

## **Portugal and the Nazi Gold:**

### **The "Lisbon Connection" in the Sales of Looted Gold by the Third Reich**

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The London Conference on Nazi Gold held in December 1997 marked one of the high points to date in a triangular of dispute raging between representatives of Jewish organizations, backed by world public opinion, the Swiss banking imperium, and the banking industry in the United States. For the American bankers, the furor over the wartime services rendered by their Swiss rivals comes at an opportune moment. [1]

Yet the controversy about the fate of the pilfered assets of persecuted Jews, tormented and murdered by the Nazis, is no longer a matter confined to the Swiss state. Business with Nazi Germany played an important part in the economies of all non-occupied European countries. Without Swedish ore, Rumanian oil, Spanish manganese, Turkish chromium, and tungsten from Portugal, the war machine of the Third Reich would have ground to a halt well before 1945. Nevertheless, the inquiry must go beyond merely trying to establish who delivered what and when. The Swiss example points up the real pivot in this traffic—namely, the question of financing. How and through what channels did Nazi Germany pay for the influx of goods imported from the neutrals?

Portugal under the iron rule of dictator Antonio de Oliveira Salazar can serve as a paradigmatic example of the scant role ethical considerations played in policies pursued by the supposedly neutral nations toward Nazi Germany. It also vividly exemplifies that, in being driven by greed for profit, how few compunctions there were to prohibit consorting

with the Nazi regime and receiving its looted treasures. In this connection, it is baffling that some historical literature actually portrays Portugal's role in World War II in a positive light. Evidently, this is due chiefly to the country's importance as a haven and transit point for many who were fleeing the Nazis, including Jews. On the basis of new disclosures since mid-1996, however, it is becoming ever clearer just how heavily implicated the Portuguese state was in dealings concerning gold seized by the Nazis. Thus, it is time to set the record straight and rectify the previous far-too-rosy image of the Portuguese role.

Although the Banco de Portugal, the Portuguese central bank, has not made the task easy for historians trying to get at the truth, one salient fact has already been well established: among those countries that received shipments of looted gold from the Third Reich, Portugal ranked second only to Switzerland. A look at the figures is sufficient corroboration. On January 1, 1939, total Portuguese gold reserves amounted to a mere 63.4 tons; over the course of the war, these swelled by nearly 600 percent, reaching an imposing 356.5 tons as of October 31, 1945. During this period Portugal received at least 123.8 tons net in gold directly or indirectly from the Reichsbank, valued at the time at \$139.9 million.[2]

These intensive economic ties between the Third Reich and fascist Portugal are nothing new to historians. Less well known, however, is the huge scope this trade assumed as the war progressed. In 1940, only 1.79 percent of Portuguese exports went to Germany; by 1942, that share had soared to 24.38 percent.[3] One major factor in holding down exports initially appears to have been Portuguese misgivings about supplying goods on credit. Indeed, exports did not begin to climb until the Germans, utilizing the Bank for International Settlements – BIS (*Bank für Internationalen Zahlungsausgleich - BIZ*), started to draw ever more frequently on gold and currency reserves seized in the occupied territories in order to pay for raw materials imported from the neutrals.

The BIS, which still exists today, was a bank with a board of directors composed of the governors of the main central banks. With headquarters in Basel, it was run during the war by Thomas McKittrick, an American citizen with close ties to the Germans. In research published in 1993, the Swiss Gian Trepp cited January 14, 1940, as the date of the first delivery of Reichsbank gold to the BIS. Several additional deliveries arrived during the following months. But not all the gold remained in the BIS account; and not all of it remained in Basel: Trepp mentions among the first sales a transfer in June to an account of the Yugoslav National Bank in Basel, and a transport in October to Lisbon.[4] Later, between mid-October 1941 and the beginning of January 1942, the BIS organized six gold transports to Lisbon. At intervals of approximately two to three weeks, a total of 20 tons of gold arrived in Lisbon. All had been insured by Swiss firms.[5]

Ernst Weber, president of the Swiss National Bank – SNB (*Schweizerische Nationalbank*), described how the transactions were handled by the triangle that consisted of the Banco de Portugal, SNB, and BIS: "The escudos are paid [by the Banco de Portugal] for the transfer of gold which the Swiss National Bank in Bern holds ready for delivery to Lisbon." [6] According to Weber, the Reichsbank had also acquired sizable amounts of escudos via the Swiss commercial banks. In such dealings the Reichsbank paid with gold, which these commercial banks then sold to the "private hoard." The Banco de Portugal also used the Swiss francs procured through this channel to purchase gold from the SNB, though not all the paper transfers were followed by physical transports. The Portuguese bankers did order some risky transports by enterprises like Gebrüder Gondrand, who would not allow any Jewish truckdriver to take the gold. The transports were not only risky; security measures were also expensive. Only the excessive accumulation of Portuguese gold in Basel and later in Bern made such transports unavoidable.[7]

By the spring of 1941, there had been two key changes. One was the Wehrmacht's occupation of the Balkans. As a result, the Yugoslav state bank, up until then a major recipient of the looted gold, was unable to continue these services. The second was the mammoth upsurge in the Wehrmacht's need for finished goods and raw materials vital to the war effort—including textiles, boots, foods, and, of course, the munitions component tungsten—in preparation for the massive Russian campaign. Since the price of tungsten on the Portuguese open market had skyrocketed by some 1,700 percent within the span of fifteen months, the German Reich was able to cover its requirements only by a huge increase in outlay. The means of payment was the gold it had seized from the central banks of Austria, Czechoslovakia, Belgium, the Netherlands, and Norway.

It was impossible to conceal the flow of gold to Lisbon from the eyes of Allied intelligence. On January 8, 1942, Montagu C. Norman, director of the Bank of England, notified Thomas McKittrick that Great Britain would no longer countenance such gold shipments from the BIS to Portugal.[8] Since the Nazi regime could keep its war machine rolling only by utilizing assets confiscated in the occupied territories, neutral Portugal now found itself facing a serious dilemma: how could it continue to export goods to Germany if payments via the BIS were to be halted? Moreover, trade relations between the two countries were soon to take on a totally new dimension as a result of the transfer to the Economy Ministry in Berlin of the Belgian gold reserves stashed in the French central bank, a procedure then nearing completion.

Alarmed by the advance of the Wehrmacht and the subsequent Nazi pillage in Austria and Czechoslovakia, the Netherlands and Belgium had made every effort to bring their central bank reserves to safety. Initially, the Belgians had better luck than the Dutch. The ship

attempting to ferry some of the Dutch reserves abroad met a disastrous end, sinking in the English Channel. The sizable Belgian cache, some 198 tons already spirited across the border into France, was shipped for safekeeping to vaults in Dakar. After the French surrender, however, even in colonial West Africa the reserves were no longer safe from the long arm of the German victors. The German Reich demanded that the Vichy government hand over the Belgian gold, and, after certain complications, they complied.[9] By May 1942, the French central bank had shipped the entire stock of Belgian gold reserves to Berlin.

Decisive in the arguments later put forward by the Swiss and Portuguese to justify their actions was that they regarded the handover of the Belgian gold to Nazi Germany as a legal transaction, stressing that the transfer by the French government had been voluntary.[10] As both states viewed it, there was thus no reason to refrain in principle from dealing in this gold. Moreover, officials in Switzerland and Portugal were enticed by the prospect of hefty future profits to be garnered in deals for their two main exports—Swiss francs and Portuguese tungsten. The chance to acquire the Belgian gold reserves sparked an amazing spurt of criminal enterprise in both the Swiss and Portuguese camps; they pondered all possible angles to minimize any conflict with the Allies while keeping open the door to prospective lucre from trafficking with the Belgian gold.

At this time Victor Gautier, a high-ranking SNB official, undertook a visit to Spain and Portugal. Most revealing are the impressions of his meeting with Albino Gabral Pessoa, secretary-general of the Banco de Portugal. In his confidential report, he noted that Portugal would not accept gold from the Reichsbank as means of payment, "in part for political reasons, and doubtless due to the need for legal caution." Yet Portuguese misgivings would evaporate, he observed, "if the money were to pass through our hands. We should think about that option." [11] Gautier repeated his impressions in a confidential conversation with the

Swiss diplomat Kohli. He stressed that the Allies had initially voiced their objections to the gold transactions by the private banks, through which Germany had acquired large amounts of escudos—the currency the Banco de Portugal, for the above-mentioned reasons, did not wish to grant Germany. "Yet as soon as a Swiss bank entered the picture as intermediary, there were apparently no longer any such reservations, although the Banco de Portugal naturally knew quite well for whom the escudos were intended." [12] These statements make it clear what was important in Portuguese eyes: they wanted the gold from the Reich, and a clean slate from the Swiss launderers.

Portugal's caution was indeed justified. By 1942, both the Americans and the Swiss authorities had received first reports about concentration-camp atrocities. Even if those trading in the Nazi-seized gold may not yet have known about the extermination, the prudence of the Portuguese suggests they were aware of the gold's ill-gotten origin. But the Portuguese wished to obtain gold from Switzerland and were unconcerned about its provenance. They wanted the Reichsbank to sell the gold either to the SNB or to commercial Swiss banks at the regular daily rate. Subsequently, the Reichsbank deposited the Swiss francs acquired in this way in a Banco de Portugal account with the SNB. The Banco de Portugal in turn used these Swiss francs to purchase gold from the SNB. Despite the additional expenses associated with using the Swiss banks as middlemen, the roundabout route had a decided advantage: from the legal point of view, Portugal apparently became the lawful owner of the gold, since it had been procured from the SNB through normal channels.

The problem of where to park the freshly acquired Portuguese gold was also solved quickly by using the Swiss banks. According to a report of the British Foreign Office—only declassified in September 1996—the Banco de Portugal maintained three parallel accounts with the SNB: accounts A, B and C. [13] Account A was used to deposit the gold transferred

in payment for the purchase of escudos by the SNB from the Banco de Portugal; account B was reserved for the gold that the Banco de Portugal financed with the Swiss francs supplied to it by the Portuguese commercial banks, which had also begun to sell escudos to Swiss private banks in exchange for Swiss francs. The Swiss commercial banks then closed the dealing circle by selling the escudos it had acquired in this manner to the Reichsbank in Berlin in payment for gold. Deposited in account C was the gold transferred on orders from Berlin directly by the SNB to the Banco de Portugal account in Zurich.

Although they took a dim view of this activity, the Allies chose to turn a blind eye to neutral gold trafficking over the course of 1942. In January 1943, however, they decided on a tougher, unmistakable signal: they issued a declaration that they would do whatever necessary in order to clamp down on this trade and declare dealings with assets looted by the German Reich null and void. Although the British Embassy in Lisbon saw to it that this statement was published in several Portuguese papers, the Salazar government preferred to play deaf.[14] The profits from the gold trade, including the holdings of the former Belgian central bank, were too powerful an enticement to resist; during the course of 1943, at least 20.4 tons of the former Belgian reserves found their way to coffers in Portugal.[15]

The sharp Allied warning issued on February 22, 1944, marked a decisive turning point in dealings with Nazi gold. The statement explicitly referred to trafficking with the gold plundered by Nazi Germany. During the lengthy negotiations of 1946-1953 regarding the return of the seized gold, Portuguese officials repeatedly pointed to this February 1944 declaration by the Allies, claiming that, up until that time, all their transactions with the Reichsbank had been entered into in good faith. It is impossible at present to establish conclusively whether the Banco de Portugal received further shipments of gold from Berlin after this date. Yet a remark by the head of the Portuguese negotiating team, Tomaz

Fernandes, suggests such deliveries may well have occurred. He attempted to minimize the importance of the February 22 date by pointing out that the Allied warning was communicated formally to the Portuguese Foreign Ministry by the British Embassy only on October 13, 1944.[16] There is thus some basis to assume that gold continued to be funneled from Germany to Portugal during the intervening eight months.

Ultimately, what swayed the Portuguese government to agree to negotiate with the Allies about possible repatriation of the gold were the Bretton Woods resolutions. Only by appearing to cooperate could the Portuguese avoid future isolation on world markets. The terms agreed on, in July 1944, at the Bretton Woods Conference were unequivocal. Any nation wishing to join the group of signatory states had to satisfy Resolution VI pertaining to "enemy assets and looted goods." It specified that the signatories had to make known their own credit demands vis-à-vis the German Reich. They were likewise required to confiscate the assets of the German Reich and its citizens resident within the territory of the Reich. The seized properties were then to be disposed of by a tripartite commission on which the United States, England, and France were supposed to represent the interests of the countries devastated by Nazi aggression. German debts were to be paid off with the proceeds, and compensation was to be directed to the most destitute victims of Nazi expansionism, i.e., primarily stateless refugees. However, these guidelines involved a certain consequence for those nations that had received goods seized by the Nazis; the Allied powers tacitly conceded that they had acted bona fide, but they would be obliged to reimburse the countries that had been looted. On the other hand, it was left open to them to demand compensation from Germany for the losses so incurred.[17]

If Portugal had surprised observers during the war years by its ingenuity in finding loopholes in order to import Nazi gold, the country now astounded the Allies by the hair-



splitting obstinacy with which it sought to protect its holdings of looted gold. The negotiations of the tripartite commission with the representatives of the neutrals Switzerland, Sweden, and Spain had been brought to a comparatively rapid conclusion. As early as May 1946, Switzerland declared it was prepared to pay the sum of 250 million Swiss francs, equivalent to approximately 60 tons of gold. Two months later, Sweden paid the Belgian national bank \$8 million in compensation, roughly equal in value to 7 tons of gold. In May 1948, Spain finally presented the Allies with all eight gold ingots it had obtained directly from the Reichsbank, amounting to 101 kilograms.[18]

The negotiations between Portugal and the Allies took a different turn. They were to drag on for another five years. At the outset the Allies demanded that the Portuguese restore 44 tons of gold, the lion's share stemming from the looted reserves of the Belgian central bank. The Portuguese countered by declaring that they were prepared to return only 3 tons and no more, a position they obstinately defended over the following years.[19] Their aim in negotiations was manifest: they wanted to hold on to as much of the gold as possible. The Portuguese delegation head Tomaz Fernandes was adamant in reiterating to the Allies that although the Portuguese government could not prove the gold in question had not been stolen, it was likewise unable to confirm the contrary.[20] Adroit use was made of the only bargaining chip the Portuguese had—namely, the German assets within Portugal—estimated to be worth some 300 million escudos, then equivalent to about \$10.3 million.[21] However, the Allied negotiators made a fatal error: they conceded to the Portuguese proposal that the entire complex of the liquidation of German assets be postponed until after the gold question had been satisfactorily resolved. Time now was on the side of the Portuguese. The Allied powers were obliged to watch as the value of confiscated German properties steadily eroded in the wake of increasing deterioration. This was one of the chief reasons why, over the next

several years, they gradually lowered their demands. In November 1947, they gave up the original demand of 44 tons and called for a settlement of 38; soon thereafter they demanded only 21 tons. By May 1948, that figure had been slashed to only 7 tons. So while the Allies had cut their claims by 37 tons, the Portuguese were only prepared to sell some 900 kilograms in addition to the original 4 tons that had been offered.

In June 1953, the agreement the Allies grudgingly signed stipulated the restitution of just 4 tons of gold along with a payment of 175 million escudos, or some \$7.6 million (based on 1939 exchange rates).[22] The final result achieved by the Allied negotiating team over seven years of haggling appears even more catastrophic in light of the fact that the American negotiators had in their possession a memo from the American Office of Strategic Services (OSS) dated February 7, 1946, stating that the Portuguese had actually obtained 124 tons of Nazi gold, and not 44.[23] The states that had served as fences for Nazi loot confirmed the effectiveness of the Portuguese tactics in the negotiations with the Tripartite Commission. It was worth wasting time and wait for a favorable turn in international politics. During the Cold War Portugal's membership in NATO and the indispensable strategic role of the Azores Islands in U.S. geopolitical planning weighed far more heavily in Washington's considerations than the question of compensation for the gold illicitly garnered by the Portuguese. American Under-Secretary of State Stuart Eizenstat could not help remarking that “ negotiations with Portugal were even more protracted [i.e. than with the other Neutrals—A.L., A.S.], with gold discussions dragging on into the 1950s, because of Portuguese resistance. It was not until 1960 that a small amount of cash and gold was turned over to the Allies.”[24]

Finally, it should be noted that, already during the war, Portugal had secretly begun to dispose of a portion of its gold reserves, and such sales continued even during negotiations

with the tripartite commission. There is evidence that gold was shipped to Switzerland [25] and as far as Poland.[26] Moreover, well into the 1960s, gold was being funneled to the Far East over the colonial conduit Lisbon-Macau.[27]

The difficulties encountered by historians in trying to gain access to the archives of the Banco de Portugal appear all the more incomprehensible when viewed in the context of nearly twenty-three years of reform since the 1974 bloodless revolution. Since then there have been sweeping changes in both the political leadership and in the directorate of the Banco de Portugal. Yet even more difficult to grasp is the tenor of the arguments put forward by the central bank and the government to justify their stand. Both do not hesitate to make use of the same rationalizations that had riled the representatives of the tripartite commission decades ago—namely, that the gold in question was obtained legally and that there is no information to the contrary.

Nonetheless, the widespread negative reaction among scholars and in the Portuguese media has forced the bank's board of directors to make certain concessions. In December 1996, it appointed the economic historian Costa Leite to work through the bank archives, although his precise tasks and legal authority remain unclear. Moreover, shortly after the negative critiques in the media over the fruitless visit by Shimon Samuels, the Simon Wiesenthal Center's European Director, in February 1997, the bank's directorship appointed a commission to oversee Costa Leite's work. It is composed of representatives from the world Jewish community, the political arena, and academia. The inclusion on this committee of the internationally renowned Portuguese politician (and former president) Mario Soares is nothing short of a minor sensation. He is joined there by World Jewish Congress Secretary-General Israel Singer, and Jaime Reis, an economic historian appointed earlier by the Banco de Portugal to prepare the first volume of its history. Since it is unlikely that either Soares or

Singer will be personally involved with the research work, it remains to be seen to what extent their presence on the committee will serve to guarantee the independent nature of the project's findings.

Previous tactical maneuvering by the Banco de Portugal and the government has undoubtedly managed to achieve one thing if nothing else: virtually no one now believes their repeated asseverations that the gold shipped to Portugal during World War II was legally acquired. Portugal's economic ties with the Third Reich were a clear boon to Berlin and helped bolster Nazi power. Yet can the Portuguese government be considered culpable? Can it be accused of complicity in the crimes perpetrated by the Third Reich? The answer is ultimately bound up with the question of how much the Portuguese knew. The Portuguese authorities claimed they had no information about the source of the gold. Was that true? Or were they indeed apprised of what was happening, yet nonetheless continued to make deals, driven by the lust for profit?

In a proclamation on the occasion of the declaration of Portuguese neutrality, Portugal's strong man Antonio de Oliveira de Salazar, who controlled all the relevant social institutions, noted before Parliament: "We shall however adhere to an iron principle, we shall not try to exploit the conflict for pecuniary gain."<sup>[28]</sup> A handwritten note in Salazar's private archive, dated 1940 and addressed to the Banco de Portugal, proves just how hollow that promise actually was. There he comments that "the Banco de Portugal has obtained gold seized in the occupied countries; it has paid for this in escudos that can be converted into dollars."<sup>[29]</sup> It is evident, therefore, that for the Portuguese head of state, the fact that the gold shipments from Nazi Germany in 1940 stemmed from state reserves confiscated in the occupied areas was irrelevant. Salazar was far more concerned with keeping a tight lid on that information. This serves to substantiate Portuguese complicity in the pillage of state assets in

Nazi-occupied countries. But to what extent did Portugal also act as a fence for private property pilfered by the National-Socialist regime, stolen in the main from Jews?

Unfortunately, the state of evidence there is far more complicated.

The barbarous treatment of the German Jews never constituted a stumbling block for the Portuguese government in their relations with the Third Reich. That is an established fact. In the eyes of Portuguese diplomacy, the persecution of Jews was exclusively an internal affair of the German Reich, and Portuguese interference was out of the question.[30] Yet it is impossible to contend that there was any lack of information. Already in the late 1930s, the head of the Portuguese Legation in Berlin, Alberto de Veiga Simoes, was sending reports about the miserable situation of the German Jews and the daily brutal attacks to which they were subjected.[31] He also gave an unvarnished account of the plundering of Jewish property during the November 1938 pogrom, terming the outrages precisely what they were—“*roubo*,” i.e., robbery.[32] The Portuguese government was likewise familiar with the various measures by which the National Socialists were systematically stripping German Jews of their possessions. Thus, the Foreign Ministry had been informed by the Portuguese consulate in Berlin that when German Jews emigrated, they were permitted to take along a maximum of 4 percent of their assets.[33]

But knowledge about the plight of German Jewry was not limited to government circles alone. Even the censored print media carried repeated reports about the barbaric National-Socialist racial policies and the seizure of Jewish property. An outstanding example of such efforts to inform the public was the work of the Portuguese scholar Augusto D'Esaguy. One of the most eminent personalities in the Lisbon Jewish community, his slim volume *Europe 1939* gave a vivid description of the way emigrating German Jews were robbed of 99.7 percent of their property and assets and the brutal treatment meted out by the

Nazis to Polish Jews.[34] After its publication, the book became the target of a sharp protest by the German diplomat, Baron von Hoyningen-Huene, and it was ordered to be removed from bookshops in Portugal.[35]

We can only speculate whether Salazar ever read the book himself; yet in the case of another publication critical of the Nazis, there is clear proof that he was familiar with the work in question. In January 1940, the French edition of Hermann Rauschning's *Conversations with Hitler* was on display in the shop windows of various bookshops in Lisbon. Due to the explosive nature of the book's disclosures by the former president of the Danzig senate and an NSDAP party member, the German ambassador was quick to object. He demanded that the secretary-general of the Foreign Ministry in Lisbon take appropriate steps, since Rauschning had, among other things, characterized Hitler as having “most sinister and odious facets, whose work is like a product of madness, infamy and crime.”[36]

This protest by the German ambassador bore momentary fruit: the work disappeared from bookshop windows. Yet a few months later, it was issued in a Portuguese translation, and the ambassador felt constrained to act once again. After sending a letter to the secretary-general of the Foreign Ministry, Hoyningen-Huene wrote a month later directly to Salazar as well. The formal justification given by the head of the Portuguese Censorship Authority, Alvaro Salvação Barreto, and Salazar's personal reply are quite intriguing in what they reveal about the Portuguese government's actual knowledge of the realities of plunder and pillage inside Germany. Barreto justified the permit for publication of the work as follows: “The book is no more than a summary of the political plans of Germany which events have now largely confirmed; it contains no new information that might be construed as derogatory to Germany.”[37] Yet Salazar's response leaves no doubt he was quite aware of the National-Socialist regime's true character:

In view of the appeal you have sent personally to me, and despite my trust in the relevant institutions [i.e., the official censors—A.S.], I wanted to read *Hitler Speaks* for myself. Only now was I able to finish my reading of it.... I'll order the book's confiscation, though I can see no reason that would necessarily warrant such action." [38]

But the material plight of the refugees streaming by the thousands across the Portuguese border from June 1940 on could leave no one in doubt about the true consequences of Nazi plunder. Only thanks to international aid was it possible to provide for these wretched exiles, many of whom had been fleeced of all their possessions. Reports in the Portuguese press on any matters pertaining to the refugees were subject to strict censorship. That was in keeping with Salazar's pronouncement of October 26, 1933, on the occasion of the opening of the Portuguese Propaganda Office (SNI): "Politically, only those facts exist of which the public is informed." The task of the newspapers was to persuade their readership that the refugees were not needy but well-to-do: they did this by reciting a veritable litany of prominent figures who had crossed over the Portuguese border or boarded a steamer in Portugal for evacuation to the United States. For that same reason, it was explicitly prohibited to publish any photographs of refugees in evident distress. [39]

Though Salazar was cognizant of the criminal maltreatment of the Jews, that did not prevent him from seeking to expand Portugal's economic ties with Nazi Germany. While it is a proven fact that large amounts of looted gold were channeled to Lisbon, there is as yet no clear or conclusive evidence that these shipments contained gold coming, for example, directly from the ovens at Auschwitz. We know that victims' gold was melted down by the Germans into the bars stolen from the central banks of the occupied countries and then partly

traded abroad.[40] We cannot be sure whether the official consignments forwarded to Lisbon by the Reichsbank or by the SNB did contain victims' gold. Moreover, the SNB and the Reichsbank in Berlin were not the sole sources of gold to Lisbon. Particularly in the war's final years, smaller amounts of the precious metal were constantly arriving at the German legation by diplomatic pouch; this gold then found its way into local jewelry shops or was sold to clients on the private market. We can only conjecture as to where these shipments came from; nonetheless, their very existence can certainly be construed as indicative of a probable ill-gotten origin.

The looted gold affair tarnishes the "Salazar myth"--the image of the "good dictator," compassionately offering refuge to countless thousands fleeing the troops of the Third Reich.[41] These revelations also make a mockery of another myth enveloping the figure of Salazar, a representation repeatedly emphasized in Portugal since the 1980s, and encouraged there by a flurry of historical revisionism: namely, Salazar the financial genius, the only Portuguese politician in this century who succeeded in placing the public finances of the country on a sound footing. What revisionist historians view exclusively as the direct product of his rigid austerity policy was in fact the outcome of a mixture of factors. Among these the exports to the Third Reich paid for by stolen Nazi gold played a pivotal role.[42]

Translated by William Templer

## **Schafer-Footnotes**



1 At the time of writing, neither the Interim Report of the Independent Expert Commission, known as the Bergier Commission, nor the second Eizenstat report has been released.

2 “Ouro”. 1937 a 1946.” Report by Joaquim da Costa Leite. Banco de Portugal, Lisbon (April 1997).

3 Figures from Fernando Rosas, *Portugal entre a Paz e a Guerra. Estudo do impacte da II Guerra Mundial na economia e na sociedade portuguesas 1939-1945* (Lisbon: Editorial Estampa, 1990), p. 64.

4 Gian Trepp, *Bankgeschäfte mit dem Feind: die Bank für Internationalen Zahlungsausgleich; von Hitlers Europabank zum Instrument des Marshallplans* (Zürich: Rotpunkt Verlag, 1993), p. 59.

5 Trepp, 1993, p. 62.

6 Trepp, 1993, p. 61.

7 Ibid., p. 62.

8 Ibid., p. 63.

9 Ibid., p. 87ff.

10 Report by Tomaz Fernandes about the Belgian gold. Arquivo do Ministério dos Negócios Estrangeiros (AMNE), Lisbon, Repartição das Questões Económicas (RQE), P2-A7-M626.

11 Werner Rings, *Raubgold aus Deutschland* (Munich/Zurich: Artemis Verlag, 1985), p.52.

12 Ibid., pp. 69-70.

13 Ian Soutar, “Nazi Gold. Information from the British Archives” (Foreign and Commonwealth Office, General Services Command, September 1996), in: *History Notes*, no.

11 (London 1996), second edition, revised in Jan. 1997.

14 Diário de Notícias (January 6-7, 1943).

- 15 “Apontamento de Tomaz Fernandes sobre conversa com António de Faria, May 28, 1948,” AMNE-RQE, P3-A25-M16.
- 16 “Cronologia de Tomaz Fernandes sobre ‘Condição e destino dos bens alemães em Portugal, bens e ouro esbulhados,’” October 17, 1947, AMNE-RQE, P2-A7-M626.
- 17 “Nota da Embaixada Britânica ao MNE,” February 2, 1949, AMNE-RQE, P2-A7-M626.
- 18 “Bulletin of the National Council,” June 24, 1946, AMNE-RQE, P2-A7-M633; “Cronologia de Tomaz Fernandes sobre ‘Condição e destino dos bens alemães em portugal, bens e ouro esbulhados,’ ” (see note 14).
- 19 “Apontamento de Tomaz Fernandes sobre a reunião não-oficial de 3.12.47,” AMNE-RQE, P2-A7-M626.
- 20 Nota da Embaixada Britânica ao MNE,” Feb. 2, 1949 (see note 15).
- 21 Exchange rate according to Diário de Notícias (January 1, 1953).
- 22 “Proposta entregue pelas delegações aliadas na reunião de 18.11.47”; Discussões sobre o ouro esbulhado,” May 18, 1948; “Apontamento de conversa com o ministro (sem assinatura),” May 19, 1948; “Nota de Legação francesa ao MNE,” May 18, 1948; “Nota da Embaixada Britânica ao MNE,” February 2, 1949 (see note 15); Apontamento de Tomaz Fernandes sobre a reunião não-oficial de 25.11.47”; “Apontamento de Tomaz Fernandes sobre conversa com António de Faria,” May 28, 1948, AMNE-RQE, P2-A25-M16; “Allied Proposal for a Basis of Settlement and for Procedure,” June 24, 1953, AMNE-PEA, M123.
- 23 “Memorandum of Gold Acquisitions by Portugal during the War,” February 7, 1946, National Archives, RG 59, Box 4210.
- 24 “US and Allied Efforts to Recover and Restore Gold and Other Assets Stolen or Hidden by Germany During World War II. Preliminary Study.” Prepared by William Slany. Department of State, Washington, 1997, p. VIII.

25 *Publico*, Nov. 1, 1996.

26 Aide-Mémoire of the French Embassy to Bern, April 14, 1947. Archive of the SNB.

27 António Louca, Interview with Fernando Brito, *Historia*, no. 34 (August-September 1997).

28 Oliveira Salazar, *Discursos e Notas Políticas. III. 1938-1943*, second edition (Coimbra Editoria, n.d.), p. 187.

29 José Teles, “Salazar sabia que o ouro tinha sido roubado,” *Semanário* (February 1, 1997), pp. 22-23.

30 Letter from Veiga Simões, December 31, 1938, AMNE, 2ºP.,A.43, M.38.

31 Letter from Veiga Simões, November 23, 1938, *ibid.* Several weeks after the November 1938 pogrom, Veiga Simões described his impressions: “The misery and the daily attacks they are subjected to, accompanied by a brutality and inhumanity not typically Aryan, but which can be regarded as characteristically Germanic. The insecurity these individuals must live in, some behind prison bars, or even sent to concentration camps. We hear rumors of these camps, similar only to what we know from chronicles about life in Russia.”

32 Telegram from Veiga Simões, November 28, 1938, AMNE, Coleccao de telegramas recebidas.

33 Communication from the consulate in Berlin, February 20, 1940, ANME, 3ºP, A-13-A, M98.

34 Augusto d’Esaguy, *Europa 39. Journal* (Lisbon: Portugalia, 1940).

35 Verbal note by the head of the German Legation in Lisbon, von Hoyningen Huene, Mai 31, 1940; note from the director, Direcção dos Serviços de Censura, Alvaro Salvação Barreto, dated June 11, 1940; both: AMNE, 2ºP, A48, M181.

36 Letter from the German ambassador in Lisbon, Hoyningen-Huene, January 24, 1940, AMNE, 2ºP, A48, M181.

37 Letter from the director, Direcção dos Serviços de Censura, Alvaro Salvação Barreto, May 10, 1940, *ibid.*; italics added.

38 Letter from António de Oliveira Salazar, June 15, 1940, *ibid.*

39 Report by Alvara Barreto, director, Direcção dos Serviços de Censura (n.d., n.p.), p.5, *ibid.*

40 Slany, "U.S. and Allied Efforts to Recover and Restore Gold," p. 169.

41 See Patrick von zur Mühlen, *Fluchtweg Spanien-Portugal. Die deutsche Emigration und der Exodus aus Europa 1933-1945* (Bonn: Dietz, 1992), p. 115. Von zur Mühlen shows that some of the refugees, such as Balder Olden, remained blind to the real nature of Salazar's dictatorship.

42 See Virgílio Azevedo, "Ouro: a queda de um mito." *Expresso* (November 1, 1996); also Luis Almeida Maritins, "Ouro Nazi no Banco de Portugal," *Visão* (October 31, 1996).