

INVESTOR'S MARKET ADVISORY



SPOTLIGHTING OUR NEWEST COLLECTING RECOMMENDATION

RONALD REAGAN RESTORES RIGHT TO PRIVATE GOLD OWNERSHIP WITH AMERICAN EAGLES

Ronald Reagan's Golden Legacy To Americans

From almost the instant Ronald Reagan was first elected President in 1980, a wave of patriotism and national pride began to sweep America. Throughout his administration, he fostered an environment for economic recovery and a new sense of optimism for the future. In 1985, consistent with his core beliefs, he signed legislation to restore the right to Americans to once again privately own gold, and thus was created the Gold American Eagles.

Before Reagan's executive authorization, it had been more than fifty years since the United States government had produced gold coins for circulation and private ownership, and it had been illegal for Americans to hoard gold in any form other than jewelry or numismatic collectible coins minted prior to 1934. With the Gold Bullion Coin Act of 1985, Ronald Reagan restored one of the most fundamental monetary rights back to Americans, and in the process created a particular gold coin that is quietly becoming one of the most highly-prized gold collectible coins in United States history. Before we reveal which coin that is, let's briefly recap the history of United States gold coins to give you a sense of the lineage that came before.

A Brief History of U.S. Gold Coinage

The first gold coins in United States history were issued in 1795 and were produced under the same Congressional authority that established the United States Mint in 1792. In 1795, the U.S. Mint produced a gold half eagle and a gold eagle, respectively bearing \$5 and \$10 legal tender denominations. In 1796, the Mint began producing a gold quarter eagle with a \$2.50 legal tender denomination. In 1849, coincidental with the California Gold Rush, Congress first authorized the production of a \$20 double eagle denomination. Only one double eagle was minted in 1849 and that specific coin now resides in the Smithsonian Institution. Regular production of double eagles for circulation commenced in 1850.

Many people believe the "eagle" designation was a nickname of sorts applied generally to U.S. gold coinage. However, the quarter eagle, half eagle, eagle and double eagle monikers were actually delineated as specific legal tender units in the original Acts that authorized their respective productions all based on an "eagle" representing \$10. The Congressional Acts of 1792 and 1849 also established the specific sizes, weights and gold contents of the various coins.

From 1795 through 1933, while there were several different designs employed on U.S. gold coins, most notably the Liberty Coronet and Indian Head designs, the eagle and fractional eagle denominations, as well as their respective specifications, remained the standards for most circulating U.S. gold coinage. In 1933, in an emergency response to the Great Depression, President Franklin Roosevelt signed the infamous Executive Order 6102 that outlawed private gold



Coin Images Not To Scale

COIN SPECIFICATIONS

Weight: 0.5454 troy oz.
 Diameter: 27 mm
 Thickness: 2.24 mm
 Face Value: \$25
 Gold Purity: .9167 (22k)

ownership and recalled all non-numismatic gold coinage. This resulted in the melting of enormous quantities of pre-1934 gold coins and the "underground railroad" of sorts for gold coins to be shuttled to Europe and South America for safekeeping. From 1934 until 1986, the U.S. Mint produced no legal tender gold coins that weren't commemoratives.

After 1971, when the dollar's value was no longer linked to a fixed amount of gold, the value of the gold content in the gold coins that still existed began to far exceed their legal tender face value. As a result, all pre-1934 gold coins are now generally held by numismatic collectors or by investors. In 1986, the United States government unveiled the Gold American Eagles and once again began minting gold coins for circulation and private ownership.

History of the Gold American Eagles

Since 1986, the year of their first introduction by the U.S. Mint, the Gold Eagles have gained in popularity among collectors every year. The obverse design of the Gold American Eagles features a modern rendition of Augustus Saint-Gaudens' popular Lady Liberty design, holding an olive branch in her left hand and a torch in her right. The reverse design features noted sculptor Miley Busiek's design of a family of eagles with the male eagle hovering above a nest containing a female eagle and her hatchlings.

Minted in four sizes, their respective legal tender denominations - \$5, \$10, \$25 and \$50 – are largely symbolic as the value of their gold content far outweighs their face value. Their 22 karat gold content purity and individual troy ounce weight is guaranteed by the United States government. Even though they are deemed as United States legal tender and share the “Eagle” moniker with pre-1934 gold coinage, they are not considered in the same class as those coins, since they have never truly been intended to serve as circulating legal tender.

Trey Cox's Pick: The Historic \$25 Gold Eagle

In the early years of the Gold American Eagle series, **Trey Cox**, one of our lead numismatic consultants, was among the very first wave of numismatists to notice that the mintage tallies for the \$25 Gold Eagle were significantly lower than the other three denominations in the series. Early on, he began recommending the \$25 Gold Eagles to his collector clients. **As the years have played out, the \$25 Gold American Eagles have consistently been the lowest minted coin in the series,** which from a numismatic perspective presents one of the most compelling, and surprisingly overlooked, collector opportunities in the annals of modern United States coin collecting history.

As Cox observes, “It continues to surprise me that many coin dealers fail to recognize that the \$25 Gold Eagles are relatively rare compared to all the other Gold Eagles. Virtually every single year, their total mintages have been significantly lower. **This fact, coupled with their status as the first and only \$25 gold coin in United States history, makes them the perfect collector coin.** Within the group, select key date, high grade \$25 Gold Eagles with the lowest mintages are already attracting premium bids among collectors. The Type I \$25 Gold Eagles are becoming increasingly hard to find. I expect the entire series to rise in price over time.”

Many of the key dates that Cox recommends are comparable in mintage to some pre-1934 gold coins, which now sell for tens of thousands of dollars. These comparative similarities indicate that future prices of certain \$25 Gold Eagles could be quite higher than their present day levels. If you have been around coin collecting for any time at all, you know that secrets like this do not last forever. When dealers begin coming around to this realization, prices should begin quickly escalating and many of these select coins may rise beyond the range of many collectors.

Already, it is becoming increasingly difficult for dealers to keep better date, high grade Gold Eagles in inventory. In fact, the Type I \$25 Gold Eagles are becoming harder and harder to find in even small quantities. We very rarely ever see higher-grade groupings, and even handfuls of better date, high grade Type II \$25 Gold Eagles are becoming difficult to find.

This means the key date \$25 Gold Eagles have found their way into private collections and are unlikely to see the light of day for the foreseeable future. As the secret continues to spread, more and more collectors each year will be competing for an increasingly stingy supply. As a result, prices for these modern day rarities will likely continue their upward price trend. At some point, they could become out of the price range of the mainstream collector.

If you have not yet started or completed your \$25 Gold Eagle collection, now is the time to begin taking action while prices for select, key date specimens are still relatively reasonable. Contact your account representative today to discuss your goals and find out which coins are most likely to see their prices increase in the near future. **Do not wait, as soon as dealers and collectors recognize this unique and overlooked modern day opportunity, prices could rise sooner than expected and cost you more to complete your collection.**

Type I and Type II Gold Eagle Designs

There are two design types of Gold American Eagles in circulation. The Type I Gold Eagles are those minted from 1986 through 1992, which bear Roman numeral date designations. Commencing in 1992, the U.S. Mint scuttled the Roman numeral date system and began minting the Gold Eagles bearing Arabic numeral dates, thus creating the Type II Gold Eagles, which continue to be produced through to the present day. Other than the Type I and Type II date distinctions, all four Gold Eagles are identical to one another in design, except for the face value and gold weight markings on the reverse side of each respective coin.



**Type I: Roman Numeral Dates
1986-1991**



**Type II: Arabic Numeral Dates
1992-Present**

Key Dates: 1988, 1989, 1990, 1991, 1992, 1995, 1996 & 2001



In NEXT month's issue...

In March we will take a look at the history of the high-flying and historic Platinum American Eagles.



Vault Verification: AINT25G207

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