



Treaty Series No. 29 (1958)

Exchange of Letters

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of Switzerland
concerning Suspension of Payments under the
Agreement of July 16, 1954, and the Exchange of Letters
of June 29, 1956, for Repayment and Consolidation
between the United Kingdom and Switzerland

Paris and Berne, March 31, 1958

*Presented to Parliament by the Secretary of State for Foreign Affairs
by Command of Her Majesty
September 1958*

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EXCHANGE OF LETTERS BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF SWITZERLAND CONCERNING SUSPENSION OF PAYMENTS UNDER THE AGREEMENT OF JULY 16, 1954, AND THE EXCHANGE OF LETTERS OF JUNE 29, 1956, FOR REPAYMENT AND CONSOLIDATION BETWEEN THE UNITED KINGDOM AND SWITZERLAND

Paris and Berne, March 31, 1958

No. 1

The Director of the Swiss Federal Division of Commerce at Berne to the Head of the United Kingdom Delegation to the Organisation for European Economic Co-operation

Your Excellency.

Berne, March 31, 1958.

1. I have the honour to refer to the Agreement of July 16, 1954,⁽¹⁾ and to the Exchange of Letters of June 29, 1956,⁽²⁾ between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Switzerland concerning the repayment of part of the credits granted by the European Payments Union to the United Kingdom and by Switzerland to the Union and to the Letters exchanged on July 16, 1954,⁽¹⁾ between the United Kingdom Delegation to the Organisation for European Economic Co-operation and the Swiss Delegate for Commercial Agreements concerning the implementation of certain Articles of the Agreement.

2. If on any value date of the Union Switzerland ceases to be a creditor of the Union, payments under the Agreement and Exchanges of Letters are suspended pending consultations between the two Governments under the provisions of Article IV of the Agreement and the Agreement and Exchanges of Letters terminate unless the two Governments agree that they shall continue in force.

3. Switzerland has ceased to be a creditor of the Union. The Swiss Government do not wish the Agreement and Exchanges of Letters to lapse and therefore propose that:—

- (a) the Agreement and Exchanges of Letters shall continue in force but that so long as Switzerland is not a creditor of the Union all payments under the Agreement and the Exchanges of Letters shall be suspended;
- (b) if at any time before the liquidation of the Union Switzerland again becomes a creditor of the Union, the Government of the United Kingdom and the Government of Switzerland shall enter into discussions with a view to fixing a date on which the payment of instalments shall be resumed. The two contracting Governments shall also discuss at that time, or at an earlier date on the initiative of either contracting Government, the dates on which the instalments which would otherwise have fallen due during the period in which payments under the Agreement of July 16, 1954, and Exchange of Letters of

⁽¹⁾ "Treaty Series No. 55 (1954)," Cmd. 9254.

⁽²⁾ "Treaty Series No. 34 (1956)," Cmd. 9844.

June 29, 1956, were suspended in accordance with sub-paragraph (a) above shall be paid;

(c) the residual balance arising out of the provisions of the second paragraph of the Exchange of Letters (No. 1) of July 16, 1954, shall be taken into account if payments under the Agreement and Exchange of Letters of June 29, 1956, are resumed under sub-paragraph (b) above;

(d) if at the date of the liquidation of the Union Switzerland is not a creditor of the Union and there is a debt, established in accordance with the Agreement for the Establishment of a European Payments Union, due by the United Kingdom to Switzerland, the amount to be covered by and repaid under the Agreement of July 16, 1954, and the Exchange of Letters of June 29, 1956, shall be calculated in accordance with Article V except that the terms of payment for an amount equivalent to the instalments which had fallen due while the Agreement was in suspense shall be a matter for discussion between the two Governments. If no agreement can be reached, this amount shall be settled in accordance with the provisions of Annex B of the Agreement for the Establishment of a European Payments Union.

4. If the foregoing proposals are acceptable to the Government of the United Kingdom I have the honour to suggest that this Letter, together with your reply to that effect, should be regarded as constituting an Agreement between the two Governments.

I avail, &c.

SCHAFFNER.

No. 2

The Head of the United Kingdom Delegation to the Organisation for European Economic Co-operation to the Director of the Swiss Federal Division of Commerce at Berne

Monsieur le Ministre,

Paris, March 31, 1958.

I have the honour to acknowledge the receipt of your letter of March 31, 1958, reading as follows:—

[As in No. 1]

In reply I have the honour to inform you, Monsieur le Ministre, that the Government of the United Kingdom agree with the proposals made in your letter and will regard that letter and this reply as constituting an Agreement between the two Governments.

I avail, &c.

HUGH ELLIS-REES.

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