

Secret Retrieval of Gold By President Ferdinand Marcos

There was irrefutable evidence that Philippine President Ferdinand Marcos had tons of gold and numerous bank certificates of gold deposits and other financial documents. His initial acquisition of the bank certificates of gold deposits occurred after the death of Santa Romana. Marcos had been a lawyer hired by Romana and had been named as trustee to handle matters occurring in the Philippines. He was also a low-level politician.

When Santa Romana died in 1974, Ferdinand Marcos, with the help of crooked Philippine judges and other government personnel, seized the contents of the bank safety boxes that contained dozens of certificates of gold deposits in the name of Santa Romana and the many other names that he used. Marcos was able to change the name of the trustee on some of the bank certificates, showing himself as trustee.

Many of the deposits under the name of Severino Garcia Sta. Romana and José Antonio Diaz de la Paz or Santa Romana used the reference codes, "Fenster King Fisher" and "Burgst Harbor King."

When Santa Romana's widow sought access to the safety deposit boxes, the bank initially refused to allow this. With legal help, she finally gained access, and found that all of the safety deposit boxes were empty. Her attempts to gain access to the multiple deposits at multiple banks were blocked at every turn. She was told that the accounts that were in her husband's name, for which she was the beneficiary, did not exist, despite the fact that she had the number of the account, the password, and other details that were otherwise unknown. She did not have the actual documents as they had been stolen from the safe deposit boxes by her husband's lawyer, Ferdinand Marcos, but she had copies, and also book keeper records.

President Marcus Used Government Personnel In Search of Japanese Plunder

Over a period of years, Philippine residents started uncovering small quantities of the Japanese plunder. After Ferdinand Marcus be-

came president¹⁸ of the Philippines, he used the power of his office to seize the gold discovered by small-time treasure hunters. He eventually used members of the military to search for Japanese plunder, which required considerable digging in search for the tunnels and caves that were plunder sites.

Leber Group Retrieving Gold for Marcos

Marcos established a group to find, retrieve, and hide the gold, calling it the Leber Group. ("Rebel") The group was composed of military people selected by President Marcos to find and extract the gold. In charge of the operation was General Fabian Ver.

172 Treasure Sites Containing Plunder of a Dozen Nations

Of the reported 172 major plunder sites, Marcos reportedly discovered 30 of them during the 13 years that the operation continued. These sites were discovered with the help of Japanese who had the maps or were involved with the original placement. The first diggings started in March 1973 near Lake Caliraya in Lumban, and then in the vicinity of Lake Caliraya Resort, in Cavinti, Laguna.

Discovery of tunnels

In 1972, a tunnel system was found near the Pasig River that extended from Fort Bonifacio military reservation to Villamor Air Base and Bicutan-Taguig via Fort Bonifacio Army General Hospital. These secret tunnels preceded all the other treasure hunting and digging operations. The soldiers said the gold discoveries made by Marcos, as well as their operations, were the real reasons why he started his strongman rule "in the guise of a threatening rebellion by the alleged newly revitalized CPP/NPA (Communist Party of the Philippines, New People's Army) and Muslim secessionism in Mindanao."

Digging for Tunnels

The 16th Infantry Battalion personnel were used to dig and locate the hidden caves and tunnels. One of Marcos' first treasure finds occurred on April 27, 1973, when backhoes struck several steel cylindrical drums that measured about three feet long and 1.5 feet in diameter and copper boxes, embedded in concrete vaults about 35 feet below the surface. As the backhoe split open the metal drum, gold became visible, each about three inches by two inches by a foot long. President Marcos soon arrived with General Ver by helicopter. Some of the gold bars were coated with black tar, apparently to discourage uninquisitive people that might accidentally come upon the gold bars. Several concrete vaults, each six feet long, five feet wide and five feet high, were placed on board trucks by a heavy crane.

Speaking in tagalog, Marcos told the workers: "You will all share

¹⁸ Ferdinand Marcus was President of the Philippines from 1965 to 1986.

in everything that's here but you have to wait for the right time." After the treasure in that site was removed, digging then started at several other locations, including in Teresa in Rizal province from 1974 to 1981.

Diggers Tell of 60,000 Tons of Treasure

According to Roberto Caoile, spokesperson of the Forgotten Claimants of Yamashita-World War II Treasures Versus Marcos Estate Inc., different groups were involved with different segments of the recovery. One group dug while another group transported the gold and other treasures, and a third group protected the sites. General Ver's Presidential Guard Battalion guarded the diggers.

The old Central Bank in Intramuros was the storage site initially for the recovered gold until President Marcos ordered the construction of a new gold minting and refining plant for the Central Bank. The recovered gold bars were then remelted and processed to remove markings, such as five star markings from Cambodia; four stars from Sumatra, and three stars from Burma.

Using US-Supplied C-130 to Ship Gold

Gold bars were shipped from the Manila International Airport using C-130 military aircraft after President Marcus declared martial law in 1972, which Marcus predicated on actions of a Huk insurgency group in the Philippines. The shipment of gold bars was witnessed by perimeter security personnel at the airport.

60,000 Metric Tons

One of the workers in the Leber group, Roberto Caoile, stated that their group excavated over 60,000 metric tons of bullion consisting of gold bars and other precious metals, plus diamonds. The treasure sites included Montalban caves in Montalban, Rizal; Montalban Mascot; Sitio Mayagay, Sampaloc in Tanay, Rizal; Fort Bonifacio Tunnel; Fort Bonifacio hospital; Caliraya in Cavinti-Lumban, Laguna; Baras and Teresa in Rizal province; the area of the Manpower and Youth building; Bastion de San Lorenzo in Fort Santiago; Muñoz in Nueva Ecija; Balok bridge, also in Nueva Ecija; site of the Central Luzon State University statue in Muñoz; Sta. Fe in Nueva Vizcaya; Campo 4 in San Jose, Nueva Vizcaya; and San Mateo in Rizal province.

The Japanese had divided the war plunder into major and minor sites, using the Manila Railroad Co. to transport the treasures. Major or minor treasure sites depended on the "suitability, concealment, permanency and location of man-made, built-up areas, mountainous and/or rolling hills, terrain with creeks, rivers, dams, big acacia, mango, camachile or duhat trees that serve as references for future retrieval of said treasure deposits," the soldiers said. Lower ranking Japanese soldiers buried small quantities of gold in small sites under large acacia or

mango trees for later retrieval—most of which never occurred.

Caoile reported that at Fort Santiago there were over 100 boxes of treasures that were recovered, buried under the old torture chamber, Bastion de San Lorenzo, near the Pasig River. The gold treasures were buried at or below sea level where the ground temperature was cooler.

Helping to Hide the Gold

Part of the gold that Marcos recovered was hidden through the CIA's Nugan Hand Bank in Australia. When the cover on that CIA proprietary was blown, another CIA front was used: Bishop, Baldwin, Rewald, Dillingham and Wong (BBRDW) based in Hawaii with multiple offices elsewhere. More about this in other pages.

Marcos' First Acquisition of Gold Bars

Ferdinand Marcos' first acquisition of actual gold bars came as he seized gold bars that were the center of dispute between Filipino laborers and former Japanese officers that had returned to where they had hid a gold cache prior to Japan's surrender. Prior to becoming president, and while working as a political aide to President Elpidio Quirino,¹⁹²⁰ Marcos was working with Japanese sources examining Japanese documents seeking to discover the locations of the Japanese plunder.

One Ton Solid Gold Buddha

Ferdinand Marcus' next experience with Japanese plunder occurred in 1970 as Filipino locksmith and treasure hunter Rogelio Roxas discovered and retrieved from a mine shaft a solid gold Buddha and bars of gold. He had obtained a Japanese map showing a mine shaft in the Benguet mines near Baguio. Upon opening the cave, he found skeletons of American POWs that had been forced to open up the shaft and hide a crate containing the nearly one-ton solid gold Siamese-like Buddha. The cave was then blasted shut, with the American POWs inside.

The Buddha and gold bars were seized from Roxas by President Marcos' soldiers, including Marcos' brother-in-law, Marcelino Barba. He was the husband of one of Marcos' sisters, Fortuna "Baby" Roxas. As the media focused on this theft, Marcos had Roxas jailed and tortured. Witnesses to the theft disappeared.

Starting in the 1970s Marcos sought to sell his tons of gold on the world market. People that examined the gold reported rooms stacked from floor to ceiling with gold bars, more than they had ever seen in their lifetime. But finding buyers for the gold that had a mineral composition indicating that it was Japanese war plunder was difficult.

Help in Locating Other Gold Sites

Marcos had a Chicago psychic, Olof Jonsson visit him at

¹⁹ Cline retired in 1973.

²⁰ Quirino was president of the Philippines from 1948 to 1953. Marcos was president from 1965 to 1986.

Malacanang Palace to help find the Japanese gold sites. At the same time, he hired a Nevada metallurgist, Robert Curtis, to melt down the gold that he had already retrieved and change its characteristics so that it could not be traced to the Japanese plunder. Gold contains characteristics that show where it had been mined. The gold plunder also had to be remelted to meet the standard size required by the London gold market.

Olof did find several gold sites, including one that was a sunken ship. Among the people that Curtis met were Paul Jiga and Ben Balmores, who had been witnesses to several of the burial sites during the war and had some of the burial maps. They represented themselves as Filipinos, but were actually Japanese and had been in the Japanese Navy assigned to Rear Admiral Iwabuchi Sanji, known as the brutal "Butcher of Manila," and Rear Admiral Kodama Yoshio, the person with the ultimate responsibility for the plunder and its shipment to the Philippines.

Marcoses' General Fabian Ver coordinated operations and controlled what Olof and Curtis could see. Both of them were brought to the underground vaults containing stacks of gold bars and both later reported what they saw: gold bars stacked floor to ceiling.

Fearing For His Life, Olof Fled the Philippines

Olof had an intuition that his life was in danger due to what he knew about the location of several of the treasure sites that Marcos wanted to remain secret; he quickly caught a flight out of Manila, warning Curtis of the danger if he remained. Curtis soon followed, taking with him some of the treasure maps. Curtis, a resident of Nevada, then contacted the *Las Vegas Sun* and Jack Anderson, which was followed up with his story.

The *Philippine News* of San Francisco published a detailed story in 1978 about Marcos and the Japanese plunder:

A secret CIA report [1969] on Ferdinand Marcus stated that he had already stolen at least several hundred million dollars. This report was kept secret, only for circulation within a small circle in Washington, but this circle included top officials of the White House, the State Department, and the intelligence community. ... the CIA knew as far back as 1969 that Ferdinand and Imelda had already "stolen funds ranging from not lower than several hundred million U.S. dollars to two billion U.S. dollars."

The CIA was in a position to know. Over the years, CIA agents actively helped Marcos salt money in America, especially in Hawaii. This became abundantly clear during the fraud trial of Ronald Rewald in Hawaii in 1983-85 when it came out that Rewald's investment firm, Bishop, Baldwin, Rewald, Dillingham & Wong, had been set up as a

conduit for CIA funds, and as a way of helping Ferdinand Marcos and a variety of Filipino oligarchs to salt black money in America. The CIA had also been funneling Marcos black money out via Australia and Hong Kong through the Nugan-Hand Bank in Australia, which had branches in Manila, Hong Kong, Singapore, and elsewhere till it collapsed in scandal in 1980.

The corrupt and brutal Marcos regime was used by the U.S. secret activities to provide false end-user certificates so as to mask the real destination of weapons shipped from the United States. General Fabian Ver, chief of the Philippines military, signed false end-user certificates, saying for instance that the weapons were being reshipped to Israel. Instead, the weapons went to countries that were on the U.S. blacklist of countries.

In the mid-1970s Marcos became pathologically greedy. He was already a billionaire from clandestinely recovering some of the Golden Lily's treasure. However, the only means he had of selling it was through the CIA or Japan. Both would take the odd sized ingots without the standard paper trail required in the legitimate gold market, but only at a steep discount.

To bypass the CIA and Japan and sell in the open market, Marcos had to have the gold resmelted and the fingerprint from impurities altered so the gold would appear to have a Philippine origin.

By 1975, Marcos had already formed the Leber group (rebel spelled backwards) to uncover the Golden Lily treasure from 34 of the known 172 sites. Due to Marcos's personal fascination with psychics, the group included Olof Jonsson, a psychic from Chicago. Marcos then contacted Robert Curtis, a mining engineer from Sparks, Nevada.

Curtis had developed a process to extract platinum and reclaim more gold from the mining tailings in the Sierras, which made him a moderately wealthy man. He was also an expert at changing the fingerprint of gold bullion. At first, Curtis turned down Marcos's offer to resmelt the gold.

However, Curtis was amazed at the amount of gold that was being discussed in the offer. It was ten times the amount of the average gold that the Philippine mines had ever produced. After several offers, Marcos finally revealed to Curtis that the gold came from Japanese looting during WWII. The idea of recovering Japanese gold fascinated Curtis and he accepted the job, arriving in the Philippines at the end of February 1975.

On March 25, 1975, Curtis signed a contract with the Leber group. As part of his participation, Curtis agreed to supply two smelters. Curtis needed a loan to cover the expenses of the smelters and turned to a previous contact inside the John Birch Society. Curtis had been con-

tacted earlier in the 1970s by Jerry Adams, Robert Welch, Jay and Dan Agnew, and Floyd Paxton. Robert Welch founded the John Birch Society. It was a fringe group on the far right of mostly consisting of wealthy businessmen, far right politicians, ex-military, and intelligence officers. Lansdale was a member.

The members of the Birch Society were also goldbugs. After Nixon allowed citizens to own gold, the Birch Society developed a backdoor through Canada to buy overseas gold and smuggled it into the U.S. through Canada. The Birch Society then used the gold to fund their own private vigilante force. The vigilante force was something similar to a private FBI. The John Birch Society has always maintained some type of blacklist, which is typical of all hard right groups. From time to time, news articles have appeared about the Birch blacklist. Generally, these right wing blacklists receive a wink and nod from the FBI as they view such blacklists as helpful.

Curtis was unaware the inner circle of the John Birch Society knew about the Black Eagle Trust and previous recoveries of gold. They knew because one of the founding members was Colonel Laurence Bunker, who had succeeded General Bonner Feller's position in MacArthur's staff in Tokyo.

The Birch Society arranged the financing for Curtis through Washington State Senator Floyd Paxton and his son. Another participant was Jerry Adams, the head of the Great American Silver Corporation, a company associated with the Hunt brothers. Welch and Congressman Larry McDonald told Curtis that they had cleared the loan personally. MacDonald was the head of the Anti-Communist League before he died in a plane crash. The loan was unsecured except for Curtis's promise to return a 22 percent of his Leber share.

By the time Curtis had opened the first treasure site, the John Birch Society placed new demands on him for additional security for the loan. Curtis offered them the titles to his heavy equipment in Nevada. He also was obligated to give the Birchers the exclusive right to market up to \$20 billion of any gold recovered. The Birchers told Curtis that the gold would be sold through Commonwealth Packaging Ltd, located in the Bahamas and owned by Kwik Lok. The proceeds would be deposited in the Nassau branch of the Royal Bank of Canada and finally transferred to a branch in Kelowna Canada. There the money would be smuggled into the U.S. by a key financial expert of the Birch Society.

The sudden demands of the Birch Society were triggered by July 4 and 5, 1975 columns by Jack Anderson, who reported that Marcos was recovering gold with the help of several Americans. Curtis barely escaped from the Philippines with his life.

Later, Curtis learned that Marcos had recovered 22,000 metric tons

of gold bullion. Marcos had the treasure resealed without recovering two gold Buddhas and the barrels of gemstones.

While Curtis was still in the Philippines, he learned that the Gold Cartel had offered Marcos a Mafia style deal—either kill Curtis and let the Cartel handle the gold or Marcos would be in trouble. The Cartel refers to the alliance of prime banks, gold companies, and national treasuries (including the Federal Reserve and the Bank of England) that dominate the world gold market. In the end, Curtis was left broke. Johnson Matthey-Chemicals (and a part of the Cartel) now owned his two Philippine smelters.

About the same time, things turned bad for Marcos. Marcos was trying to blackmail the Japanese over the Showa Trust at the Sanwa Bank. The Trust had come from treasures recovered from the Golden Lily. At the time, the Showa Trust was so large that it was generating a billion dollars a year in interest. Exposure of the trust would be embarrassing for both Washington and Tokyo. Apparently, Marcos was successful in his blackmail, as several accounts with his name appeared in the Hong Kong branch of the Sanwa Bank shortly after his negotiating team had visited Tokyo.

In his first year in office, Reagan declared that he would restore the gold standard. Reagan had long standing ties to the Birch Society, dating back to the 1950s. The Reagans were also long time friends with Marcos. To make his plan for a new gold standard work, Reagan needed a large stock of gold. He asked Marcos privately to lend part of his hoard of black gold for his plan. Marcos however, demanded a higher commission than what Reagan was willing to pay.

In combination with Marcos blackmailing the Japanese and his demand for a high commission to Reagan, Marcos had sealed his fate and was shortly removed from office. Once under siege in Manila, Senator Paul Laxalt offered Marcos an ultimatum: forfeit his gold in return for being rescued by the U.S. That evening, after accepting the ultimatum, barges were towed alongside the presidential palace and loaded with gold from the palace. The barges were then towed to Subic. Then Marcos were rescued and taken to Hawaii where authorities seized billions of dollars worth of gold certificates.

Marcos's high flying days playing wild and loose with black gold ended in Hawaii. However, the Reagan administration's interest in the Golden Lily treasure buried in the Philippines continued. In January 1987, Curtis was contacted by Alan Foringer to talk about Philippine treasure.

After meeting Curtis, Alan Foringer and his aide, John Voss, informed Curtis they were with the Nippon Star. The Nippon Star had been formed by General John Singlaub to search for treasure in the