

107TH CONGRESS
2D SESSION

S. 2594

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2002

Referred to the Committee on Financial Services

AN ACT

To authorize the Secretary of the Treasury to purchase silver
on the open market when the silver stockpile is depleted,
to be used to mint coins.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Support of American
5 Eagle Silver Bullion Program Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) the American Eagle Silver Bullion coin
4 leads the global market, and is the largest and most
5 popular silver coin program in the United States;

6 (2) established in 1986, the American Eagle
7 Silver Bullion Program is the most successful silver
8 bullion program in the world;

9 (3) from fiscal year 1995 through fiscal year
10 2001, the American Eagle Silver Bullion Program
11 generated—

12 (A) revenues of \$264,100,000; and

13 (B) sufficient profits to significantly re-
14 duce the national debt;

15 (4) with the depletion of silver reserves in the
16 Defense Logistic Agency's Strategic and Critical
17 Materials Stockpile, it is necessary for the Depart-
18 ment of the Treasury to acquire silver from other
19 sources in order to preserve the American Eagle Sil-
20 ver Bullion Program;

21 (5) with the ability to obtain silver from other
22 sources, the United States Mint can continue the
23 highly successful American Eagle Silver Bullion Pro-
24 gram, exercising sound business judgment and mar-
25 ket acquisition practices in its approach to the silver

1 market, resulting in continuing profitability of the
2 program;

3 (6) in 2001, silver was commercially produced
4 in 12 States, including, Alaska, Arizona, California,
5 Colorado, Idaho, Missouri, Montana, Nevada, New
6 Mexico, South Dakota, Utah, and Washington;

7 (7) Nevada is the largest silver producing State
8 in the Nation, producing—

9 (A) 17,500,000 ounces of silver in 2001;

10 and

11 (B) 34 percent of United States silver pro-
12 duction in 2000;

13 (8) the mining industry in Idaho is vital to the
14 economy of the State, and the Silver Valley in north-
15 ern Idaho leads the world in recorded silver produc-
16 tion, with over 1,100,000,000 ounces of silver pro-
17 duced between 1884 and 2001;

18 (9) the largest, active silver producing mine in
19 the Nation is the McCoy/Cove Mine in Nevada,
20 which produced more than 107,000,000 ounces of
21 silver between 1989 and 2001;

22 (10) the mining industry in Idaho—

23 (A) employs more than 3,000 people;

24 (B) contributes more than \$900,000,000
25 to the Idaho economy; and

1 (C) produces \$70,000,000 worth of silver
 2 per year;

3 (11) the silver mines of the Comstock lode, the
 4 premier silver producing deposit in Nevada, brought
 5 people and wealth to the region, paving the way for
 6 statehood in 1864, and giving Nevada its nickname
 7 as “the Silver State”;

8 (12) mines in the Silver Valley—

9 (A) represent an important part of the
 10 mining history of Idaho and the United States;
 11 and

12 (B) have served in the past as key compo-
 13 nents of the United States war effort; and

14 (13) silver has been mined in Nevada through-
 15 out its history, with every significant metal mining
 16 camp in Nevada producing some silver.

17 **SEC. 3. PURCHASE OF SILVER BY THE SECRETARY OF THE**
 18 **TREASURY.**

19 (a) PURCHASE OF SILVER.—

20 (1) IN GENERAL.—Section 5116(b)(2) of title
 21 31, United States Code, is amended by inserting
 22 after the second sentence the following: “At such
 23 time as the silver stockpile is depleted, the Secretary
 24 shall obtain silver as described in paragraph (1) to
 25 mint coins authorized under section 5112(e). If it is

1 not economically feasible to obtain such silver, the
2 Secretary may obtain silver for coins authorized
3 under section 5112(e) from other available sources.
4 The Secretary shall not pay more than the average
5 world price for silver under any circumstances. As
6 used in this paragraph, the term ‘average world
7 price’ means the price determined by a widely recog-
8 nized commodity exchange at the time the silver is
9 obtained by the Secretary.”.

10 (2) RULEMAKING AUTHORITY.—The Secretary
11 of the Treasury shall issue regulations to implement
12 the amendments made by paragraph (1).

13 (b) STUDY REQUIRED.—

14 (1) STUDY.—The Secretary of the Treasury
15 shall conduct a study of the impact on the United
16 States silver market of the American Eagle Silver
17 Bullion Program, established under section 5112(e)
18 of title 31, United States Code.

19 (2) REPORT.—Not later than 1 year after the
20 date of enactment of this Act, the Secretary of the
21 Treasury shall submit a report of the study con-
22 ducted under paragraph (1) to the chairman and
23 ranking minority member of—

24 (A) the Committee on Banking, Housing,
25 and Urban Affairs of the Senate; and

1 (B) the Committee on Financial Services
2 of the House of Representatives.

3 (c) ANNUAL REPORT.—

4 (1) IN GENERAL.—The Director of the United
5 States Mint shall prepare and submit to Congress an
6 annual report on the purchases of silver made pur-
7 suant to this Act and the amendments made by this
8 Act.

9 (2) CONCURRENT SUBMISSION.—The report re-
10 quired by paragraph (1) may be incorporated into
11 the annual report of the Director of the United
12 States Mint on the operations of the mint and assay
13 offices, referred to in section 1329 of title 44,
14 United States Code.

Passed the Senate June 21, 2002.

Attest:

JERI THOMSON,
Secretary.