

19th November 1969.

Dear Mr. President,

When we spoke in Basle last Sunday about the problem of evasions of British Exchange Control regulations, I promised to let you know in writing what I said to Herr Hans Bär when he came to see me on 11th November.

Herr Bär agreed that the story which appeared in the Daily Mirror of 5th November was substantially true and he accepted full responsibility for the conduct of the official in his bank who was concerned. He said that apart from the fact that the latter had in one respect contravened the bank's own regulations, he should not in any event have referred within the bank to the various ways in which funds could be illegally transferred from this country to a numbered account in Switzerland.

I then said that while we could not, of course, expect banks abroad to conduct their business with due regard to our regulations, still less to police them, we did regard it as unacceptable provocation for such a bank to take the initiative in telling British residents how they could avoid our regulations when that bank had an affiliate or branch here which had been granted the privilege (and the responsibilities that entails) of being an authorised bank in the U.K. for the purpose of those regulations. I also pointed out that this privilege was one which we not only conferred but could in the last resort take away.

Herr Bär, who was most frank and helpful throughout our conversation, entirely accepted the justice of my remarks; and in consequence he undertook that his bank would offer no such provocation in the future. He went on to doubt, however, whether your main commercial banks, which are a more natural focus for evasions because of their numerous branches, particularly in tourist centres, would be able to give a similar undertaking. To this I replied that I would be speaking to you in Basle in the hope that you might feel able to agree to talk to your three chief banks, two of which have branches in London with authorised bank status. This concluded the substance of our discussion.

May I repeat once more how grateful I am to you for your willingness to help in this matter and for your undertaking to raise the subject at your December meeting with your three chief banks. I look forward to hearing the outcome in due course.

*Yours sincerely,
Leslie O'Brien*

Dr. Edwin Stopper.