

C o p i aBRITISH EMBASSY
ROME.

28th November, 1945.

No.254
708/54/45 CD.N O T E V E R B A L E

Vapprove?

The British Embassy present their compliments to the Royal Ministry of Foreign Affairs and, with reference to the Commercial Agreements recently concluded between Italy and Switzerland, have the honour under instructions to state that His Majesty's Government in the United Kingdom cannot ^Vof those provisions of the Agreements which provide for the recognition or the settlement of debts incurred during the period of hostilities between June 10th, 1940 and September 8th, 1943, except private debts which may be extensions or renewals of credits granted prior to June 10th, 1940.

2. This decision, which was reached after careful study of the Agreements and of the Memorandum delivered to the Allied Commission by the Ministry of Finance on September 2nd, 1945, has been made in view of the fact that these credits were of assistance to Italy in the prosecution of the war against the United Nations and that there still remain unsettled claims and debts owed by Italy to the United Nations and their nationals. No objection is raised to those provisions of the Agreements providing for the settlement of debts incurred prior to June 10th, 1940, although a strict application of the principle that no Agreement providing for the settlement of Italian debts to Switzerland should be concluded prior to the provision for settlement with the United Nations and their nationals would require that the question of debts so incurred should also remain in abeyance, However, in view of the importance to both nations of the resumption of trade between Italy and Switzerland, and of the loan features of the Agreements as negotiated, it is hoped that the inclusion of provision for the settlement of debts incurred prior to June 10th, 1940, will permit the conclusion of Agreements subject to the modifications required by the views stated herein. It is requested that the Italian Government inform the Swiss Government of these decisions and state that, as a consequence, those provisions of the Agreements relating to the recognition or the settlement of debts incurred during the period of hostilities must remain inoperative.

