

Books, Maps & Manuscripts (1654)

January 30, 2020 EDT, 1600 Girard

Lot 327

Estimate: \$30000 - \$50000 (plus Buyer's Premium)

[Finance] Lekdijk Bovendams rentebrief Municipal Bond

(Utrecht, Netherlands), May 1, 1634. Oblong folio, 18 15/16 x 14 5/8 in. (224 x 371 mm). 2 pp. Manuscript on parchment sheet attached to a small parchment sheet at bottom, written in a clear Dutch clerical hand; verso with a number of early notations registering the bond (one signed "A. Boote," an official of the Polder Committee of the Lekdijk Bovendams, and another signed and dated "D. Blanckendael, 1634"); with original papered seal and intact red seal. Margins on front and verso with notations recording the yearly interest payments beginning in 1698 and extending to 1890; with supplemental paper sheets of supporting documents, including recordings of interest payments through January of 1999. Verso of parchment darkened, but entire document completely legible.

Widely acknowledged as the second oldest bond in existence that is still paying interest. Constituting a bond for 1,200 Guilders, issued to Catherina Jane's daughter, certifying payment of annual interest, tax-free to the purchaser and subsequent bond-holders.

The Lekdijk Bovendams, chartered in 1323 by the Bishop of Utrecht, was a company of landowners and leading citizens in charge of the erection and maintenance of the system of polders, dikes, and canals which created areas of tillable land from the marshes of the lower Rhine floodplain. The company was empowered to control, repair, and expand the dike and polder network along the Lek (a section of the lower Rhine in Utrecht province), and it levied taxes for this purpose on those who farmed these reclaimed lands. During the early decades of the 17th century the Polder Committee of the Lekdijk Bovendams began to issue a new type of financial instrument, called in Dutch a "rentebrief," which closely corresponds to the modern municipal bond.

The birth of the modern financial system is to be found in the near contemporaneous early 17th century establishment of the Amsterdam stock exchange and the innovative development by the Polder Committee of the Lekdijk of what we now recognize as the municipal bond.

Provenance:

Christie's, New York, December 14, 2000, lot 320.

