

# Liberty's Outlook

Volume 20 Issue 12 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics December 3, 2014

## Will Shale Oil Industry Woes Bring On An Economic Collapse In 2015?

The month of November, especially the Thanksgiving weekend, brought some major developments to the global economy. These will have significant impact on precious metals prices in 2015.

First, there was a virtual US media news blackout about the upcoming G-20 Group of Nations Leaders Summit in Brisbane, Australia November 22-23. This was the most important G-20 event of the year with as many as 4,000 delegates and 3,000 media representatives.

At the conclusion, a fairly bland statement was issued outlining the G-20 policy discussions and commitments.

What was buried in the details was that the US government agreed that the derivatives exposure by major US banks (such as JPMorgan Chase, Citicorp, Bank of America, Wells Fargo, Goldman Sachs, and Morgan Stanley) would get first claim on the bank's assets before any Federal Deposit Insurance Corporation coverage or pension assets would be protected.

What this means is that if any of these banks run into financial trouble, customer bank accounts—including those for pension plans—will have their balances seized to pay off any liabilities that the banks owe on derivatives.

Given the panic this policy change could cause among the customers of these banks, it is somewhat understandable why the media didn't want to inform their audiences.

During the two international meetings in the week before the G-20 Leaders Summit and at the Summit itself, it is al-

### 2014 Year To Date Results

As of December 2, 2014

#### Precious Metals

Palladium	+13.1%
Gold	-0.2%
Platinum	-10.8%
Silver	-15.2%

#### Numismatics

US MS-63 \$20 Liberty	-2.1%
US MS-63 \$20 St Gaudens	-3.6%
US MS-65 Morgan Dollar, Pre-1921	-20.8%

#### US Dollar vs Foreign Currencies

Japan Yen	+13.2%
Euro	+11.0%
Switzerland Franc	+8.9%
Brazil Real	+8.7%
Mexico Peso	+8.2%
Canada Dollar	+7.4%
South Africa Rand	+6.0%
Great Britain Pound	+5.9%
South Korea Won	+5.7%
Australia Dollar	+5.6%
New Zealand Dollar	+5.3%
Singapore Dollar	+3.9%
China Yuan	+1.5%
Hong Kong Dollar	+0.0%
India Rupee	-0.1%

U.S. Dollar Index	88.65	+10.6%
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#### US And World Stock Market Indices

Shanghai Composite	+30.6%
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NASDAQ	+13.9%
S&P 500	+11.8%
Nikkei 225	+8.4%
Dow Jones Industrial Average	+7.9%
Frankfurt Xetra DAX	+4.0%
Russell 2000	+0.4%
Sao Paulo Bovespa	+0.2%
London FT 100	-0.1%
Australia S&P/ASX 200	-1.3%
Dow Jones World (excluding US)	-2.8%
10 Year US Treasury Note interest rate	
2.285%	-24.59%

#### Wholesale Food Commodities

Eggs, Large White Chicago	+61.5%
Butter, AA Chicago	+29.5%
Beef, Choice	+29.1%
Hogs, Sioux Falls	+8.7%
Broilers, Dressed A	+8.4%
Flour, Hard Winter KC	+6.0%
Corn, #2 Yellow	-13.1%
Cheddar Cheese, Bulk Chicago	-17.0%
Oats, #2 Milling Minneapolis	-17.4%
Soybeans, #1 Yellow	-24.3%

#### Intrinsic Metal Value Of U.S. Coins

Lincoln cent, 1959-1982	1.94¢
Lincoln cent, 1982-date	0.58¢
Jefferson nickel, non-silver	4.44¢
Roosevelt dime, 1965-date	2.02¢
Washington quarter, 1965-date	5.04¢
Kennedy half dollar, 1971-date	10.07¢

most certain that US President Obama was told by the Chinese that the US is no longer the world leader it was for many decades.

You see, the Chinese government has been very aggressive over the past several years developing relationships and negotiating treaties with nations around the world to engage in bilateral commerce without using US dollars. In March, China and Germany signed their agreement. China and Great Britain signed their bi-lateral agreement in June which called for a clearing bank in London to settle transactions in British Pounds or Chinese Yuan.

In mid-November China and Canada reached a bilateral agreement where a clearing bank, probably one of China's four largest banks, will open in Toronto to settle transactions in Canadian Dollars or Chinese Yuan.

Almost certainly, President Obama was told the US dollar will soon no longer be the world's reserve currency used to settle almost all international transactions.

This likely development was telegraphed at last year's G-20 Leaders Summit. Instead of again being in the center of the photo taken of world leaders in attendance, President

### Value Of US Dollar As Measured Against Gold

Value of \$1.00 at creation of Federal Reserve in 1913	0.0484 tr oz
Value of \$1.00 today	0.0008 tr oz
Change in value of US dollar against gold since 1913	-98.3%

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Obama was moved to the end of the row. When this year's photo was taken the Chinese and Russian leaders occupied the middle of the front row again. Of course, other world leaders realize that the lame duck US president has lost political clout after the recent elections.

In the ten days before the G-20 Leaders Summit, gold and silver prices started to recover.

Then America took a four-day holiday weekend for Thanksgiving.

## The Thanksgiving Weekend Crash

Last Thursday, the 12 member nations of the Organization of Petroleum Exporting Nations met in Vienna, Austria. While major media in this country did report that OPEC decided to continue business as usual, which has resulted in wholesale oil prices dropping more than 35% over the past six months, they failed to tell you what is really going on behind the scenes.

In the past, OPEC nations provided a higher percentage of oil exports than they do today, where actions by the cartel would affect worldwide prices instantly. Not any longer. OPEC countries now only provide 40% of global oil exports.

As oil production soared in the private sector, especially in the United States, while worldwide demand had declined over the past few years, prices have fallen sharply. OPEC members such as Algeria, Iran, and Venezuela are being hit especially hard with the decline in oil export revenues.

However, at this meeting in Vienna, Saudi Arabia, which accounts for 30% of OPEC exports by itself, told that members that it was more important to fight for market share rather than to seek higher prices.

By maintaining high oil production at 30 million barrels per day and pushing down prices, oil production in non-OPEC countries is suffering economically. Canada is being hit very hard. Its tar sands produce low quality oil that trades at a much lower price because it must be trucked or shipped by railroad to distant refineries to process, where the treatment is more expensive

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than other oil because of greater impurities. **The stock prices of two major Canadian oil producers, Suncor Energy and Canadian Natural Resources, fell at least 9% late last week.**

**US shale oil companies, with oil that is almost as contaminated as that from Canada saw stock prices drop from 18 to 34% just last Friday. Even major oil companies such as Exxon Mobil, ConocoPhillips, Marathon Oil, and Occidental Petroleum saw their stock prices drop from 4 to 11% last Friday.**

Other industries that service oil producers also saw their stock prices fall last Friday. **Major North American railroad shares fell almost 4 to 8%. Railroad tank car manufacturers saw their stock prices decline from 7 to 15%. Oil production service companies also took hits of comparable size.**

**US bondholders of American shale oil producers are likely to see the credit ratings on their holdings knocked down to junk status.**

Then you have Russia, where two-thirds of its export revenues come from oil and natural gas. Its economy is taking an even worse hit than the US or Canada. **The Russian ruble has plummeted more than one-third versus the US dollar in the past six months**, more from falling oil prices than any sanctions imposed by the US and its European allies. It would be in ever worse condition if not for the major trade agreements signed with China this year.

In Venezuela, since petroleum prices started falling six months ago, **the black market exchange rate for the Venezuela bolivar currency has fallen almost 60% against the US dollar. The central bank's reserves are declining so quickly that the government may face bankruptcy and default early next year.**

Overall, many countries around the world were negatively hit by the OPEC decision last Thursday. The impact on the US economy will likely be large job losses, corporate failures, and shale oil bond defaults that trigger other defaults.

Falling oil prices are good for American consumers. It lets them stretch their income further.

However, stable or falling consumer prices is a disaster for the US government. To pay off the \$18 trillion in US government debt (ignoring the much greater unfunded liabilities for now) with gasoline selling retail at \$4 per gallon means that the debt is equal to 4.5 trillion gallons of gasoline. Now that the retail price has fallen to \$3 per gallon, that same \$18 trillion in debt is equivalent to six trillion gallons of gasoline.

For the time being, the US dollar is especially strong, helping prop up US stock prices. In my judgment, a sharp reversal is already inevitable, which I expect to occur before the end of next year. There is nothing the politicians and bureaucrats can do to stop it. At best, they can only postpone the collapse for a little bit longer.

## The ISIS Gold And Silver Coin Wild Card Conundrum

On November 13, the Islamic State for Iraq and Syria announced that it would issue a series

of gold, silver, and copper coins. I was interviewed by *The Wall Street Journal* (but not quoted, though they did use and give us credit for our photo of a 1,200 year old Arabian Empire gold dinar) and by National Public Radio's Marketplace program (which did quote me).

Without endorsing the action, I considered this plan to be a strategic coup.

While others in the numismatic industry are convinced that that ISIS doesn't have the financial or technological ability to issue the coins, I pointed out that there a number of means by which this could be accomplished.

The explicit intent of ISIS is that the gold and silver coins would circulate on the basis of their intrinsic precious metal value.

Here is why this plan, if achieved, could wreak havoc in global politics. In 1972, when I was a junior in the University of Michigan Business School, Marina von Neumann Whitman came to address the students and faculty. At the time, she was a member of President Nixon's Council of Economic Advisors.

At the end of her address, she took questions from the audience. I was fortunate that she was presented with my question which asked what would be the impact of any nation that issued gold and silver coins on the basis of their weight and purity.

Dr. Whitman first stated that such a development would never happen because the fiscal straight jacket that such a monetary system would impose on the government would result in the politicians being voted out of office.

She then went on to admit that, should one country actually come out with a monetary system using the weights and purity of gold and silver, all other global currencies would collapse.

This could be what ISIS is trying to do. Because this would pose a serious threat to the world's politicians, I expect every tactic to be used to prevent ISIS from achieving their issue of gold and silver coins that trade on the basis of metal value.

Some detractors of this plan have said that such coins would be unpopular in the Middle East because the people there are so used to using other currencies. I beg to differ. If someone were offered a paper currency that depended on the promises of politicians or a gold or silver coin that was payment in itself and did not rely on political promises, which do you think at least some of them would choose?

Announcement of a plan is a long way from actually issuing gold and silver coins. I pray that ISIS collapses long before such coins appear. But, if they do come out, be prepared for things to get worse a lot faster.

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## Swiss Gold Initiative Fails

On Sunday, November 30 the Swiss voted down three initiatives. One would have called for their federal government to enact a requirement that the nation's central bank, the Swiss National Bank, eventually acquire enough gold to equal the value of 20% of outstanding Swiss Franc currency (versus current holdings equal to roughly only 7%). The no votes made up more than 75% of the total.

Ever since the vote for the initiative was announced along with the opposition to it by top Swiss politicians, I predicted that it was doomed to be voted down. The polls consistently showed that this initiative would lose, though all showed it being closer than it turned out. The politicians claimed that adoption of this initiative would hurt the ability of the Swiss National Bank to manipulate the Franc's value (the main reason this initiative was advocated!).

However, even as I predicted that the initiative would fail, I also explained that such a result would not matter. Had the initiative passed, it would only have called for the federal government to enact this regulation, which had uncertain prospects of occurring. Further, implementation would have been strung out for at least five years, during which a wide variety of games in the gold paper contract market could have been used to pretend that the Swiss National Bank was acquiring physical gold. In other words, even if the initiative passed and was enacted by the Swiss government, it would still have pretty much been business as usual.

There were some commentators that suggested that passage of this initiative would somehow spark an immediate huge demand for physical gold. A few people might have purchased physical gold coins and bars, speculating that this might actually occur. While I agree with the thought that gold (and silver) prices today are much lower than they will be in the not too distant future, my judgment did not factor in any impact from the Swiss vote.

As most readers are probably aware, gold and silver prices were clobbered last Friday. It is a typical pattern for gold and silver prices to decline over 3- or 4-day holiday weekends when there is thin trading in US markets (because it is easier to manipulate a thinly traded market). That has happened over Thanksgiving weekends more often than not in recent decades. This time the extent of the decline was greater

than normal.

Here's my hypothesis of what happened. Knowing that the Swiss vote was coming up on Sunday of Thanksgiving weekend, the US government cooperated with Swiss officials to scare even more voters into opposing the initiative by pushing down gold and silver prices more than usual over a holiday weekend. Doing so made it appear that gold was a risky asset to hold in the central bank's reserves.

It is typical on the Monday after Thanksgiving for precious metals prices to be soft, not recovering to pre-Thanksgiving levels until the following day. Knowing of this common pattern, and aware that some forecasters had predicted that gold prices would jump if the Swiss initiative passed, the US government arranged for its trading partners to try to crash gold and silver markets when they started trading in Asian markets Monday morning (6 PM Eastern Time Zone Sunday in the US). Gold was knocked down to almost \$1,140 and I saw a low silver price of \$14.13 in Asian markets.

Unfortunately for the US government, the success in achieving such a dramatic fall in price triggered a monstrous wave of buying. At the US COMEX close on Monday, the price of gold soared to \$1,216.50 and silver rocketed to \$16.62, increases of more than 6.5% for gold and 17.6% for silver in just 20 hours!

While both metals are down somewhat in the two days since, I suspect that the prospects for near term higher prices are much greater than for another decline. Just this week, the Bank of Japan's credit rating for its debt was slashed and the government of India has removed most obstacles to importing gold.

If you don't yet have at least an insurance position in gold and silver, which I define as 5-10% of net worth or an investment portfolio, I urge you to take action sooner rather than later. We can help.

## LCS Staff Achievements

At the Michigan State Numismatic Society Fall Convention last weekend, LCS Numismatist David Hartung was elected to serve as a member of the Board of Directors of MSNS. Not only that, he was the top vote getter of all 12 candidates. Because of this achievement, he is designated to be elevated to MSNS Vice President should either the currently elected President or Vice President not be able to complete their two-year terms.

Also at the MSNS Convention, LCS General Manager Pat Heller passed the test to be accredited as an American Numismatic Association Exhibit Judge in the category of Medals. He is one of only three people nationwide to earn this accreditation in 2014. As such, he will be invited to be an exhibit judge for Medals at all future

## Summary Of Current LCS Recommendations For Precious Metals and Rare Coins

*How much of your total net worth should be in precious metals and rare coins?*

	<u>Conservative</u>	<u>Moderate</u>	<u>Aggressive</u>
	10%	20%	25-33%

*How much to allocate for each category of precious metals and rare coins?\**

	<u>Conservative</u>	<u>Moderate</u>	<u>Aggressive</u>
Gold	35%	32%	24%
Silver	65%	58%	52%
Rare Coins	0%	10%	24%
TOTAL	100%	100%	100%

\*Platinum and palladium both have volatile markets with long-term supply/demand fundamentals that are not as attractive as those for gold, silver or rare coins. While either or both might outperform gold, silver, or rare coins in the short- to long-term, to be conservative we have omitted them from our allocation.

ANA conventions.

Also at the MSNS, Pat was publicly recognized and given an award by former LCS employee Dany Rothfeld in appreciation of the decades of mentorship to him

At the end of this year, LCS Customer Service Representative Charles Tassinare will be retiring after working for LCS for more than the past 17 years. We will miss him and wish him well.

## Silver and Silver Coins

Silver settled on the COMEX today at \$16.35, up a solid 93 cents (6.0%) from last month. Even with this increase, silver is down is still down more than 15% since the start of 2014!

Strong demand helped push up premiums early in November. They fell slightly as prices rose. However, US **90% Silver Coin** (15.1%) continued to see the premium rise over the entire month—indicating a supply shortage.

Some forms of bullion-priced silver coins and bars are available with minimal delays, while others, such as Canada **Silver Maple Leafs** (16.8%) will be almost impossible to find until 2015 coins appear.

It is almost certain that the US Mint will set a new all-time high sales record for the US **Silver Eagle Dollars** (21.3%). In my opinion, they make wonderful gifts, but they are priced too high above silver value to consider as a practical way to own physical silver.

Over the past four months, the prices of **Early Gem Mint State-65 Morgan Silver Dollars** have fallen almost 25%.

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Now is the time to buy them. We also discovered enough **Gem Mint State-65 Walking Liberty Half Dollars** in different locations in our inventory to again make an offering of what was one our best selling products over the past two years. Please see our enclosure.

### Gold And Gold Coins

Gold closed today at \$1,208.50, up a healthy \$63.00 (5.5%) from four weeks ago. At some times during intra-day trading, the price of gold rose above that of platinum (as I expect to be the situation in the long-term).

With higher prices, there was little change in premium levels. Supplies are readily available for the most part (the US Mint is sold out of 2014-dated 1/2 Oz Gold American Eagles).

My three low premium favorites remain the **US American Arts Medallions** (2.3%), **Austria 100 Coronas** (2.2%), and the **Mexico 50 Pesos** (2.3%).

One surprise is that there will little to no price increases in **Common-Date Pre-1934 US \$20.00 Double Eagles**. Many smaller sized US coins rose, especially the US \$5.00 Liberty in Choice MS-63 quality. The big exception was for most coins in Gem Mint State-65 condition, where nearly all fell in price in the past month. If I were to pick a favorite US Gold Coin right now, it would be \$5.00 Liberties in Very Choice Mint State -64 quality.

### Tom Coulson To Become New Owner Of Liberty Coin Service In 2015

After 33-1/2 years as partial or full owner of Liberty Coin Service, General Manager Patrick A. Heller will be selling full ownership to LCS Senior Numismatist Tom Coulson over the New Year holiday weekend. That will leave the company in great hands.

Upon transfer of the ownership, Pat will continue working for LCS part time for five years, focusing on writing and speaking. In order to keep up with market information, he will attend coin shows around the country, though on a lesser travel schedule than in the past.

In some respects, it might have seemed that LCS Chief Numismatist Allan Beegle and LCS Inventory Manager Paul Manderscheid would have become the new owners. They certainly deserve that consideration for having worked for the company going on 40 years each. Unfortunately, they are too close in age to Pat to be able to purchase the company, then work long enough for company ownership to pay off before they retire

### The Month

Gold Range	66.25	5.8%
Net Change	+63.00	
Silver Range	1.23	8.0%
Net Change	+0.93	
Gold/Silver Ratio	73.9	
Net change	-0.4	
Platinum Range	39.00	3.2%
Net Change	+17.00	
Platinum/Gold Ratio	1.02	

Date	Gold	Silver	Platinum
Nov 05	1,145.50	15.42	1,210.00
Nov 06	1,142.25	15.39	1,197.00
Nov 07	1,169.50	15.70	1,213.00
Nov 10	1,159.50	15.65	1,205.00
Nov 11	1,162.75	15.86	1,206.00
Nov 12	1,159.00	15.62	1,205.00
Nov 13	1,161.00	15.62	1,199.00
Nov 14	1,185.00	16.31	1,213.00
Nov 17	1,183.00	16.05	1,201.00
Nov 18	1,196.75	16.17	1,204.00
Nov 19	1,193.50	16.29	1,199.00
Nov 20	1,190.75	16.13	1,205.00
Nov 21	1,197.50	16.39	1,227.00
Nov 24	1,195.50	16.38	1,207.00
Nov 25	1,197.00	16.55	1,224.00
Nov 26	1,196.50	16.55	1,228.00
Nov 27	closed		
Nov 28	1,175.25	15.49	1,211.00
Dec 01	1,216.50	16.62	1,236.00
Dec 02	1,199.25	16.40	1,217.00
Dec 03	1,208.50	16.35	1,227.00

London Silver Market Premium To New York Silver Market = 2¢

Gold, silver and platinum quotes are working spots at 1:45 EST/EDT each day, quoted in U.S. dollars per troy ounce.

down the road. Instead, they will receive other consideration for their efforts at helping LCS grow over the years.

Tom is sixteen years younger than Pat, giving him ample time for ownership to be worthwhile.

Over the past 31 years, Tom has worked for LCS for 28. He left in 1996 to work on becoming a certified public accountant. Three years later he realized that he preferred being a coin dealer and came back. With his experience as a dealer, his familiarity with LCS customers and our customer-centered policies, he is the right person to become the new owner and chief executive officer.

This transition plan was announced to staff five years ago, with parts of the changeover having been in effect for more than a year.

From a customer standpoint, little will

change other than Pat will be working fewer days per week. His new title will be something like Owner Emeritus and Chief Communications Officer. With the burden of overseeing company operations, Pat was forced to decline some writing and speaking opportunities. With a focus on communications in 2015, he may have the time to reach an even wider audience.

### A Holiday Wish

The year 2014 was sometimes exhilarating and always challenging to most independent precious metals analysts. Like many others, I expected gold, silver and platinum prices to be much higher at the end of 2014 than where they started the year. As it is right now, the price of gold is only slightly higher than it was at the end of last year. It is possible that it could end the year lower than the start for only the second time this century.

Silver and platinum are almost certain to end the year lower than the end of 2013. Neither of these results were expected.

With prices as low as we have experienced this year, demand for physical gold and silver has been relatively strong. Unfortunately, the lower prices persuaded more people to sit on their holdings instead of selling them. As a result, it looks like LCS annual volume will be its lowest in at least five years.

Unfortunately, none of the global financial crises that have been building up have been resolved. In fact, on a political, economic, or military basis, global affairs appear worse now than at this time last year.

The efforts to suppress gold and silver prices became more blatant and extreme during 2014. Because of this, I fear that the year 2015 could bring a series of collapsing financial dominoes such as I thought would occur this year. It may be that I will be right in my concept but off in timing. We'll all have to wait and see what the new year brings.

As we do every year, we thank you for your patronage. It is our honor and privilege to serve you, the best customers in the world!

If it were within our power to grant you any wishes, we would grant you two. First, we would bring you a world of peace with liberty for everyone. Second, we would bring you a holiday season filled with the health and wealth of family and friends. May you be rich in the wonderful gifts on which you cannot put price tags.

Merry Christmas  
Happy New Year

Nicole, Mark, Mary, Matt, Cheryl, Nic, Greg, David, Janet, Charlie, Tom, Allan, Paul, and Pat

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**Liberty Coin Service Computer Quotes 2PM EST 12.3.14**

**Spot Prices**

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,272.25	1272.25	5.2%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	655.50	1311.00	8.4%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	338.00	1352.00	11.8%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	137.70	1377.00	13.9%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,273.25	1273.25	5.3%
*Australia 1 Oz Kangaroo	10	1.0000	1,273.25	1273.25	5.3%
*Austria 100 Corona	10	0.9802	1,211.50	1235.97	2.2%
*Austria 1 Oz Philharmonic	10	1.0000	1,272.25	1272.25	5.2%
*Canada 1 Oz Maple Leaf	10	1.0000	1,256.50	1256.50	3.9%
*China 1 Oz Panda	10	1.0000	1,294.00	1294.00	7.0%
*Mexico 50 Peso	10	1.2057	1,491.50	1237.04	2.3%
*S. Africa Krugerrand	10	1.0000	1,257.50	1257.50	4.0%
*U.S. Medallion	10	1.0000	1,237.00	1237.00	2.3%
*50 Gram Combibar	10	1.6077	2,132.75	1326.58	9.7%
*1 Oz Ingot	10	1.0000	1,246.75	1246.75	3.1%
*Austria 1 Ducat	10	0.1107	147.80	1335.14	10.4%
*Austria 4 Ducat	10	0.4428	599.75	1354.45	12.0%
*British Sovereign	10	0.2354	304.75	1294.60	7.1%
*British Sovereign, BU	10	0.2354	316.75	1345.58	11.3%
*France 20 Franc	10	0.1867	246.50	1320.30	9.2%
*Swiss 20 Franc	10	0.1867	246.50	1320.30	9.2%
\$20 Liberty BU	10	0.9675	1,380.00	1426.36	18.0%
\$20 St Gaudens BU	10	0.9675	1,390.00	1436.69	18.8%
\$20 Liberty Extremely Fine	10	0.9675	1,350.00	1395.35	15.4%
\$10 Liberty Extremely Fine	10	0.4838	690.00	1426.21	17.9%
\$5 Liberty Extremely Fine	10	0.2419	365.00	1508.89	24.8%
*U.S. 90% Silver Coin	1,000	715	13,500.00	18.88	15.1%
*U.S. 40% Silver Coin	1,000	295	5,125.00	17.37	5.9%
*U.S. Circulated Dollars	1,000	760	21,000.00	27.63	68.5%
*U.S. Silver Eagle-2014	1,000	1,000	19,900.00	19.90	21.3%
*Canada Silver Maple Leaf	1,000	1,000	19,150.00	19.15	16.8%
*100 Oz Silver Ingot	10	100	1,755.00	17.55	7.0%
*10 Oz Silver Ingot	100	10	177.00	17.70	7.9%
*1 Oz Silver Ingot	1,000	1	17.75	17.75	8.2%
*1 Oz Platinum Ingot	10	1.0000	1,303.00	1303.00	5.3%
*U.S. 1 Oz Platinum Eagle	10	1.0000	1,332.00	1332.00	7.7%
*U.S. 1/2 Oz Plat Eagle	10	0.5000	Not available		
*U.S. 1/4 Oz Plat Eagle	10	0.2500	Not available		
*U.S. 1/10 Oz Plat Eagle	10	0.1000	Not available		
*Other 1 Oz Plat Coins	10	1.0000	Not available		
*Canada Palladium ML	10	1.0000	845.00	845.00	5.2%

**Gold:** \$1,209.25  
**Silver:** \$16.40  
**Platinum:** \$1,237.00  
**Palladium:** \$803.00

**Notes from Liberty**

by Allan Beegle  
 LCS Chief Numismatist

Following gold and silver price declines, the first week and last part of November were exceptionally active. Volume was quiet in the middle of the month.

It appears that consumers nationwide are cutting back on their spending. Early reports indicate that Thanksgiving weekend retail sales plummeted 12% from year earlier levels, down to the worst sales in five years!

We have experienced that slowdown here at LCS as well. To our surprise, the items offered in last month's newsletter sold poorly—and despite the rise in gold and silver prices for most of the month. If you still have interest, call us to see what remains available.

Further, the reports from coin shows are that activity is down significantly almost across the board (the super expensive "trophy" coins are still doing well).

We witnessed that again this past weekend when LCS General Manager Pat Heller, LCS Numismatist David Hartung, and I staffed the LCS tables at the Michigan State Numismatic Society convention in Warren. This is the largest coin show in Michigan each year. It should have been extra busy this year because of the special exhibits of the extremely rare and famous 1804 Silver Dollar and 1913 Liberty Nickel loaned from the American Numismatic Association—their first appearance in the state in two decades! Despite the special attractions, attendance only came close to that of last year's show.

When markets slow down, opportunities arise. The price of **Gem Mint State -65 Early Morgan Silver Dollars** has fallen almost 25% in the past four months. The decline appears ended as supplies have dried up. So, we again offer them at what we think is the best time in the market cycle. Customers who purchased these coins when we offered them five and more than two

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 Trading Desk Hours (Eastern): Mon-Fri 9:30AM-6PM, Sat 10AM-2PM

*Coins, Rolls and Sets*

U.S. 10 pc Gold Medallion Set, 1980-1984, BU	\$10,075
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20	\$685
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20	\$915
U.S. Peace Dollar, Brilliant Uncirculated Roll/20	\$585

*Numismatic Coins (PCGS/NGC/ICG Graded)*

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,455	1,510	1,885
U.S. \$20.00 Liberty	1,635	1,985	3,235
U.S. \$10.00 Liberty	1,000	1,255	2,950
U.S. \$5.00 Liberty	650	720	1,870
U.S. 4 pc Indian Gold Type Set	3,820	4,935	15,235
U.S. 4 pc Liberty Gold Type Set	3,765	4,555	9,065
U.S. 8 pc Gold Type Set	7,525	9,340	23,850
U.S. Morgan Dollar (Pre-1921)	62	73	145
U.S. Peace Dollar	49	58	130

Prices quoted are for quantities indicated, and are actual selling prices at today's closes. Smaller lots are available at slightly higher prices. No Michigan Sales Tax on rare coins or precious metals bullion. Numismatic purchases have a 15 day return period. Orders for bullion-priced items (marked with \*) are not returnable and, after confirmation, cannot be cancelled.

years ago realized nice appreciation.

We are also in the process of taking our annual physical inventory. In doing so, we discovered that we had accumulated two groups of **Gem Mint State-65 Walking Liberty Half Dollars** without realizing that, combined, we barely had just enough coins to offer to you. When we last offered these coins, it took us months to fill customer waiting lists after our initial inventory sold out!

Last, I was able to pick up several exceptional coins at the MSNS convention last week. I have selected the four most attractive pieces and offer them in our **One-Of-A-Kind Bargain Rarities**. These pieces are among the finest specimens of these scarcer coins that we have ever owned in several years, if not over our entire 43 years in business.

Even though our newsletter offerings didn't sell that well last month, the limited supplies we have this time around just about guarantee that almost everything will find new homes. For best selection, I recommend that you place your order early. Call our **Trading Desk toll-free at 800-527-2375** to check on availability and to confirm your order.

Here are some of the other great buys we have made in our store or at the MSNS show. Enjoy them while they last:

**Perfect-70 Great Britain 2011**

**Proof Gold Sovereign Sets:** The British Royal Mint struck a five coin Gold Proof Set in 2011 containing a 1/4 Sovereign, 1/2 Sovereign, Sovereign, 2 Sovereign, and 5 Sovereign coin. Final mintages are not yet available although the 2 Sovereign coin had a total mintage of 2,950 for the sets and for individual sales.

Total gold content is 2.0598 ounces. We now have two five coin sets with each coin certified by PCGS as Proof-70 Deep Cameo First Strike.

Other dealers offering these sets price them in the \$4,500 to \$6,000 range. At the LCS price of \$3,495 they are a much better value.

**Biblical Widow's Mites:** For years, these 2,000 year old copper coins from the Holy Land have been perennial favorites with our customers. We consistently sold hundreds of these coins every year.

Unfortunately, our stock is almost out. Consequently, we did not feature them in last month's flyer. If you still would like one or more specimens, while they last, they would cost you \$34.95 each. They come packaged in a stand-up display that contains lots of historical information.

**Napoleon Gold 40 Francs:** The workhorse gold coin issued by French Emperor Napoleon was the 20 Francs denomination. These larger 40 Francs coins had dou-

<b>Gold:</b>	\$1,209.25
<b>Silver:</b>	\$16.40
<b>Platinum:</b>	\$1,237.00
<b>Palladium:</b>	\$803.00

ble the gold content (0.3734 oz) and were struck in much smaller quantities. The 40 Francs gold coins were only struck until 1835.

To compound the rarity of these coins, the French government melted down most 40 Francs to avoid confusion when it began issuing 50 Francs gold coins in 1855. Where we have handled hundreds, if not thousands, of Emperor Napoleon I Gold 20 Francs over the years, the number of 40 Francs gold coins passing through our inventory can be counted in the dozens.

We have three specimens in our stock at the moment. The two oldest were dated in the year of year of the French Republic founded in 1792. They are AN 13 (1805) and AN 14 (1806) and both in Very Fine condition. The third piece is dated 1812 and grades Extremely Fine with a scratch in the field in front of Napoleon's nose. All were struck at the Paris Mint. You can own any or all of these at \$539 each, which is a semi-bullion price.

**Amazing October 9, 1893 Columbian Exposition Child's Ticket:** Chicago hosted a two-year world's fair in 1892-1893 to commemorate the 400th Anniversary of the Landing of Christopher Columbus in the New World. For the event, the US Mint struck its first ever commemorative coins.

Tickets in years past were much more elaborate than they are today. They were miniature works of art. This October 9, 1893 Child's ticket was never used and still has the stub attached. As you might suspect, Children's Tickets are much less common than those for adults. It has been graded Very Choice Uncirculated-64 by PCGS Currency.

The date of this ticket is significant in two respects. It was the 22nd anniversary of the 1871 Chicago Fire. Reportedly, about 800,000 people attended the Exposition that day to honor this occasion. The size of the crowd was the largest gathering of humans ever recorded up to that time.

Another dealer is trying to sell a twin to this ticket for \$250. You can buy ours for \$139.

**Please Note:** Liberty Coin Service will be closed Thursday, December 25 and January 1 through January 3 for the holidays. We will also close early on December 24 and December 31.