

# AMERICAN BANKNOTE SALE THE 1990 "PROOF" EXTRAVAGANZA

by Robert Pratt, OTB

## The NEW YORK GOLD RUSH - 1990

My impressions of Christie's Auction Sale of the American Bank Note Company's proofs and record sheets held in New York City, September 12 to 15 with lot viewing on the 7th and 8th and 10th and 11th. With emphasis on the Philatelic Sale of September 13th, as related to me by some who were in attendance.

## CIRCUS - CIRCUS

It should have been billed as the largest, most important and most beautiful auction on earth - but, it wasn't. It turned out to be the biggest success and at the same time the biggest disaster of the decade - if that is possible. This was a sale for the dealer with deep pockets and a confirmed list of customers - there was little incentive for the true collector to compete. The listing of the items to be sold was broad in scope but lacking in detail and specifics, and left the seeker of information with little to satisfy his desires. The catalogues, at least twenty dollars apiece, were beautiful examples, in colour, of the auctioneers art - but, as historic references of the lot contents they were totally inadequate and inaccurate. The four days of lot viewing and four days devoted to the sale, held in cost excessive New York City, proved that Barnum was right - and sometimes twice a day. Viewing of the lots by visiting customers was difficult to accomplish, because of time limits, the size and number of the lots and the many customers requiring attention. Withdrawal of 181 lots just prior to the sale of the 13th, 22.5% of the total number, set a new record for buyer irritation. The result:- lots advertised for sale were *Not as advertised*. A beautiful and thoughtful gift - approved by many - was so thoroughly mishandled and announced so brazenly that it became a rotting albatross instead of a generous beneficence, graciously given. There were also Clowns in attendance - as befitting the *Sale of the Century*.

## SENTIMENT IGNORED

*Money Too Tough for Tradition*, was a headline in the Chicago Tribune of 19 Septem-

ber 1990, page 10. The news referred to Atlanta obtaining the 1996 Olympics. It continued - *TOKYO - In the end it was money and technology versus sentiment and history. And money won.* Substitute *NEW YORK* -. The sale is over. With hammer price greater than the hidden reserve or the expected results of the sale, the bloated totals are being tallied. When complete, nothing will remain except to add the results to the Bank Note Company's assets.

The contents of the lots are being distributed to the new owners, the destruction of years of sequestered information contained in the notes on the pages of proofs and stamps and other bits of paper, is about to begin. When finished, history will be obliterated. As the scissors fall silent, and the severed pieces are further dispersed in tiny lots, any attempt to recreate the valuable data that was inscribed on those retained records will be impossible. What a loss! History erased, sentiment ignored. What is past is done. The forest has been destroyed, the ground cleared and burned, and the tiny hoard of gold salvaged.

## Cheaper by the Dozen

My old friend and auctioneer, Jim Sissons, used to chant that statement at every auction he attended. How astute, how true! This sale in particular, demonstrated the virtue of the thinking. Can you imagine a collector who would buy a lot of 4000 plus proofs in order to select for his collection a possible 15 or 20 different items? Or is an auction lot of this dimension more suited to the activities of a dealer with a large customer list and the capability to dissect the mass into individual varieties and furnish his customers select items? Isn't this an opportunity for the dealer-dissector with a known market, to improve his financial position in the process? And there were only 42,000 plus plate proof type items of Newfoundland to dispose of, and many, many more of Canada. In the Newfoundland section of 107 lots, (the sale of 13 September) there were four such large lots, and several others at about half that size. Some lots were purchased at prices of about \$5.00 per item, or around \$20,000.00 for the whole. The proofs probably will be sold for \$10.00 to \$15.-

00 each (and perhaps more depending on scarcity, ect.) I can hear the purchaser laughing all the way to the bank to pick up his loan. His future profit and well being have just been guaranteed. And that doesn't tell the whole story. The descriptions are so inaccurate that, as written, they depreciate the estimated value of the lot. The discerning dealer will soon be able to identify those items that have been unreported, and congratulate himself on his astute purchase of imperforate stamps, gummed and ungummed. (File record sheets on stamp paper) instead of plate proofs, and the scarce overprinted stamps with the Banknote *Specimen* rather than the impressions of the UPU country of receipt. He may even find unknown Plate Numbers or Factory order numbers, and sheet configurations, such as gutter blocks, to improve the value of his purchase.

*Cheaper by the dozen*, you bet. This auction was a dealer paradise.

### Conditions of Sale.

From the introduction - We have made a conscientious effort to have our descriptions convey the condition of each lot. -

*The property described in this catalogue, which description may be amended by-*

If condition were the only criteria, the words are fine. However, the need was for more specific descriptions of the material included in the lots. I cannot give Christie's a gold star for the lot descriptions. It is apparent that the good folk who were employed to write the descriptions were more familiar with European printers methods than they were with the manner of printing and record keeping on this side of the Atlantic. As a result too many lots had a grab bag mixture of goodies, instead of a studied allocation of the various types of material in the files.

It is sad that Christie's did not consult with some of us who could have assisted them to a more accurate listing of their product. There are many knowledgeable collectors and students who would have willingly assisted the auctioneer in preparing this most important sale. The results would have been increased accuracy, a listing that could be used by historians to record exact detail, and undoubtedly an increased value of the items sold. Those of us who might have been called, probably would have happily worked as unpaid consultants, with a small byline to acknowledge our contribution. Expense? - Time and that's about all.

### More Conditions.

*3. Christie's reserves the right to withdraw any lot before or at the sale.*

*Christie's reserves the right to vary the terms of sale, and any such variance--*

At a normal sale these reservations usually apply to one or two lots removed because they are apparent to all as being defective, and removing them is for the good of the purchaser as well as the company. No one will complain.

This sale (on the 13th) on the other hand, produced a reported extensive removal of 181 lots from the 797 in the sale. Twenty two & one half percent is no small number and will not go unnoticed. Not only that - at the time the removal was announced, at the beginning of the sale on the 13th, it was also revealed that those lots had been gifted to the Canadian Archives, for inclusion in their philatelic collection, and that in addition, the Archives would be bidding on certain lots not gifted, which they would buy under extended terms.

The uncoordinated announcements of the removal indicated confusion, a lack of decision and either excessive speed or incredible slowness. It seemingly took three announcements to define some lots, and to finally announce those that were unavailable. 126 lots of Canada's 647 (19.5%), 41 of Newfoundland's 107 (38%) and 14 of 43 Provincial lots (32.5%) were listed. And at that, one lonely lot bore two different numbers in the last two releases, seems as if nobody knew the correct one. At the end the Archives left with 234 lots, 148 of Canada, 70 of Newfoundland and 16 Provincial, 29% of the total. Newfoundland was raped for 66% of its available material. The Archives spent in excess of \$170,000.00 U.S. in addition.

### Another Silly Symphony

How stupid this action turned out to be. I have long urged and approved the transfer of suitable material to the Archives and I do applaud the final result. The insensitive manner in which it was accomplished, only proves how lacking in improving human relations the management at the new Bank Note Company seems to be. Most probably the Company employs a Public Relations or Marketing person (as they are now defined). If they do - was there consultation? I can not imagine how the matter could have been handled in a worse manner. The harm to the Corporate image of Christie's and the Company has been vast, and the derogatory thoughts will not soon disappear. I assume that Christie's hands were tied and that

the Company demanded the removal under the terms as stated. There were obvious ways in which this matter could have resulted in beautiful compliments for all concerned - instead of the bad odor that now obscures the pleasant scent of a willing gift.

### **Not as Advertised**

The sad and distasteful consequence of the sale resulted from the fact that people who had traveled a long way (some, several thousand miles) and who had put up with the excessive costs of New York, were left without previously advertised lots to bid on. In my own case, not being able to attend the sale, I had given seven lots to an agent to bid for me. His commission, had he secured the items, would have paid many of his expenses. He was disturbed and out of pocket not a few dollars. I felt obligated and sent him a check for a goodly sum. He bawled me out quite thoroughly and concluded by saying *I am sending the check back*. He is an honest gentleman with great integrity. I will be glad to reward him in the future, and also to give my highest recommendations about him to other collectors. If only there were more with his attributes, this would be a better world to do business in.

### **A Better Mousetrap**

As a suggestion, here are several ways in which this matter could have been handled and which would leave a more pleasant taste in peoples' mouths.

**TAKE 1.** - There seems to be no reason why The Bank Note Company, Christie's and the Archives representatives could not have convened, prior to the printing of the Catalogue and decided which items would be removed from the sale. I understand there were requests and meetings prior to the sale which were inconclusive. The lots would then not appear in the catalogue to torment those who would otherwise have made a bid for them. Realising that the omission would leave an incomplete listing of the material in the files, this could be overcome by citing the gifted material in a separate section at the end of the catalogue which could also contain an explanation of the gift.

**TAKE 2.** - If the catalogue were already printed, as seems to be the case, mailing of the catalogue could be held up until the Archives gift could be finalized. This might make it necessary for the sale date to be changed, and it would be important to do so. Then those lots

reserved for the Archives could be listed in Boldface letters WD - withdrawn - on a separate sheet. An explanation of WHY would have to be included, so that people would not bid on the lots, which would not be called on the floor. The integrity of the total listing would be maintained, the bidders informed, the gift explained.

**TAKE 3.** - An even simpler method would be to leave everything as printed, have the representative of the Archives or Christie's man bid the lots for the Archives until each lot was securely priced to sell to the Archives. The individual bidders would have had some fun, they would be disappointed, the sale would go on as scheduled, the listing would be complete, and about the only document would be *well you sure can't outbid the guy that prints the money*. As an additional benefit, a value would be established for the lots which might be useful in valuing a gift. If, at the end of the sale, an explanation of the gift, or the extended terms were deemed to be appropriate that could be handled by a printed handout or an announcement.

### **LAUDABLE but ODIUS**

In the aftermath of the sale I am left with the uncomfortable feeling that this whole affair was undertaken with too much emphasis on quickly converting the artifacts into liquid assets. I am also concerned by the fact that my old friend and knowledgeable auctioneer Robbie Lowe, was not more intimately concerned with the sale. I believe that had his council and advice been sought the sale, while laudable would have had a better result without being odious. The sales of the De La Rue and Waterlow archival material were both well handled, well described, well recorded and full of information for the historian and collector as well. The sales were not abruptly rushed into the public arena. I missed Robbie's concurrence in this sale.

Out of the mess I have just described, one shining light appears. Elizabeth Pope espouses the qualities that Robbie Lowe expressed for so many years. I do hope that her employers recognise the stellar person that they have placed in an important position, and will see that it becomes more important and rewarding in the future. As a result of the sour feeling now reported by many collectors and agents, it has been suggested that I remove my interesting collection of pre-stamp and stampless Newfoundland from next years sale by Christie's. I have considered that option and have concluded that it would not be appropriate. The material

was given to Christie's because of their knowledge of the subject. Robbie's name has been belittled by the activities outlined above. I do not feel that the blame should rest on him. There is enough to pass around to others.

#### **The time had come to give the collecting community the opportunity---**

So stated the foreword to the sale. If the *collecting community* consists of the dealers - the mission has been accomplished. If the true collector was intended to benefit, that must come later and at greater cost. It is a relief to know that one can view a maximum collection of proof material if one will visit the Canadian Archives. The cost of this effort to collectors can not be measured in dollars alone, the turmoil attendant on the presentation gifted to the Archives will last for a long time. Personally, I feel that Christie's is indebted in some small degree to those of us who would have placed bids, but that the Bank Note Company is heavily indebted to all. They could relieve that burden by making sure that the correspondence files, the factory files (if available), and any other information not dispensed in these sales, would be made available to appropriate people, to be faithfully recorded for the future. In doing so, they would recognize the collector and his influence in making these bits of paper valuable.

#### **END OF SALE**

#### **Now - AFTERSALE AFTERTHOUGHTS**

OF INTEREST - It is estimated that the total of all sales in this group, philatelic and numismatic, will deliver in excess of 6 million dollars to the Bank Note Company. 3747 lots of proof material thus averaged in round numbers, an estimated \$1600.00 per lot for the Company. Not bad for *found money*. Stamp and Paper Money collectors will probably shell out twelve to fifteen million, if all the goodies listed find a home in some collection. It is rumored that another hoard of numismatic proofs exists which will be sold later, returning an amount similar to the last sale. If this is so, on the basis of the number of shares issued to the original company, the *found money* from the sale of the probably unrecorded file material assets would amount to approximately \$ .40 (40¢) per share. Collector interest provided the increased value.

#### **Atlantic City can't Trump this**

Were the new owners aware of this value?

Who knows? However, if you remember the sale of certain large framed collages of proofs in September 1988, you can assume that they did. This sale, originally 43 lots, left the floor as 14 lots. The hammer price on the basis of the original lotting, came out to \$1,360.00 per lot. This sale on the basis of estimates provided about \$1,600.00 per lot. On this foundation the Archives gift of 181 lots rewarded them with a round sum of \$290,000.00 U.S. or \$333,000 Canadian. Not a bad day at the Gambling table.

For those new to this field, The Essay Proof Society can be a wonderful source of information and association. The British North American Philatelic Society offers companionship to those collecting Canada and the Provinces. And So - to close:

L.B.O.

Let's Bug Off

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