

Herms Heer

Confidential

MEMORANDUM

BETWEEN THE

GOVERNMENTS OF FRANCE AND GREAT BRITAIN
AND THE WAR TRADE BOARD OF
THE UNITED STATES

AND THE

SWISS CONFEDERATION

Dated January 22, 1919



WASHINGTON
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1919

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MEMORANDUM dated January 22, 1919, between the Government of France, the Government of Great Britain and the War Trade Board of the United States, an administrative agency empowered to license exports from the United States, the powers of which are administrative and pertain wholly to the domestic or internal affairs of the United States (hereinafter referred to as the "Board"); and the Swiss Confederation (hereinafter referred to as the "Confederation");

WHEREAS it is desired that provision be made to supply the actual internal needs of the Confederation for the articles, commodities, materials and substances referred to herein; and

WHEREAS it is desired by the parties hereto that there be set forth a statement of the conditions and limitations upon which export licenses for such purpose will be issued by the Board;

NOW, THEREFORE, the following understanding has been reached by the parties hereto:

ARTICLE I.

The Board will, during the period of January 1, 1919–September 30, 1919, if duly requested, grant licenses to export from the United States to the Confederation the following commodities up to the amounts indicated:

(1) Breadstuff cereals amounting to 300,000 metric tons in the following proportions: Wheat, 220,853 metric tons; rye, 34,333 metric tons, and barley, 44,814 metric tons.

(2) Feed and feeding stuffs, other than breadstuff cereals, as follows: Oats, 112,600 metric tons, corn, 137,000 metric tons (provided, that all or any part of such corn shall, at the election of the Board, be supplied from other sources than the United States); sugar, 96,000 metric tons; and edible fats, 8,000 metric tons. The allotment of edible oils and oil cake to be fixed at a subsequent date in Paris.

The above stated quantities of foodstuffs and feedstuffs are intended to supply the import requirements of the Confederation therefor for the period of the agricultural year 1918–1919 and imports of the commodities above mentioned, if from another source than the United States, or amounts thereof licensed for export from the United States to Switzerland during the period of October 1, 1918 to December 31, 1918, shall operate to diminish pro tanto the commodities to be licensed for export by the Board in accordance with this Article. The commodities mentioned in this Article will be furnished to the Confederation at the same prices and conditions as supplied to the Allies.

The Governments of Great Britain and France and the Board agree, so soon as an improvement in the tonnage and transportation facilities warrant, to consider favorably an increase of the quantities of commodities provided by this Article I to be imported into Switzerland.

ARTICLE II.

The Board will, during the period of January 1, 1919 to September 30, 1919, if duly requested, grant licenses to export to Switzerland other articles and commodities to meet the genuine internal requirements of Switzerland, provided such articles and commodities can, in the opinion of the Board, be spared from the United States, taking into account domestic requirements and other obligations, and subject, at the discretion of the Board, to such arrangements as may from time to time be made between the Confederation and the country or countries through whose territory will be transited the commodities which the Board is requested to license for export to Switzerland. It is contemplated by the parties hereto that a subsequent arrangement may be made at Paris fixing the contingents of the articles and commodities above referred to.

ARTICLE III.

It is understood that the Board shall be entitled from time to time to make rules and regulations governing the manner and method in which shall be granted licenses permitting the exportation from the United States of the articles, commodities, materials and substances hereinbefore referred to and imposing such restrictions, conditions and limitations upon the granting of such licenses as from time to time shall be determined by the Board to be reasonably necessary or desirable.

ARTICLE IV.

(a) The Government of Great Britain and the Government of France and the Board undertake to ensure conditions which will permit, beginning January 1, 1919, the shipment from such port or ports as shall from time to time be designated or approved by the Supreme Council of Supply and Relief or such other agency as may be designated for such purpose by the Governments of Great Britain and France and the Board to such European Continental port or ports as may from time to time be designated or approved by said Council or said other agency of commodities destined for Switzerland at an average rate approximating seventy thousand (70,000) tons monthly, which shall be increased to one hundred thousand (100,000) tons monthly so soon as the Governments of France and Great Britain and the Board are satisfied that transportation facilities will permit such increase. The Confederation undertakes, in pursuance of the provisions of this Article, to accept the use of such ships as may be offered by the Government of Great Britain or the United States Shipping Board for the shipment of such commodities at the rates specified in the following schedule:

FROM U. S. ATLANTIC OR GULF PORTS

To Rotterdam or Antwerp.....	\$40. 00 or 170 shillings.
To Cette, Marseilles, or Genoa.....	\$47. 50 or 200 shillings.

FROM RIVER PLATE

To Rotterdam or Antwerp.....	\$57. 50 or 242 shillings 6 d.
To Cette, Marseilles, or Genoa.....	\$61. 50 or 260 shillings.

FROM AUSTRALIA

To Mediterranean or Channel port..... \$80.00 or 335 shillings.

FROM RANGOON OR JAVA

To Mediterranean or Channel port..... \$75.00 or 315 shillings.

The foregoing rates are to be payable in dollars or sterling at the ship's option.

After the shipment pursuant to the provisions of this Article of 210,000 tons of commodities, all of the foregoing rates shall be reduced by the amount of five dollars (\$5.00) or 21 shillings, as the case may be; and after such shipment of 500,000 tons of commodities, all of the foregoing rates shall be reduced by a further amount of five dollars (\$5.00) or 21 shillings, as the case may be.

All commodities shipped under the provisions of this Article shall be carried under bills of lading of substantially the form of Schedule A hereto annexed.

All of the above rates are per ton of 2,240# or 40 cu. ft., at ship's option.

The word "shipment" as used in this paragraph (a) shall be held to mean the loading at the point of origin of the commodities whose carriage is hereby ensured.

(b) The following provisions shall govern the loading and discharge of all vessels allotted for the carriage of commodities to Switzerland under the provisions of this Article IV:

(1) The Confederation agrees that all cargo shall be available at ship's tackle for loading on the day agreed upon for loading in accordance with the custom of the port, in default whereof demurrage shall be paid at the rate of one dollar (\$1.00) per ton per day for each net registered ton for each day of delay.

(2) Discharge shall be effected at the following rates per each day of 24 hours:

	Grain in bulk.	All other cargo.
	<i>Tons.</i>	<i>Tons.</i>
Cette.....	500	500
Genoa.....	} 1,000	} 700
Marseilles.....		
Antwerp.....		
Rotterdam.....		

Discharge shall commence 24 hours after arrival, whether the vessel is in berth or not. In default of discharge at the rates hereinabove specified, demurrage shall be paid at the rate of one dollar (\$1.00) per net registered ton per day.

(c) In consideration of the above guarantee, the Confederation agrees in no event to charter or purchase any shipping, except with the prior approval of the Government of Great Britain and the United States Shipping Board.

(d) The Confederation and the Governments of Great Britain and France and the Board agree to use their best endeavors to bring it about that all vessels allotted under the provisions of this Article for the carriage of commodities to Switzerland are utilized with all possible expedition, and it is agreed that, in

the event that such vessels are through any fault on the part of the Confederation subjected to unreasonable delays and the use of such vessels thereby unreasonably impaired, the Governments of Great Britain and France and the Board shall be proportionately relieved of their obligation hereunder with respect to the carriage of commodities for the use of Switzerland.

(e) The Governments of Great Britain and France and the Board agree, within a reasonable time after the date of this agreement, to consider favorably an increase, after March 1, 1919, of the average monthly quantity of commodities, conditions for the carriage of which are ensured by the provisions of this Article.

(f) Switzerland shall be permitted to arrange with British, French or United States regular line companies for the carriage, upon the vessels operated by said companies, of commodities destined for Switzerland, as parcel shipments, whenever circumstances do not permit of the grouping into complete cargoes of any of the commodities importable into Switzerland under the provisions of this Memorandum; *provided, however*, that not more than 1,000 tons of commodities in the aggregate shall be so carried on any one vessel and that not more than 5,000 tons of commodities in the aggregate shall be so carried during any one month. All commodities so shipped under the provisions of this paragraph may, at the election of the Governments of Great Britain and France and the Board, be deducted from the quantity of commodities whose carriage is provided for under the provisions of this Article.

(g) All supplies which may be shipped in vessels now under the control of the Confederation, a list of which will be furnished by the Confederation within ten days, may, at the option of the Governments of Great Britain and France and the Board, be deducted from the quantity of commodities whose shipment is assured under the provisions of this Article; *provided, however*, that no such deduction shall be made on account of any commodities shipped upon vessels which have commenced loading prior to January 1, 1919.

(h) The provisions of this Article IV shall be cumulative, so that if there shall be a failure during any one month fully to carry out the provisions of said Article IV in the manner and at the rates hereinbefore specified, such provisions shall be carried out during the succeeding month or months until all obligations arising by virtue of this Article IV have been fully performed, anything contained in Article XII of this Memorandum to the contrary notwithstanding.

ARTICLE V.

It is hereby agreed that, during the operation of this Memorandum, exportations from the Confederation to Germany, Austria-Hungary, Bulgaria or Turkey, except to portions thereof in the occupation and control of the United States and/or Entente Allies, shall be limited, governed, controlled, and regulated by the statutes, rules and regulations of the Societe Suisse de Surveillance Economique (hereinafter referred to as "S. S. S."), and by, under and pursuant to the provisions of the following agreements: The agreement concluded on August 9, 1917, by the delegates of the Swiss, United States, British, French

and Italian Governments regarding the regulation of the exportation from Switzerland of the silk and silk goods to which reference is therein made; the Agreement concluded on May 8, 1918, by delegates of the Swiss, United States, British, French and Italian Governments relating to modifications of Article 10 (c) of the Domestic Regulations of the S. S. S.; and that no such exportations of any articles, commodities, materials or substances exported from the United States or her cobelligerents into the Confederation, nor of any product, by-product, waste, alloy, compound or ingredient thereof or therefrom shall be made except pursuant to the provisions of said statutes, rules and regulations of the S. S. S. and of said agreements to which reference is hereinbefore made in this Article; *provided, however*, that the said restrictions, limitations and prohibitions upon and against the making of exportations from the Confederation shall be subject to such modification or relaxation as may herein or hereafter be determined and agreed upon by the parties hereto.

ARTICLE VI.

The Confederation agrees that no part of the stocks of cotton now in Switzerland and owned or controlled by or in the interest of the Central Powers or any of them or their subjects will be exported from Switzerland to the Central Powers or to any country associated with them in the war without first securing the consent of the Governments of Great Britain and France and the Board.

The Confederation further hereby agrees that, within thirty (30) days from the date of this Memorandum or at any subsequent time or times upon demand, it will obtain and will furnish to any accredited representative of the Board, or to any accredited representative of the Government of Great Britain or of the Government of France, statistics and information concerning and showing in detail all stocks and raw materials then located in Switzerland and owned or controlled by or in the interest of enemies or allies of enemies of the United States, Great Britain or France.

ARTICLE VII.

From time to time during the continuance of this agreement, the Confederation, upon the request of the Secretary of the Treasury of the United States, will place with the Banque Nationale Suisse, to the credit of the Treasurer of the United States or to the credit of such other party or parties as shall be designated by the Secretary of the Treasury of the United States, Swiss francs in such amounts as may be specified in such requests.

The francs so deposited at the request of the Secretary of the Treasury of the United States will be used solely to meet the expenditures in Switzerland of the United States Government or of any of its instrumentalities, or of the Red Cross, Y. M. C. A. or similar charitable organizations recognized by the United States Government; and in no event shall the funds so to be deposited exceed an amount equivalent to the value of the commodities imported from the United States by Switzerland or its nationals plus the freight charges incident thereto.

Settlement for the amounts so deposited with the Banque Nationale Suisse at the request of the Secretary of the Treasury of the United States shall be made by the deposit to the credit of the Confederation in such bank or banks in the United States as it shall designate of an amount of United States dollars equivalent, at the rate of 19.3 cents for each Swiss franc, to the amount of Swiss francs deposited as aforesaid.

ARTICLE VIII.

The Confederation will afford the right of transit from France through Switzerland to Italy by way of the Simplon and St. Gothard routes, or one of them, of not less than one hundred thousand (100,000) tons of coal monthly and of such other commodities as it shall be desired to transport from France to Italy for civilian use in Italy.

ARTICLE IX.

From time to time, if requested by the French Government, the Confederation will place at the disposal of the French Government monthly credits in such amounts and upon such terms and conditions as may be subsequently agreed upon at Paris between the Confederation and the French Government.

ARTICLE X.

The Confederation undertakes to export to France five thousand (5,000) head of breeding cattle at such times and at such prices and subject to such conditions as shall be subsequently agreed upon by the Governments of France and Switzerland.

The Confederation undertakes to permit and to facilitate the export from Switzerland free of export taxes of such purchases as may be made in Switzerland by or with the approval of authorized representatives of the United States, France and/or Great Britain, provided that the articles or commodities so purchased shall not be required in Switzerland to support the economic life of that country.

In permitting exports from Switzerland, the Confederation will give to France, Great Britain and the United States and their associates in the war, preference over all other countries in Switzerland's exportable surplus. This provision shall not, however, apply with respect to articles to be exported pursuant to Article V hereof.

ARTICLE XI.

So long as the provisions of this Memorandum continue in effect, the Confederation agrees that complete statistical information with respect to all exports from and imports into Switzerland to and from all destinations and sources shall be furnished quarterly from the date hereof to the accredited representatives of the Governments of Great Britain and France and of the Board. Said statistics shall be furnished not later than thirty (30) days after the period to which they shall have reference, and they shall state in detail the name, description and quantity, the country of origin and country of destination of each commodity

imported or exported, and the names of the vessels carrying said commodities, together with the amount carried by each vessel. If any question shall arise with respect to the observance of any restrictions of, or prohibitions against, exports, upon request, the Confederation will cause full particulars thereof to be furnished to the Governments of Great Britain and France and the Board or to their duly accredited representatives.

ARTICLE XII.

The arrangement embodied in this Memorandum shall remain in force for a period terminating the thirtieth (30th) day of September 1919, *subject, however*, to earlier termination at the election of any party hereto upon thirty (30) days written notice of such election to terminate given by any party to the other parties; *provided, however*, that said right to terminate shall not apply to Article IV of this Memorandum, which shall continue in full force and effect until all of the provisions thereof have been fully carried out in the manner therein set forth.

The Governments of France, Great Britain and the Board reserve the right to withhold performance of their undertakings herein contained in the event of the failure to reach within thirty days of the date hereof an accord with the Confederation as to the details of the subjects dealt with in Articles IX and X.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be duly executed on the day and year first above written.

FOR THE GOVERNMENT OF FRANCE,
M. GRIMPREL.

FOR THE GOVERNMENT OF GREAT BRITAIN,
COLVILLE BARCLAY.

FOR THE WAR TRADE BOARD OF THE
UNITED STATES OF AMERICA,
CLARENCE M. WOOLLEY,
Vice-Chairman.

FOR THE SWISS CONFEDERATION,
HANS SULZER.