

IV-26/1

MULTILATERAL

Liquidation of German Property in Switzerland [1]

*Accord effected by exchange of notes
Dated at Washington May 25, 1946;
Entered into force June 27, 1946.*

*The Chiefs of the Allied Delegations to the Chief of the Swiss
Delegation*

WASHINGTON, D.C.
May 25, 1946

DEAR MR. MINISTER:

In the course of the discussions which have taken place, the Allied Governments, fully recognizing Swiss sovereignty, claimed title to German property in Switzerland by reason of the capitulation of Germany and the exercise of supreme authority within Germany, and sought the return from Switzerland of gold stated to have been wrongfully taken by Germany from the occupied countries during the war and transferred to Switzerland.

The Swiss Government stated it was unable to recognize the legal basis of these claims but that it desired to contribute its share to the pacification and reconstruction of Europe, including the sending of supplies to devastated areas.

In these circumstances we have arrived at the Accord which follows:

I

1. The Swiss Compensation Office shall pursue and complete its investigations of property of every description in Switzerland owned or controlled by Germans in Germany and it shall liquidate such property. This provision shall apply equally to the property of such other persons of German nationality as are to be repatriated.
2. The Germans affected by this measure shall be indemnified in German money for the property which has been liquidated in Switzerland pursuant to this Accord. In each such case an identical rate of exchange shall be applied.
3. Switzerland will, out of funds available to it in Germany, furnish one-half of the German money necessary for this purpose.

¹ Also TIAS 5059; *post*, p. 1131.

4.
trus
shal
erni
Con
app
5.
and

1.
Ger
men
the
clud
2.
pos
frar
erni
wai
agai
in c
Swi
regt

T
are

1.
in
wit
2.
as

T
Sta
and
are
Alb
Lux
the
rial

IV-26/2

4. The Swiss Compensation Office shall exercise the functions entrusted to it in close cooperation with a Joint Commission which shall be composed of a representative of each of the three Allied Governments, and a representative of the Swiss Government. The Joint Commission, as all interested private persons, shall have a right of appeal against the decision of the Swiss Compensation Office.
5. The Swiss Government will bear the cost of the administration and liquidation of German property.

II

1. Of the proceeds of the liquidation of property in Switzerland of Germans in Germany, 50 percent shall accrue to the Swiss Government and 50 percent shall be placed at the disposal of the Allies for the rehabilitation of countries devastated or depleted by the war, including the sending of supplies to famine stricken people.
2. The Government of Switzerland undertakes to place at the disposal of the three Allied Governments the amount of 250,000,000 Swiss francs payable on demand in gold in New York. The Allied Governments declare on their part that, in accepting this amount, they waive in their name and in the name of their banks of issue all claims against the Government of Switzerland and the Swiss National Bank in connection with gold acquired during the war from Germany by Switzerland. All questions relative to such gold will thus be regulated.

III

The procedures relating to the application of the present Accord are set out in the Annex.

IV

1. The Government of the United States will unblock Swiss assets in the United States. The necessary procedure will be determined without delay.
2. The Allies will discontinue without delay the "black lists" insofar as they concern Switzerland.

V

The undersigned representatives of the Governments of the United States of America, France, and the United Kingdom of Great Britain and Northern Ireland state that insofar as the preceding provisions are concerned, they are also acting on behalf of the Governments of Albania, Australia, Belgium, Canada, Denmark, Egypt, Greece, India, Luxembourg, Norway, New Zealand, the Netherlands, Czechoslovakia, the Union of South Africa and Yugoslavia, and, so far as it is material, the banks of issue of those countries.

IV-26/3

VI

In case differences of opinion arise with regard to the application or interpretation of this Accord which cannot be settled in any other way, recourse shall be had to arbitration.

VII

This Accord and the Annex shall take effect [1] upon their approval by the Swiss Parliament.

This Accord and the Annex have been written in English and French, both texts having the same validity.

Sincerely yours,

[Signature] [2]
[Signature] [3]
[Signature] [4]

Mr. WALTER STUCKI
Minister Plenipotentiary
Chief of the Swiss Delegation
Washington, D.C.

ANNEX

I

A. Property in Switzerland of Germans in Germany as defined under IV below, hereinafter termed "German property", shall be liquidated in the following manner:

a. Persons in Switzerland indebted to Germans in Germany shall be required to pay their debts into an account in the name of the Swiss Compensation Office with the Swiss National Bank and thus absolve themselves of liability.

b. All natural and juridical persons in Switzerland who in any form administer German property are to be required to surrender these assets to the Compensation Office. Such action will terminate their liability. The Compensation Office will liquidate the property and pay the proceeds into the account mentioned under "a".

¹ June 27, 1946.

² Randolph E. Paul, Chief of the United States Delegation.

³ Paul Chargueraud, Chief of the French Delegation.

⁴ F. W. McCombe, Chief of the United Kingdom Delegation.

in Sw
many
paid

liqui

to ca
ing t
to w

B
ance
nati
Ger
C
for
real
par
pro
sar
Ge
the
Ar
to
na
No
ot
Sw
G
la

i

t
l
a
(
i

IV-26/4

- c. The Compensation Office shall take title to all participations in Swiss enterprises or organizations belonging to Germans in Germany and shall liquidate them. The proceeds of liquidation shall be paid into the account mentioned under "a".
- d. The Compensation Office will similarly proceed with the liquidation of any other German property.
- e. The Joint Commission will give sympathetic consideration to cases, brought to their attention by the Compensation Office, relating to property of Swiss origin located in Switzerland and belonging to women of Swiss birth married to Germans and residing in Germany.

B. The Compensation Office will make every effort with the assistance of the Joint Commission to uncover all transactions of a cloaking nature whether by pawn, pledge, mortgage or otherwise, by which German property was concealed, and will ensure their annulment.

C. The Compensation Office will notify to the Joint Commission, for transmission to the competent authorities in Germany, the amount realized by the liquidation in each case of German property with particulars of the names and addresses of the German owners of that property. The competent authorities in Germany will take the necessary measures in order that there will be recorded the title of the German owners of the property liquidated to receive the counter value thereof in German money, calculated at a uniform rate of exchange. An amount equal to one-half of the total of the indemnities accruing to the German owners will be debited to the credit existing in the name of the Swiss Government at the "Verrechnungskasse" in Berlin. Nothing in this arrangement shall hereafter be invoked by one or the other party to this Accord as a precedent for the settlement of any Swiss claim upon Germany nor shall it be alleged that the Allied Governments thereby recognized any right on the part of Switzerland to dispose of the credit above mentioned.

II

- A. The Compensation Office will be empowered to uncover, take into possession, and liquidate German property.
- B. The Swiss Government shall carry out this Accord in collaboration with the Governments of the United States, France, and the United Kingdom. For this purpose there shall sit in Berne or Zurich a Joint Commission composed of representatives of each of the four Governments, which shall act by majority vote. The functions of the Joint Commission are enumerated below.
- C. The Compensation Office and the Joint Commission will enter upon their functions as soon as possible after the coming into force of the Accord.
- D. The Compensation Office will exercise its functions in collaboration with the Joint Commission. It will keep the Joint Commission periodically informed about its activities; it will reply to in-

IV-26/5

quiries submitted by the Joint Commission relative to the common objective, i.e., the uncovering, the census, and the liquidation of German property. The Compensation Office will consult the Joint Commission before making important decisions. The Compensation Office and the Joint Commission shall place at the disposal of each other all information and documentary evidence likely to facilitate the accomplishment of their tasks.

E. The Compensation Office shall as hitherto investigate the locus and status of items of property suspected by it or reported to it by the Joint Commission as being or believed to comprise a German property, or to be of doubtful or disputed bona fide Swiss ownership. The conclusions of the Compensation Office will be discussed with the Joint Commission.

F. The Compensation Office will settle, in general or particular, in consultation with the Joint Commission, the terms and conditions of sales of German property, taking into reasonable account the national interests of the signatory Governments and those of the Swiss economy together with the opportunity of obtaining the best price and of favoring freedom of trade. Only persons of non-German nationality who are in a position to present suitable guarantees will be permitted to participate in the purchase of such property, and all possible measures will be taken to prevent resales to German persons.

III

If the Joint Commission after consultation with the Compensation Office is unable to agree to the decision of that Office, or if the party in interest so desires, the matter may within the period of one month, be submitted to a Swiss Authority of Review. This Authority shall be composed of three members and shall be presided over by a Judge. This review will be administrative in form and the procedure shall be prompt and simple. The decisions of the Compensation Office, or of the Authority of Review, should the matter be referred to it, shall be final.

Nevertheless, if the Joint Commission is in disagreement with any decision of the Authority of Review, the three Allied Governments may, within one month, require the difference to be submitted to arbitration as follows: if the difference concerns matters covered by the Accord or the Annex or their interpretations, the difference may, if the Allied Governments desire, be submitted to an Arbitral Tribunal. This Tribunal shall be composed of one member designated by the three Allied Governments, a member designated by the Swiss Government, and a third member designated by the four Governments. Any such difference which is not of primary importance may, if the Joint Commission and the Compensation Office agree, be submitted for decision to the member of the Tribunal who has been designated by agreement of the four Governments, who in such cases will sit as the Arbitral Tribunal.

The
or pro
to con
The
The
ceeds

A.
includ
intere
Janua
by pe
not be

B.
sons
havin
than
of wh
prop
land
orga
Gern
Ge
1948,
Swis
patri
expr

TI
circu
diat
of G
be d
victi
on F

A
it is
Gov
Gov
zerl
of t

IV-26/6

The Arbitral Tribunal will not be restricted as regards the nature or proof of evidence produced before it and will have full jurisdiction to consider all matters of fact or law submitted to it.

The decision of the Arbitral Tribunal shall be final.

The expenses of the Arbitral Tribunal shall be a charge on the proceeds of the liquidation of German property, before their division.

IV

A. The term "property", as used in the Accord and this Annex, includes all property of every kind and description and every right or interest of whatever nature in property acquired before the first of January, 1948. For the purposes of the Accord sums paid or payable by persons in Switzerland through the German-Swiss Clearing shall not be regarded as German property.

B. The expression "Germans in Germany" means all natural persons resident in Germany and all juridical persons constituted or having a place of business or otherwise organized in Germany, other than those organizations of whatever nature the ownership or control of which is held by persons who are not of German nationality. Appropriate measures will be taken to liquidate the interests in Switzerland which German nationals resident in Germany have through such organizations and equally to safeguard substantial interests of non-German persons which would otherwise be liquidated.

Germans who have been repatriated before the first of January, 1948, or in connection with whom, before that date, a decision by the Swiss authorities has been taken that such persons should be repatriated from Switzerland, are to be considered as falling within the expression "Germans in Germany."

V

The Swiss Government undertakes, in recognition of the special circumstances, to permit the three Allied Governments to draw immediately up to 50,000,000 Swiss francs upon the proceeds of liquidation of German property against their share thereof. These advances will be devoted to the rehabilitation and resettlement of non-repatriable victims of German action, through the Inter-Governmental Committee on Refugees.

VI

A. Pending the conclusion of multilateral arrangements to which it is the intention of the three Allied Governments to invite the Swiss Government to adhere, and pending the participation of the Swiss Government in such arrangements, no German-owned patent in Switzerland shall be sold or otherwise transferred without the concurrence of the Compensation Office and the Joint Commission.

IV-26/7

B. No German-owned trademark or copyright shall be sold or transferred without the concurrence of the Compensation Office and the Joint Commission.

VII

The preceding provisions do not apply to property in Switzerland of the German State, including property of the Reichsbank and the German railroads.

HP
C. 14
7/12

WASHINGTON, D.C.
May 25, 1946

The C

LEGAT
WASH
D616

Mess
Au
ments
valou
capit
dans
disen
pés, I
Le
ment
sa ps
1. ...