

FLA 1020

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

COUNTRY	Argentina/Boland	REPORT NO.	<input type="text"/>	25X1A
SUBJECT	Sale of Polish Bank in Argentina	DATE DISTR.	26 October 1953	
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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(FOR KEY SEE REVERSE)

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- Julio NOWINSKI,¹ president of the Polish Bank of Argentina,¹ has received orders from Warsaw to sell the bank. The price asked is \$1,000,000 (US).²
- Ownership of the bank is ostensibly divided between the Polish Government (55% of the shares) and private stockholders in Argentina (45%), but, actually, all of the stock is held by the Polish Government. Warsaw would like to sell its acknowledged portion of the bank for dollars, and that portion which is supposedly in the hands of private individuals for the free-market Argentine peso equivalent of the balance, or \$450,000. If no one can meet this offer, the Poles will accept the entire amount in pesos at the free-market rate.
- At the present time the bank has no means of remitting to Poland its earnings, which are frozen in Argentina.³ These earnings include a 1/2% commission on all financial transactions between Argentina and any of the Iron Curtain countries. Other types of earnings, such as those deriving from savings and checking accounts, have dropped off considerably since the end of World War II, as an ever-increasing number of the old depositors, unwilling or afraid to associate themselves with a banking institution so clearly identified with a Communist government, have withdrawn their deposits. This decrease in the bank's income, and the difficulty of getting money out of Argentina, are responsible for the decision to sell.
- One group currently investigating the purchase of the bank is composed of four or five anti-Communist Poles and other Slavs who feel that depositors would flock back once the stigma of Communist management had been removed from the institution. At least one other group, composed of Polish Jews, has looked into the purchase of the bank, and decided against it.
- NOWINSKI, who has Polish citizenship but is of White Russian origin, will probably receive a commission on the bank's sale. He has been remunerated well for his services as president. For example, under the bank's statutory profit-sharing plan, NOWINSKI made 180,000 pesos in 1952, entirely apart from

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his salary. Taking into consideration also the fact that the presence of relatives in Poland makes him susceptible to pressure from the Polish Government, it is unlikely that he is in any way working against Warsaw's intention to sell.

6. Meanwhile, since around June or July 1953, the bank has donated 3,000 pesos a month to the Polish Communist weekly, Ogniwo. This marks a return to the bank's earlier practice, abandoned around 1949 or 1950, when Argentine government control of the bank was tightened, of donating openly to Communist causes. Recipients of overtly acknowledged contributions from the bank during this earlier period included another Polish Communist newspaper (since that time shut down by the Argentine Government) and the Soviet-controlled Russian Orthodox Church.⁴ The flow of such donations has probably continued uninterrupted, in some camouflaged form, throughout the period in which they were not openly attributed to the bank.
7. Sra. Ludmila SCHOSTAKOVSKY de CORTES, a Communist who was brought into the bank under the NOWINSKI regime, plans to leave the bank during October, and to take a job with an unidentified printing firm which prints a number of Communist publications.⁵

25X1A 1. Cf. []

25X1A 2. [] Comment. There have been no indications that another bank will be established in Argentina by other Soviet Bloc interests, and it is not probable that Warsaw will establish more politically pure banks elsewhere in Latin America in view of the difficulty of obtaining bank charters in Latin America.

25X1A 3. [] Comment. It is possible that Poland's frozen assets in Argentina may be used in connection with the USSR-Argentine trade agreement, but there is as yet no concrete evidence of this.

25X1A 4. [] Comment. The flow of such donations has probably continued uninterrupted in some camouflaged form, throughout the period in which they were not openly attributed to the bank.

25X1A 5. [] Comment. The Polish Bank is probably subsidizing this establishment, wholly or partially, through some devious channel not visible to the public or to the Argentine authorities.

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