

GILBERT D. HEDDEN

April 17th, 1940

Mr. Reginald V. Harris
Court House, Halifax, N.S.

Dear Mr. Harris:

Many thanks for all you have done and for the letter that arrived today as well as my most profound apologies for not having cleared up the situation before now. Clearing up will take a bit of writing so I will ask you to stay with me until I have covered everything which I will try to do as clearly as possible. I will attack Oak Island first.

As far as my ownership of Oak is concerned there is apparently very little interest from the government or in any other Real Estate owned by me. There is a certain amount of claim due and they are solely interested in how much will be paid in cash and how soon. I have made a compromise offer based on available assets and should have the matter completed and settled some time in the Fall of this year. While the final disposition of Oak will not be a definitely settled matter until the whole affair is settled, I have committment enough from them to know that they will not interfere with any contracts in any event and will not force a sale this year. If a sale is forced the value is already fixed on a Real Estate Basis and will simply be transferred in ownership to my wife or to my father. They have taken the attitude that the whole thing is a "Fool's Dream" and have disregarded any possibility of future gain to me in the event of recovery. Therefore we are at perfect liberty to continue under extensions of tthe present agreements though it will be impossible to follow out our original thought and put the area in a trusteeship at the moment. Blair's interests will not be affected in any event.

I have purposely kept Hamilton in the dark as I was not too well satisfied with his efforts last year and I have recieved quite a few offers of cooperation and assistance, financial and otherwise since the recent publicity afforded by the Post and other articles. Most of these have proven worthless on examination though I have been corresponding at some length with an engineer in California who claims the ability to underwrite his endeavor to the extent of \$50,000.00. I have laid down the following provisions. 1. That at least \$25,000.00 must be deposited in escrow with a mutually agreeable trustee who will pay all bills. 2. That physical condition of equipment, shafts, land-marks etc. must be covered by bond. 3. That no stock company operation will be countenanced at all though a small syndicate of four or five persons will be permitted. 4. That an agreement will be made to cover one year with suitable cancellation clauses in event of failure to properly carry on the work. These stipulations have not stopped his efforts and the present status is that he hopes to be in the East some time in June or July with properly accredited evidence of his godd intentions and of his financial status. I have made commitments so far other than on a when, if and as, basis, suggesting that a 1/3, 1/3, 1/3 division is the best that can be hoped for subject to final approval by Blair. He will not be available for help until next season and is perfectly agreeable to wait until then. He seems to be a competent engineer but of course the whole thing may die a sudden death when it comes to actual cash.

The only other one of any worth materialized last year. Vincent Astor sent for me and in a personal interview went into the entire affair in very great detail and seemed quite interested though we never discussed his possible participation. It was left that I was to guide him on a cruise in early October to inspect the site but that plan went awry when the War broke out and he has been too busy since then to pay any further attention to it.

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I am inclined to think that Hamilton is our best bet for this year though it might be well to have Blair follow up any of his leads that show any promise with a view toward consideration in the Fall. I expect to see Hamilton Friday night of this week and will make a simple extension of his existing agreement subject to the extension of mine with Blair. In that connection will you please forward me copies of the agreements made last year as I have no copies in my files and I am a bit uncertain as to the exact terms. Hamilton did do a splendid and rather expensive job last year in recovering sections of the Chappell shaft which had been badly damaged in spots. Of course he owns the pump outright and we would have to negotiate for its purchase should we select another operator. I will write you in further detail of his proposed plans for the season after I consult with him this week and will suggest that he write Blair if he has not already done so.

My personal situation is a bit complicated at the moment but I will explain it as best I can. Our claim was fought unsuccessfully all the way to the Supreme Court of The United States and while we received many expressions of sympathy we got nothing else but an order to pay. That order materialized last November and was met with an offer to compromise on the basis of ability to pay. This compromise offer which will probably be accepted after investigation, will consume every liquid asset I possess and will put me financially exactly where I was twenty years ago. I am forced to sell my home, liquidate my business and to sell any securities or other valuable holdings that I have. Some Real Estate holdings as well as Oak will be left to me. I could probably sell Oak to Hamilton or to any other interested party for more than its Real Estate value but quite frankly I do not want to and I am in hopes that the Government will maintain their present attitude and leave it alone which is one reason I am not telling Blair or Hamilton the entire story, that last admission or anything relating to my hopes to hold Oak is of course strictly confidential. Should you hear of any inquiry in your vicinity as to the value of Oak I would appreciate your stating that it is only valued as realty which is more or less true. Of course it does carry a nuisance value to searchers but under your law no Treasure Rights go with possession. I have valued it at \$500.00 which is I think a fair Real Estate value for the property considering the times and what I paid for the last parcel. I should like to hold on to it as I have every faith in the enterprise and naturally hope that some day a miracle there will enable me to recoup a part of the \$60,000.00 I invested(?).

When I wrote you seeking employment the apparent picture was that I would be wiped out completely and the case settled in a very short time. Shortly after that the situation changed in that the Government are taking advantage of their right of investigation to check all of my personal financial operations over the past nine years. While I was not ordered to stay in the vicinity it was thought advisable by all concerned, including the government, that I remain available to their call until the investigation was completed. There is no charge of fraud at all and it is only a hunt for concealed assets. I have obtained employment with a Municipal Auditor of my acquaintance and I am at present engaged by him in an investigation of Union City, N.J. a city of about 60,000 in Hudson County where they have had two embezzlements in the past year. Fortunately I have had quite some experience in Municipal Financial Work in connection with my former job as Mayor of Chatham, N.J. The work is interesting, highly educational but not overly lucrative and I shall naturally look for something more in line with the necessary needs of my family when things are really settled. The main advantage of the present job being that I can interrupt it for consultations with the government when necessary, and it keeps me occupied. I am more than grateful to you for your efforts in my behalf and had not answered you or written as you suggested because the situation was not at all clear

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until just recently. It is rather apparent now that the investigation of my affairs and the others involved will not be completed until early Fall. I cannot give any definite answer as to the possibilities of my coming East this season though I may be able to get away for a short trip. Though by Fall, if we have to consult about next years activities I can probably get away. I should like to explore the possibilities of a connection in your area further but do not think it advisable to do so until I have something definite to offer. Almost anything would do for a start though I am somewhat unfamiliar with living conditions up there, particularly since the outbreak of War and you could probably advise me of what would be necessary to support a family of seven under the most economic conditions. I have no illusions at all and realize that I face a long hard struggle to get back. The family might be reduced to six as one girl is applying for a nursing scholarship in New York and it looks as though she would be accepted. The job I have is good as long as I want it but the chances for real advancement are not too good and I have it as a favor from a friend, a situation not good at best. My main reason for even considering your country for a new start is because I like the country and the people, not to mention the possible loss of man-power and increased production because of War activity. Do not go to too much trouble concerning it but keep it in mind should you hear of anything where I might fit in.

You might relay all this to Blair or at least the high-spots for I do not find an awful lot of time these days to write anyone for I am also working nights at odd book-keeping jobs when the government permits. I owe Blair a bit on some insurance at the island which you might tell him he will get as soon as I can spare it. At the moment I am as badly if not worse off than he is. I do not know the status of my account with you or what has been done about the taxes on the island. If I owe you anything please let me know and I will see that you get whatever I can scrape up as I go along. Best of regards to yourself and Mrs Harris and my sincerest sympathy if the aviation youngster is involved in the fracas ~~abroad~~ abroad. As my whereabouts are a bit uncertain at the moment I would suggest that you change the mailing address to the one given below which is a place operated by my father and where I am several times a week on business.

Sincerely



Gilbert D. Hedden

c/o McKinley Auto Service Co.
19 McKinley Ave.,
East Orange, N.J.

HALLIFAX