

Office of the British Delegation,  
Hotel Bellevue-Palace,  
Berne.

7th March, 1945.

Dear Dr. Frey,

We have now fully considered the points raised by yourself and your colleagues at our meeting in February regarding the Statutory and Proclaimed Lists, commonly known as the Black Lists. The following observations represent the views of the three Allied Delegations.

In the first place I must make it clear that our three Governments regard the Black List as an entirely legitimate measure which belligerent countries are fully justified in adopting. As you know, the firms and persons on the List fall into two classes. The first category consists of firms which are actually controlled from enemy territory or which are interlocked or closely associated with firms in enemy countries. Under British Statute Law it is a criminal offence for our nationals to trade or communicate with such firms whether they appear upon the List or not. We therefore place them on the List in order to warn our own traders. The second category consists of neutral firms who have in one way or another assisted our enemies. This assistance takes many forms. There are some who have attempted to evade our blockade regulations; others have engaged in dealings on enemy behalf or have spread enemy propaganda. The largest class, however, consist of firms which have traded with enemy countries on a considerable scale, and in products which directly or indirectly maintain our enemy's war effort. If a neutral firm elects to send considerable supplies to the countries with which we are at war, it has no grounds for complaint if we prevent it from having dealings with our own nationals and deny it any facilities in our power.

It may also be convenient if I recapitulate what I told you at our meeting about Black List procedure. Firms are not listed arbitrarily or merely on account of unconfirmed rumours. Each case is examined by the Black List Committee in London and the Proclaimed List Committee in Washington. The Chairman of the Black List Committee

Dr. E. Frey.

is/

Walter Meyer, Zurich.

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is a Judge of the High Court who is not responsible to any Government Department. No name is placed on the Lists until the Allied Committees are satisfied that there is sufficient evidence to justify such action.

At our meeting you handed me particulars of fifteen firms which I understood you regard as border-line cases or cases where possibly a mistake has been made. Since then I have myself carefully examined the evidence. In each case I am fully satisfied that the evidence was quite sufficient to justify listing and that there is no question of any mistake. I also cannot agree that they are border-line cases. It is hardly necessary to give full details in each instance but, by way of example, I will take the first three in your memorandum:-

Buss, A.G., Basle, were listed in 1941 on account of their exports to the enemy. Exports to Germany in 1938 and 1939 were in the neighbourhood of Frs. 450,000 per annum. In 1941 they were increased to Frs. 1,650,000 and in 1942 to Frs. 1,940,000.

Reishauer Werkzeuge A.G. Zurich, were listed in 1942 on account of exports to the enemy. In 1938 their exports to Germany were Frs. 160,000. In 1942 the figure was Frs. 3,160,000.

Christen & Co. A.G. Berne, were listed in 1943 after refusing to consider any reduction of their exports to the enemy. These exports to Germany alone, consisting chiefly of machine tools, were Frs. 128,000 in 1939 and Frs. 2,659,000 in 1942.

These figures will, I hope, be sufficient to show that firms are not placed on the Black List without good reason.

Certain of the cases which you have submitted concern firms which are controlled from enemy territory. You will appreciate therefore that I could not properly approach the Black List Committee on their behalf.

I am, however, prepared to invite the Black List Committee to review the following four cases, although I am satisfied that they have been properly and justifiably included in the List:-

Sapal S.A., Lausanne.  
Plus Accumulatorenfabrik A.G. Basle.  
Bäumlin, Ernst & Co., St. Gall.  
Walter Meyer, Zurich.

You/

You will observe that I have not included in this list A.G.T.Maschinenbau A.G.Zurich. I wish, however, to make it clear that this firm is retained on the list for reasons other than its affiliation with Vapor A.G.

If the Allied Black List Committees decide upon the early deletion of any of these four firms, the Commercial Secretariat of the British Legation in Berne will be informed in the usual way of the conditions under which such deletion may be conceded.

I now come to the more general issues which were raised in our discussions. We are unwilling to differentiate between stocks purchased from listed firms on different dates. We have, however, already accepted in principle your Government's request that export facilities should not be refused for products containing goods which can only be obtained from a listed firm. Our Consular Officers are therefore empowered at their discretion to issue documents to exporters who are exporting from stocks previously purchased from listed firms. I understand that your authorities have already been invited to submit to the British Legation any specific cases where they consider that the exporter is being unduly penalized but that so far no such cases have been brought to our attention.

It would be difficult to lay down a hard and fast rule of universal application and we prefer, therefore, to judge each such case on its merits. In fact your request that we should take special action in the case of monopolies has already been granted in all important cases where we are aware that a listed firm has a monopoly of any product or products. We have already invited your authorities to submit to us any other such monopoly cases which may have escaped our attention.

You also express concern over the fact that Staple fibre could only be sold to six spinning firms three of which were on the Statutory List. I should be grateful if you would let us know the position in greater detail. Your authorities recently gave a list of the firms who will receive allocations of raw cotton as soon as this reaches Switzerland. We notice that a number of these are spinners. Is there any reason why/



why they cannot handle staple fibre? We are, however, prepared to allow Viscose Suisse and Steckborn to deliver staple fibre to the firms concerned over the next three months.

Lastly, you asked us to agree to the export of silk cloth and goods to all destinations except the countries with which we are at war, even though the permitted enemy content is exceeded. I am afraid that we are not authorised to grant this request. We will, however, immediately on our return recommend to our Governments that they should agree generally and freely grant the necessary facilities. If they accept our recommendation it will, of course, still be necessary for exporters of these goods to obtain export passes in every case, but these will no longer be withheld merely on the ground that the goods are made up of silk originally purchased from an enemy source.

I have shown this letter to Mr. Currie and M. Chargueraud, who agree with it.

*Yours sincerely,  
Gingelroot*

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