

Gold Warriors The Plundering of Asia

By Douglas Valentine

Gold Warriors is more than a book about Japan's "serious, sober and deliberate" plundering of Asia's treasure from 1895 until 1945, and its collusion after the war with American officials to recover and use the loot as a secret political action slush fund to promote right wing regimes: *Gold Warriors: America's Secret Recovery of Yamashita's Gold* is a journey into the darkest recesses of history and the human soul. Authors Peggy and Sterling Seagrave not only unravel one of the greatest crimes and cover-ups ever, they reveal something new and startling about the depths of human depravity and barbarity, and the human capacity for deceit.

The book begins in 1895 with a fascinating account of the grisly assassination of Korea's Queen Min by terrorists posing as business agents of Japanese companies. The clever coup d'état provides Japan with official deniability, and the confusion that follows provides the Japanese with a pretext for its military occupation and plundering of Korea. Japan's brutal conquest of Korea foretells how it will achieve one victory after another in Far East Asia over the ensuing 45 years.

The next victory occurs in 1904, when tiny Japan defeats Russia and annexes Southern Manchuria. Manchuria, unlike Korea, has little gold worth stealing. But it is rich in natural resources, so the Japanese settle in for the long haul, and slowly develop Manchuria over several decades. They build roads and create industries and, more importantly, they work with corrupt warlords and Chinese gangsters associated with Chiang Kai-shek's Kuomintang Party to transform Manchuria into a vast poppy field. By 1937 the Japanese and their gangster and Kuomintang associates are responsible for 90% of the world's illicit narcotics. They turn Manchu emperor Pu Yi into an addict, and open thousands of opium dens as a way of suppressing the Chinese. When subversion and propaganda don't get the job done they commit unspeakable atrocities. In late 1937 and early 1938 the Japanese slaughter an estimated 350,000 Chinese civilians and prisoners of war in Nanking. Tens of thousands of women and girls are raped, and many are mutilated or murdered. Nanking foretells what will happen as Japan expands its empire to include Indochina, Malaysia, Taiwan, and the Philippines.

It's also with the Rape of Nanking that the authors introduce the main characters in the book; the Japanese soldiers, crime lords, and officials who, by the December 1941 attack on Pearl Harbor, realize they have bitten off more than they chew, and begin their retreat to Japan. A small inner circle becomes responsible for securing billions of dollars worth of gold, platinum, cultural artifacts and precious gems stolen over the previous 45 years. The Japanese call this operation Golden Lily, and the Seagraves do not shy away from naming those involved. They finger General Doihara, and Japan's top yakuza gangster, Kodama Yoshio, both of whom worked closely with Chinese drug smugglers in Manchuria and Shanghai. Golden Lily's overall boss is Prince Chichibu, one of Emperor Hirohito's three brothers. The Kempeitai were Golden Lily's first agents, moving 6000 metric tons of gold from Nanking to Japan in 1938. But most of the Golden Lily treasure was buried in the Philippines by General Yamashita, and it is in the Philippines that most of the action in the book takes place.

When the Seagraves claim that their lives are in danger for having written this book, they aren't kidding. This is explosive material, for they not only name the Japanese involved in Golden Lily, they name the Japanese corporations, including Nissan, Mitsui (which processed Manchurian opium into heroin in the 1930s), Mitsubishi and Sumitomo as having used American POWs as slave laborers during the war. They also name the Americans who worked with the Japanese to recover the buried loot after World War II. The Japanese had no monopoly on deceit or disregard for human suffering, and some of these Americans conspired with the Japanese to deny reparations to the POWs, sex slaves and forced laborers that survived.

The reader will learn how, in order to share in the plunder, members of General Douglas MacArthur's occupation army, along with US government officials and banks, connived to absolve Japanese corporations, war criminals and drug smugglers - many prominent officials in the Post War government - of responsibility for these ghastly crimes. How the Americans went about this is very interesting. To ensure his silence, General Yamashita was hanged by a military tribunal in February 1946, while his right hand man, Kojima, was tortured by a Filipino, Santa Romana, into revealing where the treasure vaults were buried in the Philippines. Romana then guided CIA officer Edward Lansdale to the loot. Lansdale did a quick inventory, and for the next 20 years supervised Romana, the unlikely front man for a number of slush funds. Thereafter the purloined gold was moved through 176 accounts in 42 banks in several countries, to people and

organizations the CIA wanted to secretly support.

The Americans viewed this money as a War prize, and every American president from Harry Truman to George W. Bush has used the slush funds for various purposes. Truman, through a number of his top aides close to the Harrimans and the Rockefellers, set up the Black Eagle Trust Fund to fight communism. General MacArthur set up the Yotsuya Fund to finance Japan's yakuza underworld, and one of his aides set up the M-Fund to help reconstruct Japan and turn it into an economic powerhouse. Eisenhower used the M-Fund to help create Japan's Liberal Democratic Party in 1956, and in 1960, Vice President Richard Nixon turned over M-Fund over to Japan's Prime Minister, Kishi Nobosuke, in return for kickbacks Nixon used to help finance his presidential campaign. Carter, Reagan, Clinton and both Bushes were complicit, using Golden Lily slush fund money to buy elections in nations all around the world. George W. got into the act in March 2001, sending Navy SEAL commandos to the Philippines to recover a portion of General Yamashita's gold. Bush was privately in the market to buy some of the bullion that was being recovered. His representative was William S. Parish, his nominee as ambassador to Great Britain, and the manager of his blind trust

Most of the action in the book takes place in the Philippines, where the Japanese buried much of the Golden Lily loot in 175 vaults in and around Manila. Prince Takeda Tsuneyoshi (using the *nomme de guerre*, Kimsu) was in charge in Northern Luzon and gave maps to his Filipino aid, Ben, indicating where the vaults were located. Kimsu swore Ben to secrecy, but gradually the maps slipped out and in 1971, a treasure hunter named Roxas unearthed several gold bars and a Golden Buddha that, amazingly, weighed a ton. Word of the discovery reached Philippine President Ferdinand Marcos and soon thereafter Roxas was arrested, tortured, and imprisoned, and Marcos acquired the Golden Buddha. Marcos, notably, had been working with the CIA for years using Golden Lily assets to bribe nations to support the Vietnam War. In return for services rendered, Marcos was allowed to sell over \$1 trillion in gold through Australian brokers.

By the 1970s, rumors about General Yamashita's gold had grabbed the imagination of a number of treasure hunters and in 1975, Robert Curtis acquired copies of Kimsu's maps. Financed by far right wing John Birch Society, and working with cutthroat Ferdinand Marcos, Curtis joined with Ben and Japan's Lord Ichiwara to find the remainder of the loot. Alas, the partners were mutually untrustworthy and Curtis, like Roxas, ran into trouble. But the dangers of hunting for buried Japanese gold in the Philippines did not dissuade others, and in the mid-1980s a group of disgruntled former CIA officers and military men, including Generals John Singlaub and Robert Schweitzer, organized an expedition using former Navy SEALs and Army Special Forces personnel. One member of the team, Charles McDougald, actually recovered 325 metric tons of gold in 1987, although, as one might suspect, he found himself in trouble too.

The Seagraves conclude their exciting and excellent book by taking us down the Money Trail, and explaining, in layman's terms, how the Gold Warriors have been able to cover their tracks. Emperor Hirohito, for example, worked directly with Pope Pius XII to launder money through the Vatican bank. In another instance, Japan's Ministry of Finance produced gold certificates that were slightly different than ordinary Japanese bonds. The Seagraves interview persons defrauded in this scam, and other scams involving the Union Bank of Switzerland and Citibank.

Without descending into convoluted legalese, the Seagraves describe the devious means bankers have used to conceal the vast hordes of Nazi and Japanese gold in their possession. The Seagraves do this primarily by examining multi-million-dollar lawsuits filed by Roxas, Curtis, and Santa Romana's heirs against Citibank, the US government, and Philippine President Ferdinand Marcos. In this way the Seagraves reveal how the banks use complex accounting methods, or claim that gold certificates are fake, or simply move gold to offshore accounts to conceal it. In every case the US government assists the banks by stonewalling, refusing to investigate, or ignoring Freedom of Information Act requests.

In one noteworthy case, attorney W.R. "Cotton" Jones walked into the Swiss Bank Corporation in New York City and asked the bank to authenticate a \$25 million certificate of deposit issued by the Bank and bearing the Federal Reserve seal. Cotton was quickly arrested by the Secret Service and his certificates were confiscated. As Cotton rhetorically asks, how can a Swiss bank have a federal agency intervene on its behalf and confiscate personal possessions? What right does the Secret Service have to arrest, interrogate, intimidate, and threaten anyone on a Swiss bank's behalf, without due process of law?

The answer is obvious: the banks that maintain the US government's stolen gold are above the law, and if they stonewall long enough, anyone trying to sue them will eventually fade away. The Seagraves asked the Treasury Department, Defense Department, and the CIA for records on Yamashita's gold in 1987, but were told the records were exempt from release. During the 1990s, the records mysteriously went missing. Other records were destroyed in what the Seagraves caustically call "history laundering."

Throughout the book, the writing is descriptive and engaging. Having authored several books about the Far East, the Seagraves are experts in their field and their arguments are convincing. In fact, they have compiled so much supporting evidence that many of the documents are contained on companion CDs the reader can buy separately at the Seagraves' web site. There are two CDs, the first containing eleven files. This writer examined three of them - on Lansdale, Kodama, and Golden Lily - and found them utterly fascinating. The second CD contains 19 files, many concerning the various lawsuits the Seagraves have used as evidence to prove their case.

And they do more than prove their case. In the end, *Gold Warriors* transcends its subject matter, and its great triumph is that it tells us something new about the savage and avaricious side of human nature. The reader will walk away from this book astounded and outraged at the immensity of the fraudulent activities that the world's governments, banks, and spies are engaged in. *Gold Warriors* is chilling in its accumulation.

Douglas Valentine is the author of *The Hotel Tacloban*, *The Phoenix Program*, and *TDY*. His fourth book, *The Strength of the Wolf: The Federal Bureau of Narcotics, 1930-1968*, will be published in May 2004. His latest article, "Whose Homeland Security", appeared in the July 2003 issue of *Penthouse Magazine*.

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