

# The gold transactions of the Swiss National Bank between 1939 and 1945 - Statistics of the operations

Remarks by Jean-Pierre Roth, Vice-Chairman of the SNB's Governing Board, at the Press Conference of March 20, 1997

The Governing Board of the Swiss National Bank (SNB) presented a general overview of gold operations from 1939 to 1945 to the press last December.

The aim of the SNB's policy during the Second World War was to maintain public confidence in the currency by binding the Swiss franc firmly to gold.

According to the mechanism of the gold standard, the SNB responded to an increasing demand for Swiss francs by buying gold. In so doing, Switzerland acquired gold worth 1,355 million Swiss francs (net) from the Axis countries (Germany, Italy and Japan) and 1,823 million (net) worth from the Allies (United States, Great Britain and Canada). During the entire period of the war, the Swiss gold stocks increased by 2,122 million Swiss francs. This increase took the form of blocked gold in New York, London and Ottawa. The stock in Switzerland diminished a little.

In addition, the Reichsbank and the central banks of European countries maintained gold deposits at the SNB in order to facilitate their mutual payments. From 1939 to 1945, the Reichsbank transferred gold to the value of 1,655 million Swiss francs to its account in Berne. 1,224 million Swiss francs worth were acquired by the SNB. The remainder was used by Germany for payments to Portugal, Sweden and other neutral countries. Although these operations took place at the SNB in Berne, this was at the request of the country concerned.

The commission of experts entrusted with the task of shedding light on Switzerland's financial relations during the Second World War will have to examine the SNB's operations, put them into the appropriate context and judge the policy pursued by the Swiss National Bank.

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The SNB has collected all the information relating to the gold transactions between 1939 and 1945 on computer. This was done independently of the fact that some of the transactions were executed on behalf of the SNB (in exchange for Swiss francs) and others were carried out among foreign central banks holding a gold deposit in Berne. The original documents on which this research is based were already accessible to the researchers from the beginning of the eighties when our archives were opened. However, no systematic summary of the transactions had been made. In making this effort now, the SNB hopes to facilitate the task of the commission of experts. At the same time, it is now in a position to present a summary of statistics on these gold operations to the press.

## **Statistics of the National Bank's gold operations during the Second World War**

### **1. Sources**

The following statistics are based on two different sources: the '[Quartalsrapporte](#)'<sup>1</sup> and the '[inventory accounting](#)'<sup>2</sup> of the gold deposits. Based on this information the SNB was able to reconstruct the following:

(1) the accounting records of the gold operations executed by the SNB in Switzerland and abroad on its own behalf

(2) the movements in the gold deposits held by foreign central banks at the SNB in Berne.

Thanks to this reconstruction, it is now possible to obtain an overall survey of the SNB's operations as well as to study their chronological development in detail. Up to now, the only aggregated figures available were those gathered by the SNB in [1946](#)<sup>3</sup>, which have to date never been verified.

## 2. The gold transactions executed by the SNB on its own behalf

### a) Compatibility with the figures established in 1946

As is shown in Table 1, the aggregated figures reconstructed with the aid of the documents in our archives by and large corroborate those compiled by the SNB in 1946. The most striking differences concern France (4 million Swiss francs) and Hungary (1,7 million Swiss francs). At this point, we are not able to explain the deviations.

### b) Development of net purchases by the SNB during the War

Our accounting records also permit us to reconstruct the development of the gold transactions during the War. Table 2 summarizes the net purchases and sales of gold by the SNB from/to its major partners.

- To begin with, it is evident that the figures in our books of account correspond to the value of the gold stock as it appears in the SNB's balance sheets. The only considerable difference between the reconstituted figures and the development of the balance sheets is due to the new valuation of the SNB's gold stock on 30 June 1940. The SNB clearly never concealed the true extent of its gold holdings during the War.
- In total, Switzerland bought the same quantity of gold from the Axis countries (Germany, Italy and Japan) and the Allies (United States, United Kingdom and Canada) (see figure 1). Purchases from Germany started in 1940 and continued until the end of the War; they assumed particular proportions between the fourth quarter of 1941 and the first quarter of 1944. At first, the SNB sold gold to the Allies as a reaction to the weakening of the Swiss franc. However, from the beginning of 1941, the situation changed completely and the SNB then bought gold because of the strength of the Swiss. From 1942 to mid-1944, purchases from the Allies paralleled those from the Axis countries. Thereafter, they purchases from the Allies exceeded those from the Axis countries.
- As regards the transactions executed with neutral countries, the SNB acquired (in net terms) gold from Sweden and sold gold to Spain and Portugal. From 1943 onwards, a turnaround was recorded and the SNB received more gold than it sent to that country.
- Gold sales to industry (80 million Swiss francs) were based on an agreement which became effective in the third quarter of 1941. Its goal was to ensure that the industrial sector was sufficiently provided with the natural resources needed for the production of watches and equipment.
- Gold sales to the market (547 million Swiss francs) reflect the monetary policy of the time. The aim was to siphon off liquidity; these sales took place notably from 1942 onwards. The SNB sold gold coins to the value of 456 million Swiss francs, 142 million Swiss francs worth originating from the German Reichsbank.
- The SNB sold a part of the gold blocked in the United States, London and Ottawa to the Confederation in exchange for Swiss francs. These sales aimed at resorbing a part of the Swiss francs created by buying gold from the Allies. By the end of the War, these sales to the Confederation totalled 819 million Swiss francs.
- No bars or coins acquired from Germany were smelted by the SNB during the War. In the first half of 1945, in the face of rapidly diminishing stocks of gold coins, the SNB had 1.5 million 20 franc pieces coined. The bars used for this purpose were all taken from its own pre-war stock.

### c) Development of gold stocks in Switzerland and abroad

- Switzerland's gold stock consisted of the SNB's holdings, the gold held by the [Exchange Stabilization Fund \(EFS\)](#)<sup>4</sup> and the Confederation's gold holdings. The gold holdings of the SNB were stored in Switzerland, New York, London, Ottawa, and a small part in Paris (until March 1940), Stockholm (from July 1941 to February 1942) and Buenos Aires (from June 1941). The gold stock of the Confederation was stored in New York, London and Ottawa. The gold of the Exchange Stabilization Fund was kept in New York.

- Figure 2 shows the development of the different gold holdings. At the end of 1938, half of the global stock was in Switzerland and the other half abroad. In 1939, as a reaction to the German threat and as a consequence of gold sales to the United States, the SNB transferred gold worth about 700 million Swiss francs to other countries. In 1940, gold stocks continued to diminish both in Switzerland and abroad. They grew significantly only from 1942 onwards. This increase, however, was mainly in the form of blocked gold in New York, London and Ottawa; the stock held in Switzerland grew only slightly. When hostilities ended, gold holdings in Switzerland were lower than their pre-war level.
- The gold stemming from Germany all went to the deposit of the SNB in Berne. Table 3 presents an overview of the movements in this account from 1 January 1939 to 30 June 1945. The SNB acquired, in net terms, gold worth 1,426 million Swiss francs from Germany, as well as from Italy, Sweden and the B.I.S. It sold gold for about the same amount to various central banks (especially Portugal, Spain and Rumania), to industry and the market in Switzerland.

### **3. The movements on the gold deposits of foreign central banks at the SNB in Berne.**

#### a) The gold deposits of the foreign central banks at the SNB in Berne

- Several central banks of continental Europe maintained one or more gold deposits at the SNB during the War. Table 4 lists these countries and also indicates the periods during which the gold deposits were maintained at the SNB.

#### b) Gold flows from the Reichsbank via Berne

- Our accounting records permit us to identify all movements in the gold deposits of the Reichsbank and the other central banks listed in Table 4 at the SNB in Berne. Table 5 summarizes the movements of the German gold in Berne. From 1940 to 1945, the German Reichsbank transferred gold to the value of 1,655 million Swiss francs to Berne. The SNB bought about three-quarters of this gold, worth 1 224<sup>5</sup> million Swiss francs (see point 2 above).
- Besides the SNB, Portugal was the most important buyer of German gold. Its purchases (215 million Swiss francs) took place between August 1942 and July 1944. Other major buyers were Sweden (for 88 million Swiss francs, acquired between January 1941 and January 1944), the B.I.S. (for 59 million Swiss francs, acquired between February 1940 and December 1944) and Rumania (for 51 million Swiss francs acquired between May and August 1944).

#### c) Gold transports to / from Switzerland

- As a consequence of the mutual payments imbalances, some central banks had to supply their deposits in Berne with gold. At the same time, others regularly accumulated surpluses. The result were numerous gold transports to/from Switzerland. Table 6 shows the major physical gold movements.
- The bulk of the gold deliveries originated from Germany. They took place from 14 February 1939 to 6 April 1945, to a value of 1,655 million Swiss francs. From 1941 on, France also sent substantial quantities of gold to Switzerland. On the other hand, Sweden and Italy only transferred gold to Switzerland sporadically.
- On the other hand, the central banks of Portugal, Spain and Rumania, which had accumulated large quantities of gold in their deposits in Berne, wanted to repatriate these stocks. Accordingly, our accounting records list 130 transports to Spain and Portugal.

Table 1

**The SNB's gold operations with other central banks from 1. 1. 1939 to 30. 6. 1945 (in millions of Swiss francs)**

	Reconstructed transactions	Figures compiled in 1946	Difference
<b>Net purchases from*</b>			
Germany	1,210.31	1,210.31	0.00
United States	1,178.15	1,178.16	-0.01
United Kingdom	579.95	580.05	-0.10
Italy	149.97	149.97	0.00
France	117.01	112.96	4.05
Sweden	74.51	74.06	0.45
Canada	65.28	65.28	0.00
Argentina	32.71	32.67	0.04
Greece	0.49	0.44	0.05
<b>Net sales to*</b>			
Portugal	451.50	451.50	0.00
Spain	185.15	185.15	0.00
Rumania	102.34	102.34	0.00
Hungary	16.27	14.57	1.70
Turkey	14.85	14.85	0.00
Slovakia	11.25	11.25	0.00
Japan	4.96	4.96	0.00
* Including the purchases and sales of the Exchange Stabilization Fund			
Valuation of 1 kilogram of fine gold : 4,639.13 Swiss francs until 30.06.1940 4,890.80 Swiss francs from 1.7.1940			

Table 2

**The SNB's net gold purchases (+) and sales (-) from 1. 1. 1939 to 30. 6. 1945 (in millions of Swiss francs)**

	1939	1940	1941	1942	1943	1944	1945	Total
Germany		65.1	141.2	424.0	370.4	180.2	29.5	1,210.3
Argentina			5.8		14.7	12.2		32.7
Canada				11.0	15.4	25.1	13.7	65.3
Spain				-74.3	-87.1	-16.1	-7.7	-185.2
United States*	-539.0	-395.9	831.2	669.1	168.4	341.0	233.2	1,308.0
France	-76.6	0.4	67.1	96.1			30.0	117.0
Greece			0.5					0.5
United Kingdom	-88.6	0.3	0.1	111.2	164.0	206.4	186.7	580.0
Hungary			-9.8		-5.7	-0.8		-16.3
Italy*				48.7	24.2	52.5		125.5
Japan							-5.0	-5.0
Portugal			-207.6	-275.2	2.5	28.8		-451.5
Rumania			-39.3	-4.6	-68.2	9.8		-102.3
Slovakia			-6.4			-4.9		-11.3
Turkey					-14.9			-14.9
Sweden			46.8	-2.3		10.0	20.0	74.5
B. I. S.	-1.5	8.8	17.1	-0.1		12.8	4.9	42.0
Swiss government		-20.0	-67.0	-128.0	113.1	-360.6	-356.1	-818.6
E. S. F.	104.4	211.0						315.4
Sales to industry			-6.3	-18.6	-24.5	-18.7	-12.3	-80.4
Sales to the market	-26.9	-55.8	-67.9	-170.4	-64.9	-96.2	-64.6	-546.6
Federal Mint	0.3						-3.6	-3.3
<i>Total net purchases</i>	<i>-627.8</i>	<i>-186.1</i>	<i>705.4</i>	<i>686.7</i>	<i>607.4</i>	<i>381.5</i>	<i>68.8</i>	<i>1,635.9</i>
<i>Annual changes in the balance sheet</i>	<i>-627.8</i>	<i>-88.4</i>	<i>705.3</i>	<i>686.7</i>	<i>607.4</i>	<i>381.5</i>	<i>68.8</i>	<i>1,733.5</i>
<i>Difference</i>	<i>0.0</i>	<i>-97.7</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-97.6</i>

*B.I.S. : Bank for International Settlements*

*E. S. F. : Exchange Stabilization Fund*

*\* Without the purchases and sales of the E.S.F.*

*Valuation of 1 kilogram of fine gold : 4,639.13 Swiss francs until 30.06.1940  
4,890.80 Swiss francs from 1.7.1940*

Figure 1

**Accumulated purchases from the Allies and the Axis countries from 1. 1. 1939 to 30. 6. 1945**

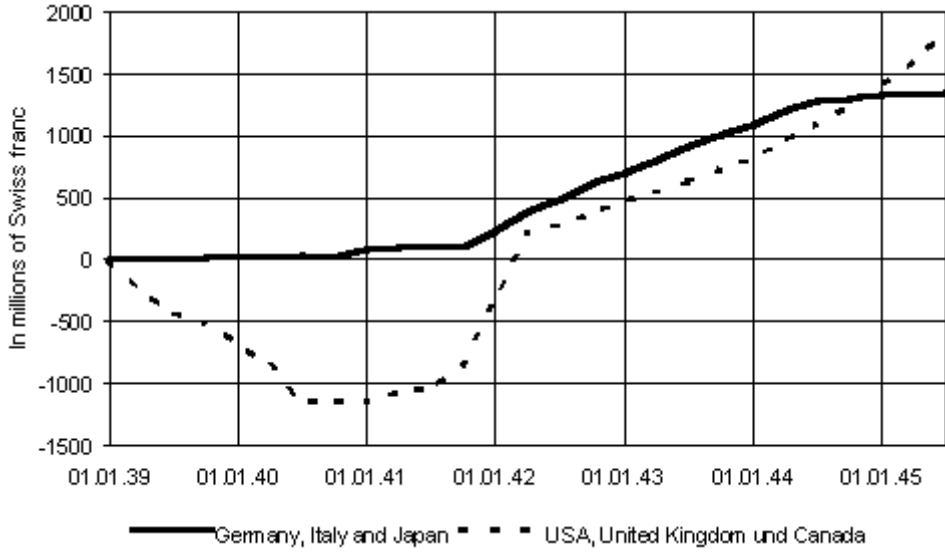


Figure 2

**Development of Swiss gold holdings from 1. 1. 1939 to 30. 6. 1945**

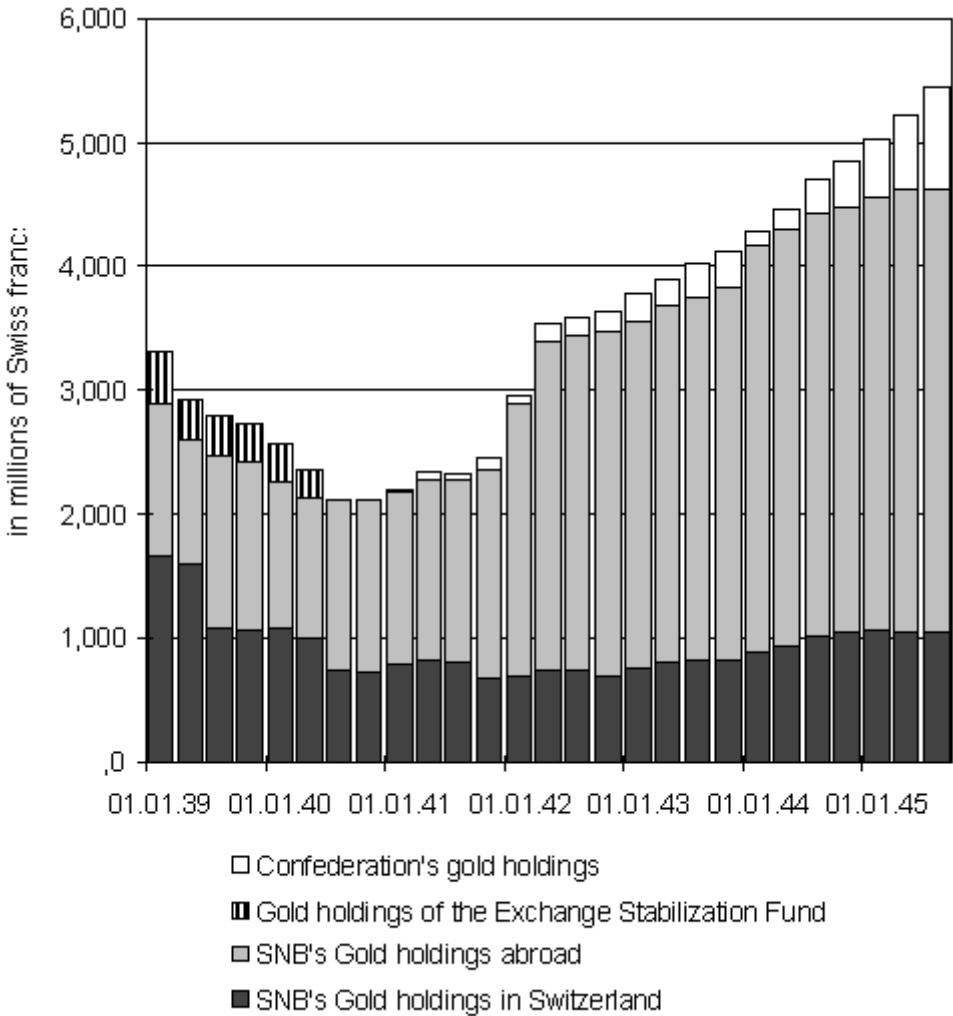


Table 3

**Changes in the SNB's gold holdings in Switzerland from 1. 1. 1939 to 30. 6. 1945 (in millions of Swiss francs)**

<b>Gold stock on 1 January 1939</b>			<b>1,654.1</b>
<b>Transfers of gold to New York (1939-1940)</b>			<b>-688.7</b>
<i>Net purchases</i>			
	Germany	1,210.3	
	Italy	125.5	
	Sweden	74.5	
	B.I.S.	14.3	
	Argentina	0.9	
	Greece	0.5	
	United Kingdom	0.1	
<b>Total net purchases</b>			<b>1,426.1</b>
<i>Net sales</i>			
	Portugal	422.2	
	Spain	185.1	
	Rumania	102.3	
	Hungary	16.3	
	Turkey	14.8	
	Slovakia	11.3	
	France	7.2	
	Japan	5.0	
	Sales to the industry	80.4	
	Sales to the market	533.2	
<b>Total net sales</b>			<b>-1,377.8</b>
<b>New valuation of the gold stock on 30 June 1940</b>			<b>33.7</b>
<b>Difference</b>			<b>-0.3</b>
<b>Gold stock on 30. 6. 1945</b>			<b>1,047.1</b>
Valuation of 1 kilogram of fine gold : 4,639.13 Swiss francs until 30.06.1940 4,890.80 Swiss francs from 1.7.1940			



Table 4

*List of central banks with a gold deposit at the SNB in Switzerland from 1. 1. 1939 to 30. 6. 1945*

<b>Central banks holding a gold deposit at the SNB</b>	<b>Time of activity</b>
Germany	full
B.I.S.	full
Croatia	1944
Spain	1942-1945
France	1941-1945
Greece	1941
Hungary	1939, 1941-1945
Italy	1939, 1944
Lithuania	1939
Holland	1941-1945
Portugal	1941-1945
Rumania	full
Slovakia	1941-1945
Sweden	1941-1945
Czechoslovakia	1939
Turkey	1943-1945
Yugoslavia	1939-1940

Table 5

*Gold flows from the German Reichsbank via Berne (in millions of Swiss francs)*

	1940	1941	1942	1943	1944	1945	Total	%
<b>Incoming:</b>								
Transfers from Berlin	103.2	192.9	487.5	588.0	257.3	15.7	<b>1654.6</b>	99.1
Central Bank of Turkey				15.0			<b>15.0</b>	0.1
<b>Outgoing:</b>								
SNB	67.1	142.7	428.4	374.2	182.1	29.8	<b>1224.2</b>	73.3
Central Bank of Portugal			42.0	137.8	34.9		<b>214.6</b>	12.9
Central Bank of Sweden		6.9	19.7	56.7	4.9		<b>88.2</b>	5.3
B.I.S.	20.3	6.4	5.4	13.3	13.6		<b>59.1</b>	3.5
Central Bank of Rumania					51.1		<b>51.1</b>	3.1
Central Bank of Slovakia		7.9			15.7		<b>23.6</b>	1.4
Central Bank of Spain				7.1			<b>7.1</b>	0.4
Others	-3.8		-0.1	5.7			<b>1.7</b>	0.1
<i>Valuation of 1 kilogram of fine gold : 4,920.63 Swiss francs</i>								

Table 6

*Major gold transports to / from Switzerland from 1. 1. 1939 to 30. 6. 1945 (in millions of Swiss francs)*

Years	1939	1940	1941	1942	1943	1944	1945
<b>Incoming</b>							
from Germany		103.2	192.9	497.5	588.0	257.3	15.7
from France			102.0	138.6	11.0		101.1
from Italy						53.1	
from Sweden			62.4				
<b>Outgoing</b>							
to Germany	61.4						
to Spain				75.0	95.0	18.7	
to Portugal			8.0	189.5	341.1	79.5	
to Rumania			27.3	16.2			
<i>Valuation of 1 kilogram of fine gold : 4,920.63 Swiss francs</i>							

<sup>1</sup>The 'Quartalsrapporte' were reports drawn up for the SNB's Governing Board by Department II (responsible for gold operations). They present an overview of the gold transactions at the end of each quarter.

<sup>2</sup>The inventory accounting consists of journals recording the amounts (weight and value) of entries and withdrawals of gold for every gold deposit.

<sup>3</sup>Cf. the reports drawn up for the Federal Council and the SNB's Governing Board in 1946.

<sup>4</sup>The Exchange Stabilization Fund was created in 1936 with the book profits of the devaluation of the Swiss franc. It consisted of a total of 540 million Swiss francs in gold, foreign currencies and Swiss francs. The Fund was dissolved on 30 June 1940.

<sup>5</sup>The differences between the figures in Tables 2 and 5 are the result of the different evaluation of a kilogram of gold on the account of the Reichsbank (4,920.63 Swiss francs) and that of the SNB (4,639.13 Swiss francs until 30 June 1940, 4,890.80 Swiss francs from 1 July 1940 on).