



# PAPERS OF THE PACIFIC COAST NUMISMATIC SOCIETY 2017



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PACIFIC COAST NUMISMATIC SOCIETY  
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## Moses Gunst Has Went

Michael F. Wehner



The object at hand is a 34mm souvenir medal given out a dinner banquet honoring some San Francisco dignitary. I bought it because it had many names on it that I thought might lead to interesting research. Perhaps not surprisingly, the most interesting name on the medal was the banquet's honoree, Moses A. Gunst, Police Commissioner of San Francisco.

Indeed, Moses Gunst was a colorful character in San Francisco around the turn of the 20<sup>th</sup> century. Born in New York in 1853, Gunst moved to San Francisco in 1871, and worked at one of the many cigar stores in the city.<sup>1</sup> By 1873, he opened up his own cigar stand<sup>1</sup> from which he grew a considerable fortune. His firm, M.A. Gunst & Co., was a large dealer of wholesale cigar store supplies as well as a proprietor of a chain of retail cigar stands. The *House of Staples* had outlets in major American and

Canadian cities ranging from New York to Honolulu and many points in between.

In 1895, Moses Gunst was a very rich and influential man. Appointed in that year by the outgoing Governor of California, Edwin Markham, as one of three San Francisco police commissioners,<sup>2</sup> his tenure was controversial from the beginning. He did institute several reforms, including the use of paddy wagons and more modern uniforms, as well as an attempt to base promotions on merit. But Gunst was not above using his official public position to benefit his private enterprises. As a result, the newspapers despised him, and much can be found in the online archives of the *San Francisco Call*, one of the important newspapers of the time.

In the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, gambling in San Francisco was big business. One

of the major numismatic legacies from these activities are the many slot machine tokens from the *Barbary Coast* and other parts of the City.<sup>3</sup> Frowned upon by the more high minded, the morality and legality of gambling was much discussed in the newspapers of the time. In its issue of October 26, 1897, the *San Francisco Call* notes that a new brand of slot machine appeared in the City just prior to Gunst's appointment as Commissioner and alleges that he "did everything in his power to popularize the machine, using his office and the police force to suppress all competing machines." This machine, called *The Reliance*, could be purchased at one of Gunst's stores for the modest sum of \$17.50. These so-called trade stimulator machines conveniently paid out in paper cigar tokens, furthering Gunst's profits. But this was not the only allegation of malfeasance against Gunst by the *Call*. In 1897, the paper ran a series of articles and editorials<sup>6</sup> against gambling culminating in one entitled *Do we want a wide open town?* on October 19. The paper alleged that Gunst was running a number of poker and faro games at the Baldwin Annex (next to Lucky Baldwin's famous hotel on Market Street between Ellis and Powell Streets) and that he had bullied the Chief of Police, Isaiah W. Lees,



"What are you going to do about it?"

A less than flattering portrait of Moses Gunst published during the controversy regarding his appointment as a San Francisco Police Commissioner. Note the cigar. (*San Francisco Call*, Volume 77, Number 46, 15 January 1895, "Moses Gunst Will Hold to His Job.")

into allowing these high stakes (\$10 limit) games to continue.

Moses Gunst also had a habit of taking extended trips to Europe and the east coast of the U.S. during his tenure as Police Commissioner. The newspapers did not miss these opportunities to poke fun at him. The *Call* writes<sup>7</sup>

When he sails, admirers say, "Moses Gunst has went." Upon his return, they herald the glad tidings from sea to sea, "Moses Gunst has came."

In April 1899, he requested and

was granted a six month leave of absence for one such trip<sup>8a</sup> to Europe via New York City.<sup>8b</sup>

It was during this trip, that Moses Gunst was honored with a “Complimentary Dinner” and this medal. While the date on the medal, Sept 26, ’99, is clearly within the six months of his departure from San Francisco, we can positively identify the location of the banquet as New York City, probably Manhattan, from the names of the guests on the medal itself. In fact, the two names on the obverse were both prominent New York Police Department (NYPD) officers. William W. McLaughlin (1846–1943) had recently been appointed Deputy Chief,<sup>9</sup> his rank indicated on the medal. The younger George A. “Chesty” McClusky (1861–1912) was the longtime head of the NYPD Detective’s Bureau and involved in a number of high profile cases.<sup>10,11</sup> Most of the names on the reverse can be found in the 1899 or 1900 New York City directories.<sup>12</sup> A list of their occupations is as follows:

Wm. S. Devery, Chief  
 Edward E. McCall, Lawyer  
 Alfred Hayman, Theatres  
 Wm. C. Reick, Editor  
 Arthur A. Housman, broker  
 James H. Breslin, hotel  
 J. M. Mora (not listed in 1899 or 1900 NYC directory)

M.J. O’Brien (Most likely Morgan J. O’Brien, judge, as no policemen listed with these initials)

Wm. Perzel, commission merchant and agent (1900)

D.E. Dowling, (probably Dennis, an attendant at Criminal Court)

J. Henry Rothschild (Jacob Henry), Millinery

Some of these names are associated with police business; others may have been Gunst’s business associates, as the M.A. Gunst & Co. had stores in New York. In fact, Alfred Hayman and Moses Gunst had later business dealings upstate.<sup>13</sup>

But by far the most interesting name on the reverse of this medal is J. Henry Rothschild. However, this Rothschild was not a member of the famously wealthy French aristocratic family of bankers. Rather, he was a moderate success in the New York garment business. In 1899, he was a recent widower raising his soon to be famous daughter, Dorothy Parker (1893–1967). Parker was one of the first female writers for the New York fashion magazines, selling her first poem to *Vanity Fair* in 1914, and joining *Vogue* as an editor shortly thereafter. In 1917, she made the big time when she took over P.G. Wodehouse’s role as the drama critic for *Vanity Fair*.<sup>14</sup>

Known for acerbic wit in her short stories and verses, she was honored

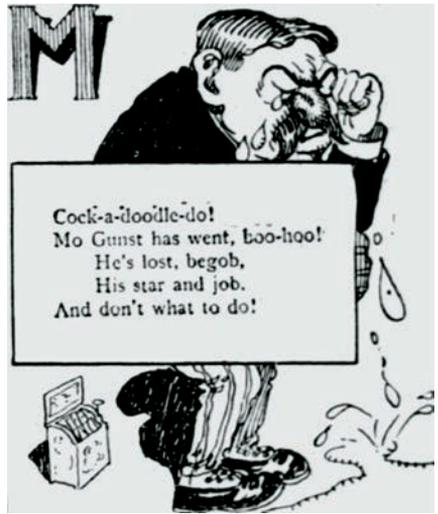
on a US postage stamp in 1992.

Moses Gunst returned to San Francisco by November 1899, but his term ended at the end of the

year. On New Year's Eve of that year, the *San Francisco Call* published a tongue in cheek review of San Francisco politics<sup>15</sup> entitled *New Leaves for the Turning, Mother Goose's Political Nursery Rhymes*, by Joseph Cassell. Illustrated from A to Z, the letter M reads:

Cock-a-doodle-do!  
 Mo Gunst has went, boo-hoo!  
 He's lost, begob,  
 His star and job.  
 And don't what to do!

On March 25, 1913, the United Cigar Manufacturers Company purchased a controlling interest of M. A. Gunst & Co. Inc. for \$2,500,000 in a stock exchange.<sup>16</sup> Moses and his eldest son Morgan Gunst remained on as directors. In 1915, the company had 14 retail stores in San Francisco, eight in Los Angeles, five in both Portland and Seattle, three in Spokane, one in Honolulu, and three in New York City, as well as a factory in Tampa and a warehouse in Havana. This is a substantial increase over that listed in the 1899 San Francisco business directory of 3 branches and a main office at



The letter M from "New Leaves for the Turning." Note the slot machine. *San Francisco Call*, Volume 87, Number 31, 31 December 1899.

23 Kearney Street, near Market.<sup>17</sup>

Besides the rather limited issue banquet medal, at least three trade tokens are associated with Moses Gunst. The first is an unlisted 21mm brass slot machine token, with the initials M. A. G. & CO. within the points of a 5-pointed star on both sides, and diesinker's signature "Moise, S.F." on the reverse.

Also pictured (next page) is a paper token from the M.A. Gunst & Co., advertising its chain of *The House of Staples* stores and the cities they were in. This coupon, good for a 12½ cent cigar, was a premium dispensed as winnings from slot machines. It is described in the June 24, 1908 issue of the trade journal



## M. A. GUNST & CO. CIGARS

*M.A. Gunst & Co. slot machine token (21mm actual diam.) and cigar coupon.  
Pictures courtesy of Bill Hyder.*

*Tobacco Leaf* in connection to an audacious counterfeiting scheme perpetrated in San Francisco.<sup>18</sup> A counterfeiter printed up 50,000 of the previous version of the paper token, described as “red, yellow and white” and sold them for 8½ cents to dishonest cigar dealers, who turned them in for cigars at an illicit profit. The article goes on to describe the paper token pictured:

The new check is encased in transparent celluloid and has a water-mark and a serial number. The colors have been changed.

The article goes on to describe official *check brokers* who buy tokens from winners at 9 cents each and sell them at once to the cigar store proprietors at 9¼ cents each. This practice appears to have been condoned, and confirms that despite the prohibitions on gambling in San Francisco in 1908, cash prizes could be won, albeit

in a roundabout way. M.A. Gunst & Co. removed slot machines altogether from their San Francisco stores in 1909, following a city-wide ban on them.<sup>19</sup>

A third token is a 26mm octagonal aluminum piece that was good for five cents. The obverse reads “M.A. GUNST & CO. / THE HOUSE OF STAPLES” around a 5-pointed star. However, this star does not have letters in the points but a U-shaped symbol and a variant of it in the center. It is signed “MOISE K. CO. S.F.” Its precise purpose is unknown.

After his term as Police Commissioner ended in 1900, Moses Gunst’s public presence waned except for a brief involvement in Republican politics as a convention delegate. He died June 22, 1928 at his estate in Burlingame, California.<sup>20</sup> The estate and mansion, built by Gunst



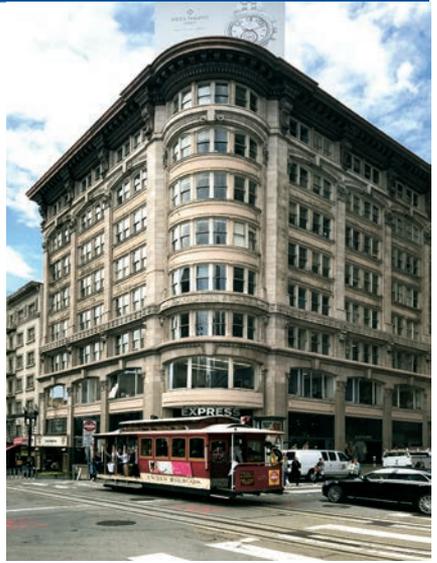
*Unlisted 26mm aluminum token of  
M.A. Gunst & Co.*

*Picture courtesy of Duane Feisel.*

in 1904, was purchased after his death by the city of Burlingame to expand the existing Washington Park.<sup>21</sup> Its former carriage house still exists, and is the current home of the Burlingame Historical Society.

Gunst's other lasting legacy is the Elkan Gunst Building at 323 Geary Street in San Francisco. Built to memorialize his son Elkan,<sup>21</sup> who died in a high school football injury, this eight story office building was completed in 1908 at the corner of Powell and Geary Streets the year after the tragedy and still stands. Sadly, he lost another young son a few years later.

We are reminded of Moses Gunst's brief but colorful stint as a San Francisco Police Commissioner by this small New York banquet medal. Most of the prominent New Yorkers named on the medal as guests can be identified, with one being particularly memorable for his famous daughter rather than himself. However, this time it was the San Franciscan who stands out as the outrageous character thrust



*The Elkan Gunst building today.  
Corner of Powell and Geary Streets,  
San Francisco. Photo by the author.*

into politics with no previous experience nor any qualms about using his public position for his own gain. Some things never change.

#### EPILOGUE

Our esteemed founders of the Pacific Coast Numismatic Society were well taken care of in regards to tobacco. For M.A. Gunst & Co. had a cigar concession at the 1915 Panama Pacific International Exposition with an "imposing" display and smoking lounge.<sup>22</sup> Who knows, they may have even smoked one of Gunst's cigars at the ANA convention!

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## *Chinatown Tales*

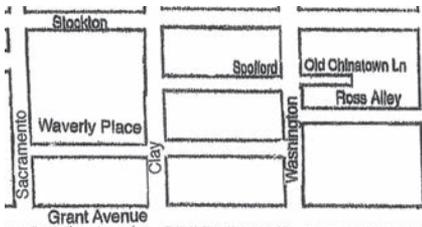
### *Waverly Place and Stockton Street, San Francisco*

Jerry F. Schimmel

#### WAVERLY PLACE

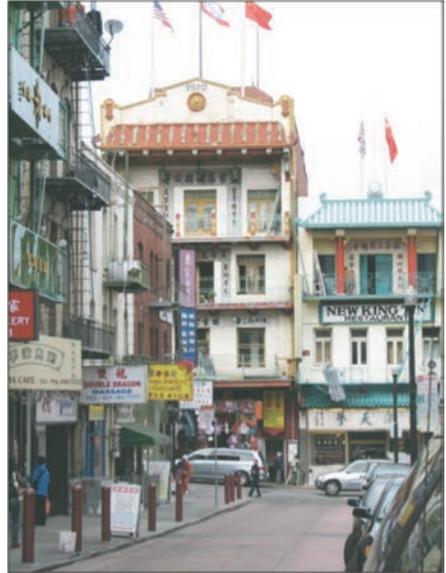
禾后廟街 Tin How Min Gai

I'll never forget the side streets and passageways of Chinatown, its tiny alleys forever cluttered with overflowing trash cans and hole-in-the-wall shops. East-West streets like Sacramento, Clay, and Washington seem forever choked with trucks, family cars and busses from first light to early evening.



The most interesting of these thoroughfares lies uphill between Grant Avenue and Stockton Street. Waverly Place is the widest, quite a bit more than the others, but only two blocks long. On its north is Washington St., with Clay St. cutting through at its midsection, and Sacramento St. completing the two blocks at its south end.

Loewenstein says the name came from New York's Waverly Place, a choice not unusual in early San Francisco. At the time



*Waverly Place, looking north at its intersection with Washington Street (2010)*

those who christened our old streets came from the east coast or serving military units. Retired San Francisco newspaper editor, Lynn Ludlow, burrowed through the websites and came up with the following:

Civil engineer William M. Eddy, who arrived in San Francisco from New York in 1848, succeeded Jasper O'Farrell as city surveyor of the new boomtown of San Francisco. He worked (when sober) from a glorified shack at Dupont and Clay streets. About 100 feet uphill from Dupont (now Grant Avenue),

lay a two-block alley bisected by Clay Street. It was named Pike Street for Zebulon Pike, a brigadier general best known for his exploratory descriptions of a mountain later named for him.



*Street sign for Waverly Place in two languages (2010)*

In April, 1861, San Francisco's Pike Street officially became Waverly Place. Ludlow continues:

Unanswered in my prowl through the Internet is the reason why "Pike Street" was dumped. It might have become a slang word for brothels, gambling or vice, something like Howard Street in our lifetime, or Pacific before it was mostly Chinese, however "Pike Street" remained in force for years after 1861. In those early days, Pike Street was notorious for bordellos and rough saloons and was not yet wholly Chinese.

While white city fathers added street names unrelated to anything Asian, Chinese residents used official titles only when they had to. The term they chose for Waverly's two blocks was *Tin How Min Gai* or *Heavenly Queen Temple Street*, named after the oldest Buddhist temple in America.

*Tien Hau Temple* (another spelling) can be easily missed



*Tin How Temple on Waverly Place, upper stories (2010)*

by passersby unfamiliar with the area. Found on the top floor of 125 Waverly Place, the temple still offers space for worshippers to pay their respects to the Goddess. Hours are ten to four daily.

*Tin How* (Empress of Heaven) is still worshipped by millions all over the world. As the story goes she was born on Meizhou Island in Fujian Province around 960 AD, and passed away just 27 years later. Her family bore the surname Lin and called their girl *Lin Moniang*. Later she was anointed with other names like *Mazu* (also spelled *Matsu* and *Ma-Tsu*), which stand for *Mother Ancestor*. Later titles were bestowed by emperors and politicians who wanted their subjects to believe that the lady was on their side.



San Francisco's temple was established in 1852 in gratitude for Ma-Tsu's protection of the immigrants who braved the Pacific Ocean on their way to *Gam Saan*, the *Gold Mountain*.

#### THE AMERICA AND NEW CHINA CIGAR STORES

Among a dozen small shops in Waverly Place during the second decade of the 20<sup>th</sup> century, two cigar stores opened on the east side of the street across from the temple: America Cigar Store, and New China Cigar Store.

The *America* was listed in the 1910 phone book as Tai Wo and Company, cigars, 158 Waverly Place. It lasted there for a year into 1911, when the owners moved two blocks north to 740 Jackson Street. The name *America* possibly had to do with the owner advertising his attachment to a new land, or perhaps for something more mundane like attracting white tourists who always had money. The building still stands and serves now as an employment agency. The *America* issued one token, Good For 10¢ In Trade, in aluminum with a 21mm diameter.

The New China Cigar Store, 128



Waverly Place, opened in 1913 a few doors south of the *America*, and lasted through the early part of 1914, its site now a restaurant. The name *New China* likely commemorated the then recent overthrow of the Chinese Empire and 1912 introduction of Sun Yat Sen's Republic of China. The New China distributed a 20¢ brass piece, 25mm in diameter. Its obverse legend included a minuscule diesinker's signature — Patrick & Co. S.F. Both tokens are very scarce.

Chinese residents had other names for their street besides *Tin How Min Gai*. In the 1880s, when the two blocks had become thoroughly Chinese, it was known informally as *Fifteen Cents Street* based on the going rate for haircuts and a plentiful supply of barbers. A more recent title given to Waverly is *Street of the Painted Balconies*. Look at the color photos and you'll see why.

#### WING LEE & COMPANY

榮利 (*honor and profit*)

Farther south on the west side of Waverly near the corner of Sacramento was Wing Lee & Co.,



grocer, 53 Waverly Place, in 1912. Wing Lee issued three brass tokens for 1 Cigar (21mm diameter), 2 Cigars (24mm) and 5 Cigars (31mm), so that, just before the Panama-Pacific Exposition of 1915, the two blocks of Waverly were never short of tobacco. In that year another Wing Lee & Company, dry goods, was located at 1043 Stockton Street. If it was the same company is not known.

Kappen erroneously attributed Wing Lee to Visalia, California. Searches turned up no Wing Lee for that city either in the National Archives Chinese partnerships list, Visalia Directories for 1910–15, or the International Chinese Business Directory 1913. Wing Lee was a common business name with at least one firm by that title in both Los Angeles and Portland, if not most of the West. The San Francisco site is now the Eng Family Benevolent Association.

Note the outsize “Reininger and Co.” diesinker signature. Reininger’s name is so far known only on the Wing Lee tokens and

another series by Fook Hing Jan, on Old Chinatown Lane (*PCNS Papers 2013*, p.12).

August Reininger was listed at 541 Market Street only from 1910 through 1915, and was a former employee of the L.H. Moise Company. The Wing Lee tokens are very scarce.

One or two doors south of Wing Lee lay *Chinese Street*, which the rest of us know as Sacramento Street. Local proprietor Walter Lee laughed at my puzzled expression when he used the name, because I thought he was pulling my leg. He explained that the Chinese name is *Tong Yen Gai*, literally *Tang Dynasty People Street*, a now busy thoroughfare where San Francisco’s earliest Chinese immigrants settled.

#### STOCKTON STREET 市德頓街

Commodore Robert F. Stockton took command of U.S. forces in California in 1846, but put his command center in Monterey.



*Stockton Street at Jackson (2013)*

From there he led battles to Southern California that brought about the eventual capitulation of Mexican forces in 1847, securing the whole of California for the United States. Prior to his military career, Stockton ran several profitable businesses and was elected U.S. Senator from New Jersey. He was credited for designing two naval guns in 1844, one of which blew up at its first demonstration killing two U.S. cabinet secretaries. The Chinese name for Stockton Street is a transliteration, *Sih-dak-deun Gai*, that is, it's as close to English as Cantonese speakers could manage.

### GOLDEN STATE CIGAR STORE 金省煙店

Golden State issued one of the few San Francisco tokens having



both English and Chinese sides. It's a standard brass piece with a 21mm diameter, produced for a kind of *trade stimulator* machine. By 1913, slot machines had been outlawed for four years in Frisco, however machines which gave out cigars, candy or gifts were allowed to remain.

The *International Chinese Business Directory* of 1913 listed the shop at 962 Stockton Street. Business partner files at the National Archives show the same for 1918. Nowadays, 962 as an address is gone, replaced by a very large bank. The translation for characters in the Chinese legend is *Golden Province Tobacco Store* (*gam saang yin dim*). Chinese has no words for *state* or *cigar*. The token is very scarce.

### WAI YUEN CHINESE SOCIAL CLUB 滙

Telephone books from 1940 record Wai Yuen at 933 Stockton Street with no mention of occupation and for no other year. Although token legends state Wai Yuen Chinese Social Club, the tokens were meant for gambling, used like casino gaming checks are today.

It was unusual for a gambling



operation to openly list in telephone directories as San Francisco police have always been strict about gambling and quick to act, though our cops have always been *equal opportunity* about it. Turn-of-the 20<sup>th</sup> century newspaper accounts show that almost every week there was a gambling bust



933 Stockton Street (2010)

somewhere in town. One week would be Chinatown and a few days later the white dives on Market Street.

In recent times, 933 Stockton Street operated as the *La Vii Beauty Salon*. By August 2013, a construction barrier was in place to cover its demolition.

Wai Yuen issued eight different tokens, all of a similar design, both sides. The legend shows *Wai Yuen Chinese Social Club* circling a

large character *wui* for *remit*. At the bottom is a different number for each type as follows:

- 1 is round aluminum 22mm;
- 2 is octagonal aluminum 18mm;
- 3 is 12-scalloped aluminum 21.5mm;
- 4 is 8-scalloped aluminum 29mm;
- 5 is round aluminum 29mm;
- 6 is round brass 27mm;
- 7 is round brass 34mm; and
- 8 is octagonal brass 35mm.

The numerals are not cash denominations but points gained during play. Which games the tokens were made for is so far unknown. There is no diesinker's signature on any of the pieces, though it's likely they were manufactured by the San Francisco firm of Patrick and Company. All tokens are common but hoards are known for numbers 4 through 7.

## NAM FONG CLUB 方南

The *Nam Fongs* stirred up an international controversy. A French collector, whose name I have forgotten, wrote to me saying a number of the tokens had arrived in France, and collectors there had



decided they were:

- 1) issued by a brothel in Tientsin, China, or
- 2) used by another brothel somewhere in Vietnam, because the tokens have the word *Nam* in their legend.

Collectors in Europe were by then paying three-figure amounts for one token each from the four piece set. I told the Frenchman the tokens were from San Francisco. He demanded to know what evidence I had.

Well, how do you prove that tokens without a street address came from anywhere unless you have the original manufacturer's invoice on file. Too often even that evidence says little more than "200 brass tokens ordered by so-and-so."

And how do you find one of those receipts for every unattributed coin or token in your collection? Doesn't a directory listing count as proof? Especially with a rare name? That's

how it's usually done.

I first heard of them from Mark Wm. Clark who obtained a set from Paul Cunningham. I examined his small lot and began my research by finding Nam Fong listed in San Francisco phone books for the years 1932 and 1933 at 838 Jackson Street. I later saw Paul's cigar box container for the pieces, actually quite a hoard of at least 200, and the words *San Francisco* plastered all over the box in large black letters. Later, Cunningham told me he purchased the tokens along with the box from a man in that city. Strong circumstantial evidence, I think, but that's often the best we can do for pieces that come without an address or town name.

There are four brass tokens in the Nam Fong series:

- 8-scalloped brass, 29mm;
- 4-scalloped brass 31mm;
- octagonal brass 32mm; and
- round brass 33mm.

In some instances the octagonal pieces are found with their corners filed down, done by the original owners to resemble the round because they hadn't ordered enough of the latter. Each shape represented an as yet unknown cash value, and all tokens were made for gambling like the *Wai Yuen* pieces. From what I could tell the *Nam Fongs* never had anything to do with brothels, since brothel tokens from all over the planet invariably display street addresses. Illegal gambling sites do not.

I went to the Jackson Street address which is two or three doors west of Stockton Street on the north side. It's part of a duplex ground level structure, very unassuming with two glass show windows plastered with paper sheets in Chinese which announced sale prices for the butcher's shop inside. Most of the time you would walk right by the place and never know it was there.

The name *Nam Fong* as given in my dictionary translates to *The South*. It's an appropriate name given that the largest number of Chinese in California were from areas near Canton and Hong Kong.

The other day I saw one of the *Nam Fong* tokens for sale at \$153. Good luck to its new owner, I say.

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Street photos by Donna Dion

Token photos by Stephen Huston

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## *Garfield Beach, Utah Territory Railroad Souvenir*

William D. Hyder



**Figure 1:**

*Garfield Beach / Tabernacle medal.*

I recently purchased an interesting pictorial medal from Garfield Beach in Utah Territory dated 1889. On the obverse is a large building with towers built on stilts over the water with a pier and bathers in front. The legend, GARFIELD BEACH, is above the scene, and the date, 1889, below. The reverse carries the legend, TABERNACLE / SALT LAKE CITY, with the Tabernacle located in Temple Square illustrated in the center. The medal is unsigned with no indication of the issuing authority. It is struck in white metal, 32.56mm in diameter with a reeded edge.

Several examples have appeared at auction, but it is unlisted in Bob Campbell's *Utah Trade Tokens*. The medal is attributed to Garfield,

Utah Territory on [tokencatalog.com](http://tokencatalog.com), but Garfield was a company town founded in 1905 after Utah became a state. The town and Garfield Beach are unrelated.

So what is the story of Garfield Beach in 1889, and why is it paired with the Tabernacle in Salt Lake City?

The Union and Central Pacific Railroads joined their tracks with the ceremonial driving of a golden spike on May 10, 1869 at Promontory Summit, not far north of the Great Salt Lake. The event opened Utah for further immigration and tourism as the railroads developed destinations to attract paying passengers.

The Great Salt Lake presented opportunities if someone could figure out how to develop it.

Several early attempts in the 1870s were less than successful. The shallow waters fluctuate with heat-induced evaporation in the summer and shoreline flooding in wet winters. Ferries were launched, but struggled for lack of a destination elsewhere on the lake. And then, in 1881, Captain Thomas Douris deliberately beached his ferry, the *General Garfield*, near Black Rock on the southern shore of the lake. Douris added bathing facilities (few at the time owned bathing suits so resorts needed to provide suits and changing rooms for those wanting to swim) and a dock. He named his destination Garfield Landing and, later, Garfield Beach.

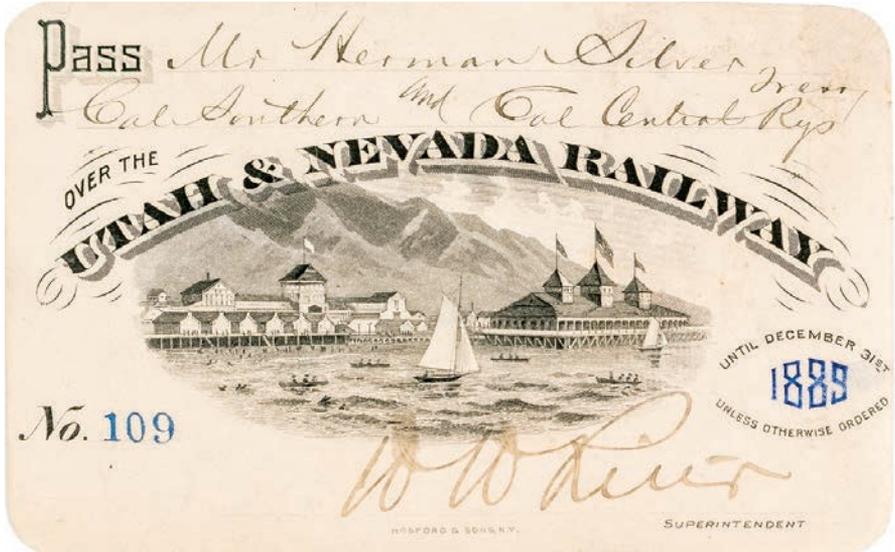
Brigham Young successfully encouraged the Union Pacific to build a route connecting Salt Lake City with the transcontinental line passing through Ogden. The Utah Central Rail Line became one of many Union Pacific subsidiaries, the so-called Mormon Roads, radiating out from Salt Lake City and Ogden, such as the Utah Southern and Utah Northern lines. The Utah & Nevada Railway acquired the Utah Western Railway, a narrow gauge line that ran to the west from Salt Lake City, in 1880. The Utah & Nevada proved to be a front for the Union

Pacific seeking to acquire smaller lines that depended on passenger traffic as opposed to freight for their income.

The Utah & Nevada acquired the Garfield Beach resort in 1887, and set about to refurbish the facilities; build a hotel, a restaurant, and a dance pavilion; and develop a wye to turn trains to facilitate daily runs between the resort and Salt Lake City. Dale Morgan described the efforts of the Union Pacific Hotel Company:

This new resort, the proprietors boasted, was distinguished by a magnificent pavilion, 165 by 65 feet, built over the water 400 feet from shore, and approached by a covered pier over 300 feet in length. The whole was surmounted by an observation tower overlooking the lake on all sides, and in this pavilion, every afternoon during the season; a grand concert was to be given by "a first-class orchestra of talented soloists." There were elegant dressing rooms, a handsome station building, a restaurant and lunch stand with a distinguished bill of fare, and a saloon where the choicest brands of liquors and cigars would be dispensed by polite attaches. It was also to be borne in mind that Garfield Beach was the only resort on the entire lake shore having a clean, sandy beach, free from mud, rocks and offensive vegetable matter.

Six trains a day ran from Salt Lake City to Garfield Beach, and



**Figure 2:** Utah & Nevada Railway Pass issued in 1889 featuring the Garfield Beach resort. (Photograph courtesy Holabird Western Americana Collections.)

the *Denver Republican* reported in June 1888, that cross-country passengers might “stop several days at Garfield Beach, where they may enjoy the novel and pleasing experience of salt surf-bathing in the very heart of what was once called The Great American Desert, and no tourist may properly be said to have seen the sights of this country who has not paid some attention to this marvelous inland sea.”

Garfield Beach became a recommended destination in Union Pacific publications. In 1889, they made a major push to promote their resort and even featured Garfield Beach on their rail pass for 1889.

Union Pacific and Salt Lake City promoted the area for business

conferences and fraternal gatherings in addition to local celebrations. One can understand why the two locations are paired on the souvenir medal by exploring the activities planned for the April 30, 1889 celebration of the centennial of George Washington’s Inauguration. The day’s activities and venues were similar to other scientific and fraternal gatherings in Salt Lake City in 1889.

Salt Lakers were scheduled to begin their celebration at 9AM at the Tabernacle with welcoming music, a prayer, and a speech honoring Washington. The grand auditorium, 250 by 150 feet with no internal roof supports to block one’s view, seats 7,000, more than enough to accommodate most any event planned in the city. Events

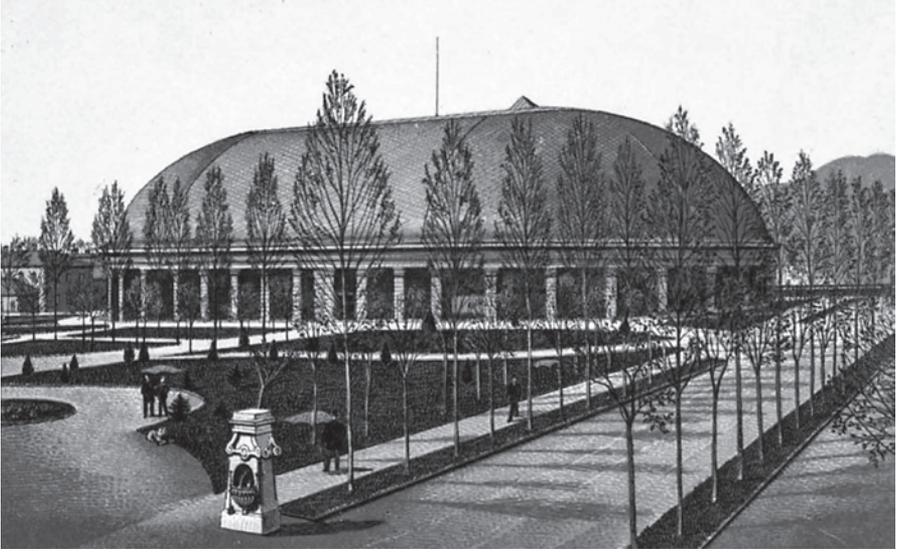


Figure 3, above: The Tabernacle located in Temple Square in Salt Lake City, from *The Pictorial Reflex of Salt Lake City and Vicinity*.

Figure 4, below: The Garfield Beach pavilion, from *Un Voyage a travers l'Amerique*. (circa 1895)

were scheduled around the city following the Tabernacle event, but the grand event took place at Garfield Beach.

The fifty-cent roundtrip rail fare covered the 18 miles to the beach in less than 45 minutes. Utah's Governor West greeted the celebrants at 12:15 with another speech following. Lunch was scheduled for 1:15 at the café, and a number of events such as foot races, boat races, tub races, and a grand log race were scheduled throughout the afternoon with a grand ball in the evening. For those not planning to stay at the hotel, the last train to town left at 12:50 AM.



Bathing in the lake's salt water was reputed to heal many ailments. Swimming was not required as one could sit upright in the buoyant water and move around with a flick of the fingers.

The Union Pacific Garfield Beach souvenir medal is a reminder of the early days of the Utah Territory

and the attraction of the unpolluted inland sea. Other events held in the city followed the same formula as the Washington Centennial. Meetings typically started in the Tabernacle where a large number of people could be seated for presentations and speeches. In the afternoon, activities moved to Garfield Beach for family recreation and evening social events.

The Great Salt Lake State Park is located near Garfield Beach. Few venture into the waters today, if only because many find the smell offensive and the gnats annoying. Swimmers are encouraged to visit Antelope Island, forty miles north of Salt Lake City, rather than swimming at the state park. Those who do venture in for a swim report the experience as a once in a lifetime thrill.

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*Farran Zerbe's 1904 Storecard*  
from the PCNS Archives



One of the more interesting artifacts in the PCNS Archives is an uncirculated example of Farran Zerbe's 1904 aluminum store card issued for his use as the chief numismatist at the St. Louis Louisiana Purchase Exposition.

Zerbe held the rights to sell the U.S. commemorative gold dollars at the exposition, and he mounted a coin exhibit under the auspices of the American Numismatic Association.

The 50mm aluminum medal reads:

FARRAN ZERBE  
NUMISMATIST / L.P.E.  
SAINT LOUIS 1904.

In the center is:

RARE / U.S. / COINS.

The bulk of the text on the medal relates Zerbe's buying prices for Fine U.S. coins. The reverse notes

that the prices are copyrighted by F.Z. 1904.

Sample prices are interesting:

1794 One Dollar: \$100

1796 Half Dollar: \$100

1802 Half Dime would get you \$50.

Any Trime was \$10.

Early gold would fetch \$10 to \$20.

A 1793 Large Cent would draw an offer in the \$3 to \$20 range.

And the best offer?

1804 One Dollar: \$1500.

I believe most of us would be willing to match his offers today.

#### CREDITS

Text: William D. Hyder

Photos: Stephen Huston

PCNS Archivist: Dan Hipple

## *Why the Fascination with the Walking Liberty Design?*

Mark Benvenuto

### INTRODUCTION

Not many independent artists can claim that two United States coin designs are their artistry and their work. Even fewer of them don't particularly want to be remembered for them. As a matter of fact, Adolph Alexander Weinman may be the only one to fall into both categories.

There is little doubt that the Walking Liberty half dollar design, the work of Mr. Weinman, is a favorite of collectors today. The regular issues of 1916–47 saw tens of millions of coins produced, and the collector market for them has remained strong for decades — probably from the time that the design changed to the Franklin half dollar in 1948.

But Mr. Weinman's design also stands as one of only two to be resuscitated in 1986, when the United States Mint was given the mandate to begin producing bullion coins in gold and silver. Virtually every collector knows that the St. Gaudens design for the \$20 gold pieces of 1907–33 was adopted for all the gold bullion coins, and the obverse of the Walking Liberty design was chosen to grace what would over the years become a

river of silver one-ounce Eagles.

As if the honor of having a design used twice was not enough, the Walking Liberty half dollar design has recently been used a third time, at the 2016 centennial of the unveiling of the original design, and this time in gold. Thus, a gold “half dollar” now exists that bears this classic image. All this begs a very simple question: just what is our fascination with the Walking Liberty design? Why are we so enamored of it?

### THE DESIGNER AND HIS MUSE

The beginnings of the answer to this question have to be related to the beginnings of the Walking Liberty design, which in turn means the beginnings of Mr. Weinman. As it turns out, he is one of many immigrants who came to America and helped make it the great nation it is today. He was born 11 December 1870, in a small town near Karlsruhe, in what is today Germany, but then was part of the Duchy of Baden (the Unification of 1871 was just over a month after his birth). He and his family came to the U.S. when he was in his early teens. Sources differ on his exact age when he



*The Destiny Pediment (1935)*

made the trip across the Atlantic.

Mr. Weinman's work as an artist is both extensive and impressive. His training was certainly extensive, and for a few years included working with none other than Augustus St. Gaudens. It would be unfair to the artist to rank his sculpture in terms of what is the best, the second, and so on, as beauty truly is in the eye of the beholder. But since he wished to be known as an artist and sculptor, we can point out that two of his works which bear note are, first, the "Destiny" pediment of the National Archives Building which was completed in 1935, and second, "Descending Night" which was sculpted for nothing less than the Panama-Pacific International Exposition twenty years earlier. The "Destiny" pediment adorns a building that many of us as numismatists may have occasion to consult with or work with online, in pursuit of one numismatically-related project or another.



*Descending Night (1914–15)*

"Descending Night" is an extremely attractive work, one specimen of which is owned by the Smithsonian. Interestingly, copies that are less than full-sized can be obtained for as little as \$300 on eBay as of the time of this writing.

Also of interest, for "Descending Night," Mr. Weinman had as his inspiration or muse one Audrey Marie Munson, one of the great beauties of the day, a model sought out for numerous pieces of sculpture. She has been called the

“Panama-Pacific Girl” because of this piece of sculpture, as well as the “American Venus,” and appears to have been what we today might call a super model, long before the term was coined, having not only posed for artists, but having also acted in several silent films.

It appears that Mr. Weinman did use Ms. Munson in his renderings that ultimately resulted in the Walking Liberty half dollar, although the size of the finished work is such that we can hardly tell who the model was, or how much she represented the perfect pretty face and body of the day.

It has been said many times that fame and beauty are fleeting, and in the case of Audrey Munson this manifested itself in a sad, slow, and very tragic end. The “American Venus” appears to have been committed by her own mother to what was then called a lunatic asylum when she was roughly forty years old — where she stayed until passing away in 1996, at age 104!

We can only wonder what Mr. Weinman thought when his model disappeared from the scene, although he was most likely busy with other projects, both coin and medal related, as well as a large number of full-sized, sculptural works.

Collectors are undoubtedly aware that he designed not only the Walking Liberty half but the

Mercury dime as well — more properly called the *Winged Liberty* dime.



Less well known is that Mr. Weinman also designed some of the military medals issued by the United States Armed Forces during the Second World War. The American Campaign medal was issued to U.S. personnel between 7 December 1941 and 2 March 1946, for service outside the U.S. (one month) or within the U.S. (one year).

Much like it, the Asiatic-Pacific Campaign medal was issued during the same time frame for service in the Asiatic-Pacific Theater of operations. And like both of these, the European-African-Middle Eastern Campaign medal was issued for service during the same time frame, but in this case in what is generally called the European Theater of operations.

As we mentioned though, Mr. Weinman appears never to have considered himself a coin and medal designer. He seems to have felt his fame would come from his larger works, of which there are many. New York City, Washington, DC, Detroit, Michigan and several other cities still have his works in prominent places, seen by millions over the course of years.

The name of Adolph A. Weinman was certainly well known in his time, even though he outlived the issuing of his Walking Liberty half design by roughly five years. As mentioned, his muse outlived him by many, yet also faded into obscurity with the passage of time. And despite his fame, it was another Adolf who through his actions determined that there would simply be no boys named Adolf or Adolph in our present day. Yes, it's that Adolf we're thinking of, and unless we believe the conspiracy theorists, that one died on 30 April 1945, in a bunker under a shattered Berlin being overrun by the Soviet Army.

### THE SYMBOLISM

The idea of representing the concept or ideal of Liberty as a woman was certainly not original to Mr. Weinman. Indeed, almost every single United States coin issued prior to the Walking Liberty half dollar used some image of Lady Liberty on its obverse, in the prominent place traditionally reserved for kings. Most were formal and staid, usually sporting only the head, or what is called the bust, as the main device on the obverse of a particular coin. It is easy to argue that Mr. Christian Gobrecht, the third Chief Engraver of the United States Mint, broke that routine with the unveiling of his now-famous Seated Liberty



design. Yet one can quickly counter-argue that the seated Britannia on the reverse of most British copper coins issued as early as the 1790s was an inspiration for Gobrecht, or at least a design he could not ignore. Thus, an image of a walking Lady Liberty, paired with an image of a walking eagle, was assuredly something new amongst coinage designs. Importantly, the message was clear from the beginning and remained so here: we Americans have no ruler but Liberty itself.

Mr. Weinman's female figure wears both an American flag and a Phrygian cap, both also deeply symbolic of the nation and of Liberty, the ideal upon which the United States of America is built. But in both of these cases, Mr. W used symbols that had been used before. A woman wearing the United States flag has been known as "Columbia," generally an older image of the nation. Posters of her wearing a flag that is composed of stars and blue above the waist, and red and white stripes for the long skirt, were well known during the

First World War (intriguingly, that Columbia also wore a Phrygian cap). Yes, that's precisely when Mr. Weinman was working up his models for the half dollar. The U.S. had not entered the war in 1916, but many felt that they saw what was coming. A symbol of Liberty wearing two further symbols of the same was a strong indicator that our national sympathies lay with democracy, and not with some authoritarian rule.

To add some depth to what might be considered the normal discussion of the Phrygian cap, it appears that this conical headgear is actually quite similar in appearance to what is called the *pileus*. The *pileus* was a cap made of a soft, felt-like material or of leather, and worn in ancient Rome, not in Phrygia, as a sign that a slave had become a freedman. The rather forgotten term for this is that a slave had been *manumitted* — given his or her freedom. In the case of Roman freedmen, the wearer was now a citizen of Rome and was able to vote (if a man). Thus, this cap was highly valued, but in Rome, as opposed to in ancient Phrygia.

By the time that particular cap was used by Mr. Weinman, it was simply considered an ancient symbol of Liberty, one that had been used on many U.S. coins all the way back to those first pieces produced in the 1790s. The origins

of where it was first worn had become somewhat confused.

The walking eagle on the reverse of this half dollar, though, does appear to be a completely novel presentation of a bird that has graced the reverse of almost all of the larger coins of the United States. There have been quite a few heraldic eagles, with the bird splayed out in a completely unnatural manner, looking like it was simply the center piece in some coat of arms. This was the first representation to depict the bird in what we might consider a natural pose — even if we tend to think of birds as flying creatures, and not walking ones.

#### 1986, RE-ISSUING A DESIGN

The idea of bullion coinage definitely pre-dates the United States bullion coin program. Our Canadian neighbors had been playing in this arena since 1979, and the South African government had been putting out gold Krugerrands long before that. But the debut of the U.S. one-ounce gold Eagle and its fractional kin, featuring the St. Gaudens' design from the classic double eagle, as well as the unveiling of a newly buffed up Walking Liberty silver one-ounce Eagle meant that Mr. Weinman's design was again in the limelight after almost forty years and was now trading on an international stage. For both

of these designs, it appears that eye appeal was one major driving force in why they were picked, when other classic designs could have been used, or artists could have been commissioned to create totally new ones. Clearly, our fascination with the design had not passed.

In the past thirty years, the one-ounce silver Eagles have not only taken a prominent place among the world's traders in precious metals, they have earned something of a special spot in the heart of collectors. This is noteworthy because, let's face it, these bullion coins were not designed with collectors in mind. We were something of an afterthought — but what a tremendous image and design for that thought. Mr. Weinman's walking Lady Liberty is now bigger than it was originally, and the proof versions of each silver Eagle (and now the reverse proofs and the burnished versions that are made annually) are truly coins at the height of the art and science of numismatics.

As mentioned, thirty years have passed since the first one-ounce silver Eagles have been issued, which means an entire generation of collectors has grown up with them, and which also means that a person can build a substantial collection of them. Many are still very reasonably priced.



*Actual diameter 27mm, shown 150%*

#### **THE GOLD "HALF DOLLAR"**

There appears to be no other United States coin that has been used at three completely different times and in three completely different ways. The year 2016 saw the Walking Liberty design issued yet again, this time as part of a triumvirate of gold coins commemorating the centennial of the original designs (the other two being the Winged Liberty dime and the Standing Liberty quarter). The gold "half dollar" contains one-half ounce of the precious metal, and was avidly snapped up when the Mint made the issue available for purchase.

We mentioned the high caliber to which designs and technical detail had risen by the time the one-ounce silver Eagles were first issued. Images at the United States Mint website indicate that there has been no lessening of that standard in the new 2016 gold "half dollar." The images appear to be technically perfect. It will take the passing of a few years

for third party grading services to certify enough of these to build a significant statistical data base of grades, but it does not seem to be too far-fetched a bet to think that the PF-70 grade will probably be a common one for this newest incarnation of the Walking Liberty half dollar.

#### SO, WHY THE FASCINATION?

We've seen that this design is the work of an incredibly talented, highly prolific sculptor and artist. We've seen that he appears to have used the premier model and star of his day in producing what has become a timeless work. We've seen that he created a work of art that fits on a 30.6 mm canvas (as it were), and employs symbols that evoked patriotism then, and are still considered beautiful today. We've seen that the design is desired and beautiful enough that it has been resurrected twice. Perhaps when all is said and done, that one item remains the fundamental truth of the Walking Liberty half dollar design today: it is truly beautiful.

Thank you, Mr. Weinman.

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#### IMAGE CREDITS

- Descending Night* image is in the public domain, 1915 photo obtained from Wikipedia website.
- Destiny* pediment photo is in the public domain, obtained from National Archives-U.S. government website.
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## *Minor Keith: his influence in Costa Rica and beyond*

Federico Castillo

### INTRODUCTION

As with most countries, Costa Rican history is full of controversial individuals. José Figueres, a leader in the 1948 civil war and credited with abolishing the army, is also faulted for mismanagement of government funds while leading the executive branch of the country. Juan Rafael Mora, a politician credited with successfully preparing Costa Rica for the invasion of William Walker, a Southerner from the United States who wanted to expand slavery into Central America, is also known for enriching himself via land speculation when the coffee boom started in the 1840s–1850s.

Unlike Figueres and Mora, Minor Cooper Keith was not a Costa Rican elected official, nor a hero of many battles. Nevertheless, in the context of Costa Rican history, he is as controversial as Mora and Figueres, and, depending on whom you talk to, he is a hero who finally made the dream of a railroad in Costa Rica a reality, or a foreigner who exploited those around him for his own benefit, corrupted the political elites, and took advantage of the country's financial weakness

to enrich himself. Minor Keith was a complex man with many traits, and goal oriented. In this article we discuss Minor Keith's impact on Costa Rica, as exemplified by his business endeavors and symbols as shown by tokens and other items.

### COSTA RICA: THE DREAM OF A RAILROAD

After independence from Spain in 1821, Costa Rica was considered the most backward of the provinces of the former *Captaincy General of Guatemala*, which was composed of what today is Honduras, Guatemala, Nicaragua, El Salvador and Costa Rica. Costa Rica did not have important quantities of gold or silver, and its small population did not attract rich Spanish conquistadors who could take advantage of the "encomienda system," a quasi-enslavement institution that forced indigenous labor for the Spanish elites and other members of the ruling class.

All of this changed with the advent of the coffee boom. It is believed that coffee plants were introduced in Costa Rica in 1808, with the first exports of coffee to Chile taking place in 1830. The

first coffee exports to England, which eventually became the most important export market for Costa Rican coffee, took place in 1844. The coffee export boom was soon followed by the establishment of merchant houses, banking, and the advent of rich coffee growers who became the ruling elite of the country. Country leaders soon realized that they had a logistical problem: coffee was produced in the central valley of the country, and the only viable port was Puntarenas on the Pacific coast. Since the most important coffee markets were in the Atlantic, the need to find an alternative venue for shipping the crop became obvious. Country leaders started exploring the possibility of building a railway from the Central Valley to the Atlantic, specifically to the then dormant village of Limón.

Building the railroad was not easy; it took many failed contracts and false starts. One of the first to suggest the route from San Jose in the Central Valley to Limón was Richard Trevithick who visited Costa Rica during 1822–25 and who, according to some historians, disputed the invention of the steam engine with Stevenson. The first formal contract to build a railroad was signed between the Costa Rican government and John C. Frémont and associates. The contract did



*Henry Meiggs*

not materialize, and Frémont “The Pathfinder” was left to find glory elsewhere. Yet another contract was signed in 1869 between a group of North American investors led by one Mr. Edward Riley and the Costa Rican government. These and other contracts did not materialize a viable railroad for several reasons: a difficult climate and geography made building the railroad challenging and costly; limited population size and slow growth made for low cash flows both in merchandise and passenger movement; and, finally, the country did not have the institutional settings (sophisticated banking, etc.) required for the undertaking of an enterprise of such magnitude.

The relatively new independent country of Costa Rica was thus left to wait for some “miracle” to happen for the railroad to become reality. Minor C. Keith would play an important part in that miracle.



*Minor Cooper Keith*

#### THE CONTRACT

Interestingly enough, the contract that landed Minor C. Keith in Costa Rica was not signed by him but rather by his uncle Henry Meiggs. Henry Meiggs had left San Francisco rather abruptly after running into trouble due to his business practices. After leaving San Francisco, Meiggs, following a short stay in Chile, settled in Peru.

In 1871, Gen. Tomás Guardia, the president/dictator of Costa Rica sent his ministry of war, navy and public works to Lima, Perú to negotiate a contract with Henry Meiggs to build a railroad between the coast in Limón and the main cities in the Central Valley of the country (San José, Alajuela, and Heredia).

Henry Meiggs (*Don Enrique* as he was called in South America at the time) was a man of much fame, having successfully built railroads first in Chile, then in Peru — becoming very rich in the process. The contract, for a total price of £1.6M was signed in Lima, Perú on June 20, 1871, and ratified in San José, on August 18<sup>th</sup> of the same year. Henry Meiggs is known to have used payments, and bribes or gifts to government officials to ensure that the contracts he entered were favorable to his interests. Documents show that the Costa Rican railroad contract was no exception, as Gen. Guardia is said to have received £100,000 from Mr. Meiggs.

To pay Mr. Meiggs, the Costa Rican government secured a loan with the bankers Bischoffsen and Gold-Schmidt in England for the amount of £560,000, and bonds were issued by the amount of £540,000. A second round of bond issues was completed a few months later. It seems English investors were betting on the little Central American country to succeed in the railroad business. The contract is a lengthy document, but one issue stands out — Henry Meiggs was allowed to import labor if needed in order to build the railroad. As will be seen later, this detail would become key in allowing Minor C. Keith to fulfill the contract signed by his uncle.

For reasons unknown, Henry Meiggs never made it to Costa Rica to execute the contract, relying instead on his nephew Henry Keith to start the work. Henry in turn called on his younger brother, Minor C. Keith, to go to Costa Rica and be part of the project.

Minor C. Keith was born in Brooklyn, New York, January 19, 1848, and died June 14, 1929. He was the son of Minor Hubbell Keith, a relatively prosperous lumber merchant, and Emily Meiggs, sister of the aforementioned railroad builder Henry Meiggs. When Minor's brother Henry called on him to come to Costa Rica, Minor was raising cattle and hogs in Padre Island, Texas. Minor C. Keith sold his interests in Padre Island and, with a starting capital of US \$35,000, left for Costa Rica to join his brother. Henry Keith was originally in charge of the work in Costa Rica while his brother Minor had a supportive role, settling in Limón in the Atlantic coast, where work for the railroad began in November 1871. After two years of work and the project facing financial difficulties, Henry left Costa Rica to seek financing for the project, and Minor became the manager of the enterprise, in effect taking over the project's execution. Minor's brother Henry died in 1874, and, after the death of Henry Meiggs in 1877, Minor C.

Keith was able to show his ability and persistence in finishing the construction of the railroad.

#### **BUILDING THE RAILROAD: INITIAL PHASE**

Building the railroad was an uphill affair from the beginning. On the financial front it was obvious that the first two loans and bond issues were not enough, and constant financial shortages were the norm. Labor shortages were also acute, particularly in the Limón section of the project. Costa Ricans were not particularly keen on the rough weather of the Atlantic coast, and Henry Keith, to deal with the labor shortage, imported Chinese labor to work on the project. Once funds became scarce, these Chinese workers did not get paid and were treated badly by all parties involved — government, Henry Keith, and Costa Rican society.

The U.S. representative to the country reported that the Chinese had to sell their labor in what was a quasi-slavery market as the terms of their contract with the Meiggs operation went unfulfilled. Difficult terrain, coupled with unpredictable and rough weather made completion of particular segments of the planned railroad route a difficult affair resulting in delays and cost overruns.

Due to these difficulties and the fact that the Costa Rican government was not able to

make payments to Henry Keith operations, the project was halted on November 7, 1873. As mentioned earlier, Henry Keith had left the country early May of that same year, in theory, to seek additional financing for the project. The Costa Rican government and Henry Keith started a public relations and legal battle by blaming each other for the failure of the project. Thus, Minor Keith found himself in Costa Rica, without a project to work on but with some business initiatives already bearing financial gains. He had established a general store in Limón and was engaged in the selling of coconuts and turtle shells, at the time important goods of high value in the U.S. market.

In addition, Keith brought a few banana plants to Costa Rica from Colón, Panama. The steamer *Juan G. Meiggs* (named after his uncle, who lived in Peru with Henry Meiggs) took some banana bunches to New Orleans, selling them with much success. Minor C. Keith had convinced other Costa Ricans to plant bananas, and he bought their crop, sending it to New Orleans in the *Juan G. Meiggs*. Keith found himself in a very advantageous situation: a businessman with plenty of experience and being at the right place at the right time, and he took advantage of every opportunity presented to him.

In the meantime, Gen. Guardia,

with very limited funding at his disposal, signed another contract with two U.S. citizens, Mayer and Douglas, to finish the 13.5 mile Pacuare-Matina section of the railroad in the Atlantic, the funds for this endeavor provided by no other than Minor C. Keith.

#### **BUILDING THE RAILROAD: MINOR C. KEITH TAKES OVER**

Mayer and Douglas were unsuccessful in completing the contract for the Pacuare-Matina railroad segment. Minor C. Keith, in order to avoid losing the money he had lent for the project, decided to finish it himself. After finishing the project with borrowed money, Keith turned it over to the government as stipulated by the contract, thus gaining fame as a railroad builder, just like his uncle Henry Meiggs. At this point, the railroad's final destination of San José was still far away. The government, this time being turned down by English capital, raised taxes on liquor, tobacco and exports, those measures not being particularly popular by the people. With the money collected, Gen. Guardia asked Keith to finish a relatively short component of the railroad from Matina to Reventazón La Junta. Guardia was testing Keith's resolve and Keith did not disappoint.

In 1879, Gen. Guardia, impressed by the performance of the young

American, proposed to him to finish the segment Reventazón-Río Sucio. This was a larger segment of about 30 miles at a cost of US \$1.75M. Keith ran a tight operation: checks were given for tools borrowed, no alcohol was permitted while working, no gambling except on Sundays and strict accounting methods were kept at the company's store so that when workers were paid on Saturday, all purchases made during the week were deducted.

Despite the usual problems of labor and capital shortages, Keith was given more contracts to finish small segments of the railroad, which was already operating 27 miles between San José and Alajuela in the Central Valley. Problems persisted, and the government realized that there was just not enough capital to continue. So, instead of finishing the railroad, it decided to build a highway from Carrillo, where the Atlantic and the Central Valley regions meet, to San José. Minor C. Keith obtained the contract and in 1887 finished this road, which finally connected the Atlantic coast with the Central Valley. Keith took advantage of the rich soil along the route and planted potatoes and raised hogs, making money by selling these commodities to the workers laboring in the highway and the surrounding communities.

The reader shall not be bothered

with much detail of the financial arrangements that Minor C. Keith helped to orchestrate in order to finish the railroad, for he had not given up on the task. Gen. Guardia died at the end of 1877, and his successor, Próspero Fernández, was equally interested in finishing the final leg of the railroad. After marrying into Costa Rican high society in 1883, Keith left Costa Rica to London with two goals in mind — renegotiate the Costa Rican foreign debt so more capital could be obtained to finish the project, and obtain capital for himself, for the railroad and other projects. Before he left he signed a new contract with the government leasing the future and currently unfinished railroad to him. To renegotiate the debt he obtained permission from the Costa Rican government, an indication of trust, according to some, an indication of the kind of conflict of interest and corruption rampant at the time, for others.

The outcome of the London trip, which took place in 1882–3, could not have been more favorable for Keith; he not only negotiated a reduction in the principal of the debt, he also negotiated a reduction on the interest charged to the debt from 7.5% to 2.7%, a substantial decrease. While in London, Keith organized the Costa Rica Railway Company, specifically tasked with finishing that part of the railroad



*Token for the Costa Rica Railway Co.*

that was not completed.

The tokens, as with most tokens issued at the time, were primarily used at the company stores, called *comisariatos*, and were used instead of national currency. The significance of the trip for Costa Rica cannot be overstated. Simply put, the political and socio-economic *status quo* in Costa Rica would never be the same.

#### **KEITH THE ENTREPRENEUR— MORE THAN RAILROADS**

The contract to finish the railroad between Keith and the government stipulated that the company formed by Minor C. Keith (Costa Rica Railway Company, later to become the Northern Railway Company) would be responsible for paying any debt incurred in order to finish the railroad. In addition, the company would retain ownership/management of the railroad for ninety years and gain access to 800,000 acres of public land, most of it located along the railroad's route. The government would in turn keep one third of the shares of the company. It is easy to imagine

how this contract caused much commotion in Costa Rica — a de facto partnership between the government and a foreign citizen with political, financial and socio-economic angles that could in turn result in deep changes in the social fabric of the small Central American country. Enough to say here that important changes in the country took place.

For example, the railroad brought the advent of large banana plantations in the Atlantic region and, with it, a large army of laborers which did not enjoy the best working conditions. Land ownership changed hands rapidly as speculation about the new crop potential did not materialize for some, and, most of the time, lead to land accumulation into large banana plantations, leaving many landless and without many options to make a living. In addition, Keith brought into the country a large labor force made mostly of Jamaicans, Chinese, and Italians, with demographic, cultural and socio-economic impacts that are still felt today. Minor C. Keith's businesses, particularly the railroad, also opened opportunities for both nationals and foreigners to start businesses in the regions where the railroad operated.

One such example is Cecil Vernon Lindo, a Jamaican of English descent, who, after working for Minor C. Keith for US \$40 a week



*Lindo & Cochenour. Finca la Gloria,  
sugar and/or coffee plantation.  
Turrialba, Cartago province*

as a “manager” or crew leader in the railroad project, went on to own, with his brother or with others, large land tracks producing coffee and sugar cane.

As his railroad building activities in Costa Rica were drawing to a close, Keith engaged in many other economic activities. He signed a contract to provide the now booming city of Limón with sanitary works including water treatment facilities. He built tramways in San José and Cartago, and installed an electrical light system in San José. He also engaged in gold mining in the Guanacaste province and real estate in both Limón and San José, among others. Despite all those activities, it is banana plantations to which his name is related the most, and with reason. As indicated earlier, shortly after his arrival in Costa Rica, Keith bought a few roots of the *Gros Michel* banana variety from Colón, Panama to Limón. While waiting for these roots to bear fruit, he sent bananas from Panama to New Orleans, realizing a good profit in the process. Replacing the



*Lindo Brothers.  
Sugar cane/coffee  
plantation. Turrialba,  
Cartago province.*

Panama fruit with his own fruit from Limón, later on Keith started shipping bananas to New York in addition to New Orleans.

Keith extended his banana operations to Colombia and Panama, all the while significantly increasing his land holdings in Costa Rica not only to grow bananas but for other crops such as coffee and sugar cane. His coffee land holdings began in Cartago with Hacienda *El Molino*, followed by properties in Tres Ríos and Curridabat where he bought Hacienda *La Laguna*.



*Minor C. Keith, Costa Rica Coffee  
plantation La Laguna.  
Curridabat, San José province*

The La Laguna tokens were used to pay coffee pickers who also could use them at the company stores or even at establishments located nearby, which accepted them at a discount.

In 1899, Minor Keith controlled most of the banana production in Costa Rica, Panama, Colombia,

and additional operations in Nicaragua. Most of the fruit entered the US via New Orleans and New York.

Due to financial difficulties, Keith entered a partnership with the Boston Fruit Company, which was controlled by Andrew W. Preston, and distributed bananas produced in the Caribbean and West Indies to the northeast region of the US, with plans to expand to the western region of the U.S.

Keith became vice-president of the newly formed United Fruit Company (UFC). UFC became so powerful that at some point it controlled about 80% of the world's production, marketing and distribution of bananas. Preston was responsible for the day-to-day operations of UFC, although Keith remained actively engaged in the business.

UFC is widely credited with being responsible for the corruption of governments, avoiding tax payments, and violent reaction to workers' desires to organize and obtain benefits such as 8 hour working days, health insurance and others. As Keith had done, UFC engaged in payments to government officials to muscle out his competition and gain quasi-monopoly status in the countries where it operated.

UFC's wide geographical impact is also shown by the tokens issued by



*United Fruit Co. Guatemala tokens*



*United Fruit Co. Jamaica tokens*

the company.

After 1904–5, Keith's business interests were centered in Guatemala, where he got involved in the railroad business once again. At the end of 1904, he led a group of investors and acquired the rights to the Guatemala Railroad Company, which had a concession to build a railroad connecting Puerto Barrios in the north with Guatemala City. His company finished the project in 1908, while also acquiring the Guatemala Central Railroad, which was built by Leland Stanford, Colin P. Huntington and Charles Crocker, who built the Central Pacific Railroad. By 1909, Keith had acquired the rights to build a railroad in El Salvador, which he completed by 1919, fully connected with his Guatemala operations which now reached the Mexican border. Keith consolidated his operations in the International Railways of Central America



*International Railways Police Badge*



*Honduras Rail Road token.  
Possibly part of International  
Railways of Central America (IRCA).*

(IRCA) company, which later on would include interests in Honduras. By the time of his death, United Fruit, where he had 40% interest, and IRCA, of which he had majority ownership, were valued at US \$80M and US \$40M respectively. He also had interests in Brazilian and Florida railroads, Canadian gold mining companies, Cuban sugar mills, Costa Rican coffee, real estate in a number of countries, and other activities.

Not bad for a 21 year old who was raising hogs in Padre Island, Texas, and left for Costa Rica to work on his uncle's railroad project.

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<http://costaricarailroad.blogspot.com/>

Two links offer a very positive image of Keith, ignoring much of his bribes and monopoly seeking behavior. Nevertheless the links provide accurate timelines:

<http://www.unitedfruit.org/keith.htm>

<http://minorkeith.blogspot.com/>

## PHOTO CREDITS

Portrait photos: *Archivo Fotográfico de la Universidad de Chile*  
(Photo Archives of the University of Chile)

Tokens and badge are by the author, from his collection •

## *Fool's Gold*

*From the Idle Mind of Stephen Huston*

*All that glisters is not gold.* — William Shakespeare

GOLD is an element that leads people to take rash actions, willingly take part in schemes that won't pan out, and to throw good money after bad. Gold's abuses even predate coinage, and the coinage of gold has only increased the lure and larceny which have accompanied gold throughout history.

We all believe there is some chance of finding gold, though many of the 49ers didn't find enough for a ticket home. Still, the chances are good that the next time you're offered a deal involving gold, you'll be figuring your chances for a bit of luck. Why not?

Well, there's always a chance we can learn from the past, so let's recount a few bits regarding gold and the fools who lust after this noblest of elements.

### **FINDING POZO'S GOLD**

I first found gold when I was but 5 years of age, coming upon a creek that was literally paved with gold nuggets. They were scattered so thickly across the stream bed that one couldn't avoid stepping on them. Naturally, I waded in and began scooping them up.

It's all true.

However, my Father, who had brought us there for a day of fishing and swimming, calmly informed me that my find was *Fool's Gold*, a pyrite compound which infused the large mica flakes from the granite stream bed, creating a layer of thick gold-colored stone chips over its entire floor, but they weren't actually gold. Only slightly disappointed, I was still taken with the fact that our fishing and swimming hole was completely gold-lined. I caught my first fish there, swam for hours, and avoided being bit by my first rattlesnake, though I wasn't quite so lucky with the local ticks.

Still, every time we returned to that creek, I gathered up some Fool's Gold, just in case it turned out to be the real thing. Our pool was on Little Pozo Creek, which can, with some effort, be identified on a map of Southern California. The Spanish word *pozo* means "well" or "hole" according to Wikipedia, so it's not an uncommon word associated with creeks and streams in Southern California.

I haven't been there in over 60



years now, so I won't try to give directions, except that our pool of gold was NE of Bakersfield, not SW of it like the better-known *Pozo Saloon*. It was way down a narrow overgrown dirt road back in the 1950s, and my modern Maps app warns that the closest road will probably fade into the underbrush before you arrive. If you do find it and it hasn't been stripped of nuggets, please leave some for the next fool.

#### **GOLD BEFORE COINAGE**

The early Greeks rarely used gold. Gold was seldom found in ancient Greece, where silver was the more available precious metal.

Gold became a measure of wealth in Egypt and Persia, arriving a bit later among the Greeks.

Even in the Fertile Crescent, where written accounts were kept for millennia before coinage, values were written either for specific commodities or in weights of silver rather than gold. Cuneiform script fell into disuse shortly after coinage began, and was then considered indecipherable for the next 2,000 years. When finally translated, it turns out most cuneiform tablets are accounts and business contracts — financial documents in use for thousands of years before coinage and cash trade simplified the keeping of accounts.

Egypt had gold mines before coinage, and gold's rarity and decorative uses caused it to be prized. As it became known and traded more widely, awareness spread of gold as an item of exceptional value, even compared to silver.

Though gold is often described by modern writers as an ancient measure of wealth, the earliest texts which mention gold as a monetary measure date from around the time when gold was first coined. We know gold was used before coinage, at least for decorative purposes, but reliable mentions of it as a store of wealth prior to the invention of coinage are surprisingly elusive. Even Biblical references to ancient money as silver and gold talents are from versions of texts written around the time coinage appeared.

The fact that rulers such as the Persian Kings and Egyptian Pharaohs controlled the mines and gold supplies in antiquity undoubtedly contributed to a perception of gold as having a high value. This made it an ideal metal to exploit when the time was ripe for coinage to appear.

### THE MIDAS TOUCH

Greek mythology predating Aristotle and other Greek historians included stories of King Midas, who was granted his wish that everything he touch would turn to gold. He began to doubt his choice when his food became inedible, but got really concerned when his daughter came to him to complain about his affect on her garden flowers, and she turned into a life-sized Academy Award. Some versions of the Midas myth end with his food allergy resulting in starvation, but other versions offered a solution.

In these happier versions, Midas prayed to have his gift reversed, and he was told to wash in the river Pactolus. The river absorbed his power, turning its sands to gold, the eventual source of metal for the first coinage ever made. (Tourist Warning: Don't Drink the Water!)

The story of Midas is an ancient reminder that there have always been pitfalls along the yellow brick road. The version with a happy ending for Midas and a river full



*Midas' Daughter Turned to Gold*  
1893 artwork by Walter Crane

of gold was almost certainly a revision after the beginnings of coinage. The river in question was a source of *Electrum* — a gold-silver alloy which was prized *even more highly than pure gold*.

### FIRST GOLD COINAGE FRAUD

In the 7<sup>th</sup> century BC, the Kingdom of Lydia issued the first coinage, using electrum. Though naturally occurring in the local river, when it couldn't be picked up for free, electrum could be produced at a profit to the royal treasury by alloying gold with silver to *increase the gold's value!* That ruse was exploited with the first royal coinage.

After several decades, a more

sustainable bimetallic standard with both gold and silver coins was introduced to replace electrum coins, but both the gold and silver were alloyed with base metals to create a profit for the king or official moneyer.

This technique has been continued throughout the history of coinage, with those who have the authority to make official coins always finding ways to collect their *seigniorage* — the profit on coinage production generated by using materials which are worth less than the coin's official face value. Issuers either debase the precious metal alloy, or they reduce the weight compared to its value.

Seigniorage started with the first coinage of electrum, and continues to this day, though now usually on a far grander scale than ever imagined by early kings, princes, and emperors. The Kings of Lydia could get away with a 2X or 100% markup by debasing gold to make electrum, while modern governments snatch more like a 15–20X (2,000%) markup on base metal coins put into circulation as dollars, pounds, and euros. (No wonder governments abandoned the gold standard a century ago.)

Gold opened the door to fraudulent coin values, but at least it kept seigniorage somewhat in line compared to today's free-for-all.

You can still make money on gold,

but it sure helps to have your own coin press so you can set your own price on the pieces you strike.

*It's good to be King!*

#### THE GOLD STANDARD & COINAGE FAMINES

To get the public to accept seigniorage without having to explain the whole scam, governments which issued gold coins periodically set or adjusted their official *Gold Standard*. In short, the government got to decree what gold was worth within its borders, and who could own or trade in it.

In the days of city-states, each area issued coinage to its own standards for weight and value, and they could and did often decree that foreign coinage — anything minted elsewhere, even if only a few miles away — had to be exchanged by weight for local approved coinage, sometimes with an added tax or surcharge to cover the cost of recoinage. With the local coinage overvalued, treating the incoming coinage as bullion, and adding a tax on the transaction, local rulers and moneychangers did very well indeed just buying and selling the coinage passing through their local markets.

These practices continued for over 2000 years, with only the local rulers and coin designs changing; the practice of limited circulation and recoinage charges remained

the same.

The US Mint tried to minimize the impact of these practices with a unified national coinage, which at least reduced the frequency of currency exchanges, but they ran into other problems in trying to work with a large volume of coinage which didn't require continuous recoinage to generate government income.

With a bimetallic monetary standard, the US government needed to enforce a fixed rate for the exchange of gold and silver denominations and for the coinage of bullion, so that people could do business in *Dollars* without risking being on the short end of some exchange rate. The problem was that, though the USA was a growing economy in a growing country, it still traded with the rest of the world. Each of the other countries also were setting Gold Standard prices of their own, these rates varying wildly around the world. Gold or silver was more or less scarce from one country to another, as were the commercial goods being traded for it.

In fact, this is how foreign traders prosper; silver is plentiful one place but scarce in another place where rice is plentiful. The country with lots of silver buys lots of rice, and scarce goods move both directions with a feeling of profit on both sides.

Where the wheels come off the market cart is when the prices of the actual gold and silver become so diverse in different places that it becomes profitable to send all the gold one direction and all of the silver in the other because their differing standards overvalue one metal compared to the other. Both places soon run out of circulating coinage of one metal. The easy solution is to readjust the gold-to-silver ratio in the official standards, and presto — the missing metal flows back... and keeps on coming until the exact opposite problem exists on each end. Meanwhile the precious metal coins get melted at their destinations, and everything is turned back into bullion.

With this happening on a worldwide scale, *Coinage Famines*, a shortage of adequate circulating money became common.

Trying to jigger the gold-silver standards to facilitate trade with dozens of nations, each with their own rates, might drive one mad. After more than a century of coin shortages, hard times and civil war tokens, and other currency famines, the US, like most major governments, abandoned the Gold Standard.

#### **GOLD OWNERSHIP**

Just to make sure that the then-current economic depression wouldn't be made significantly worse by this move, the US

government banned private ownership of gold when it abandoned the Gold Standard in the 1930s. This was supposed to avoid hoarding and the development of a black-market or underground bullion economy to rival the government's paper currency.

The \$20 Double-Eagle coin was replaced with a banknote. (Talk about seigniorage!) The US Government became the largest owner of Gold almost overnight, and they only had to print paper to buy it all.

### GOLD MINE STOCKS

It's not just governments that have profited from gold. Private companies and individuals have gotten rich by striking gold. Or even by just striking a gold claim.

However, gold mining is a costly enterprise. Getting tons of ore out of the ground and refining it to produce a few ounces is expensive. If the gold ore isn't rich enough to more than pay the costs of moving, crushing, and smelting tons of ore, then that gold mine — although it really contains gold — is a money-loser from the start.

Lots of unprofitable gold discoveries are known, places where gold has been found, verified, tested, and calculated to cost more to extract than it will pay due to the low-grade of the



*Stock Holder medal for Knight Island (Alaska) mining company, probably issued c.1907, before they closed shop.*

ore. Modern high gold prices have made some abandoned mines profitable again, but many gold claims remain too low-grade to open.

Never fear — you can get rich off an unworkable gold mine!

You hold the claim, the rights to mine the location, and you even have real reports showing the site actually contains gold. Marketing, packaging, and other flimflam will save the day and make you rich — just sell shares!

Don't even start digging, just mine the investors. Design a fancy stock certificate with a mining scene vignette, price it affordably, and start printing money.



## GOLD BULLION & STORAGE

The sure-fire way to make money in any market has always been the same — buy low, sell high.

With the modern financial markets, you can even sell high before buying low, if you anticipate a drop in price. In the gold bullion market, adventurous businesses can profit while doing both at the same time.

Being a gold bullion dealer requires capital to make money from small commissions. If done properly, you make a commission when either buying or selling, regardless of whether gold is up or down at the moment. Dramatic price movement tends to fuel dramatic quantities being exchanged, which is good for commissions.

Commissions are relatively safe, but, compared to all that money flowing through ones hands in the actual gold trades, commissions look really small. There must be some way to take a bigger bite out of the gold market without risking your own capital....

Some gold bugs have come up with some clever schemes. My favorite is the *Sell High Then Wait* scam. It takes a page straight out of the stock traders handbook on “shorting stocks.” (Stock traders are actually allowed to play a game of selling stocks they don’t even own on the bet that the values will fall, at which point they can buy enough shares to cover their

earlier sale.) Only the well-heeled or overly-confident dare play this game in either stocks or gold.

If you’re set up as a gold broker, people will actually come to you and ask for you to sell gold to them. Of course, if they have any sense, these buyers will expect you to hand them some gold when they fork over their money.

Why not offer a service to protect their gold investment? Say you’ll store their gold in your secure facility, and they can buy and sell gold through you without ever having to risk walking down the street carrying a briefcase full of the risky stuff. Imagine how much safer that would be for them. Some bullion brokers offer that service, usually for a service fee.

And some may only pretend to.

One of my favorite stories is of a broker who realized he need not buy gold at all when people bought it at high prices and agreed to have him store it. Just wait for the gold price to drop far enough that it was profitable to buy compared to what customers had paid when it was higher. As long as there’s some gold in the vault to show customers, they’ll believe it’s their gold, even though it represents a tiny part of all the gold paid for by one’s many investors.

Often a dramatic drop in gold’s value will prompt a sell-off by



*Empire Gold Mine—  
“Richest Mine  
in California.”  
Souvenir medal  
40mm bronze  
octagonal.  
Operational from  
1850 to 1956, it is  
now a State Park.*

investors, who believe their money will be safer elsewhere, just like many stock investors will panic and sell low after buying high. This would be great news for our risk-taking bullion broker. He needn't buy gold as it falls, just pay back the investors who wanted to sell at the now-lower price and keep the difference.

But not all schemers are both smart and lucky. When gold goes *up* dramatically, some investors want to liquidate and take a quick profit. What to do if you don't have the gold, and the money your investors paid for it hasn't increased, and you owe them cash for hundreds of ounces of gold you didn't buy?

One might try to postpone the day of reckoning — while hoping for the price to fall — by convincing gold investors they should wait for it to *go up a bit more*.

What if gold keeps going up?

Eventually, buried even deeper in the market, one must sell off other assets to satisfy the most demanding investors.

Finally, the tipping point comes where investors' demands exceed one's ability to meet them, and one has to lock the sales room doors.

Investors complain. The Law steps in, and our daring broker is hauled away. By then, there are few assets left to fight over, so the remaining gold investors lose big time.

#### **FOOLS RUSH IN**

Risk, speculation, and fraud have been part of the nature of gold since it was first used as money.

Try not to be fooled.

#### **FOOL'S GOLD IMAGE CREDITS**

Map to Little Pozo Creek is a Maps app screenshot taken by the author.

*Midas' Daughter Turned to Gold* artwork by Walter Crane (1893) is in the public domain, from a Wikipedia entry for *Midas Touch*.

Mine medals photos by the author.

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*The Fool — Tarot card from the Waite-Ryder-Smith deck  
Public domain image originally created 1909  
by Pamela Coleman Smith, deck illustrator*

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