

Liberty's Outlook

2016 NLG Awards:
Best Dealer Publication

July 2017, Volume 23 Issue 7 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics July 12, 2017

Gold And Silver Prices Suffer Three "Flash Crashes"—US Demand Rises!

Are These Free Market Or Manipulated Actions?

Let's see where we are at right now—

- √ The Dow Jones Industrial Average closed at an all-time high today.
- √ The Standard & Poors 500 and NASDAQ indices are near their all-time highs.
- √ US After-Tax Corporate Profits for the first quarter 2017 were \$1.729 trillion, close to the all-time record of \$1.771 trillion set in the fourth quarter of 2014. Quarterly profits since the second quarter of 2011 have each been higher than any quarter before then (see <https://fred.stlouisfed.org/series/CP>)
- √ Last Friday's Bureau of Labor Statistics Monthly Jobs and Unemployment Report headline figure of 222,000 increased jobs was about 50,000 higher than the consensus forecast.
- √ The US U-3 unemployment rate for April, May, and June 2017 were at the lowest level since May 2007.
- √ Supposedly, US employers are having difficulty hiring new staff.
- √ Realtors are complaining that a lack of homes for sale is holding back the number of transactions.
- √ US household debt as a percentage of Gross Domestic Product was just over 80% in the 4th quarter of 2016, close to the lowest it has been in well over a decade.
- √ In a June 27 speech in London, Federal Reserve Chair Janet Yellen stated, "Would I say there will never, ever be another financial crisis? You know probably that would be going too far, but I do think we are much safer, and I

2017 Year To Date Results Through July 11, 2017			
<i>Precious Metals</i>			
Palladium	+26.4%	Denmark Krone	-8.2%
Gold	+5.6%	Euro	-8.3%
Platinum	-0.6%	Mexico Peso	-13.6%
Silver	-1.2%	U.S. Dollar Index	95.68 -6.5%
<i>Numismatics</i>		<i>US And World Stock Market Indices</i>	
US MS-63 \$20 St Gaudens	+3.8%	NASDAQ	+15.1%
US MS-63 \$20 Liberty	+1.1%	Dow Jones World (excluding US)	+12.6%
US MS-65 Morgan Dollar, Pre-1921	-4.9%	Frankfurt Xetra DAX	+8.3%
<i>US Dollar vs Foreign Currencies</i>		S&P 500	+8.3%
Argentina Peso	+7.1%	Dow Jones Industrial Average	+8.3%
Philippines Peso	+2.5%	Sao Paulo Bovespa	+6.0%
Colombia Peso	+2.4%	Nikkei 225	+5.7%
Hong Kong Dollar	+0.7%	Russell 2000	+4.1%
Brazil Real	+0.0%	Shanghai Composite	+3.2%
Chile Peso	-0.6%	London FT 100	+2.6%
Russia Ruble	-0.8%	Australia S&P/ASX 200	+1.1%
South Africa Rand	-1.0%	10 Year US Treasury Note interest rate	2.362% -3.4%
Indonesia Rupiah	-1.3%	<i>Energy and Other Metals</i>	
China Yuan	-2.0%	Cobalt	+82.0%
Japan Yen	-2.6%	Lead	+15.6%
Peru New Sol	-2.9%	Aluminum	+9.6%
Great Britain Pound	-3.9%	Zinc	+8.1%
Canada Dollar	-3.9%	Copper	+5.4%
New Zealand Dollar	-4.2%	Molybdenum	+5.1%
Malaysia Ringgit	-4.2%	Tin	-5.6%
Singapore Dollar	-4.5%	Nickel	-10.3%
Thailand Baht	-4.8%	Crude Oil, Brent	-14.8%
South Korea Won	-4.9%	Natural gas, Henry Hub	-18.8%
India Rupee	-5.0%	<i>Metal Content Value Of U.S. Coins</i>	
Switzerland Franc	-5.4%	Lincoln cent, 1959-1982	1.75¢
Australia Dollar	-5.7%	Lincoln cent, 1982-date	0.71¢
Taiwan Dollar	-6.0%	Jefferson nickel, non-silver	3.29¢
Israel Shekel	-7.4%	Roosevelt dime, 1965-date	1.50¢
Sweden Krona	-7.7%	Washington quarter, 1965-date	3.74¢
		Kennedy half dollar, 1971-date	7.47¢

hope that it will not be in our lifetimes and I don't believe it will be."

- √ At meetings of the Federal Open Market Committee for the past few years, the members continually complain that consumer prices are rising less than their "target" of 2% annually.
- √ No major US banks or brokerages have failed since The Great Reces-

sion.

- √ As adjusted for the impact of inflation, the price of gold closed in US markets today at 54.5% lower than the \$2,674 peak in January 1980. Silver closed 90.0% below its \$157 peak in January 1980. Is this a sign that owning safe haven assets is no longer needed?

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With news like this, the world must be in great shape, right?

Actually, not quite. Here is some of the rest of the story to consider—

- ✓ By almost any financial metric, including price-to-earnings, US stock prices today are at extreme overvaluation levels.
- ✓ Worldwide, governments, central banks, and sovereign investment funds own more than 50% of publicly traded shares. This means that prices are almost certainly artificially propped up by governments that do not want to show losses.
- ✓ The Institute for International Finance and other organizations reported that global debt levels at the end of 2016 exceeded 325% of worldwide Gross Domestic Product, the highest levels ever. Total debt of \$215 trillion was about 50% higher than it was a decade before.
- ✓ The above calculation significantly understates the amount of global liabilities. It does not include unfunded liabilities owed by federal, state, and local governments and government school districts for employee pensions and retiree health care benefits. For instance, if you review my analysis in the March and April 2017 issues of *Liberty's Outlook*, you will see how I derived an estimate that the US federal government owed somewhere from \$67-87 trillion (discounted net present value) for Social Security and Medicare benefits as of September 30, 2016. This is above and beyond the \$20 trillion of debt and \$3 trillion of other liabilities owed by the federal government as of that date. The lower range amount is equal to more than 100% of global gross domestic product. If you then also add the

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unfunded liabilities from other nations or for American states, counties, and local governments and government school districts, the numbers become even worse.

- ✓ In America, state, county, and local governments and government school districts will be required, for the first time ever for fiscal years ending June 30, 2017 and onward, to include on their balance sheets the amount of these unfunded liabilities. This will damage these balance sheets by a combined total in the trillions of dollars. Even though this coming financial reporting change has been known for more than two years, few members of the public realize it, much less understand that this will show many of these entities to be either insolvent or effectively bankrupt. However, as these financial reports start coming out a few weeks from now, almost everyone will finally realize how precarious US and global finances really are.
- ✓ If US unemployment levels really were as low as reported by the US government, there should have long since been significant pressure for rising employee earnings. That just isn't happening. In fact, if you review the Federal Reserve's Labor Market Conditions Index (at <https://fred.stlouisfed.org/series/FRBLMCIPI>) you will see that the 19 seasonally-adjusted labor market indicators that make up the Index do not show any significant improvement in the labor market.
- ✓ What about potential military actions in North Korea, Syria, Yemen, Qatar, Libya, Somalia, Kenya, Afghanistan, and many other lands. Might any of them escalate into, effectively, World War 3?
- ✓ US debt levels for vehicles and student aid are at all-time high levels. Vehicle loan default rates are as high now as they were during The Great Recession. Unfortunately, the average length of current vehicle loans is the longest ever, which increases the risk of even greater payment defaults.
- ✓ the International Monetary Fund reports that American bank capital reserves as a percentage of total assets are at their lowest levels in a decade? In other words, banks are more overleveraged than they were during the Great Recession
- ✓ If there really were tight residential real estate markets in the US, you would think that home builders would be scurrying to meet pent-up demand. Yet home building starts over the past few months have declined. Builders claim that they are having a hard time finding employees, even though construction jobs typically pay more than the jobs now held by former construction workers when the in-

Patrick A. Heller's Upcoming Speeches and Appearances

None currently scheduled.

For more information on any event or to arrange for a presentation at schools, senior citizen groups, Scout organizations, fraternal or business organizations, call 800-933-4720 or email path@libertycoinservice.com. Possible programs include:
"Fun With Money"
"Consumer Protection Tips When Buying And Selling Physical Precious Metals"
"The Rise And Fall Of Rome's Money, And What It Means For America Today"
"Create Fun-Filled Numismatic Presentations For The General Public"
"Collecting Coins For Fun And Profit"

dustry contracted during and after The Great Recession. I personally know multiple people who lost construction jobs and are now working for less in other industries. They would love to get back into construction so they could earn higher incomes. Something is not adding up here.

- ✓ Even though the price of gold is up by a lower percentage than the Dow Jones Industrial Average, Standard & Poors 500, and NASDAQ Indices year to date, over the past seven months the Market Vectors Gold Miners (GDX) and Basket of Unhedged Gold Stocks (HUI) indices are up 14.5% and 13.7% over the past seven months. Obviously, a number of people are expecting gold mining stocks to start showing significant increases in profitability.
- ✓ When Donald Trump became US president, there was an expectation that he would take quick actions to support business expansion. These efforts have mostly been stalled, with the possibility that they may now never happen. There was some optimism among investors that the economy would improve better under President Trump than his predecessor, which led some to jump into US stock markets. Will there be a negative effect on stock prices as investors lower their expectations?
- ✓ Is it possible that much of the so-called positive financial and economic reports coming out have either resulted from government manipulation of the underlying markets or manipulation of how the re-

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ports are prepared?

Despite all of the recent positive news reports, as you can see from the handful of cautionary items I just listed, it is entirely possible that major unexpected negative financial and economic news could come out at any time.

For that reason, I think it is prudent to establish or add to your physical precious metals holdings sooner rather than later—especially with what I consider to be a temporary price decline since late June.

Why The Recent Drop In Gold And Silver Prices?

When owners of precious metals want to liquidate some or all of their holdings, their natural desire is to realize the highest possible selling price.

If they are trying to sell a large position, if it is known that this is being liquidated, that will tend to depress the prices at which the metal is sold.

To prevent this, the best strategies are to split such sales among multiple brokers, without revealing the full extent of the sale to any of them. Also, the sales are spread over markets around the world, and possibly over multiple days.

Further, such sales are best conducted when markets are active, meaning avoiding times when one or more major markets are closed for holidays, and to trade during the active times of the day.

For example, if selling a large quantity of gold, one of the best times in the daily cycle to sell it would be at the London PM fix. This is the largest gold market. The PM fix trading is also usually the largest of the daily trading volume because both European and US markets are open.

These were the trading strategies used by the Swiss National Bank when it sold off half of its gold reserves over the turn of the century.

In contrast, if you are looking to suppress precious metals prices you would do almost the exact opposite of the trading strategies I just listed.

About the same time that the Swiss National Bank was unloading large quantities of gold, the Bank of England also sold a significant percentage of its holdings in a manner guaranteed to realize the lowest possible price. Beyond the tactics I listed above, it also advertised publicly in advance that it would be selling large amounts of gold on certain days.

Why would anyone want to sell for the lowest possible price? The US government (and its primary trading partners and allied central banks—such as the BOE) is a prime candidate to do this. The price of gold is effectively a report card on the US dollar, US economy, and US government. If its price is rising, foreigners holding US dollars or US Treasury debt are more inclined to repatriate such assets or demand a higher interest payment if they hold the debt. The purchasing power of dollars will decline.

If you refer to the daily US closing spot prices on the back page for June 26, July 3, and July 7, you will see significant price drops each of those days.

So, what happened?

On June 26, about 9 AM London time, a single transaction selling 1.8149 million ounces of gold hit the market. Almost instantly the price of gold fell \$20, though it recovered about half of that later that day. Almost everything about this trade was done to realize the lowest possible selling price. True, it was sold when the London market was open, but at a thinly traded time.

On July 3, many US and Canadian investors were on vacation. US financial markets were open shorter hours because of the thinner trading activity. Throughout the course of the day, a large quantity of silver was sold in Asian, European, and US markets. In thinly traded markets that day, the price of silver fell almost 10%. In intraday trading, the silver price fell close to \$15 before recovering.

Perhaps the most blatant flash crash occurred shortly after the Tokyo TOCOM opened on July 7 (actually it will still July 6 in the US). In a 1 minute period 24.77 million ounces of silver were sold on the New York COMEX Globex overnight market. This quantity was almost 3% of annual worldwide silver mine production. At the beginning of that 60-second period the silver spot price was \$16.06. It quickly fell as low as \$14.34 before ending the minute at \$14.68. In the following three minutes another almost 17 million ounces of silver changed hands on the COMEX as sellers desperately tried to bail out and bargain hunters swooped in. At the end of this 4-minute period, the price of silver was \$15.90, down only about 1% from the start.

Within 20 minutes of this flash crash, CME Group, which owns the COMEX, announced that it had investigated all of the trades and, without going into any detail of what it had found out, retroactively repriced all trades below \$15.54 up to \$15.54 per ounce and that trades above \$15.54 and under \$15.64 were repriced to \$15.64 per ounce.

The net effect of these three sudden and unexplained sharp declines in gold and sil-

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>
	10-15%	20%	25-33%

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

	<u>Conservative</u>	<u>Moderate</u>	<u>Aggressive</u>
Gold	35%	30%	20%
Silver	65%	60%	55%
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.

ver prices was to scare existing and potential precious metals investors away from the market.

Temporarily, this fear of price volatility seems to have succeeded in dissuading some people from holding precious metals. However, that effect is starting to wear off. As of today's close, the price of silver is up more than 10% from its low intraday price just five days ago. Gold did not decline as great a percentage as silver and is now up only about 2% from its recent bottom.

One reason I consider this price drop to be temporary is that a moderate surge in demand has resulted in higher premiums at which various bullion-priced gold and silver coins and ingots sell. While there are no product shortages resulting in delayed deliveries at the moment, you don't want to wait and risk that occurring.

Is it possible that gold and silver prices may decline from current levels. Of course they could. I just don't see much downside risk and tremendous upside potential in the medium- to long-term—and possibly even sooner than that.

Will History Repeat Itself?

In September 1929, noted economist Irving Fisher wrote in The New York Times, "Stocks have reached what looks like a permanently high plateau."

Less than two months later, the Dow Jones Industrial Average crashed and the Great Depression began.

Ten years ago, then Federal Reserve Chair Ben Bernanke said, "Our as-

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assessment is that there's not much indication at this point that subprime mortgage issues have spread into the broader mortgage market, which seems to be healthy. The global economy continues to be strong, supported by solid economic growth abroad. US exports should expand further in coming quarters. Overall, the US economy seems likely to expand at a moderate pace over the second half of two thousand seven, with growth then strengthening a bit in two thousand eight."

Within weeks, the largest crash of the housing market in American history occurred, followed by the all-time record massive losses in US and global stock markets in the Great Recession.

And now Fed Chair Janet Yellen has predicted that there will not be a major economic crash in "our lifetimes", which could mean the next 70 years!

That should absolutely scare you!

If history is any guide, Yellen's prediction on June 27 may be the strongest possible warning of an imminent decline in the value of paper assets, including the US dollar, and stocks and bonds.

In my judgment, there will a significant negative impact on the US economy as state, county, and local governments and government school districts start to release the June 30, 2017 balance sheets in a few weeks. I'm not sure if Fed Chair Yellen made her prediction in an attempt to mask the imminent impact of this development.

Or, was she trying to deflect attention from one or more other looming financial catastrophes? We shall see.

Silver and Silver Coins

Silver's price ended on the COMEX today at \$15.83, a huge drop of \$1.75 (10.0%) from five weeks ago.

The recent price declines have sparked a surge in US demand for bullion-priced physical silver. As a result, the premium for US **90% Silver Coins** (6.0%) is up about 20 cents per ounce from early June.

That now makes **100 Ounce Ingots** (5.0%) a somewhat cheaper way to acquire silver. I love the divisibility of 90% Silver Coins where they could easily be used to trade for food, gasoline, and other necessities in circumstances where the large bars would not be suitable. For a large silver purchase, consider purchasing a quantity of the 100 Ounce Ingots along with a smaller dollar value in 90% Silver Coins.

The **10, and 1 Ounce Ingots** (6.3%) are

The Month

Gold Range	81.50	6.3%
Net Change	-72.00	
Silver Range	2.21	12.6%
Net Change	-1.75	
Gold/Silver Ratio	76.9	
Net change	+1.3	
Platinum Range	51.00	5.4%
Net Change	-31.00	

Platinum/Gold Ratio 0.75

Date	Gold	Silver	Platinum
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Jun 07	1,290.00	17.58	947.00
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Jun 08	1,276.75	17.38	938.00
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Jun 09	1,268.50	17.19	940.00
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Jun 12	1,266.00	16.91	944.00
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Jun 13	1,265.75	16.74	924.00
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Jun 14	1,272.75	17.10	952.00
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Jun 15	1,252.25	16.69	921.00
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Jun 16	1,254.00	16.64	927.00
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Jun 19	1,244.25	16.48	927.00
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Jun 20	1,242.50	16.44	920.00
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Jun 21	1,243.50	16.35	927.00
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Jun 22	1,250.00	16.52	924.00
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Jun 23	1,256.25	16.62	929.00
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Jun 26	1,246.25	16.56	916.00
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Jun 27	1,246.50	16.57	918.00
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Jun 28	1,248.00	16.71	921.00
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Jun 29	1,244.25	16.58	919.00
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Jun 30	1,240.75	16.57	924.00
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Jul 03	1,219.75	16.11	904.00
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Jul 04	closed		
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Jul 05	1,220.50	15.84	905.00
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Jul 06	1,222.25	15.92	907.00
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Jul 07	1,208.50	15.37	901.00
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Jul 10	1,212.00	15.57	899.00
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Jul 11	1,213.50	15.69	896.00
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Jul 12	1,218.00	15.83	916.00
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Gold, silver and platinum quotes are work-in spots at 1:45 EST/EDT each day, quoted in U.S. dollars per troy ounce.

Shanghai Gold Exchange premiums above London spot prices as of newsletter date:

Gold: +\$11.86

Silver: +\$ 1.17

Current Shanghai Gold Exchange premiums can be tracked at www.didthesystemcollapse.com

also worth considering, though they are not as divisible as the 90% Silver Coins.

Over the past month, numismatic silver coins such as Morgan and Peace Dollars have been all over the price spectrum. Some have come down in price but others have risen. As for desirable Better-Date numismatic coins, they remain as elusive at today's lower price levels as they have been for the past few years. At Liberty, we were fortunate to repurchase a sizeable collection of **Better-Date Mint State-63**

to -66 Morgan Silver Dollars. With coins we have accumulated over the past two years, we now had enough to make and offer. Please see our flyer, along with that for other bargains.

Gold And Gold Coins

Gold finished on the COMEX today at \$1,219.00, down a significant \$72.00 (5.6%) from last month.

Demand for physical gold continues to be strong in China, India, and many parts of Europe this far in 2017. In the US however, the opposite was true since the middle of last December.

A month ago, there were more Americans liquidating physical precious metals than were purchasing them. As a consequence, premiums fell slightly for a number of pre-2017-dated bullion-priced coins.

Since the spot price of gold declined on June 26, US demand has seen a moderate surge. Dealer inventories of earlier date bullion-priced coins have largely been taken off the market. As a result, prices of several bullion gold issues have not declined as much as has the price of gold. For example, the premium on the **US 1 Oz Gold American Eagle** (4.3%) is now about \$5 higher above its gold value that it was in early June.

The good news is that premiums levels are pretty much unchanged for my low premium favorites such as the **US American Arts Medallions** (1.9%), the **Austria 100 Corona** (1.5%), and the **Mexico 50 Pesos** (2.3%). These premiums are still less than they were two months ago.

When LCS Chief Numismatist Allan Beegle attended the large Whitman Baltimore Expo two weeks ago, he reported that there were large quantities of **Common-Date Pre-1934 US Gold Coins** available at mouth-watering low premiums. However, **Better-Date US Gold Coins** remained tough to find, no matter whether they are at a bargain price.

Since then, the low premiums have led to a sporadic surge in demand for the Common-Date coins. As a result, prices for some coins are now higher than they were when gold was \$72 higher early last month, while others fell with the drop in the spot price. Overall, though, I think that enough coins are being taken off the market that prices and premiums are more likely to rise than stay the same or decline in the coming months.

We have been fortunate to acquire a couple of gold coin **Small Lot Bargains**. Please refer to our enclosure.

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Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,271.50	1271.50	4.3%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	654.50	1309.00	7.4%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	337.00	1348.00	10.6%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	138.50	1385.00	13.6%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,278.75	1278.75	4.9%
*U.S. 1 Oz Medallion	10	1.0000	1,242.25	1242.25	1.9%
*U.S. 1/2 Oz Medallion	10	0.5000	622.25	1244.50	2.1%
*Australia 1 Oz Kangaroo	10	1.0000	1,275.00	1275.00	4.6%
*Austria 100 Corona	10	0.9802	1,212.75	1237.25	1.5%
*Austria 1 Oz Philharmonic	10	1.0000	1,265.25	1265.25	3.8%
*Canada 1 Oz Maple Leaf	10	1.0000	1,254.25	1254.25	2.9%
*Canada 1x25 Maplegram	10	0.8039	1,105.50	1375.17	12.8%
*China 30 Gram Panda	10	0.9646	1,260.50	1306.76	7.2%
*China 1 Oz Panda	10	1.0000	1,303.00	1303.00	6.9%
*Mexico 50 Peso	10	1.2057	1,503.50	1246.99	2.3%
*S. Africa Krugerrand	10	1.0000	1,260.50	1260.50	3.4%
*1 Oz Ingot	10	1.0000	1,253.25	1253.25	2.8%
*Austria 1 Ducat	10	0.1107	146.70	1325.20	8.7%
*British Sovereign	10	0.2354	304.00	1291.42	5.9%
*France 20 Franc	10	0.1867	241.75	1294.86	6.2%
*Swiss 20 Franc	10	0.1867	242.25	1297.54	6.4%
\$20 Liberty BU	10	0.9675	1,325.00	1369.51	12.3%
\$20 St Gaudens BU	10	0.9675	1,330.00	1374.68	12.8%
\$20 Liberty Extremely Fine	10	0.9675	1,305.00	1348.84	10.7%
\$10 Liberty Extremely Fine	10	0.4838	645.00	1333.20	9.4%
\$10 Indian Extremely Fine	10	0.4838	690.00	1426.21	17.0%
\$5 Liberty Extremely Fine	10	0.2419	350.00	1446.88	18.7%
\$5 Indian Extremely Fine	10	0.2419	395.00	1632.91	34.0%
\$2.50 Liberty Extreme Fine	10	0.1209	310.00	2564.10	110.3%
\$2.50 Indian Extreme Fine	10	0.1209	270.00	2233.25	83.2%
*U.S. 90% Silver Coin	1,000	715	12,035.00	16.83	6.0%
*U.S. 40% Silver Coin	1,000	295	4,935.00	16.73	5.3%
*U.S. Peace Dollars, VG+	1,000	760	18,550.00	24.41	53.7%
*U.S. Silver Eagles	1,000	1,000	18,330.00	18.33	15.4%
*Canada Silver Maple Leaf	1,000	1,000	17,970.00	17.97	13.2%
*100 Oz Silver Ingot	10	100	1,668.00	16.68	5.0%
*10 Oz Silver Ingot	100	10	168.80	16.88	6.3%
*1 Oz Silver Ingot	1,000	1	16.88	16.88	6.3%
*1 Oz Platinum Ingot	10	1.0000	966.00	966.00	4.9%
*U.S. 1 Oz Platinum Eagle	10	1.0000	1,018.00	1018.00	10.5%
*Canada Palladium ML	10	1.0000	938.00	938.00	7.0%

Gold:	\$1,219.00
Silver:	\$15.88
Platinum:	\$921.00
Palladium:	\$877.00

Notes from Liberty

By Allan Beegle
LCS Chief Numismatist

Sales in June were 60% higher than for May; it was our highest volume month of the year. Recent sudden gold and silver price dips sparked some buyers to take action.

Overall, however, our sales of bullion-priced products continue to be soft this year, though not declining as much as the US Mint reported for the first six months of this year. At the same time, our other sales of numismatic coins and paper money and other collectibles have increased.

Once more almost all of our featured offerings last month, other than the over-date Morgan Dollar group, sold out. We were able to acquire more of the Very Choice MS-64 Peace Dollars and held our price. However, as many of you realize, we often offer many genuinely rare coins where we cannot readily locate more examples once our existing inventory has sold out.

Two weeks ago, I “walked the floor” at the huge Whitman Baltimore Expo. Even though it didn’t seem like I brought much inventory with me, my sales were higher than expected. Buying nice rare coins, either individually or in a group lot, was exceeding difficult.

In our store, LCS General Manager Tom Coulson purchased a large collection of **Better-Date Morgan Silver Dollars**. This compared to only the few pieces I was able to bring back from the Baltimore show. Still, with the coins we have accumulated over the past two years, we now have a sufficient quantity to offer to our entire clientele. Please review the list; we have listed quantities of each that are available so that you know where you need to respond quickly.

I negotiated the purchase of a handful of **Canada 1914 \$10.00 Gold Coins in Very Choice Mint State-64 Grade**. These

LCS Postage Charges	
Value of Contents	Postage Charge
Under \$100	\$5
\$100-249	\$10
\$250-499	\$18
\$500-999	\$25
\$1,000-4,999	\$30
\$5,000 and higher	None

Liberty Coin Service Call Toll-Free: **(800) 527-2375 National**
400 Frandor Avenue **(517) 351-4720 Local**
Lansing, MI 48912 **(517) 351-3466 Fax**

web: www.libertycoinservice.com email: path@libertycoinservice.com
 Trading Desk Hours (Eastern): Mon-Fri 9:30AM-6PM, Sat 10AM-2PM

Coins, Rolls and Sets

U.S. 10 pc Gold Medallion Set, 1980-1984, BU		\$10,550
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20		\$655
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20		\$870
U.S. Peace Dollar, Brilliant Uncirculated Roll/20		\$550

Gold:	\$1,219.00
Silver:	\$15.88
Platinum:	\$921.00
Palladium:	\$877.00

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,380	1,460	1,715
U.S. \$20.00 Liberty	1,435	1,560	2,615
U.S. \$10.00 Liberty	765	1,085	2,540
U.S. \$5.00 Liberty	510	695	1,830
U.S. 4 pc Indian Gold Type Set	3,435	4,940	12,600
U.S. 4 pc Liberty Gold Type Set	3,060	3,760	7,675
U.S. 8 pc Gold Type Set	6,430	8,545	19,825
U.S. Morgan Dollar (Pre-1921)	59	69	135
U.S. Peace Dollar	39	47	122

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 14 day return period. Orders for bullion-priced items (marked with *) are not returnable and, after confirmation, cannot be cancelled.

coins were meant to displace US Gold Coins of the same metal composition that were circulating in that nation. This group includes some of the higher quality survivors, which are now priced at more reasonable levels than they were a year or two earlier.

In our store, we purchased a group of the **2014 Great Britain 1 Oz Silver Year Of The Horse Commemoratives**. Because of this opportune purchase we can offer them for less than half of what they originally were going for. From a dealer friend, we also picked up a few pieces of **Mint State-62 1905-S \$5.00 Liberties**. These coins are far more rare than their mintage would lead you to expect.

Tom may have made the purchase of the month when he bought from another dealer a **Julius Caesar Silver Denarius—Late Lifetime Issue**. This is almost certainly the rarest Julius Caesar coin we have ever handled in stock. It was issued not that many weeks before his assassination. Finally, LCS Communications Officer Pat Heller describes what is special about the **1989 Marshall Islands Set/24 Silver Milestones Of Space Exploration Proof Sets** that we can now offer at a bullion-related price instead of the so-called "face value" at which they were originally sold.

Because quantities of all of these items are limited, I urge you to review the offers right way. Then call our **Trading Desk toll-free at 800-527-2375** to verify availability and lock in your order.

In addition, here are some other special treasures that we can offer at LCS's bargain prices:

Superb Gem Mint State-66 Classic Silver Commemorative Half Dollars: Here are two lovely white specimens

1920 Pilgrim, MS-66, NGC—\$395. to honor the 300th Anniversary of the landing of the Pilgrims at Plymouth Rock in Massachusetts, the US Mint struck 152,112 Commemorative Half Dollars in 1920 and another 20,053 in 1921. Many of these coins were actually put into circulation, so top quality survivors are tough to locate. Together, PCGS and NGC have certified just 721 of the 1920 Pilgrims in MS-66 and higher grades—less than 1/2 of 1% of the mintage! At one time this coin would have cost you as much as \$8,300 but they are far more reasonable now. *Coin Values* is now \$500 and *PCGS Retail* is \$450.

1938 Texas, MS-66, NGC—\$575. Mintage of this final year Texas issue is a meager 3,780, the second lowest of the 13 Texas dates and mintmarks. Of them, PCGS and NGC combined have certified 593 pieces in MS-66 or better quality. At one time this coin sold for around \$2,500. Today, *Coin Values* is \$650 and *PCGS Retail* is \$675.

Two Early Mint State-61 Type 3 \$20.00 Liberty Gold Double Eagles: In 1877, the US Mint modified the design of the \$20.00 Liberty for a third time. Most

noticeable were more lines carved in Liberty's Hair and "Twenty D" on the reverse became "Twenty Dollars." The earliest years of Type 3 \$20.00 Liberties saw most pieces put into circulation, which means that Mint State survivors are far more rare than their sometimes high mintages would indicate. Here are two beauties:

1877-S \$20.00 Liberty, MS-61, NGC—\$1,750. Mintage of both of these coins is almost 2 million apiece, but take a look at the MS-61 and higher grade populations certified by PCGS and NGC. In 31 years they have graded a mere 1,979 examples of this date MS-61 or higher. That makes this date more than 200 times scarcer than the 1904 in MS-61 and nicer grades! *PCGS Retail* is \$1,775 for MS-61 quality. *Coin Values* is \$1,850 for MS-60 and \$4,000 in MS-62 grades.

1878-S \$20.00 Liberty, MS-61, PCGS—\$1,895. This coin is so rare in higher grades that PCGS and NGC have certified a mere 995 MS-61 specimens, only 269 in MS-62 quality, a paltry 27 coins ranging from MS-62+ to MS-64, and none in any higher grades. That makes this coin more than 300 times scarcer in MS-61 or better condition compared to the 1904 date! *PCGS Retail* for MS-61 is \$2,100. *Coin Values* is now \$1,850 for MS-60 and \$6,250 for MS-62 quality. When you can purchase coins of this rarity for less than 50% above what you would pay for the 1904 date, go for these better dates every time.

Early British Silver Penny: After the fall of the Roman Empire, coinage in Great Britain continued to be struck in Roman denominations and styles for several centuries. This is one reason why today the British still use "D" to signify penny, as that denomination evolved from the Roman Denarius.

This coin is a lovely Silver Penny (Sceat) issued circa 690-740 AD. The design is referred to as a "degraded bust," which means that the quality of the design was so poor that it no longer looked like the ruler. Coins of this era are almost impossible to identify by issuer. What can be identified is that it came from the Anglo-Saxon lands in Britain and is attributed as Series E, Porcupine Type (the design is more reminiscent of a porcupine than a human bust). This is a crudely hammer-struck coin that survived with excellent details. Choice Very Fine. Lots of history and only \$135.



Ancient Rome Julius Caesar 44 BC
Silver Denarius VF - \$2,450



1920 Pilgrim Commemorative Half Dollar
MS66 NGC Certified - \$395



1938 Texas Commemorative Half Dollar
MS66 NGC Certified - \$575



1877-S \$20 Gold Liberty MS61
NGC Certified - \$1,750



1878-S \$20
PCGS MS61
8987.61/26216680



1878-S \$20 Gold Liberty MS61
PCGS Certified - \$1,895



Anglo Saxon England Silver Sceat
(AD 695-740) VF-EF - \$135



Better-Date Morgan Silver Dollars



Supplies Are Drying Up!

by Tom Coulson, LCS General Manager, and Patrick A. Heller, LCS Communications Officer

Like paying just ten, twenty, or thirty cents on the dollar! In early 2007, LCS's Pat Heller prepared an analysis of the Morgan Silver Dollar series in grades MS-63 through MS-66. The analysis compared the prices of the coins at the last major market peak in June 1989 against their relative rarity and current catalog values. Then the numbers were compared against that of the 1881-S Morgan, the most common issue in high grades.

From this analysis, he calculated an Undervaluation Index™ for each date and mintmark in all four of these grades of the Morgan series. Those coins earning an Undervaluation Index™ of 20 or higher were given our Highest Recommendation for appreciation potential. Coins earning an Undervaluation Index™ of 10-19.99 merited our High Recommendation for appreciation prospects.

As you might suspect, many of the coins that look like the best values are the less-common issues, especially those that can now be purchased for a fraction of their mid-1989 prices! Our customers have eagerly sought these coins ever since we published our analysis. The attraction is easy to understand—as many of these coins can be acquired for 70%, 80%, or even 90% less than they cost 26 years ago!

Good and the not-so-good news! Pat updated this analysis in 2010 and again in 2016 for changes in the supply of coins and current catalog values. In the process, we discovered that, in general, the Morgan Dollars that earned the Highest Recommendation outperformed those that did not. As a group, the coins with the lowest Undervaluation Index™, which were not recommended at all, performed the worst.

To the dismay of many would-be customers, though, since publishing the original analysis in 2007, just about all Better Date Morgans we have acquired have quickly sold whenever we have had enough to offer.

The good news: We have continued to aggressively seek these Better Date Morgans at every major coin show we attend, but it has been two years since we were last able to make a general offering of a large number of dates and mintmarks. Mostly we were only able to hand-select the nicest specimens one-, two-, or a few-at-a-time at reasonable prices!

Each coin has been independently certified by either the Professional Coin Grading Service (PCGS) or the Numismatic Guaranty Corporation (NGC) as well as passing our own fussy

scrutiny.

The **bad news** is that there are only 110 coins among 36 different dates, mintmarks, and grades. Several of these coins are one-of-a-kind! When they are gone, we cannot tell when we may locate more or at what prices they will then cost.

But wait, there is more good and bad news! Just look at the table on the reverse. These coins range from six to over 90 times scarcer than the 1881-S date in the same and higher quality! Every coin has earned an Undervaluation Index™ of 20 or higher, earning our Highest Recommendation for appreciation potential. Over half of the dates, mintmarks, and grades listed are for coins having an Index above 50!

We would like to have a larger stock of coins before making a general offering, but bargain hunting has been a slow process. In fact, it is only because we repurchased almost half the coins offered here in mid-June from a long-time customer that we could even consider making this offer today.

Prices of some coins have dipped from where they were a year or two ago. But, with tight supplies, we aren't sure how many more we could find before prices again rebound.

As usual, we have decided to offer them now rather than risk price increases in the coming months.

A bonus opportunity! There are a few dates where we acquired specimens at better prices than typical. Consequently, we offer special savings along to you—offering them at the very same price we charge for common date specimens! See the prices marked in **bold**.

They won't last long: There is a good chance that this list will sell out quickly. A delay may cost you the opportunity to take advantage of today's price levels!

Review the list for rarity compared to the 1881-S Morgans, check the value, then call us today! With so few coins, we have omitted the order coupon. **You must call our Trading Desk at 800-527-2375 to confirm availability and to reserve your order.** The only charge on top of the price of the coins is a postage charge that depends on the total value of the order (see the chart on the Computer Quotes page). For fastest shipment, you can use your Visa, Mastercard, or Discover charge card to have your purchase shipped to the credit card billing address.

Your satisfaction is guaranteed! You have 14 days upon your receipt to return these coins for a full, prompt, no-questions refund.

Better-Date Morgan Silver Dollars

Compare Rarity and Value To the 1881-S Date

Date	Grade	Qty	PCGS/NGC Population for grade + higher	June 1989 Retail	July 2017 Catalog Coin Values	PCGS Retail	Undervaluation Index™*	Rarity to 1881-S	LCS Price
1878 7TF,R'78	MS-64	3	10,824	\$565	\$230	\$250	28	34x	\$229
1878-S	MS-65	2	10,846	\$1,100	\$300	\$345	36	14x	\$275
1880	MS-63	1	23,627	\$115	\$85	\$100	20	20x	\$ 85
1880	MS-64	1	12,551	\$780	\$140	\$140	88	29x	\$135
1880	MS-65	2	2,377	\$7,750	\$650	\$575	157	64x	\$540
1881	MS-64	4	12,019	\$625	\$165	\$155	53	30x	\$145
1881	MS-65	3	2,292	\$4,250	\$700	\$600	90	66x	\$595
1881-O	MS-63	1	27,117	\$150	\$80	\$95	26	18x	\$ 75
1882	MS-65	4	2,837	\$2,350	\$475	\$435	68	54x	\$399
1882-O	MS-64	2	15,154	\$690	\$125	\$135	79	24x	\$125
1883	MS-65	1	11,292	\$1,030	\$190	\$170	61	13x	\$159
1884	MS-65	5	5,784	\$1,475	\$300	\$300	66	26x	\$279
1885	MS-65	6	24,935	\$720	\$175	\$150	25	6x	\$135
1888	MS-65	11	12,341	\$1,150	\$225	\$185	63	12x	\$179
1888-O	MS-64	1	24,509	\$315	\$110	\$105	29	15x	\$ 99
1888-O	MS-65	3	4,521	\$2,650	\$575	\$525	49	33x	\$479
1889	MS-65	4	5,411	\$2,450	\$325	\$275	118	28x	\$269
1890-S	MS-63	1	15,653	\$155	\$110	\$110	24	31x	\$ 99
1890-S	MS-65	1	1,620	\$2,650	\$1,100	\$1,050	34	94x	\$895
1896	MS-65	4	15,631	\$1,225	\$200	\$180	43	9x	\$169
1897	MS-64	1	18,788	\$225	\$70	\$105	52	19x	\$ 79
1897	MS-65	2	4,548	\$1,875	\$285	\$275	127	33x	\$265
1897-S	MS-65	1	3,032	\$1,750	\$600	\$600	47	50x	\$560
1898	MS-65	11	6,357	\$1,600	\$225	\$200	90	24x	\$199
1899-O	MS-65	2	20,538	\$710	\$165	\$160	35	7x	\$135
1900	MS-65	2	10,857	\$1,325	\$165	\$160	108	14x	\$159
1900	MS-66	1	1,641	\$6,375	\$560	\$550	155	24x	\$495
1900-O	MS-65	2	17,049	\$850	\$150	\$140	44	8x	\$139
1901-O	MS-65	3	9,996	\$1,425	\$180	\$190	119	15x	\$159
1902	MS-65	6	3,662	\$2,350	\$475	\$425	69	41x	\$419
1902-O	MS-65	2	14,570	\$1,125	\$165	\$175	54	10x	\$155
1903	MS-65	3	7,853	\$1,600	\$300	\$275	50	19x	\$269
1904-O	MS-66	1	3,237	\$3,500	\$325	\$350	107	12x	\$309
1921	MS-65	4	16,259	\$815	\$150	\$140	54	9x	\$135
1921-D	MS-64	1	17,758	\$335	\$125	\$110	44	20x	\$ 99
1921-D	MS-65	7	4,937	\$2,050	\$325	\$325	93	31x	\$299

For comparison

1881-S	MS-63		495,738	\$75	\$60	\$65	1		
1881-S	MS-64		368,498	\$195	\$65	\$80	2		
1881-S	MS-65		153,344	\$675	\$150	\$140	3		
1881-S	MS-66		40,362	\$1,700	\$240	\$250	6		

* Undervaluation Index™ as of May 2016 analysis; Note: Prices in **Bold** are at Common-Date price



Small Lot Bargains!

by Tom Coulson, LCS General Manager and Allan Beegle, LCS Chief Numismatist

As we remind you from time to time, LCS is nimble enough that we can take advantage of smaller-sized groups that are available at great money-saving prices. At recent coin shows and in our store, we have picked up a few special small lots!

With so few coins on hand, we have eliminated the order blank. Please call to confirm availability and lock in your purchase.

Review the coins listed here, then **call our Trading Desk today, toll-free, at 800-527-2375**. Be sure to consult the chart on the Computer Quotes page for postage charges. For fastest shipment, you can use your Visa, Mastercard, or Discover charge cards to have your purchase shipped to the credit card billing address.

As with all of our numismatic items, your satisfaction is guaranteed. You have 14 days upon your receipt to return these coins for a full, prompt, no-questions refund.

US Coins

1905-S \$5.00 Liberty, Mint State-62, PCGS—\$760 (3 coins available). At the first impression, the 1905-S \$5.00 Liberty might not seem like it would be that scarce in high grades. After all, the mintage is an ample 880,700 coins.

But, obviously, one of two things occurred with the bulk of this issue. Either they were aggressively released into circulation or most were never issued and eventually melted down by the US Mint in the 1930s. Or maybe some of both happened.

It turns out this date is quite rare in Mint State-62 or higher quality. Over the past 31 years, the Professional Coin grading Service (PCGS) and Numismatic Guaranty Corporation (NGC) have certified just 163 MS-62 quality pieces and a meager 102 more in all higher grades together! That makes them more than 78 times scarcer than the 1900 \$5.00 Liberty in MS-62+ condition.

We were able to locate these three examples with original surfaces in a wholesaler's inventory. After some negotiating we were able to acquire them at a great money-saving price—and pass along the savings to you! *Coin Values* catalogs these coins in Mint State-62 quality at \$825 while *PCGS Retail* lists them for \$1,100 each.

Foreign Coins

1914 Canada \$10.00 Gold, Very Choice Mint State-64, PCGS—\$1,150 (6 coins available). In early 20th Century Canada, US Gold Coins circulated at par to the Canadian Dollar. To displace the usage of American gold coins then circulating, it was the intention of the Canadian government to begin production of Canadian \$2.50, \$5.00, \$10.00, and \$20.00 gold coins with metal content identical to US issues.

However, when the Royal Mint instead began production of Canadian Sovereigns in 1908, plans for such issues were suspended. Eventually, only the \$5.00 and \$10.00 denominations

were ever struck, and then for only three years 1912-1914.

These coins were relatively scarce as they were pulled from circulation when the Canadian dollar lost value to its US counterpart.

However, it turned out that a high percentage of these coins were simply stored at the Bank of Canada, unissued, as part of that nation's gold reserves.

In late 2012, the Royal Canadian Mint placed some of these coins on sale. A total of 24,239 of the \$10 Gold issues among all three years were made available as well as 5,761 of the \$5.00 Gold. When the RCM did not sell out all the coins available, the leftovers as well as all the remaining coins in the vault were melted down.

As a consequence, supplies of high-grade \$10.00 Gold Coins are no longer great rarities. Initial marketers of these coins priced them much higher than they are today. Now that prices have stabilized at lower levels, you can take advantage, once again, at the LCS bargain price.

2014 United Kingdom 1 Ounce Silver 2 Pound Year Of The Horse Commemorative, Superb Gem Mint State-67+, 1-4 coin quantities at \$24.95 each, 5-9 coin quantities at \$24.75 each, 10-19 coin quantities at \$24.50 each, or 20-coin roll at \$23.95 each (80 total coins available). In 2014, Great Britain issued a Year of the Horse 1 Ounce .999 Silver 2 Pounds coin to compete for a share of the market of collectors of Chinese Lunar Year coins. It turns out that horse lovers have eagerly sought out any coins that feature their favorite animal. A limited mintage of 300,000 coins were struck.

However, the Royal Mint misjudged the price point of such a coin. The original selling price was around \$50 US dollars, which kept these coins from being a runaway hit. Further, a number of coins developed milk spots, leading to a number of returns. The Royal Mint did not continue the Chinese Lunar Year Silver coin issues.

The primary company that sold these in the US is now offering them at just over \$30 each. Almost no other American coin dealer has any in stock. Once again, because of our fortunate acquisition of a modest quantity of these coins in fresh top quality, you can save you money by purchasing from LCS.





Enlarged to show detail

Incredibly Rare Julius Caesar Silver Denarius—Late Lifetime Portrait Issue!

In 60 BC, three men formed the First Triumvirate:

- Julius Caesar, a popular politician
- Pompey the Great, considered the greatest military commander of his time
- Marcus Licinius Crassus, property speculator, major landlord, and richest man in Rome

The purpose was to counter the control of the Roman Senate over Roman politics. These men each sought the support of the public rather than the noble class, and judged they could achieve better results working together. One of the first results was Caesar's election as consul.

Caesar's daughter, Julia, married Pompey, but died in childbirth in 54 BC. After Crassus died in battle against the Parthians (in modern day Iran) in 53 BC, frictions between Caesar and Pompey developed. In 49 BC, the Great Roman Civil War broke out between forces supporting Caesar and Pompey. Battles were fought in Italy, Greece, Illyria, Egypt, North Africa, and Spain.

In March 45 BC, Caesar's forces finally defeated those of Pompey. In early 44 BC, Caesar was declared "Dictator Perpetuo" (dictator in perpetuity). Then, Caesar directed coins to be struck bearing his image.

Julius Caesar was assassinated on the Ides of March in 44 BC (March 15). Thus, the coin offered here was struck for only a short time in early 44 BC.

The obverse shows the bust of Caesar with an 8-pointed star behind his neck. To the right is CAESAR IMP, indicating his military authority. On the reverse is a standing goddess Venus holding the goddess Victory (Nike) and a scepter. At the base of the scepter is a star. The moneyer's name of P. Sepullius Macer, is spelled out from upper right to lower left.

The coin easily grades Very Fine. About the only negatives are planchet digs in Caesar's laurel wreath and by his lips. Without these problems the coin would cost you more than \$4,000

You can own this piece of history, possibly the scarcest Julius Caesar coin we have ever handled, for just \$2,450!

Call our Trading Desk Today! Reach us toll-free at 800-527-2375 to confirm your order. You may use your Visa, Mastercard, or Discover charge cards for purchases shipped to the card's billing address. As with all of our numismatic offers, your satisfaction is guaranteed. You have 14 days upon your receipt to return this coin for a full, immediate refund.

—Tom Coulson, LCS General Manager

Marshall Islands 1989 Set/24 Milestones Of Space Exploration Proof Sets!

After World War 2, the United States administered the Marshall Islands in the South Pacific as a Trust Territory. It gained independence from the US in 1986, though the Compact of Free Association provides that America is responsible for the military defense of the small tropical nation.

The circulating money in the Republic of the Marshall Islands is US coins and currency.

In April 1997, my wife and I traveled to the Marshall Islands to adopt our son Daniel. While there, I visited the Treasury Department to clarify the rules for redeeming Marshall Islands legal tender coinage that had been struck and sold in America at "face value."

What actually happened is that the coins were commissioned by US marketing companies, who paid the Marshall Islands a royalty for use of the country's name. These coins were not actually spendable in the Marshall Islands.

As the Treasury staff confirmed, people could only redeem a maximum of a single \$50 coin or any other coins totaling up to \$10 face value per day. Sellers would be paid 50% of face value and there was a 50 cent fee per transaction. Further, only the original purchaser from the marketing company could redeem the coins and must present their purchase invoice to do so.

In plain English, these so-called legal-tender coins were nothing of the sort. I was shown the file where only three redemptions had occurred during the previous seven years!

Still, many Marshall Islands issues feature quality artwork and interesting themes. In 1989, a 24-coin 1 Ounce Pure Silver Proof Set was issued to commemorate The Milestones In Space Exploration. These sets of \$50 coins were originally marketed at \$1,200 on the pretense that buyers were paying only face value. Issue was limited to 25,000 sets.

Some themes are First Liquid Fuel Rocket Launch-1926, First American Space Walk-1965, First Manned Lunar Vehicle-1971, and First Probe Beyond The Solar System-1983.

We have only traded a handful of sets over the years until our recent purchase of seven sets, all still packaged in their original

plastic capsules in a large display box.

While they last, you can pick up one or more of these for just \$479, which works out to less than \$20 per coin. At this bul- lion-related price, you cannot use a charge card. You must send a check for payment.

To confirm your order, Call our Trading Desk at 800-527-2375.

As we guarantee with all of our numismatic offers, you must be satisfied with your purchase. You have 14 days upon your receipt to return any of these coins for a full refund.

—Patrick A. Heller, LCS Communications Officer

