Tel. No. GROSVENOR 4060.

Phule 16-X1.40

MINISTRY OF ECONOMIC WARFARE,

BERKELEY SQUARE HOUSE,

BERKELEY SQUARE,

W.I.

15th November, 1940.

Dear Profon Keller.

I write to confirm what I said when you and Monsieur Thurnheer came to see me yesterday.

The matter to which you attach most importance is, I think, that of the commodities of which Swiss stocks have come down to or below the two months level. As to these the stock situation has of course been greatly affected by the utterly unprovoked attack of Italy on Greece which prevented the cargoes released by me on the 15th October reaching Switzerland. I regret the difficulties which have thus been caused to your country by no fault of ours, and I am authorising the immediate issue of further navicerts or export licenses as follows:-

Oats		45,725 tons
		13,270 "
	* * * * * * * * * * * * * * * * * * * *	3,425 "
	oils and fats.	1,100 "
Oil see	eds	4,650 "

I realize that you will need further amounts of these commodities in order to maintain your two months stocks, but I think that you agree with me that the problem of shipping the amounts now authorised makes it useless to go any further for the present.

I am also authorising navicerts for the 24 motor cars as to which I understand applications have already been made, and for 100 lorries. Moreover, in spite of what I said in my letter of the 15th October, I have agreed

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that the cars and lorries may have their usual complement of tyres. Navicerts will also be issued for the spare parts now the subject of navicert applications, for agricultural machinery, and for electric motors for frigidaires. I should not however for some time to come be prepared to entertain navicert applications in respect of cars and lorries.

You mentioned to me again the question of oil for the Swiss army and the wheat and other cereals on the waiting ships. I find great difficulty in making a concession on either of these points, but I am prepared to do so if your Government is able to grant the request made by the Foreign Office on another matter.

As regards your desire that we should be more liberal in allowing the export of certain classes of manufactured and semi-manufactured goods to Switzerland from this country and from America, I am having this question examined and I understand that you will be discussing it with my officers today. I hope that it will prove possible to go some way to meet your wishes in this respect.

As to the future generally, I must once more emphasise that our whole policy will be subject to revision at any time if the position in Switzerland changes. In this connexion I was very glad to hear from Monsieur Thurnheer yesterday that there is no truth in the rumour that Germany is trying to include Switzerland in the German Customs Union.

John Sincerely Defry Dalton.