

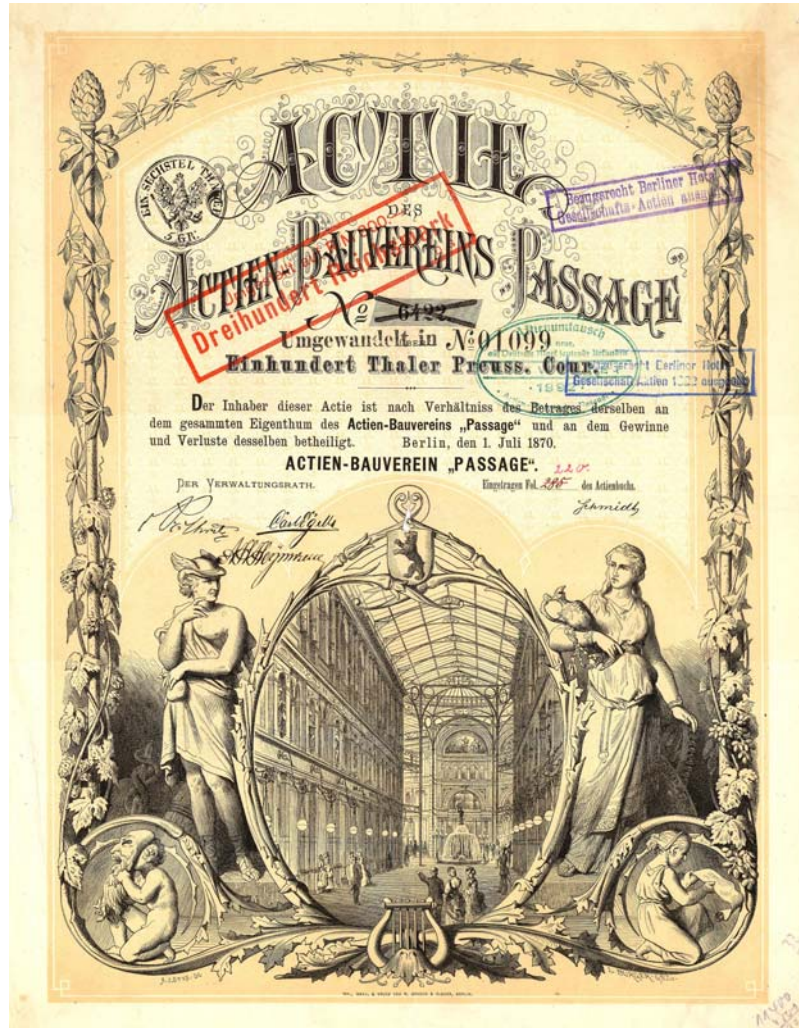
Special exhibit

Shares

Share (in the UK sense of the term, which corresponds to the US usage of “stock”), denotes, as the name implies, a “share” of ownership in a corporation. By purchasing a share, “shareholders” provide capital to the issuing company and expect that, through the profitable investment of their funds, they will receive a “dividend”, ie a fraction of the company’s net profit per share. However, the maxim “only invest money that you can afford to lose” was just as true in the early days of debt instruments as it is now.

Shares, along with bonds, commercial paper and warrants, are a type of *security*. In the early days, purchasers received certificates, often extremely decoratively designed, as confirmation of ownership of the corresponding share in the company. Nowadays, when shareholders purchase shares, they usually only receive a claim to a single physical document; this means that there are usually no actual paper shares in the banks’ vaults, either.

The certificate on display here was issued in 1870 by the “Actien-Bauverein ‘Passage’”, a Berlin-based company that was mainly involved in the purchase, conversion and use of land and property in Berlin. Passage was involved in the building of the first shopping arcade in Germany, the “Kaisergalerie”, which was opened ceremoniously on 22 March 1871 in the presence of Wilhelm I. The certificate, intricately designed, shows a cut-out of a building covered by a glass roof, a style that developed in Europe in the early 19th century. The image is flanked to the left by Mercury, the Roman god of trade, recognisable by his winged hat and the purse in his left hand. The woman to the right, however, cannot be identified with certainty, yet the intricately designed pitcher she is holding in her right hand and the opulent jewellery she is wearing likewise indicate wealth and prosperity.



In order to fund the construction project, the company issued 20,000 shares worth 100 thalers each. The ornate certificate was designed by Ludwig Burger, a portrait artist and illustrator whose clients included the 19th-century German author Theodor Fontane.

Established in 1870, the company was revived in 1989 following a long and tumultuous history that included being held in trusteeship after 1945. After conversion of the capital to Deutsche Mark and an equity injection, shareholders were able to redeem old shares for new shares at a ratio of 600 *Reichsmark* to DM 50.

Recommended reading:

Jacob Schmitz, *Historische Wertpapiere. Das Handbuch für Sammler und Liebhaber alter Aktien und Anleihen*. Düsseldorf 1986 (in German).

Ulrich Drumm, Alfons W Henseler, Erich J May (eds), *Alte Wertpapiere*. Dortmund 1978 (in German).

Heinz Fengler, *Numismatik und Wertpapiere. Eine geldgeschichtliche Studie zur Entwicklung der deutschen Wertpapiere*. Berlin 1978 (in German).