

More than eight million dollars lay at the bottom of the bay, and the Japanese were determined to get it all. They tried hard, but they reckoned without the resourcefulness of certain members of the U S. navy.

THE Great Manila Bay Silver Operation

By John G. Hubbell

IN THE LATE summer of 1942, when the Japanese had been in control of the Philippines for several months, their occupation currency- suddenly began to collapse. Japanese soldiers found that a month's pay wouldn't buy so much as a glass of beer. The cause was a mysterious flood of silver Philippine pesos that began turning up in the markets of Manila.

Somehow the silver was reaching even the prisoner-of-war camps. American prisoners were bribing demoralized Japanese guards for food, clothing, medicine. Next, they would start buying freedom! If the source of the silver wasn't found soon, I could corrupt the whole structure of Japanese control.

Where did the silver come from? The Japanese knew the MacArthur forces had dumped millions of pesos into the deep crater south of Corregidor before surrendering. There was \$8,500,000 of it down there, lying at a depth of 120 feet. A diving crew of seven American prisoners of war had been put to work salvaging that fortune-it would be a gift from the army to the emperor. Japanese security police were watching the American divers, guarding every peso recovered. It seemed inconceivable that any of this silver could be smuggled into Manila. Nevertheless, the Japanese decided to tighten the guard over the Americans. (The guards may or may not have known that the U. S. Navy divers whom they were forcing to recover the silver were the same ones who had dumped it there in the first place.)

IT HAD ALL started in the early months of 1942, when defeat in the Philippines had become inevitable. Quickly Philippine government officials and U.S. Army officers decided to save the Philippine national treasury. They recorded the serial numbers of hundreds of millions of dollars' worth of paper currency, then burned the bills. In February, some two million dollars in gold bullion and \$360,000 in silver were shipped to San Francisco in the ballast tanks of the submarine U.S.S. Trout. But now time and the enemy were moving fast. There was no way to get out the rest of the treasury: 17 million silver pesos (each worth .50 cents) still lay packed in wooden boxes in a steel vault on Corregidor.

On April 20, U. S. Army officers drew two straight lines connecting well-known landmarks of Manila Bay on a map. The lines intersected at a point in the water on Caballo Bay, formed by the thin crescent of Corregidor's curled tail. There the water was deep and rough enough to discourage enemy salvage. There the treasure would be dumped.

Lt. Comdr. George G. Harrison, commander of harbor craft in nearby Mariveles Bay, gathered up a working party-a dozen Navy enlisted men, orphans from the submarine tender Canopus and submarine rescue ship Pigeon, sunk in Manila Bay. Most of them were divers. Harrison told them Corregidor's days were numbered; the job had to be done quickly and at night.

It was backbreaking labor. The heavy boxes, each of them holding 6000 pesos, were wrestled aboard two flat-topped barges, which were then towed to the dump site in the

bay. There the weary sailors began pushing the precious cargo into the sea.

It took ten nights to move the 425 of silver to the floor of Caballo Bay. When the job was finished Harrison turned the men loose with a prophetic warning: "If you are captured, don't let them find out you are divers."

On May 6, Corregidor surrendered, The divers were among the captured. Six weeks later, the Japanese commandant of the prison camp at Cabanatuan, 90 miles north of Manila, sent for Bosun's Mate First Class Morris "Moe" Solomon. "We know you are a diver," he said. "Manilla harbor is choked with sunken vessels,. It must be cleared for traffic.

The Japanese had excellent intelligence Besides Solomon, they had singled out Bosun's Mates Virgil L. "Jughead" Sauers, Wallace A. "Punchy" Barton. P. L. "Slim" Mann and two other experienced divers.

Before leaving Cabanatuan, the group sought out Lt. Comdr. Frank Davis, who had been their skipper on the Pigeon. "You know what they are really after," Davis said.. "Don't let them get it!"

The men knew that if the Japanese sent them down for the silver, they would have to bring some up or be shot. But they agreed they would deliver only enough to stall the enemy. They would steal as much as they could, and smuggle it to other American prisoners to bribe guards for food and medicine. One thing seemed certain: sooner or later they would be caught and executed for sabotage. But this was war and here was a chance to do the enemy some expensive damage.

On the train to Manila the end enemy's stern attitude changed. Smiling guards gave each man for sandwiches and cigarettes. In Manila they were ushered to a clean room in a building near the docks. There were a locker and a cot for each. They were very important prisoners indeed!

A Japanese civilian in a seedy looking suit entered. He wore a horseshoe of grayish hair around his bald head, thick glasses and the huge smile he looked like an actor in a bad by movie; but his voice, soft and high-pitched, was friendly.

"I am Mr. Yosobe," he said. "We will be working together. I am a little too old for driving, but I have had 20 years' experience in salvage work. Come meet our officer-in-charge.

Captain Iakiuti greeted them on the dock. pleasant, youngish man. he came from a wealthy Japanese family and spoke perfect English. He told the men they would be given a roomy boat to live on at Corregidor and were to make themselves comfortable.

"No one will miss you." He promised. "There will be no birds. You are to consider yourselves on professional assignment." He said they would be working in shallow water -- only

30-40 feet.

Obviously Takiuti was lying. The enemy could make them do shallow-water work at gunpoint. This would be no ordinary job; else the Japanese would not try to soft-soap them.

"Well, he called us professionals," Jughead Sabers said that night. "We'll have to charge some big professional fees - in silver!" The next morning Yosobe and two Japanese guards showed the men the U.S. Navy diving gear the Japanese had found: several shallow-water helmets and two dozen suits of long, heavy diving underwear. It would be dangerous work. Should the weighted helmet tilt more than 45 degrees, it would fill with water and drown the diver. Shallow-water equipment was not designed to withstand the python-like pressures below 36 feet. Moreover, the air hoses to these helmets were at least ten years old and might collapse with a man on the bottom.

The men didn't like the look of the equipment. Nor did they like the 60-foot boat they were to live on an old bucket tied at Corregidor's North Pier. The cabin was already serving as a dormitory for six Filipinos, hired to tend the Filipino divers who had been salvaging boxes of silver for the Japanese since the end of May. Eighteen boxes—\$54,000 in silver—had been recovered. The Filipino divers, the Americans learned, had never worked in deep water before. They had stayed down too long, come up too fast. Two had died in the agony of the "bends." When a third lost his helmet and failed to come up, the survivors refused to dive, and the Japanese sent them to prison.

That night the Americans discussed the situation. Those first 18 boxes of silver proved the rest could be recovered; this sharpened the enemy's greed. Obviously, the Japanese army wanted full credit for salvaging the silver. Otherwise, Imperial navy divers would have been used. This explained why they were so anxious for the cooperation of the Americans. Perhaps they would make more concessions.

When Takiuti showed up, the divers told him the boat they lived on was a pigsty. It needed cleaning, paint and repair. Men who worked at such hazardous duty, they said, deserved pleasant, relaxing quarters.

"Help yourself to whatever you can find on the island," Takiuti told the startled prisoners: "Only hurry, please."

From Corregidor's rubble the sailors scrounged a lush harvest. In a few days the barge, scrubbed and painted, began to look like a pleasure yacht. They fitted her with electric-light fixtures, tapping into a line from a diesel power plant near the pier; they installed plumbing, a wood stove, a first-aid cabinet, bookcases. They walled off staterooms and put down a carpet. (The carpeting wasn't too bad by prisoner-of-war standards. It had last seen duty in General MacArthur's office.)

They were just beginning to enjoy domestic life when Yosobe spoiled it all. Early one morning he showed up with two Japanese soldiers and hustled the Americans and the Filipino tenders aboard a small fishing boat. The chugged slow around the east end of Corregidor, then

Pointed toward Caballo Bay, In the distance the Americans saw a flat diving barge. It was anchored directly over the place where they had dumped the treasure!

In a few minutes a motor launch approached and put a big tough looking, impassive Japanese aboard the diving barge. He showed that he was a Kempe - a member of an elite Gestapo-like army organization. An ordinary soldier might be bribed, but a Kempe, they knew, was incorruptible, intelligent and answerable to no one for his actions. He could shoot then on the spot, no questions asked.

The Kempe's first act was to ensure that they would be salvaging sunken ships. He spoke to Yosobe in Japanese. "Your orders are to salvage the silver dumped here before the surrender." Yosobe said to the Americans, smiling. The divers had planned to tell Yosobe they knew nothing of such silver. But a look at the Kempe changed their minds. They did, however, tell Yosobe their diving plans. They would spend only 15 minutes at a time on the bottom. Coming up, they would decompress for two minutes at 30 feet, three minutes at 20 feet, eight minutes at ten feet.

"Surely you can work longer than 15 minutes a dive," Yosobe argued.

"That's plenty of time with this gear," Sauers said. "You've lost three divers already. You want to kill us?"

Yosobe, a gentle man, recalled vivid memories of the way the Filipino doctors had died, and he did not want to see those death agonies again. He shrugged.

The Americans fastened a 40 feet in length of cable to the barge, tied loops in it 10 feet apart and dropped it over the side. They would stand in the loops while compressing.

A small, flat vessel stood alongside the barge. The thick cable from a hand winch ran over its back and hung down toward the water. There was a belt like strap at the end. When a diver found a box of silver, he was to loop this strap around it and two Filipinos would winch it up.

Sauers was to make the first dive. He got into the helmet, ran the air hose and lifeline beneath his right arm and grabbed the cable strap. Then he let himself into the water.

It was warm and calm. Slowly, carefully, Sauers inched his way down the descending line, a thick Manila rope anchored to the bottom. The deeper he traveled, the darker and colder it got so he said motionless on the surface and the bottom. Then the ocean floor came into focus, and he saw it!

A towering mountain of boxes lay some yards from him. If the enemy had the slightest chance that the silver was so concentrated he would permit no delay. Confident divers could bring the entire fortune to the surface in a few weeks.

Sauers thought hard: since the Filipinos had already brought up 18 boxes, the Japanese knew they were in the right spot. It would be best to send up a few boxes at once to prove the divers'

reliability and give them more time to plan.

A 20-foot circling line was attached to the bottom of the descending line. Sauers tied it about his waist and moved slowly toward the hill of silver. He looped the lifting cable around a box and gave three tugs—the signal to the Filipinos to haul it up.

Fifteen minutes later he climbed aboard the barge. When he got his helmet off, Sauers began to grin. Yosobe and the Kempe were paying no attention to him. Both were on the smaller vessel, standing over the sweating Filipinos, ordering them to —)ve the box of silver to the rear of the boat. The Kempe stationed himself next to it and indicated that he would guard it with his life. This concern of the Japanese for the silver rather than the divers was to prove their big mistake.

Solomon made the next dive, and sent up a box. Punchy Barton made a third dive but sent nothing up. "Couldn't find a damn thing down there," he told Yosobe. The Kempe glared at him.

"But the others found boxes," Yosobe pleaded.

"They 'must've got all there was around here." Punchy replied airily.

"We will try again," Yosobe said. But it was now shortly after noon, when the waters of the bay began to grow choppy.

"We can't dive any more today," Sauers told him. "This water is too rough. You want to kill us?" Yosobe did not want to kill them. Diving ceased for the day, and they headed back to the living barge.

Captain Takiuti met them at the North Pier with a ham and a bottle of American whiskey. Only 12,000 pesos had been recovered but it was a promising start. They would begin working in earnest tomorrow.

On their living barge, the Americans cooked dinner and made plans. They had noted that the two boxes they had sent up were waterlogged and beginning to rot. On future dives they would loosen the ends so the heavy bags of silver would break out and spill as the box was being lifted. Then they would steal the loose silver.

Moe Solomon cut up several pairs of dungaree trousers and sewed the pants legs into bags fitted with draw-strings and a cord to tie around the diver's waist. The bag would hang under his diving underwear. On the bottom, the diver would fill his bag with pesos and as he came aboard his tenders would remove it and stash it beneath raincoats on deck.

Slim Mann dived first. Secreted beneath his diving underwear he had a marlinespike for breaking open the boxes. On the bottom, he stripped the metal bands from one box and pried at both ends until they seemed loose. Then he signaled and watched it rise.

About halfway to the surface the box collapsed and bags of silver came drifting down. The Filipinos felt the weight slip away and lowered the cable again. Mann attached another ruined

box and it too burst. Then he stabbed the marlinespike into the ocean bed and went up.

There was consternation on the barge. Yosobe was frantic. What had happened to the silver? The Kempe stood close by, silent, staring angrily.

"This is going to be a helluva job!" Sauers shouted With feigned disgust. "Those boxes are rotted. Fall apart when you touch 'em."

"But two boxes arrived yesterday all right," Yosobe said.

"We were lucky yesterday," Mann replied. "Look at the boxes we got. They were full of water rot." Yosobe was pacing the deck, wringing his hands, muttering. "We must do better! We must do better!"

Barton dived next. He stuffed as many of the loose pesos as he could carry into the sack beneath his diving underwear, then sent up an undamaged box to appease Yosobe. He reached the surface as the box was being lifted aboard the smaller vessel. While- the Japanese were inspecting it, Solomon untied his money bag and slipped it into a bucket beneath a raincoat.

Moe Solomon went down next and sent Yosobe another undamaged box. Then he shattered a dozen boxes and dumped the silver onto the ocean bed. This would make it easier to get at the pesos on the dives to follow.

That night the Americans counted their loot: \$750. To buy off any suspicious Japanese, and set up a distribution system to get the silver to American prisoners on Corregidor and ire Manila, they would need much more. "Gentlemen, we must do better!" Punchy Barton said, and they did.

In the next two weeks the Americans stuffed \$10,000 in silver into the bilges of the living barge. The enemy's take was \$55,000. It wasn't enough to satisfy Yosobe. He decided the job was going too slowly. The only answer was to find more divers.

At Cabanatuan prison camp the Japanese picked out three more veteran divers: Torpedoman Robert C. Sheats, Bosun's Mate George Chopchick and Carpenter's Mate H. S. Anderson. All were old shipmates of the divers in Caballo Bay.

When they came on board, the old hands explained the setup, then showed off their quarters. The new- comers were flabbergasted. Nooks and crevices were filled with tobacco, candy, peanuts, salt, .sugar, pepper, eggs, coffee, rum.

"Each evening it is our custom to take our after-dinner -drinks on the fantail," Sauers told them. "There is good rum, soft music, an exciting discussion of the day's activities. We would love you chaps to join us. We will even let you help count our day's receipts."

Sheats, Anderson and Chopchick gleefully counted the take-\$1215 that day. Afterward they helped carry it through a trapdoor down to a dark lower deck. The divers hauled at long lines through the bilge hatches. Bucketfuls of silver arrived at the hatch openings.

"The interest, of course, is lousy," Jughead Sauers said. "But we don't trust the local banks." The new silver was added, and the buckets were lowered again.

Then the old hands told how the system worked. The Filipinos who manned the air pumps were allowed to visit their families in Manila. The Americans had studied them carefully, tested them with snide remarks about the emperor of Japan. Finally; convinced of their loyalty, they told them they were stealing silver. `Would the Filipinos help distribute it ? They would.

The pump hands found some Chinese, money-changers in Manila who were glad to exchange Japan's paper occupation currency for Philippine silver-at a black-market rate that undermined the yen. Ultimately they got so much silver into circulation in Manila that the rate of exchange fell to 30 to 1 and nobody would have anything to do with the Japanese occupation currency. The money was used to buy supplies, or smuggled, to American prisoners of war. The Filipinos helped themselves to large commissions. The Americans felt they deserved it. They were risking their lives.

The day-after Sheats and Chopchick arrived, Yosobe had the living boat towed to the South Pier, closer to the treasure site, to speed up the work. The Americans didn't like it, for there would be no privacy here. A tug and an enemy barge were tied on either side of them. The Japanese sailors were likely to inspect the living barge on a moment's whim. But-that day, at least, they would be too busy. Skies were darkening and seas were running high. The sailors were making ready for a storm.

By next morning the area was in the shrieking, maniacal grip of a full- fledged typhoon. The whole

South China Sea seemed to be marching into Manila Bay in endless processions of gigantic waves. The Japanese sailors abandoned the tug for shelter in Corregidor's tunnels. But the Americans had to save their boat. It was old and wooden; if it smashed against the rocky shore it would surely spill its forbidden cargo onto the beaches.

For hours, Slim Mann and Jughead Sauers rode the ancient bucket against the howling fury of the storm. Every few minutes they felt the hull crack and shudder as it slammed against the bottom of Caballo Bay in the trough between waves. Fearing that the old barge would break loose from its mooring, they threw coils of thick line and cable to the other divers on the pier, who lashed them to bollards. As the lines and cables snapped like strings, Mann or Sauers would hurl more line to the pier.

By some miracle of effort they held on. When the typhoon was finally past, Corregidor was a shambles. Not a tree was left standing. The Japanese barge had been carried away. Dozens of boxes of silver had been lifted from the watery vault far out in the bay and smashed open on the island's south shore, where Filipino workers were eagerly helping themselves. But the living barge was still tied to the pier.

For two weeks the Japanese had to repair the damage, and this gave the divers a better chance to deliver their silver to the other American prisoners on Corregidor. After the storm, working parties of prisoners were brought out to clean up the mess. The working parties weren't heavily-guarded, and the enemy soldiers couldn't tell a diver from any other prisoner. Two or three at a time, the divers moved into a groin and started working. When the guards weren't looking, they passed the silver to the startled POW's. Soon the divers had delivered thousands of pesos. They decided not to press their luck further, and it was well they didn't, for the next morning Captain Takiuti came aboard.

With Takiuti was a smaller, mean-looking officer. Neither of them said a word. They moved slowly through the cabin, poked at mattresses, looked beneath piles of diving underwear, into the medicine cabinet, the stove, the bookcases. So the enemy suspected them! Finally, Takiuti stood on the piece of carpet that covered the trapdoor to the lower level. Takiuti knew of the hold. There were still thousands of pesos in the bilges. The divers thought the game was over.

But Takiuti surprised them. "You men must make better progress in recovering the silver," he said severely. Then, unaccountably, he turned and left.

"He must have forgotten the hold!" someone breathed.

"He didn't forget," Sauers said. "It was wet and filthy the last time he saw it. He probably didn't want to get dirty. They'll be back! Let's get that stuff out of here!"

There was only one thing they could do. They would have to return their horde of silver to the sea.

One by one they took the buckets of silver out of the bilges, but it wasn't easy to get the buckets into the water. Japanese soldiers lined the dock, watching them work. If one of them

spied a bucket going into the water, he might begin to wonder. So they kept their backs to the enemy troops; stayed in a tight semicircle around each diver until he got into the water. Then someone would hand the bucket down to him. Ten buckets of silver were laid on the bottom that day.

The next day Takiuti and three armed soldiers probed every inch of the living barge. The divers followed them, expressions of outraged hurt on their faces.

"We've worked hard for you, Captain." Moe Solomon said earnestly. "Now you act like we're thieves or something".

"I think it is highly possible," Takiuti snapped, "that you are thieves or something!" Takiuti was burning when he led his inspection party off the barge. He hadn't found a single peso.

The Americans knew they hadn't fooled him. He knew they were sealing the silver and was determined to find it. When he did, they would all be shot.

The next morning their fears were confirmed. As they prepared to dive, the Kempe suddenly appeared on the diving barge. He spoke in Japanese to Yosobe and began stripping.

"He is going to dive," Yosobe said. "He wants to see what you have been doing on the bottom."

The divers glanced at each other. This was the finish for them all. The Kempe could not be allowed to return from the sea alive. But then too were doomed. The enemy would accept no excuse for a Kempe's death.

The Kempe was fitted with a helmet and started to descend into the water. Sheats tended the life line. Barton the air hose. When the Kempe reached bottom. Sheats planned to rip off the helmet.

The Kempe grabbed the descending line and started down. But after moving only a few feet, he started up again! Out of the helmet, he got into a huddle with Yosobe.

"Kempe has claustrophobia," Yosobe explained to the divers. "He can't stand the helmet. And he has decided you have not been doing anything wrong on the bottom, or you would not have cooperated in sending him down?" The old man was visibly relieved. The Americans were weak.

The diving continued until late autumn, when the silver recovery program came to an end. By then it was obvious to the Japanese that the silver was coming from Caballo Bay. But they would never admit even to themselves that it had been stolen by the American divers. The Americans could never have gotten it past their Kempes!

The security police now reported officially that all the silver in circulation had been taken from the boxes washed ashore in the typhoon. The case was closed. To keep it closed, they canceled the silver-recovery program, and everyone was happy, especially the Americans.

The divers were sent to Manila to work as stevedores in a group commanded by Lt. Comdr. George G. Harrison, the man who had worked with them during the dumping of the silver. They spent the next two years with "G. G.'s 400 Thieves," sabotaging every enemy cargo of food and war materiel enemy cargo they could reach. Many outgoing ships -- over loaded in a way calculated to make them capsize in foul weather, and with holes pounded through their hulls--were never heard from again.

All of the men survived the war except George Chopchich, who died in 1944 aboard a prison ship en route to Japan. None of them is rich. Sauers is the only one who can show so much as a single souvenir peso. But each often remembers his days of philanthropy in the summer and fall of 1942.

"I guess we were the richest prisoners of war ever," Sheats said recently. "It was pretty good duty. We were kind of like Snow White's seven dwarfs--carrying our buckets off to work each day, bringing them home filled with silver at night." As for the silver: the U. S. Navy raised about \$2,500,000 worth after the war, then quit trying. The boxes kept crumbling from water rot and the damage the American prisoners had inflicted on them. The effort became more expensive than the silver was worth.

In 1947, two Americans got a contract from the Philippine government, but were able to raise only about \$250,000 more.

More than four million dollars still silver still lies on the floor of Caballo bay. Scattered and buried by the currents and storms of years, it will probably remain there forever-- a watery monument to the men of the U.S. Navy who did their best to keep it there.