

Liberty's Outlook

Volume 20 Issue 3 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics March 5, 2014

Are Soaring Gold And Silver Prices Imminent?

Special Urgent Action Issue!

Over the last four weeks, the price of gold rose \$83.00 (6.6%) while silver soared \$1.46 (7.4%)!

After 15 months of generally falling markets from the beginning of October 2012 through the end of December 31, 2013, this kind of strength is taking a lot of people, including many so-called experts, by surprise.

However, the big question now is where do we go from here. There are still analysts from major banks that are predicting that the price of gold will drop to about \$1,000 this year. On the other hand, Canadian precious metals guru Eric Sprott this week confidently forecasted that gold will top \$2,000 and silver will shoot past \$50.00 well before the end of 2014.

Who's going to be right?

Honestly, I don't know. However, when you don't know all the information and facts that you would like, one factor to consider in your decision making process is which direction would result in less harm if you made the wrong choice.

With respect to gold and silver, about the worst you are facing if you load up on physical metals is a loss of about 25%. If you instead opt to avoid holding precious metals at today's prices, only to see gold shoot up more than 50% and silver rise around 150%, your economic loss would be far greater.

On that basis alone, all other information seeming to balance out, I would recommend acquiring a physical gold and silver position of at least the conservative allocation (which I

2014 Year To Date Results

As of March 4, 2014

Precious Metals

| | |
|-----------|--------|
| Gold | +11.3% |
| Silver | +9.6% |
| Palladium | +7.6% |
| Platinum | +7.3% |

Numismatics

| | |
|----------------------------------|-------|
| US MS-65 Morgan Dollar, Pre-1961 | +8.7% |
| US MS-63 \$20 St Gaudens | +2.7% |
| US MS-63 \$20 Liberty | -3.6% |

US Dollar vs Foreign Currencies

| | |
|---------------------|-------|
| Canada Dollar | +4.4% |
| South Africa Rand | +2.5% |
| Mexico Peso | +1.9% |
| South Korea Won | +1.5% |
| China Yuan | +1.4% |
| Singapore Dollar | +0.5% |
| Hong Kong Dollar | +0.2% |
| India | +0.1% |
| Euro | +0.0% |
| Australia Dollar | -0.4% |
| Great Britain Pound | -0.6% |
| Switzerland Franc | -0.6% |
| Brazil Real | -0.9% |

| | |
|--------------------|--------------|
| New Zealand Dollar | -2.0% |
| Japan Yen | -2.9% |
| U.S. Dollar Index | 80.17 +0.00% |

US And World Stock Market Indices

| | |
|--------------------------------|-------|
| NASDAQ | +4.2% |
| Russell 2000 | +3.9% |
| S&P 500 | +1.4% |
| London FT 100 | +1.1% |
| Australia S&P/ASX 200 | +0.9% |
| Frankfurt Xetra DAX | +0.4% |
| Dow Jones World (excluding US) | -0.4% |
| Dow Jones Industrial Average | -1.1% |
| Shanghai Composite | -2.1% |
| Sao Paulo Bovespa | -8.6% |
| Nikkei 225 | -9.6% |

| | |
|--|---------------|
| 10 Year US Treasury Note interest rate | 2.691% -11.2% |
|--|---------------|

Intrinsic Metal Value Of U.S. Coins

| | |
|--------------------------------|--------|
| Lincoln cent, 1959-1982 | 2.11¢ |
| Lincoln cent, 1982-date | 0.56¢ |
| Jefferson nickel, non-silver | 4.5¢ |
| Roosevelt dime, 1965-date | 2.03¢ |
| Washington quarter, 1965-date | 5.09¢ |
| Kennedy half dollar, 1971-date | 10.19¢ |

also consider an "insurance" position against the risk of decline in paper assets that you also hold) as listed in the box on page 5 of this issue.

However, there are a number of fresh developments that are significantly tilting the scales toward much higher precious metals prices this year than for lower levels. After considering some of these factors, you may want to build your gold and silver holdings well above the conservative allocation.

Recent Developments

Here are some of the factors that contributed to higher precious metals prices over the past four weeks and could continue to exert further upward pressure in the coming months:

- A crumbling US economy

- Rampant US government lawlessness and deception
- Rising inflation of the US money supply
- Fiscal problems in several emerging economies
- Russian and Chinese bullying of a perceived weak US president
- Obamacare fiasco
- Gold and silver price manipulation being reported publicly
- Strong increases in US wholesale commodity prices
- Lack of "truth in government financial reporting" through the use of the accrual basis of accounting
- Apparent declining ability of the US

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government, its trading partners, and allies to continue suppressing gold and silver prices on the same scale as in 2013

- Inability of the Federal Reserve to return Germany's gold reserves
- Record-setting demand for physical gold in China
- And lots more

Some Of The Details

A crumbling US economy: For some time I have warned you that statistics put out by the US government, used as the basis to claim that the economy was recovering, were lies. Just in the past few weeks, the economic data reports have been so poor that the truth is no longer being buried.

Automotive car company sales are down. They were actually down in 2013, but this was masked by manufacturers stuffing dealers with more vehicles than they could sell so that General Motors, Ford, and others could pretend they were doing well.

Consumer purchases for the 2013 holiday season actually declined in dollar value compared to 2012. Initial government reports stated that they had increased, but the follow-up reports showed the truth. When you factor in the higher consumer prices at the end of 2013 compared to the end of 2012, the number of units of good sold fell significantly in the 2013 holiday season.

Mortgage applications to purchase homes have been declining almost every week for the past several months. Companies that specialized in purchasing distressed homes to rehabilitate them and rent them are now aggressively trying to sell them. The majority of homes that have gone through the foreclosure process since 2007 have never been offered for sale yet, leaving enormous inventories of unsold properties that realtors (and government workers and bankers) are pretending don't exist.

Strangely, a recent report claimed

that US home sales in January were up sharply, especially in the northeast and the south. At the same other reports revealed a significant drop in consumer purchases in the northeast and the south, largely blamed on nasty weather. Together, these reports contradict each other. If people in the northeast and south were so housebound that they didn't even consume at their usual levels, how could they then have the ability to specifically go wild purchasing new homes.

By the way, the positive data about home sales is derived using signed acceptances of offers to purchase. Unfortunately, about 25% of such offers fall through, usually because the buyers are unable to come up with the financing. If this same data was actually reported on the basis of closings, the results would look much worse.

The home sales data is even more distorted because they do not include information about the prices paid to purchase distressed and foreclosed properties. Such sales may now account for somewhere between 1/4 to 1/3 of all units sold. Compilers of the data say that this data is excluded because it would knock down the average selling prices.

The alleged declining US unemployment rate is a joke. Even the former head of the Bureau of Labor Statistics who left in 2012 says the correct rate should be above 10%, not at the last reported 6.6%. Further, the unemployment rate doesn't take into account that the percentage of Americans of working age who have a job is now at its lowest levels since the 1970s!

You know that the outpouring of economic data is really bad when even Federal Reserve Chair Janet Yellen admitted it before the Senate Banking Committee last week.

Rampant US government lawlessness and deception: When the Affordable Care Act was first passed, President Obama insisted that he would not accept any change in any provisions of the law. He has now implemented dozens of modifications either through bureaucratic discretion or executive orders, bypassing the requirement that Congress needs to enact such changes.

Here are some dismaying examples. When the president learned that implementation of the existing law on moderate size employers could possibly result in more than 50 million Americans losing their health insurance coverage shortly before the 2014 elections, he unilaterally postponed the implementation of that part of the law until after the 2014 elections.

Or, another provision of the law disqualifies those who purchase health care coverage through state exchanges from receiving any tax credits for doing so. Yet, one person at

Patrick A. Heller's Upcoming Speeches

June 3, Okemos, Michigan, Okemos Kiwanis meeting, "Collecting Rare Coins For Fun And Profit." 6:00 PM in the Okemos Community Church on Okemos Road. No charge to attend.

For more information on any event or to arrange for a presentation by Patrick A. Heller, call 800-933-4720 or email path@libertycoinservice.com.

the Internal Revenue Service decided that would create too strong of a negative reaction to the law. So he issued regulations that allow everyone to potentially get federal tax credits. About 2/3 of all Americans thinking that they are getting tax credits to help pay for their health care coverage are not legally eligible for them.

As for deception, the politicians are making a big deal over the fact that insufficient numbers of young healthy people are signing up for health care coverage. A shortage of such people means that those who do have coverage will almost certainly generate greater healthcare expenses than the revenues could come anywhere close to covering. What the politicians are hiding is that the law requires that taxpayers will have to pay higher taxes to cover any shortfalls caused by too few young people signing up. As I understand it, taxpayers will not be told they are on the hook for covering deficits until well after the 2014 elections and maybe not until after the 2016 elections.

In my judgment, the higher costs of the Affordable Care Act is creating so much uncertainty that, all by itself, it is causing a significant decline in consumer spending.

Another deception getting big play right now is President Obama's proposal to raise the federal minimum wage, and comparable efforts in several states, including Michigan.

I have to believe that proponents know the impact any raise will have on low-income workers—lost jobs and closed businesses. A study a few years ago by the Employment Policies Institute found that "every 10 percent hike in the minimum wage is associated with a 2- to 4- percent decline in GDP generated by these lower-skilled industries." In other words, businesses that operate mostly with lower skilled workers generally get smaller or go out of business as a result of a higher minimum wage law—which hurts the very low-income

Find hundreds of numismatic items offered for sale today in our eBay store. Gold, silver, and copper coins, exnumia, paper money, and other collectibles. Search for seller **Treasurechestofliberty**.

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workers that proponents of higher minimum wages claim they are trying to help.

The real reason for pushing for higher minimum wages has nothing to do with helping low-income workers. When the state of Washington put a higher minimum wage proposal on the state ballot in 1998, voter turnout increased 4%. According to Zid Jilani at Boldprogressives.com, much of this increase came from people with poor voting histories. So, while low-income workers suffer, proponents of higher minimum wages are really pushing it to try to further their own political careers.

Rising inflation of the US money supply: According to the latest US government reports, the M-2 definition of the US money supply is increasing at an annualized 6% rate thus far in 2014, which is higher than the percentage increases in either 2012 or 2013. While the Federal Open Market Committee claims they are now inflating the US money supply by only! \$780 billion per year, I have heard reports that the actual quantitative easing is as much as \$100 billion per month. Just because the Feds say one thing does not mean that is what is actually happening.

Fiscal problems in several emerging economies: January 23 was a really bad day for world currencies. The Argentine peso fell about 12% that day. The Turkish lira fell to an all-time low against the US dollar (and has fallen further since). The South Africa rand hit a 6-year low against the US dollar that day and the Ukrainian hryvnia fell to a 4-year low. Even the Brazil real dropped to a five-month low versus the US dollar.

While this was going on, there has been significant financial turmoil in China. Large Chinese banks may be hiding massive amounts of bad debts. The entire Chinese economy may be slowing down. Late last week, the Chinese government deliberately let its yuan decline against the US dollar without giving any clear explanations for why it did so.

As people become afraid to hold currencies, it is almost inevitable that demand for physical gold and

silver will increase.

Russian and Chinese bullying of a perceived weak US president: Thus far in his presidency, Barack Obama has caved in to orders and demands from both Russian and Chinese leaders.

The Russian government has a major dilemma on its hands. A good part of its economy depends on supplying oil and gas to nations to its west. However, there are significant discoveries of available natural gas that could be extracted by the process of hydraulic fracturing in the countries of Poland, Romania, Moldova, and the Ukraine. If these were developed, prices for energy would decline and demand for Russian energy supplies would decline. This gives the Russians a strong incentive to prevent the development of such operations in Eastern Europe.

President Obama previously caved in to Russian leader Putin and did not install defensive missiles in Poland and the Czech Republic. He also was outmaneuvered by Putin over chemical weapons in Syria. Therefore, Putin must have felt comfortable using Russian troops already stationed in the eastern Ukrainian peninsula of Crimea to occupy government offices there.

So far, Putin's calculations have been right on target. The US government has not raised the specter of using military force. In fact, the Chinese are apparently backing Putin in this political tiff.

When Obama threatened economic sanctions against Russia, Putin pointed out that the Russians would then be unable to repay billions of dollars of debts owed to American banks and investors.

Unfortunately, other nations such as Moldova, Estonia, Latvia, Lithuania, and Georgia are watching closely. Whatever final result comes to Ukraine very well might come to pass in these other countries. Unfortunately, President Obama has backed himself into a corner that has severely weakened US influence around the world. As the US political and economic might declines, so will the value of the US dollar.

Obamacare fiasco: There is much more that I could say about this economic disaster. About all I want to add is that, unless it is repealed, this law will result in fewer Americans having healthcare coverage, which coverage will generally cost more and be of lower quality than the coverage that was replaced. We have not yet seen the worst of it.

Gold and silver price manipulation being reported publicly: It started last year when the US and British authorities started investigating whether prices were manipulated in setting the London gold and silver price fixes. Then German regulators began their own in-

Consumer Prices Soaring In 2014?

As I keep reminding you, the Federal Reserve Bank's Federal Open Market Committee is still pretending that the rise in consumer prices is so low that it may be necessary for the US government to ramp up further its inflation the money supply.

Although the Fed's official policy is to inflate the money supply (disguised by calling it "quantitative easing") now by only \$65 billion per month (\$780 billion per year), that is not necessarily what is happening. According to the latest government report, the M-2 definition of the money supply thus far in 2014 is increasing at an annualize rate greater than it did in either 2012 or 2013! I have also heard reports that, despite the officially-stated policy, that the Federal Reserve may be actually inflating the money supply by as much as \$100 billion per month.

I track wholesale prices of a number of commodities over time. This is not a scientifically derived group. However, as you can see, any index report does not tell you results for any particular commodity.

Here are price changes in the first 63 days of 2014, through March 4. These are NOT annualized percentages, which would show many increases of 100-300%!.

Human Food

| | |
|-------------------------------|--------|
| Oats #2 Minneapolis | +26.1% |
| Butter | +22.7% |
| Hogs, Iowa | +20.9% |
| Beef, choice | +14.2% |
| Flour, hard winter KC | +13.9% |
| Corn oil, crude wet/dry mill | +11.7% |
| Cheddar cheese, bulk, Chicago | +11.4% |
| Wheat, hard KC | +10.1% |
| Soybeans, #1 yellow | +8.5% |
| Cocoa Ivory Coast | +7.0% |
| Eggs, large white Chicago | +7.0% |
| Broilers, dressed A | -0.2% |

Other Commodities

| | |
|------------------------|--------|
| Natural gas | +80.2% |
| Sorghum (Milo) #2 Gulf | +14.7% |
| Gold | +11.3% |
| Silver | +9.6% |
| Palladium | +7.6% |
| Platinum | +7.3% |
| Nickel | +6.7% |
| Zinc | +1.6% |
| Cottonseed meal | -3.2% |
| Aluminum | -3.9% |
| Copper | -5.4% |

Wholesale price increases do not immediately show up to the same degree in retail prices, but I think you can see the trend of where prices are headed this year.

Just remember, the Federal Reserve says that consumer prices are climbing at less than 2% annually, so there is a need to help prices rise faster. What planet are they from?

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investigation as to whether banks had acted to manipulate gold and silver prices.

In a major news development last week, a research draft paper by New York University Business School Professor Rosa Abrantes-Metz and Albert Metz, who is a managing director at Moody's Investors Service gained significant news coverage. First a London newspaper posted a story about this paper on its website, only to quickly delete it. Then, Bloomberg picked it up. See <http://www.bloomberg.com/news/2014-03-04/barclays-deutsche-bank-accused-of-gold-fix-manipulation.html> for the details.

The paper calculates that about 50% of the London gold fixes starting in 2004 have been manipulated downward. As a result of this coverage, a New York investor named Kevin Maher filed suit in Manhattan federal court yesterday against the five banks engaged in setting the gold fix—Barclays Plc, Deutsche Bank AG, Bank of Nova Scotia, HSBC Holdings Plc, and Societe Generale SA.

All of this information has been available for the past 16 years from the Gold Anti-Trust Action Committee, Inc. (www.gata.org), but the major media in America have enforced a news blackout on GATA.

To the extent that any charges of manipulating either gold or silver prices is proved, expect a massive surge in demand for physical precious metals.

Strong increases in US wholesale commodity prices: Take a look at the table and discussion on page 3. Does that sound to you like consumer prices will increase less than 2% for 2014 here in the US?

Lack of "truth in government financial reporting" through the use of the accrual basis of accounting: US governmental reporting standards require the use of cash-flow accounting rather than also recording all committed future expenditures in the year when the liability was created.

As a result, politicians can pretend that there are smaller deficits or even budget surpluses when, under the more accurate accrual basis of accounting that is required for all major private businesses, there are actu-

ally huge deficits.

For instance, if the US government reported its finances on the accrual basis, the fiscal 2013 deficit would probably be in the range of \$6-10 trillion dollars. At the end of 2013, the US government had unfunded debts and loans in excess of 100% of the entire wealth of the nation and all of its citizens.

As long as the politicians won't admit the financial truth, America's financial woes will only get worse.

The government of New Zealand uses the accrual basis of accounting. As you might suspect, this dose of honesty in financial reporting has had a huge impact on spending. Unless the federal, state, and local governments do that same in the near future, there is no hope to avoid a financial catastrophe in this country.

Apparent declining ability of the US government, its trading partners, and allies to continue suppressing gold and silver prices on the same scale as in 2013: For 12 straight years, almost all the price increases in gold occurred in the hours between the London PM fix and the subsequent AM fix on the next business day. Between the AM and PM fixes on the same day, the price of gold almost always went down. In total, the price of gold over the 12 year period fell between the same-day fixes and rose by more than the net change over the 12 years during the times after a PM fix until the AM fix the next business day.

Adrian Douglas, the researcher who discovered this consistent pattern, calculated that the odds of this occurring at random were more remote than the possibility that the sun will not rise tomorrow.

Thus far in 2014, more than 80% of the days saw the London PM gold fix either higher than the AM fix or no more than down \$5. A large number of regular and consistent patterns of price suppression of years past seem to have stopped this year.

Some of the manipulations may have been achieved by the use of central bank gold being sneaked onto the market to make it appear that supplies were more plentiful than they really were. If the central banks are running out of their gold, that could explain the noticeable reduction in price suppression tactics in 2014.

To the extent that the US government is losing its ability to suppress gold and silver prices, that indicates that prices are much more likely to rise than fall in the future.

Inability of the Federal Reserve to return Germany's gold reserves: Germany has a significant amount of gold reserves stored at the Federal Reserve Bank of New York. In January 2013, it announced that it had asked to have about 10 million ounces of it returned

but that it would take seven years to get it all.

There are odd elements to this story. First, if the Fed had the German gold in segregated storage, there should be no problem in simply returning the exact same gold bars that it had received (there is a list identifying the specific bars that the Federal Reserve Bank of New York received). It costs money to store and secure these gold reserves. If the Fed really did have all this German gold, the lowest cost option would be to return it all quickly.

By the end of 2013, the Fed instead had returned barely 160,000 ounces. Even worse, apparently none of the gold bars sent were the same ones that Germany originally placed in the Fed's vault.

The Fed's inability to quickly return to Germany the exact same bars it received is waving all sorts of red flags.

Record-setting demand for physical gold in China: Within the past few months, Chinese consumers and the government have been consuming more gold than is being produced in the entire world from mines and recycled scrap. The demand—all of it for physical metal—continues to accelerate. Where is the physical gold going to come from when all the gold exchanges and gold exchange traded funds have run out of assets?

Any one of these categories, by itself, could lead to far higher gold and silver prices at almost any time and with no advance notice.

I suppose there are some factors that could lead to lower precious metals prices, but I can't think of any that are near the significance of the points I just listed.

For your own protection, I urge you to make sure you at least have in your possession and custody an insurance position of bullion-priced physical gold and silver. If you are just beginning this process, we can offer lots of information to get you started.

Morgan And Peace Silver Dollars Getting Hot

After the Lincoln Cent series, perhaps the most collected series of US coins are the Morgan and Peace Silver Dollars.

As required by the Bland-Allison act of 1878, these coins were struck in quantities far more than needed for circulation purposes.

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Although a sizeable percentage of the entire mintage was melted by the US Mint, there were also significant quantities that were stored by the Mints unissued. For instance, it seems like perhaps 90% of all surviving Morgan Dollars struck at the Carson City Mint are in Mint State condition.

Silver Dollars are popular because they are large, they have a significant silver content of more than 3/4 of an ounce, and they are reminiscent of the days of the Old West.

Because of its popularity with collectors, we closely monitor this market. I have seen a rising demand for several months now that seems mostly to be focused on Mint State-63 and higher grade Common Date Morgan and Peace Dollars and also for the somewhat Better Date issues in nice Mint State condition.

After our sellout of last month's offering of the Superb Gem Mint State-66 Morgan Dollars, I hoped to be able to acquire a nice quantity of other Better Date Morgans at last week's American Numismatic Association National Money Show in Atlanta.

I only was able to bring a handful back home!

More than one dealer told me that it seemed like "everyone" wanted to buy these coins lately. This is a development I have anticipated. Prices have started to rise, where on several issues wholesalers are willing to pay prices equal to or higher than they list in retail price guides.

We have been acquiring trickles of coins all along, but only have four dates of **Gem Mint State-65 Better Date Morgan Silver Dollars** that we can offer to all of our customers right now. As has been our consistent thought process over the years, we would prefer to offer a smaller quantity of coins at lower prices than risk higher prices while we try to build up our inventory. See our enclosed offer for details.

Silver and Silver Coins

Silver settled in US markets today at \$21.24, a jump of \$1.46 (7.4%) over the last four weeks.

Demand for bullion-priced silver and gold coins and bars has been mostly soft thus far in 2014. There was a flurry of demand from Febru-

ary 13 to 15 when the price of gold again topped \$1,300, but even that stopped by the following Monday.

In the meantime, higher prices have encouraged a minor flurry of customers liquidating precious metals over the past month. As a result of lower demand and higher supply, some premiums have declined. Among silver products, the premiums have fallen greatest for **US 90% Silver Coin** (8.1%) and **US Silver Eagle Dollars** (14.6%). From time to time, we see another dealer or wholesaler offer a limited selection of bullion-priced coins and bars at temporary bargain premiums.

For most of the past 30 years, US 90% Silver Coin has been among the low premium leaders and was the form I most recommended. It is highly divisible, with a dime containing about 1/14 of an ounce of silver, is highly liquid, and is the most widely traded form of bullion-priced silver.

However, it does have a significant drawback. These coins have not been struck for 50 years now, not since 1964. If a surge in demand develops during a price drop, it is not simply a matter of waiting for the mints or private fabricators to make more. You can only acquire these coins from people who already own them. When spot prices suddenly drop, supplies dry up and premiums rise. Demand for physical silver has been so strong over the past few years that 90% Coin premiums are still high enough that I cannot enthusiastically endorse their purchase.

Therefore, once again I recommend acquiring the **100, 10, and 1 Ounce Ingots** (5.2-6.3%) to get more silver for your money. Be sure to pick up at least some quantity of the smaller pieces as the 100 Ounce ingots are not all that divisible.

In our store recently, a dealer friend sold us a modest quantity of **US 2006-W Near Perfect Mint State-69 Burnished Silver Eagle Dollars**. These coins were struck to commemorate the 20th Anniversary of the Silver Eagle program. They are the only Mint State Silver Eagle in 2006 to bear the W mint mark of the West Point, New York Mint where they were struck. Mintages are much lower than for regular strike Silver Eagles. See the enclosed flyer for details.

Gold And Gold Coins

Gold closed today at \$1,340.25, up a strong \$83.00 (6.6%) from a month ago. From the low point during intraday trading on December 31, 2013, the price of gold is up more than 13%!

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.

As I noted in the discussion of silver, physical gold demand in the US has lagged while public liquidation has increased. Therefore, there are some lower premiums on several products this month.

My low premium favorites for physical gold continue to be the **US American Arts Medallions** (2.4%), the **Austria 100 Corona** (2.2%), and the **Mexico 50 Pesos** (2.4%).

Even with the huge increase in the spot price of gold over the past four weeks, several **Common-Date Pre-1934 US Gold Coins** either fell in price, stayed stable, or increased by less than the change in their intrinsic gold value. They were already at mouth-watering low levels in many instances and are even more desirable now. When I checked dealer inventories in Atlanta last week, I didn't find a lot of coins available for sale. This lack of supply encourages me that we are finally at or just past the bottom for these coins.

As I said last month, I'd recommend many of these issues except that, if you can find them, I like **Better-Date US Gold Coins** that sell relatively close to the prices of common-date coins even more.

Updated Postage Charges For Customer Shipments

With the recent hike in postage rates, we have reviewed how much

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we charge our retail customers to send packages to them.

One trend that has developed in the rare coin and precious metals industry has been temporary offers of “free shipping” by our competitors. When we did an analysis of our retail mail order customers, we saw that 94% of our total volume was for customer orders of \$5,000 and up.

So, here’s our revised postage charges for mail-order shipments:

- Rare coin and gold/platinum/palladium bullion products totaling under \$5,000 will remain at \$27.00 per order, which will be sent by registered mail. In our 43 years in business and hundreds of thousands of registered mail shipments, we have only had 19 packages that did not reach their destination.
- However, if the total dollar value is relatively small, be sure to ask about shipment by less expensive insured mail (which has about a 1% loss rate).
- For silver bullion-priced products totaling under \$5,000, we will continue to ship by registered mail at actual cost.
- However, for retail orders totaling \$5,000 or more, no matter what kind of merchandise, there will not be any added postage charge. That’s right, you will only be paying for the price of your merchandise! This is not a temporary promotion that will expire in a week or month.

The elimination of a postage charge will make it easier for many customers to figure their cost per ounce.

Alongside Night Movie Heads To The Movie Theaters

Yesterday afternoon, the Motion Picture Association of America announced that it had rated the movie *Alongside Night* at PG-13. Previously, the MPAA had approved the movie’s trailer, the poster, and the website. In the listing of the rating, it will be explained that the movie was rated that way because of sexual content (a scene where the 16-year old here declines the services of a prostitute), violence (which is milder than is seen in the *Harry Potter* and *Hunger Games* films), and drug content (there is a scene where the hero declines to accept a gift of drugs).

The Month

| | | |
|---------------------|--------|-------|
| Gold Range | 92.75 | 7.4% |
| Net Change | +83.00 | |
| Silver Range | 2.27 | 11.5% |
| Net Change | +1.46 | |
| Gold/Silver Ratio | 63.1 | |
| Net change | -0.5 | |
| Platinum Range | 103.00 | 7.5% |
| Net Change | +97.00 | |
| Platinum/Gold Ratio | 1.10 | |

| Date | Gold | Silver | Platinum |
|--------|----------|--------|----------|
| Feb 05 | 1,257.25 | 19.78 | 1,379.00 |
| Feb 06 | 1,257.50 | 19.91 | 1,373.00 |
| Feb 07 | 1,263.25 | 19.92 | 1,379.00 |
| Feb 10 | 1,274.75 | 20.10 | 1,386.00 |
| Feb 11 | 1,290.00 | 20.14 | 1,387.00 |
| Feb 12 | 1,295.25 | 20.33 | 1,407.00 |
| Feb 13 | 1,300.50 | 20.39 | 1,416.00 |
| Feb 14 | 1,319.00 | 21.41 | 1,430.00 |
| Feb 17 | 1,328.25 | 21.76 | 1,429.00 |
| Feb 18 | 1,324.75 | 21.89 | 1,424.00 |
| Feb 19 | 1,320.50 | 21.84 | 1,424.00 |
| Feb 20 | 1,317.00 | 21.67 | 1,410.00 |
| Feb 21 | 1,324.00 | 21.77 | 1,428.00 |
| Feb 24 | 1,338.25 | 22.05 | 1,441.00 |
| Feb 25 | 1,343.00 | 21.96 | 1,442.00 |
| Feb 26 | 1,328.25 | 21.25 | 1,429.00 |
| Feb 27 | 1,331.50 | 21.31 | 1,453.00 |
| Feb 28 | 1,321.50 | 21.20 | 1,446.00 |
| Mar 03 | 1,350.00 | 21.39 | 1,457.00 |
| Mar 04 | 1,337.75 | 21.19 | 1,464.00 |
| Mar 05 | 1,340.25 | 21.24 | 1,476.00 |

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

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

The movie has not been contracted with a distribution company yet, so its screening in theaters is being arranged through Tugg.com. One or two screenings are in the process of being set up in the Lansing area hopefully in the April 9 to April 14 range at either the NCG or Celebration Cinemas. For more details and updates, you can “like” the Liberty Coin Service Facebook page or send an email to path@libertycoinservice.com.

Tickets must be purchased at tugg.com rather than at the theaters.

Now that *Alongside Night* has a rating, expect many more showings around the country to be scheduled. To watch the trailer, for details on showings, or to maybe sponsor one yourself, go to <http://www.tugg.com/titles/alongside-night>.

Be sure to catch this rendition of the prophetic award-winning 1979 libertarian classic when it comes to your town.

Movie synopsis: *Alongside Night* is the story of the final economic collapse of the United States government, a collapse brought on through quantitative easing, inability to sharply reduce government expenditures, violations of civil rights and liberties, and the outlawing of the ownership of gold. The movie is experienced through the eyes of 16-year old Elliott Vreeland, searching for his missing Nobel laureate economist father (played by Kevin Sorbo). He is accompanied by the mysterious teenager “Lorimer” whom Elliott meets in a black-market underground, whose own father might be the reason Elliott’s father is missing.

Kevin Sorbo is most famous for playing the roles of Hercules and Captain Dylan Hunt in long running television series. The cast also includes Said Faraj (Green Zone), Jake Busey (Starship Troopers and Contact), Tim Russ and Garrett Wang (both regular cast members of Star Trek: Voyager), Gary Graham (Alien Nation), Valence Thomas (Men In Black 3), and introduces Christian Kramme as Elliott Vreeland. The movie also features actor Eric Colton playing Elliott’s best friend. Colton was born in Michigan and is a 2006 graduate of Michigan State University.

In the movie, Liberty Coin Service has a cameo appearance as a kiosk store in an underground free market mall, staffed by LCS Senior Numismatist Tom Coulson. Four other LCS people have bit parts in the film.

The private issue Gold Liberties used in the movie (and in real life) were provided by “LibertyCoinService.com.”

Lansing television station WILX NBC 10 and Lansing radio station 1320 WILS get credits in the film for services they contributed to the production. LCS General Manager Pat Heller is an Executive Producer. *Alongside Night* author J. Neil Schulman wrote the screenplay, acted in the film, and served as director and producer. Schulman’s daughter, Soleil O’Neal-Schulman sings the haunting theme song, which you hear when you view the trailer.

Liberty’s Outlook is published monthly by Liberty Coin Service, 400 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 \$159.00 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. Find recent commentaries and like our Facebook page at <https://www.facebook.com/LibertyCoinService>. The publisher, its principals and associates may, from time to time, have a position in items recommended here. Copyright 2014, all rights reserved.

Liberty Coin Service Computer Quotes 2PM EST 3.5.14 Spot Prices

| Item | Qty | Fine Wt | Price | Cost/Oz | Premium |
|-----------------------------|-------|---------|---------------|---------|---------|
| *U.S. 1 Oz Gold Eagle | 10 | 1.0000 | 1,406.75 | 1406.75 | 4.9% |
| *U.S. 1/2 Oz Gold Eagle | 10 | 0.5000 | 724.75 | 1449.50 | 8.1% |
| *U.S. 1/4 Oz Gold Eagle | 10 | 0.2500 | 375.25 | 1501.00 | 11.9% |
| *U.S. 1/10 Oz Gold Eagle | 10 | 0.1000 | 153.30 | 1533.00 | 14.3% |
| *U.S. 1 Oz Gold Buffalo | 10 | 1.0000 | 1,410.75 | 1410.75 | 5.2% |
| *Australia 1 Oz Kangaroo | 10 | 1.0000 | 1,412.00 | 1412.00 | 5.3% |
| *Austria 100 Corona | 10 | 0.9802 | 1,343.25 | 1370.38 | 2.2% |
| *Austria 1 Oz Philharmonic | 10 | 1.0000 | 1,405.25 | 1405.25 | 4.8% |
| *Canada 1 Oz Maple Leaf | 10 | 1.0000 | 1,392.00 | 1392.00 | 3.8% |
| *China 1 Oz Panda | 10 | 1.0000 | 1,447.00 | 1447.00 | 7.9% |
| *Mexico 50 Peso | 10 | 1.2057 | 1,655.75 | 1373.27 | 2.4% |
| *S. Africa Krugerrand | 10 | 1.0000 | 1,400.00 | 1400.00 | 4.4% |
| *U.S. Medallion | 10 | 1.0000 | 1,373.25 | 1373.25 | 2.4% |
| *1 Oz Ingot | 10 | 1.0000 | 1,381.25 | 1381.25 | 3.0% |
| *Austria 1 Ducat | 10 | 0.1107 | 161.80 | 1461.61 | 9.0% |
| *Austria 4 Ducat | 10 | 0.4428 | 659.00 | 1488.26 | 11.0% |
| *British Sovereign | 10 | 0.2354 | 342.50 | 1454.97 | 8.5% |
| *British Sovereign, BU | 10 | 0.2354 | 354.50 | 1505.95 | 12.3% |
| *France 20 Franc | 10 | 0.1867 | 275.75 | 1476.97 | 10.1% |
| *Germany 20 Mark | 10 | 0.2304 | 367.75 | 1596.14 | 19.0% |
| *Swiss 20 Franc | 10 | 0.1867 | 276.50 | 1480.99 | 10.4% |
| \$20 Liberty BU | 10 | 0.9675 | 1,500.00 | 1550.39 | 15.6% |
| \$20 St Gaudens BU | 10 | 0.9675 | 1,515.00 | 1565.89 | 16.8% |
| \$20 Liberty Extremely Fine | 10 | 0.9675 | 1,480.00 | 1529.72 | 14.1% |
| \$10 Liberty Extremely Fine | 10 | 0.4838 | 745.00 | 1539.89 | 14.8% |
| \$5 Liberty Extremely Fine | 10 | 0.2419 | 385.00 | 1591.57 | 18.7% |
| *U.S. 90% Silver Coin | 1,000 | 715 | 16,450.00 | 23.01 | 8.1% |
| *U.S. 40% Silver Coin | 1,000 | 295 | 6,575.00 | 22.29 | 4.7% |
| *U.S. Circulated Dollars | 1,000 | 760 | 24,250.00 | 31.91 | 49.9% |
| *U.S. Silver Eagle-2014 | 1,000 | 1,000 | 24,390.00 | 24.39 | 14.6% |
| *Canada Silver Maple Leaf | 1,000 | 1,000 | 23,740.00 | 23.74 | 11.5% |
| *100 Oz Silver Ingot | 10 | 100 | 2,239.00 | 22.39 | 5.2% |
| *10 Oz Silver Ingot | 100 | 10 | 225.90 | 22.59 | 6.1% |
| *1 Oz Silver Ingot | 1,000 | 1 | 22.64 | 22.64 | 6.3% |
| *1 Oz Platinum Ingot | 10 | 1.0000 | 1,551.00 | 1551.00 | 4.7% |
| *U.S. 1 Oz Platinum Eagle | 10 | 1.0000 | 1,663.00 | 1663.00 | 12.3% |
| *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 | 827.00 | 827.00 | 6.2% |

Gold: \$1,341.00
Silver: \$21.29
Platinum: \$1,481.00
Palladium: \$779.00

Notes from Liberty

by Allan Beegle
LCS Chief Numismatist

Sales in February were strange. Total volume was down because of falling demand for bullion-priced products. However, demand for non-gold numismatic items was incredibly strong.

All three of last month's featured offerings sold out! We were able to acquire more of the 2014 China 1/10 Oz Gold Pandas, but mostly had to put customers on a waiting list in case we can locate more of the other two offerings. Almost everything sold that was listed in this column except for a few of the VAM-attributed Morgan Dollars.

Last week, LCS General Manager Pat Heller attended the American Numismatic Association National Money Show in Atlanta. He took little inventory to show, but still had surprisingly high sales anyhow. While perusing inventories of some of the largest wholesalers in the country, Pat acquired several individual coins, but did not find any bargain groups to bring home.

With the strong demand for last month's offer of Superb Gem Mint State -66 1896 Morgan Dollars, Pat was especially aggressive at seeking more Morgan and Peace Dollars that we consider to have the highest prospects for future appreciation. For instance, this month, we found that we had sufficient specimens of four different dates of **Gem Mint State-65 Better Date Morgan Silver Dollars** to make an offering this month. We don't have enough to meet expected demand. Despite aggressively hunting for more specimens and talking with wholesalers on the phone, Pat was only able to acquire three more specimens total among the four dates!

Actually, demand for High Grade Morgan and Peace Dollars and Mint State Better Dates is getting stronger almost on a daily basis. Prices are on the rise and almost no one has any inventory available. This could easily be one of the strongest parts of the numismatic market for the rest of 2014!

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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 | | \$11,875 |
| U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20 | | \$740 |
| U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20 | | \$950 |
| U.S. Peace Dollar, Brilliant Uncirculated Roll/20 | | \$675 |

| | |
|-------------------|------------|
| Gold: | \$1,341.00 |
| Silver: | \$21.29 |
| Platinum: | \$1,481.00 |
| Palladium: | \$779.00 |

Numismatic Coins (PCGS/NGC/ICG Graded)

| | <i>MS-63</i> | <i>MS-64</i> | <i>MS-65</i> |
|---------------------------------|--------------|--------------|--------------|
| U.S. \$20.00 St Gaudens | 1,555 | 1,625 | 2,140 |
| U.S. \$20.00 Liberty | 1,615 | 1,965 | 3,530 |
| U.S. \$10.00 Liberty | 950 | 1,350 | 3,250 |
| U.S. \$5.00 Liberty | 595 | 895 | 2,260 |
| U.S. 4 pc Indian Gold Type Set | 4,315 | 5,720 | 17,615 |
| U.S. 4 pc Liberty Gold Type Set | 3,720 | 4,850 | 10,090 |
| U.S. 8 pc Gold Type Set | 7,975 | 10,420 | 27,255 |
| U.S. Morgan Dollar (Pre-1921) | 77 | 97 | 199 |
| U.S. Peace Dollar | 65 | 80 | 165 |

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.

In our store a dealer sold us a modest group of **PCGS-certified Near Perfect Mint State-69 2006-W Burnished Silver Eagle Dollars**. These coins were issued to commemorate the 20th Anniversary of the Silver Eagle program, with mintages much lower than for regular issue specimens. Because we bought them at the wholesale bid side of the market, we can offer them for less than they sometimes sell in online auctions.

Biblical Widow's Mites, the small copper coins that circulated in the Holy Land during the days when Jesus walked the Earth, are especially popular at Easter and for Christmas. We typically sell hundreds of these coins every year, many to repeat buyers. Unfortunately, wholesale supplies of these coins are the tightest we have seen in more than 25 years! Prices are inching upward. Though we have our smallest supply of them in several decades, you can buy what we have at nationally competitive prices.

Our offerings of the Morgan and Silver Eagle Dollars are almost certain sellouts. Normally I would say we have plenty of Widow's Mites, but maybe this time they will sell out as well. As I regularly caution you, please call early to enjoy the greatest selection.

Contact our **Trading Desk toll-free at 800-527-2375** to check availability and to confirm your order today.

Here are some other bargains that Pat brought back from Atlanta or that we have picked up in our store over the past few weeks:

Affordable 1895-O Morgan Dollar

Rarity: Collectors trying to assemble a complete date and mintmark set of Morgan Dollars eventually get down to the last handful of coins where problem-free specimens of any grade sell for many hundreds or even thousands of dollars. The 1895-O, with a mintage of only 450,000, is the eighth lowest mintage of all circulation strike Morgans.

Pat brought back a PCGS-certified Good-6 specimen of this rarity from Atlanta. Often, by the time a Morgan Dollar exhibits this much wear from circulation it also has picked up other damage. Not this coin. Here's a chance to acquire an attractive specimen (for the grade) for just \$260.

Stunning Superb Gem Mint State-66 Proof-Like 1881-S Morgan Dollar:

The 1881-S Morgan Dollar is the most common date in Mint State condition. It is also the most common in top Mint State Grades. Because of the method by which workers at the San Francisco Mint prepared their dies, many S-Mint Morgans exhibit mirror-like fields (the flat parts of the coin) that are described as either Proof-Like or Deep Mirror Proof-Like.

So, an 1881-S Morgan Dollar certified as Superb Gem Mint State-66 Proof-Like would be easier to find than any other date of Morgan. It would also have to be a really special coin for Pat to pick this up in Atlanta—paying a premium price to boot!

Yes it is. We all agree that the reverse easily qualifies for the Deep Mirror Proof-Like designation. At worst, the obverse just barely misses also being described as DMPL. With gorgeous flashy white surfaces, this coin is just a whisker away from being a piece that would retail for at least \$2,000 as having DMPL services. *Coin Values* does not list a value for MS-66 Proof-Like Morgans, but the PCGS Retail indication is \$585 for an average piece. Attractive PCGS specimens have auctioned in recent major auctions from \$770 to over \$1,500, though lower quality coins sometimes sell for less in online auctions. If you are not satisfied with owning this coin at our price of \$595, we'll gladly take it back and consign it to auction ourselves.

Mattathias Antigonus Biblical-Era Copper Rarity:

Mattathias Antigonus was the youngest son of a former Hebrew king Aristobulus II and nephew of reigning high priest (and former king) John Hyrcanus II. Dissatisfied with his station in life where Rome pretty much controlled the Holy Land in 40 BC, he formed an alliance with Rome's nearby archenemy, the Parthians.

The forces allied with Mattathias Antigonus captured Jerusalem, driving the current king Herod into exile. Mattathias Antigonus was effectively king of Jerusalem for three years, until Herod, supported by Roman legions was finally able to defeat his forces and kill him.

Because of his precarious rule, Mattathias Antigonus produced few coins, all of copper, using cruder technology than used elsewhere at the time. And—they are quite rare.

This specimen is the only coin of his reign that we have handled in more than 20 years. The method of production was so crude that the best description is that it looks like two coins that might be glued together. The obverse shows a cornucopia with ribbons while the reverse has two lines of Greek text. The denomination is unknown, so it is described by its diameter of 20 millimeters. Fine-Very Fine. A lot of history for only \$125.