

110TH CONGRESS
2D SESSION

H. R. 5614

IN THE SENATE OF THE UNITED STATES

MAY 19, 2008

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To authorize the production in palladium of Saint-Gaudens
Double Eagle coins as ultra-high relief numismatic coins
and bullion investment coins in order to provide afford-
able opportunities for investments in precious metals,
and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act shall be known as the “Original Saint-
3 Gaudens Double Eagle Ultra-High Relief Palladium Bul-
4 lion Coin Act”.

5 **SEC. 2. FINDINGS.**

6 The Congress finds that—

7 (1) the Augustus Saint-Gaudens \$20 gold
8 pieces of 1907 with ultra-high relief are considered
9 by many in the numismatic community to be the
10 most beautiful coins ever produced;

11 (2) two separate “pattern” versions of the
12 ultra-high relief Double Eagle were produced in
13 1907;

14 (3) a 34-millimeter version was hand-struck on
15 a standard Double Eagle planchet using a medal
16 press and, because manufacturing and technical lim-
17 itations prevented mass production of these pieces,
18 this production resulted in low mintage, with fewer
19 than two dozen specimens of the 34-millimeter
20 version known to be in existence today;

21 (4) a second, 27-millimeter, version was struck
22 using two stacked \$10 Eagle planchets;

23 (5) these experimental “pattern” 27-millimeter
24 pieces were deemed to be illegal to produce and all
25 specimens were destroyed except for 2 that reside in
26 the Smithsonian’s National Numismatic Collection;

1 (6) the 27-millimeter pattern pieces are ranked
2 by numismatists as among the most beautiful coins
3 ever produced, but none are in private hands and
4 none have ever come up for sale;

5 (7) the ultra-high relief Double Eagles are rep-
6 resentative of the greatest period of American coin-
7 age, the so-called “Golden Age of Coinage” in the
8 United States, initiated by President Theodore Roo-
9 sevelt, with the assistance of noted sculptors and
10 medallic artists James Earle Fraser and Augustus
11 Saint-Gaudens;

12 (8) the introduction of this famous piece as a
13 numismatic proof coin would not only give collectors
14 an opportunity to own a version of a legendary coin
15 that has never before been available for private own-
16 ership, but also inaugurate a neo-renaissance in
17 United States coin design and demonstrate the tech-
18 nological advances that the United States has
19 achieved over the last century;

20 (9) the modern coin version of the \$20 gold
21 piece would be updated with the addition of the in-
22 scription “In God We Trust” and would include the
23 date of minting or issuance, to distinguish it from
24 the originals and prevent counterfeiting;

1 (10) palladium is a rare silver-white metal, and
2 is considered a precious metal because of its scar-
3 city;

4 (11) palladium is one of 6 platinum group met-
5 als that include ruthenium, rhodium, osmium, irid-
6 ium, and platinum; it is the least dense and has the
7 lowest melting point of the platinum group metals;

8 (12) the major nations mining palladium are in
9 order of volume: Russia, South Africa, United States
10 of America, and Canada;

11 (13) the major mine producing palladium in the
12 United States is located in Montana;

13 (14) palladium is fabricated into a wide range
14 of applications that includes its extensive use as an
15 industrial catalyst and a key component in the man-
16 ufacturing of automotive catalytic converters;

17 (15) palladium is also used in dentistry, jew-
18 elry, and in the production of surgical instruments
19 and electrical contacts;

20 (16) the demand for precious metals is driven
21 not only by their practical use, but also by their role
22 as a store of value;

23 (17) a variety of investment options are avail-
24 able to palladium investors that includes coins, bars,
25 and exchange-traded funds;

1 (18) palladium coins have been issued by sev-
2 eral countries, mainly as commemorative coins, but
3 also as bullion investment coins (bullion is the form
4 of palladium traded for investment purposes and is
5 a reference to its purity);

6 (19) Tonga commenced issuing palladium coins
7 in 1967 and other issuing countries have included
8 Canada, the Soviet Union, France, Russia, China,
9 Australia, and Slovakia;

10 (20) today, only Canada mints palladium bul-
11 lion coins;

12 (21) during the period 2003 through 2007, the
13 price of palladium ranged between \$148 and \$404
14 per troy ounce, and the average price in 2007 was
15 \$355 per troy ounce;

16 (22) by contrast, during the same period, the
17 price of platinum ranged between a low of \$603 and
18 a high \$1,544, and the average price in 2007 was
19 \$1,303 per troy ounce;

20 (23) thus, platinum bullion coins have become
21 too expensive for the average investor;

22 (24) The Royal Canadian Mint minted plat-
23 inum bullion coins for 14 years (between 1988 and
24 2001), but ceased production in the face of high
25 metal prices and declining sales;

1 (25) when the United States Mint’s American
 2 Eagle Platinum Bullion Coin was launched in 1997,
 3 the average price for the metal that year was \$395
 4 per troy ounce; and

5 (26) over the past decade, the price has more
 6 than tripled, which has caused a dramatic decline in
 7 demand for these coins, from 80,050 ounces sold in
 8 1997 to 9,050 in 2007.

9 **SEC. 3. ORIGINAL SAINT-GAUDENS DOUBLE EAGLE ULTRA-**
 10 **HIGH RELIEF BULLION COIN.**

11 Section 5112 of title 31, United States Code, is
 12 amended—

13 (1) in subsection (a), by adding at the end the
 14 following new paragraph:

15 “(12) A \$20 coin that—

16 “(A) is 27 millimeters in diameter;

17 “(B) weighs 1 ounce;

18 “(C) is of an appropriate thickness, as de-
 19 termined by the Secretary; and

20 “(D) bears, on the obverse and reverse, the
 21 designs of the famous 27-millimeter version of
 22 the 1907 Augustus Saint-Gaudens Double
 23 Eagle gold piece, as described in subsection
 24 (t).”; and

1 (2) by adding at the end, the following new sub-
2 section:

3 “(t) ORIGINAL SAINT-GAUDENS DOUBLE EAGLE
4 ULTRA-HIGH RELIEF NUMISMATIC COINS AND BULLION
5 INVESTMENT COINS.—

6 “(1) IN GENERAL.—Beginning January 1,
7 2009, the Secretary shall commence minting and
8 issuing for sale—

9 “(A) such number of \$20 bullion invest-
10 ment coins as the Secretary may determine to
11 be appropriate, that bear the design described
12 in paragraph (2); and

13 “(B) not more than 15,000 of the numis-
14 matic \$20 coins that bear the design and meet
15 the requirements of paragraph (3).

16 “(2) DESIGN AND REQUIREMENTS FOR BUL-
17 LION INVESTMENT COINS.—

18 “(A) IN GENERAL.—Except as provided
19 under subparagraph (B), the obverse and re-
20 verse of the coins minted and issued pursuant
21 to paragraph (1)(A) shall bear a close approxi-
22 mation of the original obverse and reverse de-
23 signs by Augustus Saint-Gaudens which appear
24 on the famous 27-millimeter version of the
25 1907 Double Eagle ultra-high relief gold piece.

1 “(B) VARIATIONS.—The coins referred to
2 in subparagraph (A) shall—

3 “(i) have inscriptions of the weight of
4 the coin and the purity of the alloy in the
5 coin raised on the edge of the coin;

6 “(ii) bear the nominal denomination
7 of the coin;

8 “(iii) bear the date of issue of the coin
9 on the obverse, expressed as a Roman nu-
10 meral as in the original design; and

11 “(iv) bear such other inscriptions, in-
12 cluding ‘In God We Trust’, as the Sec-
13 retary determines to be appropriate and in
14 keeping with the original design.

15 “(C) MINT FACILITY.—Any facility of the
16 United States Mint may be used to strike coins
17 minted pursuant to paragraph (1)(A) other
18 than the United States mint at West Point,
19 New York.

20 “(3) DESIGN AND REQUIREMENTS FOR ULTRA-
21 HIGH RELIEF NUMISMATIC COINS.—

22 “(A) IN GENERAL.—Subject to subpara-
23 graph (B), the obverse and reverse of the coins
24 minted and issued pursuant to paragraph
25 (1)(B) shall bear exact replicas of the original

1 obverse and reverse designs by Augustus Saint-
2 Gaudens which appear on the famous 27-milli-
3 meter version of the 1907 Double Eagle ultra-
4 high relief gold piece and the edge of the coin
5 shall have all appropriate raised lettering in the
6 same manner as the original coin.

7 “(B) VARIATIONS.—The coins referred to
8 in subparagraph (A) shall—

9 “(i) bear a single finish that most
10 closely approximate the finish of the origi-
11 nal gold 1907 ultra-high relief gold piece
12 as is practicable;

13 “(ii) bear the nominal denomination
14 of the coin;

15 “(iii) bear the date of issue of the coin
16 on the obverse, expressed as a Roman nu-
17 meral as in the original design; and

18 “(iv) bear such other inscriptions, in-
19 cluding ‘In God We Trust’, as the Sec-
20 retary determines to be appropriate and in
21 keeping with the original design.

22 “(C) MINT FACILITY.—Coins minted pur-
23 suant to paragraph (1)(B) may only be struck
24 at the United States mint at West Point, New
25 York.

1 “(D) FRACTIONAL COINS PROHIBITED.—

2 No coins issued pursuant to paragraph (1)(B),
3 shall be made available as so-called ‘fractional’
4 coins.

5 “(4) DISTRIBUTION IN SETS AND OTHER CO-
6 ORDINATION REQUIREMENTS.—If the Secretary
7 chooses, in accordance with subsection (i), to mint
8 and issue a gold bullion coin that bears the same de-
9 sign as the ultra-high relief numismatic coins de-
10 scribed in paragraph (1)(B)—

11 “(A) each palladium coin issued under
12 paragraph (1)(B) may only be issued in a set
13 containing 1 of each such coins;

14 “(B) each set of coins described in sub-
15 paragraph (A) shall be provided in a presen-
16 tation case of appropriate design;

17 “(C) the set described in subparagraph (A)
18 may only be issued and sold in 2009;

19 “(D) gold coins issued in any set described
20 in subparagraph (A) may only be struck at the
21 United States mint at West Point, New York
22 and no other gold coin issued by the Secretary
23 that bears the same design as the ultra-high re-
24 lief numismatic coins described in paragraph

1 (1)(B) may be struck at such mint at West
2 Point; and

3 “(E) no gold coin that bears the same de-
4 sign as the ultra-high relief numismatic coins
5 described in paragraph (1)(B) shall be made
6 available as so-called ‘fractional’ coins.

7 “(5) COMPOSITION.—

8 “(A) IN GENERAL.—The coins minted
9 under this subsection shall contain .995 pure
10 palladium.

11 “(B) SOURCE OF BULLION.—

12 “(i) IN GENERAL.—The Secretary
13 shall acquire bullion for the palladium
14 coins issued under this subsection by pur-
15 chase of palladium mined from natural de-
16 posits in the United States, or in a terri-
17 tory or possession of the United States,
18 within 1 year after the month in which the
19 ore from which it is derived was mined.

20 “(ii) PRICE OF BULLION.—The Sec-
21 retary shall pay not more than the average
22 world price for the palladium under sub-
23 paragraph (A).

24 “(6) SALE OF COINS.—Each coin issued under
25 this subsection shall be sold for an amount the Sec-

1 retary determines to be appropriate, but not less
2 than the sum of—

3 “(A) the nominal denomination of the coin;

4 “(B) the market value of the bullion at the
5 time of sale; and

6 “(C) the cost of designing and issuing the
7 coins, including labor, materials, dies, use of
8 machinery, overhead expenses, marketing, dis-
9 tribution, and shipping.

10 “(7) LEGAL TENDER.—The coins minted under
11 this title shall be legal tender, as provided in section
12 5103.

13 “(8) TREATMENT AS NUMISMATIC ITEMS.—For
14 purposes of section 5134 and 5136, all coins minted
15 under this subsection shall be considered to be nu-
16 ismatic items.

17 “(9) QUALITY.—The Secretary may issue the
18 coins described in paragraph (1)(A) in both proof
19 and uncirculated versions.

20 “(10) PROTECTIVE AND ANTI-COUNTERFEITING
21 COVER.—

22 “(A) IN GENERAL.—The Secretary shall
23 give strong consideration to making the coins
24 described in this subsection available only in
25 protective covers that preserve the coins in the

1 condition in which they are issued, allow clear
2 and easy viewing of the obverse, reverse, and
3 sides of the coin and protect it from movement
4 within the holder, and also protect against
5 counterfeiting of such coins or of the container.

6 “(B) ACQUISITION.—The Secretary may
7 elect to comply with subparagraph (A) by pro-
8 ducing and assembling such protective covers
9 within the United States Mint or by contracting
10 for the installation of such covers.

11 “(11) FURTHER ANTI-COUNTERFEITING MEAS-
12 URES.—

13 “(A) REPORT REQUIRED.—In an attempt
14 to forestall the counterfeiting or marketing of
15 the coins described in this section, including
16 this subsection, and of collectible, numismatic
17 and rare coins in general, the Comptroller Gen-
18 eral shall, after consulting with the Director of
19 the United States Secret Service and the Fed-
20 eral Trade Commission, and in consultation
21 with hobbyists, numismatists, law enforcement
22 agencies, and the Citizens Coinage Advisory
23 Committee, shall submit to the Committee on
24 Financial Services of the House of Representa-
25 tives and the Committee on Banking, Housing,

1 and Urban Affairs of the Senate, before the end
2 of the 9-month period beginning on the date of
3 the enactment of the Original Saint-Gaudens
4 Double Eagle Ultra-High Relief Bullion Coin
5 Act, a report detailing the extent of counter-
6 feiting of rare, collectible or numismatic coins
7 made available for sale in the United States, re-
8 gardless of the country where the original of
9 such coin was produced or of the country in
10 which the counterfeiting takes place, or sales
11 overseas if such counterfeit coins are unauthor-
12 ized copies of coins originally produced by the
13 United States Mint.

14 “(B) CONTENTS OF REPORT.—The report
15 submitted under subparagraph (A) shall de-
16 scribe the following:

17 “(i) The extent of such counterfeiting
18 of coins and numismatic items.

19 “(ii) The source of such counter-
20 feiting, if known, including which countries
21 may be the origin of such counterfeits if
22 they are produced outside the United
23 States.

“(iv) The effect of any such counterfeiting on hobbyists, numismatists and on the investment opportunities for bullion or numismatic coins produced by the United States Mint.

“(vi) Such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate to curtail or forestall any such counterfeiting.”.

Attest: LORRAINE C. MILLER,
Clerk.