

WILL THE KREMLIN SHOOT AT US—

With Gold?

by Merryle Stanley Rukeyser

A PRACTICAL approach to containment of Soviet aggression is to explore *in advance* probable Russian moves and thus be ready for them. The Bolshevik technique is to rely on surprises and diversions.

On top of USSR propaganda-exploitation of accomplishments in *sputniks* and missiles, the new Soviet line is to put emphasis on *economic* penetration in the outside world. Donald H. McLaughlin, president of Homestake (Gold) Mining Company, a geologist by profession and a student of the economics of gold, raises the possibility of a *new* Soviet maneuver in the future—based on the Kremlin's holdings of the precious yellow metal.

"Have you given any thought," Mr. McLaughlin asks, "to the *use* the Russians might make of the large stock of gold they now own?"

"They certainly would not have made such an immense effort to develop gold mines and accumulate a huge quantity of gold at a time when their economy was under great stress, if they didn't intend to employ it in some way to further their ends.

"A sudden announcement of a gold-backed *ruble* for use in international trade might have as *dramatic a propaganda effect as sputnik*, especially in the Near East and the Orient where the boys who run the show have been gold-minded for centuries.

"Gold has little or no meaning domestically to the Russians. The *ruble* in Soviet Russia is as close to being fiat money as any currency could be. The importance of gold to them is solely in international dealings, whether in trade, aid or *bribery*.

"The potential danger to us

from Russian gold is so great that, in my judgment, the appropriate departments of the U.S. Government—probably both Treasury and State—should be giving the problem close study and should be seeking the advice of as many as possible who are expert and truly knowledgeable in international monetary procedures.”

We give MERCURY readers Mr. Rukeyser's *International News Service* report for a very good June, 1958, reason. Three years ago, several captive German mining engineers escaped from the Soviets. They had been slave-technicians in far North Siberian areas where they

were assigned to the Communist search for new Soviet oil sources. They reported, when they reached the United States safely, that their Soviet masters had the world's greatest gold mines in operation all across the Ural territory and were piling up pure Soviet gold day and night. “If you don't watch out,” one of them advised in Washington, “one day unexpectedly the Kremlin is going to send its agents out all over the world and shoot at you—with gold bullets. Who will want your paper money then? All your paper-money ‘friends’ then will leave you!”—

THE EDITORS

Question & Answer

He: “Mind if I turn off the hall light?”

She: “Not at all.”

He: “The ceiling light?”

She: “Why, of course not.”

He: “The floor lamp?”

She: “Yes, Jimmy.”

He: “Now that it's dark in here may I ask you a question?”

She: “Yes, dear.”

He: “Do you think this luminous dial watch is worth six dollars?”

A young minister upon leaving theological college accepted a charge in one of the remote regions of the mountains of West Virginia. The area was very wild and primitive. Most of the people had never been out of the mountains, never had seen a railroad or been to a large city, and were uneducated and skeptical.

In order to organize his parish it was necessary for him to meet the people and their families in order to gain some idea of how to arrange his church and Sunday School. When calling on a young woman of about 25, who had four children, he asked their ages. After some thought and deliberation the woman answered saying, “Sam is on the bottle, Bill crawls, Harry climbs, and Luke, the oldest, is a pasture young ‘un.”

—GENE BERARD



STRENGTHEN OUR NATIONAL GUARD

The National Guard organizations of our States seem in for a beating; likewise the hundreds of thousands of patriotic men voluntarily enlisted in our Ready Reserve Forces—Reserves of all ranks. The MERCURY thinks this problem before the present Congress is so urgent that we give you a consensus of its vital facts.

*By Congressman Paul Brown
of Georgia*

IN THE WARS which have been thrust upon us during this century, we have fought overseas, far from our shores, during World War I, World War II and in Korea. We cannot assume that the same conditions will prevail in a future war. If we are to survive an attack we must be able to defend *our own land*.

If we did not have a National Guard force, dispersed as it is among 48 states, the territories, and the District of Columbia, we would probably be thinking in terms of starting one. But provision

for the *State Militia* was made in the Constitution at a time when the Nation faced the threat of invasion by foreign nations and attacks from hostile Indians. Since that time the National Guard has contributed to the national defense wherever and whenever the occasion arose. Is it too much to ask that we retain a force of 400,000 men to help protect a country of over 175 million people?

We talk of lead time for the production of weapons and the economies which can be achieved by stability in procurement. We are told that we cannot produce the complicated weapons of modern