

Liberty's Outlook

Volume 14 Issue 6 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics June 11, 2008

Barrage Of Horrible Financial And Political News Shakes Paper Asset Values

- Credit ratings cut for Merrill Lynch & Co, Morgan Stanley, and Lehman Brothers
- Second, third, and fourth largest U.S. Banks put on negative credit watch
- Israel threatens to attack Iran
- Credit card bad debts at record high levels
- Monthly unemployment statistics see highest increase in more than 15 years
- President Bush, Treasury Secretary Paulson, and Fed Chief Bernanke find it necessary to defend the U.S. dollar
- U.S. trade deficit at record levels

If you have kept up with financial and political news in the past month, you are doubtless aware of a continuing string of crises.

The avalanche of bad news was having such a negative effect on the U.S. economy and the value of the U.S. dollar that U.S. President George Bush, Treasury Secretary Hank Paulson, and Federal Reserve Chair Ben Bernanke recently were compelled to make public pronouncements that the value of the U.S. dollar would be upheld.

In an interview three days ago while flying to a U.S.-European Union summit in Slovenia, Bush said, "We want the dollar to strengthen."

Two days ago, Paulson, in a television interview, hinted that the U.S. government would consider direct intervention to support the value of the dollar when he said he, "would never take intervention off the table."

Late last week, Bernanke said that he was working with the Treasury to "formulate policy" that would prevent the dollar from declining further.

The last time that the U.S. government publicly intervened to support the value of the dollar was during the Clinton administration.

With all this bad news pouring forth, the prices of gold and silver rose noticeably. From May 7 to May 23, gold rose over 6.4% and silver was up almost 10%.

Then the Memorial Day weekend hit.

With the U.S. markets closed on May 26 for the holiday, along with some closures in other nations, it was a prime opportunity to make a little market manipulation go a long way.

And that is what happened.

With the added incentive of making sure that most expiring gold and silver futures contracts were out of the money, and therefore not redeemed for physical metal, In three trading days, gold fell 5.2% and silver 9.6%.

One analyst set up his computer to report COMEX gold trading 30 times each minute. What he saw shocked him. He detected a huge concentration of sell orders that appeared within a 60-second time period, enough to drop the price of gold by \$15. Then the selling would almost completely stop.

It is virtually impossible that a wide variety of traders could independently happen to pick the exact same minute to decide to sell gold contracts. No, this was one more example of a coordinated manipulation to force down the price of gold.

Naturally, when the price of gold dropped so sharply, a number of buyers appeared. For the past two weeks, gold and silver prices have been bouncing around.

This unstable market will not stay in this range forever. One key indicator of which way it is likely to break out of this short-term range is that the lowest gold and silver prices over the past month were significantly higher than the lowest prices of the month before. As the low points of a cycle trend upward, eventually the high points also have to rise.

The news on Friday June 6 was especially poor. First, Israel's deputy prime minister Shaul Mofaz, who is also current transportation minister and has previously

2008 Year To Date Results

Through June 10, 2008

Precious Metals

Platinum	+31.3%
Palladium	+14.6%
Silver	+12.2%
Gold	+4.0%

Numismatics

MS-65 Morgan Dollar	+18.6%
MS-63 \$20.00 Liberty	+3.3%
MS-63 \$20.00 St Gaudens	-5.5%

US Dollar vs Foreign Currencies

India Rupee	+8.7%
Canada Dollar	+4.2%
Great Britain Pound	+2.5%
Japan Yen	-4.3%
Euro	-4.7%
China Yuan	-5.1%
Brazil Real	-7.0%
Switzerland Franc	-7.4%

U.S. Dollar Index 73.636 -3.99%

US and World Stock Market Indices

Russell 2000	-4.4%
Dow Jones Ind Average	-7.4%
S&P 500	-7.5%
NASDAQ	-7.7%
Tokyo Nikkei 225	-8.4%
London FT 100	-9.8%
Frankfurt Xetra DAX	-16.1%

Intrinsic Metal Value Of U.S. Coins

Lincoln Cent 1959-1982	2.41¢
Lincoln Cent 1982-date	0.51¢
Jefferson Nickel-non-silver	5.82¢
Roosevelt Dime 1965-date	2.64¢

served as the army chief and defense minister, said, "If Iran continues with its program

Inside this issue: A New Reason To Avoid Gold Or Silver ETFs page 2
Should You Sell Or Swap 2008 Silver Eagles? page 3
What The Wall Street Journal Didn't Tell You page 4

(Continued from page 1)

for developing nuclear weapons, we will attack it. The sanctions are ineffective. . . . Attacking Iran, in order to stop its nuclear plans, will be unavoidable.” He further stated that Iranian President Ahmadi-nejad, “would disappear before Israel does.”

This escalation of a possible war with Iran, which would inevitably include the U.S. had a major bullish effect on gold and silver prices that day, though the American media largely ignored this development. (In the days since, the Israeli government and President Bush have pulled back from Mofaz’s comments, saying that it had become more urgent to pursue peaceful negotiations.)

Also on June 6, the “official” monthly U.S. unemployment statistics were released. The previous month, it was reported at 5.0% and a consensus prediction of the June 6 announcement was that it would be 5.1%. The actual figure was reported at 5.5%, the highest percentage increase from one month to the next in more than 15 years! Despite any efforts to hold the line on gold and silver prices, precious metals soared while the U.S. dollar and U.S. stocks fell noticeably.

That the U.S. government has to bring out its top officials to talk up the U.S. economy and the dollar is a sign to me that the government is running out of means to surreptitiously manipulate prices.

Think about it. If the U.S. economy and dollar were strong, there would be no need for leaders to go out of their way to proclaim this strength. If there was a way to make the economy and dollar appear to be strong through behind-the-scenes chicanery, that would be done. It is only if the economy and currency are in bad shape, and there is little that the government can do to support either, that you bring out the major mouthpieces to try to talk the public into believing that things aren’t as bad as they seem.

While the American media may report that the recent statements by Bush, Paulson, and Bernanke are signs of good things to come, I think it actually a loud alarm that it is long past time to get out of the U.S. dollar and dollar-denominated paper assets.

If you have not done so already, it is urgent that you get some of your net worth, perhaps as much as 20% or even more, into gold and silver, for insurance against the possible decline in your paper assets.

One More Reason To Avoid Gold Or Silver Exchange Traded Funds

As a convenient way to own a gold or

silver position without the bother to handle and secure physical metals, an exchange traded fund (ETF) sounds like a perfect alternative.

In theory, each share of the world’s largest gold ETF, State Street’s GLD, represents exactly one-tenth of an ounce of physical gold held in its vaults. Similarly, each share of the world’s largest silver ETF, Barclay Bank’s SLV, represents exactly 10 ounces of physical silver held in its vaults.

There are procedures in place for these funds for owners of large quantities of these shares to redeem them and take possession of the underlying physical metal. For SLV, for instance, a broker must turn in 50,000 shares to take possession of 500,000 ounces of silver.

Each time a new share is sold, the ETF supposedly is going out onto the market to purchase physical metals to cover the share. Because there are administration, storage, and insurance costs, it was expected that the shares would trade slightly above the current spot price for the value of the metal.

That isn’t what is happening now. Gold and silver closed in the U.S. markets today at \$879.75 and \$16.83, respectively. That means that the gold underlying a share of GLD has an intrinsic value of \$87.97 and the silver for a share of SLV is worth \$168.30.

When I checked just now, shares of GLD closed in the U.S. today at \$86.96; SLV closed at \$167.30. That means that for every new share of GLD sold today, the fund would have to take an immediate loss of at least \$1.01 simply to buy the physical gold to cover the share. SLV would absorb a loss of at least \$1.00 per new share sold.

What this means is that it is not possible for either fund to operate properly and avoid losing money. In any financial calamity, the shareholders—those who supposedly own “physical metals” through these ETFs—will end up receiving less than the full value of their metal.

The best forms of gold or silver to own are physical forms under your direct custody and control.

Anything printed on a piece of paper is subject to risk of loss. Pooled accounts, where owners theoretically own a portion of a large unallocated pile of silver, are at greater risk than those who own specifically identified metals in a storage account. But what if the storage company or the broker with your account is unable to operate, no matter the reason? Even if your circumstances lead you to store some precious metals, I recommend having at least some physical gold and silver in your direct possession.

Last September, Jeffrey Christian, the principal of CPM Group, one of the world’s largest precious metals consultancies, told

me that people would be surprised to know how many CEOs and other top officials at financial firms sleep with a suitcase of precious metals and foreign currencies “under their beds.” Should you take any less precautions?

Falling Premiums On Pre-1934 U.S. Gold Coins—A Possible Explanation And An Opportunity

As I have commented in recent months, so many pre-1934 U.S. Gold Coins are being sold that premiums above gold value for many of the common types have fallen significantly. They have done so again over the past month, even though the spot price of gold has stayed about the same levels.

Normally when you have a dramatic increase in spot gold, the prices of many common types of U.S. gold coins, at first, do not keep pace. After a delay, you tend to see relative prices catch up to the change in spot price and often outperform it. Well, we have had the run up in gold, a modest pullback, and premiums have still declined. What is happening, and is there a possible opportunity to profit from this disparity?

I have a theory about what is happening.

We have to go way back to the early 1980s. Internal Revenue Service (IRS) officials realized that many taxpayers had sold gold and silver during the 1979-1980 boom for sizeable profits, but did not report or pay taxes on the “gains.” To stop this loss of tax revenue, the IRS issued preliminary regulations calling for merchants who purchased gold or silver from the public to submit 1099 Forms to the IRS about such transactions.

The preliminary regulations were poorly worded, leaving room for widely varying interpretations of what transactions needed to be reported by dealers and which did not need to be reported. For years, IRS agents confronted with this issue received conflicting advice from their supervisors on how to apply these regulations.

Over the years, the IRS tried to come up with revised regulations that could stand up to legal challenges and would also be straightforward in application. At one point, a proposed regulation that was never adopted stated that dealers would have to report the purchase of gold coins from the public if they paid the public less than 15% over the gold value of the coins.

The IRS floundered around for more than 10 years before it established final regulations for reporting dealer purchases from the public. The number of transactions subject to reporting on a Form 1099 was a tiny fraction of all transactions made by coin dealers.

However, during the years it took for the IRS to resolve the uncertainties, some major national coin telemarketers came up with a

(Continued from page 2)

hugely successful marketing scheme. They laid a sensible base for potential customers to own precious metals. Then, instead of then selling bullion gold to their customers, they raised the specter of “gold confiscation.” They persuaded a high percentage of customers to purchase pre-1934 U.S. and European gold coins that would be “exempt from confiscation.” Such sales tactics generated higher profit margins to the telemarketers, but many of the buyers would have been better suited if they had purchased bullion-priced coins and ingots. The sales campaigns were so successful that prices of many pre-1934 U.S. Gold coins ran up sharply.

Let me give you a concrete example of what a difference this has made. On October 16, 1986, the gold spot settled in the U.S. at \$424.00. On that day, a customer wanting to spend \$100,000 could have purchased 231 South Africa 1 Oz Gold Krugerrands (231 @ \$432 per coin = \$99,792) or purchased 37 MS-64 \$20.00 St Gaudens (37 @ \$2,700 per coin = \$99,900).

Yesterday, the gold spot closed in the U.S. at \$868.00. If this purchaser had sold at yesterday’s close, we would have paid \$197,505 for the 231 Krugerrands (@ \$855 per coin) or \$37,740 for the MS-64 Saints (@\$1,020 per coin). Obviously, this hypothetical purchaser would have been far better off purchasing bullion-priced coins instead of the overhyped collector coins.

The kind of customers who responded to these sales campaigns absorbed half of the information that was valuable (the part about owning precious metals) but were then misled or allowed themselves to be misled into purchasing the wrong merchandise to provide the benefit of owning precious metals.

The telemarketers focused their sales campaigns generally on coins that could be obtained in large quantities such as common-date U.S. \$20 Liberties and St Gaudens, France 20 Francs Roosters, and Swiss 20 Francs. These are also the kinds of coins that have fallen most in premium in the intervening years.

However, one result of these successful marketing campaigns in the 1980s and early 1990s is that there was a large group of owners of pre-1934 common-date U.S. Gold Coins. They have seen the prices for such coins fall sharply since the marketing campaigns ended (right about the time that the IRS issued their final regulations about 15 years ago).

When the spot price of gold broke into all-time high levels (ignoring inflation) at the beginning of 2008, this same group of owners saw this as an opportunity to

unload their holdings, and many have done so. Unfortunately, they once again are absorbing only half the accurate information (that gold has surpassed its 1980 peak, ignoring inflation) and not looking at the reasons why gold has risen that, in my mind, point to gold topping at least \$2,000 by 2010 at the latest.

In effect, there are a large number of people who purchased Pre-1934 U.S. Gold Coins in the 1980s who should have bought bullion that are now selling these same coins at a time when they probably should not be selling. Even if they happen to make a profit, they have not done as well as they should have.

I recommend that those now holding such coins as common-date \$20.00 St Gaudens and Liberties consider them as similar to holding gold bullion. Many circulated U.S. Gold Coins trade on the wholesale market right about (and sometimes even below) the intrinsic metal value of the coin.

The deluge of Pre-1934 U.S. Gold Coins that has been liquidated thus far this year, does present a buying opportunity for smart collectors. Along with common-date issues, many better date Double Eagles have fallen as well. In fact, it is now possible, through persistence and hard work, to obtain some of these Better Dates for the same price as common-dates, despite their long-term record at selling for premiums to the common issues.

When the people who bought U.S. Gold Coins for the wrong purpose are finished liquidating their holdings (again for the wrong reasons), that will pave the way for more informed buyers to obtain better results.

Two weeks ago, LCS Chief Numismatist Allan Beegle was able to scoop up a nice variety of **Better Date \$20.00 St Gaudens** from a dealer eager to sell. We pass the savings along to you. See our enclosed flyer for details.

(Incidentally, when these telemarketers were hyping higher profit margin U.S. gold coins, LCS warned our customers to avoid such products. For those who still insisted on purchasing U.S. Gold Coins, we normally priced them at lower prices than the promoters charged, sometimes for a lot less. This is just one more example of how LCS customers over time have achieved better results than those who patronized these major telemarketers. When we make a recommendation, we put our customers’ long term interests first. That approach has paid off for the past 37 years and we see no need to change our orientation. Some of these telemarketers are still at it, using similar tactics as they did 20 years ago. We will try to keep you alert to the omissions in their sales pitches.)

Should You Sell Or Swap Your 2008 Silver Eagles?

The U.S. Mint last week reported that it has sold 10.3 million 2008 uncirculated Silver Eagle Dollars already, making it the third highest mintage year after 1987 and 2002. At current rates of production, 2008 should become the highest mintage year by the end of July or early August.

In the same report, the Mint acknowledged that they are receiving far too few blanks from suppliers to meet demand. The Mint has stopped production of all Proof and Burnished Uncirculated Silver Eagles so that all the blanks can be devoted to meet the demand for the regular uncirculated coins.

If the annual cycle continues as it has every year since 1987, once we get to 2009, demand for 2008 Silver Eagles will almost disappear. With falling demand, you are also likely to see falling premiums. Today you are able to get a higher price for uncirculated 2008 Silver Eagles, relative to silver value and to the price you can get for almost every other date of Silver Eagles, than I expect you will be able to get seven months from now.

I anticipate that the price of silver will reach far higher levels by 2010, so I don’t think it is that sensible to liquidate your holdings of 2008 Silver Eagles today. However, if you own 2008 Silver Eagles as a way to own physical silver, you can take advantage of its current higher premium to make a swap for U.S. 90% Silver Coin. Such a swap could actually increase the amount of physical silver you possess with little to no cash out of pocket.

Here’s an example.

At yesterday’s silver close of \$16.61, you could have sold or swapped your 2008 Silver Eagles for \$17.61 per coin. If you had swapped us 1,000 of these coins, you would have received \$1,458 face of U.S. 90% Silver Coins postpaid. The \$1,458 of 90% Silver Coin contains over 1,042 ounces of silver, so you could gain 4.2% in ounces of silver for the out-of-pocket cost for shipping the Silver Eagles to us.

If you live locally and can do the swap in person, the swap would get you even more silver (\$1,463 face containing just over 1,046 ounces of silver).

Another reason to consider a swap is that in strong silver markets, the forms of physical silver that sell at higher premiums tend to underperform the lower premium forms. We saw a vivid demonstration of this in early 1998 when Warren Buffett’s Berkshire Hathaway set off a supply squeeze asking for delivery of the 130 million ounces of silver it had purchased. As the spot price of silver quickly jumped

(Continued on page 4)

(Continued from page 3)

more than 15%, the price of 90% Coin almost matched that increase. Unfortunately, the price of Silver Eagles barely moved.

Silver Eagles are beautiful coins and maybe fun to own a roll or less. If you want to maximize your results owning physical silver, buy lower premium forms such as U.S. 90% Silver Coin. If you already own a quantity of 2008 Silver Eagles for physical silver purposes, I'd consider a swap for 90% Silver Coins. I know you paid more than a dollar over spot to purchase them, but I expect that the 90% Silver Coin you receive in a swap will be worth more than the coins you trade today.

Gold and Gold Coins

Gold finished today at \$879.75, up \$10.25 (1.2%) from last month.

The amount of gold being liquidated by retail customers has slowed from the pace when gold was near or over \$1,000. Still, we are buying and selling far more gold than in years past.

As a result of strong activity every month in 2008, we have already achieved our highest annual sales volume since the 1979-1980 bullion boom!

There was little change in premium levels of bullion-priced products during the past months. The low premium choices continue to be the Austria **100 Corona** (3.1%), South Africa **Krugerrand** (3.5%), U.S. **American Arts Medallion** (3.2%), and Mexico **50 Peso** (3.2%).

As discussed earlier in this issue, **Common-Date U.S. Gold Coin** premiums have fallen to the lowest levels in more than 25 years. Just in the past 24 hours, we have seen some pick up in demand on the wholesale market. Whether this signifies that we have passed the bottom, and premiums will rise, remains to be seen.

Call our **Trading Desk** Toll Free

800-527-2375

for current prices and to confirm trades.

Call our **Toll-Free Quotes Line:**

800-825-8930

for a message with the spot prices at the U.S. market close and price indications for U.S. 1 Oz Gold Eagles and U.S. 90% Silver Coin Bags.

For a more detailed list, check our Daily Quotes on our website:

www.libertycoinservice.com

The Month

Gold Range	62.50	7.2%
Net Change	+10.25	
Silver Range	1.76	10.6%
Net Change	+\$0.21	
Gold/Silver Ratio	52.3	
Net change	+0.0	
Platinum Range	208.00	10.7%
Net Change	+79.00	

Platinum/Gold Ratio 2.30

Date	Gold	Silver	Platinum
May 07	869.50	16.62	1,946.00
May 08	880.50	16.79	2,006.00
May 09	884.50	16.82	2,070.00
May 12	883.75	17.16	2,092.00
May 13	868.50	16.76	2,040.00
May 14	865.50	16.55	2,024.00
May 15	879.00	16.63	2,070.00
May 16	899.00	16.90	2,113.00
May 19	905.00	16.97	2,130.00
May 20	919.50	17.67	2,124.00
May 21	928.00	17.99	2,174.00
May 22	918.00	17.97	2,152.00
May 23	925.50	18.24	2,154.00
May 26	closed		
May 27	907.75	17.42	2,110.00
May 28	900.50	17.38	2,056.00
May 29	877.25	16.48	1,980.00
May 30	887.25	16.83	2,005.00
Jun 02	893.00	16.87	1,998.00
Jun 03	881.50	16.80	1,982.00
Jun 04	880.00	16.86	1,980.00
Jun 05	871.75	17.13	1,997.00
Jun 06	895.50	17.40	2,066.00
Jun 09	894.75	17.18	2,038.00
Jun 10	868.00	16.61	1,982.00
Jun 11	879.75	16.83	2,025.00

London Silver Market Premium To New York Silver Market = 5¢

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

There is a good possibility that our offering of the Better-Date Saints this month may turn out to be even more attractive bargains by the time you receive this newsletter.

Silver and Silver Coins

Silver closed today at \$16.83, up a modest 21 cents (1.3%) from five weeks ago.

As with gold, our volume of purchases and sales has slipped from the past two months, though they are still way ahead of what we did in prior years.

While we have only been able to get a trickle

of U.S. 2008 **Silver Eagles** (13.4%), supplies of U.S. **90% Silver Coin** (1.5%) remain plentiful. You can find modest supplies of prior-year Canada **1 oz Silver Maple Leafs** (12.5%) but finding 2008-dated coins can sometimes be a problem. U.S. **40% Silver Coin** (1.4%) has been available without problem in the quantities that customers wanted to purchase.

In silver ingots, 100 Oz Johnson-Matthey bars are in current production, while the Engelhard brand has not been made for more than 20 years. Consequently, you can acquire "JMs" readily, but sometimes have problem finding Engelhard's.

By the way, I expect the U.S. Mint to stop production of 2008 Silver Eagles around the end of September so that they can begin production of 2009-dated coins. Normally a huge quantity is ordered on the first order date in January, often more than 25% of the annual mintage, so the Mint will make sure to have plenty of 2009 coins in stock by then.

After several months of very strong demand and price increases for **Morgan and Peace Silver Dollars**, the markets have stabilized. That doesn't mean that there has been any increase of supplies on the market. Instead, it just means that if you can find some of the better date issues, you don't have to pay more than last month's prices to acquire them. This month, we are fortunate to have two small lots of **MS-63 1879 and MS-64 1882-O Morgan Dollars** that are much scarcer than their relatively affordable prices would lead you to expect. Because of their relative rarity, they are among the dates and grades of Morgan Dollars that we rate with our Highest Recommendation for appreciation potential. Please see our enclosure.

What The Wall Street Journal Didn't Tell You

Today's coverage in *The Wall Street Journal* about the effects of worldwide inflation included a separate article on Vietnam, with an official inflation rate of 25.2% in the past year.

The article claimed that Vietnamese citizens are buying U.S. dollars as protection from the effects of inflation in that country.

Well, that doesn't quite tell you the whole story. According to the World Gold Council, gold demand in Vietnam soared so high in the first quarter of 2008 that it surpassed India as the world's largest gold consuming nation. Could it be that the Vietnamese were buying so much gold to protect themselves against the falling value of their domestic currency? Can we learn from them?

Liberty's Outlook is published monthly by Liberty Coin Service, 300 Frandor Ave., Lansing, MI 48912. Telephone: National 800/527-2375 Fax: 517/351-3466 Website: www.libertycoinservice.com, E-mail: path@libertycoinservice.com Patrick A. Heller, Editor. Subscriptions are available at \$109.00 per year (12 issues). Send subscription orders and changes of address to the above address. All information is derived from sources believed to be reliable, but accuracy cannot be guaranteed. No guarantee of profitability of any investment or recommendation contained herein is made or implied. Liberty Coin Service has been a dealer in rare coins and precious metals since 1971. The publisher, its principals and associates may, from time to time, have a position in items recommended here. Copyright 2008, all rights reserved.

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	100	1.0000	928.25	928.25	5.5%
*U.S. 1/2 Oz Gold Eagle	100	0.5000	471.00	942.00	7.1%
*U.S. 1/4 Oz Gold Eagle	100	0.2500	240.75	963.00	9.5%
*U.S. 1/10 Oz Gold Eagle	100	0.1000	99.00	990.00	12.5%
*U.S. 1 Oz Gold Buffalo	100	1.0000	929.00	929.00	5.6%
*Australia 1 Oz Kangaroo	100	1.0000	928.25	928.25	5.5%
*Austria 100 Corona	100	0.9802	889.00	906.96	3.1%
*Austria 1 Oz Philharmonic	100	1.0000	928.25	928.25	5.5%
*Canada 1 Oz Maple Leaf	100	1.0000	920.25	920.25	4.6%
*China 1 Oz Panda	100	1.0000	932.50	932.50	6.0%
*Mexico 50 Peso	100	1.2057	1,094.75	907.98	3.2%
*S. Africa Krugerrand	100	1.0000	910.50	910.50	3.5%
*U.S. Medallion	100	1.0000	908.00	908.00	3.2%
*1 Oz Ingot	100	1.0000	921.00	921.00	4.7%
*Austria 1 Ducat	100	0.1107	107.20	968.38	10.1%
*Austria 4 Ducat	100	0.4428	425.00	959.80	9.1%
*British Sovereign	100	0.2354	220.50	936.70	6.5%
*British Sovereign, BU	100	0.2354	227.50	966.44	9.9%
*France 20 Franc	100	0.1867	177.50	950.72	8.1%
*Germany 20 Mark	100	0.2304	242.25	1051.43	19.5%
*Swiss 20 Franc	100	0.1867	177.50	950.72	8.1%
\$20 Liberty BU	10	0.9675	985.00	1018.09	15.7%
\$20 St Gaudens BU	10	0.9675	975.00	1007.75	14.5%
\$20 Liberty Extremely Fine	10	0.9675	945.00	976.74	11.0%
\$10 Liberty Extremely Fine	10	0.4838	472.00	975.61	10.9%
\$5 Liberty Extremely Fine	10	0.2419	243.00	1004.55	14.2%
*U.S. 90% Silver Coin	1,000	715	12,215.00	17.08	1.5%
*U.S. 40% Silver Coin	1,000	295	5,035.00	17.07	1.4%
*U.S. Circulated Dollars	1,000	760	16,600.00	21.84	29.8%
U.S. Silver Eagle-2008	1,000	1,000	19,080.00	19.08	13.4%
Canada Silver Maple Leaf	1,000	1,000	18,930.00	18.93	12.5%
*100 Oz Silver Ingot	10	100	1,768.00	17.68	5.1%
*10 Oz Silver Ingot	100	10	182.80	18.28	8.6%
*1 Oz Silver Ingot	1,000	1	17.88	17.88	6.2%
*1 Oz Platinum Ingot	100	1.0000	2,081.75	2081.75	2.8%
*U.S. 1 Oz Platinum Eagle	100	1.0000	2,126.25	2126.25	5.0%
*U.S. 1/2 Oz Plat Eagle	100	0.5000	1,080.25	2160.50	6.7%
*U.S. 1/4 Oz Plat Eagle	100	0.2500	546.75	2187.00	8.0%
*U.S. 1/10 Oz Plat Eagle	100	0.1000	228.80	2288.00	13.0%
*Other 1 Oz Plat Coins	100	1.0000	2,134.25	2134.25	5.4%
*Canada Palladium ML	100	1.0000	464.50	464.50	8.0%

Gold: \$879.75
Silver: \$16.83
Platinum: \$2,025.00
Palladium: \$430.00

Notes from Liberty

by Allan Beegle
 Chief Numismatist

Already in 2008, we have set a record for the highest annual sales volume since the 1979-1980 bullion boom! Each of the first five months of 2008 have been the top five sales months since early 1980!

Last week's grand opening of our second location across the driveway from our original store has helped shorten the times it takes for customers to be served. Customers love the more comfortable surroundings and shorter waiting lines.

Last month's featured offerings pretty much sold out within a few days. We could have sold several times the number of 1898 \$20.00 Liberties that we had available, but have not been able to locate any more specimens since.

Two weeks ago, I worked the floor at the huge Long Beach Exposition in California. Though it didn't seem like I took much inventory, my sales total was impressive once again.

As I arrived in California, precious metals prices took a significant dip. After conferring with LCS General Manager Pat Heller, I hit the show aggressively seeking gold coins at what I hoped would be lower levels. The strategy paid off! Several dealers, perplexed by the lower prices, stopped buying out of fear that prices might fall further.

I met one dealer who was an aggressive seller at the lower prices who also had a number of nice quality **Better-Date \$20.00 St. Gaudens**. Though he didn't have any large groups of one date or mintmark, I was able to pick up a nice assortment—some priced so reasonably that we can offer them at the same price as common-date coins!

Also at Long Beach, I was able to acquire a lot of **Very Choice Mint State-64 Walking Liberty Half Dollars**. This dovetailed nicely with another group recently picked up by LCS Retail Store Manager Bob Sweet so that, together, we had enough coins to make a small

Liberty Coin Service
300 Frandor Avenue
Lansing, MI 48912

Call Toll-Free: **(800) 527-2375 National**
(517) 351-4720 Local
(517) 351-3466 Fax

web: www.libertycoinservice.com email: path@libertycoinservice.com
 Trading Desk Hours (Eastern): Mon-Fri 10AM-6PM, Sat 10AM-2PM

Coins, Rolls and Sets

U.S. 10 pc Gold Medallion Set, 1980-1984, BU		\$7,280
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20		\$495
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20		\$720
U.S. Peace Dollar, Brilliant Uncirculated Roll/20		\$480

Gold:	\$879.75
Silver:	\$16.83
Platinum:	\$2,025.00
Palladium:	\$430.00

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,110	1,200	1,750
U.S. \$20.00 Liberty	1,550	1,950	4,400
U.S. \$10.00 Liberty	975	2,100	6,200
U.S. \$5.00 Liberty	950	1,400	4,550
U.S. 4 pc Indian Gold Type Set	5,525	10,000	33,475
U.S. 4 pc Liberty Gold Type Set	4,580	7,325	19,050
U.S. 8 pc Gold Type Set	10,005	17,175	52,075
U.S. Morgan Dollar (Pre-1921)	52	67	172
U.S. Peace Dollar	38	56	172

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.

general offering. This is the popular, historic coin whose obverse was adapted for use on the U.S. Silver Eagle Dollar program that began in 1986.

Between Pat and I, we also were able to acquire some **Small Lot Bargains**. There are not enough coins in any one group to satisfy all of our customers, so I urge you to call quickly on any of these that are of interest.

For the best chance to purchase any of these special bargains, I urge you to call our Trading Desk today, toll-free, at **800-527-2375**.

We have also acquired some fascinating one-of-a-kind beautiful U.S. rarities from the 19th Century. Enjoy this list:

Stunning Choice Mint State-63

1835 Bust Quarter: Early U.S. Quarters in top quality are incredibly scarce. This is one of only 40 specimens of 1835 Bust Quarters certified MS-63 or nicer by PCGS.

This may be the finest quality specimen of

this date we have ever handled in our 37 years in business! It is also one of the highest quality specimens of any date of Bust Quarters we have ever had in stock!

This coin is a spectacular specimen, much nicer than the typical MS-63 coin. The coin has just the barest hint of light, even toning. Because of its beauty, dealers have already been offered us well above its \$3,500 *Coin Values* listing. We would prefer that one of our retail customers buys this so that we might repurchase it some day. For \$5,500, it can be yours. That is a bargain when you consider than another common MS-63 Bust Quarter sold in auction last week for \$6,900.

Lovely Choice Extremely Fine-45

1839-O Bust Half Dollar : When the New Orleans Mint opened in 1838, production started modestly. Only 406,034 dimes and 20 proof half dollars were struck that year. In 1839, the Mint struck a little over one million each of Half Dimes and Dimes, 178,976 Half Dollars, and 17,781 \$2.50 Classic Head Quarter Eagles for circulation. The Half Dimes and Dimes struck at New Orleans used the Seated Liberty design, meaning that the 1839-O Capped Bust Half Dollars are the only Bust coinage struck for circulation in New Orleans.

We've had a handful of these rarities over the years, with this NGC-certified Choice Extremely Fine-45 specimens being one of

the finest. The coin is solid for quality with typical light to moderate toning. A certified EF-45 specimen sold in auction in late 2006 for \$1,610. Extremely Fine-40 specimens list in *Coin Values* at \$1,200. You can own this treasure for \$995.

Three Proof Trade Dollars: To compete with silver dollar-sized coins issued by other coins that circulated in the Orient, the U.S. Mint struck a silver Trade Dollar from 1873 to 1878. This coin had a slightly higher silver content than dollars made for circulation in the U.S. As it was not meant to circulate in the U.S., it was never given legal tender status. The Mint continued striking Proof Trade Dollars until 1885. Over the 13 years, just 11,404 total Proofs were struck. We have the wonderful fortune to be able to offer three lovely specimens, the most we have had in inventory at the same time for longer than we can remember.

1874 Trade Dollar, Proof-61, NGC—\$1,795. Mintage 700. This attractive coin has a even light golden toning. At a quick glance, the coin appears to be of higher grade. *Coin Values* does not list this Proof in grades below Proof-63. The PCGS Price Guide lists Proof-61 specimens at \$1,950.

1876 Trade Dollar, Very Choice Proof-64, NGC—\$5,250. Mintage 1,150. Moderate to heaving even toning, mostly blue, but with hints of red, gold, and a bit of brown. Pristine surfaces. One of the finest Proof Trade Dollars we have ever stocked! Catalogs in *Coin Values* at \$6,000 and in the PCGS Price Guide at \$5,700.

1883 Trade Dollar, Choice Proof-63, NGC—\$3,150. Mintage 979. No circulation strikes were minted this year, making this a much scarcer date than the above two coins. Moderately toned with a streak on the obverse from the left side to the top that looks like it came in contact with a rubber band at one time. Relatively mark-free. Catalogs in *Coin Values* at \$3,500 and in the PCGS Price Guide at \$3,450.

Call our Trading Desk Toll-Free:

800-527-2375

for current prices and to confirm trades.

Call our Toll-Free Quotes Line:

800-825-8930

for a recorded message with the spot prices at the last U.S. market close and price indications for U.S. 1 Oz Gold Eagles and U.S. 90% Silver Coin Bags.