

DECLASSIFIED
Authority NND 765025
By TJ MARR Date 7/12/00

RG 84
Entry 3161
File 851.5-1946
Box 108

No. 3163

Madrid, November 26, 1946.

SECRET

Subject: Spanish Position with regard to Looted Gold.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose a memorandum of conversation with Sr. Emilio Navasques, Director General of Economic Policy of the Spanish Foreign Office. In the course of this conversation, participated in by Messrs. Rubin, Schmidt and Randall, Sr. Navasques withdrew previous objections of the Spanish Government to provide the Allied Delegations in the current negotiations with the gold data previously requested. He further advised that, when these data are forwarded to the Embassy, they will be accompanied by a concrete expression of the Spanish position vis-a-vis the restitution of gold looted from occupied countries. Sr. Navasques expressed the hope that all the data as well as statement of Spanish position would be available within the next week or ten days. He further requested that this point of view be made available to the respective governments acting in Spain for the Allied Control Council for Germany.

The Embassy would appreciate an early expression from the Department, as there is little doubt that this matter will be the subject of continued reference by the Spanish Delegation. For previous reference see Lisbon Embassy telegram no. 1021 of November 23 from Rubin.

Respectfully yours,

For the Chargé d'Affaires, a/i.:

Harold M. Randall,
Commercial Attaché.

Enclosure:

Memorandum of conversation with Sr. Navasques.

Original and hectograph to Department.

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File No.: 851.5

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RG 07
Entry 3161
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Enclosure to Secret Despatch No. from American Embassy, Madrid, Spain, dated November 26, 1946, entitled: "Spanish Position with regard to Looted Gold".

SECRET

MEMORANDUM

Subject: Statement by Sr. Navasques regarding Spanish Position on Looted Gold.

Occasion: Conversation of November 22 between Sr. Emilio Navasques, Director General of Economic Policy of the Spanish Foreign Office, Mr. Seymour J. Rubin, Chief of the American Delegation for current Safehaven Negotiations with Spain, Mr. Harold M. Randall, Commercial Attaché of the U. S. Embassy, and Mr. Orvis Schmidt, U. S. Treasury Representative, the latter two also being members of the American Delegation.

Sr. Navasques opened the discussion by stating the Spanish reaction to the Embassy's Note Verbale No. 2372 of September 26, 1946 requesting detailed information on Spanish gold holdings. This reaction, in brief, was that Spain was surprised by the nature of such a request, since she felt that it was extraordinary in character, that it implied suspicion and mistrust of Spain, and that it requested data normally treated as confidential. He further stated that, after explanations made in previous conversations with Mr. Randall, they then understood that this request was more of a routine nature and intended primarily to obtain data necessary for the implementation of the Allied Gold Declaration of February 2, 1944.

After translation, Mr. Schmidt made further clarifications, explaining to Sr. Navasques that the primary object was to ascertain, if possible, gold looted from occupied countries by the Germans and likewise to clear those countries which had not made purchases of such gold. He further explained that the criterion employed in these examinations covered only purchases made by neutral countries direct from Germany, and not those made in good faith from other sources who, in turn, may have acquired the same gold from Germany; said gold, in turn, being the result of loot by the German occupying forces.

Sr. Navasques

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Sr. Navasques responded by saying that Spain had, as far as he knew, made no direct purchase of gold from Germany during the war years. He stated that one transaction did occur in which the German Reichsbank deposited gold in a Swiss bank as a guarantee of commercial credit for Spain, that in return Spain obtained the corresponding value in Swiss francs for financing of the commercial transaction. The gold in question never came to Spain nor was it ever in Spanish hands. The only gold purchases made by Spain were from the Banque Nationale Suisse and the Bank of Portugal (he did not, of course, mention other purchases from the Bank of England, since such gold would not be suspect). He further added that Spain had no objection whatsoever in supplying the data requested covering Spanish gold transactions over the past several years, provided these data were treated in confidence. Of this he was assured.

He then stated, however, that the Spanish position was one resulting from bitter experience as regards looted gold. While there were several examples, he quoted one to demonstrate, adding that Spain had impressive documentation. In substance this case was as follows:

At the termination of the Spanish Civil War, individuals of the then Republican government fled Spain taking with them property which he classified as looted, including substantial quantities of gold. Shortly after this occurrence, the present Spanish regime was recognized by all the Allied powers with the exception of Russia. As a result of Jordana-Laval agreement between Spain and France for the return of property looted from Spain, that part of the looted gold carried to France and deposited in the Bank of France was returned. A substantial sum, however, had been deposited in another bank in Paris, which, according to Navasques, was a Russian bank. The Spanish Government made representation to the French Government requesting that the funds be blocked and thereupon carried the case to the French courts. Before a decision was reached by the courts, the war began and the Germans occupied Paris. As Russian-German relations at the time were close following the Ribbentrop-Molotov agreement, the gold in question was withdrawn from the bank and shipped out of Paris. Navasques did not know whether all went to Germany or to Russia, or was divided between the two. Spain then made formal protest against Germany for this action without results.

After explaining this case, Sr. Navasques inquired as to whether the organization represented here by the three Allied powers who are now negotiating, among other things,

for the

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for the return of gold would all be willing to assist in
obtaining restitution of the Spanish gold which, though ad-
mittedly stolen originally by Spaniards in Spain, eventually
escaped Spain as a result of action taken by the German
occupying forces.

Mr. Rubin and Mr. Schmidt explained that there really
is no such organization in the sense that Sr. Navasques
suggested. The representatives here of the three Allied
governments have been authorized or given, in a sense, a
power of attorney both by their own governments as integral
parts of the Allied Control Council for Germany and by the
other eighteen nations signatory to the Paris Reparations
Agreement, to examine, identify, and discover, where possible,
looted gold of the countries occupied. That the question of
gold held by the third parties in such countries had not
arisen and was not provided for, and that it was doubtful,
although we did not feel competent at this time to so state
categorically, whether a country in the position of Spain,
as just explained by Sr. Navasques, would have recourse
other than against the individual country responsible for
the eventual looting.

Sr. Navasques stated that Spain could not be held re-
sponsible to any international agreement to which it was not
a party; that it could not agree with the point of view ex-
pressed, and that it felt sure that the Allied nations would
not, under any consideration, in view of their high sense of
justice, request Spain to identify its gold and to be respon-
sible for the delivery to the Allied authorities of any por-
tion identified as having been looted from occupied countries -
an action which Spain was perfectly ready to take if such
gold appeared among her holdings - and at the same time re-
fuse to give the same kind of assistance towards the restitu-
tion of gold belonging to Spain which had been looted as the
result of German occupation of the country in which it was
located at the time. He stated, therefore, that this point
of view giving the Spanish position would be made at the same
time that the gold data requested by the Allies was delivered.
He asked further that this be brought to the attention of
our respective governments. Upon the suggestion that it would
be better to await concrete Spanish statement, he requested
that it be brought forward as soon as possible even in a
general way, as it would probably require another ten days
for Spain to prepare and deliver the gold data and the of-
ficial statement of her position. The American Delegation
agreed to accede to his request as far as our own government
was concerned and to provide a copy of this memorandum to
the French and British in the expectation that they likewise
would take similar action.

Madrid, November 26, 1946.

R. M. R.

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