



R.M.S. Republic



Cargo: Russian State Bank Shipment

By

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October 21, 2021

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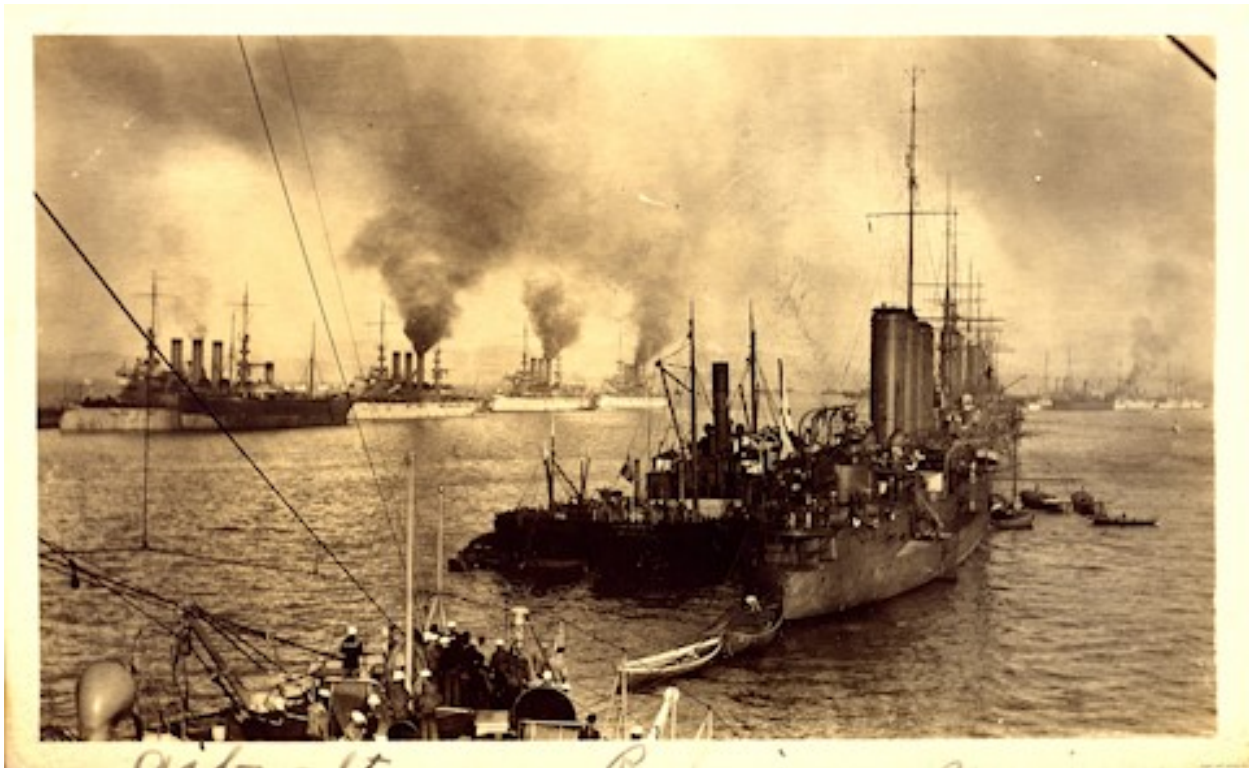
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This report builds upon the research contained within my 2013 book, *The Tsar's Treasure*¹, which discusses in detail the 30-day below-market-rate \$3,000,000 loan, the amount which was always reported to have been lost aboard RMS Republic. Reports concerning RMS Republic's cargoes, as one treasure book put it "riches beyond most men's wildest dreams," have circulated for over a century; most reports can be found at: http://www.rms-republic.com/story_rumor.html

This research report focuses on a likely additional \$22,000,000 shipment to the Russian State Bank, St. Petersburg, with proposed transshipment via Russian warships then at Gibraltar, a destination port for RMS Republic.



Gibraltar Harbour, January 31, 1909
US Atlantic Battleship Fleet (Great White Fleet) in background.
Russian Baltic Fleet's cruiser *Admiral Makarov*,
battleships *Tsesarevich*, *Slava*, cruisers *Bogatyr* and *Oleg*, foreground.
Photo taken from USS *Wisconsin*.²

The additional \$22,000,000 in double gold eagles are believed to be the proceeds from Russia's sale of 4 ½% January 22, 1909 Russian State Bonds at New York. The details of the US Navy's

¹ Available from Amazon, <https://www.amazon.com/Tsars-Treasure-Sunken-Billion-Dollar/dp/0988876000>

² For more photos of Gibraltar Harbour, January 31, 1909, visit: <http://www.rms-republic.com/gallery3/index.php/search?album=1&q=gibraltar>

\$800,000 coin-monies shipment are also contained within my book, and a separate updated report, including the US Treasury Department's payment to White Star Line for that shipment, is available upon request. These values are all 1909.³ Today, the value of RMS Republic's cargoes exceeds several billion dollars; our treasure recovery will be the largest in history bar none.⁴

Russian State Bank Shipment

The \$240 million 4 1/5% Russian State Bond closed its subscriptions in Europe at 3pm Paris time, January 22nd, 1909.⁵ The RMS Republic departed New York six hours later, 3pm New York time - that very same day.

Gregory Wilenkin, the Tsar's Financial Agent to the US, arrived in New York City on January 14th, 1909, a day before the reports of a \$3 million 30-day short-term loan begin to appear in the newspapers; he departed New York City January 23rd, 1909, the day after the Republic sailed (but before the collision was reported).⁶

Before Wilenkin arrived, the Russian Government specifically requested from the US State Department that Wilenkin's luggage be exempt from inbound inspection.⁷ Our new thought on Russia's request is that Wilenkin (Russia's designated Financial Agent to the United States) was bringing something into the United States, something to sell for gold in New York City: securities, bonds - what Russia is selling at the time in every major financial market around the world, London, Paris, Amsterdam, Berlin and others, their 4 1/2% January 22nd, 1909 bonds. Russia would certainly be doing the same in another major financial market, New York, where money was "easy."⁸ Wilenkin, therefore, had a quota of funds to acquire at New York, and when he didn't reach that quota, he borrowed the \$3 million shortfall. That was the mysterious below market \$3 million 30-day loan picked up by the New York newspapers,⁹ the same amount most often quoted as the cargo lost aboard RMS Republic and discussed in my book *The Tsar's Treasure*.¹⁰

This is simply logic; Russia needed money. Russia would in sequence: 1. Retrieve any surplus funds on deposit but not needed in New York, then; 2. sell its January 22, 1909 4 1/2% bonds

³ See Appraisal for current cargo values in Offering Memorandum, available to Accredited Investors at

<https://LordsOfFortune.com/catalog> .

⁴ <https://www.linkedin.com/pulse/what-greatest-treasure-ever-lost-sea-capt-martin-bayerle>

⁵ See generally <https://www.rms-republic.com/conceal01.html>

⁶ Martin Bayerle, *The Tsar's Treasure*, p. 113 et. seq.

⁷ Loc. cit, Exhibit-V.

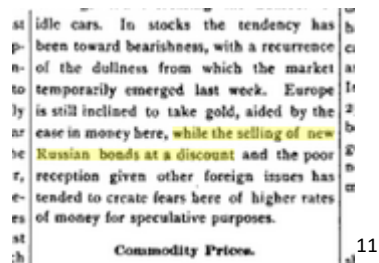
⁸ Bankers Magazine, April, 09, 573 Comment

⁹ Bayerle, Op. cit. 1, p. 108, et. seq.

¹⁰ See https://www.rms-republic.com/story_rumor.html

for gold (what Russia is doing at the time in every other financial market around the world, Paris, London, Amsterdam, Berlin - and they would certainly be doing the same in New York), then and only as a last resort; 3. borrow the balance of whatever funds Russia needed in order to fulfill Wilenkin's quota.

Russia was indeed selling its new bonds at New York and *in sufficient quantity* to potentially affect the rates of money on Wall Street.



at idle cars. In stocks the tendency has
p- been toward bearishness, with a recurrence
n- of the dullness from which the market
to temporarily emerged last week. Europe
ly is still inclined to take gold, aided by the
ne ease in money here, while the selling of new
be Russian bonds at a discount and the poor
reception given other foreign issues has
e- tended to create fears here of higher rates
es of money for speculative purposes.
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Commodity Prices. 11

Therefore, the \$3 million 30-day loan which I've previously identified in my book *The Tsar's Treasure* is only the shortfall, the amount after all else was acquired, to reach the amount Russia immediately needed. A \$10 million or even \$20 million Government shipment of gold (and even, should I be so bold to say, more) is not unreasonable. See, for example, the \$22,000,000 Japanese gold shipment in September 1905, an excellent example of a shipment of gold which secretly left the US, but publicly arrived in Paris, *including* a US Treasury Department placed cover-story to maintain market stability.

https://www.rms-republic.com/details_expnimp3.html

Banks never let money sit idle. The banks loan their depositors' funds out. But if the depositors require its return, if they wish to withdraw their deposits in quantity (hopefully not in significant quantity to cause a panic "run" on the banks), the banks will have to call in their loans and the rates to borrow money will increase. The law of supply and demand applies to money as well.

The actions of all the financial market participants can be seen and felt, i.e. the banks recalling short-term loans and the lenders increasing their rates for money, by the market's other participants. The "why" is what was needed in order to mitigate any responsive anxiety which might develop in the financial market. The potential for a financial crisis, the runs on banks like the one which had recently occurred in the panic of 1907¹², had to be avoided. Another financial crisis would have possibly ensued if it had become known that this immense amount

¹¹ Bradstreets Weekly, January 30, 1909, p. 69.

¹² See https://en.wikipedia.org/wiki/Panic_of_1907 See also <https://www.investopedia.com/terms/b/bank-panic-of-1907.asp> and <https://www.federalreservehistory.org/essays/panic-of-1907>

of gold was leaving the country; hence the need for an explanation, a cover story.¹³

To whom was Wilenkin selling Russian Bonds? Kuhn Loeb, Jacob Schiff's financial powerhouse was second only to, and a competitor of, the House of Morgan?¹⁴ Perhaps the deal Russia got as a part of the settling of the Japanese-Russian War of 1904-1905 (through the auspices of President Theodore Roosevelt which culminated in the Treaty of Portsmouth) was also the opening of the US financial markets for the sale of Russian securities - something Russian had wanted for years and was one of Russia's specifically desired goals to be obtained during the Portsmouth Peace Conference negotiations.

No. 12. Report from Washington Vilenkin¹⁵ to Minister of Finance VN Kokovtsev .

Your Excellency, Vladimir Nikolaevich!

...

Russia's acceptance of Roosevelt's proposal [to mediate a peace settlement] and, on the other hand, the appointment of Baron Rosen here, who enjoys special sympathy for the Americans, are the best factors for restoring friendly relations between Russia and the United States and with the onset of the autumn season, when the financial world will return to New York from European resorts or summer residences, the opportune moment of the day of attracting the New York money market to Russia will come, and we must not miss this moment.

In view of the fact that at the present moment there is a complete lull in the local market, which will continue until the middle of September, by which time it would be very important to prepare a plan of action, I have the honor to humbly ask your Excellency to notify me if you will find it useful to allow me to come Petersburg to personally report to your Excellency about the conversations I have had recently with the local bankers and their views on the possibility of placing Russian securities on the New York Stock Exchange and attracting American capital to Russian enterprises.

It is with deep respect and utter devotion that I have the honor to be your Excellency's humble servant.

¹³ There may be linkage here, the amount of Japanese gold shipped to Paris in September, 1905, no doubt as a part of the Treaty of Portsmouth settlement, is the exact same amount we propose as the additional shipment aboard Republic. I don't believe in coincidences. Russia may have applied that September 1905 payment to its outstanding 1904 bonds, which would reduce the amount needed to repay that debt coming due in May 1909 from the sale of January 22nd, 1909 bonds. So, they could take that money by selling the equivalent of their 1909 bonds at NYC.

¹⁴ See https://en.wikipedia.org/wiki/Kuhn,_Loeb_%26_Co.

¹⁵ Retrieved June 23, 1905; Vilenkin is an agent of the Ministry of Finance in Washington.

Grigory Vilenkin.

Washington June 8/21, 1905 No. 181.¹⁶

Gregory Vilenkin was selected as Russia's Financial Agent to the US for this specific reason: Vilenkin was a prominent Russian Jew who the Tsar had believed could influence the New York Jewish bankers to open the New York financial market for Russian securities.¹⁷ His wife Irma Sara Vilenkin (Seligman), too, was a Seligman; he was married into a prominent New York Jewish banking family, J. & W. Seligman & Co. Vilenkin was also selected because he was distantly related to Jacob Schiff.¹⁸ Vilenkin, Jacob Schiff, and representatives of Kuhn, Loeb & Co. and J. & W. Seligman were all attendees at the Portsmouth Peace Conference.¹⁹ "During the Portsmouth negotiations between Japan and Russia in 1905 he [Vilenkin] acted as chairman of the Russian financial commission."²⁰

The Russian delegation to the Portsmouth Peace Conference was led by former Finance Minister Sergei Witte. In Witte's 1905 discussion with J. P. Morgan on the method by which Russia might open the US market to Russian securities, Witte wrote:

No. 82. Telegram from S. Yu. Witte to Minister of Finance V. N. Kokovtsev dated August 27 (September 9) 1905

Today for the first time had a business conversation with Morgan, which, by all accounts, is the most solid monetary power in America, is recognized as such in the highest financial spheres of Europe and, moreover, during the entire war did not take and did not want to take any part in the affairs of Japan. He finds that America in the last five years has begun to become a world banker, which operations have not been engaged in before, that with the huge growth of free capital, which will continue to increase, America will soon become the main banker in the world. Believing that this opinion has some basis, I, for my part, in any case, find that Russia needs to settle in the American market in order to acquire greater freedom of action. Before I could not do it - now the time has come when it is possible to achieve it. For this, according to Morgan's fundamental opinion, it is necessary, first of all, to accustom the public to Russian funds. For this, it would be inconvenient to make a special loan in America for the first time. At first, it should only take a serious part in the Russian international loan. When Russian funds enter circulation in this way, it will be easy, according to Morgan, to make large

¹⁶ Portsmouth, No. 12. Report from Washington Vilenkin to VN Kokovtsev, Krasnyi Arkhiv, No. 6, 1924, p. 18.

¹⁷ Jewish Bankers and the Tsar, C. C. Aronsfeld, Jewish Social Studies, Vol. 35, No. 2 (Apr., 1973), pp. 100-101.

¹⁸ <https://kiddyclub.ru/sk/dve-samye-bogatye-semi-reiting-samyh-bogatyh-semei-planety/>

¹⁹ The Memories of Count Witte, Doubleday, 1921, p. 163.

²⁰ <https://www.jta.org/1930/01/10/archive/first-jew-in-russian-diplomatic-corps-dead>

special Russian loans in America. ... They find that the first operation must be given special benefits to the American market. ... ²¹

“At first, it should only take a serious part in the Russian international loan” and, “the first operation must be given special benefits to the American market.” The sale of January 22, 1909 bonds on Wall Street “at a discount” complies exactly with this strategy.

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²¹ Portsmouth, No. 82. Telegram from S. Yu. Witte to V. N. Kokovtsev dated August 27 (September 9) 1905, Krasnyi Arkhiv, No. 6, 1924, p. 45.

HE SAYS MIKADO AND CZAR HAVE A SECRET PACT

Prof. Martens, Legal Advisor of Witte, Makes Remarkable Statement.

Prof. F. Martens, who was the legal adviser to Mr. Witte and Baron Rosen, the Russian peace envoys, at the recent peace conference, called to-day on the French liner *La Lorraine*. He arrived at the steamship early and pleasantly greeted a large number of friends who were there to see him off.

"I had a most pleasant time in the United States," he said, replying to questions, "and it was due entirely to your President. I feel overworked and tired and am anxious to get home. I have a copy of the treaty for the Czar. Next to your President, Mr. Witte is a past master as a diplomat. Your President, however, is possibly better.

"Witte was at his best during the conference, and the outcome is a great victory for the Russians. He will issue an invitation to the President on behalf of the Czar to visit Russia at any time."

Prof. Martens was asked if he would exhibit the copy of the treaty he had.

"I cannot," he replied. "There is a secret treaty which no one but the Czar and the Mikado will know."

Then he stopped suddenly, as if he

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Then he stopped suddenly, as if he had said too much, and refused to continue his conversation when pressed by the newspaper men.

Another passenger was Mrs. Rojstovskiy, a niece of the Russian Admiral by that name. She had been visiting in this country for a couple of months, and she appeared on the deck of the ship with a French poodle under her arm.

She expressed herself as delighted with the outcome of the Peace Conference and concluded her conversation by saying: "New York is the best place to buy a French poodle. It is far ahead of Paris."

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²² Evening World, September 7, 1905, 12:6.

The Russo-Japanese War – A Sub Rosa Agreement

The Russo-Japanese war ended in September 1905 through the auspices/negotiation of Theodore Roosevelt. The secret \$22 million shipment of Japanese gold to Paris in September 1905 may have been a payment by Japan to Russia for the Russian lands and assets Japan had seized during the war, a payment which would have been, if disclosed, very unpopular with the Japanese people for a war they had "won" on the battlefield.

"Reparations" was the sticking point which resulted, ultimately, in the Treaty of Portsmouth.²³ Kohn Loeb, the financial firm which had raised money for the Japanese during the Russo-Japanese War, attended the Portsmouth Peace Conference too.

Russia needed both immediate money and access to the New York Financial market. She got both. I. Immediate money: the remaining proceeds from the sale of Japanese war bonds in New York raised by Kuhn Loeb, the \$22 million secretly shipped to Paris, *supra*. Japan had raised that money for war. Why not use it for a guaranteed peace? And Russia gets "reparations," compensation for the lands Japan had won in war. The Japanese public felt the public Treaty of Portsmouth cheated them.²⁴ The sub rosa payment to Russia had to be kept secret; and II. Access to the NY financial market: the sale of \$25 million in 1909 Russian bonds.²⁵

We have a similar Treasury Department cover story for it assembling \$25 million in 1909.

ions by the trust companies to add to their reserves interfere.
A feature of the day in money was the placing of thirty day money at 1½ per cent, loans made running over the period when the treasury will be recalling \$25,000,000, and the trust companies are adding nearly as much to their present reserves.

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The "thirty day money at 1½ percent" references the specific and only transaction at that rate, the \$3,000,000 transaction. The short term loan is linked to the Treasury Department assembling the \$25,000,000.

²³ See: <https://www.portsmouthpeacetreaty.org/schiff.cfm> and <https://www.portsmouthpeacetreaty.org/wentworth6.cfm>

²⁴ <https://www.theodorerooseveltcenter.org/Learn-About-TR/TR-Encyclopedia/Foreign%20Affairs/The%20Treaty%20of%20Portsmouth> See also: <https://history.state.gov/milestones/1899-1913/portsmouth-treaty>

²⁵ See on the secret Japanese shipment in September 1905, and related Treasury Department "cover story": https://www.rms-republic.com/details_expnimp3.html

²⁶ Chicago Daily Tribune, Jan 16, 1909, p. 13

CALL ON NATIONAL BANKS.

Request for Return of \$25,000,000 Not Made for Urgent Need of Cash.

The Secretary of the Treasury yesterday announced a call upon the national bank depositaries for approximately \$25,000,000 of government deposits, \$15,000,000 to be paid on or before January 25, 1909, and the remainder to be paid on or before February 10, 1909.

This call on national banks for the return to the Treasury of \$25,000,000 is not made necessary by any urgent need of cash, the balance on hand and available for all purposes being fully \$29,000,000, with the revenue showing slight increases over one year ago.

The Secretary's desire to provide ample funds for Treasury needs at the beginning of the new administration about eight weeks hence is believed to be the only purpose in making a call at this time.

The banks are said to be in condition to spare the cash without any embarrassment, and it is believed that most of them are quite willing to surrender a considerable share of the government holdings.

The government deposits yesterday in national banks were \$112,394,255, exclusive of disbursing officers' balances.

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²⁷ Evening Star (Washington DC), January 10, 1909, p. 10

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To the Extent of 25 Millions Is Called From Government Depositories

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Washington, D. C., Jan. 9.—The secretary of the treasury today announced a call on the national bank depositories for approximately \$25,000,000 of government deposits, \$15,000,000 to be paid on or before January 23, 1909, and the remainder to be paid on or before February 10, 1909. This call on national banks for the return to the treasury of \$25,000,000 is not made necessary by any urgent need of cash, the balance on hand and available for all purposes, being fully \$29,000,000 with the revenues showing slight increases over the one of a year ago.

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²⁸ Bismarck Daily Tribune, January 10, 1909, p.1

**L CALLS UPON BANKS
FOR FUNDS**

**C. SECRETARY OF THE TREASURY
MAKES DEMAND FOR
\$25,000,000.**

Washington, Jan. 9.—The secretary of the treasury today announced a call on the national bank depositaries for approximately \$25,000,000 of government deposits, \$15,000,000 to be paid on or before January 23, 1909, and the remainder to be paid on or before February 10, 1909.

The call on national banks for the return to the treasury of \$25,000,000 is not made necessary by any urgent need of cash, the balance on hand and available for any purpose being fully \$29,000,000, with the revenues showing slight increases over one year ago.

The secretary's desire to provide ample funds for treasury needs at the beginning of the new administration is believed to be the only purpose in making a call at this time. The banks are said to be in condition to spare the cash without any embarrassment and it is believed that most of them are quite willing to surrender a considerable share of the government holdings.

The government deposits today in the national banks were \$112,394,255, exclusive of disbursing officers' balances.

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²⁹ The Daily Missoulian., January 10, 1909, Morning, p. 6.

TREASURY CALLS IN \$25,000,000.

Done to Provide Ample Funds for Beginning of New Administration.

Washington, Jan. 11.—The secretary of the **treasury** Saturday announced a call upon the national bank depositaries for approximately \$25,000,000 of government deposits, \$15,000,000 to be paid on or before January 23, 1909, and the remainder to be paid on or before February 10, 1909. This call on national banks for the return to the **treasury** of \$25,000,000 is not made necessary by an urgent need of cash, the balance on hand and available for all purposes being fully \$29,000,000, with the revenues showing slight increases over one year ago. The secretary's desire to provide ample funds for **treasury** needs at the beginning of the new administration about eight weeks hence is believed to be the only purpose in his making a call now.

The banks are said to be in condition to spare the cash without any embarrassment, and it is believed that most of them are quite willing to surrender a considerable share of the government holdings. The government deposits Saturday in the national banks were \$112,394,255, exclusive of disbursing officers' balances.

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trust companies not reporting to the clearing house gained approximately \$1,500,000 in their cash holdings. It is a fact worth noting that the deposits of the government in New York banks amount to less than \$7,000,000, showing a decrease of about \$2,000,000 during the week, traceable to the fact that the banks are anticipating the recall by the **Treasury** of \$25,000,000 in public funds now deposited with banks. Money is **flowing** freely to this center from the interior, and even the gold exports are not sufficient to counteract the gain which New York banks are making from this movement.

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³⁰ The Barre daily times., January 11, 1909, p. 2

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The San Juan Islander
 The Islander Company, Publishers
 Friday Harbor, -:- -:- Wash.

**Minor Happenings
 of the Week**

Secretary Root has signed arbitration treaties with Ecuador, Bolivia and Hayti.

The secretary of the **treasury** has called in \$25,000,000 from national bank depositories.

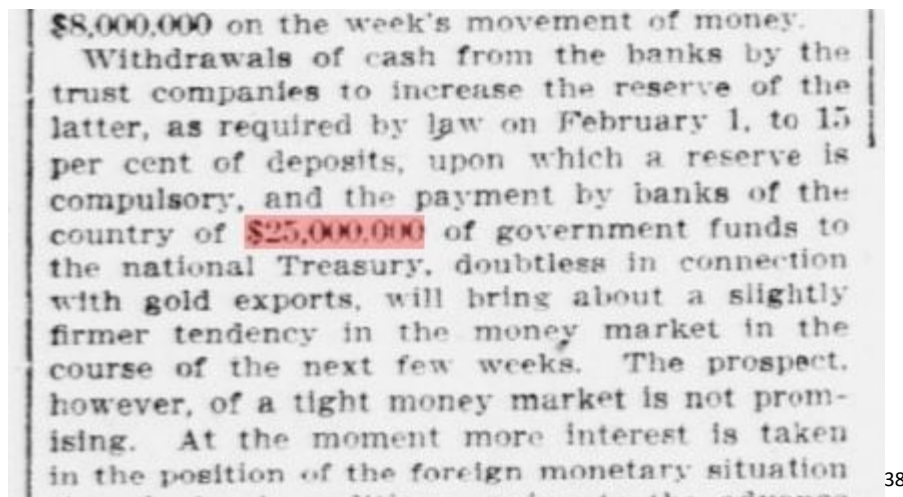
The first steel rail has been turned out at the Indiana Steel Company's new plant at Gary, Ind.

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³¹ Evening Star, op. cit., January 17, 1909, p. 13.
³² The Salt Lake Tribune., January 17, 1909, p. 31.
³³ The San Francisco Call., January 17, 1909, p. 38.
³⁴ San Juan Islander, January 29, 1909, p. 2.

The Treasury Department's 1905 cover story to conceal the shipment of \$22 million of formerly Japanese gold to Paris in September of that year, "that the requirements of the interior this fall for cash from New York on account of the movement of the crops will be larger than ever before."³⁵ And, "SECRETARY SHAW ON GOVT. FINANCES, Unusual Demand for Money for Crops – No Indication of Any Stringency,"³⁶ at least made some sense. It was after all September, the harvest season. Gold was not leaving the country, but was merely being redistributed internally, made some sense. But now we are in January 1909, the winter, and another movement-of-crops cover story wouldn't work. So what other event was taking place? A new President was to be inaugurated on March 4th, 1909, the Taft administration. The 1909 cover story released by the Treasury Department (the same Roosevelt Administration's Treasury Department which issued the 1905 cover story), "to provide ample funds for treasury needs at the beginning of the new [Taft] administration ..." was used. Apparently, it was the best they could think of. However, it really makes no sense. What difference does it matter where the Government keeps its gold? Most of the Government gold, 70% at its peak, was held at that time at the New York US Sub Treasury.³⁷

One newspaper, the New York Tribune, recognized the Government's assembling of gold for what it was, "doubtless in connection with gold exports."



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The conclusion: just like 1905, an immense shipment of gold was leaving the country from New York.

³⁵ Wall Street Journal, September 4, 1905, 8:1

³⁶ Wall Street Journal, September 2, 1905, 8:2

³⁷ Carmody, Deirdre (October 21, 1972), *Federal Hall Memorial Is Reopened as Museum*, The New York Times. ISSN 0362-4331. Retrieved February 6, 2021

³⁸ New York Tribune, January 16, 1909, 14:2

The 1917 Bolshevik Revolution

When the Bolsheviks nationalized all private property in 1917 - everything became property of the State (communism); American properties in Russian, Americans holding monies in Russian bonds - were all lost. The Bolsheviks repudiated all Tsarist debt, including the 1909 bonds.³⁹ The Russian Tsarist bonds became worthless. In response, the United States froze all Tsarist assets within the United States. In 1918, the US actually sent troops to fight the Bolsheviks⁴⁰ - now you know one reason why.

As of January 31, 1923, the US Government held \$187,729,850 in Russian securities.⁴¹ In 1933, the US Government reported these same securities as “unfunded.”⁴²

This situation of frozen assets existed until 1933 when the US formally recognized the Soviet Union through a series of letters by and between President Franklin D. Roosevelt and Maxim M. Litvinov, the USSR Commissar for Foreign Affairs: the Roosevelt-Litvinov agreements.⁴³ In pertinent part, the Soviet Union would assign all of its assets (its State property, formerly Tsarist Government assets) which the US Government had seized to the US Government to do with as the US Government deemed appropriate – in exchange for the US Government's recognition of the Soviet Union. Of course, the US Government applied those assets to outstanding Tsarist debt owed to and claims made by US holders. Naturally, this would *include* any debt owed to the US Government itself! Since the purchase of the Tsarist bonds by the US Government or the US Government's guarantee of those bond sales to New York bankers was secret, the repayment of that debt to itself would also be secret!

Now, since the US Government was repaid for the Russian bonds it held or guaranteed, it really has no claim to the gold aboard RMS Republic. So, it couldn't defend that ownership claim!

Part of the Litvinov Agreement states:

The Government of the Union of Soviet Socialist Republics further agrees, preparatory to the settlement referred to above, not to make any claim with respect to:

³⁹ See https://en.wikipedia.org/wiki/Repudiation_of_debt_at_the_Russian_Revolution

⁴⁰ <https://www.smithsonianmag.com/history/forgotten-doughboys-who-died-fighting-russian-civil-war-180971470/>

⁴¹ Statement of the Public Debt of the United States, January 31, 1923, [US] Treasury Department, Office of the Secretary of the Treasury, <https://www.treasurydirect.gov/govt/reports/pd/mspd/1923/opdm011923.pdf>

⁴² Statement of the Public Debt of the United States, January 31, 1933, [US] Treasury Department, Office of the Secretary of the Treasury, <https://www.treasurydirect.gov/govt/reports/pd/mspd/1933/opdm011933.pdf>

⁴³ <https://nsarchive2.gwu.edu/coldwar/documents/episode-1/fdr-ml.htm>

(a) judgments rendered or that may be rendered by American courts in so far as they relate to property, or rights, or interests therein, in which the Union of Soviet Socialist Republics or its nationals may have had or may claim to have an interest; or,

(b) acts done or settlements made by or with the Government of the United States, or public officials in the United States, or its nationals, relating to property, credits, or obligations of any Government of Russia or nationals thereof.

That is precisely what we have, a US District Court decision awarding us title to the RMS Republic and her cargoes.

The US Government's Claim to "all" Gold Aboard Republic

When the US Government appeared and filed their claim in our admiralty action, they had claimed to own "all" the gold aboard the Republic based on "Mr. Bayerle's good faith research."⁴⁴

Of course, I had *never* indicated that I had believed all the gold aboard Republic was US Government gold. Just the opposite: the \$800,000 was a US Navy shipment, and the \$3 million was a short-term loan either owned by the French (the syndicate of French banks which had underwritten the loan), or the Russians. (The \$25 million was not surmised at that point.) I had always wondered why the US Government would claim "all" the gold.

Jacob Schiff and other bankers from Kuhn Loeb (the "Jewish bankers" as they were called at the time) attended the Portsmouth Peace Conference for a reason. Why were they there? They had raised \$180 million in New York for Japan by underwriting Japan's 1904-1905 war bonds.⁴⁵ I believe the Jewish bankers obligated themselves to finance the Tsar in a subsequent financial offering, with their agreement to purchase Russian securities, securities ultimately guaranteed by the US Government. This could have been negotiated as a sub-rosa part of the Treaty of Portsmouth; remember, too, Wilenkin had also attended the Portsmouth Peace Conference.

"What happened to Russian bond-holders when debt repudiation was made public in February 1918?

In France, in September 1918, the government proposed to exchange Russian bonds for French debt-paper. Russian bond-holders could acquire bonds for the new loan that the French government was making. In July 1919, the French government repeated the operation. In Rome, London and

⁴⁴ See: https://www.rms-republic.com/legal/us_claim.html

⁴⁵ Gary Dean Best, *Financing a Foreign War: Jacob H. Schiff and Japan, 1904-05*, American Jewish Historical Quarterly, Vol. 61, No. 4 (JUNE, 1972), pp. 313-324 (12 pages), <https://www.jstor.org/stable/23880523?seq=1>

Washington the authorities did the same: they exchanged Russian bonds respectively for Italian, British or US bonds.”

Source: <https://www.cadtm.org/Russian-bonds-never-die>

And the International Claims Settlement Act of 1949, as amended (in regard to outstanding pre-1933 claims against the Soviet Union) 22 U.S.C. 1641 in which the US specifically, effectively prioritized any claim the US itself may have had: “All awards or payments made pursuant to this subchapter shall be without prejudice to the claims of the United States against any foreign government.” 22 U.S.C. 1641(l).

In brief, the US Government bailed out all Tsarist claimants. If the US Government bailed out those bankers who possessed 1909 bonds shortly after the Bolsheviks repudiated the debt by reissuing US obligations to those bankers in exchange, the US would have paid themselves first, "without prejudice," from seized Tsarist assets. Since they had already been paid, the US wouldn't be able to double-dip into the gold aboard RMS Republic - the most likely reason the US did not appeal the Court's award of title to my company MVSHQ.

So, Russia has no claim to gold aboard Republic.

Our estimate now is that the Russian State Bank shipment was \$25 million, \$22 million the proceeds from January 22, 1909 bond sales, and a \$3 million 30-day short-term loan.

Summary

Wilenskin had a quota of bonds to sell in New York, \$25 million. He sold them at a discount (Bradstreet article), \$22 million and borrowed the shortfall, \$3 million.⁴⁶ Just as in the assembling of the Japanese gold in 1905, it took weeks to assemble that volume of gold - with the banks having to recall their short term loans and the lenders raising their money rates. The market notices this activity, so the Treasury Department puts out a cover story to "explain" it just like their 1905 cover story when the same amount of Japanese gold was shipped out of the country. A cover story was necessary to calm the markets: no money was leaving the country; the gold was merely being re-shifted domestically.

Shipment

The physical storage, too, of that much gold was an issue. This is the same amount of gold (\$25,000,000) shipped aboard the RMS Laurentic, like RMS Republic and similar in many respects, and another H&W liner built for Dominion Line and transferred to White Star Line. The Laurentic struck a mine in 1917. Her gold was placed in her second class baggage room because the volume exceeded the capacity of her specie room.

⁴⁶ Bayerle, op. cit., p. 108 et. seq.

The volume of \$25 million in gold, 625 160-pound boxes each containing \$40,000 face value in double gold eagle coins, 45 tons of gold, explains why there were no second class cabin passengers on Republic⁴⁷ - there was no place to store their baggage, and emptying the second class (upgrading the few they had to First Class), made more secure the shipment.

The US Navy coin-monies shipment was available January 18⁴⁸, and will be found in the Specie Room. The Russian gold would not have moved until the bankers were satisfied the Russian Bond was a success in Europe when it closed 3 pm Paris time, January 22, 1909, Republic's day of departure, 3pm New York time. That's enough time to move the gold a few blocks from the New York Sub Treasury to the White Star Line pier.⁴⁹ The Second Class baggage room was also higher up, which would not stop the loading of other cargo before January 22.

A Witness: The \$25 Million Shipment

In her 2009 presentation,⁵⁰ Jack Binns' (the wireless operator on Republic) granddaughter⁵¹ talks specifically about the market conditions in 1907, the depression in 1908, Russia's need for money and Republic's cargo, "\$25 million," 1909 value.

“Now this is the captain. His coolness in the face of the situation, according to my grandfather, was instrumental also in keeping everybody cool calm and collected and making the transfer of the passengers possible. And he actually, as we'll see in a few seconds, he was actually a relative of J Bruce Ismay who was the Builder, eh the owner rather of the Titanic. And when my grandfather thought he might want to write this up, this whole adventure, because he liked writing, he asked [the Republic's Captain] Sealby whether it would be okay. And Sealby said “no, keep quiet, don't say anything.” And in fact there was never an inquiry into this sinking at all on either side of the Atlantic. And there is reason to believe that the ship was actually carrying a fortune in gold. It went down and the great fear was that this would cause a huge financial panic. In 1907 there had been a big financial panic. In 1908 there was a huge depression across all of Europe and America. In 1909, we're talking here again we're in 1909, uh you know the thought

⁴⁷ New York Sun, January 24, 1909, p2:6.

⁴⁸ Bayerle, op. cit., Exhibit-Q.

⁴⁹ In 1892, the Treasury Department loaded a special train in San Francisco with \$20 million in gold packed in 500 boxes, gold to be transported to the New York Sub Treasury. “The gold boxes arrived at the train station in guarded wagons and were stowed safely aboard the trains in less than five hours. Quite a feat for boxes that weighed 160 pounds each!” Pope, Nancy (2010, August 4), *The Gold Train*, Smithsonian National Postal Museum, <https://postalmuseum.si.edu/node/1909>

⁵⁰ BCAMTV. (2009, April 29). *HRT Jack Binns Part 6* [Video]. YouTube. <https://www.youtube.com/watch?v=2uB-hs4D4tY> (at 1:12, 10 minutes total)

⁵¹ Dr. Virginia Utermohlen Lovelace is the eldest grandchild of Jack Binns, RMS Republic's “Marconiman.” A brief description of her relationship with her grandfather and her bio can be found at: <http://jackbinns.org/vul.html>

that I don't know 25 million dollars in those days of gold went down in the ocean and the Russians could not meet their financial obligations which were coming due in January-February of 1909. Mind you the Russians were very shaky financial shape at that point as just before the Russian Revolution uh World War I and so the result is that everything was hushed up and the result of that was that the report on what had happened and how this whole thing had worked was never never ever really published.”

I recall hearing her presentation around that time, and discounted her figure - since I was the "expert." All my work focused on what we now know to be the \$3 million 30-day loan, the amount always associated with the Republic. The \$3 million was often quoted as Republic's cargo; the \$25 million - never. I did not develop the \$25 million conclusion, independently, until 2017 - *after* the 2013 release of my book *The Tsar's Treasure*, and *after* my 2016 History Channel Series *Billion Dollar Wreck!* My book, the series, and all my early online research focused only on the oft-quoted \$3 million Republic cargo. Nor did *any* of my research delve into market conditions in 1907/1908, but focused solely on Russia's 1904 and 1909 bonds.⁵² Her information was not derived from my work.

I believe Dr. Lovelace (her medical resume is impressive, and increases her credibility) was asked by her grandfather to keep secret what he had revealed to her regarding Republic's cargo.

⁵² This is an interesting assessment, describing the panic of 1907 and the run on the banks, and the 1908 recession - all as discussed by Ms. Lovelace in her 2009 presentation!: https://en.wikipedia.org/wiki/Panic_of_1907 See also: <https://www.federalreservehistory.org/essays/panic-of-1907>



Virginia Utermohlen Lovelace is Jack Binns' eldest granddaughter, with Capt. Bayerle. Republic's 14,900 lb port anchor in background.

I had met Virginia in 2015 at the Marine Museum at Fall River when we were filming Billion Dollar Wreck; by then I had completely forgotten about her 2009 presentation. Of course I had asked her if "Binnsy," her affectionate nickname for her grandfather, had ever mentioned to her anything regarding the Republic's cargoes. She told me, "no." She obviously could not reveal her grandfather's secret to me. I - as the treasure hunter - would have required that she break her promise to her grandfather. On the other hand, her 2009 presentation to a group of nerdy (no offense intended) radio enthusiasts who were interested in Marconiman Jack Binns, wireless hero of the RMS Republic, was not threatening; when she made her spontaneous utterance to that very limited audience, I am sure, she felt her remarks would go no further.

Had the disclosure of both the export of \$25 million in gold and its loss been made public, the loss would have resulted in the failure of the 1909 bond and the Tsar's inability to repay Russia's 1904 Russia War Bond coming due in May 1909 and would have caused not only a panic on Wall Street, but a world financial panic. That's also the same reason the export of \$25 million in September of 1905 was concealed, the secret shipment we've confirmed.⁵³

The 1909 Loan: Conclusion

Eduard Netzlin, of the Banque de Paris et des Pays Bas, was the lead negotiator for the French banking consortium on the 1909 loan. In The Correspondence Between V. N. Kokovtsov and Eduard Netzlin (1906-1909), Krasnyi Arkhiv 4:131-156, only one letter concerns the 1909 loan, and that was written by Netzlin to Kokovtsov as a summation of its outcome. Certainly there would have been other letters concerning the details and the negotiations of the loan, but, apparently, none have survived. Netzlin concludes the letter with the following intriguing comment:

⁵³ See: http://www.rms-republic.com/details_expnimp3.html

Personally
Hausmann Boulevard 73, Paris, February 11, 1909

Your Excellency!

...

I hope that my information will give the same satisfaction to your Excellency and you will be willing to recognize, that it was uneasy to guide this operation via all the underwater rocks it was facing on its way.

Sincerely, Netzlin.

... an interesting choice for a metaphor.