

**THE COINAGE ACT OF 1969:
HEARINGS, NINETY-FIRST
CONGRESS, FIRST SESSION ON
H.R. 13252. OCTOBER 1 AND 3,
1969**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649438785

The Coinage Act of 1969: Hearings, Ninety-First Congress, First Session on H.R. 13252. October 1 and 3, 1969 by Various

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

www.triestepublishing.com

VARIOUS

**THE COINAGE ACT OF 1969:
HEARINGS, NINETY-FIRST
CONGRESS, FIRST SESSION ON
H.R. 13252.
OCTOBER 1 AND 3, 1969**

822'

THE COINAGE ACT OF 1969

91-1

HEARINGS
BEFORE THE
COMMITTEE ON BANKING AND CURRENCY
HOUSE OF REPRESENTATIVES
NINETY-FIRST CONGRESS
FIRST SESSION

ON
H.R. 13252

A BILL TO CARRY OUT THE RECOMMENDATIONS OF THE
JOINT COMMISSION ON THE COINAGE, AND FOR OTHER
PURPOSES

OCTOBER 1 AND 3, 1969

Printed for the use of the Committee on Banking and Currency



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1969

COMMITTEE ON BANKING AND CURRENCY

WRIGHT PATMAN, Texas, Chairman

WILLIAM A. BARRETT, Pennsylvania	WILLIAM B. WIDNALL, New Jersey
LEONOR K. (Mrs. John B.) SULLIVAN, Missouri	FLORENCE P. DWYER, New Jersey
HENRY S. REUSS, Wisconsin	SEYMOUR HALPERN, New York
THOMAS L. ASHLEY, Ohio	W. K. (BILL) BROCK, Tennessee
WILLIAM S. MOORHEAD, Pennsylvania	DEL CLAWSON, California
ROBERT G. STEPHENS, Jr., Georgia	ALBERT W. JOHNSON, Pennsylvania
FERNAND J. ST GERMAIN, Rhode Island	J. WILLIAM STANTON, Ohio
HENRY B. GONZALEZ, Texas	CHESTER L. MIZE, Kansas
JOSEPH G. MINISH, New Jersey	BENJAMIN B. BLACKBURN, Georgia
RICHARD T. HANNA, California	GARRY BROWN, Michigan
TOM S. GETTYS, South Carolina	LAWRENCE G. WILLIAMS, Pennsylvania
FRANK ANNUNZIO, Illinois	CHALMERS P. WYLLIE, Ohio
THOMAS M. REES, California	MARGARET M. HECKLER, Massachusetts
NICK GALIFIANAKIS, North Carolina	WILLIAM O. COWGER, Kentucky
TOM BEVILL, Alabama	J. GLENN BEALL, Jr., Maryland
CHARLES H. GRIFFIN, Mississippi	
JAMES M. HANLEY, New York	
FRANK J. BRASCO, New York	
BILL CHAPPELL, Jr., Florida	

PAUL NELSON, Clerk and Staff Director
CURTIS A. FRIMS, Chief Investigator
BERRY D. GELMAN, Counsel
JAMES F. DORRANT, Counsel
JOSEPH C. LEWIS, Professional Staff Member
ORMAN S. FINE, Minority Staff Member

CONTENTS

	Page
Hearings held on—	1
October 1, 1969.....	39
October 3, 1969.....	1
Text of H.R. 13252.....	

STATEMENTS

Conte, Hon. Silvio O., a Representative in Congress from the State of Massachusetts.....	39
Eggers, Hon. Paul W., General Counsel, Treasury Department; accompanied by Frederick W. Tate, Deputy Director of the Mint; Thomas W. Wolfe, Director, Office of Domestic Gold and Silver Operations; Alan W. Wolf, Office of General Counsel; and Louis Brooks, Director, Market and Technical Services Division, GSA.....	3
Giammo, Hon. Robert N., a Representative in Congress from the State of Connecticut.....	48
McClure, Hon. James A., a Representative in Congress from the State of Idaho, as presented by Richard K. Thompson.....	49
Morris, Joseph T., executive vice president, National Association of Photographic Manufacturers, Inc.....	92
Stevens, John B., president, Silver Users Association, as presented by Walter L. Frankland, Jr., executive director.....	61
Wilcox, Ralph L., general manager, silver sales, American Smelting and Refining Co., on behalf of Simon Strauss.....	88

ADDITIONAL INFORMATION SUBMITTED FOR THE RECORD

Conte, Hon. Silvio O.:	
"Taking the Silver Out of Coins," editorial from the Philadelphia Inquirer, May 18, 1969.....	43
"Wrong Time for Silver Oratory," editorial from the Denver Post, May 15, 1969.....	43
Eggers, Hon. Paul W.:	
Letter to Hon. Henry S. Reuss in response to questions on total seigniorage and revenue from silver to the Federal Government, dated October 1, 1969.....	34
Silver Dollar Disposal Plan Fact Sheet.....	7
Table—"Estimated Costs and Net Return to Government Production of One Dollar (Face Value)".....	35
Table—"Ratio of Coins Returned to Coins Issued by Federal Reserve Banks".....	17
Table—"Supply and Use of Silver in the United States".....	20
Krause, Chester L., publisher of Numismatic News, Coins magazine, Coin Collector and Shopper, and Coin Prices, prepared statement.....	59
McClure, Hon. James A.:	
Letter from Hon. Mike Mansfield to Chairman Wright Patman, dated October 2, 1969.....	60
Number of silver-bearing commemorative coins minted by countries by year (1959-69).....	54
Mansfield, Hon. Mike, letter to Chairman Wright Patman, dated October 2, 1969.....	60
Morris, Joseph T., on behalf of National Association of Photographic Manufacturers, Inc., prepared statement.....	92
National Automatic Merchandising Association, letter dated September 30, 1969, with an attached statement in support of H.R. 13252.....	94

IV

	Page
Patman, Hon. Wright:	
Excerpts from the transcripts of the Joint Commission on the Coinage on proposed plan for disposal of 3 million silver dollars:	
December 5, 1968.....	8
May 12, 1969.....	9
Letter from President Nixon supporting passage of H.R. 13252, dated September 29, 1969.....	88
Pollock, Hon. Howard W., a Representative in Congress from the State of Alaska, prepared statement.....	93
Silver Users Association, fact sheet on H.R. 13252.....	66
Stevens, John B., prepared statement.....	61
Strauss, Simon D., vice president, American Smelting and Refining Co., on behalf of the American Mining Congress, prepared statement.....	89

THE COINAGE ACT OF 1969

WEDNESDAY, OCTOBER 1, 1969

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C.

The committee met, pursuant to notice, at 10 a.m., in room 2128, Rayburn House Office Building, Hon. Wright Patman (chairman) presiding.

Present: Representatives Patman, Barrett, Sullivan, Reuss, Stephens, St Germain, Gonzalez, Minish, Hanna, Annunzio, Galifianakis, Griffin, Chappell, Widnall, Halpern, Johnson, Stanton, Mize, Blackburn, Brown, Williams, Heckler and Beall.

Chairman PATMAN. The committee will please come to order. Today the full Committee on Banking and Currency meets to hear testimony on H.R. 13252, a bill to carry out the recommendations of the Joint Committee on the Coinage.

(The text of H.R. 13252 follows:)

[H.R. 13252, 91st Cong., first sess.]

A BILL To carry out the recommendations of the Joint Commission on the Coinage, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coinage Act of 1969."

SEC. 2. The Coinage Act of 1965 is amended as follows:

(1) Subsections (a) and (b) of section 101 (31 U.S.C. 391 (a) and (b)) are amended to read:

"(a) The Secretary may coin and issue one-dollar pieces, half dollars or 50-cent pieces, quarter dollars or 25-cent pieces, and dimes or 10-cent pieces in such quantities as he may determine to be necessary to meet national needs. Any coin minted under authority of this section shall be a clad coin the weight of whose cladding is not less than 30 per centum of the weight of the entire coin, and which meets the following additional specifications:

(1) The dollar shall have—

(A) a diameter of 1.500 inches;

(B) a cladding of an alloy of 75 per centum copper and 25 per centum nickel; and

(C) a core of copper such that the whole coin weighs 22.68 grams.

(2) The half dollar shall have—

(A) a diameter of 1.205 inches;

(B) a cladding of an alloy of 75 per centum copper and 25 per centum nickel; and

(C) a core of copper such that the whole coin weighs 11.34 grams.

(3) The quarter dollar shall have—

(A) a diameter of 0.955 inch;

(B) a cladding of an alloy of 75 per centum copper and 25 per centum nickel; and

(C) a core of copper such that the weight of the whole coin is 5.67 grams.

(4) The dime shall have—

(A) a diameter of 0.705 inch;

(B) a cladding of an alloy of 75 per centum copper and 25 per centum nickel; and

(1)

(C) a core of copper such that the weight of the whole coin is 2.268 grams.
 "(b) Half dollars previously provided for by this Act may, in the discretion of the Secretary of the Treasury, continue to be minted until January 1, 1971.

Sec. 3. (a) The Secretary of the Treasury is hereby authorized to transfer, as an accountable advance and at their face value, the approximately three million silver dollars now held in the Treasury to the Administrator of General Services. The Administrator is authorized to offer these coins to the public in the manner recommended by the Joint Commission on the Coinage at its meeting on May 12, 1969. The Administrator shall repay the accountable advance in the amount of that face value out of the proceeds of and at the time of the public sale of the silver dollars and any proceeds received as a result of the public sale in excess of the face value of these coins shall be covered into the Treasury as miscellaneous receipts.

(b) There are authorized to be appropriated, to remain available until expended such amounts as may be necessary to carry out the purposes of this section.

Sec. 4. Section 4 of the Act of June 24, 1967, 81 Stat. 77, is amended by adding at the end thereof the following new sentence: "Out of the proceeds of and at the time of any sale of silver transferred pursuant to this Act, the Treasury Department shall be paid \$1.292929292 for each fine troy ounce."

We have as our witnesses today the General Counsel of the Treasury, the Honorable Paul W. Eggers, accompanied by other members of the Treasury Department and General Services Administration. On Friday, we will hear from Congressmen Conte and McClure and then representatives from the American Mining Congress and Silver Users Association.

As indicated in the memorandum of September 25 announcing these hearings, it is hoped that on Friday there will be enough remaining time for the committee to go into executive session to mark up this legislation.

All members have received a summary of this legislation which very briefly provides for (1) the minting of a cupro-nickel clad half dollar coin, (2) the minting of a cupro-nickel clad dollar coin, and (3) the authority for the Treasury to sell the almost 3 million rare silver dollars to the public.

In essence, H.R. 13252 contains recommendations of the Joint Committee on the Coinage of December 5, 1968, as subsequently endorsed by the Commission in May of 1969.

As regards the disposition of the approximately 3 million silver dollars, it was recommended by the Commission—I trust this will be the plan assuming enactment of this legislation—that these coins be offered at a minimum fixed price with an option to the buyer to include an alternate higher bid price which would be considered in the event that the number of coins ordered of any one date exceeds the number available. To assure as wide a distribution in the sale of these coins as possible, only one coin of any one date would be allowed for each purchase. The uniqueness of this plan is simply that not only would it provide for as wide an opportunity for the public as possible, but at the same time it would assure an optimum return on the disposition to the Government.

Mr. Eggers, you may introduce the gentlemen accompanying you, and identify them for the record, please, and proceed in your own way.

Mr. EGGERS. Mr. Tom Wolfe, and Mr. Alan Wolff, and Mr. Tate, all of Treasury.

Chairman PATMAN. Are they all with General Services?

Mr. EGGERS. They are with the Treasury Department.

Chairman PATMAN. With the Treasury Department. Do you have anybody with General Services?

Mr. EGGERS. Yes, sir. Mr. Brooks, here, from GSA.

Chairman PATMAN. All right, sir. He may take a place over there at the table, too, if he will.

Mr. Eggers, you may proceed, sir. You have a statement, I believe.

Mr. EGGERS. Yes, sir; I do.

STATEMENT OF HON. PAUL W. EGGERS, GENERAL COUNSEL, TREASURY DEPARTMENT; ACCOMPANIED BY FREDERICK W. TATE, DEPUTY DIRECTOR OF THE MINT; THOMAS W. WOLFE, DIRECTOR, OFFICE OF DOMESTIC GOLD AND SILVER OPERATIONS; ALAN W. WOLFF, OFFICE OF GENERAL COUNSEL; AND LOUIS BROOKS, DIRECTOR, MARKET AND TECHNICAL SERVICES DIVISION, GSA

Mr. EGGERS. Mr. Chairman I welcome this opportunity to urge the prompt enactment of H.R. 13252, the Coinage Act of 1969. Before setting forth the reasons why the Treasury Department considers the prompt enactment of this legislation to be strongly in the public interest let me briefly review the procedures under which the administration's coinage legislation was developed.

In March of this year, Secretary Kennedy established a special task force of Treasury officials to review all major silver and coinage issues and recommend appropriate administrative actions and where necessary new legislation. I had the honor to act as chairman of this group. In early May the task force completed its study and presented a report to the Secretary outlining its recommendations.

The recommended program was then reviewed by and received the full approval of the Joint Commission on the Coinage, a nonpartisan body established by law to advise the President and the Congress on silver and coinage matters. As you know, this 24-member Commission includes 12 Members of Congress, the chairman and ranking minority member of the Senate Banking and Currency Committee, four Members of the Senate appointed by the President of the Senate, the chairman and ranking minority member of the House Banking and Currency Committee and four Members of the House of Representatives appointed by the Speaker of the House of Representatives, four members from the executive branch—the Secretaries of the Treasury and Commerce, the Director of the Budget and the Director of the Mint, and eight public members appointed by the President.

The administrative actions endorsed by the Commission were immediately put into effect by Secretary Kennedy. These were a lifting of the coin melting ban and a reduction in the weekly sale of silver through the GSA from 2 to 1½ million ounces. The legislation endorsed by the Commission is now before your committee as H.R. 13252.

Under provisions of this legislation the Secretary of the Treasury would be granted authority to: (1) Mint a nonsilver cupro-silver half dollar; (2) mint a nonsilver cupro-nickel dollar coin, and (3) transfer the approximately 3 million rare silver dollars now held in the Treasury to the Administrator of General Services for sale to the public in the manner recommended by the Joint Commission on the Coinage.