THE BOND & SHARE SOCIETY

(Established 1978)

NEWSLETTER - FEBRUARY 1987

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SECRETARY	Mr Richard Green, 23 Como Avenue, South Yarra, Victoria 3141.

ANNUAL GENERAL MEETING

Agenda for the Annual General Meeting to be held at 7.00 p.m., 7th April 1987, at the Ski Club of Great Britain, Eaton Square, London S.W.1.

1. Notice convening the meeting.
2. Minutes of meeting held in 1986.
3. Matters arising.
4. Chairman's Report.
5. Hon. Secretary's Report.
6. Presentation of Annual Accounts – Hon. Treasurer's report and election of Auditor – Geoffrey Grant A.C.A.
7. Election of: Hon. Secretary, Hon. Treasurer, Auctioneer, Journal Editor, Newsletter Editor, Publicity Officer, Membership Secretary.
8. Any other business.

The Hon. Secretary would like to receive nominations for the committee, as soon as possible.

ADVERTISING RATES

We are pleased to accept advertising in Journals and Newsletters. Rates are as follows.

	Journal	*Newsletter*
Full page	£35	
Outside cover	£45	
Inside cover	£40	
Half page	£22	
Quarter page	£15	
Full column		£22
Half column		£14
Quarter column		£8
Minimum	Quarter page	Quarter column (display)
Classified		
non-members	£1 per line (min £4)	
members	free (max. 3 lines)	

FORTHCOMING EVENTS 1987

MARCH

3rd	Meeting, Bond and Share Society, London
7th	Auction, HWP, Frankfurt
8th	Bourse, Frankfurt
26th	Auction, Sotheby's London
28th	Auction, Tschöpe, Düsseldorf
31th	Closing date for claims re Russian bonds

APRIL

4th	Auction, Boone, Antwerp
7th	Annual General Meeting, Bond and Share Society, London
14th	Auction, Herbst, Mechernich, Germany
25th	Auction, H.P., Bern

MAY

5th	Meeting, Bond and Share Society, London
16th	Auction, Vienna
16th	Auction, Apeldoorn, Holland
21st	Auction, Phillips, London
30th	Closing postal auction M. Veissid

Society meetings are held at the Ski Club of Great Britain, Eaton Square (near Victoria Station), from 6.30 p.m.

SUBSCRIPTIONS 1987/8

The 1986/7 subscription expires on 31 March 1987. We hope that you feel you have had good value over the last twelve months, and will wish to stay with us. We look forward then to receiving the subscription to 31 March 1988.

U.K.

The Society meeting for February was quite an occasion, for two reasons, both connected with the Russian bonds repayment. Firstly, we had a film crew from 'Téléjournal', of C.B.C., Montreal, and secondly a team from Price Waterhouse, the City of London accountants handling the repayment. The Canadians filmed the meeting, covering the auction, and the discussions between Price Waterhouse and members, and had interviews with two of the committee members. They seemed very interested in us, and even bought some Russian bonds as souvenirs. Price Waterhouse gave us quite a lot of information not previously available, which is included elsewhere in the newsletter. Added to that, a good auction, some lively trading, some new members, and visitors from the USA and Germany, and the general feeling at the end was of a memorable evening. We were shown on CBC TV that same evening (miracles of modern technology, and time zone difference), and apparently came over very well.

RUSSIAN BONDS

On January 29, and subsequently, the UK press carried the invitation to holders of Russian bonds and other claims to apply to Price Waterhouse & Co. (the London accountants appointed to implement the terms of the Anglo-Soviet agreement) for the application for compensation, and the explanatory leaflet. By about 12 February about 5000 people had done so, rather fewer than expected. The great majority of these applications concerned bonds.

The application form (bonds) includes a nationality declaration (since only British citizens, subjects etc, and British companies qualify), and a Statutory Declaration to be sworn before a solicitor/commissioner for oaths. Also included is a separate sheet on which considerable detailed information on every bond (or bonds, if in blocks of numbers) is required.

The explanatory leaflet points out that claims registered between 1918 and 1951 were valued by the claimants at approximately £400 million. Price Waterhouse told us at the Society meeting that this figure included bonds of some £70 million. A bull point is that the remaining £330 million was the *claimants'* estimate; the assessors' decision could be much lower. A bear point is that the theoretical total of bonds outstanding, held by all nationals, is some £900 million and, whereas naturally not all of that will be eligible, there is scope for a considerable increase in amount of bonds over the earlier figure of £70 million.

Bond claims must be in the hands of Price Waterhouse by 31 March, together with the bonds themselves, if fewer than 500 pieces. Holders of larger quantities must submit their claims by the due date, but will be contacted by Price Waterhouse to arrange delivery.

Surrendered bonds may *not* be reclaimed, and will in due course be destroyed. There can be no question of, say, them being stamped 'cancelled' and returned as souvenirs.

Their status as bearer bonds has led to some unhappiness over the requirement for the application form to show 'date acquired' and 'how acquired', and the Statutory Declaration has also caused unhappiness in that the fee payable could exceed the payout on a small holding of bonds. The questions of 'currency' and 'face value' will also cause problems to holders of bonds expressed in various currencies.

Only bonds issued or guaranteed by the Russian government prior to 7 November 1917 are covered, and only those held by Britons on 14 July 1986. However, bonds in all currencies are acceptable, not only those denominated in sterling, as we all believed at the outset.

The great event is under way with lots of questions and discussion. Dealers have been inundated with phone calls, mostly from holders of a few bonds wanting to know whether to keep or surrender them, and expecting a definite quotation on what they would receive for surrendered bonds.

Neither dealers nor committee members of the Society can add anything to the above, as at the time of writing. However, since members will perhaps be looking to the Society for guidance, we would suggest:-

(i) send in any pieces not in excellent condition.
(ii) bonds of larger denominations are probably worth submitting, although you might like to keep one of each for fun.
(iii) bonds of small denominations, especially those issued in 1915, 1916 and 1917 when the rouble was depreciating rapidly, will fetch very little, and it is probably not worth solicitor's fees, postage, etc, if you have only a small quantity.
(iv) if you have *reason* to think that particular bonds might be of interest to dealers, go ahead and offer them, but the *vast* majority of Russian bonds are of no interest to dealers, and it would be a pity to waste your and their time.

Please note that Russian share certificates are not covered by the agreement, and should not be sent in to Price Waterhouse.

CHINESE REPAYMENT?

There is nothing new and concrete to report, but a recent dealer's circular says that action has been going on behind the scenes, and he would not be too surprised to hear some startling news shortly, following the last round of meetings held by the British Foreign Office in Beijing just before Christmas.

A NEW ALBUM FOR COLLECTORS

A new album, with sheets, is now available in this country. Measuring 19"x 16½" (48 x 42 cm), it takes pretty well all certificates other than the largest Chinese. With a 4 ring clip, it is loose leaf and takes up to 30 sheets, supplied with or without an insert of thin black card. The album and sheets are manufactured in Belgium, and sell well on the Continent, but now provide an economical alternative to albums already available here.

There is an advertisement elsewhere in this newsletter, giving further details.

AUCTION RESULTS

PHILLIPS', JANUARY 22

This auction of over 200 lots was marked by strong bidding for British material by German dealers, both in the room and postally. They were perhaps stimulated by the publicity put about by Phillips to say that they are nearing the end of the English Bank hoard that they have been selling recently in jumbo lots.

The estimates were pretty accurate this time on the whole. In the large mixed English lots, most went for around 20p/50p per certificate. A group of 58 certificates of various English clubs (1879/1930s) made £125 plus premium against an estimated £50/60.

Around 350 examples of Rolls Royce Limited certificates 1950/60/70's split over 10 lots, fetched approximately £1,650 including premium, mostly to German dealers. How many Rolls Royce collectors are there in Germany? Some early Rolls Royce certificates, possibly not seen before, lotted individually, fetched £125 plus premium for a 1926 example (estimate £30/40) and around £80/90 each plus premium for 1930s examples.

Other English items fetching above estimate included two National Patent Salt Co. on vellum 1838/39, which made £125 and £145 respectively compared with estimated £60/80. The biggest surprise was a lot of four *transfer* certificates for the Thames and Severn Canal Navigation 1790, which sold for £145 plus premium against an estimate of £20/30.

A lot of 35 Russian City Bonds made £130 plus premium against an estimated £35/40.

In the Americans, an American Express Co. 1865 in nice visual state but with some tape on the reverse made £320 plus premium, just below estimate, 9 Colorado Mining Certificates made £110 the lot against an estimated £20/30. Cotton Bonds sold around £80 plus premium, below estimate. Sundry Confederates made around £8/10 apiece.

An unusual Canadian Railway - Windsor and Annapolis Railway Co. Limited 1868 Bearer Share - early for Canada, fetched £110 plus premium.

All in all, an encouraging auction with a good selection of stock and a satisfactory level of interest around the estimated prices.

Brian Mills

M. Veissid & Co./BASS 28th/29th November

The first bourse to be held for some time in England took place at the Great Eastern Hotel in the heart of London. The event, organised by the Scripophily Dealers Association in conjunction with the Bond & Share Society, attracted a reasonable crowd, with visitors from U.S.A., Australia, Belgium, Germany, Holland and Italy. The choice of a weekday seemed to attract no more people than at a weekend, but it was generally felt to be more convenient. Most of the dealers reported a good day, especially those who carried a varied stock.

A large 800 lot auction was also organised to coincide with the bourse and in fact half of the material was offered by M. Veissid & Co.'s auctioneer James Glennie, during the day's activities. Lots 400 to 806 were offered by mail bids only and was finalised on the following day.

Top price was £860, paid for the Portuguese, Companhia geral de Pernambuco e Paraiba, dated 1763. The company was one of the earliest to be formed to trade in Brazil. Other Latin American pieces brought a mixed reception, with railways selling well. A proof, by Waterlow & Sons, of the Central Argentine Railway, sold at £52.

Australian material was still very popular, with emphasis on Western Australian mines. A share in Bunyip Gold Mines dated 1896, sold at £22, as did a share in Kalgoorlie Prince Gold Mining Co. Ltd.

Chinese bonds proved a little sticky. The rare 1903 Gold Loan duplicate bond found a buyer at £600, but the 1919 Treasury notes $1000 (estimate £400) and the 1934 Indemnity £1000 (estimate £500), failed to sell. Other Chinese did sell, but at just a shade over Stock Exchange values.

Interest in attractive European is still keen. A very rare £100 bond, dated 1909, from Montenegro, selling at twice its estimate at £100. Portuguese bonds, which seem to turn up in most auctions these days, sold quite well, especially those of early date and with attractive vignettes.

The British section brought several surprises. The 1829 share in the Liverpool and Manchester Railway sold at £600; a vellum share in the Grand Junction Railway of 1838 sold at £300 and the lovely share in the Manchester & Birmingham Railway sold at £370, over three times its estimate. The Metropolitan Saloon Omnibus Company share, illustrated on the cover of the catalogue, sold at £80. A late inscribed stock certificate for New South Sea Annuities, dating from 1841, sold at £160.

The Russian section commenced with a fine set of 1822 "Rothschild" bonds. These sold at £650. A £500 bond of the Black Sea Kuban Railway sold at £130.

American Railways still seem to be the most popular area, with interest coming from all over the world. Prices however were not spectacular but most sold around the estimate. Other categories fared well with an American Express Company share, dated 1865, selling at £420 and a Philadelphia and Lancaster Turnpike share of 1795 selling at £170.

To round up the first day's sale, four Stock Exchange Year Books were on offer. The volume for 1919 sold at £140, that for 1925 sold at £42 and those for 1929 and 1933 sold at £35 and £30 respectively.

The Postal section also sold well, with the exception of South African. The troubles in that country are certainly taking their toll in the Scripophily market. An interesting collection of fire insurance policies also attracted much interest, with a Sun Fire Office piece, dated 1803, selling at £42.

By Courtesy of 'Bond & Banknote News'

CIFRÉ, PARIS, 6 DECEMBER

There was a feeling amongst the various foreign visitors that the catalogue revealed a lack of particularly interesting material, and not up to Guy's usual standard. This was particularly apparent in the 18th century section, usually a strong point, but this time mostly documents of various types rather than certificates. Recent auctions have been split into morning and afternoon sessions, but with only 250 lots this time, afternoon only sufficed. Attendance was good, but the level of room and, apparently, postal bidding was only moderate, and few remarkable results were obtained.

NORTH AMERICA

We were distinctly underwhelmed by the response to our request in the last newsletter for a member (or members) in USA or Canada to supply us with North American views for this newsletter. Total silence resounded across the Atlantic. May we ask again for someone to let us have a few paragraphs, every three months. It's not much of an imposition, really, and would add so much to our publication. Please - someone.

AUCTION NEWS - GENERAL

Extraordinary prices have been paid at European auctions recently for British & American certificates and it's not surprising that Continental dealers are here, or represented here, at our auctions.

Examples:-
In the Tschöpe auction in Düsseldorf in November, a New South Sea Annuities inscribed stock receipt of 1742 (likely to fetch perhaps £180 in London, sold for DM2600.(£850), plus 15% premium. In the same auction, a Liverpool and Manchester Railway share of 1829 sold at DM3500 (£1150), plus 15% premium, while an identical piece in Mike Veissid's auction later that month fetched only £600, and another at Sotheby's in October (albeit in not such good condition) barely topped £200.

In the H.P. auction in Berne in November, a Florida bond of 1838, worth here perhaps £250, sold at SFr.1900 (£800), plus premium.

The 'hype' on the Tschöpe catalogue must be partly responsible, but it all does underline the need for care when bidding for valuable pieces, especially when they turn up infrequently so that no regular price level is established.

The Frankfurt auction and bourse has moved from the Bourse to the Frankfurter Hof hotel, with effect from March 1987.

We understand that the Aachen auctioneer René Thévis will not be presenting any more auctions. His decision was not unexpected; there had been considerable criticism of recent auctions.

NEW CATALOGUES

Two major new catalogues are on their way to you. A new catalogue of Russian certificates is about to be typeset. It covers state and city loans, railways & banks, and also industrial companies, (Russian registered only), and should be available later this year. Foreign-registered companies operating in Russia will feature in subsequent editions.

A first ever catalogue of Latin America and Caribbean material is being prepared, and should also be available later this year. This will cover everywhere south of the Rio Grande and the Florida Keys, including foreign companies operating in the area as well as locally-registered, and will include all material up to the year 1930.

DEALERS

The number of London dealers has been thinned recently, too - from 4 to 1. After Mike Veissid's departure to Shropshire in 1985, we now have Keith Hollender (Herzog, Hollender & Phillips & Co.) moving to Bristol; also, Mike Wheeler (W. H. Collectables) moves to Woodbridge, Suffolk, although he keeps his old London postal address.

Keith was not amused that the British Telecom engineers' strike caused his new number to be unavailable for quite a long period right after his move. He asks us to send his apologies to members.

TWO PIECES

Two pieces which caught our eye on recent lists from one U.K. dealer were:

(a) an East India Co. Stock inscribed stock receipt, of 1799, in excellent condition (without even the missing corner usual on such 18th Century pieces). The East India Annuities were merged with Reduced 3% Consols in 1793, but the Stock was converted into 5% India stock after the dissolution of the company after the Indian Mutiny in 1857. A small batch of 6 or 8 Annuities pieces of the 1770s turned up a few years ago, but Stock receipts are very few and far between.

(b) a bond of the Strassburger Strassenbahn-Gesellschaft (Strasbourg Tramway Co.,) for 400 marks, under a loan raised in 1899, and now repaid. Three bonds, obviously not presented for repayment, perhaps the only survivors, have been discovered in France, and acquired by collectors. In 1899 Strasbourg was in Germany, but the bonds still outstanding at the end of World War One, when Strasbourg became part of France again, were overprinted in red that they had been converted into francs from 1 December 1918. An interesting piece for collectors in Germany and France.

The East India Co. piece was offered at £85, and the Strasbourg piece, one of which was offered in the U.K., was found in Paris at F350 (£40). Imagine the prices if they were stamps!

FRANCE

Le Collectionneur Français is appealing for articles, either originals or translations of articles having appeared in English, German or other languages, to continue its scripophily feature. The January feature was a reprint of the introduction to the French edition of 'Old Securities' by Drumm, Henseler and May, published in 1978. Certainly an excellent introduction to the hobby, and not significantly 'dated' by subsequent developments. The February article was related to a company in the Vosges mountains, manufacturing straw hats, and was for the specialist collector.

The French collectors society now has a new meeting place - Restaurant Savioe-Bretagne, 21 Rue St. Lazare, in Paris IX: the nearest metro station is Notre-Dame de Lorette, and meetings are the second Thursday in every month at 7 p.m., should you happen to be in the city.

BELGIUM

The Belgian collectors' Society journal which came out in November was devoted almost entirely to reproductions of press articles, mostly on the Russian bonds repayment question, but also on a Chinese repayment, and the hobby in general (Une collection en plein boom!).

ADVERTISEMENTS

SWITZERLAND/GERMANY

The December H.P. Magazin gave us an interesting article on the Emden herring fisheries and their certificates, one for the Swiss specialists on how a small Swiss bank operates on unquoted stocks, and short histories of a French car company, a still existing electrical company on the German-Swiss border, and an Austrian mountain railway. There is also a very complex study of watermarks and fiscal stamps on German stamped paper used for certificates.

The January issue opened with a valuable article, which we hope to publish (in English translation!), on auction procedures and practices, and how to interpret results, estimates, etc, and avoid overpaying. Recent extraordinary disparities between prices for identical pieces have highlighted this question. These followed articles on German city dollar loans (1924-29), the private railways of the Hoya area, near Hannover, and the Lauterbrunnen-Mürren mountain railway, well known to devotees of that glorious part of the Swiss Alps.

The October/November issue of Bill Kuhlmann's magazine, Bond and Share - Der Wertpapiersammler featured the Douglas Aircraft Co., and the Studebaker Corporation of the USA, the Barcelona Traction, Light & Power Co. Ltd. (Canada/Spain), the first part of a feature on the German sugar industry and its certificates, the Brazil Railway, the latest part of the German edition of Bill's "China's Foreign Debt", and the fraudulent China Turnpike Bonds offered in London in 1822! Hundreds of pieces priced on his lists, and all beautifully produced and illustrated.

The number of German dealers grows apace: we see new names in various cities. However, many of them are small, with limited stocks and resources, and it is believed that any downturn in the market would thin their numbers rather quickly!

HP - VERLAG A.G., BERN, SWITZERLAND

Members might be interested to know that one can buy shares in HP Verlag A.G., the publishers of HP Magazin, and closely related to HP (Historische Papiere), auctioneers in Switzerland and Germany. Shares of two types of a nominal value of Swiss francs 25 and 100, have a latest market of Swiss francs 90 and 235 respectively. The shares are, to the best of our knowledge, not quoted on any stock exchange. We mention these shares purely as a matter of interest to collectors, and not in any sense to promote them, having no knowledge of their merits or demerits.