STAMPS
THE NEW FRENZY
IN PHILATELY

by Edward E. Scharff

They are just little scraps of paper usually prized by no one but the dedicated philatelist, who for reasons mysterious to the uninformed will pay thousands of dollars for the privilege of tucking them away in an album. But in the past few years rare postage stamps have undergone an extraordinary but desirable spectacular that has increased in value on average of 10% to 20% a year, and true blue chucks much more than that.

Inflation resistant and apparently impervious to economic depressions, rare stamps are now catching on as long-term investments among many people who couldn't care less about philately as a hobby. As with other collectibles, the current boom has been fueled by speculation, which has soared on the stock market. The main attraction is that rare stamps, properly cared for, have almost never declined in value, even in times of economic uncertainty, according to Robert A. Stiegel, a leading New York dealer.

Some stamps have soared spectacularly. For instance, since 1979 the average retail price of a canceled 1847 5¢ stamp—the first one issued for general U.S. use—rose from 80¢ to $800, a better than 2000% increase. While not all old stamps make money, it's hard to find a truly rare stamp whose value has not increased handsomely in the past few years.

Modest claims
Inevitably, though, there are dangers. Speculators and exploiters have moved in, and some regular dealers are charging exorbitant markups. And of course no one knows how much longer the boom will last. Some philatelists feel that the recent price rise has been inordinate and that if it continues the bubble will pop. Andrew Levitt, president of Sotheby Parke Bernet Stamps Auction Co. in Jersey City, thinks the run-up may end in two to three years, when dedicated collectors—those who treasure rare stamps as more than an investment—have priced out of the market.

With no Securities and Exchange Commission to regulate the stamp busi-

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