

110TH CONGRESS
2D SESSION

S. 2924

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

IN THE SENATE OF THE UNITED STATES

APRIL 28, 2008

Mr. BAUCUS (for himself and Mr. TESTER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To authorize the production of Saint-Gaudens Double Eagle ultra-high relief bullion coins in palladium to provide affordable 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act shall be known as the “Original Saint-
5 Gaudens Double Eagle Ultra-High Relief Bullion Coin
6 Act”.

7 **SEC. 2. FINDINGS.**

8 The Congress finds that—

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

5 (2) two separate “pattern” versions of the
6 ultra-high relief Double Eagle were produced in
7 1907;

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

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

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

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

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

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

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

21 (10) palladium is a rare silver-white metal, and
22 is considered a precious metal because of its scar-
23 city;

24 (11) palladium is one of 6 platinum group met-
25 als that include ruthenium, rhodium, osmium, irid-

1 ium, and platinum; it is the least dense and has the
2 lowest melting point of the platinum group metals;

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

6 (13) the major mine producing palladium in the
7 United States is located in Montana;

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

12 (15) palladium is also used in dentistry, jew-
13 elry, and in the production of surgical instruments
14 and electrical contacts;

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

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

21 (18) palladium coins have been issued by sev-
22 eral countries, mainly as commemorative coins, but
23 also as bullion investment coins (bullion is the form
24 of palladium traded for investment purposes and is
25 a reference to its purity);

1 (19) Tonga commenced issuing palladium coins
2 in 1967 and other issuing countries have included
3 Canada, the Soviet Union, France, Russia, China,
4 Australia, and Slovakia;

5 (20) today, only Canada mints palladium bul-
6 lion coins;

7 (21) during the period 2003 through 2007, the
8 price of palladium ranged between \$148 and \$404
9 per troy ounce, and the average price in 2007 was
10 \$355 per troy ounce;

11 (22) by contrast, during the same period, the
12 price of platinum ranged between a low of \$603 and
13 a high \$1,544, and the average price in 2007 was
14 \$1,303 per troy ounce;

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

17 (24) The Royal Canadian Mint minted plat-
18 inum bullion coins for 14 years (between 1988 and
19 2001), but ceased production in the face of high
20 metal prices and declining sales;

21 (25) when the United States Mint's American
22 Eagle Platinum Bullion Coin was launched in 1997,
23 the average price for the metal that year was \$395
24 per troy ounce; and

1 (26) over the past decade, the price has more
 2 than tripled, which has caused a dramatic decline in
 3 demand for these coins, from 80,050 ounces sold in
 4 1997 to 9,050 in 2007.

5 **SEC. 3. ORIGINAL SAINT-GAUDENS DOUBLE EAGLE ULTRA-**
 6 **HIGH RELIEF BULLION COIN.**

7 Section 5112 of title 31, United States Code, is
 8 amended—

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

11 “(11) A \$20 coin that—

12 “(A) is 27 millimeters in diameter;

13 “(B) weighs 1 ounce;

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

16 “(D) bears, on the obverse and reverse, the
 17 designs of the famous 27-millimeter version of
 18 the 1907 Augustus Saint-Gaudens Double
 19 Eagle ultra-high relief gold piece, as described
 20 in subsection (t).”; and

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

23 “(t) ORIGINAL SAINT-GAUDENS DOUBLE EAGLE
 24 ULTRA-HIGH RELIEF COINS.—

1 “(1) IN GENERAL.—Beginning January 1,
 2 2009, the Secretary shall commence minting and
 3 issuing for sale such number of \$20 bullion coins as
 4 the Secretary may determine to be appropriate, that
 5 bear the design described in paragraph (2).

6 “(2) DESIGN.—

7 “(A) IN GENERAL.—Except as provided
 8 under subparagraph (B), the obverse and re-
 9 verse of the coins minted and issued under this
 10 subsection shall bear the original obverse and
 11 reverse designs by Augustus Saint-Gaudens
 12 which appear on the famous 27-millimeter
 13 version of the 1907 Double Eagle ultra-high re-
 14 lief gold piece.

15 “(B) VARIATIONS.—The coins referred to
 16 in subparagraph (A) shall—

17 “(i) have inscriptions of the weight of
 18 the coin and the purity of the alloy in the
 19 coin incused on the edge of the coin;

20 “(ii) the nominal denomination of the
 21 coin;

22 “(iii) the date of issue of the coin on
 23 the obverse, expressed as a Roman nu-
 24 meral as in the original design; and

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

5 “(C) FRACTIONAL COINS PROHIBITED.—
 6 No coins issued under this subsection, regard-
 7 less of the composition, shall ever be made
 8 available as so-called ‘fractional’ coins.

9 “(3) COMPOSITION.—

10 “(A) IN GENERAL.—The coins minted
 11 under this subsection shall contain .995 pure
 12 palladium, except that during the first year of
 13 minting and issuance only, the Secretary in-
 14 stead may choose to mint and issue the coin in
 15 .999 pure gold.

16 “(B) 1-YEAR LIMITATION.—If the Sec-
 17 retary chooses to mint and issue the coins de-
 18 scribed in this subsection in gold during the
 19 first year of issue, no coins shall be minted and
 20 issued under this subsection in palladium dur-
 21 ing that year, and such gold coins shall be
 22 issued only in proof versions.

23 “(4) SOURCE OF BULLION.—

24 “(A) IN GENERAL.—The Secretary shall
 25 acquire bullion for the palladium coins issued

1 under this subsection by purchase of palladium
2 mined from natural deposits in the United
3 States, or in a territory or possession of the
4 United States, within 1 year after the month in
5 which the ore from which it is derived was
6 mined.

7 “(B) PRICE OF BULLION.—The Secretary
8 shall pay not more than the average world price
9 for the palladium under subparagraph (A).

10 “(5) SALE OF COINS.—Each bullion coin issued
11 under this subsection shall be sold for an amount
12 the Secretary determines to be appropriate, but not
13 less than the sum of—

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

15 “(B) the market value of the bullion at the
16 time of sale; and

17 “(C) the cost of designing and issuing the
18 coins, including labor, materials, dies, use of
19 machinery, overhead expenses, marketing, dis-
20 tribution, and shipping.

21 “(6) LEGAL TENDER.—The coins minted under
22 this title shall be legal tender, as provided in section
23 5103.

24 “(7) TREATMENT AS NUMISMATIC ITEMS.—For
25 purposes of section 5134 and 5136, all coins minted

1 under this subsection shall be considered to be nu-
2 mismatic items.

3 “(8) QUALITY.—Except as provided in subpara-
4 graph (3)(B), the Secretary may issue the coins de-
5 scribed in this subsection in both proof and uncir-
6 culated versions.

7 “(9) SPECIAL TREATMENT.—If the Secretary
8 elects to mint and issue coins in 2009 in gold as de-
9 scribed in subparagraph (3)(A), no more than
10 25,000 shall be available for sale in a special ‘Golden
11 Age of American Coinage’ set, including a special
12 holder, each in combination only with a proof version
13 of the gold coins described in subsection (q).

14 “(10) PROTECTIVE AND ANTI-COUNTERFEITING
15 COVER.—

16 “(A) IN GENERAL.—The Secretary shall
17 give strong consideration to making the coins
18 described in this subsection, regardless of me-
19 tallic content, available only in protective covers
20 that preserve the coins in the condition in which
21 they are issued, allow clear and easy viewing of
22 the obverse and reverse of the coin and protect
23 it from movement within the holder, and also
24 protect against counterfeiting of such coins or
25 of the container.

1 “(B) ACQUISITION.—The Secretary may
2 elect to comply with paragraph (A) by pro-
3 ducing and assembling such protective covers
4 within the United States Mint or by contracting
5 for the installation of such covers.

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

8 “(A) REPORT REQUIRED.—In an attempt
9 to forestall the counterfeiting or marketing of
10 the coins described in this section, including
11 this subsection, and of collectible, numismatic
12 and rare coins in general, the Treasury Inspec-
13 tor General shall, after consulting with the Di-
14 rector of the United States Secret Service and
15 the Federal Trade Commission, and in con-
16 sultation with hobbyists, numismatists, law en-
17 forcement agencies, and the Citizens Coinage
18 Advisory Committee, shall submit to the Com-
19 mittee on Financial Services of the House of
20 Representatives and the Committee on Bank-
21 ing, Housing, and Urban Affairs of the Senate,
22 before the end of the 9-month period beginning
23 on the date of the enactment of the Original
24 Saint-Gaudens Double Eagle Ultra-High Relief
25 Bullion Coin Act, a report detailing the extent

1 of counterfeiting of rare, collectible or numis-
2 matic coins made available for sale in the
3 United States, regardless of the country where
4 the original of such coin was produced or of the
5 country in which the counterfeiting takes place,
6 or sales overseas if such counterfeit coins are
7 unauthorized copies of coins originally produced
8 by the United States Mint.

9 “(B) CONTENTS OF REPORT.—The report
10 submitted under subparagraph (A) shall de-
11 scribe the following:

12 “(i) The extent of such counterfeiting
13 of coins and numismatic items.

14 “(ii) The source of such counter-
15 feiting, if known, including which countries
16 may be the origin of such counterfeits if
17 they are produced outside the United
18 States.

19 “(iii) The distribution and marketing
20 channels for such counterfeits within and
21 without the United States.

22 “(iv) The effect of any such counter-
23 feiting on hobbyists, numismatists and on
24 the investment opportunities for bullion or

1 numismatic coins produced by the United
2 States Mint.

3 “(v) Whether such counterfeiting ex-
4 tends to the counterfeiting of coin-grading
5 or protective materials in such a way that
6 might imply that the counterfeit inside had
7 been examined and authenticated by a rep-
8 utable coin-grading firm.

9 “(vi) Such recommendations for legis-
10 lative or administrative action as the
11 Treasury Inspector General may determine
12 to be appropriate to curtail or forestall any
13 such counterfeiting.”.

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