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Authority NND88/032
By BGS NARA Date 12/31/94

~~HEARLESS~~ ~~IMPACT OF AGREEMENT~~ FN 659
Xt.
PS 2
Box 1050
German - Swiss
Negotiations
Aut. International Peace

INCOMING TELEGRAM

Department of State

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TELEGRAPH BRANCH
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Control: 2690
Rec'd: February 6, 1952
11:47 p.m.

FROM: Bonn

TO: Secretary of State

NO: 1444, February 6, 6 p.m. (SECTION ONE OF TWO)

PRIORITY

SENT DEPT 144, RPTD INFO LONDON 384 FOR TCGD, 454.

VERBATIM TEXT

Subj: Swiss accord.

Following is text of letter FEDREP will write to AHC:

Quote:

With reference to the discussions conducted in Bonn from Feb 1 until 4, 1952, between representatives of the AHC and the German Federal Govt, relating to the future treatment of German assets in Switzerland, I have the honor to request authorization for the conducting of negotiations with the Swiss Federal Council with the view to reaching agreement on the following plan:

1. The German Federal Govt shall place at the disposal of the Swiss Federal Council the amount of (begin underline) 121.5 (end underline) million Swiss francs, within two weeks after being notified that the amendment of the Wash agreement referred to in the last paragraph of this letter has been signed. The Federal Council, after deducting 20 million francs in respect of the advance made by Switzerland in favor of the International Refugee Organization, shall transfer this amount without delay to an account to be designated by the Govts of the French Republic, the United Kingdom of Great Britain and Northern Ireland, and the US of America. This payment is intended to be in final settlement of the Allied reparation claims on German assets in Switzerland which are covered by the Wash agreement of 1946.

2. The German Federal Govt shall place at the disposal of the Swiss Federal Council an amount not (rpt not) exceeding (begin underline) 121.5 (end underline) million francs, but the exact figure and the terms of payment will be decided in negotiations between the German Federal Govt and the Swiss Federal Council.

The payment is

Correction made by DC/R, R (172-See 1 of 2)

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Self to Bonn

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By B&S NARA Date 11/31/96

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2/7/52, 2:30 p.m.
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2- 1444, February 6, 6 p.m., (SECTION ONE OF TWO) from Bonn.

The payment is intended to be applied against the Swiss claim on the former Deutsche Verrechnungskasse, it being understood that any remaining claims of the Swiss Federal Council against the German Reich and its agencies, arising during World War II will be deferred until a final settlement with Germany. It is noted that the Swiss Federal Council intends to use the funds received in aid of Swiss war victims.

3. The German assets in Switzerland are to be treated as follows:

(A) Assets which do not (rpt not) exceed 10,000 Swiss francs shall be unblocked upon application by the owners. Assets for which no (rpt no) application is submitted within a specified period, shall be sold and the proceeds paid into a special account in favor of the German Federal Govt.

(B) It shall be open to persons whose total holdings exceed 10,000 Swiss francs to renounce a specified part of their assets to be sold or to make a contribution of a corresponding amount, in favor of the German Federal Govt, following which their remaining assets shall be unblocked.

(C) Failing renunciation of the specified part or payment of a corresponding amount by the owner, all assets belonging to an owner holding more than 10,000 francs shall be sold and the proceeds paid into a special account in favor of the German Federal Govt.

(D) The following categories of owners of assets will be treated in accordance with sub-para A, without regard to the total value of the assets held by any one owner:

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By BGS NARA Date 12/3/96

TELEGRAM

Department of State

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TELEGRAPH BRANCH CONFIDENTIAL SECURITY INFORMATION

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Control: 2722

Rec'd: February 7, 1952
9:14 p.m.

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FROM: Bonn

TO: Secretary of State

NO: 1444, February 6, 6 p.m. (SECTION TWO OF TFO).

PRIORITY.

SENT DEPT 1444, RPTD INFO LONDON 384, BERN 14, PARIS 454.

(List fol here is identical with list in para 1, SIGTO 964, London Jan 29).

4. The payments to be made by the Ger Fed Govt in accordance with para 1 and para 2 above are to be financed out of special accounts established in favor of the Ger Fed Govt with the Swiss National Bank. To these accounts there will be credited:

(A) The proceeds of sales made in accordance with para 3 above;

(B) The contribution received from owners of assets in accordance with para 3 (B) above;

(C) The proceeds of the sale of assets which the owner after unblocking will decide to withdraw from Switz.

(D) The net income derived from unblocked assets.

5 A. The Ger Fed Govt assumes the obligation to dispose of funds accumulated in the special accounts in the manner and for the purposes described in the preceding paras.

5 B. The Ger Fed Govt shall hold at the disposal of the owners whose assets are sold in accordance with para 3 (A) second sentence, the full counter value in DM at official rate of the Swiss francs; in the case of assets sold in accordance with para 3 (C), the counter value is to be held at the owner's disposal subj to deduction of a specified part.

6. The Swiss Govt wld have to take the fol steps:

(A) To sell assets of a value not (rpt not) exceeding 10,000 francs and assets falling under the provisions of para 3 (D), if no (rpt no) application for release is made in accordance with para

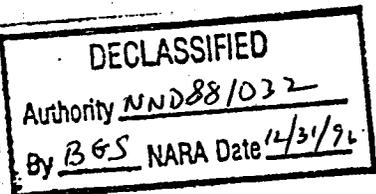
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-2- 1444, February 6, 6 p.m. (SECTION TWO OF TWO) from Bonn.

with para 3 (A), and to credit the proceeds to a special account.

(B) To sell assets of a value exceeding 10,000 francs if no (rpt no) renunciation or contribution is made by the Ger owner in accordance with para 3 (B) and to credit the proceeds to a special account.

(C) To ensure that proceeds of assets sold by owners after unblocking and the net income derived from unblocked assets are credited in a special account if the owner decides to withdraw them from Switzerland.

The Ger Fed Govt will keep the AHC currently informed as to progress of its negots with the Swiss Fed Council and will not (rpt not) sign the agreement until the final draft has been accepted by the AHC as consistent with the principles outlined in this letter.

? The agreement between the Ger Fed Govt and the Swiss Fed Council will come into force upon appropriate amendment of the Wash agreement of 1946. The Fed Govt understands that upon completion of this amendment appropriate action will be taken by the AHC under AHC law No. 63 to permit implementation of the Ger-Swiss agreement."

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