

Liberty's Outlook

2016 NLG Awards:
Best Dealer Publication

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Central Bankers Greatest Fears—Eurozone Instability!

Two days ago the magazine *Central Banking* released a survey of 80 global central bankers. The #1 fear they expressed was the political and financial instability of the Eurozone.

In fact, despite the uncertainty of what will happen with Great Britain as it formally begins the task of leaving the European Union, this survey found that central bankers judged the British pound to be a safer currency than the euro!

Part of the uncertainty is generated by widespread negative interest rates in much of the Eurozone, where savers are actually charged a fee instead of earning interest income on their bank and bond savings.

The impact of negative interest rates is expanding. Two weeks ago the giant Swiss bank UBS announced that it would impose negative interest rates of customers who deposit more than a million euros into their accounts. Previously this bank only imposed negative interest rates on accounts denominated in Swiss francs.

Behind the scenes governments, central banks, and sovereign investment funds are making moves in anticipation of greater financial and political volatility in the future than occurred in the past.

At the end of last week, the International Monetary Fund released a Working Paper titled "Should Unconventional Monetary Policies Become Conventional?" You can access it at <http://www.imf.org/en/Publications/WP/Issues/2017/03/31/Should-Unconventional-Monetary-Policies-Become-Conventional-44787>. The major thrust of this paper was to argue for central banks to purchase assets (particularly stocks of companies) in order to "minimize financial volatility."

In my mind, this is a counterproductive idea that is likely to ultimately increase volatility in the future. Already, the Bank of Japan owns well over half of the outstanding shares of the companies that make up the Nikkei 225. Some observers think the BoJ may own as much as 75-90% of the shares of these companies.

2017 Year To Date Results

Through April 4, 2017

<i>Precious Metals</i>	
Palladium	+18.9%
Silver	+15.2%
Gold	+9.1%
Platinum	+7.0%

<i>Numismatics</i>	
US MS-63 \$20 St Gaudens	+4.2%
US MS-63 \$20 Liberty	+2.1%
US MS-65 Morgan Dollar, Pre-1921	-2.8%

<i>US Dollar vs Foreign Currencies</i>	
Philippines Peso	+1.5%
Hong Kong Dollar	+0.2%
Canada Dollar	-0.3%
South Africa Rand	-0.5%
New Zealand Dollar	-0.7%
China Yuan	-0.7%
Great Britain Pound	-0.8%
Sweden Krona	-1.1%
Malaysia Ringgit	-1.2%
Denmark Krone	-1.4%
Euro	-1.5%
Indonesia Rupiah	-1.5%
Chile Peso	-1.5%
Switzerland Franc	-1.7%
Argentina Peso	-3.1%
Peru New Sol	-3.1%
Singapore Dollar	-3.4%
Thailand Baht	-3.8%
India Rupee	-4.2%
Colombia Peso	-4.5%
Australia Dollar	-4.8%
Brazil Real	-5.0%
Israel Shekel	-5.1%
Japan Yen	-5.4%
Taiwan Dollar	-6.1%
South Korea Won	-6.9%

Russia Ruble	-8.5%
Mexico Peso	-9.2%
U.S. Dollar Index	100.53 -1.7%

<i>US And World Stock Market Indices</i>	
Sao Paulo Bovespa	+9.2%
NASDAQ	+9.6%
Dow Jones World (excluding US)	+7.3%
Frankfurt Xetra DAX	+7.0%
S&P 500	+5.4%
Dow Jones Industrial Average	+4.7%
Shanghai Composite	+3.8%
Australia S&P/ASX 200	+3.4%
London FT 100	+2.5%
Russell 2000	+0.8%
Nikkei 225	-1.6%

10 Year US Treasury Note interest rate	2.350% -3.9%
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<i>Energy and Other Metals</i>	
Cobalt	+69.7%
Lead	+14.6%
Aluminum	+13.1%
Zinc	+5.4%
Copper	+4.1%
Molybdenum	+0.0%
Steel billet	+0.0%
Nickel	-1.5%
Crude Oil, Brent	-2.8%
Tin	-5.0%
Natural gas, Henry Hub	-16.6%

<i>Metal Content Value Of U.S. Coins</i>	
Lincoln cent, 1959-1982	1.73¢
Lincoln cent, 1982-date	0.69¢
Jefferson nickel, non-silver	3.38¢
Roosevelt dime, 1965-date	1.53¢
Washington quarter, 1965-date	3.83¢
Kennedy half dollar, 1971-date	7.66¢

When central banks manipulate stock values through buying and selling shares of companies, they distort market signals. Investors and others in the private sector are influenced by these distorted signals to make financial decisions and plans different than would have occurred if they had access to accurate market indicators. The result of making contrary financial moves is what will eventually create even greater volatility than if the central banks had done nothing.

For example, what I judge to be one of the overall misguided financial actions is the

pouring of investment money into US stocks. Loans taken out by investors to purchase US stocks in margin accounts is now at an all-time record high. The rules for meeting margin calls when prices turn slightly negative for investors have become tighter under Dodd-Frank regulations. Where investors used to have three days to make a payment on a margin call before their position was sold out from under them, they now must provide cash within one day. Some brokerages, in fact, now require their

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customers to provide these funds on the very same business day.

Greater debt to finance stock purchases along with tighter payment requirements on margin calls will both increase stock price volatility.

(By the way, we do not advocate borrowing money to purchase your “wealth insurance” position of bullion-priced physical gold and silver. Margin calls, when values move in a negative direction, tend to occur at inconvenient times requiring them to transfer immediate funds. As a consequence, leveraged precious metals accounts are prone to being closed out at the absolute worst time.)

Sure, margin accounts can magnify profits as markets move in the anticipated direction. However, markets never move in a straight line.

A friend of mind told me that in 1979 he had a margin account to own silver. One day there was a price drop sufficient to cause a margin call too large for him to cover. As a result, his position was liquidated and he took a large loss. Starting the next day, the price of silver rose constantly on almost a daily basis until it peaked at \$50 in January 1980. Even though no one knows for sure just when they might have sold during a boom market, this guy is convinced that the one day price drop cost him \$250,000 from what he “could have made.”

In a story that broke on March 24, Aitan Goelman, who served as the chief enforcement officer of the US Commodity Futures Trading Commission for almost three years until February 2017, stated that one of the regrets of his job was not being able to uncover many suspicious trading patterns among the 325 million records to review daily.

He said, “One of my regrets is there is such a massive amount of misconduct in the market we’re just not pursuing. We could do a lot more manipulation cases. We have all these new enforcement tools and this vastly expanded jurisdiction and data. But you have to be acutely conscious about the limited resources.”

During the 2008 Great Recession the

Find more than a thousand numismatic items offered for sale today in our eBay stores and on our company’s website. Gold, silver, and copper coins, exnumia, paper money, and other collectibles. On eBay, search for sellers **Treasurechestofliberty** or **Collectables-of-liberty**. Other items are for sale on our website at www.libertycoinservice.com.

CFTC was charged with regulating the \$50 trillion futures and options markets. Now the CFTC also has primary oversight of the \$300 trillion over-the-counter US swaps market.

Among the kinds of rising market manipulation that Goelman noted are insider trading, front-running (trading against client orders before they are executed), Ponzi schemes (using money from new investors to pay off early investors who didn’t actually earn the payments they get), and spoofing (posting bid and ask transactions that the company posting them has no intention of executing).

Actually, I suspect one reason that enforcement is deliberately lax is that some of this market manipulation is conducted on behalf of the US government. It would not sit well with politicians and bureaucrats for one branch of the federal government to uncover and perhaps prosecute, or at least publicize, secret legal and illegal activity in another branch.

Government officials and central bankers are much more knowledgeable than the public about how they are manipulating financial markets. Therefore, if they are fearful of financial and political instability, that is a sign the each of us needs to be just as fearful.

While owning bullion-priced physical gold and silver coins and bars in your direct custody or control are not the only things you will need to survive the coming calamities, they will form a bedrock upon which you can make your other arrangements.

Is A Massive Gold Short Squeeze Looming?

Options contracts give the owner of a call position the choice whether to buy the commodity at the specified contract price up to the expiration date or to let the contract expire worthless.

On the other side, owners of put options have the option to require the counterparty to buy from them the commodity at the contract price up to the expiration date or to let that contract expire worthless.

For the US government, the options contracts that present the greatest risk are the call options. If the price of the underlying commodity rises above the contract price and remains above that level at expiration date, the owners of call options will give notice to exercise them. That would require them to make full payment at the contract price to the other party to the contract. The counterparty would then have the obligation to immediately deliver the physical commodity.

Ah, but what happens if the counterparty does not have the physical commodity, such as gold or silver, to deliver? The standard result is that they are under legal obligation to go into the open market and buy the commodity to make good delivery.

That is why the US government has a strong incentive to do everything it can to suppress gold or silver prices below the levels where the bulk of options call contracts are clustered.

For example, the COMEX April 2017 gold options expired on March 28. The largest cluster of call options had a strike price at \$1,250. Therefore, to minimize the demand for quick

Patrick A. Heller’s Upcoming Speeches and Appearances

May 1, 2017, Howell, Michigan

“Consumer Protection Tips When Buying Or Selling Physical Precious Metals,” Livingston County Coin Club, at 7:00 PM at Grace Lutheran Church at 312 Prospect Street (note last month the address listed was for the former meeting location). For more information send an email to bushman2@att.net.

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

delivery of physical gold that might accelerate a price increase, the US government would want the COMEX closing spot price that day to be at \$1,250 or less.

To do this, it can arrange for the short sales of paper gold contracts, using assets in its Exchange Stabilization Fund, and working with its primary trading partners, other central banks, and government allies to make it appear that there is a larger gold supply than is actually the case.

Oops! The COMEX gold close on March 28 was more than \$1,255. With the expected surge in demand to deliver physical gold, why didn’t gold’s price spike?

Former central banker and precious metals analyst James Turk thinks he has found why gold and silver prices have not surged in the past week. The explanation is that there are alternatives to meeting a delivery obligation other than providing the physical commodity.

In particular, one of these alternatives is called “Exchange of Futures for Physicals.” These are privately negotiated contracts off the COMEX that involve satisfying the commitment to deliver immediate physical commodities with a futures contract for theoretical delivery later on.

By doing this, parties who have engaged in short sales of gold or silver who do not have the underlying physical metal to deliver can fulfill the contract without ever having to have the physical metal.

Of course, the party holding the call option would normally not be willing to accept a promise of delayed delivery in place of a contract calling for prompt receipt of the gold or silver. Therefore, the party on the other side of the contract has to offer a financial incentive in addition to the futures contract.

When Warren Buffet’s Berkshire Hathaway purchased 129.7 million ounces of silver future contracts in the late 1980s, then asked for delivery rather than rolling them over for other contracts further in the futures, the counterparties to these contracts simply did not have that quantity of physical silver to deliver.

As the due date for delivery drew closer, the spot price of silver shot up from

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about \$6.00 to \$7.00 as short sellers were scrambling to minimize their losses. Then, when delivery day arrived, the pressure was suddenly gone. The rumor at the time was that Buffett allowed the short sellers as much as six months to make delayed deliveries in return for a cash payment of 50 cents per ounce—a penalty of more than 8% of the price at which they sold the contracts.

Last week, after the COMEX April Gold Options expired on March 28, there was not a surge of deliveries of registered gold inventories out of COMEX warehouses to fulfill call options that were “in the money” However, Turk discovered that there were 17,738 Exchange of Futures for Physicals contract transactions between March 29 and March 31 for delivery in June 2017. This is an extraordinary quantity representing 1,773.800 ounces of gold. Figure that the short sellers probably had to kick in cash of \$5-10 per ounce to postpone delivery by two months.

What this means is that an immediate supply squeeze in the gold market ended up being pushed into the future and the short sellers coughed up millions of dollars. But, this supply squeeze will simply come up once again two months from now.

The size of this liability represents 1-2 weeks of worldwide new mine output. The short sellers certainly don't enjoy having to pay out cash, taking a loss in the process. They would much rather find physical metal sometime before late May in order to deliver it to close out the contract.

Therefore, we will not necessarily have to wait seven more weeks to see the price of gold and silver shoot upward. I have already made a forecast of a more than 50% likelihood that gold will top \$1,300 and silver \$20 by the end of April. And, if I am wrong, it will still happen anyway later on. Then prices will tend to keep on rising.

If you don't yet own your bullion-priced physical gold and silver, I think prices today may be about as attractive as they will be from now into the future. Contact us today.

State And Local Government Unfunded Liabilities Are Straining Budgets

Three weeks ago, the Finance department of Ingham County government, where Lansing, Michigan is located, went public with the disclosure that rising payments to cover prior fiscal years' unfunded liabilities for employee pensions and retiree health care benefits were rising so quickly that

drastic budget cuts elsewhere were needed.

The initial proposal to cover part of the looming shortfalls was to consider leaving county jobs unfilled after existing staff retired or went to other employers. This idea was quickly shot down, but now the public is more aware that more than 10% of the County's operating budget will soon be used to partially pay off these past unfunded liabilities. If not through staff attrition, something else will have to give.

Last week, Lansing's mayor released his fiscal year 2017-2018 Executive Budget Recommendations. Although the amounts for payments for past unfunded liabilities were not disclosed, from details in recent budgets I project that the catch-up payments should be \$30-40 million higher than proposed in this budget. In a total budget of just over \$207 million, extra payments of this magnitude call for drastic cuts elsewhere.

Today I sent a letter to the mayor and each member of the city council outlining a net reduction of \$31.5 million in expenditures for this budget. In making the cuts I looked for three possibilities

- ⇒ Eliminate all city functions where these were already being provided by the private sector,
- ⇒ Reduce department budgets back to fiscal 2015-2016 levels, or
- ⇒ Reduce overstaffing to the levels of other large US cities.

These cuts would eliminate 200 city employees from a budget of 867 staff. In selling off some city assets, the government would generate some one-shot cash flow plus increase the city property tax base in future years.

My suggestions do not go far enough to what might be needed for the city to pay off its unfunded liabilities within the next 10 to 12 years. But, implementing any of them would achieve more than what the mayor and city council have done since they received a report three years ago about the massive extent of these unfunded liabilities (the second highest total in Michigan, exceeded only by Detroit) that also recommended financial solutions. Stay tuned.

By the way, these fiscal woes not only affect the federal government, Ingham County, and the city of Lansing. Just about every state, county, municipal, and government school district budget is facing some level of unfunded liabilities.

Silver and Silver Coins

Silver closed on the COMEX today at \$18.16, down a modest 28 cents (1.5%) from last month.

Although sales of US **Silver Eagle Dollars** (15.9%) are down significantly year-to-date compared to year earlier levels, sales of lower premium products such as US **90% Silver Coins** (3.8%) and **100, 10, and 1 Oz Ingots** (5.2%-6.3%) have seen a resurgence in US de-

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.

mand in the past few weeks. While demand for physical silver has been solid all along in China, India, and much of Europe, American demand for bullion gold and silver fell significantly starting about mid-December 2016 until mid-March.

Why the change? Part of it has been the recent decline in the premium for US 90% Silver Coins, where you can now purchase it at more than a \$2 per ounce discount to buying silver in the form of Silver Eagle Dollars.

Part may also be that more people are realizing the instability of paper assets such as stocks, bonds, and currencies and that silver's price outperformed the Dow Jones Industrial Average, Standard & Poors 500, NASDAQ, and Russell 2000 US stock indices over the past 15 months.

While there will always be occasional price pullbacks over time, I think right now is as close to the bottom silver price as we may ever again see. Don't wait any longer for "the right time" to buy. The right time to buy is now, even if prices may dip slightly before they go higher. What matters is that you bought at today's levels and not in the future when I foresee the price of silver being several times what is now is.

Gold And Gold Coins

Gold ended on the COMEX today at \$1,245.50, a slight drop of \$3.50 (0.3%) from five weeks ago.

Right now, just about every form of bullion-price gold and silver coins and bars is available for immediate to quick delivery at reasonable premiums. In fact, there has been enough liquidation of pre-2017 dated coins in sufficient

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quantities that some of these products can be purchased at lower premiums than in years past. Unfortunately, that means that if you want 2017-dated coins you will likely have to pay a bit extra.

My low premium favorites continue to be the US **American Arts Medallions** (2.8%), the Austria **100 Corona** (2.2%), and the Mexico **50 Pesos** (2.3%).

At the huge Baltimore Spring Expo last week, LCS Chief Numismatist Allan Beegle and Numismatist Matt Foltz scooped up some **Choice Mint State-63 \$2.50 Indian Gold Quarter Eagles** at a great money-saving price. Like most other Pre-1934 US Gold Coins, these are available today at their lowest premiums above gold value at any time this century. See our enclosure.

Correction Of Data In March 2017 Issue

In the March 1, 2017 issue of *Liberty's Outlook* I made a mistake in calculating the total debt and unfunded liabilities of the US government as of September 30, 2016, end date of its most recent published financial statements.

The error was in trying to separate the net present value as of September 30, 2016 of the unfunded liabilities for Social Security and Medicare. The federal government's financial statements do not disclose these figures, which they would have been required to do if it were a private sector entity subject to generally accepted accounting principles.

What the federal government's financial statements do report, in an accompanying note and not within the actual balance sheet, is a 75-year projection of the net present value of future tax collections and payments for Social Security and Medicare. This note claims that the total net present value of these programs is a deficit of \$46.7 trillion.

That is not the true figure of the net unfunded liabilities as of September 30, 2016 as I realized last month. From this figure you have to add back what will be the future tax collections and the future increases in liabilities.

There are three components of this note that need to be adjusted to the \$46.7 trillion. First, back out all future tax collections. Second, eliminate the future liabilities of people who have not yet entered the workforce as of September 30, 2016. I did accurately back out both of these amounts.

However, the third adjustment would be to back out the future increases in liabilities for people who are already in the workforce as of September 30, 2016. In the federal government's note, this information is commingled with the existing liabilities as of

The Month

Gold Range	55.50	4.4%
Net Change	-3.50	
Silver Range	1.56	8.5%
Net Change	-0.28	

Gold/Silver Ratio	68.6	
Net change	+0.9	

Platinum Range	81.00	8.0%
Net Change	-59.00	

Platinum/Gold Ratio	0.77	
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Date	Gold	Silver	Platinum
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Mar 01	1,249.00	18.44	1,018.00
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Mar 02	1,232.00	17.70	978.00
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Mar 03	1,225.50	17.69	994.00
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Mar 06	1,224.50	17.72	978.00
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Mar 07	1,215.00	17.49	961.00
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Mar 08	1,208.00	17.21	943.00
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Mar 09	1,202.50	16.99	937.00
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Mar 10	1,200.75	16.88	938.00
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Mar 13	1,202.50	16.93	941.00
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Mar 14	1,202.00	16.88	939.00
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Mar 15	1,200.00	16.88	936.00
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Mar 16	1,226.50	17.29	958.00
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Mar 17	1,229.75	17.37	963.00
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Mar 20	1,233.50	17.42	968.00
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Mar 21	1,246.00	17.55	971.00
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Mar 22	1,249.25	17.54	962.00
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Mar 23	1,247.00	17.56	963.00
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Mar 24	1,248.25	17.72	968.00
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Mar 27	1,255.50	18.08	969.00
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Mar 28	1,255.25	18.22	957.00
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Mar 29	1,253.50	18.23	952.00
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Mar 30	1,245.00	18.18	955.00
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Mar 31	1,247.25	18.23	952.00
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Apr 03	1,250.75	18.19	958.00
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Apr 04	1,255.00	18.30	964.00
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Apr 05	1,245.50	18.16	959.00
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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.

September 30, 2016 as a single line item. I suspect this commingling is done deliberately so as to avoid revealing the exact data for unfunded liabilities as of the financial statement date.

In last month's analysis, I did not back out any of these increases for liabilities that would come up after September 30, 2016. That means that my calculation of total unfunded liabilities as of that date for Social Security and Medicare of \$114.9 trillion was too high.

Since this third figure was not listed on a separate line in the federal government's note to the financial statements, I constructed my own calculation of how much of the total line of liabilities for workers in the workforce at September 30, 2016 was owed as of that date and how much would be added later.

To do this, I used data from the Bureau of Labor Statistics of the breakdown of the workforce by age groups (16-17, 18-19, 20-24, 25-34, 35-44, 45-54, 54-61, 62-64, 65+). I then assumed that older workers, on average, earned 10% higher compensation than younger workers. I mathed out for the number of people in each age group as a percentage of the total workforce and then allocated the percentage that each age group that had performed of their likely working career by September 30, 2016.

The bottom line of this allocation calculation was that a bit more than 55% of the total net present value of liabilities for workers under the ages to collect Social Security and Medicare who were in the workforce as of September 30, 2016 was owed as of that date. Along with the other adjustments, the corrected figure of unfunded liabilities as of September 30, 2016 mathed out to \$76.5 trillion instead of the \$114.9 trillion I stated last month.

However, since I did approximate calculations, there is a margin of error in deriving this number. So, I figure that the correct total unfunded liabilities as of September 30, 2016 ranges somewhere from \$67 trillion to \$87 trillion. When you add the total liabilities of almost \$23 trillion as listed on the September 30, 2016 balance sheet, that indicates that the federal government is in the hole somewhere between \$90 trillion and \$110 trillion, not the \$135 trillion I stated last month.

This corrected calculation also means that the federal government is going further in the hole about \$500 billion dollars per month rather than \$900 million as I posited last month.

With this correction as to the amount of unfunded liabilities, I would like to point out that three parts of my analysis are still right on target:

- 1) The total unfunded liabilities for Social Security and Medicare as of September 30, 2016 are much higher than the total listed in the federal government's note to its financial statements.
- 2) The federal government has no way that it will ever be able to pay off the debt and unfunded liabilities in dollars of today's purchasing power.
- 3) Therefore, the federal government is destined to raise taxes substantially in the future, to borrow much greater amounts, or to inflate the money supply to destroy the value of the US dollar—and likely all three of these measures.

So, I apologize for the math error, but the analysis and implications of last month's discussion are still valid.

Liberty Coin Service Computer Quotes 2PM EDT 4.5.17

Spot Prices

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,307.50	1307.50	4.9%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	673.00	1346.00	8.0%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	346.00	1384.00	11.0%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	142.00	1420.00	13.9%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,307.50	1307.50	4.9%
*U.S. 1 Oz Medallion	10	1.0000	1,281.50	1281.50	2.8%
*U.S. 1/2 Oz Medallion	10	0.5000	642.00	1284.00	3.0%
*Australia 1 Oz Kangaroo	10	1.0000	1,303.75	1303.75	4.6%
*Austria 100 Corona	10	0.9802	1,248.75	1273.97	2.2%
*Austria 1 Oz Philharmonic	10	1.0000	1,293.75	1293.75	3.8%
*Canada 1 Oz Maple Leaf	10	1.0000	1,289.00	1289.00	3.4%
*Canada 1x25 Maplegram	10	0.8039	1,130.25	1405.96	12.8%
*China 30 Gram Panda	10	0.9646	1,289.00	1336.31	7.2%
*China 1 Oz Panda	10	1.0000	1,332.50	1332.50	6.9%
*Mexico 50 Peso	10	1.2057	1,537.50	1275.19	2.3%
*S. Africa Krugerrand	10	1.0000	1,291.25	1291.25	3.6%
*1 Oz Ingot	10	1.0000	1,282.75	1282.75	2.9%
*Austria 1 Ducat	10	0.1107	150.70	1361.34	9.2%
*British Sovereign	10	0.2354	316.50	1344.52	7.9%
*France 20 Franc	10	0.1867	249.25	1335.03	7.1%
*Swiss 20 Franc	10	0.1867	249.75	1337.71	7.3%
\$20 Liberty BU	10	0.9675	1,335.00	1379.84	10.7%
\$20 St Gaudens BU	10	0.9675	1,335.00	1379.84	10.7%
\$20 Liberty Extremely Fine	10	0.9675	1,315.00	1359.17	9.0%
\$10 Liberty Extremely Fine	10	0.4838	660.00	1364.20	9.4%
\$10 Indian Extremely Fine	10	0.4838	695.00	1436.54	15.2%
\$5 Liberty Extremely Fine	10	0.2419	345.00	1426.21	14.4%
\$5 Indian Extremely Fine	10	0.2419	395.00	1632.91	31.0%
\$2.50 Liberty Extreme Fine	10	0.1209	290.00	2398.68	92.4%
\$2.50 Indian Extreme Fine	10	0.1209	260.00	2150.54	72.5%
*U.S. 90% Silver Coin	1,000	715	13,515.00	18.90	3.8%
*U.S. 40% Silver Coin	1,000	295	5,575.00	18.90	3.8%
*U.S. Circulated Dollars	1,000	760	18,750.00	24.67	35.5%
*U.S. Silver Eagles	1,000	1,000	21,110.00	21.11	15.9%
*Canada Silver Maple Leaf	1,000	1,000	20,400.00	20.40	12.0%
*100 Oz Silver Ingot	10	100	1,916.00	19.16	5.2%
*10 Oz Silver Ingot	100	10	193.60	19.36	6.3%
*1 Oz Silver Ingot	1,000	1	19.36	19.36	6.3%
*1 Oz Platinum Ingot	10	1.0000	1,031.00	1031.00	7.0%
*U.S. 1 Oz Platinum Eagle	10	1.0000	1,107.00	1107.00	14.8%
*Canada Palladium ML	10	1.0000	869.00	869.00	7.0%

Gold:	\$1,246.50
Silver:	\$18.21
Platinum:	\$964.00
Palladium:	\$812.00

Notes from Liberty

By Allan Beegle
LCS Chief Numismatist

Sales volume in March almost exactly matched that of the month before and was slightly down from March 2016. Once again, rare coins and collectibles were solid while demand for bullion-priced precious metals lagged.

As expected, last months offering of the Better-Date Very Choice Mint State-64 \$5.00 Liberties sold out quickly. To our mild surprise, our offer of the 2017 Canada \$5.00 Silver Lynx bullion-priced coins did not completely find new homes. The items listed in this column almost all sold out. I guess the implication is that, right now, rarities sell while bullion-priced items are less in favor with American buyers right now.

The past month or so has been exceptionally busy for us. We bought several awesome coin collections. We have selected the elite coins from among these collections to offer them in our **Beautiful Numismatic Rarities** flyer.

From another customer we purchased the **Finest Known Surviving Paper Money Rarity** from the early 1900s issued for a small-town bank in Polson, Montana. The existence of only two other Series 1902 Plain Back \$20 National Currency issues had been recorded discovered for this bank in the *National Bank Notes* catalog; from where a small quantity of \$10 notes are also known.

Four weeks ago, LCS Communications Officer Pat Heller flew to Orlando to "walk the floor" at the American Numismatic Association National Money Show. Although he did not take much inventory, his sales exceeded what he spent in his hunt for bargain rarities.

Then LCS Inventory Manager staffed the LCS booth at the Lansing Coin Club Show. Last week, I flew to Baltimore with LCS Numismatist Matt Foltz to

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

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 Trading Desk Hours (Eastern): Mon-Fri 9:30AM-6PM, Sat 10AM-2PM

Coins, Rolls and Sets

U.S. 10 pc Gold Medallion Set, 1980-1984, BU	\$10,805
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20	\$665
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20	\$885
U.S. Peace Dollar, Brilliant Uncirculated Roll/20	\$565

Gold:	\$1,246.50
Silver:	\$18.21
Platinum:	\$964.00
Palladium:	\$812.00

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,380	1,455	1,895
U.S. \$20.00 Liberty	1,445	1,710	2,740
U.S. \$10.00 Liberty	800	1,135	2,620
U.S. \$5.00 Liberty	480	690	1,820
U.S. 4 pc Indian Gold Type Set	3,500	5,065	12,835
U.S. 4 pc Liberty Gold Type Set	3,065	3,930	7,740
U.S. 8 pc Gold Type Set	6,505	8,845	20,125
U.S. Morgan Dollar (Pre-1921)	58	71	138
U.S. Peace Dollar	41	52	119

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.

attend the huge Spring Expo, where we had luck finding a moderate quantity of bargain-priced **Choice Mint State-63 \$2.50 Indian Quarter Eagles**. We took advantage of some temporary weakness in Pre-1934 US Gold Coin prices to snap up some beautiful pieces that we can offer for less than 20% of what they sold for at the last major market peak.

To top off our recent travels, Pat hosted the LCS booth last weekend at the Kalamazoo Numismatic Club show.

If you are looking for quality rarities, you are at the right place. Unfortunately, many pieces offered here are one-of-a-kind.

As I remind you every month, please review the enclosed offers. Then quickly call our **Trading Desk toll-free at 800-527-2375** to check if the items are still available and to confirm your order.

There are other interesting bargains we have just picked up. You are welcome to stop by our store to view many items. Or you can visit our website at www.libertycoinservice.com to view photographs of the pieces offered below:

Awesome Quality 1961-D D Over Horizontal D Lincoln Cents: I don't ever recall having any specimens in our inventory before Pat brought back from the Kalamazoo show three lovely specimens certified by ANACS. The Superb Gem Mint State-66 Red coin is one of the finest ever certified by any grading service. You can own it for \$139, which is far less than the

\$399 price quoted on eBay for a PCGS-certified example. Similarly, our two Gem Mint State-65 Red specimens also certified by ANACS are priced at a money-saving \$45.

Beautiful Gem MS-65 1937 Antietam Commemorative Half Dollar:

This commemorative silver half dollar was issued for the 75th anniversary of the September 17, 1862 bloodiest one-day battle in American military history. While this Civil War battle is considered a draw, it did drive Confederate forces commanded by General Robert E. Lee from Maryland. It allowed President Lincoln to proclaim a victory that he desperately needed for him to then issue the Emancipation Proclamation.

This particular specimen is about the most beautiful PCGS-certified Gem Mint State-65 example you could hope to find. It may well be graded higher if resubmitted to the grading service. Any circulated Antietam would cost you at least \$500, but this catalogs in MS-65 grade in *Coin Values* for \$625. If you ever wanted to own an Antietam, buying this one at \$615 would be the coin you want.

Stunning Extremely Fine-40 1814 Bust Half Dollar:

While not a scarce date, it is definitely not common. The 1814 has the third lowest mintage of any year from 1808 through 1838.

I don't mean to sound repetitive, but for the accurate technical grade of this PCGS-certified coin, it is beautiful and sure to please just about every fussy collector.

There are two things I need to mention about this coin, however. First, shortly before this coin blank was placed in coin press, the dies were squeezed together without any coin blank present. As a result, each side of the die picked up part of the design of the opposite side, which then appears on the subsequent coins struck with those dies. There are several places that may appear to be scratches but they are actually caused by the "clashed dies." In fact, upon close inspection you can literally read some of the letters from the E Pluribus Unum ribbon on the reverse below Liberty on the obverse of this coin.

Second, catalog values on this coin are way too low. It lists in *Coin Values* at \$500. No specimens of this grade that have appeared in major auctions we track over the past year have sold that cheap. Our price of \$675 for this coin is still less than what other specimens have sold in recent auctions.

NGC-Certified Gem MS-65 Full Bands 1920 Mercury Dime:

PCGS and NGC together over the past 31 years have only certified 373 MS-65 Full Bands 1920 Mercury Dimes and a mere 242 in all higher grades combined. This coin is well-struck, flashy, and has almost solid white surfaces.

Coin Values and PCGS Retail Catalog both list this coin at \$450, which is only slightly higher than what some dealers are quoting to other dealers as a wholesale price. You can own this one for \$429.

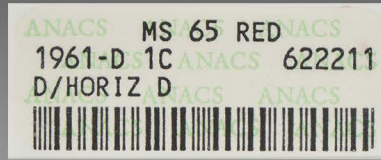
Low Mintage Very Choice About Uncirculated-58 1860-S Gold Dollar:

At the San Francisco Mint in 1860, a paltry 13,000 Gold Dollars were minted. Since 1986, PCGS and NGC combined have certified a meager 281 pieces in all circulated and Mint State grades combined, of which just 72 are of higher quality than this specimen!

We could find only one AU-58 specimen that appeared in major auctions over the last 18 months. This NGC-certified specimen has needle-sharp details. It may technically have never entered circulation, but received just the tiniest hint of circulation during the past 157 years of storage.

This is easily the highest quality example of this date any of us ever remember having in stock. It catalogs in *Coin Values* at \$1,600 and in the PCGS Retail Catalog at \$1,550. You can own this one for \$1,195.

1961-D Over Horizontal D Lincoln Cent



MS66 RD ANACS Certified - \$139

MS65 RD ANACS Certified - \$45



Antietam **50C**
PCGS MS65
Series: 100 Coin: 4
9229.65/21405733



1937 Antietam Commemorative Half Dollar
MS65 PCGS Certified - \$615



1814 50C
PCGS XF40
6105.40/20965992



1814 Capped Bust Half Dollar EF40
PCGS Certified - \$675



1920 Mercury Dime MS 65 FB
NGC Certified - \$429



1860-S Gold Dollar AU58
NGC Certified - \$1,195

Bargains In U.S. Gold Coins!

Choice Mint State-63 \$2.50 Indians!



To: All Clients

From: Allan Beegle, LCS Chief Numismatist

Date: April 3, 2017

President Theodore Roosevelt was not a fan of the silver coin designs created by U.S. Mint Engraver Charles E. Barber. The president wanted coins that proclaimed the distinctive spirit of rising America. But Roosevelt also knew that Barber did not welcome “outsiders” creating designs for new American coinage. That is why the president persuaded his friend, the famous sculptor Augustus Saint Gaudens, to relocate to France to create in secret new designs for the \$10.00 Gold Eagle and the \$20.00 Gold Double Eagle. Saint Gaudens died before these coins reached regular production at the Mint in 1907, so he was not able to wrangle with Barber over the artistic changes the latter made to his stunning coin designs.

The Only Circulating US Coins With Incuse Designs

Close to the beginning of 1908 Dr. William Sturgis Bigelow, a close friend of Roosevelt, proposed to the president that a new design for the \$2.50 Quarter Eagle and \$5.00 Half Eagle gold coins be created. Instead of the previous pattern where the design elements of all US coins rose from the surface of the coin, he recommended that the designs instead be pressed down into the surface. This is identified as an incuse design. These two coin series are the only circulating US coins ever struck with incuse designs.

When Roosevelt approved the concept, Bigelow persuaded Boston sculptor Bela Lyon Pratt (who had been a pupil of Saint Gaudens) to prepare models for the new coins. On the obverse he depicted a Native American as the required symbol of Liberty, where the name and tribe of the model are unknown. On the reverse he created a side view of a standing eagle deliberately similar to the design Saint Gaudens had created for the \$10.00 Eagle (and also deliberately NOT like the heraldic eagle design on Barber’s silver coin designs).

Roosevelt enthusiastically approved the designs and directed that they be sent to the Mint so they could quickly go into production. However, Barber was in charge of creating the master dies. As with the gold coins designed by Saint Gaudens, Barber dragged his feet in reworking the designs in a way that washed out some of the intricate details. One negative result was that the revised eagle design does not do justice to Pratt’s original depiction of this majestic symbol of America. Because of the delays, the first coins were not struck until October 9, 1908.

By this time, the circulation of gold coins in America was diminishing. Banks sought mostly \$20.00 Double Eagles, largely to pay for imports. Many of the 1908 \$2.50 Indian Quarter Eagles were unissued and melted down. Still, modest quantities of these coins were struck each year through 1915. When banks demanded so few of the 1915 coins, most of them were also melted at the Mint. In 1925, these coins were again struck in moderate quantities through 1929. Over the 13 years of production (12 years at the Philadelphia Mint and 3 years at the Denver Mint) only 7,250,261 total specimens were struck for circulation. The mintage for the entire series is less than the number of \$20.00 Double Eagles struck at the US Mint in Philadelphia just in the year 1928!

In high Mint State Grades, \$2.50 Indians are far less common than the \$20.00 Saint Gaudens. Over the past 31 years, the Professional Coin Grading Service (PCGS) and Numismatic Guarantee Corporation (NGC) combined have certified about 118,600 \$2.50 Indians in Choice Mint State-63 and higher grades. In contrast, they have certified more than 1,580,000 of the Double Eagle Saints in the same condition! That makes high quality Saints over 13 times more common than the \$2.50 Indian.

A Fresh Bargain Purchase!

The prices of almost all Pre-1934 US Gold Coins have trended closer to the gold content in recent months than they have at almost any time thus far this century! In fact, some of the larger circulated issues are sometimes available at bullion prices. Even among the less common smaller denomination coins in high grades, prices seem almost irresistible at today's levels.

For example, take the \$2.50 Indian in Choice Mint State-63 quality. In mid-1989 when the spot price of gold was about \$362, these coins would have cost you \$2,375 each to purchase. Today, with the price of gold almost 250% higher than in mid-1989, you can purchase these coins for just \$445 apiece (versus a current *Coin Values* listing of \$525). That's a discount of more than 80% from the market peak, even with a much higher gold price now!

I should add one qualification though. At today's prices, these coins are not as easy to find as in years past.

However, there is **good news**. Last week, I attended the huge Baltimore Spring Expo along with LCS Numismatist Matt Foltz. We were able to hand-select a moderate quantity of Choice Mint State-63 \$2.50 Indians from the inventories of dealer friends at prices much lower than I have seen in years.

Because of these opportune purchases, we are able to reduce our price even more. While supplies last you can own the Choice Mint State-63 \$2.50 Indian at a the money-saving price of just \$439 each.

Bonus discount: Save \$4 per coin if you purchase five specimens! Save \$10 per coin if you purchase ten pieces!

They Probably Won't Last Long!

When our existing inventory sells out, I'm not sure if we can locate more coins to offer at these bargain prices. As a consequence, we must limit orders to ten coins. Larger orders will receive a variety of dates and mintmarks.

Act Today: Orders will be filled on a first come, first served basis. I urge you to telephone today to ensure availability and to confirm your purchase! To reserve your purchase, call us Toll-Free at **800-527-2375**. Or return the coupon below. Remember, you can use your Visa, Mastercard, and Discover charge cards to purchase these coins. For our mutual protection, all mail-order purchases paid by credit cards will be shipped only to the credit card billing address.

Sincerely,



Allan Beegle
LCS Chief Numismatist

Yes! Please ship me the Choice Mint State-63 \$2.50 Indians that I have indicated below. I understand that every coin has been independently certified by the Professional Coin Grading Service (PCGS) or Numismatic Guaranty Corporation (NGC) as well as being backed by LCS's exclusive guarantees. I may return them for a full refund for any reason within 14 days of my receipt. Limit 10 coins per order. Note: There is no postage charge for total combined purchases of \$5,000 or more.

_____ U. S. \$2.50 Indian, Choice Mint State-63, PCGS/NGC (1-4 coins)	@ \$ 439 each =	_____
_____ U. S. \$2.50 Indian, Choice Mint State-63, PCGS/NGC (5-9 coins)	@ \$ 435 each =	_____
_____ U. S. \$2.50 Indian, Choice Mint State-63, PCGS/NGC (10 coins)	@ \$ 429 each =	_____
	Postage (see Computer Quotes Page)	_____
	Total Enclosed	_____

name _____

address _____

city,state,zip _____

telephone number _____

Confirmed by phone? _____ Confirmation # _____



Beautiful Numismatic Rarities!



by Tom Coulson, LCS General Manager

It has been our pleasure to acquire some amazing collections over recent weeks. We have selected some of the most beautiful rarities for your enjoyment

Each coin in this offering has been independently certified by the Professional Coin Grading Service (PCGS) as well as meeting our fussy quality standards.

With each coin being one-of-a-kind, there is no order blank. Please **call our Trading Desk today, toll-free, at 800-527-2375 to confirm availability and lock in your order.**

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.

1855 Braided Hair Half Cent, Very Choice Mint State-64 Red and Brown, PCGS—\$1,095. This is about the most Red coin of any we have ever seen certified as “only” Red and Brown for surface color. Nice even orange color. There were only 56,500 specimens struck of this date in this short-live eight-year coin series

PCGS and NGC have certified a total of 610 MS-64 or higher 1855 Half Cents with Red or Red and Brown color, of which many have unsightly black spots and other discoloration. This specimen has almost none of these problems.

Coin Values does not catalog this series higher than MS-63 Red and Brown (\$575 for the 1855 date), but the PCGS Retail Catalog value is \$1,200. This may be the most beautiful Braided Half Cent we have ever owned.

1911 Barber Half Dollar, Choice Mint State-63, PCGS—\$950. Over the past 31 years, PCGS and NGC combined have certified just 384 examples of this date in MS-63 and nicer quality. A Morgan or Peace Silver Dollar of this rarity and beauty would probably be worth



tens of thousands of dollars.

In our consensus opinion, this coin was graded extremely conservatively by PCGS. If it were encapsulated in an MS-64 holder we would have purchased it with no qualms.

Coin Values catalogs this beauty at \$925 and the PCGS Retail Catalog is at \$875. All of the most recent PCGS MS-63 specimens that appeared in recent auctions have sold for between \$881 and \$995. This coin is so beautiful

that, at our price, it is probably the best value of all of them. Lovely white obverse with some light toning at the upper right on the reverse.

1885 Morgan Dollar, Superb Gem Mint State-66 Deep Mirror Proof-Like, PCGS—\$2,995. This is the loveliest 1885 Morgan we have ever owned! It is also one of the most beautiful of any circulation strike Morgan of any date and mintmark we have ever had in our inventory. This specimens is almost totally white, with the most noticeable area of toning above and to the right of Liberty’s ear.

In more than three decades, PCGS and NGC together have certified just 138 Deep Mirror Proof-Like 1885 Morgans in MS-66 quality and a paltry 11 more in all higher grades combined.

The two PCGS-certified examples that appeared in major auctions in 2016 both sold for more than \$4,000. It lists in the PCGS Retail Catalog for \$3,700.

Great Britain Gold Unite (20 Shillings) S-2688, King Charles I, 1630-31, About Uncirculated-50, PCGS—\$4,500.

Charles was the son of English King James I (of the King James Bible fame). He was king of England, Scotland, and Ireland from 1625 until he was beheaded in 1649.

His reign was almost completely dominated by domestic and foreign clashes. There were two English Civil Wars and constant battles over which powers belonged to the king and which to Parliament. Upon his death, Oliver Cromwell abolished the monarchy and established the Commonwealth.

Because these coins have a large diameter and are thin, many surviving specimens are damaged. Problem-free About Circulated examples are few and far between. Auctions over past 15 years in any grade for similar issues have ranged from \$800 for damaged pieces to \$250,000 for Mint State specimens. This may be the finest of any Medieval British Gold Coins we have ever handled. As with the other coins listed here, we have dealers lined up to grab this beauty if we would let them.



Finest Known Surviving Paper Money Rarity!



An Exciting Discovery Note!

In late February, a man called to ask if we could offer a strong price on a rare specimen of US paper money. We responded that we certainly could.

When he arrived at our store, the note turned out to be even scarcer than he had implied. It was a series 1902 Plain Back \$20.00 National Currency issued in 1909 for the First National Bank of Polson, Montana.

We instantly knew, before doing any research, that this would be a special note. Only 126 banks in Montana ever issued any National Currency during its years as a Territory and as a State. Of those, the most recent information we have is that there are no known surviving specimens for 29 of those banks. Every piece of National Currency issued for any Montana bank is scarce.

But, when we did our research, we found it was an even greater rarity.

Before the appearance of this note, there were only two other known \$20.00s on this bank (to go along with a handful of \$10s that survived)!

Even more exciting, the other two known specimens are of lesser quality than this piece. One survived in Fine Condition but has damage. The other graded only Very Fine-20.

The customer was pleased to accept our offer, which was higher than what the lower quality pieces had sold at auction.

The next week, I took this note to the American Numismatic Association National Money Show in Orlando. While there, I showed it to the currency dealer who has the largest collector base for Montana National Currency (he used to have his business in that state before moving to Florida).

He was excited to see the note. He readily acknowledged that he had a few customers who would immediately snap up this note if given the opportunity to do so. He made a cash offer on the spot. Although generous, it was not as high as we thought the note would sell for in auction. After I declined to part with it, he gave me his card to let him know if we ever consigned the note to auction. I then submitted this note to the Paper Money Guaranty grading service. It just came back early this week.

Rather than putting this PMG-Certified Choice Very Fine-30 treasure into an auction though, we have a better idea. You see, if we sell the note to another dealer or put it in an auction, there is almost no possibility that we could ever repurchase it.

Instead, we would rather place the note with one of our customers, where we do have the prospect of again owning this scarce note years or decades down the road.

From my conversation with this dealer and the price he offered me, I sensed that he expected to sell it for more than \$4,000 (it catalogs in Kelly's *National Bank Notes* for \$6,000). However, to give one special LCS customer the opportunity to own it, we are pricing it at just \$3,995 (Michigan residents need to add sales tax). We only ask that, when the new owner is looking to sell it, they contact us first.

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.

by Patrick A. Heller, LCS Communications Officer