

## LIBERTY HALF EAGLES



## 1854-S Five Dollar Liberty, XF45 Newly Discovered 19th Century Gold Rarity Only the Fourth Example Known to Collectors 'Discovery of a Lifetime'

**5248 1854-S XF45 NGC.** The 1854-S Liberty half eagle has been a rare coin since the day it was struck. Some famous numismatic rarities were deliberately created as limited issues, like the 1804 dollar and the 1913 Liberty nickel. Other key dates had substantial production totals that were decimated by massive melting, such as the 1927-D Saint-Gaudens double eagle. Unlike these well-known trophy pieces, the 1854-S is a regular-issue coin that owes its elusive nature to its minuscule mintage of just 268 examples. It boasts a smaller surviving population than any of the celebrated rarities mentioned above. Only four survivors are known, and one of them is sequestered in the National Numismatic Collection at the Smithsonian Institution, forever out of reach of collectors. Heritage Auctions is pleased to offer a newly discovered example of this historic numismatic treasure in its first auction appearance.

### The San Francisco Mint in 1854

The San Francisco Mint opened for business and began taking gold deposits on April 3, 1854. The building was located at 608 Commercial Street, the former site of the U.S. Assay Office of Gold. The Assay Office had been operated, under government contract, by the private coinage firm of Curtis, Perry, and Ward, the successor firm of Moffat & Company. Much of the equipment used by the private coiners was purchased and pressed into service by the federal mint, along with new machinery shipped from Philadelphia. The building and facilities were clearly inadequate for an operation of such size and scope, but the long-suffering Mint personnel made valiant efforts to overcome these shortcomings and the First San Francisco Mint served the burgeoning regional economy for the next 20 years.

Growing pains severely impeded progress at the new facility in the early days. Initially, the muffle furnaces failed to draw, making assays impossible. When adjustments were made, the fires became so hot they actually melted the sides of the furnaces, which had to be repaired, delaying assay results for a week. Melter/Refiner John Hewston noted the Mint's well water contained too much chlorine, making it difficult to mix with the nitric acid used to part gold from trace elements contained in the raw ore and gold dust deposited by the miners. This problem was exacerbated by the sinking of the Clipper Ship *San Francisco* in San Francisco Bay on February 5, 1854. In their book *The Inconspicuous Gold Rush Mint*, Nancy Oliver and Richard Kelly note this ship was carrying a large quantity of nitric acid intended for the San Francisco Mint. The resulting shortage of parting acid hampered operations at the Mint for months, until a local firm was found that could supply the nitric acid and an alternate water source was discovered in Sausalito.

Dan Owens (*Coin World*, December 14, 2015) notes that a lack of silver, which was needed in the refining process, also hampered the Mint in 1854. To ensure that depositors were reimbursed in a timely manner, the Secretary of the Treasury implemented the Branch Mint Bullion Fund. Under the provisions of this act, the Sub-Treasurer in San Francisco was authorized to set aside \$500,000 in public funds to repay depositors as soon as the value of their deposit was established. Instead of waiting two weeks for their funds, depositors were repaid in as little as two days, once the Bullion Fund was approved. The Treasury shipped large amounts of smaller denomination gold coins from the other mints to support the fund, making it unnecessary for the San Francisco Mint to produce more quarter eagles and half eagles for exchange purposes. The depositors received coins from other dates and mints, explaining how the San Francisco Mint could reimburse depositors for hundreds of thousands of dollars in deposits in April of 1854, long before they had actually coined one-tenth of that amount.

### The Coins are Struck

Some special "fancy coins" were struck earlier, but regular-issue coinage began on April 18, 1854 at the San Francisco Mint, with a delivery of 178 double eagles. A momentous event in numismatic history occurred the following day, though no one realized it at the time. The first deliveries of eagles (260 pieces) and half eagles (268 coins) were produced on April 19, 1854. A small mintage of 246 quarter eagles was coined the following day. Dan Owens believes these token mintages were accomplished primarily to test the dies and coin presses. At the time, depositors could request reimbursement in specific denominations for the bulk of their deposits. Apparently, most depositors preferred large denomination gold coins, as they were better suited for settling large accounts in foreign or domestic trade than their smaller counterparts. This customer preference, combined with the shortage of parting acids and other difficulties, caused the San Francisco Mint to concentrate its limited resources entirely on production of double eagles and eagles for the rest of the year, along with a small mintage of gold dollars, which were useful in small transactions. No more quarter eagles or half eagles were struck in 1854, making both issues landmark rarities today.



*The First San Francisco Mint Building*

## The Half Eagles are Dispersed

Mint records indicate one half eagle was sent to assay on April 19, 1854. Another example was sent to Mint Director James Ross Snowden the same day. The assay coin was almost certainly destroyed in testing, but Snowden's coin is not accounted for. Apparently, it was never placed in the Mint Cabinet, as it is not listed in T.L. Comparette's 1913 inventory of that collection. There is an example of the 1854-S in the National Numismatic Collection today, but that specimen was part of the Lilly donation in 1968. The fate of the Mint Director's piece remains a mystery.

According to the *Register of Warrants for the Payment of Gold Deposits* at the San Francisco Mint, the prominent banking and express firm of Adams & Co. made a deposit of \$1,311.92 in gold on April 11, 1854. On April 29, an article in the *Mountain Democrat* reported that a Mr. Tracy, of Adams & Co., exhibited some examples of the first five dollar gold coins produced at the San Francisco Mint, which they had received in payment for their deposit (thanks again to Nancy Oliver and Richard Kelly for this information). How many half eagles were included in the payment to Adams & Co. is unknown, but the article plainly indicates more than one specimen was exhibited. The most efficient way for the Mint to repay their deposit would have been to send them 65 double eagles (\$1,300), one eagle (\$10), one gold dollar, and \$.92 in small change, so Adams & Co. must have specifically requested at least partial payment in half eagles.

What follows is only speculation, but the math is certainly enticing. If Adams & Co. requested their total payment in half eagles, they would have received 262 half eagles (\$1310), one gold dollar, and \$.92 in small change. Further supposition involves having the entire group of Adams & Co. half eagles meeting a common fate, such as being shipped to a foreign destination, like England, where they would have been melted for recoinage into sovereigns. Subtracting the 262 Adams & Co. half eagles from the original mintage of 268 pieces leaves six coins extant. Further, subtracting the coin sent to assay and the specimen sent to Snowden leaves only four examples, the exact number known to numismatists today. Of course, this tidy calculation assumes many facts not verifiable, and events in real life are more often random and complex than simple and well-ordered. Still, taken individually, none of the events in this scenario is unlikely, and things may have transpired just this way.

What is certain is that coin collecting was in its infancy in this country in 1854 and there was virtually no numismatic interest in branch mint gold issues at that time. It seems unlikely that any 1854-S half eagles were saved by contemporary numismatists and the issue is unknown in Mint State today. The great majority of the coins certainly vanished, either in a single event, as outlined above, or through normal wear and attrition during decades of circulation.

## The 1854-S on the Numismatic Scene

No example of the 1854-S Liberty half eagle was included in any numismatic collection sold during the 19th century. Even today, the 1854-S is so rare, and its public offerings are so few, that the issue is almost out-of-sight, out-of-mind to the numismatic community. As a result, it is something of a sleeper among the great gold rarities of the U.S. federal series.

The issue was completely off the radar until 1893, when Augustus Heaton published his seminal treatise on branch mint issues. By then, the few survivors of the small mintage had been circulating for nearly half a century. Heaton singled out the 1854-S as the first issue in the S-mint series and noted it "is exceedingly rare and should command a high price." Heaton mentioned the 1854-S again in his list of the rarest branch mint gold coins of all denominations on page 49 of his book. He noted:

"From the very limited use of gold in the greater part of the United States, these pieces are not to be found by simply waiting for them to appear in circulation as in the case of silver coin, nor will they form part of the collections that revert to dealers for sale. It becomes therefore of the utmost importance that dealers and collectors should use all influence to examine the gold reserve of the banks in their vicinity, or that paying tellers, and those persons who count the cash in Government vaults, Sub-Treasuries, Branch Mints and private financial institutions, should be somewhat informed numismatically, both for their own profit and the enriching of private and public collections by their discoveries."

It is not known if Heaton actually acquired a specimen of the 1854-S for his own collection, but he was the first numismatist to appreciate the rarity and significance of the issue.

The first owner of record of any 1854-S half eagle was Baltimore collector Waldo Newcomer. Walter Breen reported this coin was discovered in New York City in 1919 and sold to Newcomer. Interestingly, Heaton lived in New York City for a number of years, serving as President of the New York Numismatic Club in 1912 and 1913. He reportedly sold the bulk of his collection to Newcomer in 1918. One should not read too much into this connection, however. Newcomer was President of the National Exchange Bank, Chairman of the Board of the Atlantic Trade Bank & Trust Company, and CEO of the Baltimore Trust Company. He was certainly well-placed to pursue his collecting interests through the financial channels Heaton suggested above, in addition to his many numismatic dealer and collector contacts. He probably acquired his 1854-S through his network of tellers and financial contacts and his purchase of Heaton's collection in 1918 was just a coincidence.

✓	200 Eagles	2000.00
✓	1 Eagle	10.00
✓	1/2 Eagle	5.00
✓	1 Eagle	10.00
✓	1/2 Eagle	5.00

Image Courtesy of Dan Owens



Treatise on Mintmarks by Augustus Heaton

Newcomer sold his frontline U.S. collection through B. Max Mehl in the early 1930s, with the bulk of the coins going to “Colonel” E.H.R. Green. Green inherited a fabulous fortune from his eccentric mother, Hetty Green, the “Witch of Wall Street.” He assembled one of the greatest numismatic gatherings of all time before his death in 1936. His collection was distributed by his estate, with Stack’s handling most of his U.S. gold coins, and the partnership of Eric P. Newman and Burdette G. Johnson handling much of his other numismatic holdings. His 1854-S half eagle passed to Clifford T. Weihman in the 1940s, then to Josiah K. Lilly, through Stack’s again, and finally to the Smithsonian Institution in 1968. Today, the Newcomer-Green 1854-S is part of the National Numismatic Collection.

In the catalog of the Charles W. Green Collection (B. Max Mehl, 4/1949), Mehl revealed that he discovered another specimen of the 1854-S in the 1930s, after he sold the Newcomer example to “Colonel” Green. The history of this coin has some gaps, but it seems to have ended up with a Chicago collector named Earl Garber, who exhibited it at a meeting of the Chicago Coin Club in March of 1955. In the June 1955 issue of *The Numismatist*, Abe Kosoff reported buying this coin at a coin convention in Detroit. Kosoff offered this specimen for sale in his *Coin Bulletin* and in his ad in *The Numismatist* the following month. Samuel Wolfson acquired this piece and it was sold in lot 448 of the catalog of the Wolfson Collection, Part I (Stack’s, 10/1962), where it realized \$16,500. At the New York ANA Convention in 2002, David Akers told numismatic researcher Saul Teichman that a “famous collector” (presumably Willis DuPont) purchased the coin at the Wolfson sale. Much of the DuPont Collection, including the 1854-S half eagle, was stolen in a harrowing armed robbery at Dupont’s estate in 1967. His 1854-S has never been recovered.

A third example of the 1854-S surfaced in the collection of F.C.C. Boyd, in 1946. Abe Kosoff christened Boyd’s collection the World’s Greatest Collection (Numismatic Gallery, 1/1946), and the 1854-S was featured in lot 543 of that sale. Super-collector Louis E. Eliasberg, Sr., the only man to ever form a complete collection of U.S. coins by date, mintmark, and major variety, purchased the coin at the sale. Eliasberg’s gold collection was sold posthumously in a blockbuster auction by Bowers and Ruddy in October of 1982. The 1854-S was sold in lot 471 of that sale, for \$187,000. It has remained in the D. Brent Pogue Collection since that time.

## The Present Coin

The numismatic world was shocked earlier this year, when Numismatic Guaranty Corporation certified the present coin as a fourth example of the 1854-S Liberty half eagle. The coin was discovered by a New England collector, who showed it to several collectors and dealers in the area. Predictably, no one believed such a numismatic rarity would surface out of the woodwork after so many years. All parties consulted told him that the coin must be a counterfeit. To settle the matter once and for all, the owner submitted his find to NGC.

The staff at NGC was initially skeptical, but a preliminary examination of the coin convinced them it was a genuine example. Researchers compared the present coin with high definition photographs of the Eliasberg-Pogue example and the Newcomer-Green coin in the Smithsonian Institution and found the key diagnostics matched exactly. They also sought out the best available images of the DuPont coin, in the October 1962 edition of the *Numismatic Scrapbook*, Stack’s promotional brochure for the Wolfson Collection, and the Wolfson catalog, and determined this new discovery was not the missing DuPont specimen. To the surprise of the owner, and the numismatic community in general, NGC certified the coin XF45 and pronounced it the “Discovery of a Lifetime” on the holder. NGC Chairman, Mark Salzberg commented on the remarkable discovery, “It’s like finding an original Picasso at a garage sale.” Heritage Co-Chairman Jim Halperin notes, “This discovery rewrites numismatic history.”

Of course, while discoveries of this nature are extremely rare, they are not unheard of, and the San Francisco Mint has produced more than its share of previously unknown rarities that became numismatic icons. For example, the unique 1870-S Seated Liberty half dime was discovered in a “junk lot” and purchased over the counter for a nominal price at a Chicago area coin shop in 1978 and marketed by Ed Milas. The discovery of the present coin is remarkably similar to that transaction. In a similar occurrence, the “Eureka” specimen of the 1870-S Seated Liberty dollar (nine examples traced) was also discovered in 1978, to the amazement of the numismatic community, and sold in the R.A. Donovan Sale, Part II (Steve Ivy, 7/1978), lot 1128. An even closer relative of the 1854-S half eagle surfaced in 2005, when the C.L. Lee specimen of the 1854-S quarter eagle (12 examples known) surfaced for the first time at the San Francisco ANA Convention. This fourth example of the 1854-S half eagle has now joined that exclusive branch mint fraternity.



Waldo Newcomer



Colonel E.H.R. Green



B. Max Mehl in the Charles W. Green catalog



Louis E. Eliasberg, Sr.

### Physical Description

Although five pairs of half eagle dies were shipped to the San Francisco Mint in 1854, only one pair was needed to accomplish the small mintage of 268 pieces. All four known examples of the 1854-S Liberty half eagle show a raised edge, or wire rim, around the reverse of the coin. This feature extends around the entire circumference of the Eliasberg-Pogue specimen. From the picture in the May 2018 issue of *Coin World*, the coin in the National Numismatic Collection shows this feature from about 2 to 10 o'clock. On the present coin, the raised rim starts at R in AMERICA and flattens out just past the D in UNITED. All three images of the Wolfson coin are typical half-tones of the period that lack definition in many areas, but the same diagnostic features show consistently in all three images. The raised edge shows plainly on the lower portion of the coin and appears to flatten out at I in UNITED. The difference in the raised rim from one coin to another is an important diagnostic, as it would be impossible to alter undetected.

In addition to the raised rim, all four survivors show a small die line between the 5 and the left point of the 4 in the date. The ball of the 5 is joined to the diagonal by another short die line. All four coins exhibit prominent clash marks on the reverse, one from the eagle's beak to the left (facing) wing, and another from the crook of the right (facing) wing into the field. The diagonal of the 4 in the date is weak, probably caused by a partially clogged die. The mintmark is large and positioned to the right, almost entirely over the E in FIVE.

The coin offered here shares all the diagnostics noted above with the other three coins, but its physical appearance is entirely different from any other piece. This coin is an attractive Choice XF specimen that shows some wear on the design elements, primarily over the high points of the coronet and hair. The stars and peripheral legends were strongly impressed, but the dentils are softly struck from 9 to 1 o'clock on the reverse, especially above the word STATES. This softness is an artifact of the strike, as the metal simply did not fully fill out the dentils in this area. The incomplete dentils are protected by the rim and are not abraded or worn, despite the extensive signs of circulation seen on the exposed surfaces of the coin. The Newcomer-Smithsonian example of the 1854-S also shows some softness on the dentils in this area, but the Eliasberg-Pogue coin and the Wolfson specimen exhibit sharp dentilation throughout, clearly distinguishing this coin from those examples. The light orange-gold surfaces show considerable chatter in the fields, but no large or distracting abrasions stand out. Some dark verdigris is seen below the 4 in the date. A minor planchet flaw is evident in the obverse field, below Liberty's jaw, and a smaller one shows on her neck. Both sides retain traces of original mint luster, despite signs of a light cleaning, long ago. The overall presentation is most attractive for this extraordinary gold rarity. In the 51 years between the disappearance of the Wolfson-DuPont coin and the discovery of this new specimen, there was only one example of the 1854-S known in private hands. That coin, the Eliasberg-Pogue specimen, was last publicly offered at the Eliasberg sale, 36 years ago. With only two examples available to collectors today, it is unlikely that another specimen will be offered in the foreseeable future. Advanced collectors should bid accordingly. The 1854-S is listed among the *100 Greatest U.S. Coins*. NGC Census: 1 in 45, 0 finer (6/18).



*Raised edge of the discovery coin*

### Roster of 1854-S Half Eagles



*Image courtesy of PCGS Coin Facts*

**1. AU58+ PCGS.** F.C.C. Boyd; World's Greatest Collection (Numismatic Gallery, 1/1946), lot 543, realized \$5,250; Louis E. Eliasberg, Sr.; Eliasberg Estate; United States Gold Coin Collection (Bowers and Ruddy, 10/1982), lot 471, realized \$187,000; D. Brent Pogue Collection. The raised edge extends all the way around the reverse, polish lines show between stars 12 and 13, there is a minor contact mark between the E and D in the denomination.



Image Courtesy of the Numismatic Collection, Division of Work and Industry, National Museum of American History, Smithsonian Institution

to the confusion. When Stack's handled "Colonel" Green's American gold in 1943, they made up two roughly equivalent sets of coins and famously sold one set to Farouk (supposedly the slightly better set) and the other to Clifford T. Weihman, one of their favorite U.S. collectors at the time. A number of duplicate coins were sold to other parties and kept for stock, as well. Weihman sold much of his collection through Stack's in the early 1950s and they sold his half eagles and eagles to Josiah K. Lilly privately, in 1954. It now seems likely that Stack's included the 1854-S half eagle in the set of coins sold to Weihman, as it does not appear to have gone to Farouk or, by extension, Norweb. The coin in Mehl's Newcomer plates and Stack's "Colonel" Green plates is a match for the Lilly-Smithsonian example (thanks to Dan Hamelberg for this information).

**3. XF45 (PCGS estimated grade).** Discovered by B. Max Mehl in the 1930s, reportedly from an elderly woman who sold him a small bag of gold coins that had been stored in a bank vault for a long period; unknown intermediaries; probably Earl Barger, who exhibited an 1854-S at the March 9, 1955 meeting of the Chicago Coin Club; Abe Kosoff, purchased at the 1955 Detroit Convention and advertised in the June and July editions of *The Numismatist*; Samuel Wolfson; Wolfson Collection, Part I (Stack's, 10/1962), lot 448, realized \$16,500; Willis H. DuPont; stolen in 1967, never recovered. The raised edge flattens out at I in UNITED, the reverse dentils appear strong all the way around, there is a dark alloy spot at 1:30 on the obverse rim, and there is a small contact mark on Liberty's jaw.

**Note:** Some numismatists believe "Colonel" Green owned this coin at one time, in addition to the Newcomer example. However, Stack's inventory of Green's half eagles only lists one coin.



Image Courtesy Numismatic Scrapbook Magazine 10/1962

**4. XF45 NGC.** Recently discovered by a New England collector in 2018 and certified by NGC. The raised edge flattens out just past D in UNITED, the dentils are softly struck from 9 o'clock to 1 o'clock on the reverse, and there is some verdigris below the 4 in the date. **The present coin.**



### Additional Appearances

**A.** Reportedly, one specimen was sent from the San Francisco Mint to Mint Director James Ross Snowden and another was sent for assay on April 19, 1854.

**B.** At least two specimens (and possibly more) were paid out to Adams & Company, Express, according to an account in the April 29, 1854 edition of the *Mountain Democrat*. The *Mountain Democrat* is the oldest newspaper in the state, published continuously since 1851 in Placerville, California. NGC ID# 25UN, PCGS# 8260