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2000-2001

~~1970-1971~~ 1971-1972

~~By Court~~ REDACTED REDACTED

WOLFRAM AND TSE

Keeping the wolf from the enemy's door has been the principal motive in the economic field of British intercourse with Spain and Portugal since the outbreak of war. Political and strategic issues of great importance have come forward from time to time, but wolfish has for the most part dominated the whole scene.

Other commodities of less decisive influence on the battlefield itself have been on sale in the Peninsula to both sides. Iron ore of high grade, potash, pyrites and mercury are minerals found in Spain; and, rating lower, there are substances like fluorspar and amblygonite. In Portugal, besides wolfram, there are tin-mines and some chrome and manganese and mica. Iberian forests are valuable sources of cork, resin and turpentine, and Spain can offer a fair quantity of wool and skins. A menu of anchovies, onions, oranges, sherry and sardines from Spain, of port and sardines from Portugal, about completes the catalogue of Peninsular exports. All of which, in greater or lesser degree, have been auctioned off to the belligerents in competition.

... through the blockade from Germany has  
been found to be in large quantities elements of wolfram,  
or tungsten, the most important metal. Tungsten is in practice the only  
suitable material for the filament of electric-light bulbs, but in the  
quantity employed that is the very least of its uses; tungsten is the single  
secret of the modern machine-tool, as it cuts through steel like butter; a  
shell with a tungsten-carbide core will penetrate armour at an angle when a  
steel shell would glance off. With blockade in mind, the Germans have  
accumulated a large stock of wolfram before they went to war. ~~begin-~~  
~~the~~ ~~in~~ ~~down~~ ~~about~~ ~~half~~ ~~the~~ ~~quantity~~ ~~consuming~~ ~~in~~ ~~1940~~

Wolfram

sh. (Of her supplies in 1943, 50 per cent. came from Spain and 40 per cent. from Portugal.) Chief among these factors has been Allied intervention in the market. Since Germany turned her armies eastward in 1941, the Spanish and Portuguese Governments have been progressively less impressed by the threat of German invasion and Germany has had to find the exchange to pay for her purchases; the increasing strain to which her industry has been subjected has left little to spare for the manufacture of exports, and it is goods, rather than money, that these countries need. Neither Spain nor Portugal has enough coal: they both need oil, rubber, sugar, copper sulphate and large quantities of cotton and wheat. German specialities like armaments and pharmaceuticals are less essential. Maritime trade has always, in fact, been essential for the prosperity of the Peninsula in peace, for its survival in war.

With the increasing war effort of the United Nations, the business of supplying both Spain and Portugal with vital necessities has now to be considered from the point of view of our own supplies. The earlier system of "blockade quotas" was intended to ensure that imports into neutral countries should be of no benefit to the enemy; the present system of "basic ratios" for neutrals consists in sharing the available supplies.

20165 MED  
Reg. No. 100-2444  
Sect. 201

Journal of the American Statistical Association, Vol. 45, No. 259, Sept., 1950.

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them--must, of course, be taken into consideration.

~~War-time trade~~ with both Spain and Portugal is conducted on a joint Anglo-American account. Wolfram is by far the biggest item, and huge sums have been paid over both to Portugal and Spain for it. (Not that we want this wolfram; we can and do get plenty from elsewhere). Competition between Axis buying agencies in the Peninsula and our own has forced up the price in Spain from about £300 a ton to over £7,000, and in the spread which now exists between price and the cost of production some large fortunes are being made. The Governments themselves have developed a vested interest in the perpetuation of the racket, which provides a substantial revenue out of various forms of taxation.

Besides the incentive to normal producers, [REDACTED] can now be had for a pound of two of wolfram has sent all and been sent the business of prospecting and mining, with the [REDACTED] itself has increased tenfold in Spain and much larger than before the war in Portugal. [REDACTED] (A Portuguese gentleman, whose little property in northern Portugal was burdened by a mortgage, was indeed surprised when a stranger offered him \$1,000 for his kitchen garden wall. "f1,000?" he exclaimed.—"Well, make it f2,000." said the stranger; "f3,000 . . . f4,000 . . . f5,000."—"Done," said the gentleman, and that was the end of the mortgage. The wall was wolfram.)

Spain has been able to sell wolfram to the Axis and ~~not~~ ~~Spain~~ ~~not~~  
got paid by an agent, but the Germans over the last 12 months have  
been considerably handicapped by a shortage of pesetas since the Spaniards  
cut off their credit. With Germany unable to buy, the Allied agencies were  
able to force the price down. Lately Germany has improved her position as  
the result of the delivery of armaments to Spain, and prices are soaring  
more. One way for the Spaniards to put the Germans in funds, and so to main-  
tain a fancy price for wolfram, is to settle their debt to Germany for  
services rendered in the Spanish civil war, and there are Cabinet Ministers  
in Spain who are fully alive to this possibility. To-day the matter hangs  
in the balance.

It would be well-nigh impossible for Germany in present circumstances to make good the oil and coal and wheat and textile raw materials that the Spanish economy depends on and gets from Allied sources. Without these Spain will soon lapse into chaos.

