

Independent Commission of Experts
Switzerland - Second World War

**Gold Transactions in
the Second World War:
Statistical Review
with Commentary**

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CONTENTS

- 1. PRELIMINARY REMARKS..... 1
- 2. PRESENTATION AND TERMINOLOGY 2
 - 2.1 ESTABLISHMENT OF TERMINOLOGY AND CATEGORIES OF GOLD..... 2
 - 2.1.1 *Definitions for gold from the area of National Socialist hegemony*..... 2
 - 2.1.2. *Definitions for gold transactions with the Allies* 3
 - 2.2 TABLES AND COHERENCE OF DATA 3
- 3. GOLD TRANSACTIONS OF THE REICHSBANK..... 5
- 4. GOLD TRANSFERS OF THE REICHSBANK TO THE SNB..... 12
- 5. GOLD OPERATIONS OF THE SNB 13
 - 5.1 GOLD SALES AND PURCHASES OF THE SWISS NATIONAL BANK..... 14
 - 5.2 GOLD TRANSACTIONS OF THE REICHSBANK VIA THE SNB 17
- 6. GOLD SHIPPED TO SWISS COMMERCIAL BANKS BY THE GERMAN REICHSBANK 18
- 7. GOLD TRANSACTIONS BETWEEN SWITZERLAND AND THE ALLIES..... 20
- 8. SUMMARY 22
- ANNEX: ARCHIVES 23

Abbreviations

| | |
|-------|--|
| BAR | Bundesarchiv, Berne |
| BIS | Bank for International Settlements |
| CS | Credit Suisse |
| CSSO | Central State Security Office |
| DFFD | Département fédéral des Finances et des Douanes |
| DFJP | Département fédéral de Justice et Police |
| DoSt | U.S. Department of State |
| DPF | Département politique fédéral (aujourd'hui Département fédéral des Affaires étrangères) |
| EDI | Eidgenössisches Departement des Innern |
| EFV | Eidgenössische Finanzverwaltung |
| EFZD | Eidgenössisches Finanz- und Zolldepartement |
| EIBA | Eidgenössische Bank |
| EJPD | Eidgenössisches Justiz- und Polizeidepartement |
| EMD | Eidgenössisches Militärdepartement |
| EPD | Eidgenössisches Politisches Departement (heute Eidgenössisches Departement für Auswärtige Angelegenheiten) |
| ICE | Independent Commission of Experts: Switzerland - Second World War |
| IfZ | Institut für Zeitgeschichte, München |
| OMGUS | Office of Military Government for Germany, United States |
| RM | Reichsmark |
| RSHA | Reichssicherheitshauptamt |
| SBC | Swiss Bank Corporation |
| SBVg | Schweizerische Bankvereinigung |
| SDD | Swiss Diplomatic Documents |
| SFr | Swiss Franc |
| SHAEF | Supreme Headquarters Allied Expeditionary Forces |
| SHIV | Schweizerischer Handels- und Industrieverein (Vorort) |
| SNB | Swiss National Bank |
| SS | Schutzstaffel (der NSDAP) |
| SVB | Schweizerische Volksbank |
| SVSt | Schweizerische Verrechnungsstelle |
| UBS | Union Bank of Switzerland |
| UEK | Unabhängige Expertenkommission: Schweiz-Zweiter Weltkrieg |
| UNO | United Nations Organization |
| Vol. | Volume |
| WJC | World Jewish Congress |

1. Preliminary remarks

The present working paper has been conceived as a scientific contribution by the Independent Commission of Experts: Switzerland - Second World War for the London Conference on Nazi Gold. To establish a clear foundation for discussions, the Commission is proposing definitions for the various categories of gold which Germany placed on the international market. They are followed by several tables of statistics specifying the gold holdings of the Reichsbank between 1939 and 1945, the use to which they were put, the transactions which were undertaken via the Swiss National Bank and the transfers which were effected via Swiss commercial banks. Gold purchases by the Swiss National Bank and the Confederation are taken into account as well.

This working paper does not contain an exhaustive analysis of Swiss transactions in gold. It is not meant to anticipate the findings to be published by the Commission in an interim report on gold at the beginning of 1998. The Commission intends to use the remaining time to complete its investigation, to amplify the present results with an evaluation of additional archival material, and to include new knowledge gained from the London Conference.

This is the reason why this working paper will not describe the sequence of gold transfers in chronological detail. It will not specify the structural reasons which made Switzerland the center of international gold movements and the Swiss franc the only freely convertible currency in Europe. It does not analyze the role of gold in the monetary and commercial relations of Switzerland. It does not discuss the policy of the Swiss National Bank and the role of the Swiss authorities nor the arguments which legitimized them. It poses no question as to the knowledge of those responsible with regard to the gold's origin. These elements, both complex and essential, will be approached by the Commission in its forthcoming interim report.

2. Presentation and terminology

The definition of categories is a necessary prerequisite for a presentation of statistical material. Herewith are a number of comments on the establishment of terminology.

2.1 Establishment of terminology and categories of gold

The literature often distinguishes between "monetary" and non-monetary" gold. The former was at the disposal of the central banks. It served as a national currency reserve and was an integral part of monetary systems based on a gold or a gold-foreign exchange standard. The term "non-monetary" relates to a less differentiated residual category in which all other gold, obtained or traded from private persons or companies, is subsumed. The distinction also formed the basis of the restitution efforts of the *Tripartite Commission for the Restitution of Monetary Gold (TGC)*.

Focusing on the central banks demonstrates that the entire problem of restitution, raised by the Third Reich's economic system of looting and plundering, has been primarily defined by states which are affected by payment of war costs and the return of stolen national property. The victims, the dispossessed, have had to take second place behind official reparation claims and the formation of alliances during the Cold War. Even today, the difference between "monetary" and "non-monetary" tends to reproduce an approach which is fixed on states and central banks. In particular, it does not do justice to the transformation which gold underwent as a result of the various forms of its use. The Commission is using "looted gold", a term characterizing this discussion, in general and comprehensively, for that gold which the National Socialist regime had seized since the onset of militant expansion abroad through the confiscation of property as authorized by its racial laws.

2.1.1 Definitions for gold from the area of National Socialist hegemony

A distinction assumes a definition of gold categories which is primarily based on origin, and then goes on to examine the use of gold and the resulting transformations in its form and function.

1. *Gold* which came under the control of the Reichsbank through *duress of the state*. In the Third Reich, an entire group of organizations and administrative offices were involved in the registration, appropriation and extortion of gold. Measures extended from tax laws and foreign currency regulations to compulsory measures based on the wartime economy. Previous owners could be of German Jewish or non-Jewish origin as well as other disenfranchised persons, groups or institutions in Germany.

2. *Confiscated and Plundered gold*. This includes, on the one hand, the assets confiscated from the Jewish population beginning with 1938 in the context of the N.S. racial legislation in Germany and in Austria (gold, jewelry, and other precious metals). Furthermore, it encompasses the theft from residents and citizens of annexed and occupied areas resulting from the arbitrariness of the state or plundering by individuals. The plundered gold was either transferred to the reserves of the Reichsbank, used on the black markets, or hoarded.

3. *Victim gold*. This is a general term used to denote the gold assets which the regime confiscated from the victims of concentration and extermination camps who had either survived or been murdered. "Concentration and extermination camps" is to be understood as a comprehensive term. Victim gold includes property from various camps and ghettos in Eastern Europe.¹ The mass extermination of European Jews was at the same time a "large-scale hunt" for jewelry gold, precious stones and foreign currencies. The SS, headed by the commercial administrative headquarters (WVHA), was the leading participant in the plundering of victims in the ghettos, and in concentration and extermination camps. It also raises the question of embezzlement and plundering on the part of people involved in the extermination process.

¹ See Weinmann, Martin (ed.): *Das nationalsozialistische Lagersystem* (Catalogue of Camps and Prisons, ND), Frankfurt a.M., 1990, p 715 ff.

4. *Gold from currency reserves of the central banks.* Already before the war, the Third Reich was able to appropriate gold reserves of other states through its territorial expansion. During the Blitzkrieg in the spring and summer of 1940, substantial gold holdings came under the control of the National Socialist state. In the years of occupation by the German Wehrmacht which followed, gold continued to flow from the monetary reserves of the European central banks to the Reichsbank.

The last three categories (2, 3, 4) are indicated here, comprehensively, as "looted gold".² Apart from these, a category of non-looted gold must be defined:

5. *Gold from holdings which came into the possession of the Reichsbank before 1933 or which were acquired through regular transactions before the outbreak of war.*

2.1.2. Definitions for gold transactions with the Allies

Because the gold taken over from the Allied central banks came from regular holdings and were indisputably acquired by legal means, it is clear that another category applies to them. The gold which came from commercial dealings with the Allies does not present the same problems as gold purchased from the Axis powers. It is thus not permitted to try to neutralize the difficult questions which are posed in connection with looted gold from Germany by a reciprocal setoff of incommensurate categories.

Gold shipments from the United States are quantitatively the most important. *Three categories*, which provide information not only on the origin of the gold but also on the reasons for its acceptance by the Swiss National Bank, are of importance. *First of all*, there was gold from the Swiss National Bank which originated in the *flight of capital*. It includes a large part of the gold which the National Bank accepted in the United States against dollars accruing from transactions on the capital market and which then was subjected to the American financial blockade. *Secondly*, *export-induced receipts of gold* resulting from the economic exchange relations with the United States. The Swiss National Bank was obliged to accept dollars against francs. These were returned to the Federal Reserve in exchange for gold. The gold shipments, in which the Swiss Confederation intervened can be interpreted in a functional way as a form of export financing. *Thirdly*, there were transactions of gold against foreign currency which guaranteed *payment* of services essential for war and for humanitarian efforts.

2.2 Tables and coherence of data

The following tables illustrate the magnitude, the institutional trails and the geographical structure of the gold transactions. They include an extensive compilation, for the Third Reich and Switzerland, of all gold transactions between September 1, 1939 and June 30, 1945. The relationship between the tables is explained in the following.

Table I provides an overview of the origin and use of the Reichsbank gold. *Table II* juxtaposes those sums which are listed under "Deliveries to Switzerland" in *Table I* with the "Shipments from Germany" on the Swiss side. There are certain problems of compatibility and deviations between the Swiss and the German statistics which are not serious. *Table III* provides information on the gold purchases and sales of the Swiss National Bank. Analogous to the presentation in *Table I*, a distinction is made between origin and utilization. Gold transactions with the Allies and the non-belligerent states are identified on the side of origin. The remaining Reichsbank shipments to the Swiss National Bank, which were not bought by this bank but rather recorded as deposit on account of other central banks and managed in its Bern depot, are dealt with in *Table IV*. *Tables Va - Vc* list the shipments to Swiss commercial banks, or in other words the major banks. *Tables VI* and *VII* provide an overview of gold transactions with the Allied states.

² The Commission is using the term looted gold as a description of a historical fact. It is expressing no opinion at the present time on the juridical illegitimacy of the appropriation of gold from national banks (category 4).

The following overviews and compilations are based essentially on sources of the U.S. National Archives in Washington, the archives of the Swiss Confederation and the archives of the Swiss National Bank.

All figures are calculated at the 1945 dollar price of \$35 per fine ounce of gold, or \$1,125 per kilogram of fine gold (kgf). In the period under investigation, the official purchase price for gold of the Swiss National Bank amounted to Sfr 4,869.80 per kilogram, or an exchange rate of Sfr/\$ 4.3287.

3. Gold transactions of the Reichsbank

In recording the gold movements of the central banks, the Commission has used a two part compilation. It has the advantage that they must lead to two identical sum totals (origin or input = use or output), allowing a reciprocal control of both rows of figures.

Information on the origin of the gold which the Reichsbank was able to bring under its control appears in the left column of Table I. Its use can be seen in the right column. Both columns refer to the same period, extending from September 1, 1939 until June 30, 1945. The following equations are valid for this overview:

| | | |
|--|---|--|
| Initial holdings before the outbreak of war + Gold purchases at foreign central banks + Shipments and seizures of central bank gold + Gold confiscated or plundered from private persons + Victim gold | = | Residual holdings found by Allies in spring of 1945 + Gold sales to foreign central banks + Sales to the private finance sector both at home and abroad + Internal commercial use |
|--|---|--|

Table I: Overview of the gold transactions of the Reichsbank

September 1, 1939 until June 30, 1945 (in \$ millions)

| | | |
|--|---|--|
| I. Initial Holdings I/1. Published Reserves 31.1 I/2. Secret Reserves 82.7 I/3. Other German Note Banks 12.1 I/4. Austrian Gold Reserves 99.0 I/5. Czechoslovak Gold Reserves 33.8 <i>Total</i> 258.7 II. Gold from other Central Banks (as of September 1939) II/1. National Bank of Netherlands 137.2 II/2. National Bank of Belgium 225.9 National Bank of Luxembourg 4.8 II/3. National Bank of Hungary 32.2 National Bank of Italy 64.8 II/4. Other Central Banks 10.1 <i>Total</i> 475.0 III. Gold from Individuals III/1. Four-Year-Plan Activity 71.8 III/2. "Melmer-Gold" 2.5 III/3. Other Private Holdings 71.7 <i>Total</i> 146.0 IV. Purchases of Gold Abroad IV/1. Soviet Union 23.0 Japan 4.2 IV/2. Bank for International Settlements 2.3 <i>Total</i> 29.5 | = | V. Holdings at the End of the War V/1. Gold Recovered in Germany 198.0 V/2. Gold from Italy (partly in Germany) 64.8 V/3. Gold from Hungary 32.2 <i>Total</i> 295.0 VI. Gold Shipped Abroad VI/1. Swiss National Bank 389.2 Swiss Commercial Banks 61.2 VI/2. Other Foreign Banks National Bank of Belgium 9.1 National Bank of the Netherlands 2.2 Swedish Riksbank 4.6 National Bank of the USSR 7.0 Central Bank of the Turkish Republic 5.7 Consorzio Italiano Estero Aero 5.6 National Bank of Italy 3.6 National Bank of Croatia 0.4 National Bank of Romania 54.2 VI/3. Reichsbank Branches Abroad 51.5 <i>Total</i> 594.3 VII. Domestic Commercial Use VII/1. Degussa 3.3 Sponholz & Co. 3.4 VII/2. Deutsche Bank 3.6 Dresdner Bank 3.9 <i>Total</i> 14.2 VIII. Government Use VIII/1. Auswaertiges Amt 3.1 Amtsgruppe Ausland Abwehr 2.2 VIII/2. Reichssicherheitshauptamt (RSHA) 0.1 Wehrmacht 0.3 <i>Total</i> 5.7 Total 909.2 |
| Total | | Total |
| 909.2 | | 909.2 |

Comments on the figures:

I. Initial Holdings. The Overview takes the first day of war as the initial date for the accounting period. As a result, gold obtained by the Reichsbank prior to the official declaration of war is included in the 'Initial Holdings', including gold incorporated into the German reserves from the state banks of Austria and Czechoslovakia, and gold taken earlier from German citizens by various confiscation measures.

I/1. *Published Reserves.* Under the gold standard, all central banks made public the amount of gold with which they backed the value of their paper currency. With the imposition of exchange controls in July 1931, Germany effectively abandoned the gold standard. In any case, Germany had forfeited a large part of its reserves during the worldwide depression. The published figure for Germany's gold reserves began to fall in December of 1933, and became constant at \$31.1 million at the end of 1937.³ The published amount did not change throughout the war.⁴

I/2. *Secret Reserves.* In 1933, Reichsbank President Hjalmar Schacht began a policy of accumulating gold secretly in several different accounts.⁵ Widely believed by Reichsbank employees to be a war-preparation fund, these secret reserves were worth \$82.7 million by September of 1939.⁶

I/3. *Other Note Banks.* Several banks-of-issue survived in Germany from the pre-unification financial system of the nineteenth century, such as the Bavarian State Bank. These banks together held \$12.1 million worth of gold which was placed at the disposal of the German government.⁷

I/4. *Austrian Gold Reserves.* After the "Anschluss" with Germany in 1938, the gold reserves of the National Bank of Austria, worth \$99 million, were amalgamated with those of the Reichsbank and were physically transferred to Berlin.⁸ Subsequently, Austrians became subject to German laws requiring private citizens to turn their gold holdings over to the government. Such private gold received before September of 1939 is included in the 'Secret Reserves'; later private gold receipts are accounted for in the 'Four-Year Plan Activities' described later.⁹

I/5. *Czechoslovak Gold Reserves.* Unlike the National Bank of Austria, the Czechoslovak central bank was never absorbed by the Reichsbank. Instead, it was reorganized as the National Bank of Bohemia and Moravia and its gold, though subject virtually to confiscation by the German government, was recorded in separate accounts in the Reichsbank. Withdrawals from those accounts by Germany were always reimbursed with paper Reichsmarks. Some Czechoslovak gold reserves had been transferred to Bern, London and New York prior to the invasion, but were brought back into German control through swaps within the Bank for International Settlements (BIS). German reserves benefited from \$33.8 million worth

³ For the Reichsmark (RM), an exchange rate of 2.479 RM/\$ has been used.

⁴ Documents, "Goldbestand am 1.9.1939" and "Sonderdeviseneingang zwischen dem 1.9.1939 und dem 1.11.1944", Four-Year Plan Memoranda, 28.11.1944, Center for the Safekeeping of Collections of Historical Documents (ZCHUDK), Moscow, Inventory 700-1-97. In the following cited as "Four-Year Plan Memoranda".

⁵ The first of these was the Konversionskasse, begun in 1933, followed by the Asservaten Sonderkonto in 1934. These two accounts were closed out in 1935; a third account, the Goldankauf, was opened in 1934 and received most of the gold from the Konversionskasse and the Asservaten Sonderkonto. Treuhandgesellschaft von 1933, a fourth secret gold account, was begun in 1935, and the fifth account, Asservat "DER" (Devisen Reserve), was opened in 1937. These secret reserves were sometimes described by Reichsbank employees as the new "Julisturm," in reference to pre-World War I hidden gold reserves intended for war preparation. U.S. National Archives. RG260, Box 444, Office of the Financial Division and the Finance Advisor, File 940.62 Work Papers, Table I, "Balances of Six Hidden Gold-Reserve Accounts of the Reichsbank." Hereafter cited as "Six Hidden Gold-Reserve Accounts."

⁶ "Four-Year Plan Memoranda."

⁷ "Four-Year Plan Memoranda."

⁸ U.S. National Archives. RG43, M-88, Box 201, Memorandum from O.F. Fletcher, "Revised Estimate of German Gold Movements from March 1938 to May 1945," June 12, 1946. Hereafter cited as "Fletcher Memorandum."

⁹ See I/2, ^{supra}, and III/1, *infra*. While Austrian gold reserves were eventually incorporated into the general gold reserves of the Reichsbank, there seems to be no danger of double-counting the Austrian and secret gold reserves in 1939. There was no large increase in hidden reserves in 1938, indicating that Austrian gold was at that point still recorded separately in the Reichsbank accounts. "Six Hidden Gold Reserve Accounts."

of Czechoslovak gold.¹⁰ The Czechoslovak reserves held in Switzerland were transferred to the account of the Reichsbank by telegraphic order on March 7, 1939, one week before the German invasion.¹¹

II. Gold Seized from Central Banks. In each of the states occupied by Germany during the war, it became a key objective of the German government to gain control of national gold reserves. It is interesting to note that pains were taken to maintain a semblance of legitimacy throughout this process; the Reichsbank attempted (unsuccessfully in the case of the Belgian National Bank) to obtain signatures from each state's responsible bank officials agreeing to the transfer of gold to Germany. It is possible in addition that some of the central bank numbers include gold seized from individuals and surrendered to the national authorities rather than to the agencies of the German Four-Year Plan.

II/1. *National Bank of the Netherlands.* The Netherlands managed to send part of their gold reserves to London and New York prior to the outbreak of war, but the gold remaining in Amsterdam was shipped to Berlin for the Reichsbank and reimbursed with paper currency. The gold coins and bars from the Netherlands were worth \$137.2 million.¹² Much of this gold was resmelted by the Prussian Mint, stamped with prewar dates to obscure its origin, and sold to neutral states in return for foreign exchange. Some of the postwar U.S. studies give higher figures for the gold seized from the Netherlands. A U.S. governmental memo from June of 1946, for example, states this amount to be \$164 million.¹³ The larger amount includes gold taken by the Four-Year Plan from individuals, gold which is shown separately in the present tabulation.¹⁴ In the process of resmelting, some amounts of other gold, including "victim" gold from inmates of the concentration camps, was added to the Netherlands gold.¹⁵

II/2. *National Banks of Belgium and of Luxembourg.* Belgium and Luxembourg had both entrusted their gold reserves to the Bank of France prior to the war, and with the invasion of the Low Countries in 1940 their gold had been shipped to French colonies in Africa. The case of the Belgian gold was particularly problematical, and was already widely discussed and known during the war. At the outset of hostilities, most of Belgium's gold reserves had been transferred to Britain and United States, but part went to France from where it was transported, after the German invasion, to Dakar. Vichy France moved this gold back across the Sahara, and the Banque de France, under pressure from head of government Pierre Laval, agreed to its transfer to the Reichsbank. The Reichsbank tried to pay the Banque Nationale de Belgique in Reichsmarks, but the Banque's directors refused to sign the receipt which would have given the transfer a nominal legality.¹⁶ Instead, the gold was seized in France and taken to Berlin where it was melted into new bars at the Prussian State Mint and provided with smelting certificates dated from the mid-1930s. Belgium lost \$225.9 million to Germany, and Luxembourg was forced to relinquish \$4.8 million.¹⁷

II/3. *National Banks of Hungary and of Italy.* The gold reserves of Hungary and of Italy, allies of Germany in 1940, came to the Reichsbank after the fall of Mussolini's government in 1943 and the occupation of Hungary by Germany in 1944. Italy's gold reserves contained, in turn, gold obtained from the national banks of Yugoslavia and of Greece, taken by the Italians during the first years of the war. Hungary's gold was worth \$32.2 million, and Italy's reserves, including gold seized by Italy from other states, amounted to \$64.8 million.¹⁸

¹⁰ "Four-Year Plan Memoranda."

¹¹ SNB Archiv

¹² "Four-Year Plan Memoranda."

¹³ "Fletcher Memorandum."

¹⁴ See III/1, *infra*.

¹⁵ U.S. National Archives. RG260, Folder 940.60, "Netherlands Gold Bars Resmelted in 1942," 26 October 1946.

¹⁶ SNB Archiv, 119.8, Brief, Gouverneur A. Goffin (Banque Nationale de Belgique) an die Reichsbank, 5. Mai 1943.

¹⁷ "Four-Year Plan Memoranda."

¹⁸ U.S. National Archives. RG43, International Conferences, Lot File M-88, Council of Foreign Ministers, Box 257, Folder "Italian Gold," Division of Financial Affairs, Department of State, "German Gold Position" (approx. 1946).

II/4. *Other State Banks.* Several other national banks were overrun by the Germans and had their gold reserves seized. These included Greece, Yugoslavia, Danzig, and Albania.¹⁹ While each state alone yielded relatively little to the Reichsbank, the total amount seized was valued at \$10.1 million.²⁰

III. Gold Seized from Individuals. From the early 1930s, the German government made a concerted attempt to increase its gold holdings by restricting the possession, or by confiscating, privately owned gold. During the war, as the need for gold became more pressing, these measures became more draconian and were enforced both on German citizens and on individuals in the occupied states. Considerable amounts of gold were also taken from the inmates of concentration camps, dead and alive, including wedding rings, gold watches, spectacle-rims, jewelry, religious objects, and gold from dental work.

III/1. *Four-Year Plan Activities.* The German government enacted several decrees requiring all German citizens (and later all citizens of occupied states) to turn over their gold to the government in return for paper currency, and these regulations were followed by more general levies on assets, including personal gold. The penalties for non-compliance with these regulations were severe. Documents from the Four-Year Plan Directorate state that \$71.8 million was collected from individuals through these regulations.²¹

III/2. "Melmer Gold". Starting in 1942, an SS captain named Bruno Melmer initiated the 76 deliveries of valuables including gold to the Reichsbank for credit to an account of the SS revenue office (section A II).²² The gold which he turned over to the Reichsbank consisted of personal effects of both dead and living inmates of Auschwitz and other concentration camps in the East. The Melmer deliveries of gold (bars and coins) eventually amounted to at least \$2.5 million. Estimates until now have been strongly disparate. Whereas Hersch Fischler calculated total deliveries of \$3 million,²³ Sidney Zabludoff's study refers to \$4 million.²⁴ The figure of \$2.5 million used here corresponds to a minimum and includes only those amounts from the Reichsbank holdings which are on microfilm in the National Archives in Washington and which can be clearly attributed to the Melmer Account.²⁵ The fact that Melmer deliveries appear in the books of the Reichsbank only as of December 1942 can possibly be explained by records referring to the first deliveries as "Sonderkonto Max Heiliger" and not as "Melmer". In documents, it is generally difficult to distinguish between deliveries of gold, silver and foreign currency. The apparatus was obviously not fully coordinated until the end of 1942.²⁶ Apart from these questions, it would be incorrect to assume that the gold listed as "Melmer" included all of the gold stolen in the eastern concentration and extermination camps. A part of the Melmer gold was resmelted by the Prussian Mint and taken abroad.²⁷

¹⁹ Poland enjoyed substantial gold reserves prior to the war; however, it was able to get the larger part out of the country before it could be confiscated by the Germans.

²⁰ "Four-Year Plan Memoranda."

²¹ "Four-Year Plan Memoranda."

²² Bruno Melmer was the leader of the SS office AII, Wirtschaftsverwaltungshauptamt.

²³ Fischler, Hersch: Erläuterungen zur Zahlenauswertung SS-Gold/Melmer-Lieferungen. [Commentary on the evaluation of figures related to SS gold/Melmer shipments] Manuscript to the attention of the ICE Commission, Düsseldorf 1997. Fischler has mainly evaluated the Omgus records.

²⁴ Zabludoff, Sidney: Movements of Nazi Gold, Report June 1997, Table 1, p. 6A.

²⁵ With regard to gold credits for the Reichsbank, III/2 Victims of Concentration Camps ("Melmer Gold"), \$2.5 million. The information is based on an evaluation of the records of the Reichsbank "Bestandskontrolle des Goldkaufs, 1940-1945", which can be seen in the U.S. National Archives on microfilm in Inventory RG56, Entry 66A816, Box 3, Roll 5. Only those entries under the heading of "Delivered by", which unequivocally bear the handwritten notation "Melmer", have been evaluated. It is possible that there were other entries from Melmer which, in this particular source, were not identifiable due to the unsatisfactory quality of the copy.

²⁶ Institut für Zeitgeschichte, NID-13817; ZS 1216 (notation Melmer from 11.2.48).

²⁷ U.S. National Archives, RG56, Entry 66A816, Box 3, Microfilm "Records of the German Reichsbank", rolls 5, 25, 49-53, and 62, cited in the following as "Records of the German Reichsbank". These books cover the period from January 1, 1940 until 1945. The figure of \$2.5 million cited here includes only gold coins and ingots which, according to the entries of the precious metals section of the Reichsbank, were delivered by Melmer. The value of victim gold, such as dental gold, watches and rings, which was brought from Auschwitz and other Eastern camps is listed under "other private objects". None of these figures take into consideration non-gold valuables such as paper money. See III/3 below.

III/3. *Other Private Holdings.* The sum of \$71.7 million is calculated as the residual balance necessary to equalize total credits and debits of the Reichsbank during the war. It includes gold seized from individuals through executive fiat, levies, laws not falling under the jurisdiction of the Four-Year Plan, and gold taken from concentration camp victims but not accounted for above.²⁸ In addition, gold was bought by Germany on the black market - in occupied Europe as well as in neutral countries, including Switzerland - by selling other property (in particular diamonds) taken from the victims of persecution and referred to unashamedly in German documents as Jewish jewelry or "Judenschmuck," and by selling bank notes, chiefly French occupation currency.

IV. Purchases of Gold Abroad. The Reichsbank purchased a relatively small amount of gold from foreign banks during the war.

IV/1. *The Soviet Union and Japan.* Purchases of gold from banks in the Soviet Union and Japan were probably needed by Germany's allies, in return for Reichsmarks, to purchase goods from German corporations. All the purchases from the Soviet Union were prior to June of 1941. Germany purchased gold worth \$23 million from the Soviet Union and \$4.2 million from Japan.²⁹

IV/2. *The Bank for International Settlements.* The BIS sold \$2.3 million worth of gold to the Reichsbank in November of 1939. This gold was transported to Berlin from the BIS account in Bern at the Swiss National Bank. The gold was sold by the BIS in order to obtain German currency for payments to German organizations and corporations.³⁰

V. End-of-Period Balance. The gold remaining in the possession of the Reichsbank at the time of Germany's collapse can be considered as the end-of-period balance for accounting purposes. Toward the end of the war, the Reichsbank began moving its gold to hiding places throughout Germany and Austria to protect it from the air raids which were damaging Reichsbank buildings. Most of this gold was seized by the Allies.

V/1. *Gold Recovered in Germany.* The largest cache of gold within Germany was found in April 1945 at the Kaiseroda Mine in the Thuringian town of Merkers. Smaller gold stocks were subsequently seized at Reichsbank branches throughout Germany and Austria and in German embassies abroad. The Allies recovered \$198 million of gold in Germany, and centralized it at the Foreign Exchange Depository at Frankfurt am Main, where it was held by the Financial Division of the Office of the Military Government of Germany on behalf of the Tripartite Gold Commission.³¹

V/2. *Gold Recovered in Italy.* Gold seized by the Germans from the Italian government after the fall of Mussolini was transferred to an Italian castle at Fortezza in northern Italy, where it was discovered and captured by Allied forces. This gold was worth \$64.8 million.³² Gold belonging solely to the Italian government was captured by the Americans in Rome, but was never considered part of the German gold reserves.

V/3. *Gold Recovered in Hungary.* Allied forces captured \$32.2 million worth of precious metals in Spital am Pyhrn (Austria) which had been seized from the Hungarian government by Germany.³³

²⁸ Because exact figures for the actual accumulation of this gold is lacking, the calculation of this figure is an accounting process. The debit and credit side of the balance sheet must be equal. Hence the residual, or 'Other Private Holdings' category, is equal to the difference between the total gold debits and all the known gold credits.

²⁹ Zabludoff, Sidney: "Movements of Nazi Gold," October 1997, Table 1.

³⁰ Bank for International Settlements, "Note on Gold Operations Involving the Bank for International Settlements and the German Reichsbank," May 1997, section 2.4(a). Hereafter cited as "B.I.S. Note."

³¹ "Fletcher Memorandum."

³² "Fletcher Memorandum". According to Smith, Arthur L., *Hitler's Gold. The Story of the Nazi War Loot*, Oxford 1989, p. 101, this amounts to \$25 million. The remainder of the Italian gold was found in Frankfurt.

³³ "Fletcher Memorandum."

VI. *Gold Shipped Abroad.* Germany's desire for gold stemmed from its need for foreign exchange, both to buy goods for import, including war-related materiel, and to make payments abroad. These payments included routine items such as the cost of diplomatic representation, postal payments, and railroad charges, and war-related expenses for propaganda and espionage.

VI/1. *Swiss Banks.* The most important recipient of German gold was Switzerland, which was not only able to sell the Germans vital supplies such as machinery and armaments, but also Swiss francs which were the only internationally accepted form of foreign exchange. The Swiss banks also served as conduits for transferring German gold to third parties, especially Spain, Portugal, and Sweden. The Swiss commercial banks were used by Germany as late as the spring of 1941 to make substantial dollar payments to the USSR and to the United States, as well as smaller payments to Japan and China.³⁴ Swiss banks received \$450.4 million in gold. Gold shipments to the Swiss National Bank were relatively small at the beginning of 1940 and reached a peak in 1943. After early, 1943 deliveries to Bern declined rapidly, and no gold was sent directly to the Swiss National Bank from Berlin in 1945 (though some gold was taken from the Constance branch of the Reichsbank to Bern). The increased difficulty of selling gold on foreign markets after the end of 1943 meant that more gold was shipped to Reichsbank branches for use in South-East Europe. By the last year of the war, Germany's gold holdings were still very substantial, but the German authorities were less and less able to use them to obtain foreign resources, and the strategic usefulness of gold declined in consequence.

VI/2. *Other Foreign Banks.* Swiss banks were not the only recipients of German gold shipments. During the war, Germany sent abroad \$92.4 million worth of gold to foreign banks not in Switzerland, primarily central banks. These gold shipments enabled the import of oil, machinery, arms and food into Germany, as well as paying for diplomatic representatives, espionage, and covert military activity. The large gold shipments to Romania were intended to prolong that state's adherence to the Axis.³⁵

VI/3. *Reichsbank Branches Abroad.* The Reichsbank maintained many branch offices throughout occupied Europe, and during the war \$51.5 million worth of gold was shipped to these bank branches. A large portion of these shipments was in gold coin, and the majority of the gold was sent to the Reichsbank branch in Vienna. This gold was used to finance German military and espionage activity in southeastern Europe.³⁶

VII. *Domestic Commercial Use.* Privately owned or semi-private corporations and banks within Germany received certain amounts of gold from the Reichsbank during the war, both for financial and industrial purposes.

VII/1. *Degussa and Sponholz & Co.* Degussa was primarily engaged in smelting gold and purifying it for industrial use. It purchased gold at slightly higher prices than the Prussian State Mint and resold it either to the Reichsbank or to licensed private purchasers. Sponholz & Co. was a German bank founded in 1835 and operated during the war by Hamel, a close friend of Reichsbank President Walther Funk. It was involved with international shipping of gold, generally in small quantities, and worked with the Reichsbank to sell jewelry abroad in return for hard currency. During the war, Degussa received a net transfer of \$3.3 million in gold, and Sponholz & Co. received a net \$3.4 million.³⁷

VII/2. *Deutsche Bank and Dresdner Bank.* Germany's two largest commercial banks received \$3.6 million and \$3.9 million worth of gold respectively from the Reichsbank.³⁸ These transfers were probably defrayed by

³⁴ A memorandum by Federal Reserve Bank of New York Vice-President Knoke gives details of \$558,008 paid through the Swiss Bank Corporation in March 1941 for U.S. exports of petroleum to Germany. Federal Reserve Bank of New York Archives. File C261 Germany-Reichsbank, Memo to File from L.W. Knoke, 7 July 1941.

³⁵ "Records of the German Reichsbank." This sum may include oil payments as well as outright bribery.

³⁶ "Records of the German Reichsbank."

³⁷ "Records of the German Reichsbank."

³⁸ "Records of the German Reichsbank."

the sale of German paper Reichsmarks, and the gold was used in financial transactions throughout occupied Europe and with the neutral states. Several other financial institutions, such as Deago (the German Gold Discount Bank) and the Prussian State Mint, also received large sums of gold from the Reichsbank, but they returned almost all the gold to the Reichsbank almost immediately (after smelting) and the net transfers were negligible.

VIII. Government Use. The German government itself used gold as a means of payment, mostly in regions where military operations made other forms of currency unacceptable or to directly finance governmental activity in foreign countries.

VIII/1. *The Auswaertiges Amt and the Amt Ausland Abwehr.* The Auswaertiges Amt (Foreign Office) received \$3.1 million in gold from the Reichsbank, mostly in gold coins. This gold was transferred to various embassies and was used both to pay for diplomatic expenses in foreign countries and to finance espionage activity. The Amtsgruppe Ausland Abwehr (Foreign Military Intelligence branch) received \$2.2 million in gold, mainly in gold coins, to pay for espionage and perhaps military activities.³⁹

VIII/2. *The RSHA and the Wehrmacht.* The RSHA (Central State Security Office) and the Wehrmacht received \$0.1 million and \$0.3 million in gold respectively.⁴⁰ This gold was probably used to finance espionage and military activity in zones of warfare where paper Reichsmarks were not a widely accepted currency.

³⁹ "Records of the German Reichsbank." The figures cited for Reichsbank transfers to financial institutions are somewhat more precise than those for transfers to non-bank government or industrial organizations, due to differences in Reichsbank accounting techniques. Because of the small quantities involved, however, the net error will probably be insignificant.

⁴⁰ "Records of the German Reichsbank."

4. Gold transfers of the Reichsbank to the SNB

Table II provides details of the available information on the gold acceptances by the Swiss banks, and the agreement or difference with regard to data from the documents of the Reichsbank.

Table II: Gold imports into Switzerland 1939-1945 (in Swiss franc millions)

| Sources | Shipments from the Reichsbank to Switzerland (books of the Reichsbank) | | Swiss trade statistics (supplemented) | Swiss trade statistics (according to Rings) | Shipments from the Reichsbank to the depot at the SNB in Bern (SNB computations) |
|-----------------------------|--|---------------|---------------------------------------|---|--|
| | (1) | (2) | (3) | (4) | (5) |
| 1939 | - | - | 17.1 | 16.8 | - |
| 1940 | 222.0 (92.0) | 126.3 | 125.9 | 103.2 | |
| 1941 | 349.9 (215.1) | 279.4 | 268.9 | 192.9 | |
| 1942 | 493.2 (493.2) | 474.6 | 458.4 | 497.5 | |
| 1943 | 609.3 (609.3) | 596.9 | 588.9 | 588.0 | |
| 1944 | 275.4 (275.4) | 258.2 | 258.2 | 257.3 | |
| 1945 | - | 15.8 | 15.8 | 15.7 | |
| <i>Total only 1940-1945</i> | <i>1949.8 (1685.0)</i> | <i>1751.2</i> | <i>1716.1</i> | <i>1654.6</i> | |

(1) Shipments from Constance in the spring of 1945 have not been recorded here. The value of the Reichsbank shipments are given in parenthesis, excluding shipments to the commercial banks. For 1939, no shipments are indicated in those books of the Reichsbank which have been examined until now. (U.S. National Archives, Reichsbank).

(2) Column (3) supplemented by industrial gold (excluding 1944 and 1945). Source: Handelsstatistik.

(3) Only gold for banking transactions. 1940-1945 according to Rings 1996, p. 197 and Fior 1997, p. 24. Rings' source was the internal gold statistics of the Customs Administration. A copy of these statistics was provided to Rings in 1984 by the Swiss Federal Archives. 1939 according to trade statistics.

(4) Incoming transfers from Berlin according to a press documentation of the Swiss National Bank (1997), Table 5, Gold transactions of the German Reichsbank via Bern. It includes direct shipments to depots at the Swiss National Bank of other central banks and institutions.

Comments on Table II

Figures used in research until now (Rings, see Column 3) are based on trade statistics but include only position 869a1 (gold for bank transactions). In 1939, the figures still appeared in the published trade statistics, but as of 1940 were for official internal use only.⁴¹

The Commission has supplemented the figures with position 869a2 (industrial gold) which were published in the trade statistics through 1943 (see Column 2). These figures are missing for 1944 and 1945 and are presently inaccessible. As in the previous years, the values are probably on the low side.⁴²

A comparison of Column 2 (Imports of gold into Switzerland according to Swiss trade statistics) with Column 1 (Figures of the Reichsbank on deliveries to Switzerland) shows an approximate agreement for 1942-1944, but substantial differences for 1940 and 1941.⁴³

There is a plausible thesis to explain the difference between the figures of the Reichsbank and those of the Swiss trade statistics (according to the Customs Administration). It is peculiar that an unusual amount of gold

⁴¹ Import and export of gold for banking transactions and for coined silver im 1940 (Position 869a1 and 869e), in possession of the Customs Administration; Gold transactions of Switzerland with Germany (BAR E 7110 1973/134, Vol. 7) as well as several documents in BAR E 6100 (A) 25, Vol. 2316. See Fior, Michel: Die Schweiz und das Gold der Reichsbank. Was wusste die Schweizerische Nationalbank? Zurich 1997. See Rings, Werner: Raubgold aus Deutschland. Die "Golddrehscheibe" Schweiz im Zweiten Weltkrieg, Zurich 1996.

⁴² The gold statistics of the Customs Administration for internal use includes Position 869a1 only.

⁴³ Shipments in 1945 were no longer entered in the books of the Reichsbank.

from Russia, or respectively from the Soviet Union, entered Switzerland precisely in 1940 and 1941.⁴⁴ The federal attorney's office conducted an investigation in 1940 into the "German gold transports of ca 5000 kg gold [...] which have been turned over to the Swiss Bank Corporation in Le Locle for smelting. It concerns Russian gold purchased in Germany; this is already the second shipment which has arrived in Le Locle."⁴⁵ These deliveries concerned Russian gold which Germany received for exports in the wake of the Ribbentrop-Molotov-Pact. They were sent in Russian cases through Germany to Switzerland.⁴⁶ It can be assumed that this gold will appear in the records of the Reichsbank as German gold (Germany was actually the owner), whereas the Swiss customs statistics (or respectively the Swiss recipient) considered it as Russian.⁴⁷

For a comparison between Column 1 and Column 4, the figures in parenthesis in Column 1, which apply only to the deliveries to the SNB, must be taken out. Deviations in 1940 amounted to 12% and in 1941 to 10%, and are thus quite high. The Commission's clarification of these deviations has not yet been completed.⁴⁸ The fact that in 1942, according to the Swiss National Bank, more gold from the Reichsbank arrived in Bern (Column 4) than Swiss trade statistics reported as total gold imports from Germany (Column 2) must be more closely examined.

5. Gold operations of the SNB

Analogous to the presentation used for the Reichsbank, the following Table III is also based on a comparison of origin and use of the gold by the Swiss National Bank. The largest part of the gold which arrived in Switzerland was taken over by the Swiss National Bank.

The presentation is structured as follows:

| | | |
|--|---|--|
| Holdings at the beginning of the war + Gold purchases from foreign central banks + Gold purchases from the BIS + Gold purchases from the private sector (banks and industry) + Gold purchases from the Swiss Confederation | = | Gold holdings of the SNB at the end of the war + Gold sales to foreign central banks + Gold sales to the BIS + Gold sales to the private sector (banks and industry) + Gold sales to the Swiss Confederation |
|--|---|--|

⁴⁴ Russia/Soviet Union in the trade statistics: as of 1926 including Ukraine; 1941 including Latvia, Lithuania, Estonia; as of 1942 excluding Latvia, Lithuania, Estonia (Länderverzeichnis Aussenhandelsstatistik der Schweiz [1925-1950], compiled by the Federal Customs Administration, Foreign Trade Statistics). Import figures are in Sfr million:

| | |
|-------|----------------|
| 1937: | 0 |
| 1938: | 0 |
| 1939: | 12.3 |
| 1940: | 121.9 |
| 1941: | 38.4 |
| 1942: | 0 |
| 1943: | no information |
| 1944: | 0 |
| 1945: | 0 |

⁴⁵ Public Prosecutor's Office to the Federal Department of Finance and Customs 23.2.1940, in: BAR E 6100 (A) 19/1484, (Letter printed in SDD, Vol. 13, p. 576. See also SDD, Vol. 13, p. 652, note 2). See also SDD Vol. 13, p. 652, note 2).

⁴⁶ "Les envois d'or provenant d'Allemagne à destination de la Société de Banque Suisse, siège du Locle, sont arrivés à plus d'une reprise dans cette ville dans des caisses qui venaient directement de Russie et passaient par Berlin, mais n'étaient pas ouvertes dans cette ville. Il s'agissait d'or russe qui était fondu et transformé en métal suisse. Il repartait ensuite pour New-York et ne venait donc en Suisse qu'en transit." (Notice of the Federal Public Ministry, Department of Police. 18.5.1940, in: BAR E 4320 (B) 1968/195, Vol. 41.

⁴⁷ The 5000 kilos mentioned had a value of just under Sfr 25 million. It amounted to about one fifth of the value reported for Russia. The value of gold imports from Russia and Germany together in 1940 and 1941 amounted to somewhat more than the figures indicated in the books of the Reichsbank.

⁴⁸ Amazingly enough, the figure in Column 4 for 1942 is higher than in Column 1. This means that, according to the inventory records of the SNB, gold receipts from the Reichsbank were more highly estimated for this year than was evidenced by our investigations in the books of the Reichsbank.

5.1 Gold sales and purchases of the Swiss National Bank

The following Tables show the transactions in Sfr of the Swiss National Bank for the period between September 1, 1939 and June 30, 1945 in Swiss francs.

Table III: Gold purchases and sales by the Swiss National Bank

September 1, 1939 - June 30, 1945 (in Sfr thousands and \$)

| I. Gold Reserves (rate of 4869.8 per refined kg) | | on 1.9.1939 | | on 30.6.1945 | |
|---|---|------------------|------------------|------------------|------------------|
| | | 2 860 224 | 660 758 | 4 626 300 | 1 068 750 |
| | | Sfr. Purchases | \$ Purchases | Sfr. Sales | \$ Sales |
| II. Axis | | | | | |
| II/1. | Germany | 1 231 850 | 284 577 | 19 495 | 4 504 |
| II/2. | Italy | 150 036 | 34 661 | 0 | 0 |
| II/3. | Japan | 0 | 0 | 4 956 | 1 145 |
| <i>Total</i> | | <i>1 381 886</i> | <i>319 238</i> | <i>24 451</i> | <i>5 649</i> |
| III. Allies | | | | | |
| III/1. | United States | 2 242 917 | 518 150 | 706 055 | 163 110 |
| III/2. | Great Britain | 668 454 | 154 424 | 0 | 0 |
| III/3. | Canada | 65 283 | 15 081 | 0 | 0 |
| <i>Total</i> | | <i>2 976 654</i> | <i>687 655</i> | <i>706 055</i> | <i>163 110</i> |
| IV. Other countries purchasing gold | | | | | |
| IV/1. | Portugal | 85 101 | 19 660 | 536 601 | 123 964 |
| IV/2. | Spain | 0 | 0 | 185 149 | 42 772 |
| IV/3. | Rumania | 9 757 | 2254 | 112 093 | 25 895 |
| IV/4. | Hungary | 0 | 0 | 16 740 | 3 867 |
| IV/5. | Slovakia | 0 | 0 | 11 254 | 2 600 |
| IV/6. | Turkey | 0 | 0 | 14 847 | 3 430 |
| <i>Total</i> | | <i>94 857</i> | <i>21 914</i> | <i>876 684</i> | <i>202 528</i> |
| V. Other countries selling gold | | | | | |
| V/1. | Argentina | 33 585 | 7 759 | 0 | 0 |
| V/2. | France | 193 261 | 44 646 | 0 | 0 |
| V/3. | Greece | 486 | 112 | 0 | 0 |
| V/4. | Sweden | 94 520 | 21 836 | 20 009 | 4 622 |
| <i>Total</i> | | <i>321 851</i> | <i>74 353</i> | <i>20 009</i> | <i>4 622</i> |
| VI. Various | | | | | |
| VI/1. | BIS | 61 508 | 14 209 | 18 201 | 4 205 |
| VI/2. | Swiss Banks, industrial and other clients | 71 206 | 16 450 | 701 198 | 161 988 |
| VI/3. | Swiss Confederation | 269 305 | 62 214 | 1 087 873 | 251 316 |
| VI/4. | Swiss Mint | 42 150 | 9 737 | 45 794 | 10 579 |
| <i>Total</i> | | <i>444 168</i> | <i>102 610</i> | <i>1 853 065</i> | <i>428 088</i> |
| VII. Corrections | | | | | |
| VII/1. | Correction in sale of gold on the market | 39 085 | 9 029 | 0 | 0 |
| VII/2. | Differences in weight | 3 | 1 | 87 | 20 |
| VII/3. | Revaluation transactions 1.9.1939 - 31.12.1939 | 0 | 0 | 8 729 | 2 017 |
| VII/4. | Other differences | 0 | 0 | 3 350 | 774 |
| <i>Total</i> | | <i>39 088</i> | <i>9 030</i> | <i>12 166</i> | <i>2 811</i> |
| Total purchases and sales | | 5 258 504 | 1 214 800 | 3 492 431 | 806 808 |
| Total | | 8 118 728 | 1 875 558 | 8 118 731 | 1 875 558 |

Comments on Table III

General notes

1. The figures for the purchase and sale of gold by the National Bank are based on the National Bank's gold transactions for its own account. Other sources such as movements of the Currency Equalization Fund⁴⁹, the gold reserve statement⁵⁰, and the "Quarterly Reports" have been included.
Minor differences still exist between these sources and the German documents which can be consulted in the U.S. National Archives. These differences are probably due to deviations in the accounting figures.
2. The figures given here differ from those published in March 1997 by the Swiss National Bank for two reasons. On the one hand, the period considered by the Commission (1.9.1939 - 30.6.1945) is shorter than that of the SNB (1.1.1939 - 30.6.1945). On the other hand, the Commission's figures are based on the gold transactions for the SNB's own account, while those of the SNB are based on the "Quarterly Reports". The deviations, however, are minimal.
3. In the case of gold bars, the gold is posted in the following table at a price of Sfr 4,639.13 per fine kilogram until 31.12.1939 and a price of Sfr 4,869.80 per fine kilogram effective from 1 January 1940. The correction was carried out by means of the item "Revaluation of dealings". Sales of gold coins on the open market were posted at the selling price and not at the gold price. The item "Correction for gold sales on the open market" therefore permits the difference to be balanced.
4. It is necessary to draw a distinction between gold consignments from the Reichsbank to Switzerland in general and consignments to its own depository in Bern. The former actually exceed the latter as certain commercial banks bought gold directly in Germany without going through the Reichsbank's depository in Bern.
5. Moreover, it is necessary to draw a distinction between the *deliveries* by the Reichsbank to its depository in Bern, and the *sales* which it made to the Swiss National Bank. In fact, from its Bern depository, the Reichsbank sold gold to various countries (Portugal, Sweden, Romania, Slovakia, Spain, BIS, various others) for a total value of Sfr 445 million. The table takes into account only the *purchases* by the SNB from the Reichsbank, and not the total amounts shipped by the latter to Switzerland or to the Reichsbank depository in Berne.
6. The figures quoted in the table comprise all of the gold taken over by the SNB, including items resold to the Swiss Confederation and whose total appears under the heading "Swiss Confederation".
7. The operations undertaken using the Currency Equalization Fund have been taken into account.

Comments on the figures

I. Gold reserves

Gold reserves on September 1, 1939 amounted to Sfr 2,860 million on September 1, 1939 (including the Currency Equalization Fund) and represented the monetary reserves which had grown to Sfr 4,626 million by the end of the war. The increase thus amounted to Sfr 1,766 million.

II. Axis countries

The net purchases of gold from the Axis powers amounted to net Sfr 1,357 million, the great majority of which represented dealings with Germany.

II/1. Consignments from the Reichsbank to various depositories managed by the SNB totaled Sfr 1,654.6 million. Of these consignments, the SNB acquired a total of Sfr 1,231.9 million, and the balance was sold by the Reichsbank to various banks with depositories in Bern.

II/2. Of the Sfr 150 million acquired from Italy, Sfr 50 million forms part of the loan guarantee for a sum of Sfr 125 million granted in 1940. Since Italy was unable to repay all the sum, the Bank of Italy, under the influence of the German occupation authorities, sent the gold collateral to Switzerland on 20 April 1944. The balance of Sfr 98 million was acquired by the SNB in five transactions, two in September 1939, one in March 1942, one in May 1942 and the last in April 1943.

II/3. Gold to the value of Sfr 5 million was sold to Japan (Depository of the Yokohama Specie Bank) on 9 April 1945.

III. Allies

The SNB's gross purchases of gold from the Allies totaled Sfr 2,977 million. They were used to cover the need of the Allies for Swiss francs (expenditures for diplomatic and secret service activities, representation of interests, humanitarian aid) and also for the balance of payments deficit resulting from the freezing of Swiss

⁴⁹ SNB Archives, 122.0, "Gold of the Currency Equalization Fund"

⁵⁰ SNB Archives, 122.0, "Gold of the Currency Equalization Fund"

assets as of June 14, 1941. Gold transactions by the SNB were therefore significant from the summer of 1941 onwards and intensified at the start of 1944.

III/1. From the United States alone, the National Bank purchased gold with a gross value of Sfr 2,243 million. From the beginning of 1939 to the summer of 1940, the SNB *sold* gold to the value of several hundred million Swiss francs.

III/2. The SNB took delivery of a quantity of gold worth Sfr 668 million from the United Kingdom. In this case too, the total of all gold transfers cannot be equated with the sums of money offered to the United Kingdom. By March 1942, the SNB had bought dollars in London for Sfr 263 million.

III/3. Sfr 65 million in gold was purchased from the Canadian central bank.

IV. Other countries as purchasers of gold

The SNB traded in significant quantities of gold with various European countries including Portugal, Spain and Romania. Portugal, the main purchaser, acquired gold to the net value of Sfr 451 million, mainly until the end of 1942. Spain acquired Sfr 185 million from the beginning of 1942, while Romania bought gold with a net value of Sfr 102 million. Other countries undertook similar transactions, though on a less significant scale. Hungary bought gold for Sfr 17 million, as did Slovakia (Sfr 11 million) and Turkey (Sfr 15 million).

V. Other countries as sellers of gold

Net dealings with Argentina totaling Sfr 34 million took place in 1941, 1943 and 1944. Purchases by France for a total of Sfr 193 million were effected mainly between early 1941 and the end of 1942. 1942 transactions were for various gold coins (Vreneli, Napoléons, Sovereigns, Eagles), with a purchase value of Sfr 29 million. The transactions with Greece took place in early 1941 (gold coins in dollars - Sfr 0.5 million). Various transactions with Sweden were undertaken by the SNB between the end of 1941 and the beginning of 1942, and between the end of 1944 and the first half of 1945. In addition, it sold 50 gold bars to Stockholm on February 24, 1942. Total net purchases by the SNB came to Sfr 75 million.

VI. Miscellaneous

VI/1. Several sale and purchase transactions with the Bank for International Settlements (BIS) took place throughout the war. The SNB purchased gold, mainly between late 1940 and early 1941, to a net total of Sfr 43 million.

VI/2. The SNB's gold transactions also included sales on the Swiss market via the commercial banks (Sfr 550 million). These sales were intended to absorb available cash payment and to stabilize the Swiss franc. Due to the strong demand on the Swiss market, Swiss industry was also supplied directly by the SNB with gold totaling Sfr 80 million. Only 4th quarter figures for 1939 have been taken into account for gold coins.

VI/3. The term "Swiss Confederation" refers to the sums of gold which the SNB sold to federal authorities, basically as part of the "sterilization" measures. This policy, which was applied from 1943 onwards, consisted of financing purchases of gold by issuing bonds to the public. At the end of the period under consideration, transactions by the Swiss Confederation totaled a net Sfr 819 million.

VI/4. With the exception of a purchase at the end of 1939 for Sfr 323,000, the position of "federal mint" refers to all movements connected with the minting of "Vreneli" gold coins from the beginning of 1945 onwards. The various mintings were in line with the SNB's policy of fighting inflation, and consisted of absorbing available cash by selling gold coins on the market.

VII. Corrections

VII/1. Corrections of sales on the market (profit from sales of gold coins).

VII/2. Corrections which the SNB undertook to offset differences in weighting.

VII/3. Corrections for transactions in 1939 (adjustment in the gold price valid from the 1940 on. See general remarks, note 3).

VII/4. This item for Sfr 3 million refers to the combined exchange rate and rounding differences.

5.2 Gold transactions of the Reichsbank via the SNB

Of the 1,654.6 million francs in gold delivered by the Reichsbank to Bern, the SNB acquired 1,224.2 million, corresponding to about three-fourths of all Reichsbank deliveries during the war (all figures according to the SNB press documentation with respect to the period running from January 1, 1939 to June 30, 1945).⁵¹ As is well known from the literature, there were also extensive movements of gold at the Bern depot of the Reichsbank without the SNB appearing as purchaser.⁵² Large amounts of German gold were thus able to flow into the depots of other central banks, especially the Portuguese and Swedish national banks, as well as into the gold depot of the BIS. Table IV gives an overview of these operations in Bern.⁵³

Table IV: Gold transactions of the Reichsbank via its Depot at the SNB (net) in Bern 1940-1945

| <i>Inflows (in Swiss franc millions)</i> | 1940 | 1941 | 1942 | 1943 | 1944 | 1945 | Total |
|---|-------|-------|-------|-------|-------|------|--------|
| Transfers from Berlin | 103.2 | 192.9 | 497.5 | 588.0 | 257.3 | 15.7 | 1654.6 |
| Turkish Central Bank | | | | 15.0 | | | 15.0 |
| <i>Outflows (in Swiss franc millions)</i> | | | | | | | |
| SNB | 67.1 | 142.7 | 428.4 | 374.2 | 182.1 | 29.8 | 1224.2 |
| Portuguese Central Bank | | | 42.0 | 197.6 | 34.9 | | 214.6 |
| Swedish Central Bank | | 6.9 | 19.7 | 56.7 | 4.9 | | 88.2 |
| BIS | 20.3 | 6.4 | 5.4 | 13.3 | 13.6 | | 59.1 |
| Rumanian Central Bank | | | | | 51.1 | | 51.1 |
| Slovakian Central Bank | | 7.9 | | | 15.7 | | 23.6 |
| Spanish Central Bank | | | | 7.1 | | | 7.1 |
| Various | -3.8 | | -0.1 | 5.7 | | | 1.7 |

Source: SNB Press Documentation (1997), Table V according to the SNB inventory accounting. A rate of 4920,63 per kilogram of fine gold has been used for this calculation. The figures cannot be directly compared with those in Tables I and III.

⁵¹ Source: SNB Press Documentation (1997), 4, 11, Table 5. See also SDD, Vol. 15, p. 1124 ff.

⁵² See Rings, Werner: Raubgold aus Deutschland. Die "Golddrehscheibe" Schweiz im Zweiten Weltkrieg, Zurich 1996, p. 56; Vogler, Robert U.: Der Goldverkehr der Schweizerischen Nationalbank mit der Deutschen Reichsbank 1939-1945, in: Geld, Wahrung und Konjunktur 1 (1985), p. 70-71.

⁵³ This data stems from SNB Press Documentation of March 1997 and is based on the Bank's original accounting figures.

6. Gold shipped to Swiss commercial banks by the German Reichsbank

Table Va: Shipments from the Reichsbank to Swiss banks 1940/41

| Period | Swiss franc millions | dollar millions | refined gold kg |
|-------------------------------|----------------------|--------------------|----------------------|
| 1st Semester 1940 | 115.2 | 26.6 | 23 654 |
| 2nd Semester 1940 | 14.8 | 3.4 | 3 046 |
| <i>Total 1940</i> | <i>130.0</i> | <i>30.0</i> | <i>26 700</i> |
| 1st Semester 1941 | 81.4 | 18.8 | 16 710 |
| 2nd Semester 1941 | 53.4 | 12.3 | 10 959 |
| <i>Total 1941</i> | <i>134.8</i> | <i>31.1</i> | <i>27 669</i> |
| <i>Total 1940/1941</i> | <i>264.8</i> | <i>61.2</i> | <i>54 369</i> |

Source: Reichsbank records, U. S. National Archives

Table Vb: Shipments from the Reichsbank to Swiss banks 1940/41

| | Swiss franc millions | dollar millions | refined gold kg |
|---------------------------------|----------------------|-----------------------------|----------------------|
| Swiss Bank Corporation (SBC) | 158.6 | 36.6 | 32 571 |
| Bank Leu & Co. | 51.9 | 12.0 | 10 660 |
| Union Bank of Switzerland (UBS) | 37.0 | 8.5 | 7 593 |
| Basler Handelsbank (BHB) | 9.5 | 2.2 | 1 946 |
| Credit Suisse (CS) | 7.7 | 1.8 | 1 573 |
| Eidgenössische Bank (EIBA) | 0.1 | 0.03 | 26 |
| <i>Total</i> | <i>264.8</i> | <i>(61.2*) 61.13</i> | <i>54 369</i> |

Source: Reichsbank records, US. National Archives; *rounding difference \$0.07 million.

Comments on tables Va and Vb

It is important to draw a distinction between shipments of gold to commercial banks and actual purchases of gold by recipients. The above figures relate to the physical transfer (delivery) of gold to recipients in Switzerland. However, they do not provide any information on a possible change of ownership (purchase/sale), nor do they indicate the parties for whose account the banks received the gold delivered to them.

Immediately after the war, the US occupying forces seized Reichsbank records for examination. The figures for shipments of gold to Swiss banks obtained from these records were made available during the negotiations on the 1946 Washington Agreement, and are documented in the relevant literature on the subject.⁵⁴ The study by S. Zabudoff published in October 1997 on transfers of the Swiss banks is also based on American sources and repeats the same figures: According to calculations of 1946, gold valued at about 20.3 million dollars, or 87.3 million Swiss francs (exchange rate: 1:4.3), was delivered to Swiss commercial banks between mid-1946 and May 1945.⁵⁵

⁵⁴ von Castelmur, Linus: Schweizerisch-Alliierte Finanzbeziehungen im Übergang vom Zweiten Weltkrieg zum Kalten Krieg. Die deutschen Guthaben in der Schweiz zwischen Zwangsliquidierung und Freigabe (1945-1952), Zurich 1997², p. 59, notes 144 and 145; Durrer, Marco: Die schweizerisch-amerikanischen Finanzbeziehungen im Zweiten Weltkrieg. Von der Blockierung der schweizerischen Guthaben in den USA über die "Safehaven"-Politik zum Washingtoner Abkommen (1941-1946), Bern 1984, p. 268-270.

⁵⁵ According to Zabudoff, Sidney: Movements of Nazi Gold, October 1997, p. 6a. Table I.

Table Vc: Gold shipments from the Reichsbank to Swiss commercial banks 1940/41 according to American sources 1946

| | in dollars* |
|------------------------|--------------------|
| Swiss Bank Corporation | 7 999 047 |
| Bank Leu & Co. | 6 183 931 |
| Credit Suisse | 1 749 740 |
| Basler Handelsbank | 1 081 958 |
| Eidgenössische Bank | 28 835 |
| Other Banks* | 3 282 145 |
| Total | 20 325 656 |

Source: US. National Archives, RG 59, 800.515.4201; * details of values and descriptions according to original sources.

The American occupation forces (1946), as well as the Commission, have based their information on copies of the Reichsbank records. In comparing the results of the two analyses, substantial differences can be found. According to calculations of the Commission, it appears that significantly larger amounts of gold were shipped to Swiss commercial banks in 1940 and 1941 than was previously believed. According to the US figures, gold valued at about 20 million dollars was delivered, whereas the Commission estimates the gold to be worth a total of 61 million dollars (see Table Va).⁵⁶

This discrepancy can partly be attributed to the limited time period reviewed by the Allies in 1946. If the Allies' examination period of 1946 is taken into consideration (as of mid 1940 only), these deviations can be partly explained. According to the study of the Commission, most of the gold was delivered to Swiss commercial banks during the first few months of 1940. It was exactly this period of substantial deliveries from the Reichsbank which were only partly taken into consideration in the Allied survey of 1946. As various sources have suggested, US figures used during the hearings on the Washington Agreement relate only to the period from the beginning of May 1940. And in all likelihood, they only take into account gold shipped by the Reichsbank from June 30, 1940 on.⁵⁷

Table Va shows transfers of German gold to Switzerland over six-month periods. As the figures indicate, of the 61.2 million dollars in gold delivered to the banks, 26.6 million dollars was shipped during the period prior to the end of June 1940. About 34.6 million dollars was then shipped during the subsequent 18 months until the end of 1942 (the period for which deliveries to banks were recorded). The latter figure is 14 million dollars greater than the figure obtained by the Allies directly after the war. From the present stand of investigation, it is not possible to determine how occupation officials in 1946 calculated shipments by the Reichsbank to Switzerland. An explanation of the \$14 million difference as compared to the figures of the Commission thus remains open. It is possible that a part of the shipments to the banks in Switzerland consisted of physical transfers, without the banks appearing as purchasers. It is also conceivable that the Allied investigators knew which shipments referred to transfers only. Perhaps they excluded the corresponding amounts from their calculations of Swiss gold receipts. A more thorough analysis of the documents, forming the basis of American sources cited by the authors, could clarify the question.

⁵⁶ This discrepancy is at first glance all the more amazing since the calculation made by the Commission for Reichsbank shipments to the SNB - as opposed to those to commercial banks - are generally in agreement with the values known. The remaining differences in values for Reichsbank shipments to the SNB can be explained in a satisfactory manner as resulting from minor methodological problems and from the dissimilar value of gold in the books of the two Central Banks.

⁵⁷ The date of 30 April 1940 was chosen as the starting point where Allied claims for restitution of gold by Switzerland began. The calculations themselves were made for the time beginning 30 June 1940, as emerges from a report of the Department of the Treasury in 1946. "For the purpose at hand June 30, 1940 has been chosen as the base date in order to make the case as favorable as possible to the Swiss and eliminate any uncertainty as to legitimate acquisitions of gold by Germans prior to their attack on the low countries". US National Archives RG59, 800.515.4201. See Durrer, Marco: Die schweizerisch-amerikanischen Finanzbeziehungen im Zweiten Weltkrieg. Von der Blockierung der schweizerischen Guthaben in den USA über die "Safehaven"-Politik zum Washingtoner Abkommen (1941-1946), Bern 1984, p. 268 ff.

7. Gold transactions between Switzerland and the Allies

The SNB purchased significant quantities of gold from the Allied central banks for the following reasons:

- From the end of the 1930's to June 1941, substantial capital sums crossed the Atlantic. The flows of money in both directions necessitated intervention by the SNB which successively sold, and then bought, dollars.
- Despite the embargo by the Allies, Switzerland depended for its essential supplies on imports from Great Britain, the United States and other Allied states.
- The United Kingdom and the United States established rules on commercial and financial dealings but did not conclude clearing agreements with Switzerland. Exchanges of goods were paid in currency and not by any offsetting procedures.
- Where major sums were involved, the Allied governments needed to use the Swiss franc, which was replacing the dollar and sterling as the internationally accepted currency. The American and British governments were therefore using the Swiss franc to finance their diplomatic service, humanitarian aid and intelligence activities in Europe, to support allied governments, and to finance the role of Swiss diplomacy as a force protecting the interests of various Allied countries occupied by the Axis powers.
- Industrial and commercial circles continued to pressure Switzerland to buy gold from the United States. Industries, especially the watchmaking industry, wanted to finance their exports, while financial creditors were demanding the return of their considerable USA investments back to Switzerland.⁵⁸

All these factors contributed to the increases in gold purchases by the SNB from the United States and the United Kingdom, as can be seen in Tables VI. and VII.

After the freezing of Swiss assets in the United States in June 1941, a ruling on the dollar-based economy was discussed by the Swiss National Bank, the Swiss Bankers Association, the commercial banks and the Swiss Confederation. In order to obviate the inflationary effects of gold purchases, the SNB requested the Swiss Confederation to purchase gold from the Allies in order to "sterilize" the notes in circulation. These dealings involved Confederation expenditures which were financed by bonds issued on the Swiss market.⁵⁹

Table VI: Growth of the Confederation's gold holdings

(in Sfr millions, as of December 31)

| | USA | UK | Canada | Total |
|------|-------|-------|--------|--------|
| 1943 | 11.6 | | | 11.6 |
| 1944 | 266.4 | 195.3 | | 461.7 |
| 1945 | 636.3 | 379.8 | 11.9 | 1027.9 |

Source: Swiss National Fiscal Administration and Accounting Authority, summary of foreign assets March 5, 1949, BAR E 6100 (B) 1972/96/241/37.

Because of the economic war (blockades and restrictive measures) and military operations which made transport of valuables almost impossible, these gold deposits remained in the United States and contributed to a growing internationalization of Switzerland's financial services industry.

⁵⁸ See Perrenoud, Marc: *Banques et diplomatie suisses à la fin de la Deuxième Guerre mondiale. Politique de neutralité et relations financières internationales*, in: *Studien und Quellen*, Hg. Schweizerisches Bundesarchiv, Nr. 13/14 (1987/88), p. 7-128.

⁵⁹ See Tanner, Jakob: *Bundeshaushalt, Währung und Kriegswirtschaft. Eine finanzsoziologische Analyse der Schweiz zwischen 1938 und 1953*, Zürich 1986, p. 248-257.

Table VII: Development of the gold reserves of the SNB and the Confederation*1 January 1939 - 31 December 1945 (in Sfr)*

| | 1. 1. 1939 | 31. 12. 1945 |
|--|---------------|---------------|
| Swiss National Bank's accounts | | |
| Home: | | |
| <i>Total Home</i> | 1 654 096 481 | 1 127 592 202 |
| Abroad: | | |
| Paris | 11 932 959 | 0 |
| London | 976 650 052 | 789 848 960 |
| New York | 246 743 545 | 2 561 652 429 |
| Buenos Aires | | 37 906 791 |
| Ottawa | | 260 039 615 |
| <i>Total Abroad</i> | 1 235 326 556 | 3 649 447 795 |
| <i>Total SNB</i> | 2 889 423 037 | 4 777 039 997 |
| Swiss Confederation's accounts: | | |
| London | 104 981 | 317 440 010 |
| New York | | 638 448 809 |
| Ottawa | | 74 416 906 |
| <i>Total Confederation's accounts</i> | 104 981 | 1 030 305 725 |

Source: SNB (Ed.), Goldtransaktionen für eigene Rechnung, 1939-1945, Zürich 1997. Gold price for 1939: Sfr 4,639.13 per kg fine gold. For 1939, the Currency Equalization Fund amounting to Sfr 430 million (according to the new gold price set in 1940) has not been taken into account. Tables VI and VII cannot be directly compared.

After the war, statistical tables were drawn up to show that gold purchases by the SNB from the Reichsbank were lower than its gold purchases from the Allies.⁶⁰ Nonetheless, these statistics mask the fundamental difference between the quantities of gold acquired under the abnormal conditions of war on the one hand, and the holdings of gold whose origin is incontestable and whose immobilization was therefore limited to the duration of hostilities, on the other. Purchases by Switzerland of gold from the Allies and the Axis powers were fundamentally different, both in terms of the gold's provenance as well as the use of the Swiss francs obtained thereby.

⁶⁰ See SDD, Vol. 15, especially p. 394-399, 920-937 and 1108-1141.

8. Summary

The most important results of the present report can be summarized as follows:

- The part which Switzerland contributed to the gold operations of the Reichsbank with foreign countries for the reporting period (September 1, 1939 until June 30, 1945) amounted to 76% (Table I, Point VI). Of this amount, 86% went to the SNB and 14% to the Swiss commercial banks.
- Of the gold amounting to Sfr 1,684.9 million (\$389.2 million) which was delivered to it, SNB net purchases were Sfr 1,212.4 million (\$280.1 million), see Tables I, II, and III. It corresponds to 62% of the total shipments by the Reichsbank to Switzerland, or respectively 72% of the shipments to the SNB.
- With \$61 million, shipments of gold by the Reichsbank to commercial banks between 1939 and 1945 are a good three times higher than at first assumed. Amounts purchased for their own accounts are unknown. Complete figures are not yet available.
- The gold shipments from the Reichsbank cannot be compared with those from the Allied side. In contrast to gold purchased by Germany, these amounted to means of payment legally acquired by the Allies. They came from international movements of capital and served to finance exports. They were also used for humanitarian purposes and for services needed by the war effort.
- This working paper, which has concentrated on a presentation of statistical data, has not addressed important aspects of the subject. Remarks on Switzerland as a financial center and the problem of the freely convertible franc, the question of the motives and degree of awareness of the participants, and the effect of gold transactions on security policy are lacking in particular.
- To be able to clarify the responsibility and cooperation of all those involved, previously inaccessible documents and sources must be included and evaluated.
- The Commission will deal with other essential aspects in a detailed interim report to be published at the beginning of 1998.

Annex: Archives

1. Archives taken into consideration

Switzerland

Bundesarchiv, Berne

Archiv der Schweizerischen Nationalbank, Zurich

Archiv der Eidgenössischen Oberzolldirektion, Berne

Archiv der Credit Suisse Group, Zurich

Archiv des Schweizerischen Bankvereins, Basle

Archiv der UBS, Zurich

Archiv der Schweizerischen Bankiervereinigung, Basle

Archiv für Zeitgeschichte, ETH Zurich

USA

United States National Archives, College Park, Maryland

Federal Reserve Bank of New York Archives, New York City

Franklin D. Roosevelt Library, Hyde Park, New York

Library of Congress, Washington, DC

Germany

Bundesarchiv, Berlin

Bundesarchiv/Militärarchiv, Freiburg i. Br.

Politisches Archiv des Auswärtigen Amtes, Bonn

Archiv der Bundesbank, Frankfurt

Institut für Zeitgeschichte, Munich

Italy

Archivio della Banca d'Italia, Rome

Archivio del Ministero degli Affari Esteri, Rome

Archivio Centrale dello Stato, Rome

2. Archives not considered in this report

Switzerland

Archiv der Bank für Internationalen Zahlungsausgleich, Basle

France

Archives du Ministère des Finances, Paris

Archives du Ministère des Affaires Etrangères, Paris

Great Britain

Public Record Office, Kew Gardens

Archives of the Bank of England

3. Archives unable to be consulted to date

Archives of the Tripartite Gold Commission, Brussels

Zentrum für die Sicherung historisch-dokumentarischer Sammlungen (ZCHIDK), Moscow