



Liberty's Outlook

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A Top Priority For The US Government—

Make People Afraid To Own Gold And Silver!

Page 3: Will Greek Sovereign Debt Default On March 23?

As I have said many times, the number one reason to own some physical gold and silver is for insurance against declines in the value of paper assets such as currencies, stocks, and bonds. The price of gold is effectively a report card on the value of the US dollar, the US government, and the US economy. The prices of gold and silver tend to rise as the US dollar falls or the US government or economy is weak.

This relationship creates a huge incentive for the US government to suppress gold and silver prices. One way that the Feds can accomplish that goal is by making people afraid to own gold and silver.

What is a prime method to make people afraid of investing in gold and silver? Beyond simply suppressing prices, you can also arrange for prices to be extremely volatile.

Investors crave a certain degree of stability and want to minimize risk of loss. If the prices of particular assets can fall quickly, even though the overall long-term prospects are bright, people will tend to shy away from owning those assets.

What happened on Leap Day February 29 last week is a perfect example of market manipulation tactics planned to make people afraid to own gold and silver.

Since the latest blatant major suppression of gold and silver prices last December, recovery had been strong. By the time of trading in Asian markets early on February 29, gold was closing in on \$1,800, up more than 15% from the December low. Silver peaked just below

2012 Year To Date Results through March 6, 2012			
<i>Precious Metals</i>			
Silver	+17.4%	Brazil Real	-5.7%
Platinum	+14.6%	Mexico Peso	-6.8%
Gold	+6.8%	U.S. Dollar Index	79.85 -0.51%
Palladium	+2.4%	<i>US And World Stock Market Indices</i>	
<i>Numismatics</i>		Dow Jones Industrial Avg	+4.4%
US MS-63 \$20 Liberty	+4.8%	S&P 500	+6.8%
US MS-63 \$20 St Gaudens	+3.1%	NASDAQ	+11.7%
US MS-65 Morgan Dollar, Pre-1921	+0.0%	Russell 2000	+6.2%
<i>US Dollar vs Foreign Currencies</i>		London FT 100	+3.5%
Japan Yen	+5.2%	Australia S&P/ASX 200	+3.7%
China Yuan	+0.0%	Frankfurt Xetra DAX	+12.5%
Hong Kong Dollar	+0.0%	Dow Jones World (excluding US)	+8.9%
Great Britain Pound	-1.1%	Nikkei 225	+14.0%
Euro	-1.2%	Sao Paulo Bovespa	+14.7%
Canada Dollar	-1.9%	Shanghai Composite	+9.6%
Switzerland Franc	-2.0%	10 Year US Treasury Note interest rate	1.948% +3.7%
Singapore Dollar	-2.5%	<i>Intrinsic Metal Value Of U.S. Coins</i>	
South Korea Won	-3.1%	Lincoln cent 1959-1982	2.49¢
Australia Dollar	-3.3%	Lincoln cent 1982-date	0.54¢
New Zealand Dollar	-4.3%	Jefferson nickel non-silver	5.46¢
India Rupee	-5.1%	Roosevelt dime, 1965-date	2.48¢
South Africa Rand	-5.3%	Washington quarter, 1965-date	6.19¢
		Kennedy half dollar, 1971-date	12.39¢

\$37.50, up more than 40% from its December bottom. The price rises were accelerating. Quick moves up to \$1,800 gold and \$40 silver were imminent.

In the course of pushing past major resistance points, even the mainstream financial media were starting to acknowledge that investors large and small were acquiring precious metals.

Looking back, I believe that the US government adopted the strategy of letting fresh investors purchase gold and silver to push up prices somewhat higher, knowing that it had plans to make a major effort to push down prices at 10 AM February 29. Then, according

to the plan, as prices then fell, some of these new investors would leave the market as stop loss orders were executed. Other new investors would panic and sell off their positions. Because of this extreme volatility, many of these new customers would become fearful of ever purchasing gold and silver in the future.

February 29 was the perfect day and 10 AM was the perfect time for the US government to coordinate an all-out suppression of gold and silver prices.

During European trading hours on February 29, the European Central Bank (ECB) extended over \$710 billion worth

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of low-interest loans to member banks. This massive inflation of the global money supply was almost certainly funded by the Federal Reserve through the International Monetary Fund (IMF) to the ECB. News of this round of quantitative easing was the last bit of news that was driving up gold and silver prices prior to 10 AM Eastern time in the US.

At 10 AM, Federal Reserve Chair Ben Bernanke delivered his semi-annual report to the House Financial Services Committee on the state of the economy. The text of his report was little different from his statement in late January at the end of the Federal Open Market Committee meetings.

Still, his comments that there was no real reason to recommend a new round of quantitative easing were contradicted by the huge inflation of the global money supply just hours earlier. Nonetheless, his comment about there being no need for quantitative easing should have sent US stock market and gold and silver prices tumbling. It probably should not surprise you that the Dow Jones Industrial Average didn't miss a step.

However, right at 10 AM, even before Bernanke could make his remarks, there was an order to sell a block of 31 tons of gold (approximately 1 million ounces). This same seller eventually sold a total of 1.8 million ounces of gold within a few minutes. In the silver market, a total of about 225 million ounces were sold on paper contracts between 10 AM and 10:30 AM. For both metals, the massive wave of selling started before Bernanke had made his remarks. Obviously, the dumping of gold and silver could not have been triggered in response to what Bernanke said that morning.

This wave of selling was so blatant a price suppression tactic that many market observers who previously rejected the idea that gold and silver prices were manipulated changed their mind. As multiple analysts stated, someone who was

looking to sell a position of a million ounces of gold at the highest possible price would spread the trade out over time and among different brokers. Someone who would sell the entire lot in a single transaction was obviously looking to knock down the price of gold rather than engaging in a genuine market transaction.

This huge effort to knock down gold and silver prices—the quantity of silver that was sold in 30 minutes was equal to about 30% of annual worldwide silver mine production!—also needed to be done on February 29 to draw attention away from two other major news developments that day.

First, the International Swaps and Derivatives Association (ISDA) was to announce a decision February 29 on whether the 70% immediate losses on Greek sovereign debt (and probably close to a 100% loss over time) constituted a “default” which would trigger liabilities to counterparties of derivatives contracts. The ISDA consists of 15 large banks, hedge funds, and investment houses. It decides whether any particular “credit event” constitutes a default. The parties who would owe the bulk of derivatives liabilities (JPMorgan Chase, Bank of America, HSBC, Citigroup, and Goldman Sachs) for a default are ISDA members. Obviously, that means that the ISDA is biased against ever declaring a default.

Whatever decision the ISDA would make would be bad news for the markets. If they declared a default, the counterparties (see list in the last paragraph) would immediately owe billions of dollars to cover the losses. If no default were declared, that would be evidence that the derivatives were pretty much worthless as insurance. That would destroy any incentive for future sales of derivatives, an activity that is a major profit center for the sellers.

The ISDA postponed announcing their decision until the next day, then reported a unanimous vote that the Greek “credit event” was not a default.

The other major development on February 29 was the news that the Pan Asian Gold Exchange (PAGE) had effectively been killed before it could go into operation. Apparently, a part-owner of US origin and possibly affiliated with a large US bank had managed to get 24% of the voting control of PAGE, then appointed enough members to the board of directors to succeed in postponing the commencement of operations. At least one of these elected board members was alleged to be a former mem-

ber of the US Federal Trade Commission, though I don't know the specific name.

The plans to begin operation of the Pan Asian Gold Exchange were announced last summer. The contracts it would have traded would have been 100% backed by physical gold. They would have been priced in Chinese renminbi yuan instead of US dollars.

As such, PAGE would have represented a double threat to the US government—as 100% backed contracts would have offered more protection for investors than those traded on the COMEX and London markets and the use of the yuan for payment would have further diminished the role of the US dollar as an international currency.

(By the way, the good news is that other part-owners of PAGE have announced that they are reorganizing and hoping to begin operation of a new exchange operating the same way as planned for PAGE.)

Although gold and silver prices fell significantly on February 29 and have been under siege in the days since, there are some strong positive signs for precious metals.

For instance, the same source that alerted me in 2003 that the Chinese central bank started buying gold reserves (which it did not publicly acknowledge until 2009) reported yesterday that at least 40 tons (almost 1.3 million ounces) of gold were purchased on the London market that day—with nobody liquidating any metal. Some of these buyers were short sellers covering their positions and some were Far East Asian buyers.

This same source also reported that there were buy orders on file to execute should the gold price drop down to \$1,650 and \$1,620, with the quantities ordered increasing exponentially at each price decline.

Despite the massive suppression on February 29, the price of gold fell less than 10% and silver only dropped 15%. In years past, a comparable massive amount of assets mobilized to knock down prices would have had much more impact.

To me, the fact that it took the sale of paper contracts in such huge quantities to accomplish this significant yet modest price decline is actually a sig-

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nal that we are getting close to the time when prices will rise rapidly. I still stand by my latest forecasts that the spot price of gold will exceed \$2,000 and silver will surpass \$60 by the end of May.

In the long run, all that will have been accomplished with the February 29 assault on precious metals was to create another temporary bargain buying opportunity. Enjoy it while it lasts.

Will Greek Sovereign Debt Default On March 23?

A standard prudent business practice is to plan for contingencies. Contingencies are future events that might come to pass, but will not necessarily occur. For instance, companies don't expect physical disasters, but developing recovery plans for such events could pay off tremendously should such a crisis happen.

It should come as no surprise that governments and central banks do a lot of contingency planning, trying to anticipate different future scenarios. I am confident that plans are in place on what to do should Greece formally default on some of its sovereign debt.

Is it possible that the US government has moved beyond contingency planning to schedule a definite plan of action to manage Greece's sovereign debt crisis? There are rumors circulating that specific steps are going to be executed beginning after the close of business on Friday, March 23.

I have to insist that these are to be considered rumors, even though they have supposedly been confirmed by sources within Barclay Capital and JPMorgan Chase. However, the scenario outlined is extremely plausible for happening at some point in the next several months, even if it turns out that the March 23 initiation date is a hoax.

According to the sources, the plan is that after markets close on March 23, all credit rating agencies will declare that the Greek government is officially in default on its

sovereign debt. Over the weekend, all Greek bank accounts would be frozen to prevent the flight of capital, with a limited list of emergency exceptions.

When markets reopen on Monday, March 26, major banks will be instructed not to exchange Euros. All Greek financial and banking markets will be closed for at least one day.

One of the banking sources considers the plan so likely to occur that he has advised his Greek business customers and friends to sell their real estate (leasing it back if necessary), to empty all bank accounts, and to only hold hard currencies (specifically avoiding the Euro).

There are two problems with such rumors. First, they could be false. Second, they could be true. If true, these plans will only succeed if the general public is not forewarned. Therefore, I am warning readers that such an event might be planned for March 23.

To the extent that these rumors receive a lot of publicity, the plans for March 23 will not work and will likely be dropped.

However, if there are plans for a Greek default on March 23 and publicity forces the planners to change tactics, you can then expect the same plans to be executed on some other Friday before or after March 23.

A default on Greek debt is a virtual certainty even with the just announced bailout package that will supposedly enable the Greek government to meet its large March 20 payment commitments. The latest negotiations with Greece's lenders are for 70% of the face value to be written off as bad debts. It was only a few months ago that the negotiations were trying to write off only 50% of the face value. The longer the process takes to reach any solid agreement, the greater the bad debt write-off will be.

In my judgment, it is not possible to achieve a satisfactory resolution to the Greek sovereign debt crisis. I think it is a matter of how soon, not if, Greece will default.

A default on Greek debt could expand the crisis with the Euro currency. This would inevitably expand to negatively impact all paper currencies. You may not have much time left to acquire safe haven assets such as physical gold or silver in your direct possession.

Stockpile Food And Supplies Now!

Beyond owning gold and silver, there are

other tangible assets you can acquire to protect yourself. Even if you don't want to consider the possibility that the global financial system could soon collapse in disaster, there are simple no-risk steps you can take. The first that comes to mind is to stock up on non-perishable food supplies, medical supplies, and necessities like toilet paper, especially acquiring goods that are offered at sale prices. That way, should financial problems somehow be resolved, you will just consume the items that you purchased at bargain prices.

At any hint of outright Greek debt default or new restrictions on convertibility of any major global currency, expect the general public to rush to stores to lay in food and supplies. If you thought the long lines at gasoline stations during the energy supply crunches in past decades were terrible, you haven't seen anything yet. The best time to prepare is right now.

Proof Gold Eagle And Buffalo Premiums Have Collapsed

In late 1986, when the American Eagles debuted, a lot of people asked me if they should purchase the One Ounce Gold Proofs at the then high price of \$585 each. At the time, retail customers were purchasing the bullion issue Gold Eagles for \$450-460 apiece. That meant that the proofs would have cost 27-30% more than the bullion issues. I was again asked the same questions about the Proof Buffaloes when that series began in 2006.

Proof quality specimens are breathtaking works of art. But when the Mint sold 446,290 of the first year Proof Eagles and 246,267 of the first year Proof Buffaloes, it was obvious that numismatic appreciation prospects were limited.

I advised customers back then that I expected the price disparity between the proofs and business strikes to decline over time, which would make the bullion issues the better value. I have made the same recommendation ever since.

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My recommendation has not always been on the mark. A few years back, it was possible at one point to trade one Proof Eagle to receive about two of the bullion Eagles.

With the higher gold spot prices in recent years, however, the premiums on Proof Gold Eagles (and now also Proof Gold Buffaloes) have fallen almost down to the prices of the bullion issues. In more or less unlimited quantities, the 1 Ounce Proof Eagles in the original US Mint packaging are selling for about 4% more than the bullion issues, while Proof Buffaloes sell for about a 2% premium to the bullion-priced version.

Proofs take a bit more handling to check that the packaging, paperwork, and coins all look just fine. They tie up a dealer's cash flow for a longer period of time. That means that the buy/sell spread is wider for Proofs than for bullion issues. So, the bad news is that if you are looking to liquidate Proof Eagles and Buffaloes you are unlikely to be offered any more for the Proof issues than for the bullion pieces.

How can this be? Here are proof mintage figures through 2010:

Size	Mintage
1 Oz American Eagle Proof	1,488,006
½ Oz American Eagle Proof	938,231
¼ Oz American Eagle Proof	878,918
1/10 American Eagle Proof	1,224,424
1 Oz Buffalo Proof	374,516
½ Oz Buffalo Proof	12,169
¼ Oz Buffalo Proof	13,125
1/10 Oz Buffalo Proof	18,840

(Note: Fractional size Proof Buffaloes were only struck for one year and do still carry a numismatic premium.)

Even without adding in the 2011 mintages, you can see that there are far too many Proof Eagles and Buffaloes (except for the fractional Buffaloes) for them ever to be considered scarce coins.

At the peak in price disparity, I was aware of at least one major national gold marketer that was selling Proof Eagles at about triple the price of bullion issues. I was able to talk sense a handful of some customers into avoiding them. I

also issued a sell or swap recommendation when the Proof Eagles were worth more than double gold value. Some savvy customers took advantage of that opportunity, but many did not. Now my recommendation for those who own Proof Gold Eagles or Buffaloes is to simply consider them as bullion value and just hold them. There is no advantage to be gained today by trading the Proofs for other gold coins.

Promoter Of "Liberty Dollar" Awaiting Sentencing For "Counterfeiting" Conviction

Over a decade ago, Bernard von Nothaus came up with an idea to offer a potential alternative to the current American monetary system.

Called the "Liberty Dollar", von Nothaus issued pure silver and gold pieces that would trade at standard denominations and probably retain their values more effectively than Federal Reserve Notes.

LCS was asked multiple times if we would become a distributor of "Liberty Dollars," but never did so. We judged that our customers would get a better value simply purchasing pure gold and silver ingots at prices closer to bullion value than the "Liberty Dollars."

After some modest marketing success, the US government clamped down on the "Liberty Dollar" operation, seizing all inventory, computers, and company records. Even silver and gold on the premises of the fabricators was seized.

(Interesting side note—the company that produced the silver "Liberty Dollars" also manufactures blanks used by the US Mint to strike Silver Eagle Dollars!)

Eventually, von Nothaus was arrested and charged with counterfeiting. He was convicted about a year ago and has been awaiting sentencing ever since.

Recently, von Nothaus appealed for letters to be sent on his behalf to the judge who will be sentencing him. I wrote my letter to the judge last Friday.

This week, Numismaster.com posted the text of my letter. CoinUpdate.com also posted a link to the Numismaster article, as did Lemetropolecafe.com. If you would enjoy reading about past and current private monetary history in the US, please check out this letter online at <http://www.numismaster.com/ta/numis/Article.jsp?ad=article&ArticleId=24826>.

If you have an interest in writing a respectful letter to the judge, please send me

an email at path@libertycoinservice.com for the details.

Please note that Liberty Coin Service and the "Liberty Dollar" have no affiliation with each other.

Over Last Decade, Rare Coin Prices Have Lagged Gold And Silver Appreciation

If my predictions of substantially higher gold and silver prices are realized, what effects will that have on numismatic coins and paper money?

Some insight can be gained by reviewing what has happened over the past 10 years. At the end of 2001, gold was at \$279.00 and silver was \$4.58. As of two weeks ago when I did an analysis, gold had climbed 518% to close at \$1,724.50 and silver had jumped 624% to settle at \$33.20.

Over that time, how have some numismatic bid prices changed in the various wholesale price guides?

Coin Dealer Newsletter, comparing December 21, 2001 to February 10, 2012:

\$5.00 Liberty, Extremely Fine—up 168% from \$175 to \$470

\$20.00 Saint Gaudens, MS-65—up 140% from \$840 to \$2,020

Oregon Trail-type, MS-66—up 53% from \$195 to \$300

Fort Vancouver, MS-65—down 27% from \$1,150 to \$830

1893-S Morgan Dollar, Fine—up 213% from \$1,100 to \$3,450

1921 Peace Dollar, MS-64—up 67% from \$360 to \$600

1999-S Silver Proof Set—up 28% from \$78 to \$100

Lincoln Cents 1934-1958 Set, BU—up 168% from \$95 to \$255

Two Cents Brown, MS-63—unchanged from \$105 to \$105

Bust Half Dime, Very Fine—up 89% from \$45 to \$85

Trade Dollar, Very Good—up 100% from \$60 to \$120

Twenty Cent Pieces, Proof-63—up 62% from \$1,540 to \$2,500

1916-1947 Walking Liberty Half Set, MS-65—up 52% from \$283,911 to \$432,667

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Certified Coin Dealer Newsletter, comparing December 21, 2001 to February 10, 2012:

- Isabella Quarter, MS-64 PCGS—down 21% from \$700 to \$550
- Sesquicentennial \$2.50, MS-63 NGC—up 40% from \$370 to \$520
- 1881-S Morgan Dollar, MS-65 NGC—up 109% from \$62 to \$130
- 1926 Peace Dollar, MS-63 PCGS—up 50% from \$40 to \$60
- Shield Nickel With Rays, MS-67 PCGS—unchanged from \$11,000 to \$11,000
- \$20.00 Saint Gaudens High Relief, MS-62 NGC—up 88% from \$7,500 to \$14,100
- Barber Dime, Proof-66 NGC—up 4% from \$1,265 to \$1,325
- \$3.00 Indian, Proof-61 PCGS—up 10% from \$4,000 to \$4,400
- 1928 Buffalo Nickel, MS-65 PCGS—up 13% from \$180 to \$205
- 1940 Mercury Dime, MS-67FB NGC—up 80% from \$60 to \$108
- 1919-D Walking Liberty Half, MS-62 NGC—up 108% from \$2,280 to \$4,750
- 1936 Lincoln Cent, Proof-65 PCGS—up 114% from \$735 to \$1,575

Currency Dealer Newsletter, comparing December 2001 to February 2012:

- 1861 \$5.00 Demand Note, Fine—up 20% from \$1,500 to \$1,800
- 1923 \$1.00 Silver Certificate, Gem CU—up 25% from \$100 to \$125
- 1870-75 \$50.00 National Gold Bank Note, Extremely Fine—up 1,094% from \$33,500 to \$400,000
- 1869-1875 15 Cents Fractional Currency, Very Good—down 11% from \$45 to \$40
- 1928 \$1.00 Legal Tender Note, Choice CU—up 50% from \$140 to \$210
- 1934 \$5.00 Hawaii, Very Fine—up 77% from \$45 to \$80

This is not a scientific sample, though I tried to include some scarce and common issues across a variety of grades. The beginning date also happens to be when gold was within 12% of its lowest price of the past 30+ years, and silver was within 30% of its lowest price during that time. You need to be careful about the time frame of comparison, as different lengths

will yield different results.

In addition, this is an analysis only of US coins and paper money. There are several foreign numismatic niches that have seen significant appreciation over the past decade. So, take this brief analysis as only a rough guideline.

However, in this analysis none of the 25 coins increased anywhere close to the same percentage as the gold or silver spot prices. Further, only one of six notes increased by more than gold or silver.

As you can see, it is almost certain that buyers of bullion-priced gold and silver coins and bars achieved better results over the past decade than people who purchased numismatic coins and paper money—by far!

A general observation can be drawn that during times of rising gold and silver prices, the value of collector coins, even ones made of gold or silver, tend to lag behind. This will be particularly true during times of rapid spot price increases.

Having said that, though, it will not be automatically true that numismatic appreciation will always underperform precious metals. When gold and silver prices are rising, you tend to see a surge in demand for rare coins. There were times when rare coin prices were strong while precious metals markets were stable or even declining. It also happens that different numismatic niches can be strong while others are weak. That is why I emphasize that my observation applies in most circumstances rather than saying it will always be true.

Most experienced collectors focus on getting good value when they make additions to their collection. Thoughts of appreciation potential tend to be a consideration, but are not the driving factor in making a purchase. By including the possible future impact of rising gold and silver prices, a collector can make an even better judgment on the value of rare coins and paper money they are looking at possibly acquiring.

Silver and Silver Coins

Silver settled today at \$33.54, down a modest 13¢ (0.4%) from four weeks ago.

As the price of silver generally rose for most of February, the premiums on several bullion-priced forms dropped. After the February 29 prices suppression, however,

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	40%	35%	25%
Silver	60%	55%	50%
Rare Coins	0%	10%	25%
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.

most forms other than US **90% Silver Coin** (0.6%) and US **40% Silver Coin** (0.9%) saw premiums rise slightly.

Right now, US 90% Silver Coin has a huge price advantage over ingots and the 1 ounce silver coins such as US **Silver Eagles Dollars** (10.9%) and Canada **Silver Maple Leafs** (10.0%). You can purchase 90% Coin for about \$3.00 per ounce less than the cost of Silver Eagles.

There is another reason to avoid Silver Eagles and other high-premium silver bullion products. When the spot price of silver jumped almost 20% in a few months back in late 1997 and early 1998, the wholesale market price for Silver Eagles was virtually unchanged while the prices of 90% Coin and ingots increased right along with the spot price.

If you get into a market where the silver price has risen so high that large quantities of bullion products are being melted by refiners, the only forms that would be in demand are those that trade wholesale at a discount to the intrinsic silver value. Coins such as Silver Eagles and Silver Maple Leafs would not be in demand until they traded wholesale below silver spot.

Since I anticipate significantly higher silver prices in the near fu-

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ture, it is quite possible that Silver Eagles will underperform 90% Coin by roughly 6-8%.

After last month's offering of Choice Mint State-63 Peace Dollars sold out last month, we aggressively sought more coins for continuing orders. In the process of searching for them, LCS Chief Numismatist Allan Beegle was able to uncover two groups of **Mint State-60+ Pre-1921 Morgan Silver Dollar Rolls**. Both groups consisted of fresh original rolls set aside decades ago. Even better, several of the rolls were from the San Francisco Mint, which often contain coins with semi-prooflike or prooflike surfaces. Even the Morgans struck in New Orleans have stronger strikes than the typical O-Mint issues. Please see our enclosed flyer for details.

Gold And Gold Coins

Gold closed today at \$1,683.25, down a significant \$46.00 (2.7%) from last month.

Right up until the end of February, gold prices were generally rising. As I described earlier in this issue, the spot price was clobbered February 29. On that day, Federal Reserve Chair Ben Bernanke lied to Congress when he stated that he stated that there no need for additional quantitative easing.

First, it appears the Fed had engaged in massive quantitative easing just a few hours before. Second, today, only seven days after that pronouncement, the Fed revealed that it would begin a program of quantitative easing of flooding the market with long-term Treasury debt. However, it is pretending that this isn't really inflation of the money supply by making a bookkeeping entry to eliminate short-term Treasury debt.

Don't be fooled by that pretense of a neutral net effect. The reality is that by issuing long-term Treasury debt, the Fed will be putting cash into the banking system but will not be withdrawing cash to call in the short-term issues. In other words, the Fed was lying again today about the impact of its latest program of quantitative easing!

A nice development in the past month

The Month

Gold Range	115.50	6.7%
Net Change	-46.00	
Silver Range	4.40	13.1%
Net Change	-0.13	
Gold/Silver Ratio	50.2	
Net change	-1.2	
Platinum Range	111.00	6.7%
Net Change	-41.00	
Platinum/Gold Ratio	.97	

Date	Gold	Silver	Platinum
Feb 08	1,729.25	33.67	1,668.00
Feb 09	1,739.00	33.88	1,668.00
Feb 10	1,723.25	33.57	1,660.00
Feb 13	1,723.00	33.70	1,650.00
Feb 14	1,716.00	33.33	1,628.00
Feb 15	1,726.25	33.39	1,628.00
Feb 16	1,726.75	33.35	1,626.00
Feb 17	1,724.50	33.20	1,633.00
Feb 20	closed		
Feb 21	1,757.00	34.41	1,685.00
Feb 22	1,770.00	34.24	1,721.00
Feb 23	1,785.00	35.50	1,723.00
Feb 24	1,775.00	35.33	1,715.00
Feb 27	1,773.50	35.52	1,715.00
Feb 28	1,787.00	37.14	1,724.00
Feb 29	1,710.00	34.58	1,693.00
Mar 01	1,721.00	35.61	1,701.00
Mar 02	1,708.75	34.48	1,692.00
Mar 05	1,703.00	33.65	1,663.00
Mar 06	1,671.50	32.74	1,612.00
Mar 07	1,683.25	33.54	1,627.00

London Silver Market Premium To New York Silver Market = 3¢

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

has been declining premiums for most bullion-price gold coins and ingots. My low premium favorites for physical gold continue to be the **US American Arts Medallions** (3.4%), the **Austria 100 Coronas** (3.2%), and the **Mexico 50 Pesos** (3.2%).

However, premiums have been rising on circulated **Pre-1934 US Gold Coins**. There are now at least two national competitors proclaiming that the low premiums on such coins make them an attractive alternative to outright bullion-priced coins. This argument was true a month ago. However, so many such coins have been sold that there is some tightness in supplies and premiums are on the way

back up.

Our offering last month of \$5.00 Indians in Extremely Fine condition was timed perfectly. Today you would have a bit of trouble finding a quantity of such coins and they would cost you a higher price even though the spot price is currently lower than four weeks ago.

With all the attention to circulated US Gold Coins, the **High-Grade US Gold Coins** have been mostly stagnant to somewhat down in price. However, supplies of such coins are less plentiful than they were last month, so prospects going forward look positive.

LCS's New Second Location Is Open For Business

As we promised last month, Liberty Coin Service's second location in the Frandor Shopping Center opened for business on February 27.

We have not yet held our Grand Opening as we are waiting for the exterior signage to be installed before we do so. Look for the Grand Opening to happen during the second half of March.

Our original location in the Bank of America Building (300 Frandor Avenue) in the Frandor Shopping Center will continue to handle all services and products. The second location at 428 Frandor Avenue can help customers with merchandise to sell or with buying or selling foreign currency exchange.

The new location has nearly twice the size of the store in the bank building and, by being located in the main area of the shopping center, is easier to locate and access. If you happen to come to visit, you are welcome to stop by and check it out!



LCS's new second location in the Frandor Shopping Center at 428 Frandor Avenue!

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Liberty Coin Service Computer Quotes 2PM EST 03.07.12 Spot Prices

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,769.00	1769.00	5.1%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	909.00	1818.00	8.0%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	463.00	1852.00	10.0%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	189.50	1895.00	12.6%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,772.50	1772.50	5.3%
*Australia 1 Oz Kangaroo	10	1.0000	1,777.50	1777.50	5.6%
*Austria 100 Corona	10	0.9802	1,702.75	1737.15	3.2%
*Austria 1 Oz Philharmonic	10	1.0000	1,775.75	1775.75	5.5%
*Canada 1 Oz Maple Leaf	10	1.0000	1,749.00	1749.00	3.9%
*China 1 Oz Panda	10	1.0000	1,816.25	1816.25	7.9%
*Mexico 50 Peso	10	1.2057	2,094.50	1737.17	3.2%
*S. Africa Krugerrand	10	1.0000	1,750.50	1750.50	4.0%
*U.S. Medallion	10	1.0000	1,740.50	1740.50	3.4%
*1 Oz Ingot	10	1.0000	1,742.25	1742.25	3.5%
*Austria 1 Ducat	10	0.1107	198.40	1792.23	6.5%
*Austria 4 Ducat	10	0.4428	819.25	1850.16	9.9%
*British Sovereign	10	0.2354	427.25	1815.00	7.8%
*British Sovereign, BU	10	0.2354	435.25	1848.98	9.8%
*France 20 Franc	10	0.1867	342.75	1835.83	9.1%
*Germany 20 Mark	10	0.2304	449.75	1952.04	16.0%
*Swiss 20 Franc	10	0.1867	343.75	1841.19	9.4%
\$20 Liberty BU	10	0.9675	1,860.00	1922.48	14.2%
\$20 St Gaudens BU	10	0.9675	1,870.00	1932.82	14.8%
\$20 Liberty Extremely Fine	10	0.9675	1,820.00	1881.14	11.8%
\$10 Liberty Extremely Fine	10	0.4838	915.00	1891.28	12.4%
\$5 Liberty Extremely Fine	10	0.2419	472.00	1951.22	15.9%
*U.S. 90% Silver Coin	1,000	715	24,125.00	33.74	0.6%
*U.S. 40% Silver Coin	1,000	295	9,985.00	33.85	0.9%
*U.S. Circulated Dollars	1,000	760	30,250.00	39.80	18.7%
*U.S. Silver Eagle-2012	1,000	1,000	36,690.00	36.69	9.4%
*Canada Silver Maple Leaf	1,000	1,000	36,440.00	36.44	8.6%
*100 Oz Silver Ingot	10	100	3,489.00	34.89	4.0%
*10 Oz Silver Ingot	100	10	351.40	35.14	4.8%
*1 Oz Silver Ingot	1,000	1	35.19	35.19	4.9%
*1 Oz Platinum Ingot	10	1.0000	1,716.00	1716.00	5.5%
*U.S. 1 Oz Platinum Eagle	10	1.0000	1,803.00	1803.00	10.8%
*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	738.00	738.00	7.7%

Gold: \$1,683.25
Silver: \$33.54
Platinum: \$1,627.00
Palladium: \$685.00

Notes from Liberty

by Allan Beegle
LCS Chief Numismatist

February sales were solid, topping January results, though not close to matching any of our recent monthly records.

Our two featured offerings last month both sold out. We were not able to acquire any more of the Extremely Fine \$5.00 Indians at bargain levels, so had to stop selling them. We did locate modest quantities of Choice Mint State-63 Peace Dollars at prices close to what we originally paid, so we were able to continue selling some at the same price.

By the way, I have to apologize for a typographical error on the 1982 Washington Half Dollars offered in this column last month. The quantities we were offering were for twice as many coins as stated. Thus, the \$285 price was for a lot of 20 coins, not 10. The \$565 price applied to a 40-coin lot, not 20 pieces. Because of the confusion, we do still have some left if you are interested.

In the process of contacting wholesalers and dealer friends while trying for find more Peace Dollars, I hit the jackpot twice. Two dealers had just acquired modest quantities of rolls of **Mint State-60+ Pre-1921 Morgan Silver Dollars**. It turned out that these were fresh original rolls put away decades ago by fussy collectors. They are the very quality that collectors seek, but cannot always find. Even the New Orleans Mint Morgans in the group have sharper details in Liberty's hair and on the eagle's breast than you see on many O-Mint specimens. One group had several rolls of San Francisco Mint Morgans, which are actively sought because many of the coins have semi-prooflike or prooflike surfaces.

Beyond that, it was difficult finding other bargain deals. The huge Long Beach Exposition in California in early February was tremendously busy. Dealers enjoyed higher sales and became even more aggressive at trying to locate more inventory. When I have checked with wholesalers and dealers around the

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Coins, Rolls and Sets

U.S. 10 pc Gold Medallion Set, 1980-1984, BU		\$13,410
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20		\$900
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20		\$975
U.S. Peace Dollar, Brilliant Uncirculated Roll/20		\$875

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	2,000	2,100	2,275
U.S. \$20.00 Liberty	2,095	2,325	3,850
U.S. \$10.00 Liberty	1,325	1,850	3,850
U.S. \$5.00 Liberty	775	1,275	2,675
U.S. 4 pc Indian Gold Type Set	6,150	9,175	18,550
U.S. 4 pc Liberty Gold Type Set	4,820	6,325	11,800
U.S. 8 pc Gold Type Set	10,910	15,350	29,900
U.S. Morgan Dollar (Pre-1921)	67	88	165
U.S. Peace Dollar	58	70	160

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.

country in the past few weeks, it seems like no one had any quantities of the US Gold Coins that reflect the best values in the current market. I would not be surprised to see some major national marketing campaigns over the next few months for coins such as MS-62, MS-63, or MS-64 \$2.50, \$5.00, and \$10.00 Liberties and Indians or the somewhat rarer date US Gold Coins that sell for prices at or close to the prices of common-date issues.

Despite making two purchases of attractive Morgan Dollars, I don't think we have enough coins to satisfy all of our customers.

So, as I do every month, I recommend that you look at the enclosed flyer promptly. Then call right away to confirm availability and to make your purchase. Reach our Trading Desk direct, toll-free, at **800-527-2375**.

In the meantime, we have picked up some really special pieces in the last few weeks. Enjoy perusing the selection:

Lowest Mintage Circulation Strike US Dime Since 1874!: The 1879 Seated Liberty Dime has a paltry mintage of just 14,000. This PCGS-certified Superb Gem Mint State-66 coin is by far the most beautiful of the handful of specimens in any grade that we have handled in the past 41 years!

PCGS and NGC together have certified a meager 75 MS-66 specimens of this date over the past 26 years, and only 56 in higher

grades. The piece has bright white surfaces with a hint of golden toning at the rim and a couple virtually undetectable specks.

Coin Values currently A handful of specimens of this quality have sold in auction in the past year, for prices as high as \$2,588. At our price of \$1,195, we are confident that you will get both a spectacular treasure and as great value!

Canada 2012 Silver Moose: The Royal Canadian Mint has just released the 4th of what will be six issues to honor Canadian Wildlife. We expect to get our allotment in stock within a week.

The third issue featuring the Cougar sold out quickly. These 1 ounce pure silver \$5.00 commemoratives will again have a mintage limited to 1 million coins.

While our supplies last you can purchase them for the following formulas:

- 1-24 Coins at spot + \$4.99 per coin
- 25-99 Coins at spot + \$4.59 per coin
- 100-499 Coins at spot + \$4.09 per coin
- Mint-Sealed box of 500 Coins at spot + \$3.99 per coin

At these bullion prices, we cannot accept credit cards. You would need to send a check for payment.

P.S. The 2011 Timber Wolf, the first coin of this series, now trades at a significant premium to silver value. For nice quality

Gold:	\$1,683.25
Silver:	\$33.54
Platinum:	\$1,627.00
Palladium:	\$685.00

specimens we can now pay you spot + \$15!

1992 Kilogram Silver Kooka-burra: The largest regular silver bullion coin issued by the Perth Mint in Australia is the Kilogram (32.15 troy ounces) Kooka-burra. This 1992 issue is considered common, but if we had to search for one, it would probably cost us more than we price this piece that a customer recently sold to us. Your cost is only \$3.50 per ounce above the silver spot price. Once again, you need to send payment by check rather than using a credit card.

Philadelphia Mint 1953 Silver Dollar Struck For Cuba: The US became an empire after the Spanish-American War of 1898. Cuba was one of the nations that became subject to US sovereignty. For the next sixty years, the Philadelphia Mint struck Cuban coinage.

This 1953 Silver Peso has the exact same silver content as US Morgan and Peace Silver Dollars. It was a one-year commemorative to honor the 100 Anniversary of the birth of Jose Marti, the man called "The Apostle of Cuban Independence" from Spain before his death in 1895. Mint State-60+ quality. Only \$60.

High-Quality, Historically Important Marc Antony Silver Denarius:

After the assassination of Julius Caesar, Octavian and Marc Antony allied to track down and kill the assassins. They were two members of the Triumvirate that ruled Rome until 33 BC.

Antony then moved to Egypt, abandoning his wife (Octavian's sister!), and became partner of Queen Cleopatra VII. The resulting civil war for the control of Rome was settled when Octavian's navy decisively defeated Anthony and Cleopatra's larger navy in the Battle of Actium. Not long afterward, Antony and Cleopatra committed suicide. Octavian had Cleopatra's son fathered by Julius Caesar killed. Octavian became First Citizen and eventually Augustus, the first emperor of the Roman Empire.

This well-centered Very Fine Silver Denarius was issued shortly before the Battle of Actium for Marc Antony to pay his military forces. The coin does have an old small test cut on the edge, but is a great piece of history. \$525.