

Financial Sub-CommitteeAgreed Minute of  
Conclusions

1. Since various questions concerning the future of E.P.U. were still under discussion the United Kingdom Delegation suggested that it would be preferable to extend the existing Monetary Agreement for a further period until the 30th June, 1952, and, if the E.P.U. position were not clear by that date, to extend it for a further period on the understanding that a new Monetary Agreement should be concluded as soon as possible thereafter. The Swiss Delegation stated that they had no objection to this proposal and a separate formal exchange of notes extending the Agreement until 30th June, 1952, has accordingly taken place.
2. The United Kingdom Delegation said that under the Swiss export regulations it appeared to be possible for payment in sterling to take place freely in excess of "payment quotas" but that, since the Compensation Office would only accept the equivalent of the "payment quotas" at the official rate of exchange, the balance had to be negotiated in the free market. If this was so, the regulations must operate to create B account sterling. The Swiss Delegation stated that in their view the import possibilities for imports of Swiss goods into the sterling area were in general smaller than the quotas for which the Swiss Compensation Office were prepared to accept sterling at the official rate of exchange ("payment quotas"). As regards machine tools to be exported to the United Kingdom and sterling area Swiss export permits would in future only be issued if corresponding Swiss

/Payment

payment quotas were allocated. The Swiss Delegation further declared that they would be prepared to discuss with the United Kingdom authorities appropriate measures regarding other exports to the sterling area should it prove that the level of such exports was such as to lead to the creation of B account sterling. The United Kingdom Delegation took note of this statement and expressed the hope that these measures would prevent the creation of B account sterling from this source; but they reserved the right to raise the matter again if the measures proved inadequate. The United Kingdom Delegation stated that they assumed that the Swiss Federal authorities would arrange to inform the Managing Board of E.P.U.

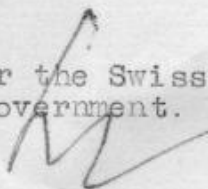
3. The Swiss Delegation stated that there had recently been a large increase in the number of new firms of little standing who had established themselves in Switzerland for the sole purpose of collecting their profits from transit trade in Swiss francs; the Swiss authorities might find it necessary to limit the acceptance of sterling transferred in respect of such profits and commissions. If such measures were taken they would inform the United Kingdom authorities in order to mitigate the danger of the creation of B account sterling.

4. The Swiss Delegation again drew attention to the restrictions which were applied by the United Kingdom authorities in respect of overhead expenses incurred by Swiss companies on behalf of their United Kingdom subsidiaries. They stressed the special interest which the Swiss authorities attached to such transfers as well as the fact that in accordance with Annex B, Section 1, List 1, of the Code of Liberalization of the 20th July, 1951, payments for technical assistance and overhead expenses had to be authorized. The United Kingdom Delegation stated that they would arrange for this matter to be re-examined.

5. The Swiss Delegation requested that in view of the geographical situation of Switzerland as a tourist country the basic allowance for tourists in Switzerland should be increased and that arrangements should be made for the purchase of regional season tickets outside the basic allowance. The United Kingdom Delegation said that their authorities were unable to accede to either request.

6. The Swiss Delegation referred to paragraph 14 of the Agreed Minute of 10th November, 1950, and renewed their request that the ABX system of declaration should be simplified. The United Kingdom Delegation offered to convey this request to the appropriate authorities.

For the Swiss  
Government.



For the Government  
of the United Kingdom.



LONDON,  
17th May, 1952.





BOARD OF TRADE,  
HORSE GUARDS AVENUE,  
WHITEHALL, S.W.1.

16th May, 1952.

Dear Mr. Schaffner,

I am writing to you to say that the United Kingdom Government will be willing, if the Federal Authorities will also do so, to continue until 30th June 1952 to act in accordance with the arrangements set out in the Anglo-Swiss Agreed Minute on Trade and Payments of 12th February 1951, subject to the understandings set out in the following paragraph.

2. This procedure would be on the understanding that the arrangements recorded in the Agreed Minute which have been affected by measures either of restriction or of liberalisation taken by the two countries would be regarded as having been amended in that respect. It would also be understood that to the extent to which quotas allocated for the two months March and April had not been applied for, licences would be issued for the outstanding amounts together with the amounts to be allocated for the two months May and June.

3. I understand that an agreed record of the financial discussions has been initialed separately.

4. I should be grateful if you would confirm that the Federal Authorities accept the suggestions set out in this letter.

Yours sincerely,

*E.A. Cohen*

(E.A. COHEN)

Mr. H. Schaffner.

SUNDESURF

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