

Summary

	German external assets			Monetary gold		
	Allied estimates	Terms of accord with the Allies	Turned over to Allies/IARA	Allied estimates	Terms of accord with the Allies	Turned over to Allies/TGC
Argentina	\$200 million	N/A ¹	N/A	None	N/A	N/A
Portugal	\$36.8 million	\$418,000 in assets (October 1958 accord)	\$552,000 in escudos, other currencies ²	up to \$139.3 million (\$43.3-106.6 million looted) up to 123.8 tons (38.5-94.79 tons looted) ³	3,998 kgs \$4.5 million	3,998 kgs \$4.5 million, 1959
Spain	\$95 million	\$20 million in State assets \$21 million in private assets ⁴	\$32.8 million in all assets	up to \$138.2 million (\$30.3-98.7 million looted) up to 122.9 tons (26.8-87.7 tons looted) ⁵	101.6 kgs \$114,329	101.6 kgs \$114,329 (1948)
Sweden	\$90.7 million 378 million kroner	\$66.5 million ⁶ 275 million kroner	\$66.5 million	\$18.5-22.7 million looted ⁷	\$14.9 million ⁸	\$14.9 million (1949, 1955)
Turkey	\$51-71 million	N/A ⁹	N/A	\$10-15 million looted ¹⁰	N/A	N/A
Switzerland	\$250-750 million	\$58 million ¹¹	\$28 million	\$398-414 million (\$185-289 looted) (\$316 million looted according to Bergier Commission) ¹²	\$58 million	\$58 million, 1947

¹ Under the Act of Chapultepec, the Allies and Inter-Allied Reparations Agency (IARA) had no claim to German assets in Argentina. Argentina was entitled to vest those assets.

² Portugal's final payment to the IARA included about \$134,000 in escudos and other currencies.

³ According to the Swiss Independent Commission of Experts, "Gold Transactions in the Second World War: Statistical Review With Commentary," December 1997 [hereafter cited as SICE, "Gold Transactions"], pp. 14, 16, and 17, the Swiss National Bank sold to Portugal \$104.2 million in gold, and the

Reichsbank sold to the Portuguese National Bank via the SNB \$49.5 million in gold. According to an undated SNB paper, Portugal purchased 86.7 tons of gold directly from the Swiss National Bank, and 48.9 tons from the Reichsbank deposit at the Bank, a total of 135.6 tons of gold.

⁴ The 1948 accord with Spain did not obligate it to deliver an exact amount in liquidated private assets. Instead, the accord listed a complex formula for dividing up the proceeds as they were realized. The Allied portion came out to about 76 percent of the first \$24.1 million realized (\$18.3 million) and 30 percent of all proceeds over \$24.1 million. By the time the last assets were delivered to the IARA in 1959, the Spanish peseta had been drastically devalued, as reflected in the final payment of \$32.8 million.

⁵ According to SICE, "Gold Transactions," pp. 14, 16, and 17, the Swiss National Bank sold \$42.7 million in gold to Spain from the beginning of 1942, and the Reichsbank sold through the SNB to the Spanish National Bank \$20.4 million in gold. Regarding the estimate that all of the Reichsbank gold transferred to Switzerland from 1942 onward was probably looted, see footnote 12 below. According to the SNB paper of January 5, 1998, Spain purchased 38 tons of gold directly from the Swiss National Bank, and 1.4 tons from the Reichsbank deposit at the Bank, a total of 39.4 tons of gold. According to the report presented by the Spanish Commission to the London Conference on Nazi Gold, December 1997, p. 3, between 1939 and 1945, the Spanish Institute for Foreign Exchange (Instituto Espanol de Moneda Extranjera) acquired 38.594 tons of gold (about \$43.4 million) from the Swiss National Bank and 2.507 tons (about \$2.8 million) from the Banco Aleman Transatlantico. According to the report of the Spanish Comisión de Investigación of April 8, 1998, Spain acquired a total of 67.4 tons of gold (\$75.8 million) through the Foreign Exchange Institute. Of this amount, 38.6 tons (\$43.4 million) were bought from the Swiss National Bank, 14.9 tons from the Bank of England, 9.1 tons from the Bank of Portugal, .8 tons from the Bank for International Settlements, 2.5 tons from the Banco Aleman Transatlantico, 1.4 tons from the Banco Exterior de España. All the gold was in ingots of diverse origins; 56.9 tons of the gold were stored in the vaults of the Bank of Spain in Madrid, and 10.5 tons were deposited outside of Spain. The report asserts that during the War, the Foreign Exchange Institute made three purchases of gold directly from German institutions: the 2.5 tons from Banco Aleman Transatlantico in 1942, the 1.4 tons from the Banco Exterior de España in April 1944, and 3.4 tons of gold coins brought into Spain in July-August 1944 by SOFINDUS and sold to the Foreign Exchange Institute, for a total of 7.3 tons (\$8.2 million). German gold also entered Spain through the diplomatic pouch for the German Embassy (1.5 tons) and was smuggled in to finance the activities of SOFINDUS to purchase wolfram and other strategic minerals (12.8-16.1 tons). In no case were these official certified purchases of gold by the Foreign Exchange Institute.

In a letter of December 22, 1997, to Under Secretary of State Eizenstat, James R. Hennessy, Counsel to the Federal Reserve Bank of New York, reported that gold looted from Belgium and the Netherlands and re-smelted by the German Government into Prussian Mint bars, had been included in gold offered by the Spanish Government as collateral for loans totaling \$30 million from the National City Bank (now Citibank) in 1951. Of the \$30 million in gold collateral, \$10.9 million was determined by the National City Bank to consist of looted gold. According to Hennessy's letter and to copies of attached documents, the National City Bank was assured by the Treasury Department that the gold was tainted only in the hands of the first purchaser (Switzerland), had been disclosed by Spain at the time of the Allied-Spanish postwar negotiations, and was therefore eligible for purchase by the United States. Hennessy's letter also cites a 1949 letter from the State Department to the Chase National Bank asserting that no claim could be made against gold in Spain's account on the basis that the gold was looted and Spain was not limited in disposing of gold holdings that included looted gold. The Prussian Mint bars were duly transferred to New York, re-smelted into new bars by the U.S. Assay Office, and transferred to the National City Bank account at the Federal Reserve Bank. Hennessy's letter also reported that no information had been found in the records of the Federal Reserve Bank of New York to indicate that any of the Prussian Mint bars included victim gold.

⁶ Of the \$66.5 million, \$12.5 million (50 million kroner) was for the Intergovernmental Committee on Refugees (IGCR), \$18 million (75 million kroner) was for the IARA, and \$36 million (150 million kroner) was for a special fund in Sweden to purchase essential commodities for the German economy.

⁷ According to SICE, "Gold Transactions," pp. 14, 16, and 17, the Swiss National Bank sold no gold to Sweden, but the Reichsbank sold to the Sveriges Riksbank via the SNB \$20.4 million in gold and the Reichsbank transferred to the Sveriges Riksbank directly \$4.6 million in gold. The SNB paper of January 5, 1998, agreed that Sweden purchased no gold directly from the Bank, but did purchase 17.9 tons from the Reichsbank deposit at the Bank. In connection with the London Conference on Nazi Gold, the Swedish Independent Archives Inquiry presented its report to the Sveriges Riksbank in December 1997 and entitled "Sweden's Gold Transactions With Nazi Germany." This Swedish report (Sec. 1,3,3,2 in particular) presents a detailed accounting of gold acquisitions,

purchases, and transfers with the Reichsbank and calculates the total for the 1940-1944 period at 59,697 kilograms. Of this total, looted Belgian monetary gold totaled 7,311 kilograms and looted Dutch monetary gold totaled 8,607 kilograms. The Swedish report (Sec. 1,3, 4,3 and 1,3,4,4) confirms the May 1997 U.S. Preliminary Report's conclusion that postwar Swedish-Allied agreements resulted in the transfer of 7,155 kilograms (7.2 tons) of gold to the TGC in 1949 to settle the Belgian looted gold claim and the transfer of approximately 6 tons of gold to the TGC in 1955 to settle the Dutch claims.

⁸ The Allied-Swedish Accord of July 1946 envisaged the restitution by Sweden, pending certain additional fact-checking, of 7,155 kilograms of Belgian looted gold. The Accord also provided that other occupied countries could make claims for the restitution of looted gold until July 1947. The Netherlands made such a claim for the restitution of 8,607 kilograms of looted gold, and the Allied-Swedish negotiations on behalf of this claim eventually resulted in Sweden restituting in 1955 some 6 tons of gold, or three-quarters of the Netherlands' claim.

⁹ Because Turkey declared war on Germany in February 1945, it was not required to turn over any proceeds from liquidated assets.

¹⁰ According to SICE, "Gold Transactions," pp. 14, 16, and 17, the Swiss National Bank sold Turkey \$3.4 million in gold, and the Reichsbank sold to the Turkish Central Bank through the SNB \$3.5 million in gold and the Reichsbank transferred directly to the Turkish Central Bank \$5.7 million in gold. According to the SNB paper of January 5, 1998, Turkey purchased 3 tons of gold from the Swiss National Bank.

According to an undated "Gold Report" provided to Under Secretary of State Eizenstat on December 1, 1997, by Turkish Minister of State Sukru S. Gurel, in May 1943 the SNB, acting in response to a decision of the Central Bank of the Republic of Turkey (CBRT), purchased on behalf of the CBRT 3,048 kilograms of gold for 15 million Swiss francs (\$3.4 million). Because of the wartime difficulties in transporting gold, the CBRT accepted the offer of the Reichsbank to supply Turkey with 249 gold bars weighing 3,047 kilograms in exchange for which the SNB transferred 3,048 kilograms of its gold to the Reichsbank. The 249 Reichsbank bars were received by Turkey on June 3, 1943. The "Gold Report" reports two other instances of Turkish purchases of German gold. On July 6, 1942, the CBRT bought 2,017 kilograms of gold (about \$2.3 million) from the Reichsbank and ordered the Sveriges Riksbank and the SNB to credit their Reichsbank accounts with 4.5 million kroner and 5.18 million Swiss francs, respectively. The Report also describes how 223 kilograms of gold bars and 32,799 gold coins handed over by the German Embassy in Ankara to the CBRT via the Swiss Embassy at the end of the War were eventually all returned to the Deutsche Bank and the Dresdner Bank (100 kilograms of gold bars and 20,000 gold coins) and the Federal German Government (123 kilograms of gold bars and 12,799 gold coins), pursuant to a German-Turkish protocol signed in Bonn on November 3, 1960. In a report of March 5, 1998, Dr. D. Bourgeois of the Swiss Federal Archives transmitted a copy of the 9-page July 1, 1946, accounting of the gold, coins, and other valuables received from the German Embassy on April 16, 1945, and subsequently handed over to the Turkish authorities on February 28, 1946. A copy of this report was shared with William Slany by the Swiss Embassy in Washington.

According to the Turkish "Gold Report," gold assets at the CBRT rose from 27.4 metric tons in 1939 to more than 216 tons at the end of 1945. The Report points out that Turkey's foreign trade surplus for 1939-1946 totaled \$341.5 million, equivalent to 303.6 metric tons of gold, and explains the increase in Turkey's gold reserve.

¹¹ In 1947 the IARA reported that German assets in Switzerland totaled \$233 million and that only half that amount (\$116 million) would be subject to liquidation under the May 1946 Allied-Swiss Accord, which excluded certain categories of assets. The excluded categories (modified during 1946-1952) comprised assets of dual nationals and of Nazi persecutees, later extended to assets of less than 10,000 Swiss francs. Under the terms of the Accord, the Swiss and the Allies would each take half of the amount subject to liquidation, or \$58 million each. In 1952 the Allies and Switzerland, together with the new West German Government, agreed on a lump sum settlement of \$28 million in lieu of liquidation.

¹² According to SICE, "Gold Transactions," pp. 10, 12, and 22, the Reichsbank transferred to Switzerland \$450.4 million in gold between 1940 and 1945 while the Reichsbank transferred directly to other national banks \$92.4 million in gold and transferred another \$51.5 million to its branch banks, mostly in southeastern Europe for military and espionage purposes. According to the remarks of SICE Chairman Jean-Francois Bergier at the London Conference on Nazi Gold, December 3, 1997, all of the monetary gold transferred to Switzerland from 1942 onward (\$316 million) was probably looted.

Timeline of Trade, Belligerency, and Postwar Gold and Asset Negotiations and Agreements

Neutrals/ Non-belligerents ¹	Major exports to Germany	Other contributions to Germany	Contributions to Allies	Diminution of German military threat ²	Initial significant concession to Allied demands	When ceased exports to Germany	Declaration of war against Germany	When postwar negotiations began	Date of accord	When gold delivered	When assets delivered
Argentina (neutral, broke relations with Axis January 1944)	none	base for espionage, smuggling, propaganda	meat; shipping	N/A	N/A	January 1944	March 27, 1945	N/A	N/A	N/A	N/A
Portugal (pro-Allied neutral)	wolfram; cork	industrial diamonds; platinum; foodstuffs	wolfram (preclusive purchases); bases; protection of Jews	Fall 1943 ³	U.K-Portugal Azores access agreement (August 1943; effective October 1943)	June 1944	N/A	September 1946	October 1958 (March 1947 accord not implemented)	1959	1958
Spain (pro-Axis non-belligerent until neutrality October 1943)	wolfram; iron ore	Blue Division; industrial diamonds; platinum	wolfram, wool (preclusive purchases); food; rescue of Allied pilots	Fall 1943 ³	Franco declaration of neutrality; withdrawal of Blue Division (October 1943)	April 1944 (wolfram exports limited only; ceased in August)	N/A	September 1946	May 3, 1948 (gold) May 10, 1948 (assets)	1948	1948-1959
Sweden (neutral)	iron ore; ball bearings; wood products	transshipment of arms and troops; Baltic naval escorts	rescue of Jews and Allied pilots	Fall 1944 (<i>Summer 1943</i>) ⁴	Swedish abrogation of Swedish-German transit agreement (August 1943)	November 1944	N/A	May 1946	July 1946	1949, 1955	1946-1955
Turkey (non-belligerent, June 1940-February 1945)	chromite; fibers	access to Dardanelles	chromite (preclusive purchases); protection of Jews	Fall 1943 (<i>Summer 1944</i>) ⁵	Turkish willingness to enter the war (December 1943) (<i>Turkish break in relations with Germany, August 1944</i>) ⁷	August 1944 (chromite exports ceased in April)	February 23, 1945	September 1946	N/A	N/A	N/A
Switzerland (neutral)	food; arms; industrial products	finance; permitted transshipment of goods, arms, and troops	diplomatic representation; protection of some Jews and POWs; rescue of Allied pilots; Allied listening post	Fall 1944 ⁶	Swiss negotiation of an economic agreement with the Allies (Currie Mission, January-March 1945) ⁸	Some trade and gold transactions until end of war	N/A	March 1946	May 1946	1947	1948-1952

¹ For a discussion of the terms "Neutral" and "Non-belligerent," please see the Note on Neutrality printed above. When Argentina broke relations with Germany in January 1944, it acquired the same status as most of the other American Republics.

² The dates in this column are based on the historical evidence of the military situation in Europe; Germany's declining military capabilities after 1942; geographic factors such as terrain, road and rail nets, and port facilities; military capabilities of the neutral countries; and the Allied ability to come to their assistance, as corroborated by the Chief Historian, U.S. Army Center of Military History. German military dominance peaked late in 1942 and declined rapidly thereafter. By the summer of 1943, after repeated Allied offensive operations on multiple fronts, Germany lacked the resources to initiate new military campaigns. German operations, however, did not always reflect a rational military strategy or Germany's formal military capabilities. It is difficult to judge at what point the continental neutrals began to discount the threat of German force majeure. They may have feared invasion after the date when the Allies believed such an action to be beyond German capability. One good indicator of when the neutrals perceived that the threat from Germany was receding is the date of their first significant concession to Allied demands, as indicated in the next column. Other indicators can be found in the assessments made by U.S. military planners during 1943 and 1944 of the status of the continental neutrals in the context of German military strength. Three of these assessments, dated August 7, 1943, November 18, 1943, and September 9, 1944, based on available intelligence and the interpretations of U.S. military experts, provided information and background used in preparing this part of the chart. They give a broad, convenient summary of what the U.S. leaders understood of the military situation in Europe. The first two assessments are printed in *Foreign Relations, The Conferences at Cairo and Tehran, 1943*, pp. 453-467 and 214-232, respectively; the third is *ibid.*, *The Conference at Quebec, 1944*, pp. 237-244.

³ By the fall of 1943, the Germans had suffered a major defeat at Kursk on the eastern front; North Africa, Sicily, Sardinia, and southern Italy were in Allied hands; and the Germans were rushing available reserves into the Italian peninsula and the Balkans to replace Italian troops, especially after the surrender of Italy in early September 1943. Given the terrain and road nets of northern Iberia and the Balkans, it was always exceedingly difficult for Germany to support a major effort against Spain, Portugal, or Turkey because of the lack of supply routes. Moreover, the Allies' ability to intervene in Iberia was far superior to the Germans' because of their greater resources and dominant naval position, of which both Spain and Portugal were aware. Spain and Turkey also had sizable land armies and could have resisted a German effort of up to a dozen infantry divisions.

⁴ Until D-Day in June 1944, German troops in Norway could exert direct pressure on Sweden, and Germany still controlled the Baltic; moreover, German troops were in Finland until Finland sued for peace with the Allies in early September, after which the Germans retreated slowly into northern Norway, laying waste to Finnish territory. German capabilities in northern Europe declined after Normandy, but German troops remained in Norway until the end of the War. Sweden had one of the most capable armed forces of all the neutrals, which presumably gave it enough leverage to abrogate the transit agreement with Germany as early as August 1943, while still under military threat from German troops.

Other historians argue that any potential German threat to Sweden was clearly diminishing by August 1943. Swedish intelligence had access to German military and diplomatic communications to and from Norway through at least summer 1942 and had good knowledge of German intentions, capabilities, and limitations in Scandinavia. A German invasion of Sweden from Norway would have been difficult during the summer and impossible the rest of the year because of the climate, terrain, and lack of roads; the Swedish Navy in the Baltic was a solid deterrent to possible German naval action; and Sweden was well-informed about the German defeats on the Eastern front and the unraveling of the German-led coalition in the East.

⁵ As noted in footnote 3 above, by the latter half of 1943, Germany was fully engaged elsewhere. Moreover, Allied military leaders concluded by the fall of 1943 that German forces were on the defensive in the Balkans and foresaw no German offensive action in the area in 1944 against Turkey. In November 1943 Turkish military leaders, unhappy with the level of military assistance extended or promised to Turkey, refused the Allies on the grounds that if it entered the War, Germany and Bulgaria might attack Turkey's territory in Europe and its coastal cities. By refusing the Allies' demands to enter the War (until December 1943 at Cairo), Turkey acknowledged that a German attack was unlikely as long as it remained a non-belligerent.

Other historical analyses would set Summer 1944 as the date when the Turkish Government considered that it could discount the threat of German military action. These analyses interpret Turkey's refusal to enter the War in November 1943 as evidence of a real fear that the still considerable Axis forces in the Balkans represented a threat to Istanbul that could not be countered by Turkish military action.

⁶ During the War Switzerland, surrounded by Axis troops and dependent on imports for most of its food and fuel requirements, had been especially vulnerable. In September 1944, however, the Allies reached the borders of western Switzerland, and the failure of the German offensive in the Ardennes by the end of the year and German defeats elsewhere were well-known. Equally important, the Alpine terrain still controlled by the Germans around Switzerland made maneuvering particularly difficult.

⁷ At the Cairo Conference in December 1943, President Roosevelt and Prime Minister Churchill met with Turkish President Inonu and asked Turkey to enter the War. Turkey was willing if the Allies would broadly re-equip the Turkish army and air force. When the Allies refused and cut off further arms shipments to Turkey, Soviet Marshal Stalin dismissed Turkey's entry as unnecessary. An alternate historical analysis argues that Turkey's break in diplomatic relations in August 1944 is the first initial significant concession to Allied demands (despite Turkish agreement to cease chromite exports to Germany in April).

⁸ Switzerland agreed in January 1945 to receive the Allied Currie Mission to negotiate the establishment of Allied-Swiss economic relations; an agreement was signed on March 8, 1945. In April 1945, Switzerland held commercial discussions with Germany, giving assurances of its continuing concern with Germany's interests.

Neutral Countries' Supply of Germany's Major Resources

Chromite (used in hardening steel to make armor)			
German annual requirement	40,000-45,000 tons ¹		
	1942	1943	1944
What Turkey supplied (trade ended in April 1944)	None ²	44,000-46,000 tons	20,000-26,000 tons
-Percentage of German requirement	0%	100+%	50-65%
Iron ore (used in making steel)			
German annual requirement	10-20 million tons ³		
	1942	1943	1944
What Sweden supplied (trade ended in November 1944)	9-9.5 million tons	9-10 million tons	7 million tons
-Percentage of German requirement	45-90%	50-100%	35-70%
Wolfram (from which tungsten is derived, used in hardening steel to make machine tools, filaments, and armor)			
German annual requirement	3,200-3,500 tons ⁴		
	1942	1943	1944
What Portugal supplied (trade ended in June 1944)	2,038-2,220 tons	2,000-2,100 tons	900 tons
-Percentage of German requirement	58-69%	57-66%	26-28%
What Spain supplied (trade limited in May 1944; ended in August)	1,000 tons	1,120-1,200 tons	580-587 tons
-Percentage of German requirement	29-31%	34-50%	17-18%

¹ Albert Speer, *Inside the Third Reich: Memoirs*, translated by Richard and Clara Winston (New York and Toronto, 1970), p. 316; "Ferro-Alloys and Their Effect on Steel in the German War Economy, 1943 and 1944," June 1944, RG 169, Office of the Administrator, Records Analysis Division, Research Reports and Studies, Box 13; W.N. Medlicott, *The Economic Blockade* (London, 1959), vol. II, p. 656. The loss of the Balkans in early 1944 deprived Germany of 15-16 tons of chromite for that year, as well as easy access to Turkish chromite; thereafter, the supply of Turkish chromite became even more important.

² Britain, France, and the United States concluded agreements with Turkey to buy its entire production of chromite through 1942.

³ "Ferro-Alloys and Their Effect on Steel in the German War Economy, 1943 and 1944," June 1944, RG 169, Office of the Administrator, Records Analysis Division, Research Reports and Studies, Box 13; Medicott, *The Economic Blockade*, vol. II, p. 658. Medicott notes that in 1943, France supplied Germany with 7.9 million tons of iron ore, but in 1944 France and all other countries, except Sweden, supplied only 2 million tons. The high grade of Swedish iron ore made it especially important to Germany, and it was believed to be essential to Germany's armaments industry; Gerhard L. Weinberg, *A World at Arms: A Global History of World War II* (Cambridge, 1994), p. 73.

⁴ "Raw Materials Position of Enemy Europe," February 14, 1944, RG 169, Office of the Administrator, Records Analysis Division, Research Reports and Studies, Box 2; Medicott, *The Economic Blockade*, vol. II, p. 656; Herbert Feis, *The Spanish Story* (New York, 1948), pp. 219-220.