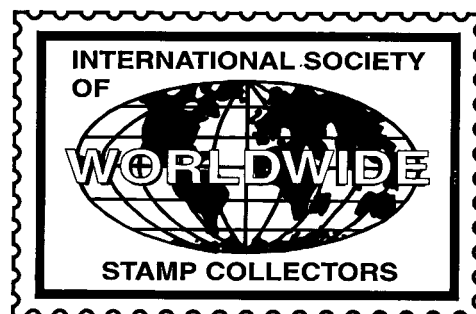


Property of
American Philatelic Research Library
P. O. Box 8000
State College, PA 16803

The Circuit

November/December 2003 • Volume 21 No. 6



Affiliate of: APS (#153) & ATA (#89)

www.iswsc.org

The Official Journal of the International Society of Worldwide Stamp Collectors

The Hialeah Forgeries

by Peter Ellas
pcellas@comcast.net

Article courtesy of www.stamps.org/cac

This article was first published in April 2003 issue of "Stamping Around", the newsletter of the Mid-Cities Stamp Club, Arlington/Irving, TX.

For those that are in tune with the on-line auction world (meaning "eBay"), you might have heard the term "Hialeah Forgery" before. What is a "Hialeah Forgery"?

For the past year or two, an eBay seller known as "atdinvest" (real name is "Juan Canoura"), based in Hialeah Gardens, Florida, has been selling forgeries of practically every major classic (before 1940) stamp ever issued by any major nation or colony. This includes St. Vincent, and thus it peaked my interest when I saw one offered on eBay (since I also collect and study the fakes & forgeries of St. Vincent stamps, overprints and postmarks).

These forgeries generally carry an opening bid of \$3.99 (plus postage). Most of the time there is just one bidder. Several thousand of these have been sold (based on atdinvest's eBay feedback rating). The lots that atdinvest is selling are always described in a similar fashion, for example, the lot description might read like this: "ST. VINCENT 1921 SCOTT #115 MNH GUM SH FORGERY".

The body of the lot listing generally always says: "ALWAYS SOMETHING DIFFERENT. THE GREATEST FORGERIES THAT HAS EVER BEEN OFFERED. Extraordinary forgery sheet to be used as reference material. THE FINAL SOURCE FOR TRUE FORGERIES. ALWAYS A MASTERPIECE ART-FORGERY FOR THE KNOWLEDGEABLE COLLECTOR. PRINTED IN EUROPEAN A4 PAPER."

The above description is from an actual lot that was listed at the time that this article was being written. "Greatest Forgeries ... ever offered"; that is

not quite true; I've seen much better forgeries.

"To be used as reference material"; of what? Certainly not the real thing!

"Final Source for True Forgeries"; that's pretty scary, and I certainly hope not. It just sounds like another way to make some money. The cost to produce these can't be more than \$1.00 in materials, and selling them for \$4.00 (or more) each is a nice profit.

Since these lots are offered as forgeries, one certainly cannot accuse the seller of being fraudulent or deceptive in their listings; the lots are properly described as forgeries. When I e-mailed atdinvest about the background of these forgeries, I was told that these sheets were printed in Europe (hence the "A4" paper) and that they were produced 20 or 30 years ago. I doubt that this explanation is correct.

First of all, the paper is described as "A4" size. A real A4 sheet measures 210 mm wide x 300 mm tall. The Hialeah forgery sheet measures 214 mm wide x 299 mm tall. A4 paper is standardized; just as the US 8.5" x 11" paper size is always exactly the same size, so the forgery sheet is 4 mm wider than a standard A4 sheet.

These forgeries have 54 stamps per sheet (6 stamps per row x 9 rows). Real St. Vincent stamps of the period generally had 30, 60 or 120 stamps per pane or sheet. The real stamps have dimensions (from edge to edge of the design frame) of 18.2 mm wide x 22.0 mm tall, while the forgery is 18.0 mm wide x 22.0 mm tall. The Hialeah sheets are un-watermarked and imperforate, and are gummed; with what appears to be a "PVA" type of gum (it has a semi-gloss appearance).

The printing quality appears to be that of a color laser printer or color photocopier (which didn't exist 20 - 30 years ago). It is not ink jet printing, nor does it appear to have been printed on a printing press.

Continued on page 9

OFFICERS, MANAGERS & SERVICE CONTACTS

President: Randy Smith (#1111)
P.O. Box 21115
Eagan, MN 55121-0115 – USA
rasmary4@earthlink.net

Executive Director & Immediate Past

President (Board Member):

Anthony Zollo, MD (#856)
P.O. Box 150407
Lufkin, TX 75915-0407 – USA
zolloam@lcc.net

Secretary: Joanne Berkowitz (#98)

125 43rd Street
Sacramento, CA 95819-2101 – USA
joannebe@pacbell.net

Vice President for Charitable Services:

Mike Crump (#2126)
P.O. Box 57
Yorba Linda, CA 92885-0057 – USA
StampGuy47@aol.com

Vice President for Public Relations:

Tom Fortunato (#379)
42 Maynard St.
Rochester, NY 14615-2022 – USA
stampmtmf@frontiernet.net

ISWSC Board:

Joan Roderick (#669)
12 Red Oak Road
Asheville, NC 28804 – USA
rdjnrod@aol.com

ISWSC Board: Ken Costilow (#142)

Virginia Beach, VA – USA
kcos32@cox.net

Immediate Past Secretary (Board Member): Dalene Thomas (#101)

8612 W. Warren Lane
Lakewood, CO 80227-2352 – USA
dalene1@wideopenwest.com

AUCTION

Manager: Everett King (#1389)
P.O. Box 130
Whitethorn, CA 95589 – USA
Ph: 707-986-7230
stamps@whitethorn.com

WHATZIT? COORDINATOR

Manager: John D. Pruitt (#121)
1151 George Road
Meadowbrook, PA 19046-1109 – USA
Fax: 215-947-7305
jdpruitt@comcast.net

SALES CIRCUIT

Manager (U.S.): James M. Gaul (#1853)
1920 Fawn Lane
Hellertown, PA 18055 – USA
terrynjim@enter.net

OMNI CIRCUIT

Manager: Jim Millette (#1314)
8901 Marcel Cadieux (#207)
Montreal, PQ H2M 2L9
CANADA
jmillett@globetrotter.net

Co-Manager: David Paul (#59)
2 Heritage Drive
Belchertown, MA 01007 – USA

Co-Manager: Thomas Pomaski (#410)
8195 National Drive
Melbourne, FL 32940
stamper10@earthlink.net

Co-Manager: Dale E. Harris, MD
212 Schofield,
Reedsport, OR 97467-1366,
harrisda@ohsu.edu

SWAP CIRCUIT

Coordinator: Randy Smith (#1111)
P.O. Box 21115
Eagan, MN 55121-0115 – USA
rasmary4@earthlink.net

SWAP CIRCUIT MANAGERS

*According to the first initial
of your last name.*

Regular (A-I) Circuit:

Scott Sadger (#882)
2140 Miller Road
Buchanan, MI 49107 – USA

Regular (J-Z) Circuit:

Randy Smith (#1111)
P.O. Box 21115
Eagan, MN 55121-0115
rasmary4@earthlink.net

Super Circuit:

William Silvester (#1058)
378C Cotlow Road
Victoria, BC V9C 2G1 – CANADA
wgsilvester@shaw.ca

CTO Circuit:

William Silvester (#1058)
378C Cotlow Road
Victoria, BC V9C 2G1 – CANADA
wgsilvester@shaw.ca

Small (Definitives) Circuit:

Kenneth Wills (#2150)
5308 Shadow Glen Drive
Grapevine, TX 76051 – USA
wills@airmail.net

*Phone or send your questions to
the appropriate volunteer. Please
include a self-addressed stamped
envelope or IRC for a reply.*

REGIONAL REPRESENTATIVES

*Represent the ISWSC, distribute stamps
to youth programs in their region.*

Australasia: Noel Routley (#1610)
C/- Post Office
Redesdale, 3444 – AUSTRALIA
routley@netcon.net.au

British Isles: Karen Rose (#584)
47 Heron Road — Oldbury
West Midlands B68 8AG
GREAT BRITAIN – U.K.

Canada: William Silvester (#1058)
378C Cotlow Road
Victoria, BC V9C 2G1 –
CANADA
wgsilvester@shaw.ca

Cuba: Cleto Sánchez (#1311)
P.O. Box 2222, CP-10200
Havana – CUBA

Eastern Europe: Jan Szpyrka (#539)
ul.Srebrna 29
PL-44121 Gliwice – POLAND
szpyrka@zeus.polsl.gliwice.pl

Scandinavia/Baltics:

Martti Vihanto (#830)
P.O. Box 34
FIN-20521, Turku – FINLAND

Western Europe:

LTC (ret) Alan Horwedel (#796)
Unit 30612, Box R-160
APO, AE 09154 – USA
ahorwedel@hotmail.com

*Please remember that the Editor does not
mail out The Circuit. If you have any
questions about your Circuit mail
service, please contact Randy Smith, Tom
Fortunato or Tony Zollo. Thank you!*

NEWSLETTER EDITOR

Jennifer Arnold
1035 4th Avenue SE
Albany, OR 97321 – USA
Ph: 541-967-7043
Fax: 541-967-9515
pizzazz@cmug.com

DEADLINE FOR THE NEXT ISSUE:
NOVEMBER 20, 2003

Swap Circuit Delays Continue; Manager(s) Sought

by Randy Smith (#1111)

Despite repeated attempts to get the J-Z Regular Circuits back on track, I am still struggling to get circuits out to members in a timely fashion. Unfortunately, this has left some swap circuit members waiting for months for their next circuit to appear. I apologize for these continued delays.

Recently (at my wife's urging!), I have come to the realization that I am simply stretched too thin between multiple commitments and I must cut back to adequately serve in any capacity! While I have enjoyed managing the Regular and Super swap circuits over the years, I have also found managing a circuit requires the greatest amount of my time – something I seem to have less and less of.

In an effort to reestablish an excellent level of service for the J-Z Regular circuits members, I am seeking one or more individuals to manage the J-Z Regular Circuits. The manager(s) is responsible for the day-to-day operation of the swap circuit. Typical management tasks include:

- Producing circuit routing sheets
- Creating stamp packets
- Maintaining records of circuit participants
- Tracking late/lost circuits
- Responding to miscellaneous correspondence
- Providing feedback and suggestions to the

Swap Circuit Coordinator

Access to a computer with word processing is essential and e-mail capability is extremely beneficial. Spreadsheet and/or database software would also be helpful, but is not mandatory. Operating expenses incurred by the manager are reimbursable and circuit managers are exempt from swap circuit fees.

If you would like to be considered for a manager position, or if you have questions about the position(s), please contact me via mail at PO Box 21115; Eagan, MN 55121-0115 or via e-mail at rasmarty4@earthlink.net. Please include a brief description about yourself, including the number of years you have collected stamps, your collecting interests and why you would like to be considered for the position.

FYI, I will continue to serve as Swap Circuit Coordinator and, if re-elected, as President of the ISWSC. By eliminating my swap manager duties, I will be able to focus my attention on overseeing the ISWSC and coordinating the Swap Circuit program (i.e. processing Swap Circuit membership fees, supplying managers with stamps, responding to correspondence, etc.).

I ask for your continued patience as new manager(s) are identified and these changes are implemented.

Dues/Advertising Policy

Dues Information:

Single/Dealer/Club membership: \$12.00*

Youth membership (under 18): \$10.00*

Family membership (up to 4 persons in one residence): \$19.00*

*Plus 250 large commemoratives for the Youth Program or equiv. donation in US\$. Dues above are for one year and include six newsletters per year. You may sign up for three years at a time. For an application or further information send SASE or IRC to: ISWSC, P.O. Box 150407, Lufkin TX 75915-0407, USA. *There will be a \$2 per year discount if the renewal is received at least one month prior to the current expiration date.*

Advertising Policy:

For reasons of accountability, only members of the ISWSC, APS or ASDA may place ads. All ads dealing with philatelic concerns are acceptable. We reserve the right to edit out objectionable language. Advertisers are expected to respond to all inquiries, so be sure you can handle the responses before you offer to trade, buy or sell. If you have a bad result from answering an ad, contact the Editor. We will try to resolve the conflict.

Display Rates (Camera Ready*) per insertion:

Full page: \$75.00**

Half page: \$40.00**

Quarter page: \$20.00**

Per column inch: \$5.00

Six repeat insertions of the same ad for the cost of five ads (one free). We will also offer a two-sided insertion for \$125 per issue.

*Camera Ready means ready to paste up or scan and print. Reductions and typesetting extra.

**Discounts for three or more insertions of same ad. Yearly display rates available. Write to ISWSC past president Tom Fortunato (see p. 2) for special rates.

Classified Rates per insertion:

First 30 words, including name, address, and ZIP code are \$3. Additional words are 20 for \$1.

NOTE: State abbreviations = one word; "P.O. Box 1234" = two words; ZIP code = one word.

Make all checks payable to ISWSC in U.S. funds. Send text and payment for ads to the Editor. All addresses can be found on page 2.



Stamp Pricing

by Stan Fairchild

CuyLor Stamp Club, APS Chapter 601

napoleon@en.com

Article courtesy of www.stamps.org/cac

This article is a compilation of questions from the Internet stamp group [rec.collecting.stamps \(r.c.s.\)](http://rec.collecting.stamps.r.c.s.) relating to stamp prices. More than a dozen sources were used for this summary, which was strongly influenced by my own experiences and knowledge limits. Much of the information given in the r.c.s. answers was based on personal experience, making great anecdotes but little statistically sound analysis.

The topic of stamp-market pricing mechanisms might serve as a viable master's degree thesis for an economics major. (The newsgroup r.c.s. later split into two groups, rec.collecting.stamps.discuss for philatelic discussions and rec.collecting.stamps.marketplace for buy and sell postings.)

This document remains a work-in-progress. My summary is below, but the gist of it is that "people really pay" varying amounts for the same material, depending on what stamp "market" they use to get material. What started this project off was this question: "I was looking through my latest Scott catalogue and comparing book value with stamps being traded in an Internet auction. Most stamps were offered at prices well below book value. Judging from the pictures and the few I bought, they seemed to be of decent quality. How can this be? Why would anyone sell for so much less?"

I. THE MARKET

A. Market segments

For purposes of discussion, "stamp market" is any mechanism used to legally transfer ownership. The market includes retail shops, mail sales, auctions — including circuit books, bourses, and trading. These segments have fairly little overlap except for the ever-present arbitrageurs known to Pat Herst's readers as satcheleers.

All of these markets need both a willing seller and a willing buyer. If the buyer is a dealer, he expects to resell at a profit. If the buyer is a collector, a selling collector may get a higher price but probably will have to sell the collection item by item.

New buyers come from the outposts in department stores, from advertisers in daily papers and on television, and from post offices. Without the entry-level expensive marketplace, the market from which collectors like to buy cheaply would gradually cease to exist, because it does not reproduce its

customer base from within.

The biggest stamp retailer, Mystic Stamp Company, marks up to about double Scott, because its advertising in mass circulation publications cannot be sustained by intra-hobby prices. Yet Mystic brings more new members to APS than any other recruiter, and sometimes more than all the others combined. Many of those customers, once familiar with the hobby's own marketplace, probably switch to less expensive suppliers. Even, so Mystic does well enough to support a weekly full-color, full-page spread on the back of *Linn's Stamp News*, and other full-page spreads inside.

Meanwhile, all other segments face competition from below-market sellers in *Linn's* classified ads, APS sales circuits, and on-line auctions, usually of retired collectors who are disposing of their personal collections. Each discrete segment has its own value system, which only indirectly affects the others. The value systems can only "only indirectly affect the others" if the buyer, seller, or both are unaware of them, unable to access them, or are uninterested in them for a particular transaction. See my comment on "instant gratification" below.

1. Retail shops: The amount of turnover done in any big city, high overhead retail shops has to be a minuscule portion of the world's stamp turnover. Vastly more turnover is gained in auctions, circuits, net sales, trades, shows, etc., than in stores in cities. The value of a stamp can't be set on the value plus costs of doing business, as value in purest terms is the highest amount someone is willing to pay at any given point in time.

Scarcity plus demand drives prices, not a combination of scarcity, willingness to pay, and the other guy's excess overhead. That's why high overhead shops such as Gimbels/Minkus/Robinsons, et al. bit the dust. They had a good run until auctions, shows, small shops, and mail order became well organized and easily accessible.

The key point here is that the alternatives had to get organized and be easily accessible. Big-city downtown stamp shops are still a fixture of the marketplace in the cities such as Chicago, Frankfurt, Hamburg, London, etc., despite their high retail prices.

2. Mail sales: These still serve the market for those with limited access to the other sources of stamps (trading, retail sales, auctions) or for those seeking special material.

3. Auctions: In an auction, there IS always a seller,

Continued on next page

Whatzit?

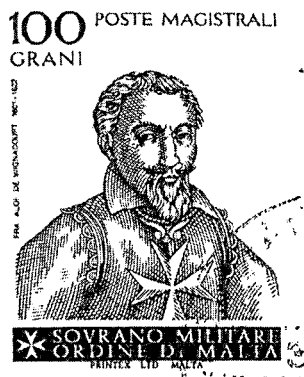
by John D. Pruitt (#121)

Some stamps, though not in Scott, create considerable interest among collectors. An example are those of the Sovereign Military Order of Malta (SMOM). This organization, often called the Order of Malta or Knights of Malta, traces its roots to an order founded in Jerusalem in 1099 during the First Crusade.

In 1291 the order, by then mainly a military organization, left the Holy Land after the Muslims retook the area. They settled first in Cyprus, then Rhodes, and finally Malta (1530) fighting many battles in the Mediterranean area. They ruled Malta until kicked out by Napoleon (1798). The order dwindled until it was reconstituted in Rome, mainly as a charity, towards the end of the 19th Century.

It is recognized as a sovereign entity under international law with observer status at the U.N. The stamps are issued by "Poste Magistrali" in Rome. Though not recognized by the UPU the stamps are recognized by various countries.

A reader recently sent me photos of stamps for identification, including the triangular item pictured. The two outer curves read "Posta Touva" indicating Tannu Tuva. Scott, however, does not list it, noting in a box that triangular and other-shaped items with "postage", "Air-



SMOM stamp
(27 x 37 mm)

Mail" etc. appeared in 1934 and 1935 — the implication being that they were bogus.

In a very interesting article on the Internet (<http://www.geocities.com/ttsinc/ducklings1.htm>), James Negus outlines how the USSR exploited world collector demand for Tannu Tuva by printing stamps, making covers and canceling them, all in Moscow, items that never reached Tannu Tuva.



Many collectors in other countries sent money to the postmaster in Kazil, Tannu Tuva to get covers sent to them, but the resulting Tannu Tuva covers were actually sent from Moscow. And there were lots of CTO's. But, Negus also shows that some of these stamps had some actual postal use in Tannu Tuva, along with quite rare provisionals that were printed locally.

Tannu Tuva, on the Siberian-Mongolian border, was controlled by the Mongols and Chinese until 1911 when the Russians helped it to declare independence during the Chinese Revolution. Although nominally independent, it was under Czarist and then Bolshevik domination until annexed by the Soviet Union in 1944.

If you have stamps that need identification, please send photos or photocopies to:

John D. Pruitt (#121)

1151 George Road

Meadowbrook, PA 19046-1109

jdpruitt@comcast.net

Fax: 215-947-7305



Stamp Pricing

Continued from page 4

but no GUARANTEE of buyers. As a result, an item of little interest may go at a very low price. An item with strong interest may go far above auctioneer estimates or even catalog prices. This is just a matter of economics and a function of supply and demand.

Since the stamp market is very fragmented and inefficient with regards to pricing, price fluctuations can be tremendous. A particular lot or collection in an auction may only be exposed to a limit number of buyers at that moment. If there is a lack of interest at

that moment, or the buyers are not the right bidders for that kind of material, the lot can be sold at substantial discount to catalog.

Dealers have to buy the stamps cheaply enough to make a profit on them. This means dealers often make offers for stamps and collections that might seem like an insult to the average person. Selling at auction gives the collector an opportunity to eliminate much of the overhead. He can get a better price for selling AND a better price for the buyer of the stamp, too, than they might otherwise get.

Most auctioneers say that the majority of their

Continued on next page

Sales Circuit Update

by James M. Gaul (#1853)
ISWSC Sales Circuit Manager

Hello again fellow members. Hope you're all doing fine, as I write this on the first day of autumn already! The summer really flew by here, had a few good days of hot weather and that helped ripen the tomatoes and peppers. Nothing like eating your own home grown veggies!

Had an opportunity to meet up with a few of you at the stampshow in Columbus, Ohio, back in August. It was great to see a good turnout for the meeting. Hope to do it again next year!

Now for the latest updates in the sales circuit... I've received 14 new books during the month of August, and 17 so far for September. I won't be listing them all here as it would take up to much space but will mention that one of the books has over \$400 net value for the country of Canada and another book that has \$215 net value for the

country of Belgium along with 15 books mounted with worldwide stamps.

That's it for now! Some really neat stamps here in these books! I've already logged in the ones from August and I'll be logging September's submissions this week.

For anyone interested in becoming a participant, whether as a buyer, seller, or both, contact info follows. It's a great way to find new stamps and fill in those holes for your collection or maybe even make some income selling your duplicates!

Hope to hear from some of you soon, Jimbo.

James M. Gaul
Sales Circuit Manager
1920 Fawn Lane, Hellertown, PA 18055
Email: terrynjim@enter.net
Phone: 1-610-838-8162



Stamp Pricing

Continued from page 6

lots are sold to dealers for resale to customers at a profit. This point became contentious when Scott switched to retail valuations. At first, Scott relied on auction realizations to calculate those values. Dealers howled, claiming that such were actually wholesale prices, from which they marked up substantially.

The previous collector's comments on the pricing mechanisms within the US market are interesting and useful, but not entirely paralleled in Europe. This is particularly true in regard to the destination of most auction lots. It may well be true in relation to collections and/or other "mixed" lots, but then these are of no use in indicating market prices of individual stamps.

Internet auctions became very popular after this article was first written. They seem to be provide buyers with a range of material broad in price and quality. The exposure to a worldwide audience tends to help good material to draw reasonable bids, albeit usually well below full Scott values, except for items having some special feature not recorded by Scott.

A. Live: Buyers have a chance to examine the material in detail, but the auction exists at one moment in time. Unlike a retail shop or mail order house, the buyer probably has no chance to try for the same lot tomorrow or next week.

B. APS Circuits: Collectors always should sell

below retail, because they do not have dealer overhead costs, yet other collectors will readily pay more than dealer buy prices.

Despite that rather obvious point, collectors often don't "get it." Looking at circuit books submitted to the APS Sales Division, most dealers price their material to sell at about half Scott, and it tends to move quickly, so they get their checks after just a few months. I have grouped APS circuits under "Auctions" because any one circuit book gives a one-time chance at a particular stamp.

C. Mail/Internet: There is a web site, <http://www.stampfinder.com>, that lists thousands of stamps for sale. The listing gives both centering and catalog price, as well as the sale value. Because the deal must be finalized with the owning dealer, whose name and address I think one gets, there may be room for negotiation. But it could be fairly close to a real open market and should drive catalog prices to the same values. The Internet is helping collectors to learn about the real stamp market.

4. Bourses: These are a convenient way to examine material up-close-and-personal, and with a range of dealers available. The buyer has a chance at instant gratification. This is an inexpensive way to convert duplicates or unwanted material into wanted material. Trading range has been expanded by Internet listings of others interested in trading. E-mail makes for quick correspondence and decisions.

Continued on next page

Stamp Pricing

Continued from page 4

B. Sellers

If the buyer is a dealer, he expects to resell at a profit. If dealers don't stay in business, the collector loses access to supplies and has access to stamps only through trading and new issues. Thus, the collector has an interest in having dealers make enough profit to stay in business. Dealers have to move inventory to do that. A dealer may also have a few show stoppers on display that are priced at full CV. Often these show stoppers are actually part of the dealer's personal collection and he or she actually doesn't want to sell the items. They are just there to impress customers with the depth of the inventory.

C. Buyers

If a buyer is a collector, a selling collector may get a higher price but will probably have to sell the collection item by item. A collector who has a wide range of interests in reality plays dealers off against one another. A buyer with \$20 to spend on stamps from any one of half a dozen readily available countries can get more catalog value for the \$20 than a collector with a very narrow interest — especially if there are other potential purchasers competing to buy the same material.

I've noticed that virtually all of the buyers of auction lots I've sold have lived in tiny towns — presumably people with no other easy access to a steady supply of stamps. Because the market is the way it is, one collector has gone to the "shotgun" approach to collecting. He buys lots of wholesale lots, and resells just enough to recover his costs and collect the parts he wants. His goal is to have \$0 invested in his collection.

My feeling is that collectors want to feel they got a "deal." The easiest way to feel they get a deal is to get a discount off the catalog price. Many collectors also want instant gratification. The Internet doesn't give that, but retail shops, bourses, and live auctions do.

II. CATALOG PRICES

Scott catalog values are not literal "retail values." They should be used as an approximate indicator of relative value between different items. The catalog only serves to place an item in relative magnitude of worth. The dealer uses the catalog as a reference to help him/her make sure he doesn't pay too much for an item and also sells it for its maximum benefit. The last part doesn't necessarily mean top dollar.

The catalog value is a guide, not an absolute. It is

the price a buyer will pay an informed seller when the buyer must have the particular stamp immediately. Three things determine stamp value (covers, etc, too): rarity, condition and popularity/desirability/fame. It doesn't pay to put too fine a point on the question of price when the asking price is a few dollars. Save haggling for buying a White Plains souvenir sheet or other large item. Dealers will be happier to see you coming and will respect your knowledge and sense of worth much more.

Prices can legitimately vary from one dealer to another. It depends on what the dealer paid for a stamp, how quickly he wants to sell it, what his overhead costs are, whether he or she specializes in that area and therefore puts more effort into organizing his stock and looking for unusual items, etc. In fact, most of the widely used general and specialized catalogs are not retail price lists either, and usually overstate the actual values.

The only exceptions are actual dealers' price lists, such as H.E. Harris and Brookman, and even these prices tend to be somewhat higher than those you can find by shopping carefully, because those companies have high overhead costs (for producing their catalogs, for one thing!).

If half Scott is about right for easy sales through low-overhead sales circuits, then full Scott is about right for high overhead storefront stamp shops in big cities, and somewhere in between is about right for bourse purchases. Note that companies that advertise heavily in the mass media have to sell at about double Scott to make money.

A. Condition

Book value is an interesting concept. Scott claims that it is the average retail price for a stamp in VF condition. However, it's customary to get stamps for less than catalog, especially if you are willing to accept F-VF condition. (Note most of the dealer ads offering good discounts from Scott specify F-VF.)

Also, when buying collections, it's expected to get the stamps at a discount. What has really been an eye-opener is comparing people's written descriptions to the scans of the stamps. An incredibly high proportion of the stamps described as VF or even VF+ are mis-centered or have perfs missing.

One collector reports having seen several US stamps with what he would consider to be major defects described as VF and sell for above 30% of catalog. These are stamps he'd describe as space fillers and expect to buy for 5% or less. Another collector comments that he is beginning to think that this whole condition "thing" is simply not important to a

Continued on next page

Stamp Pricing

Continued from page 4

large number of collectors. They seem to want to fill the spaces in their albums, and are happy with a "good-enough" copy.

It boils down to condition and true scarcity. If you want it, and are willing to pay the price, then it's worth it. As to dealers putting stamps into APS sales circuits at 50% of Scott's, a collector remarks that they aren't at the same grade that Scott values, which is VF, with no faults.

Key comment from one collector: "I don't care about the condition of the stamp if it's 'good enough' for me; I don't care about the dealers label. I don't want damage, I don't want to see repairs. Early issues weren't always centered properly, and I'm not going to go nuts searching for the perfect copy."

B. Changes since the mid-1980s

In 1989(?), Scott's dropped prices a whole lot to reflect discounting (buying at or near 50% of Scott's). All that happened was that the discount dropped (to 30%?) off the much lower prices. Scott's couldn't keep dropping prices to keep up with discounting without eventually reaching zero!

Most auctioneers say that the majority of their lots are sold to dealers, for resale to customers at a profit. This point became contentious when Scott switched to retail valuations, because at first Scott relied on auction realizations to calculate those values. Dealers howled that those were their wholesale prices, from which they marked up substantially.

Recently, Scott's has been revaluing stamps by increasing the standard to which individual stamps are held. Sets which recently catalogued for a given price, may still catalog at the same price, but the price may now be for mint-never-hinged, not mint-hinged as it was before. Scott's set a centering standard of F-VF (and, for 1997 of VF) without raising prices much.

I don't think Scott's aim was to "devalue" collections, but to make its published prices more correct. Since Scott's can't keep dropping prices forever to match discounts, an alternative is to "raise the bar higher" for a stamp to qualify for the price. If a specific copy of a stamp doesn't match the "raised standard" its value declines and justifies a discount. That approach gives Scott's a chance to have its prices correct and even makes real-world sense.

C. Timeliness

There is also a lack of timeliness of the catalog values. It takes time to compile the market data

and print the catalog, some values may be outdated. A good example is Hong Kong, whose popularity is skyrocketing, where catalog values are useless even day to day.

D. Discounts

Good US material is fairly predictably going for about 30% of Scott, with cheaper items bringing a higher percentage and more expensive ones bringing a lower percentage.

Why are the more expensive items going at a lower percentage of catalog? One guess is that the average collector with \$200 to spend would rather fill in 20 "easy" gaps in the collections at \$10 each than one really difficult gap for \$200.

In response to a question on a vaguely related topic, a seller recently commented that he used 70% of Scott's as a real-world value for German-area stamps. If a collection were composed of stamps with significant catalog value, then the price paid would be a function of condition (centering, gum, absence of defects and repairs, etc.) as well as comparative demand. The price could vary from more than catalog, if the stamps were marvelous, to 10-20% of catalog if there were lots of problems with the stamps or the country was not one the dealer would expect to be able to resell in a reasonable amount of time.

III. MY CONCLUSIONS

When I and a seller are fully knowledgeable about a stamp, I expect to buy at 40%-60% of Scott's. If I were to sell major parts of my collection, I would expect to get 15%-20% of the catalog value from a dealer and 40%-60% from sales of individual items cataloging above Scott minimal prices. If I were creating an exhibit and needed one or two specific items to complete the exhibit, I would expect to pay full catalog value, even if the items were only in average condition.

From a purely financial perspective (not a good point from which to view a hobby), to be certain of increasing the "profit status" of my collection I would have to buy items cataloging (condition included):

- a. at least a couple of dollars, and do so
- b. for less than 10% of catalog.

If I'm paying more than 10%, it's for the hobby, not for financial benefit. Personally, I view Scott's prices as reflecting the price agreed upon by a knowledgeable buyer and seller when:

- a. the buyer MUST have the item, or
- b. the item is in great condition.



Soviet Occupation Zone: Revisiting the Watermarks

by Rod's Briefmarken Zeitung

www.rodsko.com

Article courtesy of

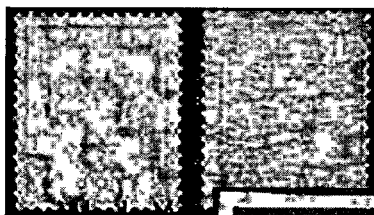
www.stamps.org/cac

Stairs rising and falling—so what? Most stamp dealers have this “I can't be bothered” attitude when

looking at the stamps of the Soviet Occupation Zones issued immediately after the end of World War II. To many, these are “Packet Items” not worthy of their valuable time.

The fact of the matter is that they should care since many of these are of scarcity that cannot be imagined. The typical Russian Zone Packet Stamp? Watermark X - Stairs falling worth 50 pfennig Watermark Y - Stairs rising worth 3500 Marks (mint hinged).

“Can't be!” you say. Maybe you should check the Heinrich Kohler Auction Realizations. All of the various



and which series. They are all listed in Michel but you have to study them closely. Some have minimal value differences.

I purchased a dealer stockbook full of Soviet Zone material for less than \$20.00. It sat on my “I'll get to it one day” box for several years until I finally decided to pick it apart. What I found was an amazing hoard unsorted by watermark and an amazing catalog value.

The 4 pfg shown here is is Watermark 1X and is but one of several copies found in that old stockbook. It catalogs at 250 Marks mint hinged and

there were 4 copies of it. All of the Zone Issues need to be looked at carefully. There are a few other watermarks, paper varieties and thickness differences that make all of the zone issues a challenge to collect.

There are a lot of these issues that are just sitting on old album pages or in packed stockbooks just waiting for you to find them.



Soviet Zones used the same paper and it did not always get placed into the presses as intended. The results were that many of the issues have both the 1X and 1Y watermarks.

Are they all valuable? Depends on which zone



The Hialeah Forgeries

Continued from page 1

An image of the one of the forgeries along with a genuine copy of the 5 shilling stamp is shown nearby. The design of the forgery certainly mimics the real stamp, however, the glaring difference is that the real stamp shows the face value as “5/-” (5 shillings), while the forgery shows it as “5s”.

Other major design differences are that in the real stamp, the red printing of the center vignette is very close to the border, while on the forgery, there is quite a bit of “white space”. On the real stamp, the red center shading is made up of thin horizontal lines, while on the forgery, it is a solid color. Another obvious difference is that on the forgery, between the red center printing and the border, there are various colored dots (yellow, blue, etc) that are visible; most

likely the result of scanning or photographing the original design which may not have been on a perfectly white background.

The way that these “forgeries” are sold is certainly not going to fool anyone. Should they ever be “perforated”, a novice collector might be duped (but hopefully not for long). Given modern computer technology, anyone with a copy of the real stamp, a good scanner and a color laser printer can produce these.

These Hialeah forgeries are definitely a novelty, and they will have their place in my St. Vincent forgery collection, but I still prefer the “classic” forgeries, such as those produced by Panelli (in 1927) or the Spiro Brothers of Hamburg (in the 1880's), or a handful of other forgeries that are not attributed to any particular forger. As with most things: “Caveat Emptor”.



The Austrian Overprints of Controversy!

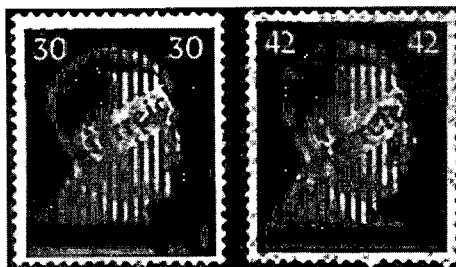
by Rod's Briefmarken Zeitung
www.rodsko.com

Article courtesy of www.stamps.org/cac

Immediately when World War II ended the Allied Occupation forces in Austria faced a crisis trying to get the postal system within Austria back into



operation. None of the allies were in agreement when it came to re-use of the German Stamps and the overprints caused a lot of disagreements between the American and British Forces but more so with the Russians. The two stamps shown above were primarily used in the South western part



An Unusual Piece

Although this was an authorized overprint, it was never officially issued for postal use but was sold off to collectors. This is an expertized copy.

The whole series of overprints does not really end here. The Michel Specialized Catalog illustrates numerous other Local Overprints. They all make interesting collectables.



of Austria. The Russians were not all happy with the obliterations.

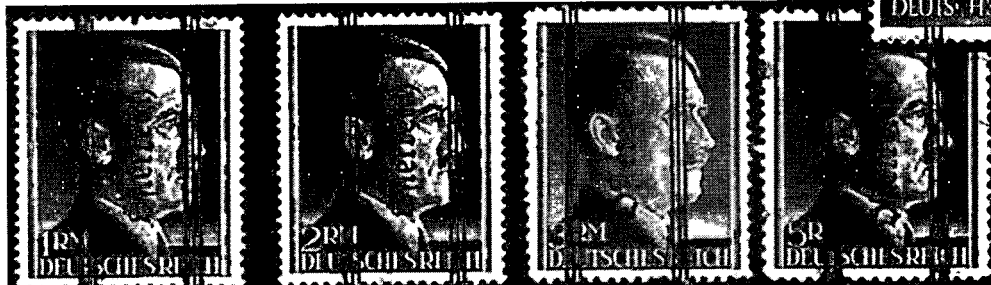
Two more varieties using heavy bar obliterations then appeared. These are very distinct and easily identified. The whole Hitler series was eventually re-issued in similar form. The 5 pf. shown here is the only bold overprint.

Unfortunately little has been written in English about these, but there is a ton of information in German about these Specialist Issues. There are numerous minute varieties or types which are sought by collectors.



The Issues for Syria

In the Russian Eastern Zone, the Barred bannered Österreich overprints appeared. There are several types where the length of the word and thickness of the print vary along with numerous plate errors. These all are difficult to identify and unfortunately there were numerous Forgeries.



Truly genuine used copies of the Mark Values are extremely scarce and Canceled to Order copies are even valuable.

W.A. "Bully" Hayes: His Reputation Survives Him

By Jack Searles

Olean Stamp Club, APS Chapter 1442

searles@eznet.net

Article courtesy of www.stamps.org/cac

Warning....Warning...What you are about to read has all been indignantly denied by the person in question! It is thought that he was born William Henry Hayes in 1829 in Cleveland, Ohio, the son of a saloon keeper in a busy trading post on the Guyahoga River. It has been said that many of the tendencies and characteristics of his later life were formed early. Apparently, he sailed the Great Lakes by age 20. As captain of a schooner he was able to subdue, carouse, and commensurate with the predominantly Irish stock sailors of these lakes. But he also had a shrewd eye for business. He knew how to make money. He was a gambler, a fighter, a schemer, a wanderer and a womanizer. He knew the law, how to skirt it and how to break it!

It is rumored that around the time he became a captain he was married in Cleveland. Closely following this wedding he was alleged to be involved in a horse-stealing scheme. From this episode, he fled to San Francisco with a new woman who would also be his wife. Thus were formed two more elements of William's life-elements often cited. You see, many in later life would consider him both an infamous fugitive from the law and a bigamist.

Once in San Francisco, William and his new wife found the area to their liking. Gold was discovered and a sense of lawlessness prevailed. William loved the sea — and to the sea is where history would be written. The wide open Pacific "called to him." A deal was struck with an American merchant in San Francisco, Elisha Gibbs, whereby William would captain the barque Canton to the Far East. There it would be loaded with trade goods from the Orient and return.

The first official mention of William Hayes is in the record of the American Counsel at Singapore, where W.H. Hayes sold the American Barque Canton to Englishman John Harvey, who renamed the ship Santubong. Thus formally began the life of the man who would shortly become known as Bully Hayes. Various individuals labeled Bully as a pirate, a scalawag, an adventurer and a notorious circumventer of the law.

The transaction that occurred with the Canton would become one of his trademarks — hiring on as a captain of a vessel then either selling it to others or selling the goods on board for personal profit. This brigand was involved in no less than fifteen transactions

of this kind, becoming quite knowledgeable about his business. The name Bully Hayes became known from San Francisco to Sydney and throughout the Pacific.

Once, in Kahului, Hawaii, the law caught up with Bully. The sheriff of Kahului caught Bully docking in his seaside town. It has been suggested that Bully was involved in the forging of early Hawaiian stamps. The Sheriff immediately boarded the vessel, currently the Ellenita. The sheriff expected trouble, but instead found a polite, smooth talking man who promptly invited the sheriff into his cabin for a drink. Well, several drinks later, the Sheriff went up on deck to find that Bully had already set sail from Hawaii. Being the consummate gentleman Bully offered the Sheriff the option of a

whaleboat or a trip to some other far point on the journey. The sheriff opted for the whaleboat.

Bully rapidly became notorious. He was involved in blackbirding (the kidnapping of South Seas islanders to work on Australian and New Zealand farms/ranches).

Supposedly, those involved would be paid a stipend at the end of their commitment and returned to their home islands. Many never saw their homes again. Other schemes included headhunting (when shrunken heads were in more demand than the currency of the day), gun running to the Maoris, trading for tete de mur or trepangs (dried sea cucumbers used by the Chinese in making soup), kidnapping and ransoming local chieftains for copra (the oil bearing husks of coconuts).

By far one of Bully's most prized possessions was the wood clipper brig of 218 tons named Leonora, named after yet another wife. This ship sunk in Utwe Harbor in Kosrae, the second largest island in what is now the Federated States of Micronesia and a frequent hiding place for Bully. The Leonora now forms the basis of an underwater museum there. Late in his career, the pulp/popular fiction author Louis Becke immortalized Bully. According to Becke, Bully was a swashbuckling adventurer and scoundrel that fed the imaginations of many in the late 1800s.

Bully Hayes led a full life and passed away in 1877 and in doing so helped provide an interesting bit of history to the South Sea Islands. Again, however, as noted earlier, all of the above was steadfastly and adamantly denied by the man himself, preferring instead to portray himself as a poor unfortunate who happened to be in the wrong place at inopportune times, but certainly innocent of any wrongdoing.



ADVERTISING

Classified Rates Per Insertion

First 30 words, including name, address, and ZIP code are \$3. Additional words are 20 for \$1. NOTE: State abbreviations = one word; P.O. Box 1234 = 2 words; ZIP code = one word. make all checks payable to ISWSC in U.S. funds. Send text and payment for ads to the Editor (address on page 2).

ADVANCED COLLECTOR NEEDS WORLDWIDE singles for his collection, 1840-1968. Prefer to buy at 1/3 Scott, but trading is possible. Write or e-mail for 22,000 item list. Mark Copp (#2394), Box 102, Whitesville, NY 14897; mcopp@whitesville.wnyric.org. [1-2/04]

SELLING GRANDFATHER'S COLLECTION: U.S. covers from advertising to WWII — 115 covers \$50. Worldwide covers, many countries, multiple stamps — 125 covers \$50. Worldwide official embassy covers — 100 covers \$49. Stamp collections and U.S./worldwide postal history covers; U.S./foreign stocks available. Many collectibles! Approvals available. Victor Schwez, 10519 Casanes Ave., Downey, CA 90241; (562) 861-5958. [7-8/04]

STAMPS OF THE WORLD AT 40% OF CATALOG!

PRE -1960 (NO U.S.)



San Pedro Stamp & Coin

P.O. BOX 1619
SAN PEDRO, CA 90733-1619

(310) 832-4330

email: spstamp@earthlink.net

Web site: www.spstamp.com

ESTABLISHED IN 1950 MEMBERS: APS ISWSC

We also Buy

[7-8/04]

Articles Needed

We need you ... to submit an article or item of interest to *The Circuit*!!! As an ISWSC member, you are encouraged to contribute to *The Circuit* because each member has his/her unique perspective to collecting worldwide stamps. Please consider writing an article about your specific area of interest.

Be sure to include your name and member number when sub-mitting material for publication in the newsletter. You can contact the editor at the address listed on page 2.

PLEASE NOTE:

There is no membership update in this issue.

Where to Send What

Membership Renewals, Applications, Changes in Mailing Address, Etc:

Anthony Zollo, MD (#856)
P.O. Box 15047, Lufkin TX 75915-0407
zolloam@lcc.net

Annual 250 Stamp Donations:

Mike Crump (#2126)
P.O. Box 57, Yorba Linda CA 92885-0057
StampGuy47@aol.com

Payments for Advertisements:

Jennifer Arnold
310 NW Juniper Ln, Albany OR 97321
Ph: 541-967-7043; Fax: 541-967-9515
pizzazz@cmug.com

Roster Changes:

Tom Fortunato (#379)
42 Maynard St., Rochester NY 14615-2022
stamptmf@frontiernet.net

Auction Bids & Lots and Payments:

Everett King (#1389)
P.O. Box 127, Whitethorn CA 94586
stamps@whitethorn.com

Text for Articles for *The Circuit*, Corrections for Articles:

Send to Jennifer Arnold (see above) via USPS, fax or email. When emailing graphics for publication, please use a higher resolution (150 dpi). Please contact the Editor if you have any questions about format.