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DATE  
APPROVED BY  
BY

IN REFER TO  
FILE NO. 851.6  
WHS/dh

Ack. May 19 mk  
Ack'd by for



DEPARTMENT OF STATE

LEGATION OF THE UNITED STATES  
OF AMERICA  
Rec'd MAY 19 1942  
BERN

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN CONSULATE

Basel, Switzerland, May 18, 1942.

CONFIDENTIAL

The Honorable  
Leland Harrison,  
American Minister,  
Bern.

Subject: French Gold in Lisbon  
Axis Powers Sending Escudos  
to South America

Sir:

I have the honor to request that the enclosed telegram no.36 dated May 18, 1942 regarding the above subject be sent to the Department in a safe code.

Respectfully yours,

Walter H. Scholes  
American Consul General

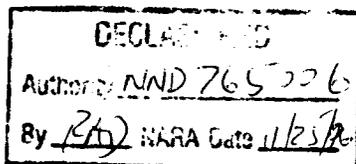
Enclosure:

- 1. Text of telegram no.36.

851.6 FRENCH GOLD SALE TO PORTUGAL

RG 84  
Legation Bern  
Econ Sec 1942-48  
1942: 851.6 Box 4

I-5/2



SECSTATE

WASHINGTON

36 Eighteenth I am informed on excellent authority that the Bank of France at Clermont-Ferrand last week shipped by rail to Lisbon 3000 kilos of gold valued at some 90 million escudos stop Shipment which is due in Lisbon today is being accompanied by Court de Meurville of the Bank of France stop French claim the transaction is for payment of French imports but bankers here are unconvinced and point out that France's escudo balance at Lisbon amounting to from sixty to one hundred million escudos was recently transferred to the Germans under pressure stop Paragraph

Germans until recently have been heavy buyers of escudos but ceased their purchases two weeks ago when Italians suddenly appeared in the market as buyers Paragraph

The conviction is growing here that the Axis Powers are transferring escudos to South America for propaganda purposes comma one such transfer to the Argentine appears to be known to a Basel banker who declined to furnish additional details Paragraph

At the same time the Bank of France appears to have transferred recently Swiss francs 6 million in gold to Bern while the Swiss are shipping gold in one million kilo lots by trucks via Conflans Spain to Lisbon ostensibly in payment their imports - thousand

SHOLES