

Gold by Alice Roth

Protesting too much?

The Soviets deny EIR's hypothesis that they're coordinating with South Africa—it might be a good sign.

The following remarkable article appeared in the Soviet government newspaper *Izvestiya* on Nov. 30 under the name B. Pilyatskin:

“Attention: Misinformation!
Lowest Level of Purity

Maputo, [South Africa]—‘A lie should be monstrous for people to believe in it,’ the unforgettable Goebbels said. Since then the technique of misinformation and fabrication of falsehoods has advanced a long way, but the principle has remained the same.

“For instance, the man in the street opens the South African newspaper *The Star* and, dumbfounded, reads: ‘The Republic of South Africa and Russia—Strange But Likely Fellows in a Golden Bed.’ Beneath the playful headline is a text where it emerges that the U.S.S.R. is on the point of entering into a secret alliance with the Republic of South Africa, in order to ‘swallow up’ competitors and ‘jointly dictate gold prices to the world.’

A similar item was published in the Johannesburg *Rand Daily Mail*. Who copied whom? It transpires that there is no plagiarism involved. Both publications have simply reprinted an article from Britain’s *The Financial Times*.

“People have promptly inquired as to where David Marsh, the author of this astounding news, learned of it. Nowhere. Carrying

out a definite order, he made up the story of the gold pool out of thin air and, in order to show off, he mysteriously mentions ‘circulating rumors’ and ‘expert observers.’ ‘There are also rumors,’ the misinformant continues glibly, ‘of an informal joint strategy between the two countries for sales of platinum on the world market.’ So one line is heaped on top of another.

“Not a lot to be expected, so to speak, of South Africa’s *The Star* and *The Rand Daily Mail*, but *The Financial Times* likes to emphasize its reliability and respectability. How can this be reconciled with the lowest-quality stories about gold and platinum?”

As regular readers of *Executive Intelligence Review* will recall, the “rumor” of Soviet-South African collaboration in gold marketing did not originate with the *Financial Times*’s David Marsh but with this publication. In the July 22 issue of *EIR*, we reported that Consolidated Gold Fields, the London-based holding company that controls South Africa’s second largest mining group, Gold Fields of South Africa, was sending a team of experts to Moscow.

According to a Consolidated Gold Fields official, the visit was at the invitation of the Soviet government, and marked the first time ever that the Soviets had shown a willingness to share gold market

intelligence with the British company.

Consolidated Gold is a part of the mining empire of Anglo-South African magnate Harry F. Oppenheimer, whose De Beers Consolidated Mines bought up a controlling interest in Cons Gold’s shares earlier this year. De Beers controls the marketing of 85 percent of the world’s diamonds and has collaborated with Soviet officials for years in the marketing of Russian diamond production.

We asked one usually well-informed European gold source what he thought of Consolidated Gold’s trip to Moscow. We were told: “If Consolidated Gold Fields is going to Moscow, it is probably correct to conclude that they are discussing the coordination of gold sales. In fact, they might even be seen as a semi-official representative of the South African government.”

We reported this assessment to our readers as a hypothesis. The story was only later picked up by the unfortunate David Marsh.

The vehemence of the Soviet denial of our hypothesis could indicate that we were on the right track. But it could also be a positive sign.

As we outlined then, Soviet cooperation with British networks on gold would tend to undermine possible Soviet collaboration with the Franco-German-centered European Monetary System.

French President Valery Giscard d’Estaing has been considering a plan which would use gold-backed bonds for medium- and long-term financing of expanded three-way trade among the Western industrial nations, the East bloc, and the developing countries, launching a global industrial boom.