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## MINISTRY OF ECONOMIC WARFARE

9th June, 1943.

My dear Minister,

On Thursday last you informed me that your Government proposed to send Dr. Sulzer and Professor Keller back to London in the very near future. I promised to discuss this matter with Mr. Riefler, which I have since done, and send you a reply.

You will remember that when the proposal was put forward early in 1942 that a Swiss economic delegation should come to London for discussion, we informed you that we very much doubted the utility of such a visit unless your delegation were empowered to meet us over certain of our essential requirements. The question to which we then attributed the greatest importance, and which is even more important to-day, was the valuable assistance being rendered by Swiss industry to our enemies. As the German and Italian war potential declines, the contribution made by Swiss factories and by Swiss workmen steadily increases in relative importance. We of course understand the difficult position which Switzerland has occupied ever since the Franco-German Armistice of 1940, and it is obvious that your people cannot avoid a considerable trade with the enemy. We feel, however, that despite our talks last year, there has been no real attempt to cut down or even to limit the volume of this trade in the most important particulars.

During the protracted negotiations last year we put forward, as you know, certain proposals for the gradual reduction of these exports. For some time we had the impression that our requirements would be met, but we have reluctantly come to the conclusion during recent months that there was little hope of this, unless the attitude of your Government were considerably modified. I am sure, therefore, that you will understand that in these circumstances we feel even greater doubts regarding the utility of a further visit to London by a Swiss delegation than we felt last year.

We should, of course, welcome any delegation that came armed with powers to redress the balance. But as far as we are aware the Swiss Government has not reversed its decision to renew old credits and to grant fresh credits, thus increasing the volume of objectionable exports. Moreover, we do not know what stage has been reached in the negotiations with the Germans now proceeding at Berne. We do not see how any useful purpose could be served by sending the delegation back to London, if we are to be confronted with a fait accompli, or if your Government is not prepared to meet our demands for an immediate and substantial reduction in exports of arms and machinery.

His Excellency  
M. Walter Thurnheer,  
The Swiss Legation,  
18, Montagu Place, W.1.





In these circumstances, we can hardly make arrangements to resume the negotiations, or express any opinion as to the desirability of so doing, until we know whether there is any real prospect of the Swiss Government meeting our wishes. I am sure you will agree that no purpose would be served by entering once more on prolonged conversations, involving an immense amount of labour in all three capitals, if there were no real prospect of success. I hope, therefore, that your Government will be prepared to inform us, before the delegation sets out, as to the subjects which they regard as open for discussion. We will then urgently consider whether, in our view, there is any basis for agreement.

Believe me, my dear Minister,  
Yours sincerely,

(s) Dingle Foot.