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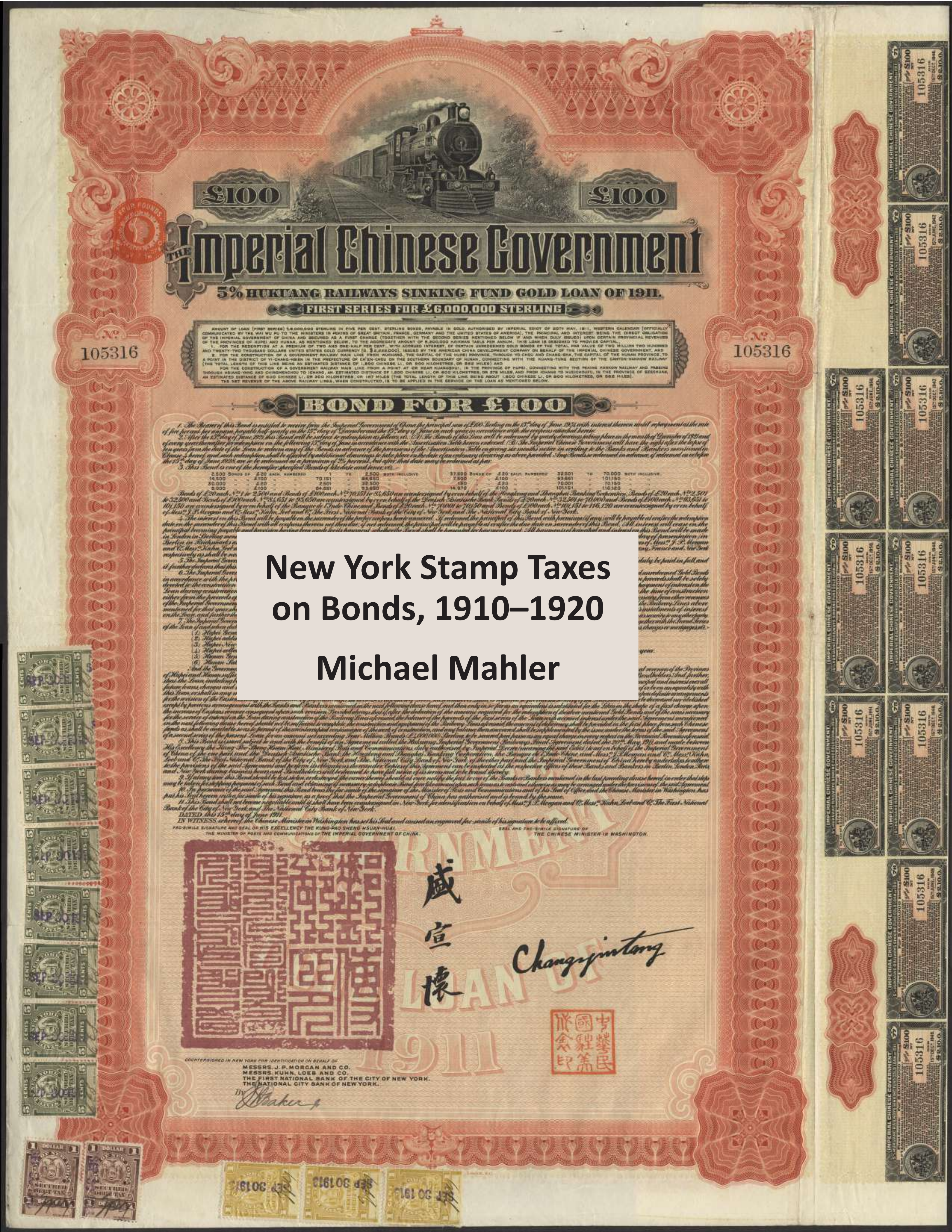

New York Stamp Taxes on Bonds, 1910–1920

Michael Mahler

(Inside front cover)

New York Stamp Taxes on Bonds, 1910–1920

Mortgage Endorsement, Secured Debt and Tax on Investments Stamps, Their Purpose Explained and Illustrated

Discovery of a Spectacular Philatelic Subfield Hidden for a Century

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Status Quo Ante

The Most Visually Stunning Items Ever to Bear Stamps?

Staking the Claim

Bonds bearing New York's Mortgage Endorsement, Secured Debt and Tax on Investments stamps are arguably the most visually stunning items ever to bear stamps. Figures 1–3 stake the claim, the first an 1894 mortgage bond of the New York and Putnam Rail Road Co. replete with extensive ornamentation characteristic of the Gilded Age, with the Mortgage Endorsement orange affixed in 1917. Figure 2 shows an 1887 bond of the New York, Susquehanna and Western Railroad Co. with Secured Debt \$5 affixed in 1912; and Figure 3, an utterly spectacular Imperial Chinese Government 1911 Hukuang Railways £100 bond with Secured Debt \$1 affixed in 1917 and Investments \$1 in 1918.

Stamps of Mystery

Yet for a century these exceedingly beautiful pieces and the stamps they bore were virtually unknown to philatelists. Brewster C. Kenyon, whose *Documentary State Revenue Stamps of the United States* was written while the Investments stamps were still current, provided a complete list of their denominations and colors via correspondence with the New York Controller's office in Albany,[1] but had almost certainly not seen the stamps. The same can presumably be said for Kenyon's description of the Secured Debt stamps, which preceded the Investments issues. The information Kenyon obtained and circulated was timely and useful, for bonds

Figure 1. *New York and Putnam Railroad Co. 1894 bond with orange Mortgage Endorsement stamp affixed January 1917. Below, close view of the stamp.*

1. Kenyon stated that the cancel used on the investments stamps incorporated the initials "J.G.M.," now known to be those of J. G. Malone, Investments Tax agent at Albany circa 1919. In fact this cancel was used on probably less than 1% of Investments stamps! Virtually all were used in New York; by a traveling agent; or by Malone's predecessors in Albany, all of whom employed their own distinctive cancels. Nevertheless this confirms that Kenyon must have been in communication with Albany.

Figure 2. *New York, Susquehanna and Western Railroad Co. 1887 bond with Secured Debt $5 affixed August 1912. Below, close view of the stamp.*

bearing these stamps would not be in collectors' hands for decades. George Cabot's esteemed 1940 *Priced Catalog of the State and City Revenue and Tax Stamps of the United States* in fact ventured to price only two of the 13 Investments denominations, $1 and $10, for all others explaining that "until the documents upon which the stamps are used mature or are transferred, releasing a larger supply of them, it seems almost impossible to set judicious valuations. The commonest ... is the $10, and the next most common is the $1.00, but at present writing they are all rare." Even for the $1 and $10, Cabot got it wrong: in fact the $2 is much the commonest, next the $10, and the $1 is considerably scarcer than either.

As for the Mortgage Endorsement stamps, which Kenyon did not list, Cabot's prices were similarly inaccurate. He valued the orange stamp at $0.40, and the perforated and imperforate green stamps at $2.50 and $1.00, respectively. In fact the green perforated and orange stamps, for which Cabot quoted a six-fold difference in price, have survived in approximately equal numbers, while the green imperforate, given an intermediate valuation, is much the scarcest, with only about a third as many recorded as for the other two.

Why They Lay Hidden

As noted by Cabot, the initial reason all these stamps were not available to collectors is that they were affixed to bonds held as investments, the great majority railroad mortgage bonds that typically matured only after 25, 50 or more years, and remained in the hands of the bondholders until maturity or cancellation. In the case of railroad consolidations, bonds of the consolidated roads typically passed into the archives of the surviving lines and remained there for more decades.

It is only now, fully a century after these stamps were used—Mortgage Endorsement in 1910–20, Secured Debt in 1911–17, Tax On Investments in 1918–20—that they, and especially the bonds that bear them, have emerged as a significant subfield of fiscal philately, bringing under the philatelic umbrella a panoply of visually stunning bonds that otherwise rarely bear stamps.

The Penn Central "Great Disgorgement"

A seminal development for this field was the sale in the late 1980s and early 1990s of the vast archives of the Penn Central railroad system, which had acquired in well over a century scores of earlier roads whose stock certificates and bonds still resided in its archives. When

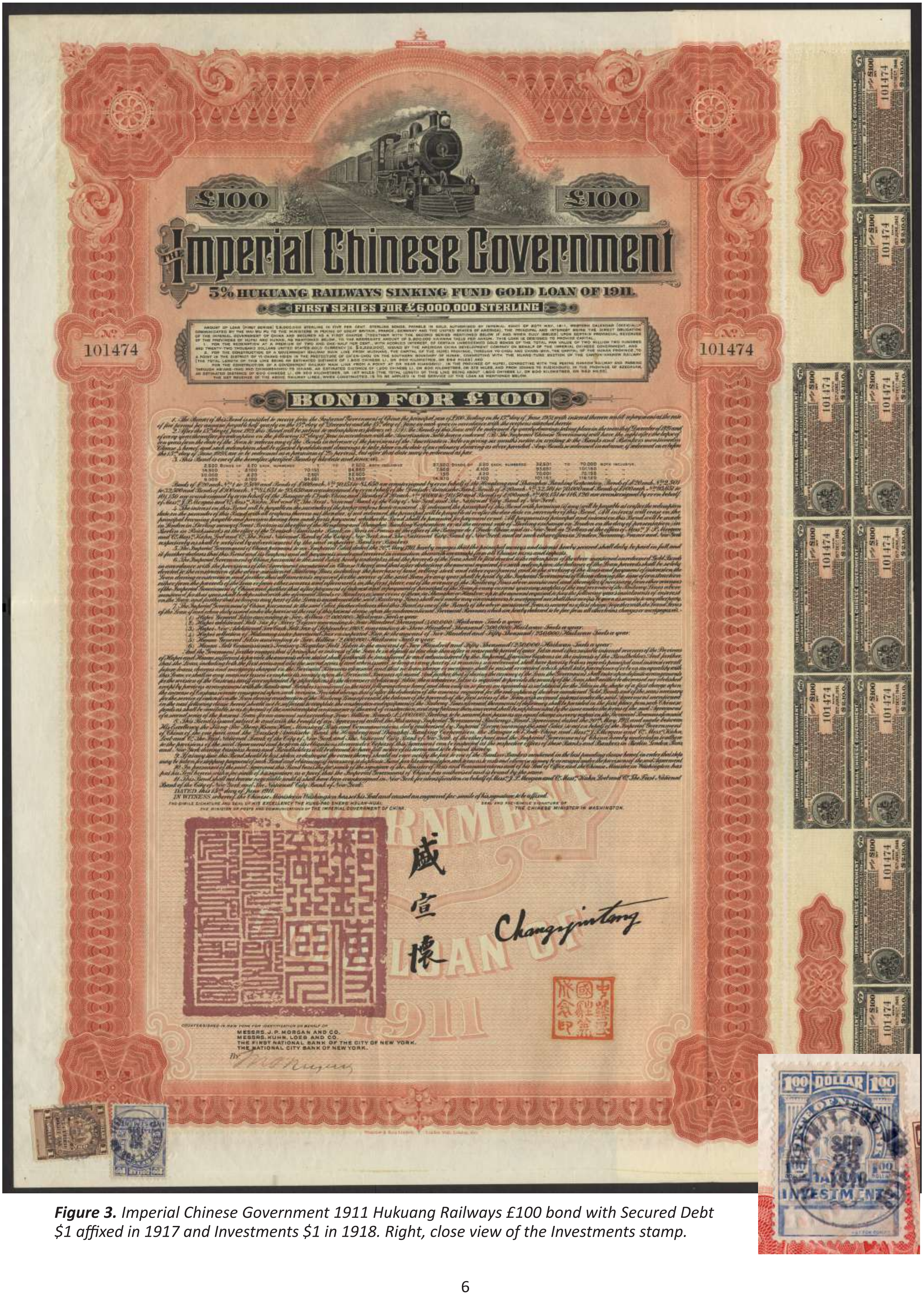


Figure 3. Imperial Chinese Government 1911 Hukuang Railways £100 bond with Secured Debt $1 affixed in 1917 and Investments $1 in 1918. Right, close view of the Investments stamp.

the cash-strapped company was advised that these tens of thousands of obsolete instruments had considerable value in the collector market, it agreed to sell them. Virtually all were sold in bulk lots and went into dealers' stocks. Similar "liberations" of other archives were made by enterprising dealers, for example those of the Baltimore and Ohio and Northern Pacific railroads.

Atypical Rules of Use

Once documents bearing these stamps began reaching collectors' hands, it became evident that the rules govening their use were different from the familiar patterns seen for other stamp taxes.

The stamps are found only on bonds, not stock certificates or any other documents. For a given bond issue for which examples have been seen with stamps, with a few notable exceptions, relatively few — typically about 5% — bear stamps. Why are stamps found on one bond of a given issue, and not another seemingly similar in every respect? Moreover, the number of different bonds on which stamps have been seen comprises only a small fraction of the number known to have survived from the same time span. Why are stamps found on one bond issue and not another?

Presumably the answers stem from the fact that these were state taxes, not federal ones like those of, say, the Civil War or Spanish-American War eras, which applied to all documents executed in the U.S. It makes sense that only a fraction of bonds would have been liable to New York taxes. After all, only documents executed in California bear California stamps, only those made in Nevada bear Nevada stamps, and so on.

However, while many stamped bonds were issued in New York, many were not. Moreover the dates the stamps were affixed bear no consistent relation to the issue dates of the bonds. Most were used on bonds issued a decade or more earlier, the lion's share circa 1885–1905, but with outliers as early as 1847 and 1863. This puts one in mind of a transfer tax, like that paid by the Great Britain 1891 2s stamp shown in Figure 2, used on a bond issued in 1887; or of New York's own stock transfer stamp tax initiated in 1905. However, there are also a fair number of bonds stamped shortly after issue, and in a few cases even before issue! Moreover the bonds generally bear no notations regarding transfer. Something else was going on here.

The Statutes Are Obscure; 1905 Mortgage Tax

Normally these questions could be resolved by consulting the relevant underlying laws. In this case, though, the statutes are maddeningly obscure. For the Mortgage Endorsement tax, the parent legislation, effective July 1, 1905, established an annual tax of five mills per dollar on mortgages. Its key provision follows:

> [292.] Exemption from local taxation.—Such of the debts, obligations and securities aforesaid, together with the paper writings evidencing the same, as are taxed by this article shall be exempt from taxation by counties, cities, towns, villages, school districts and other local subdivisions of this state. . . .

This raises more questions than it answers. A tax securing exemption from other, presumably higher, taxes? Not the sort of legislation one expects from any taxing entity.

This tax was imposed on all new mortgages recorded on or after July 1, 1905; for mortgages recorded prior to that date, payment of the tax was optional. By extension the tax applied as well to mortgage bonds, i.e. bonds secured by a mortgage.

In 1906 the tax was changed from an annual levy to a one-time recording tax at essentially the same rate, 50¢ per $100 or principal fraction thereof, and the effective date was extended to July 1, 1906.

In 1910 individual bondholders were allowed to pay the tax on their bonds. Previously bonds could be endorsed only when an entire issue was presented by the issuing corporation, through its trustees or agents

All very matter of fact, but still puzzling. An optional tax? Why would anyone choose to pay? What was going on here?

An "Aha!" Moment

The statutes do provide at least a minor "Aha!" moment: they applied only to mortgages of property situated within the state, and the recorded bonds bearing Mortgage Endorsement stamps are indeed all secured by mortgages of railroads located wholly or partially in New York. For example, the New York and Putnam Railroad (the "Old Put"), whose bond bearing the orange Mortgage Endorsement stamp is shown in Figure 1, ran from New York City to Brewster in Putnam County, near the Connecticut border, with connections for Hartford and Boston via the New York, New Haven and Hartford. The Appendix 7 census lists all of these bonds.

Mystery Solved: New York's Problematic Personal Property Tax

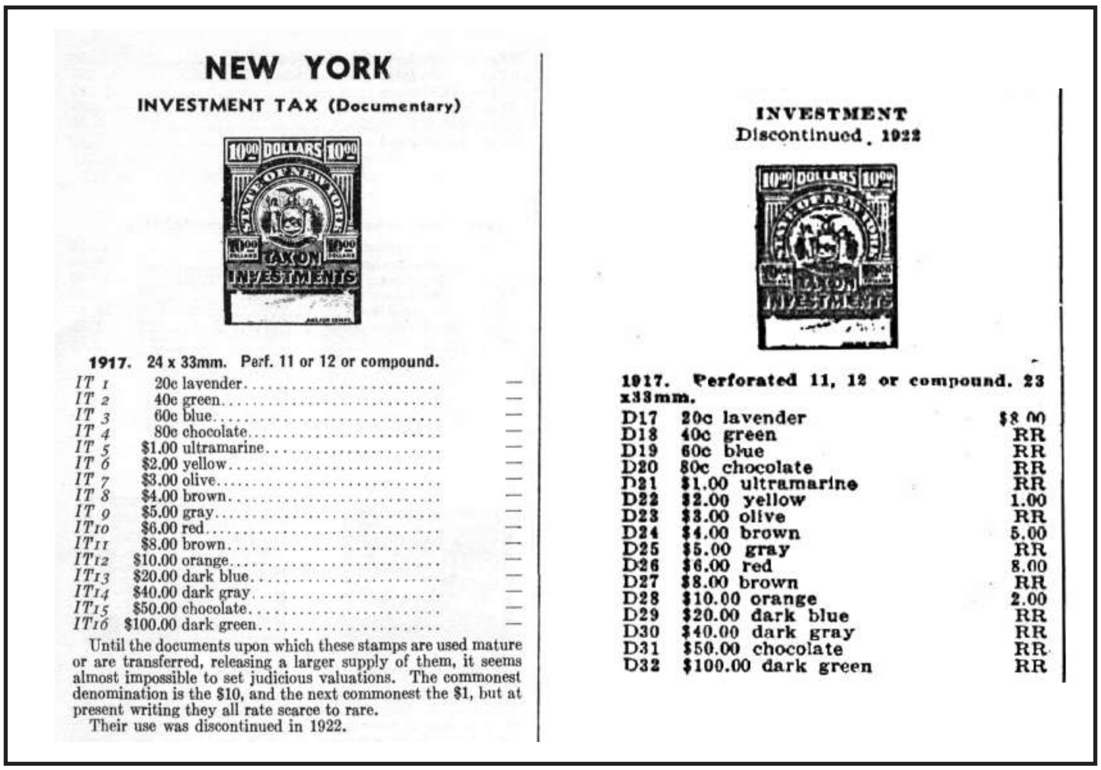
A decade or so ago answers to the questions posed above would have been infinitely more difficult to ferret out. Now, thanks to the explosion of information available via the internet, and specifically to the digitization of the archives of the *New York Times,* with a little digging one can learn to read between the lines of the statutes. The *Times* of February 12, 1905, reveals a key piece of information: the impending mortgage tax was intended as an alternative to the state's personal property tax. Here is the heart of the matter: as it applied to bonds, that tax was considered confiscatory — bonds yielded about 4% per year, while the tax was roughly 2%—and it was widely evaded. In order to salvage more tax revenue from bonds, the state devised a series of much lower optional taxes whose payment exempted bonds from property tax. These were the Mortgage, Secured Debts, and Investments taxes, with rates summarized in Table 1. Accordingly, here is the answer to the perplexing fundamental questions posed above: Mortgage Endorsement, Secured Debt or Investments stamps are found only on bonds which had been in the hands of New York residents while those taxes were current, who chose to pay them on their bonds in lieu of the state property tax. The Mortgage stamps were used exclusively on bonds secured by mortgage of property within the state, and the Secured Debt and Investments stamps on all other bonds.

Table 1. Summary of Mortgage Endorsement, Secured Debt and Investments Taxes

	Tax	Rate	Exemption	Tax Period
1.	**Mortgage**	50¢/$100	Perpetual	December 27ca, 1910–May 9, 1920
2A.	**Secured Debt 1911**	0.5%	Perpetual	September 1, 1911–March 31, 1915
2B.	**Secured Debt 1915**	0.75%	Five years	May 1, 1915–October 31, 1915
2C.	**Secured Debt 1916**	75¢/$100	Five years	April 21, 1916–December 31, 1916
3.	**Investments**	20¢/$100/year	Up to five years	June 1, 1917–June 30, 1920

To illustrate, for a typical $1,000 bond, the property tax would have been about $20 per year, but the Mortgage and 1911 Secured Debt taxes provided permanent exemption from it for a one-time $5 payment! Later versions were less generous, but for the law-abiding, or the highly visible mega-rich, payment of these optional taxes was a "no-brainer."

However the large majority of bondholders, knowing the state had no record of their holdings, preferred not to pay even these small optional taxes. The state did collect some $1.5 million per year from them, but only about 10% of eligible bonds were stamped. The philatelic consequence is that it is ten times more difficult to find material than if all had been stamped.



NEW YORK

INVESTMENT TAX (Documentary)

1917. 24 x 33mm. Perf. 11 or 12 or compound.

IT 1	20c lavender	—
IT 2	40c green	—
IT 3	60c blue	—
IT 4	80c chocolate	—
IT 5	$1.00 ultramarine	—
IT 6	$2.00 yellow	—
IT 7	$3.00 olive	—
IT 8	$4.00 brown	—
IT 9	$5.00 gray	—
IT10	$6.00 red	—
IT11	$8.00 brown	—
IT12	$10.00 orange	—
IT13	$20.00 dark blue	—
IT14	$40.00 dark gray	—
IT15	$50.00 chocolate	—
IT16	$100.00 dark green	—

Until the documents upon which these stamps are used mature or are transferred, releasing a larger supply of them, it seems almost impossible to set judicious valuations. The commonest denomination is the $10, and the next commonest the $1, but at present writing they all rate scarce to rare.

Their use was discontinued in 1922.

INVESTMENT
Discontinued. 1922

1917. Perforated 11, 12 or compound. 23 x33mm.

D17	20c lavender	$8.00
D18	40c green	RR
D19	60c blue	RR
D20	80c chocolate	RR
D21	$1.00 ultramarine	RR
D22	$2.00 yellow	1.00
D23	$3.00 olive	RR
D24	$4.00 brown	5.00
D25	$5.00 gray	RR
D26	$6.00 red	8.00
D27	$8.00 brown	RR
D28	$10.00 orange	2.00
D29	$20.00 dark blue	RR
D30	$40.00 dark gray	RR
D31	$50.00 chocolate	RR
D32	$100.00 dark green	RR

These listings from the catalogs of Cabot (1940, left) and Hubbard (1960, right) emphasize how little was known about New York's Tax on Investments stamps twenty and forty years after they were last used. Even the perforations (none were perforated 12) and the date of discontinuance (1920, not 1922) were wrong! In fact their use would remain a mystery for another fifty years, until the work summarized in this volume.

The Mortgage Endorsement stamps, so named by philatelists, were non-denominated "taxpaids," stating cryptically "TAX PAID PURSUANT TO ARTICLE XI OF THE TAX LAW," which referred to the mortgage tax. They were issued first in green, imperforate, in late December 1910, perforated beginning some nine months later, and in orange in 1915.

The ten Secured Debt stamps issued in 1911

Secured Debt 25¢, 75¢, \$3.75 and \$7.50 issued in 1916 to facilitate payment of the 75¢ per \$100 tax rate.

The Tax on Investments stamps, issued in 1918

1. The Mortgage Endorsement Tax

Summary

In the early years of the twentieth century, an annual property tax was levied in New York, not only on real property (i.e., real estate) but also on personal property, both tangible and intangible, including mortgages and mortgage bonds. As it applied to mortgages, the tax was considered confiscatory, and was widely evaded. Mortgages of the day typically yielded about 4% per year, and the tax was roughly 2%. Unwilling to see half their profit whisked away by the tax, investors found inventive ways to avoid paying it, or simply chose other investments.

In an attempt to salvage at least some tax revenue from mortgages, the state in 1905 exempted them from the personal property tax provided an annual mortgage tax of 0.5% was paid. The tax was obligatory on new mortgages and optional for those already recorded.

In 1906 the tax was changed from an annual one to a one-time recording tax at essentially the same rate, 50¢ per $100.

The Mortgage tax became philatelically interesting with passage of the Act of June 23, 1910, which allowed individual bondholders to pay the tax on their holdings, making them exempt from property tax. In order to conform to Stock Exchange regulations, the Attorney General now authorized use of "engraved adhesive stamps" to indicate payment of the tax, and by December 27, 1910, Mortgage Endorsement stamps in green, imperforate, were in use.

Some ten months later perforated stamps came into use, and in 1915 the color of the stamps was inexplicably changed to orange.

Effective May 10, 1920, intangible personal property was made exempt from all state and local taxation, and the use of Mortgage Endorsement stamps was discontinued.

These stamps were used only on bonds secured by a mortgage of property wholly or partly within the state. The accompanying census lists 29 different bonds of 13 New York railroads bearing Mortgage Endorsement stamps.

Here is the text of the eye-opening *New York Times* article of February 12, 1905, which explains that the proposed mortgage tax was intended as an alternative to the widely evaded property tax.

REPUBLICANS TO PUSH A MORTGAGE TAX BILL

Increase of State's Dependents Demands More Revenue.

RATE TO BE 4 OR 5 MILLS

Terms of the Measure Counted On to Gain Up-State Approval—Tax to be Annual.

ALBANY, Feb. 11.—Republican legislative leaders have definitely decided to push a mortgage tax bill. They have assigned several of the experts on taxation in the Senate and Assembly to draw up such a measure, and it is now in course of preparation. The bill will provide for an annual tax on mortgages, not a recording tax. The rate of the tax has not yet been fixed, but it is almost certain to be either 4 or 5 mills.

. . . The present disposition is to have the tax apply only to mortgages to be made hereafter, it being left optional . . . with all holders of existing mortgages to submit their mortgages for taxation under the new law, and thereby secure exemption from the personal property tax. It is believed that the lower rate which will be provided in the proposed law will furnish an incentive to mortgage holders who are now secreting their holdings from the Assessors to submit them for taxation, and thus do away with the anxiety that they now experience because of their liability to the personal property tax on such securities. . . .

In New York City mortgages held outside of trust funds generally escape any tax. It is that fact which has led to such a decided sentiment in New York for a tax on mortgages which could not be dodged, the feeling being that a small tax such as the proposed one of 4 or 5 mills would be hardly worth while evading, and that the fixing of an equitable and unburdensome tax would create a feeling of security which would be vastly beneficial to the community's development.

Exemption of mortgages from all taxation would be the ideal condition, it is asserted by experts, for . . . [the] increase in real estate values which would result from freedom to contract mortgages without the bugbear of a heavy personal tax would increase the tax returns from realty to such an extent as to more than offset the loss of revenue which would result from doing away with the liability of bonds and mortgages to taxation as personal property.

Next we learn, from a letter to the *Times* published April 10, 1905, that the tax on mortgages and their bonds as personal property was onerous—roughly 2% per year—and very selectively enforced (bolding mine).

PLEA FOR MORTGAGE TAX.

Not an Ideal Measure, but a Vast Improvement on Present Conditions

To the Editor of the New York Times:

The effect of this bill, so violently opposed by corporate interests, is to **reduce taxation on mortgages from more than 2 per cent. to one-half of 1 per cent.,** and to enable residents of the State, individuals, and estates, to invest their money on bond and mortgage on equal terms with non-residents, with savings banks and life insurance companies.

Every lawyer knows that **mortgages are personal property, and as such subject to taxation at the rate fixed by law.** In former years and prior to the Strong administration in New York City there was little or no attempt to enforce the tax upon mortgages, but in

Figure 4. *Broadway Surface Railroad Co. 1884 bond with green imperforate Mortgage Endorsement stamp affixed December 27, 1910, in New York County, the earliest recorded use of a Mortgage stamp. Right, close view of the stamp.*

later years mortgages are taxed like other personal property.

The effect of a strict enforcement of the law of taxation upon mortgages has been to give to the savings banks and life and title insurance companies almost a complete monopoly in the business of making loans on real estate, concentrating business among a favored class and in effect exempting mortgages altogether from taxation. **Large estates do not invest in bond and mortgage because they would be taxed at over 2 per cent.** The saving banks and other large institutions do, because they are not taxed at all, being able to deduct their liabilities from the assets and thus escape taxation altogether.

A concrete case will open the eyes of the people to the iniquity of the present operation of the tax law. A merchant died in this city leaving an estate of $100,000 to his wife and two daughters. Being an exceedingly prudent man, he directed in his will that after payment of his debts his whole estate should be converted into money and invested in bond and mortgage on improved real estate in the City of New York, worth double the amount of the loans. The executors had no alternative, the direction was imperative, and the investments were made, with the result that "gilt-edged" mortgages only paid 4 per cent.

The estate was thus in receipt of an annual income of $4,000, but the **tax-gatherer assessed the estate 2.25 per cent., and actually received $2,250, and the widow and orphan children got $1,750** per annum. From this situation there was no escape, and the wise provision of a prudent husband and father became a terrible farce.

There is another side to the question—that is as to the wisdom or public policy or abstract justice of taxing mortgages at all. It is unquestionably a form of double taxation, and therefore unsound, but it is not confiscation, as the present intolerable condition involves. The rate of one-half of 1 per cent. is too high and may in many cases prove an oppression to the small owner or dweller in the tenement houses who is at the mercy of landlords, but the greatest good to the greatest number is certainly accomplished.

New York, April 8, 1905.
G.C.L.

Difficulties in Assessment

Bonds held by estates, as in the letter writer's example, or in trust funds, were in full view of the assessor, and thus were taxed. Nearly all others stayed hidden, and escaped. This was not so much the result of dishonesty on the part of bondholders, but of the near impossibility of assessing such holdings. Much more could be said on the shortcomings of the personal property tax, and the methods of evading it, but the salient point for us is clear: the mortgage tax was an alternative to the personal property tax, which was being widely evaded.

Mortgage Endorsement Required

For new mortgages, the tax was to be paid upon recording, and no mortgage was to be recorded unless the tax was paid. The recording officer was required "to indorse upon each mortgage a receipt for the amount of tax . . . paid . . . and the receipt for such tax indorsed upon each mortgage shall be recorded therewith."

For prior mortgages on which the owner opted to pay the tax, a written statement under oath was required, specifying the date of the mortgage, names of the parties, liber (book) and page of the record thereof, and amount remaining unpaid, to be filed with the recording officer of the county in which the mortgaged property was situated. On payment, the officer was required to note the fact of this statement on the margin of the record of the mortgage and the amount paid, attested by his signature. If the original mortgage was presented together with the statement, a similar signed notation was to be made on the mortgage itself, "which indorsement shall be conclusive evidence of the payment of such tax."

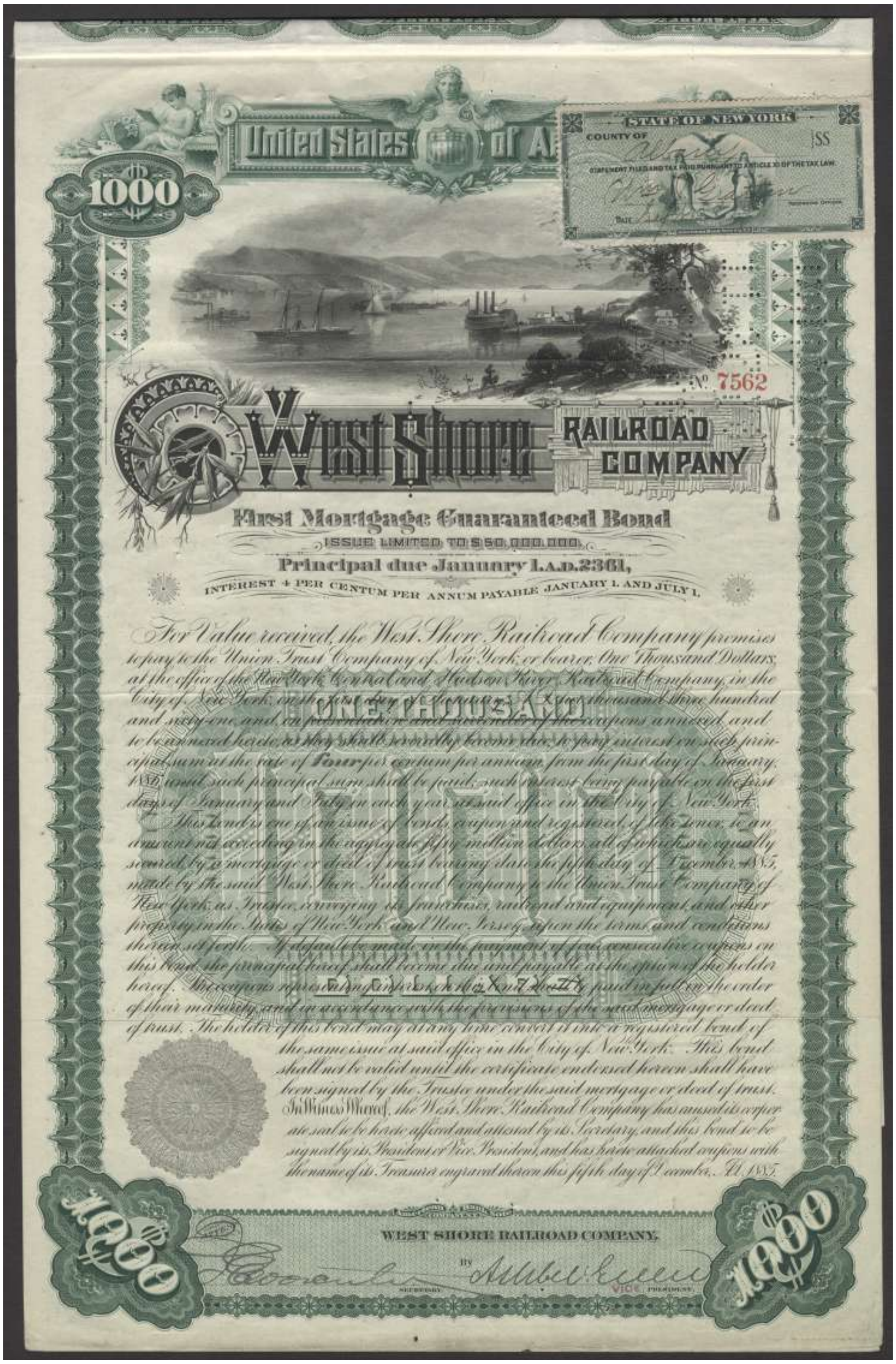


Figure 5. West Shore Railroad Co. 1885 bond with perforated green Mortgage Endorsement stamp affixed September 28, 1911, in Albany County, the earliest recorded use of a perforated stamp. Below, close view of the stamp.

Three Legislative Steps toward Philatelic Relevance

The Mortgage tax of 1905 was innovative and important, but met with strong objections and was amended every year

Figure 6. *Right, Lake Shore and Michigan Southern Railway Co. bond with perforated green Mortgage Endorsement stamp affixed September 29, 1911, in Erie County.*

Figure 7. *As late as September 25, imperforate stamps had been in use there.*

between 1906 and 1910. Three changes can be singled out that made the Mortgage tax philatelically interesting in 1910:

1906. Change from an annual tax of five mills (0.5¢) per dollar to a one-time recording tax at essentially the same rate, 50¢ per $100.

1907. Restoration of the provision allowing optional payment on prior mortgages. This had been present in the 1905 Act, but rescinded in 1906; as restored it allowed payment on mortgages recorded prior to July 1, 1906.

1910. Authorization of tax payment on individual mortgage bonds secured by prior mortgages.

Once these were in place the final steps leading to issuance of the Mortgage Endorsement stamps would be taken by the Stock Exchange, Tax Commissioners, and Attorney General.

Amendments of 1906 and 1907

The annual Mortgage tax of 0.5% imposed in 1905 proved too onerous to be effective. This was already evident by year's end, and opponents had formulated a plan to replace it with a one-time recording tax. The 1906 legislative session saw a contentious struggle to reform the Mortgage tax, reflected by numerous references in the *Times,* before a reform bill was finally signed it into law on April 22, to take effect July 1. Its key feature was the replacement of the annual tax of five mills (0.5¢) per dollar with a one-time recording tax at essentially the same rate, 50¢ for each $100 or principal fraction thereof. This drastic reduction in the tax quickly had the desired effect on revenues. The 1906 Act, though, had itself been flawed. The tax imposed in 1905 had been obligatory on new mortgages and optional for those already recorded. Its Section 314, headed "Optional payment on prior mortgages," had been repealed in 1906. Holders of existing mortgages could now obtain exemption from the property tax only by calling in their old mortgages and substituting new ones, with all the attendant complications and costs. Again the *Times* reported a flurry of pressure to reform the Mortgage tax, and by the Act of May 13, 1907, effective immediately, the provision for optional payment on prior mortgages was restored. This laid the groundwork for the stamping of bonds secured by such mortgages some years later.

The Key Amendment of 1910: Tax Payment on Individual Bonds

In contrast to the amendments of 1906 and 1907, which generated considerable coverage in the *Times,* another enacted June 23, 1910, which would prove all-important in the present context, rated nary a mention in the weeks preceding its enactment, nor even a notice upon passage. It allowed individual bondholders to pay the tax on their bonds, thus making them exempt from property tax. Previously bonds could be endorsed only when an entire issue was presented by the issuing corporation, through its trustees or agents. The key addition follows (bolding mine):

> Sec. 264.[1] . . . **any mortgagor or mortgagee under a corporate trust mortgage given to secure a series of bonds** or the **owner of any such bond** or bonds secured thereby may file in the office of the recording officer where such mortgage is first recorded a statement in form and substance as required by section two hundred and fifty-four of this article [254. Optional tax on prior mortgages], except that it shall **specify the serial number, the date and amount of each bond** and otherwise sufficiently describe the same to identify it as being secured by such mortgage, and **thereby elect that such bonds or bonds be taxed under this article.** …

The *Times* Takes Notice; the Stock Exchange Weighs In

Not until October 31, 1910, did the *Times* take notice, but then with a completely unexpected explanation for the creation of the Mortgage Endorsement stamps:

> MAY EXEMPT BONDS OF TAX BY THE NEW LAW
>
> Individuals Can Now Pay Recording Tax and Make Their Bonds Tax Free for the Future.
>
> FEW HAVE DONE IT SO FAR
>
> Made Possible by Amendment Passed in June—Status of Tax-Exempted Bonds Under Stock Exchange Rules.
>
> The attention of individual investors in bonds is now being called by some bond houses to the fact that under a recent amendment to the general tax law of the State an individual holding a bond secured upon real estate in New York State can by the payment of a tax of ½ of 1 per cent., render his particular bond free for all time from all personal taxation in the City and State of New York. This amendment, which became effective last June, extended to individual holders of bonds the privilege previously accorded to corporations themselves at the time of issuing their bonds of making them tax-exempt by paying the initial tax of ½ of 1 per cent.
>
> . . . It is worth recording in this connection that last week the opinion was expressed by one active dealer in bonds that it seemed improbable that very many individual holders of bonds would pay this tax to make their bond tax exempt for the reason that so many such investors found a way of evading the personal tax on their holdings of bonds. The number of such, it is to be hoped, is not great enough to materially lessen the interest in a provision of the State tax law which appears to have escaped the attention of a great many investors, but which nevertheless offers a considerable convenience to those who wish to render their bonds tax exempt. . . .
>
> In connection with the chance now offered to investors by the State to make their bonds tax exempt the question has arisen whether or not the indorsement upon the bond of the payment of this tax to the State renders a bond unavailable for delivery under the rules of the New York Stock Exchange. It appears that the Stock Exchange holds that any document in the shape of a paper attached to a bond makes it a non-delivery just as would the writing of names upon the bond or the addition to the bond of anything which might serve to raise any question regarding the actual status of the bond. In the case of bonds which have been held abroad and to which a tax stamp has been fixed such as the stamps put upon bonds in France, the Stock Exchange has held that the bonds are not thereby invalidated for delivery under the rules of the Exchange. Whether or not therefore the indorsement upon a bond of the tax exemption provided for under the recent amendment of the tax law of this State makes the bond a non-delivery on the Stock Exchange will depend apparently upon the form in which the indorsement is put upon the bond. An agreement on the part of the State receivers of taxes to affix such tax exemptions in a form acceptable to the Stock Exchange would overcome any objection which individual investors might have to profiting by this law on the ground that it would lessen the negotiability of the bond to the extent that it could not be delivered against a sale made on the Stock Exchange. It is regarded as probable in the financial district that an understanding will soon he reached which will cover this objection.

Figure 2 shows an example of just such a foreign stamp which had passed muster with the Stock Exchange, a Great Britain Transfer Duty 1891 2 shilling blue affixed to an 1887 bond of the New York, Susquehanna and Western Railroad Co., with manuscript "3727" cancel matching the serial number of the bond; some 20 years later a New York Secured Debt $5 stamp would be affixed in August 1912.

1. In 1909 the statutes had been consolidated and renumbered. The Mortgage tax remained Article 11, but now began with Section 250; previously it had been numbered 290.

Given the concern on the Stock Exchange that the form of endorsement upon bonds might prevent their delivery, and the ruling that adhesive stamps presented no such impediment, an obvious and elegant solution was to put the endorsement in the form of a stamp, and this is just what was done.

The Tax Commissioners Take the Hint; Enter the Stamps

Within two weeks after the *Times* had reported the concerns of the Stock Exchange, the Board of Tax Commissioners had settled upon the idea of putting the endorsement upon bonds in the form of a stamp, and solicited the opinion of the Attorney General as to the legality of this solution. His reply is reproduced below:

Figure 8. Mohawk and Malone Railway Co. 1892 bond with Mortgage Endorsement green imperforate affixed September 29, 1916, in Herkimer County, the latest recorded use of an imperforate. Note the Great Britain 1893 red embossed £1 and 1s stamps. Their 1891 Stamp Act taxed marketable securities at one shilling per £10 or fraction thereof. Using the equivalence £1 = \$4.8665, \$1,000 was equivalent to £206.5, hence the tax was 21s, or £1.1.0.

Tax Law—Article 11.

Method of affixing engraved stamps to bond signed by recording officer.

STATE OF NEW YORK.
ATTORNEY-GENERAL'S OFFICE,

ALBANY, November 15, 1910.

State Board of Tax Commissioners, Albany, N.Y.:

Gentlemen.—I beg to acknowledge your letter of even date, by Mr. Thompson, your mortgage tax clerk, asking my opinion as to whether the indorsement upon bonds required to be made by article 11 of the Tax Law [author's note: Article 11 deals with the Tax on Mortgages], by a recording officer, of the payment of the tax as provided therein, may be in the form of engraved adhesive stamps affixed to the bond and signed by the recording officer.

In my judgment, such a method of indorsement is perfectly legal and a full compliance with the requirements of the law.

I am returning the correspondence which you handed me with your letter.

Very truly yours,
EDWARD E. O'MALLEY,
Attorney-General.

After O'Malley's approval, developments continued at a rapid pace. By late December 1910, the stamp contract had been let, dies engraved and plates prepared, and stamps printed, delivered, and made ready for distribution. As shown in Figure 4, as early as December 27 the stamps were already in use, in green, imperforate. On December 29 County Clerks outside New York City were sent supplies of these stamps, with instructions as to their use, along with a

Figure 9. *New York Central and Hudson River Railroad Co. 1897 bond with Mortgage Endorsement orange affixed September 28, 1915, in New York County, the earliest recorded use of this stamp. Three days earlier green stamps had been in use there.*

sample stamped form. At least one of these cover letters has survived, and a few of the samples (Pruess, 1974); the text of the letter is as follows:

STATE OF NEW YORK
State Board of Tax
Commissioners, Albany

December 29, 1910.

Mr. Charles B. Pixley
County Clerk,
Batavia, N. Y.

Dear Sir:—

The State Board of Tax Commissioners is sending you a supply of stamps to be used in making the endorsement on bonds required by Section 264 of the Tax Law. You are hereby instructed to see that the proper statement is filed and the tax paid, pursuant to that section. Enter the serial numbers of the bonds on the margin of the record of the mortgage which secures such bonds, date of payment and amount of tax, attested by your signature or that of your duly authorized deputy. ATTACH one of the ADHESIVE STAMPS to the UPPER RIGHT HAND CORNER of the FACE of each bond, enter the name of your county, sign your name and enter the date of payment of tax on the lines designated on the stamp, and then ADD THE IMPRESS of the SEAL of YOUR OFFICE so as to LAP the LOWER LEFT HAND CORNER of the ATTACHED STAMP as per sample herewith enclosed. Enter on mortgage tax record book and give serial number, the same as you would a new mortgage.

Very truly yours,
STATE BOARD OF TAX
COMMISSIONERS
per Ralph E. Thompson
Mortgage Tax Clerk

One surviving stamped sample bears a green imperforate stamp, with county name "Onondaga" in manuscript, and handstamped date December 29, 1910. Presumably it was sent not to Batavia, the seat of Genesee County, but to the Onondaga County Clerk at Syracuse.

"Mortgage Endorsement" does not appear on the stamps, but that name for them, presumably given by early

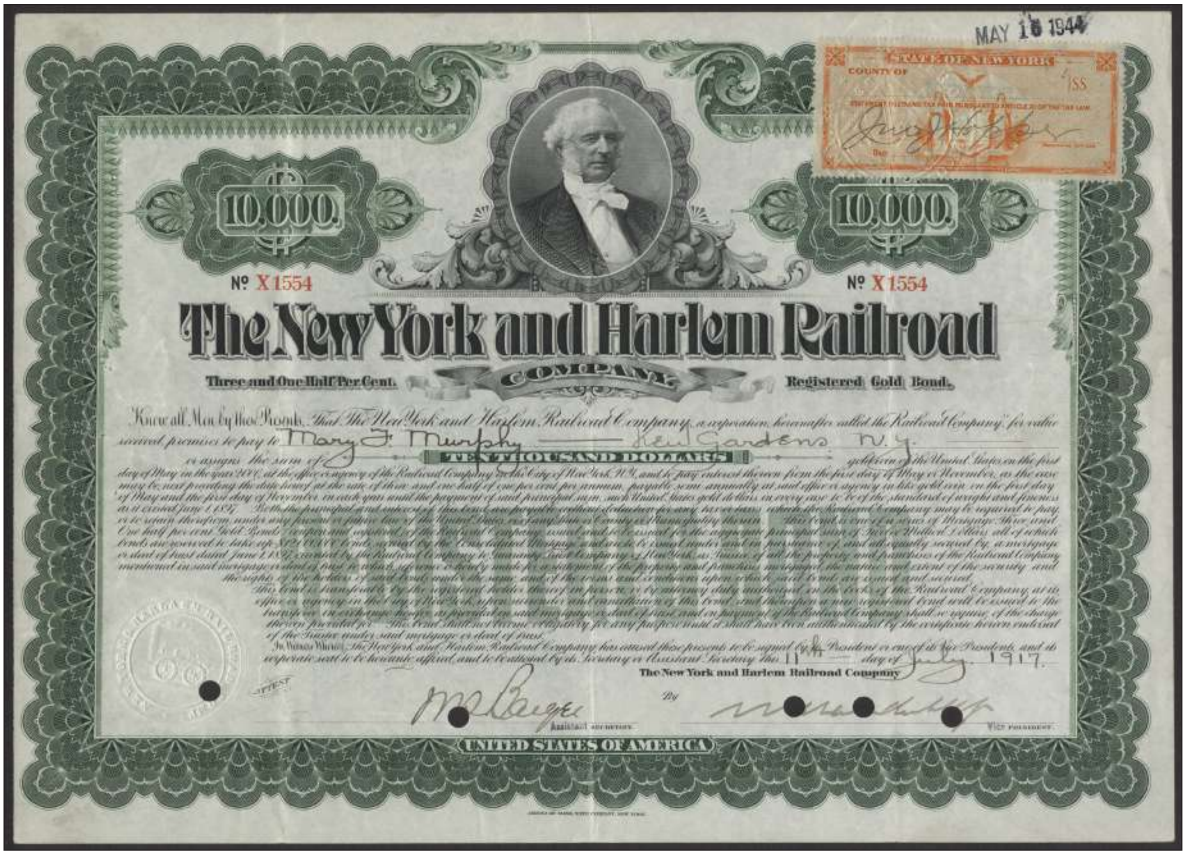


Figure 10. *New York and Harlem Railroad Co. bond, New York County, depicting "Commodore" Cornelius Vanderbilt*

catalogers, is apt. The stamps are inscribed "STATEMENT FILED AND TAX PAID PURSUANT TO ARTICLE XI OF THE TAX LAW" and are properly classed as taxpaids. Each stamp carries the imprint of the American Bank Note Co.

Stamps Ex Machina!

The Opinion and letter reproduced above appear to be the only official mention of the Mortgage Endorsement stamps. Certainly they are nowhere mentioned in the statutes, which stipulated only that the endorsement be made "in form and substance as required by section two hundred and fifty-four of this article," leaving the details to be worked out by the Commissioners.

In the long and complicated twist and turn of events culminating in creation of the Mortgage Endorsement stamps, until the Stock Exchange weighed in on the form required of endorsement upon bonds, there had been no hint that production of a stamp was in the offing. Only at its very end did the process devolve simply into a case of one type of tax stamp — foreign documentary revenues — leading to another, a state taxpaid. Philatelically delicious irony!

Transition to Perforated Stamps

We know from the sample stamped form just described, as well as the earliest stamped bonds, that the stamps were initially issued in green, imperforate; the 35 earliest recorded usages are all of green imperforates. After some ten months perforated green stamps came into use, the earliest recorded on September 28, 1911, in Albany County (Figure 5). The previous day imperforate stamps had been in use there,[2] which nicely pinpoints the time of transition. In Erie County a similar transition occurred at almost the same time: imperforates have been recorded as late as September 25, and perforated stamps as early as the 29th (Figures 6, 7). In New York County, another high-volume user of stamps, the latest recorded use of an imperforate is September 29, 1911. However they were used in Jefferson County until at least June 1912; in Rockland County until at least August 1913 (Figures 14, 15); and remarkably, in Putnam and Herkimer Counties as late as May 9 and September 29, 1916 (Figure 8).

Orange Stamps Issued 1915

In 1915 the color of the Mortgage Endorsement stamps was changed from green to orange. At the remove of nearly a century, and with no evidence of any sort, the reason for this change can only be imagined. The earliest recorded usage of an orange stamp on an intact bond is September 28, 1915, in New York (Figure 9). Just six days earlier, green stamps had still been in use there. Again, in smaller counties the transition occurred later. The census shows green stamps were in use in Jefferson County as late as March 3, 1917, the latest recorded usage.

Good to be a Vanderbilt!

In the 1890s it was good to be a Vanderbilt. For Cornelius Vanderbilt II and his brother William K. Vanderbilt, the perks included the presidency of an immensely profitable railroad and seeing your engraved portrait on its bonds! To Cornelius II, the eldest and titular "Head of the House of Vanderbilt," went the chairmanship of the board of the New York Central (Figure 9); to "Willie K." fell the Lake Shore and Michigan Southern (Figures 6, 7).

The New York and Harlem bond shown in Figure 10 pays homage to the family patriarch, their grandfather

2. On another West Shore bond, serial number 21642

Figure 11. *New York, Ontario and Western Railway Co. bond stamped in Orange County*

Figure 12. *Utica and Black River Railroad Co. 1892 $1,000 bond with green imperforate stamp affixed March 1912 in Jefferson County*

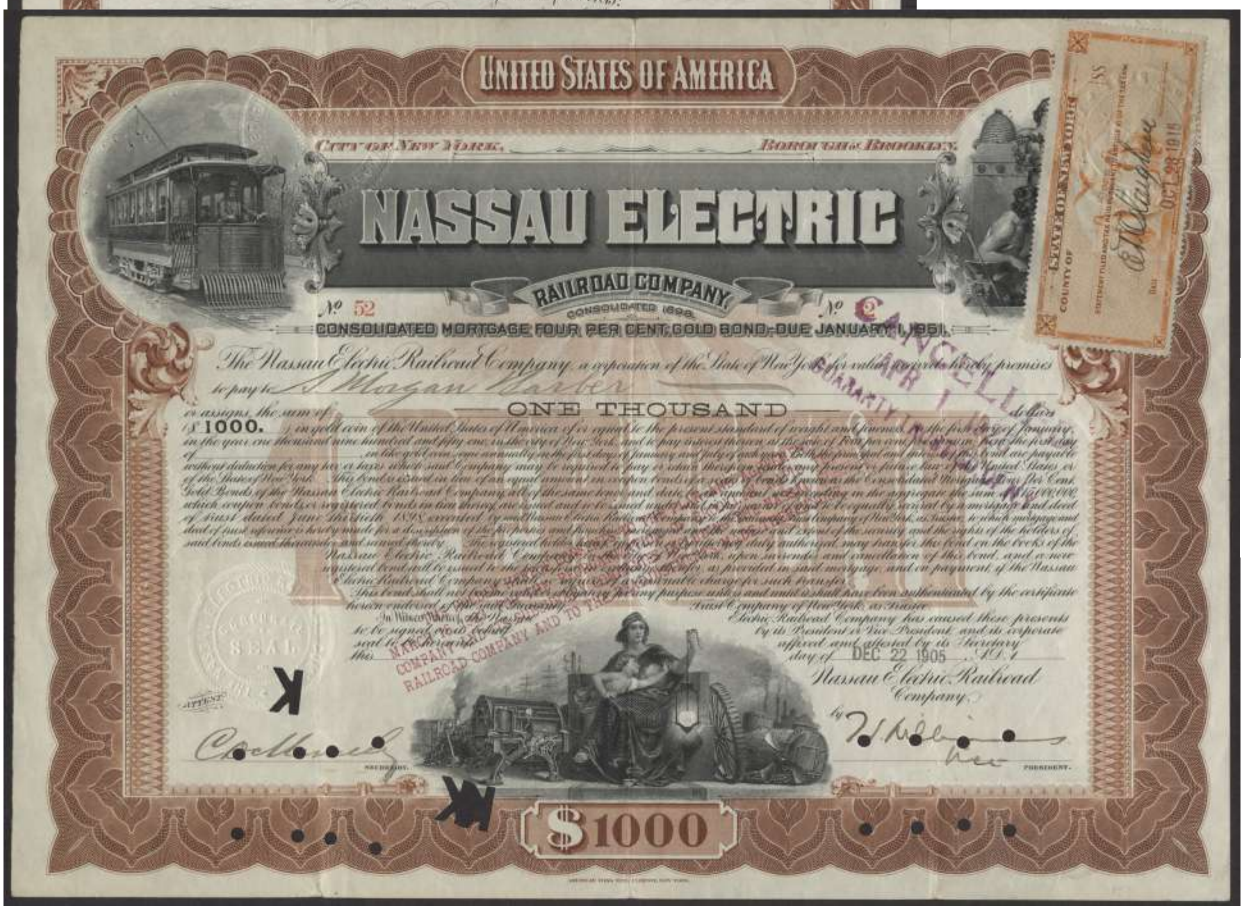


Figure 13. *Nassau Electric Railroad Co. bond stamped in Kings County*

Figure 14. *New Jersey and New York Railroad 1892 $500 bond with green imperforate Mortgage Endorsement stamp affixed August 15, 1913, in Rockland County.*

Below left, close view of the stamp, inscribed "received the sum of $2.50 as tax."

Figure 15. *New Jersey and New York Railroad 1892 $1,000 bond with green imperforate Mortgage Endorsement stamp affixed August 15, 1913, in Rockland County.*

Below right, close view of the stamp, inscribed "received the sum of $5.00 as tax."

"Commodore" Cornelius Vanderbilt, who amassed a fortune of $100 million from shipping, then railroads. Absent from this self-reverential tableau are any bonds depicting the modest William H. Vanderbilt, son of the "Commodore" and father of Cornelius II and William K. "William H." had inherited nearly all of his father's estate, then increased it to some $200 million by his death in 1885. At the time, he was the richest man America had ever seen, and by some measures is perhaps still the richest in American history. The squandering of nearly the entire Vanderbilt fortune within a few generations is a cautionary tale for the ages.

Rare County Usages

The great maority of bonds were stamped in New York, Albany and Erie Counties. All other usages are scarce to rare.

The New York and Putnam Rail Road Co. bond shown in Figure 1 is the only one recorded stamped in Putnam County (ten examples known), and the Mohawk and Malone Railway Co. bond in Figure 8 is the only one recorded stamped in Herkimer County (seven examples known).

Figure 16. *West Shore Railroad Co. $500 bond with green perforated stamp signifying payment of $2.50 tax*

This and the bond shown in Figure 15 are the only two recorded $500 bonds bearing Mortgage Endorsement stamps.

Figure 17. *New York Central and Hudson River Railroad Co. $50,000 bond with Mortgage Endorsement stamp signifying payment of $250 tax*

Figure 18. Lake Shore and Michigan Southern Railroad Co. $50,000 bond with green perforated stamp signifying payment of $250 tax, affixed September 29, 1911, in Erie Coiunty, a very early use of the perforated stamp

Figure 19. *Mohawk and Malone Railroad Co. 1902 $1,000 bond stamped with U.S. 50¢ "Battleship" affixed in 1902, then Mortgage Endorsement orange in 1919 in Oneida County. Inset: close view of the federal stamp.*

Figure 20. *New Jersey and New York Railroad 1892 $1,000 bond of Figure 15, showing attached 1932 five-year extension, taxed by U.S. at 10¢ per $100, paid by 1917 $1 in January 1933*

Figure 11 shows a 1907 bond of the New York, Ontario and Western Railway Co. stamped in 1915 in Orange County, the sole recorded bond stamped there (four examples known).

Figure 12 shows an 1890 bond of the Utica and Black River Railroad Co. wth green imperforate affixed in May 1912 in Jefferson County, one of three recorded bonds stamped there.

Figure 13 shows a 1905 bond of the Nassau Electric Railroad Co. stamped in 1915 in Kings County, the sole recorded bond stamped there (two examples known). It adds a decidedly 20th century flavor to an otherwise almost unbroken procession depicting Gilded Age railroad scenes.

Figures 14–15 show a matched pair of New Jersey and New York Railroad 1892 bonds with green imperforates affixed August 15, 1913, in Rockland County, the sole recorded bonds stamped there (two examples of each known), also a relatively late use of imperforates.

"Tax Paid"

The Mortgage tax was 50¢ per $100 or fraction thereof. The Mortgage Endorsement stamps are philatelically frustrating in that they are simply "taxpaids" with no denomination stated. However on the $500 and $1,000 bonds shown in Figures 14–15, the Rockland County Clerk has satisfyingly noted on the stamps "received the sum of $2.50 as tax" and "received the sum of $5.00 as tax"!

Incidentally, then as now virtually all corporate bonds were in denominations of $1,000 and above. The very few in amounts of $500 or less were presumably issued to broaden the investor base for less popular bonds. Figure 16 shows the only other recorded $500 bond bearing a Mortgage Endorsement stamp, a West Shore Railroad Co. $500 bond issued June 14, 1914, with perforated green stamp affixed four days later.

At the other extreme of bond denomination and tax, Figures 17–18 show $50,000 bonds of the New York Central

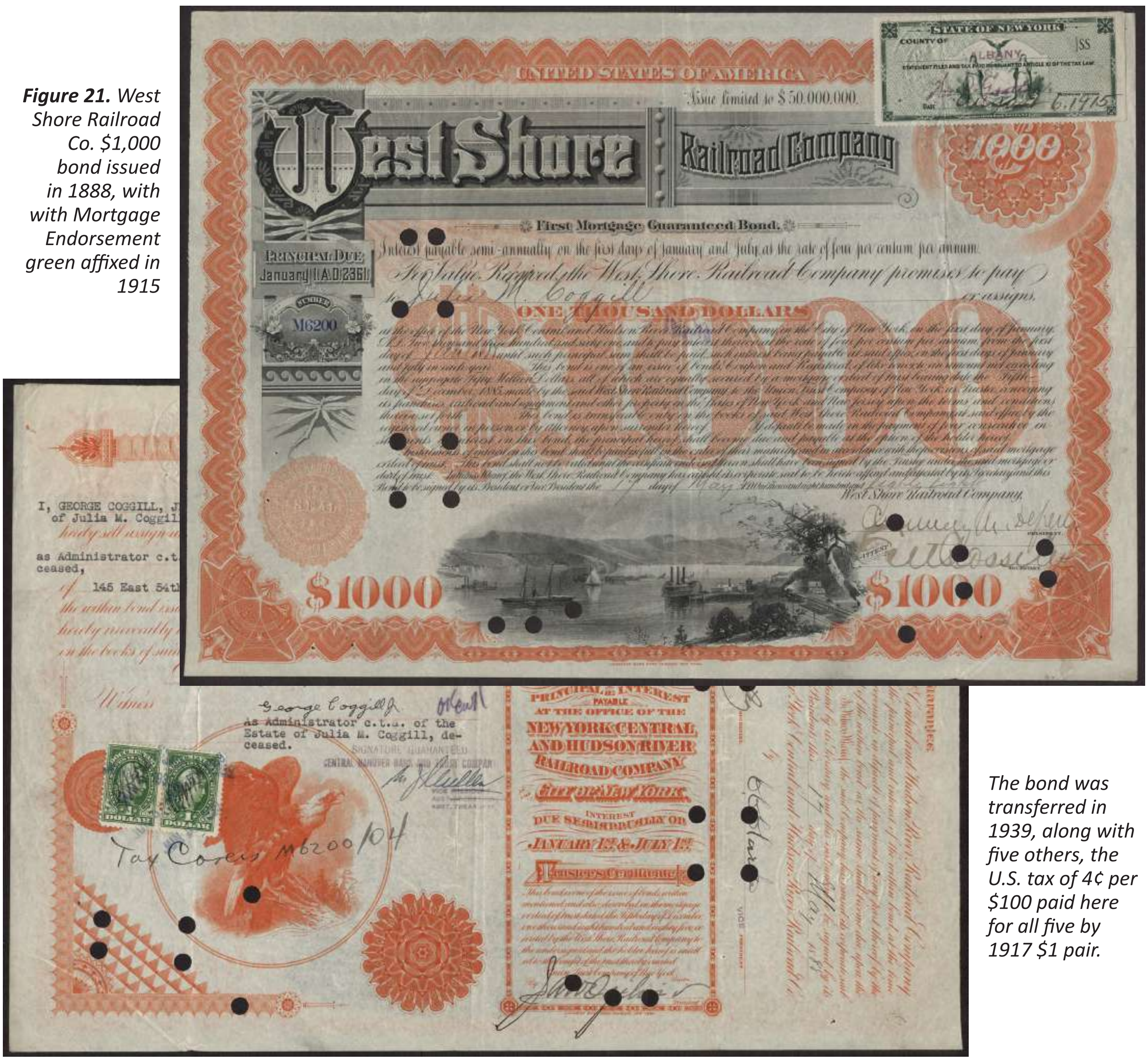


Figure 21. *West Shore Railroad Co. $1,000 bond issued in 1888, with with Mortgage Endorsement green affixed in 1915*

The bond was transferred in 1939, along with five others, the U.S. tax of 4¢ per $100 paid here for all five by 1917 $1 pair.

Figure 22. *Lehigh Valley Railway Co. 1890 $1,000 bond with Great Britain £1 and 1s embossed stamps impressed in November 1890, paying their 1891 marketable securities tax of 1s per £10, and Mortgage Endorsement orange affixed in 1915*

and Hudson River Railroad Co. and Lake Shore and Michigan Southern Railroad Co. with Mortgage Endorsement stamps signifying payment of $250 tax. The latter bears a green perforated stamp used September 29, 1911, just one day later than the earliest recorded use of a perforated stamp (Figures 5, 6). Terry Cox's website (www.coxrail.com) illustrates the only other recorded $50,000 bond bearing a Mortgage Endorsement stamp, a West Shore bond from the same series as the $500 bond shown in Figure 16, bearing a green Mortgage Endorsement stamp.

Combinations with U.S. Stamps

Three bonds have been recorded bearing Mortgage Endorsement stamps in combination with U.S. documentary revenues of the Spanish-American War era (1898–1902). Figure 19 shows a later bond of the Mohawk and Malone Railway Co. than that of Figure 8, this time a 1902 $1,000 coupon bond of 1902, stamped first with U.S. 50¢ "Battleship" (R171) canceled by "M. & M. RY. CO." datestamp of April 9, 1902, then by orange Mortgage Endorsement added May 26, 1919, in Oneida County, the sole recorded example of a Mortgage Endorsement stamp used there. The U.S. 50¢ stamp paid a tax of 5¢ per $100 on bonds, in effect July 1, 1898, until June 30, 1902.

A New York Central and Hudson River $1,000 coupon bond of 1897, serial number #25347, has a 50¢ "Battleship" on the back, tied by "N. Y. C. & H. R. R. Co." circular datestamp of February 10, 1899, and green perforated Mortgage Endorsement added September 17, 1912, in New York County. Bond #20363 has its 50¢ "Battleship" considerately placed on the front, tied by "C. T. Co. OF NEW YORK" magenta handstamp dated July 15, 1898, with orange Mortgage Endorsement affixed alongside December 23, 1915, in New York County.

The New Jersey and New York bonds shown in Figures 14–15, dated December 31, 1892 and maturing January 1, 1933, have attached five-year extensions dated December 31, 1932. These were liable to a short-lived federal tax of 10¢ per $100 or fraction on new issues or renewals of bonds, in effect June 21, 1932 to December 31, 1934. The $500 extension bears a U.S. 1917 50¢ (R238), and the $1,000, the $1 green of the same issue (R240, Figure 20),with matching cancels dated January 16, 1933. Both combinations are so far unique.

Figure 21 shows a West Shore $1,000 bond issued in 1888, serial number M6200, stamped with Mortgage Endorsement green in 1915. As annotated on the reverse, it was transferred in 1939, making it subject to a federal tax, of 4¢ per $100 (0.04%), which had taken effect June 21, 1932. Bonds M6201-4 were transferred at the same time, the tax for all five paid here by a U.S. 1917 $1 pair (R240) with notation "Tax Covers M6200/04" alongside.

Combinations with Foreign Stamps
Three-Nation Combination

Figure 22 reprises the Great Britain 1891 tax of one shilling per £10 or fraction thereof (0.5%) on marketable securities. Using the equivalence £1 = $4.8665, $1,000 was equivalent to £206.5, hence the tax on a $1,000 bond was 21s, or £1.1.0. Here it was paid on November 1, 1890, by £1 and 1s embossed stamps, on a Lehigh Valley Railway Co. $1,000 bond issued in June 1890, with Mortgage Endorsement orange affixed in December 1915.

Figure 23. *Mohawk and Malone 1892 $1,000 bond with France Foreign Securities 1.2% tax handstamp struck circa 1893; Great Britain embossed £2 impressed in March 1913, paying their 1910 marketable securities tax of 2s per £10; and Mortgage Endorsement green affixed in October 1913, the sole recorded triple tax combination involving any of the New York bond taxes. Inset: close view of the foreign stamps.*

The Great Britain Finance Act of 1899 made £1 equivalent to $5 as a matter of convenience, so the tax on a U.S. $1,000 bond was now only £1. The census in Appendix 7 lists five bonds showing this tax.

The Finance Act of 1910 doubled the tax on securities to 2s per £10 (1%), hence the tax on a $1,000 bond was now 40s, or £2. Figure 23 shows a Mohawk and Malone 1892 $1,000 bond with Great Britain red embossed £2 dated March 13, 1913, and Mortgage Endorsement green imperforate affixed October 18, 1913, in Herkimer County. Both were presumably preceded by a France Foreign Securities 1.2% tax handstamp of the Seine department.[3] This three-nation combination has three unique aspects:

sole recorded triple combination involving any of the New York bond taxes;

sole recorded combination of New York tax and Great Britain 1910 1% tax;

sole recorded New York-France combination.

Sheets of 40, Panes of 20?

The American Bank Note Company archives contained an imperforate sheet of 40 green stamps, in format 5x8.[4] The stamps are roughly 90x40mm, so the sheet is approximately 450x320mm.

For the perforated stamps, an independent calculation of the sheet size is possible from an examination of individual stamps. A large percentage are imperforate at one or two sides (Figures 1, 17–19, 21–2), and with even a relatively small sample, stamps can be found imperforate at top, bottom, left, right, and all four corners. The only sensible interpretation is that the sheets must have been imperforate at their outer edges, and with a large enough sample one can deduce the sheet size. As detailed in Appendix 1, the data collected so far provide compelling evidence that the perforated stamps were not issued in sheets of 5x8, but in panes with four rows, most likely 5x4.

Relative Scarcity of the Stamps

Cabot (1940) valued the orange stamp at $0.40, and the perforated and imperforate green stamps at $2.50 and $1.00, respectively. These valuations are at serious variance with the relative scarcities of the stamps on intact bonds. The accompanying census includes some 30 bonds bearing the green imperforate, and some 110 each with the green perforate and orange stamps. These totals are roughly proportional to the lengths of time the stamps were in use in the larger counties that used the lion's share of stamps: about nine months for the green imperforate (January to September 1911), four years for the green perforate (October 1911 to September 1915), and about four and a half years for the orange (October 1915 to April 1920).

3. Worded "TITRES ETRANGERS [Foreign Securities] LOI DU 30 MARS 1872 1% & 2/10/SEINE," in effect 1872–1914 (Esteves, 2013).

4. Thanks to Eric Jackson for this information.

Dividing the Spoils

On the first day of each month the recording officers of the counties were required to pay over to their county treasurers all moneys received on account of the Mortgage tax, after deducting expenses. On the first days of January, April, July and October the treasurers, after deducting their own expenses, were in turn required to transmit one-half of this net amount collected to the state treasurer.

Mortgage Stamps Discontinued 1920

Chapter 647 of the New York statutes, enacted May 10, 1920, and effective June 30, 1920, made intangible personal property exempt from all state and local taxation. This had long been a goal of tax reformers. The Investments stamp tax (Chapters 4.1–4.7), which when paid had provided exemption from all other taxes for bonds not covered by the Mortgage tax, was thus rendered meaningless, and it was simultaneously repealed.

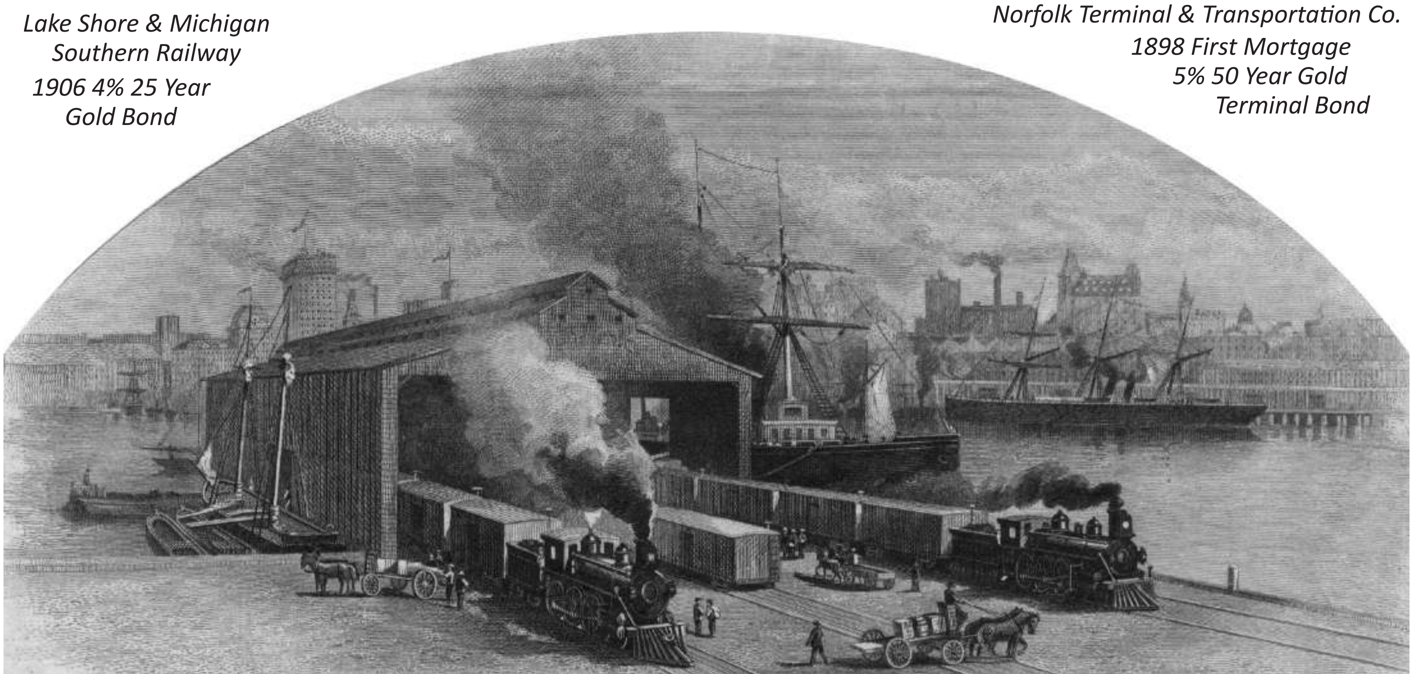
By the same logic one might expect the Mortgage tax to have met a similar fate. When paid, it guaranteed mortgages and mortgage bonds exemption from all other taxes. But since mortgages and their bonds constituted intangible personal property, they were now exempt from these taxes whether the Mortgage tax was paid or not; at least as a means of securing this benefit, the Mortgage tax had been rendered superfluous. In fact, there would seem to have been even stronger grounds for repeal of the Mortgage tax than for the Investments tax. For the latter, payment was optional, and thus merely rendered irrelevant by Chapter 647. The Mortgage tax, on the other hand, was obligatory on all new mortgages and would seem to have been in direct conflict with the exemption of mortgages from all taxation. Yet it remained in effect,unchanged, for it was not a tax on mortgages per se, but a mortgage *recording* tax. The distinction is a fine one, but logically sound. Having executed a mortgage, one was not liable to the tax; only on recording it did the bill come due. Never mind that a mortgage was not legally binding unless recorded, or that the benefit originally provided by the Mortgage tax was now no benefit at all; the state profited handsomely from the Mortgage tax, and would not relinquish it. Today this same mortgage recording tax with its subsequent supplements yields $1 billion annually to the state of New York.[5]

The use of Mortgage Endorsement stamps, however, was discontinued. This conclusion is based on logic and observation rather than any change in the statutes. In fact, use of the stamps had never been mentioned in the statutes — the only official reference to them coming in the 1910 Opinion of the Attorney General and the subsequent letter to County Clerks, both reproduced above — so there is no reason to expect statutory notice of its discontinuance either. Nevertheless mortgage bonds were now exempt from property tax by virtue of Chapter 647, so bondholders no longer had an incentive to bring their bonds to be stamped. The latest recorded use of a Mortgage Endorsement stamp is May 24, 1920.

5. In fact the original mortgage recording tax of 50¢ per $100 is still in effect today, supplemented by various additional state taxes of as much as 80¢ per $100 depending on the county. New York City is a special case with far higher rates: the original tax of 50¢ per $100; a special additional state tax of 30¢ per $100; an additional state tax of 25¢ per $100; and a city tax of $1.00 per $100 on mortgages for up to $500,000, $1.125 per $100 on home mortgages above $500,000, or $1.75 per $100 on commercial mortgages above $500,000, bringing the tab for a typical home mortgage to 2.175%, or for virtually all commercial properties to 2.8%.

Lake Shore & Michigan Southern Railway 1906 4% 25 Year Gold Bond

Norfolk Terminal & Transportation Co. 1898 First Mortgage 5% 50 Year Gold Terminal Bond



2. The Secured Debt Tax

2.1 1911-15, Tax 0.5%

Widening the Net

Encouraged by the success of their Mortgage tax, New York legislators looked further afield. The Secured Debts tax, passed July 28, 1911, and effective September 1, 1911, offered residents the same inducement — permanent exemption from personal property taxes contingent upon a one-time payment of 0.5% — for all bonds they held, excepting those already subject to the Mortgage tax, and mandated creation of adhesive stamps to pay this tax. It remained in effect until April 1, 1915. The key provision of the statute follows:

> **[Article 15, Section 331]. Payment of tax on secured debt.** Any person may take or send to the office of the comptroller of this state any secured debt or a description of the same, and may pay to the state a tax of one-half per centum on the face value thereof, . . . and the comptroller shall thereupon make an indorsement upon said secured debt or shall give a receipt for the tax thereon, . . . certifying that the same is exempt from taxation, which indorsement or receipt shall be duly signed and dated by the comptroller or his duly authorized representative. . . . All secured debts so indorsed or described in such receipt shall thereafter be exempt from taxation[1] in the state or any of the municipalities or local divisions of the state. . . .

As we saw with the Mortgage tax statutes, here too in guaranteeing permanent exemption from all other taxes, the elephant in the room — the personal property tax — was never mentioned. Again, though, contemporary articles in the *New York Times* make it clear that the Secured Debt tax was intended as an alternative to the property tax, which was being almost universally evaded. On July 13, 1911, while the bill was being debated, editors opined:

> EASY TAX MONEY.
>
> Hospitality to capital is embodied in the secured debt tax bill. The local tax on such securities is from one-third to one-half the average rate of income from them. This being practically confiscatory, nobody holds such securities unless he knows how to escape the tax, generally by irregular methods. By providing regularized method of escape from a confiscatory method the State Treasure will profit largely by those who will besiege the tax office to get their securities on the tax-paid list. . . . The secured debt tax is aimed at the hundreds of millions not in sight, but which are invited to come where it will be safe for them to dwell cheaply.

On August 28, an article alerting readers that the tax would take effect September 1 added, "The payment of the required tax forever exempts the debt from liability to local assessment. It is also believed that there will be no attempt hereafter to evade the tax, as has been the case in the past when such debts were assessed as personal property." The point was reiterated in the article of September 10 reproduced below.

Secured Debt Stamps

Section 332 of Article 15 stated "Adhesive stamps for the purpose of paying the tax . . . shall be prepared by the comptroller. . . . Upon the payment of the tax . . . the comptroller shall affix stamps . . . to the secured debt or to the receipt for the tax, and shall cancel the same by the seal of his office or by such other canceling device as he may prescribe." The census herein lists all recorded bonds stamped at the Secured Debt 0.5% rate, some 650 examples of 81 different bonds.

Secured Debt First Denominations, Tax Date, and Other Fine Points

The *Times* of September 10, 1911, included a long and extremely detailed article on the new tax, including three points of special interest to philatelists:

Stamps were prepared in ten denominations — 1¢, 5¢, 50¢, $1, $2.50, $5, $10, $25, $50, and $100 (Figure 24). (The other four denominations known to exist — 25¢, 75¢, $3.75 and $7.50 — were issued in 1916 to accommodate the increased rate of 75¢ per $100.)

The tax could be paid only at the offices of the State Controller in Albany and the Deputy Controller in New York.

In separate legislation, the payment date for the personal property tax in New York City had been changed from January 1 to October 1. This explains why some two-thirds of Mortgage Endorsement, Secured Debt and Tax on Investments stamps on surviving bonds were affixed during the month of September; all three taxes were paid in lieu of the personal property tax.

The entire text of this informative article follows.

> EXEMPT BOND LAW SWELLS STATE FUNDS
>
> Officials Believe It Will Bring $10,000,000 in Taxes That Might Have Been Lost.
>
> AN APPEAL TO CONSCIENCE
>
> Exacting Form of Affidavit Causing Dissatisfaction — Some Bondholders Abandon Attempt to Supply Information.
>
> Yesterday closed the first week of the month available under a recent amendment to the tax law for the registration of secured debt bonds and the payment of a tax of one-half of 1 per cent. on them before they

1. As with the Mortgage tax, exceptions were made for the taxes on bank shares (Chapter 62, Section 24), the franchise tax on insurance companies, trust companies, and savings banks (Chapter 62, Sections 187–9), the inheritance tax (Chapter 62, Article 10), and the stock transfer tax (Chapter 62, Article 12). And again, apart from the inheritance tax, all of these exceptions are puzzling; none seems to have been applicable to the secured debts defined here.

Figure 24. *The ten Secured Debt stamps issued in 1911 (shown at 121%)*

become liable for this year's general taxes. The office of Deputy State Controller Julius Harburger at 165 Broadway has been overrun with persons anxious to register their securities and pay the tax. Most of them were in quest of information and application blanks, but nearly $20,000 in taxes was actually paid during the week. Similar conditions prevailed, though to a smaller extent, at the office of Controller Sohmer in Albany. These are the only places at which advantage may be taken of the new law. President Lawson Purdy of the Tax Board and other advocates of the plan have estimated that the receipts for the first year will total $10,000,000.

While the law is not mandatory, but permissive, as to the registration and payment of taxes, the inducements offered are pretty nearly conclusive. The securities so registered are thereafter exempt from the personal property tax or any other State or local taxation except the bank tax, corporation tax, inheritance tax, or stock transfer tax. It is notorious that a very large proportion of the securities held in this State have heretofore escaped taxation under the personal property tax, but they have done so chiefly through the process of "swearing off," and it is felt that a good many persons would rather pay a small tax once for all and gain exemption rather than strain their consciences.

The new law applies only to bonds or other evidence of debts that are secured by mortgages or deeds of trust recorded elsewhere than in New York State. The reason for this is that securities based on mortgages or deeds of trust recorded in this State are already under a similar provision of law which permits their registration and exemption from taxation by the payment of a similar tax. The only difference is that the registration is done by the authorities of the county in which the mortgage is recorded and the taxes are paid there. In extending this principle to the much greater volume of securities based on mortgages filed elsewhere, such, for instance, as the bonds of Western railroads, the Legislature has put the matter in the hands of the State Controller and the taxes go to the State.

Applies to Outside Mortgage Bonds.

The new law is, therefore, the result of an evolution from the mortgage recording tax law enacted in 1906. This provided that when a mortgage was recorded in this State and the tax paid the bonds subsequently issued against it should be exempt. By amendment in 1907 the exemption was extended to bonds based on mortgages filed prior to 1906. Instead of the tax being paid on the mortgage the tax was made payable on the bonds, which then became exempt. This applied the plan to all bonds based on mortgages filed in this State, whether before or after 1906.[2] The new law applies to bonds based on mortgages recorded outside this State.

Another inducement is provided in the new law to impel bond owners to register their securities here.

Heretofore when personal property taxes were paid the taxpayer could set off against his holdings the amount of his obligations and pay on the difference. For instance, if he owned $100,000 worth of bonds

2. This account fails to mention the all-important amendment of 1910 which allowed individual bondholders to pay the tax on their bonds, thus making them exempt from property tax. Previously bonds could be endorsed only when an entire issue was presented by the issuing corporation, through its trustees or agents.

and had debts amounting to $95,000 he would have to pay taxes on only $5,000. The new law, however, provides that the owner of any secured debt on which the registration tax has not been paid shall be assessed on such debt and no deduction for the just debts owing by him shall be allowed. A resident of this county owning $100,000 [in] bonds, therefore, even though his debts were as large, would be liable for personal property taxes at the local rate of 1.67%, or $1670 a year, whereas, by paying the registration tax of one-half of one per cent., or $500, his bonds would be exempt for all time.

While the "secured debts" affected are spoken of as bonds for convenience, other classes of securities are also included, even some forms of unsecured debts, such as serial notes and municipal and debenture bonds. Commercial paper generally is not included because the law speaks only of notes "forming part of a series." Railroads often issue notes in this form, but the ordinary commercial note is complete in itself. During the week the holder of a note for $72,000 went to the Deputy Controller's office and asked to have it registered and exempted from taxation. His request was refused because it was not one of a series. If it had been in the form of seventy-two notes of $1,000 each, for instance, duly numbered in a series, it would have come under the law.

Doesn't Apply In All Cases.

Another peculiarity of the law is to regard to municipal bonds and debentures. They come under the law if they do not exceed $1,000 in amount. Thus, the holder of five $1,000 bonds of the City of Minneapolis, for instance, could have them registered, but if he had exchanged his five coupon bonds for one registered bond of $5,000 he could not have it registered. As coupon bonds are usually interchangeable for registered bonds, but not vice versa, he would have no recourse and would be liable to personal property taxes.[3]

Secured debts are defined in the law itself as including:

(1) any bond, note, or debt secured by mortgage of real property recorded in any State or county other than New York and not recorded in the State of New York;

(2) any and all bonds, forming part of a similar series of bonds, notes, or obligations, the payment of which is secured by a mortgage or deed of trust of real or personal property, or both, which mortgage or deed of trust is recorded in some place outside of the State of New York and not recorded in the State of New York;

(3) any and all bonds, notes, or written or printed obligations, forming part of a series of similar bonds, notes, or obligations, which are secured by the deposit of any valuable securities, as collateral security for the payment of such bonds, notes, or obligations, under a deed of trust or collateral agreement held by a trustee;

(4) any bonds, debentures, or notes forming part of a series of similar bonds, debentures, or notes, which by their terms are not payable within one year from their date of issue and which are not issued for an amount exceeding $1,000 for each such bond, debenture, or note, and the payment of which is not secured by the deposit or pledge of any collateral security.

Public Learning the Law.

Arrangements for putting the new law into effect had to be made in a hurry by Controller Sohmer, as it was signed by Gov. Dix on July 28 and went into effect on Sept. 1. In the meantime the general tax law had been amended so that personal property taxes in this city, instead of being payable on Jan. 1, as heretofore, were made payable on Oct. 1. Consequently only thirty days were allowed within which the bondholder must register his securities in order to exempt them from taxation this year. Even now the law is little understood, but the Stock Exchange and trust companies have taken hold of the matter and the big rush is expected to come from now on.

Controller Sohmer first had to organize a bureau in this city, and this was put under the charge of Edward W. Buckley. Besides the forms and blanks necessary, stamps had to be provided and dies for canceling them. Every stamp is canceled before it leaves the office, so that there is little chance of fraud. First the stamp is signed with the initials of Mr. Buckley and then it is stamped with an embossing die which reads, "State of New York — Tax on Secured Debts — Paid." Stamps were prepared in ten denominations — 1 cent, 5 cents, 50 cents, $1, $2.50, $5, $10, $25, $50, and $100. There are $5,000,000 worth of them in the New York office now, and plenty more available in Albany. So short was the time for preparing the stamps that the first lot reached New York the day before the law went into effect, and Mr. Buckley signed 55,000 of them before night. After the first day three holidays intervened, so that everything was in readiness when the office was really opened for business last Monday.

The tax may be paid in several ways. The bond owner may bring or send the bond to the office or he may submit merely a description of it if it is not convenient to submit the bond itself. If the bond is brought in the stamp is affixed directly to it, and if it passes from hand to hand later it bears its own evidence that it is exempt from taxation in this State. If it is not submitted, the Controller gives a receipt for the amount of the tax which contains a description of the bond and to which the stamps are affixed. It is expected that in the final rush owners will bring in bonds in such numbers that it will be impossible to affix all the stamps, and in such

3. This "peculiarity" of the law was in fact an error. The words "not . . . exceeding one thousand dollars" were meant to read "not less than one thousand dollars." This was corrected in 1915, when all restrictions on the amount of such bonds and debentures were eliminated.

cases temporary receipts will be given for the amount paid, and the bonds may be brought in later for stamping.

Full Description Necessary.

In making application for registry the bondholder is required to fill out a blank giving date of issue of the bond, date of maturity, rate of interest, by whom issued, by what secured, whether coupon or registered, its denomination and the amount of the tax. So far it is plain sailing, but under the regulations adopted by the Controller he is also required to submit an affidavit containing details which are often obtainable only with great difficulty. Some have been so disgusted with the form of affidavit in the last week that they have given up the idea of registering their securities, saying they would rather pay the regular taxes or take their chances of evading them. The trust companies also have complained of this feature of the system. They are about the only sources from which the details can be obtained and already they are being overrun with holders of bonds under trust deeds for which they are trustees. In some cases they are unable to give all the details themselves and in other cases they are put to a great deal of bother which they regard as unnecessary.

The evident intent of the affidavit is to establish the fact that the bond is not secured by mortgage recorded in this State. If it were it would not come under this law, but could be exempted under the old law by registration by the county officers. As the county is entitled to collect the registration tax in such cases, the State is anxious to make sure that it is dealing only with bonds covered by the new law. Trust company officials say this object could be secured by an affidavit setting forth simply that the mortgage is recorded elsewhere than in this State, and in case this proved to be untrue the exemption would be invalid and the holder liable to general taxes. This, however, is how the affidavit now in use goes about it.

Figure 25. *Cincinnati, Indianapolis, St. Louis and Chicago Railway Co. 1880 $1,000 bond with Secured Debt $5 canceled September 6, 1911, the earliest recorded usage of a Secured Debt stamp. Inset, close view of the stamp and cancel. The initials "EWB" are those of Edward W. Buckley, head of the Deputy Comptroller's stamp bureau in New York City, who on August 31, the day before the tax took effect, is claimed to have signed 55,000 stamps! The small 23x3.6mm datestamp was unrecorded by Pruess (1969).*

The Facts to be Submitted.

The holder swears that he is the owner of certain securities which are described in detail, that they are secured by a certain mortgage of which he must give the date, the county and State in which it was first recorded, and the liber, page, section, and block of the county records, on which it was recorded. He must also give the names of the mortgagor and mortgagee.

Figure 26. *Baltimore and Ohio Railroad Co $1,000 registered bond issued in 1901, with Secured Debt $5 affixed September 14, 1911, the second-earliest recorded usage of the $5. Inset, close view of the stamp and cancel.*

There are said to be about 150,000 issues of bonds in existence in this country, to say nothing of foreign bonds, and nobody has been found who could answer these questions off-hand as to any of these issues. The natural recourse is to the trust company which is trustee for the mortgage. They usually have the data, but sometimes they do not, and then they have to write to the home office of the Skookum Creek & Dutchtown Railway, or whatever it may be, and find out.

That is why the trust companies don't like this feature of the law, but aside from their objection there are thousands of bonds in the hands of persons who know nothing about the functions of trust companies, and suppose they must write to Skookum Creek themselves in the first instance. There are also many bonds for which the trustees are trust companies located in Philadelphia, Boston, or elsewhere not readily accessible to New Yorkers. To this must be added the fact that the New York City trust companies are not readily accessible to bondholders living elsewhere in the State.

A man in Buffalo, for instance, might find it necessary to get his information on libers in New York and file his application in Albany. The New York Stock Exchange is said to have in its vaults bonds to the amount of $500,000,000 on which it is practically impossible for it to furnish the affidavits required without an almost endless amount of work.

The sponsors for the new law expect that it will take three or four years to get the bonds and other instruments now in this State registered and that if the revenue this year is $10,000,000 it may be $4,000,000 next year, gradually dropping to $1,000,000 a year, which rate they think will be maintained by the registration of new bond issues and bonds newly brought into the State. How far this law may go to make feasible Mayor Gaynor's plan for the abolition of all personal taxes is a question for the future. For the present the personal tax law stands as a much more expensive alternative to make the registration tax attractive.

Earliest Recorded Usage: September 6, 1911

Figure 25 shows an 1880 $1,000 bond of the Cincinnati, Indianapolis, St. Louis and Chicago Railway Co. with Secured Debt $5 canceled September 6, 1911, the earliest recorded usage of any Secured Debt stamp on a bond. The tax had been enacted July 28, 1911, to take effect September 1, leaving only a little over four weeks for the stamps to be produced. As proved later in this chapter, the printers were Quayle & Sons of Albany, who performed admirably under this time pressure; according to the *Times* article quoted above, the first stamps reached the New York office of the Deputy Controller in the proverbial nick of time, on August 31.

First Initials "EWB"

The initials on the stamp shown in Figure 25 are those of Edward W. Buckley, who according to the above article

Figure 27. Peoria and Eastern Railway Co. 1890 $1,000 bond with Secured Debt $5 affixed September 18, 1911. Right, close view of the stamp and cancels, illustrating precancellation.

headed the stamp bureau at the New York City office of the Deputy Controller, and initialed stamps 55,000 that day! At one per second, or 3,600 per hour, that would be over 15 hours work, so perhaps this claim is a bit exaggerated. Agents' initials were a security measure, hardly an effective one as the initials of about 20 different agents have been seen, most more or less reproducible. "EWB," though, is the John Hancock of security initials: the first, by far the largest — in some cases occupying nearly half the height of the stamp — the boldest and most recognizable. Stamps initialed "EWB" are typically the earliest recorded for a given denomination (Figures 18, 21, 31). Fewer than twenty have been recorded on bonds. This is the only recorded example of the $5; as shown in Figure 26, by September 14 the supply had already been exhausted.

This stamp is intriguing for another reason. The size and style of the datestamp is uncannily similar to a very rare one known to have been used in Albany in 1912 and 1915. More will be said of this later.

Workhorse $1,000 Bonds, $5 Tax

Then as now, most bonds were for $1,000. Within each chapter of this book these "workhorse" $1,000 bonds are treated first; then any bonds of smaller denominations (typically $500) or higher denominations (typically $5,000, $10,000 and $50,000).

Early Oversized Cancels

Figure 26 shows a Baltimore and Ohio $1,000 registered bond issued in 1901 with Secured Debt $5 affixed September 14, 1911, the second-earliest recorded usage of the $5, canceled by a large 31x6mm datestamp. Figures 27 and 28 show the same size datestamp used September 19 and 22–3, 1911.

These datestamps are readily recognizable as they are the largest recorded. Even when struck diagonally or vertically they required precise placement to fit within the stamps, which have dimensions 24x33mm. Use of these large datestamps was a short-lived experiment, mostly confined to about two weeks in mid- to late September 1911; occasionally they were used later, as shown by the example in Figure 29 dated December 20, 1911.

Stamps Typically Precanceled

The datestamps were evidently usually applied before the stamps were affixed, a deduction made possible largely via the early oversized cancels. Figures 26 and 27 show this somewhat subtly. On the former the cancel goes off the edge of the stamp at bottom left but does not continue onto the bond. On both there is a small portion of a second strike visible. Figure 28 provides a spectacular example, a Secured Debt $5 with portions of five different strikes of the large datestamp, none of which tie the stamp. One cancel is dated September 22, 1911, another September 23. Faced with a large number of bonds to stamp, clerks evidently roughly estimated the number needing cancellation, then canceled them before separation as a matter of convenience. In this case it appears that more stamps were canceled than used on September 22, so to be strictly correct these were canceled again the following day. A variation on this theme is seen on a 1915 Iron Steamboat Co. bond bearing several

Figure 28. *1891 $1,000 bond of Cleveland, Cincinnati, Chicago and St. Louis Railway, with Great Britain Transfer Duty 1893 2s plus Secured Debt $5 showing portions of five different oversized datestamps, one dated September 22, 1911, another September 23. Right, close view of the $5 stamp and cancels.*

Figure 29. *1890 $1,000 bond of New York, Susquehanna and Western Railroad Co. with Secured Debt $5 affixed December 20, 1911. Above, close view of the stamp and oversized cancel.*

Figure 30. *1905 Morris County Traction Co. $1,000 bond with Secured Debt $5 canceled September 26, 1911, by two 24.5mm datestamps. Below, close view of the stamp and cancels.*

Figure 31. *Michigan Central Railroad Co. series of 1890 $1,000 bond not issued until July 1915, pre-stamped with Secured Debt $5 canceled September 26, 1911, by 26mm datestamp, Inset, close view of the stamp and cancel.*

different stamps with cancels dated a day apart, shown in the next chapter.

Cancellation Adjustments

If these early 31mm cancels were too large for easy placement, so too was the earliest-recorded cancel shown in Figure 25, even though at only 23mm it is also one of the smallest recorded. In this case it was the placement that was problematic; it was struck horizontally, so that fitting it within the 24mm stamp required considerable precision. This is undoubtedly why virtually all recorded subsequent straightline datestamps were struck diagonally or vertically.

As shown in Appendix 2, of the twenty earliest recorded New York cancels, dated from September 9 to September 25, 1911, all but two are the large 31x6mm cancels shown in Figures 26–29 or a just slightly smaller 30x5mm version (Pruess's Types 1A and 1B as explained below).

Thereafter agents transitioned to a variety of intermediate-sized cancels, usually 24–27mm, struck vertically or diagonally, which fit comfortably within the 24x33mm confines of the stamps. This remained the practice for the remaining 3½ years the straightlines were in use. Figures 30 and 31 show early examples, both dated September 26, 1911. The transition from the early large cancels was essentially complete by early 1912.

The Morris County [New Jersey] Traction Co. bond shown in Figure 30, despite the weak strikes of its 24.5x4.7mm datestamp, is notable on two counts. Like the

Figure 32. City of Jersey City $1,000 Refunding 4% Gold Bond of 1909, an unsecured debt, stamped with Secured Debt $5. Right, close view of the stamp and three-line datestamp, unrecorded by Pruess (1969).

Nassau Electric Railroad whose bond was shown in Figure 13, this was an electric trolley company, a distinctively 20th century enterprise, its bond a welcome contrast to those of the hundreds of traditional railroads that comprise nearly all of the subject matter for this field. Below the partial datestamp across the left border of the stamp, and parallel to it, is a second strike more easily seen with computer enhancement. Here is an exception to the rule that the small datestamps were typically struck singly and well placed.

Pruess (1969) listed all cancels he had recorded on Secured Debt stamps dated between September 1, 1911, the day the tax took effect, and March 31, 1915, the last day payment of the tax secured permanent exemption from the personal property tax. After May 1, 1915, only a five year exemption was conferred, and new cancelers stating "TAX EXEMPT FOR FIVE YEARS" were put into use. Pruess's list is reproduced in Table 2.1.1:

The large cancel on the stamps shown in Figures 26–9 is Pruess's Type IA, but that from Figure 24, measuring 23 x 3.6mm, does not appear. Close examination of bonds now on record reveals many more than the six listed by Pruess. Appendix 2 illustrates 18 different Type I cancels, and the existence of still more would not be a surprise.Figures 32 and 33 show two exceptional cancels not seen by Pruess.

Table 2.1.1 Secured Debt Datestamps Listed by Pruess (1969)

Sept. 1, 1911 – March 31, 1915

Type I. Straight-line date

Manuscript initials (many different)

A.	Date about 6 mm tall, 31 mm long. Black.
B.	Date about 5 mm tall, 30 mm long. Blue.
C.	Date about 4.5 mm tall, 26 mm long. Red violet.
D.	Date about 3.5 mm tall, 29 mm long. Black.
E.	Date about 3.5 mm tall, 25 mm long. Violet (fades on soaking).
F.	Date about 2.5 mm tall, 25 mm long. Violet.

The Rare Three-Line Cancel Secured Debts Tax on Unsecured Debts!

Figure 32 shows a City of Jersey City $1,000 Refunding 4% Gold Bond of 1909 stamped with Secured Debt $5 dated February 19, 1915. Its three-line datestamp has been recorded on only four bonds (and five examples), all from February–March 1915, the only recorded non-straightline datestamp.

As defined in the 1911 Act and its subsequent amendments, the term "secured debt" was a bit misleading. Certainly it meant what it said: as quoted in the foregoing *New York Times* article of September 10, 1911, the act enumerated three distinct and presumably all-encompassing classes of secured debts subject to the tax. But it meant also a bit more than it said, for the tax applied to a fourth broad class of securities, this time unsecured:

(4) any bonds, debentures, or notes forming part of a series of similar bonds, debentures, or notes, which by their terms are not payable within one year from their date of issue and which are not issued for an amount exceeding $1,000 for each such bond, debenture, or note, and the payment of which is **not secured by the deposit or pledge of any collateral security.** (Bolding mine.)

The Jersey City bond shown in Figure 32 was just such an unsecured debt. There was no underlying mortgage or pledge of any security; instead, as with all municipal bonds, investors relied on faith in the city (and its taxing power!) to pay its obligations. Six different Jersey City bonds bearing New York stamps have been recorded (Appendix 7).

Figure 33 shows another cancel not seen by Pruess, on an 1890 Kanawha and Michigan Railway Co. $1,000 bond stamped with Secured Debt $5 with tiny 22.8x3.1mm datestamp, the smallest recorded.

Figure 33. *1890 Kanawha and Michigan Railway Co. $1,000 bond stamped with Secured Debt $5 with tiny 22.8x3.1mm datestamp, the smallest recorded, unlisted by Pruess (1969). Above, close view of the stamp and cancel.*

The "PAID" Embossed Seal

Use of these stamps had three components. In addition to the agent's control initials and the datestamp, they were impressed with an embossed seal lettered "STATE OF NEW YORK · TAX ON SECURED DEBTS ·" in a circle, enclosing an inner beaded circle with "PAID" in its center, as shown here in a mirror image view from the reverse. On the great majority of stamps the inner circle is about 21mm in diameter, and the outer circle about 34mm.

Figure 34 shows a $5 impressed by a much larger seal with 34mm inner circle. The cancel is dated September 29, 1911, on a Lake Shore and Michigan Southern Railway Co. $1,000 registered bond not issued until January 5, 1912.

A quick survey finds this large seal on only ten different bonds of seven companies, and a total of 37 examples. Most are on the Secured Debt $5, seven on the $25, and two on the $50. All were used in New York in late 1911. Use of a similar if not identical seal in Albany in March 1915 has also been recorded. There also exist two very rarely seen intermediate size seals, described in Appendix 7.

Certificate of Payment

As prescribed in the seminal *New York Times* article of September 10, 1911, quoted above:

> The tax may be paid in several ways. The bond owner may bring or send the bond to the office or he may submit merely a description of it if it is not convenient to submit the bond itself. . . . If it is not submitted, the Controller gives a receipt for the amount of the tax which contains a description of the bond and to which the stamps are affixed.

Figure 35 shows one of these receipts, a State of New York Comptroller's Office Tax on Secured Debts certificate dated September 26, 1911, acknowledging receipt at the New York City office of $80 tax for sixteen $1,000 bonds, stamped with Secured Debt $50, $25 and $5. It is signed for

Figure 34. *On this Secured Debt $5 used September 29, 1911, the "PAID" embossed seal is the large 43mm variant. Below, close view of this seal, in a mirror image from the reverse.*

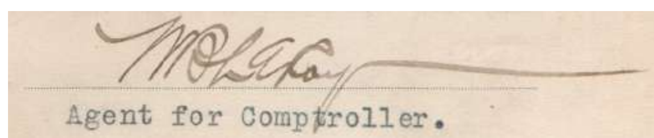
the Comptroller by Edward W. Buckley, identfied by the *Times* of September 7, 1911, as Chief Clerk of the Secured Debt Bureau in New York City, and alleged in the long article of September 10 to have signed 55,000 stamps in the hours before the tax took effect. The bonds were St. Louis and San Francisco Railroad Co. 1907 issue coupon bonds, #733–40, 17377–82 and 18182–3, submitted by Charles E. Milmine, 401 Produce Exchange Building, New York City.

The stamps have three noteworthy aspects. They were not initialed by Buckley, but pre-initialed by three other agents. However they were not precanceled, as all three are tied by their datestamps. As discussed further below, this is very rarely seen on bonds. The cancels are intermediate-sized, about 25x4.6mm. And the three "PAID" embossed seals are the large version with 34mm inner circle. This certificate is one of four recorded, the other three generated in Albany, as explained below.

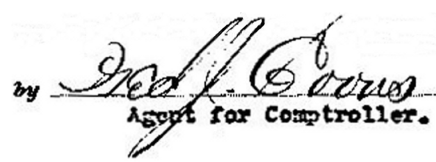
Rare Albany Usages

Recall that the Secured Debt tax could be paid only at the offices of the State Comptroller in Albany or the Deputy Comptroller in New York City. In fact nearly all the tax was collected in New York. As reported in the *New York Times* of January 7, 1912, during the first four months the tax was in effect, only $10,479 of the $799,461 collected, just 1.3%, came from Albany. For the entire first year, this rose a bit to $33,080 of a total of $1,411,568, or 2.3%. Later we will see that surviving bonds of 1915–16 provide a similar estimate for the percentage of tax collected at Albany.

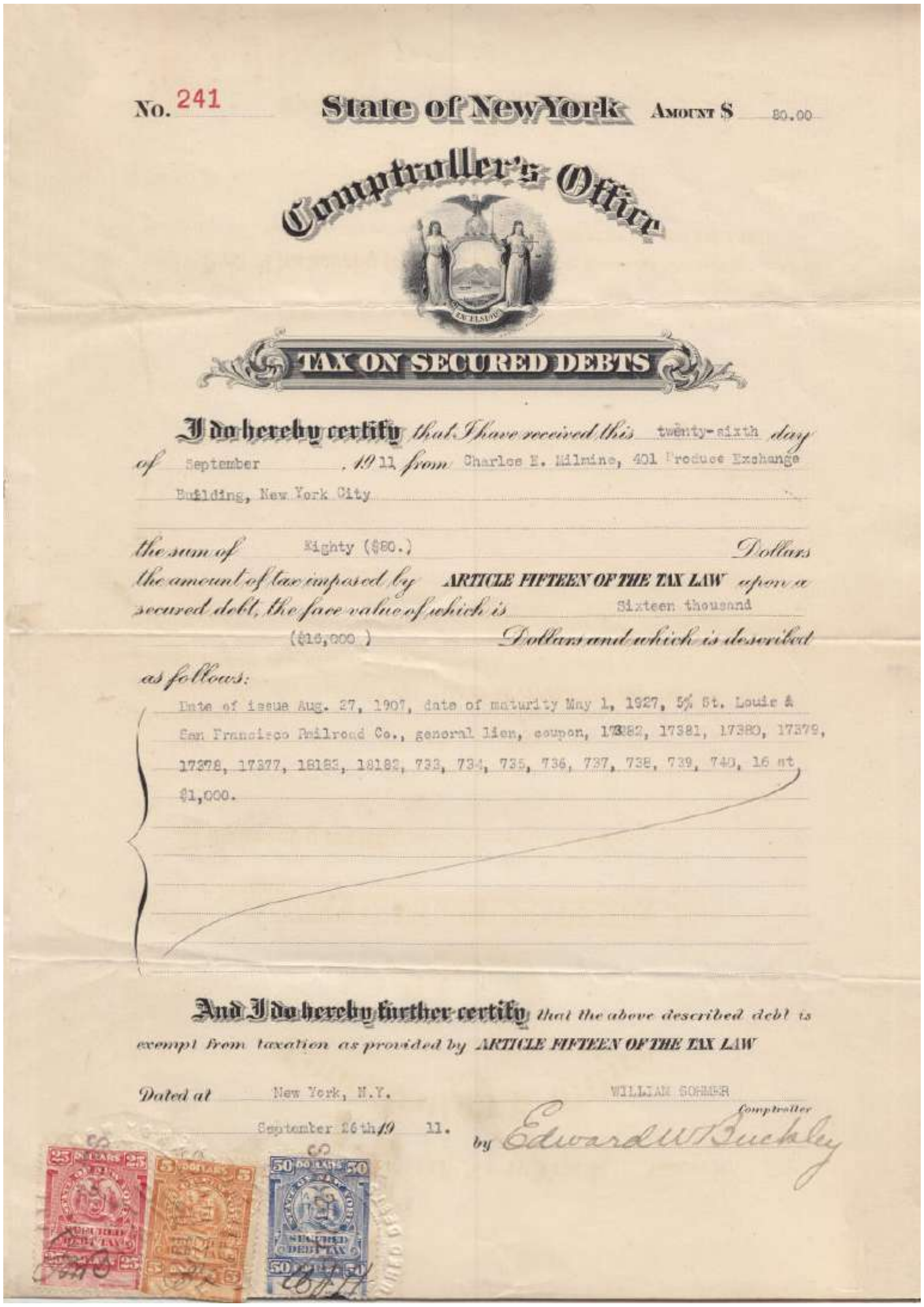
For the Secured Debt taxes of 1915–16 and the Investments tax, Albany usages are readily recognizable by the distinctive cancels applied there. For the Secured Debt 1911–15 0.5% tax under discussion here, the clues are more subtle but just as sure; they are the agents' initials and the datestamp. The keys to identifying the Albany agents' names and initials are three certificates of Secured Debt payment executed there, similar to the New York certificate illustrated in Figure 35. Figure 89 shows one executed January 3, 1917, attesting to payment of $37.50 tax on five $1,000 bonds, bearing Secured Debt $25, $7.50 and $5. It is signed by W. B. LeRroy, Agent for Comptroller:



Zinman (1977) illustrated a similar certificate dated March 1, 1912, regarding a $500 Northern Pacific bond like that shown in Figure 47 below, the certificate stamped with Secured Debt $2.50 and signed as Agent by Fred J. Coons:



With these signatures in hand one can search for stamps initialed by Coons or LeRoy. Figure 36 shows one of two recorded bonds with stamps initialed by Coons, a New York Central and Hudson River Railroad Co. Lake Shore Collateral $1,000 1898 series registered bond issued in 1901, with Secured Debt $5 affixed October 9, 1911, initialed "FJC." The bondholder was a resident of Johnstown, some 40 miles from Albany. The other recorded



No. 241 State of New York Amount $ 80.00

Comptroller's Office

TAX ON SECURED DEBTS

I do hereby certify that I have received this twenty-sixth day of September, 1911 from Charles E. Milmine, 401 Produce Exchange Building, New York City

the sum of Eighty ($80.) Dollars the amount of tax imposed by ARTICLE FIFTEEN OF THE TAX LAW upon a secured debt, the face value of which is Sixteen thousand ($16,000) Dollars and which is described as follows:

Date of issue Aug. 27, 1907, date of maturity May 1, 1927, 5% St. Louis & San Francisco Railroad Co., general lien, coupon, 17382, 17381, 17380, 17379, 17378, 17377, 18183, 18182, 733, 734, 735, 736, 737, 738, 739, 740, 16 at $1,000.

And I do hereby further certify that the above described debt is exempt from taxation as provided by ARTICLE FIFTEEN OF THE TAX LAW

Dated at New York, N.Y. September 26th 1911.

WILLIAM SOHMER Comptroller

by Edward W Buckley

Figure 35. *Comptroller's Office certificate dated September 26, 1911, acknowledging receipt at the New York City office of $80 tax for sixteen $1,000 bonds, stamped with Secured Debt $50, $25 and $5*

bond with Coons' initials is a Baltimore and Ohio Railroad Co. Southwestern Division 1899 series $1,000 bond issued in May 1913 with Secured Debt $5 initialed by Coons a month later, the stamp shown in Figure 38.

Figure 37 shows the sole recorded bond with a stamp initialed by LeRoy, another from the 1898 series of the "Central," this one a $1,000 coupon bond of its Michigan Central Collateral, with Secured Debt $5 affixed March 30, 1915, initialed "WBL." Incidentally, this is the latest recorded usage at the 0.5% rate. On April 1, 1915, Governor Whitman would sign a bill suspending the Secured Debts tax pending a rate increase. As shown in the following chapter, in May 1915 new cancels would be introduced incorporating LeRoy's initials "WBL," obviating the need for manuscript initials.

For each of these three bonds, just two examples of Albany usage have been seen, among the nearly 800 recorded examples taxed at the 1911–15 0.5% rate listed in the Appendix 7 census. This is less than 1% by number and far less than that by the dollar amount, but generally consistent with the estimate that only about 2% of revenue was raised in Albany.

The stamps on the bonds of Figures 36 and 37, used 3½ years apart, bear datestamps almost certainly struck with the same canceler. The only other recorded datestamp in this distinctive spidery style is none other than the earliest-recorded use of a Secured Debt stamp, on September 6, 1911, shown in Figure 24, reprised below. All

three strikes are shown together in Figure 38. This suggests that this cancel too was struck at Albany.

However, this stamp bears the "First Initials" "EWB" of Edward W. Buckley, identfied by the *Times* of September 7, 1911, as Chief Clerk of the new Secured Debt Bureau in New York City, and the signer of the certificate issued there September 26, 1911. As an aside, official records do not list him as such. State Civil Service Commission Reports for 1911, 1912 and 1913 list Buckley as Chief Clerk of the Stock Transfer Bureau. The first listed Chief Clerk of the Secured Debt Tax Bureau New York office was Frank P. Young (whose initials "FPY" are commonly seen on Secured Debt stamps, see Figures 31, 42, 44, 46, 54 and more). However Young's date of entry into both Civil Service and this position is given as September 24, 1911. Presumably Buckley did double duty as interim head of the new Secured Debt Bureau New York office during its first month or so. The Stock Transfer and

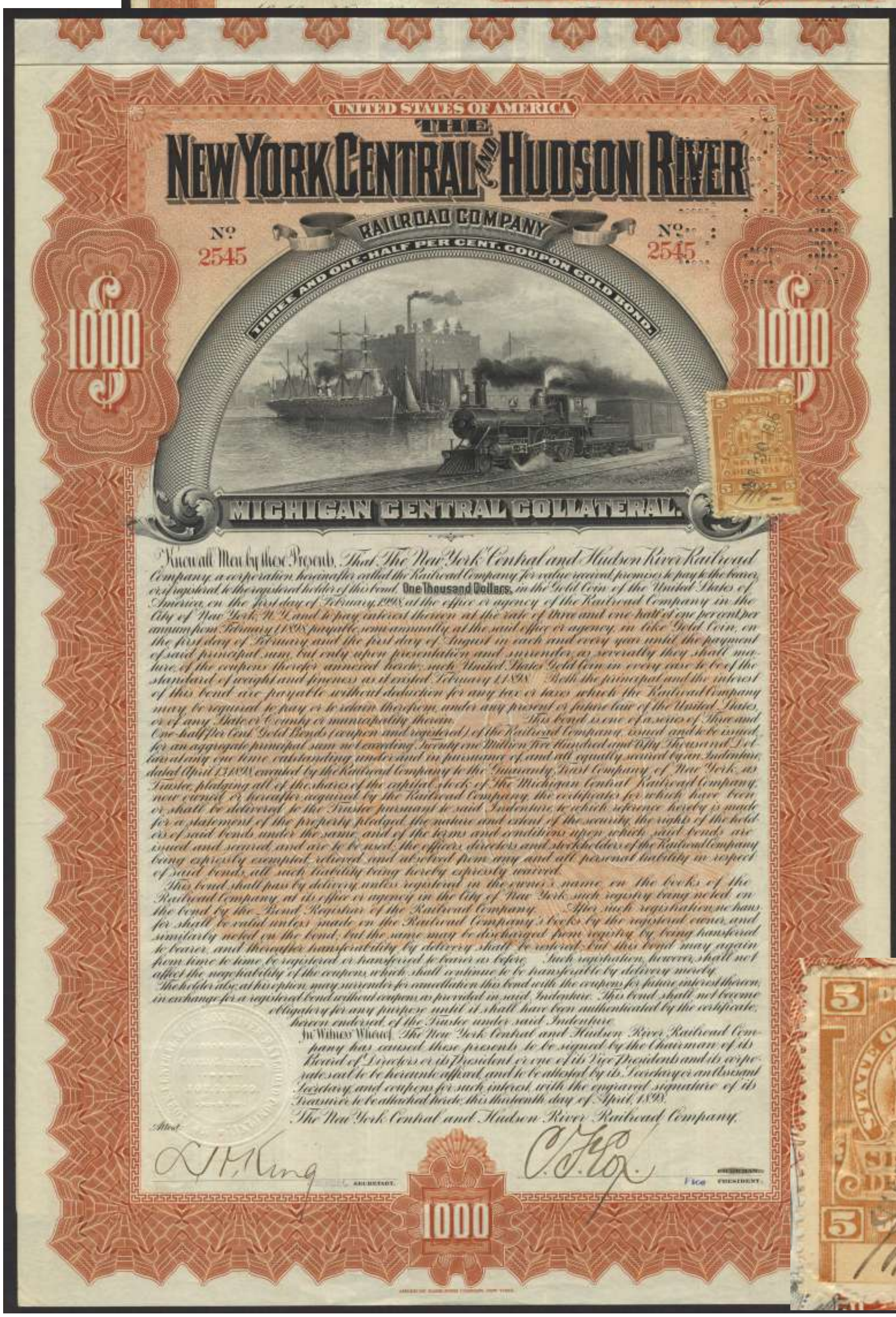


Figure 36. *Above, 1901 $1000 bond with Secured Debt $5 affixed October 9, 1911, initialed "FJC" by Fred J. Coons, Agent for Comptroller at Albany. Below, close view of the stamp and cancel.*

Figure 37. *1898 $1,000 bond with Secured Debt $5 affixed March 30, 1915, initialed "WBL" by W. B. LeRoy, Agent for Comptroller at Albany. Left, close view of the stamp and cancel.*

Figure 38. *Top left, datestamps from earliest-recorded Secured Debt usage shown in Figure 24, and Albany usages shown in Figures 34–5 of October 9, 1911, and March 30, 1915, all apparently struck with the same canceler. Below and right, Albany usage initialed "FJC" and dated June 25, 1913.*

Secured Debt Bureaus were housed in the same building, at 165 Broadway. The salient point here is that Buckley's place of employment was New York.

How then to explain his initials on a stamp with cancel otherwise known to have been used only in Albany? One possibility is that a canceler identical to that used by Coons and LeRoy in Albany was also used in New York. If this were so, one would expect to see many more examples of its use given the sheer number of bonds stamped in New York. If we accept instead that the stamp was affixed and canceled in Albany, the question becomes, how did it come to bear Buckley's initials? Recall that barely two months separated passage of the tax on July 28, 1911, and its effective date on September 1, so production and delivery of the stamps was necessarily rushed. Indeed the *Times* stated, "so short was the time for preparing the stamps that the first lot reached New York the day before the law went into effect, and Mr. Buckley signed 55,000 of them before night" and "there are $5,000,000 worth of them in the New York office now, and plenty more available in Albany." Later in this chapter it is demonstrated that the stamps were printed by Quayle and Sons of Albany. With time so short, perhaps Buckley personally carried them from Albany to New York, stopping to initial and leave a supply with the Comptroller. Like its New York office, the Secured Debt Tax Bureau in Albany had no Chief Clerk until September 24, 1911, when Edward F. Sheehan assumed that position.

As shown in Figure 38, for the only other verified Albany usage, a different style datestamp was used. Incidentally, Fred J. Coons appears on the Civil Service lists not as an employee of the Secured Debt Bureau, but as Clerk in the office of the Comptroller.

There is one more bit of evidence here. The puzzling stamp canceled September 6, 1911, has another provocative aspect in common with the two initialed in Albany by Coons on October 9, 1911: on each the embossed seal is very deeply impressed, the central "PAID" rising sharply with a markedly three-dimensional aspect. Other sharp impressions exist, but these appear to be in a class by themselves. This suggests they were made with the same device. An alternative explanation is simply that they are simply very early impressions from similar devices. It is a fact of observation that the depth and sharpness of these impressions decreases over the years these seals were in use. The reason for this is not obvious. In summary, it seems more likely than not that the earliest recorded Secured Debt usage, on September 6, 1911, took place in Albany, not New York. Even if so, this would bring the total of recorded Albany usages during 1911–15 to a mere seven.

More Extraordinary $5 Usages: Backdating Exposed by Cancel Type

Figure 39 shows a remarkable matched pair of $1,000 bonds of the New York Central and Hudson River Railroad Co., Lake Shore and Michigan Central Collaterals, each stamped with Secured Debt $5 bearing multiple strikes of a tiny 25x2.5mm datestamp, dated both September 29, 1911, and February 8, 1912! Close inspection shows the September 1911 cancels were struck over those of February 1912, moreover on the Lake Shore bond they were positioned to obliterate the February date. Further, As shown in Appendix 2, no other cancel in this size and style has been seen with a September 1911 date; however, as also shown in Figure 39, by early 1912 similar cancels appear with some regularity. The likely explanation is that the bonds were presented and stamped in February 1912, but that as a concession to the bondholder(s) additional cancels backdated to September 1911 were struck to provide exemption from property tax for 1911, by predating the October 1 deadline for payment.

The stamps are doubly remarkable for being drastically misperforated, very rarely seen on the Secured Debt stamps (or for that matter the Mortgage Endorsement or Tax on Investments issues); they were generally very well produced.

Initials Omitted

Figure 40 shows a $5 with agent's initials omitted; this is also rarely seen. The usage is doubly unusual: the cancel is dated September 28, 1914, but the bond was not issued until November 21, 1916! Pre-issue stamping is generally anomalous, but on these Baltimore and Ohio 4.5% registered gold bonds of 1913, it is actually more often seen than not; of eleven recorded $1,000 bonds, nine were pre-stamped, and it was also done on the $10,000 bond shown in Figure 53. Probably the company did this as an inducement to sales. However, only the three stamps canceled September 28, 1914, have initials omitted.

Combinations with U.S. Stamps

Four bonds (and a total of 16 examples) have been recorded with Secured Debt stamps in combination with those of the U.S. The former are all the $5, the latter all but one the Spanish-American War era 50¢ "Battleship." These bonds are enumerated in the Appendix 7 census. On two of them the U.S. stamp is on the back. Figures 41 and 42 show those with the stamp considerately placed on the front.

The Mills & Gibb $1,000 debenture shown in Figure 40 appears to have been an unsecured debt, nevertheless subject, like the Jersey City bond of Figure 32, to the

Figure 39. *Two drastically misperforated Secured Debt $5 on $1,000 bonds of New York Central and Hudson River Railroad , Lake Shore and Michigan central Collaterals, also remarkable for cancels dated both SEP 29 1911 and FEB 8_ 1912!*

Below, close view of the stamps and cancels, and a January 23, 1912 datestamp in the identical size and style.

The most likely explanation is that the September 1911 cancel was backdated to predate the October 1 due date for payment of property tax.

Figure 40. Secured Debt $5 with agent's initials omitted, affixed in September 1914 to $1,000 Baltimore and Ohio Railroad Co. bond not issued until November 1916. Inset: close view of the stamp.

less than perfectly named Secured Debt tax. Mills & Gibb was an importing and jobbing firm in New York City, specializing in lace and linen, as well as dry goods. Internet searches reveal a tidbit: their name appears on the cargo manifest of the *Titanic,* as "Mills & Gibb 20 case cottons 1 case gloves"

On the bond of Cleveland, Cincinnati, Chicago and St. Louis (the "Big Four") Railway Co. the $5 shows four datestamps, only one within the confines of the stamp, and that just barely.

Figure 43 shows another "Big Four" bond, this time with the state stamp affixed first, in 1914, then in 1933 a U.S. 1917 40¢ paying the federal transfer tax of 4¢ per $100.

Combinations with Foreign Stamps

Figures 2 and 28 above show combinations of the Secured Debt $5 with Great Britain Transfer Tax 2s adhesives of 1891 and 1893. The latter are from a short-lived series issued only from 1888 through 1893.

Figures 8, 22 and 23 in the previous chapter illustrate combinations of Mortgage Endorsement stamps with Great Britain embossed stamps, and such combinations have been recorded on bonds of three more companies. Surprisingly only two combinations of these British stamps with Secured Debt issues of the 1911–15 0.5% tax era have been seen. One is a "Big Four" bond like those shown in Figures 36 and 37 with embossed £1 and 1s dated May 5, 1898, and Secured Debt $5 added October 30, 1913. The other is the Hukuang Railways £100 bond shown in Figure 46.

Figure 44 shows an 1890 Chicago and Erie Railroad Co. $1,000 First Mortgage bond with North Holland 2.50 gulden blue tax handstamp, and Secured Debt $5 added in June 1913. Of all the many bonds bearing the New York tax stamps of 1910–20 , only this one is known with North Holland stamps, a total of fourteen examples in combination with Secured Debt, $5, $7.50, and $1 pair, and Investments $2.

Figure 45 shows an 1896 Northern Pacific Railway Co. $1,000 bond with Germany 0.6% ("SECHS VOM TAUSEND") red tax handstamp of Berlin District 34, and Secured Debt $5 added in 1914. Only one other Germany-New York combination is known, a St Louis Southwestern Railway Co. 1891 $1,000 bond with Secured Debt $5, but there the German handstamp is on the reverse.

Hukuang Railways £100 Bond With Unique Use of Secured Debt 1¢

We now pass finally to bonds in denominations smaller than $1,000. Figure 46 shows one of the premier pieces in the field of New York bond taxes, an utterly spectacular Imperial Chinese Empire Hukuang Railways 1911 £100 bond with an equally eye-catching array of Secured Debt stamps affixed September 30, 1913. By the gold standard then in place, £1 was equivalent to $4.8665 and £100 to $486.65, thus 0.5% tax was $2.43, paid by Secured Debt

Figure 41. *1900 $1,000 debenture of merchants Mills & Gibb, stamped on issue with U.S. Spanish-American War era 50¢ "Battleship," then in 1913 with Secured Debt $5. Right, close view of the 50¢ stamp .*

Close view of the 50¢ stamp on Figure 42 bond

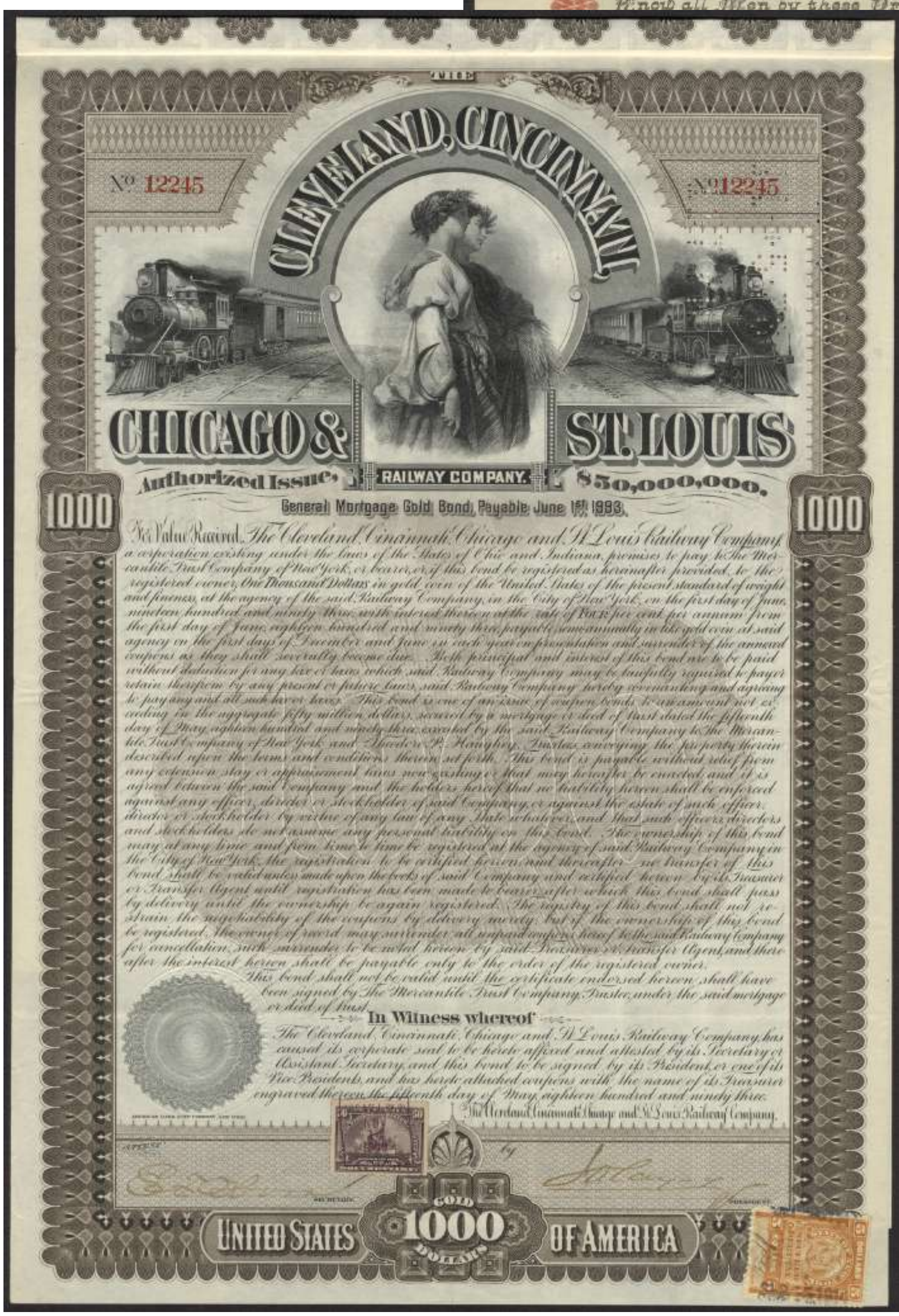


Figure 42. *1893 series $1,000 bond of Cleveland, Cincinnati, Chicago & St. Louis Railway, stamped on issue with U.S. Spanish-American War era 50¢ "Battleship," then in 1914 with Secured Debt $5. Above, close view of the $5 stamp.*

Figure 43. $1,000 bond of Cleveland, Cincinnati, Chicago & St. Louis Railway stamped in 1914 with Secured Debt $5, then in 1933 with U.S. 1917 40¢ paying the federal transfer tax of 4¢ per $100. Above, close view of the U.S. stamp.

two $1, eight 5¢ and three 1¢. At top left is a Great Britain Stamp Duty embossed £4.

Only a few examples of the Secured Debt 1¢ are in collectors' hands and this is the sole recorded bond bearing one. Until it surfaced, the need for this stamp had been obscure; it paid the tax on just $2, or multiples therof, in the amount of a bond, and would seemingly not be needed on dollar-denominated bonds, which are never seen in such small amounts. To a lesser extent the same is true of the 5¢ and $1, which covered bond amounts of only $10 and $200. But as shown here, for bonds denominated in foreign currencies, these denominations were useful if not essential. This is the only recorded use of the 5¢ and $1 during the 1911–15 period.

The Bonds That Sparked a Revolution!

Abrogation of the contract with Chinese companies to construct the Hukuang Railway, and its re-awarding to a consortium of foreign banks, as illustrated by this bond, was the tipping point that sparked China's 1911 revolution, which overthrew three millennia of dynastic rule and led to formation of a republic (Mahler, 2010a).

Rioting in Szechuan by the Defend Railways League in defiance of the Hukuang Railway Loan led to the dispatch of two regiments to quell it from the Wuchang army garrison, a hotbed of revolutionary activity. On October 9, 1911, a rebel bomb maker in Wuchang accidentally exploded one of his products. The ensuing police investigation uncovered a membership list of the Literary Society, whose innocent name belied subversive goals, that included soldiers at Wuchang. Alerted to their impending arrest and probable execution, they staged a successful coup at the weakened garrison the following day. The revolt spread rapidly; by October 16 the Prince Regent had proclaimed the abdication of the boy emperor from the throne, and within six weeks, fifteen provinces had seceded.

Quixotic lawsuits for redemption of these bonds, defaulted since the 1940s, place the current value of a £100 gold bond at some $30 million!

M$1,000 Bond, $2.49 Tax

Figure 47 shows another bond in a foreign currency, a State of Durango, Mexico, 1907 bond for 1,000 silver pesos with Secured Debt $2.50 affixed in 1914. By Mexico's monetary law of December 9, 1904, and presidential decree of March 25, 1905, the legal value of the silver peso, or dollar (like the U.S. dollar, the peso was designated "$") had been fixed at 75 centigrams pure gold, the equivalent of 49.8 cents U.S. The face value of this bond was thus

Figure 44. *1890 Chicago and Erie Railroad Co. $1,000 bond with North Holland 2.50 gulden blue tax handstamp, and Secured Debt $5 added in June 1913. Below, close view of the Dutch stamp.*

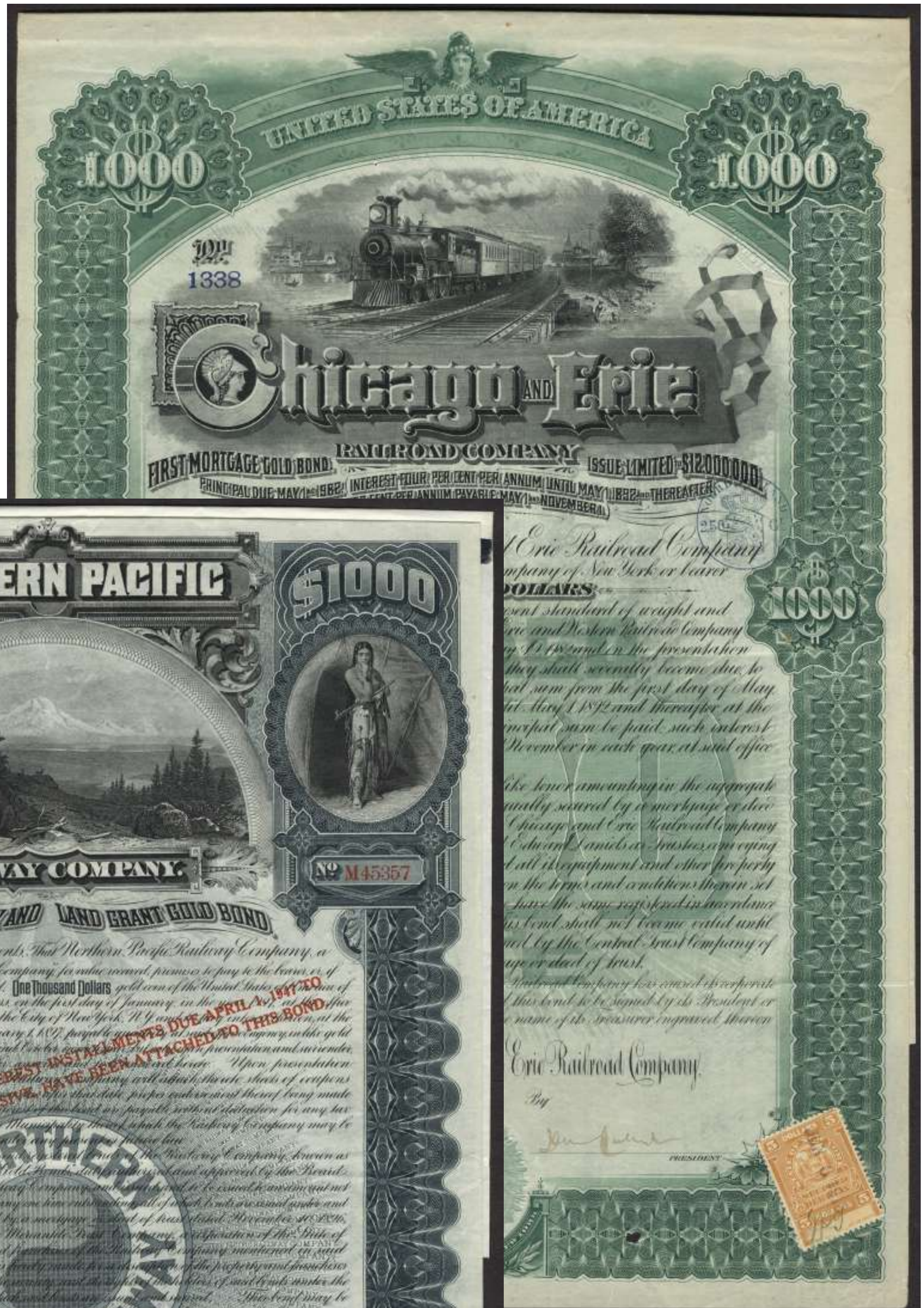


Figure 45. 1896 Northern Pacific Railway Co. $1,000 bond with Germany 0.6% ("SECHS VOM TAUSEND") red tax handstamp of Berlin District 34, and Secured Debt $5 added in 1914. Above, close view of the German stamp.

Figure 46. *Imperial Chinese Empire Hukuang Railways 1911 bond for £100, equivalent to to $486.65, thus 0.05% tax was $2.43, paid by two Secured Debt $1, eight 5¢ and three 1¢, the sole recorded bond bearing the 1¢. At top left is a Great Britain embossed £4. Right, close view of 1¢, 5¢ and $1.*

equivalent to US$498, and at 0.5%, the Secured Debt tax was $2.49, overpaid for convenience with the $2.50.

This and the Hukuang Railways bond remarkably illustrate fact that any bond, issued anywhere in the world at any time, was potentially liable to the Secured Debt tax; it was necessary only that it be held by a New York resident who wished to exempt it from the state's personal property tax. This is also another choice example of an unsecured debt subject to the Secured Debts tax.

$500 Bonds, $2.50 Tax EKU for $2.50 Stamp

Figure 48 shows an 1896 Northern Pacific $500 bond stamped by Secured Debt $2.50 September 19, 1911, the earliest recorded usage of this stamp. Note the "First Initials" "EWB" of agent Edward W. Buckley, who allegedly initialed 55,000 stamps just before the tax took effect.

Figure 49 shows an unusual 1910 Baltimore and Ohio Southwestern Division odd-lot bond with amount $500 filled in by hand, stamped with Secured Debt $2.50 in 1913. At bottom is a security device consisting of a row of twelve designs inscribed "500 OR UNDER" up to "500,000 OR UNDER," meant to be punched to show the correct amount, to guard against fraudulent raising of the amount. However in this case it was not utilized. The two $500 bonds (and a total of three examples) shown in Figures 48 and 49 are the only recorded examples of the $2.50 tax.

Figure 47. State of Durango, Mexico, 1907 bond for 1,000 silver pesos, equivalent to to US$498, thus 0.05% tax was $2.49, paid by Secured Debt $2.50.

$5,000 Bonds, $25 Tax
$10,000 Bonds, $50 Tax
$50,000 Bonds, $250 Tax
High-Denomination EKUs

As shown in Table 2.1.2, of 106 recorded bonds taxed at the 1911–15 0.5% rate, 60% are the workhorse $1,000 bonds; $5,000 and $10,000 bonds account for 13% and 12%, and the other six denominations comprise the remaining 14%.

The higher-denomination bonds illustrated here revisit many of the themes already illustrated via $1,000 bonds.

Figure 50 shows a Lake Shore and Michigan Southern $5,000 bond of 1897 with Secured Debt $25 affixed September 9, 1911, the earliest recorded usage of the $25 and second-earliest of any Secured Debt stamp. As with

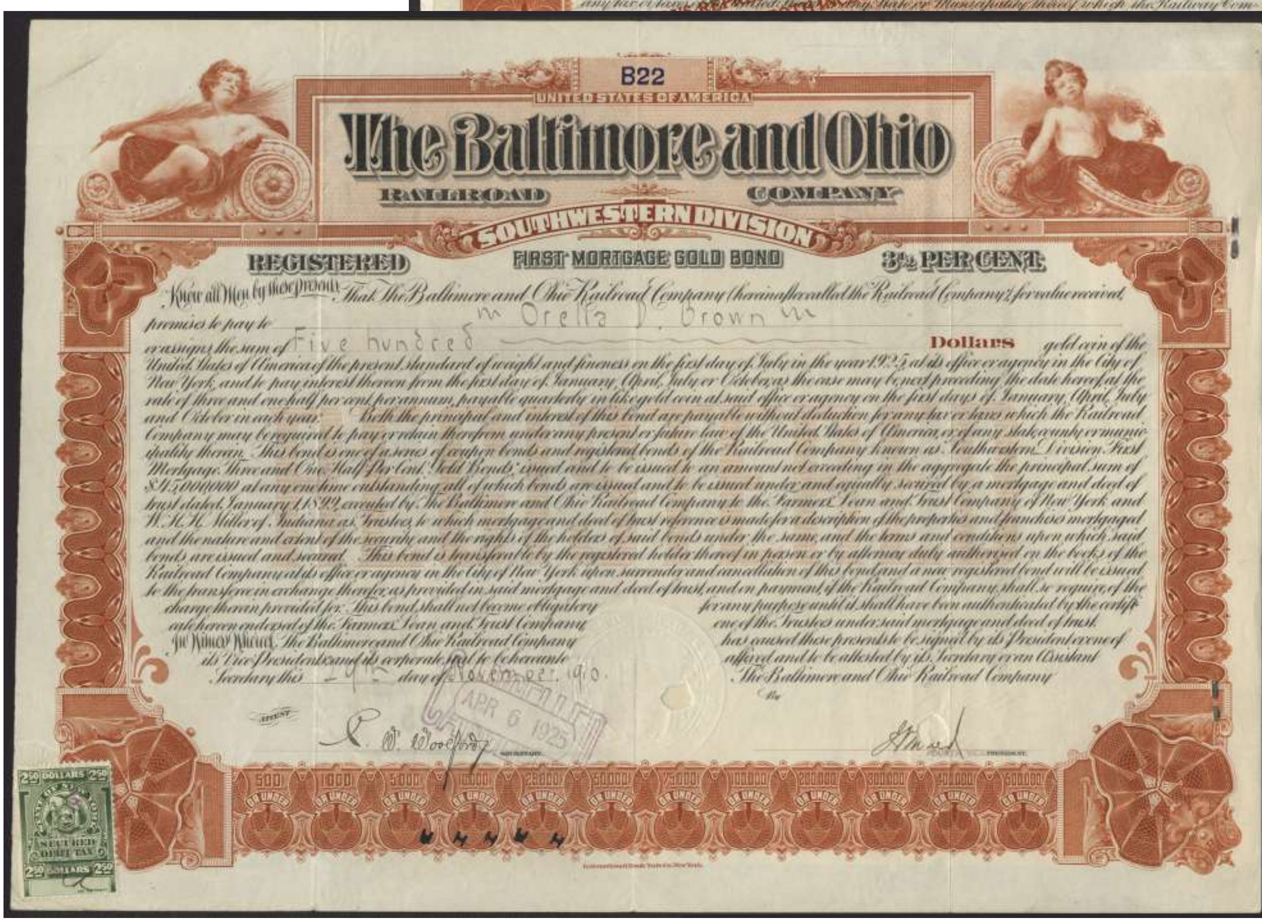
Table 2.1.2
Numbers of Recorded Bonds Taxed at Secured Debt 1911–15 0.5% Rate

Denomination	Number
£100	1
M$1000	1
$500	2
$1,000	64
$5,000	14
$10,000	13
$20,000	2
$50,000	4
$100,000	5

Figure 48. *1896 Northern Pacific Railway Co. $500 bond stamped with Secured Debt $2.50 on September 19, 1911, the earliest recorded usage of this stamp. Above, close view of the stamp showing the "First Initials" "EWB" of agent Edward W. Buckley.*

Figure 49. *Below, Baltimore and Ohio Southwestern Division odd-lot bond with amount $500 filled in by hand, stamped with Secured Debt $2.50*

Then as now, relatively few bonds with denominations less than $1,000 were issued.



the $5 used September 6, this stamp is from the original batch initialed "EWB" by Edward W. Buckley, and like that stamp, this one too has a smaller datestamp than the 31x6mm version typically seen in September 1911; this one measures about 24.5x4.5mm.

Figure 50 also shows a New York Central and Hudson River Lake Shore Collateral 1898 series $50,000 bond issued in 1901, stamped with Secured Debt $100 pair and $50, again initialed "EWB," used September 18, 1911, the earliest-recorded usages of both values. The datestamps are 30x5mm (Pruess 1B).

Oversized Datestamps; Precancellation

As with the $5, most of the earliest cancels on the $25 and $50 are the 31x6mm largest one (Pruess Type 1A). Here too, the expected difficulties in placing it within the confines of the stamp are evident; and here too the stamps were often precanceled. Figure 51 shows $5,000 bonds of the Lake Shore and Michigan Southern and the New

Figure 50. *Top, $50,000 bond bearing Secured Debt $100 pair and $50 canceled September 18, 1911, the earliest recorded uses of these stamps*

Middle, $5,000 bond bearing Secured Debt $25 canceled September 9, 1911, the earliest recorded use of this stamp

Bottom, close view of the stamps, all with "First Initials" "EWB" of Edward W. Buckley

York Central and Hudson River Lake Shore Collateral, stamped with the Secured Debt $25 bearing "First Initials" "EWB," canceled September 18 and 19, 1911. The 31mm datestamps were obviously precanceled, with two and three partial strikes evident, in blue and black, respectively. Both were impressed with the large 34mm "PAID" embossed seal.

Tying Cancels

In two cases, though, datestamps have been seen that tie the $50 to their bonds. These are shown in Figure 52, $10,000 bonds of the Lake Shore and Michigan Southern and the Chicago, Rock Island and Pacific Railways, with 31mm cancels dated September 19 and December 21, 1911, in black and violet, respectively. Both were struck after the stamps were affixed, as they cross from the stamp to the bonds themselves. (The Chicago, Rock Island and Pacific was the "Rock Island Line" famed in folksong.)

Except in relatively rare cases like those illustrated in Figures 51 and 52, it is not possible to determine whether a datestamp was struck before or after affixing. In a few cases, like the oversized cancels of Figures 26–8 and 51, smaller datestamps cross the edge of the stamp without tying, and can be identified as precancels (e.g. Figures 38–9, 42, 55). And smaller cancels almost certainly must have sometimes been struck after affixing, but if they do not tie the stamps — unlikely *a priori* because of their size — this is so far not detectable.

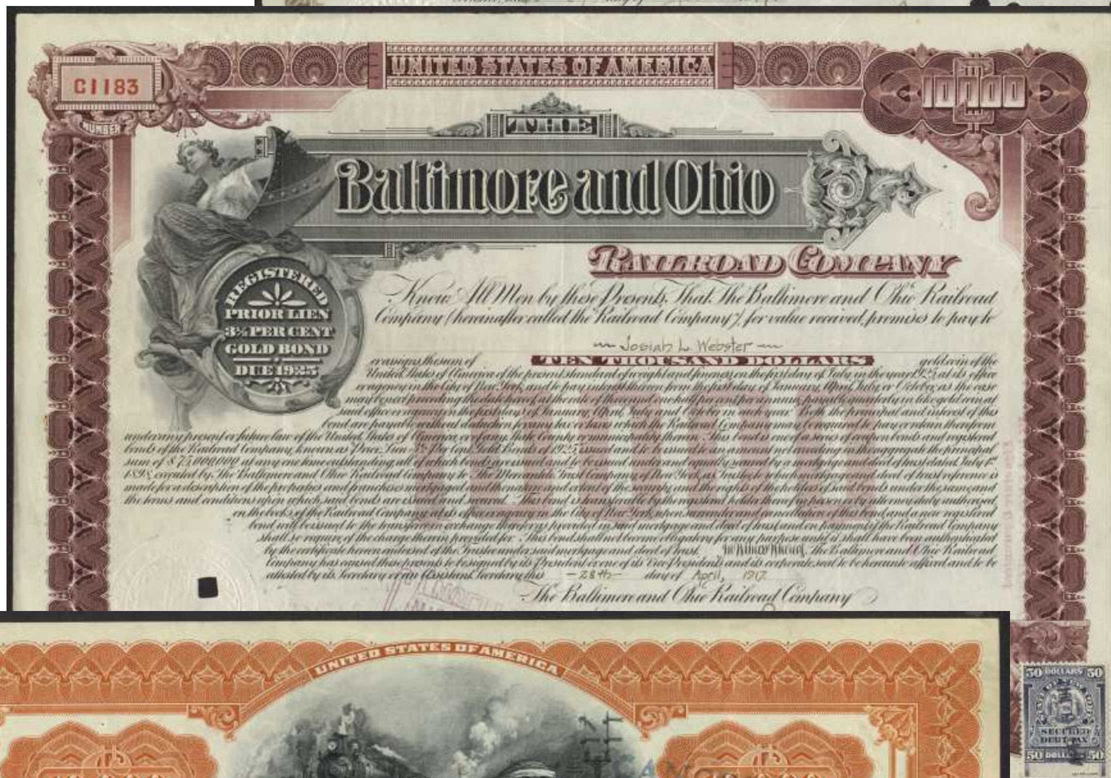
Initials Omitted; a Provocative Finding

As with the $5, the higher denominations are occasionally seen with agent's initials omitted. Figure 53 shows three examples, a $25 on a $5,000 bond of the Michigan Central Rail Road Co., and two $50 on an 1898 series $10,000 bond of the Baltimore and Ohio Railroad Co. and a $10,000 4% 1912 debenture of the New York Central and Hudson River Railroad Co. A closer look reveals a provocative common factor: in each case the bond was stamped years before it

Figure 51. *$5,000 bonds stamped with Secured Debt $25 bearing "First Initials" "EWB" and canceled September 18 and 19, 1911. The large 31mm datestamps were obviously precanceled, with two and three partial strikes evident, in blue and black, respectively. Right, close view of the stamps.*

Figure 52. *Tying cancels. $10,000 bonds stamped with Secured Debt $50 canceled September 19 and December 21, 1911. The large 31mm datestamps tie the stamps to the bonds. Insets, close views of the stamps. The Chicago, Rock Island and Pacific was the "Rock Island Line" famed in folksong.*

Figure 53. *Secured Debt $25 and two $50 with agent's initials omitted. In each case the bond was stamped before issue. Right, $25 canceled December 1913, bond issued January 1919.*



Left, $50 canceled April 1913, bond issued April 1917 .

Below, $50 canceled January 1913, bond issued December 1918

was sold. On the Michigan Central bond the stamp was canceled December 13, 1913, and the bond sold January 17, 1919. For the B&O bond the corresponding dates are April 15, 1913, and April 28, 1917; and for the New York Central bond, January 31, 1912, and December 12, 1918. Recall that for the $5 with initials omitted shown in Figure 40 on a B&O 4½% registered gold bond of 1913, the the bond was also stamped before sale. This is sufficient evidence to plausibly hypothesize that uninitialed stamps were always affixed before the bonds were sold.

However, the converse is not true; bonds stamped before sale more often than not bear initialed stamps. As already seen with the B&O $1,000 bonds of 1913, of eleven recorded, nine were pre-stamped but only three have initials omitted. Similarly, as revealed by the Appendix 7 census, for the B&O 1898 series $10,000 bonds, of seventeen recorded with both sale and stamping dates known, twelve were pre-stamped, but only four have initials omitted. For the Michigan Central $5,000 bonds, four of the six recorded were pre-stamped, just two with initials omitted. And for the New York Central 1912 $10,000 debentures, all sixteen recorded were prestamped, but only three have initials omitted.

It is not immediately obvious why companies chose to have these bonds stamped before sale. Certainly it would have made them more attractive to prospective buyers; as reported in the *New York Times* of March 24, 1914, this was the motivation of some underwriters and brokers:

> Banking firms to an increasing extent, it is said, are forming the habit of exempting an entire bond issue [by paying the Secured Debts tax] before it is sold, and two or three bond houses make daily payments on all the bonds coming into their possession on which the tax has not already been paid.

Why a few uninitialed stamps should have slipped through in such cases, and not during the press of normal business, is not clear.

Prestamped for the Vanderbilts

The New York Central 1912 $10,000 debentures were a special case: the entire issue was pre-stamped! The *New York Times* of February 2, 1912, two days after the bond shown in Figure 53 was stamped, reported:

> Central Pays $50,000 Bond Tax
>
> The New York City branch of the State Controller's office announced yesterday that it had received from the New York Central & Hudson River Railroad Company a check for $50,000, the tax on $10,000,000 of the company's recent issue of 4 per cent. debentures, paid under the provisions of the secured debt tax law. This is the largest single amount of bonds of one issue registered in the Deputy Controller's office since the law went into effect.

Another motivation appears more probable here than the usual one of making the bonds more attractive to prospective buyers. Since the 1860s the "Central" had been controlled by "Commodore" Cornelius Vanderbilt, then by his progeny. The 1912 debentures were a relatively small issue, closely held by the Vanderbilt family and associates; the stamping of the entire issue was evidently done for their benefit at the company's expense. An April 1914 Interstate Commerce Commission Report[4] stated that only $9,188,000 of these debentures had been issued to that date, a relatively small amount. The lion's share have survived; the census herein lists six $1,000 coupon bonds, 16 $10,000 registered bonds, and 159 $50,000 registered bonds, totalling $8,116,000. The registered bonds were all issued to Alice, Alfred, Frederick, George, Reginald and William K. Vanderbilt and Gertrude Vanderbilt Whitney, either as bondholders or trustees; also a few to Chauncey Depew, longtime Vanderbilt family lawyer; the Lincoln Safe Deposit Co.,[5] a Vanderbilt-controlled company; and the Western Transit Co., a subsidiary of the New York Central. Figure 54 shows a $50,000 bond made to William K. Vanderbilt.

Good to be a Vanderbilt! (II)

The honorific aspects of being a Vanderbilt were illustrated in the previous chapter. Bonds of the Harlem Railroad featured the portrait of the family patriarch, "Commodore" Cornelius Vanderbilt, who famously parlayed "100 dollars into 100 million" in shipping and ralroads (Figure 10). A generation was skipped when the unassuming William H., the Commodore's chosen chief heir, who doubled the family fortune, was not so honored. His oldest sons, though, would be. Cornelius II, the titular Head of the House of Vanderbilt, was depicted on the 1897 series registered and coupon bonds of the flagship New York Central and Hudson River road (Figures 9, 17) and William K. on the corresponding issues of the Lake Shore and Michigan Southern (Figures 6, 7, 18).

Honor has its place, but a far better impression of what it meant to be a Vanderbilt circa 1900 is conveyed by the sheer number and dollar value of their surviving stamped bonds. As listed in Appendix 7, these total some $14.1 million, nearly all taxed at the Secured Debt 1911–15 0.5% rate. A larger proportion of Vanderbilt-owned bonds must have been stamped than for the general population, simply because their holdings were so visible. Even so, the millions in surviving stamped bonds pale in comparison with their real-time wealth. In 1885 William H. Vanderbilt's will bequeathed $67 million to Cornelius II, $65 million to William K., and $10 million apiece to his two younger sons and four daughters. To put this in perspective,

> Inheritances of $10,000,000 meant that each of the Vanderbilt children was endowed with a sum

4. *In the Matter of a Proposed Bond Issue by the New York Central and Hudson River Railroad Company,* made April 13, 1914, concerning the issue of $167,102,400 in 4% mortgage bonds to consolidate various earlier obligations, including $90 million and $20 million of the Central's Lake Shore Collateral and Michigan Central Collateral bonds of 1898, $48 million in 1904 debentures, and $9,188,000 in 1912 debentures. Many stamped examples of all four issues have been recorded.

5. The photograph "Madison Avenue: 1916" (http://www.shorpy.com/node/1316?size=_original) shows its location directly across from the Vanderbilt Avenue/42nd St. entrance to the New York Central's Grand Central Terminal.

Figure 54. *New York Central and Hudson River Railroad Co. $50,000 bonds all issued to the Vanderbilt family, each stamped with Secured Debt $100 pair and $50*

> that seemed to the average American to be almost infinite—as much as the total expenditure of the state government of New York—and this in a period in which President Cleveland vetoed a congressional bill which would have given $12 a month to every disabled Union veteran. If $10,000,000 was converted to gold, it would take five hundred horses to pull it from Grand Central Terminal to Wall Street (Hoyt, 1962).

After the death of Cornelius II in 1899, his wealth likewise was dispersed on a wide scale, reflected in many of the bonds listed in Appendix.7. Figures 54 and 55 provide a sample of Vanderbilt family holdings. The former shows shows three New York Central and Hudson River $50,000 bonds each stamped with Secured Debt $100 (x2) and $50:

> 1912 series debenture stamped January 31, 1912, issued May 1912 to William K.; as explained earlier, these 1912 debentures appear to have been entirely issued to the Vanderbilts or their associates, and were stamped *en masse* by the company before the individual bonds were issued or sold;
>
> Michigan Central Collateral 1898 series bond in trust for Alfred G. Vanderbilt, under the will of Cornelius Vanderbilt [II], issued January 16, 1900, and stamped September 25, 1912. The trustees were Alice G., Alfred G. and William K. Vanderbilt, Chauncey Depew, longtime Vanderbilt family attorney, and E. W. Rossiter, longtime Treaurer of the New York Central. Alice was Cornelius II's widow, and Alfred his eldest son, "the handsome Vanderbilt," bequeathed $42.575 million by his father, who would perish in the sinking of the *Lusitania* in 1915.
>
> Lake Shore Collateral 1898 bond issued and stamped on the same days as the Michigan Central Collateral bond, to the same trustees, again under the will of Cornelius Vanderbilt II, naming Alice C. Vanderbilt as executor, but no beneficiary specified.

Figure 55. *Beech Creek Railroad $1,000 and $10,000 bonds in trust for Cornelius Vanderbilt II's daughter Gertrude and. Above, close view of the $5 showing four cancels*

Alfred G. Vanderbilt (*Vanity Fair,* 1907)

Incidentally these three are the only recorded $50,000 bonds taxed at the 1911–15 0.5% rate. All have survived in some quantity, nearly all issued to the Vanderbilts or their associates. Figure 55 shows $1,000 and $10,000 bonds of the Beech Creek Railroad issued in trust for Gertrude Vanderbilt Whitney and Alfred G. Vanderbilt. The Beech Creek was a Vanderbilt-controlled line, which operated in central Pennsylvania between Jersey Shore and Mahaffey.

The story of the Vanderbilts is the more fascinating because of the spectacular manner with which they effectively squandered nearly their entire inheritance — but that is a tale for another day.

Stamp Printer Revealed

One $100 stamp on the Lake Shore Collateral bond shown in Figure 54, serial number L410, retains its bottom selvage, with partial printer's imprint "QUAYLE & SO". The stamp adjoining to the right is on bond L412 from the same find, with the remainder of the imprint, "NS, ALBANY, N.Y." (Figure 56). Until this discovery, the identity of the printer of the Secured Debt stamps was unknown. That it was Quayle & Sons is not a complete surprise, as they printed the state's early Stock Transfer stamps, first issued in 1905 — but neither was it completely predictable, as the Mortgage Endorsement stamps, in use at the same time as the Secured Debt stamps, were printed by the American Bank Note Co., whose imprint is part of the stamp design.

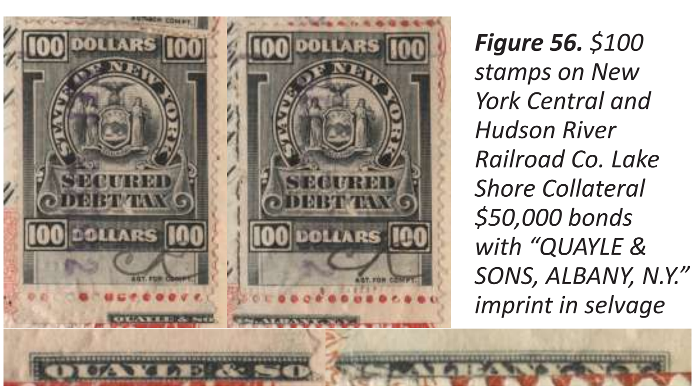


Figure 56. *$100 stamps on New York Central and Hudson River Railroad Co. Lake Shore Collateral $50,000 bonds with "QUAYLE & SONS, ALBANY, N.Y." imprint in selvage*

Late Use of "EWB"-Initialed $25 and $50

Figure 57 shows a New York Central and Hudson River 1904 series $10,000 bond with $50 tax paid September 28, 1911, by two Secured Debt $25, the only recorded use of multiple copies of this stamp. Does it reflect a temporary shortage of the $50? The bond, issued to Isaac B. Kleinert, has serial number X72. Numbers X70 and X71, also to Kleinert, stamped the same day, do bear the $50.

Recall that Figures 50 and 51 showed $25 stamps with cancel dates September 9, 18 and 19, 1911, all with the "First Initials" "EWB" of Edward W. Buckley. Here, though, by September 28, a different set of initials is evident: "JWB." Figure 57 also shows another $25 with the same initials used ten weeks later, on December 13, 1911, on an Atlantic Coast Line $5,000 bond. This suggests that the supply of "EWB"-initialed $25 stamps had been exhausted.

It thus comes as a surprise to see them cropping up again ten months later, in late September 1912. Figure 57 shows one on a Michigan Central bond with cancel date September 24, 1912. This was not a one-off: they have also been recorded used September 23, 1912, on several Indiana Harbor Belt Railroad $5,000 bonds; September 25, 1912, on five New York Central and Hudson River Lake Shore Collateral 1898 series $5,000 bonds; and September 26, 1912, on a Baltimore and Ohio 1898 series $5,000 3½% bond. Figure 57 includes close views of these two "JWB"-initialed 1911 usages and three of the "EWB"-initialed 1912 usages.

It is unlikely that Buckley initialed any stamps after his whirlwind marathon session before the tax took effect September 1, 1911, when he is said to have initialed 55,000 (!) of them. By September 1912 he had long since been replaced as head of the Secured Debt Bureau New York office. A plausible explanation for the observations summarized in Figure 57 is suggested by the "LIFO" principle ("Last In, First Out"). Perhaps as the supply of "EWB"-initialed stamps was dwindling, another batch was pre-initalled by "JWB" (and perhaps others), and placed atop the "EWB" stock. Then during the annual September push to beat the October 1 property tax deadline, the "First Initials" stamps worked their way to the top of the stock and were used.

Something similar appears to have occurred with the "EWB"-initialed $50 stamps. Figure 58 shows a Baltimore and Ohio 1898 series $10,000 3½% bond with $50 initialed "JFF" and cancel dated September 27, 1911; it was not issued until May 1913. The same Figure also shows a New York Central and Hudson River 1912 $10,000 debenture with $50 initialed "EWB" and cancel dated January 31, 1912.

Good to be a Vanderbilt (III)

This bond was issued to William K. ("Willie K"), Frederick and George Vanderbilt, under the will of W. H. ("William H.") Vanderbilt, Deceased. Here is a rare mention on bonds of this era of the unassuming William

Figure 57. *Top and middle, bonds bearing Secured Debt $25 with cancel dates September 28 and December 13, 1911, initialed "JWB." Left, bond bearing $25 with "First Initials" "EWB" surprisingly used nine months later on September 24, 1912. Bottom, close view of these stamps and two more initialed "EWB" used September 25 and 26, 1912.*

Figure 58. *Top, $10,000 bond bearing Secured Debt $50 initialed "JFF" used September 27, 1911. Below, New York Central and Hudson River $10,000 bond under the will of railroad colossus William H. Vanderbilt, bearing $50 with "First Initials" "EWB" surprisingly used four months later on January 31, 1912. Extreme left and right, close views of the stamps.*

H., who had been bequeathed sole control of the $100 million fortune amassed by his father Cornelius in 1877, and quietly doubled it by his death in 1885, making him the richest man in the U.S., and by some measures, still the richest ever. William, Frederick and George were his three surviving sons, the eldest, Cornelius II, having died in 1899. Cornelius II and William K. received the bulk of their father's estate, and were the most in the public eye, primarily for the profligate spending and social swaths of their highly competitive wives, which overshadowed even their roles as presidents of the New York Central and Lake Shore and Michigan Southern Railroads, whose bonds their portraits adorn (Figures 7, 9, 17–8, 50, 51, 81, 93). Frederick and George, though, did very well with their "minor" inheritances of $8 million and the proceeds of a $5 million trust, still colossal sums by the standards of the day. George spent most of his acquiring 125,000 acres of woodland in North Carolina and constucting Biltmore, an uber-estate of 135,280 square feet and 250 rooms, easily the largest private residence ever built in the U.S. Still owned by his descendants, it is now a National Hiistoric Monument and major tourist attraction. The surrounding woodlands were sold to the U.S. government and form the bulk of Pisgah National Forest. Frederick, by canny investing, parlayed his inheritance into an estate of $80 million at his death in 1938.

Handwritten Date; $50 Guideline

Figures 59–61 show more extraordinary uses of the $50 stamp. On the stamp at left in Figure 59, from a Baltimore and Ohio 4½% 1913 series $10,000 bond, the September 30, 1913, datestamp was damaged or mis-struck, and "13" was written in, the only recorded example of a handwritten date. Like many B&O bonds, this one was stamped before issue, which occurred October 13, 1914. Figure 59 also shows a $50 from a B&O 1898 series 3½% $10,000 bond, with a guideline at left edge; this adds a bit to the precious little known about the sheet layout of the Secured Debt stamps.

Figure 60 shows a Chicago and Alton Railway 1900 series 3½% $10,000 registered bond stamped with Secured Debt $50 in 1912. The bond is a rare one, the discovery

***Figure 59.** Left, $50 with September 30, 1913, datestamp that was damaged or mis-struck, and "1913" written in. Right, $50 with guideline at left edge.*

***Figure 60.** Chicago and Alton Railway Co. $10,000 bond issued March 22, 1912, with Secured Debt $50 canceled six days later. Previously unreported in Coxrail.com.*

***Figure 61.** Cincinnati, Indianapolis, St. Louis and Chicago Railway Co. General 4% First Mortgage $10,000 bond of 1886, stamped in 1912 with Secured Debt $50, one of two recorded stamped examples*

example in Terry Cox's compendium of U.S. railroad stocks (www.coxrail.com). Cox assigns it his highest rarity ranking (R7, offered for sale once every ten years or more). It is a happy accident that it was stamped.

Figure 61 shows a Cincinnati, Indianapolis, St. Louis and Chicago Railway 1886 series $10,000 bond stamped in 1912 with Secured Debt $50. While large and impressive, is not particularly rare (Cox R4, offered once every 1 to 3 years); however it is one of only two recorded bearing a stamp.

Carnegie $100,000 Annuity Bonds, $500 Tax!

The will of steel magnate and philanthropist Andrew Carnegie bequeathed numerous $5,000 annuities, paid as the interest on U. S. Steel $100,000 5% bonds. Figure 62 shows an example, issued for George L. Carnegie, the great man's nephew. Although not issued until 1920, these were taxed at the 1911–15 0.5% rate, with $500 paid by five Secured Debt $100 stamps, the highest recorded tax on any bonds. The rationale for this will be discussed fully in Chapter 4.4.

Tax Temporarily Suspended

Effective April 1, 1915, the Secured Debts tax was suspended until May 1, pending anticipated amendments. The amended tax is the subject of the following chapter.

Figure 62. *U.S. Steel 1920 $100,000 bond to trustee under the will of Andrew Carnegie, stamped with five Secured Debt $100 at the 1911-15 0.5% rate, the highest recorded tax on any bond. Above, close view of the stamps.*

2.2 Secured Debt 0.75% Tax, May – October 1915

1915 Amendments: Rate Increase to 0.75% , Five-Year Exemption

Effective April 1, 1915, the Secured Debts tax was suspended until May 1, pending anticipated amendments. By April 30, these changes had been ironed out and passed. The tax rate was increased to 0.75%, which now secured exemption from other taxes for five years only; previously the exemption had been permanent. Moreover, the new rate was to be in effect only six months, from May through October 1915. As shown in Table 2.2.1, just 34 bonds stamped at the 1915 0.75% rate have been recorded.

Table 2.2.1 Numbers of Recorded Bonds Taxed at Secured Debt 1915 0.75% Rate

Denomination	Number
$100	1
$500	2
$1,000	21
$5,000	5
$10,000	4
$50,000	1

Cutting Down Coconut Trees; A Professor Presages Change

The *New York Times* of April 26, 1914, summarized a recently published analysis by a Harvard economist severely critical of the Secured Debts tax, and specifically of the permanent exemption from other taxes that it provided. With hindsight, this opinion can be seen as a harbinger.

SECURED DEBT TAX UNSOUND

Charles J. Bullock Advises New York to Cancel Its Provisions.

> New York's secured debt tax, which has been in operation less than three years, comes in for severe criticism in a discussion of New York's taxation problem which is contributed to the *Real Estate Magazine* by Charles J. Bullock, Professor of Economics at Harvard. The exemption from further taxation granted to bonds on which a payment of one-half of 1 per cent. has been made has already begun to lose its popularity with local authorities.
>
> Prof. Bullock suggests as an honorable way out of the obligation into which the State has entered by accepting the small exemption payment, the termination of the period of freedom from taxation at the end of five years.
>
> "The obvious present need in New York is the development of the State Tax Commission into a body clothed with ample power and resources to control in an effective manner the administration of the tax laws of the State of New York," Prof. Bullock says. "The second obvious need is the correction of the defects of some of the special taxes. The most marked are undoubtedly the provisions of the secured-debt tax, enacted in 1911. This law seems to have originated with men who for many years had been sincere advocates of the total exemption of personal property from taxation. If it is viewed as a total-exemption measure, the law can be understood. If securities ought to be totally exempt, a tax of any amount whatever cannot be condemned as inadequate, but upon any other theory the secured-debt law is one of the most unjustifiable measures over placed upon a statute book. It cannot be seriously maintained that a tax of one-half of 1 per cent. is an adequate tax on a bond running for 50 or 100 years. It is in fact, so low as to be practically equivalent to total exemption.
>
> "Opinions appear to differ concerning the net financial results of the secured debt tax, and I venture to express no opinion upon the subject. But this tax is so framed that the less revenue the State derives from it the better off the people of New York will be in the long run. Travelers tell us of savages who in order to gather cocoanuts, cut down the trees upon which the nuts grow; and the Legislature of New York, when it enacted the secured debt tax, followed the same principle of economy. Every $5 of revenue secured in 1914 exempts a thousand-dollar bond from taxation as long as this law remains upon the statute book, and, therefore, dries up the sources of revenue in subsequent years. It is elementary in the science of taxation that the worst possible tax is one that dries up future sources of revenue and the secured debt tax of New York appears to come clearly within this category.
>
> "Whether this law constitutes a contract between the State and those who register securities may be an open question; but if it does constitute such a contract, the need of amending it so as to limit future exemptions to a reasonable period of years is all the greater. It may be that for a few years, while the securities now outstanding are being converted into non-taxables, the revenue from the law will be satisfactory; but in the course of time it is bound to diminish, and it will ultimately fall to the amount paid upon new flotations. The revenue now derived from the law is not the important consideration. The important thing is that if the securities ought to be taxed at all, this tax is vicious in principle, since it is levied in such a manner as to dry up the future sources of revenue, and is fairly comparable to the method adopted by the savages in harvesting cocoanuts."

The professor's unassailable logic appears to have had the desired effect on the legislature. A year later provisions consistent with his recommendations were enacted.

Interstate Mortgages

The same Act also added a new class of taxed debts (bolding mine):

> [Sec. 330] (2). Such proportion of a bond, note or debt, including a bond, note or printed obligation forming part of a similar series of bonds, notes, or obligations, secured by mortgage or deed of trust recorded in the state of New York of **property or properties situated partly within and partly without the state of New York** as the value of that

part of the mortgaged property or properties situated without the state of New York shall bear to the value of the entire mortgaged property or properties.

The legislature appears to have been doing a bit of housekeeping here. Mortgages of property partly within and partly without the state, and bonds secured by such mortgages, were already subject to the Mortgage tax, based on "the relative value of the mortgaged property within the state as compared to the total value of the mortgaged property," as determined by the State Board of Tax Commissioners.[1] Logically speaking, it made sense for such bonds to also be subject in part to the Secured Debts tax, based on the relative value of the mortgaged property lying *outside* the state. The original Secured Debts act of 1911, though, had overlooked this relatively fine point; now this oversight was being corrected. It was further provided that, as with the Mortgage tax, the taxable proportion of such bonds would be determined by the State Tax Commission.

The number of secured debts included in this class must have been rather small, probably all bonds of interstate railroads. One wonders whether it included enough roads, and enough bonds, to justify the legislative effort, or whether the amendment was merely a matter of consistency. In any case, it would eventually have delightful philatelic consequences, as explained in Chapter 4.7.

Two New Cancels

New cancelers stating "TAX EXEMPT FOR FIVE YEARS" were now put into use, this wording forming the upper rim of a 20 mm circle, enclosing a three-line date (Figure 63). Secured Debt stamps have a bottom panel inscribed "AGT. FOR COMPT." To save the time and trouble of initialing this panel, the new cancelers incorporated at bottom the script initials "WBL". As pointed out by Pruess (1969), these cancels are known in two types: one has "WBL" underscored by a flourish of the "L" (Pruess Type IIA); the other lacks this underscoring (Type IIC). The latter is very much the rarer; to date it has been recorded on just four different 1915 bonds and one from 1916, and a total of eleven examples. In due course it will be demonstrated that it was used exclusively at the Controller's Office in Albany, and that "WBL" was W. B. LeRoy, the chief clerk there. The more common 20mm cancel, with "WBL" underscored, was used exclusively at the Deputy Comptroller's office in New York City.

The agent's initials had been a security device, inscribed before the stamps were used; recall that Edward W. Buckley is said to have initialed 55,000 stamps the day before the Secured Debts tax took effect on September 1, 1911. As long as the initials were not easily imitated—as was the case with Buckley's huge and distinctive "EWB"—this made some sense. Eventually, though, the task of initialing the stamps appears to have fallen to a succession of clerks and its value as a security device became minimal; a cursory survey counts at least 15 different sets of initials. It was eliminated entirely by the new cancelers.

According to Pruess, "Stamps are commonly found with additional manuscript initials." On bonds stamped

Figure 63. *"TAX EXEMPT FOR FIVE YEARS" cancels introduced in 1915, with incorporated initials "WBL" underscored (left), used in New York City, and not underscored (right), used in Albany*

at the new 1915 rate, with stamps canceled by the new "TAX EXEMPT FOR FIVE YEARS" handstamps, additional manuscript initials are actually rather scarce. With just a single exception they have been seen only on denominations $10 and above, and on only roughly half of those. The exception is an initialed $5 used together with an uninitialed $2.50 on a $1,000 bond of the Northern Pacific Rail Road Co. (#M83010). The likely explanation for this is that quantities of stamps were initialed well before they were canceled, and that some were still on hand after the transition to the new cancels, and only gradually used up. This is discussed more fully in Appendix 3.

$1,000 Bonds, $7.50 Tax

The workhorse $1,000 bonds were now taxed at $7.50, in every recorded case paid by $5 plus $2.50 stamps. The latter, seldom used during 1911–15, now came into common use thereby. Figure 64 shows a City of Providence $1,000 Sewer Loan bond of 1914 with $5 and $2.50 affixed October 25, 1915. Figure 65 shows a Beech Creek Railroad Co. $1,000 bond with the same two stamps affixed October 13, 1915, the cancels this time the rare Albany version with "WBL" not underscored.

Figures 66 and 67 show two more $1,000 bonds taxed at the 1915 0.75% rate, an 1890 bond of the "Big Four" Cleveland, Cincinnati, Chicago and St. Louis Railway, St. Louis Division, with stamps affixed September 13, 1915; and an 1891 Lehigh Valley Terminal Railway Co. bond with stamps affixed October 13, 1915, another of the three recorded 1915 $1,000 bonds with Albany cancels.

Combinations with Foreign Stamps

Figure 68 shows a "Big Four" 1893 General Mortgage $1,000 bond with Great Britain embossed £1 and 1s dated December 4, 1893, then Secured Debt $5 and $2.50 affixed in September 16, 1915 at Albany. This is the last of the three recorded 1915 $1,000 bonds with Albany cancels.

Figure 69 shows a "Big Four" 1890 $1,000 bond secured by first mortgage of the Cairo, Vincennes and Chicago Railway, with Great Britain embossed £1 dated December 12, 1900, then Secured Debt $5 and $2.50 affixed in September 30, 1915. The cancel on the $2.50 is in magenta, rarely seen thus, and the cancel on the $5 shows traces of

1. Section 260, Consolidated Laws of 1909.

Figure 64. *City of Providence $1,000 Sewer Loan bond of 1914 with Secured Debt $5 and $2.50 affixed in October 1915*

Figure 65. *Beech Creek Railroad Co. $1,000 bond with Secured Debt $5 and $2.50 affixed in October 1915*
Right, close view of the stamps showing rare Albany cancels with "WBL" not underscored

Figure 66. 1890 $1,000 bond of Cleveland, Cincinnati, Chicago and St. Louis Railway, St. Louis Division, with Secured Debt $5 and $2.50 affixed in September 1915

outer rims, also rarely seen. As explained in Chapter 1, Britain's 1891 transfer tax was 1s per £10; $1,000 was then equivalent to £206.5, thus taxed at 21s or £1.1.0. The Finance Act of 1899 made £1 equivalent to $5 as a matter of convenience, which reduced the tax to £1. These are the only recorded combinations of the 1915 rate with foreign revenues.

Figure 67. Lehigh Valley Terminal Railway Co. 1891 $1,000 bond, Secured Debt $5 and $2.50 affixed in October 1915. Above, close view of the $2.50 showing Albany cancel.

Figure 68. *"Big Four" 1893 $1,000 bond with Great Britain 1893 embossed £1 and 1s, then Secured Debt $5 and $2.50 affixed in September 1915 at Albany. Left, close view of the stamps showing Albany cancels .*

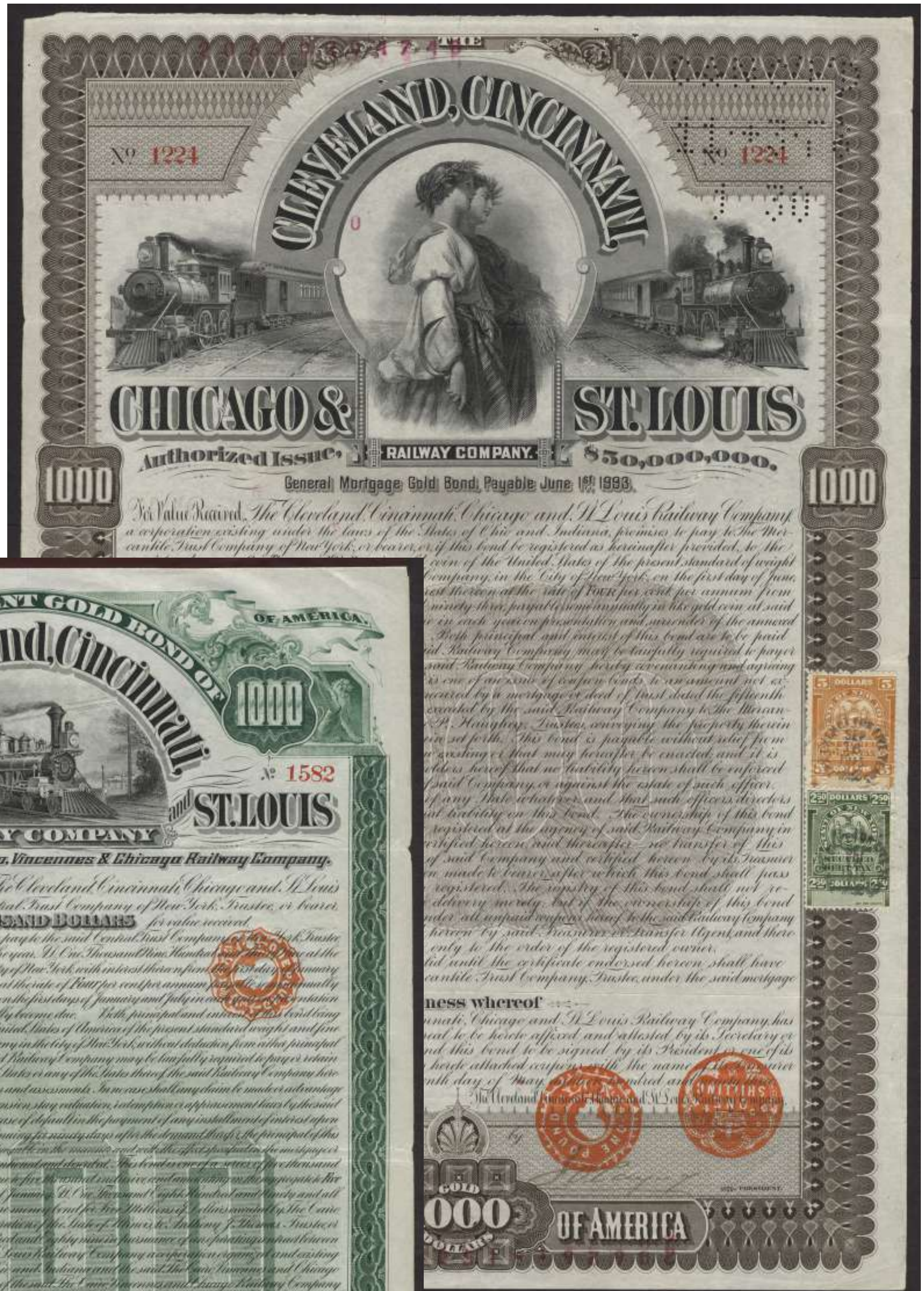


Figure 69. *"Big Four" 1890 $1,000 bond with Great Britain 1900 embossed £1, then Secured Debt $5 and $2.50 affixed in September 1915. Above, close view of the stamps showing magenta cancel on $2.50 and partial outer rims of cancel on $5.*

Close view of the 50¢ showing Albany cancel

Figure 70. *Above, Colorado, Wyoming and Eastern Railway Co. 1914 $100 bond with Secured Debt 50¢ and five 5¢ affixed September 23, 1915, the sole recorded use of the Secured Debt 50¢*

Figure 71. *Iron Steamboat Co. of New Jersey 1902 $500 bond with Secured Debt $2.50, $1 and five 5¢ affixed September 29–30, 1915*

***Figure 72.** Green Mountain Marble Co. 1910 $500 bond with Secured Debt $2.50, $1 and five 5¢ affixed September 29, 1915. Right, close view of two 5¢, one with rare magenta datestamp, the other in a slightly different shade of green, with the normal black datestamp and guideline at left.*

$500 Bonds $3.75 Tax Seven Stamps, the Minimum Possible!

Figures 71 and 72 show the only two recorded $500 bonds stamped at the 1915 0.75% rate, a 1902 bond of the Iron Steamboat Company Co. of New Jersey, and a 1910 $500 bond of the Green Mountain Marble Co., both with $3.75 tax paid by Secured Debt $2.50, $1 and five 5¢.

These are only the second and third-earliest recorded usages of the $1 stamp, first appearing on the Imperial Chinese Government Hukuang Railways bond taxed at $2.43 in September 1913 (Figure 46). Likewise the 5¢ stamps on the bonds shown in Figures 70–72 are the second, third and fourth-earliest recorded usages of that stamp, again following its initial appearance on the Hukuang bond.

The Iron Steamboat bond was secured by a mortgage of a most atypical type: not of real property, but "upon the steamboats of said Company, and all other property used in connection therewith." The cancels are likewise unusual: that on the $1 is dated September 29, 1915, but all others, September 30. On the Green Mountain Marble bond, a 5¢ strip of three has September 29 datestamps in magenta, a color rarely seen. (As shown in Figures 69 and 73, it has also been observed on the $2.50 and $10, dated September 30 and 29, respectively.) Another 5¢, in a slightly different shade, shows a guideline at left edge.

$100 Bond, 75¢ Tax Sole Recorded Use of Secured Debt 50¢; Six Stamps, the Minimum Possible!

As shown in Table 2.2.1, 62% of recorded bonds stamped at the 1915 0.75% rate are for $1,000. We now pass to those for smaller denominations, for which just three are known. Figure 70 shows a Colorado, Wyoming and Eastern Railway Co. 1914 $100 bond with 75¢ tax paid by Secured Debt 50¢ and five 5¢ on September 23, 1915, the sole recorded use of the Secured Debt 50¢. Even better, the stamps bear the distinctive Albany cancel; its use on the 50¢ is obviously unique, but so too is it on the 5¢ stamps here.

Very few $100 bonds were generated; evidently they targeted small investors. This is the sole recorded example subject to any of the New York bond taxes. This Colorado, Wyoming and Eastern bond is rare in its own right; prior to its recent appearance on eBay it was unlisted by Cox.

Need for 75¢, $3.75 Stamps

It was strikingly apparent that creation of 75¢ and $3.75 stamps (and $7.50 as well) would greatly facilitate payment of the new 0.75% rate. As described in the following chapter, some six months later this would come to pass.

Figure 73. *Three $5,000 bonds taxed $37.50 at 1915 0.75% rate, paid by Secured Debt $25, $10 and $2.50. Top, cancel dates July 1, 1915, the earliest recorded example of the 1915 rate, also the earliest recorded usage of the Secured Debt $10. Top left, close view of the $10, initialed "EWB" by Edward W. Buckley on or about August 31, 1911, then unused for nearly four years!*

Middle and bottom, stamps affixed September 29 and 30, 1915, to beat the October 1 deadline for property tax payment. Bottom right, close view of the $10 showing magenta cancel.

Note that all $10 and $25 stamps have manuscript initials, evidently pre-applied during the 1911–15 period.

Figure 74. New York Central Railroad Co. $5,000 debenture of 1915 stamped with Secured Debt $2.50 plus seven $5 in strips of four and three, affixed September 29, 1915, the only recorded multiples of the $5 on document. Inset, close view of one $5 showing particularly well the underscored "WBL" of the New York 1915 cancel.

$5,000 Bonds, $37.50 Tax
$10 EKU: Initialed 1911, Used 1915!

$5,000 bonds now required $37.50 tax, recorded on only five bonds. Figure 73 shows a New York Central Railroad Co. $5,000 debenture of 1915 with Secured Debt $25, $10 and $2.50 affixed July 1, 1915, the earliest recorded example of the 1915 rate, which had taken effect May 1. Remarkably, this is also earliest recorded usage of the Secured Debt $10, for which there had been little need during the 1911–15 period; this stamp had been initialed "EWB" by Edward W. Buckley on or about August 31, 1911, then languished unused for nearly four years!

Examples of this and three other $5,000 bonds have survived from the yearly rush to obtain exemption from property tax before it became due October 1, 1915. Figure 73 also shows two of these, again with the usual payment by $25, $10 and $2.50, now affixed here September 29 and 30, 1915, confirming that these stamps were available both days at the New York office.

In contrast, the use of seven $5 and a $2.50 on the New York Central bond shown in Figure 74, also affixed September 29, 1915, most likely resulted from a temporary shortage in the stock of one of the stamp clerks, who "made do" with this extraordinary combination in the rush to beat the deadline. These are the only recorded multiples of the $5 on document, showing particularly well the underscored "WBL" of the New York 1915 cancel.

The New York Central and Hudson River bond in Figure 73 bears a $10 with magenta cancel dated September 29. It is barely legible, which perhaps explains why this ink was so rarely used; it has been recorded only September 29–30, on relatively few stamps. The Type II cancels are normally black, blue or violet.

Doubly Initialed

Note that all $10 and $25 stamps in Figure 73 bear both agents' manuscript initials and the handstamped initials "WBL" incorporated into the datestamps adopted in May 1915. Indeed for the $10 and above, normally all usages until and including September 19, 1916, are doubly initialed; and all from that date onward finally lack the manuscript initials. Yet the point of these datestamps was precisely to obviate the need for the manuscript initials!

Recall that handwritten agents' initials had been applied in 1911–15 as a security measure to stocks of stamps, often well before use. Numbers of these hand-initialed stamps were evidently on hand in May 1915 when datestamps incorporating the handstamped initials "WBL" were adopted. Upon use these stamps became doubly initialed. For the $2.50 and $5, examples are rarely seen, but for the $10 and above, all recorded usages until and including September 19, 1916, are doubly initialed, and all from that date onward finally lack the manuscript initials.

$10,000 Bonds, $75 Tax

Figure 75 shows a Lake Shore and Michigan Southern $10,000 bond issued in January 1915, stamped September

Figure 75. *Above, Lake Shore and Michigan Southern Railway $10,000 bond issued January 1915, stamped September 29, 1915, with Secured Debt $50 and $25, one of two recorded examples of the 1915 $75 tax*

Figure 76. *Below, New York Central 1915 $50,000 debenture with Secured Debt $100 strip of three, $50 and $25 affixed September 1915. This and a few similar pieces are the sole recorded examples of the 1915 $375 tax. All were issued to William K. Vanderbilt.*

29, 1915, with Secured Debt $50 and $25, one of only two recorded examples of the 1915 $75 tax actually executed in 1915. Two more stamped in 1916 with cancels backdated to 1915 are described in the following chapter.

$50,000 Bond, $375 Tax

Figure 76 shows a New York Central $50,000 bond issued to William K. Vanderbilt in May 1915, stamped September 28, 1915, with Secured Debt $100 strip of three, $50 and $25. This is the sole recorded bond with the 1915 $375 tax actually paid in 1915; three more examples, also issued to Vanderbilt, have been recorded, and more very probably exist. Two more of the same bond with cancels backdated to 1915 are described in the following chapter.

Secured Debts Tax Rescinded November 1, 1915

The revised Secured Debts tax of 1915 was designed to stay in effect only six months, May through October 1915, and was duly rescinded effective November 1, 1915. As detailed in the following chapter, it would be renewed effective April 21, 1916, again for only a matter of months, until December 31, 1916.

2.3 Secured Debt Tax 75¢ per $100, April 21 – December 31, 1916

Figure 77. *Secured Debt 25¢, 75¢, $3.75 and $7.50 issued in 1916 to facilitate payment of the 75¢ per $100 tax rate*

1916: Secured Debts Tax Renewed, Refined

The revised Secured Debts tax of 1915 was designed to stay in effect only six months, May through October 1915, but after a six-month hiatus it was renewed, effective April 21, 1916, again for only a matter of months, until December 31, 1916. The tax rate was now simplified, from 0.75% to 75¢ per $100 or fraction thereof, which again secured exemption for five years from all other taxes (with the usual exceptions). This refinement was potentially of philatelic significance; as all tax amounts were now multiples of 75¢, there was no longer a need for 1¢ stamps, and little need for some others, including the 5¢. As shown in Table 2.3.1, just 33 different bonds stamped at the 1916 rate have been recorded.

Table 2.3.1
Numbers of Recorded Bonds Taxed at Secured Debt 1916 75¢/$100 Rate

Denomination	Number
$500	2
$1,000	19
$5,000	10
$10,000	2

Four New Stamps

Beginning in 1916 Secured Debt stamps appeared in four new denominations: 25¢, 75¢, $3.75 and $7.50 (Figure 77). It will be recalled that following passage of the original Secured Debts Act of July 28, 1911, Secured Debt stamps had been issued in ten denominations—1¢, 5¢, 50¢, $1, $2.50, $5, $10, $25, $50 and $100. After the rate increase to 0.75% enacted in 1915, the desirability of stamps in new denominations had become apparent.

$1,000 bonds, which accounted for the lion's share of all those issued, were now taxed at $7.50. All 21 different recorded $1,000 bonds taxed at the 0.75% rate of 1915 bear $5 and $2.50 stamps (Figures 64–69); a $7.50 stamp would have saved time and trouble there.

The sole recorded $100 bond from the 1915 period has its 75¢ tax paid by six stamps: 50¢ and five 5¢ (Figure 70). Similarly, both recorded $500 bonds from that period have their $3.75 tax paid by seven stamps: $2.50, $1, and five 5¢ (Figures 71-2). 75¢ and $3.75 stamps would have precisely simplified matters.

The Act of April 21, 1916, directed the comptroller to produce stamps "in such form, and of such denominations and in such quantities as he may from time to time prescribe," and "to make, enter into and execute . . . such contract or contracts for dies, plates and printing necessary for the manufacture of the stamps. . . ." This language was essentially identical to that of the original Act of July 28, 1911, but had been conspicuously absent from that of April 30, 1915. It seems safe to assume that it was necessitated now by the need for new contracts, dies, plates, and stamps; merely printing more in the original ten denominations would presumably have been authorized by the 1911 Act.

Change in Perforation

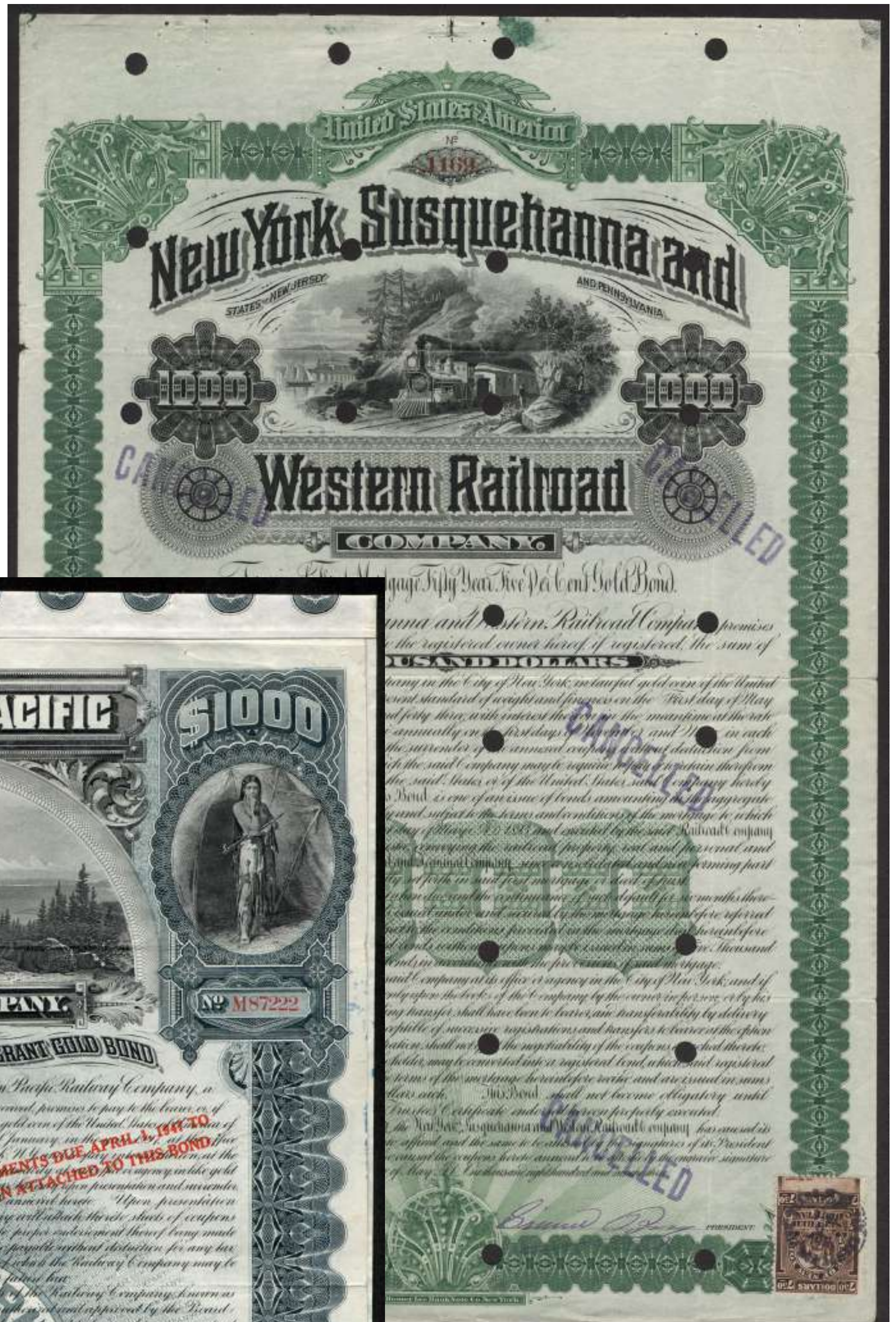
All recorded examples of the four new denominations on intact bonds are perforated 11x12, different from the original ten values, which were perforated 12.

A New Cancel

At the New York City office a new cancel was introduced, essentially identical to that used in 1915, with initials "WBL" underscored, but now larger, 23mm as opposed to 20mm (Figure 78; Pruess Type IIB). At the Comptroller's

Figure 78. *Left, "TAX EXEMPT FOR FIVE YEARS" 23mm cancel of New York City introduced in 1916; the outer frame shown here is mostly or entirely missing on most strikes. Right, 20mm cancel of 1915 that it replaced.*

Figure 79. *New York Susquehanna and Western Railroad 1893 $1,000 bond with Secured Debt $7.50 affixed November 1916*



office in Albany the 20mm cancel with initials not underscored, introduced in 1915 (Figure 63), continued in use in 1916.

$1,000 Bonds, $7.50 Tax

The workhorse $1,000 bonds were again taxed at $7.50, in every recorded case but one now paid by the new $7.50 stamp. Two New Jersey Junction Rail Road 1886 $1,000 bonds bear Secured Debt $5 and $2.50 with cancel dates May 16 and 20, 1916. The $7.50 was evidently not yet available. These bonds are signed on the reverse by financial titan J. P. Morgan. The earliest recorded use of any of the new stamps is June 22, 1916; the earliest of the $7.50 is four days later, on June 26.

Figure 79 shows a New York Susquehanna and Western Railroad 1893 $1,000 bond with Secured Debt $7.50 affixed November 9, 1916, and Figure 80, a Northern Pacific Railway 1896 $1,000 bond with $7.50 affixed September 26, 1916.

Albany Usage

Figure 81 shows a Lake Shore and Michigan Southern Railway 1897

Figure 80. *Northern Pacific Railway 1896 $1,000 bond with Secured Debt $7.50 affixed September 1916*

Figure 81. Lake Shore and Michigan Southern $1,000 bond issued in 1907, with Secured Debt $7.50 affixed November 1916. Inset, close view of the stamp showing the Albany cancel with "WBL" not underscored. The sole recorded 1916 bond with this cancel.

$1,000 registered bond issued in 1907; the $7.50 affixed November 20, 1916, bears the rare Albany cancel with "WBL" not underscored. This is the sole recorded 1916 bond with this cancel; the census lists three examples.

Combinations with U.S. Stamps

Four bonds have been recorded bearing both U.S. documentary revenues and Secured Debt stamps paying the 1916 rate. One is so extraordinary that, as reported by the *New York Times* of September 7, 1911, it had already been singled out for special mention by the New York City tax bureau when the first examples were presented to be stamped:

> Some of the securities offered have given Edward W. Buckley, Chief Clerk of the bureau, a lot of trouble in deciding whether or not they come under the law. Included in this class were $102,000 par value of the first mortgage bonds of the New York & Erie Railroad. These are part of an issue of $2,482,000 4 per cent. bonds put out in 1847, when the road was first projected, and are first mortgage bonds.
>
> Originally running as 7 per cent. currency bonds to 1867, they were extended to May, 1897, and then re-extended for fifty years at 4 per cent. They are described on the face of the old bond as "payable to the people of New York," and are a prior lien over all the existing liens against the assets and real, personal, or mixed property of the road or its franchises or immunities existing or accruing subsequent to the original lien. Further, these bonds, which bear the signature of Christopher Morgan as Secretary of State, are guaranteed by the State and are made payable on their face through the Controller of the State of New York, then Millard Fillmore.
>
> The Chief Clerk could not find that the mortgage underlying the bonds had ever been registered so he accepted the tax and stamped them exempt.

At least one of these bonds has survived, offered in an R. M. Smythe auction of July 24, 2004, stamped first with U.S. $1 Lease documentary revenue of Civil War era (1862–1872) with fancy "scroll" handstamp cancel dated June 17, 1867, then some forty years later in 1916 with Secured Debt $7.50. It is signed on the reverse by Fillmore, the 13th President of the U.S., and was estimated to bring $1,000–$1,500. A 2001 Smythe sale offered a similar if not identical lot estimated at $1,500–$2,500. The U.S. stamp paid a tax of 50¢ per $500 on mortgages or their bonds, in effect August 1, 1864, until September 30, 1872.

Figure 82 shows a New Mexico Railway and Coal Co. $1,000 bond of 1901 bearing U.S. 50¢ "Battleship" documentary revenue of the Spanish-American War era (1898–1902) affixed October 1, 1901, with Secured Debt $7.50 added on September 21, 1916. The U.S. 50¢ stamp paid a tax of 5¢ per $100 on bonds, in effect July 1, 1898, until June 30, 1902.

Figure 83. St. Francois County Railroad Co. 1915 $1,000 bond with U.S. 1914 50¢ affixed in 1915 and Secured Debt $7.50 in September 1916

Figure 82. New Mexico Railway and Coal Co. 1901 $1,000 bond with U.S. 50¢ "Battleship" affixed in October 1901 and Secured Debt $7.50 added in September 1916

Figure 84. Chicago and Erie Railroad Co. 1890 $1,000 bond with Secured Debt $7.50 affixed June 26, 1916, the earliest recorded use of this stamp. A North Holland 2.50g handstamp was applied earlier. Below, close view of the Dutch stamp.

Figure 83 shows a St. Francois County Railroad Co. $1,000 bond of 1915 bearing a U.S. 1914 50¢ documentary revenue affixed July 1, 1915, the issue date of the bond, with Secured Debt $7.50 added September 29, 1916. The U.S. 50¢ stamp again paid a tax of 5¢ per $100 on newly-issued bonds, in effect December 1, 1914, until September 9, 1916. St. Francois County was in Missouri. This and a companion piece are the sole recorded combinations of U.S. 1914 issues with any New York bond stamp.

Combinations with Foreign Stamps

Figure 84 shows a Chicago and Erie Railroad 1890 $1,000 bond with Secured Debt $7.50 affixed June 26, 1916, the earliest recorded use of this stamp. Recall that the law mandating creation of the new stamps had been passed barely two months earlier, on April 16. A North Holland handstamped revenue reading “NOORD HOLLAND 2,50 GL.” had been applied earlier.

This Chicago and Erie bond is the only one for which New York-North Holland combinations have been recorded; 15 examples have been noted with various stamps, only this one with the $7.50. It is also the sole recorded combination of the 1916 tax with any foreign revenue.

$500 Bonds, $3.75 Tax
$3.75 Solo Usages

The tax on $500 bonds was unchanged at $3.75. As for the 1915 period, just two bonds showing this tax have been recorded. Now, however, it was paid not by an unwieldy array of seven stamps (Figures 69, 70), but elegantly by the new Secured Debt $3.75. Figure 85 shows a Baltimore and Ohio Railroad $500 bond of 1915, issued May 23, 1916, with the $3.75 affixed November 21, 1916. This is an unusual odd-lot bond with amount added by hand. Figure 86 shows a Consolidated Arizona Smelting Co. 1909 $500 bond with the $3.75 affixed September 20, 1916. These are the sole recorded examples of this usage.

$5,000 Bonds, $37.50 Tax

The tax on $5,000 bonds remained $37.50. However, unlike $500 and $1,000 bonds, for which the new $3.75 and $7.50 stamps perfectly simplified payment, for

Figure 85. *Baltimore and Ohio Railroad Co. $500 bond of 1915 with Secured Debt $3.75 affixed November 1916. Inset, close view of the stamp.*

Figure 86. *Consolidated Arizona Smelting Co. 1909 $500 bond with Secured Debt $3.75 affixed September 1916*

$5,000 bonds paying the $37.50 tax became, if anything, more complicated. Previously it had typically been paid by three stamps: $25, $10 and $2.50 (Figure 73). Now a minimum of three stamps was still required, usually the $25, $7.50 and $5, but remarkably, pairs of the new 25¢ were also used to pay the $37.50 tax, in combination with the $25, $10 and two $1. Presumably the 50¢ would have been used if available, but evidently it was not.

Figure 87 shows a Michigan Central Railroad $5,000 bond of 1909, issued in 1911, with Secured Debt $25, $7.50 and $5 affixed September 30, 1916. The bondholders were a trio of trustees including Charles L.

Figure 87. *Michigan Central $5,000 bond of 1909, issued 1911, with Secured Debt $25, $7.50 and $5 affixed September 1916*

Figure 88. *Baltimore and Ohio railroad $5,000 bond of 1915, issued 1916 with Secured Debt $25, $7.50 and $5 affixed December 1916*

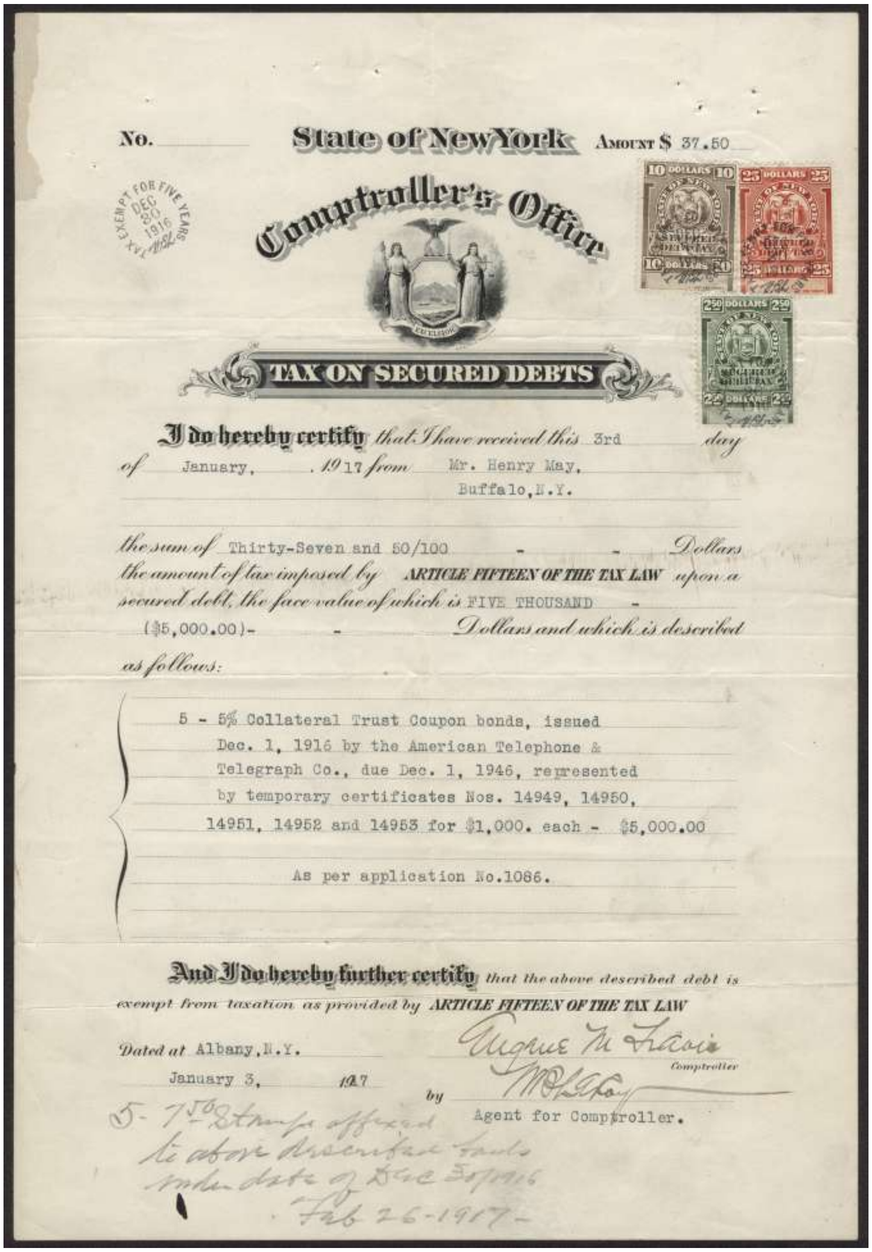
Tiffany, founder of luxury jewelers Tiffany & Co. and father of Louis Comfort Tiffany, whose designs made Tiffany glassware world famous.

Figure 88 shows a Baltimore and Ohio Railroad $5,000 bond of 1915, issued in October 1916, with the same three stamps affixed December 7, 1916. At bottom is printed "THE TAX IMPOSED ON THIS BOND BY THE ACT OF CONGRESS OF OCTOBER 22, 1914, HAS BEEN PAID AND STAMPS AFFIXED TO THE INDENTURE UNDER WHICH IT IS ISSUED." This refers to the U.S. stamp tax paid on the mortgage itself, rather than on these bonds.

Figure 89 shows another Baltimore and Ohio Railroad $5,000 bond, this time of an 1898 series, issued January 1915, with Secured Debt $25, $10, two $1 and 25¢ pair affixed June 22, 1916. This is the earliest recorded usage of the 25¢, in fact of any of the four 1916 new denominations. It is difficult to see why six stamps would have been used when three would have sufficed. Perhaps the $7.50 had not yet been delivered? But if so, why not combine the $25 with the $10 and $2.50, as in 1915 (Figure 70)? Were one or both temporarily unavailable? This strange combination was not a one-off; we will see it again later in Appendix 3.

Figure 89. *Baltimore and Ohio Railroad $5,000 bond of 1898, issued January 1915, with Secured Debt $25, $10, two $1 and 25¢ pair affixed June 22, 1916, the earliest recorded usage of the 25¢, and of any of the four 1916 new denominations*

Figure 90. *Baltimore and Ohio Railroad Co. $10,000 bond of 1898, issued in 1911, with Secured Debt $50 and $25 affixed September 30, 1916, one of two recorded bonds showing this tax. One of the bondholders was Charles L. Tiffany, founder of jewelers Tiffany & Co.*



No. State of New York Amount $ 37.50

TAX EXEMPT FOR FIVE YEARS DEC 30 1916 WBL

Comptroller's Office

TAX ON SECURED DEBTS

I do hereby certify that I have received this 3rd day of January, 1917 from Mr. Henry May, Buffalo, N.Y.

the sum of Thirty-Seven and 50/100 - - Dollars the amount of tax imposed by ARTICLE FIFTEEN OF THE TAX LAW upon a secured debt, the face value of which is FIVE THOUSAND - ($5,000.00)- - Dollars and which is described as follows:

5 - 5% Collateral Trust Coupon bonds, issued Dec. 1, 1916 by the American Telephone & Telegraph Co., due Dec. 1, 1946, represented by temporary certificates Nos. 14949, 14950, 14951, 14952 and 14953 for $1,000. each - $5,000.00

As per application No.1086.

And I do hereby further certify that the above described debt is exempt from taxation as provided by ARTICLE FIFTEEN OF THE TAX LAW

Dated at Albany, N.Y. January 3, 1917

Comptroller

by Agent for Comptroller.

5 - 7.50 stamps affixed to above described bonds under date of Dec 30/1916 Feb 26-1917

Figure 91. Comptroller's certificate executed at Albany January 3, 1917, attesting to payment of $37.50 tax for five $1,000 bonds, with Secured Debt $25, $10 and $2.50 affixed. As the tax had expired December 31, 1916, the cancels were backdated to December 30. It is signed by W. B. LeRoy; the datestamp with his initials "WBL" not underscored is struck on both the certificate and the stamps. Above, close view of the stamps.

$10,000 Bonds, $75 Tax

Figure 90 shows a Baltimore and Ohio Railroad $10,000 bond of 1898, issued in 1911, with Secured Debt $50 and $25 affixed September 30, 1916. Charles L. Tiffany's name again appears as a bondholder. This is one of two recorded bonds showing this tax.

Albany Comptroller's Certificate; "Rosetta Stone" for Albany Cancels

As discussed in Chapter 2.1, if a bond could not be brought or sent in to be stamped, a certificate could be obtained from the comptroller's office stating that the tax had been paid, with the stamp(s) affixed to the certificate. Figure 35 showed one of these receipts, dated September 26, 1911, acknowledging receipt at the New York City office of $80 tax for sixteen $1,000 bonds, stamped with Secured Debt $50, $25 and $5. The other three recorded certificates are from the Comptroller's Office in Albany. Figure 91 shows one dated January 3, 1917, attesting to payment of $37.50 for five $1,000 bonds, with $25, $10, and $2.50 stamps affixed, signed as Agent for Comptroller by W. B. LeRoy. His signature establishes that the distinctive initials "WBL" seen elsewhere are his. They appear first on a Secured Debt $5 affixed March 30, 1915, to a bond of the New York Central and Hudson River Railroad Co., Michigan Central Collateral (Figure 37). Since LeRoy was already Agent at Albany in 1915, his initials prove that bond was stamped there, one of only three recorded for the 1911–15 period.

The initials "WBL" are more familiarly encountered within the "TAX EXEMPT FOR FIVE YEARS" cancels used in 1915 and 1916, incorporated there to obviate the need for the manuscript initials required in 1911–15. (Pruess Type II, Figures 63, 78), It does make some sense that the initials of the Secured Debts Bureau Agent at the Comptroller's Office were chosen, even though nearly all bonds were stamped in New York, under the auspices of different Agents. During the 1917–20 Investments tax period a more sophisticated set of cancels would in fact be adopted, with different initials for the cancels of New York, Albany, and a traveling agent.

For our purposes, though, the use of the same initials at both cities is redeemed by the fact that they exist in two different styles: underlined (Pruess Types IIA, B), and not underlined (Type IIC). The latter, which is much the rarest, features prominently on this certificate, struck on the certificate itself as well as on all three stamps.

This cancel in fact appears to have been used exclusively in Albany, and the Type IIA/B cancels appear to have been used exclusively in New York City. In the absence of primary sources, this conjecture cannot be proven, but the data supporting it are convincingly strong. There are three lines of evidence. The certificate shown here establishes that the Type IIC cancel was used at Albany. But was it the only cancel used there? And used nowhere else?

The accompanying census includes 63 individual bonds or small clusters, comprising a total of 141 examples, with Type IIA or B cancels. Type IIC appears on just five individual bonds or small clusters, including the Albany certificate (Figures 65, 67–8, 81, 91), comprising nine examples, or 6.4% of the total. If we consider the tax collected on the Type IIC bonds, their contribution was much smaller. The 141 Type IIA/B bonds are for $500, $1,000, $5,000, $10,000 or $50,000, total $633,500. The nine Type IIC items are for $100, $1,000 (x7) and $5,000, total $12,100, providing just 1.9% of the total revenue. The sample is large enough for this figure to be considered reliable.

This 1.9% contribution is very close to the percentage of tax collected in Albany for the first year of the Secured Debts tax. As reported in the *New York Times* of January 7, 1912, during the first four months the tax was in effect, only $10,479 of the $799,461 collected, just 1.3%, came from Albany. For the entire first year, this rose a bit to $33,080 of a total of $1,411,568, or 2.3%. As reported in the *New York Times* of September 13, 1912, "The new law went into effect on Sept. 1 last year, and the total receipts for the twelve months ended Aug. 31 at the New York office were $1,378,487.52. The taxes from the rest of the State, paid at Albany, were inconsiderable by comparison." The *Times* of March 23, 1914, gave the comprehensive total for the first year as $1,411,568, from which it follows that $33,080 was paid at Albany. This is the only year for which separate totals for the two sites has been found, but it seems safe to assume that the breakdown was much the same going forward.

To reprise, we have official figures stating that for the first year of the tax, 97.7% of the total was received at New York, and 2.3% at Albany. And we have the observation that of 150 recorded items taxed at the 1915–16 rates, those with Type IIA/B cancels account for 98.1% of the tax paid, and those with Type IIC cancels, 1.9%. This suggests strongly that the Type IIA/B cancels were used exclusively at New York, and the Type IIC exclusively at Albany. The Controller's certificate shown in Figure 91 — the the sole item for which a location can be unquestionably attributed to a cancel — thus constitutes a test of this hypothesis, which it passes, as its Type IIC cancels were indeed used at Albany. A single counterexample[1] can disprove a hypothesis, but at this stage it seem extremely unlikely one will emerge.

The certificate at hand has two curious aspects. A penciled notation at bottom reads, "5 - 7.50 Stamps affixed to above described bonds under date of Dec 30/1916 [dated] February 26, 1917." Why the double stamping? A simple notation on the bonds that the tax had been paid would seem to have been sufficient; affixing another $37.50 in stamps may have been more convenient, but certainly must have complicated the bookkeeping. Perhaps it was considered that such a notation would have impeded delivery of the bonds. As discussed in Chapter 1, in the similar case of endorsement upon bonds that the Mortgage tax had been paid, just such considerations had led to the decision to put the endorsement in the form of a stamp.

A more fundamental puzzle arises from the payment date, specified as January 3, 1917. By the Act of April 21, 1916, the Secured Debts tax had expired December 31, 1916. The comptroller's office was evidently reluctant to let the expiration of a tax stand in the way of its collection: the cancels here have been backdated to December 30, 1916, and as evidenced by the penciled notation, the payment was somehow construed to have been made "under date of December 30, 1916." The legality of this would seem to have been another matter.

Backdating for the Vanderbilts

Occasionally an anomalous payment of the Secured Debts tax is seen that can only be explained by backdating of the cancels.

Figure 92 shows three New York Central Railroad Co. registered debentures of 1915, all to William K. Vanderbilt, William K. Vanderbilt, Jr., and Harold S. Vanderbilt as trustees, all issued May 7, 1917, with 23mm Type II cancels dated September 28, 1915:

$5,000 bond in trust for William K. Vanderbilt, Jr., stamped with Secured Debt $25, $7.50 and $2.50;

$10,000 bond in trust for Harold S. Vanderbilt, stamped with Secured Debt $50 and $25;

$50,000 bond in trust for Ann H. Vanderbilt, stamped with Secured Debt $100 (x3), $50 and $25.

These bonds exhibit three highly anomalous features:

ostensible usage of the Secured Debt $7.50 in September 1915, a stamp not otherwise known to have been used before June 1916;

ostensible usage of the 23mm Type II cancel in September 1915, also not otherwise known to have been used before June 1916;

and the use of uninitialed $25 and $50 stamps, not otherwise recorded before September 1916.

The evidence establishing these anomalies is gathered in Appendix 3. They are neatly and convincingly explained by the hypothesis that the cancels were backdated to September 1915. Most probably this took place some time after December 31, 1916, when the Secured Debts tax expired, but before June 1, 1917, when the Investments tax took effect. This is consistent with the issue date of the bonds, in May 1917. We have already seen from the Comptroller's certificate shown in Figure 91 that agents were willing to backdate cancels, in that case from January and February 1917 to December 30, 1916. Here, though, they were backdated all the way to late September 1915. It cannot be a coincidence that this was just days before

1. For example, a Comptroller's certificate from New York with IIC cancel, or from Albany with IIA/B; or a registered bond to a bondholder stated to reside in or near New York with Type IIC cancel, or in or near Albany with IIA/B.

Figure 92. New York Central Railroad $5,000, $10,000 and $50,000 debentures of 1915, all to William K. Vanderbilt, William K. Vanderbilt, Jr., and Harold S. Vanderbilt as trustees

All issued in May 1917, with cancels dated September 1915. The $7.50 stamp, uninitialed $25, $50 and $100, and 23mm cancels are inconsistent with 1915 use. The cancels were favor-backdated to exempt the bonds from property tax for 1915 and 1916!

the property taxes for 1915 had come due on October 1. If taken at face value—which must certainly have been the intent of the agent(s)—this relieved the bonds from any property tax liability for both 1915 and 1916. Presumably this was done as a favor to the Vanderbilts.

More Favor Backdating

Figure 93 shows two more examples of favor backdating, on Lake Shore and Michigan Southern 1897 series $5,000 and $10,000 bonds issued to one J. van Dyke Miller on December 4, 1916, with cancels dated September 29,

Figure 93. Lake Shore and Michigan Southern $5,000 and $10,000 bonds issued to J. van Dyke Miller in December 1916, with cancels dated September 1915. Again the $7.50 stamp, uninitialed $25 and $50 , and 23mm cancels are inconsistent with 1915 use, proving that the cancels were backdated to exempt the bonds from property tax for 1915 and 1916.

Figure 94. Stamps from three $5,000 bonds: center, Lake Shore bond shown above; left, typical 1915 usage, with initialed $10 and $25 with 20mm cancels (Figure 72); right, typical 1916 usage, with $7.50, uninitialed $25 and 23mm cancels (Figure 86). The stamps and cancels from the Lake Shore bond are characteristic of 1916 usage, backdated to 1915!

1915. As on the Vanderbilt bonds just discussed, the $7.50 stamp, uninitialed $25 and $50 stamps, and 23mm cancels here are inconsistent with 1915 use, proving that the cancels were backdated to exempt the bonds from property tax for 1915 and 1916. Figure 94 makes the case visually.

These and other examples of backdating are discussed in Appendix 3.

3. 1915–7 Tax Wars: Battling Toward a 0.2% Annual Levy

Table 3.1. Chronology of Secured Debts/Investments Taxes 1915–20

Tax	Rate	Exemption	Tax Period
Secured Debt I	0.5%	Perpetual	September 1, 1911 – March 31, 1915
(Suspended)			April 1–30, 1915
Secured Debt IIA	0.75%	Five years	May 1, 1915 – October 31, 1915
(Suspended)			November 1, 1915 – April 20, 1916
Secured Debt IIB	75¢/$100	Five years	April 21, 1916 – December 31, 1916
(Suspended)			January 1, 1917 – May 31, 1917
Investments	20¢/$100/year	Up to five years	June 1, 1917– May 9, 1920

The scattershot manner with which the Secured Debts tax was applied after 1915 begs for explanation. As shown in Table 3.1, beginning April 1, 1915, it was suspended for one month; reinstated for six months; dormant for nearly six months; revived for some eight months; dormant again for five months; before being replaced by the Investments tax effective June 1, 1917. These fitful stops and starts make perfect sense when seen as compromise measures, intermediate steps toward an annual tax, which after three years of legislative battles was finally enacted as the Investments tax.

A Shot Across the Bow

The *New York Times* of April 26, 1914, summarized an analysis by Harvard economist Charles J. Bullock severely critical of the Secured Debts tax, and specifically of its provision for permanent exemption from property tax. Its full text is quoted above (p. 60), but key portions are worth reproducing here:

> It cannot be seriously maintained that a tax of one-half of 1 per cent. is an adequate tax on a bond running for 50 or 100 years. . . . Travelers tell us of savages who in order to gather cocoanuts, cut down the trees upon which the nuts grow; and the Legislature of New York, when it enacted the secured debt tax, followed the same principle of economy. Every $5 of revenue secured in 1914 exempts a thousand-dollar bond from taxation as long as this law remains upon the statute book, and, therefore, dries up the sources of revenue in subsequent years.

The professor's argument appears to have had the desired effect on the legislature. The revised Secured Debts tax effective May 1, 1915, exempted bonds from from property tax for five years only, not permanently.

Taxpayers Stopped in Their Tracks

The opening salvo in the "tax wars" of 1915–7 was fired on April 1, 1915. Savvy bond dealers and bondholders had by then divined that the permanent exemption from property tax conferred by the Secured Debts tax would almost certainly be eliminated in the coming weeks, and rushed to take advantage of it while it lasted. The legislature and governor, acting in concert, stopped this rush in its tracks. An emergency bill was pushed through whose only provision was to stop collection of the Secured Debts tax until May 1. As reported in *The New York Times* of April 2, 1915:

WHITMAN ENDS RUSH FOR TAX EXEMPTION

Signs Bill Under Which Holders of Secured Debts No Longer Can Avoid Levy.

ANNUAL IMPOST EXPECTED

Investors Clamor at Office Here of State Controller to Take Advantage of Old Law.

ALBANY, April 1. — Gov. Whitman today signed the bill amending the secured debt tax law. The new law makes ineffective until May 1 that provision of the secured debt tax law which permits bondholders to procure future exemption.

The measure was passed under emergency message from the Governor. It was designed to forestall an expected rush of security holders to obtain exemption, as it is the intention of the administration leaders to repeal the present secured debt tax law and enact another which will require the payment of an annual tax.

Before news came from Albany at 4:15 o'clock yesterday afternoon that Gov. Whitman had signed the bill amending the secured debt tax law, there was a rush of bond dealers and other owners of funded securities to the local office of the State Controller to procure the exemption provided in the original law. Under the terms of the law the payment of one-half of 1 per cent. of the par value of bonds not otherwise exempted from State taxation made them free of future levy. As it was believed in financial quarters that a new law probably will be passed before May 1 providing for an annual taxation of perhaps two-fifths of 1 per cent., security holders were anxious to meet requirements of the old statute before it was too late.

Before noon a long line of clerks extended along the corridors of the floor in the Woolworth Building, where the Controller's offices are situated. Many held large bundles of bonds and a number of good-sized boxes full of securities were brought in under guard. Deputy State Controller William Boardman announced when the first comers appeared that the receipt of the tax would be accepted until telephoned notification came from Albany that the bill had been signed. When the message arrived there were still several dozen bearers of bonds to be waited upon. They were turned away.

The bonds presented aggregated about $10,000,000 in face value and the tax collected amounted to $25,000.[1]

0.2% Annual Levy Proposed

Two days later the *Times* described the battleground. On the one side, the New York Tax Reform Association, sponsors of the original Secured Debts tax and now its defenders. On the other, the forces aligned with the Whitman administration, their goal expressed in the Talmage bill, which proposed an annual tax of 2 mills per dollar (0.2%). The Association issued a statement in favor of the status quo, excerpted below:

> The larger part of the revenue from the secured debt tax law is, naturally, derived from New York City. Conditions in New York City are so different from those in the States which have adopted a low annual tax rate in place of the old personal property tax that no proper comparisons can be made. New York is the financial centre of the Western Continent and its great market for securities, whereas the bulk of the securities taxed in these other States are permanent investments of residents.
>
> The present secured debt tax falls upon the bond itself, and not upon the owner as such. If he subsequently sells the bond and buys another one which is unstamped, he must pay another tax and stamp the new bond, and frequently the bond which he has sold goes to another State. Thus there is a continual revenue due to the changing of investments.
>
> An annual tax, on the contrary, would fall upon the owner according to the total amount of bonds which he had in his possession on assessment day.
>
> The advantage of the present law therefore, is that, owing to the comparatively light rate of the tax, investors do not hesitate to stamp bonds which may, and frequently do, soon pass into other states; whereas, an annual lax would be entirely a personal one.

The Ill-fated Mills Bill

The 0.2% annual tax proposed in the Talmage bill was precisely what would eventually be enacted in 1917. By April 9, though, the Talmage bill had gone by the boards, replaced by one championed by Senator Mills of New York. Mills' bill proposed a two-part tax: the 0.5% levy would be retained, now providing not permanent exemption from other taxation, but simply registering the investment with the state; and an additional annual tax of 0.15% would guarantee exemption from other taxes. The *Times* of April 12 gave a detailed account:

1. These figures are not consistent: the tax on $10 million would have been $50,000.

O. L. MILLS EXPLAINS SECURED DEBTS BILL

Senator Tells in Detail What His Bill Provides and Will Accomplish.

CONTRACT WITH THE STATE

Tax on Certain Securities of Less Than 2 Mills Relieves Them from Personal Property Tax.

Senator Ogden L. Mills yesterday gave a clear explanation of his Secured Debts bill and what it seeks to accomplish. The Senator said that many misstatements had been made with regard to it and he offered a detailed summary of its provisions and objects. The bill is entitled "An Act to Amend the Tax Law in Relation to Taxation on Secured Debts." Senator Mills's statement follows:

The bill provides:

1. That the holder, including: a corporation, joint stock company, association, trustee, guardian, or executor of a bond, note, debenture, certificate, or other evidence of indebtedness which is payable one year or more from its date of issue, may pay to the State a registration tax of one half of one per centum, provided, however, that on securities having less than five years to run, the said registration tax shall be two-tenths of a mill on each dollar for each year it has to run.

2. That the holder of any securities so registered, shall pay an annual tax of one and one-half mills on each dollar of the par value of said securities, except that where interest has not been paid, the tax shall be based on the market value of said securities.

3. That the holder of all so-called secured debts, as defined in the bill, which have not been registered as above described, shall pay an annual tax of two cents on each dollar of the par value of the securities.

[4.–6. deal with various exceptions]

7. That secured debts as defined in this article shall be free from all other taxation.

8. That all secured debts registered prior to May 1, 1915, shall continue to be exempt from taxation, not only under this act, but from all taxation in the State as provided in the original secured debts law.

9. That every person, corporation and association subject to this tax shall make an annual verified report to the controller specifying: (a) the aggregate amount of secured debts which have been registered as provided; (b) the aggregate amount of secured debts which have not been registered; (c) such exemptions as are allowed.

10. That for the failure to file a report or for the filing of an inaccurate report, certain penalties shall be imposed.

Lessens Personal Property Tax.

The purpose of this bill is to impose a small annual tax on the holders of a certain class of securities, except on those who have already availed themselves of the exemption furnished by the present secured debt law — and these holders are fully protected. These securities are today subject to the personal property tax, the rate of which is very close to two per centum. It is true, of course, that the rate being well-nigh confiscatory, it has been impossible to collect the personal property tax, but it is equally clear that under these circumstances, the imposition of a tax which amounts to less than a sixth of one per centum a year is not in the nature of a great hardship.

The registration feature of the present secured debt law is retained because it was felt that, no matter how low an annual rate were imposed, securities would not appear unless there were some guarantee on the part of the State that the rate of such annual tax would not be raised by future legislation. Under the terms or this bill, by the payment of a registration fee of one-half of 1 per cent. the holder of so-called secured debts enters into a contract with the State under the terms of which he becomes liable for an annual tax of 1½ mills, while the State on its part guarantees him exemption from all other forms of taxation and pledges itself not to raise the rate during the life of the securities so registered. Furthermore, the State acknowledges the exemptions already granted under the secured debt law and again pledges its good faith inn to set aside or in any way modify the rights of those availing themselves of the registration privilege.

Direct Taxes Necessary.

The present condition of the State finances necessitates the raising of additional revenue. A large direct tax is in any event inevitable. That the entire burden should be borne by real estate is not only inequitable, but certainly, in so far as New York City is concerned, would be highly dangerous. Under these circumstances, the taxing of holders of certain securities at a very low rate and one which is almost 1 4-5 per centum lower than the rate of taxation to which they are at present liable under the personal property tax seems eminently sound, fair, and proper.

A hearing on Senator Mills's bill will be held in Albany tomorrow when suggestions looking to its improvement will be welcomed by its introducer.

The Compromise of 1915

At the April 13 hearing just alluded to, Mills' bill was transformed into a stopgap compromise measure. The 0.5% registration fee was jettisoned; the 0.15% annual fee for exemption from other taxes was retained, but in modified form, as a one-time 0.75% tax providing a five-year exemption; and the new tax would remain in effect only until September 30. Except for an extension of the ending date to October 31, this bill was essentially identical to that eventually enacted on April 30, 1915. The *Times* of April 15 reported:

NEW SECURED DEBTS BILL IN

Makeshift Plan Follows Lines of Repealed Law.

ALBANY, April 14.—Under the direction of the Senate Committee on Taxation and Retrenchment a new Secured Debts Tax bill was introduced today, which eliminated some of the features of the original measure. The bill was prepared by Senator Mills, sponsor for the original bill, which encountered vigorous opposition at a hearing held yesterday, and by Senate Leader Elon R. Brown. The bill follows the lines of the secured debts law which was on the statute books from 1911, until the repeal law enacted at the present session went into effect. Under the new bill domestic holders of certificates of indebtedness, secured by property in this or other States, may at their option have their securities registered against the payment of a tax of three-fourths of 1 per cent, on the par value, and thereby earn exemption from local taxation for a period of five years. The securities, however, must be registered prior to Oct. 1 of this year.

It was admitted tonight by the legislative leaders that the new bill was a mere makeshift and that in all probability a companion bill would be introduced providing for a legislative inquiry into the taxing system with a view of recommending to the next session of the Legislature a taxation plan which would provide for the growing requirements of the State.

Senator Mills tonight, in discussing the new bill, said: "At the hearing held yesterday, the almost unanimous opinion expressed by those appearing before the committee was that it would be unwise to attempt to enact so far-reaching a tax reform in the short time at our disposal. Under these circumstances we have decided not to press the original bill, but to introduce as a substitute a measure which provides that after May 1 and prior to Oct. 1 of this year, the holder of any secured debt may pay a registration tax of three-quarters of one per cent. All secured debts registered on which this tax has been paid shall be exempt for five years from the date of payment from all taxation. A committee of the Legislature should be appointed to thoroughly investigate and study the subject of taxation, after the adjournment of the Legislature, and be prepared to report its conclusions to the Legislature on Jan. 1, 1916."

When Senator Brown's attention was called tonight to the fact that the new bill provides for a tax one-quarter of one per cent. in excess of what the old law provided, he expressed the opinion that the increase would not prove a hardship to owners of taxable securities.

Securities on which the tax has been paid under the old law are not affected by the provisions of the new bill.

1916 Stalemate

With respect to the Secured Debts tax, the 1916 legislative session was essentially a rerun of what had transpired in 1915. Senator Mills again proposed a reform; lawmakers deadlocked over it, and in fact came dangerously close to letting the session slip by without putting any tax at all in place. The *Times* of April 1, 1916, urged action:

THE SECURED DEBT TAX.

As usual, and as is wrong, the important measures of the Legislature are among those latest in being proposed. Among them is Senator Mills's secured debt tax bill. If it is not passed the State will lose the revenue from such a tax at a time when the proceeds promise to be unusually large. On the other hand, the loss to taxpayers from inability to comply with such a law, through failure of its enactment, would be exceptionally great, on account of the unusual efforts to enlarge the personal tax collections last year. If the secured debt tax should fail of enactment thereby the privilege of personal tax payers to offset their debts against their personal property would be revived. The loss to the State would be the entire tax on the personal property, rather than the loss of the secured debt tax. That is the usual sequel of such attempts as last year's to enlarge the personal property tax collections.

> The tax collectors become teachers of methods of evasion, and their scholars become adepts in the art. All who learned to their cost that they must pay the full tax unless they availed themselves of the opportunity of the secured debt tax are keen to learn whether there will be a secured debt law this year or not, and govern themselves accordingly. The fanatics about equality of taxation on all kinds of property may be of the same opinion still, but after last year's fiasco, after the most strenuous efforts ever made to enforce the personal property tax, they must yield to the demonstration that the lowering of the personal tax rate is the most profitable, just, and reasonable procedure.

> The unsettled question at present is the status of bonds eligible to the lower rate when in transit between issuers and buyers. In the hands of brokers and other middlemen they are in an uncertain status between being issued and unissued, that is as to being eligible or ineligible, and there is the question who should pay the tax if eligible. When that doubt is removed the bill ought to pass in the interest of both the State and its taxpayers.

The Act of April 21, 1916, appears to have been classic "kick-the-can-down-the-road" legislation, merely renewing the stopgap measure of 1915.[2] After its passage the *Times* weighed in on April 30:

> THE SECURED DEBT TAX.

> The principle of the secured debt tax is so good that its extension for a year is welcome. Yet there are some considerations of an exceptional sort applicable at this time. Never before were there so many reorganizations of railways. Hundreds of millions of secured debts are being put into other forms, and yet the tax applies only to the identical securities to which the stamps are affixed, and is calculated on the face value rather than on the market value.

> A tax on a defaulted bond which pays no interest, and which is selling at a nominal value, has some likeness to a tax on a vacant lot. It is no fault of the tax that the lot returns no income. The tax is on the property in both cases. But there is this difference, the owner of the lot has the option to improve it, and make it earn the income its value entitles it to. But the owner of a secured debt has no option, nor any individual status. He must follow the reorganization, and the securities which he stamps may be compulsorily exchanged for others, the tax payment being wasted. The property which is taxed, if it can be called property, is the secured debt itself, not the paper which certifies the ownership of the credit against the debtor. It would seem that the tax paid ought to follow the securities in the reorganization. Yet there are difficulties, so variously are the securities altered in the reorganizations.

> The point is good only for a single year, and is mentioned in order that it may be considered when the question of putting the law into permanent form is considered. At present the law is being passed at each session pending the proposal of a permanent revision of the tax laws by the Mills committee. In the present law, as in its predecessor, there is a compulsion to register under the law, for there is no allowance of an offset of debts, as in the case of other property which does not have this option of commuting the tax.

It remained for the 1917 legislature to finally enact an annual tax.

How Successful was the Tax?

The number of stamped bonds surviving today is directly dependent upon the number stamped to begin with. How successful was the Secured Debts tax? Over its five-year course it raised some $6 million, from which it can be deduced that only about 10% of eligible bonds were stamped. Official expectations had been much higher. The *New York Times* of August 28, 1911, reported an early prediction:

> It was stated when the secured debts law was enacted that it would net the State a revenue the first year of about $2,500,000. This sum, Controller Sohmer thinks, is too low by half. Letters received in his office and conferences with owners and holders of debts affected by this law, he says, would seem to indicate an annual revenue of at least $5,000,000.

The *Times* of September 10, 1911, presented another official view:

> The sponsors for the new law expect that it will take three or four years to get the bonds and other instruments now in this State registered and that if the revenue this year is $10,000,000 it may be $4,000,000 next year, gradually dropping to $1,000,000 a year, which rate they think will be maintained by the registration of new bond issues and bonds newly brought into the State.

These last predictions were based on estimates of the value of eligible bonds — as high as $5 billion by some estimates, representing $25 million in potential revenue — together with the expectation that the majority of these bonds would

2. It did however mandate creation of new stamps in suitable denominations

be stamped. Receipts for the first year, though, were not $10 million, but only $1.4 million. The *Times* of September 13, 1912, in reporting this figure, gave the complementary estimate of bond brokers that only 5–10% of eligible bonds had been stamped. It also furnished a long quote from the President of the New York City Tax Department that put an optimistic face on the situation, and furnished a scenario for greatly increasing receipts via aggressive assessment:

SOUNDS WARNING TO OWNERS OF BONDS

Secured Debt Lists Carefully Prepared for Oct. 1, Says President Purdy.

EXEMPTION RECEIPTS LOW

New Tax Paid on Less Than $300,000,000 Worth of Bonds—Untilled Fields for Assessors.

Receipts under the secured debt tax, in anticipation of the imposition of personal property taxes on Oct. 1, are running ahead of those of last year for September, the rush month, but not to an extent to indicate that anything like the total of bonds owned by residents of the State are being brought in for registration and exemption from general taxation. At the New York City office of the State Controller, where nearly all of the tax collected is paid, the total up to the close of business yesterday was about $51,000. Last year the amount received in the first twelve days of September was about $33,000.

The increase is attributed chiefly to the fact that the existence of the law has become better known to owners of bonds, in some cases by their having to pay during the last year the personal property tax of 1.83 per cent., which they might have avoided by paying the registration tax of one-half of 1 per cent., which exempts the bonds from general taxation for all time.

The new law went into effect on Sept. 1 last year, and the total receipts for the twelve months ended Aug. 31 at the New York office were $1,378,487.52. The taxes from the rest of the State, paid at Albany, were inconsiderable by comparison. The new tax, therefore, was paid on less than $300,000,000 worth of bonds. It is notorious that few holders of bonds pay the personal property tax on them, and it is apparent that the real bulk of bonds owned here did not pay the secured debt tax. There is no means of ascertaining the amount of bonds owned in the State, and expert estimates are varied, running as high as $5,000,000,000. Bankers who deal largely in bonds, speaking from their experience of the securities that pass through their hands, say that the number on which the new tax is paid is between 5 and 10 per cent., and these figures are accepted as approximately correct by the sponsors for the new law.

Revenue from a New Source.

The purpose of the law was to obtain revenue from a source that very largely escaped taxation, and for this reason a provision was included that it was believed would induce bondholders generally to resort to the exemption tax. The experience of the Tax Department has been that hardly any individuals were ever found in the possession of bonds who did not show indebtedness sufficient to offset them. The new law provided that no offset of indebtedness could thereafter be made against bonds or secured debts, so that the personal property tax of 1.83 [%] in this city applied, at least theoretically, to bonds owned here. A tax of similar size will apply every year to bonds on which the secured debt tax has not been paid, and it is expected that when bondholders realize that they cannot offset their indebtedness they will take greater advantage of the exemption.

President Purdy of the City Tax Department, who advocated the new law, and Assistant Commissioner Heydecker, who drafted it, while admitting that the great bulk of bonds in this State had not paid the tax, expressed satisfaction yesterday with the amount of revenue derived from it in the first year, in view of the fact that its provisions had not become generally understood. Mr. Purdy criticized the slack enforcement of the personal property tax by assessors upstate, and declared that everything would be done in this city to reach bondholders who did not exempt their bonds.

"The receipts last year," he said, "would have been much greater had the law been thoroughly understood by the assessors in the country towns throughout the State and by those who reside in these country towns. There are numerous towns where a little aggressive work upon the part of the assessors would have resulted in a revenue to the State itself or to the towns so great as entirely preclude the necessity for any tax on anything else but secured debts. There are towns where the tax rate might have been reduced to 2 or 3 mills from 2 or 3 per cent. if the local assessors had exercised that degree of imagination which had to be exercised by those who framed the secured debt tax law.

Great Wealth Beckons Assessors.

"Just consider the amount of secured debts which must be held by the residents of the town of Greenburgh, in which is the village of Tarrytown, or the town of Bedford in Westchester County, or the town of Hempstead on Long Island; then, too, there is Tuxedo, famed from ocean to ocean; just suppose the assessors there could think in billions instead of hundreds of thousands, the revenue to those towns for one year would have been beyond their wildest anticipations; then the following year the State of New York would have reaped its profit. Besides these towns, which are the dwelling places and legal residences of those who live most of the year in the City of New York, there are the nice little towns that perform a similar function for the cities of Buffalo, Rochester, Syracuse, Utica, and Albany. It is said that the town of Colonie is especially favored by the wealthy residents of Albany.

"All that was necessary for these assessors was to make up a nice list and jot down opposite each name, say, $10,000,000 to start with: then advertise in the local newspaper, not for pay, but because the editor would have jumped at the news as a matter of vital interest to its readers. Why, that list in the local paper would have brought numerous persons to the Board of Assessors to make explanations and learn about the law, and then would have taken them to the office of the Controller of the State with their little $5 a thousand, or $5,000 a million, or $50,000 for ten millions, as the case must be.

"It is never too late to mend and enforce the law. If the assessors in every part of the State will start on this path of interest and diversion, which lies fair before them, before the following May comes around, they will be astonished at the result.

"Here in the City of New York no occasion has been allowed to escape for sounding a note of warning to those who own secured debt and are within the Jurisdiction of the New York Tax Department. Lists of such persons have been prepared with much care by the department, and any one who owns secured debts need feel no surprise if his name appears upon the annual record when the books open on Oct. 1. If he owns secured debts, now is the time to take advantage of the beneficent law which permits him to pay $5 a thousand and escape a tax equaling one-third to one-half his income."

In view of President Purdy's statement, figures were obtained for some of the townships in which persons of wealth have their legal residences. In the town of Greenburgh, which includes Dobbs Ferry, Hastings, Irvington, Tarrytown, and Ardsley, and numbers among its residents John D. Rockefeller and many others of large means, the total personal property assessment last year was $3,299,250. That of Hempstead was $1,012,540, North Hempstead $1,495,300, Oyster Bay $664,600. In the township of Tuxedo the total assessment was only $740,000.

This eminently sensible exhortation evidently had little effect. Receipts for the second year of the tax in fact were only $1,167,476, down from a revised figure of $1,411,568 for the initial year. The backers of the tax, though, were nothing if not optimistic: they now predicted an eventual annual baseline income of $2 million purely from newly issued bonds, double their original projection. From the *Times* of March 24, 1914:

> . . . Sponsors for the law, however, have never expressed disappointment with the revenue, as they believed it would take several years for the public to become familiar with the law and to take full advantage of it. They believe it will eventually yield at least $2,000,000 a year in spite of the fact that there will be fewer and fewer of the bonds outstanding at the time it took effect that have not already been registered. The $2,000,000 is based on an estimated output of an average of $1,000,000,000 of bonds a year in this city, on 40 per cent. of which it is calculated the tax would be paid.
>
> Revenue Increasing This Year.
>
> The first year of the law the revenue amounted to $1,411,568. In 1913 it was $1,167,476. For the present fiscal year, ending on Sept. 30 next, the revenue up to Feb. 1 was $227,835, as against $568,321 during the same period last year. At the office of the State Controller, it was said yesterday, however, that since Feb. 1 the payments had been heavy, and that in the first three weeks of March they were about $400,000 as against $150,000 for the whole of March last year. The amount for the fiscal year to the latter part of last week was said to be greater than for the whole fiscal year of 1913.
>
> Banking firms to an increasing extent, it is said, are forming the habit of exempting an entire bond issue before it is sold, and two or three bond houses make daily payments on all the bonds coming into their possession on which the tax has not already been paid.

This last paragraph dovetails nicely with the observation that a number of surviving bonds were stamped before being sold (Appendix 7; Figures 30, 48, 50).

Despite this forecast of increased revenue for fiscal 1914, the *Times* of April 4, 1915, in a long quote from the New York Tax Reform Association, reported that it had actually decreased again:

> SPONSORS DEFEND SECURED DEBT TAX
>
> Tax Reform Association Holds Decline in Receipts is Due to Abnormal Conditions
>
> Yield $1,000,000 a Year.
>
> . . . The law has yielded an average of more than $1,000,000 annually since its enactment. While the revenue fell off somewhat last year, the same was true of the other indirect taxes, especially the mortgage and stock transfer tax, which, like the secured debt tax, were affected by the abnormal financial situation and the closing of the Stock Exchange. . . .
>
> There has been little demand for a repeal of the secured debt tax. Persons familiar with tax and revenue problems regard it as an excellent measure in view of New York conditions.

For 1915 and 1916, partial data on receipts from the Secured Debts tax were reported in the *Times* of December 21, 1916. For July through November 1915, $985,614.94 was taken in; the tax was in effect only from May through October, so only the receipts from May and June are missing here. For July through November 1916, receipts were $603,534.12; the tax was in effect from April 21 until December 31, so the receipts cover five of these eight months.

The data in these last four articles enable an estimate of the percentage of eligible secured debts stamped while the tax was in effect, a period spanning five years and three months, from September 1, 1911, until December 31, 1916. From the informed estimates of $5 billion for the value of bonds held in the State at the onset of the tax, and of $1 billion per year for bonds newly issued or brought in, together with the tax rates of 0.5% for the first three years, then 0.75% for the last two, it follows that the potential tax revenue was roughly \$55 million. Based on the realizations of \$1.4 million, \$1.2 million, and roughly \$1 million for the first three years, and roughly \$2 million for 1915–16, the total realized can be estimated to be between \$5.5 million and \$6 million, from which it follows that only about 10% of eligible bonds were stamped.

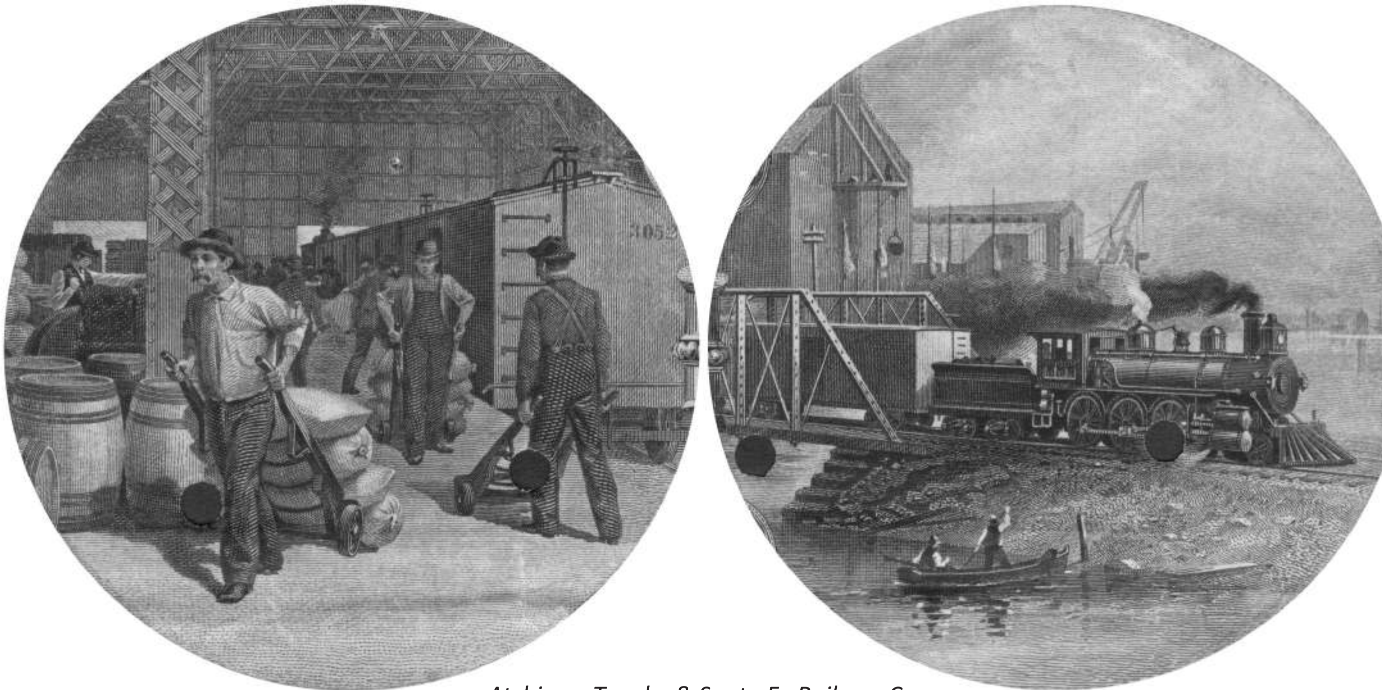
Why So Few Stamped?

It remains to be learned why relatively few bondholders chose to pay the Secured Debts tax. In the absence of direct evidence, a natural speculation suggests itself. To reprise, payment of the Secured Debts tax guaranteed exemption from the general property tax. On its face this seemed an offer too good to refuse: the property tax averaged about 2% per year, while the Secured Debts tax was a one-time payment of 0.5%, or later, 0.75% every five years; even this increased rate amounted to only 0.15% per year, less than a tenth of the property tax rate. The catch was that the property tax was being widely avoided, for reasons it is instructive to review. First, it was so high as to be considered confiscatory: no bondholder wanted to see half his annual yield whisked away at the snap of the taxman's fingers. This provided the psychological motivation for evasion; difficulty of assessment provided the opportunity. Unless in a trust, estate or highly visible holding, ownership of a bond was essentially invisible to the assessor, and bondholders could evade the property tax with impunity.

The same was true, though, of the Secured Debts tax. Why pay any tax, even a relatively small one, if it could safely be avoided? Backers of the tax believed the force of conscience was on their side. As reported by the *New York Times* on August 28, 1911, "It is . . . believed that there will be no attempt hereafter to evade the [secured debts] tax, as has been the case in the past when such debts were assessed as personal property." And on September 10, 1911, the *Times* characterized the Secured Debts tax as "An Appeal to Conscience," adding "It is notorious that a very large proportion of the securities held in this State have heretofore escaped taxation under the personal property tax, but they have done so chiefly through the process of 'swearing off,' and it is felt that a good many persons would rather pay a small tax once for all and gain exemption rather than strain their consciences." Judging from the results, these opinions betrayed a spectacularly unrealistic understanding of human nature. Wiser heads might have opined that conscience malfunctions in the face of taxes, or that tax evasion is in fact considered an act of conscience by the masses!

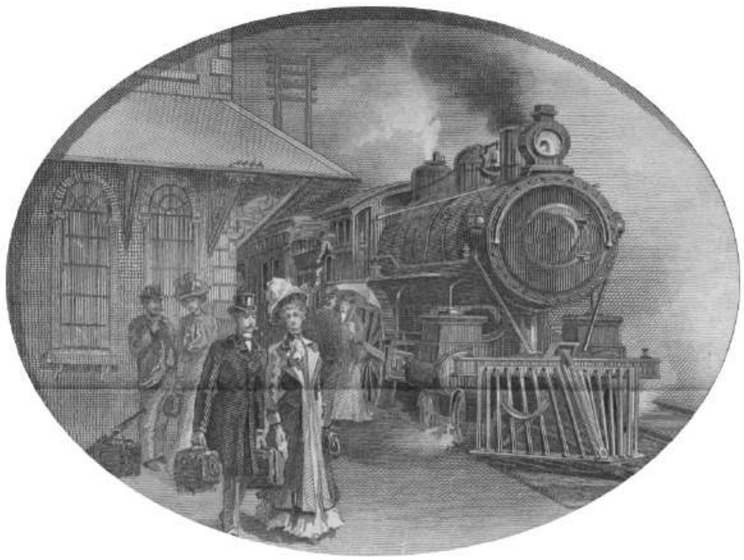
The percentage of bonds stamped becomes even less impressive given that many stamped bonds were in trusts (Figures 21, 22, 28, 30, 32, 55, 56), estates (Figures 24, 27, 29, 49), or the highly visible holdings of the super rich (Figures 31, 43), in plain view of the assessors, so that bondholders were essentially obliged to pay the tax, and in fact were happy to do so. Much the same can be said of registered bonds, for which the owners' names were a matter of record (Figures 21–33, 38–43, 46, 48–51, 55–8).

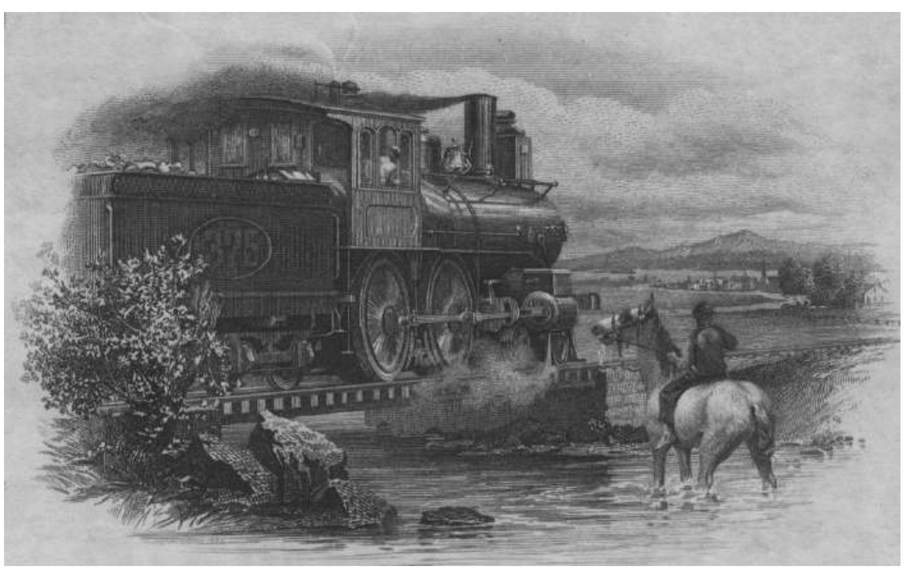
Northern Pacific Railway
1896 4% Prior Lien Railway and Land Grant 50 Year Gold Bond



Atchison, Topeka & Santa Fe Railway Co.
1895 4% General Mortgage 100 Year Gold Bond

Chicago, Indianapolis & St. Louis Short Line Railway
1903 4% First Mortgage 50 Year Gold Bond





Cleveland, Cincinnati, Chicago & St. Louis Railway, Cincinnati, Wabash & Michigan Railway Division
4% First Mortgage 100 year Gold Bond

4. Tax on Investments, 1917–20

4.1 Overview

Summary. The Investments tax, effective June 1, 1917, was essentially a renewal of the Secured Debts tax with a different name and increased rate, now 20¢ per $100 per year, for up to five years.

Tax on Investments stamps were created to pay the new rate, but were not available for some seven months, during which the old Secured Debt stamps were used.

The Investments $10 and the first printing of the $2 were perforated 11x12. All others, including a scarce later printing of the $2, were perforated 11.

Distinctive cancels were utilized to indicate payment for one, two, three, four or five years.

Where previously bonds could be stamped only at the offices of the Comptroller in Albany or his Deputy in New York City, a traveling agent, A. A. Kemter, was now appointed to collect the tax in other cities. Kemter used distinctive cancels identifiable by his initials AAK, first manuscript, later handstamped.

At Albany, handstamp cancelers incorporating the initials of the Chief Clerks of the Investments Bureau were used (W. B. LeRoy, 1917; E. A. Foley, 1918; J. G. Malone, 1919). Bonds showing these traveling agent and Albany cancels are all rare.

Bonds secured by mortgage of property lying partly within and partly without the state of New York—typically those of interstate railroads—were subject to both the Mortgage tax, on the portion of the property within the state; and to the Investment tax, on the portion outside. Paying both would have imposed an unreasonable burden on bondholders, and processing them would have been inconvenient and costly for the state. Accordingly bondholders were allowed to pay the full amount of either one tax or the other and receive the associated full benefits.

In a few cases, though, with philatelically spectacular results, bondholders elected only proportional payment of the Investments tax; so far this has been recorded primarily on bonds of the Lake Shore and Michigan Southern Railway, and its eventual parent company, the New York Central and Hudson River Railroad Co. These cases are treated in Chapter 4.7.

Eighty different bonds have been recorded showing payment of the Investments tax, with face values $263 (500 Russian rubles) to $100,000, and tax paid for one, two, three or five years, resulting in 22 different tax amounts from 60¢ to $200; 20 are known paid by Secured Debt stamps, and 16 by Investments stamps.

1917 Tax on Investments
Tax 20¢ per $100 per year

In its last incarnation, effective April 21, 1916, through December 31, 1916, the Secured Debts tax of 75¢ per $100 provided exemption from personal property taxes for five years for a wide class of bonds. The Investments tax, enacted June 1, 1917, and effective immediately, was essentially a renewal of the Secured Debts tax with a different name and increased rate, now 20¢ per $100 per year, for up to five years at the bondholder's discretion. The definition of "investments" was now streamlined somewhat:

> [Article 15, Section 330]. Definitions. The word "investments," as used in this article, shall include: Any bond, note, debt, debenture, equipment bond or note, or written or printed obligation, forming part of a series of similar bonds, notes, debts, debentures, written or printed obligations, which by their terms are payable one year or more from their date of issue and which are either secured by a mortgage, pledge, deposit, or deed of trust, of real or personal property, or both, or which are not secured at all;
>
> excepting bonds of this state or any civil division thereof and such bonds, notes, debts, debentures, written or printed obligations, which are secured by a trust or mortgage recorded in the state of New York on real property situated wholly within the state of New York;
>
> excepting also such bonds, notes, debts, debentures, written or printed obligations held as collateral to secure the payment of investments taxable under this article or of bonds taxable under article eleven of this chapter [the Mortgage tax];
>
> and excepting also such proportion of a bond, note, debt, debenture or written or printed obligation, secured by deed of trust or mortgage recorded in the state of New York of property or properties situated partly within and partly without the state of New York as the value of that part of the mortgaged property or properties situated within the state of New York shall bear to the value of the entire mortgaged property or properties.

The key provision of the statute follows:

> 331. Payment of tax on investments. After this article takes effect, any person may take or send to the office of the comptroller of this state any investment, and may pay to the state a tax of twenty cents per year on each one hundred dollars or fraction thereof of the face value of such investment for one or more years not exceeding five, . . . and the comptroller shall thereupon affix stamps . . . to such investment, which stamps shall be duly signed by the comptroller or his duly authorized representative and dated as of the date of the payment of such tax. . . .
>
> All such investments shall thereafter be exempt from taxation in the state or any of the municipalities or local divisions of the state.[1] . . .

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1. As with the Mortgage tax, exceptions were made for the taxes on bank shares (Chapter 62, Section 24), the franchise tax on

Figure 95. The Tax on Investments stamps

As with the Mortgage and Secured Debt tax statutes, once again the main thrust of the legislation—allowing exemption from the onerous personal property tax—is not obvious from its wording. Hopefully readers have by now adapted to this obscurity.

Investments stamps

As in 1911 and 1916, the Comptroller was directed to effect production of stamps in appropriate denominations and quantities. This resulted in Tax on Investments stamps in 16 denominations from 20¢ to $100 (Figure 95, SRS INV1–16). All but the 20¢ and 40¢ have been recorded on bonds.

Additional 5% Inheritance Tax on Unstamped Investments

The Act of June 1, 1917, included a novel incentive to payment of the Investments tax, modifying the state's long-standing inheritance tax. It provided that upon transfer of any investment held in an estate, on which neither the stamp tax nor the personal property tax had been paid during the year of the decedent's death, an additional transfer tax of 5% would be collected. The constitutionality of this tax was challenged in the courts and upheld, and it eventually added about $1 million to the state's coffers. As reported in the New York *Times* of August 24, 1919, it resulted in the collection of an additional $150,000 tax from the estate of banker James Stillman.[2]

Investments Tax Repealed 1920

Effective May 10, 1920, intangible personal property was made exempt from all state and local taxation, thus rendering the Investments tax meaningless, and it was simultaneously repealed.

Tax Initially Paid by Secured Debt Stamps

The Investments tax is infinitely more interesting philatelically by virtue of three factors. Bondholders could choose to pay for one, two, three, four or five years, resulting in a satisfying array of rates; this led to the creation of a set of distinctive cancels. And the initial unavailability of the new Investments stamps created a seven-month window during which tax was paid with Secured Debt stamps.

The Act of June 1, 1917, which created the Investments tax, took effect immediately upon passage; this guaranteed that the new stamps mandated by the Act would not be available for the first weeks or months of the tax. A survey of cancel dates allows this transition period to be delineated rather precisely. The latest recorded use of a Secured Debts stamp is December 27, 1917, and the earliest recorded usage of an Investments stamp is January 15, 1918.

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insurance and trust companies, and savings banks (Chapter 62, Sections 187–9), the inheritance tax (Chapter 62, Article 10), and the stock transfer tax (Chapter 62, Article 12). And again, apart from the inheritance tax, all of these exceptions are puzzling; none seems to have been applicable to the investments defined here.

2. Stillman had been president of the National City Bank, primary ancestor of present-day Citibank and Citicorp, and left a $50 million estate. His name lived on through his grandson James Stillman Rockefeller, who succeeded him as president and chairman of National City Bank, but achieved greater fame in old age; prior to his death in 2004 at age 102, James Stillman Rockefeller was America's oldest living Olympic champion, and the earliest living cover subject of *Time* magazine. In 1924 he had captained a crew of Yale teammates (including the future Dr. Benjamin Spock) who won the rowing eights gold at the Paris Games, then appeared on the cover of *Time* on July 7, 1924.

Figure 96. Left, Investments $50 and $10 with cancels dated July 10 and September 27, 1917. Right, Secured Debt $50 with cancels dated December 18 and December 27, 1917. The cancels on the Investments stamps were backdated; these stamps did not appear until early 1918.

Lion's Share of Bonds Stamped Early

Even though Secured Debt stamps were used only during the first seven months of the nearly three years the Investments tax was in effect, they nevertheless account for roughly half of recorded usages. As shown in the appended census, Secured Debt stamps have been seen on 268 examples of 63 different bonds, and Investments stamps on 229 examples of 59 different bonds. (The latter totals include 64 examples with two or more yearly payments, swelling the total of Investments stamp usages by 75, to 304.)

There is a straightforward explanation for this. Payment of the Investments tax—as with the Mortgage and Secured Debts taxes—provided exemption from the state's onerous personal property tax, which came due October 1. In each year these taxes were in effect, there was a rush to beat this deadline; roughly 60% of all recorded usages bear stamps affixed in the month of September. On all of the many recorded bonds stamped before the October 1, 1917, tax deadline, Secured Debt stamps were used, as the Investments stamps were not yet available. Moreover on just over half of these, payment was made for five years (Table VIII), which removed them from the pool of bonds subject to further Investments tax; by the time five years had elapsed the tax had been rescinded!

A False Trail: Cancels on Investments Stamps Dated July and September 1917

It would be easy to conclude that Investments stamps first appeared in mid-1917, for cancels of July 10, 1917, on the $50 and September 27, 1917, on the $2, $10, $20, $50 and $100 have been seen (Figure 96), all struck at the Deputy Controller's New York City office. Cancels with the same date have also been recorded on the Secured Debt $1 and $10, which would be consistent with a mid-day transition.

Flies in the Ointment

Two more observed Secured Debt usages dated September 28 and 29, 1917, might be dismissed as stragglers, for after this they cease abruptly until a usage in November 1917 by traveling agent A. A. Kemter. Even the latter could be explained on the grounds that Kemter's stock of stamps might not have yet been replenished with the new Investments issues.

Red Flags Prove Backdating

Additional observations, though, argue convincingly that the 1917 cancels on Investments stamps must have been backdated to beat the October 1 tax deadline. Six recorded bonds bear Secured Debt stamps with cancels of the New York City office dated December 12, December 18 and December 27, 1917 (Figure 96). Moreover, the six next-earliest recorded usages of Investments stamps on intact bonds after September 27, 1917, are clustered between April 5 and June 25, 1918! The July and September 1917 cancels are thus unmasked as impossibly extreme outliers.

Narrowing the Gap: Investments Stamps First Issued Early 1918

Data from off-document stamps alters considerably the earliest known usage of Investments stamps from the April 5, 1918, date set by intact bonds. The Earl Stritzinger collection included a $6 with cancel dated March 4, 1918; the June 2007 Nutmeg sale of the Bert Hubbard material, a $4 dated March 2, 1918; and the same sale, a 20¢ dated January 15, 1918! The transition from Secured Debt to Investments stamps is thus pinpointed to a window of about two weeks around January 1, 1918. This is discussed in detail in Appendix 4.

Perforation Surprises

In the process of investigating 1918 and 1919 cancels under high magnification, I was amazed to discover that the Investments $2 occurs with two perforations; nearly all are perforated 11x12, but roughly 10–15% are perforated 11 (Figures 99, 145, 149, 161–2). This led to a thorough examination of the perforation of all Secured Debt and Investments issues, with results heretofore unpublished. According to Cabot (1940) and subsequent catalogs, both the Secured Debt and Investments stamps were perforated "11 or 12 or compound." This is wrong on two counts, and imprecise on others. No Secured Debt stamps perforated 11 have been recorded, nor any Investments stamps perforated 12. The ten Secured Debt denominations issued in 1911 were perforated 12. The four denominations issued in 1916—25¢, 75¢, $3.75 and $7.50—were perforated 11x12.

For the Investments stamps, the 11x12 perforation used for the 1916 Secured Debt issues was retained for just two denominations, the $2 and $10. All others appear to have been perforated 11. The $2 can also be found perforated 11; in a survey of 122 stamps on intact bonds, 108 were perforated 11x12 and only 14 (11.5%) perforated 11.

The $2 and $10 Investments taxes paid for one year or five years on a $1,000 bond were by far the most common in the Investments schedule. Since these were the denominations for which the need was greatest, it makes sense that they would have been the first produced. Evidently the 11x12 perforation used only about a year earlier for the 1916 Secured Debt issues was retained,

Figure 97. *Cancels showing payment of Investments tax for one, two, three, four and five years, each with distinctive frame (Pruess Types IVA, B, C, D, E)*

Table 4.1.1. Investments Tax on Bonds of Typical Denominations

	Exemption (Years)				
Denomination	**One**	**Two**	**Three**	**Four**	**Five**
$100	20¢	40¢	60¢	80¢	$1
$500	**$1**	$2	$3	$4	**$5**
$1,000	**$2**	**$4**	**$6**	$8	**$10**
$5,000	**$10**	$20	$30	$40	**$50**
$10,000	**$20**	**$40**	$60	$80	**$100**
$50,000	**$100**	$200	$300	$400	$500
$100,000	**$200**	$400	$600	$800	$1000

either by design or inertia, before the switch was made to a uniform gauge 11. The $2 in this gauge was evidently from a subsequent printing(s).

As shown in Appendix 6, the stamps perforated 11 appear in two clusters: the first in September–October 1918, used in New York, shoehorned in between long runs of 11x12; and the second late, in September–December 1919, on stamps used by the traveling agent or at Albany.

One, Two, Three, Four or Five Years?

Allowing bondholders to pay for one, two, three, four or five years multiplied fivefold the number of possible tax amounts. Table 4.1.1 lists the taxes on bonds of typical denominations for up to five years. Those recorded on surviving bonds are in bold. The fact that they can be found paid by either Secured Debt or Investments stamps adds spice to the chase.

The Five Framed Cancels

Table 4.1.2 lists the cancels normally used on stamps paying the Investments tax, as described by Pruess (1969). All enclose a three-line date, and incorporate script agent's initials, nearly all "AB." Figure 97 illustrates them. I am aware of no state directive prescribing the form of the cancels.

Table 4.1.2. Cancels on Investments Stamps (Pruess, 1969)

Type IV. Various framed designs, incorporated as part of handstamp. . . . Dark blue or violet to black.

A. "TAX EXEMPT FOR ONE YEAR" in a Circle
B. "TAX EXEMPT FOR TWO YEARS" in an Octagon
C. "TAX EXEMPT FOR THREE YEARS" in a Keystone
D. "TAX EXEMPT FOR FOUR YEARS" in a Shield
E. "TAX EXEMPT FOR FIVE YEARS" in a Square

As shown in Table 4.1.3, more than half of all recorded stamped bonds show ONE YEAR cancels, and nearly all others FIVE YEARS. Only nine bonds have been seen with TWO YEARS, and THREE YEARS has so far been recorded only on two West Shore Railroad Co. 1885 $1,000 bonds. The single Investments $8 in Figure 97 above is the sole recorded example of the shield-shaped FOUR YEARS.

Table 4.1.3. Numbers of Bonds Taxed at Investments Rate

	Years Paid			
Denomination	**One**	**Two**	**Three**	**Five**
500 rubles	1			
£100	1			
$500	1			3
$1,000	37	8	1	17
$5,000	8			9
$10,000	7	1		5
$20,000				1
$50,000	1			
$100,000	1			
Totals	57	9	1	35

Embossed Seals

In addition to these datestamps, all stamps were canceled by an embossed seal, in two styles: initially "· STATE OF NEW YORK ·/TAX ON INVESTMENTS" in a smooth outer circle 53mm in diameter, enclosing a 26mm beaded inner circle with "PAID" in its center; then circa September 1918, " · INVESTMENTS TAX BUREAU · /PAID/STATE OF NEW YORK" with the same dimensions.

Who Printed the Investments Stamps?

The Investments stamps were almost certainly printed by Quayle and Sons of Albany. There appears to be no direct evidence for this, but rather convincing indirect arguments. In Figure 56 it was demonstrated that they printed the Secured Debt $100, and presumably all other denominations of the 1911 series. From there it is a small step to conclude they almost certainly also printed the four denominations added in 1916. The very similar basic desgns of the Investments stamps suggest that they too had the same printer. The perforation data presented above add one more bit of indirect evidence. The fact that the earliest Investments issues had the same rare and unusual compound perforation 11x12 as the last Secured Debt issues suggests they had the same printer.

4.2 Investments Tax, 20¢/$100/Year, One Year Payments

$1,000 Bonds, Tax $2

One-year usages comprise the lion's share of recorded examples of the Investments tax, and can be found in an enjoyable variety.

Most show payment(s) of $2 tax on a $1,000 bond, and on roughly half of these the tax was paid for one year only. Figure 98 shows a Morris and Essex Railroad 1900 $1,000 bond with the tax paid for one year on September 12, 1917, by a Secured Debt $1 pair. Figure 99 shows a New Jersey and New York Railroad 1892 $1,000 bond with the same tax paid September 18, 1918, now by the Investments $2.[1] Figure 99 also shows a "Big Four" Cleveland, Cincinnati, Chicago and St. Louis Railway 1893 $1,000 bond also bearing a single Investments $2, dated September 27, 1918, this time the scarce perforated 11 variety rather than the usual 11x12. With a standard gauge it measures exactly 11.0 vertically, but even without one, armed with the knowledge that (as stated in the standard catalogs) the stamp height is 33mm, a good estimate can be obtained simply counting perf holes. This is especially easy on this left margin copy: 18 holes in 33mm, thus in 20mm there are 10.9; close enough!

Payments for two or three successive years are seen with about equal frequency. Figure 100 shows a Chicago, Indianapolis and St. Louis Short Line Railway 1903 $1,000 bond with Investments tax paid by Secured Debt $1 pair on September 27, 1917, then by Investments $2 on September 25, 1918, the only recorded stamped example of this pretty bond. Figure 101 shows a Kanawha and Michigan Railway 1890 $1,000 bond with yearly payments by Investments $2 on September 25, 1918, and September 30, 1919.

Figure 102 shows a City of Jersey City 1902 $1,000 Water Bond stamped with Secured Debt $1 pair on September19, 1917, then by Investments $2 on September 17, 1918, and September 16, 1919. The $1 pair shows a horizontal guideline between the stamps. The same combination of stamps and cancel dates has been seen on the city's $1,000 1905 Refunded Assesment Bonds and School Bonds. Figure

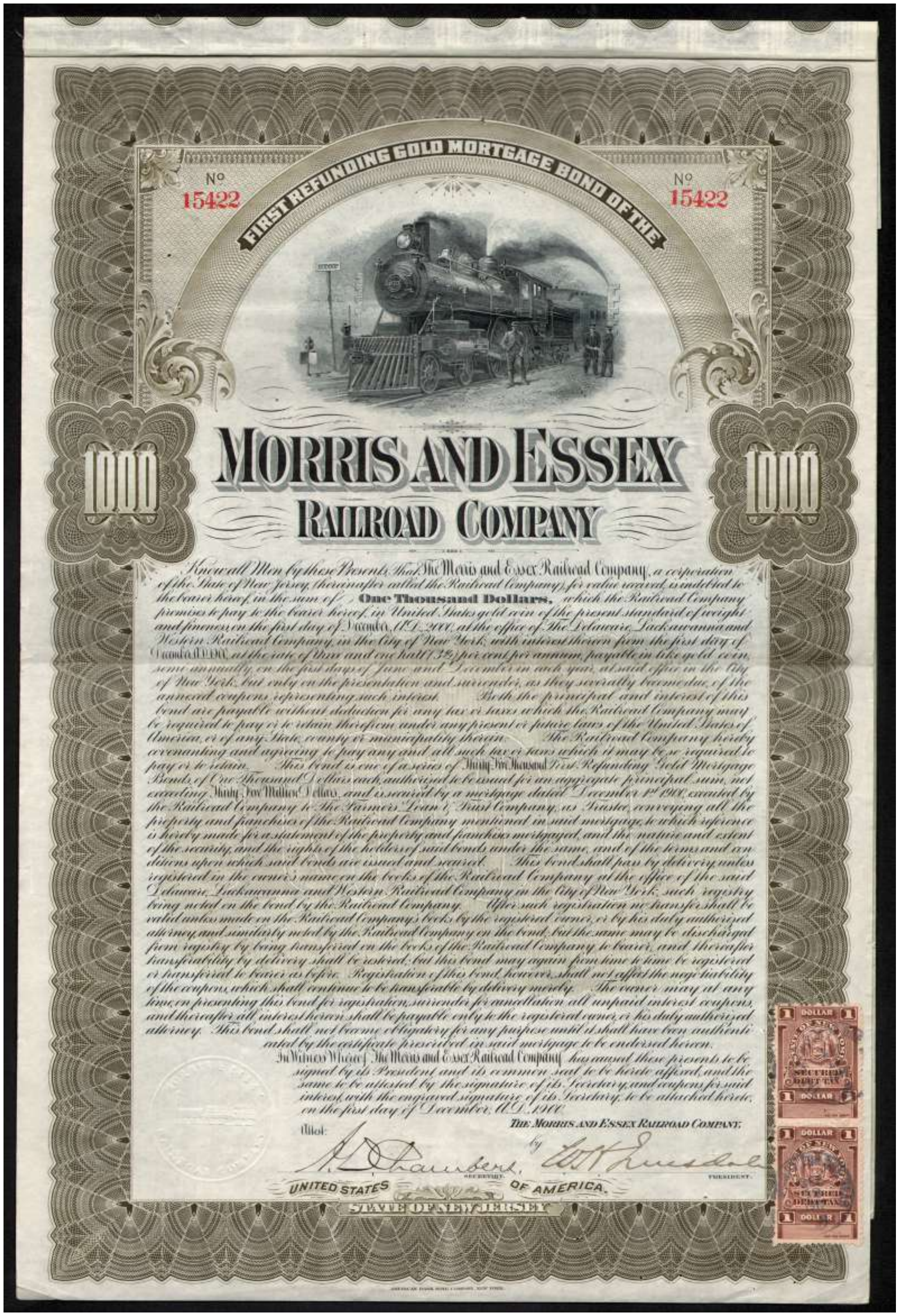


Figure 98. *1900 $1,000 bond with Investments tax paid for one year by Secured Debt $1 pair*

1. Several similar New Jersey and New York bonds have a 1932 extension attached, stamped with U.S. revenue 1917 $1 green; original issues or renewals were briefly taxed by the U.S. at 10¢ per $100, from June 21, 1932, until December 31, 1934.

Figure 99. 1892 and 1893 $1,000 bonds with Investments tax paid for one year in 1918 by Investments $2. Left, close view of the stamp on the 1893 bond, the scarce perf 11 variety.

102 also shows a Norfolk Terminal and Transportation Co. 1898 $1,000 bond with the same combination of payments, on September 20, 1917; September 26, 1918; and September 19, 1919.

Use of Secured Debt $1

Until being pressed into service to pay the Investments tax, the Secured Debt $1 had been rarely used. Its sole recorded use to pay the Secured Debt 0.5% rate of 1911–15 is on the Hukuang Railways £100 bond shown in Figure 46. A few are known paying the Secured Debt 1915 0.75%

__Figure 100.__ 1903 $1,000 bond with Investments tax yearly payments by Secured Debt $1 pair in 1917, then by Investments $2 in 1918

__Figure 101.__ 1890 $1,000 bond with Investments tax yearly payments in 1918 and 1919 each by Investments $2

***Figure 102.** Norfolk Terminal and Transportation Co. 1898 $1,000 bond and Jersey City 1902 $1,000 Water Bond with Investments tax yearly payments by Secured Debt $1 pair in 1917, then by Investments $2 in 1918 and 1919*

Above left, close view of $1 pair from Jersey City bond showing horizontal guideline between stamps

Figure 103. *$1,000 bonds issued in January and February 1918 to the same party, with Investments tax payments for 1917, 1918 and 1919 by Investments $2. The cancels dated September 27, 1917, were backdated, presumably from shortly after issuance of the bonds.*

rate, in combination with the $2.50 and 5¢ (x5) to make $3.75 tax on $500 bonds (Figures 71–2); and a few pairs of the $1 have been seen in exotic combinations paying the 1916 rate of 75¢ per $100, used with the $25, $10 and two 25¢ to make $37.50 tax on $5,000 bonds (Figure 89; Appendix 3, Figure A3.2).

The visually pleasing use of three Investments $2 has so far been seen only on bonds of the Baltimore and Ohio Railroad Southwestern Division, Birmingham Terminal Co., and Lake Shore and Michigan Southern Railway Co., all from the holdings of two parties (Figure 103). There is a good reason for this: as explained in Appendix 4, on all these bonds the cancels on the $2 stamps supposedly used September 27, 1917, were backdated .

The Curious Case of the Rotating Initials

Virtually all Type IV handstamps incorporate the script initials "AB." On the workhorse ONE YEAR cancel, initially these initials were roughly upright, perhaps tilting a bit to the right. By September 1918 they had rotated right about 45 degrees; and by 1919 they were nearly sideways! This progression is neatly illustrated on the bonds shown in Figures 103 and 109.

A variation on this theme is seen on the Type IV FIVE YEARS cancel, discussed in Chapter 4.4.

$1,000 bonds with the Investments one-year tax paid to traveling agent A. A. Kemter or at Albany will be covered in Chapters 4.5 and 4.6. Chapter 4.7 will cover proportional payments of 90% of the Investments one-year tax on $1,000 bonds of the Lake Shore and Michigan Southern Railway and the New York Central and Hudson River Railroad.

Figure 104. Russia 1916 State 5½% Military Short-Term Loan for 500 rubles (equivalent to about $257), 60¢ Investments tax paid for one year by Secured Debt 25¢ pair and two 5¢ in August 1917

500 Ruble Bond, Tax 60¢

We now proceed to bonds with denominations less than $1,000. Figure 104 shows a Russia 1916 State 5½% Military Short-Term Loan for 500 rubles, stamped with two Secured Debt 25¢ and two 5¢ affixed August 3, 1917. The Russian (silver) ruble had a nominal value of $0.515; 500 rubles was thus $257.50, and one-year payment of the Investments tax of 20¢ per $100 per year required 60¢ tax. This is the sole recorded payment of any Investments tax less than $1. Would that it had been made a year later, in which case the rare Investments 60¢ would have been used! On the other hand, by then the bond would have been nearly worthless, and the Investments tax not worth paying. The Bolshevik Revolution of February 1917 set off a spiral of hyperinflation which by the end of 1923 had reduced the value of the ruble by a factor of about 11 million.

£100 Bond, Tax $1

Figure 105 shows another of the spectacular 1911 Imperial Chinese Government Hukuang Railways £100

Figure 105. *1911 Imperial Chinese Government Hukuang Railways £100 bond with Investments tax paid for one year in September 1917 by Secured Debt \$1, then in September 1918 by Investments \$1*

bonds first encountered in Figure 46. There the Secured Debt 0.5% tax was paid in 1913; here the Investments tax was paid for one year on September 21, 1917, by Secured Debt $1, and again on September 23, 1918, by Investments $1. Since £100 was then equivalent to about $487, at 20¢ per year per $100 or fraction, the tax on these bonds was $1 per year. About 20 similarly stamped bonds have been recorded; they are justly famous as "the bonds that sparked the Chinese Revolution" (Mahler, 2010a).

Figure 106 which shows the same two tax payments on an 1863 bond of the Elmira and Williamsport Railroad, on September 20, 1917, and September 20, 1918, respectively. It had been stamped on issue on August 1, 1863, with a U.S. First Issue 30¢ Foreign Exchange; amazingly it was still paying interest 55 years later, which made paying the Investments tax worthwhile. As the bond was not secured by a mortgage, it was taxed by the U.S. simply as a promise to pay, at its Inland Exchange rates, specifically the 1863 rate of 10¢ per $200 for instruments payable in more than six months. Per their fine print, these Elmira and Williamsport bonds were payable in a bit longer than six months, on October 1, 2862, 999 years after issue! Nevertheless their interest payments were guaranteed by the Pennsylvania Rail Road Co., making them a reliable investment. This piece is ex-Henry Tolman, one of two recorded combinations of New York bond stamps with Civil War era issues.

Figure 106. *1863 bond of the Elmira and Williamsport Railroad Co. stamped on issue with U.S. First Issue 30¢ Foreign Exchange; amazingly, it was still paying interest more than 50 years later, with Investments tax paid in 1917 by Secured Debt $1, then in 1918 by Investments $1. Above, close view of the stamps.*

$5,000 Bonds, $10 Tax

We turn now to bonds with denominations exceeding $1,000. The census lists eight $5,000 bonds showing full or proprtional payment of the Investments one-year $10 tax. Figure 107 shows a Lake Shore 1897 series $5,000 bond with Secured Debt $10 affixed July 3, 1917, an early payment of the Investments tax, which had taken effect June 1. This is the sole recorded solo use of this stamp to pay this tax. Figure 108 shows a Michigan Central Railroad $5,000 bond with the same tax paid June 19, 1919, now by the Investments $10. And Figure 109 shows a Baltimore and Ohio Railroad Southwestern Division $5,000 bond

Figure 107. *1897 series $5,000 bond issued in 1912 with Investments tax paid for one year in July 1917 by Secured Debt $10*

Figure 108. *1902 series $5,000 bond issued in 1906 with Investments tax paid for one year in June 1919 by Investments $10*

Figure 109. 1899 series $5,000 bond with Investments tax yearly payments for 1917, 1918 and 1919, each by Investments $10. The cancel dated September 27, 1917, was backdated, presumably from shortly after issuance of the bond in February 1918.

issued February 13, 1918, with three one-year payments by the Investments $10 dated September 27, 1917, September 21, 1918, and September 30, 1919. This is a companion piece to the $1,000 bonds of the same party, one Edward Whoriskey, shown in Figure 103; here too the 1917 cancel was backdated to predate the October 1 property tax deadline; as discussed in Appendix 4, this was probably done shortly after the February 1918 issue date.

$5,000 bonds with the Investments one-year tax paid to traveling agent A. A. Kemter or at Albany, and with proportional payment of 90% of the Investments one-year tax, will be covered in Chapters 4.5 and 4.6.

$10,000 Bonds, $20 Tax

Six $10,000 bonds are known with full or proprtional payment of the Investments one-year $20 tax, comprising the only recorded usages of the Investments $20 stamp. Figure 110 shows a Lake Shore and Michigan Central 1897 series $10,000 bond issued in 1904, with $20 annual tax paid in successive years, first by Secured Debt $10 pair on September 28, 1917, then by Investments $20 on September 19, 1918. This is serial number 1370; number 1372 bears the same combination of stamps. Figure 110 also shows the third recorded example of ths combination, a Baltimore and Ohio 1915 series $10,000 bond with two Secured Debt $10 affixed on September 11, 1917, and Investments $20 on September 18, 1918.

Western Maryland Railroad 1917 $10,000 bonds are remarkable in that the entire issue appears to have been issued to John D. Rockefeller; all recorded examples, with serial numbers ranging from X170 to X1072, bear his printed name, with issue date June 4, 1917. All are stamped with two Investments $20, dated September 27, 1917, and September 26, 1918. Figure 111 shows one. The 1917 cancels were backdated, evidently as a favor to Rockefeller, not surprising as some $40,000 tax was paid. A thousand or so $10,000 bonds makes $10 million, an impressive holding even for the richest man in America.

$10,000 bonds with the Investments one-year tax paid to traveling agent A. A. Kemter, and with proportional payment of 90% of the Investments one-year tax, will be covered in Chapters 4.5 and 4.7.

$50,000 Bonds, $100 Tax

Among the most impressive Investments usages are New York Central and Hudson River $50,000 debentures of 1904 with one year $100 tax paid in successive years by Secured Debt $100 on July 20, 1917, then Investments $100 on June 6, 1918 (Figure 112); four examples have been seen, all to Emma S. Magee of Corning, N.Y. These are the only recorded combinations of the Secured Debt and Investments $100 denominations. The Investments $100 is rare in its own right: it has been recorded on only four different bonds, and a total of eleven examples. Even apart from the extraordinary combination of stamps here, the huge vignette and sumptuous magenta border make this one of the most visually appealing bonds of the period.

$100,000 Bond, $200 Tax

Western Maryland Railroad $1,000 bond M853 to John D. Rockefeller, from the same series as the $10,000 bond shown in Figure 111, has its denomination altered to $100,000 and bears two Secured Debt $100 affixed in 1917.

__Figure 110.__ $10,000 bonds with Investments tax paid for one year in 1917 by two Secured Debt $10, then in 1918 by Investments $20, the only recorded bonds showing this combination

Figure 111. *$10,000 bond with Investments one-year tax paid in 1917 and in 1918 by Investments $20, the only recorded such combination. The September 1917 cancels were backdated as a concession to John D. Rockefeller, to whom the entire issue was made!*

Figure 112. *$50,000 bond with Investments tax paid for one year in 1917 by Secured Debt $100, then in 1918 by Investments $100, the only recorded bond with this combination; four examples have been seen, all to the same party.*

4.3 Investments Tax, 20¢/$100/Year, Two and Three Year Payments

Two Year Payments

$1,000 Bonds, Tax $4

For $1,000 bonds, two years tax was $4. Just seven different bonds showing this usage have been recorded, and a total of nine examples.

Use of Secured Debt $3.75

Happily for latter-day philatelists, until the Investments $4 became available in 1918 this tax was paid by a combination of the Secured Debt $3.75 and 25¢; five different bonds show this combination, all stamped between July and September 1917. These provide collectors a precious few more usages of the elusive Secured Debt $3.75. This stamp had been created to pay the 1916 tax in that amount on $500 bonds, but just two such usages have so far been recorded (Figures 84–5).

Figure 113 shows an 1899 $1,000 bond of the Chicago and Alton Railroad with the $3.75 and 25¢ affixed July 31, 1917. Figure 114 shows the same stamps on a Cincinnati, Indianapolis, St. Louis and Chicago Railway 1880 $1,000 bond and a Kanawha and Michigan Railroad 1890 $1,000 bond, the cancels dated September 21, 1917, and September 26, 1917, respectively.

Investments $4

Figure 115 shows a Lake Shore and Michigan Southern Railway 1897 series $1,000 coupon bond with the two-year tax paid by Investments $4 on August 12, 1919. This stamp has been recorded on just three different bonds, and a total of four examples.

Figure 116 shows a Jersey City 1911 $1,000 Water Bond with tax paid for one year by a Secured Debt $1 pair affixed December 12, 1917—a very late use of Secured Debt stamps—then for two more years by an Investments $4 affixed December 9, 1918. The combination is so far unique.

As explained in Appendix 4, this and other uses of Secured Debt stamps as late as December 1917 were instrumental in formulating the strong hypothesis that the Investments stamps were not issued until early 1918, and that cancels on Investments stamps dated September 27, 1917 were all backdated.

The third recorded bond bearing the Investments $4—and a U.S. Spanish-American War 50¢ "Battleship—is illustrated in Chapter 4.6, as the stamp has an Albany cancel.

A $1,000 bond with exotic 90% proportional payment of the two-year tax by Investments $3 and 60¢ is described and illustrated in Chapter 4.7.

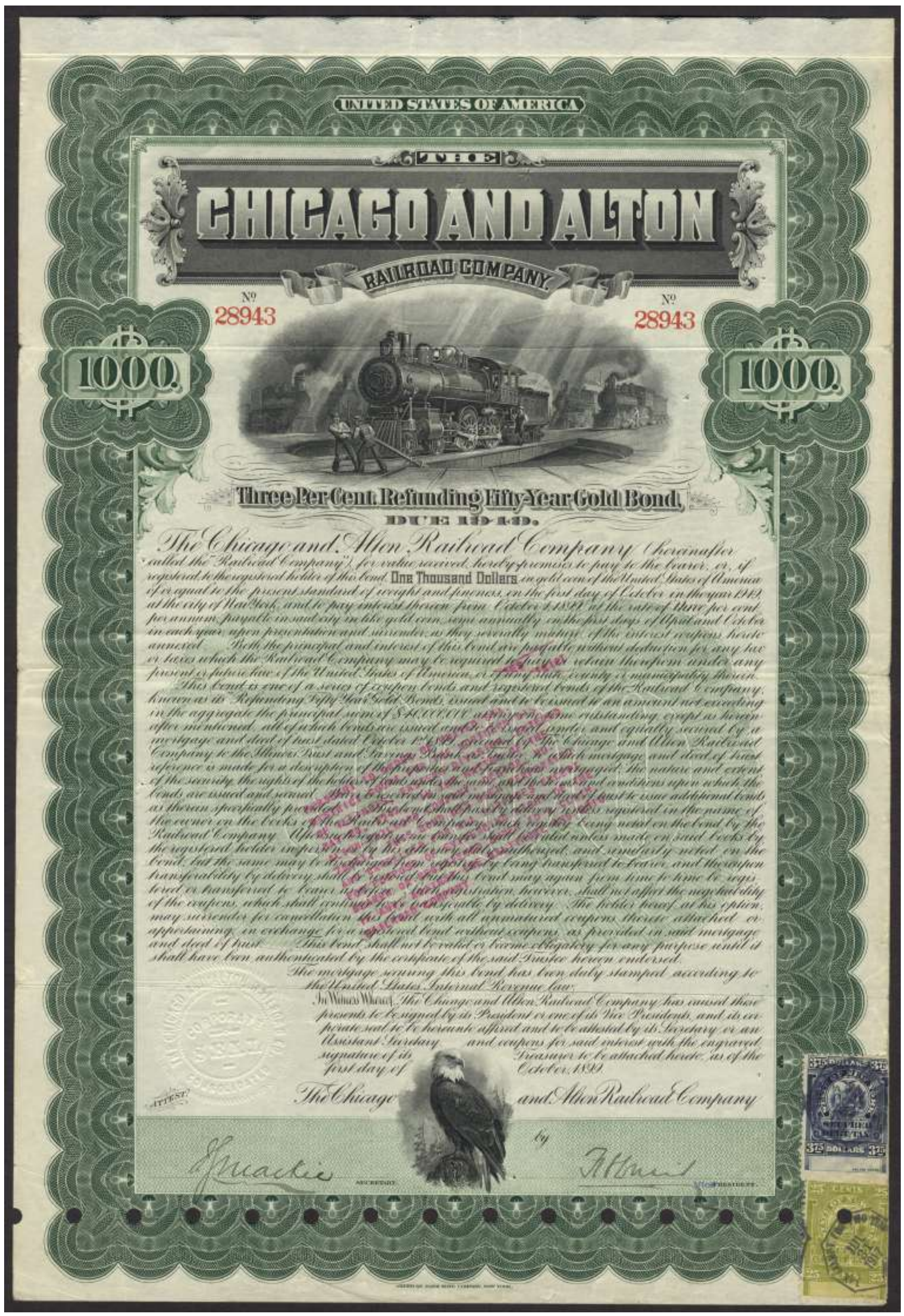


__Figure 113.__ 1899 Chicago and Alton $1,000 bond with Investments two-year payment by Secured Debt $3.75 and 25¢ in July 1917

Figure 114. _$1,000 Cincinnati, Indianapolis, St. Louis and Chicago Railway 1880 bond and Kanawha and Michigan Railroad 1890 bond, each with Investments tax two-year payment by Secured Debt $3.75 and 25¢ in September 1917. Below right, close view of two of the stamps showing the distinctive octagonal frame of the cancel._

Figure 115. *1897 $1,000 bond with Investments tax paid for one year in August 1918 by Investments $4. Above left, close view of the stamp.*

Figure 116. *1911 $1,000 bond with Investments tax paid for one year in December 1917 by Secured Debt $1 pair, then for two years in December 1918 by Investments $4, a unique combination*

Figure 117. $10,000 bond issued May 1916, with Investments tax paid for one year in September 1917 by two Secured Debt $10, then for two years in December 1918 by Investments $40, the sole recorded example of this stamp, on or off document!

Figure 118. *1885 $1,000 bond with Investments tax paid for three years in August 1917 by Secured Debt $5 and $1. This and a similar piece are the only recorded examples of three-year payment. Left, close view of the $5 showing the distinctive keystone frame of the cancel.*

$10,000 Bond, Tax $40
Unique Investments $40

Figure 117 shows a Baltimore and Ohio 1915 series $10,000 bond issued in May 1916, with Investments tax paid for one year on September 11, 1917, by two Secured Debt $10, then for two years on September 13, 1918, by the Investments $40. The unfortunate water damage to the bond and stamps is balanced by the fact that this is the sole recorded example of the Investments $40, on or off document!

Three Year Payments

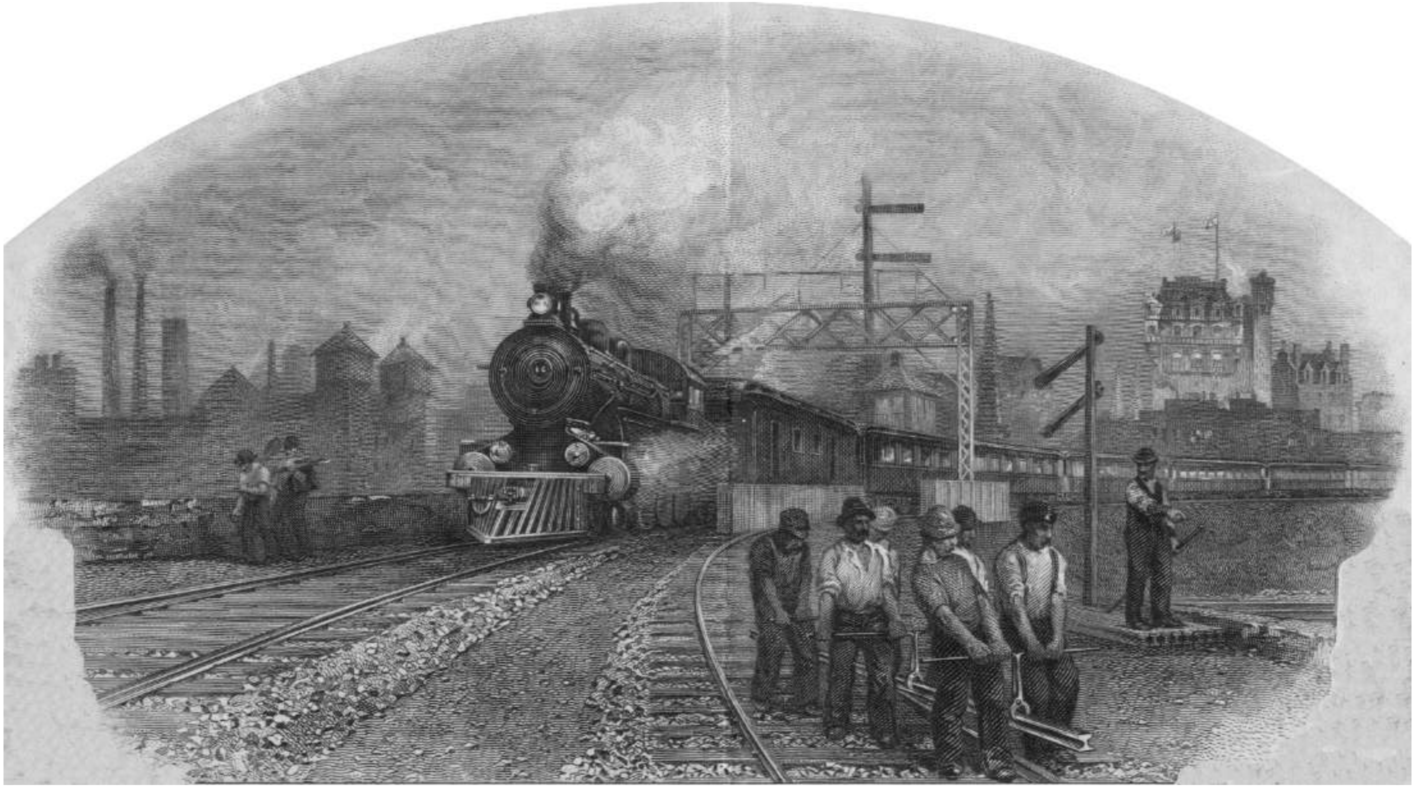
$1,000 Bonds, Tax $6

The only recorded bond showing three year payment is the West Shore Railroad Co. 1885 $1,000 coupon bond, with $6 tax paid by Secured Debt $5 plus $1 (Figure 118). Two examples have been seen, both stamped August 30, 1917, and hopefully more will surface. They are doubly extraordinary in that these bonds are more usually found with Mortgage Endorsement stamps; more will be said of this in Chapter 4.7.

Common Bonds, Rare Taxes

Of the ten recorded bonds with two or three-year payment of the Investments tax, only the Baltimore and Ohio 1915 series $10,000 bond is rare in its own right, rated R7 by Cox (appearing once or less every ten years). The Cincinnati, Indianapolis, St. Louis and Chicago 1880 $1,000 bond is rated R4 (offered once every one to three years), and the Kanawha and Michigan 1890 $1,000 bond, R3 (offered one to four times per year). The other five railroad bonds have the lowest rating, R1 (offered ten or more times per year). The Lake Shore and West Shore bonds shown in Figures 115 and 118 are particularly common, with multiple offerings seemingly always available on eBay at prices as low as $10. Yet the presence of the Investments $4 in the former case, and the three-year payment in the latter, transform them into high-level rarities.

Broadway Surface Railroad
1884 5% 40 Year Bond



New York Central & Hudson River Railroad Co.
1904 4% 30 Year Gold Debenture

Chicago, Rock Island & Pacific Railway
1904 4% First and Refunding Mortgage 30 Year Gold Bond

Michigan Central Railroad
1909 4% Gold Bond, secured by First Mortgage of Grand River Valley Railroad

4.4 Investments Tax, 20¢/$100/Year, Five Year Payments

$1,000 Bonds, Tax $10

Payment of the Investments tax for five years proved wasteful; the tax was rescinded in 1920 after a useful life of only three years. It was nevertheless convenient, and five-year payments account for roughly a quarter of recorded bonds taxed at the Investments rate. For $1,000 bonds the tax was $10, most often seen paid in 1917 by the Secured Debt $10, less frequently thereafter by the Investments $10.

Figure 119 shows a Norfolk and Western Railway 1896 $1,000 bond with five years tax paid on August 13, 1917, by the Secured Debt $10, the only recorded stamped example of this scarce and attractive bond (Cox R5, eight examples listed). A Great Britain embossed £1 had paid that country's tax on merchantable securities in February 1903. As also shown in Figure 119, the 1917 school bonds of the City of Newport News, Virginia, provide an appealing contrast to the staid railroad bonds of earlier decades; the vignette depicts two of those newfangled contraptions, the motor car! The Secured Debt $10 paid the five-year tax on September 4, 1917. Only 130 of these bonds were issued.

Figure 120 shows a Chicago and Erie 1890 $1,000 bond with five years tax paid on April 5, 1918, now by the Investments $10, the earliest recorded use of an Investments stamp on an intact bond. However as noted in Appendix 4, off-document stamps with cancels dated as early as January 15, 1918, have been seen.

Combination with U.S. 1898 “Battleship” 50¢

Figure 121 shows another payment of five years tax by the Investments $10, this time on May 1, 1918, another early use, on a “Big Four” 1893 $1,000 general mortgage bond, with U.S. 1898 50¢ previously affixed on June 1, 1902. Just two combinations of Investments stamps with U.S. Spanish-American War issues have been recorded; the other is illustrated in Chapter 4.6.

Paid for One Year, Then Five

Figure 122 shows a Baltimore and Ohio 1898 series $1,000 registered bond issued in 1900, with the Investments tax paid for one year on July 25, 1917, by two Secured Debt $1, then for five more years on June 25, 1918, by Investments $10. Remarkably, as also shown, a Lake Shore and Michigan Southern 1897 series $1,000 registered bond to the same party, one Frederic S. Barnum, with the same combination of payments, stamps and dates, has also survived — remarkable because they survived in different company archives, reaching the collector market by different mechanisms, and offered by different dealers. The B&O archive was salvaged by George LaBarre, Scott Winslow and associates circa 1980, and the Lake Shore bonds were part of the “Penn Central Find” sold in R. M. Smythe auctions in the late 1980s. Reunited after a century! Just one other example of this combination has been recorded.

The Shrinking Square

Until mid-1917 the FIVE YEARS cancels of New York had not-quite-square frames of about 21.6x22mm, with initials “AB” upright. Circa June 1918 a new canceler was introduced, now only about 21.4x20.9mm, leaving insufficient room for the initials to be upright!

$500 Bonds, Tax $5

Just as for one-year payments, $500 bonds showing five-year payments are rarely seen; The census lists just three, moreover only one example of each has been recorded. Figure 123 shows a Northern Pacific Railway 1896 $500 bond with Investments tax paid for five years on September 18, 1917, by Secured Debt $5, and Netherlands embossed 1g struck in 1940. This bond is scarce in its own right (Cox R6, offered every five to ten years).

The Investments $5

Figure 124 shows a New Jersey and New York Railroad 1880 $500 bond with five years tax paid February 12, 1919, by the Investments $5, the sole recorded example on a bond. It is easy to see why this stamp is missing even from many advanced state revenue collections. As shown in Table 4.1.1 (p.93) its only anticipated use was the one shown here, paying for five years on a $500 bond. Relatively few $500 bonds were issued to begin with; of these, only the few held by New York residents who chose to pay the bond tax were stamped; and of these, many were permanently exempt after payment of the Secured Debt tax of 1911–15, or exempt through 1920–1 via payment of the Secured Debt tax of 1915–16, which granted five years' reprieve. Of those unstamped by the time the Investments tax took effect, relatively few had five years paid, and of these most were stamped in 1917 with the Secured Debt $5; only the small fraction still untaxed by 1918 bear the Investments $5, and by mid-1920 the tax was rescinded.

$5,000 Bonds, Tax $50
The Investments $50

For $5,000 bonds, five years tax was $50. The same analysis just presented with respect to $500 bonds and the Investments $5 applies *pari passu* to $5,000 bonds and the Investments $50, with the proviso that $5,000 bonds were more plentiful by a factor of roughly five to ten. As noted above, the census lists just three different $500 bonds showing $5 tax (three examples), but nine $5,000 bonds taxed at $50 (and 20 examples).

Of these nine $5,000 bonds, five have been seen only with the Secured Debt $50, three with either Secured Debt $50 or Investments $50, and one only with the Investments $50. Of the eight bonds with Investments tax paid by the Secured Debt $50, 14 examples have been tallied; of the four bearing the Investments $50, just seven examples have been seen (two stamps defective). A bond bearing the Investments $50, while not in the class of the thus-far-unique use of the $5, is still a major rarity.

***Figure 119**. Investments tax paid for five years in 1917 by Secured Debt $10:*

Above, City of Newport News, Virginia, 1917 $1,000 school bond with Investments tax paid in September 1917. The vignette depicts two early autos!

Left, Norfolk and Western Railway 1896 $1,000 bond with Great Britain embossed £1 struck in February 1903, then Secured Debt $10 affixed in August 1917;

Figure 125 shows a Michigan Central Railroad 1890 series $5,000 bond with Investments tax paid for five years on August 1, 1917 by the Secured Debt $50. Figure 126 shows one of the four recorded bonds bearing the Investments $50, a New York Central 1915 series $5,000 debenture with the five-year tax paid September 28, 1918.

July 1917 Cancel on Investments $50

Figure 127 shows two Baltimore and Ohio Railroad 1915 series $5,000 bonds with Investments five-year $50 tax paid. One,

Figure 120. *Chicago and Erie 1890 $1,000 bond with Investments tax paid for five years by Investments $10 on April 5, 1918, the earliest recorded use of an Investments stamp on an intact bond. Right, close view of the stamp.*

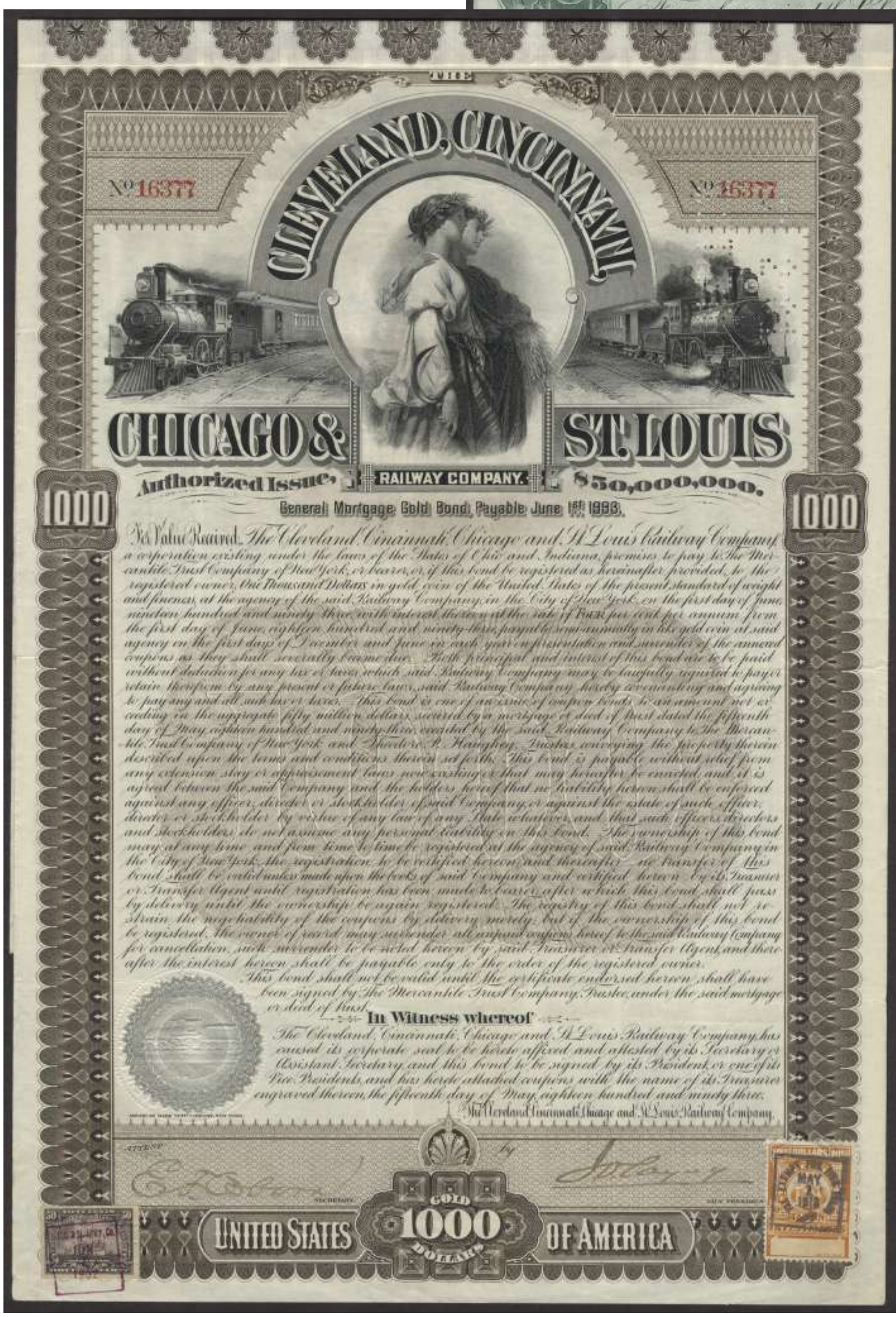


Figure 121. *"Big Four" 1893 $1,000 bond with U.S. 1898 "Battleship" 50¢ affixed in June 1902, then Investments tax paid for five years by Investments $10 on May 1, 1918, another early use. Just two combinations of Investments stamps with U.S. Spanish-American War issues have been recorded. Above, close view of the U.S. stamp.*

Figure 122. *Matched pair of $1,000 registered bonds to the same party with one year's tax paid in July 1917 by two Secured Debt $1, then five years more in June 1918 by Investments $10. Just three such combinations have been recorded to date.*

Figure 123. *Northern Pacific Railway 1896 $500 bond with Investments tax paid for five years in September 1917 by Secured Debt $5, one of three recorded examples of this tax. Above, close view of Netherlands embossed 1g added in 1940.*

Figure 124. *New Jersey and New York Railroad 1880 $500 bond with Investments tax paid for five years in 1919 by Investments $5, the sole recorded example of this stamp on a bond. Left, close view of the stamp.*

Figure 125. *Michigan Central Railroad 1890 series $5,000 bond with Investments tax paid for five years in August 1917 by Secured Debt $50. Below, close view of the stamp.*

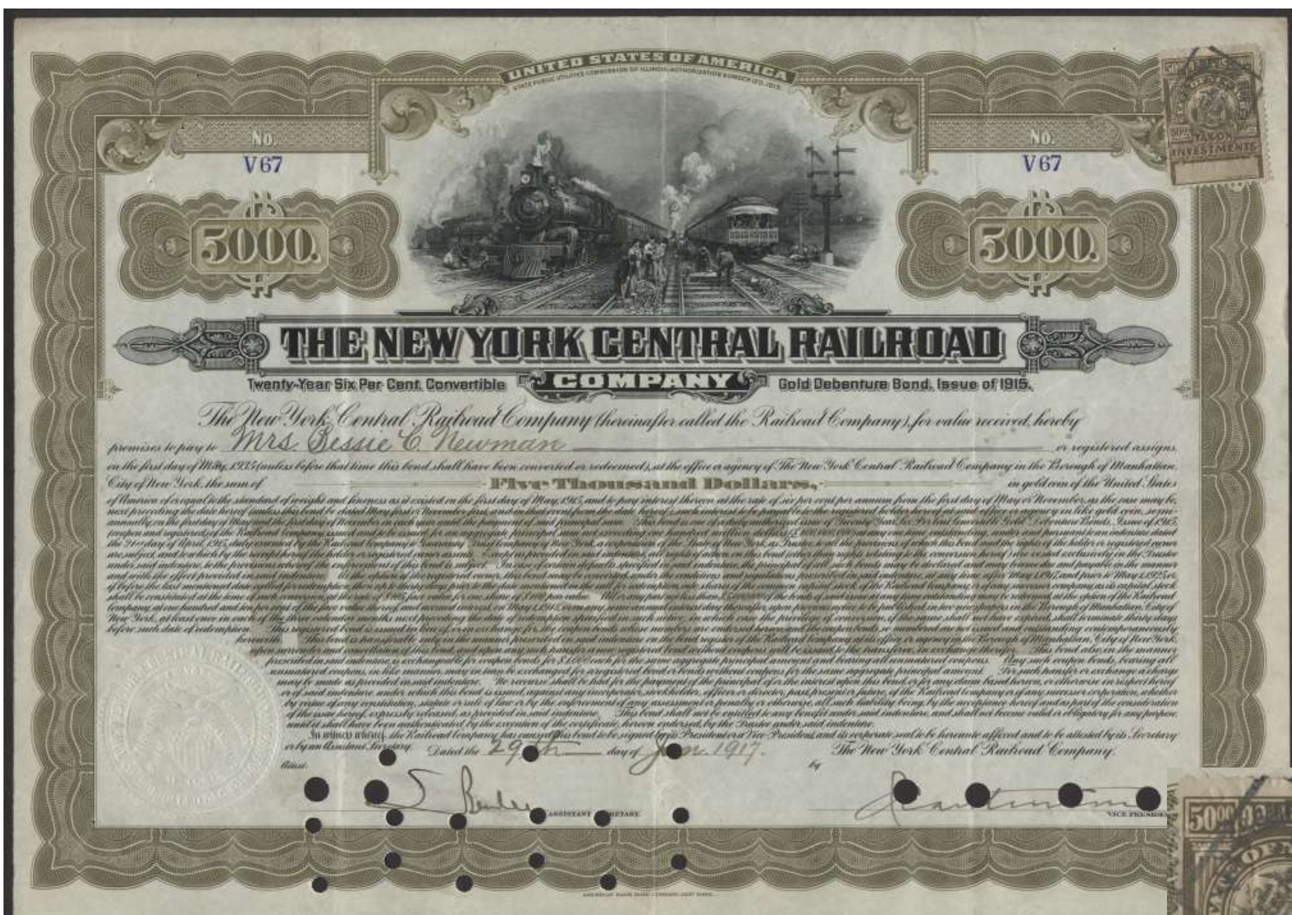


Figure 126. New York Central Railroad 1915 series $5,000 bond with Investments tax paid for five years in September 1918 by Investments $50, one of four recorded bonds bearing this stamp. Right, close view of the stamp.

Figure 127. *Top, Baltimore and Ohio Railroad 1915 series $5,000 bond to Evelyn Spencer Weatherbee with Investments tax paid for five years on July 10, 1917, by Secured Debt $50. On January 30, 1918, it was transfered to Evelyn W. Miller, who signed as "formerly Evelyn Spencer Weatherbee."*

Middle, similar bond issued January 31, 1918, to Evelyn W. Miller, the tax now paid for five years by Investments $50 with cancel dated July 10, 1917. This evidently replaced the earlier bond (or one like it), with cancel backdated to match that of the original.

All other evidence suggests the Investments stamps were not issued until early 1918; on its face, this July 1917 cancel on the $50 suggests otherwise, but replacement backdating neatly explains its "impossibly early" date.

Left, close view of the stamps.

Figure 128. *Baltimore and Ohio Railroad Southwestern Division $10,000 bond with Investments tax paid for five years on December 18, 1917, by Secured Debt $100, a very late use of Secured Debt stamps. Inset, close view of the stamp.*

Figure 129. *Atlantic Coast Line Railroad $10,000 bond with Investments tax paid for five years in December 1918 by Investments $100, one of just four recorded bonds bearing this stamp. Inset, close view of the stamp.*

Figure 130. *$10,000 bonds with Investments tax paid for five years by Investments $100, both made to New York City private bankers (see text for details)*

with serial number A47, bears an Investments $50 with cancel dated July 10, 1917. All other evidence suggests that Investments stamps were not issued until early 1918; on its face, this July 1917 cancel on the $50 indicates otherwise. Fortunately the companion bond provides convincing evidence that this cancel was backdated. That bond, serial number A24, was issued in 1916 to Evelyn Spencer Weatherbee with the tax paid on July 10, 1917, by the Secured Debt $50. On January 30, 1918, it was transfered to Evelyn W. Miller, who signed as "formerly Evelyn Spencer Weatherbee." Now note the bondholder and issue date of the first bond: issued to Evelyn W. Miller on January 31, 1918! It evidently replaced the earlier bond (or one like it), with cancel backdated to match that of the original. Problem solved! Presumably it was stamped on or shortly after the issue date, consistent with other early appearances of the Investments stamps in the first months of 1918. As discussed below, the Act of August 29, 1917, in fact mandated backdating of cancels on replacement bonds.

$10,000 Bonds, Tax $100

For $10,000 bonds, five years tax was $100. The same sort of analysis used for the $500 and $5,000 bonds is useful again here, with $10,000 bonds being somewhat scarcer than $5,000. The census lists just five different $10,000 bonds showing $100 tax, and just ten examples. Of these five bonds, two have been seen only with the Secured Debt $100, and three only with the Investments $100. Of the two recorded with Secured Debt $100, just three examples have been tallied; of the three bearing the Investments $100, seven examples have been seen. Four more copies of the Investments $100 have been recorded paying one year's tax on $50,000 bonds (Figure 112), bringing the total observed on document to eleven.

Figure 128 shows a Baltimore and Ohio Railroad Southwestern Division $10,000 bond with Investments tax paid for five years on December 18, 1917, by Secured Debt $100. This is the second-latest recorded use of Secured Debt stamps, the only one later coming on December 27, 1917. As explained in Appendix 4, these December 1917 usages were instrumental in constructing the hypothesis that the Investments stamps were not issued until early 1918.

Figure 129 shows one of four recorded $10,000 bonds with Investments $100 paying the five-year $100 tax, an Atlantic Coast Line bond with tax paid December 26, 1918.

Issued for Private Bankers

Figure 130 shows two more, which add an element not seen in previous chapters: they were issued for private bankers. An 1898 series 3½% bond was made to the "Superintendent of Banks of the State of New York in trust for the Depositors with Giovanni Lordi, Private Banker, New York, N.Y."; and a 1913 series 4½% bond, to "The Superintendent of Banks of the State of New York as Trustee for the Depositors with R. H. Macy's Depositors' Account Department, Private Bankers, New York City."

Private bankers cater to wealthy investors, providing services not available to the public at large. The salient point in the present context is that their holdings are a matter of public record, filed with the Superintendent of Banks. In 1918 these bonds would thus have been in full view of the tax assessors and liable to the property tax of about 2% per year. It is not surprising that the Investments tax of 0.2% per year was paid instead.

The Superintendent's Annual Report for 1916 reveals that the Macy's Depositors' Account Department in fact consisted of brothers Jesse Isidor, Percy S. and Herbert N. Straus, the sons of Isidor Straus, who with his brother Nathan had acquired Macy's from the Macy family in 1895. At his sons' urging, he oversaw the construction of the firm's phenomenally successful flagship store at Broadway and 34th Street in 1902. Isidor and his wife Ida perished with the *Titanic* in 1912, choosing to relinquish their lifeboat seats and remain together on board.

Macy's had pioneered depositor's accounts, in which shoppers could make deposits and then charge purchases against them. This in effect provided Macy's with interest-

Figure 131. *U.S. Steel 1920 $100,000 Series A bond to trustee under the will of Andrew Carnegie, stamped with five Secured Debt $100 with Investments tax "FIVE YEARS" square cancels, seemingly requiring $1,000 tax, not $500. Left, close view of the stamps.*

free loans. The aforementioned 1916 Report listed the holdings of the Macy's Depositors' Account at about $1.3 million, with a permanent capital of $100,000. At that size it certainly merited special attention. The same volume listed the holdings of Giovanni Lordi at about $200,000, with permanent capital $10,000.

Carnegie $100,000 Annuity Bonds, $500 Tax The Riddle of the "Missing $500"

The will of steel magnate and philanthropist Andrew Carnegie bequeathed numerous $5,000 annuities, paid as the interest on U.S. Steel Corporation $100,000 5% bonds. Figure 131 reprises an example, issued for George L. Carnegie, Andrew's nephew. Although not issued until 1920, it was taxed at the 1911–15 0.5% rate, with $500 paid by five Secured Debt $100 stamps, the highest recorded tax on any bond. The square framed cancels catch the eye, difficult to read against the black background of the $100 stamps, but reading "TAX EXEMPT FOR FIVE YEARS," dated September 26, 1917. At the rate of 20¢ per $100 per year, five years Investments tax on a $100,000 bond was $1,000, not $500. The stamps are tied by "PAID" embossing, and there are no missing stamps. They were affixed at the Office of the Comptroller in New York City, by a presumably knowledgeable agent. How then was only $500 paid?

This was not a one-off. U.S. Steel bonds were issued in a spectacular multicolored array, series A though F, staggered monthly, generating interest semiannually: Series A paying in January and July; Series B in February and August; and so on. The example shown in Figure 131 is from Series A. Stamped Carnegie annuity bonds have been recorded for all but Series B. Figures 132–4 show more examples:

Series C for Margaret Lauder, Carnegie's cousin

Series D for John W. Beatty, Carnegie Institute Director of Fine Arts

Series E for Dr. Robert S. Woodward, President of the Carnegie Institution

Series F for John A. Poynton, Carnegie's secretary

Others have been recorded for Frank M. Wilmot, Secretary of the Carnegie Hero Fund; Mrs. Edith K. Roosevelt, widow of President Theodore Roosevelt; and ex-President William H. Taft. They were issued "for" the parties, the

Figure 132. *Andrew Carnegie $100,000 Series C annuity bond for his cousin Margaret Lauder, stamped with five Secured Debt $100. Left, close view of the stamps showing straightline cancels dated July 25, 1912.*

Figure 133. *Carnegie $100,000 Series D and E annuity bonds for John W. Beatty, Carnegie Institute Director of Fine Arts, and Dr. Robert S. Woodward, President of the Carnegie Institution, with five Secured Debt $100. One stamp on the Beatty bond has a guideline at top.*

Figure 134. Carnegie $100,000 Series F annuity bond for John A. Poynton, Carnegie's secretary, stamped with five Secured Debt $100

$5,000 annual interest for them, the $100,000 principal remaining in a Carnegie trust. All have $500 tax paid by five Secured Debt $100.

An Important Clue: 1912-Dated Cancels

Along with the "FIVE YEARS" cancels, "JUL 25 1912" straightline cancels of the Secured Debt 1911–15 period are usually present; moreover the stamps are initialed ("HD"), in concert with these 1912-dated cancels as required at that time. The tipoff to this is the Series C bond shown in Figure 132, on which the 1917-dated cancels were not struck.

Slips attached to the reverse of several of these bonds reveal that each was accompanied by two $5,000 bonds of the same series, consecutively numbered with it, for the same party. Their $250 interest was evidently used to pay the cost of administering the annuity. At least one of these has survived, a series F bond for Thomas Burt, British MP and lifelong Carnegie friend, stamped with Secured Debt $25. Like the $100 stamps of Figure 132, it too has only the July 25, 1912, straightline cancel and manuscript initials.

Why U.S. Steel Bonds?

The use of U.S. Steel bonds to effect the Carnegie annuities merits a digression. In 1901 J. P. Morgan had engineered the formation of U.S. Steel, the world's first $1 billion corporation. A key element was the purchase of Carnegie Steel for $480 million, of which Carnegie's personal share was some $225 million, paid as U.S. Steel 5%, 50-year gold bonds. To house them a special vault was built in Hoboken, New Jersey, safe from the New York tax assessors. (Note the trustee specified in the above annuity bonds was the Home Trust Co. of Hoboken.)

Surviving Carnegie U.S. Steel bonds generally do not bear stamps. Those discussed here are conspicuous exceptions, presumably stamped to exempt the eventual beneficiaries from New York property tax.

The Riddle Solved

Carnegie's will was made in February 1912. He died August 11, 1919, and the annuity bonds were issued February 19, 1920. In preparation for their eventual issue, U.S. Steel bonds in an equivalent amount, already issued to Carnegie in 1901, were stamped in July 1912, shortly after the will was made. Figure 135 shows examples: 1901 $20,000 and $5,000 bonds to Carnegie with Secured Debt $100 and $25 canceled July 23, 1912, correctly paying the Secured Debt 0.5% tax of 1911–15. A similarly stamped $20,000 Series F bond has also been recorded. All have conspicuously low serial numbers.

These bonds were canceled by J. P. Morgan & Co. on February 19, 1920, as evidenced by their three-line handstamps on the face of the bonds. This is the same day the $100,000 annuity bonds were issued! The conclusion is inescapable that these "pre-annuity" bonds were converted into the annuity bonds.

An Act of August 29, 1917, provided that in such cases, when the stamp tax had been paid on the original instruments, "the comptroller shall affix stamps of like

Figure 135. *U.S. Steel 1901 $20,000 and $5,000 bonds to Carnegie stamped with Secured Debt $100 and $25 canceled July 23, 1912, paying the Secured Debt 0.5% tax of 1911–15, bonds canceled by J. P. Morgan & Co. on February 19, 1920, the same day the $100,000 annuity bonds were issued! The conclusion is inescapable that these "pre-annuity" bonds were converted into the annuity bonds.*

aggregate denomination . . . to the . . . instruments issued in lieu thereof.” Since the “pre-annuity” bonds were stamped at the Secured Debt 0.5% rate, the $100,000 annuity bonds, which replaced them, were also. This explains why they bear only $500 in stamps, not $1,000.

Stamped in 1912?

So far, so good, but there is still much to be unraveled here. When were the annuity bonds stamped? The most straightforward explanation is that it was done July 25, 1912, the date of the straightline cancels, and that the “FIVE YEARS” cancels were subsequently added. However close examination reveals several of the latter that cross the borders of the stamps but do not continue onto the bonds, and thus must have been struck before affixing. If these were precancels, so too must have been the straightline cancels that preceded them. This puts paid to the “straightforward hypothesis.”

A variant is still possible, but implausible: large numbers of stamps could have been precanceled in July 1912, then held aside awaiting their eventual use, with the framed cancels added some five years later, before being finally affixed to the bonds. It hardly seems likely that a task this substantial would have been strung out for five years or more in the busy New York office.

1912 Cancels Backdated

It is far more likely that the 1912 cancels on the annuity bonds were backdated. This was in fact mandated by the aforementioned Act of August 29, 1917, consisting of a single provision, concerned exclusively with the stamping of replacement bonds (bolding mine):

> Upon proof of the surrender and cancellation or of the destruction of any instrument or instruments . . . upon which the investment tax shall have been paid . . . or any secured debt upon which the secured debt tax shall have been paid . . . and of the issuance in lieu thereof of a new instrument or instruments evidencing the same investment or secured debt . . . of the same or different denomination or denominations, and upon proof of the date and aggregate denomination of the stamps affixed to the surrendered or destroyed . . . instruments or to the receipt for the tax thereon, **the comptroller shall affix stamps of like aggregate denomination, to be dated as of like date,** to the . . . instruments issued in lieu thereof, which stamps shall be duly signed and canceled as hereinbefore provided.

Figure 136. *$50 stamps on annuity bond (top left) and pre-annuity bonds (top middle and right). Left, close view of the cancels on annuity bond (above) and pre-annuity bond (below).*

This stipulation explains the backdated cancel of the Investments $50 already seen on the Evelyn Weatherbee Miller replacement bond shown above in Figure 127. In comparison with the present case, that one was simple and straightforward, with both original and replacement bonds stamped during the Investments tax period, the latter with a then-current stamp and canceler. Nevertheless, the same requirement for backdating applied to the Carnegie annuity bonds.

And as shown in Figure 136, the 1912-dated cancels and accompanying agent’s initials on the annuity bonds, in comparison with those on the pre-annuity bonds, themselves suggest backdating: the cancels are 26.4mm in length, in blackish violet, dated July 25, 1912; those on the original bonds are 29.5mm, in black, dated July 23, 1912. The initials on the originals, “FPY” (Frank P. Young, Chief Clerk of the Secured Debt Tax Bureau New York office in 1912) and “JFF” are commonly seen on Secured Debt stamps on other bonds (Figures 31, 33, 42, 44, 46, 54, 58–60, 75–6); those on the annuity bonds (“HD”? “AD”?) have been seen on no other bonds. It is virtually certain that the 1912 cancels on the annuity bonds were backdated, intended to mimick those on the pre-annuity bonds.

Stamped in 1920? In 1917?

Again, when were the annuity bonds stamped? With July 1912 ruled out, two other dates suggest themselves: September 26, 1917, the date of the “FIVE YEARS” cancels, and February 19, 1920, or shortly thereafter, the date the bonds were issued. However, both are difficult to reconcile with the evidence.

If February 1920, why were the current Investments stamps not used — as on the 1918 Miller replacement bond shown in Figure 127, stamped with Investments $50 — rather than Secured Debt stamps, which by then would have been obsolete for two years? And what then would have been the point of the “FIVE YEARS” cancels, and the significance of their September 26, 1917, date? (In contrast, for the July 25, 1912, cancels, the significance of the date is clear: it mimicks that of the pre-annuity bonds being replaced, as required by the Act of August 29, 1917.)

If instead the annuity bonds were stamped September 26, 1917, the use of Secured Debt stamps would have

“STATE OF NEW YORK TAX ON SECURED DEBTS” 1911–1917

“STATE OF NEW YORK TAX ON INVESTMENTS” June 1917–September 1918

“INVESTMENTS TAX BUREAU STATE OF NEW YORK” September 1918–1920

“INVESTMENTS TAX BUREAU STATE OF NEW YORK” Carnegie bond Figure 130

Figure 137. *”PAID” embossed seals used on Secured Debt and Investments stamps, shown from the reverse and in mirror image. Far right, “INVESTMENTS TAX BUREAU/STATE OF NEW YORK” seal on the Carnegie annuity bond shown in Figure 132, digitally enhanced to improve readability. Arrayed to its left, the most-used seal of the Secured Debts tax period, and the two used during the Investments tax period. The seal on the Carnegie bond has not been otherwise recorded earlier than September 1918.*

been expected, as the Investments stamps did not appear until early 1918. And the significance of the September 26, 1917, date would then be obvious. However, there is one more piece of evidence to be considered, which argues against September 1917 stamping; the embossed “PAID” seal used.

“INVESTMENTS TAX BUREAU” Seal

Cancellation of the Secured Debt and Investments stamps was not complete until a “PAID” embossed seal was impressed. During the Secured Debt tax period, seals of three sizes have been seen, all reading “STATE OF NEW YORK/PAID/TAX ON SECURED DEBTS,” nearly all impressions being the version shown at far left in Figure 137, with 21mm inner circle. For the Investments tax period beginning June 1, 1917, a new seal was introduced, with “INVESTMENTS” replacing “SECURED DEBTS.” With the exception of a single anomalous late use of the “SECURED DEBTS” seal, all recorded impressions from June 1917 until September 1918 are of this type. That month saw a transition to yet another type, now lettered “INVESTMENTS TAX BUREAU/PAID/STATE OF NEW YORK,” which accounts for all recorded impressions from October 1918 onward.

In general these seals were poorly impressed, with only about one in three or four having enough readable letters to deduce its type. For the Carnegie annuity bonds this is again the case, but fortunately, for the Series C bond shown in Figure 132, with digital enhancement one impression is seen to clearly read “INVESTMENTS TAX BUREAU/ STATE OF NEW YORK.” Since this type has not otherwise been seen earlier than September 1918, this argues strongly against the stamping of the annuity bonds on September 26, 1917, the date of the “FIVE YEARS” cancels, and is consistent with it being done on or after their issue in February 1920.

Stamped in 1920!

Reflection reveals that stamping the annuity bonds before issue was probably not even possible. Numerous examples of this phenomenon have been seen on other bonds, for example as shown in Figure 53, B&O and Michigan Central bonds stamped before sale to make them more attractive to prospective buyers, and New York Central bonds pre-stamped for the Vanderbilts. The difference in the present case is that the bonds needed were not under the control of the principals — the Carnegie administrators — but of U.S. Steel, who were not going to issue another $6 million in bonds to Carnegie without recompense! The administrators’ solution was to stamp instead, shortly after the will was made, the requisite total of U.S. Steel bonds already issued to Carnegie in 1901, to be eventually replaced by annuity bonds. Only when these pre-annuity bonds were turned over to U.S. Steel for cancellation would the company issue the annuity bonds to replace them. Unlike the aforementioned B&O, Michigan Central and New York Central bonds, which were in the hands of the company officials, and could be presented for stamping before issue at their pleasure, the annuity bonds would not have been in the hands of the annuity administrators until they were filled out and issued in February 1920.

Why the Secured Debt Stamps?

Once this was done they must have been presented for stamping at the Investments Tax Bureau office in New York, along with the now-canceled pre-annuity bonds they replaced. Let us recreate the scene. Carnegie’s will had provided for $268,000 in annuities; adding 10% administrative costs, this required some $6 million in bonds. The $6 million in pre-annuity bonds, stamped in 1912 and now canceled, would have been presented for verification, along with the newly-issued annuity bonds which replaced them. Without a complete list of the annuities, we can assume there were perhaps fifty for $5,000, and a number for smaller amounts. The former each required a $100,000 bond to generate the $5,000 in interest, plus two accompanying $5,000 bonds whose interest covered administrative costs. By the Act of August 29, 1917, the $100,000 bonds required $500 in stamps, and the $5,000 bonds $25 apiece, the cancels to be backdated to match the dates on the pre-annuity bonds. Stamping

Figure 138. *Carnegie $50,000 pre-annuity bond stamped with Secured Debt $100 (x2) and $50, with cancels dated July 23, 1912, as usual, the bond canceled only a year later, nearly seven years before issuance of the annuity bonds*

Figure 139. *Carnegie $5,000 pre-annuity bond not issued until September 29, 1916, stamped the same day at the Secured Debt 1916 75¢ per $100 rate by Secured Debt $25, $7.50 and $5.*

them would have been very special case for the state, as it involved some $30,000 in tax. As already noted, the agent's initials appearing on the Carnegie annuity bonds have been seen on no others.

How to proceed? The August 1917 Act mandated backdated cancels, but beyond that gave little guidance, requiring only that "stamps of like aggregate denomination" be "duly signed and canceled as hereinbefore provided." Interpreting this instruction turns on the meaning attached to "hereinbefore provided." The August 1917 Act amended the Investments Tax Act of June 1, 1917; did "hereinbefore" refer only to that statute? Or since instruments "upon which the secured debt tax shall have been paid" were also specifically mentioned, did it refer to the provisions of the various Secured Debt Acts as well?

As to provisions for cancellation, all of these Acts had stipulated simply that the comptroller "shall cancel the same by the seal of his office or by such other canceling device as he may prescribe." As we have seen, an array of cancels had been prescribed pursuant to the Secured Debt Tax Acts of 1911, 1915 and 1916, and the Investments Tax Act of 1917. Did "as hereinbefore provided" mandate those specific cancels?

It seems that apart from the required backdated cancels of stamps in the original aggregate amount, the statutes are so vague that any course could have been chosen. The use of Secured Debt stamps was the most convenient, as the Investments denominations were not tailored to the Secured Debt 0.5% rate; for example, for the hundred or so $5,000 annuity-related bonds, the $25 tax would have required two or more stamps. As for the backdated July 1912 date cancels, an Investments-style cancel would have been out of place on two counts: they had not been not introduced until 1917; and their stated restriction on the time of exemption from property tax ("ONE YEAR" to "FIVE YEARS") would also have been inappropriate, as payment of the Secured Debt tax of 1911–15 had provided permanent exemption.

Why the "FIVE YEARS" Cancels?

The use of Secured Debt stamps and backdated July 1912 cancels would seem to have been sufficient for the annuity bonds. The presence of the "FIVE YEARS" cancels dated September 1917 is perplexing. Is it possible they were struck in error, then overstruck by the 1912-dated straightlines? Their absence on two of the nine recorded annuity bonds would be consistent with this. However even with 1200 dpi scans and digital enhancement the order of the scans cannot be determined. The explanation of these cancels awaits future investigation.

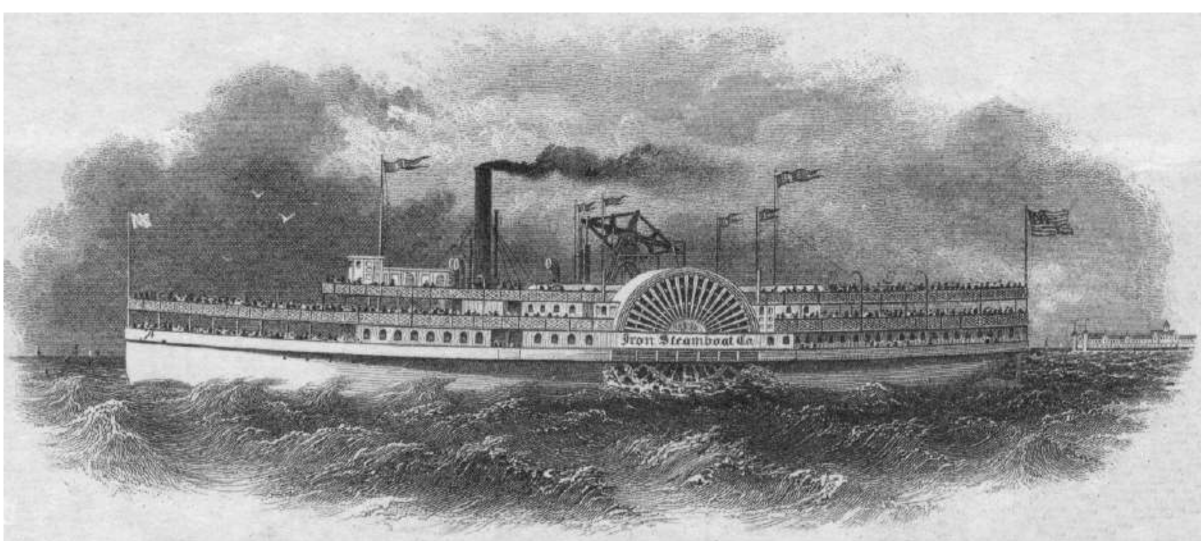
Loose Ends

Figure 138 shows a $50,000 pre-annuity bond, as usual issued to Carnegie in 1901 and stamped in 1912, this time with Secured Debt $100 pair and $50. However the bond was canceled, not in February 1920, but on July 23,1913, precisely a year after being stamped. The holdings of the American Museum of Financial History include a $100,000 bearing five Secured Debt $100, with the same dates of issue, stamping, and cancellation. The reason for this "premature"cancellation is mysterious.

Figure 139 shows a pre-annuity bond for $5,000, canceled February 19, 1920, as usual, issued not in 1901, but September 29, 1916, with Carnegie's name in manuscript instead of handstamped as on the 1901 bonds, stamped the same day at the Secured Debt 1916 rate with $25, $7.50 and $5. Annuity bonds replacing this and similarly stamped bonds should have been stamped accordingly.

It should be emphasized that the census herein includes only nine stamped annuity bonds of the 150 or 200 that must have been generated, and only seven pre-annuity bonds from what must have been several hundred. More data would presumably sharpen the analysis of these bonds.

One more stamped $100,000 bond has survived, this one famous and valuable as it was assigned to the Andrew Carnegie Free Library on December 12, 1912, with attached transfer slip signed by Carnegie himself. The stamps were canceled July 23, 1912, as on the pre-annuity bonds.



Iron Steamboat Co. of New Jersey
1902 4% 30 Year Second Lien Gold Bond

4.5 Investments Tax, Traveling Agent

Figure 140. *Reprise of cancels showing payment of Investments tax for one, two, three, four and five years, each with distinctive frame (Pruess Types IVA, B, C, D, E)*

Reprise of the Framed New York City Cancels

Figure 140 reprises the cancels normally used on stamps paying the Investments tax, indicating payment for one, two, three, four or five years (Types IVA–E of Pruess, 1969). All enclose a three-line date, and incorporate script agent's initials, virtually all "AB."

The Mysterious Unframed Circular Cancels

Besides these distinctive framed cancels, Pruess (1969) listed five unframed circular cancels, rarely used:

> Type III. Design like Type II [the "TAX EXEMPT FOR FIVE YEARS" unframed circular datestamp used 1915–16], but without initials. Manuscript initials in space provided on stamps.
> A. "TAX EXEMPT FOR ONE YEAR"
> B. "TAX EXEMPT FOR TWO YEARS"
> C. "TAX EXEMPT FOR THREE YEARS"
> D. "TAX EXEMPT FOR FOUR YEARS"
> E. "TAX EXEMPT FOR FIVE YEARS"

Pruess had seen only A in blue and red violet and C in blue; the others were assumed to exist.

Figure 141 shows Type IIIE, struck on a Secured Debt $50 affixed to New York Central Railroad Co. 1915 $5,000 debenture. It reads "TAX EXEMPT FOR FIVE YEARS" in red violet, in an unframed circle, not the usual square, dated July 18, 1917, with manuscript initials "AAK."

Figure 142 shows Type IIIA, again in red violet, dated July 15, 1917, on two Secured Debt $1 paying one year's tax on a $1,000 bond of the Cleveland Short Line Railway Co.; again the manuscript initials are "AAK."

Figure 143 shows another Type IIIE cancel, yet again in red violet, dated July 20, 1917, this time on a Secured Debt $5 paying five years tax on a $500 bond of the Norfolk and Western Railway Co.; the same manuscript initials "AAK" appear. Even apart from the cancel, this usage is a scarce one; relatively few $500 bonds were issued, and this is one of only three recorded five-year payments.

Type III cancels have been recorded on five more bonds, all IIIA "ONE YEAR," dated July to November 1917, making a grand total of twelve examples. Again the stamps have manuscript initials, never seen with Type IV cancels, and again they are all "AAK."

Not a Forerunner

The July 15–20 Type III cancel dates are early during the Investments period, which began June 1, but do not predate use of the framed cancels: bonds have been recorded with Type IVA cancels dated June 27, June 29, July 3 and July 20; the two-year Type IVB dated July 18; and the five-year Type IVE dated July 2, 6, 10, 18, 19 and 20.

As noted by Pruess these Type III cancels were clearly patterned after the Type II cancels used in conjunction with the Secured Debts tax of 1915–16, with changes in wording to accommodate the new durations, but without the useful agent's initials. They are just as clearly less suitable than the Type IV cancels, on two counts: the absence of initials, which necessitated their addition by hand; and the fact that without the distincive frames the duration of payment was apparent only on rather close examination. These characteristics would fit a forerunner that was used briefly and discarded, but the dates of usage are not consistent with this.

Used in Albany?

Neither was this a cancel that could be pressed into service and used without thinking; one had to be cognizant of the necessity of adding one's initials. It is provocative that the twelve recorded examples, from a four-month span, were initialed by the same party. Were the Type III cancels used in Albany, and Type IV in New York? Secured Debts tax receipts at Albany had accounted for only about 2% of the total, a figure consistent with the relative frequency of Type III.

Mystery Solved: the Traveling Agent

A completely unexpected answer emerged from a familiar source, the archives of the *New York Times.* The following notice appeared on July 13, 1917:

> Investment Tax Payments.
>
> ALBANY, N. Y., July 12.—Payments under the new Investment Tax law, which supplanted the old Secured Debt Tax law, may be made in the cities in which the investors reside instead of at Albany, State Comptroller Eugene M. Travis ruled today. Coincidentally, he announced the appointment of A. A. Kemter of Syracuse as collector for this class of

Figure 141. New York Central 1915 $5,000 debenture bearing Secured Debt $50 with cancel dated July 18, 1917, reading "TAX EXEMPT FOR FIVE YEARS" in red violet, in an unframed circle, with manuscript initials "AAK" (Pruess Type IIIE). Right, close view of the stamp and cancel, and alongside an example of the usual "FIVE YEARS" framed cancel, struck shortly thereafter.

taxes. Mr. Kemter will visit the various cities at stated periods to receive the payments.

It can be confidently predicted that A. A. Kemter's initials will be included in any subsequently reported Type III cancels dated at least to November 1917 and presumably beyond. The three-year Type IIIC cancels reported by Pruess (1969), on five Secured Debt $5 all dated September 26, 1917, are indeed all initialed "AAK".[1] Kemter no doubt carried a full complement of stamps and Type III cancelers from city to city.

The registered bond shown in Figure 141, bearing a Secured Debt $50 with red violet Type IIIE cancel dated July 18, 1917, was issued to Elizabeth Hollister of Rochester, suggesting that this and the other recorded Type III cancels dated July 15–20, all in red violet, were applied by Kemter on a visit to that city.

Newly-Discovered Type IV "A.A.K." Cancels

A. A. Kemter's use of the Type III unframed cancelers may have been restricted to 1917, but his work as traveling agent of the Comptroller's Investments Tax bureau was

Figure 142. Type IIIA "ONE YEAR" unframed cancels, again in red violet, July 15, 1917; again with manuscript initials "AAK"

1. Kenneth Pruess, personal communication.

Figure 143. *Norfolk and Western Railway $500 bond with five years tax paid by Secured Debt $5 with Type IIIE cancel, again in red violet, July 20, 1917; the same manuscript initials "AAK" appear. One of three recorded $500 bonds with five-year payment. Below, close view of the cancel.*

Figure 145 shows a Lake Shore and Michigan Southern Railway 1897 $1,000 bond with tax paid for one year by Investments $2 with the Type IIA cancel dated January 16, 1919. A close view of the stamp is shown in Figure 144.

The Type IV square "FIVE YEARS A.A.K." cancel has been seen only on the Investments $10, on just four examples of the Lake Shore and Michigan Southern 1897 series $1,000 registered bond, stamped in March 1919. Figure 144 shows one of the stamps.

Traveling Agent Cancel Combinations

Of the eleven bonds for which Type IV "A.A.K." cancels have been recorded, four are known also bearing Secured Debt stamps affixed the previous year with not. Proof of this is provided by cancels in the usual Type IV framed style, but with his incorporated initials "A.A.K." instead of the usual "AB" (Figure 144), all new discoveries.

These cancels are rare. "ONE YEAR A.A.K." has been recorded on the Investments $2 on just eight different $1,000 bonds, and a total of 15 examples, with dates between July 2, 1918, and November 25, 1919; on the Investments $10 on two $5,000 bonds dated October 5, 1918; and on the Investments $20 on a single $10,000 bond dated the same day.

Figure 144. *Investments $2 and $10 with Type IVA "ONE YEAR" and IVE "FIVE YEARS" framed cancels incorporating intials "A.A.K." of traveling agent A. A. Kemter*

Figure 145. *Lake Shore and Michigan Southern Railway 1897 $1,000 bond with tax paid for one year in 1919 by Investments $2, the cancel incorporating script initials "A.A.K." of traveling agent A. A. Kemter. A close view of the stamp is shown in Figure 144.*

Kemter's Type III cancels and manuscript initials "AAK." Figure 146 shows a remarkable trio of New York Central and Hudson River Railroad Michigan Central Collateral $1,000, $5,000 and $10,000 registered bonds issued to Andrew D. White of Syracuse—A. A. Kemter's home town. On July 16, 1917, one year's tax was paid by two Secured Debt $1, $10, and two $10, respectively, with the Type III cancels and manuscript "AAK." On October 5, 1918, another year's tax was paid by Investments $2, $10 and $20, respectively, now with the Type IV "A.A.K." cancels, the $20 so far unique.

A closer look at the $10 stamps on the $10,000 bond reveals two anomalies. The Type III cancels have the manuscript "AAK" in a style seen nowhere else, and the "FIVE YEARS" cancel was used in error; only one year's tax had been paid! Perhaps the work of an assistant?

On the $1,000 bond, the $2 Investments is the scarce perf 11 instead of the usual 11x12.

The fourth recorded bond with a combination of traveling agent cancels, and the only one with three such cancels, is Cleveland Short Line Railway 1911 $1,000 coupon bond #6838, bearing two Secured Debt $1 with red violet Type IIIA cancels dated July 15 (Figure 142), then two Investments $2 each with Type IVA "A.A.K." cancel, affixed on July 30, 1918, and September 25, 1919, the latter perf 11.

A. A. Kemter the Sole Traveling Agent

Kemter appears to have had no successors or partners as traveling agent. The Investments tax was in effect from June 1, 1917, until May 20, 1920. Kemter's cancels have been recorded as early as July 15, 1917, and as late as November 25, 1919, and no other cancels attributable to a traveling agent have been seen.

Type IV Scope Expanded

Strictly speaking, Pruess's classification of cancels applied only to those used on Secured Debt stamps. These Type IV datestamps with incorporated initials "A.A.K." were presumably never used on those stamps, only on the Investments issues, so Pruess cannot be faulted for not noting them. However, it now makes sense to broaden the definitions of Type III and IV cancels to include all those found on stamps paying the Investments tax. As shown here and in the following chapter, there are in fact five sets of subtypes of Type IV, each with the initials of a different agent.

$2 perf 11

Figure 146. *New York Central and Hudson River Railroad Michigan Collateral $1,000, $5,000 and $10,000 registered bonds issued to the same party in Syracuse, with combinations of traveling agent cancels: Type III cancels with manuscript "AAK" in July 1917, then Type IV "A.A.K." cancels in October 1918.*

On the $10,000 bond the Type III cancels (at bottom left) have the manuscript "AAK" in a style seen nowhere else, and the "FIVE YEARS" cancel used in error! This is also the sole recorded bond with traveling agent cancel on the Investments $20. On the $1,000 bond the $2 Investments used in 1918 is the scarce perf 11.

Rome, Watertown & Ogdensburgh Rail Road
1874 7% First Consolidated Convertible Mortgage 30 Year Bond

State of Durango, Mexico
1907 5% Bond

Nassau Electric Railway Co.
1901 4% Consolidated Mortgage 50 Year Gold Bond

4.6 Investments Tax, Albany Usages

Figure 147. *Type IV with incorporated initials "WBL", "E.A.F." and "J.G.M" used by Chief Clerks at Investments Tax Bureau in Albany: W. B. LeRoy (1917), E. A. Foley (1918) and J. G. Malone (1919)*

Newly-discovered Type IV Albany cancels

Close examination of Type IV cancels yields three more surprises: as shown in Figure 147, they can also be found, albeit very rarely, with incorporated initials "WBL," "E.A.F." and "J.G.M" (no final period). These were the Chief Clerks at the Investments Tax Bureau in Albany: W. B. LeRoy (1917), E. A. Foley (1918) and J. G. Malone (1919). These conclusions emerged only after considerable head-scratching and internet sleuthing.

The Albany cancels are all rare, as predicted by records and calculations showing that bonds stamped there accounted for only about 2% of total receipts. For each of the three sets of initials there were presumably cancels for the five durations of exemption, one through five years; yet only five of these 15 have been recorded. Of these, "WBL/ONE YEAR" and "E.A.F./TWO YEARS," have been seen just once; for each of the other three, no more than eight examples have been recorded.

"WBL" cancel

The "WBL" cancel is the easiest to characterize.The initials are not underscored, exactly as on the cancels used during 1915–16 in Albany on stamps paying the Secured Debt tax (Figure 148). As demonstrated in Chapter 2.3, "WBL" was W. B. LeRoy, agent at Albany (Figure 91). His initials had also been incorporated into the cancels used during 1915–16 in New York City, but there they were underscored by a distinctive flourish on the "L" (Figure 148). When new cancelers were created in 1917 to show payment of the Investments tax, those for New York City now had initials "AB"; while in Albany the distinctive non-underscored "WBL" was retained. Strictly speaking, there is no primary evidence for this attribution, but the indirect evidence supporting it is overwhelming.

Figure 149 shows the only recorded examples of the "ONE YEAR" Type IVA cancel with initials "WBL," on a Secured Debt $1 pair affixed to a Cleveland Short Line Railway 1911 $1,000 bond. It also bears two Investments $2, one with Type IVA "A.A.K." traveling agent cancel dated July 2, 1918, the other the perf 11 variety with "J.G.M" cancel dated September 25, 1919.

The Secured Debt $10 with "WBL/FIVE YEARS" Type IVE cancel has been recorded on just five examples of two bonds: struck in black on two Kanawha and Michigan Railway 1890 $1,000 bonds stamped July 6, 1917; and in violet on three Michigan Central Railroad $1,000 registered bonds of 1902 stamped August 2, 1917. Figure 150 shows examples.

These Michigan Central bonds were issued to Anna M. Hedstrom. Another registered bond to her, stamped the same day, August 2, 1917, bears the sole recorded example of the "WBL/FIVE YEARS" cancel on the Secured Debt $50, again in violet, the stamp paying five years tax on the Cleveland Short Line $5,000 registered bond shown in Figure 151. An internet search shows Anna Hedstrom resided in Buffalo.

Figure 148. *Type II cancel used in New York City in 1915 with incorporated underscored initials "WBL" of W. B. LeRoy; middle, cancel used at Albany 1915–16 with "WBL" not underscored; right, Type IV cancel of 1917–20, again with initials not underscored, presumably also used at Albany*

"J.G.M": a False Trail

Two Lake Shore and Michigan Southern 1903 bonds, serials M1266–7, seemingly serve as rosetta stones linking traveling agent A. A. Kemter and agent J.G.M. (Figure 152). Each bears two Secured Debt $1 with faint Type IIIA cancels dated November 1917 with manuscript initials "AAK"; also an Investments $2 with Type IVA handstamp and Kemter's initials dated November 1918; and an

Figure 149. *Albany "WBL/ONE YEAR" cancels on Secured Debt $1 pair on Cleveland Short Line $1,000 bond, the sole recorded examples. The two Investments $2 have 1918 "A.A.K." traveling agent cancel and 1919 "J.G.M" Albany cancel. Below, close view of the stamps.*

Investments $2 with Type IVA cancel with initials "J.G.M" struck in December 1919. The most parsimonious explanation is that the stamps were affixed during successive visits of traveling agents, and thus that J.G.M., like Kemter, must have been a traveling agent.

If so, was J.G.M. Kemter's successor or co-worker? The scanty available evidence was conflicting. The periods of use of "A.A.K." and "J.G.M" cancels overlap slightly: the former has been seen as late as November 25, 1919, and the latter as early as October 6, 1919. This argues that the two were co-workers. On the other hand, the Comptroller's budget appears to have included a salary for just one traveling agent, not two. The state's appropriations for administration of the Comptroller's Office during fiscal 1919 included a salary of $2,000 for a special agent of the Investments Tax bureau. This was the first year such an item had been budgeted, and undoubtedly refers to the traveling agent. That same year the Comptroller's budget included two more special agents, in the Corporation Tax bureau with salaries $2,500 and $2,000. For fiscal 1920 the picture becomes murky, as appropriations are no longer segregated by bureau; the entire Comptroller's budget included three special agents salaried at $2,600, $2,300 and $2,000. Probably these were the same three budgeted in 1919; if so they included just one Investments bureau traveling agent.

The aforementioned bond with "J.G.M" cancel dated October 6, 1919, adds another

Figure 150. "WBL/FIVE YEARS" cancels in black and violet, July and August 1917 on Secured Debt \$10 paying five years tax on Michigan Central Railroad and Kanawha and Michigan Railway \$1,000 bonds. Above, close view of the stamps.

piece of disquieting evidence. It was registered to "Superintendent of Banks of the State of New York, as Trustee for the depositors with Salvatore De Vita, Private Banker, New York City." This seems much more likely to have been stamped in New York or Albany than by a traveling agent.

Kenyon's Instructive Mistake: "J.G.M" Used at Albany?

There is in fact a perplexing mention of the "J.G.M" cancel in the revenue literature. Brewster C. Kenyon's 1920 *Documentary State Revenue Stamps of the*

Figure 151. *"WBL/FIVE YEARS" cancel dated August 1917 on Secured Debt $50 paying five years tax on Cleveland Short Line $5,000 bond, the sole recorded example on the $50. Left, close view of the stamp.*

United States stated, "A special form of cancellation was used for these [Investments] stamps which contained . . . rubber-stamp initials 'J.G.M.' in script at bottom. . . ." This cannot have come from an examination of stamped bonds, nearly all of which show the initials "AB." In fact, such an examination would hardly have been possible when Kenyon was writing circa 1919, for virtually all bonds showing the Investments tax were then in private portfolios inaccessible to him. How then did Kenyon come to mischaracterize this rare cancel as the one typically used? For that matter, how was Kenyon able to describe all sixteen Investments stamps?

Listings of Investments stamps in the groundbreaking Cabot 1940 state revenue catalog were similarly complete, yet none were priced, for as the author explained:

> Until the documents upon which these stamps are used mature or are transferred, releasing a larger supply of them, it seems almost impossible to set judicious valuations. The commonest denomination is the $10, and the next commonest the $1, but at present writing they all rate scarce to rare.

Given this caveat, it is natural to wonder how Cabot was able to present such extensive listings; they cannot have been based on observation! (Incidentally, hindsight shows that even the scanty information on relative scarcity Cabot offered was wrong: the Investments $2 is far and away the commonest value, with the $10 next; the $1 is a mid-level rarity.) What then was the source for his extensive and presumably complete listings? It was almost certainly Kenyon's 1920 volume, which lists the same 16 denominations, albeit with a few small differences in color terminology (Kenyon's $1 blue, $20 blue and $40 slate became Cabot's "ultramarine," "dark blue" and "dark gray," respectively). What then was Kenyon's source? Far more so than in Cabot's day, Kenyon was writing at a time when only a minuscule fraction of stamped bonds could have reached philatelic hands. Kenyon, though, had the advantage of researching these stamps while they were still in use. It would have been a straightforward and simple matter for him to communicate directly with the New York State Comptroller at Albany requesting details, in fact there appears to be no other plausible explanation for his listings. If this attribution is correct, it suggests strongly that Kenyon's description of the "J.G.M." cancel derived from the same source; that this was the cancel in use in Albany at the time of Kenyon's inquiry; but that it was not conveyed to him that different cancels were used elsewhere.

As an aside, most likely Kenyon did not possess the stamps, nor had he even seen them. The office would presumably not have been willing, or even legally authorized, to sell unused stamps, and even if they had,

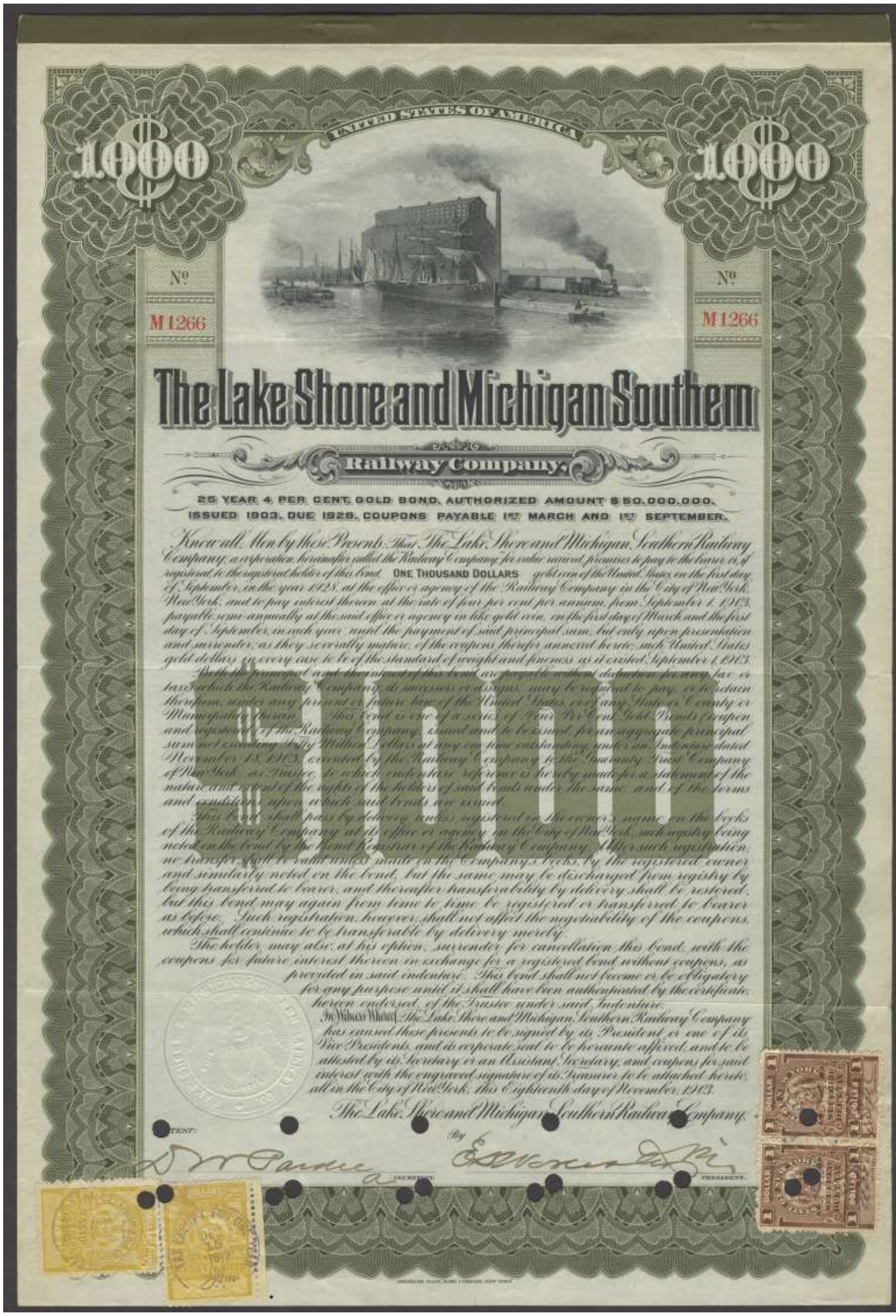


Figure 152. *Lake Shore and Michigan Southern 1903 bond with "AAK" traveling agent Type IIIA and Type IVA cancels dated November 1917 and November 1918; and Type IVA "J.G.M" cancel struck in December 1919, misleadingly suggesting that J.G.M. may also have been a traveling agent. Above, close view of the stamps.*

it is unlikely that Kenyon would have parted with the $251 in 1919 dollars required to obtain all the values. Certainly no such stamps were present in his collections when sold.

New Rosetta Stones

A more recent find, consisting of four New York Central and Hudson River Railroad Lake Shore Collateral 1898 series registered bonds, again involved rosetta stone usages, but of a different sort, pointing toward a satisfying conclusion.

Figure 153 shows $1,000 and $5,000 bonds from this group, registered to the same party, Alden McGarvey of Albany, stamped first on December 26, 1918, with Investments $2 and $10, respectively, their cancels incorporating mysterious intials clearly not "AB," "WBL," "A.A.K." or "J.G.M," but appearing to be "E.G.F." or "E.A.F.," and eventually proving to be the latter. They were again stamped with Investments $2 and $10 precisely a year later on December 26, 1919, their cancels now intialed "J.G.M."

The find also included an essentially identical $5,000 bond to McGarvey, and another $5,000 bond bearing a single Investments $10 with "E.A.F." cancel dated July 17, 1918, to a party in Coxsackie, 15 miles south of Albany.

These usages linking agents E.A.F. and J.G.M. suggest strongly that both were located in Albany, in 1918 and 1919, respectively. This would fit with the observation that

Figure 153. *New York Central and Hudson River Railroad, Lake Collateral, 1898 series $1,000 and $5,000 bonds to the same party in Albany, stamped first with Investments $2 and $10 with "E.A.F." cancels in December 1918; then with $2 and $10 with "J.G.M" cancels in December 1919, suggesting strongly that E.A.F. and J.G.M. were the agents at Albany in 1918 and 1919, respectively.*

Left, close view of the stamps.

"WBL" usages by the proven Albany agent, W. B. LeRoy, are limited to just seven, in June, July and August 1917. None after August 1917? We expect Albany usages to be rare, but not that rare!

In summary, evidence from stamped bonds suggests that cancels initialed "WBL" were used in Albany circa 1917, followed by "E.A.F." circa 1918, then "J.G.M." circa 1919.

The *Eagle* Nails It: "E.A.F." and "J.G.M." Identified

Definitive primary evidence finally emerged from a new source, the *Brooklyn Daily Eagle Almanac,* published for decades in January of each year, which paid special attention to New York. Scouring the 1917–1921 editions for listings under the State Comptroller revealed that E.A.F and J.G.M. were E. A. Foley and J. G. Malone, the Investments Tax Bureau Chief Clerks in Albany in 1918 and 1919!

The 1917 edition lists the Secured Debt Tax Bureau Chief Clerks in New York as W. B. Ashmead; and in Albany, W. B. LeRoy.

The 1918 edition gives: Investments Tax Bureau Chief Clerks in New York, T. H. Nekton; in Albany, W. B. LeRoy.

In 1919: Investments Tax Bureau Chief Clerks in New York, A. Datersandro; in Albany, E. A. Foley.

In 1920: Investments Tax Bureau Chief Clerks in New York, A. Datersandro; in Albany J. J. Malone.

The "J. J." here for Malone is clearly an error. Googling "J. G. Malone" yields a 1913 New York *New York Times* reference to him as a Republican State Assemblyman from Albany.

In 1921 the Investments Tax Bureau was no longer mentioned, as expected, since the tax had been repealed in May 1920. While it existed, the Bureau also employed two examiners (1920 salary $1,800), a cashier ($2,000), a bond indexer ($1,800) and a stenographer ($1,300); the Chief Clerks drew $3,500 in New York and $3,000 in Albany.

"E.A.F." Two Year Cancel

Figure 154 shows a Cleveland, Cincinnati, Chicago and St. Louis Railway 1893 $1,000 bond with U.S. 50¢ "Battleship" affixed June 1, 1902, then two years

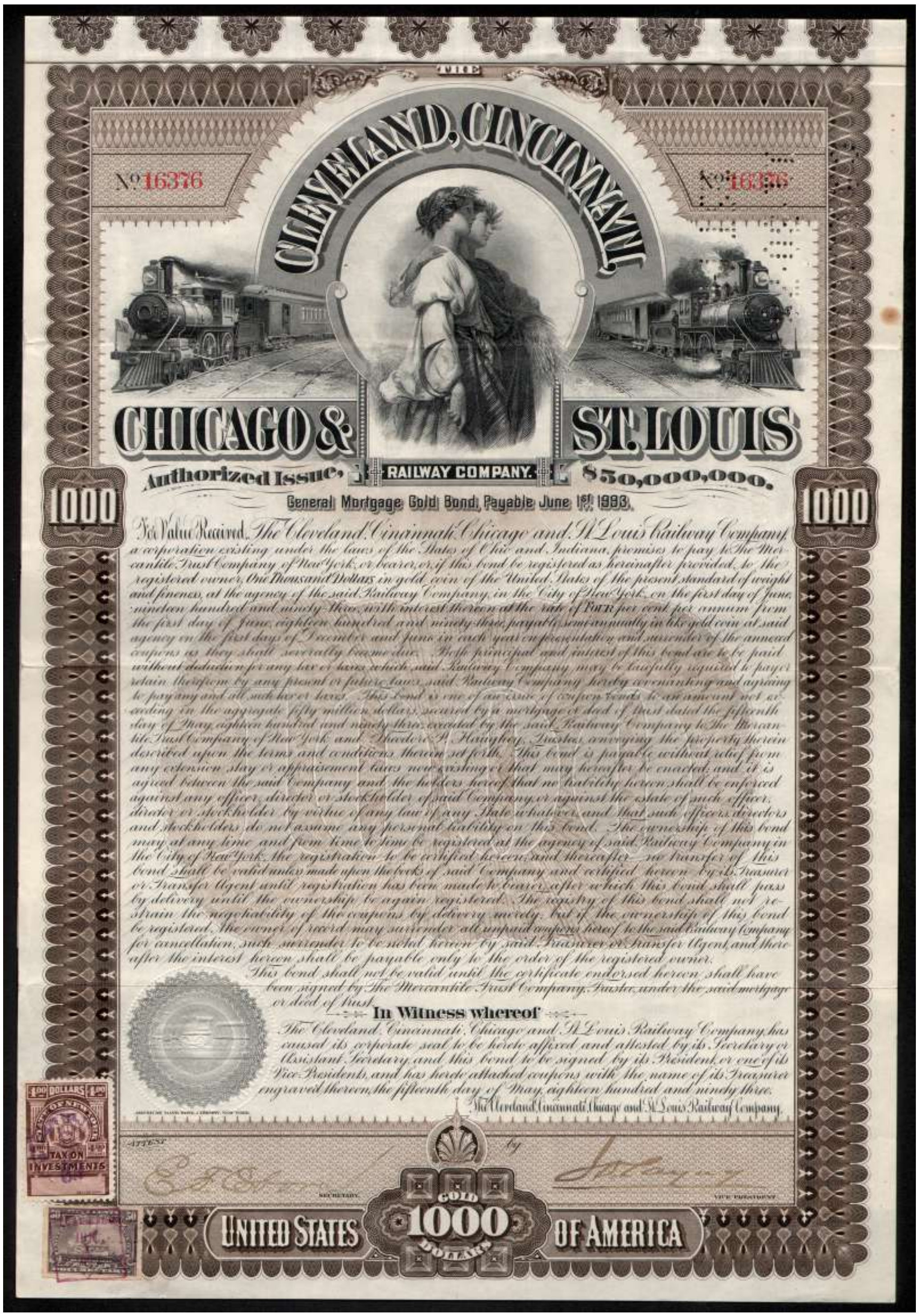


Figure 154. Cleveland, Cincinnati, Chicago and St. Louis Railway Co. bond with U.S. 50¢ "Battleship" affixed in 1902, then two years Investments tax paid in June 1918 by Investments $4 with "TWO YEARS E.A.F." Albany cancel, the sole recorded example

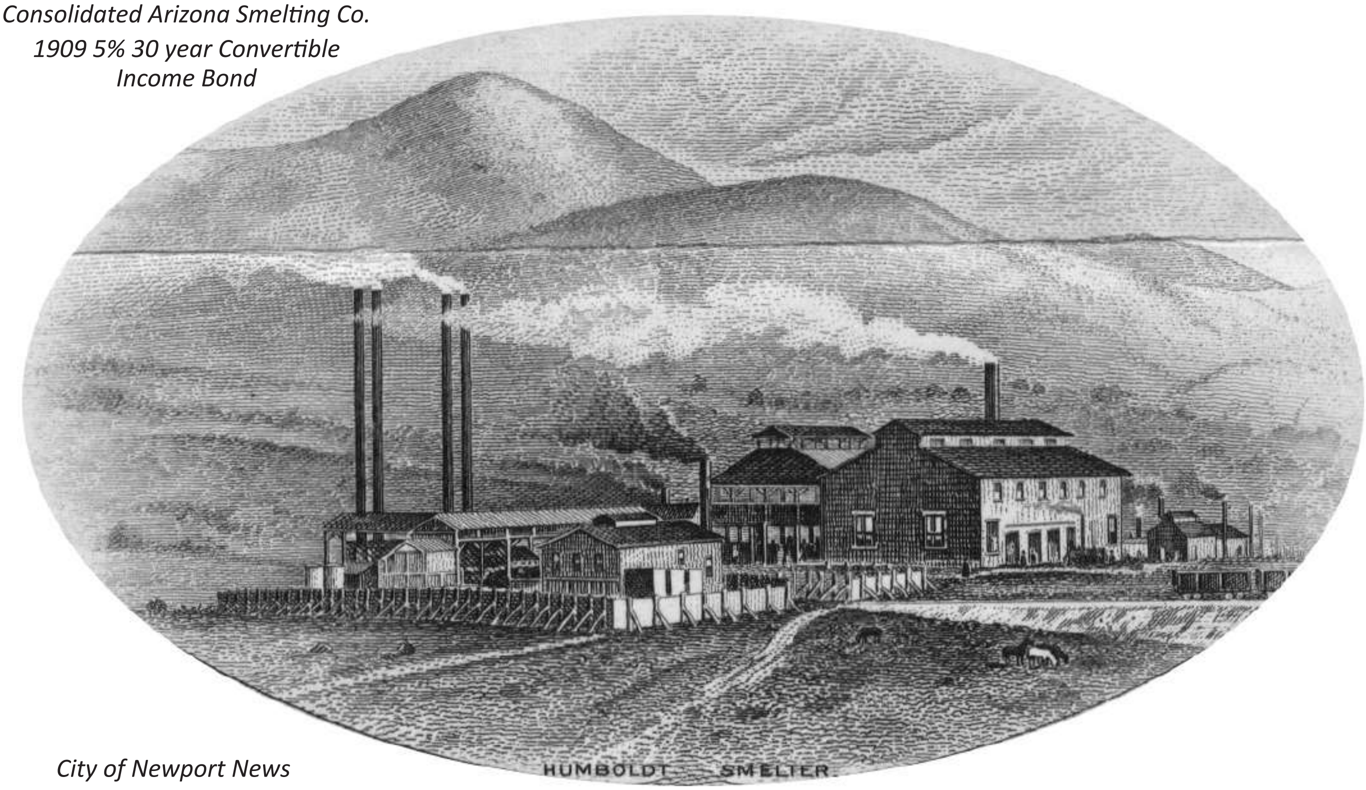
Below, close view of the stamps, showing dotted frame of Albany cancel

Investments tax paid June 12, 1918 by Investments $4 with "E.A.F./TWO YEARS" Albany cancel, the sole recorded example. The bond is sextuply rare, showing:

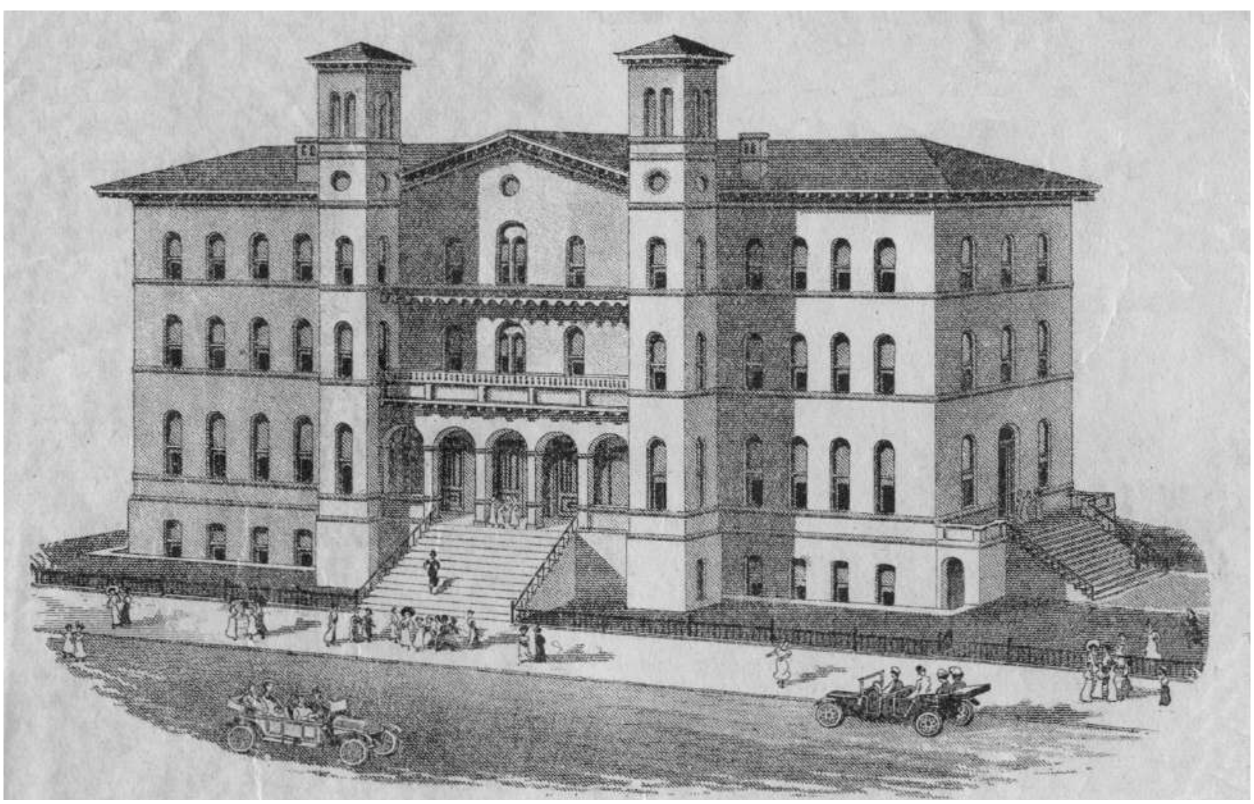
Spanish-American War/Investments combination (three examples recorded)
Investments two-year payment (ten recorded)
Investments $4 (four recorded on bonds)
"E.A.F." cancel (five recorded on bonds)
"E.A.F. TWO YEARS" cancel (one recorded on bonds)
Dotted frame (one recorded on bonds).

The format of this cancel adds yet another surprising twist to the continuously unfolding story of the New York bond taxes: the frame is octagonal, as expected for two-year payment, but appears to consist of dotted lines; on all other recorded cancels the frames are continuous.

Consolidated Arizona Smelting Co.
1909 5% 30 year Convertible Income Bond



City of Newport News
1917 4½% 40 Year School Bond



4.7 Investments Tax, Proportional Payment on Interstate Mortgages

The Curious Case of the Lake Shore and Michigan Southern

Figure 155 shows a 1903 $1,000 coupon bond of the Lake Shore and Michigan Southern Railway Co. with Secured Debt $1, 75¢ and 5¢ affixed September 29, 1917, paying the Investments tax for one year; each stamp is tied by the requisite "PAID" embossed seal, and there are no

Figure 155. *Above, Lake Shore and Michigan Southern 1903 $1,000 bond with $1.80 Investments tax paid for one year by Secured Debt $1, 75¢ and 5¢ affixed September 1917; the tax on a $1,000 bond was normally $2.*

Left, similar bond with Investments $1 and 80¢ affixed September 1918 stamps missing. The tax was ostensibly \$2. Figure 155 also shows another Lake Shore bond with only \$1.80 tax paid, this time by Investments \$1 and 80¢ affixed September 27, 1918, one of seven such usages recorded, coincidentally the only recorded usages of the Investments 80¢.

Figure 156 shows another with Secured Debt \$7.50, \$1 and 25¢ pair affixed July 18, 1917, paying the Investments

Figure 156. Above, Lake Shore and Michigan Southern 1903 \$1,000 bond with \$9 Investments tax paid for five years by Secured Debt \$7.50, \$1 and two 25¢ affixed July 1917; the tax was normally \$10.

Right, similar bond with Investments \$8 and \$1 affixed November 1918, the only recorded bond bearing the Investments \$8

Figure 157. *Close view of stamps on the bonds shown in Figures 155 and 156. There is no evidence of missing stamps. Only seven examples of the Secured Debt 75¢ and seven of the Investments 80¢ have been recorded on bonds.*

tax for five years, a payment of $9 rather than the expected $10; five more consecutively numbered essentially identical bonds surfaced along with this one. Figure 156 also shows yet another Lake Shore bond with $9 paid for a five year exemption, by Investments $8 and $1 affixed November 20, 1918, the only recorded usage of the Investments $8.

Split Taxes on Interstate Mortgage Bonds

Since the stamps were affixed by agents of the Comptroller, the conclusion is inescapable that the tax on these bonds was officially construed to be 90% of the normal levy, and a review of the Investments statutes furnishes a satisfying explanation. If a bond was secured by mortgage of property situated partly within and partly without the state of New York, only a portion of the bond was subject to the Investments tax, based on the value of the property outside the state relative the value of the entire property. On application by the bondholder to the Comptroller, the determination of these values was to be made by the State Tax Commission.[1] The Lake Shore and Michigan Southern ran from its eastern terminus at Buffalo, along Lake Erie (the "Lake Shore" in the company name), then all the way to Chicago, with numerous branch lines in several states. A map of its holdings in 1914 (Figure 158) is perfectly consistent with an assessment that 10% of their value lay within New York, and that the applicable Investments tax was thus only 90% of the full amount.

Why is Proportional Payment So Scarce?

Recognizing the validity of proportional payment of the Investments tax on interstate mortgage bonds raises more questions than it answers. Similar provisions had been included in the Mortgage tax law from its inception,[2] and in the Secured Debts statutes of 1915 and 1916,[3] yet as summarized in Tables 4.7.1 and 4.7.2, only about 7% of recorded stamped bonds of interstate railroads show proportional payment, all of the Investments tax.

Table 4.7.1 enumerates the 46 recorded bonds with proportional payment: 39 examples of six different Lake Shore bonds, and six examples of two bonds of the New York Central and Hudson River Railroad, which in December 1914 had merged with the Lake Shore to form the New York Central Railroad.

In contrast, Table 4.7.2 lists 675 examples of 21 different bonds of four interstate railroads with either full payment of the Investments tax (x103); full payment of the Secured Debts tax (x81); or apparently full payment of the Mortgage tax (x491). (The caveat is necessary in the case of the Mortgage tax as the stamps indicate only "TAX PAID," so

1. Chapter 700 (June 1, 1917), Article 15, Sec. 340

2. Consolidated Laws of 1909, Article 11, Sec. 260 (previously 1907, Ch. 340, Sec. 297; 1906, Ch. 532, Sec. 297; and 1905, Chap. 729, Sec. 305

3. 1915: Ch. 465, Sec. 339; 1916: Ch. 261, Sec. 340

Figure 158. *Map of Lake Shore and Michigan Southern Railway lines in 1914 (red), at the time it became part of the New York Central Railroad. Additional New York Central lines shown in orange.*

it cannot be ascertained that full payment was made; more will be said of this below.)

For example, Figure 159 shows another Lake Shore 1903 coupon bond, this time with the full $2 Investments tax paid in both 1917 and 1918, and this is just the tip of the proverbial iceberg. Preceding chapters here have illustrated 18 more Lake Shore bonds with full payment of the Mortgage, Secured Debt or Investments taxes (Figures 6, 7, 18, 34, 50–52, 73, 75, 81, 93, 107, 110, 115, 122, 145, 152).

Why is proportional payment so scarce? And why was full payment even allowed?

The Problem Restated

These Lake Shore bonds showing proportional payment, while correctly taxed at the Investments rate, nevertheless illustrate a problem common to bonds secured by mortgage of property straddling the state line. The Investments tax applied only to that 90% of each bond representing the portion of the road outside New York, but paying it exempted only that 90% from property tax. To secure full exemption, payment of the Mortgage tax on the remaining 10% was required. Bonds showing proportional payment of both taxes, with both Mortgage Endorsement and Secured Debts or Investments stamps affixed, are the

Table 4.7.1. Recorded Bonds of Interstate Railroads with Proportional Payment of Investments Tax

Railroad/Bond	Cox #	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments	Number
Lake Shore & Mich. Southern Rwy. Co. 25 Year 4% Gold Bond	LAK-627-B-40	$1,000	11/18/1903	S.D. $1, 75¢, 5¢	9/29/1917	#M4190	1
				S.D. $1, 75¢, 5¢ Inv. $3, 60¢	12/12/1917 12/9/1918	M719; $1.80 tax paid for one year, then $3.60 for two	1
				Inv. $1, 80¢ Inv. $2	4/30/1918 1/30/1920	#M1790, 1797; $1.80 proportional tax 1918, then $2 full tax 1920	2
				Inv. $1, 80¢	9/27/1918	#M5159–60, 5186–8	5
				S.D. $7.50, $1, 25¢ (x2)	7/18/1917	#M6918–23; $9 tax paid for five yrs; stamps damaged on M6918	6
				Inv. $8, $1	11/20/1918	#M7100; only recorded usage of $8	1
25 Year 4% Registered Gold Bond	LAK-627-B-50	$1,000	7/9/1909	S.D. $1, 75¢, 5¢ Inv. $2 p. 11	9/18/1917 10/11/1918	#RM534–5; to Joseph Chamberlain	2
	LAK-627-B-52	$5,000	7/9/1909	S.D. $7.50, $1, 25¢ (x2) Inv. $10	9/18/1917 10/11/1918	#RVM206; to Joseph Chamberlain	1
	LAK-627-B-53	$10,000	7/9/1909	S.D. $10, $7.50, 25¢ (x2) Inv. $20	9/18/1917 10/11/1918	#XM306–10; to Jos. Chamberlain	5
	LAK-627-B-55	$20,000	4/18/1904	Mtge. orange S.D. $100, $50, $25, $5	5/3/1917 7/2/1917	#XXM1–10; to Atlantic Mut. Ins. Co.	10
25 Year 4% Regis. Gold Bond of 1906	LAK-627-B-62	$10,000	9/13/1906	Mtge. orange S.D. $50, $25, $10, $5	5/3/1917 7/2/1917	#1–5, 10; to Atlantic Mut. Ins. Co.	6
NY Central & Hudson River RR Co. 30 Yr. 4% Regis. Gold Deb. (of 1904)	NEW-533a-B-11	$1,000	8/30/1909	S.D. $1, 75¢, 5¢ Inv. $2 p. 11	9/18/1917 10/11/1918	#M401–3; to Joseph Chamberlain	3
	NEW-533a-B-12	$10,000	8/30/1909	S.D. $10, $7.50, 25¢ (x2) Inv. $20	9/18/1917 10/11/1918	#X253–5; to Joseph Chamberlain	3

Figure 159. Lake Shore 1903 $1,000 bond with full $2 Investments tax paid for one year by two Secured Debt $1 in 1917, then by Investments $2 in 1918

figurative Holy Grail of present-day collectors. Alas, such usages are likely to remain elusive. Paying both taxes would have imposed an unreasonable burden on the bondholder, not so much financially as in the time and effort required, and processing partial payments would have been similarly inconvenient and costly for the state. The Secured Debts and Investments taxes were paid to the Controller at Albany, his deputy in New York, or a traveling agent, and transmitted by them to the State Treasurer. The Mortgage tax was collected by the County Clerks and paid over to their County Treasurers, who in turn delivered half the proceeds to the State Treasurer. There was no coordination between the two collecting agencies. Bondholders were presumably not particularly concerned with the fine points of the tax code, but wanted and expected a simple method of making their bonds fully exempt, and it was in the state's interest to accommodate them.

Waiving the Determination

Accordingly the same Section 340 of the Act of June 1, 1917, which established the proportional Investments tax, also gave bondholders another option in such cases, to "waive such determination and pay the tax upon the full amount of such investment, and thereafter the whole amount of investment shall be exempt from taxation. . . ." This presumably explains why so many Lake Shore and Michigan Southern bonds are known with the Investments tax paid in full.

Three other bonds of interstate railroads are known on which the full Investments tax was paid. Figure 160 shows an 1892 $1,000 bond of the New Jersey and New York Railroad with one year's tax paid by Investments $2 on September 18, 1918. This road was part of the Erie Railroad system, running from Haverstraw, Rockland County, New York, south into Bergen County, New Jersey, through Jersey City, and finally to New York City, a distance of just over 38 miles; some 65% of its track was in New Jersey. A stamp tax of about $1.30—subject to refinement by the State Tax Commission—would thus have paid the Investments tax per se, but left some 35% of the bond subject to property tax. The $2 payment secured full exemption. Figure 124 shows an 1880 $500 bond of the same road with tax paid for five years by the Investments $5, the sole recorded use of that stamp. Incidentally, Figure 160 also shows another of their 1892 bonds with the full $5 Mortgage tax securing permanent exemption from property tax in 1913.

Figure 118 shows an 1885 bond of the West Shore Railroad Co. stamped with Secured Debt $5 and $1 on August 30, 1917, paying the Investments tax for three years,

Figure 160. *New Jersey and New York Railroad $1,000 bond with Investments tax paid for one year in 1918 by Investments $2. As 65% of the line was in New Jersey the Investments tax per se was approximately $1.30 and the Mortgage tax about $0.70, but bondholders were given the option of paying the full Investments tax and securing full exemption.*

Left, similar bond with full $5 Mortgage tax paid in 1913

with distinctive keystone-shaped cancels. This and one similar usage are the only recorded three-year payments of the Investments tax. The West Shore ran from Weehawken, New Jersey, across the Hudson River from New York City, crossing into New York via the Weehawken Tunnel under the New Jersey Palisades, north along the west shore of the Hudson River to Albany, then west to Buffalo.[4] Only a tiny fraction of its track lay outside the New York, and West Shore bonds, when stamped, typically bear Mortgage Endorsement stamps (Chapter 1, Figures 5, 16, 21). The $6 payment here is puzzling. By paying the $5 Mortgage tax, permanent exemption from property tax would have been obtained; as it was, only a three year exemption was secured. A plausible explanation is that payment of the Investments tax also secured exemption from the state's 5% inheritance tax, while payment of the Mortgage tax did not.

4. In an earlier incarnation it had been the New York, West Shore and Buffalo Railway, merged in 1881 with the North River Railroad, forming one company in charge of the whole route from New Jersey to Buffalo. The New York Central bought the New York, West Shore and Buffalo on November 24, 1885 and reorganized their new acquisition as the West Shore Railroad on December 5, immediately leasing it for 475 years from January 1, 1886. This explains the statement on this and later West Shore bonds, "Principal due January 1, A.D. 2361" that has astounded scripophilists.

Proportional and Full Payments in Successive Years; the "Chamberlain Find"

Two previously reported Lake Shore 1903 $1,000 coupon bond shows proportional and full payment of the Investments tax in different years: bonds #M1790 and M1797 have $1.80 tax paid April 30, 1918, then $2 on January 30, 1920. A new find included three more such usages on the corresponding Lake Shore 1903 registered bonds, all bearing spectacular combinations of stamps (Figure 161). Two $1,000 bonds had one year's proportional tax of $1.80 paid by Secured Debt $1, 75¢ and 5¢ on September 18, 1917, then the full tax by Investments $2 on October 11, 1918, the $2 stamps the scarce perf 11. On the same dates a $5,000 bond had one year's proportional and full taxes of $9 and $10 paid by Secured Debt $7.50, $1

Figure 161. *Lake Shore 1903 series bonds of Joseph Chamberlain, 90% proportional payment of Investments tax for one year in September1917 by Secured Debt stamps, then full payment in October 1918 by Investments stamp*

Top, $18, then $20, paid on $10,000 bond

$9, then $10, paid on $5,000 bond

$1.80, then $2, paid on $1,000 bond; the Secured Debt 75¢ has been recorded on only seven bonds.

and two 25¢, then Investments $10. And again on the same dates, five $10,000 bonds had one year's proportional and full taxes of $18 and $20 paid by Secured Debt $10, $7.50 and two 25¢, then Investments $20. All these bonds were held by one Joseph P. Chamberlain and had been issued July 9, 1909. They reinforce the conclusion that proportional payment was not the typical choice of bondholders; even here, after it was initially chosen it was abandoned in favor of full payment the following year.

The "Chamberlain Find" also included six 1904 series registered debentures of the New York Central and Hudson River Railroad Co., three for $1,000 and three for $10,000, stamped exactly as the $1,000 and $10,000 Lake Shore bonds (Figure 162). At first glance this is puzzling, as this

Figure 162. *New York Central and Hudson River 1904 debentures of Joseph Chamberlain, with 90% payment of Investments tax for one year in September1917 by Secured Debt stamps, then full payment in October 1918 with Investments stamp. Right, $18, then $20, paid on $10,000 bond.*

$1.80, then $2, paid on $1,000 bond; another of the seven recorded bonds with the Secured Debt 75¢

road lay entirely within New York; however in 1914 it had been merged with the Lake Shore to form a new New York Central Railroad Co., now extending beyond the state's boundaries. Whether the portion outside the state constituted 90% of the line's value seems questionable (Figure 158), but was evidently accepted as a matter of convenience.

Proportional Payment in Successive Years: Discovery Copy of Investments $3

On the Chamberlain bonds proportional payment, once tried, was abandoned the following year. This is consistent with the observation that on the very large majority of interstate bonds, it was never chosen at all. The bond shown in Figure 164, which surfaced in an online auction, breaks this mold in exciting fashion.

It is another of the Lake Shore 1903 $1,000 coupon bonds, with one year's $1.80 90% proportional payment of the Investments tax by Secured Debt $1, 75¢ and 5¢ on December 12, 1917, as seen previously (Figures 155, 157, 161–2). This time though, a second proportional payment was made on December 9, 1918, and for not one year but two, the $3.60 tax paid by Investments $3 and 60¢. This usage is extraordinary on multiple levels, most significantly that it is the discovery copy of the Investments $3! This stamp was first listed by Kenyon (1920), evidently on the basis of information furnished by the Controller's office in Albany while the Investments stamps were still in use, rather than via direct observation . A search of leading collections, dealers' stocks and auction catalogs failed to turn up an example, and a published appeal was similarly unsuccessful.

Figure 163. *Close view of the stamps in Figure 161*

The Investments 60¢ is only a little less rare than the $3: this is the first recorded example on a bond, and the aforementioned ongoing survey accounted for just four off-document copies. The Secured Debt 75¢, almost unnoticed here, has been recorded on just seven bonds. Moreover two-year payments of the Investments tax have been recorded on just ten examples of eight bonds; this is the only one showing proportional payment, and one of just five with payment by Investments stamps. It is one of three recorded combinations of one and two year payments, and the sole recorded example of two proportional payments. I count eight minor to major superlatives!

Table 4.7.3. Investments Tax on Bonds of Typical Denominations

	Exemption (Years)				
Denomination	**One**	**Two**	**Three**	**Four**	**Five**
$100	20¢	40¢	60¢	80¢	$1
$500	$1	$2	$3	$4	$5
$1,000	$2	$4	$6	$8	$10
$5,000	$10	$20	$30	$40	$50
$10,000	$20	$40	$60	$80	$100
$50,000	$100	$200	$300	$400	$500
$100,000	$200	$400	$600	$800	$1000

The proportional payments surveyed here turn topsy-turvy previous notions as to expected usages of the Investments stamps. As shown in Table 4.7.3, for full payment the only expected $3 tax was a three year payment on a $500 bond. This was a priori unlikely. $500 bonds are scarce in their own right, accounting for only about 1% of stamped bonds[5] and three year payments are ultrarare, with just two examples recorded. The possibility of a three year payment on a $500 bond is practically infinitesimal, and even then would be more likely to have been made with Secured Debt stamps in 1917 than with the Investments $3 in 1918–20.

Similarly, for full payment anticipated usages of the Investments 60¢ and 80¢ were for three and four year payments on a $100 bond, both extraordinarily unlikely a priori, even more than three year payment on a $500 bond.

The 90% proportional payments on Lake Shore bonds thus open up previously unseen possibilities. Indeed once the first one year $1.80 payments on $1,000 bonds surfaced, the possibility of two and three year $3.60 and $5.40 payments was noted (Mahler, 2010c). Now that the first of these has materialized, what will be next? A five year 90% payment on a Lake Shore $5,000 bond made in 1918 or later would require $45 tax, presumably paid by Investments $40 and $5. One can dream!

Massaging the Law: the "Permissive Period" of Mortgage Endorsement on Interstate Bonds, 1911-15

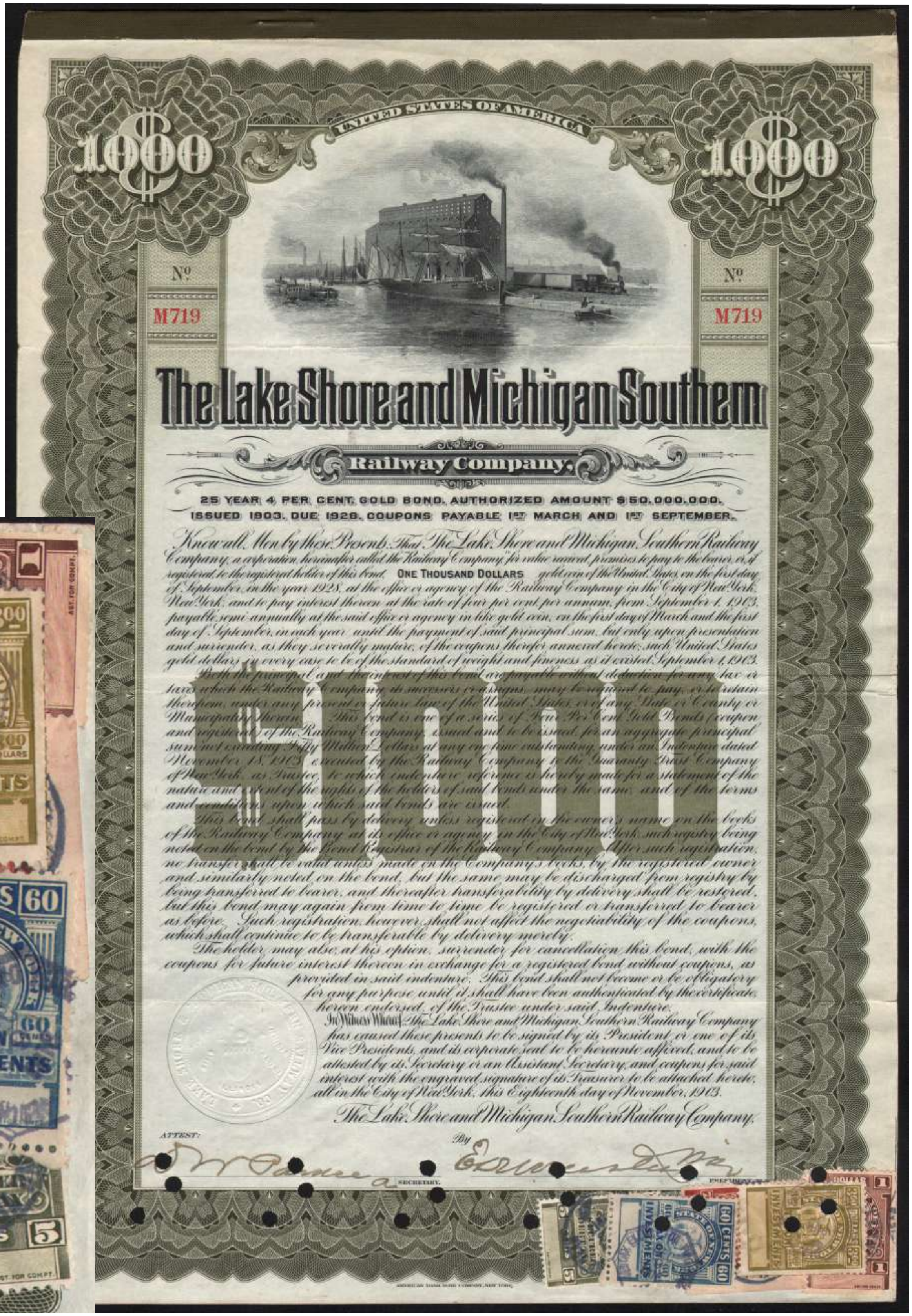
The waiver in the Investments Tax Act—allowing holders of bonds secured by mortgage of property straddling the state line to pay the Investments tax on the full amount of their bonds, thereby gaining full exemption from other taxation—was a late development designed to alleviate problems encountered earlier. Prior to 1916, no simple method of securing full exemption had been enacted.

Since its passage in 1905 the Mortgage tax had applied to such bonds, the tax to be based on the relative value of that portion of the property within the state. However the Secured Debts tax as originally enacted in 1911 did not specifically apply to this class of bonds; this was due to a legislative oversight not remedied until May 1, 1915. Originally it applied to "Any bond, note or debt secured by mortgage of real property recorded in any state or country other than New York and not recorded in the state of New York." In 1915 this would be specifically extended to include "Such proportion of a bond, note or debt . . . secured by mortgage or deed of trust recorded in the state of New York of property or properties situated partly

5. As tabulated in previous chapters, of 106 different recorded stamped bonds taxed at the Secured Debt 0.5% rate of 1911–15, only three had denomination $500; for the 1915 0.75% rate, two of 34; for the 1916 rate, two of 33; and for the 1917–20 Investments tax, four of 102; in total 11 of 275, or 4%, were for $500. When the numbers of examples are tallied, the fraction accounted for by $500 bonds drops to roughly 1%.

Figure 164. *Lake Shore 1903 $1,000 bond with Investments 90% proportional tax paid for one year by Secured Debt $1, 75¢ and 5¢ affixed December 1917, then for two more years by Investments $3 and 60¢ affixed December 1918, the only recorded bond bearing the Investments 60¢ and the only recorded example of the Investments $3*

Below, close view of the stamps



within and partly without the state of New York as the value of that part of the mortgaged property or properties situated without the state of New York shall bear to the value of the entire mortgaged property or properties." Until that date, by the letter of the law such bonds could be exempted from property tax only by payment of the Mortgage tax, and then only to the extent that it applied, that is, to the proportion of the property lying within the state.

This situation worked against the interests of both the state, which could tax only a portion of the bonds, and the bondholders, who could obtain only partial exemption from property tax. Here was a law figuratively begging to be broken, or at least bent, to the benefit of both parties.

Table 4.7.4. Payment Options on Interstate Mortgage Bonds

Mortgage Tax

Time Frame	Proportional Payment	Full Payment
1910–1915	Mandated by statute	Not addressed by statute; permitted in practice
Effective October 13, 1915		Forbidden by Opinion; permitted in practice
Effective April 27, 1916	Permitted by statute	Permitted by statute

Secured Debt/Investments Taxes

Time Frame	Proportional Payment	Full Payment
1911–1915	Not addressed by statute	Not addressed by statute; permitted in practice
Effective May 1, 1915	Mandated by statute	Not addressed by statute; permitted in practice
Effective June 1, 1917	Permitted by statute	Permitted by statute

Accordingly, in practice bondholders were allowed to pay the Mortgage tax on the full amount of their bonds, and were granted full exemption from property tax. Attorney General Merton Lewis, looking backward in an Opinion dated October 19, 1918, summarized the situation:

> [In 1909] the Tax Commission was urging the owners of [bonds secured by] mortgages covering property both within and without the State to pay recording taxes, not only upon the proportion of the debt represented by the security within the State but also upon the proportion of the debt represented by the security without the State, upon the theory that such payment would render the bonds entirely free from State and local taxation, except the bank, franchise and inheritance taxes.

Attorney General Edward O'Malley, in an Opinion addressed to the Tax Commissioners dated December 27, 1910, had concluded that full payment of the Mortgage tax was in fact obligatory for such bonds:

> 4. In case of bonds secured by corporate trust mortgages brought in for taxation and endorsement under section 264, where the mortgage tax security consists of real property situated partly within and partly without the State, . . . there is no provision in the statute for apportioning the amount of taxes to be paid on single bonds presented under section 264. . . . In such case the tax would have to be paid on the full amount of the bond. . . .

This practice of allowing full payment in exchange for full exemption on bonds of interstate roads may be considered to define a "Permissive Period" of mortgage endorsement on such bonds. During this time numerous examples of ten different bonds of the Lake Shore, New Jersey and New York, and West Shore interstate lines have been recorded with Mortgage stamps, presumably signifying payment of the full tax (Figures 5–7, 14–16, 18, 20, 21, 160, 165).

In the case of the New Jersey and New York bonds shown in Figures 14, 15 and 160, no presumption is necessary. Each bears a Mortgage Endorsement green imperforate affixed August 15, 1913, in Rockland County, with manuscript notation "I Cyrus M. Crum Clerk of said County hereby certify that I have received the sum of [$5.00 and $2.50, respectively, on $1,000 and $500 bonds] as tax on the within Bond." This was the full 0.5% Mortgage tax. As only about 35% of the line lay within New York, by the strictest interpretation of the law only about 35% of the full amount was due.

The regulations on stamping of interstate mortgage bonds, and the actual practices employed—which often extended or even contradicted those regulations—form a confusing tangle, summarized in Table 4.7.4

Permissive Payment of Secured Debts Tax on Interstate Bonds, 1911–15

In defense of this permissive policy, once the Secured Debts tax was enacted in 1911, until 1915 the Mortgage and Secured Debts taxes were assessed at the same rate, 0.5%, and provided the same benefit, permanent exemption from all other taxes. This prompts an interesting hypothetical. Had the Secured Debts tax applied to interstate bonds in 1911 as it eventually did in 1915—and one might say, should have applied from the outset had the legislature been paying sufficient attention—full payment of either the Mortgage or Secured Debt taxes would have brought essentially the same amounts to the state's coffers as proportional payment of both taxes, and would have simplified matters immensely. For individual bonds apportionment of the tax between the county and state treasurers would have been incorrect, but in the aggregate these errors would have been smoothed out.

This eminently sensible reasoning provides some justification for the officially condoned practice of allowing full payment of the Mortgage tax on bonds of interstate roads in exchange for full exemption. It likewise justifies allowing, as an alternative, full payment of the Secured Debts tax. I am aware of no official endorsement of the latter policy, which would seem to have violated the letter of the law. Nevertheless as listed in the census, Secured Debt stamps affixed before May 1, 1915, have been recorded on eight different Lake Shore bonds (Figure 166); 1887 and 1893 mortgage bond of the New York, Susquehanna and Western Railroad Co., which ran through New Jersey, New York, and Pennsylvania[6] (Figure 167) and two examples of the West Shore $1,000 registered bond (Figure 168).

6. The NYS&W (or "Susie Q") ran from North Bergen, New Jersey, north into New York, following the Delaware River along its entire course forming the New York-Pennsylvania border, with two border crossings. Past Deposit, New York, its right of way followed the Susquehanna River south into Susquehanna County, Pennsylvania for 15 miles, crossing the historic Starrucca Viaduct before swinging northward to Binghamton, New York, then branching at Chenango Forks into two lines terminating at Syracuse and Utica. Roughly 75% lay within New York.

Table 4.7.2. Recorded Bonds of Interstate Railroads with Full Payment of Mortgage,Secured Debts or Investments Tax

Railroad/Bond	Percentage within N.Y.	Cox #	Amount	Date	Stamp(s)	Number
Lake Shore & Mich. Southern Rwy. Co.	10%	LAK-627-B-30	$1,000	6/1/1897	Mortgage Endorsement green imperf	2
3½% Gold Bond, vertical format					Mortgage Endorsement green perf	2
					Mortgage Endorsement (green)	16
					Mortgage Endorsement orange	7
					Secured Debt $5	24
					Secured Debt $5, $2.50	1
					Secured Debt $1 (x2)	2
					Investments $2	6
					Investments $4	2
					Secured Debt $10	51
3½% Regis. Gold Bond, horiz. format		LAK-627-B-35	$1,000	(1897)	Mortgage Endorsement green imperf	4
					Mortgage Endorsement green perf	15
					Mortgage Endorsement (green)	58
					Mortgage Endorsement orange	127
					Secured Debt $5	3
					Secured Debt $7.50	3
					Secured Debt $1 pair	3
					Secured Debt $1 pair, Investments $10	1
					Investments $2	6
					Secured Debt $10	7
					Investments $10	4
		LAK-627-B-36	$5,000	(1897)	Mortgage Endorsement green imperf	2
					Mortgage Endorsement green perf	3
					Mortgage Endorsement (green)	9
					Mortgage Endorsement orange	44
					Secured Debt $25	6
					Secured Debt $25, $10, $2.50	1
					Secured Debt $25, $7.50, $5	1
					Secured Debt $10	1
					Secured Debt $50	1
		LAK-627-B-37	$10,000	(1897)	Mortgage Endorsement green perf	7
					Mortgage Endorsement (green)	24
					Mortgage Endorsement orange	74
					Secured Debt $50, $25	1
					Secured Debt $10 pair	1
					Secured Debt $10 pair, Investments $20	2
		LAK-627-B-38	$50,000	(1897)	Mortgage Endorsement green perf	2
25 Year 4% Gold Bond		LAK-627-B-40	$1,000	11/18/1903	Secured Debt $5	4
					Secured Debt $5, $2.50	2
					Secured Debt $1 (x2), Investments $2	2
					Secured Debt $1 (x2), Investments $2 (x2)	3
25 Year 4% Registered Gold Bond		LAK-627-B-50	$1,000	(1903)	Secured Debt $5	16
					Secured Debt $5, $2.50	1
					Investments $2 (x3)	4
		LAK-627-B-52	$5,000	(1903)	Mortgage Endorsement orange	2
					Secured Debt $25	2
		LAK-627-B-53	$10,000	(1903)	Mortgage Endorsement orange	5
					Secured Debt $50	6
					Secured Debt $50, $25	1
					Investments $10 (x2)	1
		LAK-627-B-60	$1,000	(1906)	Secured Debt $5	2
		LAK-627-B-61	$5,000	(1906)	Secured Debt $25, $10, $2.50	2
New Jersey & New York Railroad Co.						
30 year 6% First Mortgage Bond	35%	NEW-236-B-30	$500	4/3/1880	Investments $5	1
General Mortgage 40 Year 5% Gold Bond		NEW-236-B-55	$500	12/31/1892	Mortgage Endorsement green imperf	1
		NEW-236-B-56	$1,000	(1892)	Mortgage Endorsement green imperf	1
					Investments $2	1
New York, Susquehanna & Western RR Co.						
First Mortgage Refunding 5% Gold Bond	75%	NEW-794a-B-30	$1,000	1/1/1887	Secured Debt $5	1
General Mortgage 5%, 5% Gold Bond		NEW-794a-B-33	$1000	8/1/1890	Secured Debt $5	1
Terminal First Mortgage, 50 Year 5% Gold Bond		NEW-794b-B-35	$1000	5/1/1893	Secured Debt $5	1
					Secured Debt $7.50	1
West Shore Railroad Co.	99%	WES-304-B-51	$1,000	12/5/1885	Mortgage Endorsement green imperf	2
First Mortgage Guaranteed Bond					Mortgage Endorsement green perf	5
vertical format, green & black					Mortgage Endorsement orange	3
					Secured Debt $5, $1	2
horizontal format, orange & black		WES-304-B-55a	$500	(1885)	Mortgage Endorsement green perf	1
horizontal format, red & black		WES-304-B-56a	$1,000	(1885)	Mortgage Endorsement green perf	1
		WES-304-B-56b	$1,000	(1900)	Mortgage Endorsement green perf	17
					Mortgage Endorsement (green)	14
					Mortgage Endorsement orange	38
					Secured Debt $5	2
					Investments $2	1
horizontal format, brown & black		WES-304-B-58b	$10,000	(1900)	Mortgage Endorsement green perf	4
					Mortgage Endorsement orange	2
horizontal format, rust & black		WES-304-B-59a	$50,000	(1900)	Mortgage Endorsement green perf	1

Figure 165. *Lake Shore 1897 series coupon and registered bonds bearing Mortgage Endorsement stamps affixed in Erie County in 1911, presumably paying the full tax and providing full exemption*

Most of these usages are from September 1911, the first month of the Secured Debts tax, and might be attributed to initial unfamiliarity with the new tax or uncertainty as to its application in such cases. It applied to "Any bond, note or debt secured by mortgage of real property recorded in any state or country other than New York and not recorded in the state of New York." Bonds of the interstate roads met the first of these criteria, but not the second, as their underlying mortgages were recorded outside New York, but also within it. The 1887 New York, Susquehanna and Western bond, though, was stamped nearly a year later, in August 1912 (Figure 167), and Lake Shore usages have been seen as late as January 1914, by which time the official policy toward such bonds should presumably have been considered and established. Were these payments accepted in ignorance of the nature of the bonds and the letter of the law, or knowledgably permitted? It is worth noting that Lake Shore bonds from this period are only about a

__Figure 166.__ Lake Shore 1897 series coupon and registered bonds bearing Secured Debt stamps paying the full 0.5% tax in New York City in September 1911. By the letter of the law, the Secured Debts tax did not apply to bonds secured by mortgage of property crossing the state line until 1915, and even then only to that portion corresponding to the property outside the state, yet these and similar bonds show full payment.

third as likely to be found with Secured Debt as with Mortgage stamps (49 recorded examples versus some 125).

Woodbury Lays Down the Law

The lay of this land would change in 1915. First the Secured Debts law was amended effective May 1, 1915, to apply to bonds secured by mortgage of property straddling the state line, with tax based on the relative value of the mortgaged property lying outside the state. Then in an Opinion dated October 13, 1915, Attorney General Egburt Woodbury would insist on a strict interpretation of the Mortgage Tax law with respect to such bonds, specifically repudiating the Opinion of his predecessor Edward O'Malley. The essential portions of his reasoning are in Appendix 5, and his conclusion follows:

Figure 167. *Two more examples of interstate mortgage bonds with "permissive payment" of full Secured Debt tax prior to April 1915: 1887 and 1893 $1,000 bonds of the New York, Susquehanna and Western Railroad, of which only about 75% lay within New York, with Secured Debt $5 paying the full 0.5% tax in August 1912 and December 1911.*

This brings us to a consideration of the particular inquiries presented by State Tax Commission, as to whether or not the owner of a bond issued prior to July 1, 1906, secured by a mortgage which covers real property situated partly within and partly without the State, which is brought in for taxation pursuant to section

264, is required to pay the tax upon the full amount thereof, or if not, whether he may waive the right of apportionment, pay the tax upon the full amount of the bond, and thereby secure the benefit of exemption from local taxation conferred by section 251 of the Mortgage Tax Law.

It seems quite clear that the only tax imposed by this act in such case is upon that portion of the bond represented by the mortgage security in this State, apportioned as prescribed by section 260, or, stated in another form, this is the only part of the bond "taxed by this article." The owner of the bond is not given the optional right to pay

Figure 168. West Shore Railroad 1900 series $1,000 bond with Secured Debt $5 affixed in November 1911. The West Shore lay almost entirely in New York, but its first few miles were in New Jersey, making this another interstate mortgage bond with "permissive payment" of the full Secured Debt tax prior to April 1915.

the tax upon that portion thereof on which the law does not impose the tax, and thereby secure an exemption of such portion from other forms of taxation. In the absence of the tax being imposed or the optional right clearly given to pay on that portion represented by the mortgage security without the State, the right cannot be said to exist. In other words, the privilege of exemption cannot be extended by implication. . . .

An opinion was rendered to your Department on December 27, 1910, by one of my predecessors, in connection with five other questions then under consideration, which seems to be to the effect that there is no provision in the statute for apportioning the amount of taxes to be paid on single bonds, representing prior advances, presented under section 264, and therefore in case such bond should be presented for taxation it would be required to pay the tax upon the full amount thereof.

I am clearly of the opinion, as already stated, that the power and duty of apportionment exists with the Commission in all cases where an apportionment is required, to give effect to the provisions of the Mortgage Tax Article, and hence am unable to follow the opinion of my predecessor to the contrary.

According to Woodbury's ruling, to obtain full exemption for bonds secured by mortgage of property crossing the state line, the appropriate portions of both the Mortgage Endorsement and Secured Debt taxes would now have to be paid. Such usages would have been philatelically spectacular, but none have been recorded.

1916: The Legislature Weighs In: Payment of Mortgage Tax on Full Amount of Bond Permitted

A complication not mentioned by Woodbury is that effective May 1, 1915, the Secured Debts tax had been increased to 0.75% and provided only five years exemption from all other taxes, while the Mortgage tax remained at 0.5% and provided permanent exemption. Allowing payment of the Mortgage tax in lieu of the Secured Debts tax now not only contravened the letter of both laws, it was financially disadvantageous for the state. To make matters worse, bonds for which the appropriate portions of both taxes were paid would now have a portion permanently exempt from other taxes, and the remaining portion only temporarily exempt! The legislature evidently found this intolerable. In two Acts passed April 27, 1916, effective immediately, it restored to both companies and individual bondholders the options removed by Woodbury's Opinion.

The provision in the Mortgage Tax statutes allowing individuals to pay the tax on their bonds had been an amendment made in 1910 to Section 264. Now Chapter 337 of April 27, 1916, further amended Section 264 by adding the final clause in the following sentence (bolding mine):

> Sec. 264. Tax **on prior advance mortgages.** . . . any mortgagor or mortgagee under a corporate trust mortgage given to secure a series of bonds or the owner of any such bond or bonds secured thereby may file in the office of the recording officer where such mortgage is first recorded a statement in form and substance as required by section two hundred and fifty-four of

> this article [254. Optional tax on prior mortgages], except that it shall specify the serial number, the date and amount of each bond and otherwise sufficiently describe the same to identify it as being secured by such mortgage, and thereby elect that such bond or bonds be taxed under this article, **and such bond or bonds shall be taxed upon the whole amount thereof notwithstanding the provisions of section two hundred and sixty of this article.**

Section 260, headed "Determination and apportionment by the state tax commissioners," dealt with properties covered by more than one tax district, including those partly within and partly without the state, and specified the procedure for determining the portion of such mortgages liable to the Mortgage tax. To reiterate, after April 27, 1916, the law specifically allowed the owner of a bond secured by mortgage of property straddling the state line to make it fully exempt from all other taxes simply by paying the Mortgage tax on the full amount of the bond. Partial payment, as had been required by Attorney General Woodbury, was no longer even an option.

Chapter 335, also enacted April 27, 1916, likewise allowed companies or their trustees to secure full exemption on a mortgage of property crossing the state line or an entire issue of bonds secured by such a mortgage, simply by paying the Mortgage tax on the full amount of the mortgage or bonds. Specifically, it amended Section 260 of the Mortgage Tax statutes by adding the paragraph (bolding mine):

> Sec. 260. **Determination and apportionment by the state tax commissioners.** . . . The mortgagor or mortgagee of any mortgage which covers **property within and without the state** may **waive the determination** provided for in this section and **pay the tax upon the full amount** of such mortgage or of any advancement thereon, and thereafter **the whole amount of such mortgage or advancement shall be exempt from taxation** under the provisions of section two hundred and fifty-one of this article.

It even went so far as to provide the same option in cases where a determination had already been made of the portion of the mortgage or bonds strictly liable to the Mortgage tax, and the tax on that portion had already been paid. A second paragraph was added:

> In any case **where a determination has been made** pursuant to this section in respect to a mortgage or advancements upon a mortgage covering **property within and without the state and the tax has been paid upon a portion** of the indebtedness secured by such mortgage pursuant to such determination, the mortgagor or mortgagee or the owner of any bonds

Figure 169. Lake Shore 1897 series $10,000 bond with Mortgage Endorsement stamp affixed November 20, 1915, within the six month window during which the Attorney General had ruled that only proportional payment of the Mortgage tax was legally permissible, but with no indication that this was done here. A $5,000 bond held by the same trust and stamped the same day has also survived.

> secured by such mortgage may file with the recording officer where such mortgage is first recorded a verified statement in form and substance as provided for in section two hundred and sixty-four of this article, which statement shall also specify the portion of the indebtedness secured by such mortgage or bonds upon which the tax has been paid, and thereupon the recording officer shall **collect the tax upon the remaining portion** of such mortgage or bonds, and all of the provisions of said section two hundred and sixty-four in respect to the indorsement of the payment of the tax and notation on the margin of the record of the mortgage shall be applicable to taxes paid upon such remaining portion, and thereafter **the whole amount of such mortgage, advancement or bonds shall be exempt from taxation** under the provisions of section two hundred and fifty-one of this article.

These two paragraphs newly added to Chapter 335 would be eliminated March 20, 1917, as a condition to passage of the Investments Tax.

The strict interpretation of the Mortgage law expressed in Attorney General Woodbury's Opinion of October 13, 1915, thus had a legal life of only about six months, until Section 337 was enacted on April 27, 1916. It may in fact never have been implemented at all. Four Lake Shore bonds from this six month window bearing Mortgage Endorsement stamps are known, dated between November 20, 1915, and February 9, 1916 (Figure 169). As discussed above, the insistence on separate partial payments and partial exemptions greatly complicated matters for both bondholders and the state. Certainly Woodbury's Opinion must have served as a wakeup call to the Tax Commissioners. They must have realized quickly that legislative action was necessary to resimplify the situation, and presumably received assurances that it would be forthcoming. Acceptance of full payment of the tax by County Clerks may have continued apace during the six month window, in anticipation of the changes to the statutes.

Puzzling Permissive Payment of Secured Debts Tax on Interstate Bonds, 1915–6

The preceding discussion of the various statutes regarding interstate mortgage bonds, and the interpretation of them, refers exclusively to the Mortgage tax. As for the Secured Debts tax, for such bonds there was never a provision allowing full exemption from other taxes upon full payment. Nevertheless, as noted above and listed in Table 4.7.2 and Appendix 7, Secured Debt stamps paying the full 0.5% rate of 1911–15 have been seen on mortgage bonds of the Lake Shore, the New York, Susquehanna and Western, and the West Shore interstate roads (Figures 166–8). It is impossible to know whether those payments were accepted in ignorance or knowledgably permitted. They did bring the state essentially the same revenue as full payment of the Mortgage tax, which was permitted in practice if not by statute.

Effective May 1, 1915, proportional payment of the Secured Debts tax on interstate bonds, in proportion to that part of the property outside the state, became legally permissible. However full exemption from other taxes upon full payment of the Secured Debts tax was never enabled by the statutes. At the same time the Secured Debts rate was increased to 0.75% and now provided only five years' exemption; previously it had been 0.5% and conferred permanent exemption, the same as the Mortgage tax.

Given the option, no one would now pay the Secured Debts tax rather than the Mortgage tax, never mind that strictly speaking the option should not have been available. Nevertheless Lake Shore $1,000, $5,000 and $10,000 bonds are known with full Secured Debts taxes of $7.50, $37.50 and $75 paid during 1915 (Figures 170–1), and in the same amounts during 1916 (Figure 172).

1917: A Quick Reversal of Direction

A final twist to this convoluted tale occurred in 1917. The last version of the Secured Debts tax had expired at the end of December 1916, pending passage of the Investments Tax bill, which was being shepherded through the legislature by Senator Ogden Mills and would become law June 1, 1917. In the interim the following notice appeared in the *New York Times* of March 21, 1917:

> SIGNS MILLS TAX BILL
>
> Whitman Approves Measure Affecting Secured Debts.
>
> ALBANY, March 20.—Under an emergency message from Governor Whitman, the Legislature today passed a bill introduced by Senator Ogden L. Mills, preventing owners of secured debts on property within and without the State from paying a small registration fee under the mortgage tax law, thereby becoming exempt from any additional taxation.
>
> The bill was passed to correct an omission in the present laws governing taxation of secured debts. The bill was signed by Governor Whitman tonight.

The pending Investments tax was to be 0.2% per year, while the "small" Mortgage tax was a one-time payment of 0.5% that guaranteed permanent exemption. The intent of the bill was to prevent payment of the Mortgage tax in lieu of the Investments tax, which would be potentially more profitable to the state.

Its application, however, was misstated by the *Times.* It applied, not to individual bondholders, but to entire mortgages or bond issues. The corresponding Act, Chapter 72 of the 1917 legislative session, consisted exclusively of an amendment to Section 260 of the Mortgage Tax law which eliminated the same two paragraphs that had just been added April 27, 1916, by Chapter 335 of the 1916 session, quoted above. This had the effect of denying "the mortgagor or mortgagee" of any mortgage covering property within and without the state the right to pay the Mortgage tax on the full amount of the mortgage and receive exemption from taxation on "the whole amount of such mortgage." This language applies not to individual bondholders, but to companies ("mortgagors") or their trustees ("mortgagees") and to payment and exemption on an entire mortgage or bond issue. There is no reference here to "bonds" or to "the owner of any such bond or bonds," as in Section 264. That section remained unchanged, and left unchanged the right of individuals to pay the Mortgage tax on the full amount of their bonds and receive full exemption.

This was affirmed in an Opinion of September 5, 1917, by Attorney General Merton Lewis, which stated that individuals holding interstate mortgage bonds could choose to pay the full amount of either the Mortgage or Investments taxes and receive the attendant benefits: for the Investments tax of 0.2% per year, an exemption from all other taxes for the number of years paid, and from the new 5% estate tax provided the Investments tax was paid up to the time of the decedent's death; and for the Mortgage tax of 0.5%, permanent exemption from all other taxes except the estate tax. Each choice had its advantages and disadvantages.

> There is nothing necessarily inconsistent in the two provisions. Under each of them the tax is purely optional with the taxpayer. He is at liberty to pay it if he desires by that means to render the security exempt from further taxation. The different methods result in a somewhat different exemption. . . . Under section 264 the [Mortgage] tax of fifty cents per hundred dollars is payable once for all, but

Figure 170. *Lake Shore $1,000 bonds with 1915 Secured Debt 0.75% tax paid by $5 and $2.50, securing five years exemption from property tax. Payment of the $5 Mortgage tax would have provided permanent exemption!*

Figure 171. *Lake Shore $5,000 and $10,000 bonds with $37.50 and $75 tax paid at 1915 Secured Debt 0.75% rate, securing five years exemption from property tax. Payment of the Mortgage 0.5% tax would have provided permanent exemption for only $25 and $50!*

on the death of the owner the security is subject to an additional 5 per cent transfer tax (unless local taxes have been paid upon it, or the owner held it merely in the course of trade in his business as a dealer). On the other hand the investment tax under section 331 will cost the taxpayer twenty cents per hundred dollars for every year it is to be effective, but will exempt him from the extra 5 per cent transfer tax to which the security would be subject were the tax paid under section 264.

It is perfectly possible to reconcile the two sections and there is no basis for assuming that the Legislature, in passing chapter 700 of the Laws of 1917 [establishing the Investments tax], meant to

Figure 172. *Lake Shore bonds with $7.50, $37.50 and $75 Secured Debt tax paid in 1916, securing five years exemption from property tax. Payment of the Mortgage 0.5% tax would have provided permanent exemption for only $5, $25 and $50!*

The $7.50 has the rare Albany cancel with "WBL" not underscored.

repeal section 264 of the Tax Law. . . . And it is, therefore, my opinion that both section 264 and section 331 are in full effect and may apply to the same investment, the difference being that if the owner shall desire to exempt his securities from the 5 per cent transfer tax under, section 221-b, he must pay the higher tax under section 331.

Lewis's analysis provides a plausible explanation for the otherwise puzzling payment of the full Investments tax of $6 for three years on West Shore Railroad bonds (Figure 102). The West Shore ran from Weehawken, New Jersey, into New York City, along the west shore of the Hudson River to Albany, then to Buffalo. Some 99% of its track lay within New York, but the fact that a portion, however small, lay outside New York did make its bonds eligible for the Investments tax as well. Paying the $5 Mortgage tax would have secured permanent exemption from property tax; the $6 Investments tax provided only three years'

Figure 173. *As of June 1917, holders of interstate bonds had the option of paying either the Mortgage tax or the Investment tax. On a large sample of Lake Shore bonds nearly 90% chose the latter. Shown here are payments of the Mortgage tax in 1917, 1918 and 1919.*

exemption, and on this basis it is difficult to imagine why it was chosen. However it also provided exemption from the new estate tax of 5%, or $50 on a $1,000 bond, which the Mortgage tax did not. If the bondholder was elderly and a transfer predictable in the near future, the Investments tax would have been the obvious choice.

It is worth pointing out that the Investments tax and the new 5% estate tax went hand in glove: the latter was enacted precisely to encourage payment of the former. Both were established by the same Act of June 1, 1917. The estate tax applied only to "investments . . . taxable under this article" on which the Investments tax had not been paid.

An analysis of 126 Lake Shore stamped bonds found 48 payments of the Mortgage tax; 30 of the Secured Debt taxes of 1911-15 (x20) or 1915-16 (x10); and 48 of the Investments tax. Once the Investments tax took effect (on June 1, 1917) there was a sharp chronological break in the distribution; the 48 payments of the Investments tax were

Figure 174. *Lake Shore 1906 series $10,000 bond with Mortgage Endorsement orange stamp affixed May 3, 1917, then marked "Cancelled June 20/17," and Investments 90% proportional tax of $90 paid for five years by Secured Debt $50, $25, $10 and $5 on July 2, 1917*

accompanied by only seven payments of the Mortgage tax. Figure 173 shows three of the latter.

The Grail, Approximately

Lewis's analysis likewise sheds light on another sensational find, again of Lake Shore and Michigan Southern registered bonds, showing the long-sought payment of both Mortgage Endorsement and Investments taxes.

Six $10,000 bonds of 1906 each bear a Mortgage Endorsement orange, plus Secured Debt $50, $25, $10 and $5 paying the now-familiar 90% of the full $100 Investments tax for five years (Figure 174). These were the first bonds issued in this series, serial numbers #1–5 and #10, all to the Atlantic Mutual Insurance Co. of New York City, issued September 13, 1906.

Ten $20,000 bonds of 1904 each bear a Mortgage Endorsement orange plus Secured Debt $100, $50, $25 and $5 paying 90% of the full $200 Investments tax for five years (Figure 175). These were again the first bonds issued in this series, numbers #XXM1–10, again to the Atlantic Mutual Insurance Co. of New York City, issued April 18, 1904.

In both cases, at first glance the two payments appear to be complementary as expected, with the Mortgage stamp indicating payment proportional to the 10% of the bonds represented by the portion of the road within New York. A closer look reveals otherwise. The Mortgage Endorsement stamps were affixed May 3, 1917, in Erie County, with manuscript notation "Cancelled June 20/17" alongside in red, with the same agent's signature and deputy's initials that accompanied the May 3 datestamp; that original signature has also been crossed out. The Secured Debt stamps were affixed July 2, 1917, at the Deputy Controller's New York City office. The full Mortgage taxes on $10,000 and $20,000 bonds were $50 and $100; why pay instead $90 and $180 in Investments tax? Again, a plausible explanation is that this provided exemption from the new 5% estate tax, which amounted to $500 and $1,000, respectively, but paying the Mortgage tax did not.

Figure 175. Lake Shore 1903 series $20,000 bond with Mortgage Endorsement orange stamp affixed May 3, 1917, then marked "Cancelled June 20/17," and Investments 90% proportional tax of $180 paid for five years by Secured Debt $100, $50, $25 and $5 on July 2, 1917

A fine point from the statutes is involved here. The Act of June 1, 1917, which established both the Investments tax and the new estate tax intended to encourage its payment, did not apply to bonds on which the Secured Debt or Mortgage taxes had already been paid, with two exceptions. Those on which the Secured Debt tax had been paid between May 1, 1915, and December 31, 1916, and were thereby exempt from local taxation for five years, were likewise exempt from the Investments tax only for that five year period from the date of payment. And bonds on which the Mortgage tax had been paid were exempt from the Investments tax only if the Mortgage tax had been paid before April 1, 1917. Those stamped between April 1 and May 31, 1917, were in a never-never land, retroactively declared taxable at the Investments rate even though that tax would not be enacted or effective until June 1!

The bonds at hand fell into that neverland. The Mortgage tax on them had been paid May 3, 1917, before the Investments tax or the accompanying 5% estate tax existed. Yet on June 1 they would be declared subject to those taxes, thereby liable to the estate tax unless the Investments tax was paid. Evidently an appeal was made, and granted, whereby the Mortgage tax payment could be canceled, on June 20, 1917, and the Investments tax paid instead, on July 2.

Questions remain. The posited explanation for paying $90 and $180 in Investments tax rather than $50 and $100 in Mortgage tax is that it provided exemption from the 5% estate tax. But what were the chances that bonds held by the Atlantic Mutual Insurance Co. would become part of an estate? Notations on the reverse of the bonds show they remained in the company's hands at least until 1928. Why was only 90% of the full Investments tax paid? This was allowable but not optimal; the 10% of the bonds on which the tax was not paid would still have been liable to the estate tax, in this case $50 or $100 per bond, and to the property tax. In this case, though, nitpicking the rationale underlying these spectacular combinations of stamps, even if strictly justified, seems a bit unseemly; a more fitting posture is simply gratitude that they exist.

Appendix 1: Mortgage Stamps Perforated as Half Sheets of 5x4

The American Bank Note Company archives contained an imperforate sheet of 40 green stamps, in format 5x8. However, an independent calculation of the size of the perforated sheets is possible from an examination of the stamps, and the data so far sampled are not obviously consistent with a 5x8 sheet format.

A large percentage of perforated stamps are imperforate at one or two sides (Figures 19, 21–2, A1.2–3 below), and with even a relatively small sample, stamps can be found imperforate at top, bottom, left, right, and all four corners. The only sensible interpretation is that the sheets must have been imperforate at their outer edges, and with a large enough sample one can deduce the sheet size.

The Sample

From a presumably random sampling of 103 stamps (74 bonds, high resolution scans of 15 more, ten American Bank Note Co. specimens, and four loose stamps), the following distribution was obtained for the nine possible positions (top left, top, top right, left, interior, right, bottom left, bottom, bottom right):

4	10	3
15	27	15
7	16	6

Predicted Distributions for Possible Formats

It is difficult to reconcile this distribution with a 5x8 sheet format. Theoretical values for various sheet formats, from 3x3 (the smallest possible) to 5x8, are listed in Table A1.1. Best matches are in bold; matches for individual positions carry less weight than those for combinations of positions.

It should be emphasized that for small samples a distribution of randomly sampled points can differ markedly from that for the full population; this is why the best fits for individual positions are "all over the lot" in this table. Only as the size of the sample increases does its distribution becomes a reliable reflection of the population.[1]

Four or Five Rows

Even with this small a sample size, though, some conclusions can be drawn. Forty-six stamps are from the top and bottom rows (proportionally 0.447), and 57 from the interior rows (0.553), suggesting that there were two interior rows, or perhaps three. If there were only one interior row, the expected number of top and bottom row stamps (two-thirds of the total, proportionally 0.667) would be twice that of the single interior row (0.333); the data seem sufficient to rule this out. For two interior rows, the expected proportion of top and bottom row stamps (0.500) matches that of the two interior rows (0.500); for three interior rows, the expected proportions are 0.400 and 0.600; both of these hypotheses are plausible given the small sample. But for six interior rows, as in the 5x8 format, the expected proportion of top and bottom row stamps (0.250) is only one-third that of the six interior rows (0.750); it is difficult to imagine further sampling ever bringing the distribution into line with this prediction. Put another way, it is virtually impossible for a random sampling of 103 points from a 5x8 format to yield 46 from the top and bottom rows. A computer-generated

Table A1.1. Observed Distribution vs. Theoretical Distributions for the Nine Possible Sheet Formats

	Observed	3x3	4x3	5x3	6x3	4x4	5x4	6x4	4x5	5x5	5x8
Top left	.039	.111	.083	.067	.056	.062	.050	.042	.050	**.040**	.025
Left	.146	.111	.083	.067	.056	.125	.100	.083	**.150**	.120	**.150**
Bottom left	.068	.111	.083	**.067**	.056	.062	.050	.042	.050	.040	.025
Top	.097	.111	.167	.200	.222	.125	.150	.167	**.100**	.120	.075
Interior	.262	.111	.167	.200	.222	**.250**	.300	.333	.300	.360	.450
Bottom	.155	.111	.167	.200	.222	.125	**.150**	.167	.100	.120	.075
Top right	.029	.111	.083	.067	.056	.062	.050	.042	.050	.040	**.025**
Right	.146	.111	.083	.067	.056	.125	.100	.083	**.150**	.120	**.150**
Bottom right	.058	.111	.083	.067	**.056**	.062	.050	.042	.050	.040	.025
L&R columns	50 (.485)	.667	**.500**	.400	.333	**.500**	.400	.333	**.500**	.400	.400
Interior column(s)	53 (.515)	.333	**.500**	.600	.667	**.500**	.600	.667	**.500**	.600	.600
T&B rows	46 (.447)	.667	.667	.667	.667	.500	.500	.500	**.400**	**.400**	.250
Interior row(s)	57 (.553)	.333	.333	.333	.333	.500	.500	.500	**.600**	**.600**	.750
Corners	20 (.194)	.444	.333	.267	.222	.250	**.200**	.167	**.200**	.160	.100
T&B	26 (.252)	.222	.333	.400	.444	**.250**	.300	.333	.200	.240	.150
L&R	30 (.291)	.222	.167	.133	.112	.250	.200	.167	**.300**	.240	**.300**

sampling gave only 30; another try yielded 23; a third, 25. For a large number of such samples, the average will closely approximate the theoretical value 25.75 (103 x 0.25).

Four or Five Columns

As to the number of columns, 50 stamps are from the leftmost and rightmost columns (proportionally 0.485), and 53 from the interior columns (0.515), suggesting that there were just two, or perhaps three, interior columns. If two, the theoretical proportion of left and right column stamps (0.500) equals that for the interior columns (0.500). If three, the predicted number of left and right row stamps (0.400) is two-thirds that of the three interior columns (0.600). The data so far are consistent with both predictions. A four-column format is more probable, but more data points could plausibly tip the balance in favor of five.

The sheet formats that best explain the data are 4x5, 4x4 and 5x4. Probably a few hundred observations would be required to distinguish between these three, or to favor another. Given the scarcity of the stamps, it is unlikely that this many could be collected.

This analysis assumes that the data constitute a random sampling from all positions in the sheet, but is this the case? It is necessary to consider both the population of all used stamps, and the present sample from that population. If only part of a given sheet was used, not all positions from the sheet would be represented in the overall population. Once an entire sheet was used, though, obviously one stamp from each position would have been added to the population. The numbers of stamps used — thousands in counties with the most bonds to stamp, hundreds in most others — guaranteed that many sheets would be utilized. I am aware of only one piece of data bearing on the number of bonds stamped. The *New York Times* of April 1, 1915, reported that for one year the mortgage recording tax raised $3,704,648. (An article dated March 24, 1914, identifies this year as the year beginning September 1, 1911, the first year of the Secured Debts tax.) Even if most of this was accounted for by mortgages per se, as opposed to mortgage bonds, this translates to a large number of bonds: if even 5% of the revenue derived from bonds, some 37,000 must have been stamped.[2] It is safe to conclude that the population of stamps used mirrors that of a single sheet, i.e. that stamps from all positions were used in essentially equal numbers.

The possibility remains that the present sample of 103 stamps is not strictly random. It does include stamps from a few small clusters of consecutively numbered bonds stamped the same day. One, illustrated below, includes stamps from five adjoining positions along the bottom and right of the sheet, a decidedly non-random subsample! For a sample large enough to include clusters from all parts of the sheet, such deviations would become negligible. The present sample is probably not quite that large; it may, for example, include a few more points than expected from the rightmost column. Nevertheless, the clusters account for a relatively small portion of the sample; if they are eliminated the conclusions remain essentially the same. If the sample is not strictly random, it is nearly so.

Sheets of 5x4?

If we realistically restrict the possible sheet formats to 5x8 and 5x4, the comparison of predictions and data is simplified to the following:

Table A1.2. Observed Distribution vs. Theoretical Distributions for 5x4 and 5x8 Formats

	Observed	5x4	5x8
Top left	4 (.039)	**.050**	.025
Left	15 (.146)	.100	**.150**
Bottom left	7 (.068)	**.050**	.025
Top	10 (.097)	.150	**.075**
Interior	27 (.262)	**.300**	.450
Bottom	16 (.155)	**.150**	.075
Top right	3 (.029)	.050	**.025**
Right	15 (.146)	.100	**.150**
Bottom right	6 (.058)	**.050**	.025
L&R columns	50 (.485)	**.400**	**.400**
Interior column(s)	53 (.515)	**.600**	**.600**
T&B rows	46 (.446)	**.500**	.250
Interior row(s)	57 (.553)	**.500**	.750
Corners	20 (.194)	**.200**	.100
T&B	26 (.252)	**.300**	.150
L&R	30 (.291)	.200	**.300**

The 5x4 format provides a superior fit in nine cases, and the 5x8 format in five. Even when the predictions of the predictions of the 5x8 format are superior, those of the 5x4 format are also in reasonable agreement with the data. The 5x8 format, though, fails spectacularly to account for the numbers of interior points (26% vs. a predicted 45%), top and bottom rows (45% vs. a predicted 25%), and interior rows (55% vs. 75%). The data strongly favor the 5x4 format over the 5x8, but its fit to the data is less than satisfying.

Four Rows! Perforated as Half Sheets!

A run of five consecutively numbered stamped bonds of the West Shore Railroad Co. provides provocative evidence consistent with a four-row format. Registered bonds #M37988–92 were all issued January 26, 1901, to Emily Trevor, and had perforated green stamps affixed July 23, 1914 (Figures A1.1–2). The stamp on #M37988 is from the bottom right corner of the sheet, imperforate at bottom and right with huge bottom margin. Those on #M37989 and M37990 are imperforate at right, and on M37991, imperforate at right and top, with narrow top margin. The stamp on #M37992 is imperforate at bottom only, again with huge bottom margin. This is just what would be expected if stamps were taken bottom to top, beginning at bottom right, from a pane with four rows. For a sheet of 40 cut into two half sheets of 20, the positions would be 40, 35, 30, 25, and 39.

The stamps on bonds #M37988 and M37992 have such large bottom margins — some 5mm — that they can only have come from the bottom of the sheet. Stamps with similarly large top margins can also be found (Figure A1.3). If all sheets had the same size selvage at top and bottom, and if sheets were perforated intact, all stamps from the top or bottom rows should exhibit these huge margins. However top or bottom copies can readily be found with much smaller margins, witness the stamp on #M37991. This is just what would be expected if sheets were cut in half before perforating.

__Figure A1.1.__ West Shore Railroad $1,000 bond #M37988 with green Mortgage Endorsement stamp affixed July 23, 1914

Massaging the Data: Half Sheets of 5x4!

If this was the case, the observed data describe half sheets, not full sheets, but with a little tinkering can be used to deduce the sheet format. Assume that the stamps with small top or bottom margin came from the two middle rows of the sheet. Assume further that they account for half the observed top or bottom margin stamps. The distribution of the 103 observations is:

4	10	3
15	27	15
7	16	6

Shifting half of the entries on the top and bottom rows of the diagram to its interior yields:

2	5	1.5
20.5	40	19.5
3.5	8	3

__Figure A1.2.__ Close view of the stamps on bonds #M37988–92, all affixed the same day

As shown in Table A1.3, the same data which argued compellingly against a 5x8 sheet format, are now satisfyingly consistent with it, most notably the numbers of interior points (predicted 45%, now 39%, up from 26%), top and bottom rows (predicted 25%, now 22%, down from 45%), and interior rows (predicted 75%, now 78%, up from 55%).

Why 5x4?

Why these stamps would be perforated and issued in panes of 5x4 is puzzling. The American Bank Note Co., which produced postage and revenue stamps for many governments, would presumably have been capable

Fig. A1.3. *Additional stamps with huge imperforate top nargins*

of perforating sheets of 5x8, approximately 450x320mm. If that size was unwieldy, panes of 450x160mm, nearly three times wide as high, were even more so. Possibly units of 20 stamps were more suitable for accounting purposes, five panes making 100 stamps.

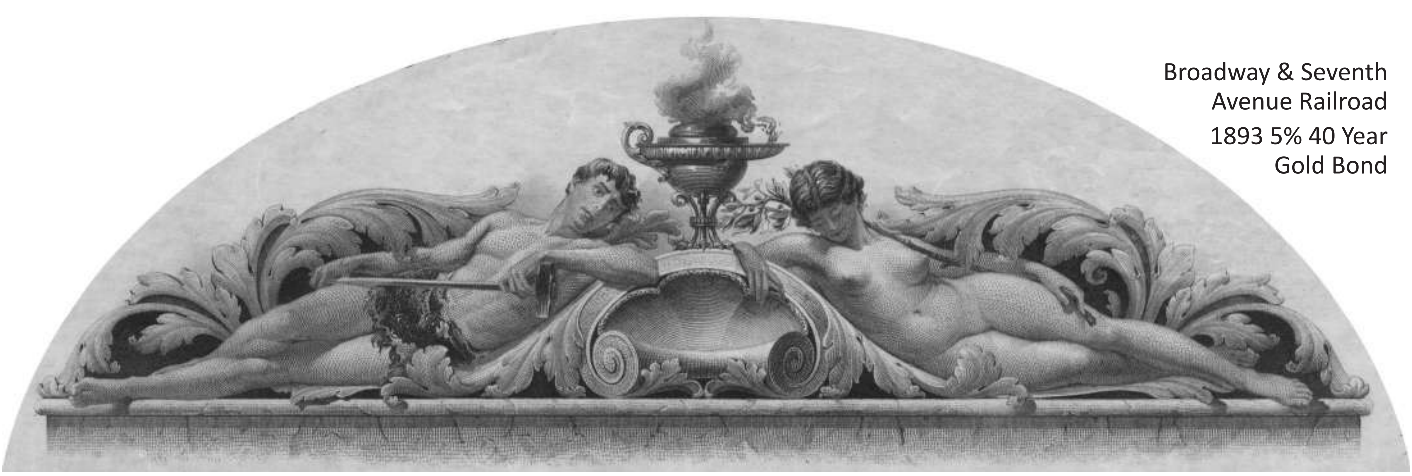
Table A1.3. Observed Distribution Assuming Stamps are from Half Sheets vs. Theoretical Distributions for 5x8 Format

	Observed	5x8
Top left	2 (.019)	.025
Left	20.5 (.199)	.150
Bottom left	3.5 (.034)	.025
Top	5 (.049)	.075
Interior	40 (.389)	.450
Bottom	8 (.078)	.075
Top right	1.5 (.015)	.025
Right	19.5 (.189)	.150
Bottom right	3 (.029)	.025
L&R columns	50 (.485)	.400
Interior column(s)	53 (.515)	.600
T&B rows	23 (.223)	.250
Interior row(s)	80 (.777)	.750
Corners	10 (.097)	.100
T&B	13 (.127)	.150
L&R	49 (.389)	.300

Endnotes

1. The reader can confirm this using one of various random number generators available online (e.g., http://www.random.org/integers). For example, to simulate random sampling from a sheet of 40 stamps, generate random integers from 1 to 40, representing the 40 positions. Eventually the numbers of occurrences of each of the numbers should be essentially the same, each accounting for one-fortieth of the total (proportionally 0.025), but how many points are necessary for this to occur? I generated 200 such numbers. After 40, 11 positions had not yet appeared, and two had already appeared three times. After 120, one still had not yet appeared, nine had appeared just once, while three had already appeared six times, and another, seven times; quite a difference from the theoretical value of three apiece. After 200 numbers, totals for the positions were starting to cluster around the theoretical value of five: 24 of the 40 positions now had four, five, or six appearances, the others arrayed from one to nine. Evidently it would take many hundreds of samples, if not a few thousand, before the observed distribution closely converged on the theoretical. However, for even as few as 40 points, while the totals for individual positions were quite variable, those for the seven combinations listed above already approximated theoretical values to within about 15% (range 3–33%). For 200 points, they agreed to within an average of 2%.

2 To simplify the calculation, assume all bonds are for $1,000, thus taxed at $5.



Broadway & Seventh Avenue Railroad

1893 5% 40 Year Gold Bond

Appendix 2. Survey of Straightline Cancels on Secured Debt Stamps

Pruess (1969) listed all cancels he had recorded on Secured Debt stamps dated between September 1, 1911, the day the tax took effect, and March 31, 1915, the last day payment of the tax secured permanent exemption from the personal property tax. After May 1, 1915, only a five year exemption was conferred, and new cancelers stating "TAX EXEMPT FOR FIVE YEARS" were put into use. Pruess's list is reproduced here:

Secured Debt Datestamps Listed by Pruess (1969)

Sept. 1, 1911 – March 31, 1915

Type I. Straight-line date

Manuscript initials (many different)

A. Date about 6 mm tall, 31 mm long. Black.
B. Date about 5 mm tall, 30 mm long. Blue.
C. Date about 4.5 mm tall, 26 mm long. Red violet.
D. Date about 3.5 mm tall, 29 mm long. Black.
E. Date about 3.5 mm tall, 25 mm long. Violet.
F. Date about 2.5 mm tall, 25 mm long. Violet.

Close examination of bonds now on record reveals many more than the six listed by Pruess. Figure A2.1 shows an extensive but not exhaustive array, including at least 18 different, with dimensions in mm, and the existence of still more would not be a surprise. Worth singling out is the tiny 22x3mm cancel, the smallest observed (Figure 33).

A three-line datestamp unseen by Pruess has also been recorded on four bonds (and five examples), all from February–March 1915, the only recorded non-straightline datestamp (Figure 32).

Predominant Early Use of Large Cancels

Figure 26 shows a bond with Secured Debt $5 affixed September 14, 1911, the second-earliest recorded usage of the $5, canceled by a large 31x6mm datestamp (included in Figure A1.1). Figures 27 and 28 show the same size datestamp used September 19 and 22–3, 1911.

These datestamps are readily recognizable as they are the largest recorded. Even when struck diagonally or vertically they required precise placement to fit within the stamps, which have dimensions 24x33mm. Use of these large datestamps was a short-lived experiment, mostly confined to about two weeks in mid- to late September 1911; occasionally they were used later, as shown by the example in Figure 29 dated December 20, 1911.

As shown in Figure A2.2, of the twenty earliest recorded New York cancels, dated from September 9 to September 25, 1911, all but two are the largest (31–32)x(5.5–6)mm cancels or a just slightly smaller 30x5mm version (Pruess's Types 1A and 1B).

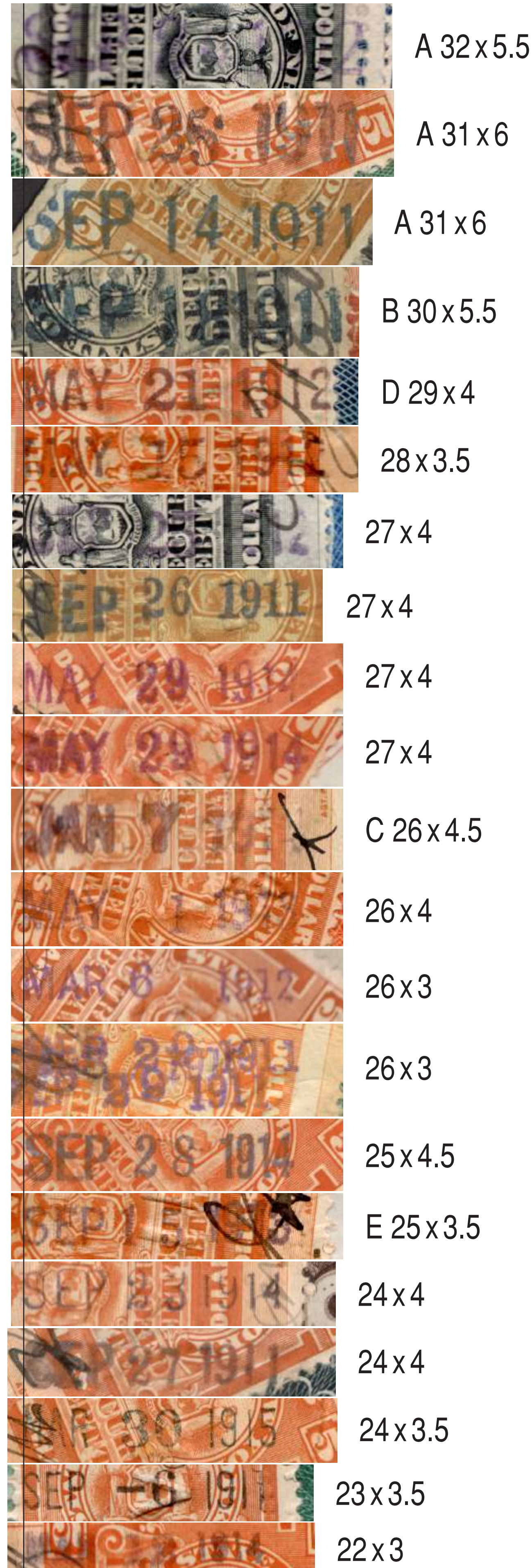


Figure A2.1. *Array of straightline cancels used on Secured Debt stamps 1911–1915, arranged by length. Dimensions shown are in mm. Prefixes indicate types listed by Pruess (1969).*

Figure A2.2. *Straightline cancels used on Secured Debt stamps during September 1911, arranged in chronological order. Nearly all are the largest 31mm or 30mm cancels, which fell out of favor soon thereafter.*

9.6.1911
9.9.1911
9.14.1911
9.16.1911
9.18.1911
9.18.1911
9.18.1911
9.19.1911
9.19.1911 2366
9.19.1911 Combo9512
9.19.1911 V745
9.19.1911 RVM269
9.19.1911 XM223
9.19.1911 XM268
9.19.1911 XM263
9.20.1911

9.21.1911 16432
9.21.1911 L432 $50
9.21.1911 L432 $100A
9.21.1911 L432 $100B
9.22-3.1911
9.23.1911 ???
9.25.1911 NYV50762
9.25.1911 Cinci2255
9.26.1911 X1199
9.26.1911 X1202
9.26.1911 Mich
9.26.1911 Morris
9.27.1911 LakeM1660
9.28.1911 X72#1
9.28.1911 X72#2
9.28.1911 X70

Figure A2.3 *Reprise of early straightline cancels other than the most-used (and largest) 31-32mm ones.*

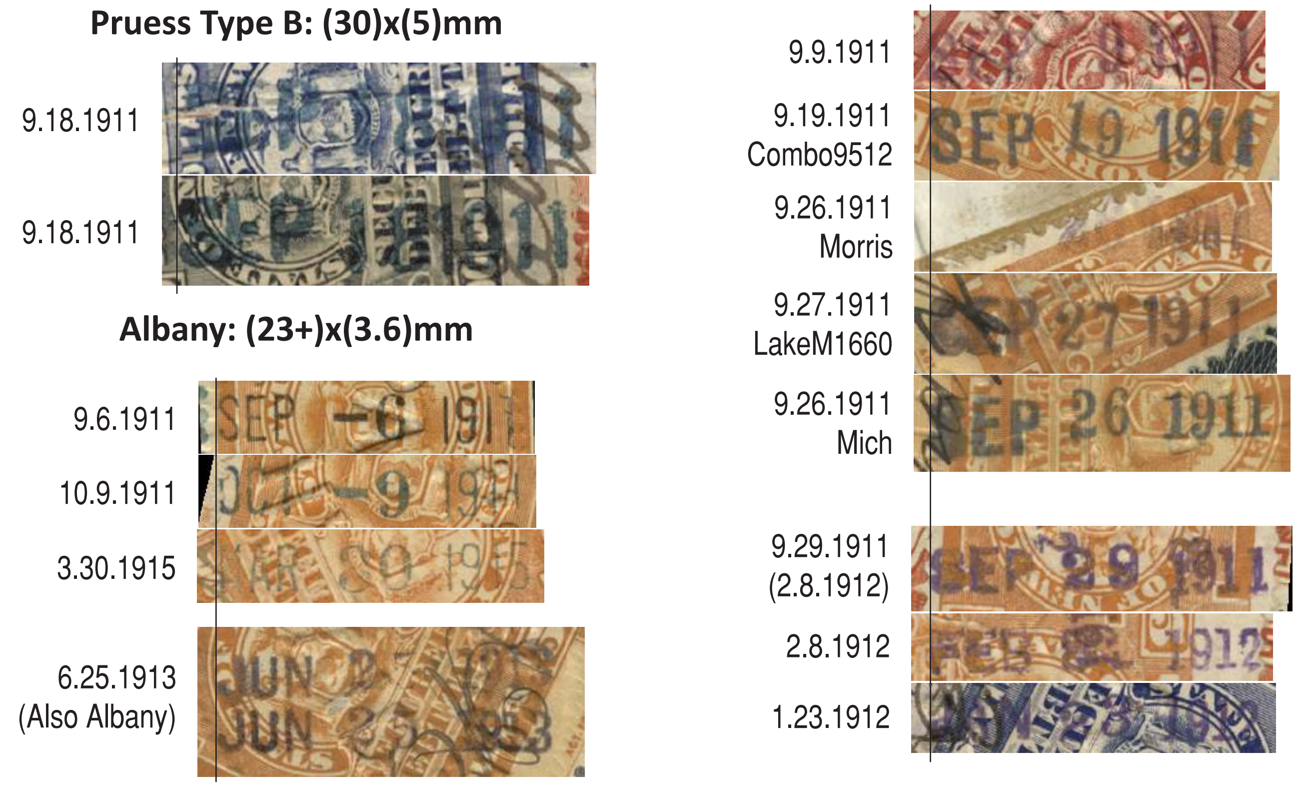


Figure A1.3 isolates some of these early cancels other than the most-used 31–32mm one:

Pruess's Type B, still very large at about 30x5mm, but noticeably a bit smaller than the (31-32)x6mm Type A;

A distinctive spidery cancel used early at Albany, also a 1915 use, and a different Albany cancel from 1913;

Two other dancels of 24mm (four examples) and 27mm;

A cancel with nominal date Sep 29 1911, which proved to have been backdated, actually struck February 8, 1912.

North Jersey Rapid Transit Co.
1910 5% First Mortgage Gold Bond
Note the early auto!

Appendix 3: Secured Debt 1915 Backdated Cancels

Anomalous Stamps and Cancels: Vanderbilt Bonds

Figure 91 shows three New York Central Railroad Co. registered debentures of 1915, all issued May 7, 1917, but with 23mm Type II cancels dated September 28, 1915, all to William K. Vanderbilt, William K. Vanderbilt, Jr., and Harold S. Vanderbilt as trustees:

$5,000 bond in trust for William K. Vanderbilt, Jr., stamped with Secured Debt $25, $7.50 and $2.50;

$10,000 bond in trust for Harold S. Vanderbilt, stamped with Secured Debt $50 and $25;

$50,000 bond in trust for Ann H. Vanderbilt, stamped with Secured Debt $100 (x3), $50 and $25.

Their serial numbers are V70, X144 and L473. Numbers X142 and L453 have also been recorded with the same bondholders and stamps, and the intermediate numbers X143 and L454–472, and perhaps others, were presumably treated similarly.

Similar Anomalies: Van Dyke Miller Bonds

Figure 92 shows Lake Shore and Michigan Southern Railroad Co. registered bonds of 1897 issued December 4, 1916, but with 23mm Type II cancels dated September 29, 1915, to J. van Dyke Miller:

$5,000 bond with Secured Debt $25, $7.50 and $5 affixed;

$10,000 bond with Secured Debt $50 and $25affixed.

The $25, $50 and $100 stamps used on all the above bonds lack agents' manuscript initials.

Similar Anomalies: B&O Bonds

Figure A3.1 shows one of two recorded Baltimore and Ohio Railroad Co. Prior Lien $5,000 3% registered bonds of 1898 (#A467–8), issued August 8, 1916, but with Type IIB cancels dated October 23, 1915, stamped with $25, $10, two $1 and two 25¢.

The above bonds challenge the conclusion that the 25¢ and $7.50 were not issued until mid-1916. However a closer look reveals all of their cancels to have been backdated.

The Anomalies Identified

These bonds exhibit four anomalous features:

1. Ostensible usage of the Secured Debt $7.50 in September 1915 and 25¢ in October 1915, stamps not otherwise known to have been used before June 1916;

2. Ostensible usage of the 23mm Type IIB cancel in September–October 1915, also not otherwise known to have been used before June 1916;

3. Use of uninitialed $25, $50 and $100 stamps, not otherwise recorded before September 1916;

4. Cancel dates predating the issue dates of the bonds.

These anomalies suggest strongly that these cancels were backdated.

1. Usage of 25¢ and $7.50. The September 28–9, 1915, cancel dates on the $7.50 are clearly outliers. The others recorded on the $7.50 are:

June 26, 27, 1916
September 5, 15, 19, 21, 25, 26, 27, 29, 30, 1916
November 9, 17, 20, 1916
December 7, 20, 1916
July 18, 1917
September 18, 1917.

Moreover there are 42 recorded examples of 20 different bonds with $5 and $2.50 stamps paying the 1915 $7.50 tax with cancel dates between September 12 and October 30, 1915, and another paying the 1916 tax in that amount on May 16, 1916. It is extremely unlikely that two stamps would have been used had the $7.50 been available.

Cancel dates of September 28 and 29, 1915, on the $7.50, nearly nine months earlier than the next earliest, are thus wildly inconsistent with the other dates.

Similarly, the October 23, 1915, cancel on the 25¢ is some eight months earlier than the next-earliest recorded; the others are dated:

June 22, 1916
September 19, 1916
December 23, 1916
July 18, 31, 1917
September 18, 21, 26, 1917

Moreover the recorded dates of usage of the two other new denominations—75¢ and $3.75—are as follows:

75¢	September 18, 29, 1917
	December 12, 1917
$3.75	September 30, 1916
	November 21, 1916
	July 18 and 31, 1917
	September 21 and 26, 1917

These are similarly inconsistent with usage of the $7.50 on September 28–9, 1915, and the 25¢ on October 23, 1915.

2. 23mm cancels. Consider next the 23mm Type II cancels on the bonds in question. All other observed examples, on a total of 50 bonds, are dated 1916, between

Figure A3.2. Left, Type II 23mm cancel typically seen dated 1916

Right, Type II 20mm cancel typically seen dated 1915

June 22 and December 23. Moreover all other recorded 1915 cancels, on a total of 61 individual bonds, are the 20mm Type II. The 1915 23mm cancels on the bonds in question thus stand out like the proverbial sore thumbs.

3. Uninitaled stamps. Consider now the $25, $50 and $100 stamps on the bonds in question. With the exception of the $25 stamps on the B&O bonds, they have no agent's

Figure A3.1. *Baltimore and Ohio Railroad 1898 series $5,000 bond issued August 1916, stamped with $25, $10, two $1 and 25¢ pair with Type IIB cancels dated October 23, 1915. The 25¢ stamp and the 23mm cancel were not introduced until mid-1916, proving that the cancels were backdated, but their October 23 date is puzzling. Right, close view of the 25¢ pair showing guideline between stamps and onto the selvage.*

manuscript initials, which furnishes an important clue to their date of use.

These initials were required in conjunction with the simple Type I datestamps of 1911–15, but rendered superfluous by the circular "TAX EXEMPT FOR FIVE YEARS" cancels with incorporated initials "WBL" (Type II).

Figure A3.3. *Left, agent's initials sometimes seen in 1915 on high values*

Right, uninitialed stamp as typically seen in 1916

Nevertheless they are occasionally seen after the transition to Type II cancels. The likely explanation for this is that quantities of stamps were initialed well before they were canceled—we know, for example, that Edward W. Buckley, chief of the New York Secured Debts bureau, initialed some 55,000 stamps before the law took effect—and that some were still on hand after the transition to the new cancels, and only gradually used up. Several points of evidence are consistent with this hypothesis. It predicts that stocks on hand of initialed stamps in the less-frequently used denominations would take longer to use up. In fact with one exception, all recorded initialed stamps with Type II cancels on intact bonds are in denominations $10 and above, which were much less frequently used than the workhorse $5. The sole recorded initialed $5 is not only the earliest of the initialed group (September 13, 1915, on $1,000 bond #M83010 of the Northern Pacific Rail Road Co.), it also predates all recorded uninitialed $5 with Type II cancels.

Excepting for the moment the bonds in question, a close look at Type II cancel dates on bonds with stamps of $10 and above proves encouragingly informative: the earliest dates, up until and including September 19, 1916, are all on initialed stamps; the latest, from September 27, 1916, onward, are all on uninitialed stamps (e.g. Figures 73, 75–6, 86–90). In Table A3 below they are listed in chronological order, with initials where present:

This data, taken from 16 sets of bonds whose cancel dates are not in question, suggests strongly that the uninitialed stamps of $10 and above were not utilized until the leftover stocks of initialed stamps were exhausted. Note that the initialed stamps include seven usages on September 28–9, 1915, the very same dates the unintialled stamps were supposedly used on the New York Central and Lake Shore bonds in question.

The ostensible usage on the bonds in question of uninitialed $25, $50 and $100 stamps on September 28–9, 1915, is inconsistent with this pattern.

On the B&O bonds bearing $25, $10, two $1 and two 25¢ with cancels dated October 23, 1915 (Figure A3.1), the $10 and $25 are in fact initialed, so the above argument does not apply. However the Type IIB cancels alone are strong evidence of backdating. The use of initialed stamps suggests they were affixed some time before September 19, 1916, the cutoff date for use of the initialed $25, probably on or about August 8, 1916, the issue date of the bonds. Why the cancel date of October 23, 1915, was chosen is a puzzle.

4. Cancels Predate Issue. Consider finally that on the bonds in question the cancel dates predate the issue dates. Unlike the three preceding anomalies, this one does not automatically raise a red flag. Other bonds have been recorded which were evidently stamped before issue (e.g. Figures 30, 33, 39, 52, 58, 72), and the *New York Times* of March 23, 1914, reported that:

> Ranking firms to an increasing extent, it is said, are forming the habit of exempting an entire bond issue before it is sold, and two or three bond houses make daily payments on all the bonds coming into their possession on which the tax has not already been paid.

In these other cases, though, there is no obvious evidence of backdating. With the bonds at hand, there is. Moreover the three aspects of these bonds—25¢ and $7.50 stamps, 23mm cancels, and uninitaled $25, $50 and $100 stamps—that based on all other evidence could not have occurred in 1915, are precisely what would be expected if the stamps were affixed and canceled shortly after the issue dates (August 8 and December 4, 1916, and May 7, 1917).

Backdating Explains the Anomalies

Backdating of the cancels neatly explains all four anomalies. We are left with two possibilities:

First, the bonds in question were indeed stamped September 28–9 and October 23, 1915, long before their issue dates; using 25¢ and $7.50 stamps not otherwise seen until June 1916; and uninitialed $25 and $50 stamps not otherwise seen until September 1916, and on the very days initialed $10, $25, $50 and $100 stamps were being used on other bonds; all with 23mm cancels not otherwise seen until June 1916.

Figure A3.4. Stamps from three $5,000 bonds: center, Lake Shore bond in question, issued in December 1916 with cancels dated September 29, 1915; left, typical 1915 usage, with 20mm cancels and initialed $25 and $10; right, typical 1916 usage, with 23mm cancels and uninitialed $25. The stamps and cancels in question are characteristic of 1916 usage, backdated to 1915!

Alternatively, as with all other recorded usages of the 25¢ and $7.50 and of uninitialed high values with Type II cancels, the stamps were affixed in June 1916 or later (presumably shortly after the bonds were issued), with cancels backdated, to just before the October 1 due date for the 1915 property tax, or to October 1915. This hypothesis is by far the more likely.

Figure A3.4 makes the case visually, via stamps from three $5,000 bonds. In the center are the three on the Lake Shore bond in question, issued in December 1916 with cancels dated September 29, 1915 (Figure 93). On the left is a typical 1915 usage, with September 30 date chosen to most closely match that of the cancels in question, with 20mm cancels and initialed $25 and $10 (Figure 72). At right is a typical 1916 usage, with 23mm cancels and uninitialed $25 (Figure 86). The stamps and cancels in question are characteristic of a typical 1916 usage, not a 1915 usage!

Table A3. Recorded Manuscript Initials on Secured Debt Stamps of $10 and Above

$10	$25	$50	$100
7/1/1915 “EWB”	7/1/1915 “FPY”		
9/11/1915 “EJT”	9/11/1915 “JFF”		
	9/28/1915 “FPY”	9/28/1915 “FPY”	9/28/1915 “JJF”
9/29/1915 “EJT”	9/29/1915 “FPY”		
	9/29/1915 “FPY”	9/29/1915 “FPY”	
9/30/1915 “EJT”	9/30/1915 “FPY”		
10/25/1915 “EJT”	10/25/1915 “FPY”		
6/22/1916 “EJT”	6/22/1916 “FPY”		
	6/27/1916 “FPY”		
	9/19/1916 “JFF”		
	9/27/1916		
	9/30/1916		
	9/30/1916	9/30/1916	
	12/7/1916		
12/22/1916	12/22/1916		
12/30/1916	12/30/1916		

Figure A3.5. *Top, Baltimore and Ohio Railroad 1898 series $5,000 bond issued to Robert Winthrop & Co. on October 31, 1918, stamped with Secured Debt $25, $7.50 and $5 with cancels dated September 19, 1916. The unitialled $25 has not otherwise been seen this early.*

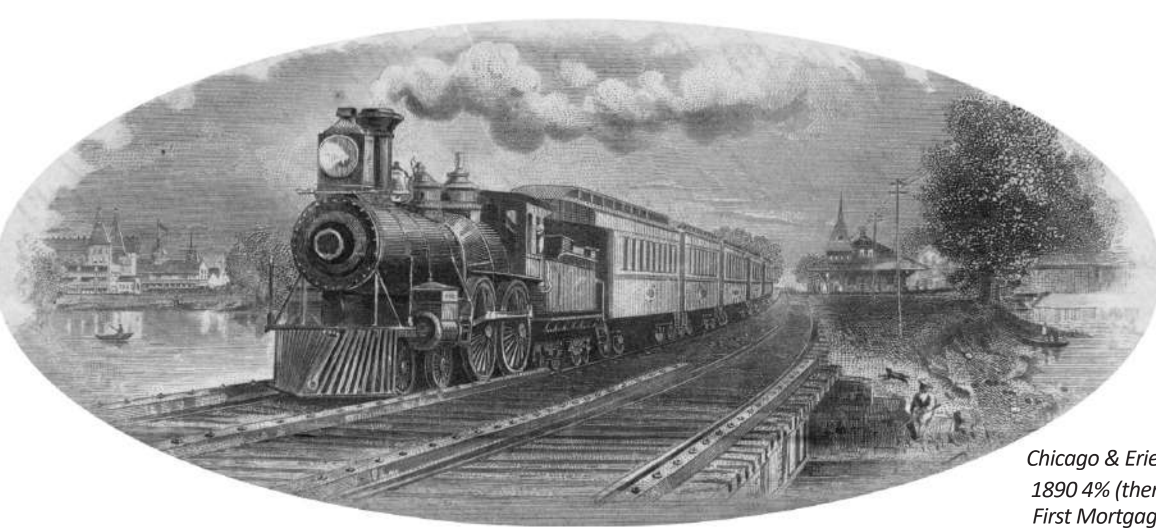
Bottom, similar bond issued in January 1911 to Kate Winthrop, with the same stamps — remarkably all left margin copies — and cancel dates, the $25 now initialed. It was canceled October 31, 1918, the same date the bond shown above was issued to Robert Winthrop & Co. This suggests that bonds to Kate Winthrop were converted to new ones to Robert Winthrop & Co., and that the latter had stamps and cancels applied to match the rates and dates of the originals.

Backdating on Converted Bonds

Figure A3.5 shows another Baltimore and Ohio 1898 series $5,000 bond, made to a Robert Winthrop & Co., issued October 31, 1918, but stamped with Secured Debt $25, $7.50 and $5 with cancel dates September 19, 1916. A two year gap between stamping and issue dates is unusual, but not unprecedented, especially for bonds of this road. However the $25 stamps are uninitialed; as shown in Table A3, this has not otherwise been seen this early. In contrast, other examples of this bond have been recorded made to a Kate W. Winthrop, issued 1909–11, also bearing Secured Debt $25, $7.50 and $5 with cancel dates September 19, 1916, but on these the $25 are initialed as expected. Several $1,000 bonds of the same series to Kate Winthrop have also been recorded, issued on or about the same dates as the $5,000 bonds, each bearing a Secured Debt $7.50, again with cancel date September 19, 1916. All these bonds to Kate Winthrop have a "CANCELLED OCT 31 1918" handstamp, the same day the bonds to Robert Winthrop & Co. were issued! This suggests that the bonds to Kate Winthrop were converted to new ones to Robert Winthrop & Co., and that the latter had stamps and cancels applied to match the rates and dates of the originals.

A similar explanation may apply to $5,000 Michigan Central 4% bonds to Robert Winthrop & Co. as shown in Figure A3.6, issued November 22, 1917, but bearing Secured Debt $25, $10, two $1 and two 25¢ with the now-familiar cancel dates September 19, 1916, the $25 uninitialed.

Figure A3.6. *Michigan Central Railroad 1890 series $5,000 bond issued to Robert Winthrop & Co. November 22, 1917, but bearing Secured Debt $25, $10, two $1 and 25¢ pair with the now-familiar cancel dates September 19, 1916, the $25 uninitialed. The unitialed $25 has not otherwise been seen this early.*



Chicago & Erie Railroad Co.
1890 4% (then5%) 92 Year
First Mortgage Gold Bond

Appendix 4. Transition from Secured Debt to Investments Stamps

Figure A4.1. *From left: Investments $50 with cancel dated July 10, 1917; Investments $2, $10, $20, $50 and $100 with cancels dated September 27, 1917*

Summary

The Investments tax, effective June 1, 1917, was essentially a renewal of the Secured Debts tax with a different name and increased rate, now 20¢ per $100 per year, for up to five years. Tax on Investments stamps were created to pay the new rate, but until they became available Secured Debt stamps were used. The available evidence suggests that Tax on Investments stamps were first used in early January 1918. Key points are as follows:

- A July 10, 1917, cancel on Investments $50 has been convincingly shown to have been backdated.
- The only other recorded 1917 cancel date on Investments stamps, September 27, 1917, is consistent with favor-backdating to predate the October 1 tax deadline.
- Several usages of Secured Debt stamps in November and December 1917, as late as December 27, have been recorded.
- After the September 27, 1917, cancels, the next-earliest recorded cancel dates on Investments stamps are April 5, 1918, on intact bonds, and January 15, 1918, on off-document stamps.
- Several bonds with September 27 cancels on Investments stamps were issued in January and February 1918, suggesting they were stamped at about that time.

A False Trail: Cancels on Investments Stamps Dated July and September 1917

It would be easy to conclude that Investments stamps first appeared in mid-1917; in an earlier version of this monograph, I did just that. Bonds exist with cancels dated July 10, 1917, on the Investments $50 and September 27, 1917, on the $2, $10, $20, $50 and $100, all struck at the Deputy Controller's New York City office (Figure A4.1). Moreover, the use of Secured Debt stamps largely ceased at about the same time.

Figure A4.2. *Secured Debt $50 with cancels dated December 18 and December 27, 1917*

Flies in the Ointment

There were a few facts that didn't quite fit this hypothesis, which I glossed over. September 27 cancels have also been recorded on the Secured Debt $1 and $10, which would be consistent with a mid-day transition. However there were a few Secured Debt usages on September 28 and 29, which I accepted as "stragglers." Even so, based on the cancels this September 27–9 stamping was all done at New York, and it is a bit troubling that the transition wasn't cleaner.

Use of Secured Debt stamps in November 1917 by traveling agent A. A. Kemter was explained away on the grounds that Kemter's stock of stamps might not have been replenished with the new Investments issues.

As for the dropoff in stamp use after September 1917, this applied not only to Secured Debt issues, but to the Investments stamps as well, and is not especially relevant evidence regarding the time of transition. Payment of the Investments tax—as with the Mortgage and Secured Debts taxes—provided exemption from the state's onerous personal property tax, which came due October 1. In each year these taxes were in effect, there was a rush to beat this deadline; roughly 60% of all recorded usages bear stamps affixed in the month of September. After October 1, presentation of bonds for stamping understandably dropped precipitously. Also note that September 30, 1917, was a Sunday, when no usages would be expected. After the Secured Debt usages dated September 28 and 29, 1917, recorded stamp usages cease abruptly until the above-mentioned November use by the traveling agent.

Additional observations, though, argue convincingly that the 1917 cancels on Investments stamps must have been backdated, the September 27 cancels specifically tailored to beat the October 1 tax deadline.

July 10, 1917, Cancel Explained

The July 10, 1917, cancel on the Investments $50 was explained in Chapter 4.4. As shown in Figure 126, the

Table A4.1. Bonds with 1917 Cancels of September 27 and Later on Secured Debt Stamps

Company/Bond	Cox #	Amt.	Date	Stamp(s)	Stp(s) Date	Comments
Balt. & Ohio RR Co. SW Div. 3½% Regis. Gold Bond, 1899	BAL-662e-B-58	$10,000	4/10/1905	Secured Debt $10 pair	9/27/1917	#C140; to Charles Fraser
Balt. & Ohio RR Co. SW Div. 3½% Regis. Gold Bond, 1899	BAL-662e-B-58	$10,000	11/9/1917	Secured Debt $10 pair	9/27/1917	#C330; cancel predates issue; to Edward Whoriskey
Chi., Ind. & St. L. Short Line Rwy Co. 4% Gold Bond	CHI-309-B-50	$1,000	4/1/1903	Secured Debt $1 (x2) Investments $2	9/27/1917 9/25/1918	#797
Lake Shore & Mich. S. Rwy Co. 3½% Gold Bond	LAK-627-B-30	$1,000	6/1/1897	Secured Debt $1 (x2)	9/27/1917	#4576
Lake Shore & Mich. S. Rwy Co. 3½% Regis. Gold Bond, 1897	LAK-627-B-37	$10,000	12/2/1904	Secured Debt $10 pair Investments $20	9/27/1917 9/19/1918	#1372
Lake Shore & Mich. S. Rwy Co. 4% Regis. Gold Bond, 1903	LAK-627-B-53	$10,000	11/9/1917	Secured Debt $10 (x2)	9/27/1917	#XM473; to Edward Whoriskey; cancel predates issue
Cinci., Sandusky & Cleve. RR Co. First Mortgage Bond	CIN-745-B-50	$1,000	1/1/1888	Secured Debt $10	9/28/1917	#2284, 2291; tax paid for five years
Lake Shore & Mich. S. Rwy Co. 3½% Regis. Gold Bond, 1897	LAK-627-B-37	$10,000	12/2/1904	Secured Debt $10 pair Investments $20	9/28/1917 9/19/1918	#1370
Lake Shore & Mich. S. Rwy Co. 4% Gold Bond,	LAK-627-B-40	$1,000	11/18/1903	S.D.$1, 75¢, 5¢	9/29/1917	#M4190; $1.80 tax proportional to portion of road outside N.Y
Lake Shore & Mich. S. Rwy Co. 4% Gold Bond	LAK-627-B-40	$1,000	11/18/1903	Secured Debt $1 (x2) Investments $2 Investments $2	11/?0/1917 11/28/1918 12/15/1919	#M1266–7; $1 stamps faint Type IIIA cancel; $2 Type IVA with initials "A.A.K." (1918), "J.G.M." (1919); 1919 $2 rare perf 11
City of Jersey City 1911 Water Gold Bond		$1,000	10/1/1911	Secured Debt $1 (x2) Investments $4	12/12/1917 12/9/1918	#6140; late use of S.D. stamps; $4 pays tax for two years
Balt. & Ohio RR Co. SW Div. 3½% Regis. Gold Bond, 1899	BAL-662e-B-57	$5,000	4/9/1912	Secured Debt $50	12/18/1917	#A209; tax paid for five years; very late use of S.D. stamp; to David Schoenfeld
Balt. & Ohio RR Co. SW Div. 3½% Regis. Gold Bond, 1899	BAL-662e-B-58	$10,000	4/9/1912	Secured Debt $100	12/18/1917	#C209–10; tax paid for five years; very late use of S.D. stamp; to David Schoenfeld
Atlantic Coast Line RR Co. 4% Regis. Gold Bond, 1902	ATL-427-B-49a	$5,000	3/19/1912	Secured Debt $50	12/27/1917	#V1111; tax paid for five years; co-latest use of S.D .stamp; to David Schoenfeld
Atlantic Coast Line RR Co. 4% Regis. Gold Bond, 1902	ATL-427-B-50a	$10,000	3/19/1912	Secured Debt $100	12/27/1917	#X1265; tax paid for five years; co-latest use of S.D. stamp; to David Schoenfeld

bond bearing that stamp, issued to one Evelyn W. Miller on January 31, 1918, was a replacement for an earlier one issued in 1916 to Evelyn Spencer Weatherbee, with the tax paid on July 10, 1917, by the Secured Debt $50. That bond was transfered January 30, 1918, to Evelyn W. Miller, who signed as "formerly Evelyn Spencer Weatherbee." On the replacement the cancel was evidently backdated to match that of the original. Problem solved! (As discussed in Chapter 4.4, the Act of August 29, 1917, would in fact mandate backdating of cancels on replacement bonds.)

December 1917 Use of Secured Debt Stamps

Table A4.1 lists all recorded bonds bearing Secured Debt stamps with cancels office dated September 27, 1917, or later, in chronological order of cancel date. Four bonds (and six examples) are dated December 12, December 18 or December 27, 1917, all with New York City cancels. This is devastating evidence against a September 1917 transition to Investments stamps. It is worth noting that these four latest usages are all to one David Schoenfeld, but there is nothing untoward or otherwise unusual about them.

Six-Month Gap in Investments Cancel Dates!

Table A.4.2 lists the earliest recorded cancels on Investments stamps with dates later than September 27, 1917, on intact bonds, again in chronological order. Here is the additional blockbuster data that the six earliest dates are clustered between April 5 and June 25, 1918!

As explained in Chapter 4.1, off-document Investments stamps have been seen with cancels dated March 4, March 2, and January 15, 1918. Even so, taken together all this new data unmasks the apparent September 27, 1917, Investments cancels as impossibly early outliers, and pinpoints the transition from Secured Debt to Investments stamps to a window of about two weeks around January 1, 1918.

September 27, 1917, Cancels: A Detailed Look

It remains to be explained how the September 27, 1917, cancels on Investments stamps came to exist. Table A4.3 lists the nine recorded bonds with these cancels.

Analysis of the Western Maryland $10,000 bonds is the most straightforward. The entire issue, perhaps as many as 1,250 bonds, appears to have been made to John D.

Table A4.2. Bonds with Cancels on Investments Stamps Dated After September 27, 1917

Company/Bond	Cox #	Amt.	Date	Stamp(s)	Stp(s) Date	Comments
Chicago and Erie RR Co. First Mortgage Gold Bond	CHI-177-B-50	$1,000	8/21/1890	Investments $10	4/5/1918	#9047; tax paid for five years
Lake Shore & Mich. S. Rwy Co. 25 Year 4% Gold Bond	LAK-627-B-40	$1,000	11/18/1903	Investments $1, 80¢ Investments $2	4/30/1918 1/30/1920	#M1790; proportional tax 1918, then full tax 1920!
Cleve., Cinci., Chi. & St. Louis Rwy Co. General Mortgage Gold Bond	CLE-413-B-30	$1,000	5/15/1893	U.S. R171 Investments $10	6/1/1902 5/1/1918	#16377; tax paid for five years
Cleve., Cinci., Chi. & St. Louis Rwy Co. General Mortgage Gold Bond	CLE-413-B-30	$1,000	5/15/1893	U.S. R171 Investments $4	6/1/1900 6/12/1918	#16376; tax paid for two years; cancel initials “E.A.F.”
Lake Shore & Mich. S. Rwy Co. 25 Year 4% Gold Bond	LAK-627-B-40	$1,000	11/18/1903	Secured Debt $1 (x2) Investments $2	6/29/1917 6/13/1918	#M7862–3; early Investments tax
Lake Shore & Mich. S. Rwy Co. 3½% Regis. Gold Bond, 1897	LAK-627-B-35	$1,000	6/11/1897	Secured Debt $1 pair Investments $10	7/20/1917 6/25/1918	#M146; $10 pays for five years

Table A4.3. Bonds with September 27, 1917, Cancels on Investments Stamps

Company/Bond	Cox #	Amt.	Date	Stamp(s)	Stp(s) Date	Comments
Atlantic Coast Line RR Co. 4% Regis. Gold Bond, 1902	ATL-427-B-49a	$5,000	3/19/1912	Investments $50	9/27/1917	#V1153, 1161; tax paid for five years; to Union Trust Co., Guardian for estates of Rufus and Harriet Peckham, respectively; cancels predate issue
Atlantic Coast Line RR Co. 4% Regis. Gold Bond, 1902	ATL-427-B-50a	$10,000	1/14/1918	Investments $100	9/27/1917	#X1386–8; tax paid for five years; to Union Trust Co., Guardian for estates of Harriet Peckham, “an infant”; Henry A. Peckham, “an infant”; and Rufus Peckham, respectively; cancels predate issue
Balt. & Ohio RR Co. 4% Regis. Gold Bond, 1898	BAL-662d-B-51a	$5,000	1/12/1918	Investments $50	9/27/1917	#A547-8; tax paid for five years; to Union Trust Co., Guardian for estates of Henry A. Peckham, “an infant”; and Rufus W. Peckham, respectively; cancels predate issue, backdated; A548 stamp damaged by “PAID” embossed stamp
Balt. & Ohio RR Co. SW Div. 3½% Regis. Gold Bond, 1899	BAL-662e-B-56	$1,000	2/13/1918	Investments $2 Investments $2 Investments $2	9/27/1917 9/21/1918 9/26/1919	#M617–9; to Irene Fraser; 1917 cancel predates issue
Balt. & Ohio RR Co. SW Div. 3½% Regis. Gold Bond, 1899	BAL-662e-B-56	$1,000	2/13/1918	Investments $2 Investments $2 Investments $2	9/27/1917 9/21/1918 9/30/1919	#M620–1; to Edward Whoriskey; 1917 cancel predates issue
Balt. & Ohio RR Co. SW Div. 3½% Regis. Gold Bond, 1899	BAL-662e-B-57	$5,000	2/13/1918	Investments $10 Investments $10 Investments $10	9/27/1917 9/21/1918 9/30/1919	#A264; to Edward Whoriskey; 1917 cancel predates issue
Birmingham Terminal Co. 4% Regis. Gold Bond, 1907	BIR-909-B-30	$1,000	1/7/1918	Investments $2 Investments $2 Investments $2	9/27/1917 9/21/1918 9/30/1919	#19; to Edward Whoriskey; 1917 cancel predates issue
Lake Shore & Mich. S. Rwy Co. 4% Regis. Gold Bond, 1903	LAK-627-B-50	$1,000	2/14/1918	Investments $2 Investments $2 Investments $2	9/27/1917 9/21/1918 9/26/1919	#RM973–6; to Irene Fraser; 1917 cancel predates issue
Western Maryland RR Co. 4% Regis. Gold Bond, 1917	WES-707b-B-77b	$10,000	6/4/1917	Investments $20 Investments $20	9/27/1917 9/26/1918	#X170; to John D. Rockefeller (printed); entire issue presumably to Rockefeller; many exist

Rockefeller; his name is pre-printed as bondholder on all recorded examples, with serial numbers as low as X170 and as high as X1226 (Figure 110). Issued in June 1917, they were liable to property tax for that year. If presented for stamping after October 1, in view of a potential payment of some $25,000, sweetened by the prospect of the same amount for 1918, it would not be surprising if the authorities agreed to backdate the cancels to predate the October 1 deadline.

The remaining eight cases reduce to just two. The Atlantic Coast Line and 1898 B&O bonds are all to the same party, the Union Trust Co., as guardian for the estates of Harriet, Henry, and Rufus Peckham; and the other five involve two parties, Irene Fraser and Edward Whoriskey (Figures 102, 108), between whom there was evidently some relationship; all their bonds were also stamped the following year on the same day, September 21, 1918.

The Peckham clan was exceedingly well connected. Rufus Wheeler Peckham (1838–1909), grandfather of Harriet and Henry and father of Rufus W., Jr., had been a U.S. Supreme Court Justice and confidant to tycoons J. P. Morgan, Cornelius Vanderbilt, and John D. Rockefeller. Rufus Jr. had married the daughter of Erastus Corning, Jr., their wedding attended by Morgan and former U.S. Vice President Levi P. Morton. Harriet's wedding in 1918 would be attended by U.S. Supreme Court Chief Justice Edward Douglas White. For the Peckham 1912 Atlantic Coast $10,000 bonds, as with the Rockefeller Western Maryland bonds, in view of the potential tax revenue and of the political and social standing of the bondholders, their bonds brought for stamping in 1918 could plausibly have been favor-backdated to make them exempt for 1917.

September 1917 Cancels on 1918 Bonds?!

However the other Peckham bonds, not issued until January 1918, would not have been taxable in 1917; what would have been the point of using September 1917 cancels? With hindsight the point is moot, as the five-year exemption here, whether starting in 1917 or 1918, would have extended well past the rescinding in 1920 of the personal property tax, and with it the Investments tax.

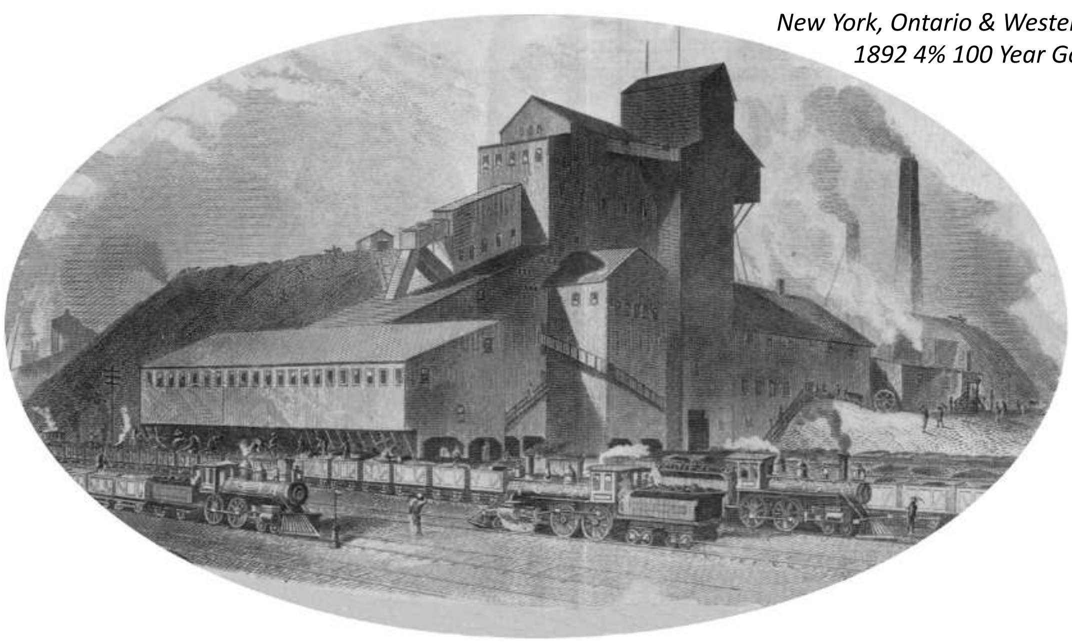
The same conundrum arises for the Whoriskey/Fraser bonds; all were issued in January or February 1918, and seemingly would have had no need of exemption for 1917! Backdating cancels to September 27, 1917, for these parties is hard to fathom, but as explained below, may have been part of a larger picture.

On a closer look at the recorded usages of Secured Debt stamps on or after September 27, 1917, listed in Table A4.1, three entries stand out. The name Edward Whoriskey again pops up, on $10,000 bonds of the B&O Southwestern and the Lake Shore, and again with cancels predating the issue dates; the cancels are dated September 27, 1917, the issue dates November 9, 1917. As with the September 27, 1917, cancels on the Whoriskey and Irene Fraser bonds bearing Investments stamps, the September 27 cancels here were evidently also backdated; this time, though, the stamps are two Secured Debt $10. This is consistent with the new hypothesis that the Investments stamps were not issued until early 1918. And in this case the stamping and backdating made sense, as the bonds were indeed liable to tax for 1917. The name Fraser appears again here too, again on a $10,000 bond of the B&O Southwestern, but issued to Charles Fraser, not Irene. Like the Whoriskey bonds, it bears a Secured Debt $10 pair with cancel date September 27, 1917, which in this case this did not suspiciously predate the issue date of the bond (in 1906), but was nevertheless very probably backdated as on the other Fraser and Whoriskey bonds. Possibly some sort of package deal was worked out, involving both bonds that would benefit from backdating and those that would not.

Backdating Consistent with January 1918 Transition

If we make the plausible assumption that the bonds with backdated cancels above were stamped soon after issue, the stamps they bear are also consistent with a Secured Debt/ Investments transition circa January 1918. For the Whoriskey B&O and Lake Shore bonds with cancels dated September 27, 1917, but issued November 9, 1917, if stamped soon thereafter the use of two Secured Debt $10 rather than the Investments $20 argues that the latter was not yet available. On the other hand, the bonds with backdated September 27, 1917, cancels on Investments $2, $10 and $100, as well as the B&O bonds with $50, were all issued between January 7 and February 14, 1918; if stamped soon thereafter, the use of Investments stamps argues that these denominations had become available circa January–February 1918.

New York, Ontario & Western Rail Road Co. 1892 4% 100 Year Gold Bond



Appendix 5. Excerpts from Opinion of Attorney General Egburt E. Woodbury October 13, 1915, Regarding Bonds Secured by Mortgage of Property Situated Partly Within and Partly Without the State

Inquiry is made by the State Tax Commission as to whether or not the owner of a bond issued prior to July 1, 1906, secured by a mortgage which covers real property situated partly within and partly without the State, which is brought in for taxation pursuant to section 264, is required to pay the tax upon the full amount thereof, or if not, whether he may waive the right of apportionment, pay the tax upon the full amount of the bond, and thereby secure the benefit of exemption from local taxation conferred by section 251 of the Mortgage Tax Law.

. . .

It remains to be considered whether or not this right of exemption from other taxation exists where the mortgage debt is only taxed in part, under this statute, or, in case the mortgagee makes voluntary payment upon the whole amount secured, although only required to pay on a part thereof.

With certain exceptions, not necessary to enumerate here, section 251 provides that "all mortgages of real property situated within the state WHICH ARE TAXED BY THIS ARTICLE, and the debts and obligations which they secure, shall be exempt from other taxation by the state, county and other local subdivisions."

The real criterion for determining whether the right of exemption exists depends upon the construction to be placed upon the words "which are taxed by this article"—in other words, whether or not the debt for which the exemption is claimed has been taxed under this law, within the meaning of its provisions, to entitle it to such exemption.

. . . the only cases in which the question is presented as to whether or not mortgages have been so taxed arise, where the real property securing the mortgage debt is situated partly within and partly without the State, and apportionments have been made pursuant to section 260.

In such case can it then be said that this part of the debt (which has been excluded as a basis of determining the amount of tax to be paid, because of its being secured by real property situated partly outside of the State) has been "taxed by this article"?

. . . a strong and irresistible inference of legislative intent, that the right of exemption under the Mortgage Tax Law should only extend to that part of the mortgage debt used as the basis of taxation, is found in the passage of the Secured Debts Law (. . . Sec. 330, Tax Law), which permits the proportion of such debt secured by mortgage on real property situated outside the State to be taxed thereunder and thereby secure the benefit of exemption from local taxation, because clearly if the whole debt was to be considered as having been taxed under the Mortgage Tax Law by paying a tax based upon only a part thereof, and thereby entitled to the exemption, this provision of the Secured Debts Law would be useless.

It is difficult to conceive how the bond can be said to be taxable and "taxed" within the meaning of this statute, as respects the right of exemption, even though the owner should voluntarily pay the tax upon the whole amount. If such an exemption could be secured by such voluntary payment, it would seem that the same result would follow a voluntary payment in all other cases where an apportionment is contemplated pursuant to section 260 on account of the mortgage security being situated partly within and partly without the State, but the court has held to the contrary, as above stated [People ex rel. Braeburn Association v. Hanking, 154 App. Div. 679 (affirmed on opinion of that court by the Court of Appeals in 207 N.Y. 761)]. The tax imposed by this article upon mortgages and debts secured thereby is very small as compared with the taxation of other classes of personal property in general, and as the statute now stands, the exemption granted extends without limitation of time. Under such circumstances, the exemption must be regarded as a privilege; the right to such exemption will not be presumed, but must be found to fall fairly within the language of the statute, and the language of the statute will not be extended by any doubtful interpretation to cover a right of exemption.

This brings us to a consideration of the particular inquiries presented by State Tax Commission, as to whether or not the owner of a bond issued prior to July 1, 1906, secured by a mortgage which covers real property situated partly within and partly without the State, which is brought in for taxation pursuant to section 264, is required to pay the tax upon the full amount thereof, or is not, whether he may waive the right of apportionment, pay the tax upon the full amount of the bond, and thereby secure the benefit of exemption from local taxation conferred by section 251 of the Mortgage Tax Law.

It seems quite clear that the only tax imposed by this act in such case is upon that portion of the bond represented by the mortgage security in this State, apportioned as prescribed by section 260, or, stated in another form, this is the only part of the bond "taxed by this article." The owner of the bond is not given the optional right to pay the tax upon that portion thereof on which the law does not impose the tax, and thereby secure an exemption of such portion from other forms of taxation. In the absence of the tax being imposed or the optional right clearly given to pay on that portion represented by the mortgage security without the State, the right cannot be said to exist. In other words, the privilege of exemption cannot be extended by implication.

The only cases in which the right of exemption is granted are those where mortgages are taxable and "taxed by this article" and this language means in those cases only where the tax is imposed and required to be paid, or, where the optional right of payment is clearly conferred, as distinguished from a mere voluntary payment, and as already stated, such right of exemption extends only to that part of the mortgage debt which is properly used as a basis of computing and fixing the amount of tax to be paid. To hold otherwise would be to render nugatory the provision of the Secured Debt Law, to which reference has already been made, and hence contrary to legislative intention.

It is urged that where the owner of a serial bond secured by a prior advance mortgage, covering property partly within and partly without the state, brings in such bond for taxation pursuant to section 264 and pays the tax upon the full amount thereof, such payment should be construed to confer full right of exemption of such bond from local taxation, because no specific provision is made for apportionment in such case.

This argument, to my mind, is fallacious and no such conclusion properly results from the condition stated in such case. It is quite true that, in immediate connection with the specific case stated, there is no express provision for apportionment, but this is far from conceding that no apportionment can be made under the statute and far from the spirit and intent of the statute in such cases. It may be observed that in fact there is no specific provision made for apportionment in immediate connection with any class or case of mortgages. The language of the act is:

"When the real property covered by a mortgage is located partly within the state and partly without the state, it shall be the duty of the State Board of Tax Commissioners to determine what proportion shall be taxable under this article by determining the relative value of the mortgaged property within this State, as compared with the total value of the entire mortgaged property, and"

Again it provides:

"For the purpose of determining such value, the State Board of Tax Commissioners may require the mortgage or mortgages to furnish the board by affidavit, or verified report, such information or data as it deems needed for such purpose, or the board may take the testimony of the mortgagor or any other person in relation thereto, etc."

And finally:

"The State Board of Tax Commissioners shall adopt rules to govern their procedure and the manner of taking evidence in these matters, etc."

These provisions, made for apportionment, coupled with the power and duty of the State Tax Commission to make rules and regulations governing procedure, must be held to cover all cases and all conditions of mortgages or serial bonds where an apportionment is necessary to give effect to the act. As respects the owner of a serial bond, he would without doubt, if so required by the rules of the Tax Commission, be required to make the necessary statement and furnish the requisite information upon which an apportionment could be made the same as though he were the mortgagee. In fact, it is my opinion that he must be regarded as a mortgagee, within the meaning of the statute, for these purposes.

An opinion was rendered to your Department on December 27, 1910, by one of my predecessors, in connection with five other questions then under consideration, which seems to be to the effect that there is no provision in the statute for apportioning the amount of taxes to be paid on single bonds, representing prior advances, presented under section 264, and therefore in case such bond should be presented for taxation it would be required to pay the tax upon the full amount thereof.

I am clearly of the opinion, as already stated, that the power and duty of apportionment exists with the Commission in all cases where an apportionment is required, to give effect to the provisions of the Mortgage Tax Article, and hence am unable to follow the opinion of my predecessor to the contrary.

Dated October 13, 1915.

EGBURT E. WOODBURY,
Attorney-General.

To the HONORABLE, *The State Tax Commission, Albany, N. Y.*

Appendix 6. Investments $2 Perforated 11

Perforation Surprises

In the process of investigating 1918 and 1919 cancels under high magnification, I was amazed to discover that the Investments $2 occurs with two different perforations; nearly all are perforated 11x12, but roughly 10–15% are perforated 11.

This led to a thorough examination of the perforation of all Secured Debt and Investments issues, with results heretofore unpublished. According to Cabot (1940) and subsequent catalogs, both the Secured Debt and Investments stamps were perforated "11 or 12 or compound." This is wrong on two counts, and imprecise on others. No Secured Debt stamps perforated 11 have been recorded, nor any Investments stamps perforated 12. The ten Secured Debt denominations issued in 1911—1¢, 5¢, 50¢, $1, $2.50, $5, $10, $25, $50, and $100—were perforated 12. The four denominations issued in 1916—25¢, 75¢, $3.75 and $7.50—were perforated 11x12.

For the Investments stamps, the 11x12 perforation used for the 1916 Secured Debt issues was retained for just two denominations, the $2 and $10. All others appear to have been perforated 11. The $2 can also be found perforated 11; in a survey of 122 stamps on intact bonds, 108 were perforated 11x12 and only 14 (11.5%) perforated 11.

The $2 and $10 Investments taxes paid for one year or five years on a $1,000 bond were by far the most common in the Investments schedule. Since these were the denominations for which the need was greatest, it makes sense that they would have been the first produced. Presumably the 11x12 perforation used only about a year earlier for the 1916 Secured Debt issues was retained simply out of inertia, before it occurred to someone to simplify matters by switching to uniform perforation, and gauge 11 was adopted. The $2 in this gauge were evidently from a subsequent printing(s).

Arrayed below is a chronological listing of dates on which the $2 has been recorded on intact bonds; perforation 11 dates are in bold; duplication of dates indicates usage on different bonds; and initials are those of the traveling agent A. A. Kemter or J. G. Malone, the agent at Albany in 1919. The stamps perforated 11 appear in two clusters: the first in September–October 1918, used in New York, shoehorned in between long runs of 11x12; and the second late, in September– December 1919, on stamps used by Malone or Kemter.

Chronological listing of recorded cancel dates on Investments $2 on bonds; perforation 11 dates are in bold; initials are those of A. A. Kemter or J. G. Malone.

9/27/1917	9/25/1918	**9/18/1919 J.G.M.**
9/27/1917	9/26/1918	9/19/1919
6/13/1918	9/27/1918	**9/25/1919 A.A.K.**
7/2/1918 A.A.K.	9/27?/1918	9/26/1919
7/30/1918 A.A.K.	**9/27/1918**	9/26/1919
8/9/1918	**9/27/1918**	9/26/1919
9/6/1918	**9/30/1918**	9/30/1919
9/17/1918	**10/11/1918**	9/30/1919
9/17/1918	11/28/1918 A.A.K.	9/30/1919
9/18/1918	1/10/1919 A.A.K.	**10/6/1919 J.G.M.**
9/21/1918	1/16/1919 A.A.K.	**12/15/1919 J.G.M.**
9/21/1918	9/12/1919	**12/26/1919 J.G.M.**
9/25/1918	9/16/1919	
9/25/1918	9/16/1919	

Appendix 7. Census of Documents Bearing Mortgage Endorsement, Secured Debt, and Tax on Investments Stamps, 1911–20

Mortgage Endorsement

Company/Bond	Cox #	Amount	Bond Date	Stamp	Stamp Date	County	Comments
Broadway and Seventh Avenue Railroad Co. Mortgage Bond	BRO-037-B-40	$1000	7/1/1884	Green perf	9/24/1911	New York	#38; Prag colln.
				Green perf	12/20/1911	New York	#22
				Green imperf?	???	New York	#144 (illustrated by Cox)
First Mortgage Consolidated 5% Gold Bond	BRO-037-B-51	$1000	12/22/1893	Green imperf	5/16/191?	New York	#05454
				Orange	9/28/1916	New York	#05741; three others seen
Broadway Surface Railroad Co.	BRO-049-B-40	$1000	7/1/1884	Green imperf	12/27/1910	New York	#962–3, 1254, 1258, 1499; earliest use of Mortgage Endorsement stamp
				Green imperf	???	New York	#1237
				Green perf	12/16/1913	New York	#1037
				Green perf	???	New York	#218, 558, 1030, 1150, 1248
				Orange	9/28/1915	New York	#298
				Orange	9/3/1916	New York	#375
				Orange	???	New York	#819, 822, 837
Carthage and Adirondack Railway Co. First Mortgage 4% Gold Bond	CAR-881-B-50	$1000	12/1/1892	Green imperf	9/??/1911	Lewis	#363; all recorded examples also with Gt. Britain red embossed £1 & 1s
				Green imperf	5/25/1912	Jefferson	#952 (GB 22-11-93)
				Green perf	9/13/1915	Jefferson	#3 (GB 4-11-93)
				Green perf	3/3?/1916	Jefferson	#1099
				Green perf	4/11/1916	Jefferson	#889; late use of green perf
				Green perf	3/3/1917	Jefferson	#402; latest use of green perf (GB 7-11-93)
				Orange	5/19/1917	Jefferson	#514 (GB 7-11-93)
Columbus and Ninth Avenue Railroad Co. First Mortgage 5% Gold Registered Bond	COL-810-B-50	$2000	8/24/1893	Orange	Undated?	New York	#R065; bond amount entered in ms.
First Mortgage 5% Gold Coupon Bond	COL-810-B-51	$1000	8/24/1893	Green perf	3/18/1912?	New York	#C746
				Green perf	4/15/1912	New York	#C542; day "15" added by hand
				Green perf	9/13/1913	New York	#C534
				Green perf	3/15?/1914	New York	#C606
				Green perf	3/20/1914	New York	#C566
				Green perf	11/4/1914	New York	#C578
				Green perf	???	New York	#C535, C545, C570
				Orange	9/30/1917	New York	#C659
Lake Shore and Michigan Southern Railway Co. 3½% Gold Bond, vertical format	LAK-627-B-30	$1000	6/1/1897	Green imperf	4/20/1911	Erie	#7143; vignette of Wm. K. Vanderbilt; Great Britain embossed £1 & 1s (6-7-97)
				Green imperf	5/2/1911	Erie	#10940
				Green perf	9/26/1912	Erie	#2853; Great Britain embossed £1 (22-7-04)
				Green perf	7/23/1914	Erie	#3085
				Green			16 more with green stamps reported in dealer stock
				Orange	6/24/1916	Erie	#8200; Great Britain embossed £1 (2-7-97)
				Orange			Six more with orange stamps reported in dealer stock
3½% Registered Gold Bond, horizontal format	LAK-627-B-35	$1000	5/1/1911	Green imperf	9/20/1911	Erie	#M2135; vignette of Wm. K. Vanderbilt.

Company/Bond	Cox #	Amount	Bond Date	Stamp	Stamp Date	County	Comments
Lake Shore and Michigan Southern Rwy. Co. (cont.)			1/7/1907	Green imperf	9/21/1911	Erie	#M1319
			5/11/1907	Green imperf	9/21/1911	Erie	#M1362
			12/2/1908	Green imperf	9/21/1911	Erie	#M1598
			1/4/1911	Green perf	12/2/1911	Erie	#M2019–22
			1/16/1911	Green perf	12/2/1911	Erie	#M2027–9
			12/5/1911	Green perf	9/26/1912	Erie	#M2290, 2292–4
			2/23/1912	Green perf	9/26/1912	Erie	#M2369
			2/2/1900	Green perf	9/28/1912	Erie	#M488; to Alice G., Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter, Trustees under will of Cornelius Vanderbilt [II], deceased
			6/9/1904	Green perf	3/20/1914	Erie	#M830
			12/11/1911	Green perf	9/26/1914	Erie	#M2291
				Green perf			58 more with green stamps reported in dealer stock
			1/17/1917	Orange	1/22/1916	Erie	#M3577
			2/4/1916	Orange	2/9/1916	Erie	#M3459
			11/20/1916	Orange	12/6/1916	Erie	#M3553
			4/23/1917	Orange	5/14/1917	Erie	#M3625
			6/2/1919	Orange	6/12/1919	Erie	#M3756
				Orange			122 more with orange stamps reported in dealer stock
	LAK-627-B-36	$5000	5/1/1911	Green imperf	9/25/1911	Erie	#1612–3
			1/4/1911	Green perf	9/29/1911	Erie	#766
			8/29/1909	Green perf	4/18/1912	Erie	#1472
			12/27/1913	Green perf	12/18/1913	Erie	#1793
				Green perf			Nine more with green stamps reported in dealer stock
			12/2/1913	Orange	11/20/1915	Erie	#1871
			11/20/1916	Orange	12/6/1916	Erie	#1998
			3/14/1917	Orange	3/19/1917	Erie	#2017
			10/26/1917	Orange	11/2/1917	Erie	#2034
			10/31/1918	Orange	11/6/1918	Erie	#2056
				Orange			39 more with orange stamps reported in dealer stock
	LAK-627-B-37	$10,000	1/4/1901	Green perf	9/29/1911	Erie	#934–5
			1/2/1902	Green perf	9/29/1911	Erie	#1072
			7/11/1908	Green perf	7/8/1913	Erie	#1684–5
			6/3/1913	Green perf	6/6/1913	Erie	#2419–20
				Green perf			24 more with green stamps reported in dealer stock
			1/4/1911	Orange	11/20/1915	Erie	#2077
			12/4/1912	Orange	9/15/1916	Erie	#2333
			12/19/1916	Orange	12/26/1916	Erie	#2624
			1/17/1917	Orange	1/24/1917	Erie	#2657
			6/2/1919	Orange	6/12/1919	Erie	#2748
				Orange			69 more with orange stamps reported in dealer stock
	LAK-627-B-38	$50,000	1/4/1901	Green perf	9/29/1911	Erie	#470
			1/2/1902	Green perf	9/29/1911	Erie	#510
25 Year 4% Registered Gold Bond of 1903	LAK-627-B-52	$5000	1/5/1912	Orange	6/17/1918	Erie	#RVM403–4
	LAK-627-B-53	$10,000	4/5/1904	Orange	9/29/1916	Erie	#XM42
			4/7/1904	Orange	9/29/1916	Erie	#XM106

			11/19/1917	Orange	11/23/1917	Erie	#XM475
			6/6/1918	Orange	6/17/1918	Erie	#XM489, 532
	LAK-627-B-55	$20,000	4/18/1904	Orange Secured Debt $100, $50, $25, $5	5/3/1917 7/2/1917	Erie	#XXM1–10; to Atlantic Mutual Insurance Co.; Mortgage stamps ms. "Cancelled June 29/17" with agent's signature
25 Year 4% Registered Gold Bond of 1906	LAK-627-B-62	$10,000	9/13/1906	Orange Secured Debt $50, $25, $10, $5	5/3/1917 7/2/1917	Erie	#1–6, 10; to Atlantic Mutual Insurance Co.; Mortgage stamps ms. "Cancelled June 29/17" with agent's signature. #6 corner missing affecting $50
Lehigh Valley Railroad Co. Gen. Consolidated 4.5% Regis. Gold Bond of 1903	LEH-741-B-62	$10,000	3/5/1914	Green perf	3/13/1914	Erie	#C8
Lehigh Valley Rail Way Co. First Mortgage 4.5% Gold Bond	LEH-747-B-40	$1000	1/23/1890	Green imperf	6/13/1911	Erie	#10009
				Green perf	9/26/1913	Erie	#11186
				Green perf	2/27/1915	Erie	#9764
				Orange	12/13/1915	Erie	#706; Great Britain embossed £1 & 1s (1-11-90)
				Orange	9/22/1919	Erie	#12311, 12528; Great Britain embossed £1 & 1s (23-6-92)
				Orange	9/23/1919	Erie	#11828; Great Britain embossed £1 & 1s (22-6-92)
Mohawk and Malone Railway Co. First Mortgage 4% Gold Bond	MOH-538-B-51	$1000	7/1/1892	Green imperf	7/6/1912	Herkimer	#64
				Green imperf	10/18/1913	Herkimer	#1458; Great Britain embossed £2 (13-3-13), France handstamped Titres Etrangers 2/10%
				Green imperf	8/21/1915	Herkimer	#705; Great Britain embossed £1 & 1s (16-6-93)
				Green imperf	9/22/1916	Herkimer	#422; Great Britain embossed £1 & 1s (16-6-93); late use of green imperf
				Green imperf	9/29/1916	Herkimer	#730, 734, 736; Great Britain embossed £1 & 1s (16-6-93); latest use of green imperf
Consolidated 3½% Gold Mortgage Bond	MOH-538-B-55	$1000	3/1/1902	U.S. R171 Orange	4/9/1902 5/26/1919	 Oneida	#2919; U.S. stamp on front, "M. & M. RY. CO." d.s.
Nassau Electric Railway Co. Consolidated Mortgage 4% Gold Bond	NAS-968-B-52	$1000	12/22/1905	Orange	10/28/1915	Kings	#52
			2/28/1917	Orange	9/22/1917	Kings	#163
New Jersey and New York Railroad Co. General Mortgage 40 Year 5% Gold Bond	NEW-236-B-55	$500	12/31/1892	Green imperf U.S. R238	8/15/1913 1/16/1933	Rockland	#A55; on stamp "I Cyrus M. Crum Clerk of said County hereby certify that I have received the sum of $2.50 as tax on the within Bond." Late use of green imperf. 1932 extension attached stamped with U.S. 1917 50¢; original issue or renewal briefly taxed at 10¢ per $100 (June 21, 1932– December 31, 1934)
	NEW-236-B-56	$1000	12/31/1892	Green imperf U.S. R240	8/15/1913 1/16/1933	Rockland	#155; on stamp "I Cyrus M. Crum Clerk of said County hereby certify that I have received the sum of $5.00 as tax on the within Bond." Late use of green imperf. 1932 extension attached

Company/Bond	Cox #	Amount	Bond Date	Stamp	Stamp Date	County	Comments
New York and Putnam Rail Road Co. First Consolidated Mtge. Guaranteed Gold Bond	NEW-764-B-50	$1000	1/15/1894	Green imperf	5/9/1916	Putnam	#2559, 2564, 2573
				Orange	??/22/1916	Putnam	#653; Gt. Britain red embossed £1 & 1s
				Orange	11/10/1916	Putnam	#3610, 3654; small corner pieces missing
				Orange	11/29/1916	Putnam	#2275
				Orange	1/10/1917	Putnam	#1409, 1411; Gt. Britain red embossed £1 & 1s (10-9-94)
				Orange	2/24?/1919	Putnam	#2139
New York Central and Hudson River Railroad Co. 3½% Coupon Gold Bond	NEW-533a-B-40	$1000	7/1/1897	Green imperf	3/21/1911	New York	#654; vignette of Cornelius Vanderbilt II
				Green imperf	3/29/1911	New York	#59486, 82024
				Green imperf	4/3/1911	New York	#52091, 52099, 82017
				Green imperf	9/22/1911	New York	#59669; "approx. 12" with imperf seen by dealer
				U.S. R171 Green perf	2/10/1899 9/27/1912	New York	#25347; U.S. stamp on back, "N. Y. C. & H. R. R. Co." circular d.s. ties
				Green perf	9/29/1912	New York	#27072
				Green perf	12/5/1913	New York	#36777
				Green perf	7/16/1915	New York	#52508
				Green perf	9/22/1915	New York	#51945, 53948; "approx. 35-40" with green perf seen by dealer
				Green perf	???	New York	#2661, 7668, 29940
				Orange	9/28/1915	New York	#50293, 57899; earliest use of orange
				Orange	12/3/1915	New York	#5946, 80358; #59346 Gt. Britain red embossed £1 (11-4-00)
				U.S. R171 Orange	5/1901 12/23/1915	New York	#30294; U.S. stamp on back; Gt. Britain red embossed £1 (8-2-03)
				U.S. R171 Orange	7/15/1898 12/23/1915	New York	#20363; U.S. stamp on front, "C. T. Co. OF NEW YORK" magenta h.s. ties
				Orange	1/12/1916	New York	#34248
				Orange	1/26/1916	New York	#51961–2; "approx. 40-50" with orange seen by dealer
				Orange	11/21/1917	New York	#26578
				Orange	???	New York	#28180
3½% Registered Gold Bond	NEW-533a-B-45	$1000	1/18/1911	Green imperf	1/20/1911	New York	#M1599; second-earliest use of Mortgage Endorsement stamp
			5/16/1914	Green perf	5/19/1914	New York	#M2043–4
			1/29/1915	Green perf	2/8/1915	New York	#M2106
			1/18/1909	Orange	9/30/1915	New York	#M1353; early use of orange stamp
			1/17/1916	Orange	2/1/1916	New York	#M2223
			4/7/1916	Orange	5/18/1916	New York	#M2273
			7/22/1903	Orange	5/10/1917	New York	#M589
			7/27/1899	Orange	5/10/1917	New York	#M321
			7/5/1899	Orange	7/11/1917	New York	#M2545
			10/31/1918	Orange	???	New York	#M2635
	NEW-533a-B-46	$5000	5/20/1911	Green perf	12/26/1911	New York	#V1535
			5/16/1914	Green perf	5/19/1914	New York	#V1663
			5/18/1914	Green perf	5/26/1914	New York	#V1668
			5/19/1914	Green perf	5/26/1914	New York	#V1669
			??/??/???	Green perf	9/16/1914	New York	#V1670
			12/10/1909	Orange	11/29/1915	New York	#V1369, 1372

			10/31/1918	Orange	11/6/1918	New York	#V1849, 1852
			4/28/1917	Orange	Undated	New York	#V1823
	NEW-533a-B-47	$10,000	3/7/1907	Green imperf	9/29/1911	New York	#X1911
			??/??/???	Green perf	5/16/1913	New York	#X2752
			2/25/1914	Green perf	2/27/1914	New York	#X2771
			5/18/1914	Green perf	5/26/1914	New York	#X2828
			1/17/1916	Orange	2/1/1916	New York	#X2964
			3/25/1912	Orange	12/28/1916	New York	#X2660
			10/31/1918	Orange	11/6/1918	New York	#X3173, 3179, 3182
	NEW-533a-B-48	$50,000	8/28/1916	Orange	9/12/1916	New York	#L1576–8
			9/12/1916	Orange	9/15/1916	New York	#L1581, 1583
			10/31/1918	Orange	11/6/1918	New York	#L1613–5
			11/22/1917	Orange	undated	New York	#L1595
			??/??/???	Orange	??/??/???	New York	#L1592
New York, Ontario and Western Rail Road Co. Refunding Mortgage 4% Registered Gold Bond	NEW-712-B-51	$5000	4/21/1915	Green perf	5/7/1915	Orange	R581–2
			5/13/1907	Orange	10/4/1915	Orange	R295–7
Rome, Watertown and Ogdensburgh Rail Road Co. First Consolidated Convertible Mortgage Bond	ROM-660a-B-50	$1000	7/1/1874	Green imperf	6/22/1912	Jefferson	#7319
				Green perf	6/4/1913	Jefferson	#5192, 5207, 6163
				Green perf	???	Jefferson	#2007, 7597
Utica and Black River Railroad Co. First Mortgage 4% Gold Bond	UTI-125-B-50	$1000	5/1/1890	Green imperf	9/29/1911	Jefferson	# 1763, 1765, 1768, 1770, 1787; circular punches through stamp
				Green imperf	3/7/1912	Jefferson	#299; stamp intact
				Green imperf	???	Jefferson	#1734; stamp intact
				Green perf	4/26/1915	Jefferson	#1264
				Green perf	9/29/1915	Jefferson	#59, 1381
				Orange	7/21/1919	Jefferson	#916; late use of orange
West Shore Railroad Co. First Mortgage Guaranteed Bond vertical format, green & black	WES-304-B-51	$1000	12/5/1885	Green imperf	6/3/1911	Albany	#18; signed Chauncey Depew as Pres.
				Green imperf	9/27/1911	Albany	#21642
				Green perf	9/28/1911	Albany	#7562; earliest use of green perf
				Green perf	9/29/1911	Albany	#23686
				Green perf	9/30/1911	Albany	#2859
				Green perf	9/30?/1913	Albany	#26258
				Green perf	1/22/1915	Albany	#33479
				Green perf	3/17/1915	Albany	#11710
				Orange	9/28/1916	Albany	#10683
				Orange	2/8/1917	Albany	#26394
				Orange	10/4/1918	Albany	#22112
				Orange	9/20/1919?	Albany	#12190
horizontal format, orange & black	WES-304-B-55a	$500	6/15/1914	Green perf	6/19/1914	Albany	#D3692
horizontal format, red orange & black	WES-304-B-56a	$1000	5/17/1888	Green perf U.S. R240 pair	8/6/1915 5/24/1939	Albany	#M6200; U.S. 1917 $1 pair (R240) on reverse, paying 4¢ per $100 tax on bonds M6200–4
	WES-304-B-56b	$1000	1/4/1912	Green perf	12/20?/1912	Albany	#M35467; to Chauncey M. Depew
			2/26/1913	Green perf	6/12/1913	Albany	#M36462

Company/Bond	Cox #	Amount	Bond Date	Stamp	Stamp Date	County	Comments
West Shore Railroad Co. (cont.			1/26/1901	Green perf	3/13/1914	Albany	#M25437–40; to Emily Trevor
			3/17/1914	Green perf	3/19/1914	Albany	#M37647
			1/26/1901	Green perf	7/23/1914	Albany	#M37988–92; to Emily Trevor
			8/11/1914	Green perf	8/13/1914	Albany	#M38034
			7/20/1915	Green perf	7/27/1915	Albany	#M38618–9
			7/21/1915	Green perf	7/27/1915	Albany	#M38624–5
				Green perf			14 more with green stamps reported in dealer stock
			1/23/1911	Orange	10/13/1915	Albany	#M34475; day changed by hand
			1/12/1916	Orange	11/13/1916	Albany	#M38904
			11/8/1917	Orange	11/15/1917	Albany	#M40465
			2/25/1918	Orange	3/1/1918	Albany	#M40641
			3/12/1918	Orange	9/14/1918	Albany	#M40679
			12/6/1918	Orange	12/18/1918	Albany	#M41066
			1/8/1919	Orange	1/10/1919	Albany	#M41106–10; to John Trevor
			4/21/1919	Orange	5/1/1919	Albany	#M41237–40; to Alfred Steele
			5/8/1920	Orange	5/24/1920	Albany	#M42047; latest use of orange; tax unnecessary as intangible personal property was exempt from personal property tax as of May 10, 1920
				Orange			23 more with orange stamps reported in dealer stock
horizontal format, brown & black	WES-304-B-58b	$10,000	1/18/1900	Green perf	??/??/1912	Albany	#X5229
			12/3/1907	Green perf	9/29/1912	Albany	#X6304
			12/11/1913	Green perf	12/17/1913	Albany	#X7174
			1/29/1915	Green perf	2/5/1915	Albany	#X7307
			3/12/1918	Orange	9/14/1918	Albany	#X7721
			5/8/1920	Orange	5/24/1920	Albany	#X7959; latest use of orange; tax unnecessary as intangible personal property was exempt from personal property tax as of May 10, 1920; stamp faulty
horizontal format, rust & black	WES-304-B-59a	$50,000	1/18/1900	Green perf	9/29/1912	Albany	#L398; signed Chauncey M. Depew as Trustee (illustrated by Cox)

Secured Debt I
Tax 0.5%
9/1/1911 – 3/31/1915

Company/Bond	Cox#	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Ann Arbor Railroad Co. First Mortgage 4% 100 Year Gold Bond	ANN-091-B-42	$1000	1895	$5	???	#447
Atchison, Topeka and Santa Fe Railway Co. General Mortgage 4% 100 Year Gold Bond	ATC-786-B-21	$1000	12/12/1895	$5	3/17/1914	#86346
Atlantic Coast Line Railroad Co. First Consolidated Mortgage 4% Gold Bond, 1902	ATL-427-B-49a	$5000	12/7/1911	$25	12/13/1911	#V1106; 43mm large embossed "PAID"; "JWB"
	ATL-427-B-50a	$10,000	6/23/1910	$50	9/26/1911	#X1199, 1201–3
			1/19/1912	$50	1/23/1912	#X1259–60
			9/18/1911	$50	???	#X1254
Baltimore and Ohio Railroad Co. 27-yr Prior Lien 3½%Registered Gold Bond of 1898	BAL-662d-B-36	$1000	12/3/1907	$5	10/9/1912	#M494–5
			8/30/1904	$5	9/26/1913	#M327–9; all to Albert K. Kenyon
			8/15/1906	$5	9/26/1913	#M412
			9/12/1907	$5	9/26/1913	#M470
			1/30/1908	$5	9/26/1913	#M493
	BAL-662d-B-37	$5000	1/4/1911	$25	9/26/1912	#A317; very late use of "EWB"
	BAL-662d-B-38	$10,000	10/11/1899	$50	???	#C18, 21; to George Eastman (C18 Smythe lot 1082, Jan. 1998, estimate $1500–2500)
			4/17/1911	$50	9/26/1911	#C795, 797
			5/14/1913	$50	9/27/1911	#C833; cancel predates issue
			3/25/1912	$50	9/12/1912	#C807–8
			9/27/1912	$50	9/24/1912	#C810; cancel predates issue; four (+?) strikes of datestamp
			1/9/1911	$50	3/15/1913	#C878
			10/21/1914	$50	4/15/1913	#C786–90; cancel predates issue #786 guideline at left
			4/28/1917	$50	4/15/1913	#C1183–6; cancel predates issue; agent's initials omitted
			12/10/1913	$50	12/15/1913	#C851
			8/13/1913	$50	undated?	#C842
First Mortgage 4% Registered Gold Bond of 1898	BAL-662d-B-50	$1000	4/23/1901	$5	9/14/1911	#M145–6; third-earliest usage
	BAL-662d-B-51a	$5000	8/8/1913	$25	8/7/1913	#A469
			4/13/1914	$25	4/27/1914	#A480
4.5% Registered Gold Bond of 1913	BAL-662d-B-67	$1000	6/24/1913	$5	9/15/1913	#M34; intermediate 40mm embossed "PAID"
			8/22/1913	$5	9/??/191?	#M47
			3/6/1916	$5	9/16/1913	#M145; cancel predates issue
			5/4/1914	$5	9/30/1913	#M103, 105–6, 110–1; all to Wm. B. Hornblower; cancel predates issue
			11/21/1916	$5	9/28/1914	#M179–81; all to Adan Vezin; cancel predates issue; agent's initials omitted
	BAL-662d-B-69	$10,000	12/22/1913	$50	???	#C72–3; to George Eastman
			10/13/1914	$50	9/30/1913	#C80; cancel predates issue; "1913" year in ms.; embossed "PAID" struck on reverse!

Company/Bond	Cox#	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Baltimore and Ohio Railroad Co. Southwestern Division First Mortgage 3½% Registered Gold Bond of 1899	BAL-662e-B-55	($500)	11/29/1910	$2.50	9/11/1913	#B22; to Orella Brown
		($500)	11/29/1910	$2.50	8/11/1913	#B26; to Aneita Brown
	BAL-662e-B-56	$1000	5/3/1913	$5	6/25/1913	#M533–4; to Harvey Hawley; “FJC” initials of Fred J. Coons, Albany
	BAL-662e-B-57	$10,000	7/9/1912	$50	9/25/1913	#C221
			7/12/1909	$50	3/13/1914	#C165–7; embossed “PAID” 17mm, struck on reverse!
Beech Creek Railroad Co. First Mortgage 4% Registered Bond of 1886	BEE-333a-B-40	$1000	1/11/1900	$5	9/25/1912	#484–6; to Alice G., Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter, Trustees under will of Cornelius Vanderbilt [II], in trust for Gertrude V. Whitney
			1/30/1908	$5	9/25/1912	#899–901; to Alice G., Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter, Trustees under will of Cornelius Vanderbilt [II], deceased
	BEE-333a-B-42	$10,000	1/11/1900	$50	9/25/1912	#X417; to Alice G., Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter, Trustees under will of Cornelius Vanderbilt [II], in trust for Alfred G. Vanderbilt
			1/11/1900	$50	9/25/1912	#X428–32, ms. date; to Alice G., Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter, Trustees under will of Cornelius Vanderbilt [II], in trust for Gertrude V. Whitney
			1/11/1900	$50	9/25/1912	#X446, 451, ms. date; to Alice G., Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter, Trustees under will of Cornelius Vanderbilt [II], in trust for Gladys Moore Vanderbilt
Second Mortgage 5% Guaranteed Bond	BEE-333b-B-60	$1000	7/1/1892	$5	3/10/1914	#225, 226, 228
				$5	3/13/1914	#102
Big Sandy Railway Co. First Mortgage 4% Gold Bond	BIG-741-B-50	$1000	6/1/1904	$5	9/23/1911	#504, 540–1, 544; early usage
				$5	???	#527
Chesapeake and Ohio Railway Co. Paint Creek Branch First Mortgage 4% Gold Bond	CHE-524-B-50	$1000	2/1/1905	$5	9/18/1912	#81, 300, 308, 329, 334, 348–9, 364
				$5	???	#109–10, 114
Chesapeake and Ohio Railway Co. Potts Creek Branch First Mortgage 4% Gold Bond	CHE-526-B-50	$1000	1906	$5	???	???
Chicago and Alton Railroad Co. 3% Refunding Gold Bond	CHI-010a-B-62	$1000	10/1/1899	$5	9/26/1911	#31929
				$5	3/22/1914	#39818–21, 39845
Chicago and Alton Railway Co. 3½% Registered First Mortgage Gold Bond of 1900	CHI-011-B-28	$10,000	3/22/1912	$50	3/28/1912	#X54; the discovery example in Cox
Chicago and Erie Railroad Co. First Mortgage Gold Bond	CHI-177-B-50	$1000	8/21/1890	$5	3/17/1912	#6517; “NOORD HOLLAND 2,50 GL.” blue h.s.’d revenue
				$5	3/19/1912	#913; “NOORD HOLLAND 2,50 GL.” blue h.s.’d revenue
				$5	7/5/1912	#11202
				$5	9/6/1912	#9045

				$5	11/??/1912	#903; "NOORD HOLLAND 2,50 GL." blue h.s.'d revenue
				$5	6/6/1913	#1338, 1434, 7505, 9048, 10541, 10545; "NOORD HOLLAND 2,50 GL." blue h.s.'d revenue
				$5	8/20/1913	#3491 ("NOORD HOLLAND 2,50 GL." blue h.s.'d revenue), 10093
				$5	3/17/1914	#5321; "NOORD HOLLAND 2,50 GL." blue h.s.'d revenue
				$5	???	#11091
Chicago, Indiana & Southern Railroad Co. 4% Gold Bond	CHI-288-B-40	$1000	6/27/1906	$5	5/29/1914	#1172, 12583, 12584
Chicago, Rock Island and Pacific Railway Co. First & Refunding Mortgage 4% Gold Bond of 1904	CHI-603-B-52	$10,000	10/5/1905	$50	12/21/1911	#C166
Cincinnati, Indianapolis, St. Louis and Chicago Rwy. Co. First Consolidated 6 % Mortgage Bond	CIN-382-B-41	$1000	3/8/1880	$5	9/6/1911	#721; earliest usage of Secured Debt stamp (law took effect 9/1/1911); 23mm cancel unrecorded by Pruess
				$5	2/11/1914	#941–2
				$5	4/8/1914	#296, 305, 1152
General 4% Regis. First Mortgage Bond of 1886	CIN-382-B-51	$1000	1914?	$5	9/2-/1914	#1080? ; agent's initials omitted
	CIN-382-B-53	$10,000	5/23/1904	$50	7/20/1912	#273–4
Cincinnati, Sandusky and Cleveland Railroad Co. Consolidated First Mortgage Bond	CIN-745-B-50	$1000	1/1/1888	$5	9/25/1911	#2255; 43mm large embossed "PAID"; "JJE"
				$5	8/16/1912	#2364
				$5	6/24/1914	#2261, 2272–3
				$5		
Cleveland, Cincinnati, Chicago and St. Louis Railway Co. 4% Gold Bond secured by First Mortgage of Cairo, Vincennes & Chicago Railway Co.	CLE-413-B-20	$1000	1/1/1890	$5	9/29/1911	#1041, 1050
				$5	???	#2144 (illustrated by Cox)
First Collateral Trust Mortgage 4% Gold Bond, St. Louis Division, vertical format	CLE-413-B-10	$1000	11/1/1890	$5	9/20/1911	#9006; early usage
				$5	9/23/1911	#9851
				$5	9/30/1911	#3001
				$5	3/19/1912	#5102, 5111–8
				$5	11/21/1913	#2009
				$5	3/13/1914	#5492
			3/11/1896	$5	11/29/1913	#A268–9
			6/20/1900	$5	11/29/1913	
4% First Mortgage Gold Bond Cincinnati, Wabash & Michigan Railway Division	CLE-413-B-25	$1000	5/9/1891	$5	9/19/1911	#2259, 2295, 2335, 2347, 2366, 2390, 2393; early usage; #2366 43mm large embossed "PAID"; "CST"
				$5	9/21/1911	#2045, 2062
				$5	9/22/1911	#2745–7; 26x3mm d.s. (other Sep usages all large d.s.)
				$5	9/22–3/1911	#1069; Gt. Britain Transfer Duty 1893 2s brown
				$5	9/26/1911	#2639–40
				$5	8/7/1912	#0464; Gt. Britain Transfer Duty 1892 2s green
				$5	5/1/1913	#2143, 2412, 2420–1, 2428–9
General Mortgage Gold Bond	CLE-413-B-30	$1000	5/15/1893	U.S. R171 $5	4/17/1900 9/19/1911	#9542; agent's initials omitted
				$5	9/21/1911	#4235
				$5	9/29/1911	#4901, 4903

Company/Bond	Cox#	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Cleveland, Cincinnati, Chicago and St. Louis Rwy. Co. (cont.)				U.S. R171 $5	4/12?/1899 7/23/1912	#10373
				$5	6/14/1913	#5090
				$5	9/??/1913	#5095
				$5	10/30/1913	#2390; Great Britain embossed £1 & 1s (5-5-98)
				$5	3/16/1914	#20828; tiny 23x3mm datestamp
				$5 U.S. R237	3/27/1914 4/17/1933	#3180; U.S. 40¢ pays bond transfer tax of 4¢ per $100
				U.S. R171 $5	11/14/1899 9/15/1914	#12241–6
				$5	9/23/1914	#2054
Cleveland, Columbus, Cincinnati and Indianapolis Rwy. Co. General Mortgage Consolidated 6% Gold Bond	CLE-480-B-60	$1000	1/1/1884	$5	9/16/1911	#1,232
				$5	9/27/1911	#2,705
				$5	5/15/1912	#2,804
Cleveland Short Line Railway Co. 50 Year First Mortgage Gold Bond of 1911	CLE-787-B-50	$1000	5/1/1911	$5	4/2/1914	#6852
				$5	8/26/1914	#2148
				$5	9/21/1914	#10110, 10112, 10118, 10122
				$5	3/26/????	#6647
				$5	???	#6605
Colorado Midland Railway Co. First Mortgage 4% Fifty Year Gold Bond,	COL-167b B-60	$1000	7/1/1897	$5	9/13/1911	#58391–4; LaBarre stock
Comstock Tunnel Co. 4% 30 year First Mortgage Income Bond		$1000	9/1/1889	$5	12/31?/1911	#789; signed Theodore Sutro as President; intermediate 40mm embossed "PAID"
Duluth Street Railway Co.	DUL-586-B-40	$1000	1/1/1901	$5	???	#2238; Booneshares #50; Cox records only two
Estado de Durango		M$1000	1/1/1907	$2.50	9/28/1914	#605; M$ (silver peso)=US$0.498; face value $498
Imperial Chinese Govt. 5% Hukuang Railways Sinking Fund Gold Loan of 1911		£100	6/15/1911	$1 (x2), 5¢ (x8), 1¢ (x3)	9/30/1913	#105316; £100 = $485, 0.5% tax = $2.43; only recorded usage of Secured Debt 1¢; Great Britain embossed £ 4
Indiana Harbor Belt Railroad Co. 4% 50 year Mortgage Registered Gold Bond of 1907	IND-230-B-40	$5000	5/26/1908	$25	9/23/1912	#C112, 116; h.s.'d issue date; to Alice G. (executrix), Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter (executor), under will of Cornelius Vanderbilt [II]
			5/26/1908	$25	11/12/1912	#C103
			11/12/1912	$25	??/??/1912	#C117, 122; to Alfred G. Vanderbilt; ms. issue date
Indiana, Illinois & Iowa Railroad Co. First Mortgage 4% Gold Bond	IND-284b-B-50	$1000	7/1/1900	$5	9/22–3/1911	#4056; cancels SEP 22, SEP 23 (x2)
				$5	2/18/1912	#2799, 2800
				$5	2/26/1914	#206, 281
Jamestown, Franklin and Clearfield Railroad Co. First Mortgage 4% Gold Bond	JAM-500-B-45	$1000	6/1/1909	$5	12/13/1911	#6650
				$5	3/14/1914	#2144, 2145, 2147

City of Jersey City 1909 Refunding 4% Gold Bond		$1000	2/1/1909	$5	2/19/1915	#359, 374; three-line datestamp, unrecorded by Pruess
1913 Water Bond		$1000	5/1/1913	$5	5/1/1913	#18
Kalamazoo, Allegan and Grand Rapids Rail Road Co. First Mortgage 5% Bond	KAL-385a-B-50	$1000	7/2/1888	$5	9/25/1912	#93
				$5	???	#47
Kanawha and Michigan Railway Co. First Mortgage 4% Gold Bond	KAN-062-B-60	$1000	6/3/1890	$5	9/30/1911	#312
				$5	3/6/1912	#2004
				$5	3/12/1912	#1877–8; tiny 22mm h.s.
				$5	7/18/1912?	#1685
				$5	9/23/1914	#2056
				$5	8?/1/1915?	#2291; three-line datestamp, unrecorded by Pruess
				$5	???	#960
Lake Shore and Michigan Southern Railway Co. 3½% Gold Bond, vertical format	LAK-627-B-30	$1000	6/1/1897	$5	9/21/1911	#2649, 2701, 16432; vignette of Wm. K. Vanderbilt; early usage
				$5	1/7/1914	#6141
3½% Registered Gold Bond of 1897	LAK-627-B-35	$1000	1/26/1909	$5	9/27/1911	#M1660; vignette of Wm. K. Vanderbilt
			6/3/1897	$5	9/29/1911	#M103; 43mm large embossed “PAID”; “JJE”
			6/19/1897	$5	9/29/1911	#M173; 43mm large embossed “PAID”; “JJE”
	LAK-627-B-36	$5000	8/29/1911	$25	9/9/1911	#1656–7; second-earliest recorded usage of Secured Debt stamp; $25 EKU
			8/23/1911	$25	9/18/1911	#1653–4; 43mm large embossed “PAID”; “EWB”
			6/3/1897	$25	9/29/1911	#275–6; 43mm large embossed “PAID”; “JWB”
4% Gold Bond	LAK-627-B-40	$1000	11/18/1903	$5	9/18/1912	#M6949
				$5	9/30/1913	#M1243
				$5	1/28/1914	#M1679
				$5	???	#M8353
4% Registered Gold Bond of 1903	LAK-627-B-50	$1000	1/5/1912	$5	9/29/1911	#RM667–9, 673–683, 685–6; #RM681 43mm large embossed “PAID”; “JWB”; backdated?
			1/5/1912	$5	9/29/1911	#RM684; “WJN”? ; backdated?
	LAK-627-B-52	$5000	12/15/1906	$25	9/19/1911	#RVM138, 269
			5/7/1912	$25	5/10/1912	#RVM329
	LAK-627-B-53	$10,000	2/13/1906	$50	9/19/1911	#XM223–4; to Lincoln Safe Deposit Co.
			10/13/1906	$50	9/19/1911	#XM263–4; ditto
			12/15/1906	$50	9/19/1911	#XM267–8; ditto
4% Registered Gold Bond of 1906	LAK-627-B-60	$1000	6/4/1907	$5	9/26/1913	#22–3
Lehigh Valley Terminal Railway Co. First Mortgage 5% Gold Bond	LEH-852-B-30	$1000	10/1/1891	$5	7/17/1912	#695
				$5	9/??/1913	#5440
				$5		24 more reported in dealer stock
Michigan Central Rail Road Co. First Mge. Regis. Bond on Detroit & Bay City RR, 1881	MIC-182b-B-11b	$5000	???	$25	???	#327; R. M. Smythe Penn Central list #1, 1986
First Mge. Regis. Bond on Michigan Air Line RR, 1890	MIC-182b-B-20	$1000	7/7/1915	$5	9/26/1911	#0433; cancel date precedes issue!
	MIC-182b-B-21b	$5000	11/10/1908	$25	9/24/1912	#551; very late use of “EWB”; to Mildred B. Bliss
			2/24/1911	$25	9/26/1911?	#617
			1/17/1919	$25	12/13/1913	#757–8; cancel predates issue
			7/27/1916	$25	8/12/1914	#706; cancel predates issue; 17mm “PAID”

Company/Bond	Cox#	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Michigan Central Railroad Co. First Mortgage 4% Registered Bond of 1902	MIC-182c-B-42	$10,000	1/8/1912	$50	9/12/1912	#353–5
4% Gold Bond of 1909, secured by First Mortgage of Grand River Valley RR,	MIC-182c-B-64	$1,000	9/1/1909	$5	9/20/1912	#349
Mills & Gibb 8% Gold Debenture		$1000	1/1/1900	$5 U.S. R171	9/29/1913 4/12/1900	#229, 235, 281–2, 290; others exist. Mills & Gibb was a US importing and jobbing firm in New York City. It specialized in lace and linen, as well as dry goods.
Morris County Traction Co.	MOR-706-B51	$1000	6/15/1905	$5	9/25/1911	#616; 43mm large embossed "PAID"
Morris and Essex Railroad Co. First Refunding Gold Mortgage Bond	MOR-735b-B-50	$1000	12/1/1900	$5 U.S. R171	9/25/1913	#4297; U.S. stamp on reverse
				$5	3/3/1915	#18328, three-line datestamp
				$5	???	#11695
New Jersey Junction Rail Road Co.	NEW-227-B-50	$1000	6/30/1886	$5	7/31/1912	#???; these usually signed J. P. Morgan as trustee
				$5	9/26/1912	#566; signed Morgan; ms. date cancel, unique thus; eBay $213 May 2100
New York and Erie Railroad Co. First Mortgage Bond; Refinancing Contract	unlisted?	$1000	1/1/1898	$5	???	#2146; Winslow auction
New York Central and Hudson River Railroad Co. 4% Gold Debenture of 1904	NEW-533a-B-10	$1000	9/26/1913	$5	9/30/1913	#M515, 517, 539–40, 557–64, all estate of Isaac Kleinart
			5/14/1914	$5	9/30/1913	#M632; cancel predates issue
	NEW-533a-B-11	$5000	11/4/1908	$25	9/28/1911	#V167; Isaac B. Kleinert; 43mm large embossed "PAID"; "JWB"
	NEW-533a-B-12	$10,000	9/30/1904	$50	9/28/1911	#X70, 71; Isaac B. Kleinert; 43mm large embossed "PAID"; "JWB"
			9/30/1904	$25 (x2)	9/28/1911	#X72; Isaac B. Kleinert; 43mm large embossed "PAID"; "JWB"
			21/11/1906	$50	9/29/1911	#X207; 43mm large embossed "PAID"; "JJF"
			10/3/1904	$50	3/12/1912	#X73, Ann White; X74, Cornelia Leroy White
4% Gold Debenture of 1912	NEW-533a-B-70	$1000	1/1/1912	$5	5/18/1912	#8262, #8282–3
				$5	5/21/1912	#7826, 9046
				$5	???	#6754
4% Registered Gold Debenture of 1912	NEW-533a-B-73	$10,000	5/13/1912	$50	1/31/1912	#X4-5; to Chauncey Depew
			5/13/1912	$50	1/31/1912	#X13-5; to William K. Vanderbilt
			5/13/1912	$50	1/31/1912	#X17-8; to Wm. K., Frederick W. and George W. Vanderbilt, Executors under will of W. H. Vanderbilt, Dec'd.
			1/16/1913	$50	1/31/1912	#X33-5; to Western Transit Co. Insurance Sinking Fund
			12/12/1918	$50	1/31/1912	#X46; to Gertrude V. Whitney and Reginald C. Vanderbilt, Trustees for Helen Steele Gwynne
			12/12/1918	$50	1/31/1912	#X48-9; to Alice G. Vanderbilt
			6/14/1912	$50	6/17/1912	#X24-6; to Lincoln Safe Deposit Co.
	NEW-533a-B-74	$50,000	5/13/1912	$100 (x2), $50	1/31/1912	#L2, 3; to Chauncey Depew
			5/13/1912	$100 (x2), $50	1/31/1912	#L5, 7; to Chauncey Depew as Trustee for Charlotte E. de Sers
			5/13/1912	$100 (x2), $50	1/31/1912	#L11-98; to William K. Vanderbilt; #L29, 43, 67, 72, 77 stamp faults

			5/13/1912	$100 (x2), $50	1/31/1912	#L100-103; to Wm. K., Frederick W. and George W. Vanderbilt, Executors under will of W. H. Vanderbilt, Dec'd.
			5/13/1912	$100 (x2), $50	1/31/1912	#L104-21; to Alice G., Alfred G, Reginald C. and Wm. K. Vanderbilt, and Chauncey Depew, Executors under will of Cornelius Vanderbilt [II], Dec'd.
			5/13/1912	$100 (x2), $50	1/31/1912	#L122-4; to Alice G. Vanderbilt
			11/27/1912	$100 (x2), $50	1/31/1912	#L147-60; to United States Trust Co.
			1/13/1913	$100 (x2), $50	1/31/1912	#L168; to Western Transit Co. Insurance Sinking Fund
			11/12/1912	$100 (x2), $50	9/25/1912	#L129-45; to Alfred G. Vanderbilt
Lake Shore Collateral 3½% Gold Bond	NEW-533a-B-50	$1000	2/4/1898	$5	9/25/1911	#49889, 49930, 49937, 50762; early usage
				$5	9/29/1911	#1143; three strikes of tiny Type IF cancel
				$5	11/11/1913	#18154–5, 18160
				$5	???	#16228
Lake Shore Collateral 3½% Regis. Gold Bond of 1898	NEW-533a-B-55	$1000	6/13/1905	$5	9/28/1911	#M4195–6
			6/27/1905	$5	9/28/1911	#M4156–7
			11/23/1901	$5	10/9/1911	#M3003–4; initials "FJC" of Fred J. Coons, Agent at Albany
			5/9/1898	$5	9/23/1912	#M84–6
	NEW-533a-B-56	$5000	6/18/1898	$25	9/19/1911	#V745–7; Matthew B. DuBois
			1/16/1900	$25	9/25/1912	#V1021–5; to Alice G., Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter, Trustees under will of Cornelius Vanderbilt [II], in trust for Alfred G. Vanderbilt
			11/12/1912	$25	9/25/1912	#V2377; to Alfred G. Vanderbilt; cancel backdated
			5/31/1898	$25	12/11/1913	#V519–27; in trust for Emily V. Forsyth
	NEW-533a-B-58	$50,000	10/26/1900	$100 (x2), $50	9/18/1911	#L526; under will of Jos. C. Hoaglund; small stamp faults; EKU of $50, $100; one datestamp ties $100
			12/30/1901	$100 (x2), $50	9/21/1911	#L432; under will of Jos. C. Hoaglund; small stamp faults
			1/16/1900	$100 (x2), $50	9/25/1912	#L333–8, 340–4; to Alice G., Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter, Trustees under will of Cornelius Vanderbilt [II], in trust for Alfred G. Vanderbilt
			1/16/1900	$100 (x2), $50	9/25/1912	#L346–50, 353–7; same trustees, for Gertrude V. Whitney
			1/16/1900	$100 (x2), $50	9/25/1912	#L359–70; same trustees, for Reginald C. Vanderbilt
			1/16/1900	$100 (x2), $50	9/25/1912	#L372–83; same trustees, for Gladys Moore Vanderbilt
			1/16/1900	$100 (x2), $50	9/25/1912	#L385; same trustees, for Cornelius Vanderbilt [III]
			1/16/1900	$100 (x2), $50	9/25/1912	#L406–18; same trustees, no party specified; L410 and 412 with imprints "QUAYLE & SO" and "NS, ALBANY, N.Y."
			12/3/1907	$100 (x2), $50	9/25/1912	#L935–50; same trustees, no party specified
Michigan Central Collateral 3½% Gold Bond	NEW-533a-B-60	$1000	4/13/1898	$5	9/27/1911	#2709
				$5	9/28/1911	#17132; three strikes of tiny Type IF cancel
				$5	6/19/1912	#7693
				$5	9/27/1912	#15973
				$5	??/??/1914	#2175
				$5	3/30/1915	#2529, 2545; "WBL" initials (applied Albany?); 43mm large embossed "PAID"

Company/Bond	Cox#	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
New York Central and Hudson River Railroad Co. (cont.) Michigan Central Coll. 3½% Regis. Gold Bond of 1898	NEW-533a-B-62	$5000	11/12/1912	$25	9/25/1912	#V337, to Alfred G. Vanderbilt ; cancel backdated
	NEW-533a-B-63	$10,000	11/12/1912	$50	9/25/1912	#X325, 327, to Alfred G. Vanderbilt ; cancel backdated
	NEW-533a-B-64	$50,000	1/16/1900	$100 (x2), $50	9/25/1912	#L9–15, 17, 18, 20, to Alice G., Alfred G. and Wm. K. Vanderbilt, Chauncey Depew, E. V. W. Rossiter, Trustees under will of Cornelius Vanderbilt [II], in trust for Alfred G. Vanderbilt
			1/16/1900	$100 (x2), $50	9/25/1912	#L21 (illustrated by Cox), 23–4, same trustees, in trust for Gertrude V. [Vanderbilt] Whitney
			1/16/1900	$100 (x2), $50	9/25/1912	#L35–9, 41–6, same trustees, in trust for Reginald C. Vanderbilt
			1/16/1900	$100 (x2), $50	9/25/1912	#L69–81, same trustees, under will of Cornelius Vanderbilt [II]
			11/12/1912	$100 (x2), $50	9/25/1912	#L307–10, 313, 315–7, to Alfred G. Vanderbilt; cancel predates issue
New York, Susquehanna and Western Railroad Co. First Mortgage Refunding 5% Gold Bond	NEW-794a-B-30	$1000	1/1/1887	$5	8/15/1912	#3727; Gt. Britain Transfer Duty 1891 2s blue
General Mortgage 5%, 5% Gold Bond	NEW-794a-B-33	$1000	8/1/1890	$5	12/20/1911	#1369
Terminal First Mortgage, 50 Year 5% Gold Bond	NEW-794b-B-35	$1000	5/1/1893	$5	6/11/1913	#189
North Jersey Rapid Transit Co. First Mortgage 5% Gold Bond	NOR-285-B-50	$1000	5/2/1910	$5	5/1/1912	#517, 521, 524, 525
Northern Pacific Railway Co. General Lien Railway and Land Grant Gold Bond	NOR-790-B-15	$500	11/10/1896	$2.50	9/19/1911	#D8405; $2.50 EKU; early usage
Prior Lien Railway and Land Grant Gold Bond	NOR-790-B-26	$1000	11/10/1896	$5	4/14/1913	#M22584
				$5	4/16/1913	#M83388; signed Daniel Lamont
				$5	9/23/1914	#M45357; Germany "SECHS VOM TAUSEND" (0.6%) tax handstamp
Pacific & Idaho Northern Railway Co.	PAC-484-B-50	$1000	11/1/1899	U.S. R171 $5	 9/29/1911	#514; U.S. stamp on back
Peoria and Eastern Railway Co. Mortgage 4% Non-Cumulative Bond	PEO-471-B-50	$1000	2/21/1890	$5	9/18/1911	#3308, 3849
Pine Creek Railway Co. First Mortgage 6% Registered Bond of 1882	PIN-414-B-50	$1000	3/20/1885	$5	9/25/1914	#132, 168, 213–4; to E. V. W. Rossiter, signed Wm. K. Vanderbilt, Chauncey Depew as trustees
City of Providence School Loan due 1927		$1000	1/24/1913	$5	1/28/1913	#109, to Emma Flower Taylor, Watertown, NY; very late use of large datestamp
			9/24/1913	$5	9/27/1913	#164, 166, 170; to Leslie McCrum of NYC
St Louis Southwestern Railway Co. Second MortgageGold Income Bond Certificate	STL-857-B-51	$1000	2/12/1891	$5	9/24/1913	#10532, 10832; LaBarre stock
				$5	3/20/1915	#11180; three-line datestamp; on reverse Germany red circular tax handstamp; LaBarre stock
Scioto Valley and New England Railroad Co. First Mortgage 4% Gold Bond	SCI-500-B-50	$1000	11/1/1889	$5	9/28/1911	#229
				$5	11/29/1911	#3294; 43mm large embossed "PAID"; "LOA"

				$5	12/19/1911	#2644
				$5	1/23/1912	#2795
				$5	9/11/1912	#4284; Great Britain Transfer Duty 1890 2s brown on reverse
				$5	?/17/1915	#3796
Toledo, Peoria & Western Railway Co. First Mortgage 4% Registered Gold Bond	TOL-648a-B-60	$1000	7/1/1887	$5	2/29/1912	#3667; eBay $100 BIN; stamp small fault
				$5	9/?/1912?	#3500
United States Steel Corporation 5% Registered Gold Bond, Series A (red, payable Jan, July)		$5000	6/14/1901	$25	7/23/1912	#61; to Andrew Carnegie; canceled Feb 19, 1920
		$50,000	6/14/1901	$100 (x2), $50	7/23/1912	#403; to Andrew W. Carnegie; bond canceled Jul 23, 1913
		$100,000	6/14/1901	$100 strip of five	7/23/1912?	#780; to Andrew W. Carnegie; bond canceled Jul 23, 1913; AMFH holdings
Series B (gray, payable Feb, Aug))		$5000	6/15/1901	$25	7/??/1912	#144, 147; to Andrew W. Carnegie; canceled Feb 19, 1920
		$20,000	6/15/1901	$100	7/22/1912	#373, 418–9; to Andrew W. Carnegie; canceled Feb 19, 1920
Series D (orange, payable Apr, Oct)		$5000	6/15/1901	$25	7/23/1912	#130; to Andrew W. Carnegie; canceled Feb 19, 1920
Series F (blue, payable June, Dec))		$20,000	6/15/1901	$100	7/23/1912	#401; to Andrew W. Carnegie; canceled Feb 19, 1920
		$100,000	6/15/1901	$100 (x5)	7/23/1912	#576; to Andrew W. Carnegie; canceled Dec 13, 1912; transfer slip to Carnegie Free Library, signed Carnegie!
Annuity bonds Series A (red)		$100,000	2/19/1920	$100 strip of five	(7/25/1912) (9/28/1917)	#2727; ; amount handstamped; to Home Trust Co., Hoboken, N.J., Trustee under will of Andrew Carnegie for (ms.) George L. Carnegie (Andrew Carnegie's nephew); 5% interest on this provided $5000 annuity; interest on two accompanying $5000 bonds presumably covered administrative costs; stamps with 7/25/1912 straight-line cancel, also TAX EXEMPT FOR FIVE YEARS framed Investments tax cancel dated 9/26/1917; both predate issue of bond ; stamps with ms. initials "HD" (not seen on any other stamps; initials not otherwise seen after 9/28/1915); annuity bonds issued 2/19/1920, replacing others canceled the same day previously stamped at 0.5% rate, thus only $500 tax needed, not the $1000 required at Investments rate.
Series C (brown, payable Mar, Sep)		$100,000	2/19/1920	$100 (x5)	(7/25/1912)	#2913; as above, for Miss Margaret Lauder (Carnegie's cousin)
Series D (orange)		$100,000	2/19/1920	$100 (x5)	(7/25/1912) (9/26/1917)	#2728; as above, for John W. Beatty (Carnegie Institute Director of Fine Arts)
			2/19/1920	$100 (x5)	(7/25/1912) (9/2?/1917)	#2784; as above, for Frank M. Wilmot (Secretary, Carnegie Hero Fund); one stamp small faults
Series E (slate, payable May, Nov)		$100,000	2/19/1920	$100 (x5)	(7/25/1912) (9/2?/1917)	#2522; as above, for Mrs. Edith K. Roosevelt (widow of President Theodore Roosevelt)
			2/19/1920	$100 (x5)	(7/25/1912) (9/2?/1917)	#2525; as above, for (ex-President) William H. Taft
			2/19/1920	$100 (x5)	(7/25/1912) (9/26/1917)	#2537; as above, for Dr. Robert S. Woodward (President, Carnegie Institution); one stamp faulty
Series F (blue)		$5000	2/19/1920	$25	(7/25/1912)	#2913; as above, for Thomas Burt (British MP and lifelong Carnegie friend)
		$100,000	2/19/1920	$100 (x5)	(7/25/1912) (9/28/1917)	#2926; as above, for John A. Poynton (Carnegie's Secretary)

Company/Bond	Cox#	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Western Maryland Railroad Co. First Mortgage 4% Registered Gold Bond	WES-707b-B-75	$1,000	4/16/1912	$5	4/18/1912	#M629
West Shore Railroad Co. First Mortgage Guaranteed Bond horizontal format, red orange & black	WES-304-B-56b	$1000	11/10/1911	$5	11/14/1911	#35300–1; large embossed "PAID"
State of New York Comptroller's Office Tax on Secured Debt certificate		$500	3/1/1912	$2.50	3/1/1912	Certifies that $2.50 has been received paying tax on Northern Pacific Ry. Co. $500 bond #D11223; to Douglas Taylor, Poughkeepsie, N.Y.; stamp initialed "FJC" by Fred J. Coons
		$1000	4/15?/1912	$5	(4/15/1912)	Ditto, $5.00 paying tax on Chicago, Indiana & Southern Railroad Co. $1000 bond; to Henry May, Catskill, N.Y.; stamp initialed "FJC" by Fred J. Coons

Secured Debt IIA
Tax 0.75%/5 years
5/1/1915 – 10/31/1915

Company/Bond	Cox #	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Beech Creek Railroad Co. First Mortgage Registered Bond	BEE-333a-B-40	$1000	2/11/1891	$5, $2.50	10/13/1915	#11, 12; Type IIC Albany cancel
Chicago, Indiana & Southern Railroad Co. 4% Gold Bond	CHI-288-B-40	$1000	6/27/1906	$5, $2.50	9/29/1915	#11887, 11888
Cincinnati, Indianapolis, St. Louis and Chicago Rwy. Co. First Consolidated Mortgage Bond	CIN-382-B-41	$1000	3/8/1880	$5, $2.50	9/24/1915	#1189
Cleveland, Cincinnati, Chicago and St. Louis Railway Co. First Collateral Trust Mortgage 4% Gold Bond, St. Louis Division, vertical format	CLE-413-B-10	$1000	11/1/1890	$5, $2.50	9/12/1915	#8666
4% Gold Bond secured by First Mortgage of Cairo, Vincennes & Chicago Railway Co.	CLE-413-B-20	$1000	1/1/1890	$5, $2.50	9/30/1915	#1582; magenta cancel on $2.50; Gt. Britain embossed £1 (12-12-00; day-mo-yr)
Cleveland, Cincinnati, Chicago and St. Louis Rwy. Co. (cont) 4% Gold Bond Cincinnati, Wabash & Michigan Railway Division	CLE-413-B-25	$1000	5/9/1891	$5, $2.50	9/29/1915	#3519
General Mortgage Gold Bond	CLE-413-B-30	$1000	5/15/1893	$5, $2.50	9/16/1915	#1224, 8542, 8547; Type IIC Albany cancel; #1224 with British £1 & 1s embossed revenues (4-12-93)
				$5, $2.50	10/13/1915	#4990
				$5, $2.50	10/28/1915	#3398–3400
Cleveland Short Line Railway Co. 50 Year First Mortgage Gold Bond of 1911	CLE-787-B-50	$1000	5/1/1911	$5, $2.50	9/30/1915	#8477
Colorado, Wyoming and Eastern Railway Co. General Mortgage Income 6% Gold Bond	COL-339-B-48	$100	1/1/1914	50¢, 5¢ (x5)	9/23/1915	#C8; Albany cancels; Cox R7, only recorded example

Edgewater Basin Co. First Mortgage Gold Bond		$1000	10/1/1907	$5, $2.50	??/??/1915	#91; total issue only $100,000; eight more in dealer stock
Green Mountain Marble Co. 6% First Mortgage Gold Bond		$500	12/1/1910	$2.50, $1, 5¢ (x5)	9/29/1915	#212–5; #215 one 5¢ with guideline; #212 stamps over edge and damaged; #213 $2.50 missing
Iron Steamboat Co. of New Jersey 4% Second Lien Gold Bond		$500	11/20/1902	$2.50, $1, 5¢ strip of five	9/29–30/1915	#678, 803, 860; three others reported
City of Jersey City 1905 4% Refunded Assessment Gold Bond		$1000	6/1/1905	$5, $2.50	10/22/1915	#3364
1909 Refunding 4% Gold Bond		$1000	2/1/1909	$5, $2.50	10/22/1915	#262
Lake Shore and Michigan Southern Railway Co. 3½% Gold Bond, vertical format	LAK-627-B-30	$1000	6/1/1897	$5, $2.50	10/29/1915	#13338; vignette of Wm. K. Vanderbilt;
3½% Registered Gold Bond, horiz. format	LAK-627-B-36	$5000	7/7/1897	$25, $10, $2.50	9/29/1915	#483; to William W. Cole
			12/4/1916	$25, $7.50, $5	9/29/1915	#2000; to J. van Dyke Miller; cancels backdated
	LAK-627-B-37	$10,000	12/4/1916	$50, $25	9/29/1915	#2621; to J. van Dyke Miller; cancels backdated; bond ovptd. "THE NEW YORK CENTRAL RAILROAD COMPANY, Successor to" preceding company name lower right;
25 Year 4% Gold Bond	LAK-627-B-40	$1000	11/18/1903	$5, $2.50	10/5/1915	#M6927? (two seen)
25 Year 4% Registered Gold Bond	LAK-627-B-50	$1000	1/23/1915	$5, $2.50	9/29/1915	#RM829
	LAK-627-B-53	$10,000	1/27/1915	$50, $25	9/29/1915	#XM411
25 Year 4% Registered Gold Bond of 1906	LAK-627-B-61	$5000	12/4/1907	$25, $10, $2.50	9/30/1915	#26–7
Lehigh Valley Terminal Railway Co. First Mortgage 5% Gold Bond	LEH-852-B-30	$1000	10/1/1891	$5, $2.50	9/22/1915	#3186–7
				$5, $2.50	10/13/1915	#850, 851; Type IIC Albany cancel
Michigan Central Rail Road Co. First Mortgage 4% Registered Bond	MIC-182b-B-21b	$5000	1/31/1914	$25, $10, $2.50	10/25/1915	#686, 687; to Mildred B. Bliss
Michigan Central Railroad Co. First Mortgage 4% Registered Bond of 1902	MIC-182c-B-40	$1000	4/27/1915	$5, $2.50	10/30/1915	#327
New York Central Railroad Co. 20 Year 6% Registered Gold Debenture of 1915	NEW-530b-B-51	$5000	11/17/1915	$25, $10, $2.50	7/1/1915	#V44; cancel predates issue; $10 "EWB" (initialed Aug 1911!), earliest usage of $10; earliest example of 1915 rate
			9/4/1915	$25, $10, $2.50	9/11/1915	#V13–5
			5/7/1917	$25, $7.50, $5	9/28/1915	#V70; to Wm. K., Wm. K., Jr. and Harold S. Vanderbilt, Trustees for Wm. K. Vanderbilt, Jr. ; cancels backdated
			9/14/1915	$5 (x7), $2.50	9/29/1915	#V19
	NEW-530b-B-52	$10,000	5/7/1917	$50, $25	9/28/1915	#X142, 144; to William K. Vanderbilt et al as Trustees for Harold S. Vanderbilt; cancels backdated
	NEW-530b-B-53	$50,000	8/31/1915	$100 (x3), $50, $25	9/28/1915	#L263, 269, 286, 289; to William K. Vanderbilt; one $100 on #269 is a bottom margin copy with partial imprint "S, ALBANY, N.Y."
			5/7/1917	$100 (x3), $50, $25	9/28/1915	#L453, 473; to Wm. K., Wm. K., Jr. and Harold S. Vanderbilt, Trustees for Ann H. Vanderbilt; cancels backdated
New York Central and Hudson River Railroad Co. 30 Year 4% Gold Debenture (of 1904)	NEW-533a-B-11	$5000	12/17/1909	$25, $10, $2.50	9/29/1915	#V199; to Wm. Washington Cole

Company/Bond	Cox#	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
New York Central and Hudson River Railroad Co. (cont.)	NEW-533a-B-12	$10,000	12/17/1909	$50, $25	9/29/1915	#X261; to Wm. Washington Cole
Michigan Central Collateral 3½% Gold Bond	NEW-533a-B-60	$1000	4/13/1898	$5, $2.50	???	#10520
Northern Pacific Railway Co. Prior Lien Railway and Land Grant Gold Bond	NOR-790-B-26	$1000	11/10/1896	$5, $2.50	9/13/1915	M83010; signed Daniel Lamont; $5 with ms. initials
				$5, $2.50	10/21/1915	M63805
				$5, $2.50	10/27/1915	M85820; signed C. S. Mellen
City of Providence Sewer Loan of 1914		$1000	5/1/1914	$5, $2.50	10/25/1915	#13, 17, 22, 40
Toledo, Peoria & Western Railway Co. First Mortgage 4% Registered Gold Bond	TOL-648a-B-60	$1000	7/1/1887	$5, $2.50	9/24/1915	#3649
Wilkes-Barre & Eastern Railroad Co. First Mortgage 5% Registered Gold Bond	WIL-120-B-50	$1000	1/1/1892	$5, $2.50	???	#130; DWA auction 2009, est $200+

Secured Debt IIB
Tax 75¢/$100/5 years
4/21/1916 – 12/31/1916

Company/Bond	Cox #	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Atlantic Coast Line Railroad Co.	ATL-427-B-49a	$5000	1906	$25, $7.50, $5	??/??/1916	1916 date follows from use of $7.50
Baltimore and Ohio Railroad Co. 27-yr Prior Lien 3% Registered Gold Bond of 1898	BAL-662d-B-36	$1000	5/5/1909	$7.50	9/19/1916	#M575–8; all to Kate W. Winthrop, canceled 10/31/1918
			6/23/1909	$7.50	9/19/1916	#M588
			11/22/1909	$7.50	9/19/1916	#M593–5
			1/28/1911	$7.50	9/19/1916	#M646
			1/30/1911	$7.50	9/19/1916	#M647
			1/31/1911	$7.50	9/19/1916	#M648
	BAL-662d-B-37	$5000	8/8/1916	$25, $10, $1 (x2), 25¢ (x2)	10/23/1915	#A467–8; A467 25¢ vert. right margin pair with guideline between; to Howard W. Charles; cancels backdated (23mm cancel of 1916 dated 1915, 25¢ not issued until 1916), presumably a replacement
			5/3/1909	$25, $7.50, $5	9/19/1916	#A293; all to Kate W. Winthrop; $25 initialed
			11/22/1909	$25, $7.50, $5	9/19/1916	#A303–4
			11/23/1909	$25, $7.50, $5	9/19/1916	#A307–8; canceled 10/31/1918
			1/28/1911	$25, $7.50, $5	9/19/1916	#A318; canceled 10/31/1918
			1/31/1911	$25, $7.50, $5	9/19/1916	#A319
			10/31/1918	$25, $7.50, $5	9/19/1916	#A498–502; to Robert Winthrop & Co.; $25 uninitialed; cancel dates two+ years before issue date, presumably backdated. Above bonds to Kate Winthrop canceled 10/31/1918 converted to these? (see also 4% bond below; note these were also stamped 9/16/1916); 40mm intermediate "PAID"
	BAL-662d-B-38	$10,000	7/1/1911	$50, $25	9/30/1916	#C798–800; to Charles L. Tiffany, Trustee (grandson of Chas. Lewis Tiffany, son of Louis Comfort Tiffany)

First Mortgage 4% Registered Gold Bond of 1898	BAL-662d-B-51a	$5000	1/2/1915	$25, $10, $1 (x2), 25¢ (x2)	6/22/1916	#A485; earliest use of any new denomination
			1/22/1914	$25, $7.50, $5	9/19/1916	#A476; to Kate W. Winthrop; canceled 10/31/1918
20-yr 4.5% Registered Gold Bond of 1913	BAL-662d-B-67	$1000	12/4/1916	$7.50	12/20/1916	#M189–91, 193, 199
Refunding & General 5% Mge. Regis. Bond of 1915	BAL-662d-B-80	($500)	5/23/1916	$3.75	11/21/1916	#B16; amount added by hand; at bottom "THE TAX IMPOSED BY THIS BOND BY THE ACT OF CONGRESS OF OCTOBER 22, 1914, HAS BEEN PAID AND STAMPS AFFIXED TO THE INDENTURE UNDER WHICH IT IS ISSUED."
	BAL-662d-B-81	$1000	11/14/1916	$7.50	11/17/1916	#M115–7
	BAL-662d-B-82	$5000	10/16/1916	$25, $7.50, $5	12/7/1916	#A34; same tax message as above
Chicago and Alton Railroad Co. 3% Refunding Gold Bond	CHI-010a-B-62	$1000	10/1/1899	$7.50	9/27/1916	#1922
Chicago and Erie Railroad Co. First Mortgage Gold Bond	CHI-177-B-50	$1000	8/21/1890	$7.50	6/26/1916	#5253; "NOORD HOLLAND 2,50 GL." blue h.s.'d revenue; earliest use of $7.50
Cincinnati, Indianapolis, St. Louis and Chicago Rwy. Co. General 4% Regis. First Mortgage Bond	CIN-382-B-53	$10,000	2/8/1904	$50, $25	9/19/1916	#263; paper missing top right selvage
Cincinnati, Sandusky and Cleveland Railroad Co. Consolidated First Mortgage Bond	CIN-745-B-50	$1000	1/1/1888	$7.50	9/5/1916	#2361–2
Cleveland, Cincinnati, Chicago and St. Louis Railway Co. 4% Gold Bond Cincinnati, Wabash & Michigan Railway Division	CLE-413-B-25	$1000	5/9/1891	$7.50	9/29/1916	#1898
Cleveland, Columbus, Cincinnati and Indianapolis Rwy. Co. General Mortgage Consolidated 6% Gold Bond	CLE-480-B-60	$1000	1/1/1884	$7.50	9/15/1916	#2,708
Cleveland Short Line Railway Co. 50 Year First Mortgage Gold Bond of 1911	CLE-787-B-50	$1000	5/1/1911	$7.50	9/15/1916	#10282
				$7.50	9/25/1916	#8104, 8634
Consolidated Arizona Smelting Co. 5% 30 year Convertible Income Bond		$500	1/1/1909	$3.75	9/30/1916	B810
Lake Shore and Michigan Southern Railway Co. 3½% Registered Gold Bond, horiz. format	LAK-627-B-35	$1000	12/3/1907	$7.50	11/20/1916	#M1405–7; Type IIC Albany cancel
25 Year 4% Gold Bond	LAK-627-B-40	$1000	11/18/1903	$7.50	???	#M7791
Michigan Central Rail Road Co. First Mortgage 4% Registered Bond	MIC-182b-B-21b	$5000	11/22/1917	$25, $10, $1 (x2), 25¢ (x2)	9/19/1916	#713–16, 733–5; to Robert Winthrop & Co.; cancel predates issue by 1+ year; $10 and $25 uninitialed, presumably a conversion with cancels backdated
Michigan Central Railroad Co. 20 Year 4% Registered Gold Debenture of 1909	MIC-182c-B-65	$1000	6/29/1911	$7.50	9/30/1916	M41–2
	MIC-182c-B-66	$5000	1/29/1911	$25, $7.50, $5	9/30/1916	V26; to Charles L. Tiffany, Trustee (grandson of Chas. Lewis Tiffany, son of Louis Comfort Tiffany)
Morris and Essex Railroad Co. First Refunding Gold Mortgage Bond	MOR-735b-B-50	$1000	12/1/1900	$5 U.S. R171	12/23/1916	#6616; U.S. stamp on reverse

Company/Bond	Cox#	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
New Jersey Junction Rail Road Co.	NEW-227-B-50	$1000	6/30/1886	$5, $2.50	5/16/1916	#???; $7.50 not yet available
				$5, $2.50	5/20/1916	#651, signed J. P. Morgan on reverse; $2.50 tiny corner piece missing
New Mexico Railway and Coal Co. First and Consolidated Mortgage and Collateral Trust 55 Year 5% Gold Bond	NEW-309-B-46	$1000	10/1/1901	U.S. R171 Secured Debt $7.50	10/1/1901 9/21/1916	#1999
New York and Erie Rail Road Co.	NEW-591-B-30	$1000	7/1/1847	U.S. R70c Secured Debt $7.50	6/17/1867 ??/??/1916	#2855; signed on reverse by Millard Fillmore (13th President) as comptroller; 1916 date follows from use of $7.50
New York Central Railroad Co. 20 Year 6% Registered Gold Debenture of 1915	NEW-530b-B-51	$5000	9/22/1915	$25, $7.50, $5	6/27/1916	#V25
			11/19/1917	$25, $10, $1 (x2), 25¢ (x2)	12/23/1916	#V85; cancel predates issue; both $1 damaged
New York Susquehanna & Western Railroad Co; Terminal First Mortgage, 50 Year 5% Gold Bond	NEW-794b-B-35	$1000	5/1/1893	$7.50	11/9/1916	#1169
Norfolk and Western Railway Co. First Consolidated Mortgage 4% Gold Bond	NOR-080a-B-36	$5000	10/3/1916	$25, $7.50, $5	9/27/1916	#RB1215–16; cancel predates issue; others seen
Northern Pacific Railway Co. Prior Lien Railway and Land Grant Gold Bond	NOR-790-B-26	$1000	11/10/1896	$7.50	9/26/1916	M87222; signed C. S. Mellen
St. Francois County Railroad Co. First Mortgage 5% Gold Bond	STF-833-B-67	$1000	7/1/1915	U.S. R215 $7.50	7/1/1915 9/29/1916	#93, 103 (of 250); U.S. 1914 50¢
United States Steel Corporation 5% Registered Gold Bond, Series D (orange)		$5000	9/29/1916	$25, $7.50, $5	9/29/1916	#2433, to Andrew Carnegie (ms.)
State of New York Comptroller's Office Tax on Secured Debt certificate		$5000	1/3/1917	$25, $10, $2.50	12/30/1916	Certifies that $37.50 has been received paying tax on five American Telephone & Telegraph Co. $1000 bonds #14949–53; to Henry May, Buffalo; Type IIC Albany cancel

Tax on Investments
Tax 20¢/$100/year
6/1/1917– 5/9/1920

Company/Bond	Cox #	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Atchison, Topeka and Santa Fe Railway Co. General Mortgage 4% 100 Year Gold Bond	ATC-786-B-21	$1000	12/12/1895	Investments $10	9/18/1919	#73862; tax paid for five years
Atlantic Coast Line Railroad Co. First Consolidated Mortgage 4% Gold Bond, 1902	ATL-427-B-49a	$5000	3/19/1912	Secured Debt $50	12/27/1917	#V1111; tax paid for five years; co-latest use of Secured Debt stamp; to David Schoenfeld
			1/14/1918	Investments $50	9/27/1917	#V1153, 1161; tax paid for five years; to Union Trust Co., Guardian for estates of Rufus and Harriet Peckham, respectively; cancels predate issue, backdated
			2/2/1918	Investments $50	12/26/1918	#V1144; tax paid for five years; to Anna Tinker; stamp piece missing
	ATL-427-B-50a	$10,000	3/19/1912	Secured Debt $100	12/27/1917	#X1265; tax paid for five years; co-latest use of Secured Debt stamp; to David Schoenfeld
			1/14/1918	Investments $100	9/27/1917	#X1386–8; tax paid for five years; to Union Trust Co., Guardian for estates of Harriet Peckham, "an infant"; Henry A. Peckham, "an infant"; and Rufus Peckham, respectively; cancels predate issue, backdated
			2/2/1915	Investments $100	12/26/1918	#X1329–30; tax paid for five years; to Anna Tinker
Baltimore and Ohio Rail Road Co. 27-yr Prior Lien 3%Registered Gold Bond of 1898	BAL-662d-B-36	$1000	5/7/1900	Secured Debt $1 (x2) Investments $10	7/25/1917 6/25/1918	#M77; tax paid for one year, then five; to Frederic Barnum
	BAL-662d-B-37	$5000	5/12/1916	Secured Debt $50	8/9/1917	#A464; tax paid for five years
	BAL-662d-B-38	$10,000	10/26/1916	Investments $100	9/24/1918	#C1152; tax paid for five years
First Mortgage 4% Registered Gold Bond of 1898	BAL-662d-B-51a	$5000	1/12/1918	Investments $50	9/27/1917	#A547-8; tax paid for five years; to Union Trust Co., Guardian for estates of Henry A. Peckham, "an infant"; and Rufus W. Peckham, respectively; cancels predate issue, backdated; A548 stamp damaged by "PAID" embossed stamp
20-yr 4.5% Registered Gold Bond of 1913	BAL-662d-B-67	$1000	9/9/1916	Secured Debt $1 (x2) Investments $2	9/23/1917 9/25/1918	#M118
			12/4/1917	Investments $10	9/25/1918	#M152; tax paid for five years
			12/7/1916	Investments $2 p. 11	10/6/1919	#M192; Type IVA cancel with initials "J.G.M"
	BAL-662d-B-68	$5000	12/7/1916	Investments $10	10/6/1919	#A73; Type IVA cancel with initials "J.G.M"
	BAL-662d-B-69	$10,000	6/14/1916	Investments $100	9/30/1918	#C134; tax paid for five years
Refunding & General 5% Mge. Regis. Bond of 1915	BAL-662d-B-82a	$5000	6/22/1916	Secured Debt $50	7/10/1917	#A24; tax paid for five years; to Evelyn Spencer Wetherbee; transferred Jan 30, 1918, to Evelyn W. Miller
			1/31/1918	Investments $50	7/10/1917	#A47; tax paid for five years; to Evelyn W. Miller, formerly Evelyn Spencer Wetherbee; cancel backdated to same date as on #A24 to Evelyn Spencer Wetherbee
	BAL-662d-B-83a	$10,000	9/4/1917	Secured Debt $10 (x2) Investments $20	9/11/1917 9/18/1918	C82

Company/Bond	Cox #	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Baltimore and Ohio Railroad Co. (cont.)			5/19/1916	Secured Debt $10 (x2) Investments $40	9/11/1917 9/13/1918	C5; water damage; discovery example of Investments $40
Baltimore and Ohio Railroad Co. Southwestern Division First Mortgage 3½% Registered Gold Bond	BAL-662e-B-56	$1000	10/16/1912	Secured Debt $1 (x2) Investments $2	9/24/1917 9/6/1918	#M506–15; to J. G. Hamilton and R. E. Prothero, Substituted Trustees under will of John Taylor Lord
Baltimore and Ohio Railroad Co. Southwestern Div. (cont.)			2/13/1918	Investments $2 Investments $2 Investments $2	9/27/1917 9/21/1918 9/26/1919	#M617–9; to Irene Fraser; 1917 cancel predates issue, backdated
			2/13/1918	Investments $2 Investments $2 Investments $2	9/27/1917 9/21/1918 9/30/1919	#M620–1; to Edward Whoriskey; 1917 cancel predates issue, backdated
	BAL-662e-B-57	$5000	2/13/1918	Investments $10 Investments $10 Investments $10	9/27/1917 9/21/1918 9/30/1919	#A264; to Edward Whoriskey; 1917 cancel predates issue, backdated
			4/9/1912	Secured Debt $50	12/18/1917	#A209; tax paid for five years; very late use of Secured Debt stamp; to David Schoenfeld
	BAL-662e-B-58	$10,000	4/10/1905	Secured Debt $10 (x2)	9/27/1917	#C140; co-latest use of Secured Debt $10 ; to Charles Fraser
			11/9/1917	Secured Debt $10 (x2)	9/27/1917	#C330; cancel predates issue; to Edward Whoriskey; co-latest use of Secured Debt $10
			4/9/1912	Secured Debt $100	12/18/1917	#C209–10; tax paid for five years; very late use of Secured Debt stamp; to David Schoenfeld
Big Sandy Railway Co. First Mortgage 4% Gold Bond	BIG-741-B-50	$1000	6/1/1904	Secured Debt $1 (x2) Investments $2	9/13/1917 9/28/1918	#1026–7, 1152–5, 1158
				Secured Debt $1 (x2) Investments $2	9/??/1917 9/27?/1918	#34
				Secured Debt $1 (x2) Investments $2	9/??/1917 9/28/1918	#810, 815, 820
Birmingham Terminal Co. Regis. First Mortgage 4% Gold Bond of 1907	BIR-909-B-30	$1000	1/7/1918	Investments $2 Investments $2 Investments $2	9/27/1917 9/21/1918 9/30/1919	#19; to Edward Whoriskey; cancel predates issue, backdated
Buffalo, Rochester and Pittsburgh Railway Co. Regis. Consolidated Mortgage Bond	BUF-735-B-51	$5000	9/12/1917	Secured Debt $5, $1 (x2) Investments $6, $1	9/13/1917 9/18/1918	#B821; $7 tax paid for one year, on portion of road lying outside New York! Only recorded example of Investments $6 on document
Chicago and Alton Railroad Co. 3% Refunding Gold Bond	CHI-010a-B-62	$1000	10/1/1899	Secured Debt $3.75, 25¢	7/31/1917	#28943; tax paid for two years
Chicago and Erie Railroad Co. First Mortgage Gold Bond	CHI-177-B-50	$1000	8/21/1890	Secured Debt $1 (x2) Investments $2	9/17/1917 9/21/1918	#467, 4214, 4949; "NOORD HOLLAND 2,50 GL." blue h.s.'d revenue
				Investments $2	9/18/1918	#5253; "NOORD HOLLAND 2,50 GL." blue h.s.'d revenue
				Investments $10	4/5/1918	#9047; tax paid for five years; earliest use of Investments stamp
Chicago, Indianapolis and St. Louis Short Line Railway Co. First Mortgage 4% Gold Bond	CHI-309-B-50	$1000	4/1/1903	Secured Debt $1 (x2) Investments $2	9/27/1917 9/25/1918	#797

Cincinnati, Indianapolis, St. Louis and Chicago Rwy. Co. First Consolidated Mortgage Bond	CIN-382-B-41	$1000	3/8/1880	Secured Debt $3.75, 25¢	9/21/1917	#668; tax paid for two years
Cincinnati, Sandusky and Cleveland Railroad Co. Consolidated First Mortgage Bond	CIN-745-B-50	$1000	1/1/1888	Secured Debt $10	9/28/1917	#2284, 2291; tax paid for five years
				Investments $10	9/9/1918	#2287, 2289, 2293–7, 2301–2; tax paid for five years
Cleveland, Cincinnati, Chicago and St. Louis Railway Co. First Collateral Trust Mortgage 4% Gold Bond, St. Louis Division, vertical format	CLE-413-B-10	$1000	11/1/1890	Secured Debt $10	9/8/1917	#1149; tax paid for five years; Gt. Britain red embossed £1 (4-16-07)
4% Gold Bond secured by First Mortgage of Cairo, Vincennes & Chicago Railway Co.	CLE-413-B-20	$1000	1/1/1890	Secured Debt $1 (x2) Investments $2 Investments $2	??/??/1917 ??/??/1918 10/7/1919	#1642
				Investments $10	10/8/1918	#8026
General Mortgage Gold Bond	CLE-413-B-30	$1000	5/15/1893	Investments $2 p. 11	9/27/1918	#20975
				Investments $2	9/12/1919	#21695
				U.S. R171 Investments $4	6/1/1902 6/12/1918	#16376; tax paid for two years; cancel initials "E.A.F."
				Secured Debt $10	7/19/1917	#4755; tax paid for five years
				Secured Debt $10	7/23/1917	#5707; tax paid for five years
				Secured Debt $10	7/31/1917	#1262; tax paid for five years; Gt. Britain red embossed £1 and 1s (4-12-93)
				U.S. R171 Secured Debt $10	11/14/1899 9/18/1917	#12826; tax paid for five years
				U.S. R171 Investments $10	6/1/1902 5/1/1918	#16377; tax paid for five years; early use of Investments stamp
Cleveland, Columbus, Cincinnati &Indianapolis Rwy. Co. General Mortgage Consolidated 6% Gold Bond	CLE-480-B-60	$1000	1/1/1884	Investments $2	9/18/1918	#1,264
Cleveland Short Line Railway Co. 50 Year First Mortgage Gold Bond of 1911	CLE-787-B-50	$1000	4/1/1911	Secured Debt $1 (x2) Investments $2 Investments $2 p. 11	6/29/1917 7/2/1918 9/18/1919	#10145; $1 pair "WBL" Type IVA Albany cancel (first recorded example); 1918 "A.A.K." (blue!); 1919 "J.G.M"
				Secured Debt $1 (x2) Investments $2 Investments $2 p. 11	7/15/1917 7/30/1918 9/25/1919	#6838; $1 magenta unframed circular cancels without initials (Pruess Type IIIA), ms "AAK" added; $2 Type IVA cancels with "A.A.K."
				Secured Debt $1 (x2) Investments $2	9/7/1917 8/9/1918	#8201, 8219, 8433
				Secured Debt $1 (x2) Investments $2	??? 8/16/1918?	#8173
				Secured Debt $3.75, 25¢	7/18/1917	#7848; tax paid for two years
	CLE-787-B-62	$5000	3/7/1917	Secured Debt $50	8/2/1917	#V45; tax paid for five years; "WBL" cancel
Elmira and Williamsport Railroad Co.	ELM-882-B-60	$500	5/1/1863	U.S. R51c Secured Debt $1 Investments $1	8/1/1863 9/20/1917 9/20/191(8)	
Imperial Chinese Govt. 5% Hukuang Railways Sinking Fund Gold Loan of 1911		£100	6/15/1911	Secured Debt $1	9/??/1917	#114107

Company/Bond	Cox#	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Imperial Chinese Govt.(cont.)				Secured Debt $1 Investments $1	9/21–4/1917 9/24–6/1918	22 recorded: #101472–5, 101481, 101742, 101744–5, 101766, 101768–9, 102676, 102678–9, 102833, 102856–9, 102986, 102988, 102990
Imperial Russian Govt. State 5½% Military Short-Term Loan		500rub	2/1/1916	Secured Debt 25¢ (x2), 5¢ (x2)	8/3/1917	#085058
Five Year 5½% Bond		$1000	11/8/1916	Investments $2	9/19/1918?	#16158
City of Jersey City 1902 4% Refunded Water Gold Bond		$1000	4/1/1902	Secured Debt $1 (x2) Investments $2 Investments $2	9/19/1917 9/17/1918 9/16/1919	#1203; also #1207, 1209, 1519; others seen
1905 4% Refunded Assessment Gold Bond		$1000	6/1/1905	Secured Debt $1 (x2) Investments $2 Investments $2	9/19/1917 9/17/1918 9/16/1919	#3477, 3487, 3489–90, 3514
1905 4% School Gold Bond		$1000	7/1/1905	Secured Debt $1 (x2) Investments $2 Investments $2	9/19/1917 9/17/1918 9/16/1919	#10; others seen
1911 Water Gold Bond		$1000	10/1/1911	Secured Debt $1 (x2) Investments $4	12/12/1917 12/9/1918	#6140; late use of Secured Debt stamps; $4 pays tax for two years
Kanawha & Michigan Railway Co. 4% 100 year Gold Bond	KAN-062-B-60	$1000	6/3/1890	Secured Debt $1 (x2)	9/12/1917	#2127
				Secured Debt $1 (x2) Investments $2 Investments $2	??? 9/21/1918 9/30/1919	#1402–3
				Investments $2 p. 11	9/27/1918	#1158, 1173
				Investments $2 Investments $2	9/25/1918 9/30/1919	#1075, 1093
				Secured Debt $3.75, 25¢	9/26/1917	#1156, 1169; tax paid for two years
				Secured Debt $10	7/6/1917	#1211, 1229; tax paid for five years; Type IVE cancel with initials "WBL", unrecorded by Pruess
				Secured Debt $10	9/26/1917	#919, 1725, 1987, 2075
Lake Shore and Michigan Southern Railway Co. 3½% Gold Bond, vertical format	LAK-627-B-30	$1000	6/1/1897	Secured Debt $1 (x2)	9/25/1917	#9925; vignette of Wm. K. Vanderbilt
				Secured Debt $1 (x2)	9/27/1917	#4576
				Investments $2	1/16/1919	##1441, 2480, 28475; Type IVA cancel with initials "A.A.K."
				Investments $2		Three more with $2 reported in dealer stock
				Investments $4	8/12/1919	#1735, 2614; tax paid for two years
				Secured Debt $10	7/20/1917	#4428, 4442–4; tax paid for five years
				Secured Debt $10		48 more with $10 stamp reported in dealer stock
3½% Registered Gold Bond, horiz. format	LAK-627-B-35	$1000	12/18/1912	Secured Debt $1 pair	7/3/1917	#M2697–9
			6/11/1897	Secured Debt $1 pair Investments $10	7/25/1917 6/25/1918	#M146; $10 pays for five years (tax rescinded May 1920!); to Frederic Barnum
			6/21/1897	Investments $2	9/27/1918	#M182-3
			10/14/1902	Investments $2	1/10/1919	#M678–9; Type IVA cancel with initials "A.A.K."; to Eliz. R. H. Bright (of Rome N.Y.)
			2/10/1903	Investments $2	1/10/1919	#M707; Type IVA cancel with initials "A.A.K."; to Eliz. R. H. Bright

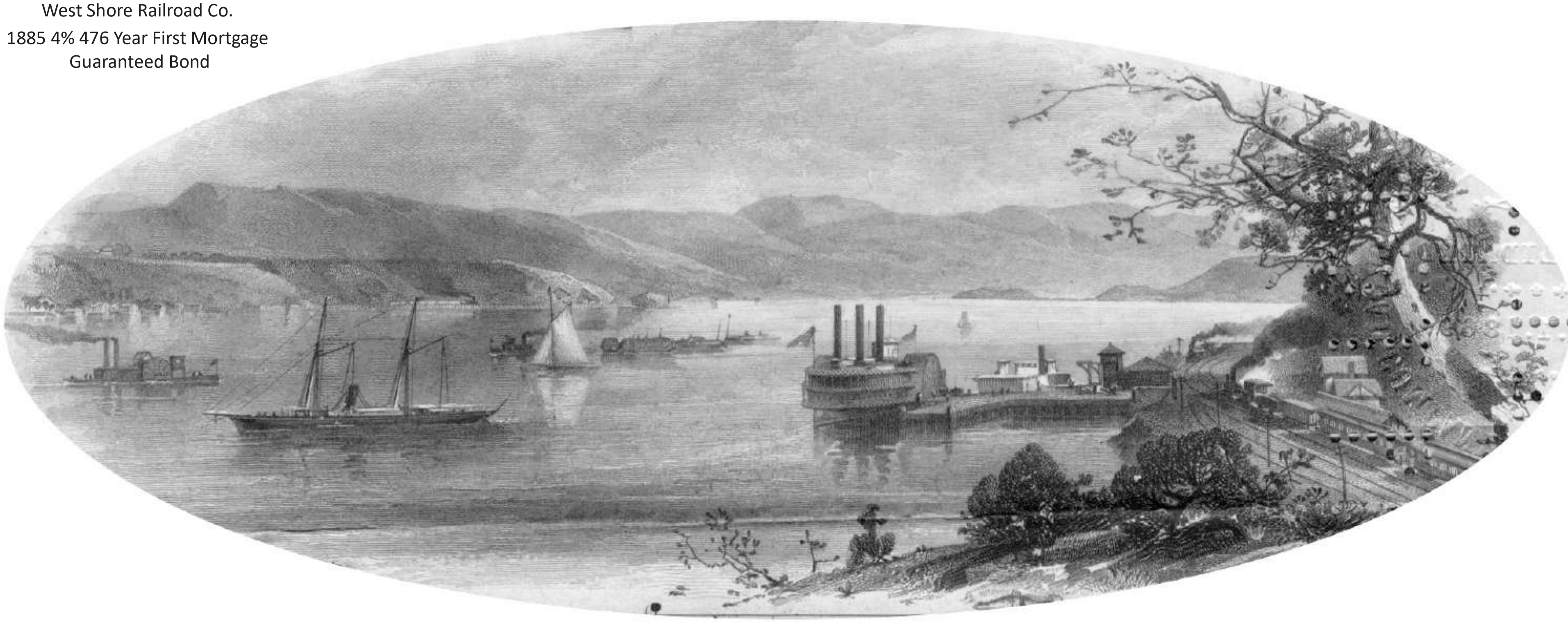
			1/24/1906	Investments $2	1/10/1919	#M933; Type IVA cancel with initials "A.A.K."; to Eliz. R. H. Bright
			5/18/1898	Secured Debt $10	9/24/1917	#M288–92; tax paid for five years
			6/15/1898	Secured Debt $10	9/24/1917	#M297; tax paid for five years
			6/21/1898	Secured Debt $10	9/24/1917	#M298; tax paid for five years
			7/14/1903	Investments $10	3/27/1919	#M736–8; tax paid for five years; Type IVE cancel with initials "A.A.K."; to Amelia S. Tracy (of Buffalo)
			12/18/1908	Investments $10	3/27/1919	#M1628; tax paid for five years; Type IVE cancel with initials "A.A.K."; to Amelia S. Tracy
	LAK-627-B-36	$5000	12/18/1912	Secured Debt $10	7/3/1917	#1788; early Investments tax; Florence St. John Pond
			6/3/1897	Secured Debt $50	9/20/1917	#31; tax paid for five years
	LAK-627-B-37	$10,000	12/18/1912	Secured Debt $10 pair	7/3/1917	#2339; early Investments tax; Florence St. John Pond
			12/2/1904	Secured Debt $10 pair Investments $20	9/27/1917 9/19/1918	#1372
			12/2/1904	Secured Debt $10 pair Investments $20	9/28/1917 9/19/1918	#1370
25 Year 4% Gold Bond	LAK-627-B-40	$1000	11/18/1903	Secured Debt $1 (x2) Investments $2	6/29/1917 6/13/1918	#M7862–3; second-earliest recorded Investments tax
				Secured Debt $1, 75¢, 5¢	9/29/1917	#M4190; $1.80 tax proportional to portion of road outside N.Y
				Secured Debt $1, 75¢, 5¢ Investments $3, 60¢	12/12/1917 12/9/1918	#M719; $1.80 tax paid for one year, then $3.60 for two, proportional to portion of road outside N.Y! Only recorded usage of Investments $3 and 60¢, only recorded example of $3!
				Secured Debt $1 (x2) Investments $2 Investments $2 p. 11	11/?0/1917 11/26/1918 12/15/1919	#M1249, 1266–7; paying full tax 1917-9; $1 stamps faint Type IIIA cancel; $2 Type IVA with initials "A.A.K." (1918), "J.G.M" (1919)
				Investments $1, 80¢ Investments $2	4/30/1918 1/30/1920	#M1790, 1797; proportional tax 1918, then full tax 1920! Early use of Investments stamp
				Investments $1, 80¢	9/27/1918	Ditto, #M5159–60, 5186–8
				Secured Debt $7.50, $1, 25¢ (x2)	7/18/1917	#M6918–23; $9 tax paid for five years, proportional to portion of road outside N.Y.; stamps damaged on M6918
				Investments $8, $1	11/20/1918	Ditto, #M7100; only recorded usage of $8
25 Year 4% Registered Gold Bond	LAK-627-B-50	$1000	7/9/1909	Secured Debt $1, 75¢, 5¢ Investments $2 p. 11	9/18/1917 10/11/1918	#RM534–5; to Joseph Chamberlain
			2/14/1918	Investments $2 Investments $2 Investments $2	9/27/1917 9/21/1918 9/26/1919	#RM973–6; to Irene Fraser
	LAK-627-B-52	$5000	7/9/1909	Secured Debt $7.50, $1, 25¢ (x2) Investments $10	9/18/1917 10/11/1918	#RVM206; to Joseph Chamberlain
	LAK-627-B-53	$10,000	7/9/1909	Secured Debt $10, $7.50, 25¢ (x2) Investments $20	9/18/1917 10/11/1918	#XM306–10; to Joseph Chamberlain
			11/9/1917	Secured Debt $10 (x2)	9/27/1917	#XM473; to Edward Whoriskey; cancel predates issue

Company/Bond	Cox #	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Lake Shore and Michigan Southern Railway Co. (cont.)	LAK-627-B-55	$20,000	4/18/1904	Mortgage Endorsement orange Secured Debt $100, $50, $25, $5	5/3/1917 7/2/1917	#XXM1–10; to Atlantic Mutual Insurance Co.; Mortgage stamps ms. "Cancelled June 20/17" with agent's signature; Investments tax paid for five years
25 Year 4% Registered Gold Bond of 1906	LAK-627-B-62	$10,000	9/13/1906	Mortgage Endorsement orange Secured Debt $50, $25, $10, $5	5/3/1917 7/2/1917	#1–5, 10; to Atlantic Mutual Insurance Co.; Mortgage stamps ms. "Cancelled June 20/17" with agent's signature; Investments tax paid for five years
Michigan Central Rail Road Co. First Mortgage 4% Registered Bond of 1890	MIC-182b-B-21b	$5000	5/27/1913	Secured Debt $50	8/1/1917	#665–71; tax paid for five years; to Mildred B. Bliss
Michigan Central Railroad Co. First Mortgage 4% Registered Bond of 1902	MIC-182c-B-40	$1000	3/2/1917	Secured Debt $10	8/2/1917	#357–9; tax paid for five years; Type IVE cancel with initials "WBL", unrecorded by Pruess
	MIC-182c-B-41	$5000	10/1/1906	Investments $10	6/19/1919	#252
Morris and Essex Railroad Co. First Refunding Gold Mortgage Bond	MOR-735b-B-50	$1000	12/1/1900	Secured Debt $1 (x2)	9/12/1917	#15278, 15422, 16478
				Secured Debt $1 (x2)	9/14/1917	#15879; stamps faulty
				Investments $2	9/30/1918	#9205; p.11
New Jersey and New York Railroad Co. 30 year 6% First Mortgage Bond	NEW-236-B-30	$500	4/3/1880	Investments $5	2/12/1919	#11; tax paid for five years; total issue only $400,000; extended to 1950
General Mortgage 40 Year 5% Gold Bond	NEW-236-B-56	$1000	12/31/1892	Investments $2 U.S. R240	9/18/1918 1/16/1933?	#261, 282–3, 330; all but #330 have 1932 extension attached stamped with U.S. $1 green; original issue or renewal briefly taxed at 10¢ per $100 (June 21, 1932– December 31, 1934)
New York Central Railroad Co. 20 Year 6% Registered Gold Debenture of 1915	NEW-530b-B-51	$5000	8/27/1915	Secured Debt $50	7/18/1917	#V6; tax paid for five years; Type IIIE cancel in red violet, initials "AAK"; to Elizabeth Hollister of Rochester
			6/29/1917	Investments $50	9/28/1918	#V67; tax paid for five years
New York Central and Hudson River Railroad Co. 30 Year 4% Registered Gold Debenture (of 1904)	NEW-533a-B-11	$1000	8/30/1909	Secured Debt $1, 75¢, 5¢ Investments $2 p. 11	9/18/1917 10/11/1918	#M401–3; to Joseph Chamberlain
	NEW-533a-B-12	$10,000	8/30/1909	Secured Debt $10, $7.50, 25¢ (x2) Investments $20	9/18/1917 10/11/1918	#X253–5; to Joseph Chamberlain
	NEW-533a-B-13	$50,000	2/1/1910	Secured Debt $100	7/20/1917	#L183–4; Emma S. Magee
			2/1/1910	Secured Debt $100 Investments $100	7/20/1917 6/6/1918	#L185–8; Emma S. Magee
New York Central and Hudson River Railroad Co. (cont.) Lake Shore Collateral 1898 3½% Registered Gold Bond	NEW-533a-B-55	$1000	5/18/1898	Investments $2 Investments $2 p. 11	12/26/1918 12/26/1919	M1296; 1918 cancel initials "E.A.F.", 1919 "J.G.M"; to Alden McGarvey, Albany
	NEW-533a-B-56	$5000	5/20/1898	Investments $10	7/17/1918	#V451; cancel initials "E.A.F."; to John Silvester, Coxsackie
			5/12/1898	Investments $10 Investments $10	12/26/1918 12/26/1919	V196–7; to Alden McGarvey, Albany; 1918 cancel initials "E.A.F.", 1919 "J.G.M"
Michigan Central Collateral 1898 3½% Gold Bond	NEW-533a-B-60	$1000	4/13/1898	Secured Debt $1 (x2)	6/27/1917	#5627; earliest Investments tax; note Type IV cancel already in use

				Investments $10	2/13/1919	#5689; tax paid for five years
	NEW-533a-B-61	$1000	8/28/1898	Secured Debt $1 (x2) Investments $2 p.11	7/16/1917 10/5/1918?	#M56–7; $1 Secured Debt unframed circular cancel without initials (Pruess Type IIIE), ms "AAK" added; Investments $2 Type IVA with initials "A.A.K."; inverted "5"; to Andrew D. White, Syracuse; Cox lists only two pre-1928
Mich. Cent. Collateral 1898 3½% Regis. Gold Bond	NEW-533a-B-62	$5000	6/20/1898	Secured Debt $10 Investments $10	7/16/1917 10/5/1918?	#V15–6; $10 Secured Debt unframed circular cancel without initials (Pruess Type IIIE), ms "AAK" added; Investments $10 Type IVA with initials "A.A.K."; inverted "5"; to Andrew D. White, Syracuse; V15 bond piece missing UR
	NEW-533a-B-63	$10,000	6/20/1898	Secured Debt $10 (x2) Investments $20	7/16/1917 10/5/1918?	#X29; $10 Secured Debt unframed circular cancel without initials (Pruess Type IIIE), ms "AAK" added; Investments $10 Type IVA with initials "A.A.K."; inverted "5"; to Andrew D. White, Syracuse
City of Newport News 4½% School Bond		$1000	1/1/1917	Secured Debt $10	9/4/1917	#103, 106–9; (only 130 issued); tax paid for five years; litho vignette incl. two early autos!
Norfolk and Western Railway Co. First Consolidated Mortgage 4% Gold Bond	NOR-080a-B-15	$500	10/22/1896	Secured Debt $5	7/20/1917	#D8583; tax paid for five years; rare unframed circular cancel without initials (Pruess Type IIIE)
	NOR-080a-B-16	$1000	10/22/1896	Secured Debt $10	8/13/1917	#2501; tax paid for five years; GB embossed £1
Norfolk Terminal and Transportation Co. First Mortgage 5% Gold Terminal Bond	NOR-063-B-50	$1000	2/1/1898	Secured Debt $1 (x2) Investments $2 Investments $2	9/20/1917 9/26/1918 9/19/1919	#374
Northern Pacific Railway Co. General Lien Railway and Land Grant Gold Bond	NOR-790-B-16	$1000	11/10/1896	Secured Debt $1 (x2) Investments $2 Investments $2	9/??/1917 ??/??/1918 11/25/1919	#M38856; $1 unframed circular cancel without initials (Pruess Type IIIA), ms "AAK" added; 1919 $2 cancel Type IVA with initials "A.A.K.", unlisted by Pruess; illustrated by Cox
				Secured Debt $1 (x2)	??/??/1917	#M25920
Prior Lien Railway and Land Grant Gold Bond	NOR-790-B-25	$500	11/10/1896	Secured Debt $5	9/18/1917	#D12493; tax paid for five years; Netherlands embossed 1940 1g
	NOR-790-B-26	$1000	11/10/1896	Investments $2	9/11/1918	M77996; signed C. S. Mellen
Peoria and Eastern Railway Co. Mortgage 4% Non-Cumulative Bond	PEO-471-B-50	$1000	2/21/1890	Investments $2	9/26/1918	#1383
				Investments $2	9/27/1918	#1790
Rio Grande Southern Railroad Co. First Mortgage 5% Gold Bond	RIO-786-B-50	$1000	7/1/1890	Secured Debt $1 (x2)	9/25/1917	#889; signed Otto Mears
				Secured Debt $1 (x2)	9/25/1917	#2080; signed Otto Mears
Scioto Valley and New England Railroad Co. First Mortgage 4% Gold Bond	SCI-500-B-50	$1000	11/1/1889	Secured Debt $1 (x2) Investments $10	8/22/1917 11/2/1918	#3612; tax paid for one year, then five; one $1 damaged
				Secured Debt $10	9/19/1917	#4474-5; paid for five years
Toledo & Ohio Central Railway Co. First Mortgage 4% Registered Gold Bond	TOL-565-B-30	$1000	2/1/1901	Secured Debt $1 (x2)	??/??/1917	#174

Company/Bond	Cox #	Amount	Bond Date	Stamp(s)	Stamp(s) Date	Comments
Toledo, Peoria & Western Railway Co. First Mortgage 4% Registered Gold Bond	TOL-648a-B-60	$1000	7/1/1887	Secured Debt $1 (x2) Investments $2	??/??/1917 9/27/1918	#702, 705; eBay $155 BIN
Western Maryland Railroad Co. First Mortgage 4% Registered Gold Bond	WES-707b-B-75	$100,000	5/??/1917	Secured Debt $100 (x2)	???	#M853; to John D. Rockefeller; amount changed from $1000 to $100,000
	WES-707b-B-77b	$10,000	6/4/1917	Investments $20 Investments $20	9/27/1917 9/26/1918	#X170; to John D. Rockefeller (printed); cancel predates issue, backdated
				Investments $20 Investments $20	9/27/1917 9/26/1918	Ditto, #X915, #X1045; entire issue presumably to Rockefeller; several more seen incl. X508, 511, 564, 626, 656, 688-9, 728, 737, 752, 776, 779, 805, 827, 877, 893, 915, 934, 949, 1011, 1035, 1045, 1072
West Shore Railroad Co. First Mortgage Guaranteed Bond vertical format, green & black	WES-304-B-51	$1000	12/5/1885	Secured Debt $5, $1	8/30/1917	#696, 2368; tax paid for three years, only recorded such usage
horizontal format, red orange & black	WES-304-B-56b	$1000	???	Investments $2	9/29/1918	#31524; stamp damaged

West Shore Railroad Co.
1885 4% 476 Year First Mortgage
Guaranteed Bond



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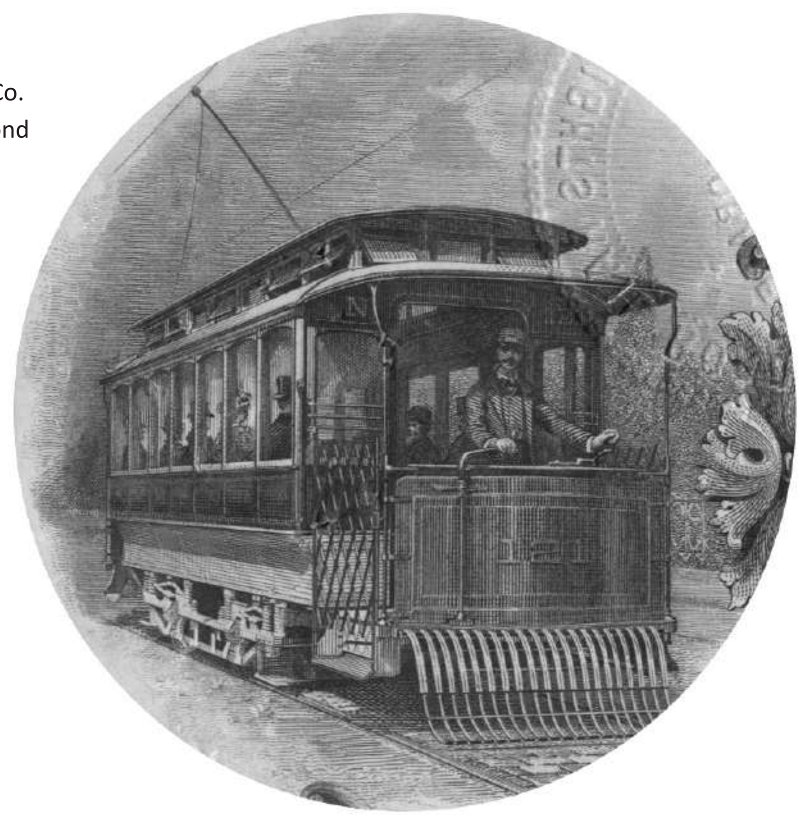
Nassau Electric Railway Co.
1905 4% 50 Year Gold Bond



(Inside back cover)


STATE OF NEW YORK
COUNTY OF ERIE COUNTY
MAY 3 1917
10,000.
10,000.
THE LAKE SHORE AND MICHIGAN SOUTHERN
No 4
RAILWAY COMPANY
Twenty Five Year Four Per Cent Gold Bond of 1906.
STATE OF NEW YORK
COUNTY OF ERIE COUNTY
MAY 3 1917
20,000.
20,000.
THE LAKE SHORE AND MICHIGAN SOUTHERN
Railway Company,
No XXM3
Twenty Five Year Four Per Cent. Gold Bond.
Know all Men by these Presents: That The Lake Shore and Michigan Southern Railway Company, a corporation hereinafter called the "Railway Company"
for value received, promises to pay to Atlantic Mutual Insurance Co, New York City
TWENTY THOUSAND DOLLARS
No X255
The New York Central and Hudson River
RAILROAD COMPANY.
10,000.
Thirty Year Four Per Cent. Gold Debenture
5000.
5000.
THE LAKE SHORE AND MICHIGAN SOUTHERN
Railway Company,
No RVM296
Twenty Five Year Four Per Cent. Gold Bond.
Know all Men by these Presents: That The Lake Shore and Michigan Southern Railway Company, a corporation hereinafter called the "Railway Company"
for value received, promises to pay to Joseph P. Chamberlain
FIVE THOUSAND DOLLARS
REGISTERED
The Lake Shore and Michigan Southern Railway Company.
UNITED STATES OF AMERICA