

Liberty's Outlook

Volume 18 Issue 9 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics September 5, 2012

Gold And Silver Rise! You Haven't Seen Anything Yet!

Last month I warned you to expect gold and silver prices to make serious upward moves in August as the beginning of the next major surge.

It looks like I was right on target. For the month of August, gold rose more than 5% and silver jumped 13%! (By the way, if this kind of return had occurred in the stock market, the news would make front page headlines. But, since it was gold and silver, it wasn't really considered newsworthy.)

I was right on the nose in another forecast on my radio program last Wednesday. I alerted listeners to expect the prices of gold and silver to be clobbered late last Thursday and early Friday morning up to the time that Federal Reserve Chair Ben Bernanke made his remarks at the Federal Reserve meeting in Jackson Hole, Wyoming.

In a free market, it is virtually impossible to make such a prediction and be accurate. However, it has long been my observation that gold and silver prices are almost always suppressed when the Federal Reserve Chair, the US Treasury Secretary, or the US President makes a major economic pronouncement. In other words, I concluded that gold and silver prices do not trade in a free market, but rather are heavily manipulated.

Markets unfolded last Thursday and Friday exactly as I described. Gold and silver prices were held in check Thursday afternoon. Then on Friday morning, just as Bernanke made his statement, gold and silver prices fell to their lowest levels in a week. Gold hit bottom at \$1,644 and silver at \$30.17.

Almost as soon as precious metals hit their intraday lows, their prices

2012 Year To Date Results

Through September 4, 2012

Precious Metals

Silver	+16.0%
Platinum	+11.4%
Gold	+8.1%
Palladium	-2.3%

Numismatics

US MS-63 \$20 Liberty	+5.5%
US MS-63 \$20 St Gaudens	+2.1%
US MS-65 Morgan Dollar, Pre-1921	-13.9%

US Dollar vs Foreign Currencies

Brazil Real	+9.5%
India Rupee	+4.9%
South Africa Rand	+4.1%
Euro	+3.1%
Switzerland Franc	+2.0%
Japan Yen	+1.9%
China Yuan	+0.5%
Hong Kong Dollar	-0.1%
Australia Dollar	-0.2%
New Zealand Dollar	-2.1%
Great Britain Pound	-2.1%
South Korea Won	-2.4%
Canada Dollar	-3.4%

Singapore Dollar	-3.8%
Mexico Peso	-5.5%
U.S. Dollar Index	81.30 +1.30%

US And World Stock Market Indices

NASDAQ	+18.0%
Frankfurt Xetra DAX	+17.5%
S&P 500	+11.7%
Russell 2000	+11.0%
Dow Jones Industrial Avg	+6.7%
Australia S&P/ASK 200	+6.1%
Nikkei 225	+3.8%
Dow Jones World (excluding US)	+3.6%
London FT 100	+1.8%
Sao Paulo Bovespa	-0.9%
Shanghai Composite	-7.1%

10 Year US Treasury Note interest rate	1.581%	-15.8%
--	--------	--------

Intrinsic Metal Value Of U.S. Coins

Lincoln cent 1959-1982	2.29¢
Lincoln cent 1982-date	0.50¢
Jefferson nickel non-silver	4.88¢
Roosevelt dime, 1965-date	2.21¢
Washington quarter, 1965-date	5.53¢
Kennedy half dollar, 1971-date	11.06¢

then took off. By the close of trading in the US ACCESS markets Friday afternoon, gold rose almost 3% from the bottom to touch \$1,692! Silver did even better, rising 5% to \$31.70!

In early trading this week, prices were even higher.

There are at least two significant factors helping propel prices higher.

First, JPMorgan Chase is apparently now an aggressive buyer of silver to cover its huge physical short positions. The only reason why this bank would do so is that its management expects higher prices in the near future.

Second, there is a huge shortage of physical silver in the exchange operated by the London Bullion Market Association. This is the world's largest over-the-counter

market for trading physical silver, where minimum contracts are for 50,000 ounces of silver in the form of .999 fine 1,000 ounce silver bars in bonded warehouses. Now, there literally is no silver available for immediate delivery in London. In fact, the earliest available physical silver in London is further into the future than some traders have ever experienced.

Despite all the recent fireworks, though, in my judgment, we haven't seen anything yet!

I look for gold and silver to be much stronger for the balance of 2012. It is not out of the question that gold could reach \$2,000 and silver could top \$60.00 by year-end.

Inside this issue:	Will It Matter Who Is Elected President?	page 2
	Would You Believe It If It Was In A Movie?	page 4
	Heller Honored; LCS To Expand In 2013	page 6

(Continued from page 1)

The main reason for expecting precious metals prices to soar are that the financial problems that are hurting the US and global economies have not and will not be cured by politicians and bureaucrats. In fact, they are getting worse day by day.

The actions taken by the US government have the effect of destroying the value of the US dollar. Quantitative easing is just another way of saying inflation of the money supply without having to mention the “I” word.

Inflation of the money supply always ends up reducing the purchasing power of the currency, no matter whether people realize it or not and no matter how the government inflating the currency describes it.

So, it isn't the value of gold or silver that is changing. After all, an ounce of pure gold or silver last year is still worth an ounce of pure gold or silver today. Rather, the actual problem is the falling value of the dollar when compared to gold or silver.

Why don't I have much hope that the US government will mend its ways? Simple—the politicians and bureaucrats refuse to even discuss the true nature of the problem!

It Will Not Matter Who Is The Next US President

During his speech at Freedom Fest in Las Vegas in July, Wall Street Journal Senior Economist Stephen Moore said he considered the 2012 US Presidential election to be the most important since 1980. While I understand his reasons, I don't agree that the 2012 elections are that important.

Why?

First, the candidates are lying. Second, even if they were honest, neither they nor other politicians have the backbone to genuinely solve the problems.

None of the major candidates for president are being honest about the financial problems of the US government, the economy, and the US dollar.

Rather than discussing the more accurate accrual basis of accounting of government finance, which includes rising future liabilities for

things like Social Security, Medicare, and other pensions incurred during the accounting period, the Libertarian Gary Johnson, incumbent Democrat Barack Obama, and the Republican Mitt Romney mislead people by only referring to the numbers from the cash-flow basis of accounting.

Using the cash-flow basis of accounting, for instance, politicians claim that the US government's fiscal 2011 deficit to be only \$1.5 trillion. If publicly traded corporations tried to report their financial statements on this basis, the top officers would be arrested for fraud.

Using the accrual basis of accounting, former US Comptroller General David Walker calculated that the fiscal 2011 budget deficit exceeded three trillion dollars. *USA Today*, in their May 24th update, figured the 2011 budget deficit to be five trillion dollars.

That these politicians only talk about the smaller deficit means that they are either incompetent or dishonest. With accurate information readily available, I can't believe the candidates are incompetent. Therefore, they must be lying.

Overall, the fiscal plans of Obama and Romney are quite similar and won't prevent the US dollar from falling further in value. While Johnson advocates a huge 43% reduction in federal expenditures, that still leaves the US budget deficit in the trillions. Although Johnson may tip the results of the election, he will not win. No matter whether Obama or Romney is elected, the US government will be headed by someone who has repeatedly deceived the public and has no real plans to save the US economy and dollar.

Several analysts have made serious in-depth analyses of the US government's finances. A handful of them, such as Peter Schiff, believe that there is a slim chance that politicians might start telling the truth and actually tackle the long-term fiscal mismanagement.

I am not that hopeful. I think the decline of US economy and US dollar are past the point of no return, no matter who is elected. I anticipate that they will fall so much in the coming months and years that the dollar may fail as a currency. From that perspective, I'm sure you can see why I don't think it matters who becomes the next US president. Whoever is elected, the real problems with the US economy and the dollar will not be addressed.

The Basic Problem Is Global

By the way, the US is not alone in having politicians deceiving the public about the nature of economic troubles.

Patrick A. Heller's Upcoming Speeches

October 19, Dallas, TX, American Numismatic Association National Money Show “Money Talks” “Create A Fun-Filled Numismatic Presentation For The General Public,” at 10 AM at the Dallas Convention Center, 650 S. Griffin St., Room 168. The program is free but there is an admission charge for non-ANA members to enter the adjacent bourse floor.

October 25-26 (tentative), Spokane, WA, Silver Summit, “Pitfalls To Avoid When Purchasing Physical Silver, Davenport Hotel, registration required for the entire conference

November 13, Saint Johns, MI, Clinton County Tea Party meeting, “About The Federal Reserve”, at 7:00 PM at 400 E. Walker St. No admission charge.

For more information on any event call 800-933-4720 or email path@libertycoinservice.com

Virtually identical deceptions are being inflicted on the people in Europe, Asia, and other nations around the globe. This is why there are so many financial problems in the Euro zone, Japan, China, Brazil, South Africa, India, Russia, and so forth.

Again, the question to ask is why. The answer is that the solutions not only don't involve the use of political power, they require the absence of political interference. Almost every politician considers it more important to retain or expand their own political power than to do what is right for the people.

Fed Chair Bernanke Puts His Foot In His Mouth—Again!

A perfect example of this political deception occurred last Friday morning—by Federal Reserve Chair Ben Bernanke in his address at the Federal Reserve meeting in Jackson Hole, Wyoming.

A standard political response to postpone the impact of failed government policies is to throw more government (meaning taxpayer) funds at it. This invariably makes the problem worse.

A crude way to think of this would be to say that politicians are inflation junkies. They are always looking for their next fix of quantitative easing rather than going cold turkey and fixing the underlying problem.

(Continued from page 2)

Bernanke's address needed to come across as positive, no matter how bleak the economic outlook. If he had announced last Friday that the US government would actively begin another round of quantitative easing, the value of the dollar would have taken a major hit from frightened investors fleeing the currency (even though many deceived Americans would have applauded). That would mean soaring gold and silver prices.

But, if Bernanke stated that nothing would be done, that would also scare investors into thinking that the existing problems would simply continue to deteriorate.

So, Bernanke did the usual double talk. He stated that the Fed stood ready to begin another round of quantitative easing, but said it was not being put into action that day.

Instead of the usual reaction of investors quietly thinking that everything was fine, the reaction was almost the opposite. To minimize the bad news, it looks like the Fed and its trading partners took extra measures to prevent the Dow Jones Industrial Average from plummeting.

“Cooperation” Is Another World For Manipulation

I don't mean to include so much political commentary, but I am getting frustrated at listening to the speeches at political conventions, then translating the words into what they really mean. So please allow me to get one rant off my chest and we'll get back to precious metals and numismatics.

Politicians and bureaucrats hate telling the public the blatant truth. So, when they want to work with other governments or private parties to manipulate a market, the word you will hear is “cooperation.”

Do the nations of the Eurozone want to cooperate to keep the zone intact or do they want to manipulate regional and national economies?

Does the Federal Reserve buy 70% of all new US Treasury debt issues for reasons of cooperation or market manipulation?

When the prices of gold and silver get clobbered almost every time that Federal Reserve Chair Ben Bernan-

ke, US Treasury Secretary Timothy Geithner, or President Barack Obama makes a public statement, does that reflect cooperation or price suppression?

When published reports show that individual US investors are dumping their shareholdings of US companies and cashing out mutual fund investments at record levels month after month, does the continuing strength of the Dow Jones Industrial Average exhibit cooperation or manipulation?

When the shares of gold or silver mining companies go down, no matter whether they are reporting positive or negative results and outlooks, is that really cooperation or could there be just a tad bit of manipulation going on?

When the US dollar is strong relative to other currencies, while the US government on an accrual basis is running record high annual budget deficits of 20% to 33% of Gross Domestic Product, what kind of cooperation is it that enables the US government to pay virtually no interest on its debt?

Why is it that the mainstream media have not exposed this deception? With whom are the journalists “cooperating?”

Think of what a difference it would make to the gullible public if the US government simply told the truth by using the word “manipulation” every time it says “cooperation.

Since politicians won't do that for you, simply do it yourself. Every time you see the word “cooperation” expressed by a US politician or bureaucrat, replace it with “manipulation.” Then make your important financial decisions. Your financial well-being and your sanity will benefit.

Many Americans Are Not Prepared For What Is Coming

A recent poll by the Adelphi University Center for Health Innovation about personal emergency preparedness behaviors revealed that almost half of US households do not have any emergency plans in place!

While this particular survey focused on response to health emergencies (the West Nile virus is now considered an epidemic among Michigan's citizenry and there have been substantial multi-day power outages along the Gulf Coast), I expect that a high percentage of Americans are also not financially ready for the economic catastrophes coming our way.

Think about your personal circumstances. What problems would you endure if the electricity failed for a week or more where you live and work? You would not be able to write checks or use your credit cards. Banks, grocery stores, and gasoline stations could be

closed.

Do you have enough food and medical supplies to manage for at least a few days without electricity? And, even though its value is declining, do you have a stash of Federal Reserve Notes to use when checks and credit cards are not accepted forms of payment?

To a greater extreme, do you have some physical gold and silver set aside in your direct possession as your insurance against the failure of the US dollar?

A Pitfall Of Buying Silver Eagle Dollars As A Way To Own Physical Silver Bullion

In the past three years, the US Mint has sold more than 100 million 1 ounce Silver Eagle Dollars. At \$30 per ounce silver, that is total sales of more than \$3 billion.

Obviously, this quantity of coins is too many to be absorbed by collectors seeking a single coin or a 20-coin roll from each year as part of a collection. The bulk of these coins are being purchased by people thinking these are an appropriate means to invest in the price of silver.

There are a few advantages in buying Silver Eagles as a way to own physical silver. They are American, which can be considered a patriotic choice. They are struck by the US Mint, which should be a trustworthy guarantee of weight and purity. They have legal tender status, which means they can cross borders without having to pay customs taxes. They are also struck of commercially pure .999 silver and weigh exactly one troy ounce, which makes it easy to track the value of the silver content.

However, there are also minor disadvantages in acquiring Silver Eagles for the value of the silver. The first is the premium above silver value that it costs to purchase the coins. It is much higher than for many other competing options such as US 90% Silver Coins (the circulating dimes, quarters, and half dollars struck up to 1964), US 40% Silver Half Dollars that were struck for circulation from 1965 through 1969, privately manufactured .999 fine silver bars and rounds in sizes from 1 ounce and

(Continued on page 4)

(Continued from page 3)

larger, Canada 1 ounce Silver Maple Leafs (which have a higher legal tender value of \$5.00 Canadian), Austria 1 ounce Silver Philharmonics, and some coins issued by other countries.

Another minor negative is that even at a content of one troy ounce Silver Eagles are somewhat impractical for use as circulating money should the US dollar fail. Smaller pieces such as US 90% silver dimes and quarters would be far more functional to buy a loaf of bread or a gallon of gasoline, for instance.

As the price of silver becomes more volatile, owning physical silver in the form of Silver Eagles is financially less rewarding than buying other forms such as I listed above. Let me give you a specific example from 1996-7 to demonstrate this point.

In 1996, billionaire Warren Buffett's Berkshire Hathaway purchased contracts for delivery of 129.5 million ounces of physical silver in March 1997. Normally, an investor who purchases large quantities of a commodity never intends to take physical delivery. Instead, before contract maturity, the contract owner usually decides to sell the position or to replace it with new contracts that mature further into the future.

Warren Buffett strained the London market when he indicated his intention to take physical delivery of all 129.5 million ounces at contract maturity in March 1997. There simply was not enough silver available to make delivery in the vaults for the London Bullion Market Association (LBMA), even though the London market is the largest silver trading market in the world. The problem was further compounded because the London silver contract standard at the time was for 1,000 ounce bars refined to a purity of .9999 (also called four-nines purity). Silver stored in warehouses for the New York Comex are 1,000 ounce bars only refined to a standard of .999 purity (also called three-nines purity), which meant that COMEX bars did not qualify, as is, to fulfill LBMA contracts.

In order to use the COMEX silver

to fulfill a London contract, The COMEX bars had to be melted and refined to the higher purity, then the bars had to be shipped to London to be placed into the LBMA vaults there. At the time, transportation costs were roughly 6-7 cents per ounce and there was some cost for the refining work.

A huge silver supply squeeze developed in London market. The spot price of silver jumped from roughly \$6.00 per ounce before brokers realized they needed to deliver physical silver to Berkshire Hathaway to more than \$7.00 in the US and close to \$7.40 in the London market in March 1997.

As the spot price of silver jumped about 15% during this squeeze, silver bullion-priced bullion products that traded on the wholesale market below the silver spot price pretty much rose in price right along with the change in spot.

Silver Eagles, on the other hand, enjoyed little to none of this jump in the silver spot price. The only physical silver in demand was forms trading wholesale for less than the spot price, so that refiners could profitably melt them into .9999 pure, 1,000 ounces bars for delivery in London. This meant that high-premium coins such as Silver Eagles were not of interest to the major buyers.

When the spot price of silver was \$6.00 before the run-up, we were buying small quantities of Silver Eagles from customers at \$6.50, which was fifty cents above spot. By the time that silver spot reached \$7.00, we were then paying fifty cents below spot—meaning that we were still paying only \$6.50 per coin for small quantities.

In markets where the spot price of silver rises quickly, or to a large degree, more supplies of physical silver tend to be liquidated. Because of this, it is typical for the premiums to fall a bit on all bullion-priced forms of silver. Where we see the largest drop in demand in such markets is with the higher-premium issues.

I personally anticipate much higher silver prices in the not-to-distant future. Circumstances today are somewhat like we saw in early 1997. Once again, buying Silver Eagles as a way to own physical silver could underperform other options, by perhaps as much as 5-10%. Keep this in mind if you are looking to acquire bullion-priced physical silver.

By the way, Berkshire Hathaway did not get delivery of all 129.5 million ounces of silver in March 1997. As I understand it, Berkshire Hathaway accepted payments from those who owed delivery on the contracts in order to grant a multi-month extension of the due date. Once this issue was settled, the

price of silver fell back down below \$7.00.

LCS Now Listing Hundreds Of Numismatic Items In Our eBay Store

For years, we have been in a quandary here at LCS on how best to inform prospective customers, especially since so many specimens of coins and paper money turn over so quickly.

In the past, we have not had time among our staff to post lots on eBay. We have made a conscious decision to do so for the past few months. The result has been an extraordinary demand, particularly for items we offer in our eBay store.

We have a few hundred lots posted in the eBay store at the moment and, when we can find the time and space, may double the current selection. You can search for them under our **Treasurechestofliberty** eBay name.

As with items we offer each month in this newsletter, we use strict grading in judging which items to offer. These coins are not our "rejects" that we are trying to dump. As a result, you are likely to find that many of our one-of-a-kind coins and currency are priced somewhat higher than those of other sellers whose coins may be of inferior quality.

As with all of our numismatic offerings, you have a 15-day return period for a full prompt, no questions refund, although this might be stated as a 14-day period to match eBay standards. Give our listings a try. You might be surprised by what you find.

Would You Believe It If You Saw It In A Movie?

People absorb information in a number of different ways. Depending on the person, one particular form of communication or style of presenting information may sink in more effectively than other methods and styles.

This is why advertisers consider multiple options on how best to present their message. Newsletters, newspapers, and magazines rely on reading. Radio uses hearing. Television, motion pictures, as well as the internet may involve both vision and

(Continued on page 5)

(Continued from page 4)
hearing.

Most of my communications are through the written word, though I have a twice-weekly radio program and I now accept more speaking engagements than in years past. Over the years, customers who have taken my message to heart and taken action have almost all profited significantly.

However, my message about the deterioration of life in America has missed a huge percentage of the population, especially among younger adults.

Further, there are also a lot of people that are in denial about what is really going on in the world today. They try to fool themselves by pretending that government pronouncements are truthful and comprehensive—which they are not. All too many people like this, when everything falls apart, are the ones who complain, “Why didn’t someone warn me?”

So, what else can I do? What other form of communication might get through to such people? Well, would you believe my future scenarios if you saw them in a movie?

Don’t laugh. I am working to do just that.

I have now an investor in the making of a motion picture titled *Alongside Night*. I am one of the executive producers along with actor Kevin Sorbo and others. In addition, my company, some of the staff of Liberty, and I will make cameo appearances in the film. Retiring Congressman Ron Paul (R-TX) will play himself in the film. There will also be a few other surprises that I’m not going to disclose just yet except to tell you that gold plays a significant role.

The movie is adapted from the 1979 novel *Alongside Night* written by J. Neil Schulman. The subtitle of the book at the time was “A Novel of 1999.” The book projects a plausible scenario how life in America could deteriorate as governments expand their power over the citizenry.

Over time, governments expand their restrictions on personal liberties and the economy suffers from one crisis to another to an ever greater crisis. In other words, the

story describes almost exactly what is happening in this country today and extrapolates from today into the possible future. The subtitle of the movie could say “The United States—Five Years From Now.”

Don’t worry. While the book and the movie start off dreary and includes some tragedy, there is a hopeful ending.

Filming of the trailer has already started.

Go to <http://www.imdb.com/title/tt1667061/fullcredits#cast> for more information on the movie. It is currently scheduled to be released in July 2013, but release schedules can and do change. I’ll also post periodic developments as they occur.

Silver and Silver Coins

Silver closed on the COMEX today at \$32.27, up a whopping \$4.75 (17.3%) in the past five weeks! As I stated near the beginning of this issue, I don’t think we have seen anything yet.

As spot prices rose through the month, customer demand rose significantly. Our August sales were about 50% higher than in July.

As is typical when the spot price increases, the premiums for various bullion-priced gold coins and bars declined a bit. So, even though the price of silver had increased, the cost of merchandise has not risen penny for penny with it.

Even with higher prices, thus far, supplies of pretty much every bullion-priced coin and bar are available for immediate or short-delay delivery.

Having said that, though, I don’t want customers to become complacent. I expect that the enormous physical silver shortage in the London market will soon result in bar manufacturers making more London-deliverable 1,000 ounce bars. That will interfere with production of the smaller size **100 to 1 Ounce Ingots** (2.8-3.9%). Soon after than you can expect supply shortages and higher premiums.

It is a somewhat common psychological reaction for people to think that since they didn’t buy silver a month ago when the price was in the \$27s, they won’t buy now that it is over \$32. The accurate way to evaluate a market is where will the price go from here.

If silver’s potential top was only going to be around \$35, it might make sense to hold off purchasing. However, if you anticipate that the spot price of silver will exceed \$100, as I do, today’s spot prices are still a bargain.

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.

My top recommendation for acquiring physical silver is in the form of **US 90% Silver Coin** (1.5%). As I frequently remind you, 90% Silver Coin has great divisibility, where a dime contains about 1/14 of an ounce of silver. It also is widely traded and highly liquid. If the US dollar failed, I anticipate that 90% Silver Coin would become the most popular form of money in circulation.

By the way, the price of **High-Grade Common Date Morgan and Peace Dollars** are virtually unchanged over the past month, despite the huge jump in the spot price of silver. This is also the circumstances with **Mint State Common-Date Morgan and Peace Dollar Rolls**. I expect that once collectors realize that they are lagging the silver market, they will jump on the perceived “bargains.” Once this happens, they will catch up and maybe even outperform the spot price as people seek to buy before the prices increase. While this is not a way to acquire bullion silver, it is worth considering at today’s price levels.

In mid-August, we acquired a 1,000-coin group of **Canada 1985 Cased Proof Silver Dollars**. This is only the second time in the past six years that we have acquired enough of these coins to make a general offering of any dates of these dollars. See our flyer for details.

(Continued on page 6)

(Continued from page 5)

Consumer warning: We have noticed that some of our competitors quote competitive prices while the US COMEX market is open. However, when the COMEX closes about 1:30 PM Eastern, they then quote an above market selling spot price and increase their premiums. As always, the key is to compare actual delivered total prices at the time you wish to make a transaction.

Gold And Gold Coins

Gold settled today at \$1,690.75, up a juicy \$87.00 (5.4%) from last month.

As with silver, demand grew as the prices rose over the past five weeks.

Right now, the price of gold is threatening to top \$1,700. That is a significant psychological threshold, so I would not be surprised for the US government to go to greater extremes to try to delay this event as long as possible. I don't know if the squeeze of extremely tight physical silver inventories will help propel gold over the level this week, or if it might take another week or two to surpass \$1,700.

Thus far, pretty much all bullion-priced coins and bars remain available for immediate or short-delay delivery.

The low-premium bargains continue to be the Mexico **50 Pesos** (1.6%), Austria **100 Coronas** (1.5%), and US **American Arts Medallions** (1.8%).

Premiums on circulated **US \$20.00 Double Eagles** have increased in the past month, even as the price of gold also rose. I can't really explain why most **Common-Date US Gold Coins** in Mint State-63 and Mint State-65 quality also increased in the past month, while most MS-64 specimens dropped slightly.

It has become ever more difficult to locate bargain deals of **US Better-Date Gold Coins**, but I had some luck at the huge American Numismatic Association show in Philadelphia a few weeks ago. See the enclosure for particulars.

LCS's Heller Receives National Coin Dealer Of The Year Award

At the American Numismatic Association show in Philadelphia last month, LCS General Manager was honored by the ANA with the 2012 Numismatic Coin

The Month

Gold Range	105.00	6.5%
Net Change	+87.00	
Silver Range	5.27	19.1%
Net Change	+4.75	
Gold/Silver Ratio	52.4	
Net change	-5.9	
Platinum Range	193.00	13.8%
Net Change	+173.00	

Platinum/Gold Ratio .93

Date	Gold	Silver	Platinum
------	------	--------	----------

Aug 01	1,603.75	27.52	1,401.00
--------	----------	-------	----------

Aug 02	1,588.00	27.08	1,381.00
--------	----------	-------	----------

Aug 03	1,606.00	27.79	1,414.00
--------	----------	-------	----------

Aug 06	1,613.00	27.85	1,402.00
--------	----------	-------	----------

Aug 07	1,611.00	28.08	1,410.00
--------	----------	-------	----------

Aug 08	1,613.00	28.07	1,410.00
--------	----------	-------	----------

Aug 09	1,617.25	28.09	1,413.00
--------	----------	-------	----------

Aug 10	1,619.75	28.06	1,400.00
--------	----------	-------	----------

Aug 13	1,609.75	27.76	1,393.00
--------	----------	-------	----------

Aug 14	1,599.50	27.76	1,399.00
--------	----------	-------	----------

Aug 15	1,603.75	27.81	1,396.00
--------	----------	-------	----------

Aug 16	1,616.00	28.21	1,435.00
--------	----------	-------	----------

Aug 17	1,616.00	28.00	1,470.00
--------	----------	-------	----------

Aug 20	1,620.00	28.59	1,498.00
--------	----------	-------	----------

Aug 21	1,640.00	29.42	1,508.00
--------	----------	-------	----------

Aug 22	1,637.50	29.55	1,527.00
--------	----------	-------	----------

Aug 23	1,669.75	30.45	1,555.00
--------	----------	-------	----------

Aug 24	1,669.75	30.61	1,554.00
--------	----------	-------	----------

Aug 27	1,672.50	31.04	1,553.00
--------	----------	-------	----------

Aug 28	1,666.50	30.87	1,520.00
--------	----------	-------	----------

Aug 29	1,660.00	30.83	1,520.00
--------	----------	-------	----------

Aug 30	1,653.50	30.37	1,504.00
--------	----------	-------	----------

Aug 31	1,684.50	31.37	1,537.00
--------	----------	-------	----------

Sep 03	US markets closed		
--------	-------------------	--	--

Sep 04	1,693.00	32.35	1,568.00
--------	----------	-------	----------

Sep 05	1,690.75	32.27	1,574.00
--------	----------	-------	----------

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.

Later at the ANA show, Pat was also honored by the Numismatic Literary Guild with a second consecutive annual award (this one for "Extraordinary Merit") for his radio program titled "Things You 'Know' The Just Aren't So, And Important Things You Need To Know."

LCS To Expand Into Larger Quarters In 2013

LCS founder R W (Bill) Bradford opened Liberty Coin Service in a small shop in East Lansing in 1971. After experiencing substantial growth, LCS moved to larger quarters in a bank building in the Frandor Shopping Center in 1975.

As business has continued to grow, LCS eventually outgrew the second location. Since 2008, LCS has operated a second location in the same shopping center to serve as a buying location for customers who otherwise would have to wait in long lines at the bank location.

Well, LCS has continued growing. All too often showroom employees have tried to work on processing inventory and answering telephones in between serving walk-in customers. The available space was simply not enough to serve every customer at the high standard we set.

After an extensive search, we have signed a lease to occupy a more prominent larger location in the Frandor Shopping Center. The address will change from 300 Frandor Avenue to 400 Frandor Avenue.

Once the current tenant moves out in mid-November, we will begin refurbishing the premises. Total space will more than double that in the two current locations combined! We will try to open at the beginning of January. At the latest, we will open by the start of February.

The additional space will make is possible for our showroom to be just that. The inventory processing work will be done elsewhere on the premises. The employees in the showroom will focus on only serving customers who walk in the store, while other staff will assist customers on the telephone or internet.

Gaining so much new space will enable LCS to augment our existing customer services. Stay tuned for developments.

Liberty's Outlook is published monthly by Liberty Coin Service, 300 Frandor Ave., Lansing, MI 48912. Telephone: National 800/527-2375 Fax: 517/351-3466 Website: www.libertycoinservice.com, E-mail: path@libertycoinservice.com Patrick A. Heller, Editor. Subscriptions are available at \$149.00 per year (12 issues). Send subscription orders and changes of address to the above address. All information is derived from sources believed to be reliable, but accuracy cannot be guaranteed. No guarantee of profitability of any investment or recommendation contained herein is made or implied. Liberty Coin Service has been a dealer in rare coins and precious metals since 1971. The publisher, its principals and associates may, from time to time, have a position in items recommended here. Copyright 2012, all rights reserved.

Liberty Coin Service Computer Quotes 2PM EDT 09.05.12 Spot Prices

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,768.50	1768.50	4.6%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	913.00	1826.00	8.0%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	465.00	1860.00	10.0%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	190.40	1904.00	12.6%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,768.50	1768.50	4.6%
*Australia 1 Oz Kangaroo	10	1.0000	1,770.25	1770.25	4.7%
*Austria 100 Corona	10	0.9802	1,682.25	1716.23	1.5%
*Austria 1 Oz Philharmonic	10	1.0000	1,770.25	1770.25	4.7%
*Canada 1 Oz Maple Leaf	10	1.0000	1,741.50	1741.50	3.0%
*China 1 Oz Panda	10	1.0000	1,824.25	1824.25	7.9%
*Mexico 50 Peso	10	1.2057	2,071.25	1717.88	1.6%
*S. Africa Krugerrand	10	1.0000	1,741.50	1741.50	3.0%
*U.S. Medallion	10	1.0000	1,721.25	1721.25	1.8%
*1 Oz Ingot	10	1.0000	1,728.00	1728.00	2.2%
*Austria 1 Ducat	10	0.1107	197.80	1786.81	5.7%
*Austria 4 Ducat	10	0.4428	819.75	1851.29	9.5%
*British Sovereign	10	0.2354	414.00	1758.71	4.0%
*British Sovereign, BU	10	0.2354	422.00	1792.69	6.0%
*France 20 Franc	10	0.1867	334.50	1791.64	6.0%
*Germany 20 Mark	10	0.2304	448.00	1944.44	15.0%
*Swiss 20 Franc	10	0.1867	335.00	1794.32	6.1%
\$20 Liberty BU	10	0.9675	1,865.00	1927.65	14.0%
\$20 St Gaudens BU	10	0.9675	1,875.00	1937.98	14.6%
\$20 Liberty Extremely Fine	10	0.9675	1,830.00	1891.47	11.9%
\$10 Liberty Extremely Fine	10	0.4838	922.00	1905.75	12.7%
\$5 Liberty Extremely Fine	10	0.2419	483.00	1996.69	18.1%
*U.S. 90% Silver Coin	1,000	715	23,410.00	32.74	1.5%
*U.S. 40% Silver Coin	1,000	295	9,610.00	32.58	0.9%
*U.S. Circulated Dollars	1,000	760	29,500.00	38.82	20.3%
*U.S. Silver Eagle-2012	1,000	1,000	35,120.00	35.12	8.8%
*Canada Silver Maple Leaf	1,000	1,000	34,620.00	34.62	7.3%
*100 Oz Silver Ingot	10	100	3,317.00	33.17	2.8%
*10 Oz Silver Ingot	100	10	335.20	33.52	3.9%
*1 Oz Silver Ingot	1,000	1	33.47	33.47	3.7%
*1 Oz Platinum Ingot	10	1.0000	1,650.00	1650.00	4.8%
*U.S. 1 Oz Platinum Eagle	10	1.0000	1,744.00	1744.00	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	696.00	696.00	7.7%

Gold: \$1,690.75
Silver: \$32.27
Platinum: \$1,574.00
Palladium: \$646.00

Notes from Liberty

by Allan Beegle
LCS Chief Numismatist

We don't yet have the totals, but it looks like August was our second highest sales month so far this year. Volume was about 50% higher than a solid month of July. Activity soared in the second half of the month and it looks like September should be even busier!

As expected, our offering of the Mint State-62 \$10.00 Indians sold out quickly. We managed to acquire a handful of other specimens of equal quality to fill some of the continuing orders, but we couldn't locate enough for everyone.

In what was somewhat of a surprise, our other two featured offers did not sell out. Our offering of the Bicentennial 40% Silver Mint Sets was perfectly timed, seeing as how the spot price of silver jumped 13% in August!

The week after the last issue was mailed, I flew with LCS General Manager Pat Heller to the huge American Numismatic Association show in Philadelphia. LCS Numismatist David Sweet drove there with his father Bob Sweet to carry extra inventory that we just couldn't carry on a flight.

With four people working the floor, our sales were tremendous. While there, Pat gave a presentation as part of the ANA Money Talks programs, then was honored as the 2012 American Numismatic Association National Coin Dealer of the Year.

We were selling so much material (in excess of 1,000 coins individually priced) that there was little time before we flew home Thursday night. As it turned out, Pat missed the Numismatic Literary Guild meeting where for the second year in a row he won an award for his radio program.

Even though we didn't have enough time to visit with everyone we wanted to, we did pick up some interesting bargains. Pat snapped up enough specimens of two Better-Date US Gold Coins: **Choice Mint State-63 1880-S \$5.00 Liberties** and **Choice Mint State**

Liberty Coin Service
300 Frandor Avenue
Lansing, MI 48912

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

web: www.libertycoinservice.com email: path@libertycoinservice.com

Trading Desk Hours (Eastern): Mon-Fri 10AM-5:30PM, Sat 10AM-2PM

Coins, Rolls and Sets

U.S. 10 pc Gold Medallion Set, 1980-1984, BU			\$13,375
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20			\$860
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20			\$965
U.S. Peace Dollar, Brilliant Uncirculated Roll/20			\$840

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,980	2,040	2,225
U.S. \$20.00 Liberty	2,110	2,430	3,950
U.S. \$10.00 Liberty	1,250	1,625	3,575
U.S. \$5.00 Liberty	725	1,080	2,650
U.S. 4 pc Indian Gold Type Set	5,515	7,430	18,750
U.S. 4 pc Liberty Gold Type Set	4,770	5,875	11,525
U.S. 8 pc Gold Type Set	10,225	13,155	29,825
U.S. Morgan Dollar (Pre-1921)	66	85	142
U.S. Peace Dollar	55	66	130

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

-63 1908 Motto \$10.00 Indians. We actually have dealers waiting to see if any of these coins are left, so call in your orders soon.

Back in the store, LCS Senior Numismatist Tom Coulson snapped up a 1,000-coin lot of the **Canada 1985 Cased Proof Silver Dollars**. These commemorate the Centennial of Canada's National Parks. We were able to acquire them at such a reasonable price that we can still offer them in large lots just below the catalog value that was established when silver spot was \$11.50! This is only our second opportunity to offer Canada Cased Proof Silver Dollars in the past six years. Three years ago they sold out quickly.

Even though we have a sizeable group of Canadian Dollars and the two US Gold Coins are each the largest quantity of these dates and grades we have ever handled in our 41 years in business, I do anticipate sellouts for all three. As I do regularly, I recommend that you to contact us early for best selection.

Call our Trading Desk toll-free at 800-527-2375 to check on availability and confirm your order.

We also found a nice selection of one-of-a-kind coins at the ANA show as well as here in our store to interest you:

Another Option For Numismatic

Rarities: for the past few months we have begun posting rare coins in our Treasurechest-ofliberty eBay store. We currently have over

300 items listed.

So, in addition to seeing what we offer in this newsletter or calling us or visiting our store, you can go online to see photos of some beautiful coins at prices that customers seem to appreciate.

High Grade Early English Anglo-Saxon Silver Coin: After the fall of the Roman Empire, the British Isles experienced a political and a monetary void. By 600 AD, the Angles and Saxons had invaded, conquered, and settle a good portion of modern-day England.

We rarely obtain early English Anglo-Saxon issues, even though many of them are quite affordable. We now have one of the highest quality specimen silver Sceat coins that we have ever handled. This small coin is from the Series E designs, which were struck about 695-740 AD. It is likely struck somewhere in the East Midlands area.

Series E coins are called the "porcupine type." If you look at the obverse closely, it certainly does look like a crude porcupine. The reverse has a dotted square with a circle in the center and other lines and dots. This specimen is a problem-free Very Fine-Extremely Fine coin that can be yours for only \$135.

1865-1876 Brazilian Gold Coins

At Bullion-Related Prices: We recently picked up a small group of Brazil

Gold:	\$1,690.75
Silver:	\$32.27
Platinum:	\$1,574.00
Palladium:	\$646.00

10,000 Reis dated either 1865 or 1876 and of Brazil 20,000 Reis, all dated 1867. Mintages are not reported for two of these issues while the 1876 10,000 Reis had a mintage of 20,000 pieces.

These coins were issued by Emperor Pedro II, the son of the man who declared Brazil's independence from Portugal. The 10,000 Reis have a gold content of .2643 of an ounce while the 20,000 Reis have .5286 of an ounce of gold.

The smaller coins were conservatively grade Very Fine or better. The 20,000 Reis easily grade Extremely Fine. While they last, you can purchase either of them at the bullion-related price of 19% above the value of the gold content. If the gold spot price were \$1,700, for instance, the 10,000 Reis would cost you about \$535 and the \$20,000 Reis would set you back around \$1,069.

1797 British Two Pence Cart-

wheel: English King George III depleted the Royal treasury fighting wars against the colonies that became the United States of America and against Napoleon, that he was literally forced to put the nation on a copper monetary standard. For only one year, in 1797, Great Britain issues a Penny and a Two Pence that contained the full intrinsic value of copper content. Both coins have the diameter close to an old US Silver Dollar, with the Two Pence being struck twice as thick and the Penny.

Because of the massive size of the coins, their edges were easily damaged. This sharply detailed Very Fine-Extremely Fine specimen has no edge damage. It depicts George III on the obverse and a seated Britannia holding a trident and a branch on the reverse.

You can find less expensive specimens, but you would find it a real challenge to find an equally presentable piece for our price of \$225.

Proof-69 Deep Cameo 90% Silver

Statehood Quarters: These beautiful NGC-certified coins all catalog at least \$17 apiece, with many at \$20 or higher. States available include Florida, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Nevada, New Hampshire, Oregon, South Carolina, Texas, Virginia, West Virginia, and Wisconsin. Your cost just \$14.95 each.