BOND & SHARE SOCIETY

JOURNAL
SPRING 1990

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ANNUAL GENERAL MEETING

The Annual General Meeting of the Bond and Share Society will be held at the Ski Club of Great Britain, Eaton Square, London on Tuesday 5 June 1990, starting at 7 pm.

PROPOSED AGENDA

1. Agree the Agenda.
2. Approve the Minutes of the 1989 Annual General Meeting.
3. Matters Arising.
4. The Chairman's Report.
5. Presentation of the Annual Accounts.
6. The Membership Secretary's Report.
7. The Publicity Officer's Report.
8. Election of the Committee of the Society. (see Note)
   - Chairman
   - Hon. Secretary
   - Hon. Treasurer
   - Membership Secretary
   - Publications Editor
   - Publicity Officer
   - Auctioneer
   - Other Member(s)
9. Any other business.

Note: Nominations for the Committee positions listed above should be sent to the Hon. Secretary (Peter Duppa-Miller, 4 Friar's Close, Dorchester, Dorset DT1 2AD), to arrive by no later than 2 June 1990.

SUBSCRIPTIONS

The Committee has, reluctantly, decided that the time has come to increase the rates of subscription to the Society.

At formation in 1978, the annual subscription was set at £4 (for U.K. members), and this was raised to £5 in 1980. It has remained at that figure for 10 years, and we do not need to tell members how costs of everything else have risen over those 10 years. A proposal will therefore be submitted to members at the Annual General Meeting on 5 June, 1990, that subscription rates will be raised as follows:

Annual subscription	
(U.K. & Europe addresses)	- £10
(Rest of the World)	- £12
Ten-year subscription	
(U.K. and Europe)	- £70
(Rest of the World)	- £80

If approved at the A.G.M., these rates will apply with immediate effect to new members, or existing members renewing after that date. We shall be writing to members paying by standing order, sending them new forms for the revised rates, payable from April, 1991. Members taking out a 10-year subscription before the A.G.M. get the greatest benefit, of course, and we would strongly recommend this course of action.

While the Society has substantial reserves, it does not seem right to run those down by taking a steady and increasing loss on our activities. The new rates are still low compared with those of continental European societies, two of which are now asking for £30 a year from their members.

The increases are substantial, but we expect to hold these rates for some years (hopefully a further decade), and we do not think members would welcome continual small changes to standing orders, etc.

The committee will do its best to give good value for money, and the new rates will allow better quality of publications, etc.

REPUDIATED DEBTS OF THE STATE OF MISSISSIPPI. U.S.A.

Leslie Tripp

6% Planters Bank Bonds. 1831-3.
Approx. Amount Outstanding $1,912,000.

5% Mississippi Union Bank Bonds. 1838.
Approx. Amount Outstanding $5,000,000.

Around 1,500 bonds of the 1831 1833, and 1838 issues of bonds of the State of Mississippi, held since the 1880s by the Council of Foreign Bondholders, are being offered in the Phillips auction in London on 21 June, 1990. We feel that members would like to know more about these bonds. This article has been written by Leslie Tripp, consultant to Phillips; we understand that it, or a version of it, will appear in the auction catalogue.

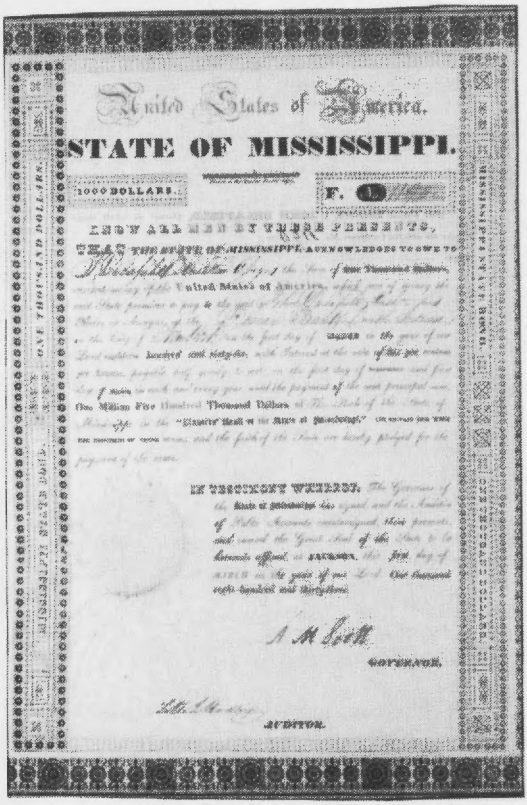
These loans were raised by the State of Mississippi to meet a great public need for banking facilities to enable the commercial and industrial development of the State. Acts were passed in 1830 and 1837 chartering the Planters Bank with $3,000,000 capital (⅔ for the State), the Mississippi union Bank with $15,000,000 capital, and authorising the issue of State bonds. In 1831 $500,000 Planters Bank Bonds were sold at 100½ and in 1833 a further $1,500,000 sold at 113¼, mostly purchased by London financial houses. The 1833 sale gave the State a nett premium of $250,000 which was deposited in the State Treasury towards the Sinking Fund. (By 1839 with the interest paid by the Planters Bank to the State, the Sinking Fund amounted to $800,000.)

In 1838 $5,000,000 Mississippi Union Bank Bonds were sold to Nicolas Biddle, President of the United States Bank. The bonds were sold within a short time at a high price, with a very large portion of the bonds sold to English and Scottish investors. That this was intended is indicated by the fact that the coupons in both issues were made payable in London. The remaining bonds were mainly placed in America, Holland and Spain. Mississippi received $5,000,000 "In specie and British gold", within a short period, being payment in full for the bonds.

The legality of the issues was never disputed from 1831-1841 although during that period there were four changes of governor by election and the State Constitution remained the same. In 1841 Mississippi defaulted on the bonds and the only substantiated pretext put forward for not repaying the money she borrowed, seems to have been that the investments she made with it did not ultimately prove remunerative. The fact that Mississippi discharged the service of the Debt without question while the Banks were prosperous seems sufficient evidence that the bonds were regarded as a valid obligation.

In 1852 Herzon A. Johnson, an American bondholder, brought a test case on behalf of the holders to Mississippi Superior Court of Chancery to recover the principal and interest on a bond. The State Attorney General defended the case and lost. He appealed to The Supreme Court of Mississippi and lost again. The Supreme Court held that the Bond was a valid and lawful obligation of the State.

In 1873 General Ames of the Union Army, formerly the Military Governor of Mississippi was elected Civil Governor of the State. It is perhaps significant that a large proportion of General Ames' legislature, namely 55 in the House of Representatives and 10 in the Senate, including both the Speaker of the House and the Lt-Governor of the State presiding in the Senate, were negroes. In 1875 General Ames signed an amendment of the State Constitution, to frustrate petitions from bondholders on both sides of the Atlantic asking Mississippi to honour her pledge. The amendment conceived and proposed by General Ames gave no reasons, but stopped further consideration of bondholders claims, was passed by the Legislature. Shortly after General Ames resigned, to avoid impeachment for maladministration, and returned north, the Lt-Governor was impeached and dismissed from office. Several attempts have been made from time to time either by persuasion or by legal process to obtain practical recognition of the obligation, but have been unsuccessful.



United States of America.

STATE OF MISSISSIPPI.

1000 DOLLARS.

F. 1

KNOW ALL MEN BY THESE PRESENTS,

THAT THE STATE OF MISSISSIPPI, ACKNOWLEDGES TO OWE TO

[illegible] the State of One Thousand Dollars, [illegible] United States of America, [illegible] the said State promises to pay to the said [illegible] Dollars, [illegible] in the City of [illegible] on the first day of [illegible] in the year of our Lord [illegible] hundred and thirty-six, with Interest at the rate of [illegible] per annum, payable half yearly, to wit, on the first day of [illegible] and first day of [illegible] in each and every year, until the payment of the sum principal sum, One Million Five Hundred Thousand Dollars of the State of [illegible] in the "[illegible] Bank of the State of [illegible]," [illegible] and the faith of the State are hereby pledged for the payment of the same.

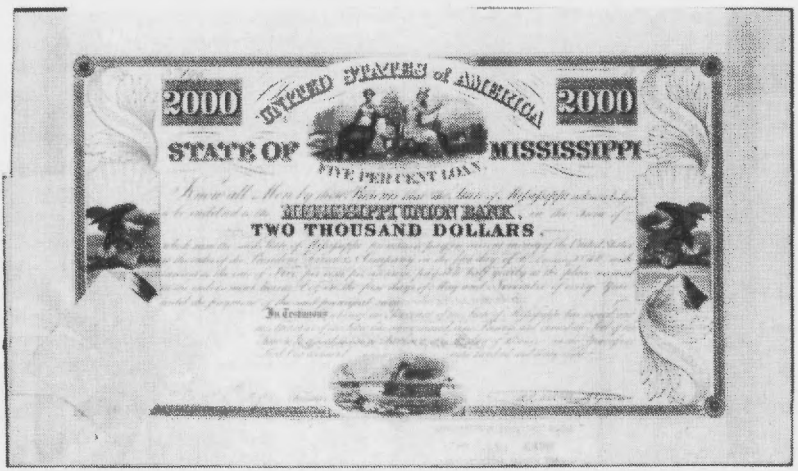
IN TESTIMONY WHEREOF, The Governor of the State of Mississippi has signed and the Auditor of Public Accounts countersigned, these presents, and caused the Great Seal of the State to be hereunto affixed, at [illegible], this first day of MARCH in the year of our Lord One thousand eight hundred and thirty-five.

A. M. Scott

GOVERNOR.

[illegible]

AUDITOR.



2000 UNITED STATES of AMERICA 2000

STATE OF MISSISSIPPI

FIVE PER CENT LOAN

Know all Men by these Presents that the State of Mississippi acknowledges to be indebted to the MISSISSIPPI UNION BANK, [illegible] the Sum of

TWO THOUSAND DOLLARS.

[illegible]

In Testimony [illegible]

The most exotic of these attempts was that by the Principality of Monaco in 1933; it was refused by the U.S. Supreme Court substantially on the grounds that it was contrary to the intention of the federal constitution that a State of the Union should be sued by a foreign state without the State's consent. Letters to successive State Governors from the Council of Foreign Bondholders remained unanswered, although the Council succeeded in entering into correspondence with the State Treasurer in 1984 and exchanged views when he visited London in 1986. The Mississippi State Governor was later quoted in the press as saying nothing could be done without a constitutional amendment which the people would not consider in the present financial situation of the State. The Planters Bank and the Mississippi Union Bonds remain in default.

The motto of the State of Mississippi is 'Honour her Pledge'. It has been suggested that the State could successfully bid for her bonds in the Phillips auction, and repay the few outstanding bonds. The problem with this theory is that the value of a $1,000 bond with 150 years compound interest is $6,000,000, and a $2,000 bond, of course, double that. Such a repayment would presumably be an a principal only basis. The cost then would be minimal, as the State could then sell the bonds as momentoes, perhaps at a profit for the State Treasury.

The Governor could then say that the State had honoured her pledge (at least to repay the principal borrowed!).

The Council of the Corporation of Foreign Bondholders.

The Corporation of Foreign Bondholders was founded in 1868. The control and management of the Corporation was vested in a Council in 1898 by Special Act of Parliament. The Council's principal object was to protect the interests of holders of sterling Bonds publicly issued in the United Kingdom of behalf of overseas governments, states and municipalities, and to seek to prevent or (if this was not possible) to settle any default which might occur. Negotiations with foriegn governments, have resulted in the settlement of debts totalling over £1,000 million capital.

In 1988 with governments agreements signed with Russia, China and Bulgaria the work of the Council had virtually come to an end. The only defaults still outstanding with which the Council had been concerned were the loans issued in 1927 by the City of Dresden and the Free State of Saxony and in the 1830's, by two banks in the State of Mississippi. The Council decided that the objects for which they were originally founded had been almost achieved and that the defaults outstanding (total amounts approximately £800,000 and US $7 million) did not justify the continued existence of the Corporation. Consequently steps towards liquidation of the Corporation were taken, resulting in the auction of a large quantity of Mississippi Bonds.

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THE BANCO NACIONAL DE SAN CARLOS

Howard Shakespeare

The recent Journal articles on the Spanish trading companies of the 18th century appear to have aroused members' interests in the attractive Spanish issues of the period, so we continue with the Banco Nacional de San Carlos.

These certificates are a fairly recent arrival on the scripophily scene. Other than an illustration in a book published in 1974, the certificates were unknown until the autumn of 1988, when a quantity appeared in Spain. About 30 pieces are now known.

History of the Bank

Until the formation of the Banco de San Carlos, the main lender to the state was the Cinco Gremios Mayores de Madrid, which thus achieved financial hegemony in the country. However, the Bank brought severe competition, and took over much of the Gremios' profitable business. It was a major investor, second only to the King, in the Real Compañía de Filipinas, when that was floated in 1785.

The Bank was founded on 2 June, 1782. Its primary function, according to its charter, was to establish a market in the 'Vales Reales', or royal bonds, and in its own shares. Effectively, it was intended to maintain the value of the Vales in face of the massive issues of 1781-2, caused primarily by the financial demands of the war against England. This was to be achieved by buying them with gold or with its own shares and banknotes which it was authorised to issue.

The capital of the Bank was 300 million reales, divided into 150,000 shares of 2,000 reales each. The shares, bought mainly by the King, the nobility, state officials and by municipalities, sold more slowly than expected. However, sufficient capital was raised for the Bank to be able to open for business in June, 1783, the date which marked the end of the war.

The Bank's operations went well until 1785. However, after that date it began to indulge in speculative operations, including buying French bonds in 1788 (not a good idea, in view of the Revolution the following year), and this led to a difficult situation for the Bank. In 1790 Cabarrus (see below) resigned, after government criticism. Spain's war with France, between 1792 and 1795 led to strong inflation, and the Bank could not cope with the rising tide of paper, leading it to ask for government protection in 1796. By 1799, in another war, this time against England, the Bank was in acute difficulties, having been hit by the loss of silver imports from the Americas. It staggered on until 1808, when it apparently ceased trading. This was effectively the end of the Banco Nacional de San Carlos, although the share endorsements to 1820 suggest it was not liquidated until some years later.

The Shares

The most prominent signature on the certificates is that of the count François de Cabarrus, founder of the Bank and also of the Filipinas company. Cabarrus was a Spanish financier, but of French extraction, and was the father of Mme Tallien, a famous beauty of the Convention and Directoire periods after the French revolution. Cabarrus had invested heavily in Spain, and had attracted the attention of the ministers of King Carlos III, by his placing of an issue of Vales Reales. The Bank of San Carlos reflected the dual nationality of its founder and director-general in that its shares were quoted in Paris and Madrid. They rapidly became very successful on the Paris bourse, and the price was much higher than in Madrid, since there were suspicions in Madrid over the company's, and Cabarrus' personal, dealings. In Paris there was unbridled speculation in the company's shares in the unstable period on the eve of the French Revolution.

All certificates seen are for a single share. We do not know if all the shares were issued, but most of those seen come from a block numbered in a range around number 59,000. The numbers were handwritten, and presumably numbered when issued, so it appears than a minimum of 60,000 were issued. Indeed,

BANCO NACIONAL DE S. CARLOS.
Numero 3038
Accion de dos mil Reales de Vellon con que se interesa en la formacion
y productos del Banco nacional
con facultad de cederla y negociarla libremente, y demas prevenido en la R.l
Cedula de erecion de 2 de Junio de 1782.
Como comisionados nombrados por S. M.
Recibo del Tesorero.
Visto de los Directores.

since the shares were much in demand on the Paris bourse, it is probable than all were issued. They were printed on handmade paper.

Problems of a Large Issue

The sheer quantity of certificates raises two interesting points:- (a) all pieces seen are hand-signed by the same five commissioners nominated by the King and by the treasurer of the Bank; if these six gentlemen signed all 150,000 certificates, it must have taken a very long time indeed. (b) a single printing-plate could not produce 150,000 certificates. Indeed, we have seen four different plates and there were probably many more. The four plates were prepared by different engravers, who have signed their work. There are slight differences between each plate, but the easiest way to distinguish them is by the different names in the lower right-hand corner. Those seen are Joaquin Ballester, S. Brieva, and two not very legible, which could be Morna and Texida. The last named has been seen only in the book illustration of 1974, but the other three are all in the batch found recently. In that batch there seems no pattern to the use of the different plates, and it appears that they were put together and used arbitrarily. The imprint of the artist, Acuña, is shown, in full or abbreviated, at the lower left.

The book-illustration piece was issued to the town of Manzanera, in Aragon, and is in poor condition, with numerous tears. All the recent batch were issued to a trust established by the Duke of Montalegre, and are in excellent condition, although an endorsement shows through to the face of the certificate; on the best examples this is not very noticeable, but on others it does spoil the appearance.

The share is a welcome and attractive addition to the gallery of 18th century Spanish scripophily.

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WHITE GOLD

G. Haley Garrison

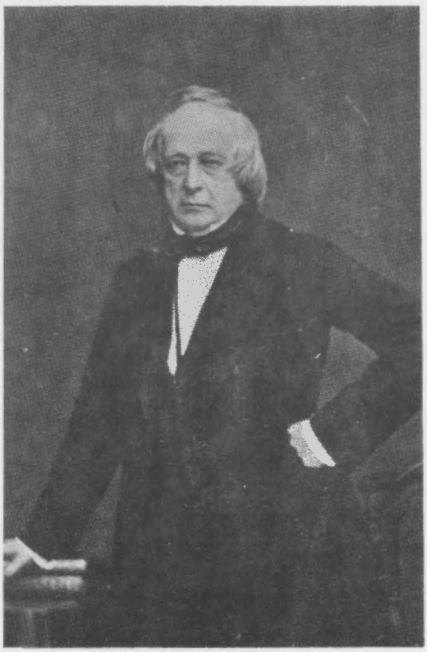
One of the most interesting and enterprising loans of U.S. history was the Erlanger Loan issued by the Confederacy to raise money in Europe in 1863. The total of the loan was £3,000,000 (equivalent to $15,000,000 at the time or over $660,000,000 in 1980 dollars). The loan, issued in bond form, was tri-valued in sterling, French francs, and Confederate cotton at a ratio of £1 = 25 francs = 40lbs. cotton. Confederate cotton, or "White Gold" as it was referred to at the time, was desperately needed by the textile mills in England and France. Since the tri-valuation meant that the cotton was valued at approximately one-third of the market price, investors were immediately attracted to this new issue.

A CONFEDERATE ROMANCE

There is, however, a fascinating tale of romance and intrigue that provides a background for this loan and it's important to know this story to fully understand the financing.

In 1861, the Confederacy ordered John Slidell, a Southern statesman from Louisiana, to the Court of Napoleon III to secure Confederate diplomatic recognition and to enlist France as an ally against the North. The South felt that in cotton she held a trump card. Cotton mills in both France and England desperately needed the cheap cotton thaqt the South had in great quantity. The North had put up a blockade around the Southern coast and this threatened the textile mills of both England and France with a possible economic cataclysm. Slidell spoke lovely French, his wife was the queen of French Creole society in Louisiana, and his doughter Mathilde was known throughout the South for her beauty. If Slidell couldn't succeed in Paris who else could?

The Union had been warned of Slidell's mission and on his voyage across the Atlantic in the British ship Trent, a U.S. Navy Warship intercepted, boarded and took captive both Slidell and John Mason, the Confederate Envoy to England. The



John Slidell

English were incensed that their rights had been violated on the high seas and threatened war if both Slidell and Mason were not freed. The North, fearing a war against the combined forces of the South and England, issued a speedy apology and freed both Slidell and Mason.

When Slidell arrived in Paris, his courtly manners and attractive wife and daughter quickly made him a court favorite of Napoleon III. The French Emperor was only a pale shadow of his namesake but nonetheless had great ambitions. He dreamed of an empire in Mexico and was hoping for a Southern victory to suspend the Monroe Doctrine which prevented foreign interference in the U.S. sphere of influence. However, Napoleon stopped short of recognition due to an understanding France had with England that it would not recognize the Confederacy unless England did and England wasn't budging. Further since the

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days of Lafayette, the French people had identified with the American Republic and had more contempt for Slavery than for English cooking. Slidell offered Napoleon massive cotton bribes and free trade whenever he wanted but Napoleon remained uncommitted, although friendly.

Slidell, however, was not one to give up. If he couldn't count on French and Military might, then at least he could solicit their francs and pounds. This desperately needed capital could be used to buy cannons, rifles, ammunition and other war supplies. It could also be used to buy fast ships to bring the supplies to the South through the Union blockade and ironclads with specially beak-like rams to attack the Union ships.

The biggest problem confronting Slidell was that the Confederacy was no great credit risk. It's credit worthiness on financial markets ebbed and flowed with the South's fate on the battlefield. However, Slidell had a secret weapon - his ravishing young daughter Mathilde, who he unleashed on Frederick Erlanger, the shy son of Emile Erlanger, the most important banker in Europe after the Rothschilds. Tantalized by Slidell's bait of his Creole daughter, the Erlangers' offered the Confederacy a giant loan of $15,000,000 in a bond issue they would manage.

There were also the additional benefits to the House of Erlanger. The bonds were secured by Confederate cotton which the Erlangers' could acquire at a fraction of the market value. Also substantial sums would come from commissions and discounts.

THE SALE

The sale of the bonds began auspiciously, kicked-off by the gala Erlanger - Slidell wedding. The bonds were printed abroad by European artisans and first offered for sale on March 19, 1863 at 90% of nominal value by the investment banking firm of Erlanger and Cie.

At first, the price skyrocketed. Union agents then began spreading rumors of imminent Southern collapse which quickly

Matilda Slidell

derpressed the price of the bonds. Lee's defeat at Gettysburg sealed the fate of this loan and the price plummeted. The Confederacy attempted to prop-up the price by an infusion of cash but this attempt failed.

THE ERLANGER LOAN

The bonds themselves are among the most attractive of all the Confederate issues and are regarded by collectors as being scarce. Also the Erlanger bonds have important Civil War signatures on them. **John Slidell** has signed as commissioner in his capacity as Conferderate Minister to France. **Frederick Erlanger** has signed for the Investment Bank of Emile Erlanger and Cie and **Brigadier General Colin McRae** has signed as agent for the Loan in his capacity as the representative from the Confederate Treasury. Many of these bonds were burned and they continue to increase in rarity as they are acquired for top collectors' portfolios.

JOHN BULL WAS ALWAYS A PIONEER

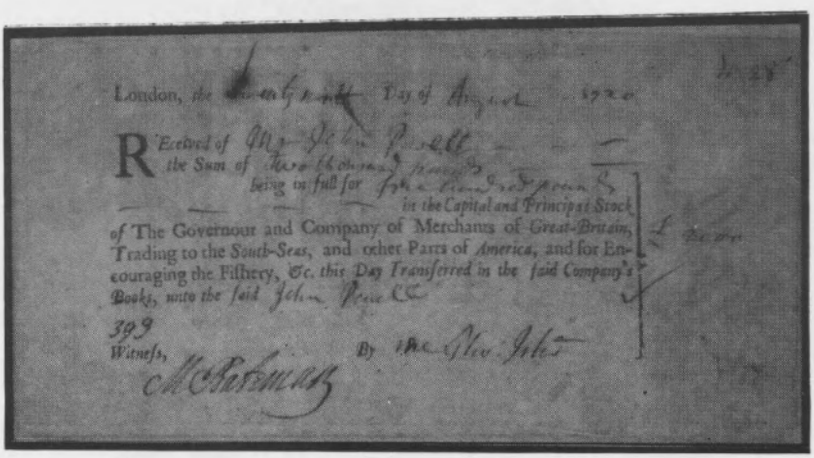
Jakob Schmitz

In the fields of economic and industrial history John Bull was always out in front; in 1767 Hargreaves invented the spinning-jenny, and in 1769 James Watt the steam-engine. In 1776 Adam Smith set out the basis for the free-market economy in his book 'The Wealth of Nations'. Only in the formation of the first joint stock company were the British too late on the scene.

The Great Trading Companies

The English East India Company is two years older than the oldest joint stock company in history, the famous Dutch East India company of 1602, but the latter was the first to turn itself into a joint stock company. The 'Company of Merchants of London Trading into the East-Indies', to give the correct name, held the monopoly of trade with the East Indies and all lands of Asia, Africa and America, lying between the Cape of Good Hope and the Magellan Strait. in the more than 250 years of its existence it was, together with its Dutch rival, one of the most important companies of economic history. King Charles II, in 1661, even gave it the right to make war against all states. In the late 17th century the company was paying dividends of up to 40%. Its shares were traded at high prices on the Stock Exchange. After its amalgamation with the 'London Company' in 1709 the new company was called the 'United Company of Merchants of England Trading to the East Indies'. In the 18th century the company took over the complete administration of the Indian sub-continent, one of the richest parts of the world. The end came in 1858. There is so much history in an old share that, in autumn 1989, a collector paid nearly £30,000 for a scrip certificate of the company, dating from 1657.

No less famous, but more notorious, was another English enterprise from the early days of joint stock companies - the South Sea Company. It crashed in the memorable year of 1720, when the whole world was in a fever of speculation. Images of the vast wealth of America fanned the imagination of the usually cool Englishmen. Prices rose in the excitement to 400, 500 and eventually to 1050%. The dreams of the investors stirred the coolest blood. Company after company was promoted 'to make salt water sweet', 'for trade in human hair', and, the peak of audacity, ' for the investment of £2,000,000 in a sure and strong enterprise, the nature


London, the [illegible] Day of August 1720

Received of [illegible] the Sum of [illegible] being in full for [illegible] in the Capital and Principal Stock of The Governour and Company of Merchants of Great-Britain, Trading to the South-Seas, and other Parts of America, and for Encouraging the Fishery, &c. this Day Transferred in the said Company's Books, unto the said [illegible]

399

Witness, [illegible] By [illegible]

of which will be revealed in due course'. Gullible people rushed in to buy, until the government declared that every company had to declare a reasonable objective. The fears aroused by this obvious requirement caused the Stock exchange to collapse like a house of cards - and with it the South Sea Company shares. The end came in 1748, when the bubbles burst more quickly than they could be recreated. The consequence of 1720 was the 'Bubble Act', by which the formation of joint stock companies was, with certain exceptions, forbidden from 1720, until its repeal in 1825. Of the 53 joint stock companies formed prior to 1700, three dominated the Stock Exchange - the East India Company, the South Sea Company and the Bank of England, founded in 1694. To own their certificates is today the dream of countless collectors the world over.

Inside Britain

The conquest of far-off lands by the great trading companies was only the start of England's role in the world as the motherland of industry in the 19th century. The historic development of industry from the 1790s seems an analogy with the French Revolution. The period up to 1800 was 'the heroic age of invention in cotton'. With the help of new spinning machinery and steam-power, the British cotton industry achieved an incredible productivity. The price of clothing halved by 1799, and halved twice more by 1860. 90% of production went for export - England supplied the world with textiles, as it did later with iron and steel. Manchester was the home of 'King Cotton'. It was in Manchester that the 'factory' developed, later to become normal in industry on the continent. The British also led the way in infrastructure development. A mania for canals broke out in the 1790s, which led to the formation of many (authorised) companies - today a favourite, but expensive, theme for collectors of British material. Before 1800 road construction had started to macadamise - making roads with a firm foundation - and naturally issuing shares. The railways brought strong competition to both of these, with networks spreading throughout the island kingdom. The

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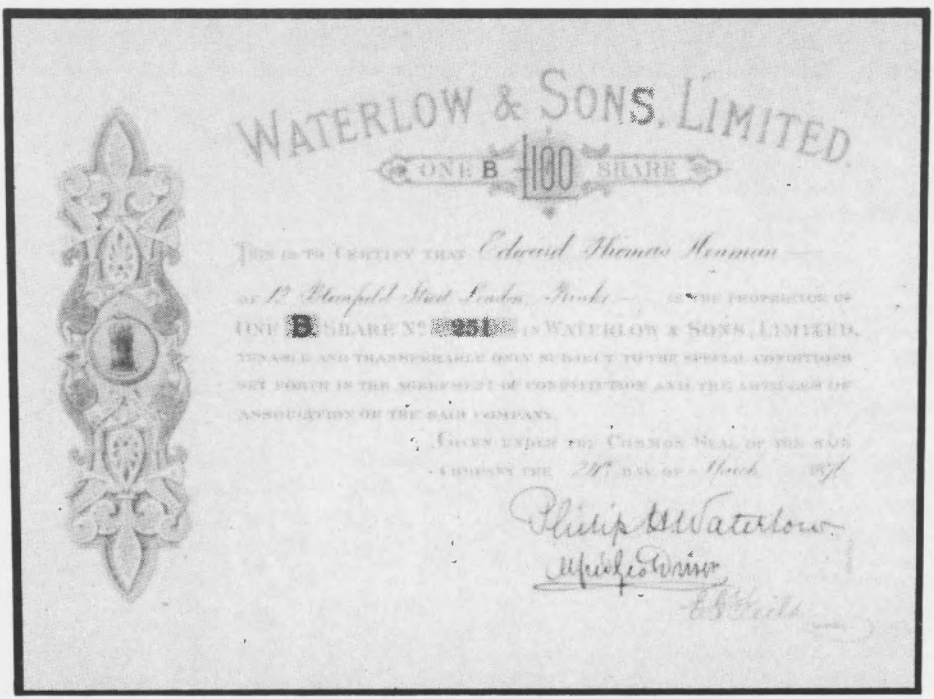
Railway Age, as the middle of the last century was called, brought about a boom in coal and iron. Britain became 'the workshop of the world', with London by far the largest city in western Europe. In 1885 a commentator counted 2,021 engineering works in Britain, and it exported five times as much iron and steel as did Germany.

But Britain was not only a pioneer of industry; it was also the motherland of modern insurance (Lloyds) - as the surviving share-certificates reveal clearly - and of banking. One has only to think of Baring and Rothschild, who financed half the world at that time. The Rothschild signature on bonds and shares is in great demand by collectors.

It all lasted until 1900, when other countries began to catch up. However, there were still special areas in which Britain remained predominant in the world; Sheffield cutlery, for instance, and a bicycle industry (which in 1885 had numbered 170 companies!). Also shipping, with Samuel Cunard's line establishing new links for the kingdom, gas- and water-works, which, with British engineering skills and finance, supplied continents, beer (more than 150 breweries in 1879), with Guinness as the best known, costume- jewellery, toys, with Birmingham as the 'toyshop of the world'. The finest security printing in the world, by the way, was done in Britain, by Waterlow and Sons. The share-certificate with the Waterlow signature is today a rarity. Only once in recent years has royalty put its own money into a company - this was on the formation in 1909 of the Anglo-Persian Oil Co., (the forerunner of B.P.), a few of whose shares have been seen on the collectors market.

An Empire in Shares

Between 1870 and 1914 one third of the annual earnings of British companies went to overseas investment; of this, one third to the U.S.A., nearly 20% to South America, and 13% to Europe. It was especially the profitability of railways in the fast developing lands of the U.S.A., South America and Australia which



unlocked the capital. In Europe, British capital poured into a mass of varied projects - iron ore mines in Spain, Lapland, south-west Germany, to Cockerill in Belgium, and railways and tramways in Europe, too.

Old Stocks and Bonds before the Comeback

One is struck by the parallels between the early London stock-market and the development of the collectors market. Here, too, John Bull was a pioneer, but this time it was the Germans who were two years ahead, as were the Dutch with the formation of the first joint stock company. In 1978 the London stamp-dealer Stanley Gibbons started auctions of old stocks and bonds. Prices, mainly of Chinese and Russian bonds, rose far too quickly - a Chinese bond of 1898 reached £14,000 in auction. Soon a situation like that of the notorious South Sea Company was reached - the whole thing burst like a soap-bubble at the end of 1979, and left the market with a terrible hangover. For ten whole years the London market for old helped by the publication in 1982 of 'Scripophily', (a word created in England, incidentally), a book to introduce the secrets of old stocks and bonds to the newcomer (and still the 'standard' English-language work on the hobby). There remained too the Bond and Share Society, a collectors club, whose newsletter is known only to insiders, even though its author is named Shakespeare. As for the trade, it moved to the Continent, especially to Germany. However, two of the big London auction-houses hold auctions, and in February 1990 Mike Veissid, well-known

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in the collecting world, held an independent auction, which brought success and international acclaim.

Buy British!

Naturally, the international market is well aware of the paper heritage of the British Empire, but inadequate marketing in the last ten tears, a widespread ignorance of the great economic and industrial history of the United Kingdom, and the unassuming appearance of British stocks and bonds have created a sleeping beauty, awaiting only a kiss from a handsome prince from the Continent. For £10 or £15 the opportunities are spread out on dealers' tables at bourses. He who knows what to look for can pick up real bargains.

England is not the country for connoisseurs of old stocks and bonds who buy with their eyes. It is the innate value of British papers that is appreciated by those in the know. It is not uncommon to find real economic history on those unprepossessing documents, often so superbly printed.

The very early pieces have a quite different appeal - heavy transparent sheets of vellum with massive red seals from the period before 1800. They have always been difficult to find, and are undoubtedly an excellent investment, especially the pieces from before 1800, issued by trading companies, canals and bridges.

There is plenty of more light-hearted material - shares of theatres, cricket-, golf-, and tennis-clubs, from Tottenham Hotspurs via the Turkish Baths to the London cemetery, not forgetting the Crystal Palace, where the first world exhibition of trade and industry was held in 1851. There are also the shares of great British institutions, such as Rolls-Royce and Harrods, Lyons and Madame Tussaud.

Change your mind!

Buy British!

(Translated, and lightly edited, by H.S.) (This article was first published, in German, in 'Das Wertpapier') and we thank them for permission to use it here.

CONTEMPORARY PRESS REACTION TO THE LONDONDERRY GOLD MINE AND THE WESTERN AUSTRALIAN MINING BOOM IN GENERAL

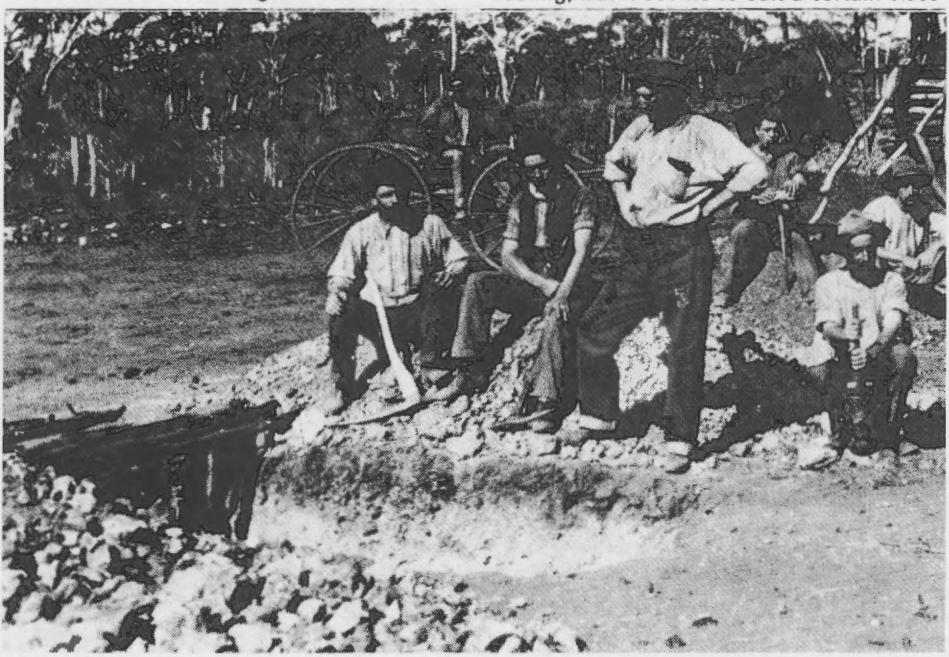
Anne-Marie Hendy

Gold was first discovered in Western Australia in 1885, in the Kimberley district. From there, prospectors gradually moved south in search of greater finds. In 1892, gold was discovered at Coolgardie, but this was quickly followed by a series of minor finds which culminated in the discovery of Kalgooorlie in June 1893.

The timing of the newly-discovered Western Australian goldfields coincided with an upturn in the London capital market. The emerging mining boom provided ideal conditions for London company promoters and investors in search of sudden wealth.

In the first half of 1894, 18 new Western Australian mining companies were registered. In the second half, no less than 77 new companies were floated in London. Most of these were risky propositions, for the Western Australian goldfields were still unproven in depth. By far the most spectacular flotation was that of the Londonderry Gold Mining Co., only discovered in June 1894 and brought to the market in November 1894.

In September 1894, the gushing "Adelaide Observer" claimed that "Every London and Colonial capitalist ....recognised it (the Londonderry Mine) as the best in Western Australia and probably the richest the world has yet seen". But in December 1894 , the "Investors' Review", quoting directly from the company prospectus "Since the vendors purchased all the mine, all the extraction of the gold has been stopped and the rich hole has been ....securely closed", commented wryly :"If the property is worth anything like £650,000 and can be developed for £50,000, it is far too good to sell. This sort of company promotion is at the antipodes of fair dealing, but it seems to suit a certain class



An Early photo of the Londonderry mine. Not much to be capitalised at £700,000 nearly 100 years ago.

of the public."

In fact, the "Investors' Review had suspected as early as October 1894 that claims of fabulously rich oil finds in Western Australia might have been "attempts to boom the place". In a survey of all the new gold mining companies issued on the market between February and October 1894 (24 of them), it remarked : "They are a wretched lot, the main points being the large percentage of cash and shares taken by the vendors, and the absurdly small working capitals. Of the companies so far issued, 75% of the money they represent will go to the vendors, promoters or syndicates, and the balance will be lost in trying to find gold by the fools on this side who have risked their money. Even should results prove better than we anticipate, not two companies in a hundred will ever justify their capitalisation." (Investors' Review", October 1984, "Coolgardie - Rich perhaps, but costly")

By April 1895, the newspapers were left with the post-mortem on "The Londonderry Fiasco" ("The Economist", 13 April 1895). The company, capitilised at an unprecedented £700,000, had been floated in November 1894. Smug shareholders watched the price of the stock rise to 75% premium. In the spring of 1895, Lord Fingall returned to Coolgardie to re-open the golden hole, only to find that the gold had vanished. On 1 April 1895, he cabled a telegram to his directors in London : "Regret in the extreme to have to inform you that rich shoots of ore opened very bad indeed; does not appear to be practically anything left; continuing exploration work, but the aspect of affairs is very discouraging".

Lord Fingall's telegram, despatched on the evening of 1 April, arrived in the morning of Tuesday, 2 April, but it was NOT released until the following FRIDAY, for reasons, according to the "Investor's Review", "which the directors no doubt consider sufficient."

In the meantime, "a severe fall took place in the shares on Tuesday, and it was heralded by telegrams from an outside

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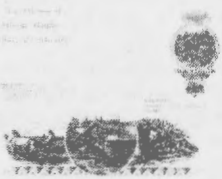

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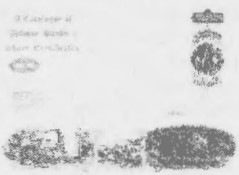

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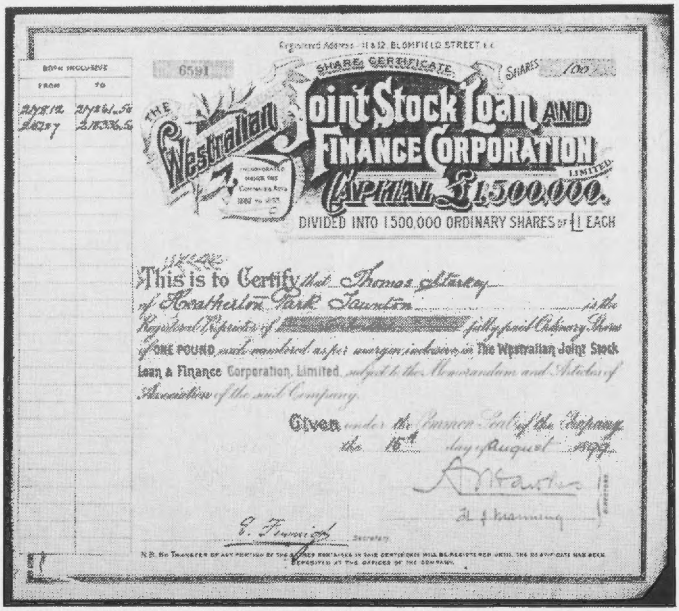
broker advising people to buy. This gratis advice....was sent out in thousands all over town and country on the morning of the 2nd, and no doubt many thoughtless people took the tip and bought. A market was in this way created, on which some persons who knew of the existence of Lord Fingall's message of woe, must have sold heavily, because the shares dropped 10s. like lead." ("Investors' Review", June 1895, "The Londonderry Mine")

Today such a blatant case of fraudulent misrepresentation and insider-dealing would result in criminal prosecution for the perpetrators. But did the contemporary press scream for the directors' blood? "The Economist" admits that "There has, in fact, been no instance of such a complete falsification of early promises as that of the Londonderry in the recent history of mining, and it can scarcely be wondered at that some of the shareholders entertain the suspicion that the property had been salted before it was visited by Lord Fingall" (April 13 1895). What about the heavy selling by "insiders" between Tuesday 2 and Friday 5 April? "The Economist" again: "The only matter upon which the directors, who were largely vendors also, are, we think, to blame is in refraining from publishing Lord Fingall's caable for several days after its receipt. "April 13 1895). Rather mild stuff! "The Economist" simply concludes "that it is utterly foolish to place any reliance upon statements to the effect that with a minimum of work fabulous amounts of the precious metal may be extracted". Clearly, the paper considers the affair as a case of "caveat emptor"! To quote "The Economist" again: "Why should the original owners of the property have been anxious to dispose of it, if there was this untold wealth within their grasp? Why, if one man could take out a thousand ounces of gold in an hour, should there be any need to come to this country for working capital? The idea is a preposterous one; and yet the capital was largely subscribed by people who would be greatly offended if charged with a lack of prudence and common sense. We can only trust that the lessons of the Londonderry incident will not readily be forgotten; but we are not all sanguine on the matter." (13 April 1895).

Words of wisdom, which went unheeded! On 20 April 1895, "The Economist" again takes up the subject of West Australian mining companies: "The sudden and almost dramatic collapse of the Londonderry Mining venture, followed so closely by two other West Australian undertakings, has not unnaturally shaken confidence in the whole business." "The Economist" blames the reports by the mining experts, on which the company prospectuses were based. The article goes on to say "It does not follow that because two or three experts may have been deceived by superficial appearances, accurate estimates have not been formed by men perhaps having more knowledge of the local geographical features". (20 April 1895). Isn't it strange,however, that in each case, the testimony of the experts who originally reported on the mine should conflict with the later findings of the manager who was specifically appointed to work upon it? "The Economist" points out that there were "three or four mining experts whose opinions have been regarded as most valuable by the promoters and vendors of West Australian mining companies floated here within the past year or so."

The Investors' Review thinks that the directors "behaved quite honourably ... on receipt of the news, or at least within five days of the receipt of it." Indeed, these five days would have been very useful to enable them to tidy up their holdings. Afterwards, they "offered to place their profit in shares and the money they had received (£417,000) in trust till the mine had been proved and had paid for two years a 10% dividend. Failing that, the whole would be surrendered to the shareholders." This sincere and generous offer fails to impress "The Investors' Review": "This was the least they could do, but they may be thankful if the crowd which bought the shares at a premium lets them off so easily. It hardly, if the truth must be told, deserves even this consideration." (June 1895).

The Review then turns to the more sinister matter of the delayed release of Lord Fingall's telegram and the perfect timing of the "buy" tip from the mystery "outside"



WESTRALIAN JOINT STOCK LOAN AND FINANCE CORPORATION LTD., dated 15 August 1899, signed by directors A.J. Hawkes and H.J. Manning, but more famous for its chairman Horatio Bottomley. The company was registered in October 1898 after the take-over of three Western Australian mining and finance companies. In November 1899 it merged with Associated Financial Corporation Ltd., another Bottomley finance and mining operation.

broker. It wants to know from the directors "whether any connection existed between those who had possession of the Fingall telegram and the bucket shop which spent some hundreds of pounds telling people to buy these shares just when some in the know wanted to sell. Was this, or any other, bucket shop agency employed, while the company hung fire on the market, to puff these shares, and did the friendly relations thus established lead to the private communication of the bad news to one of them on Tuesday morning?" The Review concludes that "If none in the Londonderry Company's employment had the least hand in this unscrupulous trick, then telegrams must have been sent over here behind Lord Fingall's back by some of the mine creating and vending gangs in Western Australia." (June 1985).

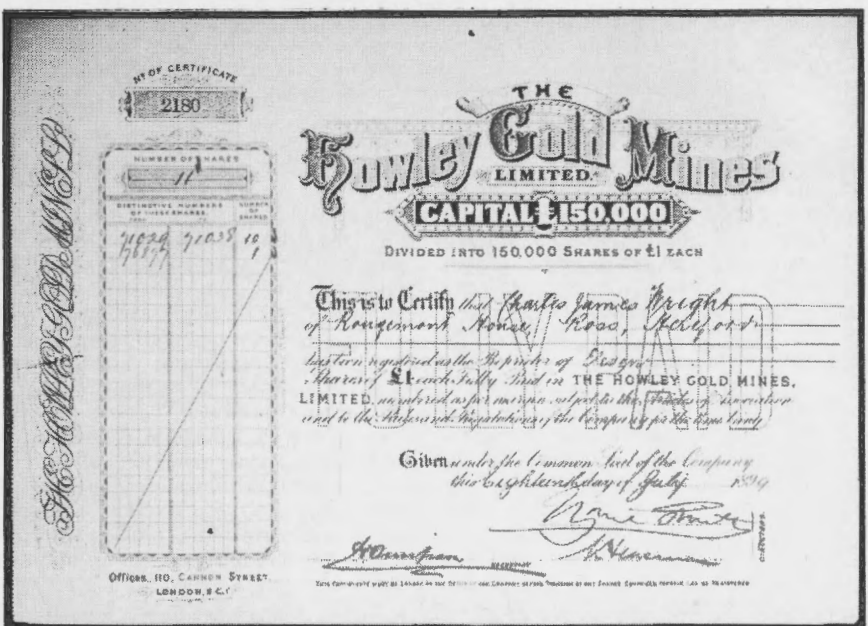
Earlier, "The Economist" complains (20 April 1895) that out of the actual cash subscribed in new issues, "a large proportion has gone directly to the promoters and vendors, while the part paid in shares has not usually been earmarked. The holders have therefore been free to unload as and when they pleased... Whatever happens then, they have made their pile." Not only does "The Economist" call for the funds necessary for proving a new goldfield to be found in the colony itself, but more significantly, it wants to subject the shares allocated to vendors to a three-year selling ban, so as to avoid similar disasters. Apart from the spectacular fiasco of the Londonderry, three other Western Australian "show mines" had also collapsed in London in April 1895 (North Croesus Company, Wealth of Nations and Bailey's Reward Claim).

In December 1896, The Investor's Review again scrutinises Western Australian goldmines. Its survey covers 61 companies, with a total nominal share capital of £8,431,398. This capital rose on

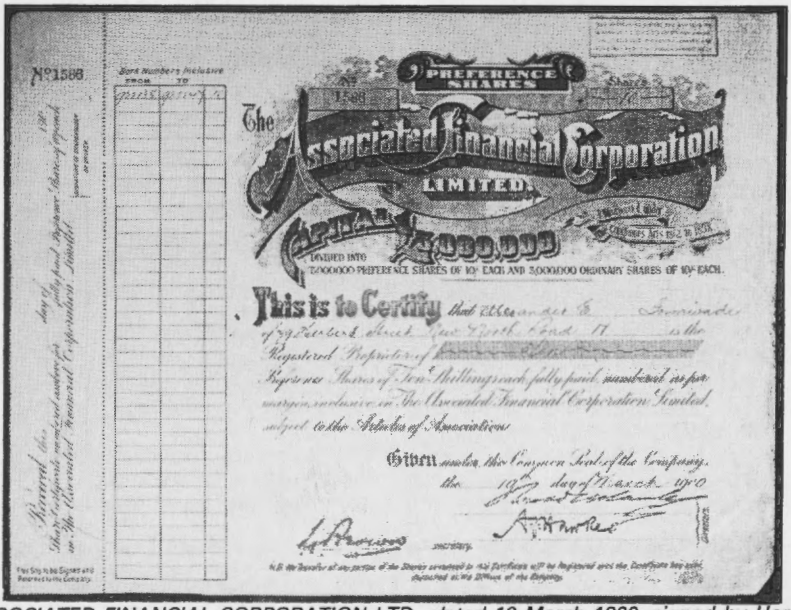
the market to £29,516,134 and fell by 15 December 1896 to £12,289,441, a depreciation of about £17,227,000. In the course of the whole existence of Western Australian gold mining up to September 1896, only 778,000 ozs. of gold had been won, or £3,000,000 worth. "Not a few of these companies have already disappeared or ceased to pretend to the possession of wealth. All these were grossly robbed at the start by the promoter and vendor type of harpy, and scarcely a week passes but what some scandal comes to light about one or other of these still pretending to live... Will readers say whether it had not been better for them to have taken our advice from the first?" (Investors' Review, "A little lesson from Western Australian mines", December 1896).

It is doubtful whether any lesson was learnt from the debacle of 1895. A few years later, a "Financial Times" reporter touring Australia was quoted in the "Australian Mining Journal" (6 July 1899) saying "The waste and extravagance which one sees throughout Western Australia is clearly attributable to London, incompetent managers." Two men responsible for this "waste and extravagance" were Horatio Bottomley and Whittaker Wright, described as "two of the most daring and dangerous promoters (to investors) who have ever been in the City" (Engineering and Mining Journal", 5 March 1898).

Horatio Bottomley promoted about 20 Western Australian mining and finance companies during the boom. All but one were liquidated very soon after the intitial cash subscription, the exception being Associated Gold Mines of Western Australia (registered in 1894), which became the 4th largest producer at Kalgoorlie by 1899. In the late 1890's, Bottomley bought a group of small mines in the Northern Territories. He then engineered a totally fictitious bull campaign, buying "puff" space in newspapers such as the "Financial News",



THE HOWLEY GOLD MINES LTD., dated 18 July 1899. This was one of Horation Bottomley's Northern Territories mining ventures. The certificate is signed by R. Smith (chairman), E. Heasman (director), and H. Simpson (secretary). Notice also the company's offices, at 110 Cannon Street. (Reconstructed in 1901 as Northern Territories Gold Fields of Australia, liquidated in 1903.)



ASSOCIATED FINANCIAL CORPORATION LTD., dated 19 March 1900, signed by Horatio Bottomley (chairman) and A.J. Hawkes. Registered on 1 November 1899, the company was re-constructed in 1904 as the Joint Stock Trust and Finance Corporation until wound up by Court Order in May 1906.

"Financial Times" and "Mining Journal", in which he would publish false "Cables from the Mines" (all composed by himself). On 3 March 1898 "the special mining correspondent" of the "Financial News" (alias Bottomley) reported from Port Darwin: "The properties are phenomenally rich, especially Eureka and Howley. The former has sufficient high-grade ore in sight to keep 40 heads of stamp at work for several years.... The climate is healthy and there is abundant white labour... A big rush is expected in the autumn, but Bottomley's company has secured all obtainable working mines... Duty has been paid on £500,000 of gold from these mines." This spurious report conflicted with the findings of the Government Resident of the Northern Territories who had visited the mines in late 1897 and found them to be worked by Chinese. Also, the total gold production in the Northern Territories was £81,000 in 1897 and £84,000 in 1898. (Australian Mining Standard", 8 September 1898 and 10 August 1899).

A concerted bear attack by big operators, among which Whittaker Wright, finally exhausted Bottomley's resources and eventually he was brought the Bankruptcy Court by the end of 1899.

Whittaker Wright, another notorious promoter of Western Australian mines, had successfully floated some 20 worthless mines during 1894 and 1895 through his two promotion companies, Western Australian Exploration (September 1894) and London & Globe Finance Corporation (April 1895). One of his tactics for enhancing the appeal of the companies he promoted was to recruit members of the aristocracy to the board of directors of his many companies. One of his three finance vehicle, Standard Exploration Company, which was floated in February 1898, acquired 20 defunct Western Australia companies from him. Whittaker Wright managed his three finance companies (among which London & Globe) from the same office. "The Economist" later described them as "huge

gambling machines", (30 January 1904) but because of his early successes with Ivanhoe and Lake View Consols, investors really believed him to be honest. After the Kalgoorlie mining boom of 1899, dullness generally crept into the mining market in 1900, as the Kaffirs stagnated during the Boer War and disclosure of the new Western Australian scandals discouraged investors. After a sustained bear attack, Wright's finance and mining companies collapsed on 29 December 1900.

The collapse of Wright's companies brought the era of extravagance both in London and Kalgoorlie to an end. After 1900 speculation was confined to professionals and there was little new investment in Western Australian mining undertakings, so the companies in order to survive turned to improving the efficiency of their mines.

The frantic gold investments of the 1890's had only lasted so long as other types of overseas investments had remained depressed. With the revival of the world economy after 1903, rising base metal prices diverted mining capital away from gold ventures.

When outcrops were discovered at Bullfinch, near Southern Cross, a mild bout of gold fever erupted again in around mid-1910. The Premier of Western Australia declared that "even "Kalgoorlie sinks into insignificance when one listens to reports regarding the property, which bids fair to eclipse anything discovered in the history of the State" ("The Mining Magazine", November 1910). Similar glowing eulogies were skilfully puffed as the new mining companies were floated in London. But this time, investors took the advice of "The Mining Magazine" which read simply "remember the Londonderry!"

Grateful acknowledgements to H. Shakespeare for the loan of many newspaper articles quoted in the text.

Other sources: Stock Exchange Year Books 1896, 1898, 1899, 1901, Register of Defunct Securities (1947), History of the Australian Gold Rushes (edited by N. Keesing), The Rush that Never Ended (by G. Blainey).

STANDARD EXPLORATION COMPANY LIMITED

NUMBER 15182

CAPITAL £1,500,000

IN 1,500,000 ORDINARY SHARES OF £1 EACH.

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GIVEN under the Common Seal of the said Company in London, the 23rd day of 1899.

STANDARD EXPLORATION COMPANY LTD., dated 23 February 1900 and signed by S. Macleay and Whittaker Wright as directors. One of Whittaker Wright's promotion and finance companies, it operated from 43 Lothbury, the same address as London & Globe. It was registered in 1898 with a capital of £1,500,000 and took over a string of gold mining companies in the Murchison and Coolgardie regions of Western Australia. Reports and accounts were not submitted. The company was wound up by Court Order on 16 January 1901.

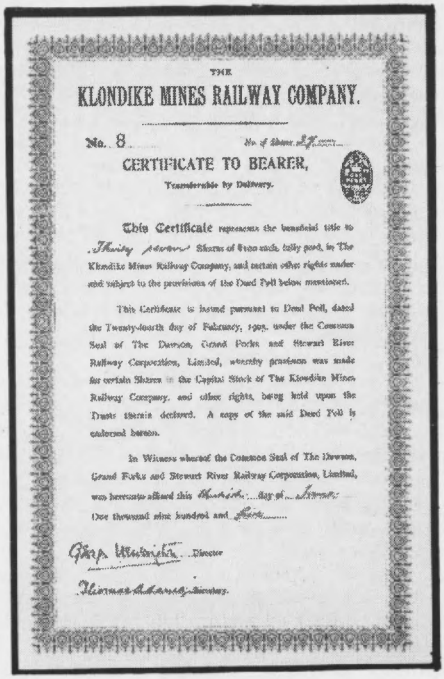
KLONDIKE MINES RAILWAY

Neil Radke

The name of this short narrow guage railway is a little misleading as its principal traffic was merchandise, lumber and passengers and had very little mineral loads at all. The Klondike Mines Railway was chartered in the Yukon Territory in 1899 as was to build a rail line from Klondike City, via Bonanza Creek and Indian River to the Divide, to Dominion Creek,to the Yukon River and to Dawson City, with branch lines to Sulphur Springs. The entire railway was owned by the Dawson, Grand Forks, and Stewart River Railway Corporation of London, England, and construction got under way in 1905. The gauge was 3 ft. and the general office was located at Dawson, Yukon.

By the end of 1905, 15 of the 80 miles were completed and in November of 1906 the line was opened between Dawson City and Sulphur Springs for 31.81 miles. The short line had 21 flat cars, 4 passenger & other cars & three locomotives. Brooks built one locomotive in 1881 for the Kansas Central Railway, which eventually became the Klondike Mines Railway No.1. (This is on exhibit at Dawson City Yk) The other two locomotives were purchased by the White Pass & Yukon Railway. Construction stopped after 1906 and business was carried on using the limits of the lines already completed.

Operations failed to meet expenses and in the autumn of 1913, after only seven short years, the railway was insolvent. Four remaining loco's plus the flat, passenger and box cars were abandoned at Dawson City. For 48 years these sat at the old terminal, suffering from neglect, exposure, and in 1961 they were moved into the city of Dawson. Seeing that they had not suffered as much damage as first thought, they were eventually restored and are on display as historical artifacts. The fourth locomotive was brought out of the mothballs and operated by the White Pass & Yukon Railway to meet the traffic needs of World War Two. The Klondike Mines Railway Locomotive number 3, was a 2-8-0 Vauclain compound with outside frames, built in 1899 (formerly the White Pass & Yukon Railway loco number 57). It is the only remaining compound steam locomotive left in Canada.



THE

KLONDIKE MINES RAILWAY COMPANY.

No. 8 No. of Shares 25

CERTIFICATE TO BEARER,

Transferable by Delivery.

This Certificate represents the beneficial title to Thirty Seven Shares of Four each, fully paid, in The Klondike Mines Railway Company, and certain other rights under and subject to the provisions of the Deed Poll below mentioned.

This Certificate is issued pursuant to Deed Poll, dated the Twenty-fourth day of February, 1905, under the Common Seal of The Dawson, Grand Forks and Stewart River Railway Corporation, Limited, whereby provision was made for certain Shares in the Capital Stock of The Klondike Mines Railway Company, and other rights, being held upon the Trusts therein declared. A copy of the said Deed Poll is endorsed hereon.

In Witness whereof the Common Seal of The Dawson, Grand Forks and Stewart River Railway Corporation, Limited, was hereunto affixed this Thirtieth day of June One thousand nine hundred and Five

Geo. Westinghouse Director

Thomas Adams Secretary

Material gained from;

NARROW GAUGE RAILWAYS OF CANADA, Omar LaVallee.1972, Railfare Ent. Mont.

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ASPEN'S ARGENTIFEROUS PAST

Brian Levine

You hear a lot about Aspen, Colorado - the ski mecca. You hear a lot about Aspen, Colorado - the Hollywood of the Rockies. Aspen, Colorado and the anti-fur campaign. Aspen, Colorado and the classical music festival. Aspen, Colorado - the glitter, the glamor, and the so on.

You don't hear a lot about Aspen, Colorado and its silver mining history. I'm not sure why - other than the fact that it's quite popular in America now to be anti-mining, yet still wear a pound of silver, gold and platinum to a "Save the Ozone" protest. But Aspen mining history is quite exceptional.

Take, for instance, the fact that Aspen had the single greatest silver producing mine in all Colorado. That's right, the Mollie Gibson beat out the Robert E. Lee of Leadville and the Red Elephant of Georgetown. And might've also produced more than any single silver mine in the Comstock Lode.

Take, for instance, a single silver nugget taken from the Smuggler Mine in 1894 weighed 2,060 pounds, of which 1,900 pounds was near .999 fine silver.

Take, just for instance, the single greatest silver ore body in the world - 140 feet from vein wall to vein wall - was discovered in the Compromise Mine.

And then, the fact that the single most important figure on the Aspen mining scene was a senior partner of Macy's Department Store in New York. His name, Jerome B. Wheeler.

Wouldn't those facts be enough to get you interested in Aspen's silver mining history? It did me.

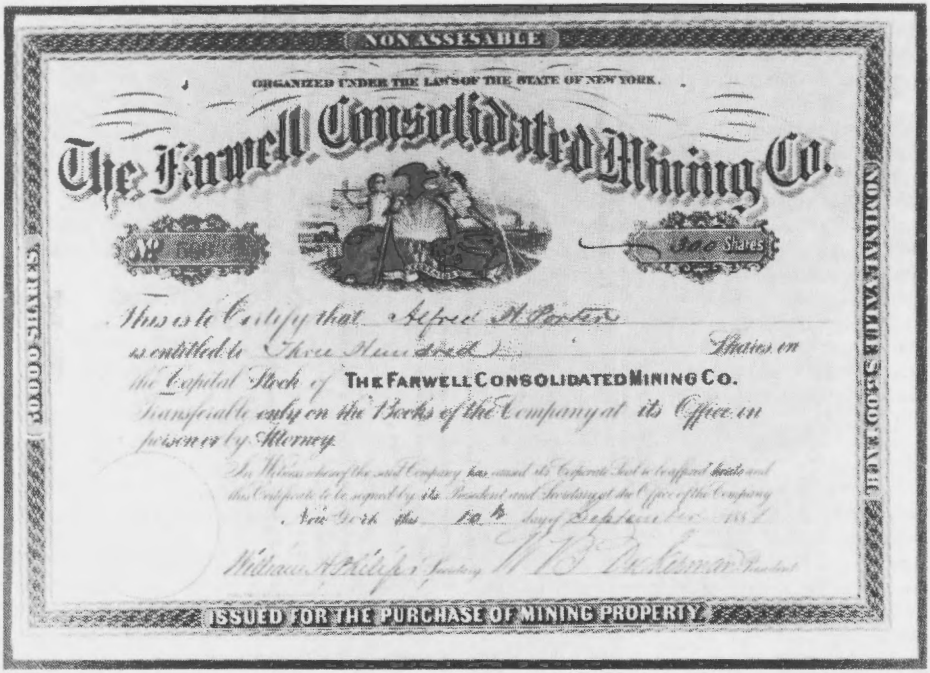
After some research, I found out one of the most significant events to boost Aspen on to the international scene happened five years after its original discovery: that was in 1884, when Wheeler put together the Aspen Mining and Smelting Company. This incorporation made it possible for Wheeler to run a profitable ore processing operation within the Aspen District. No longer was there a need to make expensive shipments to the smelters in Leadville.

You see, Aspen is tucked away deep in the heart of Colorado's Rocky Mountains. Kind of in a meeting place of the Sawatch Range and the Elk Mountain uplift. This meeting place is called the Roaring Fork Valley and is surrounded by steep mountains that rise between two and three thousand feet directly out of the valley.

There is no easy way to get to the Roaring Fork Valley. The first prospectors to discover mineral here came from Leadville and had to travel from the Arkansas Valley, over Taylor, Cottonwood, and Independence passes. Independence pass - one of the highest in Colorado - has a summit of twelve thousand feet above sea level, and the descent into the Roaring Fork Valley was so steep burros and supplies often had to be lowered on ropes distances of nearly forty feet.

In the summer of 1879, some of the best claims were staked out. These included the Durant, Smuggler, and Spar. In the spring of 1880, the Mollie Gibson, Argentum-Juniata, and Della S. claims were put on the map. There were several small camps that preceded the platting of Aspen, such as Ashcroft, Independence, and the Ute City. But flat ground and the location of the best-producing mines made B. Clark Wheeler (no relation to Jerome B. Wheeler) plat out Aspen close to the confluence of Maroon, Castle, and Hunter Creeks, all of which became a part of the Roaring Fork River.

Unfortunate thing was, there were no good roads into the new silver distict, and that further delayed development. In fact, a number of Aspen's best mines often lay idle for months, awaiting the arrival of jacktrains from Leadville to carry out their ore and bullion. Once the jacktrains arrived, mine owners were reluctant to pay the going price for these animals to carry their ore and bullion. Jacktrain owners were demanding between $50 to $100 per



ton for shipment to Leadville alone. Costs were almost twice that going to Denver.

Aspen needed rail transportation to allow greater production, to attract more investment capital. Two companies went into fierce competition to meet the demand: the Denver & Rio Grande, and the Colorado Midland. The railroads conducted their typical violent race to their silver prize. The Denver & Rio Grande arrived in Aspen in 1887. The Colorado Midland, under the direction of James J. Hagerman and Jerome B. Wheeler, arrived in 1888. Aspen was now ready to out-produce Leadville.

But transportation wasn't the only factor that delayed Aspen's development. Litigation played a big part. A very big part. All of Aspen's major mining figures spent a good deal of their time and cash in court. Jerome B. Wheeler went up against Cincinnati attorney David M. Hyman in the Aspen versus Durant claims. Of course, it was an apex suit, and it cost about $600,000 to find a compromise. Previous to that, in 1883, there was the Spar versus Washington. And, of course, it too had been an apex suit. And then there was the J.C. Johnson and Chatfield claims versus the Della S. - you guessed it, an apex suit. And so forth, ad nauseam.

But there were other types of suits that kept the attorneys rolling in the silver. Such as the Wheeler versus Hagerman suit. This was a stock manipulation accusation. Wheeler and Hagerman had both been involved in the later development of the Mollie Gibson Mine, just as they'd worked together to bring the Colorado Midland into Aspen.

Wheeler, in this instance, was more a promoter; Hagerman a developer. The Mollie Gibson had been a low-grade ore producer for almost ten years since its discovery in 1880. After Hagerman took control of the mine's development, it became the richest producer in the entire Aspen District. At times, the Mollie's ore assayed out as high as 12,000 ounces to the ton. In 1890, Mollie Gibson stock sold for thirty cents a share. In 1892, a share sold for close to ten dollars.

It appears Wheeler lost interest in the

Mollie in late 1890, and wanted to sell out to help some of his other Aspen ventures, like the Bushwacker Mine. Hagerman purchased the majority of Wheeler's shares, about 190,000 of them. Total purchase price: about $190,000. When the Mollie really began producing, between 1891-1892, Wheeler felt he'd been defrauded out of his interest. So, he filed suit. After lengthy litigation, Wheeler withdrew his claim, but not before several lawyers entered Aspen's upper class.

Finally, in the early 1890s, Aspen had its smelters, railway transportation, generous development capital, and highly prosperous mines.

The "Crystal City of the Rockies" was on its way to becoming Colorado's best silver-producer. Then in July 1893, the U.S. Government repealed the Sherman Silver Purchase Act of 1890 and all went down a watery shaft. Wheeler went bankrupt. Hagerman's sizeable fortune was cut in half. Even David Hyman took a serious loss.

Both Hagerman and Hyman ultimately recovered from the sudden closing down of the Aspen District. Wheeler didn't. He retired to his mansion in Manitou, Colorado, just west of Colorado Springs. He continued to live well, but was no longer a powerhouse on the Colorado mining scene.

Aspen itself recovered from the repeal of the Sherman Silver Purchase Act. Its estimated overall silver production totaled some 100 million dollars.

Oddly enough, with such a great production record and with at least 30 years of strong mining history behind it, Aspen material is quite scarce. Not more than thirty different certificates have been catalogued on Aspen mines. And supposedly, never more than thirtyfive different issues were ever listed on any stock exchange at any one time.

Maps, photographs, and other historical documentation are also quite hard to obtain. That could be why there are so few Aspen collectors. But that doesn't stop me. History is history, and there's quite a bit in Aspen's Argentiferous past.

PRINTERS OF U.K. METAL MINING STOCKS AND BONDS

Rolf von Arx

In an attempt to get an idea of the printing firms involved in the production of British share certificates and bonds, a batch of 247 metal mining items have been checked to this effect. Of these, 59 are variants (debentures, other denominations, later issues etc.). Out of the 247 certificates 100 show no printers credits. The remaining 147 items were printed by the following firms:

Baily Brothers, Cornhill, London (Great Crinnis Copper Mining, 1852)
R. Barham, 1 Queenhithe, London E.C. (East Roman Gravels Lead Mining, 1879)
George Berridge & Co, 179 & 180 Upper Thames St, London E.C. (Van Mining, 1886)
Blades, East & Blades, London (Taliesin Mining, 1871)
A.P. Blundell & Co, 177 Upper Thames St, London (Mining Shares Investment, 1890; South Polgooth Mining, 1917))
Alfred Boot, 8 Eastcheap & Dockhead, London (New Victoria -South Devon- Mining, 1871)
Edwin S. Boot, 38 Gracechurch St, London E.C. (Uranium Mines, 1890)
Bradbury, Wilkinson & Co Ltd, 2 Moorgate Buildings, Broad St, London E.C. 2 and New Malden, Surrey (Mount Wellington, 1935, 1937)
Burrup, Mathieson & Co Ltd, London (Polberro Tin, 1938)
Brown & Son, Douglas (Snaefell Mining, 1884)
Carter & Bromley (H.T.S. Bardo), Royal Exchange, London E.C. (Bwlch United Mines, 1882)
Sir Joseph Causton & Sons, London (Dolcoath Mine 1899, 1922; East Pool & Agar, 1918, 1920, 1922, 1924, 1925, 1935, 1941; Levant Mining 1920)
L. Clarke & Son, Lithographers, Manchester (Mwnbwll Lead Mining 1880)
Alfred H. Cooper, Lithographer, 19 Coleman St, London E.C. (Gorsedd & Merllyn Mining, 1875)
Alfred Couldrey & Co Ltd, 49 London Wall, London E.C. (Falmouth Consolidated Mines, 1909, 1912; St. Agnes Consolidated Mines, 1911; St. Ives Consolidated Mines, 1912; Killifreth Mine, 1923)
Crowther & Goodman, 124 Fenchurch St, London E.C. (Cardigan Mines, 1907)
D. Cunninghame, Glasgow (Cardigan Mining, 1913; Tresavean Mines, 1914)
D. & Co. (Grenville United Mines, 1920)
Wm. Dawson & Sons, 121 Cannon St, London E.C. (Lydney & Wigpool Iron Ore, 1872)
Alfred Deakin, 107 London Wall, London E.C. (Phoenix Silver Lead Mining, 1872)
Diprose, Bateman & Co, Sheffield St, Kingsway, London W.C. (Levant Co, 1923)
Donnison & Son, 20 Wormwood St, London E.C. (Aberdaunant Lead Mining, 1872, 1874)
G. Doubble, 14 Serjeants Inn, Temple, London E.C. (New Injebreck Silver Lead Mining, 1873)
Alfred Doubble & Co, 40 Fleet St, London E.C. (Bampfylde Mining, 1877; Park Lead Mining, 1880)
The Elecric Law Press Ltd, Public Company Printers, London W.C. (Wheal Reeth Tin, 1934)

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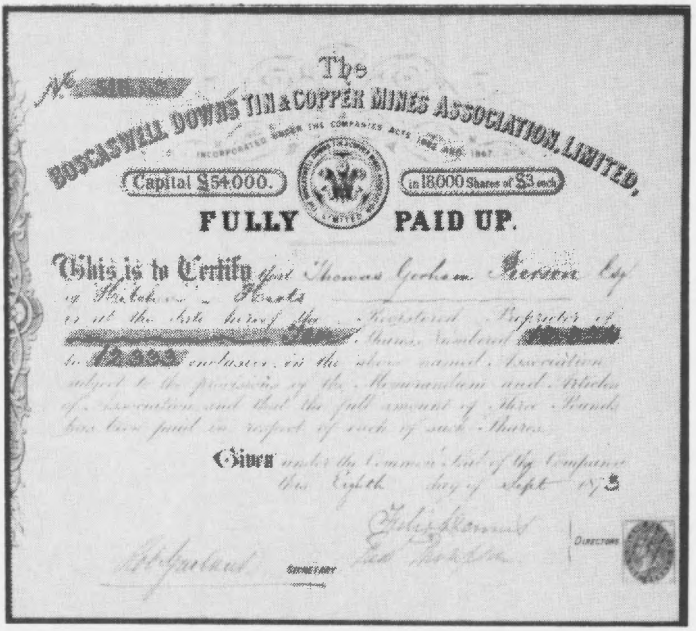
Ellis, 15 Old Broad St, London (St. Gennys Mining, 1835)
W.H. Evans & Sons Ltd, Chester & Colwyn Bay (Plas Winter Halkyn Mining, 1903)
G. Falkener, Engraver, Manchester (Ulverston Mining, 1873)
E.F. Gooch & Son, 55 King William St. London E.C. (Tamar Lead & Fluor Spar Mining, 1883)
Hall & English, Birmingham (Central Van Lead Mining, 1877)
J. Hampton, Printer, Postal Telegraph Office, Ramsay (Vannin Silver-Lead Mining, 1873)
Harrison & Sons, St. Martins Lane, London (South Devon Iron & General Mining, 1859)
Hepburn & Sons Ltd, Pancras Lane, London E.C. (Cornish Tin Sands, 1914; Killifreth Mine, 1920, 1923)
Hooper & Son, 69 Ludgate hill, London E.C. (Hubbodale Lead Mining, 187-)
H. Horne & Sons, 7 Warwick Court, London W.C.1 (Radium Ore Mines, 1923)
Howard & Jones Ltd, Bury St, London E.C. (Cornish Wolfram Mines, 1917; Wheal Kitty Tin, 1927)
H. Inchbold, Bond St, Leeds (North Hallenbeagle Tin & Copper Mining, 1860)
Imprimerie de la Bourse, L. Noyer, 68 rue de Richelieu, Paris (Truman, 1892)
Imray & Doulton, 37A St Mary, London (Snow Brook Silver Lead Mining, 1875)
James & Co, 39 & 40 Aldermanbury, London (Eaglebrook Mine, 1862)
Jordan & Sons Ltd, 116-118 Chancery Lane, London W.C.2 and Broad St Place, London E.C.2 (Treburgett Consolidated Mines, 1920; Levant Tin Mines, 1923; New Consols Mines, 1947)
Kerby, 5 Great Ryder St, St James, London E.C. (Cwm Nant Ddu Lead Mining, 1873)
W.P. Laidlaw & Son, 92 St. Vincent St, Glasgow (Wheal Jewell & Marytavy Mines, 1914)
Letts Son & Co Ltd, London and New Cross (Yeoland Consols, 1883)
J.F. Masser, Lithographer, Leeds (Grimwith Lead Mining, 1867)
Metcalfe & Cooper Ltd, Grocers Hall Court, London E.C. (Kingsdown - Hewas Water - Tin Mines, 1925)
Metchim & Son, 20 Parliament St, London (Cafartha Lead Mining, 1871), and Clements Lane, London E.C. (Cumberland Lead Mines, 1888)



G. Mitton, Engraver, 27 Camomile St, London E.C. (Kit Hill Great Consols, 1881; Weardale Lead, 1888; Glyndwr Mining, 1890)

W. Morrison & Son, 96 Leadenhall St, London E.C. (Leadhills Silver Lead Mining & Smelting, 1876)

W.H. Moss & Sons, Whitehaven (Postlethwaites Eskett Mining, 1898), and 'Ltd', Whitehaven and Workington (Winder Gill Mining, 1909; Stockhow Hall Iron Ore, 1913; Lamplugh Iron Ore, 1920)

W. Pagen, Printer & Stationer, 1 Market Place, Whitehaven (Cleator Glebe Mining, 1888)

Partridge & Cooper Ltd, 19 & 192 Fleet St, London E.C. (Lery Mining, 1909)

Chas. Pearson & Son Ltd, 21 Bury St, London E.C. (Lisburne Development Syndicate, 1907, 1909)

Phillipson & Golder, Chester (Plas Winter Halkyn Mining, 1888, 1903; Llanarmon District Mining, 1892; United Minera Mining, 1912)

Richards, White & Co, London (Welsh Freehold Coal & Iron, 1872)

Rowe & Co Ltd, London E.C. (New Dolcoath Tin & Copper Mining, 1874; Llanrwst Lead Mining, 1879; East Wheal Rose, 1881; Carnarvonshire Great Consols Lead Mining, 1884; New Tamar Silver Lead Mine, 1886; Shepherds United, 1886)

Silvester & Co, 27 Strand, London (Dartmoor Consolidated Tin Mines, c. 1823)

The Solicitors' Law Stationery Society Ltd, 29 Walbrook, London E.C. (Cothy Mines, 1911), and 22 Chancery Lane, London W.C.2 (Harrison, Ainslie, 1900; Dolcoath Mine, 1921, 1923, 1926, 1928)

Standidge & Lemon, 77 Cornhill, London ('printed from stone') (Trevorgus Silver, Copper & Lead Mining, 1835)

Stephens, hayter & Co, 80 Throgmorton St, London (United Van Consols & Glyn Lead & Barytes Mining, 1880)

Frederic Straker, London E.C. (Brynpostig Mine, 1870)

Straker Bros & Co, 35 Camomile St, London E.C.2 (Cwym Bychan Silver-Lead Mining, 1874; Elgar Silver-Lead Mining, 1874; Glyn Lead Mining, 1877; Bodidris Mining, 1878; Ladywell Mining, 1879; Devon Great United, 1880; New Trumpet

Consols Mining, 1882; Tregeagle Tin Mining, 1888; West Wheal Grenville Mine, 1888), and 44-47 Bishopsgate Without, London (Hafna Mining & Smelting, 1892)
Straker Bros Ltd, The Bishopsgate Press, 194-200 Bishopsgate, London E.C.2 (Devon Great Consols 1899; Kingsdown -Hewas Water- Tin Mines, 1923)
Straker Bros Ltd, Old Broad St, London E.C. (St. Dennis Mining, 1900)
Chas. Straker & Sons Ltd, Bishopsgate Avenue, London (New Teign Valley Mining, 1901)
Sullivan Lithographers, 22 Chancery Lane, London (Arundell United Cooper Mines, 1854)
F. Summers, Engraver, 2 Pinners Court, Old Broad St, London E.C. (Crenver & Wheal Abraham United Mines, 1871)
Suter, 19 Cheapside, London (Owen Vean Copper & Tin Mine, 1838)
C.Thurnam & Sons, Carlisle (Caldbeck Fells Consol. Lead & Copper Mining, 1870)
B.Tipper & Son, 10 Cloak Lane (Allt-y-Crib Silver-Lead Mining, 1872)
Tuck & Co, Union Court, Old Broad St, London (Caldbeck Fells Consol. Lead & Copper Mining, 1865)
W.H Tyerman, Lithographer, Liverpool (Conway Valley Freehold Mining, 1882)
Varty, Engraver, & Co, 27 Camomile St, London E.C. (West Stiperstones Mining, 1870; South Roman Gravels Mining, 1871)
Waterlow Bros. & Layton Ltd, 24 Birchin Lane, London E.C. (New Bronfloyd, 1881; Atlas Tin Mining, 1889)
Waterlow & Sons Ltd, London Wall, London (Roman Gravels Mining, 1871; Whitehaven Iron Mines, 1871; Mid-Devon Copper Mining, 1880; Wheal Arthur, 1919)
Waters, Engraver, 97 Westbourne Grove, Bayswater, London (Tankerville Mining, 1873)
Wertheimer, Lea & Co, Circus Place, Finsbury, London (Llanarmon Lead Mining, 1870)
Whitehead, Morris & Co, London E.C. (Millon & Askam Hematite Iron, 1891), and 'Ltd' instead of 'Co' (Levant Tin Mines, 1920)
Whitehead, Morris & Lowe, 9 Fenchurch St, London E.C. (Callington United Mines, 1889)
Whiting, London (Hayle Consols Mining, 1836; Cornwall Great United Mines, c. 1837)
Wickes & Andrews Ltd, 145 Upper Thames St, London E.C.4 (Toldish Tin Mines, 1920)
W.Williams & Co, 29 Moorgate St, London E.C. (Brynambor Lead Mine, 1870)
Williams, Lea & Co Ltd, Clifton House, Worship St, London E.C.2 (Dartmoor Tin Mines, 1923)
C.M. Willich, 8 Pickett St, Strand, London (Dartmoor Consolidated Tin Mines, 1824)
Witherby & Co, Newman's Court, Cornhill and Middle Row Place, Holborn, London (Whitehaven Iron Mines, 1876), and Cornhill, London E.C. (Dolcoath Mine, 1918; Cornwall Tin Mines & Alluvials, 1925)
H.T. Woodrow & Co, 3 Cook St, Liverpool (New North Halkyn Mines, 1908)
Worrall & Robey, 137 Fenchurch St, London E.C. (North Molton Mining, 1884)

Even when counting the Straker, Waterlow and Whitehead Groups as only one each, this adds up to an incredible 82 printing firms translating into an average of only 1,75 certificates per firm. No out-and-out specialist firm emerged from this sample. There is no way of knowing if the sector metal mines is in any way representative for all share certificates issued at the time. To no one's surprise there is a very heavy concentration of London printing firms. A point of interest are perhaps the two printers in the Isle of Man. The examples of the famous Waterlow Group are not at all conspicuous by their quality. There is also no marked trend of regional preferences, e.g. that Cornish and Devon mines would have picked different printers form the Welsh ones. It is impossible to say if the 'engravers' took care of the printing too or not.

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MAKING MONEY FROM THRIFTY VICTORIANS

Michael Veissid

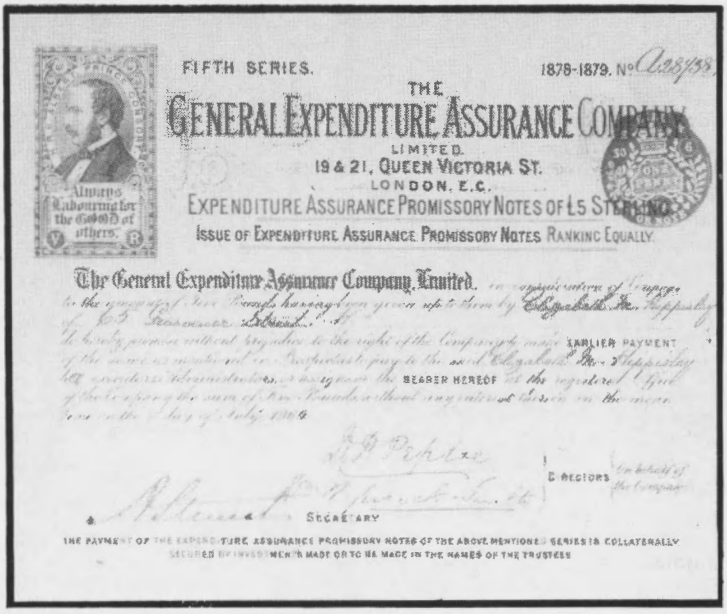
It is strange how a story can build up over a period of time! Some 10 years ago, I acquired a few unusual bonds and promissory notes of the General Expenditure Assurance Company Ltd, and, although I found them intriguing, time did not permit a thorough investigation. About 2 years ago a few more turned up in an old accumulation, many identical to those I already had but some new types, and, more interesting to me, a batch of the company paperwork. Then, to my surprise, I found some more relevant pieces on a recent trip to Paris!

Having put all these acquisitions in some sort of order, I feel that it may now be worth a short article, although the pieces are a little on the fringe of scripophily.

The General Expenditure Assurance Company Ltd. was founded in 1874 to operate "The coupon trading system" and not, as its title may imply, for any insurance purpose. The company consisted of 3 trustees, 2 of which were also directors and 6 directors, 3 of whom were MP's. The Head Office was in Queen Victoria Street, London.

In this period the custom of giving discounts to cash customers by shopkeepers was prevalent, usually 5% and generally on purchases of £1 or more. The company took advantage of this to start their system. In short, it worked like this - a shopkeeper who wished to join the scheme would purchase from the company, coupons of varying values from 6d to £5, at 5% of their nominal value. He would then give them to his customers instead of the 5% discount. If a customer spent £1, he would receive coupons to the nominal value of £1, the shopkeeper having paid 1 shilling. The shopkeeper is no worse off, only that he has given his discount in advance!

The customer then has to save up £5 worth of the coupons before presenting them to the company. The coupons were then exchanged for a bond or promissory



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note. The bonds paid no interest, which was what had attracted me at the time! Also the repayment dates were from 1950 onwards, a minimum of 75 years, although I must add that drawings were made by ballot every year.

So, the company sells coupons to the shopkeeper, who gives them to the customer, who exchanges them for non-interest bearing bonds and notes. The company had found a good way of getting money at no cost, (apart from the printing of a lot of paper and paying the wages), and being able to invest it where they saw fit and to pocket the interest and/or profits. Why then did the company attract so much business - by appealing to the thrifty nature of the people. The company's literature contains the following paragraph, "discount is rarely given for sums less than £1, and, if given, the small amount of cash would not be appreciated by the purchaser, and would soon be spent. Whereas, by taking Coupons, he obtains discount which he would not otherwise receive, and insures his family the return of all ready money spent by him".

Another way that the company profited was undoubtedly the fact that many customers either lost their coupons (illustrated full size here) or never managed to get £5 worth together by the company's deadline.

The same operation was tried in France. Illustrated here is a second series bond for 100 francs (the then equivalent of £5), issued by the company's agent for France, Belgium and Switzerland.

Unfortunately I do not know what happened to the company. It did not have a quotation on the Stock Exchange at any time. Something did happen in 1881 however - the name of the company was changed to the Capital Guarantee Society and a new French company was formed - Societe Anonyme des Coupons Commerciaux. When time permits I feel sure the information will be found in the company files at the Public Records Office at Kew.

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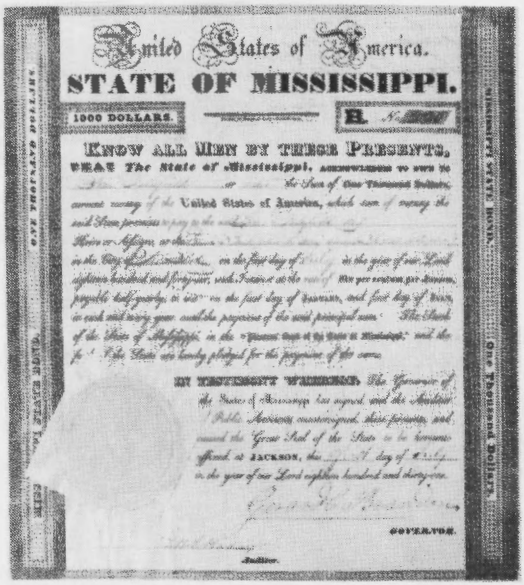
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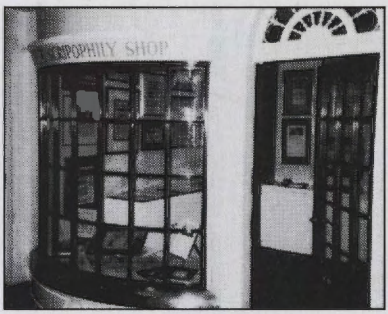

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