

UPDATE

March, 2000

(Next newsletter: June)

I FIND IT AMAZING

I am fortunate to have the tremendous help of collectors like you from all over the US, Canada, and Europe. And with your help, over the last five years, we have added over 3,700 certificates to the database. Together, we add 100 to 300 new certificates per month. I thought we'd start running out of new certificates by now. We're not! In fact, we're currently *adding new certificates faster than ever!*

Still, there are many certificates that we should have found by now and haven't. Take for instance, the excellent catalog by Thomas Schabmayr, *Wertpapiere der US—Eisenbahngesellschaften* (colloquially, *Stocks/Bonds of US Railroad Companies*), published in Germany about the same time my book came out. Though we covered the same subject of railroad scripophily, we both listed hundreds of items the other did not. *That* was to be expected.

What is surprising is the number of Mr. Schabmayr's certificates that neither I nor my correspondents have yet encountered.

Why is that? Did Mr. Schabmayr find certificates that only resided in Europe? Or were they so terribly rare that they have yet to reappear in the collectors' market?



Here is the most expensive railroad certificate sold so far, and currently the third most expensive overall. This Pullman Palace Car certificate, issued to and signed by Andrew Carnegie sold for \$70,000 (plus commission) in R. M. Smythe's Strasburg Sale #194. It almost doubled Smythe's estimate of \$20,000 to \$30,000. I currently know of only three other Carnegie railroad stocks: an 1870 Pullman Palace Car, an 1867 Steubenville & Indiana RR, and an 1873 Pennsylvania Co.

An unbelievable 1,006 new certificates since December!

	1st edition	Currently	NEW for 2nd edition!
Certificates in database (counting all variants of issued, unissued, specimens, proofs, autographs, etc.)	8,559	12,303	3,744
Distinct varieties	7,152	9,779	2,627
Certificates with celebrity autographs	699	990	291
Celebrity autographs known	232	331	99
Railroads and railroad-related companies known	17,276	19,456	2,180
Companies for which at least one certificate is known	3,516	4,461	945

THANKS! TO THESE NEW AND CONTINUING CONTRIBUTORS

Andrés Bénézet
William Bryk
Ken Holter
Cy King
George LaBarre

Hardie Maloney
John Parcell
Joe Smith
Scott Winslow

In the intervening years, some of the certificates he listed have appeared in European auction catalogs, such as Erik Boone's (before his death), IAB, Raab-Verlag, Phillips, and so forth. But not as many as I expected.

In fact, I still have many poorly-described certificates in *my own book* that I have not yet seen photographed. I originally compiled my database from every source I could find. Many items came from non-illustrated pricelists and auction lots. And many of those certificates sold for very low prices in the late 80s and early 90s, belying their now-apparent rarity.

Looking back over the certificates we have – and have not – found, I want to make four points.

1) If you have any items that missing from the first edition, please help by sending 8½ x 11 black and white copies. Or send colored electronic images. DO NOT ASSUME someone else has already sent them.

2) If you want to collect *new* material, subscribe to European auction catalogs and dealer price lists. Yes, I know there are language problems. Yes, foreign exchange is a pain. Yes, postage is expensive and customs laws are weird. Yes, VAT (value added tax) adds to the cost of your acquisitions. All are valid excuses. But they are only excuses. The truth is, you *will* find certificates in Europe that you will not find here.

3) Get a copy of Schabmayr's book to use as another reference. Even the next edition of my book will not contain everything he listed. He found things that I have not seen in ten years of compiling information. In fact, he listed some certificates that I may never see. (The converse is equally true, but I hope you get my point.)

4) Examine multi-item auction lots *very* carefully. I cannot tell you how many times I've seen rare items hidden in auction lots among otherwise common certificates.

Gold Bonds as Investments?

(continued from last issue)

Hopefully, none of my readers fell victim to the gold bond investment scheme that I talked about in the December issue. However, I did get a few replies, especially on the Selma Marion & Memphis bond with Nathan Bedford Forrest's signature. The best lead, though, came from Brian Mills, editor of *Scripophily*, the publication of the International Bond and Share Society.

He told me about a special Treasury Department web site titled "Historical Bond Fraud." The very first page lists several prominent railroad bonds as a "favorite tool of scam artists:"

Chicago Saginaw & Canada RR Co
East Alabama & Cincinnati RR Co
Galveston Houston & Henderson RR Co
Mad River & Lake Erie RR Co
Richmond & York River RR Co

Visit the Treasury site at

www.publicdebt.treas.gov/cc/ccphony4.htm

You will find hyperlinks to court case after court case, both in the U.S. and in Europe. You could spend hours just reading the legal background on why gold bonds are never going to be paid off.



Speaking of *Scripophily*, the March 2000 issue carries an article by Mr. Earl Moore on the Panama Rail Road Co. He discusses its interesting history, and without bluntly saying it, corrects a long-standing mis-conception about one of its autographs. The person who signed certificates as president during the early 1870s (like the one shown at left) was **Joseph F. Joy**, not the famous industrialist and railroad man, **James Frederick Joy**. This earliest mistake seems to date from about 1992, but it has been repeated by many major dealers and catalogers (myself included.) The real **James Frederick Joy** signature can be seen on stocks certificates of the Detroit & Bay City Railroad Co and the Detroit Lansing & Northern Rail Road Co.

The Next Big Endeavor: Complete Railroad Names

Over the years, I've struggled with how to list railroad names. Like most catalogers, I initially lumped together all certificates with the same general company name. Eventually, though, I decided to differentiate between "railroads" and "railways."

Reluctantly, I must admit that when I made that decision, I knew I was delaying the inevitable. You see, I've known for a long time that *tiny* differences in company names often signaled complex reorganizations and re-incorporations. Take the corporate history of the Central Pacific for instance.

Central Pacific Rail Road Company of California incorporated in California, June 28, 1861. Three years later, it changed its name to:

The Central Pacific Railroad Company of California on Oct. 8, 1864. It then consolidated with The Western Pacific Railroad Company and formed the:

Central Pacific Railroad Company, incorporated in California June 23, 1870. One month later, it consolidated with another three railroads and formed the:

Central Pacific Railroad Company on August 20, 1870. It filed articles of incorporation with the state of California two days later. That company existed for 29 years, until it joined with seven other companies and formed the:

Central Pacific Railway Company, incorporated in Utah on July 29, 1899.

After a conversation with Lawrence Falater a couple of months ago, I decided to go all the way, and spell the names of railroad companies as completely as possible. I am now spelling out title words such as *railroad*, *rail road*, *rail-road*, *railway*, *rail way*, and *rail-way*. Moreover, I am now adding *The* to titles where it was a part of the official railroad name.

This little decision is a huge undertaking. I suspect it will take two to three years to complete. To be reasonably accurate, I must re-examine every certificate variety. It often takes me an hour or more to research and examine all the certificates from large companies.

But, here's the kicker. Many companies were inconsistent in spelling their names on various certificates. Worse than that, not every name change indicates a reorganization/re-incorporation. Nor did every reorganization/re-incorporation make a name change. (The CP re-incorporation in August 1870 is a good example.)

The hardest names to unravel are those where companies spelled their names two different ways on the same certificate. And then there are the numerous cases where companies used old stock certificates for years, sometimes decades, after they officially changed their names.

In general, titles that appear on bonds are more likely to be official company names than those on stocks. The titles that appear on receipts and stock transfers only seem to be accurate about half of the time.

With almost 20,000 companies now in my database, there is no way I can research more than a handful of company histories to discover how and when they changed names. Take the B&O, for instance. I know little of its corporate history, so I do not know how its certificates reflect official name changes. Here are the name changes I've found on its certificates. Note, the substantial date overlaps:

- Baltimore & Ohio Rail Road Co. (1827 to ~1836)
- Baltimore & Ohio Rail-Road Co. (~1836 to ~1891)
- The Baltimore & Ohio Rail Road Co. (~1864 to ~1892)
- The Baltimore & Ohio Railroad Co. (after ~1887)

If you can help clarify name changes with the B&O, or any other railroad, please let me know. Even if not currently represented by certificates, every bit of company information that you can add might help someone, sometime in the future.



Okay, this is not a stock or bond. But it is the best of the 24 Union Pacific calendars I've had on my wall since 1977. It is a huge collection of historical photos and artifacts. You can get one from the company web site at <http://www.upr.com/uprr/retail/calendar.shtml>. And while you're there, check out the UP's vastly improved history, photo section, and logo section. This is the single best railroad company web site I've encountered so far. (You can even order historic photos online!)

How to send information.

Photocopies

- Black and white or color
- Reduce to 8½ x 11 with good margins

Electronic images

Scans

- 100 dpi JPGs
- 100 Kb maximum file size

Digital cameras

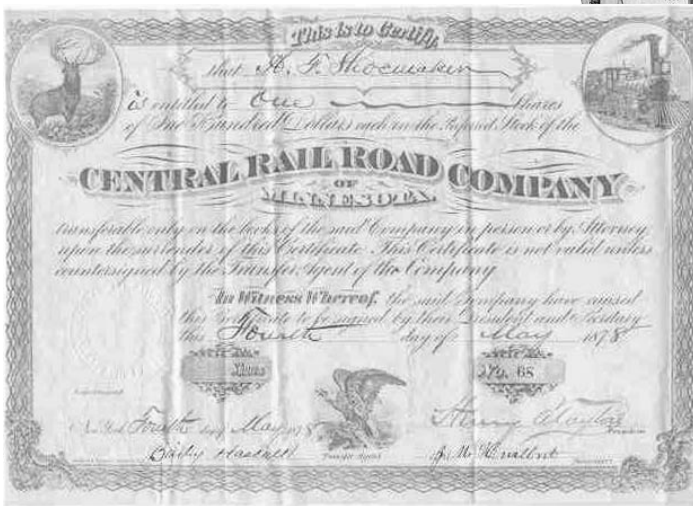
- Use LOTS of light
- Use natural sunlight, or
- Flash, or
- Incandescent & fluorescent together
- Avoid dark or colored backgrounds

Send via

- e-mail
- CDs (PC format)
- Zip disks (PC format)

Problems scanning bonds?

The large sizes of bonds usually give collectors big problems. Here's what you can do to save yourself headaches. Scan bonds in four pieces. Send me the individual pieces and I will re-assemble them. I make my living from cartography and graphics, so I have the software to handle such problems. There are just two tricks. 1) Overlap your scans by at least two inches. 2) Scan your bond in pieces. Always keep the bond facing the same direction. Otherwise, colors along the edges won't match. 3) Tell me if you need the re-assembled image for your own purpose and I will e-mail it back to you.



Certificates from recent internet sales. Several Yreka Railroad Co stocks (YRE-490-S-20) have appeared, both in fine and ratty conditions. At the left is a Central Rail Road Company of Minnesota stock (CEN-167-S-70.) Note the highly unusual placement of shares and serial number near the bottom. Courtesy Ken Holter.

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Address correction requested