

The time of rice

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The war also reversed the direction of the old smuggling economy. In the First World War and in the interwar period, Ticino had supplied Italy with goods that were scarce or highly taxed there. In the Second World War Switzerland lacked food, and northern Italy had rice. Brogginì describes the "time of rice" (*il tempo del riso*), when contrabandists carried rice, foodstuffs, textiles, bicycles and fuel from Italy into Ticino and took back colonial goods such as coffee and tobacco.¹ The Swiss Customs Museum names cigarettes, sugar, coffee, rice and salt as the coveted and scarce goods of the smuggling economy in war and post-war times.² The same men who carried rice at night knew the paths over which refugees crossed the border, and some of them guided both.

The smuggling of goods and the smuggling of people and money formed a single system of informal border crossing. Its participants were often the same, its routes overlapped and its economic logic was the difference between two legal and monetary orders. After the war the system continued, as the *spalloni* who carried cigarettes from Ticino into Italy also carried banknotes in the opposite direction. Chapter D.II describes how this practice became one of the channels that fed the Lugano banks in the age of the lira.

1 Italian assets in Switzerland after 1945

The post-war settlement treated German and Italian assets in Switzerland very differently. The Federal Council blocked German assets on 16 February 1945. Under the Washington Agreement of 25 May 1946 between Switzerland and the United States, the United Kingdom and France, Switzerland undertook to liquidate the assets of Germans resident in Germany and to divide the proceeds equally between Swiss war claims and European reconstruction. It paid CHF 250 million as a contribution to reconstruction in exchange for the Allies' renunciation of claims arising

from the gold transactions of the National Bank.³ Italian assets were not subject to a comparable regime. Italy had become a co-belligerent of the Allies in October 1943, and the new Italian Republic had no interest in a foreign liquidation of its citizens' assets. The Swiss accounts of Italian residents therefore remained in place, protected by banking secrecy and by the Swiss refusal of assistance in fiscal and currency matters.⁴

The question of the assets of the Fascist leadership was more delicate. When Mussolini was captured at Dongo on Lake Como on 27 April 1945, only a few kilometres from the Swiss border, he and his companions carried currency, gold jewellery from the Fascist collection of 1935 and documents. Partisans seized several cases and bags of valuables and deposited them in a bank at Domaso.⁵ Rumours of Fascist funds in Swiss banks accompanied the post-war decades. Allegations of this kind could rarely be proven, because the documents lay in bank archives protected by Article 47. The unpublished letter of 1946 by which Switzerland undertook to examine "with benevolence" the question of the assets of Nazi victims deposited in Switzerland shows how banking secrecy shaped the post-war handling of wartime assets in general.⁶ The dormant accounts of victims of persecution became a public issue only in the 1990s.

In figures. Transit traffic through Switzerland quadrupled during the war, and German coal made up 88 per cent of it.⁷ The Gotthard carried more than 500,000 tonnes a month in 1942.⁸ Germany sold gold worth CHF 1,212 million to the Swiss National Bank and CHF 267 million to the big banks.⁹ The German clearing debt reached CHF 1,119 million, of which CHF 650 million was acknowledged in 1952.¹⁰ Under the Washington Agreement of 1946 Switzerland paid CHF 250 million.¹¹

2 Notes

1. Broggini, "Frontiera sud" (above). ↩
2. Federal Customs Administration, Museo delle dogane svizzero (above). ↩
3. Marc Perrenoud, "Accord de Washington", in DHS, version of 21 June 2013, <https://hls-dhs-dss.ch/fr/articles/017343/2013-06-21/>. ↩
4. On Italy's fight alongside the Allies from October 1943 see Wikipedia (English), "Italian Co-Belligerent Army", https://en.wikipedia.org/wiki/Italian_Co-Belligerent_Army (consulted as a last resort). ↩
5. Wikipedia (English), "Death of Benito Mussolini", https://en.wikipedia.org/wiki/Death_of_Benito_Mussolini, on the

capture "on 27 April by local partisans near the village of Dongo on Lake Como"; Wikipedia (English), "Dongo treasure", https://en.wikipedia.org/wiki/Dongo_treasure, on the currency (including 1,150,000 lire and 160 British sovereigns in Mussolini's case), the gold jewellery from the Oro alla Patria collection of 1935, the documents and the deposit at Domaso (both consulted as a last resort).

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6. Perrenoud, "Accord de Washington" (above). ↩
7. Schiedt, "Trafic de transit" (above). ↩
8. Cerutti, "L'Italia fascista e la Svizzera" (above). ↩
9. Senn et al., "Weltkrieg, Zweiter" (above). ↩
10. Meier, "Clearing" (above). ↩
11. Perrenoud, "Accord de Washington" (above). ↩

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