

# Liberty's Outlook

2017 & 2016 NLG Awards:  
Best Dealer Publication

April 2019, Volume 25 Issue 4 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics April 3, 2019

## Federal Reserve Caves In Again, But Regular Media Ignores It!

In the announcement at the end of the Federal Open Market Committee (FOMC) meeting on December 19, 2018, Fed Chair Powell announced another 1/4% increase in the federal funds interest rate and projected that the Fed would raise this rate two more times in 2019. This action and the projection proved to be too aggressive for the US economy. US stock prices plummeted, resulting after Christmas in what almost certainly was major market manipulation organized by the US government.

So, at the conclusion of the following FOMC meeting on January 30, 2019, Powell not only announced no additional increase in the federal funds interest rate that day, the FOMC also removed any indications of further interest rate increases this year and perhaps not even in 2020.

That was a total capitulation by the Fed in reversing the plans it had announced just six weeks earlier.

Now the Fed has gone even further.

Along with a statement that, as expected, the federal funds interest rate would remain unchanged at the end of the FOMC's March 20, 2019 meeting, in an accompanying statement the Fed further caved in by making a major policy change that I warned readers of this publication 18 months ago to expect.

Here's some background.

On September 20, 2017, the Federal Open Market Committee announcement included an unusual statement in its next to last paragraph, "In October the Committee will initiate the balance sheet normalization process described in June 2017 Addendum to the Committee's Policy Normalization Principles and Plans."

Just what did that mean? Here is the shorter explanation I wrote in the October 4, 2017 issue of *Liberty's Outlook* (you can read the entire issue at <https://libertycoinservice.com/wp-content/uploads/2017/10/liberty-outlook-newsletter-october->

### 2019 Year To Date Results

Through April 2, 2019

<i>Precious Metals</i>			
Palladium	+11.8%	Great Britain Pound	-2.9%
Platinum	+6.8%	Chile Peso	-3.0%
Gold	+0.9%	Israel Shekel	-3.1%
Silver	-2.9%	Russia Ruble	-6.3%
		U.S. Dollar Index 97.35	+1.29%
<i>Numismatics</i>		<i>US And World Stock Market Indices</i>	
US MS-65 Morgan Dollar, Pre-1921	-1.6%	Shanghai Composite	+27.4%
US MS-63 \$20 St Gaudens	-2.8%	NASDAQ	+18.3%
US MS-63 \$20 Liberty	-4.4%	Russell 2000	+15.6%
		Standard & Poors 500	+14.4%
<i>US Dollar vs Foreign Currencies</i>		Dow Jones Industrial Average	+12.2%
Argentina Peso	+14.5%	Frankfurt Xetra DAX	+11.3%
Sweden Krona	+5.1%	Dow Jones World (excluding US)	+10.7%
Euro	+2.3%	Australia S&P/ASX 200	+10.6%
Denmark Krone	+2.3%	London FT 100	+9.9%
South Korea Won	+2.2%	Sao Paulo Bovespa	+8.5%
Switzerland Franc	+1.6%	Nikkei 225	+7.5%
Japan Yen	+1.5%		
Taiwan Dollar	+0.9%	10 Year US Treasury Note interest rate	
Philippines Peso	+0.5%	2.478%	-7.68%
Hong Kong Dollar	+0.2%	<i>Energy and Other Metals</i>	
Australia Dollar	-0.3%	Crude Oil, Brent	+29.4%
Singapore Dollar	-0.6%	Nickel	+22.9%
New Zealand Dollar	-0.6%	Zinc	+17.0%
Brazil Real	-0.6%	Tin	+9.3%
India Rupee	-0.8%	Copper	+7.8%
Thailand Baht	-0.9%	Aluminum	-0.6%
South Africa Rand	-1.1%	Lead	-1.7%
Malaysia Ringgit	-1.1%	Natural Gas, Henry Hub	-9.5%
Indonesia Rupiah	-1.1%	Cobalt	-43.1%
Peru New Sol	-1.7%	<i>Metal Content Value Of U.S. Coins</i>	
Mexico Peso	-2.1%	Lincoln cent, 1959-1982	1.94¢
Canada Dollar	-2.2%	Lincoln cent, 1982-date	0.76¢
China Yuan	-2.2%	Jefferson nickel, non-silver	4.04¢
Colombia Peso	-2.9%	Roosevelt dime, 1965-date	1.83¢
		Washington quarter, 1965-date	4.58¢
		Kennedy half dollar, 1971-date	9.16¢

[2017.pdf](#)):

"As part of the tactics to manage the Great Recession, the Federal Reserve loaded up on Treasury debt and mortgages held by government sponsored entities such as Fannie Mae and Freddie Mac. The Fed's assets soared from \$900 billion before the Recession to \$4.5 trillion. The Fed's official position was that the assets would not be reduced until the economy was really recovering.

So, this part of the FOMC announcement would make it appear that the

Fed is really saying that the US economy is improving. But that is a lie that the US government wants the public to believe.

If you read the attachment to the FOMC announcement, it states that the Fed's assets will only be reduced by \$10 billion per month. At that rate, it will take 30 years to reduce assets to pre-Great Recession levels.

In financial circles that means two things: 1) it will never happen, and 2) it will never happen because the US

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economy is in much worse shape than the US government and Federal Reserve are trying to get the public to believe.”

Remember, after several years of a zero percent federal funds interest rate (also implemented to try to end the Great Recession), the Fed began raising the interest rate in December 2015, claiming that the US economy was finally recovering from the Great Recession of 2007-2009. The move to normalize (reduce) the Fed’s balance sheet was another supposed indicator of a recovering economy. However, even with all the supposed positive economic news over the past decade, the US economy, in my judgment, was far from as strong as the politicians, bureaucrats, and many in the media were trying to assert.

After the Fed’s October 2017 announcement that it would reduce its balance sheet by \$10 billion per month, it eventually raised the reduction to \$60 billion monthly, another pretense that the US economy was strong. With the announcement two weeks ago, Fed stated it would cut the reductions to \$15 billion per month in May, then cease further reductions in September.

As this “normalization program” ends, the Fed’s balance sheet will have just under \$4 trillion in assets.

As I predicted in 2017, the Fed was never going to succeed at cutting its assets back to \$900 billion. Now, just 18 months after stating it would do so, the Fed has capitulated and announced an end to this program.

Federal Reserve Bank of San Francisco President Mary Daly in early February told reporters that the Fed was likely to resume quantitative easing (meaning inflation of the money supply) as a routine action rather than continuing the Fed’s current policy that this action should only be considered in an emergency.

When you couple her statement along with the recent Fed announcement that it will end its program to normalize its balance sheet, you can

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read between the lines:

**While trying to avoid doing so, the US government is admitting that the US economy is more precarious than being publicly stated. Further, the government is preparing to ramp up inflation of the money supply, which is guaranteed to knock down the purchasing power of the US dollar.**

The regular US media either didn’t understand the importance of this announcement or were cooperating with the federal government in trying to hide this admission by neglecting to inform the public of this policy change.

**The US government now admits that the US economy is not strong and is preparing to ramp up inflation of the money supply. In my mind, there is no clearer signal that now is time to acquire and hold some bullion-priced physical gold and silver as protection against the coming decline in the value of the US dollar.**

## What Else Is Going On?

There were three developments at the end of last week that people need to understand.

**1. The postponement of Brexit.** Last Friday, the United Kingdom was scheduled to leave the European Union. This was supposed to be a “hard date” that the event would occur, whether or not the government of the United Kingdom and representatives of the European Union had reached an agreement on terms of the separation.

Members of the British Parliament House of Commons had rejected a tentative agreement and other proposed plans before March 29. Exactly what may happen next is right now up in the air.

British Prime Minister Theresa May is seeking a delay until May 22, right before the European Union elections occur on May 23-26, to come to an acceptable agreement between the UK and the EU for a new exit date of May 22.

Today, European Union President Jean-Claude Juncker set an “ultimate deadline” of April 12 for the British Parliament to approve a withdrawal agreement. He said, “If it has not done so by then, no further short extension will be possible. After 12 April, we risk jeopardizing the European parliament elections, and so threatening the functioning of the European Union.”

The magnitude of this political uncertainty about what will unfold in the near future could risk a major negative economic impact worldwide. In times of great uncertainty, a typical reaction is an increased demand by people to own bullion-priced physical gold and silver. Such a development, barring major price suppression efforts, would normally result in significant price increases for precious metals.

**2. Bank for International Settlements changes bank gold holding valuations.**

## Patrick A. Heller’s Upcoming Speeches and Appearances

**Next week, Lansing, Michigan.** “Fun With Money” presented to classes at Gier Park Elementary School. Not open to the general public.

**April 13, 2019, East Lansing, Michigan.** Boy Scout Troop 2 Coin Collecting Merit Badge Workshop. Not open to the general public.

**June 19-20, 2019, East Lansing, Michigan.** “Coin Collecting For Fun & Profit” class at the 4-H Exploration Days at Michigan State University. Not open to the general public.

For more information on any event or to arrange for a presentation at schools, senior citizen groups, coin clubs, Scout organizations, fraternal or business organizations, call 800-933-4720 or email him at [path@libertycoinservice.com](mailto:path@libertycoinservice.com).

On March 29, the Third Basel Accord finally became effective, following a six-year implementation delay. The Basel Accord is a global, voluntary standard for bank capital adequacy and market liquidity risk that was created to strengthen bank capital requirements (greater liquidity and lesser leverage).

The Federal Reserve has classified the eight largest banks in the US (significantly important financial institutions) as being required to meet the Third Basel Accord standards.

The standard for banks as of March 29 effectively requires them to hold 7% common equity in relation to risk-weighted assets instead of the former 4.5% requirement.

Assets considered to be Tier 1 level in determining if the bank has sufficient liquidity to withstand a financial downturn include cash and the debt of major governments at 100% of face value. Assets classified as Tier 1 are those that can be quickly liquidated to meet short-term liquidity needs.

Previously, gold was a lower tier asset that could only be counted at 50% of its current value for liquidity purposes. But, one of the changes on March 29 is that physical gold is now a Tier 1 asset that can be valued at 100% of current value.

What this means is that now large banks will be more willing to hold gold assets because their full value will count towards meeting these higher liquidity requirements.

**3. End of calendar quarter “window dressing.”** At the end of each quarter, major financial institutions are required to issue financial reports. Since most of these entities have a calendar fiscal year, they would be required to “mark-to-market” their assets and liabilities as of

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the last trading day of the quarter, being March 29 this time around.

There was a problem for many major banks as this end of the quarter approached. The price of gold closed on the US COMEX at \$1,322.50 on Monday, March 25. At that price level, a high percentage of the gold derivatives contracts overseen by the Bank for International Settlements (almost certainly in excess of \$1 trillion in value) were in a loss position, where banks and brokerages would have to show these losses in their quarterly financial statements.

These financial institutions didn't really need to worry though. It looks like the US government, in cooperation with the BIS, managed to knock down the price of gold almost \$30 per ounce between the COMEX closes on Monday and Friday last week. This would have improved the bottom lines of the major banks and brokerages almost certainly into the billions of dollars from what they faced on March 25.

By the way, these same institutions were also in similar loss situations with their silver derivatives contracts. The price of silver on the COMEX last Friday closed about 3% lower than it was just four days earlier.

When sudden declines in gold and silver prices occur, such as occurred last week, other market investors often go along for the ride and increase their short paper positions.

One side effect of this drop in the prices of gold (and to a lesser extent silver), is that the banks subject to the Third Basel Accord can now add to their gold holdings at a lower price. The parties who will be stuck scrambling to find the physical metal are the other investors who were duped into selling short paper contracts.

**Summary.** Amidst all this turmoil, some generalizations may be drawn. One is that any time the price of gold is near or below \$1,300 and silver is near or below \$15, that is almost certainly a good time to purchase bullion-priced physical precious metals. These targets may not hold longer than a few months, but are good signals right now.

## The Negatives Of Precious Metals IRAs

Over the past 15 years or so, I have written about the risks and limitations about using a self-directed Precious Metals Individual Retirement Account (IRA) as a means for owning physical precious metals. It has now been enough years since I last did so that it makes sense to again review the negatives.

1. A Precious Metals IRA is a tax-deferred account. Physical precious metals are tax-deferred assets, meaning you do not realize and pay income taxes on gains in value until you actually sell them. It does not make conceptual sense to put a tax-deferred asset into a tax-deferred account. An IRA is far more suitable for holding assets that generate periodic income such as dividends and interest.

2. Establishing a Precious Metals IRA requires retaining an independent trustee and storage facility. There are costs associated with both of these, just about guaranteed to be higher than if you arranged for storage in your own safe, safe deposit box, or vault storage.

3. The forms of physical precious metals you may hold in a Precious Metals IRA are limited—and usually not the lowest premium forms to own. For example, prohibited physical gold forms are the low-premium Austria 100 Coronas, Mexico 50 Pesos, and US American Arts Medallions. In physical silver products, a Precious Metals IRA cannot own the low premium US 90% or 40% Silver Coins.

4. The process of selling assets in a Precious Metals IRA takes more time and is more onerous than selling the same assets if owned directly. It would take longer to gain access to cash from selling such assets.

5. Many people want to have their ownership of physical precious metals to be kept confidential. If held through a Precious Metals IRA, however, the United States government would receive a report every year as to the existence of the account and the approximate value of its assets. The coin dealer handling Precious Metal IRA purchases and sales is required to fully document such transactions, meaning this business would also have information on the financial activities of your Precious Metals IRA.

6. Most assets held in a Precious Metals IRA are placed into lower-cost unallocated storage, which can have its own problems in being able to reclaim the same dates and mintmarks as originally purchased. There are also instances of vaults receiving counterfeit products, where they refuse to accept liability for accepting them. For some specific examples of such problems, refer to my September 17, 2015 NumismaticNews.net column posted at <https://www.numismaticnews.net/article/avoid-problems-with-precious-metals-iras>. Since the owner of a Precious Metals IRA is not allowed to take delivery of assets purchased for the account, he or she is unable to verify the authenticity of them upon original receipt.

7. Nations such as Argentina, Hungary, Ireland, Poland, and Spain have already seized private retirement account assets. Proposals

## 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>
	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	40%	35%	25%
Silver	60%	55%	50%
Rare Coins	0%	10%	25%
TOTAL	100%	100%	100%

\*Platinum and palladium both have volatile markets with long-term supply/demand fundamentals that are not as attractive as those for gold, silver or rare coins. While either or both might outperform gold, silver, or rare coins in the short- to long-term, to be conservative we have omitted them from our allocation.

for the US government to seize private retirement account assets, replacing them with US government bonds or other subterfuges, have been advocated during the administration of Democrat presidents since President Clinton's term.

People such as *Forbes* editor-in-chief Steve Forbes (in the October 7, 2013 issue, for instance) and commodity guru Jim Rogers have predicted that the US government will eventually seize all private retirement account assets (which includes Precious Metals IRAs) for the simple reason that such accounts hold more than \$10 trillion in value. There is no other option where the US government could suddenly take possession of so much asset value, especially under the guise of "protecting the public's retirement assets."

*By the way, the massive amount of assets in private retirement accounts is the main reason why I do not expect the US government to ever "confiscate" or repeat the 1933 fully-compensated mandatory gold redemption program. Because Americans were pretty much prohibited from owning gold from 1933 to 1974, there just are not enough ounces of gold that the government could recover to come anywhere close to the value of assets in the private retirement accounts.*

Almost all coin dealers, including Liberty Coin Service, are willing to sell merchandise into a Precious Metals IRA upon request. In fact, some coin dealers specialize in marketing to such customers. The main attraction

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for dealers to do so is that often such customers have in their regular IRAs the most funds available for such acquisitions. Thus, by making larger sales, dealers can realize higher profits—even if it is not the best option for the customer. Long-time customers of LCS and readers of this publication are aware that our orientation is to earn income by looking out for the best interests of our customers.

There could be some circumstances where a Precious Metals IRA might be the only practical option for someone to own precious metals, at least temporarily. Before going this route, though, be sure to consider the risks and limitations listed above. Some people considering such an arrangement may find it more cost-effective and practical to instead purchase shares in a precious metals exchange-traded fund (ETF), which would also have a number of risks, limitations, and possible negative tax consequences that would need to be considered.

### Ultimate Quality Rare Coin Prices Are Strong

A trend has been developing over the past couple of years for prices of the very highest quality rare US coins to sell for ever soaring prices. This trend seemed to accelerate in a major auction late in March.

There, multiple pieces of ultimate quality five-and six-figure coins were selling at prices two to four times what had been projected by the auction company.

In market cycles, there are times when “trophy” coins—those rarities of exceptional notoriety or of ultimately high quality—are on the rise or are retrenching. There have been some extremely wealthy people who have assembled some awesome collections over the past decade or so. One such individual has gone so far as to become part-owner of a major national coin dealer to gain greater access to this market niche.

In general, these markets are influenced by a small number of collectors who can afford such treasures. For that reason, I am not normally comfortable recommending the ownership of such coins. I consider it safer to own beautiful coins that have a much wider collector base.

Having said this though, I think the market for trophy coins still has room to rise for at least the next 1-2 years. That was part of my thought process this month in LCS being able to offer the **Finest Known Surviving Type 1 Buffalo Nickel**, a simply amazing coin that grades

### The Month

Gold Range	34.50	2.7%
Net Change	-6.25	
Silver Range	0.60	3.9%
Net Change	-0.27	
Gold/Silver Ratio	85.7	
Net change	+1.1	
Platinum Range	42.00	5.0%
Net Change	+37.00	
Platinum/Gold Ratio	0.67	

Date	Gold	Silver	Platinum
Mar 12	1,296.25	15.33	832.00
Mar 13	1,308.75	15.38	841.00
Mar 14	1,293.50	15.10	827.00
Mar 15	1,303.00	15.25	831.00
Mar 18	1,301.50	15.25	834.00
Mar 19	1,306.50	15.30	852.00
Mar 20	1,301.75	15.24	859.00
Mar 21	1,307.25	15.37	861.00
Mar 22	1,312.25	15.35	848.00
Mar 25	1,322.50	15.52	857.00
Mar 26	1,315.00	15.37	859.00
Mar 27	1,310.50	15.24	856.00
Mar 28	1,289.75	14.92	838.00
Mar 29	1,293.00	15.06	849.00
Apr 01	1,288.50	15.05	850.00
Apr 02	1,290.00	15.02	848.00
Apr 03	1,290.00	15.06	869.00

Gold, silver and platinum quotes are working 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: -\$4.59 (Note: a negative result is unusual and likely temporary)  
Silver: +\$1.40

Current Shanghai Gold Exchange premiums tracked at [www.didthesystemcollapse.com](http://www.didthesystemcollapse.com)

Superb Gem Mint State-68+★. See our offer. If you live near our store, you may want to make a special visit soon just to examine it.

### Gold And Gold Coins

Gold settled on the COMEX today at \$1,290.0, down a modest \$6.25 (0.5%) from three weeks ago.

Products are pretty much available for immediate or short-term delivery, at reasonable premiums.

My low-premium favorites among bullion-priced gold products continue to be the **US American Arts Medallions** (1.9%), the **Austria 100 Corona** (1.8%), and the **Mexico 50 Pesos** (2.3%). The Austrian and Mexican gold coins have a disadvantage, in the public’s mind, of not containing an exact ounce of gold content. The American Arts Medallions have a disadvantage of not having legal tender sta-

tus. However, they do possess a significant privacy advantage over the Canada 1 Oz Gold **Maple Leaf** (3.5%), Mexico 1 Oz **Onza**, South Africa **Kruggerand** (3.1%), and pure Gold **Ingots** (2.9%). If these latter items are sold in large enough quantities to a dealer, that dealer will be required to send a Form 1099-B to the customer and the Internal Revenue Service with information on the date, item, quantity, and price of the transaction.

With the lower gold spot, most **US Pre-1934 US Gold Coins** have dropped in price, generally in line with the lower gold value.

Once in a while a hoard of gold coins appears that turns what was a numismatic rarity into pieces available at a bullion-related price. Just such an opportunity has now happened with the **Sydney Mint (Australia) 1870 Gold Sovereigns**. This is technically a one-year type coin. Other dealers are offering comparable quality coins at prices up to more than \$1,000, but we offer them here for well under \$400. See our flyer for details.

### Silver and Silver Coins

Silver ended today at \$15.06, a drop of 27 cents (1.8%) from last month.

Activity with most precious metals has tapered off from the first two months of 2019. As a result, pretty much all physical products are in ready supply, even the 2019-dated **US Silver Eagle Dollars** (20.5%) where the Mint ran out of inventory in early February. The premium on Silver Eagles is still somewhat elevated, but other products can be acquired at reasonable premiums.

In fact, the premium to purchase \$1,000 face value bags of **US 90% Silver Coins** (2.6%) has actually come down in recent weeks. It continues to be our top recommendation for acquiring physical bullion-priced silver. Besides the very low premium (only 39¢ per ounce above spot), it also has great liquidity, extreme divisibility (a dime contains about 1/14 of an ounce of silver), legal tender status, and older American still remember spending these coins. A few times over the past 37 years, the retail premiums for these coins have been higher than 25%, a profit potential not available with other options. Perhaps the biggest drawback for some people is they do not have exact even weights of silver content.

For those who prefer owning pure silver forms, consider **100, 10, and 1 Ounce Ingots** (5.3-6.6%), which are in current production.

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**Liberty Coin Service Computer Quotes 2PM EDT 4.3.19**

**Spot Prices**

Item	Qty	Fine Wt	Price	Cost/Oz	Premium
*U.S. 1 Oz Gold Eagle	10	1.0000	1,351.75	1351.75	4.7%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	694.50	1389.00	7.6%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	357.00	1428.00	10.6%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	146.80	1468.00	13.7%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,351.75	1351.75	4.7%
*U.S. 1 Oz Medallion	10	1.0000	1,315.50	1315.50	1.9%
*U.S. 1/2 Oz Medallion	10	0.5000	659.00	1318.00	2.1%
*Australia 1 Oz Kangaroo	10	1.0000	1,350.50	1350.50	4.6%
*Austria 100 Corona	10	0.9802	1,288.25	1314.27	1.8%
*Austria 1 Oz Philharmonic	10	1.0000	1,340.00	1340.00	3.8%
*Canada 1 Oz Maple Leaf	10	1.0000	1,336.25	1336.25	3.5%
*Canada 1x25 Maplegram	10	0.8039	1,170.75	1456.34	12.8%
*China 30 Gram Panda	10	0.9646	1,335.00	1383.99	7.2%
*China 1 Oz Panda	10	1.0000	1,380.00	1380.00	6.9%
*Mexico 50 Peso	10	1.2057	1,592.25	1320.60	2.3%
*S. Africa Krugerrand	10	1.0000	1,331.00	1331.00	3.1%
*1 Oz Ingot	10	1.0000	1,328.50	1328.50	2.9%
*Austria 1 Ducat	10	0.1107	155.20	1401.99	8.6%
*British Sovereign	10	0.2354	321.75	1366.82	5.9%
*France 20 Franc	10	0.1867	256.00	1371.18	6.2%
*Swiss 20 Franc	10	0.1867	256.50	1373.86	6.4%
\$20 Liberty BU	10	0.9675	1,360.00	1405.68	8.9%
\$20 St Gaudens BU	10	0.9675	1,360.00	1405.68	8.9%
\$20 Liberty Extremely Fine	10	0.9675	1,345.00	1390.18	7.7%
\$10 Liberty Extremely Fine	10	0.4838	680.00	1405.54	8.9%
\$10 Indian Extremely Fine	10	0.4838	710.00	1467.55	13.7%
\$5 Liberty Extremely Fine	10	0.2419	355.00	1467.55	13.7%
\$5 Indian Extremely Fine	10	0.2419	400.00	1653.58	28.1%
\$2.50 Liberty Extreme Fine	10	0.1209	295.00	2440.03	89.0%
\$2.50 Indian Extreme Fine	10	0.1209	275.00	2274.61	76.2%
*U.S. 90% Silver Coin	1,000	715	11,085.00	15.50	2.6%
*U.S. 40% Silver Coin	1,000	295	4,560.00	15.46	2.3%
*U.S. Peace Dollars, VG+	1,000	760	16,750.00	22.04	45.9%
*U.S. Silver Eagles	1,000	1,000	18,210.00	18.21	20.5%
*Canada Silver Maple Leaf	1,000	1,000	17,060.00	17.06	12.9%
*100 Oz Silver Ingot	10	100	1,611.00	16.11	6.6%
*10 Oz Silver Ingot	100	10	161.10	16.11	6.6%
*1 Oz Silver Ingot	1,000	1	16.21	16.21	7.3%
*1 Oz Platinum Ingot	10	1.0000	927.00	927.00	5.9%
*U.S. 1 Oz Platinum Eagle	10	1.0000	1,005.00	1005.00	14.9%
*Canada Palladium ML	10	1.0000	1,439.00	1439.00	2.9%

<b>Gold:</b>	\$1,291.00
<b>Silver:</b>	\$15.11
<b>Platinum:</b>	\$875.00
<b>Palladium:</b>	\$1,398.00

**Notes from Liberty**

By Tom Coulson  
LCS General Manager

*(I'm filling in as LCS Chief Numismatist Allan Beegle takes a well-earned vacation.)*

March volume could not match a strong February. However, our first quarter total volume is well ahead of the average we experienced over the past few years.

Almost everything offered in last month's newsletter sold out, with us having to decline orders from some would-be purchasers. For example, after our offer of the Gem Mint State-65 1897 and 1898 Morgan Dollars sold out, we tried to find more specimens at three trade shows last month—and never saw a single specimen, no matter the price! We love offering rarities that are tough to locate, but that is also why we recommend calling early to check availability and confirm you purchase, because additional quantities of most of our offers are just not easy to find.

Last week, a dealer called me to offer a group of **Australia 1870 Sydney Mint Gold Sovereigns** in Extremely Fine condition. This is actually a one-year type coin featuring Queen Victoria with her hair tied with the leaves of the Australian banksia wildflower struck only in Sydney and only from 1857 to 1870. However, the Australian Sovereigns from 1857 to 1869 used silver in the gold alloy, whereas the 1870 issue used copper. Every one of these coins has been certified by NGC, yet we can offer them at a bullion-related price!

Last week, LCS Communications Officer Patrick A. Heller and LCS Numismatist and Online Sales Representative Mark Patterson attended the American Numismatic Association National Money Show in Pittsburgh. While there, Pat saw a stunning **1913 Type 1 Buffalo Nickel Certified Superb Mint State-68+★**. This is the finest known surviving specimen from any US Mint of Type 1 Buffaloes! Mostly

**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](http://www.libertycoinservice.com) email: [path@libertycoinservice.com](mailto: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			\$10,130
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20			\$590
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20			\$825
U.S. Peace Dollar, Brilliant Uncirculated Roll/20			\$490

<b>Gold:</b>	\$1,291.00
<b>Silver:</b>	\$15.11
<b>Platinum:</b>	\$875.00
<b>Palladium:</b>	\$1,398.00

**Numismatic Coins (PCGS/NGC/ICG Graded)**

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,375	1,400	1,615
U.S. \$20.00 Liberty	1,410	1,505	2,465
U.S. \$10.00 Liberty	745	975	2,110
U.S. \$5.00 Liberty	480	585	1,390
U.S. 4 pc Indian Gold Type Set	3,395	4,570	11,650
U.S. 4 pc Liberty Gold Type Set	3,005	3,470	6,485
U.S. 8 pc Gold Type Set	6,340	7,890	17,685
U.S. Morgan Dollar (Pre-1921)	52	62	120
U.S. Peace Dollar	38	46	100

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.

out of curiosity, he asked the dealer friend who owned it for a price. It turned out that the dealer was a motivated seller, quoting a price low enough that Pat quickly called back to the store to research the market for the coin. When we found how strong the market is for ultimately high quality US Coins, we told Pat to bring it home.

In our store, we just acquired the largest group of **El Cazador Shipwreck 1783 Pieces of Eight** that we have handled in the past three years. The Spanish 8 Reales are the coin on which the US monetary system was based. Even more exciting, the shipwreck of the El Cazador set in motion a sequence of events resulting in America doubling its size! These always sell out when we get them, and we expect they will do so again.

Lastly, as Easter approaches, you may want to think about acquiring **The Most Famous Coin In The Bible—2,000-Year Old Widow's Mites**. We have literally sold thousands of these affordable treasures, but we have to warn you that after this offering we will probably have to raise our price. Some, but not all, wholesalers are now quoting us higher prices to find replacement coins than what we offer them to you now.

Once again, I think we will likely sell out just about everything offered this month. That's why we recommend calling our **Trading Desk toll-free at 800-527-2375** to check availability and confirm your purchase.

Here are other intriguing recent acquisitions to pique your interest:

**Mint State-62 Brown US 1835**

**Classic Head Half Cent:** The Philadelphia Mint struck Classic Head Half Cents for circulation in only 11 years from 1809 through 1836, with a combined mintage of barely 3.5 million coins. The 1835 date has the 4th highest mintage at 398,000 coins.

This NGC-certified specimen at first glance appears to be of higher grade. Just about every curl in Liberty's head on the obverse and every vein in the leaves in the wreath on the reverse is sharply detailed. Lovely chocolate brown color.

PCGS Retail catalogs this coin for \$385. *Coin Values* lists the coin in MS-60 Brown at \$300 and at \$900 in MS-63 Brown. You can own this beauty for \$325.

**Affordable High-Grade Morgan**

**Silver Dollars:** The 1921 Morgan Silver Dollars struck at the Philadelphia Mint have the highest mintage of the series—44,690,000 coins. Morgans had discontinued production after 1904, but these were rushed into production as part of a plan to help the United Kingdom support its monetary system.

We anticipate there will be major public promotions of this most common Morgan two years from now, at the 100th anniversary of their issue—almost certainly at higher prices than today. Right now, we have a handful of attractive Very Choice Mint State -64 specimens, all certified by NGC, that you can have for \$45 apiece.

**Rare 1896-S \$10.00 Liberty Gold**

**Eagles:** Over the past 33 years, PCGS and NGC combined have certified a mere 135 specimens of the 1896-S \$10.00 Liberty. We do not recall ever having a Mint State specimen in stock. Mintage is only 155,400.

LCS Chief Numismatist Allan Beegle recently had the opportunity to acquire 3 specimens of this date in Very Choice About Uncirculated-58 quality, all certified by NGC. The details are about as intricate as Mint State examples, but the price is much lower. *PCGS Retail* lists these coins for \$750, while *Coin Values* is at \$1,100. Your price \$739.

**Unusual Australia 1988 Proof**

**Gold Nugget Set:** When Australia came out in 1986 with its original gold bullion coin series, it was called the Nugget. Each year and each coin featured a different historic large nugget discovered in the country. At the same time, the Perth Mint also issued Proof versions of all sizes of the coins. In 1988, there were 9,456 Proof 1/10 Oz (\$15 face value) and 1/4 Oz (\$25 face value) proofs issued, the lowest mintage proofs from 1986 through 1989.

The 1988 1/10 Nugget features the Jubilee nugget, discovered in 1887, while the 1/4 Nugget depicts the Ruby Well nugget found in 1913. The year 1988 was also the Bicentennial of the first British settlers reaching Australia.

A private company has packaged three each of the Proof 1988 1/10 and 1/4 Oz Gold Nuggets, with this being set #28. Contains 1.05 Oz of gold. At our bullion-related price of \$1,575, you cannot use a charge card to purchase this set, you must send a check.

**Early Ancient French Silver Hem-**

**iolob:** The first modern-day city established in France was Massalia on the Mediterranean coast, established about 600 BC by colonists from the Greek city-state of Phocaea. Today it is known as Marseille, the second most populous city in the nation.

This extremely tiny coin (a diameter of less than 1/4") has been certified About Uncirculated by NGC. Face value at the time was technically 1/12 of a Greek drachma, though the coin weighs almost 70% more than the standard for its denomination. It was issued circa 475-460 BC, among the very first coins ever issued anywhere in France. The obverse shows a facing head (with a prominent nose) while the reverse bears an incuse punch. Lots of history for only \$295.



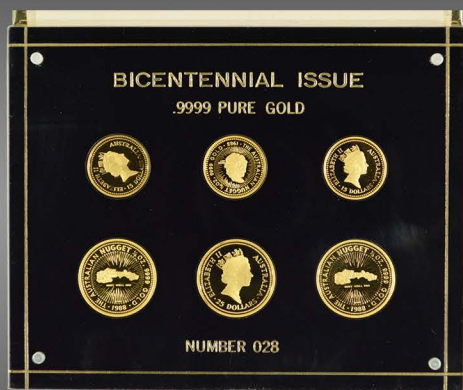
1835 Classic Head Half Cent  
MS62 BN NGC Certified - \$325



1921 Morgan Dollar  
MS64 NGC Certified - \$45 each

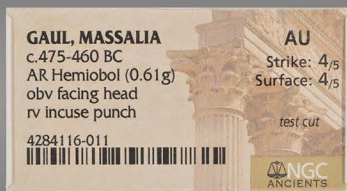


1896-S \$10 Gold Liberty  
AU58 NGC Certified - \$739 each



Australia 1988 Proof Gold Nugget Set - \$1,575





Gaul, Massalia (475-460 BC) AR Hemiobol  
AU NGC Certified - \$295

memo

# Better-Date 1870 Sydney Mint Gold Sovereigns At A Bullion- Related Price!



*Enlarged to  
show detail*

To: All Clients

From: Tom Coulson, LCS General Manager

Date: April 1, 2019

A sizeable hoard of the Better-Date 1870 Sydney (Australia) Mint Gold Sovereigns in higher than typical quality was discovered not long ago. Most specimens were sent to the Numismatic Guaranty Corporation (NGC) for grading. Late last week, I was stunned when a wholesaler notified me that I could purchase a quantity of Extremely Fine-40 and Choice Extremely Fine-45 specimens at bullion-related prices! After promptly checking with LCS Chief Numismatist Allan Beegle and LCS Communications Officer Patrick A. Heller, and learning that other dealers were offering limited quantities of these coins at prices ranging from \$425 to more than \$1,000, I quickly purchased the lot.

The 1870 Sydney (Australia) Mint Sovereigns were the final year of issue with the obverse bearing the young head of Queen Victoria with her hair tied with a wreath of banksia leaves (from a native Australian wildflower). This obverse appeared only on the Sydney Mint Sovereigns, never on those struck in larger quantities in London, and were only struck from 1857 through 1870. Further, of all Gold Sovereigns struck at seven different mints on five continents, only pre-1871 Australian issues name the city of the mint, the territory (now country) where struck, and the denomination.

The first Sydney Mint Sovereigns were struck in 1855, to convert the surging gold mine output in Australia into legal tender. A total of 24,432,000 Gold Sovereigns were struck there from 1857 to 1870, though fewer than 5% of the total were struck in the somewhat lower mintage year of 1870. What makes the 1870-dated coins even more unique was that Sydney Mint Sovereigns struck from 1855 to 1869 were minted of 22 karat (91.67%) gold alloyed with silver. Beginning in 1870, all Australian Sovereigns were struck of 22 karat (91.67%) gold alloyed with copper. Thus, the 1870 Sovereign is the only year of this design struck with the copper alloy. Gold content is 0.2354 of a troy ounce.

After certifying this discovery hoard, NGC has now graded this many 1870 Sydney Mint Gold Sovereigns:

Very Fine or lower grades	655 coins
<b>Extremely Fine-40</b>	<b>209 coins</b>
<b>Choice Extremely Fine-45</b>	<b>170 coins</b>
About Uncirculated-50 to -58	359 coins
All Mint State Grades	42 coins
Total	1,435 coins

**Take Advantage Of The Opportune Bargain Purchase!**

Unlike the higher to far higher prices quoted by other dealers (and very few have any in stock), we are passing along tremendous savings, but only while our supplies last!

For sharply-detailed Extremely Fine-40 specimens (only 16 total pieces in stock), pay the bullion-related price of just \$369 per coin. For the even nicer Choice Extremely Fine-45 coins (the overwhelming bulk of this lot) pay just \$379 per coin—which is still a bullion-related price!

**Bonus: Save even more by purchasing ten or more coins! For orders of 10 to 19 coins, subtract \$2 per coin. For a purchase of 20 pieces, subtract \$6 per coin from the single coin price!**

As always, all numismatic coins are backed by our exclusive guarantee: you may return them for a full, 100% refund for any reason within 14 days of when you receive them.

**Act Today:** At these bullion-related prices, I would love to be able to offer a much larger quantity of these Better-Date 1870 Sydney Mint Gold Sovereigns. Unfortunately, when this lot is sold, we must turn down subsequent order. Therefore, to enable a wider number of customers to acquire one or more of these beautiful pieces of history, we must limit orders to 20 coins—no exceptions! To reserve your purchase, call our Trading Desk toll-free at **800-527-2375**. Or return the coupon below.

Also, because these coins are priced at a bullion-related price, we cannot accept payment by charge cards. You must send a check for payment.

Sincerely,



Tom Coulson  
LCS General Manager

P.S. When you have the opportunity to acquire a Better-Date Gold Coin at a bullion-related price, our experience is that it is best not to hesitate.

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Yes! Please ship me the Australia 1870 Sydney Mint Gold Sovereigns graded Extremely Fine-40 or Choice Extremely Fine-45 by the Numismatic Guaranty Corporation (NGC) that I have indicated below. I understand that each coin is backed by LCS's exclusive guarantees. I may return them for a full refund for any reason within 14 days of my receipt. Limit 20 coins per customer.

\_\_\_\_\_ 1870 Sydney Mint Gold Sovereigns, Extremely Fine-40, NGC @ \$369 each = \_\_\_\_\_  
\_\_\_\_\_ 1870 Sydney Mint Gold Sovereigns, Choice Extremely Fine-45, NGC @ \$379 each = \_\_\_\_\_  
\_\_\_\_\_ **Quantity discount:** subtract \$2 per coin if purchasing 10-19 or \$6 per coin if purchasing 20 coins = \_\_\_\_\_

Postage (from Computer Quotes page) \_\_\_\_\_

Total Enclosed \_\_\_\_\_

name \_\_\_\_\_

address \_\_\_\_\_

city, state, zip \_\_\_\_\_

telephone number \_\_\_\_\_

Confirmed by phone? \_\_\_\_\_ Confirmation # \_\_\_\_\_

# Finest Known Surviving Type 1 Buffalo Nickel!

## An Exciting Discovery Coin

At the beginning of the American Numismatic Association World's National Money Show in Pittsburgh last week, I was reviewing the inventory of a long-time Southeast dealer friend when I came across a coin that stopped me in my tracks—

### A 1913 Type 1 Buffalo Nickel certified Superb Gem Mint State-68+★

The coin at a quick glance looked absolutely breathtaking with its iridescent gold, green, blue, and reddish-brown toning attesting to its original surfaces. When I come across such awesome pieces of history, I have to take a closer look.

Wow, the coin is pretty much mark-free to boot, more so than any other Buffalo Nickel I have ever seen (including a couple specimens graded Superb Gem Mint State-68).

I quickly checked the combined Professional Coin Grading Service (PCGS) and Numismatic Guaranty Corporation (NGC) population figures for the Type 1 Buffalo Nickels struck during only part of the year 1913 for all three mints—Philadelphia, Denver, and San Francisco. Over the past 33 years, there have only been four specimens, all struck in Philadelphia, that merited the MS-68+ grade, with this being the only one to also be identified with the star (★) to denote exceptional beauty for the given grade.

In other words, this coin with the star designation is the finest known surviving specimen of the 38,484,000 Type 1 Buffalo Nickels that were struck at all three mints combined (compared to an average of about one billion nickels minted annually today)!

Together, PCGS and NGC have certified another 45 Type 1 Buffalo Nickels in MS-68 quality. Over the past thirty months, these lower quality coins have sold for anywhere between \$6,600 to \$28,000.

Now, my dealer friend and I are both aware that ultimately high quality numismatic coins have been selling recently for amazing high prices, often at two to four times pre-auction estimates. Mostly out of curiosity, I asked him how much he wanted for the coin.

He told me that if he consigned this to the right auction, it would almost certainly sell for more than \$40,000, which I also think likely. However, he had just acquired the coin and consigning it to auction

would mean that his money would be tied up for several months, which he preferred not to do.

In addition, he would have to make sure it appeared in the right auction—one with a national customer base that also offered a number of other ultimate quality US rarities.

Knowing that Liberty had handled a number of high caliber pieces of numismatic treasures, he quoted a reasonable price discount in return for receiving prompt payment. After consulting with LCS General Manager Tom Coulson, I asked my friend to write up the invoice.

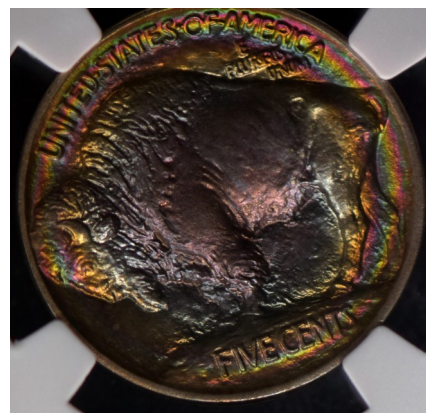
**To give a special LCS customer the opportunity to own a once-in-a-lifetime ultimate top quality rarity, we are pricing this beauty (the photographs don't do it justice) for \$37,995.**

We do have one request of the purchaser though—if he or she were ever interested in selling it we would appreciate the first option to buy it back.

If you live within driving distance of our store, you may visit to inspect this beauty before it finds a new home. Or, **call our Trading Desk direct at 800-527-2375** for more information and to purchase this piece.

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*





## The Most Famous Coin In The Bible—2,000-Year Old “Widow’s Mites!

“ . . . And there came a certain poor widow and she threw in two mites . . . .” After witnessing other conspicuous gifts made to the temple by rich people, Jesus drew the following moral: “Verily I say unto you, This Poor Widow hath cast more in than all They who have cast into the treasury; For all they did cast in of Their abundance, but she of her Want did cast in all that she had.” *Begins at Mark 12:41.*

The copper Widow’s Mites may be our all-time best selling numismatic foreign coin! Over the years, we have sold thousands of them. Advertised elsewhere for \$59, \$69 and even higher prices! These popular 2,000 year old copper coins are mentioned in the Gospels according to Mark and Luke. They actually circulated in the Holy Land during the time of Christ. We have identified each piece by the issuing Hebrew king or Roman procurator (governor), then packaged them in an attractive stand-up display containing historical background about Biblical coinage.

We have held our selling price for these historic mementos at \$36.95 for several years, but may have to raise our price for subsequent offerings. Wholesale costs for additional quantities have been steadily rising, enough so that some dealers are quoting us prices higher than we now offer these coins to you.

**But now, while our current supplies last, your cost is still just \$36.95 apiece. Call our Trading Desk today, toll-free, at 800-527-2375 to confirm your order.**

As with all of our numismatic offers, your satisfaction is guaranteed. You have 14 days upon your receipt to return these coins for a full, immediate refund.

—Tom Coulson, LCS General Manager

## Coins That Formed The Basis For America’s Monetary System! El Cazador Pieces Of Eight— The Shipwreck That Doubled The Size Of The United States!

The Spanish 8 Reales, popularly known as “Pieces of Eight,” were the principal coins used by American Colonists. They were so popular that on September 2, 1776 Thomas Jefferson recommended to the Continental Congress that the silver Spanish milled dollar become the monetary unit of the newly independent nation.

These coins were struck in Mexico City and other mints in Mexico, Bolivia, Chile, Colombia, Guatemala, and Peru.

When Congress enacted its first coinage law in 1792, the definition of the US dollar was derived from the average weight of the Eight Reales then in circulation—371-4/16 grains of silver content (.7734 of a troy ounce). This silver content remained unchanged through the last Peace Dollar struck in 1935 and for almost every commemorative silver dollar struck through today!



## The “El Cazador” Shipwreck Doubles The Size Of The US!

In 1762 French King Louis XV ceded the Louisiana Territory to his cousin, Spanish King Charles III to keep these lands from falling to the British. But, the new Spanish circulating paper money lost value due to inflation of the money supply and counterfeiting.

To quell growing unrest, the Spanish government directed the brig El Cazador to sail from Veracruz, Mexico to New Orleans with a hold filled with more than 400,000 silver 8 Reales to pay soldiers and local government officials. The El Cazador left Veracruz in January 1784, but sank before reaching New Orleans.

The loss of the treasure put more burdens on the Spanish king. The government struggled until 1800. Then, Spain and France’s Napoleon signed the secret Treaty of San Ildefonso. Napoleon made the Spanish king’s son-in-law the king of Tuscany in return for France regaining dominion over Louisiana.

Unfortunately for Napoleon, the slave revolt in Saint-Domingue (modern day Haiti) would lead to the death of more than 55,000 French soldiers and Polish mercenaries, mostly to yellow fever.

US President Jefferson, sensing an opportunity, dispatched Secretary of State James Monroe to offer Napoleon \$3 million for the city of New Orleans. Napoleon rejected the offer, then offered the entire Louisiana Territory for \$15 million. The Louisiana Purchase Treaty in 1803 doubled the size of the United States!

Although they were in Mint State condition when loaded onto the El Cazador, centuries of exposure to salt water affected the coins. Some survived in better condition than others.

It has been three years since we have been able to find a moderate quantity of these historic coins. A customer in our store recently sold us a handful of ANACS-certified Very Fine specimens. While they last, your cost is:

*Very Fine-20 @ \$92*

*Choice Very Fine-30 @ \$99*

*Very Fine-25 @ \$95*

*Very Choice Very Fine-35 @ \$115*

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

Check our postage charges on the Price Quotes page. For fastest shipment, you may use your Visa, Mastercard, or Discover charge cards for shipments mailed to the billing address of the card.

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

—Tom Coulson, LCS General Manager