

Maclean's

August 10, 1987

SECTION: SPECIAL REPORT; Pg. 36

LENGTH: 2751 words

HEADLINE: Diving For Dollars

BYLINE: BRUCE WALLACE aboard the Inspector, with JANE O'HARA in Vancouver

BODY:

The twisted and torn wreckage strewn across the floor of the Atlantic Ocean is a testament to her violent end. In near-freezing water 270 feet below the surface and 55 miles southeast of Nantucket Island, the RMS Republic, among the finest and grandest passenger liners of her day, lies embedded on her side where she sank on Jan. 24, 1919, after colliding with another ship. Now, a company of Canadian ocean divers is battling the depths -- and eight decades of underwater erosion -- to recover what they hope is the Republic's entombed secret: a cache of American Gold Eagle coins possibly worth \$ 2 billion. The eager treasure seekers are members of a fast-growing breed of divers who, spurred by such success stories as Melvin Fisher's 1985 discovery of the \$ 530-million treasure hoard in the 17th-century Spanish galleon Atocha off the Florida Keys, have turned the summer of 1987 into a veritable underwater gold rush off North America's coasts and in the Great Lakes.

Risk: Many of the expeditions are being underwritten by an increasing number of investors willing to risk thousands of dollars for a chance to find million. Modern divers have access to increasingly sophisticated equipment, much of it developed for the offshore oil industry. The gear includes the deep-ocean remotely operated vehicles (ROVs) which found the Titanic in 1985. But the upsurge in underwater treasure hunting has provoked concern among Canadian marine archeologists that the sensationalism surrounding the undersea spectacles is encouraging the burgeoning number of amateur sport divers to pillage wrecks. The experts contend that much of Canada's maritime heritage is being lost to plunder, and have responded by pressing for updated and stringent laws aimed for at preserving the wrecks and their artifacts from sport divers (page 40). For their part, many of the new style of "salvors," as they call themselves, have become increasingly sensitive to the perception that they are tampering with grave sites or disrupting archeological preserves.

Sport divers are eagerly descending to the estimated 4,000 well-preserved wrecks in the cold fresh waters of the Great Lakes, as well as the untold number of wrecks now deteriorating in the saltwater currents off both coasts. They include the famous American sailing ship Ericsson, which ran aground in Barkley Sound, off Vancouver Island, in 1892. And in the treacherous West Coast Strait of Juan de Fuca, Vancouver's Can-Dive Services Ltd. has been hired by a Tacoma Wash.-based consortium, to raise three safes believed to be still on board the Governor, a passenger liner that sank in 1921. But perhaps the summer's most ambitious expedition is the search for gold aboard the Republic.

Rusted: The 21 divers from Halifax-based Sub-Ocean Salvage International Inc. working on the ship's wreckage have spent the first month of a planned 90-day expedition drilling and tunnelling through its rusted hull and decks. Their leaders, American diver and businessman Martin Bayerle, in his mid-30s, and William Flower, 28, a Halifax diver who recruited the expedition's crew, say that they believe that the U.S. government had dispatched the gold coins to pay for Czar Nicholas II's Russian military

buildup before the First World War. The two men have convinced 50 investors to finance the \$ 2.6-million treasure hunt. Said Flower, who has been enthralled by the story of the Republic's sinking since he was nine years old: "Finding buried treasure is not just the American dream. It is everybody's dream."

Bayerle has spent 12 years researching the sage of the wreck, which was the largest ocean liner ever to sink until the Titanic disaster off Newfoundland three years later. Like the Titanic, the Republic was part of the White Star Line owned by American financier J. P. Morgan, and at the time of her sinking was the company's flagship. According to Flower, the 585-foot liner was considered to be "a grand hotel of the high seas in the age of iron ships" and boasted such architectural luxuries as a majestic dome over her panelled dining salon.

Fog: On her last voyage, the Republic steamed out of New York in what *The New York Times* described in the days following the sinking as "impenetrable fog." Her passenger list included some of eastern North America's most prominent citizens, including wealthy Pittsburgh banker R. K. Mellon and Gen. Brayton Ives, the former president of the New York Stock Exchange. The Republic was carrying its passengers to a winter cruise in the Mediterranean, and its cargo hold also carried relief supplies for victims of the violent earthquakes that had struck Sicily and Calabria in the fall of 1908. But at 5:40 on the morning of Jan. 23, just five hours out to sea and steaming in the heavily travelled outbound commercial shipping lane, the Republic was struck in her engine rooms by the off-course freighter SS Florida. Ironically, the Florida was transporting 850 Italian earthquake survivors to the United States. Four crewman aboard the Florida were crushed to death, and two Republic crewman and four passengers died later from injuries sustained in the collision.

However, the Republic did not sink right away. Using the Marconi telegraph in one of the first distress signals sent from sea, the ship summoned aid from other nearby ships. Within 10 hours, the Republic's 750 surviving passengers and crew were safely transferred to the SS Baltic in what remains the largest open-sea rescue ever conducted. Another vessel tried to tow the Republic back to port, but abandoned the task when it became apparent that the liner was sinking. About 35 hours after she was struck, the Republic slipped below the surface and slid, stern first, to her rest.

Victims: Since then, historians have been intrigued by rumors after the sinking that the Republic's cargo included a shipment of three million American Gold Eagle coins. In estimates based on the gold content of the coins, Bayerle says that shipment is currently worth anywhere from \$ 400 million to \$ 2 billion. In the years following the sinking, researchers tried to find documentation to support one of two theories about why gold would be aboard: some speculated that the gold was the payroll for the fleet of U.S. navy ships then stationed in the Mediterranean, while others held that it was money intended for the Italian earthquake victims. But historians were unable to prove either scenario.

Bayerle prefers neither theory. He says that his research, based on financial records of New York banking houses, French government reports and U.S. Customs data, revealed that the Republic was transporting the gold to French banks. To sustain his case, Bayerle points to efforts at the time by a French banking consortium to float a \$ 320-million loan to czarist Russia, which was heavily in debt and required the money to refurbish its army. As well, Bayerle says that a series of strange coincidences, including the disappearance of the Republic's cargo manifest, blueprints and many of the French, British and American government documents concerned with the sinking, are evidence that the loss of the gold was covered up. Said Bayerle: "It is a tale of pre-World War I international intrigue that points to the gold being on board the Republic."

But despite the rumors of gold and the widespread historians' curiosity about the wreck, the Republic's sunken remains were not discovered until 1981. That summer, Bayerle led a low-budget, scuba-equipped excursion that found the wreck seven miles away from the location cited in official accounts of the disaster. News reports of Bayerle's discovery shocked Flower, who was then working for a salvage company. Said Flower, who had dreamed of finding the Republic wreck himself: "When I read

that Marty had found her, I just sat and cried." Still, Flower called Bayerle to offer congratulations on his triumph. He also volunteered to assist in any salvage operations.

Lured: Last year Bayerle formed a limited partnership to finance his expedition. Investors, many of them doctors and lawyers from the Tampa, Fla., area, bought the 80 shares for \$ 33,000 each. Bayerle admits that publicity surrounding the Titanic expedition and the salvaging of the Atocha treasure of gold, silver and precious stones has lured investors into the treasure hunting business. Said David Bryant, a phone company supervisor from Malden, Mass., who bought a share in Bayerle's partnership: "Treasure hunting now has a high-tech image that appeals to certain types of investors. But I think I have made a good investment."

The \$ 2.6 million in seed money allowed Bayerle to buy the Inspector, a rusty, 170-foot salvage ship now anchored over the wreck site. And Bayerle asked Flower, who had returned to his home town of Lunenburg, N.S., following the collapse of the Canadian east coast offshore oil industry, to recruit a diving crew. In fact, many observers of the diving industry attribute the boom in treasure hunting activity to the ebbing of that industry, which has left divers underemployed and equipment idle. Said Flower: "It is not like the glory days of offshore when helicopters would fly you on and off the site. But I love this wreck and I am just happy to be here."

Salvage work far below the ocean's surface is a brutal physical and mental challenge. The divers aboard the Inspector are forced to live six at a time in a pressurized, 21-foot-long cylindrical containment chamber for up to 30 days. In four-hour shifts, two divers at a time, the crews descend to the battered remains of the Republic in a cramped spherical diving bell resembling the two-man Gemini space capsules. They reach the cargo hold, one of four areas on the ship where Bayerle says that the coins may have been stored, the divers must tunnel what they call a "mine shaft" through the collapsed decks of the ship. Said Robert Bourque, 32 of Shediac, N.B.: "This is the most complicated and dangerous diving you are likely to see."

It is also expensive. In its assault on the Governor, Vancouver's Can-Dive is using a similar saturation diving system to hunt for the safes -- and the bill for their services will cost American treasure hunter Robert Mester \$ 260,000 for the 13-day expedition. Mester, who has raised \$ 500,000 from 30 associates to finance the dive, says that the Governor may hold \$ 10 million in jewelry, coins and silver. Last week, Can-Dive anchored its salvage ship over the site where the passenger liner went down in 1921 after being rammed by a freighter.

Revolutionary: For Can-Dive and its flamboyant founder, Phillip Nuytten, salvaging treasure is only a small part of its \$ 10-million annual business. He designed, manufactured and sells a revolutionary diving suit called -- after himself -- the Newtsuit, a lightweight, pressurized affair with flexible joints. As well, the company, which is a leading salvor on both Canadian coasts, has pioneered deep diving in the Arctic.

As scientists and explorers push the frontiers of underwater exploration into deeper and colder ocean waters, they are increasingly turning to unmanned probes. The dramatic Woods Hole expedition to the Titanic 12,500 feet below the surface was only the most spectacular demonstration of the ROV's capabilities in the deep ocean. Said James McFarlane, president of International Submarine Engineering Ltd. of Port Moody, B.C., a world leader in designing and building deep-ocean vehicles: "It is now routine to send ROVs to depths that just five years ago seemed inaccessible."

Items: Treasure hunters as well as scientists have been quick to apply the new technologies to exploring the ocean floor. Using state-of-the art RIBs, a Columbus, Ohio, company is currently photographing and salvaging some items from a wreck resting in 8,000 feet of water 200 miles off the Virginia coast. The Columbus-America Discovery Group says that it believes that it has located the wreckage of the Central America, a side-wheel steamship that sank in 1857 with the loss of 428 passengers and a cargo of California gold. The company plans to return to the site next year and, using

unmanned submersibles, salvage artifacts from the wreck -- especially the gold.

But although the technology has made several new wrecks suddenly accessible to salvage crews, no wreck has managed to wrestle public attention away from the Titanic. This summer's French expedition to salvage artifacts from the litter of Titanic items on the ocean floor has provoked angry charges of grave robbing from Titanic historians and relatives of survivors. Through last week, stormy seas had hampered dives to the wreck, and the French team reported having brought up only a few dishes and wine bottles.

As well, pledges by the French to donate Titanic artifacts to a touring public exhibit were met with resistance by many in the maritime museum community. In fact, many items from the Titanic are already on display, notably the Philadelphia Maritime Museum's Titanic collection, which includes Mrs. John Jacob Astor's life jacket and copies of the ship's menus. And Halifax's Maritime Museum of the Atlantic owns a deck chair from the Titanic, which was plucked from the sea a few days after the sinking. Said David Flemming, director of the Halifax museum, which turned down offers from the French to host the travelling exhibit: "We can't stop people from diving to the wreck. But we are not going to lend the expedition any archeological credibility by appearing to sanction the salvage."

Flemming's resistance to the French salvage efforts reflects the conflict between treasure hunters and marine archeologists. Curators and archeologists are concerned that treasure-hunt spectacles -- and the media attention they generate -- encourage amateur divers to pillage shipwrecks in the more accessible coastal waters. And they argue that, in the process, much of Canada's marine heritage winds up in private collections, where many of the artifacts will deteriorate without proper conservation techniques. Said Robert Grenier, the head of Parks Canada's marine archeology division who achieved international fame with his 1985 dives to sunken Basque whaling ships in Labrador's Red Bay: "We don't really know how much looting is going on, but from some of the stories we hear there is every reason to be concerned."

But increasingly, the pressure to leave wrecks alone is coming from other divers. Concern over the damage being done to wrecks in the Great Lakes by recreational divers led a group of Ontario divers to form Save Ontario Shipwrecks (SOS), an organization dedicated to the preservation of Ontario's marine heritage. Said SOS president Fred Gregory: "Most sport divers will not loot wreck sites. We try to encourage divers to enjoy the wrecks, not strip them." SOS embarked on a project to place plaques on wrecks, identifying the ship when possible and encouraging a hands-off attitude. As well, SOS convened a meeting in Toronto in April with representatives from diving and archeological organizations in British Columbia and Newfoundland to create the Canadian Maritime Heritage Foundation, which will lobby for the legislation to protect shipwrecks.

Speared: For Bayerle, Flower and the crew aboard the *Inspector*, there are not such doubts about their own salvage efforts. While a month's worth of near-round-the-clock diving through last week had turned up the anchor from the *Florida* -- the ship that speared the *Republic* -- as well as some wine bottles and dishes brought to the surface for the benefit of new media, there was still no sign of the gold. Said Flower: "We will go for the gold first, but we expect a good return on all the artifacts we find." Indeed, Christie's art auction house has already expressed interest in the *Republic's* wine collection, and advised Bayerle to keep the bottles on the ocean floor until one of their experts comes aboard the *Inspector* to supervise the salvage.

But Flower, caught in the middle of the growing public controversy over underwater treasure hunting, expresses anger at people who, he said, have accused him of "ripping off a wreck." Said Flower: "She was a beautiful ship, and how is anybody else going to enjoy her unless I raise these objects?" That quandary is certain to deepen as zeal and technology uncover more ships that were once believed lost forever.

GRAPHIC: Picture 1, Newtsuit in Vancouver aquarium: flamboyant, MARK ATHERTON/CAN-

DIVE SERVICES LTD.; Picture 2, The Ericsson's bell: treasure hunters have turned the summer into a veritable underwater gold rush, NEIL McDANIEL; Picture 3, Bourque and crewman aboard Inspector: 'most complicated and dangerous', JANN VAN HORNE; Picture 4, West Coast diver with video camera: risking thousands against millions, NEIL McDANEIL; Picture 5, Bayerle with bottles from Republic: no doubts, JANN VAN HORNE

[↑ top of page](#)

[Copyright](#) © 2000 MVSHQ, Inc. ~ <http://www.rms-republic.com>