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ALLIED-SWISS NEGOTIATIONS

The Delegations of France, Great Britain, and United States have arrived at agreement with the Swiss Delegation on two fundamental questions with which they have been concerned during the past several weeks. The decisions relate to the division of German holdings in Switzerland and to gold received by Switzerland from Germany.

Agreement is in general terms, and some details remain to be worked out in Washington on a technical level.

The accord provides that:

(1) Holdings of Germans in Germany or Germans subject to repatriation will be identified and liquidated or transferred to persons acceptable to all concerned. This work will be done by a Swiss agency, which the Swiss Government will set up. The Swiss agency will cooperate with a Joint Commission composed of representatives of the three Allied governments and of Switzerland. Doubtful or controversial cases will be referred to arbitration.

(2) The proceeds of liquidation will be divided equally between the Allies as trustees for the countries claiming reparations and Switzerland. On their side, the Allies will turn the funds they obtain over to the Inter-Allied Reparation Agency for the rehabilitation of countries devastated or depleted by Germany. Procedure for the distribution of these funds was provided in the Paris Reparation Agreement signed in Paris in January of this year.

(3) The Allies will accept a payment of 250 million Swiss francs in consideration of which the governments signatory to the Paris Reparation Agreement will waive their claim and those of their central banks for restitution from Switzerland of monetary gold. This amount will also be divided in accordance with the Paris Reparation Agreement. The amount equals approximately \$58.11 million.

The accord

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The accord reached on the above questions provides the basis for concluding in the near future the negotiations which began in Washington on March 18. It provides a satisfactory method of preventing the use of German assets for the financing of a new war. It also settles amicably differences of principle between the Allies and the Swiss on the gold issue and the allocation of the proceeds of liquidation.

The negotiations are being conducted by Mr. Walter Stucki for the Swiss Government, Mr. Paul Chargueraud for the French Government, Mr. F. W. McCombe for the British Government, and Mr. Randolph Paul, Special Assistant to the President, for the United States Government.

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