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Authority 100-760250

By SP-1 NARA Date 2/4/82

4/11/46

CONFIDENTIAL

Subject: Sweden's Gold Holdings.

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The Honorable
The Secretary of State,
Washington, D.C.

Sir:

I have the honor to refer to the Department's airgram no. 264, dated August 1, 1945, requesting the Legation to obtain from the appropriate Swedish officials information regarding Sweden's gold holdings and to the Legation's telegrams of November 9, 1945 (no. 3408), December 10, 1945 (no. 3597), December 12, 1945 (no. 3628), and December 15, 1945 (no. 3661), reporting the progress of our informal negotiations with officials of the Riksbank to obtain this information and to enclose a copy of a confidential memorandum regarding Sweden's gold holdings which was sent to the Commercial Attaché by Mr. Dag Hammarskjöld, Under Secretary of the Royal Ministry of Finance and Government representative in the Riksbank.

In the event the data supplied in the attached memorandum do not fully meet the Department's requirements for detailed information regarding Sweden's gold holdings, it is requested that the Legation be advised by telegraph in order that a further approach may be made to the appropriate officials of the Swedish Government.

Respectfully yours,

C.M. Ravndal
Chargé d'Affaires ad interim

Enclosure: ATTN
Copy of Confidential Memorandum.

File No. 851.5
Donald W. Smith:mea
Original and hectograph to Department.

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Memorandum

regarding the development of the gold holding of the Sveriges Riksbank from January 1st 1939 until December 31st 1945.

The total gold holding of the Sveriges Riksbank at the beginning of 1939 amounted to Kr. 707.229.753:-- whereas the corresponding figure at the end of 1945 was " 1.062.073.345:86

All gold belonging to the Sveriges Riksbank appears in the books of the Bank at the old parity price of Kr. 2.480 per kg fine; thus the increase in the gold holding" 354.843.592:86 corresponds to a quantity of approximately 143.082 kg fine gold.

	<u>Within Sweden</u>		<u>Abroad</u>	
	at 2480 kr./ kg. fine Kr.	Kg. fine (approx- imately)	at 2480 kr./ kg. fine Kr.	Kg. fine (approx- imately)
At the begin- ning of 1939	502.700.518:31	202.702	204.529.234:69	82.471
At the end of 1945	179.432.130:69	172.352	882.641.215:17	355.903
<u>Net decrease in the gold holding within Sweden</u>	323.268.387:62	130.350		
<u>Net increase in the gold holding abroad</u>			678.111.980:48	273.432

The changes in the gold holding as shown above are due to purchases and sales of gold as well as to shipments of gold.

Gold within Sweden.

The gold within Sweden consisted of the following items:

(approximate

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	Beginning of 1939	End of 1945
1) Gold bars (also comprising unimportant amounts of old Swedish gold coins)	403.672.000	88.514.000
2) Scandinavian gold coins minted in accordance with the Law of 1873	45.628.000	46.056.000
3) Foreign gold coins	53.400.000	44.862.000

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1) The sharp fall in the figures for gold bars is mainly due to heavy shipments of gold from Sweden to the Federal Reserve Bank of New York during 1939 and at the beginning of 1940. On the other hand the production of the Boliden gold mines has been bought by the Sveriges Riksbank and such bars that remain unsold are entered on the books under this heading.

All gold bars held by the Sveriges Riksbank within Sweden at the end of 1945 were in the possession of the Bank on January 1st 1939 or have been produced within Sweden after that date. However gold bars with a total fine weight of 2.742 kg have temporarily been earmarked in the name of the Swiss, German and Turkish central banks. These bars have then been repurchased by the Sveriges Riksbank without having left its vaults. At the end of 1945 no gold was earmarked with the Sveriges Riksbank.

2) The slight increase in the holding of Scandinavian gold coins is due to a multitude of minor purchases over the counter.

3) The decrease in the holding of foreign gold coins is due to the fact that the Sveriges Riksbank has been selling considerable amounts of i.a. foreign gold coins to dentists and for industrial purposes. Gold bars and parts of gold bars have also been sold for the said purposes. Foreign gold coins have also been sold to the Swiss National Bank to procure Swiss francs. On the other hand there have also been purchases of gold coins. Thus in July and August 1944 the Sveriges Riksbank bought RM 4.200.000 in German gold coins from the German Reichsbank for settlement of normal commercial and financial transactions known to the Allied Governments.

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Part of the gold (bars etc.) within Sweden for industrial purposes and a corresponding quantity reimported as wrought gold (gold foils, fountain pen nibs etc.). These transactions have been carried out under the supervision of the Royal Swedish Mint.

Gold abroad.

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The gold held abroad by the Sveriges Riksbank consisted of the following items:-

(approximate figures
at Kr. 2480 per kg fine)

Deposited with	At the beginning of 1939		At the end of 1945	
	Kg. fine	Kronor equivalent	Kg. fine	Kronor equivalent
1) Federal Reserve Bank of New York	70.855	175.720.000	157.188	389.826.000
2) Bank of England	11.554	28.655.000	0	0
3) South African Reserve Bank (Pretoria and Capetown)	0	0	141.788	351.636.000
4) Bank of Canada	0	0	31.589	78.340.000
5) Banco Central de la Republica Argentina	0	0	2.130	5.283.000
6) Banque de France	0	0	6.993	17.343.000
7) Bank for International Settlements (gold sight account)	62	154.000	34	85.000
8) Swiss National Bank	0	0	16.181	40.128.000

1) - 4) It is understood that no comments will be necessary regarding the items 1) - 4) above.

5) The gold held with the Banco Central de la Republica Argentina in Buenos Aires was shipped in May 1944 from the deposit of the Sveriges Riksbank with the South African Reserve Bank.

6) The gold held with the Banque de France in Paris was bought in December 1945.

7)

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7) The gold sight account of [redacted] with the Bank for International Settlements in Basle exists since many years. This account has mainly been used for international payments such as remittances between the Post Masters General in different countries. As the account is kept in terms of kg fine gold no details are available regarding the gold in cover for such accounts that may be kept by the Bank for International Settlements.

8) The gold deposit of the Sveriges Riksbank with the Swiss National Bank in Bern shows the following transactions:-

In January 1941, 1942, 1943 and January 1944 transfers of gold were made by the German Reichsbank. This gold was bought by the Sveriges Riksbank in order to enable the settlement of normal commercial and financial payments from Germany to Sweden known to the Allied Governments. In 1942 approximately 1.000 kg fine gold was transferred to the deposit of the Sveriges Riksbank with the Swiss National Bank by the Bank for International Settlements from which the Sveriges Riksbank had bought it. A considerable number of gold transfers from Sweden to Switzerland were made by air in 1941. On the other hand part of the gold in this deposit had to be released from the deposit and sold in Switzerland to meet the demand for Swiss francs in the Swedish market as well as from abroad; e.g. the Sveriges Riksbank at the request of the U.S. Treasury placed 25.8 million Swiss francs at the disposal of the Federal Reserve Bank of New York.

All gold bars remaining in the gold deposit of the Sveriges Riksbank with the Swiss National Bank on December 31st 1945^x) were originally transferred to this deposit from the German Reichsbank. The total weight of these 1349 bars amounted to 16.313.19758 kg fine gold. Out of this gold 132 kg fine gold belongs to the Royal Swedish Air Board.

x) Since then part of this gold has been sold to the Swiss National Bank.

Stockholm 6.3.1946.

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