

FOOTNOTE 381

(VI-21) S/ [unclear]

DEPARTMENT OF STATE

THE LEGAL ADVISER

June 3, 1952

TO: EUR - Mr. Bonbright
FROM: L - Jack B. Tate
SUBJECT: Allied-Swiss Accord

This is not a situation in which the United States Government is trying to back out of a commitment which it has made. It has been the position of the Department from the inception of the Allied-Swiss Accord that the Accord does not cover German assets in the United States and that therefore the arbitration clause in Article VI does not have application to such assets. The retention of Articles IV and VI should only be done with notice that is without prejudice to our former position and interpretation. This is in fact contemplated. The Swiss will then be on notice. Under the circumstances, I do not believe that it would be bad faith to refuse to arbitrate in the future, as we have refused in the past.

Attachment

cc: GEA - Mr. Margolies
L/E - Mr. Maurer

L:JBTate:shr

611.574231/5-2952

(NOTE: UNDERSCORING IS NOT PART OF THE ORIGINAL DOCUMENT.)