



P. O. Box 691, West Jordan, UT 84084

Fall 2017

Upcoming Events and Announcements

Club Meetings

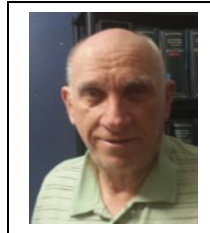
Location: Sandy Senior Center
 9310 So. 1300 East, Sandy
 First and third Thursdays of each month
 6:00 pm until 7:45 pm

Club Officers

President: Joe Ferguson
 Vice-President: Dave Blackhurst
 Secretary/Treasurer: Linda Snyder
 Board Members: Jerry Pitstick, Allan Anderson, Don Marr, Blaine Cox, Rick Huddleston, Joellen Dillard
 Newsletter Editor: Ewald Kuefner

Important announcement

**Our Annual Stamp Club Banquet will be
 October 28, 2017, just before noon at 11:30 am
 The Red Lobster
 298 E. Winchester Street
 Murray, (near the Fashion Place Mall)
 The club will pay for each member's lunch. Non-
 members will be responsible for their own meal.**



The President's Corner

Joe Ferguson

When I first started collecting stamps at age 10, I wanted to get as many stamps as I could. I soon outgrew my small album and had to bet a bigger one, which, I soon also, out grew; and then another until I finally settled on the Minkus Supreme Global and bought yearly supplements.

During most of my collecting years I still concentrated on getting as many stamps as I could, and fill as many spaces as possible.

As my collection became more advanced, I started to put emphasis on quality rather than quantity. I purposely started buying higher quality stamps. When I bought a collection, I would always go through and upgrade my stamps from used to mint, and from mint to never hinged, thus improving the overall value.

I have always felt that I wanted to collect stamps as a hobby and not as an investment.

In fact, for many years I really didn't give any thought as to the values of my collection... I just wanted the stamps to have them, and I have had a great satisfaction in acquiring them.

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The President's Corner ... continued

A few years ago, I fell into desperate financial straits. I was heavily in debt and I made the decision that I had to start selling some of my personal collection in order to survive.

In all my years of collecting, I had never intended to sell any of my personal collection. I didn't want to let them go... I loved them.

But circumstances dictated that I had no choice. I ended up selling about half of my collection, which I still miss. But how fortunate was I that I had acquired many quality stamps which enabled me to sell the various country collections for a profit.

I have discovered that cheap stamps will always be cheap, but premium stamps will increase in value.

Consider this: you are looking through a dealer's stock and have found a stamp that you want to buy for your collection. The dealer has a used copy which he will sell at 25 cents. He also has that stamp in mint condition for \$5.00.

Which should you buy? My advice is always choose the better stamp because it will add value to your collection and the cheap stamp won't; think quality, not quantity. It may pay off for you someday as it did with me. # You can send any comments to stampguy@hotmail.com.



Four Seasons: Winter-Spring-Summer-Fall



How a Partnership with lifelong friend Tom Knapp taught Warren Buffet about investing in Postage Stamps...

[Excerpt from an article by Tom McAleenan Jr. in "The Conservative Income Investor" newsletter 3/14/16.]

In 1959 Warren Buffett convinced Thomas Knapp to go with him to hear a speech at Beloit College in Wisconsin. During the drive, Knapp suggested that the four-cent stamp ("the 1954 Blue Eagle", Scott C48) was going to be taken out of circulation and would one day serve as a collector's item. Buffett was convinced the 80-cent booklets of airmail stamps could someday be worth quite a lot, for possible gains of 700% to 2,500% after adjusting for the cost and inflation of waiting for the market to develop.

Buffett and Knapp stopped at post offices on the way back to home-town Omaha and effectively cornered the Northern and Midwestern market on the stamp. The big haul came in Denver, where they purchased 200,000 stamps \$8,000. That is the equivalent of about \$55,000 in today's dollars. In total, they bought almost 400,000 stamps for around \$16,000. This speaks to Buffett and Knapp's investment in aggregate, rather than individually.

As the years went by, Buffett found himself encountering one teensy, tiny problem. The stamps never became a collector's item! No one wanted 1954 Blue Eagle stamps in particular.

They cornered the market, gave the stamps
(Continued next page)

Warren Buffet and Tom Knapp's stamps investment, continued...



1954, 4-cent Eagle in Flight

Mystic Stamp Company #C48:

Issue Date: September 3, 1954

City: Philadelphia, PA

Printed by:

Bureau of Engraving and Printing

Printing Method: Rotary Press printing

Perforation: 11 X 10 ½

Color: Bright Blue

Mint Stamp(s), price \$0.40



Although valid for all airmail purposes, this 4-cent stamp was issued primarily for the convenience of sending picture post-cards by air.

(Subject: Eagles are large birds of prey which are members of the bird family Accipitridae. Two species can be found in the United States and Canada.)

(Continued next column)

Warren Buffet and Tom Knapp's stamps investment, continued...

years to mature in value, but it never happened.

Eventually in 1982, Buffett sold his stamps at a 10% discount to a control mail dealer that acted as an arbitrageur. Knapp held on to his share of the stamp, ironically using four-cent stamps as postage for the rest of his life.

Buffett was right to cut his losses in 1982, the stamps sell for 40 cents each today. But still, he sold his \$8,000 investment in 1959 for \$7,200 in 1982, which was truly a \$4,000 loss when adjusting for inflation.

To up-date the purchasing power equivalence into today's term, it would be like investing \$50,000 in 2016 dollars to get what we currently understand as \$25,000 in purchasing power, and waiting until 2039 to get it.

That loss from the stamp investment had an outsized influence on Warren Buffett's approach to investing thereafter. You never hear about Warren Buffett paying for art or most collectibles.

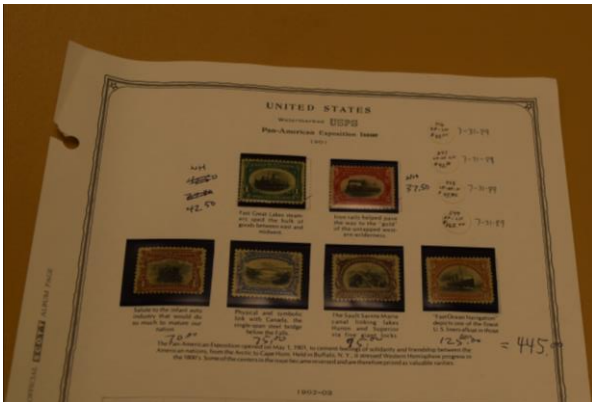
As late as 1970, Knapp's firm did not have a postage meter, they were still working off Tom's supply. The Story of the Blue Eagle stamps is a rare example of investment failures for Buffett & Knapp. And a cautionary tale to folks who think "investing" in common postage is a good idea!

Tom went on to become a high-level philatelist whose 'flights cover collection' ranks with the best ever assembled; and delightfully, his lifelong friendship with Buffet endured.

The Kelleher auction of the great Knapp collection of airmail flights will truly be a monumental event.

(The Knapp Collection of Airmail Flights, at Danbury, CT, October 18-19, 2017) # #

Club activities



Collecting, by Amy Choate-Nielsen

For as long as I can remember, my dad has been a collector of things. He learned that habit from my grandmother. She collected things she liked, like newspaper articles, recipes and other things she thought could someday be useful, or valuable.

My dad collects coins, heirlooms like my grandfather's golf clubs — and stamps. I always wondered how a tiny piece of paper with old glue on the back could ever be worth anything. It turns out these stamps are beautiful, and meaningful. Each one represents some seminal moment in our history, like the grey, 5-cent stamp from 1963 with a sketch of John F. Kennedy's face and the quote, "The glow from that fire can truly light the world."

Then there's a faded blue 4-cent stamp from 1959 that celebrates the 10-year anniversary of the creation of the North Atlantic Treaty Organization. There's a 2-cent stamp with a scarlet-colored picture of Franklin D. Roosevelt's face superimposed on an image of the "Little White House" in 1945. Roosevelt built the house in Georgia the year before he was inaugurated in 1933 preserved forever in a rectangle used to send mail across the country.

I asked my dad for some of his collection, and then I also shared. I let my 5-year-old son choose a stamp. He sifted through the plastic sleeves, eyeing every little square and rectangle with interest.

"These are grand-daddy's," I told my son. It was as though he was taking in a new appreciation of my father with this understanding that he was looking at something really, really cool, even though I didn't say a word about what the stamps actually meant.

And that is when I saw just how valuable those little stamps could be. It turns out, my father's stamp collection is worth more than I ever thought it could be. # (Story condensed)