

WORLD GOLD.

A decade ago the United States apparently had the gold in the world. The soviet gold supply was the and still is shrouded in secrecy. Since the communist regime began it never has given information about the gold at its disposal. The hope that the soviet would be more cooperative in that respect during the Bretton Woods monetary conference last year was futile. A loophole in the Bretton Woods agreement implies that the facts about the official soviet gold supply and rate of gold production in the soviet union will be withheld from the world for at least five years after the projected international fund becomes a reality.

The embarrassingly large American gold supply "buried" in Kentucky is officially reported to have decreased in value by about \$2,000,000,000 in the last three years. In the same period the known gold reserves in the rest of the world have increased by about \$2,600,000,000. The economic-financial-transit department of the league of nations reports that about one-half of this increase in gold reserves has developed in Latin-America and the

other half in the reserves of Switzerland, Sweden, Turkey, Spain and the South African union.

Measured by American dollar valuation the gold production trend, so far as the league department can trace it, was downward in 1942, 1943 and 1944 after a rise that began in 1937. The peak for that period apparently was in 1940 when world gold production outside the soviet union was estimated at \$1,290,000,000. The downward trend is less sharp now, according to the department's estimate, but production is expected to reflect war conditions at least for another year or two. No doubt even the soviet union has been forced by the war to reduce the production of gold from its apparently tremendous natural reserves. It seems settled that lack of interest in gold is not a factor in the production decline throughout the world.

Perhaps the most interesting part of this league department report is that pertaining to the relationship between officially reported gold reserves and the known production. Approximately three-fourths of the gold estimated to have been produced in the last three years is not showing up in the official gold reserves reports and estimates. Thus a large amount of recently-mined gold is hidden. How much gold will remain hidden until the international monetary arrangements growing out of the Bretton Woods conference are formally ratified?