

The Cold War and East-West trade

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Geneva's role in East-West trade during the Cold War goes beyond the example of Cargill. Swiss neutrality allowed Western companies to deal with the Soviet Union and its allies from a territory that belonged to neither bloc, and allowed Soviet trading organisations to gain access to Western markets. Trading companies linked to the Eastern bloc countries, such as those that marketed Soviet oil, were established in Switzerland.¹

This trade was subject to controls, in particular on the part of the United States, which sought to limit exports of sensitive technologies to the Soviet bloc. Switzerland had to accommodate these demands while preserving its neutrality.² The contemporary debates on sanctions, which Part H will examine, have their antecedents in this period.

The end of the Cold War, in 1991, transformed these relations. Soviet state enterprises were privatised, often under opaque conditions. Part of the resources of the former Eastern bloc countries passed under the control of entrepreneurs close to the new powers. Geneva's traders built relationships with these actors, which made the fortune of several houses and which have been, since 2022, at the heart of the sector's difficulties.

1 Notes

1. Wikipedia (en), art. "Wozchod Handelsbank": bank founded in Zurich on 22 June 1966, whose shareholders were the State Bank of the USSR, the Vneshtorgbank and Soviet foreign trade associations; principal channel for the sale of Soviet gold (200 to 300 tonnes per year, placed through Credit Suisse, UBS, Deutsche Bank and Dresdner Bank); liquidated in 1985 after losses made public in November 1984; ZHAW, research project "Soviet-Swiss trade relations in the period of the Cold War (1945-1991)" (Boris Vinogradov, Christopher Hartwell), based on

the archives of the Soviet Ministry of Foreign Trade and of the Wozchod Handelsbank. ↩

2. Wikipedia (de), art. “Hotz-Linder-Agreement”, after Eric Flury-Dasen (DHS) and André Schaller, Schweizer Neutralität im West-Ost-Handel : Das Hotz-Linder-Agreement vom 23. Juli 1951, 1987: an informal agreement, never put in writing, concluded on 23 July 1951 between Jean Hotz and Harold Linder, by which Switzerland limited its deliveries of strategic goods to the Eastern bloc by aligning itself with the COCOM lists without joining the organisation; List I products prohibited or subject to quotas (quota raised from 8 to 35 million francs), List II products frozen at the level of customary trade; COCOM dissolved in 1994. ↩

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