

War, the Washington Agreement and the settlement with Bonn

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

The Second World War bound the Swiss economy to Germany more closely than ever before, although Switzerland remained dependent on the Allies for overseas supplies. Chapter F.III describes the war economy, the gold purchases of the Swiss National Bank and the role of the commercial banks in detail, so that a brief summary of the German side suffices here. The agreement of 9 August 1940 committed Switzerland to deliver goods of strategic importance to Germany and granted Germany a clearing credit, which the agreement of 18 July 1941 raised to 850 million francs by the end of 1942. Between 1940 and 1945 Switzerland delivered goods worth about 2.5 billion francs to Germany, 1.4 billion francs of which were war materials in the broad sense. Between 1 December 1939 and 30 June 1945, the National Bank and the Reichsbank conducted gold transactions of about 1.211 billion francs.¹

The Zurich institutions were central to this relationship. The Swiss Clearing Office, which administered the state-controlled payments with Germany and later the German assets blocked after the war, had its seat in Zurich. German companies camouflaged their foreign holdings through Swiss intermediaries. The estimates of the Independent Commission of Experts on the volume of German assets in Switzerland at the end of the war, and on the share of them that was never officially registered, are set out in Chapter F.III. On 16 February 1945 the Federal Council blocked German assets in Switzerland, a step taken under the pressure of the Allied mission led by Lauchlin Currie.

The Washington Agreement of 25 May 1946 obliged Switzerland to pay 250 million francs in gold to the Allies and to liquidate the assets of Germans living in Germany, with half of the proceeds going to the Allies. In exchange, as Chapter F.III explains in detail, the Allies lifted their blacklists and renounced further claims regarding the gold purchased by

the National Bank.² The liquidation proceeded slowly and reluctantly, since the Swiss authorities regarded it as an interference with private property. Once the Federal Republic of Germany had been founded, Bern preferred to settle with Bonn. Diplomatic relations between Switzerland and the Federal Republic were resumed on 16 March 1951. The agreements of 26 August 1952, which entered into force in 1953, released the German assets in Switzerland against a lump sum paid by the Federal Republic, and settled the claims arising from the wartime clearing. Under the latter, the Federal Republic paid Switzerland 650 million francs, of which Switzerland had to reinvest 200 million francs in Germany.³

The settlement of 1952 has an importance for Zurich that goes beyond its sums. As one of the first international agreements concluded by the young Federal Republic, it restored the German owners' free disposal of their Swiss assets at a moment when the London Debt Agreement of 1953 was regulating Germany's pre-war foreign debts, including those to Swiss creditors. Together, the two settlements reopened the channel through which capital had flowed between Zurich and Germany for a century. They did so on the basis of a pragmatic compromise between governments, which left open the moral questions raised by the war. Those questions returned in the 1990s and are the subject of Chapters F.III and F.VI. For the German-Swiss financial relationship, however, the early 1950s marked the beginning of four decades in which business prevailed over politics.

1 Notes

1. HLS, "Deutschland" (cited above), section on the Second World War. The HLS gives the profit of the National Bank on these gold transactions as a modest 18.4 million francs. ↩
2. HLS, "Deutschland" (cited above), section on the period after 1945, which summarises the Washington Agreement as the surrender of half of the liquidated German assets and of 250 million francs in gold to the Allies. ↩
3. HLS, "Deutschland" (cited above), section on the period after 1945. Chapter F.III discusses the implementation of the agreement on German assets and its review by the German courts. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: [helveticaregister.com/zurich-war-the-washington-agreement-and-the-settlement-with-bonn](https://www.helveticaregister.com/zurich-war-the-washington-agreement-and-the-settlement-with-bonn)