

# Liberty's Outlook

2017 & 2016 NLG Awards:  
Best Dealer Publication

August 2018, Volume 24 Issue 8 Liberty Coin Service's Monthly Review of Precious Metals and Numismatics August 8, 2018

## Is China Now Setting The World Price Of Gold?

From June 14 through yesterday the price of gold, as measured in US dollars, fell 9.3%. While that may sound horrible to gold owners whose wealth is denominated in US dollars, the story is different in China. From June 14 through August 7, the value of the Chinese yuan currency fell against the US dollar by 9.4%.

What that means is that those whose wealth is denominated in Chinese yuan not only held their own with physical gold, they did slightly better than just owning fiat currency.

Gold is not the only metal that seems to have somewhat tracked the value of the Chinese yuan since June 14. Over this time frame, the price of silver fell 11.1% to the dollar, platinum dropped 9.1%, and palladium was down 10.1%.

Further, it was not only precious metals that tracked the yuan more closely than they did the US dollar. Over the time span, here is how prices of other metals performed compared to the US dollar:

Aluminum	-12.2%
Cobalt	-27.8%
Copper	-14.3%
Lead	-15.8%
Molybdenum	+0.0%
Nickel	-13.4%
Steel scrap	-5.2%
Tin	-6.2%
Zinc	-19.7%

Among all of these metals, the price of gold most closely tracked the rise and fall of the yuan against the US dollar over the past seven weeks. That has led some to question whether the Peoples Bank of China (PBOC) is now effectively setting the global gold price.

That is not a ridiculous concept. To drive down the price of gold, all it would take would be a large in-

2018 Year To Date Results Through August 7, 2018			
<i>Precious Metals</i>			
Gold	-7.4%	Colombia Peso	-2.9%
Silver	-10.3%	Mexico Peso	-6.3%
Platinum	-11.6%	U.S. Dollar Index	95.21 +3.24%
Palladium	-15.3%		
<i>Numismatics</i>		<i>US And World Stock Market Indices</i>	
US MS-65 Morgan Dollar, Pre-1921	-1.5%	NASDAQ	+14.2%
MS-63 \$20 Liberty	-5.3%	Russell 2000	+10.0%
US MS-63 \$20 St Gaudens	-6.2%	S&P 500	+6.9%
<i>US Dollar vs Foreign Currencies</i>		Sao Paulo Bovespa	+5.2%
Argentina Peso	+47.4%	Dow Jones Industrial Average	+3.7%
Brazil Real	+13.3%	Australia S&P ASX 200	+3.1%
Russia Ruble	+10.2%	London FT 100	+0.4%
Sweden Krona	+8.9%	Nikkei 225	-0.5%
South Africa Rand	+7.9%	Frankfurt XETRA	-2.1%
India Rupee	+7.4%	Dow Jones World (excluding US)	-3.7%
Indonesia Rupiah	+7.1%	Shanghai Composite	-16.0%
Philippines Peso	+5.8%		
Israel Shekel	+5.7%	10 Year US Treasury Note interest rate	2.973% +23.41%
Australia Dollar	+5.2%		
China Yuan	+5.1%	<i>Energy and Other Metals</i>	
South Korea Won	+4.8%	Molybdenum	+54.8%
Chile Peso	+4.5%	Nickel	+12.2%
Great Britain Pound	+4.4%	Crude Oil, Brent	+10.7%
Canada Dollar	+3.8%	Tin	-0.6%
Denmark Krone	+3.6%	Aluminum	-9.6%
Euro	+3.5%	Copper	-14.3%
Taiwan Dollar	+3.0%	Lead	-14.9%
Switzerland Franc	+2.2%	Natural Gas, Henry Hub	-18.2%
Singapore Dollar	+2.0%	Zinc	-20.0%
Thailand Baht	+1.9%	Cobalt	-27.3%
Peru New Sol	+1.0%		
Hong Kong Dollar	+0.5%	<i>Metal Content Value Of U.S. Coins</i>	
Malaysia Ringgit	-0.4%	Lincoln cent, 1959-1982	1.85¢
Japan Yen	-1.2%	Lincoln cent, 1982-date	0.68¢
		Jefferson nickel, non-silver	4.02¢
		Roosevelt dime, 1965-date	1.82¢
		Washington quarter, 1965-date	4.56¢
		Kennedy half dollar, 1971-date	9.11¢

flux of orders to sell gold short in a major commodity exchange. Such a party would need to have significant financial clout, which the Chinese central bank certainly has—more than \$3 trillion of foreign exchange currency in its reserves, the largest component of which is in US Treasury debt and currency.

I am not able to find proof that the Chinese are suppressing the price of gold, only indications that it might be happening.

In the limited transparency of the COMEX gold market, the weekly Com-

mitment of Traders report breaks down changes in the number of long and short futures contracts held by three categories of traders.

The Commercials are the bullion banks, mining companies, and other parties directly involved in some part of the gold industry.

The Large Speculators include money managers, hedge funds, and other major investors who are not directly involved in the gold industry. They may be trading for their own accounts or on behalf

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of their customers, which may include the Peoples Bank of China (PBOC).

The Small Speculators represent smaller traders and investors.

In the weekly COMEX Commitment of Traders report released on July 27 for data as of July 24, the large speculators gross short positions were 172,203 contracts (representing 17,220,300 ounces). That was an all-time high, breaking the previous record set three years earlier by 8%.

If the Chinese were behind the huge surge in the number of gold contracts sold short, what would be their incentive?

It is no secret that the Chinese are engaged in a long term program to add physical gold reserves (as is the Russian government). This would tend to drive up the price of gold over time. However, the Chinese could attempt to prevent this rise by simultaneously selling short a large quantity of gold paper contracts. When the price of gold declines, the central bank could then acquire physical gold at a lower price while at the same time it closes out its short sales at a profit. Nice work if you have the financial clout to arrange it.

This phenomenon of major increases in Large Speculators selling short COMEX gold futures contracts is something that occurs from time to time. Here are some recent examples:

- From February 3, 2015 to March 24, 2015, the Large Speculators gross short positions rose 137% while the price of gold sank 6.9%
- From October 27, 2015 to December 24, 2015, the gross short positions jumped 159% as gold's price dropped 11.6%
- From November 1, 2016 to January 3, 2017, the gross short po-

sitions climbed 53% with gold's prices falling 15.0%.

In each of these instances, the price of gold later gradually recovered when the Large Speculators closed out most of their short sales.

Considering the recent weakness in the price of gold at the same time there was a huge surge in COMEX short sales by Large Speculators, it is highly likely that the price could once again recover.

By the way, the Chinese could also profit in one additional way by such manipulations of the gold market. The PBOC has been gradually reducing its holdings of US dollars and Treasury debt. If it has been liquidating such holdings recently and using the proceeds to purchase the physical gold, it would also be better off than if it were making payment with the weaker yuan.

As I said, there is only correlation, not evidence that the Chinese are now effectively controlling the world gold price. The Chinese have the means to do so. The PBOC can financially benefit from the decline in the price of gold against the US dollar, even if it remains relatively stable to the Chinese yuan.

So, is this actually happening?

On July 27, Congressman Alex X. Mooney (R-WV) wrote a letter to Treasury Secretary Mnuchin and Federal Reserve Chair Powell with several questions. His third question read "Are the Fed and Treasury aware of the recent correlation of the gold price with the price of the Chinese yuan and the valuation of the IMF's Special Drawing Rights? Do these correlations reflect surreptitious intervention in U.S. currency markets by China and currency manipulation by China? What do the Fed and Treasury think of all these correlations?"

You can read Mooney's entire letter at <http://www.gata.org/files/MooneyToTreasury&Fed-07-27-2018.pdf>.

As I write this, Mooney has yet to receive a response from Mnuchin or Powell. I very much doubt he will get one that really addresses the questions.

When a member of Congress asks questions of a federal employee, it is pretty much required that a response be forthcoming. However, former baseball star Jim Bunning made similar inquiries as to whether the US government was manipulating the gold

### **Patrick A. Heller's Upcoming Speeches and Appearances**

**Tuesday, August 28, 2018, Portage, Michigan.** "Oops! A Lighthearted Review Of Design Mistakes On Circulating US Coins," Kalamazoo Numismatic Club meeting at VFW Hall at 1920 Kilgore Service Road in Portage, Michigan. Meeting begins at 7:00 PM. Guests are welcome at no charge.

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 [path@libertycoinservice.com](mailto:path@libertycoinservice.com).

market when he served as US Senator from Kentucky from 1999-2011. He never received any substantive response. I have no expectation that Mooney will have any better luck.

### **Could The US Government Be A Co-conspirator?**

I can further speculate, remembering that there is no hard evidence, that it might be true that not only are the Chinese now controlling the global price of gold, the US government may be complicit in assisting them to do so.

You see, the US government also derives a benefit from a lower price of gold versus the US dollar.

As I have mentioned in the past, the price of gold is effectively a report card on the US government, its budget, the US dollar, and the US economy.

If the price of gold is rising, that is a signal of negative international reaction to all of these. If this were to occur, foreigners would be less likely to purchase and hold US currency and Treasury debt and more likely to unload what they already own. The interest rate paid by the US government would have to increase to maintain the demand to hold its outstanding debt.

For example, on December 31, 2016, the average interest rate paid by the US government on its marketable debt was 1.986%. At July 31, 2018, the interest rate on this debt had risen to 2.316%. With \$21 trillion of outstanding US government debt, just the increase in this interest rate is costing the US Treasury another \$70 billion annually.

Beyond the financial impact on the deficit, though, is the signal that a

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stagnant or falling gold price sends. It would indicate positive things for the US government, dollar, and economy. That would tend to make the ownership of physical precious metals as a form of wealth insurance less important to many investors, thus cutting into demand for the physical metal.

For these reasons, I could conceive that the US government could make a behind-the-scenes agreement with the Chinese government to allow it to suppress the price of gold.

### Other Possible Explanations

The above conjecture is not the only possible explanation why the price of gold is falling against the US dollar. It could be that the globe is heading into a major economic downturn, despite the optimistic comments from politicians and so-called experts. If this were true, that could explain why a broad range of metals have recently fallen in price—buyers are anticipating lower future prices and won't buy now unless they can pay the lower prices.

Or—these lower prices on other metals could also be influenced by the Chinese. It's economy has not been as strong this year as it was for the past couple of decades. In order to lower its cost of imported raw materials, the Chinese government could interfere in the futures markets for many industrial metals.

So, I have to emphasize that my thought that the Chinese may be controlling the global gold price right now could be in error. Instead, it may be true that there is an alternate explanation for the price decline since mid-June.

### So What?

As I explained in the last issue, massive global debt, sooner or later, will cripple the world's fiat (paper) currencies and economies. The longer it takes for this to occur, the greater will be the financial pain when it does happen.

The global economy today includes substantial valuations for intangible assets such as ideas and technology. These kinds of assets will drive future prosperity. But,

in a financial crisis, tangible assets will represent value that could protect your financial well-being, your health, and maybe even the lives of you and those you care about.

Tangible assets such as real estate will have definite value. However, portable and durable assets that contain significant purchasing power and are readily exchangeable will be even more valuable. That is where holding a portion of your net worth or investment portfolio in physical precious metals serves as your "wealth insurance." With today's expectedly lower prices for gold and silver, there is no better time that right now to begin or continue adding to your precious metals holdings. Liberty Coin Service can help.

### Further Thoughts On the South Dakota v Mayfair Supreme Court Decision

In late June, the US Supreme Court decided in favor of the state government of South Dakota that out-of-state businesses who engaged in more than a threshold amount of sales with residents of South Dakota (no matter whether by internet, mail-order, or telephone) could be compelled to register with that state's treasury and begin collecting and remitting South Dakota sales taxes.

Because this seems, on the surface, to be a magic opportunity for state governments to augment their tax collections, they are scrambling to adopt similar laws and regulations.

This will have little overall impact on purchasers of rare coins and precious metals. About 80% of the American population live in states where there is either no sales taxes on anything or there are complete or partial sales and use tax exemptions on the retail purchases of rare coins and/or precious metals.

The implications of this decision are becoming more clear—and much uglier—for all consumers and businesses nationwide.

On July 24, the US House of Representatives Judiciary Committee held a public hearing on the impact of this Supreme Court decision. If you read the written testimonies of those who spoke before that committee, as I have, you will see a huge gap between the relatively smooth implementation of changes proposed by the National Conference of State Legislatures (NCSL) and the actual kinds of changes that states are making.

## 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?*

Conservative	Moderate	Aggressive
10-15%	20%	25-33%

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

	Conservative	Moderate	Aggressive
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.

The NCSL proposes that states wait until January 1, 2019 before enforcing any new taxes, should publish in advance any deadline it sets for businesses to register to collect such taxes, should not seek to collect taxes preceding the date of this Court decision, should provide print and online schedules of the tax rates and what is or is not subject to sales taxes.

Unfortunately, this Supreme Court decision opens the door for states to assess a sales (use) tax on the sale of services as well as on goods, with some states already looking to do so.

The Supreme Court decision allows/ requires a reasonable minimum sales volume threshold below which out-of-state businesses will not have to register or collect that state's sales taxes. However, the problem exists that it may not be known until late or at the end of a calendar year whether a business would need to have registered and collected sales taxes as of January 1 of that same calendar year!

Some states are also authorized to, without requesting information from the business or conducting any audit, to send out an assessment to be paid. Businesses that receive such assessments must decide whether to pay it or go to the hassle of contesting it in the other state.

Further, registering to collect and remit sales taxes in another state could also trigger a liability to file

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other tax reports and pay other taxes to other states, such as income, franchise, and capital taxes.

In addition, the sales taxes will be due on the basis of the purchasers actual address, which may not be the mailing address of the shipment. Therefore, businesses will be forced to ask for customers' residence addresses in order to charge the correct sales tax.

If service revenues become widely taxed because of this Supreme Court decision, here are new taxes that consumers could be paying: cell phone applications, PayPal and eBay fees, UPS and FEDEX charges, memberships, and subscriptions. Businesses may have to pay a tax on multi-state and national print and online advertising.

The net result of this change in defining nexus for purposes of collecting sales taxes is going to be a nightmare for businesses and consumers. It is a very real possibility that this could cause consumers to simply reduce their spending, which would be bad news for the US economy.

These issues are going to get much uglier before either Congress steps in to adopt consistent legislation or the Supreme Court overturns this decision. Neither will happen quickly.

## Gold And Gold Coins

Gold closed on the COMEX today at \$1,212.50, a decline of \$40.25 (3.2%) from six weeks ago. US demand for bullion-priced gold and silver coins and ingots remained at stronger levels, especially each time there was a noticeable price drop, than has been the average since mid-December 2016. However, the rise in volume did not match typical sales levels going back more than 20 months.

Still, the steady demand did result in several premium increases for products, especially for items with the lowest premiums. Altogether, premiums were higher for **US Gold American Eagles** (3.3%), **Austria 100 Coronas** (1.7%), **Canada Maple Leaf** (3.3%), **South Africa Krugerrand** (3.0%), and the **1 Oz Ingot** (2.9%). Pretty much all products continue to be readily available for immediate or short delay delivery.

With lower gold prices, the prices of most (but not all) **Pre-1934 US Gold Coins** also declined, many for about

## The Month

Gold Range	49.50	4.0%
Net Change	-40.25	
Silver Range	0.82	5.1%
Net Change	-0.76	
Gold/Silver Ratio	78.9	
Net change	+1.3	
Platinum Range	55.00	6.4%
Net Change	-32.00	

Platinum/Gold Ratio 0.68

Date	Gold	Silver	Platinum
Jun 27	1,252.75	16.13	856.00
Jun 28	1,247.75	15.91	850.00
Jun 29	1,251.25	16.09	855.00
Jul 02	1,239.75	15.74	809.00
Jul 03	1,251.50	15.95	841.00
Jul 04	closed		
Jul 05	1,257.25	16.00	837.00
Jul 06	1,254.25	15.98	844.00
Jul 09	1,258.00	16.05	849.00
Jul 10	1,255.00	16.02	845.00
Jul 11	1,242.75	15.73	831.00
Jul 12	1,245.75	15.92	839.00
Jul 13	1,239.50	15.74	827.00
Jul 16	1,238.00	15.74	822.00
Jul 17	1,225.75	15.55	816.00
Jul 18	1,226.00	15.50	813.00
Jul 19	1,222.50	15.34	801.00
Jul 20	1,229.50	15.49	824.00
Jul 23	1,224.00	15.37	825.00
Jul 24	1,224.00	15.46	829.00
Jul 25	1,231.50	15.53	833.00
Jul 26	1,225.25	15.43	832.00
Jul 27	1,222.50	15.43	826.00
Jul 30	1,221.25	15.47	826.00
Jul 31	1,223.75	15.50	840.00
Aug 01	1,218.00	15.39	812.00
Aug 02	1,210.50	15.33	823.00
Aug 03	1,214.25	15.40	832.00
Aug 06	1,208.50	15.32	821.00
Aug 07	1,209.50	15.31	826.00
Aug 08	1,212.50	15.37	824.00

Gold, silver and platinum quotes are work-ing 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: +\$3.94

Silver: +\$1.12

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

the change in the coin's gold value.

With the price of gold at its lowest levels going back to mid-March 2017, collectors are just not cashing out their **Better-Date US Gold Coins** in any quantity right now. Should you be able to find them at today's price levels, the

value is hard to resist.

## Silver and Silver Coins

Silver settled today at \$15.37, down a sizeable 76 cents (4.7%) from late June. The last time silver closed this low was July 7, 2017.

As you might suspect, this price decline led to a continuation of a mini-flurry in demand that began on June 15, 2018. It also sparked modest premium increases for just about every bullion-priced coin and ingot.

The most significant impact probably affects **US 90% Silver Coins** (2.3%). Now that the retail premium has gone back above 2%, that means that refiners can no longer purchase these coins on the wholesale market to profitably melt down and recycle. In other words, the supplies of silver going to refiners has been reduced. Aside from any other factors, that would tend to lead to higher silver prices in the coming months.

At today's silver price, which I consider to be a temporary bargain, we were fortunate to acquire two modest groups of **Canadian Silver Coins At Bullion Prices**. One group, purchased just two days ago is the **Canada 2016 1 Ounce Silver \$5.00 Superman Coins**. We were fortunate offer these coins 26 months ago when they were first released. This set a record for the quantity demanded by customers compared to our available inventory. If you missed out then, you have another opportunity. The other group, **Canada 2013 1-1/2 Ounce Silver Polar Bear Coins** is one we have never offered before. We offer both of them at prices that will embarrass our competitors.

We also picked up a fabulous rare coin collection from which we offer **9 Spectacular Coins From a Decades-Long US Rare Coin Collection**. This lifetime collector emphasized rarity and quality over quantity. All but one offered here are silver coins, with some being the nicest quality we have ever handled. See our flyer for details on these offerings.

Incidentally, we acquired a number of nice sets of collections in the past month, where we have posted the most interesting bargains for sale, including many silver coins, on our website at [www.libertycoinservice.com](http://www.libertycoinservice.com). Be sure to look for your favorites there.

<i>Item</i>	<i>Qty</i>	<i>Fine Wt</i>	<i>Price</i>	<i>Cost/Oz</i>	<i>Premium</i>
*U.S. 1 Oz Gold Eagle	10	1.0000	1,253.50	1253.50	3.3%
*U.S. 1/2 Oz Gold Eagle	10	0.5000	651.75	1303.50	7.4%
*U.S. 1/4 Oz Gold Eagle	10	0.2500	335.50	1342.00	10.6%
*U.S. 1/10 Oz Gold Eagle	10	0.1000	137.70	1377.00	13.5%
*U.S. 1 Oz Gold Buffalo	10	1.0000	1,263.25	1263.25	4.1%
*U.S. 1 Oz Medallion	10	1.0000	1,236.50	1236.50	1.9%
*U.S. 1/2 Oz Medallion	10	0.5000	619.50	1239.00	2.1%
*Australia 1 Oz Kangaroo	10	1.0000	1,269.25	1269.25	4.6%
*Austria 100 Corona	10	0.9802	1,209.75	1234.19	1.7%
*Austria 1 Oz Philharmonic	10	1.0000	1,259.50	1259.50	3.8%
*Canada 1 Oz Maple Leaf	10	1.0000	1,253.50	1253.50	3.3%
*Canada 1x25 Maplegram	10	0.8039	1,100.50	1368.95	12.8%
*China 30 Gram Panda	10	0.9646	1,254.75	1300.80	7.2%
*China 1 Oz Panda	10	1.0000	1,297.25	1297.25	6.9%
*Mexico 50 Peso	10	1.2057	1,496.75	1241.40	2.3%
*S. Africa Krugerrand	10	1.0000	1,250.00	1250.00	3.0%
*1 Oz Ingot	10	1.0000	1,248.75	1248.75	2.9%
*Austria 1 Ducat	10	0.1107	146.00	1318.88	8.7%
*British Sovereign	10	0.2354	302.50	1285.05	5.9%
*France 20 Franc	10	0.1867	240.50	1288.16	6.2%
*Swiss 20 Franc	10	0.1867	241.00	1290.84	6.4%
\$20 Liberty BU	10	0.9675	1,300.00	1343.67	10.7%
\$20 St Gaudens BU	10	0.9675	1,305.00	1348.84	11.2%
\$20 Liberty Extremely Fine	10	0.9675	1,280.00	1323.00	9.0%
\$10 Liberty Extremely Fine	10	0.4838	665.00	1374.53	13.3%
\$10 Indian Extremely Fine	10	0.4838	670.00	1384.87	14.1%
\$5 Liberty Extremely Fine	10	0.2419	345.00	1426.21	17.5%
\$5 Indian Extremely Fine	10	0.2419	395.00	1632.91	34.6%
\$2.50 Liberty Extreme Fine	10	0.1209	270.00	2233.25	84.0%
\$2.50 Indian Extreme Fine	10	0.1209	270.00	2233.25	84.0%
*U.S. 90% Silver Coin	1,000	715	11,275.00	15.77	2.3%
*U.S. 40% Silver Coin	1,000	295	4,635.00	15.71	1.9%
*U.S. Peace Dollars, VG+	1,000	760	16,750.00	22.04	42.9%
*U.S. Silver Eagles	1,000	1,000	18,070.00	18.07	17.2%
*Canada Silver Maple Leaf	1,000	1,000	17,420.00	17.42	13.0%
*100 Oz Silver Ingot	10	100	1,622.00	16.22	5.2%
*10 Oz Silver Ingot	100	10	164.20	16.42	6.5%
*1 Oz Silver Ingot	1,000	1	16.42	16.42	6.5%
*1 Oz Platinum Ingot	10	1.0000	872.00	872.00	5.1%
*U.S. 1 Oz Platinum Eagle	10	1.0000	911.00	911.00	9.8%
*Canada Palladium ML	10	1.0000	926.00	926.00	2.9%

<b>Gold:</b>	\$1,213.50
<b>Silver:</b>	\$15.42
<b>Platinum:</b>	\$830.00
<b>Palladium:</b>	\$900.00

**Notes from Liberty**

By Allan Beegle  
LCS Chief Numismatist

With multiple staff on vacations in July, the rest of us were exceedingly busy. In particular, it seemed like we were constantly being offered collections, some of which included awesome pieces of history.

Most items featured in last month's offerings sold out, with the major exception being that we still have a few specimens of Better-Date Morgan Silver Dollars where we had several pieces available. To my surprise, though, the items listed in this column did not sell well. Go figure.

One collection we purchased was especially interesting. It was a US Type Coin collection formed by a knowledgeable collector over several decades. The focus was on rarity and quality rather than quantity. From this collection we have selected to offer **9 Spectacular Coins From a Decades-Long US Rare Coin Collection**. There are a number of pieces in this offering that we see maybe once every 5-10 years, but mostly in lower quality than the treasures offered here. A particular prize is the **1796 Draped Bust Small Eagle Quarter**, a one year type from the very first year that the US Mint struck that denomination.

We also had the good fortune to acquire moderate quantities of two different **Canadian Silver Coins At Bullion Prices!** One of these groups, the 2013 1-1/2 Ounce Silver \$8.00 Polar Bears, we have not previously had in stock in quantity. The other group, that we just purchased Monday this week, was the 2016 1 Ounce Silver \$5.00 Superman coins. When we offered the

<b>LCS Postage Charges</b>	
<u>Value of Contents</u>	<u>Postage Charge</u>
Under \$100	\$5
\$100-249	\$10
\$250-499	\$18
\$500-999	\$25
\$1,000-4,999	\$30

**Please Note:** Liberty Coin Service will be **closed** on Saturday, September 1 and

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**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	\$9,525
U.S. Morgan Dollar, 1921, Brilliant Uncirculated Roll/20	\$550
U.S. Morgan Dollar, Pre-1921, Brilliant Uncirculated Roll/20	\$800
U.S. Peace Dollar, Brilliant Uncirculated Roll/20	\$475

Numismatic Coins (PCGS/NGC/ICG Graded)

	MS-63	MS-64	MS-65
U.S. \$20.00 St Gaudens	1,365	1,420	1,675
U.S. \$20.00 Liberty	1,425	1,555	2,780
U.S. \$10.00 Liberty	755	1,025	2,270
U.S. \$5.00 Liberty	450	665	1,620
U.S. 4 pc Indian Gold Type Set	3,470	4,925	12,640
U.S. 4 pc Liberty Gold Type Set	3,020	3,675	7,295
U.S. 8 pc Gold Type Set	6,430	8,450	19,485
U.S. Morgan Dollar (Pre-1921)	60	71	128
U.S. Peace Dollar	41	48	104

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.

Superman coins upon their original release just over two years ago, your response was one of the strongest we have ever experienced. We are pleased to again offer more of these. Both coins are priced at money-saving levels—at the same time that the price of silver is at the lowest levels in more than a year!

There simply is not enough space in our flyers or in this column to list all of the interesting bargains we have picked up over the last several weeks. However, you can go to the list of coins and currency offered for sale at our website, [www.libertycoinservice.com](http://www.libertycoinservice.com), where we have added hundreds of pieces.

Among the categories of coins where we have added the most listings are in US Standing Liberty Quarters, US Seated Liberty Half Dollars, US Franklin Half Dollars, a number of ancient Greek and Roman issues, and Chinese Panda coinage. Enjoy taking some time to peruse all of the listings. By the way, demand for the rare coins and currency we list on our website has been our strongest growth area over the past year.

Don't delay. Review our offers, then reach our Trading Desk toll-free at 800-527-2375 to check on availability, prices (for the Canadian Silver Coins), and to confirm your order.

Here are a few more special bargains we recently purchased:

**High Grade 1934 \$1,000 Federal Reserve Note:** This Series 1934A \$1,000 Federal Reserve Note issued for the Chicago

District has been graded by PCGS Currency as Choice Extremely Fine-45. However, in our judgment, this note has only one fold, vertical in the center, which means the note really grades About Uncirculated. Even under close inspection, some might call this note uncirculated. However, there is just enough faint discoloration from past handling, most noticeable in the center of the reverse, for the grading service to assign the lower grade that it did.

This is almost certainly one of the highest quality Choice Extremely Fine-45 notes you could ever hope to find. It is also the nicest quality \$1,000 US currency we have handled in years. You can own it for \$2,650 (Michigan residents would need to add 6% sales tax).

**Beautiful 1955 Double Die Obverse Lincoln Cent:** When some coin dies are improperly prepared, the impression of the details can end up doubled. Perhaps the most famous and the most obvious US coin where the obverse letters and numbers are plainly doubled is the moderate number of 1955 Lincoln Cents struck at the Philadelphia Mint. "IN GOD WE TRUST," "LIBERTY," and "1955" are all clearly imprinted two times on the front of the coin, somewhat offset from each other.

Whenever we get a nice 1955 Double Die Lincoln Cent, they never seem to last long. This lovely specimen has been certified

<b>Gold:</b>	\$1,213.50
<b>Silver:</b>	\$15.42
<b>Platinum:</b>	\$830.00
<b>Palladium:</b>	\$900.00

About Uncirculated-53 Brown by NGC. Close to mark-free. In major auctions this year, coins of this grade have sold for as much as \$1,440. You can own this beauty for \$1,250. *PCGS Retail* catalogs the coin in AU-53 quality for \$1,750. *Coin Values* lists AU-50 specimens at \$2,000 and those in AU-58 grade at \$2,250.

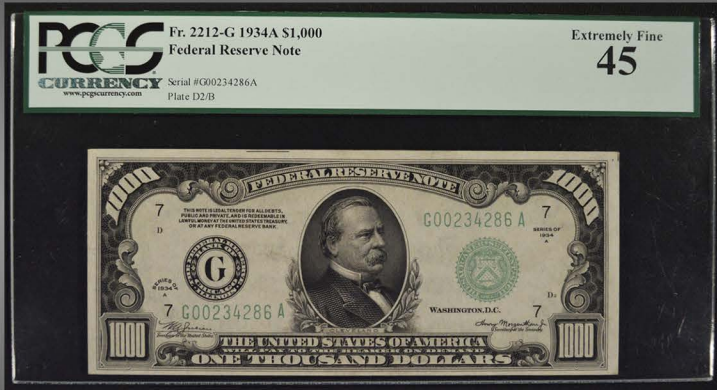
**Pre-Civil War US Gold Coins:** It is always fun to handle circulated pre-Civil War US Gold Coins. You can dream about who may have had the pieces pass through their hands and the kinds of transactions for which they were used as payment. In this era, gold coins had huge purchasing power.

Here are some lovely circulated specimens we recently acquired:

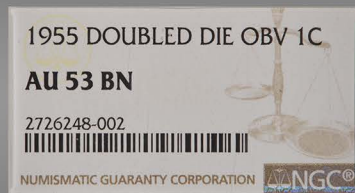
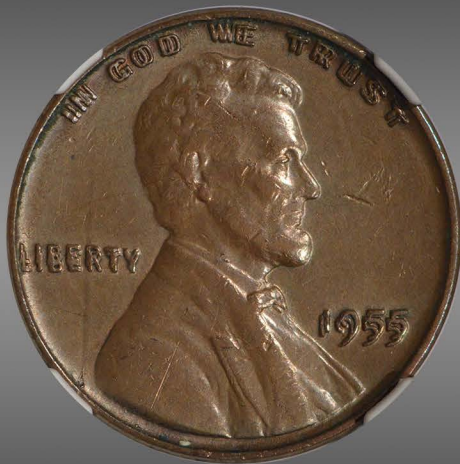
**1836 \$2.50 Classic Head, Extremely Fine-40, NGC—\$725.** The first \$2.50 US Gold Coins, struck in only 20 years from 1796 to early 1834, contained 4.37 grams of 22 karat (.9167 purity) gold. As the value of the gold exceeded face value, many of these coins were melted down, as also happened with early \$5.00 and \$10.00 US Gold Coins. In 1834, the US Mint came out with a new issue of \$2.50 and \$5.00 Gold Coins with the gross weights reduced to 4.18 and 8.36 grams, respectively, and the gold purity reduced to 89.92%. The purity of \$2.50 Classic Gold Coins increased to 90% in 1837, making the 1836 issue the last circulating Quarter Eagle not made of .900 fine gold.

The Classic Head Quarter Eagles were only struck for six years, up to 1839, before the design was replaced by the long-running Liberty Series. Only 968,228 Classic Head Quarter Eagles were struck for the entire series, with the 1836 date being the most common. *PCGS Retail* and *Coin Values*, catalog these coins for \$800, and \$925.

**1847-O \$10.00 Liberty, Extremely Fine-40, NGC—\$950.** The New Orleans Mint opened in 1838, closed at the start of the Civil War, and was later used mostly to strike Morgan Silver Dollars until it ceased operations after 1909. Most New Orleans Gold Coins are low-mintage favorites highly prized by collectors. However, the 1847-O \$10.00 Liberty, with a mintage of 517,500, had the highest mintage for any New Orleans Gold Coin. You can own a specimen from this historic Mint at a reasonable price. *PCGS Retail* and *Coin Values*, respectively, are \$1,150 and \$1,050.



1934-A \$1,000 Federal Reserve Note EF45  
PCGS Certified - \$2,650 (plus 6% sales tax for Michigan Residents)



1955 Doubled Die Obverse Lincoln Cent  
AU53 BN NGC Certified - \$1,250



1836 \$2.5 Classic Head  
XF40 NGC Certified - \$725



1847-O \$10 Liberty  
XF40 NGC Certified - \$950





1849 \$10 Liberty  
XF45 NGC Certified - \$795

# 9 Spectacular Coins From A Decades-Long US Rare Coin Collection!

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

Hundreds of times over the decades, it has been Liberty Coin Service's privilege and honor to be the dealer that advanced numismatists turn to when they are looking to sell their personal collections.

Just over a month ago, we acquired an amazing collection put together over a lifetime by a fussy collector. As you might suspect, he patiently built his collection, looking for coins that possessed both rarity and exceptional quality for the issue. He emphasized quality over quantity.

All of the nine coins we offer here have been certified by either the Professional Coin Grading Service (PCGS) or Numismatic Guaranty Corporation (NGC) as well as meeting our own strict quality standards. Some of these pieces may be highest quality we have ever handled for the issue! In addition, several pieces have superior eye appeal compared to other specimens of the same technical grade—just what you would expect a seasoned and savvy numismatist to seek out and acquire.

Most surviving US coins issued before 1850 were cleaned at some point. So long as the cleaning was gentle and long ago, the grading services are willing to certify such coins without comments about having been cleaned.

Since every coin offered here is one-of-a-kind, we have omitted the order blank. Call our Trading Desk at **800-527-2375** to check on availability and to lock in your purchase.

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

*P.S. Whichever of these coins you pick up, we would appreciate if you would do us a favor. When the time comes for you to put these coins up for sale, would you do Liberty Coin Service the honor of contacting us? Thank you.*

**1. 1810/09 Classic Head Large Cent, Choice Extremely Fine-45 Brown, NGC—\$2,695.** Don't let the mintage of 1,458,500 Large Cents of all varieties struck by the US Mint in 1810 fool you into thinking this is a common issue. Although we could not locate population data



for this overdate variety certified by NGC, in the 32 years that PCGS has been in operation it has graded a meager 34 specimens of the 1810/09 Large Cent in Choice Extremely Fine-45 and all higher grades combined!

One reason there are so few nice certified specimens is that the copper planchets used to strike Classic Head Large Cents (struck only for 7 years, from 1808 to 1814) tended to be porous, meaning that they were unattractive at the moment they were struck.

Of US Copper Coins struck before the Civil War in this grade, this is one of the most attractive specimens you could hope to find. Corrosion-free and problem-free. The chocolate brown color is evenly distributed. Possibly the finest specimen we have ever handled.

*PCGS Retail* catalogs this coin for \$3,150. *Coin Values* lists this overdate at \$2,250 for Extremely Fine-40 and at \$4,350 for About Uncirculated grades. The 2019 edition of *A Guidebook Of United States Coins*, popularly called *The Red Book*, puts a value of \$1,700 in Extremely Fine-40 and does not list a catalog value for any higher grade.

**2. 1800 Draped Bust Heraldic Eagle Half Dime, Extremely Fine-40, PCGS—\$3,995.** Mintage for this date is uncertain. Some researchers contend that 40,000 were struck while others think production was only 24,000 coins. Whichever is correct, this is obviously a rare coin, especially when you consider that the US Mint in 2016 struck more than 1.5 billion 5-cent coins for circulation! The 1800 date may be the highest mintage of the four years that this series was struck, making this design a rarity no matter the date!

This coin is sharply detailed. We think it would merit a higher grade of About Uncirculated. It has been certified as Extremely Fine-40 to reflect the net impact of long-ago minor cleaning. There is some weak strike at the base of Liberty's bust matched by weakness in the cloud on the reverse (which often occurred with early US coins). This may be the finest coin of this date we have ever had.

*PCGS Retail* shows this coin at \$4,400, *Coin Values* is at \$5,750, and *The Red Book* catalogs it for \$6,000.



**3. 1796 Draped Bust Small Eagle Quarter, Good-6, PCGS—\$12,500.**

Despite being the “lowest” graded coin in this collection, it is the most prized piece of them all.

This was from the first year that the US Mint ever struck the quarter denomination. It would be another eight years before it again struck quarters, which were of a different design. Mintage is a paltry 6,146. We can count the number of 1796 quarters we have handled in our 47 years in business on one hand.

Most 200+ year-old coins that have seen this much wear exhibit at least some problems. This treasure is an amazing exception. You could look for decades to try to find another example of this grade of equal beauty. In *Good-6 PCGS Retail* shows \$13,000. *Coin Values* catalogs it at \$12,500 in Good-4 and at \$17,500 in Very Good-8. *The Red Book* lists it at \$11,000 in Good-4 and at \$17,000 in Very Good-8.

**4. 1805 Draped Bust Heraldic Eagle Quarter, Very Choice About Uncirculated-58, NGC—\$7,595.**

Over the past 32 years, PCGS and NGC combined have certified a meager 69 specimens of this rarity in AU-58 and all higher grades. So, don't let the mintage of 121,394 let you think this specimen is common. This is the finest example of the date we have ever had the honor to handle.

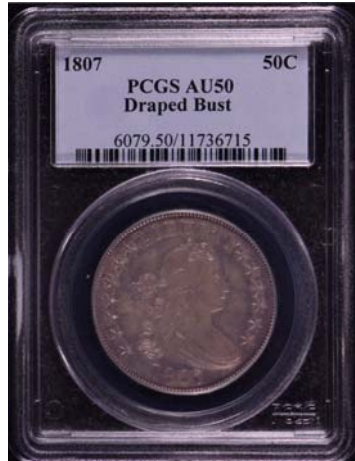
To be thorough, there are a few fine scratches above and to the left of Liberty's hair that you might not notice upon initial inspection.

The last specimen to sell in a major auction, over 18 months ago, cost the buyer \$9,400. *PCGS Retail* is \$8,850. *Coin Values* lists it for \$7,250 in AU-55 condition and \$12,500 for MS-60 quality. *The Red Book* catalogs it at \$5,500 for AU-50 and at \$11,000 in MS-60.



**5. 1807 Draped Bust Heraldic Eagle Half Dollar, About Uncirculated-50, PCGS—\$2,395.**

Mintage is 301,076 for the largest US silver coin struck this year. This



design was only struck for six years. Combined, PCGS and NGC have certified a mere 611 1807 pieces in AU-50 and higher grades. This coin may be the highest quality example we have ever had in stock. The specimen that one of Liberty's staff owns only grades a still respectable Very Fine.

This specimen appears to have been cleaned a very long time ago, with it having retoned a lovely even gold-purple on the obverse and light gold on the reverse. As result, it is a stunning piece.

*PCGS Retail* catalogs it for \$3,000, *Coin Values* for \$3,750, and *The Red Book* at \$4,750.

**6. 1853 Arrows & Rays Seated Liberty Half Dollar, Mint State-62, PCGS—**

**\$1,695.** This coin has the highest mintage, 3,532,708, of the coins offered here. It is also the nicest quality of these treasures. In 1853, the US Mint reduced the weight of the half dollar from 13.36 to 12.44 grams. To draw attention to the reduced weight, arrows were added to the left and right of the date and rays surrounded the eagle. These rays were only used that year, making this a one-year type coins, though the arrows continuing through 1855.

PCGS and NGC certified an average of 20 MS-62 or nicer specimens per year. We may have had one or two higher grade examples in our 47 years in business, but this light golden-colored example is a beauty.

*PCGS Retail* lists this coin at \$2,000 in MS-62. *Coin Values* and *The Red Book* booth catalog it for \$1,500 in MS-60 and \$3,500 in MS-63.





**7. 1795 2 Leaves Flowing Hair Dollar, Fine 15, PCGS—\$3,950.** The US Mint first struck a Silver Dollar in 1794, but only 1,758 pieces. Most examples that you might find go for at least \$75,000. The 1795, the second and final year of this design, is much more affordable, with a mintage of 160,295 among all three major types combined. PCGS has certified a modest 567 examples of the 2 Leaves (under each of the eagle's wings) version of the 1795 Dollar (we were unable to find the NGC population for the 1795 2 Leaves variety broken out from the others from that same year). That gives you an idea of just how scarce problem-free specimens of this 223 year-old issue really are.

True, this coin was cleaned a very long time ago. It now exhibits a pleasing and even golden-blue toning on the obverse and reverse. There is a small dig underneath the eagle's beak. For dollars from this part of US Mint history, this is a remarkably problem-free specimen.

We have carried a few other 1795 Flowing Hair Silver Dollars in our 47 years in business, including higher grade pieces. Still, this may qualify as the most problem-free of any of them.

*PCGS Retail* catalogs this issue in Fine-15 at \$5,150. *Coin Values* has this coin in Fine-12 at \$4,000 and in Very Fine-20 at \$5,500. *The Red Book* lists it at \$4,350 in Fine-12 and at \$6,000 in Very Fine-20.

**8. 1800 Draped Bust Heraldic Eagle Dollar "AMERICAI", Extremely Fine-40, PCGS—\$4,395.** The Draped Bust Heraldic Eagle Silver Dollar was struck for circulation in only six years, 1798-1803. In 1800, the Mint struck 220,920 Silver Dollars of all varieties combined.



In 1834 and later years, when the US government wanted to issue some coin sets as gifts, it struck a handful of 1804-dated coins of this type, resulting in what today are \$1,000,000+ rarities. The Mint reported that it struck 19,570 Silver Dollars in 1804, but these were almost certainly struck with dies bearing the 1803 date, a common practice of the era.

When dies were made to strike 1800-dated Silver Dollars, one of the reverses had a twig hanging off of the olive branch on the lower left of the reverse. At first glance, it seems like the letter "I" has been added at the end of "AMERICA" (see enlarged photo below). Enough specimens of this variety were struck that it is not worth any more than the other varieties from 1800.

This is certainly one of the nicest, if not the highest graded of the few 1800 Silver Dollars we have ever had. Like the other coins listed here, another problem-free example other than a very old cleaning that has retoned to a beautiful steel-gray

*PCGS Retail* and *Coin Values* both catalog this rarity at \$4,500, while *The Red Book* is at \$4,600. But, just try to find another specimen of equal grade that is as problem-free as this piece.

**9. 1871 Seated Liberty With Motto Dollar, Proof-60, PCGS—\$1,895.**

This collection had very few Proof coins, with this being the scarcest. The US Mint struck a limited 950 Proofs this year.

This piece shows evidence of having been wiped multiple times, hence its grade being only Proof-60. However, this evidence of long-ago cleaning can only be seen upon close inspection. Overall, the coin has pleasing virtually white surfaces, with just the slightest hint of gold toning.

We cannot recall ever having a Proof 1871 Seated Liberty Dollar before. If it is not the only one we have ever handled, it is one of the very few.

*PCGS Retail* lists this coin at \$1,900 in Proof-60 quality. *Coin Values* and *The Red Book* only catalog the Proofs in Choice Proof-63 condition, at \$4,000 and \$3,800, respectively.



*From another long-time collector we purchased a few beautiful extremely low mintage 19th Century US Gold Coins, but we don't have space to offer them this time. Look for them to be featured next month.*



**A First Time Offer And A Repeat  
Of A Popular Sellout!**

## **Canadian Silver Coins At Bullion Prices!**



*Enlarged to show detail, actual diameter 1-1/2 inches*

The Royal Canadian Mint now issues more than 300 different Canadian coins every year. Most of these are commemorative coins priced at numismatic levels. A handful of the releases are of bullion-priced gold, silver, platinum, and, formerly, palladium coins.

Some of the coins depicted a desirable combination of the themes along with attractive bullion-related prices. In almost all instances where we offered such coins, they sold out.

In June 2016, we were one of the first dealers to offer the 1 Ounce Silver Canada \$5.00 2016 Superman Coins. This was one of our most popular offerings ever, when you compare demand to our available inventory. Then, almost a year ago, we acquired a supply of the 1-1/2 Ounce Silver Canada \$8.00 2015 Polar Bear And Cub Coins. Once again, our supplies sold out quickly. When we uncovered another small group of them later, they also sold out quickly.

**The Good News!** We recently acquired two moderate-sized batches (one of them literally this week!) of bullion-priced Canada Silver Coins. One was an issue we had not stocked before and the other was more of the Superman Coins.

The new coin in our stock is the original 1-1/2 Ounce Silver Canada \$8.00 2013 Polar Bear Coins. The reverse depicts a mature polar bear lumbering across the barren and frozen Arctic wilderness. This coin has been popular enough that other dealers who have them in stock are pricing them at higher prices than for the 2015 Polar Bear and Cub issue.

The reverse of the Superman coin depicts the iconic “S” symbol that the superhero wore on his chest. This coin was issued to commemorate the 75th anniversary of the debut of the Superman

comic books.

Both coins are 1-1/2 inches in diameter. Because the Polar Bear coins are 50% thicker than the Superman specimens, each tube contains just 15 coins (total of 22.5 ounces of .9999 fine silver). The Superman coins come in tubes of 25 coins (25 ounces of .9999 fine silver).

**While our moderate supplies last**, we are selling rolls of either of these coins at just \$3.80 per ounce above the ask silver spot price.

(For example, if the ask silver spot price is \$15.80, a roll of either coin would cost you \$19.60 per ounce of silver content. For the Polar Bear coins, your cost would be \$441 per roll [\$29.40 per coin], while the rolls of Superman coins would come to \$490 [\$19.60 each].)

This discounted price only applies while our supplies last. If past experience is any guide, we expect another quick sellout—especially with the silver spot price close to its lowest levels in more than a year.

**Call our Trading Desk Today! Reach us toll-free at 800-527-2375** to check on availability, current price, and to confirm your order. Please refer to our Quotes Page for postage charges.

As these coins are offered at bullion-related prices, you cannot use a charge card to purchase them. You must send a check for payment.

(P.S. You can pay much more if you purchase these coins elsewhere. One of the world’s largest retailers is offering the 2013 Polar Bear Coins, with orders fulfilled by one of our national dealer competitors, for more than \$40 apiece. It is also charging almost \$30 each for the Superman coins. Other retailers are charging over \$30 to almost \$45 for the Polar Bears and well over \$20 for the Superman coins.)

*—Tom Coulson, LCS General Manager*



1810/09 Classic Head Large Cent  
XF45 BN NGC Certified - \$2,695



1800 Draped Bust Half Dime  
XF40 PCGS Certified - \$3,995



1796 25C  
PCGS G06  
5310.06/11736714



1796 Draped Bust Quarter  
G06 PCGS Certified - \$12,500



1805-25C  
AU 58  
667015-003



1805 Draped Bust Quarter  
AU58 NGC Certified - \$7,595



1807 50C  
PCGS AU50  
Draped Bust  
6079.50/11736715



1807 Draped Bust Half Dollar  
AU50 PCGS Certified - \$2,395



1853 50C  
PCGS MS62  
Arrows and Rays  
6275.62/11736716



1853 Seated Liberty Half Dollar, Arrows & Rays,  
MS62 PCGS Certified - \$1,695





1795 \$1  
PCGS F15  
2 Leaves  
6853.15/11736634



1795 Flowing Hair Dollar, 2 Leaves,  
F15 PCGS Certified - \$3,950



1800 \$1  
PCGS XF40  
AMERICA I  
6892.40/11736636



1800 Draped Bust Dollar, AMERICA I,  
XF40 PCGS Certified - \$4,395



1871 PCGS S\$1  
PR60  
7019.60/5338624



1871 Seated Liberty Dollar, With Motto,  
PR60 PCGS Certified - \$1,895