

Does Treasure Hunting Make *Cents*?

THE FINANCIAL DOWNSIDE TO SHIPWRECK SALVAGE

“Using the financial downside of treasure hunting has great potential in helping archaeologists discourage treasure hunting as making no cents.”

Throughout history the lore of sunken treasure has driven many in search of lost ships. In the past, archaeologists have tried to protect shipwrecks from treasure hunters by appealing to the public’s love of the past or the law. Unfortunately, both appeals have proved ineffective — treasure almost always wins out over nostalgia and the legal process is long, expensive and rarely results in a favorable decision.

Where do we go from here? One option is to show that protecting a shipwreck is more financially beneficial than selling the artifacts; this requires proving that treasure hunting operations rarely provide the expected financial returns. The salvage of the 1554 Wrecks, *Whydah*, *Arabia*, and S.S. *Central America* are four examples of the financial downside of treasure hunting.

In 1976, the Znika brothers, discovered the wreck of *Espiritu Santo*, one of three Spanish treasure galleons that sank off the coast of Texas in 1554. For the next eight years, the Znikas’ company Platoro Limited and the state of Texas fought for control of the ship. Eventually a plea bargain was reached: Texas was awarded

ownership of the artifacts and Platoro Limited

a salvage award of \$300,000. Although the salvage award appears sizable, the

Znikas had eight years of legal expenses to pay in addition to salvage costs.

Even without these expenses, each of Platoro’s five employees would have received only \$60,000 for over eight years of work.



In 1984, Barry Clifford discovered *Whydah*, a slave ship turned pirate galley that sank off the coast of Cape Cod in 1717 with 20 to 30 thousand pounds of gold and silver. Clifford spent the next ten years in and out of court fighting the state, his Wall Street investors and the NAACP over plans for the artifacts and a *Whydah*-themed amusement park. Although Clifford found the ship, he never did find the treasure. In order to realize a profit from the discovery, he opened the *Whydah* Museum in Provincetown, Massachusetts.

The Hawley family discovered and salvaged the Steamboat *Arabia* during the winter of 1988-89. When it sank in 1856, *Arabia* was reportedly carrying a substantial amount of Kentucky’s finest bourbon whiskey none of which was found. Thus far, the family has spent \$750,000 salvaging *Arabia*, another \$750,000 on the museum and \$20,000 on a freeze dryer for artifact conservation. With operating costs and ongoing conservation efforts, according to the Hawleys, they are just breaking even.

Tommy Thompson discovered the U.S. mail ship S.S. *Central America* in 1988 40 miles off the Carolina coastline in 2,500 meters of water. Using newly developed technology, Thompson recovered the ship’s cargo including thousands of gold coins reportedly worth \$400 million. The companies who had insured the ship when it sank in 1857 took Thompson to court over ownership rights. After a 15 year legal battle, Thompson was awarded 90% of the recovered gold and the insurance companies 10%. Thompson planned to sell his portion but found himself in more legal trouble after backing out of a deal with Christie’s. It was about this time that Thompson disappeared—his last known address a motorhome in Florida. The location of the *Central America* gold is also unknown. His investors remain unpaid.

In each of these notable cases, the financial return from treasure hunting was not as great as expected and it was the investors who lost the most on their investment. Using the financial downside of treasure hunting has great potential in helping archaeologists discourage treasure hunting as making no cents.

—Laura Gongaware & Kristen Vogel