

\$66 BILLION IN GOLD MISSING FROM FORT KNOX

MORE THAN \$66 billion worth of gold is missing from Fort Knox, claim top financial experts.

Almost 7,000 tons of bullion — enough to fill 300 trucks — has been illegally taken from the vaults, say Edward Durell, an industrialist in Berryville, Virginia, and Dr. Peter Beter, publisher of a respected financial newsletter.

"There's no doubt in my mind that the gold is gone," Beter told GLOBE.

"Between November 1973, and April 1974, millions of ounces of gold were drained out of Fort Knox by a handful of international speculators, including American bankers, with the blessing of the U.S. Treasury."

Beter believes the gold was spirited away in Army trucks

300 truckloads of bullion were simply driven away

By BOB BORINO

in the dead of night, shipped to New York City and then flown to Switzerland and the Netherlands.

He claims it was illegally sold to European sources for the bargain price of \$42 an ounce — one-quarter the going rate at that time, and one-tenth what it is worth now. Victor Harkin, who was

in charge of the Fort Knox reserves until recently, admits that one shipment of gold in 1971 — then worth \$500 million — "took 33 15-ton trucks to haul out of here."

Beter and Durell are demanding that President Reagan order a complete audit of the gold at Fort Knox and other federal depositories around the country.

They have enlisted the help

of 1980 presidential candidate Phil Crane (Rep-Illinois) and former congressmen John Rarick (Dem-Louisiana) and Frank Chelf (Rep-Kentucky).

Durell claims that what little gold still remains in Fort Knox — only about \$6 billion worth — is of inferior quality.

"It's mostly melted-down gold coins," he told GLOBE, "which is approximately 90 percent gold and 10 percent

copper. The quality is so poor it would not be accepted on the open market by any nation."

Beter says he found out about the theft in 1974 from top officials in the American and foreign governments.

He brought it to the attention of a congressional committee, but officials in the Treasury Department denied that any gold had been removed from Fort Knox.

However, Chelf claimed he had eyewitnesses to the midnight heists. "I had people posted on lookout, and they would tell me the hour and minute when every load went out," he says.

The Treasury Department finally agreed to conduct an inspection of Fort Knox for a group of reporters and congressmen. But Durell calls it "a complete farce."

"Only two of the 13 vaults were audited," he says.

"And instead of sampling the bars by boring holes into them to make sure they were gold all the way through, only small chips were taken from the outside."

Durell also claims that the reporters and congressmen were not allowed to touch the gold, and were allowed to look at it only through tiny peepholes.

Treasury officials later admitted that the gold they showed the group was melted-down coins, and that the majority of the gold in Fort Knox was of similar inferior quality.

Durell says the last time a complete audit was done on the Fort Knox bullion was in 1953. Federal law calls for a yearly audit, he adds, but a Treasury Department spokesman says spot checks are all that are required.

A GLOBE investigation reveals that in 1949, U.S. gold reserves totalled 700 million ounces. However, according to Treasury Department figures, that has now dwindled to a mere 260 million ounces.

And only five percent of that actually belongs to the federal Treasury.

The rest is "owned" by banks and their investors around the country.

Government officials insist that the missing gold has been legitimately sent to foreign banks in legal transactions.

But Beter and Durell are convinced that a vast fortune in gold has been pirated from Fort Knox.

"And if we're right," says Beter, "the persons responsible should be jailed."



USPS 347-440

Vol. 28 — No. 50 Dec. 15, 1981

PUBLISHED WEEKLY BY:
GLOBE International, Inc.
EDITORIAL DIRECTOR:
Mike Neward

EXECUTIVE EDITOR: Cliff Barr
ASSISTANT EDITORS: Alastair Duncan (Photos), Lenore Mintzer (Design), Robert Taylor (News)
ASSOCIATE EDITOR:
Leigh Edwards

BOOKS EDITOR: Jack Kelley
MEDICAL EDITOR: Les Lang
WRITERS: Jim Barnard, Nancy Bolck, Bob Borino, Larry Collins, Pat Cotter, Krista Lee, Craig Peterson, David Ragan, Anni Valens
PHOTO DESK: Eric Naumann (senior), Kas Schels-Wilson
PRODUCTION EDITOR: John Biero
ART EDITOR: Richard Burt
COPY DESK: Quinn Michlone, Peter Tashir

ART DESK: Norman Reynard
RESEARCH: Marie Traynor (Chelf), Simone Leihart (senior), Joanne Cieroux, Donna Flint, Chris Finn, Diane Jaeger, Shaleigh Nerney, Barbara Williamson
SENIOR ASSISTANTS: Beatrice Langford, Maureen Stokrosy (New York), Donna Vawer
ASSISTANTS: Ken Speranza, Linda Suchman
READERS SERVICE: Joy Buangang
PRODUCTION TEAM: Keith Graham, René Lefournau, Normand Marceau

NEW YORK OFFICE:
News Building — Suite 2800,
220 East 42nd Street,
New York, NY 10017
Telephone: 212-653-9630
NORTHERN OFFICE:
72 Lake St., Rouses Point,
NY 12979

CENTRAL OFFICE:
33 N. LaSalle St., Chicago, IL 60602
ADMINISTRATION & EDITORIAL OFFICE:
P.O. Box 82, Rouses Point, N.Y.
12979 Telephone: 514-866-7744

CANADIAN OFFICE:
1440 St. Catherine St. West,
Suite 625, Montreal,
Quebec H3G 1S2
Telephone: 514-866-7711

GENERAL COUNSEL: Paul M. Levy, Suite 2710, 33N. LaSalle St., Chicago, IL 60602
ADVERTISING REPRESENTATIVE: Levine-Barretto Associates Inc., 535 Fifth Ave., 2nd Floor, New York, NY 10017
Telephone: 212-490-0172