

Clearing, credits and the economic relationship with Germany

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During the Second World War, the economic relationship between Switzerland and Germany was governed by clearing agreements. Under a clearing agreement, payments between the two countries were not made in foreign currency but through accounts at the central banks: Swiss importers paid for German goods by paying Swiss francs into a clearing account at the Swiss National Bank, from which Swiss exporters to Germany were paid. The system allowed trade to continue despite the shortage of foreign exchange, but it also required the two countries to balance their trade or to grant each other credits.¹

Switzerland exported more to Germany than it imported. The Swiss government granted Germany a clearing credit, which reached more than one billion francs during the war. The credit allowed Germany to buy Swiss goods, among them machine tools, precision instruments, chemicals and electricity, which supported the German war economy. The Swiss government justified the credit as the price of Germany's supply of coal, iron and food to Switzerland, without which the Swiss economy could not have survived, and as a means of preserving Swiss independence.

The chemical industry of Basel was part of this trade. It supplied dyes, pharmaceuticals and chemicals to Germany and to the Allied countries, within the limits set by the blockade and the counter-blockade. The Independent Commission of Experts examined the trade of the Swiss chemical industry during the war and concluded that it had contributed to the German war economy in certain areas, while also supplying the Allies.

The economic relationship with Germany during the war shows the dilemmas of a neutral country surrounded by a belligerent. Although Switzerland had to trade with Germany to survive, its trade supported the German war effort. The Allies tolerated this trade up to a point and pressed Switzerland to reduce it as the war turned in their favour. The modern law

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of sanctions, which Switzerland applies by adopting the sanctions of the European Union and the United Nations, places the dilemma in a different framework: Switzerland now chooses to restrict its trade with certain states, even at the cost of its economic interests.

1 Notes

1. On the clearing system between Switzerland and Germany during the Second World War and the clearing credits granted by Switzerland to Germany, see the final report of the Independent Commission of Experts (2002) and its study on the Swiss foreign trade with the Axis powers. To be verified. ↩

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