

BANK FOR INTERNATIONAL SETTLEMENTS

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Basle, 25th November 1940.

Personal.

Herrn E. Weber,
Präsident des Direktoriums der
Schweizerischen Nationalbank,

Z ü r i c h .

Dear Mr. President,

Herr Puhl, the first Vice-President of the Deutsche Reichsbank, is in Basle and the Management of the B.I.S. has to-day had a lunch for him at the Schützenhaus. In the course of the conversation we came to speak of the exchange restrictions in Sweden and also of the exchange position of Switzerland. I said that it was of great importance to Europe that the Swiss currency should remain a free currency so that we would have on this continent one strong currency in which we could deal freely when the war was over. Herr Puhl immediately said that he agreed fully with this point of view and he added: "That the Swiss do not introduce exchange restrictions is important also from a political point of view for it constitutes a reason for leaving Switzerland free". It may be that Herr Puhl has already said this in Zürich, but you may be interested in obtaining confirmation on this point from Basle. I personally believe that it is strongly in the interests of Switzerland to retain the greatest possible freedom in currency matters even at present. The Gentlemen's Agreement with the banks seems to me an excellent expedient by which a safeguard is provided against flight of capital without interfering with the essential freedom of the exchange market for all ordinary transactions of business and investment. Con-



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sidering the great gold and foreign exchange reserves held by the National Bank it should be possible to avoid an introduction of exchange restrictions, which would certainly be disadvantageous to this country also from a political point of view.

With my respects,

Yours sincerely,

(sig.) Per Jacobsson.