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Council was hope and expectation that suspicions abroad would be dispelled and Switzerland would gain in esteem and good will. Therefore, he hopes reaction will be favorable in America. Official joint communiqué here will be in generalities because of neutrality considerations. De Steiger³⁴ has given me letter and special commemorative coin for the President.

Please inform Patterson³⁵ of results and tell him that Charquéraud has given me letter undertaking on behalf of his Government to enforce all security measures requested by SHAEF in connection with transit traffic across France.

Will leave tomorrow for Paris and London. Expect to spend a week with Hawkins³⁶ and then will go direct to Washington.

Repeated London 753, Paris 26. [Currie.]

HARRISON

Treaty Affairs Files

The Head of the Swiss Delegation (Rappard) to the Heads of the American, French, and British Trade Delegations (Currie, Charquéraud, and Foot)

BERNE, March 8, 1945.

GENTLEMEN: On behalf of the Swiss Government, I have the honour to advise you as follows with respect to the financial matters discussed during the present negotiations:

The Swiss Government on its behalf and that of the Principality of Liechtenstein, affirms its decision to prevent the territory of Switzerland and that of the Principality from being used for the disposal, concealment, or reception of assets which may have been taken illegally or under duress during the war. It declares furthermore that, in the framework of the Swiss legislation as it stands today or as it will be completed in the future, every facility will be given to the dispossessed owners to claim in Switzerland and Liechtenstein their assets found there.

It also declares that it will prevent the concealing, disposing of or dissipation of assets of persons falling under the various blocking decrees issued by the Swiss Government in the past or which it will enact in the future, or the execution of transactions for or on behalf of such persons designed to elude or evade such controls as are now in effect in Switzerland or hereafter established.

The Swiss Government further agrees to consult with the Governments of each blocked country before abolishing or relaxing the con-

³⁴ Apparently the reference is to Edward von Steiger, President of the Swiss Confederation.

³⁵ Presumably Robert P. Patterson, Under Secretary of War.

³⁶ Harry C. Hawkins, Counselor of Embassy for Economic Affairs in the United Kingdom.

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control measures applied to such country. It will also be ready to consult at any time with the American, British and French Governments with regard to the financial questions which have been discussed in the course of the present negotiations.

In this connection, I also wish to bring to your attention the measures recently taken by the Federal authorities, as well as some of those in contemplation, for the purpose of implementing the foregoing decisions.

I. On February 16, 1945, the Federal Council decreed the blocking of all German assets in Switzerland. As you know, this decree freezes not only the assets of persons or entities domiciled in Germany—whatever their nationality may be—but also the assets of German nationals domiciled in Switzerland itself.

Moreover the executive measures taken in connection with similar freezing decrees in the past have been strongly reinforced, notably to the effect of blocking the assets of blocked countries transferred to Switzerland after the date of the respective freezing decrees. It is further agreed that the terms "*directement et indirectement*" as they are used in article I and the dispositions of article 2 of the decree of February 16, 1945, are to be understood as applying to the assets of entities, the control of which goes back to Germany, regardless of the country in which they are domiciled or operating.

Furthermore, the Federal Government on March 2, 1945, issued a decree prohibiting the import, export and all traffic in foreign banknotes in Switzerland. This decree is applicable to all foreign currency notes.

II. In addition to the measures already taken as indicated above, the Federal Government is prepared to take the following steps:

- a) to make for their own purposes a complete census of all German assets situated in or held through Switzerland, whether they be administered by the German owners themselves or by others on their behalf irrespective of nationality;
- b) to make for their own purposes a complete census of all assets of persons falling under the various other blocking decrees issued by the Swiss Government in the past or which it will enact in the future. The executive measures applying to these censuses will be studied without delay;
- c) to take such measures, in addition to those already taken, as are considered necessary to prevent the import into Switzerland of assets which could have been the subject of acts of dispossession.

III. Furthermore the Federal Government, in concert with the Swiss National Bank, agrees to restrict gold purchases from German or German controlled sources to the amounts in Swiss francs required for the diplomatic services of Germany or countries controlled by the latter. Under diplomatic services are to be understood:

- a) the expenses
- b) the amounts
- c) the payment

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- a) the expenses of legation and consulates in Switzerland;
- b) the amounts needed for prisoners of war and internees and generally all expenses in relation to the role of Switzerland as protecting power;
- c) payments to the International Red Cross.

The Swiss Government wishes to point out that these restrictions impose heavy sacrifices on Swiss interests in general as Swiss francs will no longer be made available for Germany for the execution of their contractual obligations towards Swiss persons and entities.

Yours sincerely,

RAPPARD

Treaty Affairs Files

The Heads of the American, French, and British Trade Delegations (Currie, Charquéraud, and Foot) to the Head of the Swiss Delegation (Rappard)

BERNE, March 8, 1945.

DEAR PROFESSOR RAPPARD: As a result of our recent negotiations we understand that the Swiss Government has taken the following decisions which will remain effective until the end of hostilities in Europe.

(1) The Swiss-German Trade Agreement which lapsed on 15th February 1945 will not be renewed.

(2) Swiss exports to Germany and German-controlled territory will not in any case exceed the limits set out in Annex I to this letter.

(3) The restrictions on transit between Germany and the German-occupied part of Italy already decided on by the Swiss Government will be maintained. These restrictions apply to coal, iron, scrap-iron and steel which will not be allowed to pass through Switzerland either by rail or otherwise between Germany and the German-occupied part of Italy.

(4) In order to prevent the transit of looted property no goods will be allowed to pass through Switzerland by rail or otherwise from the German-occupied part of Italy to Germany until the Swiss authorities are satisfied that such goods have been legitimately acquired and are not property of which the Italian people have been deprived by any act of dispossession. It is understood that in each case the onus of proving that the goods in question have been legitimately acquired will rest upon the person who applies for transit facilities. In cases of doubt the Swiss Government will be prepared to consult with the Mixed Commission and will take into account any information which the Commission may be able to supply.

(5) Transit in either direction between Germany and the German-occupied part of Italy will not be permitted to exceed the level of February 1945 either in total volume or to any significant degree in respect of any particular item, save insofar as variations may be agreed by the Mixed Commission.

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(6) All practical measures have been taken and will continue to be taken to stop the export of Swiss electric power to Germany or to any territory under German control.

We also take note of your letter of today's date concerning the financial measures discussed between us and the measures to be taken regarding property held in Switzerland by nationals of other countries.

The Swiss Government has obtained or will immediately obtain the concurrence of the Government of Liechtenstein as far as such consent is necessary in order to make these measures effective.

We understand that it is the intention of the Swiss Government to co-operate with the United Nations in the general economic tasks involved in the reconstruction and relief of Europe and the orderly distribution of supplies throughout the world.

We also understand that the Swiss Government, when making purchases of any of the commodities now or subsequently appearing in Annex II of this letter will upon request of the appropriate Allied authorities make such purchases through Allied procurement agencies or in other manner requested; also that the Swiss Government will keep the Allied authorities informed regarding stocks of these commodities which Switzerland holds abroad and will not make purchases in amounts greater than those required for orderly shipment in the quantities indicated in Annex II.

The purpose of this arrangement is solely to avoid the disruption of markets which might result from excessive and disorganized buying of goods of which there is a scarcity. Our Governments do not intend to request co-ordination of purchases in this manner except in those instances where shortage of world supply clearly makes it necessary.

Our three Governments will immediately open import quotas to the amounts and under the conditions specified in Annex II of this letter.

Our three Governments are also prepared immediately to make available facilities for the transit of goods across France to Switzerland to the fullest extent compatible with the requirements of the Allied military forces in Western Europe and the civilian needs of France and other liberated countries. The conditions which will govern this traffic for the immediate future are set out in Annex III of this letter.

Except as modified by the present exchange of letters the Agreement of December 19, 1943, as subsequently modified remains effective.

On learning that this letter and its Annexes accurately sets forth the actions and intentions of the Swiss Government, the Government of the United States of America, the Provisional Government of the French Republic, and His Majesty's Government in the United Kingdom will be ready to regard this letter and your reply as constituting a formal and binding agreement between the four Governments.

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²⁷ Not printed
²⁸ Presumably
Trade Agree

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This letter has been written in English and French, both texts having the same validity.
Yours sincerely,

LAUCHLIN CURRIE
CHARQUÉRAUD
DINGLE FOOT

ANNEX I

1. The export to Germany of goods for which transfer guarantees were granted before March 1, 1945, will be limited to 3 million Swiss francs and will not exceed 1½ million Swiss francs in the month ending April 8, 1945. With the exception of the following special quotas there will be no exports of commodities which appear on the attached list³⁷ referred to in paragraph 5 below:—

M 6	200'000 francs
753/6	30'000 "
956a/f	50'000 "
Mdy	200'000 "

2. The export to Germany of goods for which transfer guarantees may be granted on or after March 1, 1945, will be limited to 50% by value of the imports from Germany of the following:—Foodstuffs and fodder; fertilizer; leather; seeds; staple fibre; artificial silk and staple fibre yarn; clay for pottery; electrodes; coal, coke and briquettes; iron and steel and semi-manufactures thereof; zinc; machinery and apparatus; raw materials for chemicals (including tar, pitch and resin); petroleum products.

3. The exports referred to in paragraph 2 above will be spread over the various tariff groupings and will not exceed one million Swiss francs in any one month. The Mixed Commission will be kept informed of the placing of any German orders for unusual quantities of goods.

4. There shall be no exports to Norway while that country remains occupied by Germany, and there shall be no exports to Denmark of goods listed in Annex I to the Agreement of December 19, 1943, without the prior concurrence of the Mixed Commission.

5. List A of the War Trade Agreement of April 1940³⁸ is cancelled and replaced by the attached list of goods, the export of which to Germany and German-occupied territories is prohibited.

6. There shall be no increase in exports to Germany or other Axis territories as a result of the granting of import facilities for industrial materials.

BERNE, March 8, 1945.

³⁷ Not printed.

³⁸ Presumably reference is to the Anglo-French-Swiss (later Anglo-Swiss) War Trade Agreement, April 25, 1940.

ANNEX II

Attached is a list of "reserved" commodities,³⁹ showing the quantities which will be available to Switzerland from all sources on a pro rata basis until the end of hostilities in Europe and three months thereafter, when the position will be reviewed. Generally speaking, the balances from the 1944 allocations and quotas that remained unshipped or unauthorised by the 10th January 1945 will be counted against the amounts shown on the list. Special cases, however, when this causes hardship, will be examined on request of the Swiss Government. The list will be under continuous review by the Allied supply authorities and subject to alteration both as to quantities and as to the actual commodities appearing on the list, but everything possible will be done to see that a fair share of these supplies is available. Further if the supply situation in regard to scarce commodities should materially improve, the Allied supply authorities will be ready to examine whether any increase or addition to the allocations will be possible. Furthermore the Allied Delegations will immediately take up with the Allied supply authorities the requests listed in column 3 (additional or new requirements) and in particular do their utmost to make available the goods mentioned as having first priority. The Swiss Government will be informed as soon as possible of these additional quotas. Shipments will not necessarily be restricted to quarterly or six-monthly amounts but decision in this respect will depend on supply considerations. Shipments of commodities not appearing on the Reserved Commodity List will not be restricted by quotas or allocations.

BERNE, March 8, 1945.

ANNEX III

Under the conditions existing at present it is anticipated that the following rail facilities will be available:

- (1) Three trains a day in each direction, of approximately 600 tons each, from Cerbère to Switzerland by the line on the right (west) bank of the Rhône,
- (2) Two trains a day in each direction, of approximately 200 tons each, from Toulon to Switzerland by the Alpine route. The S.N.C.F.⁴⁰ may at any time direct all or part of this tonnage to the line on the left (east) bank of the Rhône.

It is understood that these facilities will be used primarily for the transportation of goods of prime necessity for Switzerland or for

³⁹ Not printed.

⁴⁰ Société Nationale des Chemins de Fer Français.

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raw materials required by Swiss export industries. It is also understood that these trains may be used for the export of Swiss goods.

These transit facilities will be increased as rapidly as conditions permit.

Necessary facilities in the port of Toulon will be made available for use by Swiss vessels.

It is understood that the Swiss Federal Railways will make available to the S.N.C.F. an appropriate number of steam locomotives for this transit. A specific agreement to this end, including the dates at which the locomotives will become available, will be made between the two railway administrations. The Swiss Federal Railways will also furnish the necessary rolling stock. The fuel required for this traffic will be deposited by the Swiss Government at one or more locations to be agreed.

The traffic will be subject to such control measures as may be deemed necessary by the Provisional Government of the French Republic. As a means of reducing the number of control measures that need be applied in France, the Swiss Government agrees to the presence in Switzerland of an Allied official to lend his assistance to the competent Swiss authorities for the control of this traffic.

BERNE, March 8, 1945.

Treaty Affairs Files

The Head of the Swiss Delegation (Rappard) to the Heads of the American, French, and British Trade Delegations (Currie, Charquéraud, and Foot)

BERNE, March 8, 1945.

GENTLEMEN: I thank you for your letter of today and wish to confirm that your communication accurately sets forth the intentions of the Swiss Government and the undertakings which they agree to give. I further confirm that your letter together with the present acknowledgement will be regarded by the Swiss Government as constituting a formal and binding agreement between our four Governments.

Yours sincerely,

RAPPARD

Treaty Affairs Files

The Head of the Swiss Delegation (Rappard) to the Heads of the American, French, and British Trade Delegations (Currie, Charquéraud, and Foot)

BERNE, March 8, 1945.

GENTLEMEN: Reference is made to the exchange of letters resulting from negotiations just concluded between the American, British and