

The Cover Story

Look and You Shall See by Ed Evan

During a virtual club meeting of the CFSC, I spoke of an interesting revenue stamp, that I own, on a stock certificate of the Illinois Central Railroad [**Figure A1** on front cover, rolling stock]. Comments were made as to turning the presentation into a newsletter article. Here we go.

The railroad was created January 16, 1836, by the Illinois General Assembly, received a Federal Land Grant in 1850, then was rechartered February 10, 1851, as the first Land Grant Railroad in the United States. It received important political support from Sen. Stephen A. Douglas and President Abraham Lincoln. Completed in 1856, it was then the longest railroad in the world, with its lines running from Cairo to Galena, and a branch to Chicago, Illinois. It expanded southerly and westerly, calling itself “The Mainline of Mid-America”, and after many reorganizations and sale of some routes, is now part of Canadian National.

This is an April 4, 1871, blue stock certificate (Cox catalog ILL-079b-S-36 ic) overprinted on white paper, on which had been pre-printed a light orange US revenue stamp (Scott RN-T4) to pay appropriate stamp tax that was in effect from October 1, 1862 to October 1, 1872, for funding the Civil War [**Figure A2** on front cover].

Affixing some proof of a tax payment onto a piece of paper documenting a taxable transaction goes back centuries. The concept being that the document has no standing in a possible future court action, such as on deeds or checks, if not properly tax stamped, or its existence is illegal and subject to seizure if not properly taxed. Think newspapers and the Boston Tea Party. Loose stamps pasted to a document, as compared to impressing them, awaited a later invention.

Scott’s Specialized lists four pages of revenue stamp paper, types of RN-A through RN-X, most being for the 2-cent rate due on checks and receipts. Higher denominations were for insurance policies and bonds, with the 25-cent rate set for stock certificates like this. More detail is in specialty catalogs. Scott notes that regular delivery of stamped paper did not occur until 1865, so most documents with these stamps would be from a time closer to the end of the tax period.

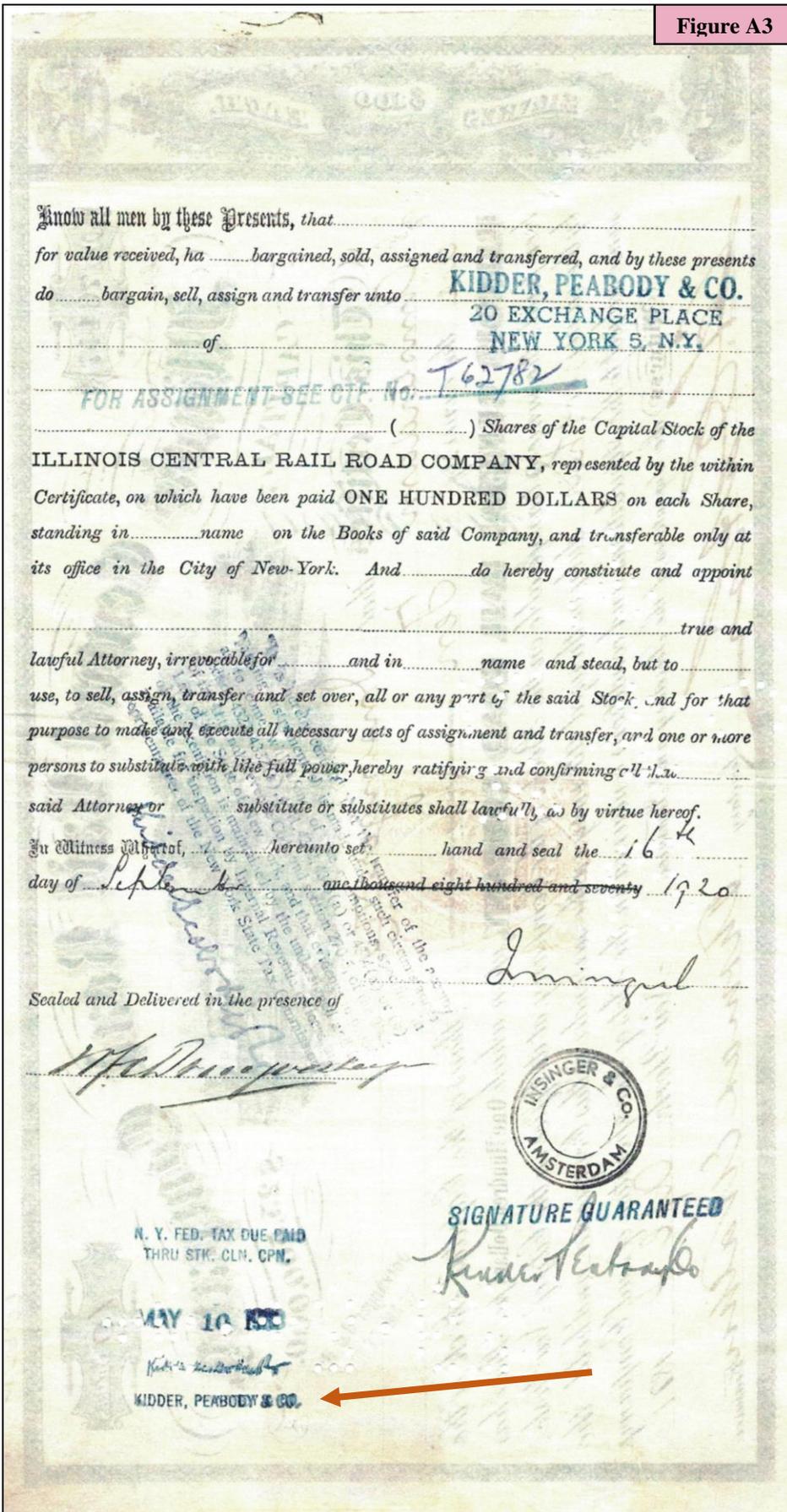
This collectible appeals to five types of collectors: philatelists, scripophilists, rail corporate historians, autograph collectors, and those who collect engravings. Our interest is the revenue stamp, but interestingly, the certificate was issued in 1871, but cancelled 1963. It was a “live” stock certificate for an unusually long 92-years.

Well, it was cancelled not because it was sold, but because Illinois Central Railroad converted itself into Illinois Central Industries, Inc. in 1963, which required the surrender of all old company certificates for new company ones --- but why was it endorsed in 1920, and why did it take from May 10 to June 4, 1963, to complete the transfer when this usually takes only a few days?

Here’s THE REST OF THE STORY.

I found this certificate in the inventory of a revenue stamp dealer Eric Jackson at the Sarasota National Stamp Exhibit in 2008. It was priced beyond my budget then, but I hoped it would be destined to become part of my collection, because I first saw and handled it in June 1963 working in Kidder, Peabody’s New York back office! [The orange arrow at the bottom of the document – **Figure A3**, shows the endorsement to Kidder, Peabody & Co.]

Figure A3



A “legal transfer” clerk named Stan Clarke was working on a pile of transfer requests that had been returned by transfer agent banks for additional documentation, in this case, some proof that the 1920s endorser was still alive in 1963 (possible but implausible) and that they were still authorized to sign on behalf of the owner, Insinger & Co. Stan exclaimed to others at nearby desks to come look at this beautiful certificate to notice its antique style and unusual features. I also noticed the relatively unusual, imprinted revenue!

Of course, Stan obtained the necessary papers, probably a new signature on a new stock power, and resubmitted it for transfer, duly completed about a month later, explaining the June punched cancels.

Now what are the chances that this certificate [Figure A3] would reappear in a dealer’s inventory for me to buy it in 2018, some 55 years later? Serendipity!