds but not normally in the case of domestic fixed interest bonds; earlier foreign bonds such as Chinese were frequently drawn and such bonds which have been drawn can still occasionally be found with a line drawn through them or with a cancelled stamp.

AMERICAN CERTIFICATES

A member has enquired why American certificates are so often found marked "cancel", with the signatures "cut" or hole cancelled. Can any member provide the answer please?

THE MOST EXPENSIVE BOND

The following extract is from the Financial Times of 16th October:

"Stanley Gibbons has just paid £100,000 for a collection of Chinese "busted" bonds. These were gathered together over the past two years by a City stockbroker who paid £25,000 for them, including a record price last month of £14,000 for the Chinese Imperial Government 4½ per cent Gold Loan £500 bond issued by the Deutsch Asiatische Bank. This is regarded as the third largest private collection of such bonds in existence.

The owner intends now to concentrate on Russian and German issues. Stanley Gibbons has already received three bids for the collection but intends to split it and sell some at auction and the rest privately. It is the highest price ever paid for a single collection of bonds which numbers 250 items."

THE DEVELOPMENT OF THE BANK OF ENGLAND

The Bank of England was founded in 1694 with the object of raising money for the war with France. In 1709 it was the only joint stock bank in England and Wales. Its primary functions were those of a commercial bank, to receive money on deposit, to discount approved bills of exchange and to lend money against acceptable security. It was granted a virtual monopoly of the issue of bank-notes in London, but no one could have imagined that it would become the Central Bank of this country.

As a result of the 1709 Act many London private bankers deposited their cash with the Bank of England, and began to use its new banknotes this in itself is one of the functions of a Central Bank - that of being banker to the banks. In its own commercial operations the Bank commenced by lending in the main to the government and gradually began to carry out other services for the government, thus once again it was beginning to take on its future role of being a Central Bank - one of being banker to the government. It undertook the circulation of exchequer bills which were promisory notes issued by the government and the forerunner of the Treasury Bills. In 1718 subscriptions for government loans were received at the Bank and since then it has undertaken the organisation and management of the issue of government securities. In 1751 it took over the administration of governments accounts and also management of the National Debt. So once again it was taking over the functions of a Central Bank.

During the 18th century the Bank did not escape the problem of the over-issue of banknotes and only three years after its incorporation it did not possess enough gold and silver to honour its own notes, however it weathered the crisis. In the time of the Napoleonic Wars it was necessary to introduce the Bank Restriction which forbade the converting of notes into metal. The object of this act was to protect the nation's reserve of bullion until 1821. The banknotes produced by the Bank became more and more acceptable in both London and country alike, the country bank's notes were generally regarded with suspicion. The Bank was empowered to open branches in the country and some were opened. Today some of these branches still exist in Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Southampton and at the Law Courts in London. There was also an 'overseas' branch, which still exists today, in Glasgow to supervise the issue of notes to the Scottish banks.

The most important event in the Bank's early history was the enactment of the Bank Charter Act in 1844. The Bank had throughout its history been subjected to Acts of Parliament which imposed on the Bank directives on how to conduct its business. The 1844 Act gave the Bank a monopoly of note issue within a three mile radius of the City, while the note issues of other banks was to be limited and their rights to issue notes was to be ceded if they merged with any other bank. This Act ensured the virtual disappearance of private banknotes as the various note-issuing private banks were merged into the growing joint stock banking system. The last amalgamation took place in 1921 when Fox, Fowler and Co. was absorbed by Lloyds Bank.

The 1844 Act also required that the Bank were to issue notes only to a fixed amount against securities; this was called "the fiduciary issue" and depended on public confidence in the currency. The total of this fiduciary issue was then £14,000,000 of which £11,000,000 was "government debt" and the remainder was designated as "other securities." The rest of the note was to be backed by gold and a small proportion of silver bullion. At this time the Bank divided itself into two units, the first was the Issue Department, the second was the Banking Department and the Bank was required to issue a weekly balance of both departments (the Bank Return).

Although the Bank carried out a great deal of government work it was still a commercial bank. Banking crises occurred at varying intervals during this century when the failure of some of the more important banks caused a loss of public confidence in banks in general, causing in turn a run on the banks when customers cashed banknotes or withdrew deposits, and finally causing the weaker banks to collapse. In 1825 there had been a financial crises which caused the Bank of England to extend help to the banking system by purchasing "first class banking instruments" from certain institutions then in diffficulties. These instruments were defined as negotiable instruments covering self-liquidity and bearing two good names, in fact Bills of Exchange. At such times when public confidence was shaken these assets, which normally would be perfectly sound, had now become temporarily unsaleable. The Bank of England could then tide the banking system over a difficult time by buying these Bills of Exchange and holding them until the crises had passed when they could be sold and paid in the normal course of business. In exchange for these Bills cash was made available to the banks to allow them to meet demands on their resources. The same action was taken in the 1837 crisis. So here again was another function of a Central Bank being undertaken by the Bank, that of being lender of the last resort to the banking system.

In later crises the Bank was permitted to issue more notes without the extra backing in gold and the Bank Charter Act was suspended during the period of such crises. The Act was suspended during the crises in 1847, 1857 and 1866 and in each case an extra issue of notes helped to restore the confidence and the crises was overcome.

By 1890 the Bank had come to realise that it had to accept the responsibility for the well-being of the country and emerged into its adult status as the world's primary Central Bank. In 1890 there was yet another financial crises, often called the "Baring" crises because of a near failure of the well established merchant bank of that name. The Bank mounted a "rescue" operation to save the bank. In the same year the Bank consolidated its control over the money supply by announcing that in future it would only discount approved bills of exchange for the Discount Market at not less than Bank Rate, making Bank Rate an effective instrument of monetary control.

The control of the country's currency became wholly managed in 1914 when this country abandoned the Gold Standard. Ever since then the Bank of England has had to accept its role as manager of our currency.

In 1946 the Bank was brought under government control.

Timothy J. Robson.

A LUCKY FIND

Members may be interested in an alternative way of disposing of items in their collection that are surplus to their requirements.

I had mentioned to a colleague that I was a scripophilist and some days later an attractive share certificate, with attached coupons, of a company based in Zurich appeared. I was asked to find out if it had any value. Michael Veissid of Belcher Associates kindly examined it but considered that it was too modern (about 50 years old) to be of interest to collectors. He suggested, however, that as Swiss companies rarely went into liquidation it may be worth checking if the certificate had any commercial value.

The Union Bank of Switzerland contacted their Zurich office who in turn contacted the firm which was still in existence. Much to my surprise I received a letter from an employee confirming that the certificate was not valid but offering £100 to purchase it to be presented to the chairman of the company on his 60th birthday.

The company had been formed in 1927 to export Swiss machine tools to Japan and China but due to heavy losses the shareholders decided in 1932 to change the name of the company and to liquidate it. A new company was formed in the original name and continues to trade. The share certificate related to the original company which had been formed by the chairman's father and comprised the founder's original shares! Clearly it was of great sentimental value to the chairman.

R.E. Stokes

SOME CHINESE TIT-BITS

Collectors of Chinese might like to know:-

(a) The construction of the Shanghai-Hangchow-Ningpo line was first started in 1907. In 1936 the 6% Shanghai-Hangchow-Ningpo Railway Completion Loan (CA Nos. 205a and b) was raised to complete the project by the building of the bridge across the Chien Tang. This bridge, a picture of which appears on the back of the bonds, was completed in November 1937. Seven days later it had to be blown up by the Chinese Army as it retreated before the Japan advance.

(b) Skoda £5 (CA157a). Some of these bonds have the right hand "No." preceding the number of the bond printed up side down.

(c) Reorganisation - Loan 1913. It has recently come to notice that CA 126i exists in both brown and green.

THE SALVADOR RAILWAY COMPANY LIMITED

The Salvador Railway was built during the 1880s to transport goods and passengers between the Port of Acajutla and the cities of the Meseta. It was necessary for the promoters to buy or lease the land in Acajutla from which a Pier was built as well as the right-of-way. Every difficulty was put in their way to achieving their aim.

Finally the line was completed and from that day until the present, the high quality coffee for which El Salvador is famous was carried from the Pacific ports to markets in Europe, mainly Hamburg, and also San Francisco. An equally important traffic in the early days was Indigo, besides general merchandise and materials for the new buildings in the Republic, the most important traffic has always been coffee, of the high grown variety, used for blending.

The romantic names embellishing the finely printed Debentures (by Bradbury, Wilkinson), almost a century old, are the stations on the railway, all now served by modern highways, but still owing their existence to the arrival of the wood-burning locomotives, which were pulled into service by teams of yoked oxen.

Today, the railway continues. Now Government owned and paralleled by the Inter-American Highway for some of its length, the coffee season is still a time for major activity and movement. El Salvador, the only Country blessed with the name of "Our Saviour" and famous for its Volcanos, triangular stamps and coffee, remains a unique corner of enchantment on the Pacific coast of Central America.

Bonds of £100.		Numbered	Issued	Outstanding	Unissued Reserve
5% Mortgage Debenture	1899	No. 1 -	6,600	515	42
5% Mortgate Debenture (endorsed "Composition Agreement" etc.)	1899 1932	No. 6,600		1520	NIL
5% Prior Lieu Debenture	1900	No. 1 - No. 1630	1,630	321	10
5% Prior Lieu Debenture	1903	No. 1631 No. 2500	870	165	NIL
8% Income Loan 1932		N/A	600	600	NIL

Source. Stock Exchange Year Books; 1929, 1954, 1976.

J.P. Berthoud

A.E. Dodds, 10 Chancery Lane, Bridport, Dorset writes:-

I wonder if any members of the Society can give any guidance as to the validity of bearer bonds.

I have a small collection of old bonds many of which are still quoted in the Stock Exchange Official List. One assumes that these are still "alive", and represent a genuine valid investment, but there is no indication as to whether unquoted bonds are cancelled or not. Also, old U.S.A. bonds are not all hole cancelled. Of those that are not, some will presumably be due for cancellation, but others will still have some financial significance.

Could any member of the Society shed any light on this problem?

PHILADELPHIA & LANCASTER TURNPIKE ROAD COMPANY, 1792

The Philadelphia & Lancaster Turnpike was chartered in 1792 by the State of Pennsylvania, to run due west from Philadelphia, which was at that time the capital of the United States. It is believed to have been the first turnpike in the U.S., and for many years the best.

Stock certificates have been discovered dated 1795. They are on vellum and are the earliest U.S. stock I have seen with a vignette. This shows a toll gate and a four-horse waggon, a scene which is repeated on the embossed seal.

The signatures are of interest to autograph collectors. The President was William Bingham, 1751-1804, banker, landowner, US senator 1795-1801, director of the first bank in the U.S., the Bank of North America. He was son-in-law of Thomas Willing, Robert Morris's partner, who in 1780 helped raise the cash to keep the Revolutionary Army in being, and who was the first President of both the Bank of North America (1781) and the Bank of the United States (1791). Bingham's two daughters each married a Baring.

The Treasurer's signature is of Tench Francis, a wellknown Philadelphia lawyer, who was also Treasurer of the Delaware and Schuylkill Canal Company (1792), and Robert Morris Company, and no doubt several others.

Brian Mills

JOHN D. ROCKEFELLER AND STANDARD OIL

A rare stock certificate has recently come to light from the earliest days of Standard Oil (now Exxon) and the very beginning of the Rockefeller fortune. The certificates relate to the period from 1875, when the Standard Oil Company of Ohio increased its capital to 35,000 shares of $100, to 1882 when these were exchanged for 700,000 $100 shares in the Standard Oil Trust. The shares in Standard Oil were very tightly held: five shareholders in 1870 and only 41 by 1880, so it seems highly likely that very few certificates existed. The certificate is typical of the 1870s and has a vignette of the Capitol building in Washington DC. They are signed in ink by John D. Rockefeller and Henry M. Flagler, and by other principals in the incredible Standard Oil story.

The first John D. Rockefeller (1839-1937), son of a patent medicine salesman, was successful in business at a very early age. In 1858 he started his own business and is believed to have had $400,000 sales in his first year. In 1862, eight years after the potential fuel value of "rock oil" had first been appreciated, Rockefeller and his English partner Clark bought into the oil boom with a $4,000 investment in a refinery started by another Englishman, Samuel Andrews. Henry Flagler joined the partnership in 1868, and in 1870 it was incorporated with $1 million capital as the Standard Oil Company of Ohio - the 10,000 shares were owned by Rockefeller, his brother William Samuel Andrews, Flagler (the second strongest main in the Company) and Stephen V. Harkness.

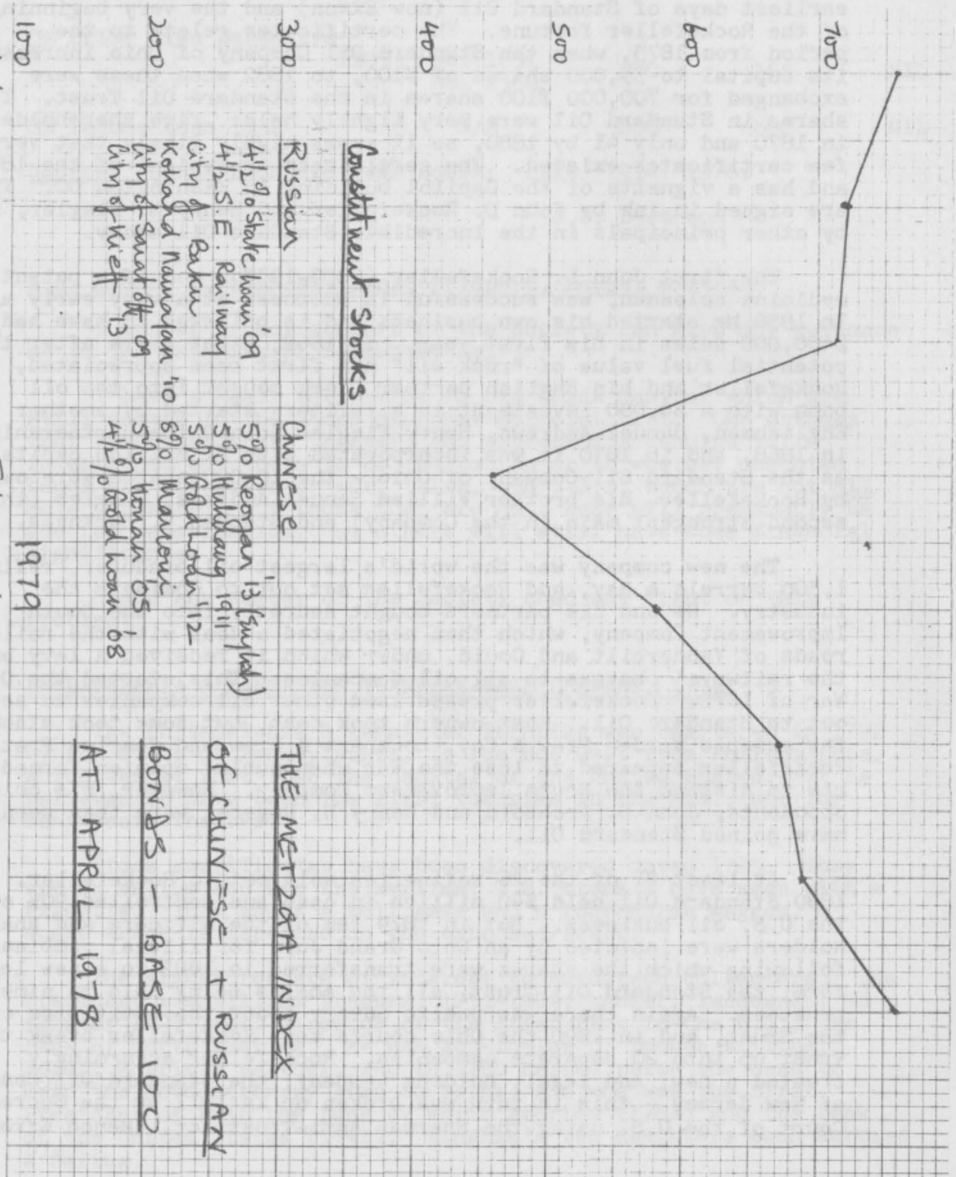
The new company was the world's largest oil producer, refining 1,500 barrels a day, and Rockefeller set out to dominate the industry. He and his partners bought secretly into the South Improvement Company, which then negotiated a deal with the railroads of Vanderbilt and Gould, under which it received a levy on the railways' charges to <u>all</u> oil companies. This started the Oil War of 1872. Rockefeller pressurised other oil companies to sell out to Standard Oil. Most owners took cash, but some took stock, for example Warden Frew & Co., Lockhart & Frew and Charles Pratt. Rockefeller appeared to lose the War when public opinion forced him to disband the South Improvement Company. However, his chief opponents, John D. Archbold and Henry H. Rogers, were then seen to have joined Standard Oil.

At least 21 of the 26 refineries sold out to Rockefeller. By 1880 Standard Oil held $40 million in cash and controlled 90% of the U.S. oil business. But in 1879 ten of the officers and shareholders were indicted by an Ohio Grand Jury for illegal combination, following which the shares were transferred in 1882 to a new legal form, the Standard Oil Trust, all the shares being held by nine trustees. Again there was public outcry about the activities of the Trust, and in 1890 the Ohio courts made Rockefeller break the Trust up into 20 separate companies. Rockefeller accordingly created a new, and legal, holding company, the Standard Oil Company of New Jersey - this in turn was broken up in 1911 by the Supreme Court of the U.S. using the Sherman Anti-Trust Act. Hence Exxon and other variants of "Standard Oil." Hence the Rockefeller millions, which John D.'s descendants have been trying to spend ever since.

Reference: History of the Standard Oil Company by Ida M. Tarbell, Vols I and II, published 1904 by McClure Phillips & Co., USA., and 1912 by Heineman, London.

Brian Mills

THE METZGA INDEX



WANTS AND FOR SALE

Sanford J. Mock, 513 North Linden Drive, Beverley Hills, California 90210

Wants - Bonds of defunct governments anywhere, but particularly the Far East. Will pay up to $75 for beautiful prints. Would trade Chinese and Russian pieces or Hundi notes from India.

Timothy J. Robson, 106 Burntwood Lane, Caterham, Surrey, CR3 6TA

has for sale:

		£
Robinson Consolidated Mining Co.	1885	7.50
The Favorite Gold Mining Co.	1889	5.00
Massachusetts & New Mexico Consolidated Mining Co.	1881	5.00
San Juan Consolidated Mining Co.	1875	4.50

and

seeks any repeat any bond or share certificates concerning aviation.

W.R. Zaretzki, Brages väg 13/5, S-14569 Norsborg, Sweden.

seeks Swedish bonds and stock certificates before 1920 (Spec. Railroad, automobile, steamship, telephone, airline, bank as any decorative certificates). Foreign bonds: Bulgaria, Empire Sultan Ottoman, Romania, Austria, Russia, Mexico and Brazil.

Donald Ross, Heatherdene, Blackhall Lane, Sevenoaks, Kent.

seeks Emprunt Chinois Receipt for coupons - 500 francs - 1902 light green, or would exchange for a white ditto.

B.S. McBeth, 47 Alan Bullock Close, Caroline St., Oxford, Oxon.

seeks certificates of oil companies which operated in Latin America, particularly Venezuela, 1910-1940. London telephone 01-628 6044.

Robin Kent, 35 Oakwood Road, London, SW20 0PL, Tel: 01-946-6589

wants to purchase Confederates and U.K. rails. He is also inviting members to his home for a "Bring and Exchange" evening during first ten days of January. Please ring on or near January 1 to discuss mutually acceptable date for majority.

John C. Oconnor, Taverne One, Eyre Square, Galway, Eire.

seeks a working partner in his bond dealing business who will help him open a shop in Dublin.

J. Glaser, BSc, PsD., Scottsdale Shadows, 7970 East Camelbank Road, Scottsdale, Arizona 85251.

is interested in buying pre 1915 material in bulk. Would welcome stock "on approval" or photostats.

L.A. Kaitcer, Fine Art and Antique Galleries, 11th Floor Suite, The Europa Hotel, Belfast.

seeks the following in Good to Fine condition:-

Chinese bonds and share certificates	- pre 1930
English Railway certificates	- 1910 or earlier
British Industrial certificates	- 1937 or earlier
Certificates connected with British East India	- 1740 or earlier

Manfred Tippach, Eric Kastner Str. 5, D-4700 HAMM 1, W. Germany.

wishes to buy and sell from all over the world. List on request.

Manfred Schön, Hopfengarten 12, 7170 Schwäbisch Hall, W.Germany.

offers really good Chinese bonds in exchange for early American Railway bonds and shares.

H.F. Papenkingzu, Tulpstr. 5, 5721 EV ASTEN, Holland.

wishes to sell as one lot about twenty certificates including Dutch, U.S.A. and Russian. List available from him on request.

Walter Ritt, P.O. Box 27, A-1037, Vienna, Austria.

wishes to sell some Austrian certificates. List available from him on application.

Brian Mills, 56 The Avenue, Tadworth, Surrey.

American rails pre 1900 and American anything pre 1850 ... wants to exchange or buy. Will also sell duplicates from his large collection if you can specify what you want. He does not issue lists.

A.E. Dodds, 10 Chancery Lane, Bridport, Dorset, DT6 3PX, Tel:- 0308-22831

Wants 1911 Hukuang Railway £20 (EF) or any South American Railway Bonds in exchange for other old Bearer Bonds. List available.

J.P. Berthoud, 129 Gloucester Road, Hereford Square, London, S.W.7.

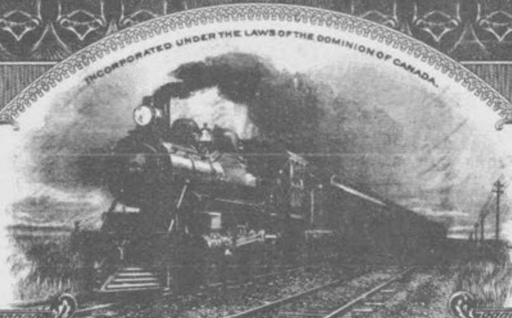
Will sell/exchange a few surplus Russian/Chinese and buy S. American.

LENGTH OF INSERTIONS IN THIS SECTION

It is regretted that information taking up more than ten lines of typescript cannot be accepted for this section.

10 SHARES

10 SHARES



No. C24310

10 Shares

MEXICO NORTH WESTERN RAILWAY COMPANY.

AUTHORIZED CAPITAL $40.000.000.
DIVIDED INTO 400,000 SHARES OF $100 EACH.

This is to Certify that Myers & Co.

is the owner of TEN Shares of One Hundred Dollars each, fully paid in the Capital Stock of Mexico North Western Railway Company, transferable only on the books of the Company by the owner in person or by Attorney upon surrender of this Certificate. This Certificate shall not become valid until countersigned by the Transfer Agent and Registrar of Transfers. In Witness Whereof the Company has caused its Corporate Seal to be hereto affixed and this Certificate to be signed by its duly authorized officers

this DEC 31 1912

SHARES $100 EACH

ASSISTANT-SECRETARY.

PRESIDENT.

TWO SHILLINGS

NATIONAL TRUST COMPANY, LIMITED

BY

TRANSFER OFFICER.

AND