

Setting The Record Straight On The Massive

Gold Supply Conspiracy

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As market turmoil continues to push gold and silver prices higher, precious metal investors need to understand the fundamentals more than ever. Unfortunately, there continues to be a lot of misinformation reported by sources in the precious metal community. This is harmful as it confuses would be precious metal investors.

I decided to write this article due to a recent email question from one of my readers. This individual wanted to know what I thought of the notion that the world held nearly two million tons of gold instead of the official 170,000 metric ton (mt) figure. Let me start off by saying, I have answered this question dozens of times. So, I thought it would be best to write an article to SET THE RECORD STRAIGHT.

To be honest, I can't stand wasting time on this silly subject, but I am beginning to realize false propaganda continues to mislead a lot of people. I first discussed this in a prior article, [THE COMING GOLD RUSH: There's A Lot Less Gold In The World](#). However, I will go into more detail and finally lay this matter to rest.

Bix Weir & Karen Hudes Promote The 2 Million Ton Gold Supply Conspiracy

The two individuals who continue to promote the notion of a massive two million ton hidden gold hoard are Bix Weir and Karen Hudes. I would imagine many of the readers are familiar with their claims. Let's start with what Bix says about [Golden Secrets via his website](#):

Yes, the stories of hidden stockpiles of gold are 100% true and it will all come out during the crash of the Global Monetary System so there will be a BREAK between gold and silver prices that will shock the world. Don't think that there was only 180,000 TONS of gold ever mined in history. Total BS. **It was a lie formed by Harry Oppenheimer in the 1960's** and then promoted by Goldman Sachs and Jeffrey Christian... **THINK ABOUT 2 MILLION TONS OF GOLD MINED AND EVEN MORE STILL IN THE GROUND HIDDEN BY THE US GOVERNMENT TO BE USED AFTER THE WORLD REJECTS THE US DOLLAR!**

Bix states that there are more like 2 million tons of gold rather than the 170,000 mt stated by official sources such as GFMS. **He says this 170,000 mt figure originated from Harry Oppenheimer (Gold & Diamond Magnate) in the 1960's.** I will respond to his claim, but let me now show what [Karen Hudes published on her Facebook page](#):

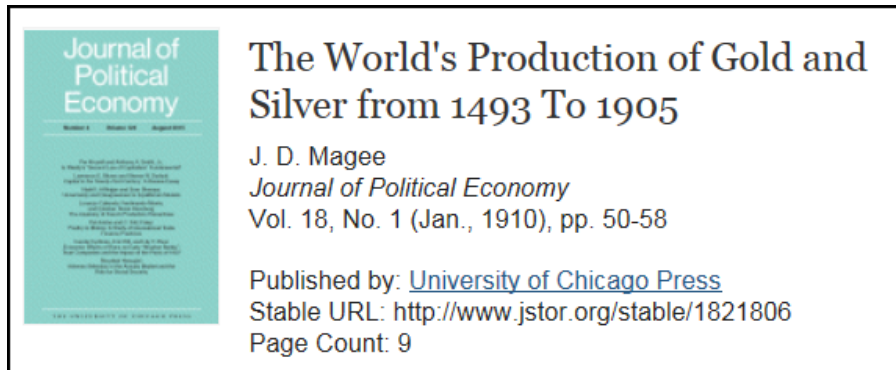
The POINT is that ultimately , a complete accounting should show where ALL of the original 720, 000 tons WENT- not to mention estimated 1.2 MILLION tons of Yamashita treasure (combined German and Japanese plunder) identified above (**that is very nearly TWO MILLION TONS OF GOLD worth more than \$38 TRILLION at todays price 2006**).

You can check out the link to Karen’s Facebook page and read all the details. However, it would be a waste of time when we consider the facts below.

Scientific Data On Total World Gold Production

Bix claims that Harry Oppenheimer supposedly started the false claim of cumulative world gold production in the 1960’s and GFMS, Jeffrey Christian and Goldman Sachs continue to promulgate this falsehood. Unfortunately, Bix is guilty of not using simple deductive reasoning and 3rd grade math to corroborate his theory.

There were two studies done on estimated world gold production... much earlier than what Bix stated via Harry Oppenheimer in the 1960’s. The first report was called “The World’s Production Of Gold & Silver From 1493 to 1905 published by the Journal of Political Economy in 1910:



Here is a gold and silver production table from the report:

JOURNAL OF POLITICAL ECONOMY

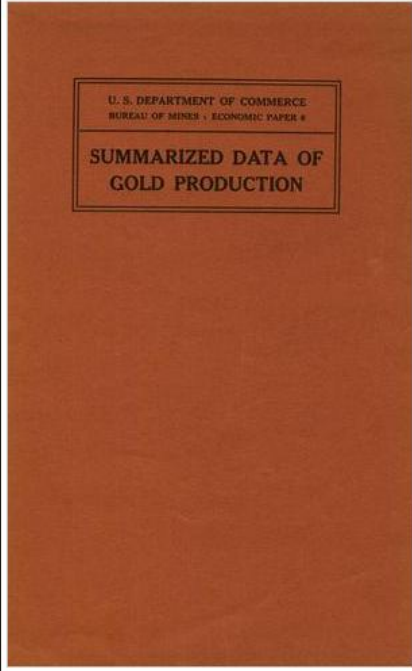
TABLE V
SUMMARY OF PRODUCTION OF GOLD AND SILVER BY WEIGHT

PERIOD	OUNCES	
	Gold	Silver
1493-1850.....	152,782,516	4,817,078,240
1851-1875.....	153,539,850	996,795,500
1876-1895.....	119,345,764	2,177,804,911
1896-1905.....	140,268,348	1,668,443,564
1493-1875.....	306,322,366	5,813,873,740
1851-1895.....	272,885,614	3,174,600,411
1493-1895.....	425,678,130	7,991,678,651
1493-1905.....	565,936,478	9,660,122,215

Journal of Political Economy "World Production of Gold & Silver" 1909

According to the estimates in this report, total world gold production from 1493 to 1905 was 565.9 million oz (Moz). This represents approximately 17,600 metric tons (mt).

A second report produced by the U.S. Bureau of Mines in 1929 was titled, Summarized Data For Gold Production:



Creator(s):	Ridgway, Robert Henderson
Creation Date:	1929
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[Economic paper \(Bureau of Mines\) ; 6](#)

United States. Bureau of Mines. Economic paper 6

This report done by the U.S. Bureau of Mines staff, provided the following table:

GENERAL SUMMARY

The total production of gold from 1493 to 1927 was 1,003,563,329 ounces, having a value of \$20,743,654,010, if reckoned at \$20.67 an ounce. One-half of this has been produced since 1902. These, with other outstanding figures of world production, are shown in Table 57.

TABLE 57.—Salient features of world production of gold

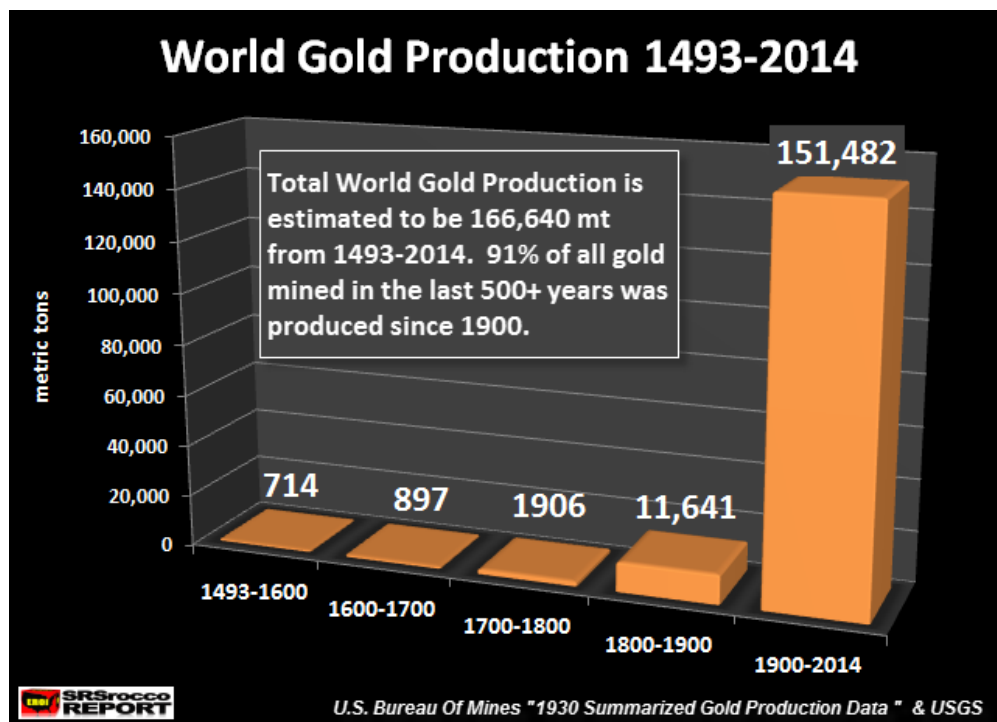
Period	Years	Quantity (fine ounces)	Period	Years	Quantity (fine ounces)
1493-1927	435	1,003,563,329	1876-1900	25	182,177,135
1493-1901	409	499,982,040	1851-1900	50	336,230,920
1902-1927	26	503,581,289	1493-1900	408	487,289,833
1493-1900	318	113,023,226	1901-1925	25	477,528,621
1801-1850	50	33,035,687	1926	1	19,349,118
1493-1850	358	151,058,913	1927	1	19,397,757
1851-1875	25	154,053,785	1901-1927	27	516,273,496

Summarized Data on Gold Production - U.S. Bureau of Mines, Economic Paper #6 - 1929

According to the U.S. Bureau of Mines, the world produced one billion oz of gold from 1493-1927 (highlighted in yellow). The figures in this report were built upon the data from the Journal Of Political Economy published in 1910.

Again, we have two detailed publications estimating gold production in 1910 and in 1929... decades before Harry Oppenheimer supposedly made his claim of world cumulative gold production by Bix Weir.

Now, I took the recent data from the USGS – United States Geological Survey and GFMS and made the chart below showing the current cumulative global gold production:



My chart shows cumulative world gold production of 166,640 mt from 1493 to 2014.

Thomson Reuters GFMS states there has been about 170,000 mt of gold. However, that is an older figure comprised several years ago.

If we add up all the gold mined from 1493 to 1900 on my chart, it equals 15,158 mt. If we go to the gold mine supply table right above it and look at the highlighted area showing 487,269,833 oz (1493-1900), it equals 15,156 mt. The important thing to understand in the chart above is the massive amount of gold mined from 1901-2014.

Of the 166,640 mt of gold mined since 1493, 91% of this figure (151,842 mt) was produced after 1900. **If we use some basic math and logic, there is no way in hell that the world could have produced 2 million metric tons of gold.** If we look at some data from the ancient Roman Empire, we can see that overall gold production wasn't that much compared to modern times.

Estimated Ancient Roman Gold Production

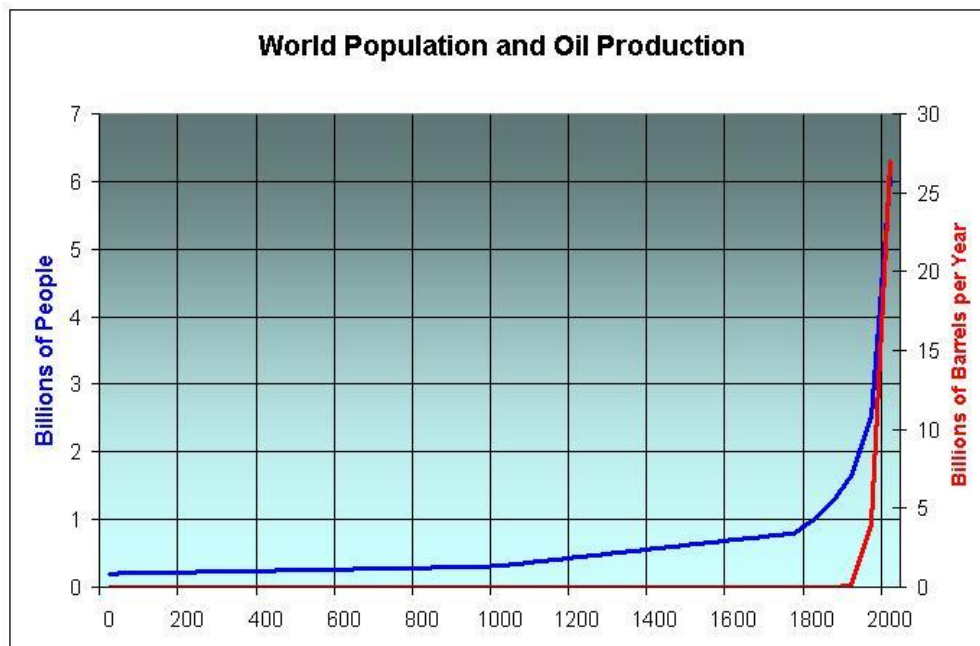
According to information from the ancient book, [Naturalis Historia by Pliny the Elder who died in 79 AD](#), **annual gold production in the Roman Empire was estimated to be 9 metric tons per year** (Production in Asturia, Callaecia, and Lusitania (all Iberian Peninsula) alone – [Wikipedia](#))

That 9 metric ton figure is not for the entire Empire, so let's attribute 15 mt per year. If we assume the Ancient Romans produced 15 mt of gold for 500 years, that would equal 7,500 mt. I doubt they produced that much, but if they did.. it still won't change the total 170,000 mt figure all that much.

Regardless, most of the ancient gold produced may be lost forever. Which is why GFMS states that 170,000 mt is a good ball park figure. Now, could they have missed some... sure. **So, let's add another 30,000 mt to get a total of 200,000 mt. That is still ten times less than the 2 million ton figure that Bix Weir and Karen Hudes claim.**

More Logical Data Proving The Official 170,000 mt Figure

The reason gold production went exponential since 1900 was due to the advent of oil as a leading energy source. The next chart shows how human population and oil production go hand in hand:



As global oil production increased in an exponential trend, so did world population. If I were to add metals production to this chart, they would move in the same fashion. Not only did 91% of all gold mined since 1493 take place after 1900, 81% of cumulative silver production did as well. Of the 46.7 billion oz of silver produced from 1493 to 2014, 37.7 billion oz were extracted after 1900.

Furthermore, the ratio of cumulative gold and silver production has averaged about 9 to 1:

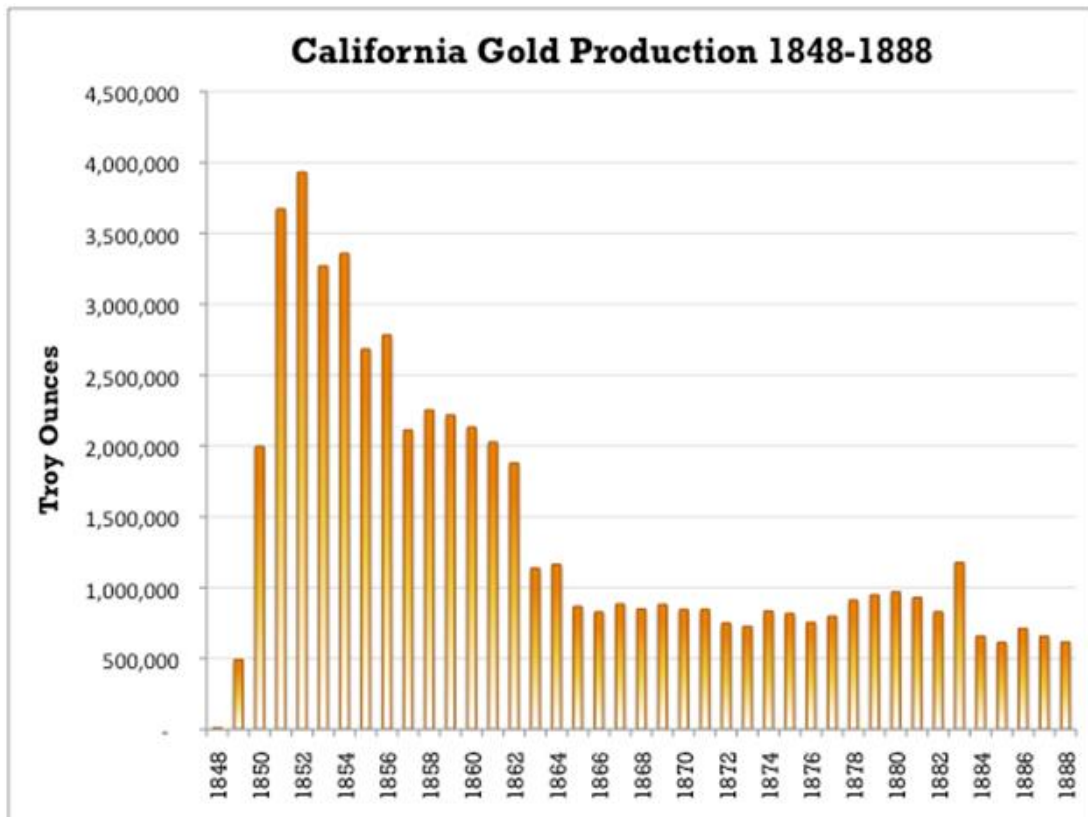
1493-2014 Gold Production = **166,640 mt**

1493-2014 Silver Production = **1,452,560 mt**

Basically, the world has produced about nine times more silver than gold since 1493. So, if Bix Weir and Karen Hudes theory that the world has closer to 2 million tons of gold just lying around, then the world would have also produced nine times more silver. **This would be a stunning 420 billion oz of silver instead of 46.7 billion oz.**

Doesn't make any sense does it??

There is no way the world has produced any more than 200,000 mt because simple math and logic proves it's impossible. Moreover, there have only been so many true GOLD RUSHES in the world. One took place in California from 1848-1888:



Gold production in California started in 1848 and peaked just four years later at 3.9 million ounces (Moz). Production continued to decline, even when high-tech techniques of hydraulic mining using massive amounts of water to wash away mountain sides to get the gold.

The California Gold Rush from 1848 to 1888 yielded approximately 57 Moz of gold. How much is this in metric tons? It turns out to be 1,773 mt. This was one of the biggest gold discoveries in the world at the time, but it only accounted for 15% of the total 11,614 mt of gold mined in the world in the 1800-1900 time period.

Again, more proof that mining gold even during ‘Gold Rush’ periods doesn’t amount to a whole hell of a lot.

Destroying The 2 Million Ton Gold Supply Conspiracy Once & For All

As I stated in the beginning of this article, I decided to write this report to provide readers (new & old) more detailed information why the world could not have produced anywhere near 2 million tons of gold. I am quite surprised that Bix Weir and Karen Hudes continue to promote this delusion.

First, the notion the world had 2 million tons of gold just makes no logical sense whatsoever. The only way we may have that much hidden gold is if aliens came down here and mined it for us. I would imagine those who continue to believe this 2 million ton conspiracy, will likely swallow an alien mining gold conspiracy as well.

Second, for individuals to continue to put out this sort of false information, it misleads precious metal investors as to the real problems or concerns. And why would it be more beneficial for the world to have ten times the amount of gold than official estimates. Wouldn’t that dilute the price when gold revalues?? I never understood the logical reason to promote this fantasy.

Third, Bix Weir and Karen Hudes do not understand the ramifications of peak oil and the Falling EROI. These two factors will destroy our modern way of life. Bix continues to write articles stating there is all this untapped gold and oil in the United States.. and when the time is right, we will start to extract it.

His theory is that the U.S. is using up the rest of the world’s oil and that we will then start to produce all this untapped gold and oil making the United States great once again. This is a very lousy theory and will be quite harmful for those believe it.

Why? Because the opposite is the case and if individuals don’t prepare correctly for the upcoming collapse, they will be caught like a deer in the headlights.

Lastly, I have nothing against Bix Weir or Karen Hudes. Actually, I am glad they promote owning physical gold and silver. However, I hope some readers forward this article to them in the chance that they may be open enough to logic and reason on this subject matter.

I am tired of receiving emails from readers asking me the same question about this 2 million ton gold hoard. If we as a community want to be taken seriously, then we should make sure the information we share is accurate or credible.

The world is about to get PRECIOUS METAL RELIGION. It’s time we focus on the true fundamentals and not lousy conspiracy theories. While some real conspiracies have and continue to take place, the notion of 2 million tons of gold isn’t one of them.

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