



FEDERAL RESERVE

press release

HD

*In proc. s.t.e. par décret
transmettre à Berna (je suis absent
lundi.)*

November 20, 1964. *9/10*

For release in morning papers,
Monday, November 23, 1964.

Collier N. 50.1.3

The Swiss National Bank and the Federal Reserve Bank of New York have signed an agreement that implements the association of Switzerland with the General Arrangements to Borrow (GAB) of the International Monetary Fund. The New York Reserve Bank was authorized by the Federal Open Market Committee to act on behalf of the Federal Reserve System. *llw*

Under the GAB, which have been in effect since 1962, ten industrial countries--not including Switzerland since it is not a member of the International Monetary Fund--undertake to lend to the Fund on a medium-term basis up to \$6 billion in their national currencies if this should be needed to forestall or cope with an impairment of the international monetary system.

Switzerland entered into an agreement with the Fund (on June 11, 1964) providing for Switzerland's association with the Fund's GAB with a contributory share equivalent to \$200 million. Under that agreement, Switzerland may make implementing arrangements--such as the one just concluded with regard to the United States--directly with each of the individual countries participating in the GAB.

The Swiss-Federal Reserve agreement provides a framework, not only for medium-term credit to the United States from Switzerland, but also for similar consideration of aid to Switzerland from the United States, should such assistance be required.

This agreement does not affect the short-term reciprocal currency arrangements entered into by the Federal Reserve with the Swiss National Bank and the Bank for International Settlements in the total amount of \$300 million equivalent.

(Note: The foregoing announcement has also been issued by the Federal Reserve Bank of New York)

Dodis

