

6 Telegramm MEW an Britische Gesandtschaft Washington, 7. 5. 1942

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Outward Telegram

[...]

From Ministry of Economic Warfare to Washington.

No. 3232. Arfar

7th May, 1942

D. 12.45 a.m. 8th Mai, 1942

Immediate.

Your telegram No. 2598A (Arfar of April 23rd: negotiations with Switzerland).

Riefler has now shown us the B.E.W. [Board of Economic Warfare, USA] memorandum and we have discussed it.

2. Detailed questions regarding particular quotas are being studied further with Riefler and representatives of United States Embassy. This telegram deals with general policy. We feel it is essential that complete understanding between us and B.E.W. on the main issues involved in the present negotiations with Switzerland should be reached as quickly as possible. B.E.W. memorandum is a very valuable document and clearly represents a carefully studied approach to the problem. Appreciation of the background seems to us sound in most respects. One factor is, however, ignored and this is probably our fault.

3. Our War Trade Agreement of April 1940 contains undertakings by the Swiss Government to prohibit or limit exports of Swiss produce to the enemy. We are satisfied that the Swiss have substantially carried out these undertakings. Agreement did not cover important classes of machinery (which at time of signature were being exported without restriction both sides). We hope to extend the scope of restrictions considerably in the present negotiations.

4. As regards policy, we agree with much in the memorandum. Main difference



between B.E.W. proposals and the basis on which we have up to now been negotiating with the Swiss, lies in proposal to use food quotas for bargaining purposes. It seems to us that it may help us to reach agreement if we clarify the issues as they appear to us.

5. The following are our four main subjects:

- (1) to maintain Swiss political independence and the non-economic facilities which the Allies obtain from Switzerland (intelligence, protection of interests including prisoners of war, moral value of a democratic Switzerland);
- (2) to reduce Swiss economic assistance to the Axis;
- (3) to obtain important supplies for the Allies;
- (4) to secure financial agreements which would enable the Allies to obtain Swiss francs for essential expenditure without benefit to the enemy.

(The above does not necessarily represent order of priority.)

6. (1) has been secured up to the present by the existing blockade policy under which we allow foodstuffs freely, although we have cut off raw materials. The question is, can we use the threat of reducing the present food quotas in order to obtain (2), (3) and (4) without risking (a) the loss of (1) and (b) making the Swiss more dependent on the Axis so that they will be unable to resist the process of assimilation in the Axis economic order, i.e. without running counter to our objective (2)? We think not. The Swiss *cannot* give us (3) without German consent. To threaten reduction in food supplies unless we get (3) is therefore double-edged. If we reduce food supplies Swiss will have to ask for more food from German Europe and to pay it with more exports to the enemy.

7. Our proposal, therefore, is to offer to reopen certain *quotas* (not to guarantee supply) for raw materials other than those in which there are serious allied shortages in return for further restrictions on exports to the Axis i.e. (2).

8. We will telegraph lists of proposed quotas and restrictions of exports to the enemy, and hope that B.E.W. will agree that we do not contemplate making too easy a bargain.

9. We hope to secure (4) by making it a condition of any agreement with the Swiss but we could if necessary, throw in a modification of the new rule limiting enemy content of goods exported under certificates of origin to 5%, to which the Swiss attach great weight but which we do not regard as of prime importance.

10. If we reach agreement on (1), (2) and (4), then (3) can be treated more or less as a separate issue. Our position here is that we should like to get certain material from Switzerland, and assuming that our bargain with the Swiss on (1), (2) and (4) balances, to get (3) we shall have to give something of equal value. We told the Swiss in November that we would consider allowing them certain raw materials to be chosen by us to the same monetary value as the goods we want from Switzerland, and we have started discussions on this basis, though without entering into any commitment to supply. If B.E.W. agrees to our continuing negotiations on these terms with the Swiss, who have accepted them as reasonable, it only remains to agree between ourselves what materials and in what amounts it is worth letting the Swiss have in return for the list of goods for which we are asking. We will telegraph the suggestions of our supply authorities on this point and they will presumably make simultaneous recommendations to C.R.M.B. We would stress, however, that we have no desire to give the Swiss more than British and American supply departments may decide to be the value of what we

are to get in return. We shall, of course, insist on an absolute guarantee that any raw materials supplied by us under (3) shall not be used in any way for the benefit of the enemy. In fact, if we allowed any small quantities of strategic materials the Swiss would probably use them exclusively for the needs of the Swiss Army. (If, as is possible, (3) falls through owing to German opposition, it may be necessary for the sake of (1) to give special consideration to the question of Swiss Army requirements. 11. This telegram has been drafted in consultation with Riefler. He asks that a copy be given to B.E.W. to whom he is telegraphing with reference to it.

Quelle: PRO, BT 11, 1920. Siehe S. 216 (Anm. 310).