

ANGLO-SWISS ECONOMIC DISCUSSIONSAGREED MINUTE OF CONCLUSIONS

Representatives of the Swiss Government and of the Government of Great Britain and Northern Ireland met in London from January 23rd to February 12th, 1951, in order to conclude trade and payments arrangements for the twelve months ending 29th February, 1952.

TRADEUnited Kingdom imports

2. The United Kingdom delegation stated that the United Kingdom authorities would issue licences for the import from Switzerland of the goods specified in Annex I to this Minute. They agreed that applications for import licences might be submitted to the United Kingdom authorities up to 31st January, 1952, and that licences would be valid up to 30th April, 1952. The United Kingdom delegation also confirmed that the United Kingdom authorities would be prepared to consider, in accordance with their normal import policy, applications for licences for the import of any goods subject to import licensing control which are not specified in Annex I.

3. The Swiss delegation asked whether the United Kingdom authorities were prepared to abolish the levy of purchase tax on imported goods of utility type. The United Kingdom delegation replied that they could not add anything at present to the statement made on this subject on 11th December, 1950, by the leader of the United Kingdom delegation to the General Agreement on Tariffs and Trade Conference at Torquay to the effect that His Majesty's Government were working on a solution to the problem, and were very hopeful that it would be possible for the discrimination, with no very great further delay, to be removed. The Swiss delegation expressed the hope that an early solution would be found.

United Kingdom exports

4. The Swiss delegation took note of the importance attached by the United Kingdom delegation to the maintenance of the general principle of the "open door" for imports of sterling area goods. They explained that, although it was now the policy of the Swiss Government to fix quotas for the import of goods in the non-liberalised sector and it was impossible to make an exception in favour of the United Kingdom, they were nevertheless willing to fix quotas at levels which would allow in principle all commercially possible sales. A list of such quotas, based on United Kingdom estimates was accordingly drawn up and is attached as Annex II. If it appeared that the Swiss market for any of these items was likely to exceed the estimated figure, the Swiss authorities would be prepared to consider increasing the quota; they would also be prepared to consider in accordance with their normal import policy applications for licences for the import of any goods subject to import licensing control which are not specified in Annex II.





### Swiss essential requirements

5. The Swiss delegation submitted the following requests, among others, for deliveries of raw materials and semi-finished products:

	<u>metric tons</u>
Iron and steel including 3,000 metric tons electrical sheets, 3,000 metric tons tinplate.	20,000
Ferro-alloys (ferro-columbium, ferro-titanium, ferro-vanadium, ferro-tungsten etc.).	85
Copper, rough (electrolytic).	260
Copper wire.	2,600
Nickel metal and nickel alloys, all forms.	1,000
Cokable and coking coal.	80,000
Smalls.	120,000
Screened steam coal.	30-50,000
Anthracite and coke for domestic purposes.	30-50,000

6. The Swiss delegation expressed the hope that the United Kingdom authorities would facilitate deliveries of the goods in question at the same rate at least as in 1950. They pointed out that the lack of these deliveries would make it difficult for Swiss industry to continue to meet the substantial machinery requirements of the United Kingdom and the rest of the sterling area, since Switzerland herself produces no raw materials.

7. The United Kingdom delegation said that the United Kingdom authorities were unable to make any commitments about deliveries of these commodities but stated that so far as lay in their power and so far as international arrangements permitted the United Kingdom authorities would take into consideration the Swiss requests and the special position of Switzerland with regard to the materials in question.

### FINANCIAL QUESTIONS

8. The Swiss delegation stated that the Swiss authorities had come to the conclusion that they could not at present accept membership of the Transferable Account area and in the circumstances saw no need to negotiate a new Monetary Agreement.

9. The Swiss delegation enquired whether sterling could be used during the twelve months ending 29th February, 1952, for payments:-

- (a) by Persia to Switzerland up to £1.5 million;



- (b) by Thailand to Switzerland up to £1 million;
- (c) between Switzerland and Ethiopia and Switzerland and Afghanistan in both directions without limitation.

The United Kingdom delegation stated that there was no objection to sterling being used as set out in (a), (b) and (c) above, so long as settlements between the sterling area and Switzerland are effected through the European Payments Union and that as regards (a) and (b) they had no objection to an increase in the amounts contemplated.

10. The two delegations discussed the position with regard to the collection of income on securities owned by Swiss nationals who are or were resident in Italy. The United Kingdom delegation stated:-

- (i) Where the securities are held in the United Kingdom for account of Swiss banks on behalf of Swiss nationals who are or have been resident in Italy, then the securities either (a) have already been released from vesting in the Custodian of Enemy Property, in which case no declaration is necessary for Trading with the Enemy purposes, or (b) they have not been released by the Custodian in which case the Administration of Enemy Property Department is ready to receive applications with a view to release of the securities, which will then be in the same position as category (a) above.

The foregoing applies to registered securities of United Kingdom issue wherever situated. The United Kingdom banks are being informed that once the above securities are released by the Custodian, no declaration will be required for collections. For non-released securities the United Kingdom banks have to be satisfied that there is no enemy interest, but it is not laid down by the Administration of Enemy Property Department that declarations to this effect shall be obtained on every remittance occasion, and advice is being given to the United Kingdom banks accordingly.

- (ii) Where bearer securities are physically held in Switzerland on behalf of Swiss nationals who are or were resident in Italy, applications for remittance have at the present time to be accompanied by an A.B.X. declaration. It has not been possible to accede to the Swiss suggestion that Italy should be deleted from the list of enemy territories, but to meet the Swiss difficulty, the United Kingdom authorities are prepared to accept declarations signed by the usual signatories to the effect that the securities are now owned by a Swiss national and that a declaration on form A.B.X. could be established but for the fact that the bearer securities are or have been owned by a Swiss national who is or was at some time since 3rd September, 1939, resident in Italy. The Swiss delegation welcomed this statement.

The United Kingdom delegation added that whilst it was not possible at the present time to dispense with the A.B.X. system of declaration generally, the



competent authorities in the United Kingdom would be prepared to consider any cases where it appeared that the system operated to the detriment of Swiss nationals.

11. The United Kingdom delegation referred to the Swiss Federal Decree of the 18th December 1950, and pointed out that the introduction of a "critical date" of 1st September, 1950, resulted in the refusal by the Swiss Compensation Office to accept service monies on certain sterling securities acquired by Swiss residents after the "critical date", thereby creating "B" Account sterling. They expressed the hope that the Swiss authorities would consider the removal of the "critical date".

12. The Swiss delegation drew the attention of the United Kingdom delegation to the restrictions which are still applied by United Kingdom authorities in respect of transfers of overhead expenses incurred by Swiss companies on behalf of their United Kingdom subsidiaries. They repeated their request that such transfers should be allowed without restriction.

13. The Swiss delegation stated, that in their view, the understanding reached during the Anglo-Swiss negotiations in November 1950, according to which income due to corporate bodies would be transferred to their legal domicile, also covered transfers to corporate bodies with Swiss interests which were domiciled outside Switzerland.

A handwritten signature in cursive script, appearing to read 'Lester'.

A handwritten signature in cursive script, appearing to read 'Reginald W. Stacey'.

LONDON,  
12th February, 1951.



# LE CONSEIL FÉDÉRAL SUISSE

FAIT SAVOIR PAR LES PRÉSENTES

qu'il a désigné

Monsieur H. S c h a f f n e r , avocat,  
délégué du Conseil fédéral aux accords commerciaux,  
en qualité de chef de la Délégation suisse aux négociations économiques qui s'ouvriront à Londres le 23 janvier 1951 avec le Gouvernement Britannique et qu'il l'a autorisé à signer les accords issus de ces négociations.

En foi de quoi, les présentes ont été signées par le Président et le Chancelier de la Confédération Suisse et munies du sceau du Conseil fédéral.

Berne, le 19 janvier 1951.

AU NOM DU CONSEIL FEDERAL SUISSE:

Le Président de la Confédération,

Le Chancelier de la Confédération,





ANNEX I

QUOTAS FOR IMPORTS OF SWISS GOODS INTO THE U.K.  
FOR THE PERIOD 1ST MARCH, 1951 to 29TH FEBRUARY, 1952

≡ Quotas to be allocated by the Swiss authorities.

<u>Quota No.</u>	<u>Commodity</u>	<u>£1000 equivalent</u>	
		<u>in</u>	<u>Sw.Frs.</u>
		<u>F.o.b.</u>	<u>F.o.b.</u>
1 ≡	Canned meat, ravioli	82	1003
2 ≡	Boxed cheese with ham and/or salami; ham and cheese spread, canned	30	367
3 ≡	Chocolate confectionery	50	612
4 ≡	Birmus (mixture of dehydrated apples, oat flakes, milk (powder), sugar, sultanas, lemon, and nuts)	8,5	104
5 ≡	Fruit pulp, sweetened	41	502
6 ≡	Canned fruit	20	245
7	Fruit powder	5	61
8 ≡	Alpine plants	1,5	18
9 ≡	Alpine seeds	0,1	1,2
10 ≡	Jute and hemp yarns	41	502

11	Spun silk yarn, also for sewing purposes	20	
12	Sewing silk for industrial and home use; thrown silk for weaving and hosiery, raw and dyed	5	61
13	Real silk and spun silk piece goods	150	1836
14	Ribbons of silk or spun silk, pure or mixed with other textiles, including not less than £7,000 for ribbons of silk for typewriters uninked	25	306
15	Bolting cloth	100	1224
16	Embroideries on net or dissoluble fabric including Cornelly embroidery on net other than silk or nylon	160	1958
17	Stockings and socks of silk	10	122
18	Stockings and socks of cotton, wool, regenerated cellulose or cellulose acetate or mixtures thereof, containing not more than 10% nylon	10	122
19	Apparel and underwear containing 50% or more of silk, not containing cashmere nor trimmed with lace	40	490

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<u>Quota No.</u>	<u>Commodity</u>	<u>£1000</u>	<u>equivalent</u> <u>in</u>	<u>Sw.Frs.</u> <u>1000</u>
20 x	Apparel and underwear (not containing cashmere or more than 50% of silk) trimmed with embroideries on net or dissoluble fabric, including Cornelly embroidery on net, other than silk or nylon; hand-made lace; or machine made curtain net and lace (excluding silk and nylon) of the following types:- Plain net (unfigured tulle), curtain net made on the Nottingham lace curtain machine or Sander and Graff machine or warp knitting machine, or lace made on the Barmen machine.	40		490
21 x	Brims, bandings, millinery trimmings, alovers and woven fabrics not exceeding a width of 20 inches for the ladies hat industry, all of types not liberalised.	5		61
22 x	Veilings of silk and nylon for millinery	(1) 5		61
23	Drugs of types not liberalised	250		3062
24 x	Aromatics of types not liberalised	13		159



25	Dyestuffs (2)	1000	
26	Chemicals and dyestuffs intermediaries, processing agents for the textile, leather and paper industry (including those made on the basis of locust bean gum) (2)	150	1836
27	Dimethyl sulphate	30	367
28	Precision turned parts (3)	85	1040
29	Insulating materials for electrical purposes of types not liberalised	25	306
30	Articles of aluminium, of types not liberalised	4	49
31	Malleable iron pipe fittings	100	1224

(1) Other veulings being admitted under a global quota.

(2) These are estimates of the amounts likely to be imported into the United Kingdom under United Kingdom normal import licensing policy for their essential requirements.

(3) Token imports scheme not to be applied.

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<u>Quota No.</u>	<u>Commodity</u>	<u>£1000 equivalent in</u>	<u>Sw.Frs. 1000</u>
32 =	Hinges and rolled gold wire for spectacle frames	25	306
33 =	Electrical and other equipment for motor cars, motor cycles and aircraft, including apparatus and accessories for the ignition, lighting and starting of motor cars, coaches and lorries and other cars with engines or for stationery engines; cylinder head gaskets, defrosters	50	612
34 =	Precision drawing instruments (sets and loose instruments)	10	122
35 =	Drawing sets and drawing machines	5	61
36	Watches (4)	c.i.f. 2250	c.i.f. 27540
36a	Watch parts for repair	169	2069
37	Alarm clocks with watch movements	(5) 35 for period 1st March to 30th June 1951	429

		f.o.b.	f.o.b.
38	Music boxes and works, other than those containing decorated or coloured china or earthenware	100	1225
39	Cameras and accessories if imported with the camera, other than cinematograph	10	122
40	Binoculars (6)	2,4	19
41	Low and high pressure water level gauges for boilers and similar use; temperature control apparatus including electrical thermostats; mercury-in-steel thermometers; recorders for remote indication and control; thermal measuring apparatus; pressure gauges and pressure recorders; precision balances; recording, printing and summing meters; testing instruments; similar instruments (all subject to type)	35	429
42	Geodetical and mathematical instruments, theodolites, levels, stroboscopes, planimeters, integrators, integrimeters, etc. (all subject to type)	p.m.	p.m.

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- (4) Stop watches (£10,000 c.i.f.) and Defence requirements not to be charged to this quota.
  - (5) If no global quota has been arranged by 30th June, 1951, licences will continue to be granted at an annual rate of £105,000 c.i.f. up to 29th February, 1952.
  - (6) £200 per month until included in overall global quota; 50% to be of a value of £6 c.i.f. or less.

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<u>Quota No.</u>	<u>Commodity</u>	<u>£1000 equivalent in</u>	<u>Sw.Frs. 1000</u>
43	Electric time recording apparatus, such as electric master and secondary clocks, contactors, time switches, electric relays (all subject to type)	15	183
44	Electron microscopes	p.m.	p.m.
45	Electron diffractographs, high voltage laboratory equipments, high tension oscillographs (all subject to type)	10	122
46	Technical clocks (enregistering movements, circular disc movements, recorder movements, anemometer movements, time lags, clockwork timers) (all subject to type) (7)	5	61
47 x	Portable domestic electric sewing machines and accessories and spare parts	30	367
48	Machinery for the graphic industry, such as: Booksewing machines, threadstitching machines, book-binding machines, boxmaking machines, printing machines, automatic platen press	75	918
49 x	Perfume sprays and sticks	8	98
50 x	Antiglare glasses	2	25
51 x	Jewellery of types not liberalised	10	122
52 x	Watch and clock oils	3	37
53 x	Wood carvings	2,5	31

P.S. Import licences will be issued freely for the following goods:

Concrete pipe presses; money changers; fruit stoning machines; degreasing plant used for electro-plating, tinning, galvanising and similar processes; hosiery needles, needles for sewing and embroidery machines.

(7) licence.

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ANNEX IIQUOTAS FOR IMPORTS OF U.K. GOODS INTO SWITZERLAND  
FOR THE PERIOD 1ST MARCH 1951 - 29TH FEBRUARY, 1952

Swiss Tariff  
No.

	<u>Commodity</u>	<u>Swiss Frs. 1000</u>	<u>Equivalent £000</u>
45a	Seed potatoes (in accordance with Swiss import regulations)	100 tons	
177a/b	Sole leather of all kinds	<u>Swiss Frs. 1000</u> 250	<u>£000</u> 20
179 and 181	Leather for boot and shoe uppers except calf leather russet (natural colour) or waxed and vamp leather of cow-hide or ox-hide russet (natural colour) or waxed	4280	350
185	Leather transmission belting etc.	90	7,5
188a/b	Finished wares of leather under this heading	1220	100
1152/3	Travelling requisites of all kinds		
193/201	Shoes and slippers	1470	120
259/268b	Wooden furniture and parts thereof, fancy articles and cabinet-makers' and joiners' wares	120	10

ex 299, 301, ) 306e, 307c, ) 307d, 308, ) 309 )	Paper and cardboard under these tariff nos.	1710	
360/3, 364a, ) 365a, 366a, ) 367/8, 369/70)	Cotton textiles under these tariff nos.	3670	300
446a/b ) ex 446g/h )	Rayon viscose yarn	60	5
1 2 447d /d	Silk, floss silk or artificial silk textiles in the piece under these tariff nos.	610	50
447e $\frac{1}{3}$ / $\frac{4}{6}$ 447h/h	Textiles of artificial fibre yarns or other artificial silk under these tariff nos.		
470	Woollen yarns put up for retail sale	370	30
471/2, 474/ 475b, 448	Woollen tissues and tissues cut, hemmed or not, under these tariff headings	27540	2250
481/2, 430/1	Woollen carpets and rugs and mats and carpets woven of jute etc.	5500	450

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Swiss Tariff  
No.

Commodity

Swiss Frs.  
1000

Equivalent  
000£

Swiss Tariff No.	Commodity	Swiss Frs. 1000	Equivalent 000£
488/9	Felted woollen tissues and felt stuffs	250	20
506/7	Mats, carpets, etc. of straw, rush, etc.	60	5
ex 522	Tubing and piping of rubber except tyres and inner tubes for motor vehicles, motor cycles and cycles	550	45
529	Manufactures of rubber and gutta percha not elsewhere mentioned	1840	150
530/34 ) 546/552 ) 553 )	Underclothing, clothing except hosiery of cotton, linen, silk, wool etc., neckties	8570	700
537/40 ) 541/45 )	Hosiery and knitted wares of cotton, linen, silk, wool, etc.	4900	400
571b	Furs not elsewhere specified cut out and finished except those of sheep and goatskin	1840	150
680b/681	Chinaware of all kinds and pottery under these tariff headings	1470	120

		dodis.ch/10548	
693/693a )	Hollow-glass and glass-ware		
694c )	not elsewhere mentioned	430	35
810	Cutlery	610	50
873a/b	Wares, plated, gilt or silvered by fire or by galvano- plastic processes	610	50
874a/c	Wares of goldsmiths and silversmiths, real jewellery	1220	100
882e/h	Refrigerating machines and apparatus of all kinds, also separate parts	1220	100
889a )	Sewing machines and finished parts of sewing machines (including up to £30'000 for domestic use)	980	80
889b )			
892	Machines for domestic use	p.m.	p.m.
893a/b	Agricultural machinery not elsewhere specified	610	50
ex 897b/898c M9	Vacuum cleaners and floor polishers	1470	120

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<u>Swiss Tariff No.</u>	<u>Commodity</u>	<u>Swiss Frs. 1000</u>	<u>Equivalent 000£</u>
902a	Exposed cinematographic films (1)	p.m.	p.m.
913a/b	Motor cycles and tricycles and separate parts	7650	625
914	Motor cars Commercial vehicles of all kinds (lorries in accordance with Swiss import regulation)	36700	3000
ex 914g ex M5	Tractors of all kinds (agricultural tractors 110 pieces according to the existing Swiss import regulations)	1220	100
915, 917	Bicycles and tandems and separate parts for all cycles	3430	280
943	Photographic apparatus	300	25

			dodis.ch/10548
948a <sup>1</sup>	Typewriters and separate parts	180	15
948a <sup>2</sup>	Cash-registers, accounting machines and separate parts	250	20
948b -b <sup>1 4</sup>	Calculating machines and separate parts (including punched card equipment)	430	35
954a	Radio apparatus	2450	200
	Hearing aids	25	2
955	Phonographs, gramophones, cinematographic and similar apparatus	490	40
957a/b	Pianos upright and grand	360	30
ex 973	Sera and vaccines for human use	30	2,5
1075/1077	Glue	250	20

(1) Within the global quota no restrictions will be placed by the Swiss authorities on the admission or distribution of cinematograph films or on the transfer of the earnings to the United Kingdom.

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<u>Swiss Tariff No.</u>	<u>Commodity</u>	<u>Swiss Frs. 1000</u>	<u>Equivalent £000</u>
1109/1110 1113	Paints, printing inks, varnishes, lacquers, sicca- tives and other colours under these headings	730	60
1155b	Black and coloured pencils, writing chalks	120	10
1160a/b	Toys of all kinds	1530	125



BOARD OF TRADE,  
MILLBANK,  
S.W. 1.

CONFIDENTIAL

12th February, 1951.

Dear Monsieur Schaffner,

I refer to your letter of today's date worded as follows:

"With reference to the discussions that ended today I wish to confirm that the Swiss delegation regard import quotas Nos. 11, 12, 13 and 15, among others, as quite inadequate. They finally accepted them in view of the statement by the United Kingdom delegation that there was a good prospect of these products being put on Open General Licence within the next six months.

The Swiss delegation has suggested that should this hope not materialise, the authorities of both countries should get into touch with each other in order to discuss the possibility of increases in these quotas. I understood you to say that the United Kingdom authorities would be willing to enter into such discussions and I should be grateful if you would confirm that my understand<sup>ing</sup> of the position is correct."

I have pleasure in confirming that this is my understanding of the position.

Yours sincerely,

*Reginald W. Stacy*

(R. J. W. Stacy)

Monsieur Hans Schaffner,  
Délégué du Conseil Fédéral  
aux Accords Commerciaux,  
Berne.



BOARD OF TRADE,  
MILLBANK,  
S.W. 1.

CONFIDENTIAL

12th February, 1951.

Dear Monsieur Schaffner,

I write to confirm that in the course of the present trade talks I said that there was every reason to expect that so long as import licensing of watches and watch movements into the United Kingdom continues, the quota for such imports from Switzerland will continue at a level of at least £2.25 million and that the United Kingdom authorities will not request a reduction of the limit of £600,000 for watches of a price of not more than 30/- ex factory and of watch movements of a price of not more than 25/- ex factory.

I also informed you that this statement was subject to there being no major development such as a further deterioration in the international situation and was also made subject to the understanding that Switzerland will continue to accord fair treatment to United Kingdom exports and that no payments difficulties arise between Switzerland and the United Kingdom.

Yours sincerely,

*Reginald J. Stacy*

(R. J. W. Stacy)

Monsieur Hans Schaffner,  
Délégué du Conseil Fédéral  
aux Accords Commerciaux,  
Berne.



BOARD OF TRADE,  
MILLBANK,  
S. W. 1.

CONFIDENTIAL

12th February, 1951.

Dear Monsieur Schaffner,

I am writing to record the understanding regarding the watch quota which was reached in the course of the present talks.

Within the quota of £2.25 million (c.i.f.) for watches and watch movements set out in Annex I to the Agreed Minute of today's date the United Kingdom authorities will be free to limit to £600,000 the import of watches of a price of not more than 30/- ex factory and of watch movements of a price of not more than 25/- ex factory.

I should be grateful if you would confirm that this is also your understanding of the position.

Yours sincerely,

*Reginald W. Stacy*

(R. J. W. Stacy)

Monsieur Hans Schaffner,  
Délégué du Conseil Fédéral  
aux Accords Commerciaux,  
Berne.