

164

GENERAL

1943

ALLIED ADMINISTRATIVE
AFFAIRS.

W 4708
24 MAR 1943

Registry }
Number } W 4708/8/64.
Ministry of
FROM Economic Warfare
(communicated).
No. 17209/4.

Dated 18th March, 1943.

Received }
in Registry } 24th March,
1943.

W: Allied Administrative
Affairs.

Axis attempts to secure Dutch and Norwegian bank
balances in Spain.

Transmits copy of letter from Financial
Secretariat of Madrid Embassy to Ministry of
Economic Warfare of 8th March stating that nothing
is known of Axis attempts to secure pesetas by
realising credits held by Spanish banks in favour
of Swedish banks, but giving details of similar
attempts made in connexion with Dutch and
Norwegian credits.

Last Paper.

W 4572 (W 4125)

References.

(Print.)

(How disposed of.)

(Minutes.)

This has crossed our desk. of March
13 to Madrid (W 4125)

I have a feeling that we are
fairly safe in respect of balances
held by British banks, but the
position is much more difficult
in regard to balances held by
Spanish banks. Should have
thought it was well worth while

for the Allies (or concerned
Netherlands etc.) to take action in
Spain even at the risk of
compromising their diplomatic
position in Madrid. After all

what is "position" without
"magnitude" (or influence)?
[Lapier has some to Mar
TWEED + Ty.]

There are, however, good political
reasons for just keeping the Allied
R.R. at Madrid, showing all influence
that they may be.

(Action
completed.)

(Index.)

5/4/43

Act
5/4

Next Paper.

W 5416)

W 4731

24794 12/42 F.O.P.



Central Dept

M. v. Dean PD 43.

30. III

3401 RAN PS

GENERAL

JCW

26/III

If one represents an invaded and temporarily submerged country one has to watch one's step very carefully. As things are Sir S. Hoare aids his allied colleagues of considerable help in fighting Axis influence in Spain and we should not wish them to take any action which might lead to their being turned out.

Wish
26/3

JCW:W

KSW/JH
Fin. 263
9/4/20

COPY

NEW Idemo. M 209/4. Enter
Copy for Mr. Ward. I.O. 18

BRITISH EMBASSY,
MADRID.

8th March 1943

Copies also sent W/Gen

W. 477 Gregory, R.D.
& Rouse-Batten

Dear Enemy Transactions Department,

Your letter of the 18th January about the alleged attempts of the Axis to secure pesetas by realising credits held by Spanish banks in favour of Swedish banks.

We have been unable to obtain any information as regards Swedish credits but we know that similar attempts have been made in connection with both Dutch and Norwegian credits. Details are set out on the attached note. We have taken the matter up with the competent Spanish authority, viz., the Instituto Espanol de Moneda Extranjera, and have drawn their attention to the Inter-Allied Declaration, which was communicated to the Spanish Government on the 5th January.

The Instituto de Moneda do not intervene in the matter to secure compliance with requests received by Spanish correspondents of banks in occupied countries for funds to be handed over to German banks in Spain. The attitude of the Instituto de Moneda is that it is merely a question between the banks concerned. For example, if a Spanish bank receives instructions from a correspondent in, say, Norway, signed by the usual signatories, and the Spanish bank choose to act upon these instructions, they would have to apply to the Instituto for permission to make the transfer to the German bank in Spain. In such circumstances, the Instituto would give its permission; but if the Spanish bank declined to act upon the instructions, the Instituto de Moneda would not come into the picture at all. If the German bank wished to bring pressure on the Spanish bank concerned, it could presumably take the matter to law in an effort to secure compliance with the instructions from the bank in occupied territory.

The only cases of which we have details are those set out in the enclosed note but from enquiries made of the Comite Central de Banca, we gather that attempts to secure pesetas in this way are not on a big scale. The Comite Central de Banca is the representative body of Spanish banking interests and they have agreed to

consider/

-2-

consider whether there is anything they can do, unofficially to circumvent these German moves. We will let you know what comes of this.

With regard to the cases cited on the attached note, the Anglo-South American Bank have declined to act, alleging a technical flaw in the instructions and they are prepared to pursue other delaying tactics of this kind. The Anglo-South American Bank here is, in effect, a branch of the London Head Office. They have therefore asked their Head Office to send them written instructions to hold the particular credits blocked. If the Banco Aleman take legal action, the Anglo-South American Bank would plead that they had no alternative but to proceed as directed by their Head Office and that any action on the score of non-compliance would be one which would have to be taken up with the London Office. Spanish banks and Spanish nationals could not, of course, take evasive action of this kind and it would be difficult for a Spanish bank to refuse to act upon instructions, duly authenticated as to signature, from their correspondents in occupied countries. It is clear, however, that individual Spanish traders are disinclined to further the German scheme (see 3 and 4 of the note). The Instituto de Moneda, for their part, have no wish to assist the Germans to obtain pesetas in this way and we know that they have taken no steps to persuade banks to execute German instructions of this kind.

Yours ever,

FINANCIAL SECRETARIAT.

Enemy Transactions Dept.,
Ministry of Economic Warfare.

PESETA SUMS STANDING TO THE CREDIT OF DUTCH
AND NORWEGIAN FIRMS.

1. . . . Anglo-South American Bank, Barcelona, received through the Banco Aleman, instructions purporting to have come from Banks in Holland, to hand over amounts or balances, including provisional payments in connection with Bank credits, in their possession to the Banco Aleman Transatlantico. The Instituto Espanol de Moneda Extranjera who were consulted unofficially in the matter said that they would not intervene.
2. . . . The Anglo-South American Bank, Vigo, have since 1937 held funds amounting to Ptas.174,915.75 in an account in the name of Norsk Hydro-Elektrisk Kivalstofakieselskab of Oslo. Recently they received a request from Norsk Hydro, through Unicolor Barcelona, to transfer the money to Banco Aleman Transatlantico of Seville. The Vigo branch of the Anglo-South American Bank were advised to try and find a technical flaw in the application. The request has been ignored.
3. . . . Attempted collection by the Banco Aleman Transatlantico of a bill due for goods supplied by a Dutch firm in 1936. Particulars of this transaction are given in despatch No.M.E.W.30 dated 20th January, 1943, from H.M.Consulate General, Barcelona, to Iberian Section.
4. . . . Attempt by Banco Aleman Transatlantico to obtain 500,000 pesetas belonging to N.V.Katoen. Details are given in despatch No.M.E.W.83 dated the 18th February from H.M.Consulate General, Barcelona, to Iberian Section.

8th March, 1943.

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ALLIED ADMINISTRATIVE
AFFAIRS.

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NOTHING TO BE WRITTEN ON THIS PAGE