

Fort Knox Gold Isn't All Ours

Over Half Owned by Foreigners

(Chicago Tribune Press Service)

WASHINGTON, Sept. 15 —For many years Americans have taken much comfort from the greatest treasure-trove in the world —the gold buried at Fort Knox, Ky. Most Americans feel that the gold is a reserve for our money. They feel our money is safe because of all the gold reserve in the fort.



Walter Trohan

Actually, most of the gold is European owned. Other nations hold claims against the bulk of our gold. Foreigners and foreign governments are not prohibited from asking for, receiving, and owning our gold instead of our currency.

Americans alone cannot own American gold. This is one of the biggest news stories of our day. We are not conscious of the story because it has been developing in front of our eyes without any dramatic climax, even tho we know that creeping inflation has been developing for many years.

The vast depository, built to hold 19 billion dollars' worth of gold, has lulled any concern we may have had about our currency. The great stone, steel, and concrete repository rises like an iceberg above the ground of the military reservation in Kentucky. The greater part of the gold stronghold is hidden from view.

Larger Part of Building Is Below the Surface

What one sees from the outside is the smaller part of the structure. Far beneath the surface, guarded by many detection devices as well as by men, is the massive gold vault, 64 feet long, 40 feet wide, and two stories high.

At this moment the vault contains 12 billion, 843 million dollars in gold. The total American gold holdings are 21 billion, 829½ million dollars. Some 9½ billion dollars are scattered at various banks and mints. In addition, the United States government has billions of dollars of silver, much of it stored in vaults at West Point, site of the United States military academy.

It is easier for a camel to pass thru a needle's eye than for a visitor to get to see this gold. If one could get in, it would take 2 or 3 years to make an accurate count of the gold. There is enough gold there to build a house of 10

rooms, each measuring 10 by 20 feet and having 10 foot ceilings.

A party of 12 assayers, bullion experts, and accountants, and others keep track of the gold. A treasury audit was made early in the Eisenhower administration, because various congressmen had called for a physical inventory. An elaborate check indicated that not a grain of the precious metal was missing.

Auditors couldn't weigh every bar of the metal, but some 86,000 bars were removed from sealed compartments and checked. The count was confirmed to the nearest hundredth of an ounce.

Easy Mark for Bombs but It Is Bombproof

The repository is set in a gloomy forest, high above the Ohio river in Kentucky's hills. It is an easy mark for a bomber, but experts hold that the repository is bombproof; that even atomic bombs could hardly disturb the gold mass. The gold is also proof against theft. Even if a thief could circumvent the guards and the mechanical devices and reach the gold, he would be up against the problem of carting the gold away and disposing of it after he got it. At \$35 an ounce, 100 pounds of gold would be worth \$56,000 and a man would have difficulty in running away with such a burden.

But our concern is with the ownership of the gold, the 21 billion, 800 odd million dollars worth in the United States. Foreigners and foreign nations hold claims against the gold totaling 13.8 billion dollars. That leaves about 8 billion dollars available for American needs as a gold reserve.

To back its currency and bank deposits, the United States would have to have a gold reserve of 12 billion dollars. The total foreign assets in the United States are between 24 and 26 billion dollars. This does not include any

real estate that foreign people may own here.

8 to 10 Billion Dollars in Cash Owned Abroad

Not all of this could be redeemed in gold. Only about half of it could be demanded in gold payment. There is some 8 to 10 billion dollars in American currency owned abroad. Foreigners and foreign governments have credit balances in American banks of about 12 billion dollars and they own about 4 billion dollars in American securities.

Foreigners or foreign governments can ask for and receive payment in gold for at least 13 billion 800 million dollars of their total investments. American citizens are not legally able to make the same demand.

On March 9, 1933, President Roosevelt ordered the seizure of all gold and ordered citizens to surrender their gold coins, bullion, and notes to the treasury. The government declared it no longer had to redeem its debts in gold. It was made a penitentiary offense to own gold coin or notes, except in coin collections. It still is today.

President Roosevelt arbitrarily devalued the American dollar to 59 cents. It has dropped steadily in purchasing power so that today the dollar is regarded as having half of its 59 cents purchasing power.

The treasury has exercised absolute and arbitrary power over the production, disposition, and holding of American gold for more than 23 years. Some argue that this control is a direct violation of personal ownership of private property. Those who defend the action fall into two camps. Some approve restoration of the gold standard, but protest it cannot be done now. Others contend that a return to the gold standard can only serve gold mining interests and inflationists.

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