

America's First Double Eagles 1849 – 1866

Gold Rush, Shipwreck Treasures and Civil War

*An Era
That Defined
Our Nation*



By Adam Crum

California Gold Rush

During the middle of the 19th Century, a “young” America experienced the sensational California Gold Rush, a maritime disaster of far reaching proportions, the panic of 1857 (the deepest of that century’s many depressions), a Civil War that pitted brother against brother and the minting of its first \$20 gold coin, the Type I Double Eagle.



Gold Rush ‘49ers (above) Civil War Soldiers (below)

The immense amount of gold suddenly injected into the United States economy had many positive effects. Industry flourished, stock speculation soared and the good times rolled. It can be compared to quantitative easing in some respects as the money supply provided a vacuum for markets, technology advancements and immigration. It also had far reaching effects on the amount of gold specie or currency. More gold coins were struck at U.S. Mints between 1849 and 1852 than all prior years beginning in 1795.

It was, in fact, the immense amount of gold produced by the Gold Rush that inspired and permitted the minting of the large Double Eagle gold pieces. This caused the U.S. government to seek a more compact form to pay large-scale domestic and international transactions that were payable only in gold.

The First Striking of Double Eagles

Following experimentation by James B. Longacre, Chief Engraver of the U.S. Mint, several \$20 pieces were produced in 1849 after Representative James I. McKay (D-NC) introduced a bill in February of that year. It wasn’t until 1850 that Double Eagles were struck for general circulation.

On the obverse side, the stunning coin featured the head of Liberty with a coronet, a design that was continued through 1907. The reverse, which showed an eagle with various embellishments, was modified several times.

In 1866, the motto, *IN GOD WE TRUST*, was added to the reverse of the Double Eagle, thus marking the end of the Type I variety.



The 1849 \$20 Type I at the National Numismatic Collection at the Smithsonian Institution

Loss of a Treasure Leads to the Most Severe Financial Panic of the 1800s

Even as railroads and riverboats pushed farther westward, and seemingly endless quantities of gold were shipped from California, the American textile industry was feeling the crunch of imports and production efficiencies here in the states. The demand for wheat abroad was declining, businesses were failing and investors were losing heavily in the stock market. By late August 1857, there was increasing concern about a run on the banks as nervous depositors began to exchange their notes for gold.

When the New York office of the Ohio Life Insurance and Trust Company closed its doors, a disastrous chain reaction took place, making it impossible to meet the demand for gold. Then, as it transported millions of dollars in gold from the new San Francisco mint to create a reserve for eastern banks, the SS *Central America* sank off the coast of the Carolinas.

The loss of some thirty thousand pounds of gold (estimated to equal one-fifth of the gold then in Wall Street vaults) dealt a tremendous blow to the financial community. General William Tecumseh Sherman, a New York banker at the time of the sinking, wrote in his memoirs that the “absolute loss of this treasure went to swell the confusion and panic of the day.”



Run on the Seamen's Savings Bank during the Panic

The Rare 1861 Paquet Reverse

One of the most notable modifications to the reverse of the Type I Double Eagle was the Anthony C. Paquet design initiated in 1861. It was similar in design to the regular reverse, but featured taller letters in the inscription.



Regular Reverse Left - Paquet Reverse Right

Upon striking coins at the Philadelphia Mint it was discovered that the Paquet design caused excessive die breakage along the rim which caused the mint to stop production of the new design. A message was sent to the branch mints in New Orleans and San Francisco to stop production. The message was received in time by New Orleans and no Paquet coins were produced at that branch mint. However, some 19,000 Paquet-reverse coins were struck at San Francisco and obviously released into circulation before the message was received. Today only two examples from Philadelphia and 90-100 coins from San Francisco exist, with none of the latter known in mint-state. The Anthony C. Paquet variety is highly-prized by both collectors and investors

The Fascinating Provenance of a Gold Coin

As the overheated economy of the Gold Rush era began to cool, shipments of bullion and coins to New York were essential for the economic viability of the times. Historians say that it took the sinking of just one ship, the *SS Central America*, to trigger the Panic of 1857 and the failure of thousands of businesses nationwide. Some historians also point to this chain of events as exacerbating the unavoidable collision course upon which the South and the North had been set, since long before the two regions of the country had drifted apart politically, culturally and economically.

Double Eagle production continued strongly during the 1860s, with the San Francisco branch mint recording the greatest quantities coined, of the large gold twenty dollar coins and other denominations as well.

Since the Type I Double Eagle had been especially created to facilitate the payment of large-scale gold transactions, it is reasonable to believe that the Union used these pieces for international transactions since overseas vendors were suspicious of paper money. Certainly the gold mined in California was essential in ensuring the success of the Union Army, and thus, preserving the United States intact at its most troubled time in history.

Today, the Type I Double Eagle is of irrefutable historical significance. Add to this its size, beauty and unprecedented state of preservation of the treasure dates, and it isn't difficult to understand why the Type I Double Eagle has such mass appeal.



The SS Central America fighting 105 mph hurricane winds and heavy seas off the coast of the Carolinas.

© 2016 Gary Hanna. All Rights Reserved.

"The greatest treasure ever found..."

In September 1989, Tommy Thompson and his colleagues from the Columbus-America Discovery Group sailed into the Norfolk Harbor with a priceless and historically significant treasure of gold coins, bars, nuggets and dust from the California Gold Rush.



Using cutting-edge technology, they had accomplished a feat that top brass with the United States Navy told them they couldn't achieve. Their target, the 19th century side-wheeler *SS Central America*, had lain lost, 8,000 feet below the surface of the Atlantic for 130 years. The treasure it had taken to the bottom of the Atlantic Ocean had been so well preserved by sediment that it was found to be "as good as new." Numismatists designated it as "mint-state." *LIFE* magazine called it, "the greatest treasure ever found." In 2014 Odyssey Marine Exploration returned to the shipwreck site and recovered more treasure still.



The *SS Central America* treasure recovery expedition of 1988-1989, as well as the subsequent recovery effort in 2014, have yielded more numismatic treasures, including the coveted Type I Double Eagle gold coins, than all other discoveries combined.

Amazing Rarities Among the Type I Double Eagles

There are amazing rarities among Type I Double Eagles. These include, but are not limited to, the monumental rarities of 1854-O, 1856-O, both Paquet issues of 1861 and all Proofs.

Only two examples are known of the 1861-P Double Eagle with Paquet reverse. One is a superb gem specimen from the Norweb Collection, and a MS61 specimen which sold for \$1,645,000 at the ANA "World's Fair of Money" in 2014. It was widely believed these two coins were patterns until conclusive numismatic study confirmed them as regular issue coins. The Norweb superb gem specimen has a colorful history and can be traced to many interesting owners throughout its rich history. It set a world record in 1988 for a regular issue U.S. coin when it realized \$660,000 at public sale.

Today this coin is widely known as one of the most desirable and valuable numismatic coins in existence, and numismatic scholars estimate its value at more than \$7,000,000. I personally believe this coin will someday eclipse the 1933 St. Gaudens, which auctioned in 2002 for a then-record price for any coin when it realized \$7.59 million.

The 1854-O and 1856-O both have values of multi-six figures, with survival rates in the 25-35 range for each date. The most notable among these survivors is the 1854-O specimen recovered in 2004 from the 1865 Civil War era shipwreck of the *SS Republic*. That coin is a part of the finest-known set of Type I Double Eagles known as the *Horseneck Collection*. That unique treasure rarity and finest known 1854-O sold that same year for \$675,000.

All known Proof specimens are excessively rare and are highly prized as monumental rarities. These beautiful coins are something to behold but are seldom seen. The only known Proof mintages are dated 1858 to 1865. There are notable numismatists who believe an 1850 Proof exists in a Paris museum collection, but this cannot be confirmed. Due to the rarity of these beautiful coins, they have had little attention and remain under-appreciated and undervalued.

Once Prohibitively Expensive, Now Many Can Afford

Gem quality Type I Double Eagles were prohibitively rare and costly before hoards of these coins were discovered and retrieved from the SS *Brother Jonathan*, SS *Central America* and SS *Republic* shipwrecks.

In July 1999, when I knew the SS *Central America* treasure would be released to the market in the coming new year, I recommended in the *Coin Market Insider* newsletter that our clients NOT purchase the then-newly-released SS *Brother Jonathan* pedigreed coins. This was not because I didn't like the coins – in fact, I loved them – but rather due to the fact that the SS *Central America* coins were coming to market and I believed that the prices for these coins were going to plummet due to a sudden increase in supply to the market. This proved to be accurate. However, when supply from these two exciting shipwreck discoveries came to market, and prices found tradable levels, it was met with much fanfare and tremendous publicity, thus creating a demand for this historically significant series of coins. And today, they are some of the most sought-after coins by date of all gold coins minted by the United States.

The 2004 discovery of the SS *Republic* only added fuel to the fire, and while the number of Type I Double Eagles recovered was small by comparison, it was significant as almost every date was represented in very small numbers. The only exceptions were the 1861, 1865 and the 1865-S specimens, which combined had a recovery of 1,030 coins.

The precursor to demand, price rise and popularity of collectibles is often traced to study and subsequent scholarly works surrounding a series of rarities. These three shipwreck treasure troves not only created an affordable opportunity to acquire high quality specimens of Type I Double Eagles, they have spawned numerous television documentaries, countless internet videos and discussion strings, and many numismatic books. These were not present prior to the discoveries of the SS *Brother Jonathan*, SS *Central America* and SS

Republic shipwrecks, but they are now and forever, and they are sure to continue to inspire demand.

Now with the 2014 recovery of a very interesting array of additional coins from the SS *Central America* shipwreck possibly coming to market soon, I have never been more bullish on the value of Type I Double Eagles than I am right now. The number of coins in this new discovery is so small that they should be consumed by the market very rapidly and should have virtually no negative impact on the market. In fact, because the coins from the prior releases in 2000 and 2004 are so seldom seen, I believe the sudden availability of new and exciting shipwreck treasure coins will cause a significant increase in the already swelling number of interested collectors and investors now buying Type I Double Eagles.

Seven Type I Double Eagles Listed Among 100 Greatest United States Coins

It is indisputable that this historical series is one of America's most popular series. Proof of that can be found in all four editions of the book recommended by Professional Numismatist Guild, *100 Greatest United States Coins*, where the Type I has seven different entries, more than any other series.

The Type I Double Eagles featured are:

1. 1849 Proof – Unique National Numismatic Collection, Smithsonian Institution
2. 1861 Philadelphia – Paquet, Two Known, Both in Private Collections
3. 1861 San Francisco – Paquet Reverse
4. 1854 San Francisco Specimen Proof – Unique, National Numismatic Collection, Smithsonian Institution
5. 1854-O New Orleans Mint
6. 1856-O New Orleans Mint
7. 1857-S San Francisco Mint with SS *Central America* Pedigree

Historical Values of Type I \$20 in the "The Top 100 U.S. Coins" 1960 to 2019

YEAR	1960	1980	2003	2005	2008	2015	2019
Coin 1. 1849P	\$100,000	\$1,000,000	\$7,500,000	\$10,000,000	\$20,000,000	\$25,000,000	\$25,000,000
Coin 2. 1861P	\$5,000	\$75,000	\$350,000	\$750,000	\$2,000,000	\$2,000,000	\$2,250,000
Coin 3. 1861S	\$1,500	\$7,500	\$35,000	\$45,000	\$85,000	\$100,000	\$115,000
Coin 4. 1854S	\$25,000	\$250,000	N/A	\$2,000,000	\$4,000,000	\$5,000,000	\$5,000,000
Coin 5. 1854O	\$500	\$35,000	\$75,000	\$125,000	\$300,000	\$350,000	\$300,000
Coin 6. 1856O	\$500	\$35,000	\$85,000	\$135,000	\$275,000	\$300,000	\$300,000
Coin 7. 1857S	\$250	\$3,500	\$8,500	\$9,000	\$12,000	\$15,000	\$12,000

In the mid-1970s the numismatic world became infatuated with the coins from the Carson City Mint because of the government release of CC Morgan Dollars. Many books were published and discussions were held that educated the collector and increased enthusiasm towards acquisition. This exciting release of millions of beautiful silver dollars had many positive economic impacts. Several companies and jobs were created with entrepreneurs answering the bell of supply and demand. Many of these companies are still successful enterprises to this day. These cause-and-effect events continue to expand the reach of collecting and investing in coins. The most significant effect of this logical progression of events is that the prices for quality Carson City classic rarities increased as much as ten-fold in the subsequent decade because of the increased focus by collectors and investors.

Since the release of significant hoards with rich history entrenched in exciting shipwreck pedigrees, California Gold Rush and Civil War era dates, the appreciation shown by both collectors and investors in numismatics has grown for the exciting rarities of these eras. Where would we be today if the Union did not have the massive explosion in wealth generated by the gold coming out of the hills and streams of California? Many historians suggest that this wealth is the only reason this country was successfully held together.

This rich history is why I have studied, traded, acquired and recommended the acquisition of Type I Double Eagles since as early as 1990. My first published article regarding the series was in the

August 1990 issue of the *U.S. and World Coin Report* which was titled "\$20 Liberties to Buy Now: Type I Double Eagles" and I've written many others since.



The Coin Market Insider

Information • Strategy • Success

Volume 2003, Number 1 February 2003 Price: \$79/Year

Red Alert:

Buy Type I Double Eagles NOW!

Included in this issue of The Insider:

Red Alert on Type-I \$20 Gold
The market for key Type I coins is red-hot and the Insider says the time to buy is NOW. See why and best ways to purchase. See Page 1

Forty-Niner Horseman Update
Strong demand for these new "Ship of Gold" comment is just one reason why you should consider adding the Horseman to your collection. See Page 1

"Ship of Gold" Ingots: This May Be Your Last Chance!
90% of these rare monetary ingots have now been sold BUT a few remain and are available for immediate acquisition by qualified collectors. See Page 2

The Insider's Five Main Reasons for Rare Coins Now
Adam Crum details why today's economic environment is a key to growing opportunities in the rare coin market and suggests three steps to take now. See Page 4

by Adam Crum

It is quite obvious to me that the Type I Double Eagle market has turned into a hotbed of activity... and I believe, as the saying goes, "You ain't seen nothing yet!"

With the majority of the SS Central America Type I coins now off the market and in the hands of collectors and investors, we've seen a significant increase in activity chasing these popular issues. After all, these coins were the first \$20 gold pieces ever struck and were coined in one of the most romantic periods in our nation's rich history. From the discovery of vast amounts of gold in California... to the worst peacetime maritime disaster in America's history... to the culmination of a horrifying Civil War, these historically significant gold coins are poised to return to their pre-1990 price levels. If they do, and I believe they will, you will want to own as many of these coins as you can get your hands on.

If you read my Special Report on *Continued on Page 3...*

The Forty-Niner Horseman: The Ultimate SS&CA Commemorative

by Adam Crum

The reviews are in... and the hundreds of customers that have taken delivery of their beautifully designed and struck Forty-Niner Horseman Commemorative have shown their satisfaction by re-ordering—in remarkable quantities. Whether they are buying them as gifts,

investments or just for the sheer enjoyment of the numismatic artistry, one thing is clear: They are very happy with their purchases. And why not? The design of the coin was born from what is one of the most beautiful and unique of all California territorial gold coins, the 1850 Baldwin \$10

Continued on Page 3...

In my February 2003 newsletter, *The Coin Market Insider*, I recommended the aggressive acquisition of Type I Double Eagles of every date and variety. Why? Two reasons: First, because of the 1999 drop in value due the release of over 6,500 mint-state SS *Central America* coins coming on the market; and secondly, because those coins were SOLD OUT! The events and price increases of various Type I Double Eagles since then have proven that recommendation to be timely.

In 2014, after a ten-year run where many dates and grades of Type I Double Eagles had seen increases of 200%, 300%, 400% and some even more, the market began losing steam and we began to see investors and collectors taking profits off the table. That same year news hit the market of the commissioning of Odyssey Marine Exploration to return to the shipwreck site of the SS *Central America*. The rumor mill was abuzz that another huge hoard of high-quality Type I Double Eagles would soon flood the market. Auction houses and dealers took full advantage and began to spin unsubstantiated stories convincing investors to sell these coins before they collapsed in value.

This increase in supply has indeed brought prices down somewhat, but not of the consequence promoted by the auction houses and dealers who were looking to make a quick buck by servicing those liquidations. We have in fact encouraged a holding pattern with selective buying during this short-term softness. While rumors are still circulating, with most quite comical, the market has begun to stabilize and many dates and mint-marks are beginning to rise again.

I am writing this report because I am recommending a strong buy on these exciting coins once again. Finest Known has been extremely aggressive acquiring Type I Double Eagles since November of 2015 and I see no reason to stop. Today you have the golden opportunity, due to never-before seen circumstances, to build a stellar collection or fill in a collection that you have already begun with affordable coins of every date and mint-mark.

Investing Like a Collector

Unfortunately too many investors invest way too much in coins before learning this simple fact. There is substantial evidence that to achieve the most value from investing in rare coins it is recommended to apply this simple philosophy: *invest like a collector*.

At Finest Known, we believe assembling a set of coins is vital to the long-term success of a rare coin portfolio. Great sets of coins are almost always

worth more than individual coins, and the evidence of past collections and success stories confirm this simple-to-apply philosophy.

Recently a collection of Double Eagles known as the “Gilded Age Collection” sold at public sale and it contained coins from the Type I Double Eagle series that sold for prices that shattered levels that any rationale could justify. Having a strong interest in many of the coins in this collection, I sat in the auction room and watched coin after coin sell for 20%, 30% and even more than I had to pay for them, and I am pretty sure I know how to figure a coin. This is what can happen with a methodical collecting approach to great sets of coins.

How to Collect or Invest In Type I Double Eagles

There are a number of ways to collect, and for some collectors, Type I Double Eagles become their primary focus and they attempt to assemble a complete set. Such a set consists of each issue struck between 1850 and 1866. While there are many interesting die varieties that have come to light over the past decade, there are 44 issues which have in the past garnered the most attention. These 44 include all dates and mint-marks, as well as the 1853/2, both the Small and Large Date of 1854, and the 1861-S Paquet reverse. The different mints include Philadelphia, New Orleans and San Francisco.

Depending upon a collector’s budget, the grades for a complete set will range from Extremely-Fine 40 to as high as Mint-State-67. The more common issues are generally represented by coins in higher grades, while the rarities are represented by coins in lower grades. For some rarities, they simply don’t exist in mint-state condition. The rarest issues are the 1854-O, 1855-O, 1856-O, 1859-O, 1860-O, 1861-O and both the Paquet reverse issues of 1861-S and 1861-P. Most of these are very hard to locate in any grade and will require an investment of at least \$25,000+ for average quality examples.

Example of Investing Like a Collector

The finest set assembled over the past two decades is the *Horseneck Collection*. This amazing set contains the 44 major coins of the set, including the famous 1854-O recovered from the 1865 shipwreck of the *SS Republic*. The owner of the set had this to say about his experience in building this amazing and historical set:



"My first Type I double eagle was a lovely 1857-S from the SS Central America. I was amazed at its wonderful preservation after all those years on the bottom of the Atlantic. My set started slowly, but after a few years I began to realize that with patience and a good partner like Finest Known, I could eventually put together a very nice set. I guess I was pretty lucky to snag the two really rare dates in the set (1854-O and 1856-O) in such nice condition. Eventually, after about a dozen years, my set was complete."

This set will be on display over the next two years with its first exhibit at the 2016 World's Fair of Money. This stellar set is insured for \$8,000,000.

Growing Demand for Rare Coins

There are numerous reasons why the demand for truly rare coins is growing among collectors and investors, the most obvious being the "pig in a python" theory. With the baby boomer generation, the wealthiest and largest group of 45-70 year-olds in history is now moving through the economy. Many of these "boomers" were coin collectors as children and are returning to a hobby of their youth and now viewing a coin portfolio as an asset of lasting generational value.

But this does not even begin to tell the whole story. Societies around the world are moving closer and closer to digital currency and I believe the need for privacy, storage of wealth and intrigue will have a dramatic impact on the curiosities of old and real money... especially those of high intrinsic and historic value.

All one has to do is to examine the following facts to understand why adding tangible assets like the Type I Double Eagle is so compelling:

Historical art. Since coins have commemorated heroes, great achievements and significant events throughout the history of America, an investor or collector is purchasing a piece of history and a piece of art.

Diversification. In order to maintain investment diversification and reduce overall portfolio risk, investment professionals recommend ten to twenty percent of an investment portfolio be devoted to tangible assets. And, while past performance is no guarantee of future results, it is well documented that rare U.S. coins have proven to be an excellent hedge against inflation and have generated substantial long-term gains. This is especially true for the series focused on in this report.

Liquidity. Rare U.S. coins have become among the most liquid of collectibles due to many factors, the most important of which is the independent grading by the Professional Coin Grading Service (PCGS) and the Numismatic Guaranty Corporation (NGC).

Tax benefits. Coins can only be taxed when profits are actually realized and there is no taxation on undistributed profits. Unlike most other investments, there is no federal income tax liability on like-kind exchanges.

Privacy. Rare coins can be accumulated privately and have not been confiscated by the government in times of crisis.

Intrinsic value. The value of U.S. rare coins is almost solely based on condition, demand and rarity, yet coins like the Type I Double Eagle also possess the security, intrinsic value and appeal of gold.

Affordability. Despite consistent price gains over the years, quality rare coins like Type I Double Eagles are still affordable for the private investor.

Now is the time to act!

With the relatively minor 15%-20% correction throughout 2014 and 2015 due to profit-taking seemingly coming to an end in the last quarter of 2015, the time to act is now. The stock and currency markets around the globe are uneasy. The

geopolitical environment is explosive, big global money is looking for alternatives and tangible assets are coming back into favor.

The uncertainty within the Type I Double Eagle market has been given much clarity regarding the 2014 recovery of additional treasure from the SS *Central America*. It will rapidly become widely known that the rumors surrounding this segment of the market have been way off base, and that another diverse, yet small, hoard of Type I Double Eagles from the SS *Central America* will most likely serve to excite the market soon. Frankly, we are poised for another leg up in value.

Add to this the recent activity and bullish environment of gold prices and the concern of global debt fueling the decline of the dollar and other major currencies around the globe, and it is increasingly clear that the need for a tangible hedge is not only smart, but a necessity to protect your savings.

That is why it is essential that you act immediately. Call one of Finest Known's Account Representatives toll-free today at 1-888-751-1933 to initiate or enhance your rare coin portfolio.



New Orleans Mint, Civil War Flags, SS Republic

"The Mint Set" of Type One \$20 Double Eagles

Date / Coin	Grade	Service	Date of Purchase	Purchase Price	Notes
P Mint					
O Mint					
S Mint					

** A three-coin set consisting of one Type One Double Eagle struck at each of the three U.S. Mints, Philadelphia, New Orleans and San Francisco.*

"The Shipwreck Set" of Type One \$20 Double Eagles

Date / Coin	Grade	Service	Date of Purchase	Purchase Price	Notes
					SS Brother Jonathon
					SS Central America
					SS Republic

** A three coin set consisting of one Type One Double Eagle recovered from each of the three shipwreck Treasures from the SS Brother Jonathan, SS Central America, and SS Republic*

"The Civil War Set" of Type One \$20 Double Eagles

Date / Coin	Grade	Service	Date of Purchase	Purchase Price	Notes
1861					
1862					
1863					
1864					
1865					

** A five-coin set consisting of one Type One Double Eagle minted each year of the Civil War (1861 - 1865).*



Adam Crum
President



FINEST KNOWN
EXQUISITE | HISTORIC RARITIES

In 2002 I co-authored the book, *An Insider's Guide to Collecting Type I Double Eagles* that provided collectors with insight into the history and rarity of these wonderful twenty-dollar gold coins. That book was very well received by the numismatic community, requiring two separate printings.

In my new book, entitled *America's First \$20 Gold Coins: Coined in Era That Defined Our Nation*, will be published with an in-depth look at the treasure hoards, the interesting die varieties discovered as a result of those hoards, and the excessively rare and beautiful proof issues of Type I Double Eagles. This date-by-date analysis of each Double Eagle issue, an historical look into the amazing events of that historical era – including the California Gold Rush, three amazing shipwrecks and their impacts, and the U.S. Civil War – will give the coin collector and investor the insights needed to acquire and build a wonderful set of Type I Double Eagles.

If you want to be among the first to receive an autographed copy of the hard-bound first edition of my new book, then contact a Finest Known Coin account representative today.



www.FinestKnown.com

888-751-1933

