

Footnote 375

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FROM: Bern
TO: Secretary of State
NO: 1039, February 20, 5 p.m.

Control: 9185
Rec'd: February 20, 1952
1:07 p.m.

1952 FEB 20 PM 4 30
GERMAN AFFAIRS
BUREAU OF FILES
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M. J. Dux
PARIS
Central
DC/R 262.0041/2-2052

PRIORITY

SENT DEPT 1039; RPTD INFO LONDON 74 (FOR GUNTHER) PARIS 91, BONN 19.

Stucki has referred German offer of Swiss francs 60 million as Swiss share liquidation Wash Accord to Parliamentary Foreign Affairs Comite for decision which may not come until Thursday or Friday. Stucki, however, has indicated absolute opposition any offer less than amount paid Allies. Has charged Germans with conniving with Allies to get Verrechnungscasse debt excluded from London conference and has insisted that no Wash Accord settlement will settle this debt. Has threatened to walk out of London conference and force Swiss withdrawal from EPU if Swiss claim on Verrechnungscasse not heard. Stated would in that case seek bilateral agreement with Germans on this point using trade agreement negots as lever for satisfactory settlement.

We believe he is bluffing but Germans are fairly worried. We do not believe Swiss will allow talks break down on this point because of bad moral position if Swiss reject German offer on purely selfish grounds. Object appears to be to get as many concessions from Germans as possible without arriving at signed agreement prior to opening of London conference in order have weapon to force conference to consider Verrechnungscasse debt.

Interesting sidelight: Swiss banks have refused finance any payment to Swiss Govt allegedly at least in part because of continued resentment at undermining of internatl position Swiss banks by "Stucki's accord".

PATTERSON

DU:BD

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