

CONFIDENTIAL

ANGLO-SWISS ECONOMIC DISCUSSIONS

Agreed Minute of Conclusions

1. Representatives of the Swiss Government and of the Government of Great Britain and Northern Ireland met in London and Berne in January and February, 1950, to review the progress of trade and payments for the period 1st March, 1949, to 28th February, 1950, and to conclude arrangements for the twelve months ending 28th February, 1951.
2. Although the deficit of the sterling area for the twelve months to 28th February, 1950, could at present only be determined provisionally, it appeared probable that the estimates made in February, 1949, would be substantially realised. As compared with the estimated gold loss of £ 13.27 million, the United Kingdom had paid £ 13.3 million in gold to Switzerland in respect of the period 1st March to 31st August, 1949, but, since the devaluation of sterling, the balance on the No. 1 Account of the Banque Nationale Suisse had fallen, and at 28th February, 1950, was below the gold point of £ 15 million fixed by the Monetary Agreement.
3. The United Kingdom Delegation stated that, in respect of the period from 1st March, 1950, to 28th February, 1951, the United Kingdom authorities could not contemplate arrangements similar to those for the previous twelve months unless a substantial gold saving could be effected. In default of this, the United Kingdom authorities would prefer to let the Monetary Agreement lapse (and to settle in gold the balance standing to the credit of the No. 1 Account of the Banque Nationale Suisse at 11th March, 1950) and thereafter to operate on a gold basis for all transactions. The Swiss Delegation expressed the view that the cost to the United Kingdom of operating on a gold basis would be much heavier than under arrangements on the present pattern, that trade would contract and that there would be particular difficulties as regards trade with the rest of the sterling area; they enquired whether the United Kingdom authorities would be prepared to continue the present type of arrangements if

the deficit of the sterling area (in terms of Swiss francs) could be effectively limited to a figure substantially below the estimate for the previous twelve months. The United Kingdom Delegation replied that they were authorised to make such arrangements if the deficit of the sterling area, excluding South Africa, could be fixed at a maximum of £ 10 million and if the Swiss authorities would be prepared to take remedial measures to redress the disequilibrium if the deficit were exceeded. The Swiss Delegation expressed their approval of this proposal (subject to paragraph 13) and the two Delegations proceeded to examine the individual items of the balance of payments in the light of a prospective deficit of the sterling area, excluding South Africa, not exceeding £ 10 million.

4. Any deficit in sterling payments between Switzerland and the Union of South Africa is excluded from the estimate of the balance of payments referred to in paragraph 12.

5. United Kingdom essential imports

The United Kingdom Delegation submitted a list of the estimated requirements of Swiss goods essential to the economy of the United Kingdom. The Swiss Delegation said that the Swiss authorities would use their best endeavours to ensure the export to the United Kingdom of these goods in accordance with the estimates in Annex I.

6. United Kingdom less essential imports

The United Kingdom Delegation stated that the United Kingdom authorities would issue import licences for the goods specified in Annex II. For those goods specified in Part A of Annex II the United Kingdom authorities would be prepared to accede, with certain exceptions, to any proposals made by the Swiss authorities to transfer any unused part of one quota to another or to other goods covered by the Open General Licences referred to in the heading of Part A of Annex II.

As regards Part B of Annex II, the United Kingdom Delegation confirmed that the United Kingdom authorities would be willing to accede as far as possible to similar proposals, but pointed out that in many cases these goods had been withheld from Open General Licence especially because of the difficulty of accepting more than limited quotas. Applications for import licences may be

submitted to the United Kingdom authorities up to 31st January, 1951, and licences used up to 30th April, 1951.

7. The United Kingdom Delegation stated that licences for the importation of watches into the United Kingdom would be granted up to a maximum of £ 1.7 million (20.808 million Swiss francs) on the understanding that the Swiss authorities, within the limit of their powers, would use their best endeavours with the Swiss watch industry with the object of varying, if necessary, the composition of Swiss watch exports without prejudice to the quota as a whole.

Further, the United Kingdom Delegation drew the attention of the Swiss Delegation to the Newmark case mentioned in paragraph 11 of Minute I of the meeting of the Anglo-Swiss Horological Standing Joint Committee held in London on the 9th and 10th June, 1947, and asked them to help in finding a satisfactory solution.

8. Tourism

The United Kingdom Delegation said that the United Kingdom authorities were willing to make £ 5.73 million available for tourists from the United Kingdom to Switzerland for the twelve months period beginning 1st May, 1950. The Swiss Delegation expressed their approval and proposed that £4.38 million should be made available for the summer season and £1.35 million for the winter season. The United Kingdom Delegation raised no objection. The detailed plans for the control of tourist traffic to Switzerland would continue to be worked out by the Joint Anglo-Swiss Committee. The United Kingdom Delegation stated that the Government of the United Kingdom were not in a position to continue the assurance given in paragraph 4 of the letter of 12th March, 1946, from His Majesty's Secretary of State for Foreign Affairs to His Excellency the Swiss Minister in London with regard to facilities for tourist traffic to Switzerland. The Swiss Delegation expressed the earnest hope, however, that the same basic allowance would be available for tourists from the United Kingdom going to Switzerland as for tourists going to countries other than Uniscan, to which the United Kingdom allow tourist travel. The United Kingdom Delegation took note of the wishes of the Swiss Delegation.

For the tourist year beginning 1st May, 1950, the basic allowance for tourists going to Switzerland would be £50 for adults and £35 for children under fifteen years of age, as announced in the House of Commons on 9th March, 1950.

9. Education

The United Kingdom Delegation said that the United Kingdom authorities were willing to permit up to £170,000 to be used during the academic year 1st August, 1950, to 31st July, 1951, for the education of British children in Switzerland. The Swiss Delegation expressed their approval. The maximum allowance would be £320 plus the basic travel allowance. Should the general ban by the United Kingdom authorities on the availability of foreign currency for education in all countries be abolished, discussions would be initiated with a view to adjusting the figure of £170,000 mentioned above.

10. Imports from the sterling area

The Swiss Delegation reaffirmed the willingness of their Government to continue the "open door" policy for imports of sterling area goods. They stated that if, for reasons of commercial policy, their Government were obliged to introduce restrictions on imports from any third country, such restrictions would not apply in the case of the United Kingdom and the rest of the sterling area, for which sufficient quotas for all commercially possible sales would be opened except where imports of a particular commodity into Switzerland might have to be restricted from all sources in order to safeguard the vital interests of the corresponding Swiss industrial or agricultural producers.

11. Imports of Swiss goods by the rest of the sterling area, excluding South Africa

The United Kingdom Delegation stated that they had received from Commonwealth Governments within the sterling area, estimates of expenditure by Commonwealth countries on imports of essential Swiss goods, including outstanding commitments, totalling about £12.5 million. In addition, they had received estimates of Swiss goods, of both an essential and a less essential character, which

the Overseas Territories desired to import; these estimates totalled about £1 million. The United Kingdom Delegation expressed the hope that the Swiss authorities would use their best endeavours to ensure that the requirements of the rest of the sterling area for Swiss goods of an essential character would be met so far as practicable. The Swiss Delegation emphasised the importance to their economy of maintaining the traditional pattern of their trade with the individual parts of the rest of the sterling area. The figure for exports of Swiss goods to the rest of the sterling area, including goods of a less essential character, was fixed at £14.85 million, made up of £13.85 million for the Commonwealth countries and £1 million for the Overseas Territories. It would be open to the rest of the sterling area to import as wide a range of goods as they themselves considered desirable within the overall total of £14.85 million. The United Kingdom Delegation took note that the Swiss authorities would, if necessary, hold bilateral discussions with individual Commonwealth Governments concerning the composition of Swiss exports to those countries.

"Overseas Territories" means the territories for whose international relations the Government of the United Kingdom are responsible.

12. Balance of Payments

On the basis of the foregoing paragraphs, the following estimate of the balance of payments for the period 1st March, 1950, to 28th February, 1951, was drawn up:-

Sterling Area Receipts	<u>United Kingdom</u>		<u>Rest of Sterling Area</u> (excluding South Africa)		<u>Total</u>	
	<u>£m.</u>	<u>Sw.fr.m.</u>	<u>£m.</u>	<u>Sw.fr.m.</u>	<u>£m.</u>	<u>Sw.fr.m.</u>
Exports	25.0	306.00	10.1	123.62	35.1	429.62
Oil Sales	5.7	69.77			5.7	69.77
Invisibles	<u>4.7</u>	<u>57.53</u>			<u>4.7</u>	<u>57.53</u>
Totals:	<u>35.4</u>	<u>433.30</u>	<u>10.1</u>	<u>123.62</u>	<u>45.5</u>	<u>556.92</u>

Sterling Area Payments	<u>United Kingdom</u>		<u>Rest of Sterling Area</u> (excluding South Africa)		<u>Total</u>	
	<u>£m.</u>	<u>Sw.fr.m.</u>	<u>£m.</u>	<u>Sw.fr.m.</u>	<u>£m.</u>	<u>Sw.fr.m.</u>
Imports	14.0	171.36	14.85	181.76	28.85	353.12
Tourist traffic (including £170,000 = Sw.fr.m.2.08 for education)	5.9	72.22			5.9	72.22
Invisibles	<u>16.0</u>	<u>195.84</u>	<u>4.75</u>	<u>58.14</u>	<u>20.75</u>	<u>253.98</u>
Totals:	<u>35.9</u>	<u>439.42</u>	<u>19.6</u>	<u>239.90</u>	<u>55.5</u>	<u>679.32</u>
			Sterling area deficit		<u>10.0</u>	<u>122.4</u>

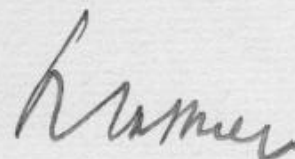
13. Invisibles

The deficit of £10 million may be exceeded to the extent that payments by the sterling area on account of invisibles exceed, and receipts by the sterling area on account of invisibles fall below, the estimates mentioned in paragraph 12. The United Kingdom Delegation stated that they reserved the right to include the question of invisibles in the half-yearly review of present arrangements in order that all relevant factors might be taken into account.

14. The Monetary Agreement of 12th March, 1946, would be extended for a further period of twelve months from 12th March, 1950, to terminate on 11th March, 1951. The supplementary exchange of letters of 12th March, 1946, between His Majesty's Secretary of State for Foreign Affairs and His Excellency the Swiss Minister in London would be regarded as similarly extended subject to the omission of paragraph 4 (see paragraph 8 of the present Agreed Minute) and to such technical adjustments to paragraph 5 as had been agreed between the Bank of England and the Banque Nationale Suisse. The Swiss Delegation stated that sterling up to £15 million would continue to be held on the existing conditions on the No. 1 Account of the Banque Nationale Suisse (acting as agents for the Swiss Government) during the currency of the extended Monetary Agreement.

15. The arrangements set out in the present Agreed Minute will be reviewed after six months with the object of making such adjustments as may be necessary in the light of the progress of trade and payments. The Swiss Delegation stated that if, despite such adjustments, the deficit of the sterling area (excluding South Africa) were to exceed £10 million after taking into account paragraph 13 of the present Agreed Minute, the Swiss authorities would be willing to take measures after 28th February, 1951, to correct the disequilibrium by curtailing the tourist quota mentioned in paragraph 8 and by extending the period of the validity of export quotas granted during the currency of the present arrangements, instead of granting new export quotas with effect from 1st March, 1951. In that event the final date up to which applications for United Kingdom import licences would be accepted and the date up to which licences would be valid would be adjusted. The United Kingdom Delegation welcomed these proposals; they pointed out that the suspension of the issue of new licences might cause an interruption in the flow of Swiss exports essential to the economy of the sterling area. The Swiss Delegation stated that in such circumstances the Swiss authorities would give sympathetic consideration to the grant exceptionally, in anticipation of the 1951/52 arrangements, of licences for Swiss exports of an essential character.

16. The present Agreed Minute will be submitted by the two Delegations for the approval of their respective Governments.



London, 3rd April, 1950.

ANNEX IUNITED KINGDOM REQUIREMENTS FROM SWITZERLAND12 months commencing 1st March, 1950.

	<u>£'000</u>	<u>Sw.fcs.</u> <u>equivalent in (000's)</u>
Glass and glassware	3	37
Watches and clocks	1'000	12,240
Jewels	142	1,738
Drugs and aromatics	306	3,745
Scientific and other instruments	140	1,714
Hosiery needles etc.	133	1,628
Hand tools	72	881
Books, etc.	76	930
Furs	43	526
Nickel silver, semi-manufactured	14	171
Stereotype flongs	20	245
Dyestuffs	938	11,481
Chemicals and dyestuffs auxiliaries (including processing agents for the textile industry)	72	881
	<u>£'000</u>	<u>Sw.fcs.000</u>
Machinery		
Textile machinery	1,500	18,360
Machine tools	800	9,792
Hosiery and knitting machinery	350	4,284
Miscellaneous machinery (including testing machines £10000)	900	11,016
Contingencies	<u>450</u>	<u>5,508</u>
	4,000	48,960
	6,959	85,177
Goods for Re-Export or Contingencies	817	10,000
	<u>7,776</u>	<u>95,177</u>

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ANNEX IIImports into the United Kingdom (less essential)
(*Quotas to be allocated by the Swiss authorities)

PART A. (The following headings relate only to goods of types which may be admitted into the U.K. under Open General Licence from certain countries in accordance with resolutions adopted by O.E.E.C.)

	<u>Commodity</u>	<u>£'000 equivalent in</u>	<u>Sw.fcs.</u> <u>(000's)</u>
* Group I	Quick frozen fruit and vegetables canned, fruit concentrate, (incl. grape) pectin, pomace	257	3,146
* Group IA	Loaf cheese	90	1,101
* Group II	Wine and spirits	24.8	303
* Group III	Soups, seasonings, bouillon products and similar items	4.1	50
* Group IV	Brissagos, toscanis and similar cigars	3.3	40
* Group V	Rayon, cotton and woollen yarns; cotton, rayon and woollen piece goods other than embroidered; rayon and staple fibre ribbons and woven labels other than embroidered; felt other than machinery parts; cotton waste	1.462.415	17,900
* Group VI	Apparel and soft haberdashery (excluding goods containing embroidery on net or dissoluble fabric, lace, cashmere or 50% or more of silk); all kinds of embroidered goods, other than silk and embroideries on net or dissoluble fabric	627.45	7,680
* Group VII	Shoes	339	4,149
* Group VIII	Hats, hat braids and hoods	220	2,693
* Group IX	Pocket and table lighters	16.5	202
* Group X	Toys, including metal toys and games	16.5	202
* Group XI	Veneers	33	404
* Group XII	Brushes	25	306

	<u>Commodity</u>	<u>£'000</u> equivalent in	<u>Sw.fcs.</u> (000's)
* Group XIII	Elastic tulle (bobinets) elastic webs and braids, wide web elastic	16.5	202
* Group XIV	Cinematograph apparatus (cameras and projectors of all sizes)	33	404
* Group XV	Hobnails and shoenails, suitcase and folio locks	12	147
* Group XVI	Insulated wire for electri- cal engineering (enamelled copper wire, copper wire co- vered with cotton, silk, etc.)	12.4	152
* Group XVII	Medical surgical and dental instruments, artificial teeth	24.8	304
* Group XVIII	Semi-finished products of copper and nickel and alloys thereof (sheets, strips, rods, sections, wires, tubes)	24.8	304
* Group XIX	Compacts and lipstick containers	16.5	202
* Group XX	Celluloid in sheets, rods and tubes	12.4	152
* Group XXI	Viscose sponges	8.3	102
* Group XXII	Proprietary medicines	102	1,248
* Group XXIII	Books	P.M.	P.M.
* Group XXIV	Pictures printed in colours, postcards, greeting cards, calendars, painting books and drawing books	22.3	273
* Group XXV	Pencils	28.9	354
* Group XXVI	Combs	5.8	71
* Group XXVII	Metal saws, precision files and engravers'gravers, hand tools. Machine precision tools and measuring and cali- brating instruments (engineers' tools, including gauges, measu- ring instruments and cutting and forming tools for use with machine tools or with portable power tools and parts thereof, excluding diamond dies)	72	881

	Commodity	<u>£'000</u> equivalent in	<u>Sw.fcs.</u> (000's)
* Group XXVIII	Typewriters	33	404
* Group XXIX	Calculating machines	33	404
* Group XXX	Bicycle components, including cycle lighting dynamo sets	49	600
* Group XXXI	Electric meters, electric heating pads, hand hair dryers and accessories, electric shaving apparatus (complete) spare parts and repair tools	71	869
* Group XXXII	Semi-finished products of aluminium and aluminium alloys, aluminium foil	58	710
	Miscellaneous	314.235	3.847

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PART B.

	<u>Commodity</u>	<u>£'000</u>	<u>equivalent in</u>	<u>Sw.fcs.</u> <u>(000's)</u>
1.	Boxed cheese	181	(1)	2,215
2.	Canned meat	8		98
3.	Chocolate	10		122
4.	Fresh Fruit	270	(2)	3,305
5.	Cherry pulp	33	(3)	404
* 6.	Canned cherries and fruit powder	25		306
* 7 (a).	Semi-finished manufactures of horn of casein(sheets,rods)	12.5		153
* 7 (b).	Finished articles of horn of casein	4		49
8.	Ravioli	6		73
9 (a).	Alpine plants	1.5		18
9 (b).	Alpine seeds	0.1		1.2
10.	Jute and hemp yarns	25	(4)	306
* 11.	Spun silk yarns, also for sewing purposes	20	(5)	245
* 12.	Real silk and spun silk piece goods,including ribbons	45		551
13.	Bolting cloths	82		1,004
* 14.	Embroideries on net or dissoluble fabric including Cornelly embroidery on net,other than silk	73		894
* 15.	Stockings and socks, other than silk,nylon or cashmere	20		245
* 16.	Apparel containing 50% or more of silk, not containing cashmere nor trimmed with lace	35	(6)	428

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- (1) To be increased up to £230,000 to the debit of the global quota if higher sales are possible.
- (2) The United Kingdom Government are unlikely at present to purchase apples. This matter may be discussed again later.
- (3) It is unlikely that the United Kingdom will wish to purchase.
- (4) Jute yarns for re-export only.
- (5) 50% for re-export.
- (6) 50% for re-export.

	<u>Commodity</u>	<u>£'000</u>	<u>Sw.fcs.</u> <u>equivalent in (000's)</u>
* 16 (a)	Apparel (not containing cashmere or more than 50% of silk) trimmed with embroideries on net (other than net made of silk) or dissoluble fabric	20	245
* 17.	Brims, bandings and veilings, millinery trimmings, allover and woven fabrics not exceeding a width of 20 inches for the ladies hat industry	4	49
18.	Precision screws and other turned parts	50	(7) 612
19.	Insulating materials for electrical purposes (transformers boards, insulating paper tape, cloth, mica-nite and bakelite pieces, ceramic insulating pieces, insulating varnishes, bakelised paper)	25	306
* 20.	Articles of aluminium, other than semi-manufactured materials of foil	4	49
* 21 (a)	Seals, including accessories }	6	73.5
* 21 (b)	Closing tools }	6	73.5
* 22.	Hinges for spectacle frames	25	306
* 23.	Electrical and other equipment for motor cars, motor cycles and aircraft, cylinder head gaskets, defrosters, fuel injection pumps for diesel engines	40	490
* 24.	Precision drawing instruments	10	122
25.	Watches, including alarm clocks with watch movements	700	(8) 8,568
26 (a)	Watch parts for repair (including glasses) }	116.83	1,430
26 (b)	Fret saws and other watch makers' tools) }	8.17	100

(7) Not including token imports.

(8) Imports of alarm clocks not to exceed 5% of £1,700,000.

	<u>Commodity</u>	<u>£'000</u> equivalent in	<u>Sw.fcs.</u> <u>(000's)</u>
27.	Drugs	81.689 (9)	1,000
28.	Aromatics	98.611 (9)	1,207
29.	Glue and gelatine	16	196
* 30.	Abrasive paper and cloth	16.6	203
* 31.	Wooden heels for shoe manufacture	7.5	92
32.	Furniture	32 (10)	392
* 33.	Wood carvings	2.5	30.6
* 34.	Music boxes and works	30 (11)	367
* 35.	Honing and stropping machines for safety razors (and spare parts thereof)	4	49

(9) In addition to the amounts specified in the United Kingdom list of essential requirements.

(10) Utility types only.

(11) Excluding goods containing decorated or coloured china or earthenware.

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ANGLO-SWISS ECONOMIC DISCUSSIONS
Agreed Minute of Conclusions

1. Representatives of the Government of Great Britain and Northern Ireland and of the Swiss Government met in Berne from the 2nd November 1950 to the 10th November 1950 to review the situation in accordance with paragraph 15 of the Agreed Minute of 3rd April 1950 and in the light of Switzerland's entry into the European Payments Union.
2. The United Kingdom Delegation stated that as from 1st November 1950, the effective date of Switzerland's accession to the European Payments Union, the Open General Licences for imports into the United Kingdom, issued in accordance with the resolutions of the Organisation for European Economic Cooperation in regard to the liberalisation of trade, had now been extended to her. Accordingly all the items in part A of Annex II to the Agreed Minute of 3rd April 1950 were now free from import licensing control on import from Switzerland and Liechtenstein and a number of items in part B of Annex II were also now covered by Open General Licences. As regards the remaining items in part B, the Swiss Delegation put forward requests for increases in, and variations of, a number of quotas, and also asked for quotas for certain items not previously included. The United Kingdom Delegation explained the difficulties which existed in the way of their acceptance of any extensive increases in quotas for goods in the limited non-liberalised field; they were, however, willing to grant some increases and certain new quotas. The revised list of quotas is contained in the Annex. The Swiss Delegation stated that they could not regard the answers to their main requests as satisfactory and they had set out their point of view in a letter attached to the present record.
3. As regards the goods set out in Annex I to the Agreed Minute of 3rd April 1950 (other than watches, the total quota for which is now included in the Annex to the present Agreed Minute), the United Kingdom Delegation confirmed that the United Kingdom authorities would continue to issue licences in accordance with

the essential requirements of the United Kingdom for such of these goods as had not been liberalised, even though their original estimates might thereby be exceeded. They also confirmed that applications for licences for goods not specifically mentioned in Annex I to the Agreed Minute of 3rd April or in the Annex to the present Agreed Minute would be considered in accordance with the normal import policy of the United Kingdom.

4. If any goods for which a quota was included in Annex II to the Agreed Minute of 3rd April, but which have been excluded from the Annex to the present Agreed Minute on the ground that import licences into the United Kingdom for such goods are no longer required, should prove not to be covered by Open General Licences, the United Kingdom authorities would be willing to reopen the quotas established in the Agreed Minute of 3rd April 1950.

5. Imports of Swiss goods by the Rest of the Sterling Area. The United Kingdom Delegation stated that the authorities in the Rest of the Sterling Area (RSA) had been informed that they need no longer restrict imports from Switzerland on currency grounds; they were at liberty to import freely from Switzerland as from other countries in the Organisation for European Economic Cooperation in accordance with their requirements. As regards the Dependent Overseas Territories, the United Kingdom Delegation stated that they had been invited to introduce a system of open general licensing, similar to that adopted in the United Kingdom and in respect of the same countries of origin, for any commodities for which Open General Licences were considered by them to be appropriate.

6. Tourism. The limit on total tourist expenditure referred to in paragraph 8 of the Agreed Minute of 3rd April 1950 had been removed.

7. Secondary Education. The restrictions on the number of British children under the age of 18 who may attend schools in Switzerland and Liechtenstein had now been removed. It would therefore no longer be necessary for schools to obtain recommendations from the Swiss Compensation Office, and parents could in future apply direct to an authorised bank in the United Kingdom for permission to transfer the necessary funds.

8. Higher Education. Currency to meet the reasonable requirements of a student may in future be provided for undergraduates or post-graduates to attend full-time courses at Swiss universities or similar institutions of an academic or technical nature.
9. Financial Transfers. The United Kingdom Delegation confirmed that the restrictions on certain financial transfers to Switzerland would be removed and the regulations modified in order to bring Switzerland into line with other Organisation for European Economic Cooperation countries. The Swiss Delegation confirmed that the Swiss Compensation Office for its part would accept the transfer of all current items in accordance with existing practice or other items as may be agreed.
10. Transfer Tax. The Swiss Delegation stated that the Transfer Tax of 1% would be removed as soon as administratively possible.
11. Swiss Francs held by Bank of England. The Swiss Delegation stated that the Swiss authorities had decided to repay the balance of the No.1 Account of the Bank of England with the Swiss National Bank, amounting to approximately 57 million Swiss francs per 31st October 1950, through the European Payments Union during the November accounting period, and they handed to the United Kingdom Delegation a draft agreement. The United Kingdom Delegation accepted the Swiss proposal and stated they would transmit it to Paris.
12. Monetary Agreement. The United Kingdom Delegation submitted a draft Monetary Agreement drawn up to take account of Switzerland's entry into the European Payments Union. The United Kingdom Delegation explained the working of the Transferable Account system and handed to the Swiss Delegation a draft letter for exchange between the monetary authorities, should the Swiss authorities decide to join the Transferable Account Area. The Swiss Delegation expressed their interest in the proposal but stated that the Swiss authorities would require further time to consider it. For this reason, and because of certain other difficulties which they foresaw in connection with their bilateral

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agreements, they would prefer to maintain for the time being the existing Agreement in force, subject to the substitution of Article 2 by a new Article to take account of Article 8 of the Agreement for the Establishment of a European Payments Union. A separate Exchange of Notes to this effect has taken place. The Swiss Delegation nevertheless indicated their desire to avail themselves of facilities for "third country" transfers of sterling on an administrative basis and stated that the Swiss monetary authorities would take the matter up in detail with the Bank of England.

13. The Swiss Delegation drew attention to the difficulties being experienced in the collection of income from securities owned by Swiss nationals residing in or who have resided in Italy. The United Kingdom Delegation stated that this problem was under consideration and that it was hoped that measures would shortly be introduced which would meet the Swiss requirements.

14. The Swiss Delegation requested that the ABX system of declaration should be simplified. The United Kingdom Delegation offered to convey this request to the appropriate United Kingdom authorities.



Berne, 10th November, 1950.



A N N E X

Revised Import Quotas into the United Kingdom for
the 12 months ending 28th February, 1951, excluding
goods now liberalised

(* Quotas to be allocated by the Swiss authorities)

	<u>Commodity</u>	<u>£ '000</u> equivalent in	<u>Sw.fcs.</u> <u>(000's)</u>
* 2,8	Canned meat, ravioli	22	269
* 3	Chocolate confectionery	25	306
* 5	Cherry pulp, sweetened	33	404
* 6	Canned cherries and fruit powder	25	306
9(a)	Alpine plants	1.5	18
9(b)	Alpine seeds	0.1	1.2
10	Jute and hemp yarns	41	502
*11	Spun silk yarns, also for sewing purposes	20	(1) 245
*12	Real silk and spun silk piece goods, including ribbons	45	551
13	Bolting cloth	82	1'004
*14	Embroideries on net or dissoluble fabric including Cornelly embroidery on net, other than silk	106	1'297,6
*15	Stockings and socks, other than silk, nylon, or cashmere	20	245
*16	Apparel and underwear containing 50% or more of silk, not containing cashmere or trimmed with lace	20	245
*16(a)	Apparel and underwear (not containing cashmere or more than 50% of silk) trimmed with hand-made lace or narrow lace made on the Barmen machine, or with embroideries on net (other than net made of silk) or dissoluble fabric	20	245

(1) 50% for re-export

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	<u>Commodity</u>	<u>£'000</u> equivalent in	<u>Sw.fcs.</u> <u>(000's)</u>
* 17	Brims, bandings and veilings, millinery trimmings, allover and woven fabrics not exceeding a width of 20 inches for the ladies' hat industry, all of types not liberalised	5	61
* 17(a)	Veilings for millinery	5	61
18	Precision turned parts	50	(2) 612
19	Insulating materials for electrical purposes, of types not liberalised	25	306
* 20	Articles of aluminium of types not liberalised	4	49
* 22	Hinges and rolled gold wire for spectacle frames	25	306
* 23	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 any other cars with engines or for stationary engines; cylinder head gaskets, defrosters	40	490
* 24	Precision drawing instruments (sets and loose instruments)	10	122
25	Watches, including alarm clocks, with watch movements	1'700	(3) 20'808
26(a)	Watch parts for repair	116,83	1'430
29	Glue and gelatine	24	294
32	Furniture	41	502
* 33	Wood carvings	2,5	30,6
* 34	Music boxes and works, other than those containing decorated or coloured china or earthenware	50	612

(2) Not including token imports

(3) Imports of alarm clocks not to exceed 5% of £ 1'700'000

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<u>Commodity</u>	<u>£'000 equivalent in</u>	<u>Sw.fcs.</u> <u>(000's)</u>
* 35 Honing and stropping machines for safety razors (and spare parts thereof)	4	49
* 36 Cameras, other than cinematograph	3	36,7
37 Low and high pressure water level gauges for boilers and similar use; temperature control apparatus including electrical thermostats; mercury-in-steel thermometers and recorders for remote indication; thermal measuring apparatus, pressure gauges and pressure recorders; recording, printing and summing meters	7,5	91,7
* 38 Portable domestic electric sewing machines and accessories	5	61
39 Drawing sets and drawing machines	1	12,2
40 Binoculars	1,5 (4)	18,3

(4) 50% of a cif value of £ 6 or less.

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