

Neutrality: Portugal + Spain 1345/10/40

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No. (C 6938/30/41).

FOREIGN OFFICE, S.W.1.
29th May, 1940.



My Lord,

In my telegram No. 921 of the 28th May I informed Your Lordship that His Majesty's Government were contemplating offering some economic assistance to Spain. The immediate offer which His Majesty's Government have in mind is to offer the Spaniards 100,000 tons of wheat by the end of June and to offer to facilitate the purchase by Spain of Portuguese colonial produce such as live cattle, oil seeds and maize. The purchase of these goods will be effected through the Anglo-Spanish Clearing out of the normal proceeds of Spanish exports to the United Kingdom and also out of the loan of £2,000,000 recently made by His Majesty's Government to Spain.

2. Apart from her immediate needs it is estimated that Spain will require some 400,000 tons of wheat before the harvest of 1941. His Majesty's Government have it in mind to offer to supply this wheat which is available in Australia. The main difficulty is likely to lie in the provision of shipping. It has been suggested that the United States Government might be prepared to assist with the supply of wheat and maize and perhaps of other foodstuffs to Spain on humanitarian grounds as they have been prepared to do in the case of cotton.

3. It is not my intention that any immediate suggestion should be made to the United States Government, but the proposal has recently been discussed between a representative of the United States Embassy in London and a representative of the Ministry of Economic Warfare.

His Excellency
The Most Honourable
The Marquess of Lothian, C.H.,
etc., etc., etc.,
Washington.

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M.B. Jm
25.6.

3END



The representative of the United States Embassy said that he thought something might be made of this proposal and he undertook to put it forward on a personal basis to the United States Government.

I am, with great truth and respect,

My Lord Marquess,

Your Excellency's obedient Servant,

(For the Secretary of State)

A handwritten signature in dark ink, appearing to be "R. H. [unclear]", written in a cursive style with a long horizontal flourish extending to the right.