

SCRIPOPHILY

ENCOURAGING COLLECTING SINCE 1978

No.89 - AUGUST 2012

The American 'Monte Christo'



How the inventor of the Safety Bicycle ended up with a year's hard labour
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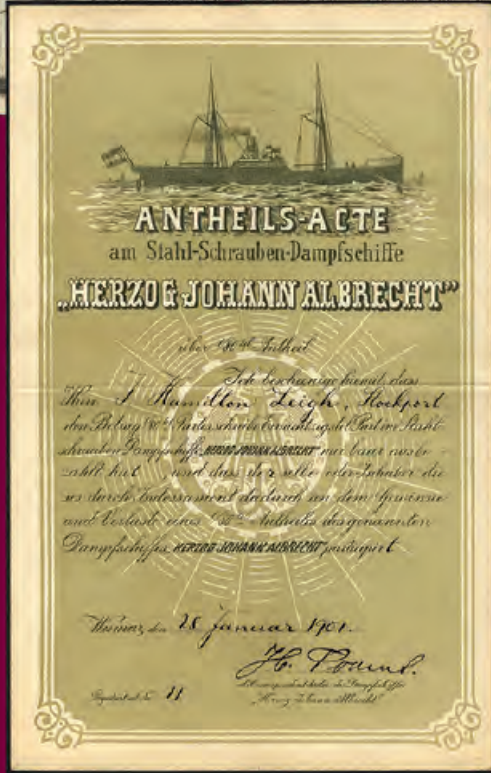
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SCRIPOPHILY

ENCOURAGING COLLECTING SINCE 1978

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ANNUAL GENERAL MEETING 2012

The IBSS 2012 Annual General Meeting was held in London on 3rd July. In the absence of the Chairman, *Andreas Reineke*, who had unfortunately been unable to avoid work commitments the meeting elected the Secretary, *Philip Atkinson*, to chair the meeting.

The main focus of the meeting was on the continuing financial deficit of the Society and progress towards eliminating it. The Treasurer, *Martyn Probyn*, noted in his report that the deficit in 2011 of £2,920 was very similar to that of the previous year. The financial impact of the main step taken towards eliminating the deficit – reduced printing cost as a result of the switch to publishing *Scripophily* in A4 format, which seems to have been well received by members – will only be realised in 2012. The higher membership charges introduced in 2011 will have an increasingly beneficial impact as existing multi year memberships come due for renewal. Further savings will also be made this year from the partial or complete sponsorship of the annual breakfast meetings of the USA Chapter. However, it was noted that the Society faces a further financial challenge this year from the large increase in overseas posting charges introduced by the UK Mail in early 2012 which, in the absence of offsetting actions, would increase postal charges by some £1,500 per annum.

The Membership Secretary, *Philip Atkinson*, reported that the Society was continuing to lose members albeit at a diminishing rate. Current membership as of the date of the AGM was 521 compared with 541 at the date of the last AGM in early July 2011. Some 40 members failed to renew their membership at the end of 2011 although new members to date so far this year had made good half of the loss from the non renewing members.

The Auctioneer, *Bruce Castlo*, reported that the hammer total from the three 2011 auctions amounted to £12,515, just beating the 2010 hammer total of £12,276. This year promises to be even better with the two auctions so far having already realised £11,649 on the hammer.

The Chairman's Report was read out to the meeting by the chairman of the meeting. The Chairman noted that the Society was in urgent need of appointing a new Committee Member to improve the marketing of the Society and attempting to halt and reverse the decline in membership. An appeal was made to the members present at the meeting to help find such a volunteer. Although the Society will make substantial printing cost savings this year it will also be necessary to change the method of mailing *Scripophily* to non UK members this year if those savings are not to be negated in part by higher postal costs. A new way of mailing *Scripophily* to non UK members will be tested in August with the objective of holding postal charges at previous levels. The Chairman thanked all the Committee Members and IBSS Members who had contributed to the Society over the past year, with particular thanks to the Editor, *Max Hensley*, and his Editorial Team, to *Bruce Castlo*, to *Philip Atkinson* and to *Mike Veissid* and *Spink* for their support of the Society and allowing the Society to use their office facilities.

The agenda items requiring approval by the members present – the Report of the 2011 AGM, the 2011 accounts, the reappointment of the current Independent Examiner, *Nico Vermeiren*, and the appointment of the nominated Officers and Committee Members – were passed.

Philip Atkinson, Secretary

MONTHLY LONDON MEETINGS

London meetings will continue to be held the first Tuesday each month at Spink commencing 6pm, except for August and January. Any member visiting London on meetings days would be made most welcome.

We reported in the last edition of *Scripophily* that regular attendees are encouraged to bring some item of scripophily to show, talk or just ask about. At a recent meeting lot 133 from our June 2012 IBSS auction was shown, a **Bradbury Wilkinson** specimen certificate for the **Buenos Ayres & Pacific Railway Co Ltd**, dated 188-*(ill.)*. The vendor commented that he had never seen an issued certificate (a common comment from vendors of specimen certificates). A nearly identical issued certificate also has been seen (*ill.*), but the issued one was printed by **Waterlow and Sons**. There are remarkable similarities between both versions – indeed the heading and surrounding scrollwork seem identical. Are there other examples out there of a change of printer (excluding take overs and mergers) where the same basic design is retained? The **Buenos Ayres & Pacific Railway Co Ltd** was incorporated in 1882, around the date of the Bradbury Wilkinson specimen. It successfully operated for many years before being liquidated in 1948, the total length of line, including leased lines, being almost 1,500 miles.



THE INTERNATIONAL BOND & SHARE SOCIETY

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2011

2010		2011
£		£
7,135	Income	7,667
	Subscriptions	197
6,670	Donations	6,099
972	Advertising	45
1,834	Sales of publications	2,503
	Auctions commission and premium	
	Bourse and meeting fees	
694	Interest received (gross)	438
298	(Loss)/gain on foreign exchange	64
1,845	Gain on redemption of Govt. stock	
	Other income	
19,246	Total Income	17,013
	Expenditure	
11,529	Journal & indexes production costs	11,614
1,057	Scripophily Library production costs	
1,145	Directory & supplements production costs	294
4,902	Postage and Packing	4,744
1,114	Auction catalogues and other expenses	1,124
459	Stationery and committee expenses	574
723	Bourse and meeting costs	558
639	Bank/Credit card charges	771
190	Internet expenses	
261	Taxation	89
86	Provision for accountancy	185
£22,105	Total Expenditure	£19,933
£(2,859)	Surplus/(Deficit) for Year	£(2,920)

IBSS BOURSE - LONDON

The small but lively London Society bourse was held on 19th May at the usual venue of the Imperial Hotel, Southampton Row. Attendance remains very small in relation to other hobbies but there was a marked increase in attendance and we are heading in the right direction. If everyone could persuade one or two more collectors to attend we would soon outgrow the venue. At the moment overseas dealers come over but primarily to buy. Holding the bourse the day following the Spink auction certainly does draw people. This is the first year we have made a small charge for tables which all dealers were perfectly happy about. Although there was a small shortfall in income over expenditure one of the dealers kindly plugged the financial gap. Perhaps it will soon be time to run the bourse twice a year.

There was quite a lot of trading between the dealers and the emphasis was on the speculative material from China and in particular Mexico. The writer managed to buy a few things for his collection so was rather pleased. Deals were still being done after 3.00 pm and in fact an old friend, Keith Hollender, walked in just as I was about to go. Perhaps since he has retired he is finding it hard to get up in the mornings!

Mike Veissid

THE INTERNATIONAL BOND & SHARE SOCIETY

Balance Sheet as at 31st December 2011

31.12.2010		31.12.2011
£		£
21,365	Accumulated Fund	18,506
(2,859)	Brought Forward	(2,920)
	Surplus/(Deficit) for year	
£ 18,506	Accumulated Fund carried forward	£ 15,586
	Represented by:	
15,862	Bank deposit accounts	9,839
4,203	Bank and cash balances	6,587
2,106	Debtors and prepayments	1,154
14,977	Investment in Govt. Stock at cost	14,977
£ 37,147	Total Assets	£ 32,557
	Liabilities	
10,375	Unexpired subscriptions	10,412
-	CBSS subscriptions, unallocated	
8,121	Creditors and accruals	6,470
145	Taxation	89
£ 18,641	Total Liabilities	£ 16,971
£ 18,506	Net Assets	£ 15,586

FHW FINANCIALS

AG FHW – the world's only listed scripophily company and owner of most of Germany's leading scripophily brands, FHW, HSK, Gutowski, DWA and Benecke und Rehse – has announced results for 2011 substantially better than 2010.

The consolidated turnover of the group for 2011 (direct sales and auction commissions) rose by nearly 23% to €2,005,000 (£1.6m/\$2.7m). As in 2010 the group benefited enormously from the "Mexico effect" – Mexicans buying their national bonds for speculative reasons. Without the Mexican sales there would have been a 4% decline in total turnover, at €1,268,000. Including Mexico the operating profit was €483,000, almost double 2010. Profit after taxes amounted to €242,000 (€166,000 the year before). Net assets were €5.19 per share. The directors announced the dividend will again be increased, from 12 cents to 16 cents. In addition bonus certificates usable for purchases from the Group will be issued at the same rate as last year: 40 cents per share. The share offer price on the Munich Stock Exchange is around €5.

In the first four months of 2012 demand from Mexico cooled a bit. Unaudited group turnover was €497,000 compared to €683,000 in the same period of 2011. This caused group operating profit in the period to fall from €166,000 to €98,000, but an encouraging feature was that the turnover of non-Mexican business was 20% up.

I have examined the Society's accounts for the period ended 31 December 2011 and after having reviewed all supporting information, I can conclude that the accounts give a true picture of the state of affairs at the 31st December 2011 and of the period then ending.

Nico Vermeiren,
Auditor
12th April 2012

SCRIPHILY EXHIBIT IS WINNER AT AMERICAN NUMISMATIC ASSOCIATION'S SHOW

ANA Numismatic Educator Rod Gillis was awarded the People's Choice Award at the ANA's National Money Show in Denver in May for his exhibit on "Monopoly in Real Life". Gillis used stock certificates to illustrate famous locations in the Monopoly game: **Consolidated Water Co** of Utica New York – Waterworks; **Reading Co** – Reading Railroad; **Pennsylvania Railroad Co** – Pennsylvania Railroad; **Clearwater Short Line Railway Co** – Short Line; **Baltimore and Ohio Railroad Co** – B&O Railroad; **Columbia Gas and Electric Corporation** – Electric Company. The certificates were displayed with the game board and game features bearing the company names. Gillis, who got his start in scripophily three years ago when he received an 1880s railroad stock certificate as a "thank you" from a numismatic organisation for his educational activities, says he is "attracted to the history and beauty of old stock certificates". The People's Choice Award was determined by a vote of the convention attendees among 22 other exhibits over the three days of the show.

CITY MUSEUM OF NEW YORK HOSTS NEW EXHIBIT ON NEW YORK BANKS



The City Museum of New York is presenting an exhibit entitled *Capital of Capital: New York's Banks and the Creation of a Global Economy*. The exhibit, which runs through 21st October, explores how the New York economic dynamo was made possible in great measure by its innovative and controversial banking sector. It traces the city's banks from the founding of the Bank of New York by Alexander Hamilton in 1784 to their primacy in today's nation and world, using rare historical objects and images, including banking instruments, architectural renderings, stocks and bonds, bank notes and advertisements. It tells a fascinating saga of growth, innovation, and, at times, unintended consequences, and reveals how New York City's particular circumstances – geography, human capital, and political alignments – helped make finance a major component of New York City's identity.

The exhibit makes liberal use of stock and bonds, many of them provided by IBSS member Mark Tomasko and, of course, the Museum of Financial History. The Museum is located at 5th Avenue and 103rd St. and is open 10 – 6 seven days a week. Highly recommended!

MAROHN FAMILY TAKES SCRIPHILY ON WILD RIDE



On page 25 of the April issue of *Scripophily* we reported that the estate of Tony Marohn was claiming that a 1922 **Palmer Union Oil Co** stock certificate, purchased for a few dollars at an estate sale by Marohn (he is now deceased), entitled the estate to 1.8 million shares of the **Coca-Cola Co**. The certificate was not cancelled. It was endorsed by the shareholder to whom it was issued, but without transferee. Marohn wrote in his own name as transferee and demanded that Coke issue him Coke shares to which he thought he was entitled. Coke didn't take kindly to Marohn's demands and sued him (and after his death, his estate). In April we urged members to check their collections ... they might have one of these certificates because "Palmer Union are not uncommon".

Bob Kerstein, dealer member of the IBSS and founder of *Scripophily.com*, has provided us more insight in the background of this court case. He operates *OldCompany.com* which researches old stocks and bonds. As part of his research business, he was contacted by both parties (Coca-Cola and the Marohn family) in this lawsuit to provide the background of the Palmer Union Oil Co. His report was used in the court case, which made several national news services.

Palmer Union Oil Co certificates are widespread, having been offered regularly on eBay and in at least 18 Smythe auction group lots over the years. They were worth \$5 - \$10, but had a brief price spike because of the notoriety. Many Palmer Union Oil Co certificates offered in the marketplace are cancelled, but the Marohn example was not. A cancelled certificate will not retain any redeemable value, by definition.

The Delaware court held a status conference on 19th April. The transcript is amusing – see <http://www.scripophily.com/documents/coke%20april%2019%202012.pdf>. It is clear from the hearing that the Chancellor (judge) Stine thought the Marohn claim was a farce and not in the interests of good public policy. The hearing Exhibits, especially Exhibit E (<http://www.scripophily.com/documents/coke%20-%20exhibits.pdf>) show that the Palmer Union, like some dormant ancestral DNA, does survive into the present day Coca-Cola Co. However, Chancellor Stine demanded proof that the Marohns had a proprietary interest in the Coca-Cola Co. Showing mere corporate connections like assets sales would not be enough – the Marohns would have to prove that their Palmer Union shareholder rights (if any) had survived the many corporate transfers – for example, meeting redemption requirements. The Marohns had also overlooked reverse splits noted in Kerstein's report that reduced the value of the certificate to \$15,000 from their originally asserted \$130 million. After much embarrassment, the Marohn family attorney proposed to withdraw their claim against Coke. Accordingly, we expect this tempest in the scripophily teapot to sink out of sight. Palmer Union Oil Co certificates now are an interesting keepsake, but no windfall.

COLLECTORS CLEARINGHOUSE - THE EVOLUTION OF SCRIPOPHILY

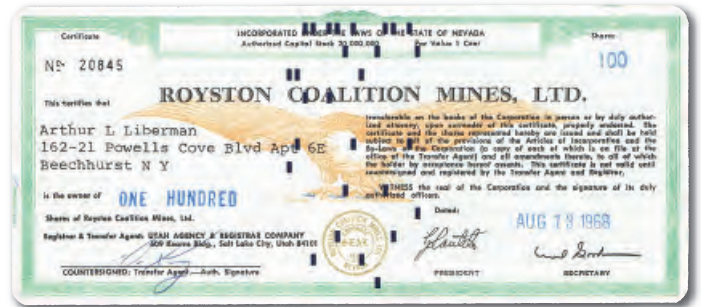
The earliest document which could be considered to be scripophily is not known for sure. In a recent article in *Scripophily*, a municipal bond on vellum from Haarlem, the Netherlands, was discovered by Mr Corne Akkerman. This is considered to be the earliest example of scripophily on record. So if we start from there, the subject has passed through various stages: from hand inscribed documents on various media to eventually a printed paper article. Along the way, somewhere in the mid-19th century, I believe, an ingenious individual decided to add a vignette as an artistic feature which no doubt was intended to enhance salability.

Countless companies were organised and shares issued with vignettes ranging from simple logos to eagles, although some became quite ornate in the art deco manner. Especially in the USA, some of the vignettes became very elaborate, depicting scenes from the industries being financed. And in my humble opinion, I consider this to be the golden age of scripophily, which lasted from the middle of the 19th century until late in the 20th century. We are all very familiar with this type of certificate. Other nations were much slower to adapt to the vignette concept, and some have not yet fully made that transition.



A good example of the vignette certificate is that of the Royston Coalition Mines, Ltd, incorporated in Nevada in the early 1920s. The illustration above is of one of their stock certificates issued in 1956.

But how many of you have seen a stock certificate printed on a computer punched card, such as that for the same company issued in 1968 and illustrated? This was a bizarre evolutionary offshoot in stock certificates which was apparently short-lived. Speaking of evolution, the Royston Coalition Mines, Ltd eventually changed its name and apparently its activities to Goodell Monorail Industries, Inc.



Vignettes reached their zenith in the period between the 1980s and the early years of the 21st century. Indeed, there are some very spectacular ones which occupy the entire document.

Stock certificates are still being printed today, but in ever decreasing quantities. However, the ominous shadow of computerised “book entry” stock ownership is rapidly rendering paper stock certificates into obscurity if not obsolescence. As a matter of fact, it is usually necessary to pay a significant extra fee to a broker-dealer to have a paper certificate issued directly to the owner rather than having it held in “street name.”

It is probable that eventually this hobby will be concerned solely with antiquarian material, which hopefully will still find its fascination to a sufficient number of collectors to continue its viability.

John Simpson

FALSE ALARM – NO FACEBOOK CERTIFICATES AFTER ALL

Originally, IPO sensation Facebook had reported that it would provide paper certificates that looked like this. Now Facebook has decided to not make stock certificates available to investors after all. According to CNNMoney, “The operators of two stock-sale websites, **OneShare.com** and **GiveAShare.com**, said they learned of Facebook’s change of heart late last week. Computershare, which handles Facebook’s shareholder records, contacted them to say no paper stock certificates would be forthcoming.”

Scripophily dealer Bob Kerstein (scripophily.com) says a lot of companies no longer offer stock certificates, including Apple, Intel and Microsoft – Microsoft discontinued its paper certificates in April. That can make the remaining pieces of paper more valuable. For example, Kerstein recently sold for \$1,300 an Apple IPO stock certificate, which adjusted for splits originally cost only \$2.75 per share.

The Facebook share would have been a nice souvenir, but it was no work of art. If this is the best we can do these days, perhaps it is appropriate to give such sad creations a decent burial.





Morgenthau-Bonds

by Henry Goldgier
in co-operation with Hans-Georg Glasemann

Worldwide fraud activities using fictitious financial documents have increased considerably in recent years. Such documents, US authorities report, include US Federal Reserve bonds which are not counterfeit but in fact are entirely fictitious, that is, they are fantasy products which have never existed in reality. Such fictitious/virtual US Reserve Bonds are classified as ‘Morgenthau Bonds’.

Goldgier and Glasemann explore the myths around those Federal Reserve bonds or notes, allegedly issued in the 1930s, including amazing conspiracy theories and extremely high total face values up to a trillion US Dollars, along with diverse attempts to defraud with these bonds using, among other paraphernalia, official-looking cases to hold the ‘bonds’. Goldgier has been involved with these as an expert for more than a decade, and the book lists all known confiscations, seizures and lawsuits related to Morgenthau Bonds since the year 2000. All warnings/alerts by US authorities are described. Examples of the bonds and their cases are pictured.

The German-language book (ISBN-10: 3848210886, 46 pages) is published by Books on Demand and is available through Amazon at \$17.95.

Bonanzas & Borrascas – Gold Lust and Silver Sharks 1848-1884

Bonanzas & Borrascas – Copper Kings and Stock Frenzies 1885-1918

by Richard E Lingenfelter

In the April 2012 *Scripophily* Richard Lingenfelter treated us to an excerpt from his two volumes of mining history, “Dr. Richard Flowers and the Famous Spnazuma Scan” (pp 17 – 21). He also has contributed to this issue (Captain De La Mar). The Spnazuma article was a small excerpt from these volumes, quite small – ‘Sharks’ contains 357 pages of text and 76 pages of notes, and ‘Frenzies’ 444 and 109, respectively. There is a lot of good summer reading here. You will probably find you own stocks in some of the companies he profiles, and they are easy to find using the extensive indexes.

A major strength of these works is that Lingenfelter relies on primary sources thoroughly listed in the notes. For anyone with a passing interest in western US mining these books are an absolute ‘must’. You may think you can get what you need from

Google, but that is merely a skim coat compared to the exhaustive research and fascinating tales found in Lingenfelter’s paired opus. All our old mining friends are here, the mining companies that issued so many of the stocks and bonds with which we are familiar, from the **Mariposa Land & Mining Co** to the **Little Pittsburg Consolidated Mining Co** to the **United Copper Co**, together with the entrepreneurs and sharks behind them. Literally hundreds of mining companies are covered in detail, including their organisers, stock issuances and pricing, mining data, dividends and other hard-to-find information, all tied together in an easy-to-read story line. The scholarship is remarkable. For example, Lingenfelter quotes from Samuel Clemens’/Mark Twain’s *Roughing It*, “My hoarded stocks were not worth the paper they were printed on. I threw them away”, which answers the age-old scripophily question, “where are Clemens’ stock certificates?” Now we know.

Each volume contains images of a number of the stock certificates of companies covered and, while the image quality is modest, there are many rarities and unusual items. Do not think this is a passive listing of companies. It is a grand narrative of western mining and the practices of the securities markets for these stocks, a business so infested with fraud, self-dealing and market manipulation that these books might legitimately belong in the subcategory of crime novels. You won’t be able to put them down.

The volumes are available only in hardback from www.ahclark.com for \$40 each or \$72 for the two.

Egyptian Bourse

by Samir Raafat

This 112-page publication in English tells the story of the rapid economic development of Egypt in the late 19th and early 20th century. We learn about the business ventures of local pioneers as well as foreign fortune-seekers (mainly of Belgian, English, French and German origin), and the political environment in which they operated. Some 50 Egyptian shares and bonds are reproduced in full colour and large format (mainly full page size). The book is large and impressive (40 x 30 cm), and so is the print quality (on thick paper) and the content. It is strongly recommended if you want to increase your knowledge of Egypt beyond the era of the Pharaohs. A must have for starting and advanced collectors of the (almost without exception) very beautifully decorated Egyptian certificates, from the Cairo Electric Railways to the Suez Canal.

Price on the internet: 360 Egyptian Pounds (around €50). Published 2010 by Zeitouna, Cairo, Egypt.

THE OLDEST MINING SCRIPOPHILY

The oldest mining scripophily seen on the market was recently in auction. In 1625, in the unstable conditions of the Thirty Years War and the Counter-Reformation, the Austrian Emperor Ferdinand II decided to combine all iron mining operations in Austria into one company. This was the **Innerberger Hauptgewerkschaft** and it brought together the Innerberger wheelmasters, the Ennstal forgers and the iron traders of the city of Steyr, into one huge company with 2,000-3,000 workers producing 5,000 tons of iron annually, believed to be the largest iron company in the world at that time. The three parties in the merger became the owners of the combined enterprise.

The old German writing on this manuscript document and the ancient business structures are not the easiest things to understand and we have pieced together the story as best we can. The document is an indenture by which the Steyrerischen Eisen Compagnia ('Steyr Iron Company') invested 378,741 guilders and 5 shillings in the Innerberger Hauptgewerkschaft as an equity partner, any gain or loss on its share being for its account. It may be that this sum was not advanced in cash but was the figure at which the old Steyr business was valued when its assets were transferred to the new Innerberger company. If so, the redemption terms were somewhat unrealistic, envisaging that the holder could demand repayment after one year, failing which the company would repay in three tranches over 3 years. The structure was more like a partnership than a limited liability company. The bond was signed by numerous officials including two Austrian Councillors, Count Johann von Wenderstein and Count Wilhelm von Claffenau.

The ownership was reorganised in 1669 because the Innerberg activities were losing money while Steyr was making large profits. For more than a century after that the company was in effect state-owned and suffering from English competition (Abraham Darby, John Wilkinson etc). In 1787 the company was privatised but again came under government control in 1807 during the Napoleonic Wars. After losing the war against Prussia in 1866, Austria again privatised Innerberger Hauptgewerkschaft. It was taken over by Österreichhischen-Alpine Montagesellschaft in 1881, and this company merged with another in 1973 to form the **Voestalpin AG** iron and steel group which still exists today.



The 1625 share indenture was sold in April by HWPB in Germany for €9,200 including buyer's premium, a rather modest price for this historic piece.

AND EVEN EARLIER ...

A mining company share survives from three centuries before the Innerberger, but it is in a museum not in a collector's hands. Written, signed and sealed in 1288, the document records the purchase by the Bishop of Vasteras of a one-eighth share in the Swedish copper mine **Stora Kopparberg**. The company grew to be of huge importance to the Swedish economy. It was granted a charter in 1347 and was incorporated as a shareholder company in 1862. Towards the end of the 19th century it diversified into pulp and paper production. The copper mine closed down in 1992 after more than 700 years of continuous operations. In 1998, the company had 20,000 employees and merged with Enso to form today's **Stora Enso**.



EDHAC DROPS CLUB AUCTION

As usual the 2012 AGM of the German club EDHAC was held with an auction at Kürnbach on the second Saturday in June, but this was for the last time. EDHAC has decided to abandon the usual pattern and combine its AGM with a commercial auction.



It is getting more and more difficult to acquire consignments and since volunteer levels are very low it was decided to break with tradition and end the yearly club auction.

This year's event comprised the AGM in the morning and the auction – the best ever! – in the afternoon. As usual, coffee, cakes and tarts were offered during the whole day, and the evening ended happily at the coincidental Weinfest in Kürnbach.

The next AGM will be in Würzburg on Sunday 21st April 2013, the day after an HWPB auction. As well as the AGM, EDHAC will organise a lecture and a visit to a site with an historical financial background, and hope to generate the same convivial atmosphere as in the traditional events.

SPECULATIONS ROLL ON

We may need a regular column directed to the speculation phenomenon. It seems that every issue must report big spending for a piece of paper that would have been difficult to stretch around a \$100 bill three years ago.

Where can we start? Here's a table of sales of Mexican scripophily reporting prices greater than \$500 on US eBay. We haven't caught them all, but this is a good sampling. We asked the sellers of lots going for more than \$5,000 whether they were paid, but many sellers simply do not respond to our inquiries, and others cover up the serial numbers so you can't identify relistings after failed transactions.

US eBay Transactions Mexican Speculation 30th May – 4th August 2012

Sale date	Item No.	\$ realised	Bidders	Notes	Winning bidder/underbidder
Banco de Guanajuato 1906 shares					
May 30	280885009882	1,417	7	Three certificates (\$4,250 total)	c***o/t***r
May 31	261031017563	2,550	19	private	
June 17	230806891758	1,450	9	German revenues	5***t/h***n
June 21	270998408382	1,580	8		4***8/k***p
July 18	271017195571	2,870	9	l***l and k***p were active as underbidders	i***s/l***c
July 22	280925344282	[\$1,250]	0	did not sell at \$1,250	
July 26	261070446850	4,110	11	Only 2 bidders above \$1,200, one with 0 transaction history	k***p/l***u
Banco de Mexico 1906 100 pesos bond					
July 3	280909143528	36,100	4	unusual Government bond, with coupons; seller says he was paid	e***e/4***8
Banco Central de Mexico 1903 shares					
May 12	13069133848	6,123	18	blue 25 shares*	private
May 30	300716196408	550	1	green 1 share	e***l
June 16	130710162132	960	11	green 1 share	private
June 30	271004252411	775	10	green 1 share	9***5;/k***p
July 9	261059886872	[20,000]	1	brown 10 shares Winner did not pay	a***l
July 21	180932346012	1,225	2	green 1 share	l***i/k***p
Banco de Morelos					
July 19	261065514863	521	6	1,000 pesos	r***z/d***1
Banco Central de Mexico 1905 shares \$901, \$950, \$1325, \$795, \$810, \$710					
Banco Central de Mexico 1908 shares \$910, \$1525, \$1562.50 (lot of 2), \$1,075					
Republica Mexicana Dueda Consolidata 1885 \$5,000 bond (ill.)					
July 20	160800406265	27,878	12	winner had 364 transactions but did not pay Seller reports bond sold to someone else	9***g/1***s
Republica Mexicana Dueda Consolidata 1885 \$2,500 bond					
June 17	200772977546	[15,625]	14	not sold; relisted as '916	e***l/l***i
July 15	200787233916	12,600	11		k***p/m***l
Republica Mexicana Dueda Consolidata 1885 \$100 bond					
May 30	280885015769	6,200	3		e***e/0***2
Banco de Londres Y Mexico in green					
July 15	130725573756	6,800	3	seller reports being paid	private
July 16	221069743123	7,100	5		p***i/t***s
*One of these sold as lot 1276 in Gutowski's 16th July sale for €4,100, quite consistent with the eBay price, but other Mexican material, including a run of the 1899 Republica Mexicana £100 and £20 bonds failed to bring over €400 each.					

The data illustrates the dominance of some bidders such as k***p who has only about 70 transactions but who has won or underbid numerous lots. This market is quite thin. Another mystery is the significant variation in selling prices where top bidders seem to randomly “take a powder” and then pay twice as much a few days later. The sellers are almost exclusively European. The buyers, by some accounts, are Mexican, but their identities and motivations remain shrouded in mystery – sellers and dealers refuse to discuss them, even generically, and there is a twinge of fear in the sellers’ non-responsiveness. The Mexican government bonds that first fuelled the speculation, eg, the Republica Mexicana 1913 issue – one of which brought \$60,100 in 2009 – have disappeared from eBay or are offered with reserves so high they do not bring any bids. It is difficult to determine the ‘staying power’ of these prices.

Oddly, bonds of Mexican states have not been affected until recently, but in the FHW May 2012 auction a **Republica Mexicana State of San Luis Potosi 6% Sterling bond** £100, 1889, start price €300 sold at €3,000. However, a **Tamaulipas State bond** of 1903 could barely eke out \$99 on eBay (item no. 251118451519) on 4th August. The frenzy appears to randomly jump into other Mexican fields from time to time, just as it has from the start in 2009 ... a recent example is an 1898 **Compañia Anonima de Aguas San Luis Potosi 5000 share** certificate selling for \$405 on 21st July (item no. 110917936998, 7 bidders, e***/t***b).

An IBSS member in France who offered one of these on eBay is convinced that “a back door to redemption” will be found, but didn’t know of anyone who has found one. In this connection, it would be useful to translate the over-stamps found on many of these instruments - the text may relate to redemption or cancellation, but they are illegible in the eBay scans. If redemption was viable then the bank notes of these speculative banks should be going up too, but none of the issued banknotes of the **Banco de Londres y Mexico** have brought prices of more than about \$50 on eBay recently, nothing exceptional. A Banco de Londres y Mexico stock certificate from 1933 only brought \$265 (item no. 261045431029) whereas the 1905 certificate brings well into four figures. If redemption was driving the price, wouldn’t the post-revolution 1933 certificate be more likely to be redeemed and therefore higher priced? A **Republica Mexicana Dueda Consolidada 1885 \$1,000 specimen** bond offered in the 15th May 2012 Archives International auction failed to sell on a \$400-\$600 estimate, despite it being much rarer than the issued examples. This is quite a contrast to the \$27,878 (see table) one of the issued examples brought. The best that can be said about this market is that it is crazy and it is not scripophily in any classical sense.

Going Nuts for Napoleon

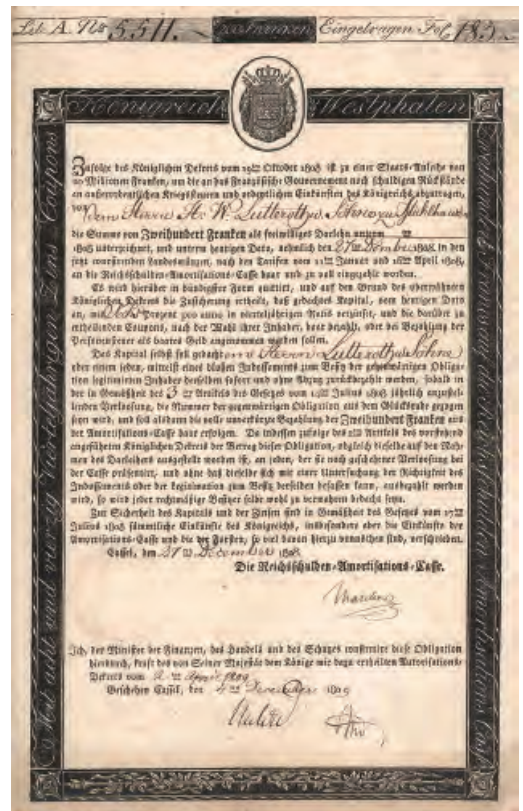
According to the *aktiensammler* (April 2012), the German-language scripophily journal, speculation has spread to paper of the **Kingdom of Westphalia**, set up in Cassel (today Kassel) by Napoleon as a toy kingdom for his brother Jerome. Compulsory franc loans issued by Westphalia during the Napoleonic wars were never repaid when the artificial kingdom collapsed without a legal successor. A year ago these bonds sold for €100-€150, then Spink sold one for £2,100 in November 2011, but now they are up to about \$25,000 (€11,000 at FHW Munich on 26th May, *ill.*). A 4% 100-franc bond of the Kingdom of Westphalia, estimate CHF2,000, was sold for CHF9,000 (€7,500) in the HIWEPA sale on 19th May.

Another example: the highest price of the entire Spink May 2012 auction was the £18,500 brought on an estimated £200-£300 for a **Cuyutlan Gold Mines Co** share with a vignette of Napoleon. The company was incorporated in Maine but had mines in Tepic, Mexico. We previously reported that a lot with 14 of these sold for £30,000 in the Spink November 2011 sale. More incredibly, none of these certificates appear to be issued. The shareholder is not filled in, the number of shares is not specified (other than they must be not over 25) and there is no evidence of a corporate seal. A certificate without a shareholder might be considered a bearer share except there is no defined number of shares. The certificates are signed by President W(illiam) P(eyton) Dunham, a Los Angeles developer of Ray, Arizona, and Mexican mines (*Men of 1914, 1915*) who is at most a minor historical celebrity.

Speculation also shows up in auctions when start prices are low enough to provoke bidding wars. A **Banco de San Luis Potosi** founders share dated 1897 in the Spink May auction rose to £2,700 on a £60-£80 estimate. As usual, Brazil continues to percolate along, in the May FHW sale a **State of San Paulo Coffee Institute 7.5% Sterling Bond** £100, 1927, sold at €4,400 from €380 start price and in HPWH May a 1906 **Municipality of Pará (Belem) 5% Gold Loan** of £20 went at €1,150 from a €500 start.



Reported to have sold for \$27,878



Westphalia bond brings astounding €11,000 at FHW in May from €1,000 start

The Nineteenth Century UK Bicycle/ Infant Motor Industry Investment ‘Bubbles’

John Batten

Until 1896 motor vehicles were almost unheard of, with 4mph speed restrictions remaining from the age of steam traction engines. However, H J Lawson’s invention of the ‘Safety’ bicycle in 1879 (a progression from the ‘high wheeler’) inspired the population and promoters of the UK cycle industry. The 1880s saw technical and structural improvements by manufacturers perfecting the safety bicycle, and this was reflected in the high prices they could command. For example, all new bicycles were fitted with pneumatic tyres by 1893/4.

In April 1893 ‘The Illustrated and Dramatic News’ wrote under the heading ‘The Portsmouth Road’ that there were 500,000 cyclists in the UK – 10,000 of whom were in the precincts of Greater London (this would have included all types of second hand machines.)

The Cycle Trader’s 40th anniversary issue in 1935 contained contributions by traders who were active the 1895 period. UK bicycle exports during 1894 surprisingly amounted to £306,606 to France, £167,351 to Belgium, around £100,000 to Holland and Germany, and around £70,000 to the USA – and that is without mentioning exports to the numerous nations of the British Empire! According to one cycle trader (retailer) in 1895, ‘The sale of new bicycles for cash was surprisingly low at around 30%, generally to people who had the “keep the change” outlook on life. Most business was done with the bicycle hire (rental) trade at £1 per week. Some traders hired at 1/- (5p) per hour and also taught people to ride.’

Harry John Lawson, a mechanical engineering student who graduated into the UK bicycle industry, invented the ‘Bicylette’ ‘Safety Bicycle’ in 1879, and the following year patented his ‘vision’ of an obscurely powered ‘vehicle’ with bridle steering: even at this early stage he visualised the bicycle would transition into the motor vehicle. At this time Lawson was in management at the Tangent Works and in 1881 three private bicycle

businesses amalgamated, Tangent joining forces with Haynes & Jefferies and Rudge. The amalgamated company was headed by George Woodcock, a solicitor who had recently purchased the bicycle business from the widow of owner Dan Rudge, already a reputable manufacturer.

The amalgamation was named **Rudge & Co** and Lawson was appointed ‘Sales Superintendent’ according to the **Rudge Cycle Co Ltd** prospectus of October 1887 (original share cert not seen). The value of cycles invoiced rose from £5,185 in 1881 to £41,163 in 1885 as Lawson continued to develop his inventions. Rudge & Co manufactured Lawson’s Bicylette which was selected by the War Office for military use and the company benefited from holding held a particularly valuable ballbearing patent. While with Rudge, Lawson would have learned the value to a company of holding and leasing out patents, and he was to apply this knowledge when he turned his focus towards the fledgling motor industry. Rudge Cycle Co Ltd merged with The Whitworth Cycle Company Ltd in 1894.

Lawson next appears in March 1895 when he acquired the **Beesten Pneumatic Tyre Co** to take over the English patents and business of a company of the same name. In November 1895 Lawson floated The British Motor Syndicate, purchasing any motor-related patents available. He bought the Daimler Syndicate, his most successful venture, and in May 1896 he floated the **Great Horseless Carriage Co Ltd** (*ill.*) which used Daimler motors. However, within two years shareholders were unhappy they had not received dividends.

Lawson then set up **The Motor Manufacturing Co** in 1898 offering Horseless Carriage Shareholders six Motor Manufacturing Co shares for every £10 share of The Great Horseless Carriage Co Ltd. The Motor Manufacturing Co was reorganised in 1900 but had gone by 1901. In August 1896 at Beesten, Coventry, Lawson acquired **Barton & Loudon Ltd**



The Great Horseless Carriage Co Ltd was formed to carry on the horseless carriage industry in the UK using patents belonging to The British Motor Syndicate Ltd. H J Lawson was a company director. It was liquidated in 1898 and merged with The Motor Manufacturing Co Ltd



The Beesten Tyre Rim Co Ltd was registered August 1896 to take over Barton & Loudon Ltd with capital increased to purchase certain patents from H J Lawson. The certificate bears the facsimile signature of Lawson as Chairman. The Company name was changed to New Beesten Rim and Components Ltd in 1897 and was removed from the register in 1901

cycle rim manufacturers to create **Beesten Tyre and Rim Co Ltd** (ill.). According to the articles of association, the company was 'to purchase a certain patent from Mr. Lawson, a licence was also obtained for the manufacture of Rims for pneumatic tyres in connection with Motor Carriages.' Again at Beesten he floated the **Quinton Cycle Co** which became the **Beesten Cycle Co Ltd** in 1896. Late 1897 it was decided to subdivide the business into two companies Beesten Cycle Co Ltd and **Beesten Motor Co Ltd**, the latter to produce the Beesten Quad Motor Cycle (the only motorcycle to complete Lawson's Emancipation Rally to Brighton in 1896). His only signature on a share certificate is a facsimile. None of his companies survived.

While Lawson pursued his interest in the fledgling motor industry Ernest Terah Hooley, an experienced property dealer, also saw bicycle businesses to be an opportunity to make his fortune. He moved operations to London with a six digit bank loan. He entered into a verbal partnership with M D Rucker, a man very familiar with the cycle industry. Rucker was manager of Humber Cycle Co and must have received a fortune from Hooley's business. Hooley quickly became a sought-after financier, a friend of the great and good who paid out thousands of pounds for eminent 'names' to front some of his floatations. It appears that almost everyone involved in the floatations did very well out of his largesse.

Emboldened by the enthusiasm of investors he claimed to have made £360,000 by restructuring the **Humber Cycle Co Ltd** in November 1895 (the company was first registered 1887 but none of these share certificates have been seen). He successfully acquired bicycle companies and then sold them to the public at incredible profits in the belief that he would make more money than shareholders. Hooley's country estates and wealth are believed to have grown to near £7,000,000. By the peak of the bicycle boom in 1896/7 he had become overwhelmed, a victim of his own success complicated by poor accounting. To his credit he had increased his estate workers wages from 12/6p to £1 per week, irritating the other Cambridgeshire farmers.

Here is an example extract from a floatation of two private bicycle businesses near to the end of the UK bicycle boom in May 1897.

**Cycle Shares as a Profitable Investment:
'Cross' and 'Mathews' Limited.**

It can be safely said that the shares in Cycle industrial businesses form the most profitable form of business now known. From small beginnings great numbers of businesses have grown to such gigantic proportions that they have been able to deliver dividends to their shareholders of phenomenal character... Guaranteed Profits — The vendors have guaranteed interest upon debentures and dividends 7% and 15% respectively for the first year. The required £50,000 payable £20,000 cash, balance cash or shares and debentures at the option of the directors thus leaving £20,000 working capital'.

By October 1897 only £4,000 in shares had been issued and the purchase money had not been paid. Liquidation followed in 1898.

In 1896 speed limits increased to 14 mph with the coming of the age of the motor car. The craze for cycling slumped especially for people of 'keep the change' abilities. Litigations



Road Sculler Co Ltd. was formerly the Rowing Tricycle Co. Adolf Reikmann relinquished control to the Rudge Cycle Co Ltd and the company was renamed Road Sculler Co Ltd in 1889. Share certificate signed by George Woodcock and Adolf Reikmann. Had it not been for George Woodcock the name and products of Rudge Cycles may not have survived. George Woodcock retired at the floatation of Rudge Cycle Co. Road Sculler was out of business by 1898.



Preferred share certificate in the New Coventry Cross Cycle Co Ltd. This was a reconstruction in March 1900 of the Coventry Cross Cycle Co (first registered 1896) to take over the business of Warman and Hazlewood (established 1875). One of the most decorative UK bicycle company share certificates. The new issue failed to attract sufficient investors. An ordinary certificate in brown also exists



Simpson's Leaver Chain (Foreign & Canadian) Ltd. This was an E T Hooley floatation (mentioned in his bankruptcy in 1898) formed for acquisition of foreign & Canadian rights of WS Simpson. £905,007 had been subscribed and called up despite cycle trade scepticism – scepticism validated by the company's bankruptcy in 1898



The New Cycle Company Ltd was registered in June 1896 to acquire Swedish patents for improvements in the driving and brake mechanism of all forms of velocipedes (bicycles). £200,000 in shares had been subscribed and paid up but the company was liquidated in 1898



Raleigh Cycle Co Ltd, first registered 1891 and reorganised in March 1896 by E T Hooley. The company survived the collapse of the bicycle industry at the end of the century and became one of the UK's most successful bicycle companies. Share certificate signed by founder Frank Bowden who wrote a book 'Cycling for Health' as he had personally experienced poor health

FURTHER READING

The Drama of Making Money, 1932, by Herbert A Meredith, Sampson & Low Marsten & Co Ltd.

Hooley's Confessions, 1925, Simkin Marshall Hamilton Kent & Co Ltd – rare but may possibly be obtained via a public library.

Google search. papers past- thames star- mahuau (Or Hooleys Bankruptcy hearing 1898.)

Google search. bygonedarbisher.co.uk hooley Ernest Terah Hooley fraudster with a magnetic personality.

Burdetts Official Intelligence 1897.

for £1.5 million hit Hooley followed by bankruptcy in June 1898. However he claimed to have received in the region of £100,000 from insurers on a strange life insurance policy arrangement with a solicitor. Hooley paid the premiums on the said 'alcohol related' life of Adolph Drucker MP. From 1898 to the end of the century many public limited bicycle companies went bust, share prices plummeted and investors' losses collectively would have been considerable. The few surviving companies were in the main those with overseas export markets or those that had moved production to infant motor cars / motorcycles. It took until around 1908 before the UK bicycle industry made a meaningful recovery.

E T Hooley's greatest success had been the floatation of the **Dunlop Tyre Co Ltd** in May 1896. The privately owned business of 'The Pneumatic Tyre Company' was offered to Hooley by owner William Harvey Du Cros for £3,000,000 in recognition of John Boyd Dunlop's invention (or re-invention) of an inflatable tyre. Dunlop was the name chosen for the company and it was decided to float at £5,000,000. Advertised profusely, the venture was apparently extensively oversubscribed.

In 1904 E T Hooley and H J Lawson (said to be an acquaintance of Hooley's from the 'Cycle Craze') were arrested and charged with fraud. Lawson was sentenced to one year's hard labour, ending his business career. Hooley was damaged once more and did not recover, later serving two jail sentences for fraud. He wrote his book of *Confessions* in 1924 while serving the second term. Although some of Hooleys promotions are known it has not been possible to establish all or how many of the numerous UK bicycle related companies were promoted by Hooley or if he operated under a business name. He successfully promoted the Bovril and Schweppes Companies.



Ernest Terah Hooley was depicted by 'Spy' in the famous series of caricatures of the 'Men of the Day' published by Vanity Fair, a popular weekly magazine published from 1868 to 1914

(No.665, 17 December 1896)

John Batten became a member of the International Bond and Share Society about two years after it was formed. He and his wife enjoyed attending antique Steam Fairs and on one occasion came across a collection of ancient bicycles. The bicycle exhibitors were keen to explain the origins of their machines and the renowned UK cycle industry pioneers in the UK cycle industry. Thus began his collection of bicycle company share certificates.

WALL STREET COLLECTORS BOURSE II

“Memorabilia of Finance”

at the Museum of American Finance

Thursday, Friday and Saturday, October 18-20, 2012

After a very successful debut last October, the **Wall Street Bourse** will return to the **Museum of American Finance (moaf.org)**, 48 Wall Street, New York, October 18–20. Bourse II relates the “Memorabilia of Finance” - stock and bond certificates, autographs, medals, bank notes, and coins - to important historical events. The Museum is **open free** during the event, which promises to be bigger and better than last year, with most of the show already sold. The **American Numismatic Society** has scheduled a special event for their members at the Bourse Friday morning. The featured speaker for Friday’s dinner at historic India House will be the prominent Belgian auctioneer and dealer, **Mario Boone**. “Friends of the Hobby” awards will be presented to **Brian Mills** of scripophily fame and **Tom Tesoriero**, longtime supporter of numismatics. On Saturday morning the **International Bond & Share Society** will hold their breakfast meeting in the Museum library. For further information please contact John Herzog at:
E-mail info@wallstreetbourse.com or Phone **203-292-6819**.



The Wall Street Collectors Bourse

*Trading opportunities for
lovers of financial history*

The **Auction**, by Archives International Auctions, will be on Saturday, October 20, in the gallery of the Museum of American Finance. Important **leading company anniversaries** will be celebrated. For information about consignments please contact Dr. Robert Schwartz at: E-mail info@archivesinternational.com or Phone **201-944-4800**

THE WALL STREET BOURSE :: WHERE FINANCE MEETS HISTORY

Strasburg Retrospective

John Herzog

In the winter of 1984, Smythe's stock and bond business had become more active, and Diana and I realized we ought to get some help with cataloguing for our auctions, still very small, but with promise. At that point, there were about 200 to 300 lots in a sale, using the Friends of Financial History format, tall and narrow pages making illustrations difficult and with minimal descriptions. As printing deadlines approached, we would set up shop in our dining room to cut and paste the descriptions onto the printer's boards for the old Friends magazine. The first auction of collectible stock and bond certificates in America was held at Fraunces Tavern, where Washington said farewell to his generals, on March 27, 1980. It had 205 lots, including eleven 18th century lots, and ending with Blue Ridge Railroad Co, estimated at \$120-135 and selling for \$300. The total price realized was \$44,408.

As we looked around for help, Douglas Ball learned about our need, and volunteered to do some cataloguing for us. Douglas came to work in the office where Walter Steinberg had been the auctioneer for impromptu sales at meetings of the Bond & Share Society, great fun but hardly a business. Soon Douglas suggested his coming to work for Smythe full time, and came to talk about that, bringing his colleague Stephen Goldsmith. We talked in Diana's old office which overlooked Bowling Green and the Charging Bull, a great view. Douglas had written a business plan, and it seemed reasonable, but it meant that we would have to do a lot more business to make it work. "No problem," said Douglas; we would just have larger auctions.

When this change occurred, and Douglas and Steve moved into 24 Broadway, our old address, Douglas brought along an asset which we knew nothing about. This was the invitation from the Memphis Coin Club to participate in the show that June, and we all decided it would be a good thing to do. Diana and I were introduced to a far wider world of dealers there, and we made many new friends, and did a little business, too. It was hot in Memphis in June, and also expensive for newer dealers, and it took place only once a year. So, when dealers said there ought

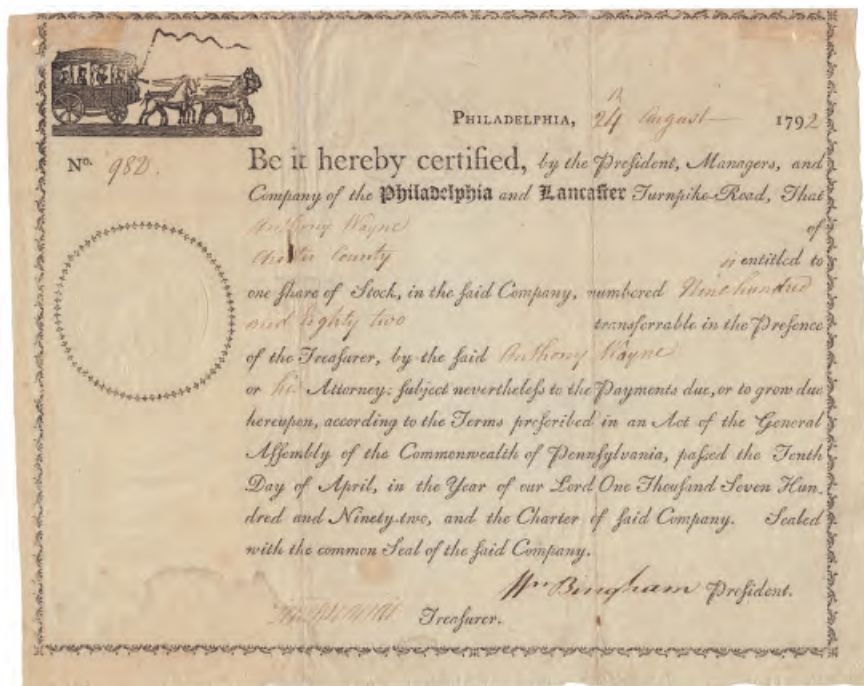
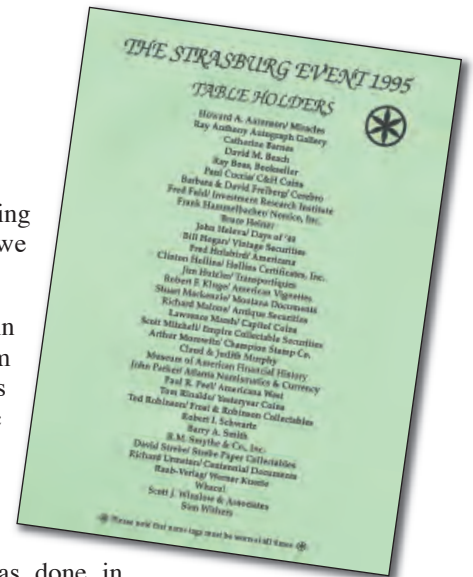
to be another meeting during the year, we were listening.

My partners and I in the old brokerage firm had become owners of the Historic Strasburg Inn in the Amish countryside of Lancaster County, Pennsylvania. While

a lot of business was done in good weather, very few visitors wanted to travel there in the winter. Rates then were very low, and the possibility of another show, close to New York and very inexpensive to attend, was enticing. Thus, the Strasburg Stock and Bond Show was born in January 1988, and to add to the appeal of attending, Smythe would hold an auction. We were off and running, and there was a lot of enthusiasm for this new event. There was a lot to do, but the Inn was very helpful since there were no other customers around, and in New York, we made lists for everything, and started putting things in boxes to take with us.

Smythe had gotten the contract to sell the stocks and bonds of the Penn Central Railroad, and introducing many of these new pieces at Strasburg brought collectors and dealers from near and far. The show grew, and the auctions became larger too, so that instead of 200-300 lots in a sale, there might be 2,000! This provided entertainment on two evenings, and there were heated contests for some lots. Differences could always be settled over a drink in the Tavern later, a favorite spot. Ladies enjoyed the local outlet shopping, one of the big draws for the show, and it became a family affair with relationships forming which would last for twenty-five years and more.

In the early days at the Inn, hot water in the mornings was scarce, so you had to be up early, but then you got a big farmer's breakfast which lasted many people until they could get a "loaf of soup" delivered to their table. Warm chocolate chip cookies and coffee came around the Bourse in the afternoon, too. On Saturday morning, the IBSS had a breakfast, and attendance of upwards of fifty was normal, with short talks on a variety of subjects. After the first year or two, the stock and bond people took over the entire Inn, so the feeling was very intimate, and everyone liked that. We weren't just another party at a big hotel; we all knew most of the people there, and got to know them better as the years went by. In later years, bank note, autograph and Americana events took place there, or were melded into the original show.



This 1792 part-paid share in the Philadelphia & Lancaster Turnpike was a memorable 'walk-in' at a Strasburg show, one of only two examples known of the temporary paper certificate issued before the fully paid 1795 vellum issue. The Pike included Strasburg in its route

Some terrific personalities from the Inn became legends, too. There was the great comedian Jakey Buderschmidt, who entertained us all one year wearing a gigantic tie that he kept tripping over. Security was handled by the Strasburg police, and Chief Bob Ham was a favorite who later came to Memphis with us. And there were book signings by Keith Hollender, Douglas Ball, and Pierre Fricke as their books became standards for collectors. These were done at wonderful dessert parties, with ice sculptures and many sweet selections.

Along the way, the Inn sponsored hot air balloon events, and during one stock and bond show some intrepid folks wanted to fly, too. There were several trips, first without incident, but later requiring the Strasburg Fire Department to get some of the dealers out of a tree where they had crashed!

There were many auction records set at Strasburg. Paul Jung, a local auctioneer, miraculously pronounced many difficult place names, and did a wonderful job, becoming everyone's favorite. There were many splendid pieces which found their way to Strasburg, as dealers and collectors alike would save them in a special file until the next January. One year, with the show in its final hours, a local resident walked up to the Smythe table with a Philadelphia and Lancaster Turnpike certificate from 1792, predating the ones we were familiar with. This was a unique piece, and we were able to buy it. One of the auctions featured a 'Society of Adventurers to Pennsylvania' from 1683. And the very special share in the Bank of North America owned by Douglas Ball was in an auction, and created a sensation. Bidding began quite low, and ended at about \$70,000 including the buyer's premium. So far, it has turned out to be unique, and Ned Downing, the owner, created an exhibit about it called "America's First IPO" which also became a book published by the Museum of American Finance about a year ago. When the new Penn Central pieces were shown, there was a frenzy of activity, as this material was new and most of it was available in limited quantity only. The final auction of Penn Central material was also spectacular, with bidding very active and prices way exceeding expectations.

After years of holding shows the Inn was sold to new owners, and they decided not to honor the low room rates we had all enjoyed. More dealers wanted to attend, and Kevin Foley then organized a much larger show in a different hotel, but the show wasn't the same and it didn't survive in the new location. For a variety of reasons, the show ended its run in the fall of 2004. A competing show had begun, and was scheduled the weekend before the Strasburg Event, and this drew dealers ready to trade. Alas, there was less need for the Strasburg show. Smythe had been organizing the show for decades, and changes in the firm and at the Inn indicated it was time to call it quits. Several smaller events were held, with auctions, in the Smythe office at 2 Rector Street for a couple of years. By this time, major changes in Smythe's business were apparent, and Smythe was sold to Spink in 2008.

But dealers we met at other shows continued to ask us when Strasburg would be reconstituted; they missed the show, and missed seeing their old friends. Diana and I were both involved with the Museum in New York, and we began to think about a show there. We knew many more collectors, there were new dealers, and such an event might help the Museum become better known. It took a while to accomplish, but plans were agreed upon for a show in October 2011. Using the European name for a collecting event, the Wall Street Collectors Bourse was born. The December *Scripophily* reported on the successful 2011 event, and we plan to repeat again in October 2012 (see our advertisement elsewhere in this issue).

Strasburg visitors over the years, left to right



John Herzog, Keith Hollender, Erik Boone, Mike Veissid, Ira Unschuld and Brian Mills



Friedrich Hütte, Bruce Hagen, Doro Hütte and Tankred Menzel



Bruce Heiner, Keith Hollender, Mike Veissid, Richard Urmston and Ian Marshall



Hannelore Garrison, John and Diana Herzog, Haley and Ione Garrison

JOSEPH R DE LA MAR

THE “AMERICAN MONTE CRISTO”

Richard Lingenfelter

Unlike most other western bonanza kings, *Joseph Raphael De La Mar* not only amassed a fabulous fortune of over \$33,000,000 – roughly a couple billion in today’s dollars – opening some rich silver and gold bonanzas, he also gave his investors very handsome profits. The brashly adventurous son of an Amsterdam banker, he stowed away on a sailing ship for the West Indies in 1850 at the age of seven, shortly after his father died. He sailed the seas for more than twenty years, eventually rose to the rank of captain, and proudly spelled out his name as “de la Mar.” But when he later made his fortune on land he contracted it to “De Lamar.” Before he gave up the sea, however, he settled on Martha’s Vineyard as a salvager for a few years working over forty wrecks along the coast until he was trapped under one for many hours in a near-fatal dive. He then bought a steamboat to open the Gambia River trade in West Africa, which proved very profitable, but after losing several men to the fever, he sold out to a British co.

Giving up the sea at last, he returned to America and followed the Leadville rush to Colorado in 1879 to try his luck. Quickly recognizing the complexities of the mines, however, he went on to Chicago and hired a professor for a six-month crash course in mining and metallurgy. There he also made friends with a couple of wealthy glue-factory owners, Christian and Louis Wahl. With their backing, he returned to Colorado and bought a lead claim called the Terrible for \$3,500. He spent the next several years developing it and his mining skills before they sold it for \$75,000 to the **Omaha & Grant Smelting Co** in 1886.

That summer he moved to Idaho, and after a tour through the camps, he paid \$30,500 for a couple of very promising silver-lead claims at Wagontown, which he modestly renamed De Lamar, just half a dozen miles west of the earlier boom camp of Silver City. Again in partnership with the Wahls, he purchased an old mill, which he thoroughly rebuilt, and within a couple months he succeeded in tapping into an “immense ledge,” nearly eighty feet wide with bonanza ore running up to \$900 a ton! He soon made his mine the territory’s biggest producer, taking out over \$1,400,000 in the next three years. In January of 1890 he bought out the Wahls’ two-thirds interest with a note for \$500,000 and set out to raise the cash. Early the following year with the famous geologist Clarence King claiming there was \$7,000,000 worth of ore in sight and aided by Henry Bratnobar of the British-owned Drum Lummon mine in Montana, De La Mar sold his bonanza to a London syndicate for \$475,000 in cash to pay off the Wahls, plus just over half of the fully paid stock, 215,000 shares in the new **De Lamar Mining Co Limited** (*ill.*), capitalized for \$2,000,000 at \$5 par. The London promoters took a quarter of the shares at \$500,000 to pay De La Mar the cash, which left nearly \$500,000 in the treasury for development.

Since the London Stock Exchange would not allow listings,

however, if any one stockholder held more than half the shares, De La Mar offered all his miners 15,000 shares at par in lots of 50 to 100 shares each, though he held their proxies to still keep control. Within twenty-four hours they eagerly snapped up all \$75,000 worth and would have taken another \$20,000! British investors likewise quickly paid in nearly \$500,000 for all the treasury stock, and the company immediately set to work putting up a giant new mill.

De La Mar’s mine eventually exceeded King’s estimate, producing over \$8,000,000 in the next fifteen years. The company also paid a steady profit, for despite crashing silver prices in 1893, there was enough gold in the ore to pay regular dividends, amounting to nearly \$3,000,000 by 1905, when the ore gave out. That paid any investors who then sold their already devalued shares a net profit of 70%. Even though that averaged only 5% a year, it was a better return than that of all but seven of the more than 700 nineteenth-century British investments in western American mines. De La Mar collected only a fraction of these dividends, for with the fall of silver he sold off his shares to put his money into new gold mines.

It was the revolutionary success of the new cyanide process for gold recovery at the Mercur mine in Utah that inspired De La Mar to sell off his silver stock and switch to gold. He bought the Golden Gate claims adjacent to the Mercur for \$75,000 in 1895 and put up about the same for a cyanide mill to handle its more refractory ores. After taking out \$1,300,000 in dividends just for himself by 1900, he easily persuaded the Mercur’s stockholders to merge the mines, since the remaining ore in their mine was mostly refractory that couldn’t be worked in their own, simpler mill. Although they called their new company the **Consolidated Mercur Gold Mines Co** (*ill.*), De La Mar took the presidency and two-thirds of its 800,000 shares for his mines and better mill. That left the Mercur stockholders with only half as much stock, and they soon wanted to regain control. So De La Mar, seeing that ore values were rapidly falling, happily obliged them, selling out early in 1902 for \$1,000,000. It was a poor move on their part, for even though they took out another \$7,000,000 over the next decade, due to the shrinking profit margin they only got \$900,000 more in dividends, which didn’t pay them back what they had paid De La Mar for his shares.

De La Mar, meanwhile, had quickly turned the new magic of cyaniding on to a richer new Nevada bonanza that would give him truly spectacular profits. Gold from what came to be known as the “Delamar bonanza” had first been spotted in 1889 by a couple of ranchers hoping to pick up a little cash catching wild mustangs in the seemingly barren hills forty miles south of old Pioche. A nearby mine superintendent, Hartwig Cohen, soon bought out one of the ranchers cheaply and helped the other explore the lode for four years until they struck the bonanza. A Pioche promoter then grabbed an option and offered it to De La



J. R. de la Mar

Mar, who made a flying trip with his staff in April of 1894, snapped it up for \$156,000, and proudly formed **De Lamar's Nevada Gold Mining Co (ill.)** for a modest \$250,000, all personally held. He kept Cohen on to open the mine, but after the superintendent wasted time and money experimenting with a chlorination mill, De La Mar overrode him, demanding instead a cyaniding plant twice the size of what he had just erected at Mercur.

By the fall of 1896, the new plant started working 100,000 tons of ore a month, saving an almost unheard of 95% of assay value and shipping about \$2,000,000 a year. The mine and the camp, which he also christened Delamar, suddenly became the new wonder of Nevada. In the next six years, De La Mar claimed, he produced over \$13,000,000 at a personal profit of \$11,000,000, but the county tax and court records suggest he produced closer to \$9,400,000 with a proportional profit of \$8,000,000. Even that gave him a fabulous total profit of 3,200% on his initial investments of \$250,000, or an average return of 1.5% a day for six years! And it tripled his fortune.

But all that gold came at a terrible price. Indeed, one western editor calculated that “every \$15,000 worth of bullion ... from Delamar cost the life of one man,” as the scarcity of water and what was dubbed the “Deadly Delamar Dust” combined to make it the deadliest mine and camp in the West. For the gold at Delamar was in a particularly hazardous bed of quartzite, or partially metamorphosed sandstone, which when blasted or crushed turned into a very fine dust of sharp microscopic shards of shattered quartz that irreparably ripped and coated the lungs of those who breathed it. The mine drifts and mill were choked with the dust, and the dry desert winds also blew it into the stores and homes in the camp below.

As an aggressive young doctor, Winthrop Betts, first reported in 1900 in a “landmark article” in the *Journal of the American Medical Association*, men who worked in the mill, where the dust was the worst, soon succumbed to silicosis and were usually unable to work after a little more than a year, so most returned East to their families and died within another year. Even the local newspaper editor Charles Pettee, who had worked in the mill only briefly to make enough extra to buy the paper, died of silicosis two years later. Over the first four and a half years, Betts found, the death rate among the millhands alone averaged over thirty-six men per year, and even though De La Mar put in dust filters and wet processing was later used in the mill, little changed in the mine, so the total number of men killed by the deadly dust in over fifteen years of operation may well have been close to five hundred. Little wonder that one frustrated physician suggested the “correct remedy for this disgraceful condition” was a rope!

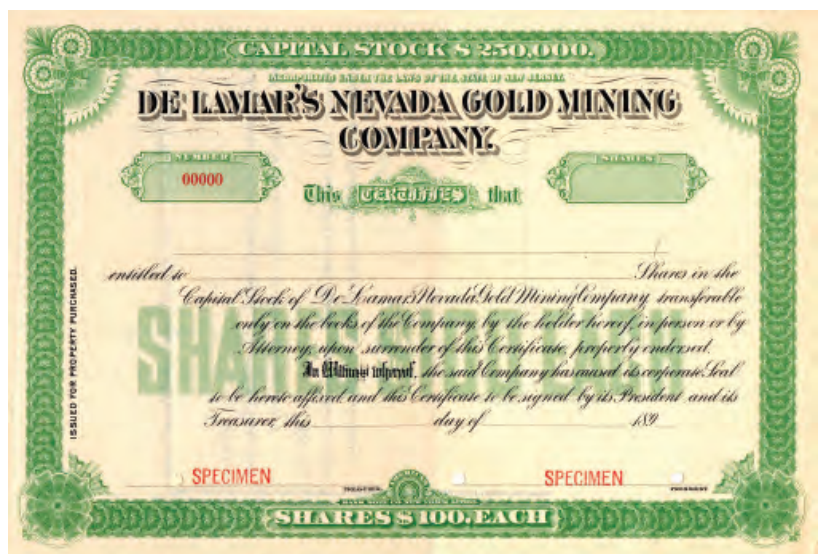
De La Mar had no interest in facing a rope, particularly with the rich ore nearly worked out. So in 1902, right after he sold his Mercur interests, he also succeeded in selling the Delamar mine for another \$1,000,000, and turned to Canadian mines,



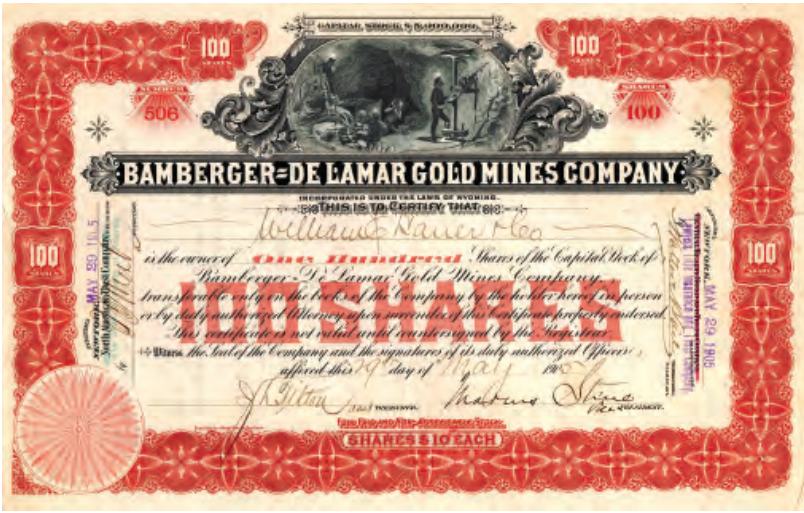
De La Mar's first bonanza and one of the rare, profitable British investments in Western American mines



De La Mar's merger with the pioneer cyaniding gold bonanza in Utah



De La Mar's biggest but deadliest Western bonanza, which paid at least \$8,000,000 in dividends but at a cost of hundreds of lives from its "Deadly Delamar Dust"



After De Lamar sold out, Salt Lake and New York promoters worked this venture that paid no dividends but still killed another couple hundred mine and mill workers



A small part of De Lamar's holdings in the Canadian giant

hoping to escape the cloud on his name. The buyer was Salt Lake City broker Simon Bamberger, who, together with Lehman Brothers and several other New York bankers, promptly floated it as the **Bamberger-De Lamar Gold Mines Syndicate (ill.)**, to push \$5,000,000 in \$10 shares on the public with hardly a word about dust. Although they enlarged the cyanide plant and eventually worked the mine through a “glory hole,” or open pit, to get at the lower-grade ore more cheaply, they took out only \$3,500,000 more in the next seven years, only about a quarter of the previous yield, and they never paid a dividend. For after the bankers all finished handling the bullion at discounts and commissions, there was nothing left for the stockholders – who lost their last dollar in 1909, when the company went bankrupt for an \$88,000 debt. But at least they got out with their lives!

The cyanide process, however, was not dimmed by the deadly dust. For the extraordinary success of the cyanide process at Mercur inspired its adoption by countless companies throughout the West. Its more efficient recovery and lower cost suddenly created a vast amount of very profitable new ore out of what had previously been just waste rock. That not only enabled the opening of new mines in lower-grade ores but also the reworking of old mines, dumps, and mill tailings from less efficient operations. Indeed, the cyanide process has remained the major means of gold recovery, and aided by escalating gold prices and the greater economies of open pit mining, the amount of potential ore has increased enormously, from rock containing at least tens of parts per million of gold in the 1890s to single digit parts per million in the 1990s. That has created the “invisible gold rush” that produces more gold than ever before through huge “heap-leaching” operations, where ore is quarried from open pits, crushed and heaped on to plastic lined pads, and sprayed with cyanide solution that percolates through it, leaches out the gold, and flows into a pond for recovery.

Long before all this, however, De Lamar, heralded as the ‘American Monte Cristo’ and reveling in his sudden wealth, had eagerly sought the social standing to match. But despite a “coming out party” given for him at the White House by President Harrison’s son Russell, he was generally snubbed by the Eastern social circle, that only took pride in inheriting money, not earning it. So in 1892 at nearly 50 he bought a “fabulously expensive yacht” and cruised all the “fashionable summer resorts” along the seaboard looking for an attractive bride to help him break into society. He found her on the beach at Newport, a “bewitchingly beautiful,” 17-year-old redhead, Nellie Sands, and he hastily married her, trumping her mother’s objection that she was “too young,” with a brusque “I am in a hurry,” and a \$50,000 check plus a \$500,000 bridal gift. But ever so attractive as she was, she wasn’t one of the “400”, so they had to move to Paris for attention. “All Paris raved over her,” but after a while it proved too much for De Lamar. He became “insanely jealous” and finally divorced her. He then made their young daughter Alice Antoinette his new idol. He built for her “one of the most opulent mansions” on Madison Avenue, far outshining JP Morgan’s just across the street, and finally spent a couple million on an outrageous, eighty-two-room mansion in Glen Cove, Long Island.

Nonetheless, he still spent most of his time and money opening new Canadian mines, including the famous Nipissing and Dome, and the giant **International Nickel Co (ill.) (INCO)**, becoming president of the Dome and vice-president of INCO. These helped further swell his eventual fortune to \$33,000,000, rivaling that of Manhattan’s other western mining moguls, Darius Mills and William Andrews Clark. On his death at 75 in 1918 he left \$10,000,000 in a life trust for his daughter, gave a few million to friends and charities, and split the remaining \$16,000,000 between the medical schools of Harvard, Columbia and Johns Hopkins – perhaps as a final legacy of the “Deadly Delamar Dust”.

This article is excerpted from the author’s new history of western mining finance, *Bonanzas & Borrascas*, (Arthur H. Clark Co./University of Oklahoma Press, 2012).

The Texas Pacific Land Trust and the Saga of Certificate No.390

Max Hensley

Captain De Lamar's fortune gave scripophily one of its more enduring stories – the lost Proprietary Interest Certificate No.390 of the Texas Pacific Land Trust. But first, let's go back to frontier Texas.

The **Texas and Pacific Railroad Co (T&P)** was chartered by Congress in 1871, and by the Texas legislature in 1872. The company secured land grants of over five million acres from the State of Texas¹. In the 1870s the line merged with several other pioneer Texas and Louisiana railroads, was renamed the Texas and Pacific Railway, and was built to a western terminus at Fort Worth, Texas.

Jay Gould and Russell Sage acquired control of the line in 1876 and by 1880 began building southwest from Fort Worth. Gould's reputation as a pirate and raider can't detract from the fact that he achieved something constructive with the T&P – he built it out to its full length! He mortgaged the Texas land grants along the western route to help pay for the construction, and hired the Union Pacific war horse engineer Grenville Dodge who built the line in only a year and a half across 532 miles of barren west Texas countryside. The Coxrail database lists only one Texas and Pacific Railway Co bond for this period, an 1884 6% general mortgage and terminal specimen printed by the Franklin Bank Note Co (no image available).

Gould was a bit ahead of his time, however. West Texas was sparsely populated and lacked any significant agricultural, industrial or mineral economic base then. The line simply could not garner enough business to maintain its many miles of unproductive track, particularly as it was poorly constructed to begin with. Droughts and floods conspired to bleed the eastern sections of the line in East Texas and Louisiana, and by 1885 it was broke. The early history of Certificate 390 is nicely capsuled in the 1958 case of *Davis et al. v. Fraser et al.*².

“The relevant facts in this unusual case begin in 1885 when the Texas & Pacific Railway Company went into receivership³. The Company, at that time, owned vast tracts of land. The company had outstanding bonds which were a first lien on these lands. In 1887 a plan of reorganization of the railroad was approved. This plan provided that these lands be conveyed to trustees of the Texas Pacific Land Trust.⁴ The holders of the bonds had hitherto deposited them with a trust company and had received certificates of deposit in their stead. The trustees now issued, in exchange for these certificates of deposit, certificates of proprietary interest in the lands. The holder of a certificate of deposit for a \$1,000 bond was entitled to



*The \$5.7 million Texas Pacific Land Trust Certificate of Proprietary Interest 390
Courtesy Texas Pacific Land Trust*

receive 10 certificates of proprietary interest of a par value of \$1,000 and \$600 in new second mortgage bonds of the Railroad Company. The certificates of proprietary interest are generally called ‘shares’ and for convenience will be so designated here⁵.

“...Blake Brothers⁶ in return received on July 5, 1888, five certificates of stock of the Land Trust, each for 100 shares, the numbers of the certificates being 386 to 390, inclusive.

“Of the five certificates of stock, the four numbered consecutively 386 to 389, inclusive, have since been presented for transfer, the earliest on March 1, 1893, and the latest on February 13, 1902. All four of the certificates were endorsed in blank by Blake Brothers on October 1, 1898, and were presented by three different persons. The fourth (fifth) certificate was never presented and is the subject matter of this case. ...”

The *Davis* court decided that no one had convincingly demonstrated ownership of Certificate 390 (including the Blake Brothers' successors). But you might ask, “Why all the fighting in the '50s over a missing 19th century stock certificate?”

In the 1890s Certificate 390 was only worth a few hundred dollars. But things changed after the discovery in the 1920s of substantial oil and gas on the Trust lands. The Land Trust declared its first dividend in 1936⁷. But this raised the issue of

¹ When Texas sought statehood it had all its land and mineral rights, but an \$11 million debt. The Federal Government granted statehood but declined to take the land and minerals for the debt – to the eternal good fortune of Texas.

² (http://tx.findacase.com/research/wfrmDocViewer.aspx/xq/fac.19581202_0042022.TX.htm/qx).

³ The railroad might have been in receivership, but in 1886 Jay Gould was still President and busy selling railroad land. For example, a Texas & Pacific Railroad Board of Directors resolution dated April 6, 1886 approved the sale of 6,400 acres at \$3.50 each. The document was also signed by the corporate secretary and Gould's son George, trustees of the Income and Land Grant Mortgage. Despite the appearance of a sham trusteeship, the price of \$3.50 per acre was typical of the railroad's land sales at the time. Dave Beach, private communication.

⁴ The Trust proprietary certificates were listed on the New York Stock Exchange in 1888, initially trading at \$23¼.

⁵ Thus, a certificate for 100 Proprietary Interest shares represented 10 \$1,000 bonds, ie, 100 shares at \$100 each.

⁶ Blake Brothers was a stock brokerage.

⁷ Gould was probably happy to concede the land and mineral rights on the income and land grant bondholders – he knew the miserable country through which most of the line was built. By 1958 Certificate 390 had accrued valuable dividends from oil and gas leases. Plus, the **TXL Oil Corporation**, spun out of the Trust in 1954 to hold the Trust's mineral rights, was acquired by **Texaco Corporation** in 1962 in a share exchange. Thus, Certificate 390 included the right to 53,456 Texaco shares.

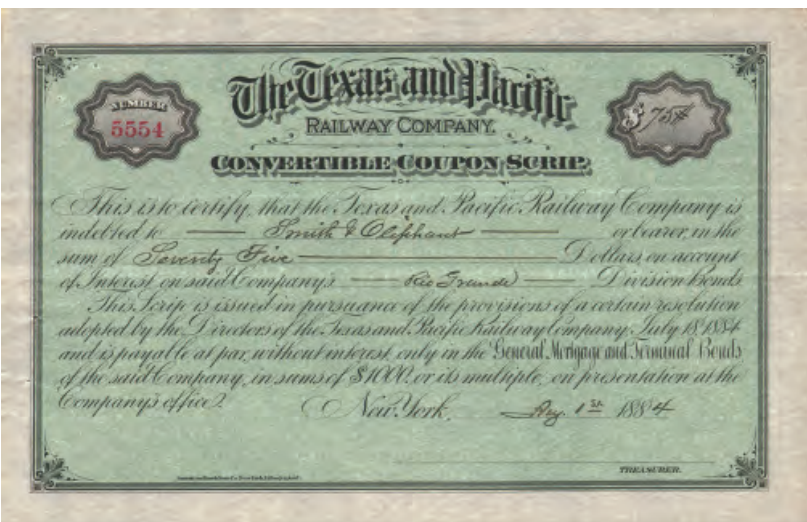
⁸ Trust share prices increased to as much as \$3,650 in 1927, so forward split shares, termed subshares, were issued 100:1 (ultimately 600:1) in exchange for the original Certificates.



*Texas & Pacific Railway engine and rolling stock ca 1875, the railroad whose failure unexpectedly added millions to Miss Alice DeLamar's fortune 100 years later
Courtesy Dallas Public Library*



This American Bank Note Co specimen bond is dated February 1, 1888, the same day the Texas Pacific Land Trust was formed, suggesting that these bonds were issued to recapitalize the Railway's operations as part of the 1887 reorganization



*This IOU for bond interest illustrates the difficulties the Texas & Pacific Railway faced in the mid-1880s in paying interest on its construction bonds
Courtesy John Martin*

who should receive the Certificate 390 dividends. Thus, to protect itself the Trust obtained a judicial decree conveying all the Certificate 390 rights and assets to the Mercantile National Bank in Dallas as custodian. This action was widely published from the 1950s on. For example, all 5,000 holders of Trust shares and subshares⁸ were notified. The story appeared in *Reader's Digest* and constituted a whole radio program by Art Linkletter. Needless to say, all this pot-stirring yielded a fine cornucopia of crack pots and delusional hopefuls.

One woman claimed that the former head of the railroad together with the Chairman of the Trust had broken into her grandfather's office, blew open his safe and stole the certificate. In 1957 a murderer serving a life sentence in the Illinois State Prison, who evidently spent much of his time studying law, wrote a brief claiming ownership of the Certificate. His description of the lost certificate was so close to fact that his claim was given serious consideration until he dropped the case. Another woman had a certificate 390 but it was simply a certificate 390 of an unrelated company. Aside from the cranks, a serious claim came from what was left of Blake Brothers, but they failed after years of litigation in New York and Texas.

While this hullabaloo continued, Certificate 390 lay quietly undiscovered in a Wells Fargo Bank vault in San Francisco. According to the later Trust account⁹,

"In 1979 the Wells Fargo Bank of San Francisco, in searching its archives for the years 1890-1918, found the lost Certificate¹⁰. During that early period, Wells Fargo maintained a branch office in New York City. A prominent customer of the New York City branch was Captain Joseph R DeLamar, a wealthy mining entrepreneur. Captain DeLamar was represented by and served at the bank's New York office by one HB Parsons, the head of the New York branch. It appears that in beginning in 1892 Mr Parsons aided Captain DeLamar in a variety of personal and business matters and acted generally as a business consultant and confidant ... In August of 1896, Parsons undertook the collection of a debt owed to Captain DeLamar by a Joseph S Decker, Esq, based on a note in the amount of approximately \$15,000. Correspondence in the files of the archives of Wells Fargo and the letter books of Mr Parsons show that Parsons took possession of a certificate of 100 shares of the Texas Pacific Land Trust in September of 1896 on behalf of Captain DeLamar, as partial payment of debt owed to Captain DeLamar by Decker.

"Because the market value of the Certificate at that time was only some \$700, an effort was made to collect the remainder of the debt. And, at one point, in May of 1897, the New York

⁹ Texas Pacific Land Trust, Annual Report 1988

¹⁰ Edward Munger, a Wells Fargo historian and archivist who found the Certificate, had read about it in 1977.

¹¹ The correspondence indicated that the Certificate had been tendered as collateral on Decker's note, but no evidence was ever found showing final payment of the debt.

¹² Deuss, *John Banking and Finance Collections*, p. 58 (1984)

firm of Alexander & Green was retained by Captain DeLamar, through Parsons, for the collection of the debt owed to DeLamar. Both a letter from the law firm concerning this matter and an envelope marked 'property of JR DeLamar' were found with the Certificate in the Wells Fargo archives¹¹.

"The authenticity of the Certificate was established in court by experts and the court decided that Captain DeLamar's heir, Miss Alice DeLamar, was the rightful owner. A claim by the heirs of Decker that they were entitled to the certificate was turned down. Miss DeLamar subsequently died and the estate was liquidated."

The final liquidation of Certificate 390 in 1986 produced in excess of \$5.7 million, which according to De Lamar's will was divided among his daughter Alice and the medical schools of Johns Hopkins, Columbia and Harvard Universities¹².

The original Certificate 390 was framed and hung in the reception area of the Trust in its Dallas offices, although there's just a copy hanging there now. The original and all the other redeemed original certificates reside in the Trust vaults. While these certificates are cancelled on the books, they are not cancelled on the certificates. The original certificates are not available to collectors, though a few American Bank Note Co odd lot specimens in brown are known.

The author gratefully acknowledges the assistance of the Texas Pacific Land Trust.



Alice Delamar in 1919, a year after her father left her \$10 million in a life trust, had no idea her father had left her another gift that would not appear for another 67 years
San Francisco Chronicle May 4, 1919



Certificates of Proprietary Interest skyrocketed in the 1920s stock bubble to \$3,650 after valuable oil deposits were discovered on Trust land, leading to splits under which subshares like this were issued



The Texas Pacific Land Trust spun off its oil and gas interests as the TXL Oil Co (above), which later merged with Texaco (below) Courtesy Paul Ramirez





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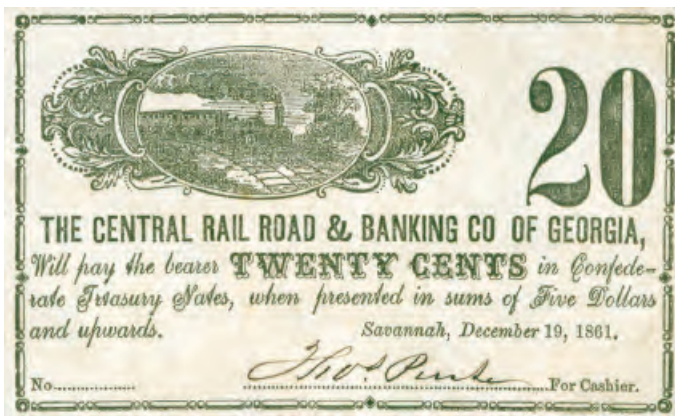
— Gary Eubanks —

Of the roughly 300 railroad companies which have operated in Georgia, the Central stands out, both for its duration and the fascinating details of its history. It seemed only appropriate to cover the Central in *Scripophily* as the railroad approaches its 180th anniversary. It may well be the oldest surviving railroad in the US.

In 1833, the Georgia legislature chartered its first three railroads: the Central, the Monroe, and the Georgia. The Central's charter, which gave it the name **Central Railroad and Canal Co**, allowed it to build a railroad between Savannah and Macon. Its corporate name was apparently copied from that of the **South Carolina Canal and Railroad Co**, which in the same year completed its line from Charleston to Hamburg, South Carolina, just across the river from Augusta, Georgia. The Monroe's charter allowed a railroad between Macon and Forsyth and other points further north of Forsyth. The Georgia's initial charter provided for a railroad from Augusta, with branches to Madison, Athens and Eatonton.

The Georgia legislature, soon realizing it would be extremely difficult to raise sufficient funds to finance the three initial railroads, did two remarkable things in 1836: first, it gave banking powers to the first three railroads, so that each could function as both a bank and a railroad, and, second, it chartered a state-owned railroad, the Western & Atlantic (the W&A), to connect the Monroe with the Tennessee River. Thus, upon accepting the charter change allowing banking powers, the Central Railroad and Canal Co became the **Central Railroad and Banking Co of Georgia**. All three initially-chartered railroads in Georgia immediately became issuers of currency in addition to stocks and bonds as a result of the charter changes to include banking powers.

Wasting no time, the Central began construction of its line between Savannah and Macon. The line was completed to the banks of the Ocmulgee River across from Macon in 1843. With 190 miles of track, the Central was then considered the longest railroad in the world under one ownership.¹



Georgia is unusual in having so many early railroads which issued currency. The reason is probably because the first railroads in Georgia also operated banks

The Central's northern connection, the Monroe, encountered financial difficulties and had to be reorganized as the Macon & Western before reaching the southern terminus of the W&A in 1846. By then, the Georgia Railroad had already made a connection with the terminus of the W&A. Although initially just known as 'Terminus', this location adopted its present name of Atlanta in 1845.

In 1850 the W&A was completed to the banks of the Tennessee River. At that time the Tennessee River was the main transportation route between the southeast and the west. The route composed of the Central, the Macon & Western, and the W&A provided the only direct railroad route between the Tennessee River and a port on the Atlantic Ocean until well after the Civil War. As a result, between 1850 and the Civil War, the Central grew prosperous. Its bank also prospered. It purchased materials, especially iron rails, directly from mills in England. To facilitate that process, it invested its spare cash in London rather than in New York.

At the beginning of the Civil War, the Central had 59 locomotives, the second highest number for southern railroads.² Those locomotives had carried more than 400,000 bales of cotton to Savannah the prior winter, nearly 100,000 more than had been carried to Charleston by its competitor, the South Carolina Railroad³. The Central had earned an operating profit of more than \$750,000.⁴

The Civil War had a devastating effect upon virtually all of Georgia's railroads, but especially on the Central. "In Georgia, Sherman left the railroads through the heart of the state in tatters. The chief demolition fell on those lines running from Chattanooga through Atlanta and Macon to Savannah."⁵ His destruction thus fell on the W&A, the Macon & Western, and particularly on the Central.

Sherman's troops were very effective at destroying railroad lines. With orders to destroy all railway property, Sherman's Chief Engineer had designed special tools for ripping up the rails. Bonfires of ties and other wood heated the removed rails and they were then wrapped around telegraph poles, trees or anything else handy, resulting in piles of metal which could only be used as scrap.⁶

"All told, 139 miles of the Central system were practically obliterated [by Sherman]."⁷ The President of the Central was captured by Sherman's troops December 7, 1864, interviewed personally by Sherman, and then released.⁸ The destruction ended when Sherman concluded his march to the sea by entering Savannah on December 21, 1864.



A section of rail destroyed by Sherman's troops

¹ Richard E. Prince, *Central of Georgia Railway and Connecting Lines* (Millard, Nebraska, 1976) p. 7.

² Robert C. Black, III, *The Railroads of the Confederacy*, (Chapel Hill, N.C., 1952), p. 20.

³ *id.*, p. 36.

⁴ *id.*, p. 46.

⁵ John F. Stover, *The Railroads of the South 1865-1900*, (Chapel Hill, N.C., 1955), p. 43.

⁶ *id.*, p. 40.

⁷ Black, *op. cit.*, p. 260.

⁸ *id.*, p. 262-3.

Despite the substantial damage from the war, the Central restored its destroyed tracks within a little more than a year after the fighting stopped. It was aided by (1) the fact that its bank was one of the strongest in the state,⁹ (2) the fact that unlike other southern railroads, the Central had reserved “large portions of its earnings which at the war’s end were chiefly invested in London,”¹⁰ thus the invested funds were not made worthless by the war’s outcome, and (3) the fact that it was able to float a substantial bond issue in New York on September 1, 1865, slightly more than nine months after receiving so much destruction as an enemy railroad. The entire line between Savannah and Macon was rebuilt and restored to service in June 1866, using English rails.

For railroads in Georgia, and especially for the Central, the period from 1865 to 1893 saw the repair of the destruction and deferred maintenance from the Civil War, and considerable consolidation of control.

Much of the consolidation and control allowing the Central to grow occurred under the term of the Central’s greatest president, Colonel William M Wadley, president from 1866 until his death in 1882. Examples of the consolidation of control under his watch included the following: (1) leasing the Southwestern in 1869, (2) merging the Macon & Western into the Central in 1871-2, (3) establishing in 1874 the **Ocean**



Observe that this bond was issued in New York on September 1, 1865. This was only slightly more than 9 months after the Central, as an enemy railroad, had been severely damaged by General Sherman in his march to the sea.



Bond of the Macon & Western Railroad Co prior to its merger with the Central in 1872. Traffic exchanged with the M&W was responsible for much of the Central’s early prosperity



The Ocean Steamship Company of Savannah was formed by Wadley in 1874 to provide steamship service along the Atlantic Seaboard between Savannah and northern ports, thus providing another connection for the Central
Certificate courtesy of William J Schroer

Steamship Co of Savannah to provide a new connection to the ports in the northeast, (4) acquiring control of the Western Rail Road of Alabama jointly with the Georgia Railroad in 1875, and (5) acquiring control of the Port Royal and Augusta in 1881. Finally, also in 1881, Wadley personally leased the Georgia Railroad and its controlling stock in the Atlanta & West Point for 99 years when the Central’s board balked at doing so, and then assigned half to the Louisville and Nashville. After that occurred, the Central’s board relented and was assigned the lease of the other half.

After Wadley’s death, the Central’s local management lost control to a New York group that supported its former President General E Porter Alexander in a heated proxy fight in January 1887.¹¹ “During the first year of General Alexander’s presidency the Central of Georgia came completely under northern control.”¹² Soon, it came under the control of the **Richmond & West Point Terminal Railway and Warehouse Co.** This proved catastrophic for the Central. Like its new parent, the Central soon became over-extended. As a result, in 1892, the once mighty Central was placed in receivership.¹³

The receivership was ended in 1895, when the old Central Railroad & Banking Co of Georgia became the **Central of Georgia Railway Co.** In the process, the Central lost its bank, lost its half of the Georgia Railroad lease, and saw its system shrink from nearly 2,700 miles of line to 1,520 miles.¹⁴ Never again would the Central be the powerhouse it was during Wadley’s era.

In 1907, the Central came under the control of E H Harriman. Immediately, the Harriman-controlled **Illinois Central Railroad Co** (the IC) extended its line to Birmingham so that it could connect with the Central. In 1909, Harriman sold his controlling interest in the Central to the IC. The Central of Georgia operated as a subsidiary of the IC until the Central of Georgia entered receivership in 1932. Even after the Central was in receivership, the IC continued to exercise some influence over the Central until 1942 because Henry Pollard, its pre-receivership president, served as Receiver/Trustee until then. In 1948, the Central left bankruptcy court jurisdiction with new shareholders. It was able to remain an independent railroad until 1956.

In 1951, two events occurred which proved significant for the Central. First, in January, Ben J Tarbutton became its President.

⁹ Stover, *op. cit.*, p. 53.

¹⁰ *id.*

¹¹ Maury Klein, *The Great Richmond Terminal*, (Charlottesville, Va., 1970), p. 182.

¹² Stover, *op. cit.*, p. 247.

¹³ Les R. Winn, *Ghost Trains & Depots of Georgia, (1833 - 1933)*, (Chamblee, Ga. 1995), p. 216.

¹⁴ Prince, *op. cit.*, p. 42.



A bond issued in 1919 with interesting graphics



Certificate signed by Ben J Tarbutton, President at the time of the acquisition of the Savannah & Atlanta



Savannah and Atlanta certificate

Courtesy William J Schroer

Mr Tarbutton is better known as the longtime President and owner of the 8 mile long Sandersville Railroad. Because of its huge volume of kaolin traffic, the Sandersville long has been without contest the most successful short railroad in the United States. Its only connection is with the Central.

The second event was the Central's purchase of the **Savannah & Atlanta Railroad Co** (the S&A), a 142 mile line which was parallel to the Central and provided a connecting link to Savannah for a competitor of the Central.

Long ago a Central official told this author how the Central came to purchase the S&A. The Central had been out of bankruptcy less than three years when the S&A was put on the market by its owner. At a meeting of the Central's directors, one

director after another spoke, each saying that the Central could not afford to make the purchase so soon after exiting bankruptcy. Mr Tarbutton spoke last. He was direct. He said, either the Central would buy the S&A or he would. The other directors realized that if he bought the S&A, he would find a way to connect it with the Sandersville. In that case, the Central could lose most of the profitable kaolin traffic it obtained from the Sandersville. Immediately, a motion was unanimously passed by the directors for the Central to purchase the S&A.

In 1956, the **St. Louis-San Francisco Railway Co** (the Frisco) purchased control of the Central. Like the IC nearly fifty years earlier, the Frisco connected with the Central in Birmingham and planned to use the Central to extend further east and south. The Frisco did not properly obtain the permission of the Interstate Commerce Commission (the ICC) before the purchase. As a result, in 1961 the ICC denied the Frisco permission to control the Central. Instead, the Frisco was ordered to dispose of its interest. After the Frisco lost its appeals of the decision, **Southern Railway Co** obtained authorization from the ICC to purchase the controlling interest from the Frisco in 1963.

After control was purchased by Southern, the Central was gradually integrated into the Southern Railway System. In 1971, as part of a corporate simplification program, Southern acquired 100% ownership of not only the Central of Georgia Railway Co, but also the Georgia & Florida, the Wrightsville & Tennille, and the S&A by merging them into a new corporate shell called **Central of Georgia Railroad Co**. Today, using that name, the Central still exists as a wholly owned subsidiary of **Norfolk Southern Railway Co**, the successor to Southern Railway.

One of the reasons the Central is of interest to scripphologists is that many stock and bond certificates were issued by it over the years which are still readily available to the collector. In addition, the same can be said for numerous other connecting railroads which were either controlled by it or merged into it over the years. This author has compiled the following list of such railroads. A name in **bold** type means that at least one scripphily item issued by the company is currently listed on Cox's coxrail.com website:

Railroads merged into the Central of Georgia or a subsidiary, or at some point controlled by the Central:

- | | |
|---|--|
| <ul style="list-style-type: none"> Atlanta & West Point Atlantic Short Line Augusta & Savannah Bruton & Pineora Buena Vista & Ellaville Chattanooga & Durham Chattanooga, Rome & Columbus Chattanooga, Rome & Southern Columbus & Rome Columbus & Western Dover & Statesboro East Alabama Eatonton Branch Eufaula & Clayton Gainesville, Jefferson & Southern Georgia Georgia & Florida (1856-59) Georgia & Florida (1906-1971) Greenville & Newnan Louisville & Wadley Macon & Northern | <ul style="list-style-type: none"> Macon & Western Mary Lee Connecting Middle Georgia & Atlantic Milledgeville & Gordon Mobile & Girard Montgomery & Eufaula Muscogee Port Royal & Augusta Port Royal & Western Carolina Savannah & Atlanta Savannah & Atlantic Savannah & Western Savannah Griffin & North Alabama Southwestern Stillmore Air Line Sylvania Talbotton Upson County Wadley Southern Western Rail Road of Alabama Wrightsville & Tennille |
|---|--|

IBSS member Gary Eubanks is a retired attorney and 8th generation Georgian. He currently heads a real estate management firm. His passion is collecting certificates issued by (1) railroads operating in Georgia prior to 1894 and (2) electric traction companies operating in Georgia. He is the editor of *Georgia Railroad Paper*, a book covering 150 certificates and currency items issued by more than 100 railroad and traction companies operating in Georgia before 1933. geubanks@whartonm.com

Self-Referential Scripophily: Mary Ann Gold and Silver Mining Co, Nevada Territory

Michael Mahler

The vignette on certificates of the **Mary Ann Gold and Silver Mining Co (G&SMCo)** (*ill*) of Gold Hill, Nevada Territory, is remarkable on two counts. The flag-draped allegorical maiden at center is surrounded by an extravagant display of wealth, a device occasionally employed on Western mining stocks of the 1860s, presumably a not-so-subtle suggestion to prospective investors that similar riches would result from the purchase of shares. Usually that wealth consisted exclusively of “hard money,” currency being virtually unacceptable in the West; consider, for example, the coin-filled cornucopia of the **Golden Horn G&SMCo** (*ill*), also of Gold Hill, and the wonderful dragon-guarded treasure of the **Cosser G&SMCo** of Virginia City, shown in the April 2012 issue of *Scripophily*. This time, though, along with piles of coins and a strongbox, the Mary Ann includes a stock certificate! I know of no other such self-referential vignette.

This depiction is ironic, indeed almost farcical, given the context: Western mining stocks comprised a virtual ‘money pit’. I have recorded 224 different 1863-4 revenue-stamped certificates issued in Nevada Territory, of which to my knowledge only one, the **Yellow Jacket G&SMCo** (*ill*), ever produced a dividend!¹ Precious few companies even produced any ore, and many had no real works to speak of, yet so great was the ‘mining mania’ that gripped the Pacific coast in those days that this flood of speculative shares found a ready market (McDonald and McDonald, 1996).

The Yellow Jacket in 1863 struck a fine ore body that produced \$6 million in bullion over the next few years, and by 1882 had yielded some \$13.5 million. Thompson and West’s classic *History of Nevada* (1881) provides an impressive illustration of its works, reproduced here. The mine is said to have been named for wasps (‘yellow jackets’) encountered when the claim was located in 1859. Their certificates were one of relatively few “Territorials” that were lithographed, not typeset; this more expensive method was usually employed to impress potential investors. Note that the same strategy was employed by the Cosser and the Mary Ann. The Yellow Jacket had no need to create the illusion of prosperity; it was already prosperous. Nevertheless, a lithographed certificate contributed to a positive public image, and this company could certainly afford it.

Of surviving Nevada Territorials – certificates of companies whose works (or purported works!) were in Nevada – by my rough count, about 60% were



Mary Ann Gold and Silver Mining Co 1863 share certificate with vignette (below) depicting symbols of wealth including a share certificate!

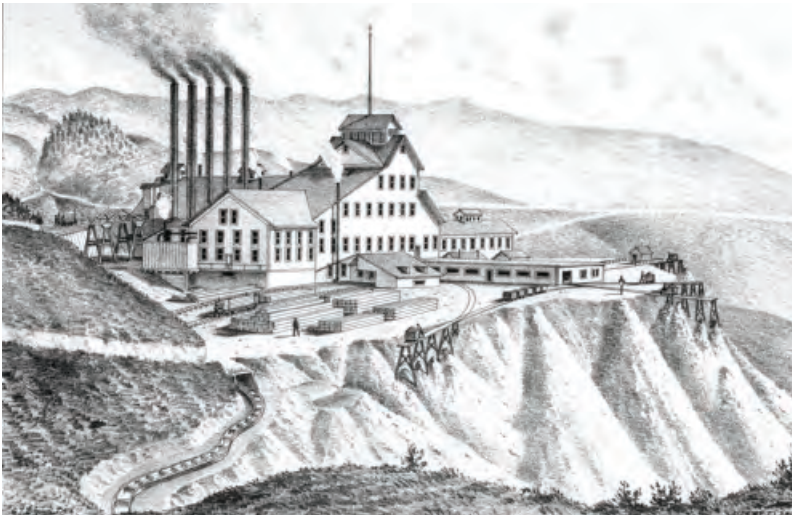


Golden Horn Gold and Silver Mining Co 1864 share certificate



Yellow Jacket Gold and Silver Mining Co 1863 share certificate

¹ The Appendix in Smith (1943) lists the production of all Comstock Lode mines from 1859 to 1882, including dividends and assessments.



Yellow Jacket hoisting works (Thompson and West, 1881)



Gould and Curry Silver Mining Co 1864 share certificate

issued not in Nevada, but in San Francisco. Even among these, again to my knowledge only one company, the mighty **Gould and Curry SMCo** (*ill*), was profitable; perhaps readers can add others? The G&CSMCo produced some \$8 million in bullion in 1863-4, and paid \$3.8 million in dividends by 1865, but founded badly thereafter; it yielded virtually no paying ore after 1866, and its huge and costly mill in Gold Canyon proved a spectacular failure (Smith, 1943).

The vignette used on the Mary Ann was almost certainly a generic 'cut' from the inventory of printers Britton & Co of San Francisco. As outlined here, its inclusion of a stock certificate as a symbol of wealth, at least on mining stocks, had only the faintest chance of proving anything but a cruel joke. In the case of the Mary Ann, form apparently held true: other than the bare record of its incorporation, there appears to be no mention of this company anywhere in the vast literature on the Comstock.

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WORLDWIDE AUCTION SALES FOUR MONTHS TO JULY 2012

Firm	Date	Place	No. of scripophily lots offered	% sold by number of lots	Total sales including buyer's premium		
					€	£	\$
DWA	14-Apr	Wolfenbüttel	1,651	49%	80,916	66,473	105,231
HWPB	28/30-Apr	Wiesbaden	2,033	59%	313,950	255,213	414,854
FHW	26-May	Munich	1,635	45%	323,477	258,814	406,501
EDHAC	9-Jun	Kürnbach	260	78%	30,480	24,618	38,234
Gutowski	16-Jul	Mailbid	1,726	47%	152,750	119,871	186,004
		Germany	7,305	51%	901,573	724,989	1,150,824
Spink	18-May	London	695	76%	265,724	213,696	338,029
HIWEPA	19-May	Basel	672	100%	157,212	126,949	200,445
Hosane	17-Jun	Shanghai	140	85%	86,718	69,849	109,468
Spink	20-May	Fort Worth TX	509	61%	73,995	59,751	94,344
Archive Int'l	15-May	Fort Lee NJ	413	47%	44,525	35,807	56,640
Spink	22-Apr	Hong Kong	49	80%	11,682	9,526	15,374
Noble	25-Jul	Sydney	74	84%	16,043	12,565	19,466
IBSS	1-Jun	Mailbid	219	86%	7,558	6,084	8,313
Others			1,007	46%	23,201	19,142	29,720
		World	11,083	57%	€1,588,231	£1,278,358	\$2,022,623

Note. These figures are for room and online auctions, and do not include eBay as its statistics are not available.

Compared with the same period last year, total auction sales were 10% up in euros but static in the other two currencies as the euro's value fell in the eurozone crisis. Germany's and the UK's market shares remained about the same at 57% and 17% respectively. The US share halved from 14% to 7% (excluding eBay) owing to the absence of Holabird-Kagin. Amongst companies, the FHW Group had 35% of the world market, Spink 25% and HWPB 20%. The new entrant Hosane of Shanghai took 5%, accounting for much of the growth.

AUCTION NEWS and REVIEWS



EBAY

Sometimes something of historical significance pops up on eBay. Failure of the **National Cordage Co** helped touch off the US Panic of 1893. The company was organised in 1890 to monopolise the twine and rope business, ran afoul of ill-timed hemp speculations and extravagant purchases of competing rope factories, and was an early victim of the 1893 liquidity crisis. The certificate on US eBay had a highly faded issue date stamp and was mounted and framed – perhaps explaining the trivial \$23 it brought.

More Mexican scripophily is appearing on eBay thanks to the busy market in speculative issues of this country described in the Speculation report in the News section. An example is the certificate of the **Oil Fields Corporation of Mexico** with Santa in the upper right corner (item no. 160777663661). It brought \$199 – much cheaper than the speculative Mexican items and far more interesting to scripophily collectors.

Mining shares have been hot on eBay. A fine Michigan piece in a British company, **Belt Copper Mines Ltd** (item no. 261055678200), brought an astounding \$1,883.38 from the four determined bidders. De Good's *Michigan Copper Mining Stocks and Bonds* lists serial no. 229 as unique, so this serial no. 445 is only the second public example.

Mining artifacts dealer Mark Greaves (auction ID mgreaves61) has been selling a large Colorado mining collection for a few months and may continue for perhaps another year. The highest prices have been for Cripple Creek shares, including \$455 for a 1901 **Flower of the West Gold Mining Co** certificate (item no. 221048215179) and \$406 for a **Hayden Gold Mining Co** signed by *Charles L Tutt* (item no. 221032025330).

Cripple Creek mining shares were also sold in the May 20 US Spink auction. 23 of the same types of share certificate were offered by Spink and on eBay, varying for the most part only in insignificant details. All of the eBay certificates sold (starting at \$9.95), whereas 10 of the Spink lots did not. For the 13 certificates sold by both venues, Spink obtained \$1,428 (including 20% premium) and eBay yielded \$2,078. In a similar story an **Isle Royale Mining Co** certificate brought \$553 on eBay July 23 (Item no. 330765065159) whereas the same style and condition certificate brought \$307 (including 18% premium) in the Archives International auction in May. These are anecdotal reports, but they suggest that eBay may be doing better than its 'half-price' reputation lately, at least for some popular mining shares.



This historically important and rare National Cordage Co certificate was sold for a trivial \$23



The highest eBay prices for mining scripophily generally have been for Cripple Creek shares, including \$455 for a Flower of the West Gold Mining Co certificate



A certificate of the Denver Utah & Pacific Railroad Co brought \$633 (item no. 140694739446). The railroad only extended a few miles in the northern Denver suburbs, despite its grandiose name. The *coxrail.com* database lists six serial numbers for this type, with an estimate of \$500-\$700. eBay pricing has often been weak on relatively high-end items, but this example brought catalogue value in competitive bidding



A vignette of Santa features on this Oil Fields Corporation of Mexico certificate

BUYER'S PREMIUM

Most auctioneers charge a premium to the buyer (as well as sales commission paid by the seller), generally in the range 15-20% of the hammer price, plus local taxes. The figures reported in our auction reports are hammer prices, not including the buyer's premium.

DWA

Wolfenbüttel, April 14

Held at the company's premises in Wolfenbüttel as a public auction open to everyone, but mail bids prevailed in this Reichsbank Special auction. The agenda also saw an open house visit the day before and a collectors' meeting the evening before the auction.

1,651 lots from the all-German Reichsbank auctions were offered, no bulk lots and mainly single pieces. Unusually for a German auction, estimates were catalogued instead of start prices, but it came to the same thing because bidding was started at a fixed 80% of the bottom end of the estimates. By the close 807 lots had sold at a total hammer price of €68,573 (£56,000/\$89,000). At around 49% this is an increase on the percentage sold in the previous two DWA Reichsbank Special auctions.

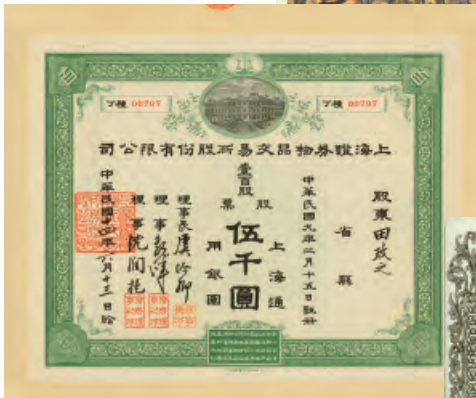
There was no sale above €1,000 and only 21 above €500, 11 of which were at €640, the start price on an estimate of €800-up. The four highest sales were all at €800, three of them on estimates of €1,000-€1,250: **Continentale Wasserwerks-Gesellschaft**, Berlin 1901, **Eduard Lingel Schuhfabrik AG**, Erfurt 1898, both 1000-mark shares, and **Volkshotel-AG Ledigenheim** (hostel for unwed/singles/loners), Charlottenburg 1905, 500-mark share. A **Porzellanfabrik Schönwald**, Schönwald 1898, Gründeraktie (founder share) 1,000 marks, sold for €800, above its €600-€750 estimate.



The start price of €1,800 (\$2,400) was paid for this uncanceled gold bond from the Lamoille Valley ... etc ... railroad group



A modern (1995) share in Vienna's Ottakringer Brauerei Harmer AG, founded in 1837, sold for its €100 start



This Shanghai Securities and Commodities Exchange Co Ltd, Shanghai 1925, 100 shares of 50 Shanghai Yuan, sold for €9,000 to an internet bidder



sold for €8,000 after a long bidding fight between book, internet and telephone.

Surprisingly the April evening was warm enough to have a group dinner outdoors in a nearby restaurant.

Sold for its €70 start in the online sale, an 1864 share in the North of England Railway Carriage & Iron Co

HWPB

Wiesbaden, April 28

Once again held in the Erbprinzenpalais (Crown Prince Palace) in Wiesbaden, the public auction was presented in two catalogues, a regular one and a 50 Highlights one named *A Journey through Five Centuries of Financial History*. 833 lots were offered in the two catalogues plus another 1,200 online two days later. 56% were sold overall (64% public and 51% online). The €273,000 hammer total (£222,000/\$361,000) included €63,000 from the online auction. This is the third best ever result for HWPB, only its two 2008 auctions being better, because of huge Russian demand at that time. Live online bidders through the internet were responsible for €48,000, more than ever before in the three years since this service was first offered.

China did very well. Part of the 50 Highlights, a **Shanghai Securities and Commodities Exchange Co Ltd**, Shanghai 1925, 100 shares of 50 Shanghai Yuan, sold for €9,000, rising from €5,000 start price and thus being the highest sale of the auction (previously offered at HWPB's third auction, in 2003, at €400 and sold then for €1,600). A founder share of **Deutsch-Asiatische Bank, Shanghai** 1900, 1,000 Shanghai Teals, offered at €800 sold for €1,650.

The second highest price was made by an **Accessory Transit Co (of Nicaragua)** 7% bond \$5,000, New York 1856, signed twice by 'Commodore' **Cornelius Vanderbilt**, sold at €8,500 (\$11,000) from €8,000 start price. Unsold was a triple **John D Rockefeller** autograph on an 1877 Standard Oil Co share certificate at €7,500. The start price of €1,800 (\$2,400) was paid for a scarce 1871 uncanceled gold bond with imprinted revenue stamps from a group of railroads with the splendid name of **Lamoille Valley, Montpelier & St Johnsbury & Essex County Railroad Companies of Vermont Constituting the Vermont Division of the Portland & Ogdenburg Rail Road Line**. However not all the other railroad bonds of the same era found buyers, including one from the **Walkill Valley Railway** with very rare imprinted revenues which was offered at €4,000.

German breweries did well again, 4 out of the 5 in the 50 Highlights section selling successfully, three above start price, the top being **Bierbrauerei A Schifferer** of Kiel, a 1907 share, sold for €2,600 (start €1,650). Surprisingly in view of the great popularity of zoo shares in Germany, only one of the three in Highlights was sold. The biggest failure here was an 1865 share in **Breslau Zoo**, one of only three known to the auctioneer, which no-one wanted at €6,000 start, perhaps due to its water-stained condition. 79% of the Russians in the Highlights sold, often above start price, the highest being the **Société Anonyme 'Gloria'** share, 1909 St Petersburg, sold for €4,100 (start only €1,500) A speculative 1906 **Municipality of Pará (Belem)** 5% Gold Loan was sold; see the Speculation report in the News section of this issue.

Historically, the most interesting piece in the auction was a share indenture of the Austrian **Innerberger Hauptgewerkschaft** (predecessor of today's **Voestalpine AG**), being founding finance from the 'Steyr Iron Co' in 1625. The world's oldest collectable mining share, its history is related on another page. Offered at €1,800, it

SPINK

London, May 18

The auction room was well attended with very active phone and internet bidding. A healthy 76% of 695 lots were sold although mostly at modest prices, only four single-piece lots selling for more than £2,000. The total on the hammer came to £178,080 (\$282,000/€221,000).

The highest price achieved was an astonishing £18,500, estimate £200-£300 !!, for a **Cuyutlan Gold Mines Co** bearer share dated 1913 with a vignette of Napoleon. See the Speculation report in News for more information on this.

Of the British Empire lots, the star item was an **Australian Agricultural Co** share from 1825 which sold for £2,900, just below its top estimate. The over-exposed **Melbourne & Suburban Railway** share 1859, estimated at £250-£300, did not sell. The British section contained 117 lots with 82 lots finding buyers. The two highest prices went to powers of attorney to sell shares. An **East India Co** printed power dated 1802 and signed by **Admiral Lord Nelson** and **Sir William Hamilton**, not seen before, sold for £7,500 (estimate £6,000-£8,000). A **South Sea Co** printed power of attorney dated 1737 made its top estimate of £1,800. Amongst true scripophily a **Glocester & Berkeley Canal** share of 1794 fetched £300 and a vignetted **Medway Steam Packet Co** share from 1838 sold for £270. The sale also contained several interesting and inexpensive multiple lots; for example a lot containing 37 early 20th century British shipping and shipbuilding certificates sold for £110.

The most sought-after part of the sale was the Chinese section where 81 lots of the 84 on offer found buyers. Many were multiple lots selling above estimate. Of the individual items a cancelled **1898 Gold Loan** £500 bond, **Deutsch-Asiatische Bank** issue, made £1,600, a **1912 Gold Loan (Crisp)** £1,000 bond sold for £1,300, and a **1919 Vickers Loan** £500 bond with original coupons made £1,100. Seven lots with a total of 27 £100 **1913 Reorganisation Gold Loan** sold for an average of £415 per bond and eight lots with 62 of the £20 denomination made an average of £125 per piece.

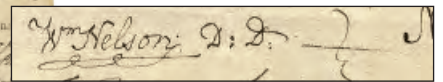
Two thirds of a 62-lot US section found buyers, a good result but prices of well known pieces were on the low side; for example a **Standard Oil Trust** share of 1882 signed by **John D Rockefeller** made £800 (\$1,260), and a **North American Land Co** share of 1795 signed by **Robert Morris** sold for £350 (\$550).

A small eleven-lot section of Cuban pieces sold particularly well; for example a lot of 14 **Cuba Railroad** 1910 Improvement and Equipment Loan made £1,000. A Spanish **Compania Real de Toledo** share from 1748 sold at its upper estimate of £2,000 (€2,500) but a **Compania Real Guipuzcoana de Caracas** share from 1766 made only £1,800, below estimate.

In the Russian section 55 lots out of 66 found buyers. Of note were a **City of Nikolaef 1912 Loan**, £500 bond, rare second issue, sold for £1,100, and a **Société du Chemin de Fer Secondaire de Novozybkof** 1,000 rouble bond bid up to £2,300 on an estimate of £800-£1,000.



An East India Company power of attorney dated 1802 and signed by Admiral Lord Nelson and his cuckold Sir William Hamilton, never seen before, sold for £7,500



A Café de la Paix, Béziers, founders share from 1921 made an over-estimate £600



This Australian Agricultural Co share issued in London in 1825 sold for £2,900

IBSS AUCTIONS

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We are pleased to help with the disposal of single pieces and complete collections.

Please contact the auctioneer before posting material.

Auctioneer – Bruce Castlo
auctions@scripophily.org

ARCHIVES INTERNATIONAL

Fort Lee NJ, May 15

Scripophily was 40% of the auction lots, with the remainder being mostly bank notes and security printing ephemera. Total hammer sales on 194 scripophily lots (47% sold) came to about \$48,000 (£30,000/€38,000).

Expensive Michigan mining stocks made a substantial appearance this time, taking three out of the top five lots. The top one was a **Shawmut Mining Co** certificate bringing \$2,100. This company is not listed in De Good's reference book on Michigan copper mining, so it was a prime target for the devoted Michigan copper mining fraternity. Other top Michigan certificates were the **North Western Mining Co of Detroit** at \$1,450 and the **Fulton Copper Co** at \$950, both more or less within estimate.

The beautiful and spectacular \$50,000 **Central Railroad Co of New Jersey** specimen railroad bond with five vignettes failed to sell at the estimated \$1,250-\$2,500 – a number of these in various denominations have appeared at Archives auctions and, at this point, there may be some concern about how many of these remain in inventory. The Mexican offerings all went for well under \$1,000; a **Banco de Londres y Mexico** issued bond with coupons, a doggie toy of the Mexico speculation community, failed to sell on a \$10,000-\$20,000 estimate.

The remainder of the sale brought prices generally under \$500 per lot, well accessible to ordinary collectors.



The top price was made by a Shawmut Mining Co certificate, bringing \$2,100



Florida is always a popular state - this Florida Railroad bond of 1869 with three imprinted revenue stamps brought \$775

HIWEPA

Basel, May 19

The concept to hold only one auction in the year was a good idea. It really is a firework of pieces rarely seen. The total amount realised in the room and mailbid auctions of 672 lots was CHF171,661 (£115,000/€143,000/\$182,000). There are no reserve prices in HIWEPA auctions, so 100% of the lots were sold, as always.

The top piece was a founder share of the Swiss **Vereinigte Dampfschiffahrts-Gesellschaft des Thuner & Brienersee's**. The CHF500 share is dated 1 July 1843. Only a few pieces are known and it was sold for CHF20,000 (£13,400/€16,660/\$21,000). A Swiss evergreen, **Aktienbrauerei Thun**, sold for CHF5,500, less than its CHF8,000 estimate. Two nice Swiss banks were sold, both rare pieces: **Banque Générale Suisse International Mobilier et Foncier**, dated 2 April 1857, sold for CHF2,200, and a **Crédit Suisse** from 1926 for CHF5,500. In the Swiss railroad section the shooting star was **Spiezer Verbindungsbahn** dated 1 August 1905. The total share issue was 370, but only 3 or 4 pieces are known. This example came from an old collection and was hammered at CHF8,400, outstanding for a 20th century share.

In the international section we had an **Alaska Central Railway Co** certificate of 20 shares, dated 25 June 1903, sold for CHF1,200 (\$1,270). For approximately the same price was sold the lovely **Great Cariboo Gold Co. A Jersey Shore, Pine Creek & Buffalo Railway** \$10,000 bond from 1882 with signatures of three **Vanderbilts** and **Chauncey Depew** sold for only CHF380 (\$400). Also sold at a low valuation was a **Staten Island Rail Road** from 1864, signed by **W H Vanderbilt**, at CHF500 (\$530).

A top insurance founder share was the **Assicurazioni Generali Austro-Italiche**, dated 30 June 1832, issued to one of the founders, Samuel Minerbi. This company still exists and operates successfully out of Trieste. It hammered at CHF8,700 (€7,250). In the mailbid auction there were a lot of decorative pieces from all over the world, nice pieces from France, like **Les Pêcheurs Réunis SA** sold for CHF120, and some colourful bonds from the **Kingdom of Romania**.



The top piece was this founder share of the Vereinigte Dampfschiffahrts-Gesellschaft des Thuner & Brienersee's von Schweizer dated 1 July 1843. A museum piece! It fetched CHF20,000

A Swiss discovery in the popular brewery theme, **Actien-Brauerei Chur**, with a nice vignette of the building, January 1874, nevertheless did not reach its estimate, selling for about half at CHF3,500

Only being held every two years now, the FHW Munich auction once again was hosted at the Paulaner am Nockherberg, a very famous brewery restaurant. The event started the previous day with an intensive tour of the Paulaner brewery including beer tasting, courtesy of the auction house.

1,635 lots were offered, 731 or 45% of which were sold at the end for a total hammer price of €274,133 (£219,000/\$344,000). More than 50 bidder numbers were issued in the room.

The auction started with a Speculation section. Mexico, Brazil, Germany, Greece, China were all sold. The only failures were 10 Yugoslav bonds – too soon? For more on the Speculation in this auction, see the Speculation report in News in this issue.

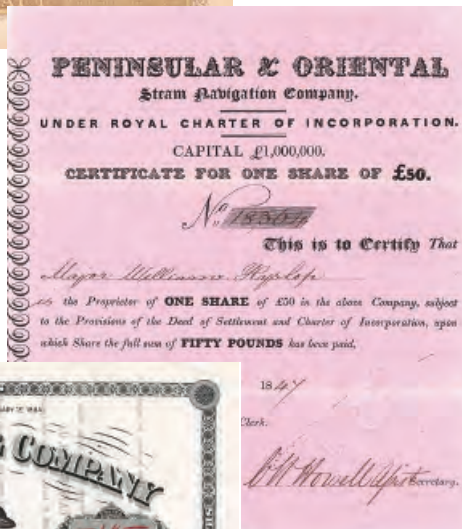
In the large US section, 50% of 251 lots were sold, and some pieces did very well. A **Chautauqua Lake Railway 5% bond** \$1,000, New York 1887, reached €1,100 (\$1,380) from €500 start. **Porpoise Fishing Co** shares \$25 each, Cape May 1885, fetched €1,200 from €800. **Rio Grande Gold Mining Co** \$1 shares, Colorado Springs 1899, €1,300 from €800. **Venice & Carondelet Railway Co 6% First Mortgage Bond** \$1,000, 1880, rose from €400 to €1,100.

Only 10 of the 26 British lots sold but the successes included some star pieces. An **Alliance British & Foreign Life & Fire Assurance Co**, subscriber certificate, 3 shares £100 each, London 1824, signed by *Nathan Mayer Rothschild*, was offered at €2,500 and sold at €2,600 (£2,100). A **Peninsular & Oriental Steam Navigation Co**, share £50, London 1847, reached €1,350 from €1,000. A 20th century share (1929) in the **Channel Tunnel Co** (not the 1892 vignette piece, an example here unsold at €100) was bid to €1,000 from €500 start.

Russians saw 55% of 51 lots sold, mostly low to mid-market pieces selling at or near start prices. Two Odessa shares did well - a **Compagnie de Navigation à Vapeur sur la Mer Noire & le Danube** share, 250 roubles, 1889, started at €2,500 and reached €4,800, and a **Société des Oeuvres Typographiques de la Russie Méridionale** share, 300 roubles, 1892, went to €3,900 from €2,500 start.

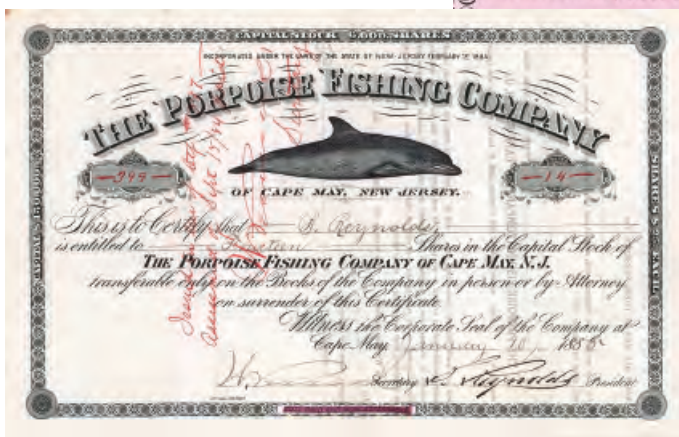


A *Peninsular & Oriental Steam Navigation Co*, share £50, London 1847, reached €1,350 (£1,080)



From Bavaria an **Eletrizitäts-Aktiengesellschaft vormals Schuckert & Co** 1000-mark share, Nürnberg 1893, autograph *Hugo Ritter von Maffei* (today Krauss-Maffei AG, famous tank builder and defence company), sold at €4,000 start price. From Munich a **Münchener Trambahn-AG** 400-mark share, 1883, fetched €4,200 from €4,000. The auction highlight was the oldest known German share, **Compagnie Royale de Bengale** 900 silver guilders, Emden 1754, offered at €7,500 and almost doubling that at €14,000.

A *Münchener Trambahn-AG* Actie 400 Mark, 1883, fetched €4,200 from €4,000



This *Porpoise Fishing Co* share, Cape May 1885, fetched €1,200 (\$1,500)

IBSS
Mailbid, June 1

This was another successful IBSS sale with 86% of the lots selling for a hammer total of £5,531. The surprise of the sale was a **Banco de Londres y Mexico** share of 1935 which made £500 against our estimate of £15; both buyer and vendor are thanked for supporting the Society. Other items of note were a **Chilian Government, Coquimbo Railway**, £100 bond of 1909 which made £161, a **St Helen's and Runcorn Gap Railway** share of 1830 which sold for £104, and a **British Copper Mining** share of 1834 which fetched £96.

The full results are included with the catalogue accompanying this issue.



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SPINK

Fort Worth TX, May 20

This was another of the Collector's Series sales containing bank notes, coins and stocks and bonds. 509 of the total 2,018 lots were scripophily. Of these, 313 (61%) sold for \$78,620 (£50,000/ €61,600) on the hammer. The amount realised and the number of scripophily lots were only about a third of the January sale, reflecting the absence of the Smythe inventory sold off previously. Despite this absence, the auction contained a number of good multiple-item lots, some going for as little as \$5 per certificate.

Confederate bonds usually brought less than estimate when they sold. Rails were generally unremarkable. The automobile section was led by a **Ford Motor Co of Canada Ltd** certificate signed by **Henry Ford**, estimated at \$15,000-\$20,000, but it did not sell. A **Rolls-Royce of America** issued uncanceled preferred odd-lot certificate brought \$325, much less than the \$600, \$700 and \$1,200 brought in the 1993-2000 period. A **Rockefeller-Flagler** signed **Standard Oil Co** certificate hammered for \$3,500 on a \$5,000-\$7,000 estimate and a framed and matted **Rockefeller-Flagler Standard Oil Trust** secured a reasonable \$725. A **Thomas A Edison**-signed **Edison Phonographic Works (NJ)** certificate with double signature brought \$1,450.

One of only two known **Fashion Co** certificates did not sell on a \$15,000-\$20,000 estimate; the Fashion Co was organised to publish *Vogue* magazine starting in 1892. The mining section of the sale was highlighted by a collection of Cripple Creek shares. The most expensive of these was the probably aptly named **Pirate Gold Mining Co** with full-rigged sailing ship, which brought \$325 despite toning and foxing.

In general this auction illustrates that rare decorative items fresh on the scene in the US market are bringing good prices, but certificates that have been around continue to slide from their 1990s highs or, at best, stay the same. This is what one would expect of a market with limited demand due to few new entrants. If demand increases it is not difficult to imagine a marked elevation in prices.



This Submarine Boat & Torpedo Co brought a substantial \$1,200 – but the type has been declining in price at auction – \$2,700 in 1996, \$3,400 in 1999, \$1,894 in 2005 and \$1,300 in 2006

\$500, nearly twice the upper estimate, purchased this rare Marine Safety Rapid Transit Co certificate with its extravagant vignette



Henry J Pains signed this highly decorative certificate in the Pains Fireworks Co, a rare piece that rocketed to \$450

EDHAC

Kürnbach, June 9

The auction went extremely well. As reported on another page, this was EDHAC's last and it was a fine swan song, the best of the last five years.

Of the 260 lots offered 204 or 78% were sold. The total hammer price was €26,504 (£21,500/\$33,000). The highlight was a 1000-mark share of **C H Knorr AG** (famous German producer of instant soups, stock cubes and soup seasoning, today part of Unilever Group), Heilbronn 1910. Offered at €500 it sold for €3,900.

A **Standard Oil Trust**, 500 shares, 1882, signed by **J D Rockefeller**, **H M Flagler** and **J Bostwick**, furthermore with an **O H Payne** autograph on the stub, sold at €630 (\$800) after €500 start. The highest non-German price was not strictly-speaking scripophily: a manuscript promissory note for \$8,000 from **Robert Fulton**, New York 1811, signed by him and endorsed by **Robert Livingston**. Coming from the collection of Prof Dr Udo Hielscher, it sold at the €2,200 start price (\$2,760).



Today part of Unilever, C H Knorr's 1910 share sold for €3,900 from a €500 start, an amazing price for a 20th century share

NOBLE

Sydney, July 25

A small but successful group of scripophily lots in a large numismatic auction, saw 63 sold out of 75 offered. The surprise highlight was an 1885 Tasmanian share in the **Hobart Steam Navigation & Trading Co**, which sold for AU\$1,100 against an estimate of AU\$130.



All except five of the 59 lots of Australian shares, some in groups, sold at or above estimates but half of the non-Australians did not find buyers. The total on the hammer came to AU\$16,540 (£11,000/\$17,000/€14,000).



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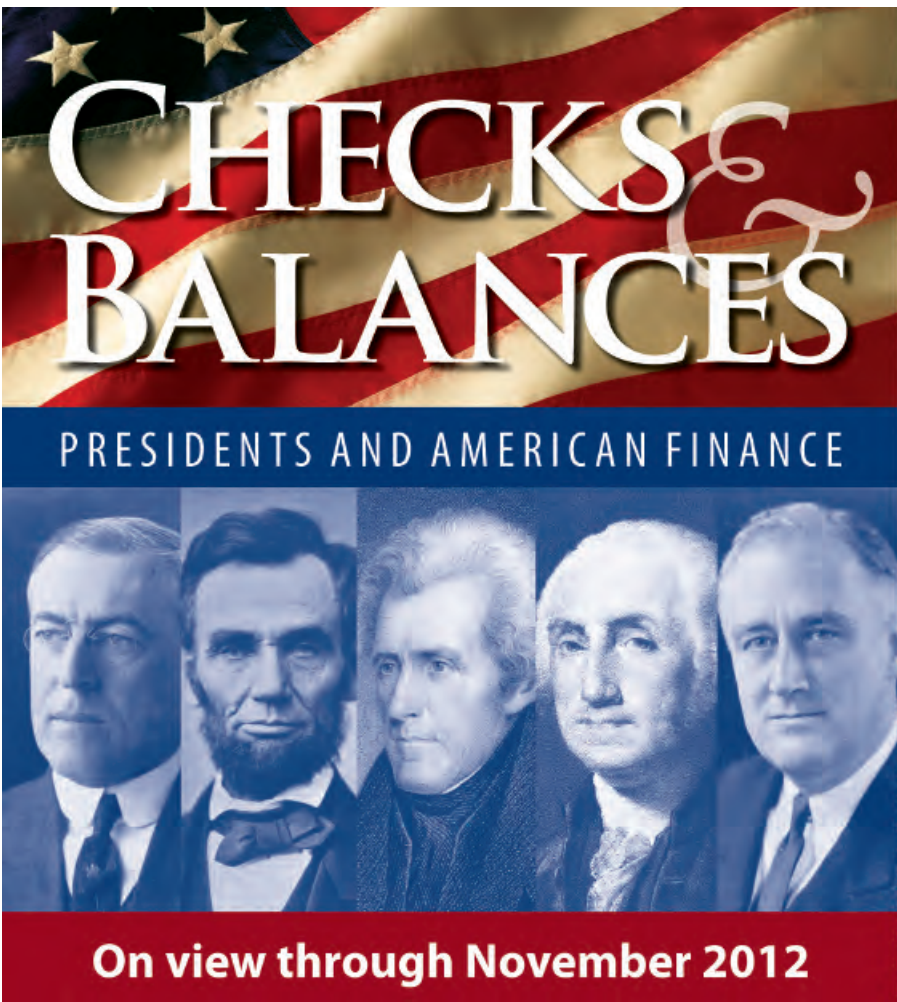
Our next auctions:

Autumn auction: 10 November 2012
 Wuerzburg (Germany)

Spring auction: 20 April 2013
 Wuerzburg (Germany) in junction with
 EDHAC-Event on 21 April 2013

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HOSANE

Shanghai, June 17

Not as large a sale as the one we reported in our last issue but again with some exciting Chinese material. The scripophily part of this primarily paper money sale came to RMB605,000 (£61,000/€75,000/\$95,000) with 85% of the 138 lots sold.

The offerings were almost entirely shares in commercial companies operating in Shanghai or elsewhere in China. Most have not been seen in Western scripophily auctions, although a few well known pieces also went for good prices such as the familiar English **Pekin Syndicate Ltd** 1909 which fetched RMB2,200 (£220) this time (and RMB1,800 for a 1911 last time). Vignettes do not seem to be important to the local buyers – one of the very few to have a vignette, a 1947 share certificate for the **Union Real Estate Co Ltd**, sold for only RMB700. Generally the pieces are in Chinese only, although some are also in English.

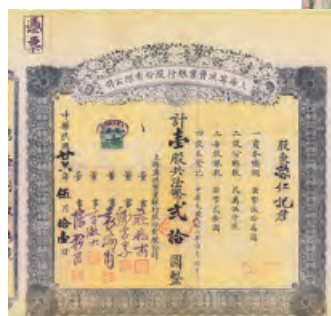
As last time, banks did especially well. The top piece was a scarce 1937 20-yuan share in the **Ningpo Industrial Bank** of Shanghai, which was bid up to nearly 6 times its estimate, to sell at RMB88,000 (£8,800). Next but far behind, a 1915 **Bank of China** 10 100-yuan shares rose to RMB22,000 from an RMB10,000 estimate while a similar piece made RMB15,000. A 1907 1-yuan share in the **Chinese Empire Reform Association** sold for RMB30,000 and a 1908 25-yuan share in the **Szechuen-Hangkow Railway** made RMB28,000. A 1942 share in **Kang-Tsang Tea Co Ltd** sold for RMB17,000 – more than 3 times its estimate.

A certificate issued in New York for **China Mobile Ltd**, incorporated in Hong Kong, catalogued as 2009 but dated 09/07/11 so probably 2011, rang up RMB1,800 (\$290) against an estimate of just RMB100. Some other Western pieces did not do so well, close to estimates or not selling at all, although Disney shone.



These two Disney shares were catalogued as 1983 and 1995 although the scan of the US piece shown in the catalogue says it was issued on Feb 9 2012. Sold in one lot, they fetched RMB4,500 (\$730) on an estimate of only RMB100. The US piece was issued to IBSS member William Harper of Jacksonville FL, as was the China Mobile in our report

This 1942 Shanghai Mapaoshan Candy Biscuits share fetched RMB16,000 on an RMB6,000 estimate



Top seller by far at RMB88,000 (£8,800) – a 1937 share in the Ningpo Industrial Bank of Shanghai

GUTOWSKI

Mailbid, July 16

This was a stronger sale than the last two – more lots (1,726), higher proportion sold (47%), much higher hammer total at €130,000 (£102,000/\$158,000). Once again, it was very multinational with pieces from more than 50 countries. The largest group was of course German, over 900 lots, but there were substantial offerings from USA (almost 200), France (128), Russia (63) and Great Britain (57).

A 1912 share from Moscow, with French connections, was the highest seller at €6,800, more than twice its start price. The **Hotel 'Ermitage' Olivier** was founded in 1864 by the star French chef Lucien Olivier, then aged 26. He died in Moscow 20 years later, taking with him the recipe for his renowned Olivier salad. Just over half of the other Russians were sold, but the only other lot to substantially exceed its start price was a 5,000-ruble railway bond, **Tokmaker Eisenbahn**, Petrograd 1916, sold for €1,000 after a €500 start.

Several attractive pieces stimulated energetic bidding competition. A very early railway share, the British **Severn & Wye Railway & Canal Co** from 1814, rose to €3,400 (£2,700) from €1,750 start. A decorative **SA des Bateaux à Vapeur en fer sur la Seine** 1828 made €1,200 on €750 start. A vignetted **Frankfurter Turn-Verein** 50-mark loan of 1876 fetched €3,500 (start price €2,400). A founder's certificate, number 6, 1904, of the **Ford Motor of Canada** (not signed by Henry Ford), sold for €3,850 (\$4,700) against a start price of €1,500. A share in the first company to issue stock in Palestine, the **'Agudat Netaim' Société Ottomane de Commerce d'Agriculture et d'Industrie** was sold for €1,400, almost double its start price. The aims of the company were to buy land, to farm it, to train Jewish immigrants in agriculture and to help them acquire their own plots in workers' colonies.

This Mexican speculation material in this auction is reported in the Speculation piece in News, this issue.



US banks are keenly sought. This 1849 share in the Bank of the Valley in Virginia fetched €450 (\$550), comfortably above its €300 start

This rare £50 loan note of the London & Brighton Railway, 1842, certificate no. 4, with vignettes of the Brighton Pavilion, sold for €180 only



A 1920 share in the 'Agudat Netaim' Société Ottomane de Commerce d'Agriculture et d'Industrie, founded 1905. The certificate is signed by leading Zionist pioneers Bezalel Yaffe, one of the founders of Tel-Aviv, and Zeew Gluskin, a director of what is now Carmel Winery

EVENTS CALENDAR

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

September

- 1 Kürle Auction, Gelnhausen
- 1-2 * London Coins Auction, Bracknell
- 4 IBSS Monthly London Meeting,
6.00 p.m. Spink London Office
- 20 HHW Mailbid Auction
www.historical-shares.at
- 22 * Papierania Auction, Monschau-
Imgenbroich www.papierania.de
- 27 * Akkermans Auction, Valkenburg
www.akkermansauctions.com
- 29-30 * Paper Money Fair Maastricht,
Valkenburg
- 29-30 FHW Auction, Frankfurt

October

- 2 IBSS Monthly London Meeting
- 6-7 Boone Auction & Bourse, Antwerp
- 13 Portafoglio Storico Auction, Bologna
- 17 * Bonhams Auction, London
- 18-20 The Wall Street Collectors Bourse,
New York City
- 19 IBSS Mailbid Auction
- 20 Archives International Auction,
New York City
- 21 Archives International Auction,
Fort Lee, NJ
- 21 * Collect Plaza Online Auction
www.collectplaza-auctions.com

November

- 6 IBSS Monthly London Meeting
- 10 HWP Auction, Würzburg
- 13-14 * Spink Collectors Series Auction, NY
- 19 Gutowski Mailbid Auction
- 20-22 * Noble Auction, Sydney
- 28 Spink Auction, London

December

- 1-2 * London Coins Auction, Bracknell
- 4 IBSS Monthly London Meeting
- 12 DWA Reichsbank Hoard Auction,
Wolfenbüttel
- 13 * Bonhams Auction, London

* Scripophily with paper money, coins or other collectables.

There are only a few of us volunteers who maintain the IBSS, and we are already stretched. We are very sad to see Tom Montgomery go, so for now we have no one to help develop marketing and outreach programs for the Society. This is a critical function since our membership has slowly been dropping and we need new members.

We also have been short of someone to help out with reviewing US auctions and writing articles for *Scripophily*. We also need speakers for the IBSS breakfasts in New York City Saturday October 20 at 9 am, and at the National Show near Dulles airport in January. These are opportunities to share your knowledge and interests - no need for anything elaborate, just an interesting scripophily story.

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- ❖ Rocks Tin Mining (1836)
- ❖ Royal Sisters Mining

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- ❖ Calder & Hebble (share)
- ❖ Huddersfield Canal (mortgage)
- ❖ Leicestershire & Northamptonshire (share)
- ❖ Montgomeryshire Canal Navigation
- ❖ Norwich & Lowestoft Navigation Co
- ❖ Oakham Canal
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- ❖ Portland Railway

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- ❖ Aberdeen Market Company
- ❖ Edinburgh & Leith Bank
- ❖ North of Scotland Bank
- ❖ Western Bank of Scotland

IRELAND

- ❖ National Bank
- ❖ Mining Co of Ireland
- ❖ Royal Irish Mining Co
- ❖ Portumna Bridge
- ❖ Waterford Bridge

PENNSYLVANIA

- ❖ Company of Military Adventurers
- ❖ Pennsylvania Hospital (share)
- ❖ Society of Free Traders

AMERICAS

- ❖ Bank of Montreal
- ❖ Anglo-Mexican Mint
- ❖ Brazil Co Coneicao Mine
- ❖ Peruvian State Loan of 1822
- ❖ Plantage Vauxhall, Dominica

AUSTRALIA

- ❖ Bank of New South Wales (pre-1832)
- ❖ South Australia Protestant Community
- ❖ Van Diemen's Land Co

AND ...

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- ❖ Bristol Clifton & West of England Zoo
- ❖ Eleventh Calcutta Supplementary Laudable Society
- ❖ General Society (East Indies)
- ❖ Imperial Foreign Wine Co
- ❖ London & Birmingham Steam Carriage Co
- ❖ Low Hill General Cemetery
- ❖ Order of St John of Jerusalem
- ❖ Prussian State Loan of 1822
- ❖ Scarborough Cliff Bridge Co

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