Comparison: Hong Kong and Geneva

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Hong Kong: duress notes honoured

Hong Kong, occupied by Japan from December 1941 to August 1945, offers the closest comparison. There too the local currency was largely replaced by Japanese military notes. A certain amount of unbacked notes, signed by executives of the Hongkong and Shanghai Banking Corporation under duress, also went into circulation. These "duress notes" were validated by the bank in 1946, which paid the required sterling backing to the Exchange Fund over a number of years.[1] Holders of the Japanese military yen in Hong Kong received nothing, which placed them in the same position as the holders of banana money in Singapore. In the Treaty of Peace with Japan, signed at San Francisco on 8 September 1951, the Allied Powers waived the claims of their nationals arising from actions taken by Japan in the course of the war.[2] Hong Kong also enacted a Debtor and Creditor (Occupation Period) Ordinance in 1948 with a revaluation scale for occupation payments.[3]

The difference between the duress notes and the military yen illustrates a principle that recurs in this book. A note issued in the name of a private bank of standing could be honoured, because the bank chose to protect its name and its franchise. A

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note issued by an occupying army had no issuer willing to stand behind it once the army had gone. By honouring the duress notes, HSBC protected the name on which its note issue and its deposit business depended. In Malaya, the decision of the British Military Administration to give no value to the Japanese notes protected the reserves of the public currency board at the expense of the holders.

Geneva: neutrality, gold and the long reckoning

Geneva, as the parallel volume describes, experienced the war as an unoccupied city on the border of occupied France. The Swiss franc kept its value while Switzerland traded with both sides. The Swiss National Bank bought gold from the German Reichsbank, part of which came from the reserves of the central banks of occupied countries and from other spoliation. In the Washington Agreement of 25 May 1946 Switzerland agreed to pay 250 million francs towards the reconstruction of Europe, without recognising a legal obligation. The question of the assets of victims of Nazism remained open until the 1990s. It ended in the global settlement of 12 August 1998, under which the Swiss banks paid 1.25 billion US dollars.[4]

The two experiences differ fundamentally in the position of the financial centre. In Geneva the banks held the money of others, so that the reckoning concerned what they had done with it. In Singapore the community itself was plundered, which turned the reckoning towards what had been taken from it. The Swiss controversy arose because the banks had kept the accounts of victims without searching for their heirs. The Singapore controversy arose because an occupying power had extracted wealth through massacres, ransom and the printing press. Both reckonings came late: the Singapore settlement with Japan came twenty-one years after the war, the Swiss settlement fifty-three years after it.

Both cases nonetheless lead to the same conclusion, namely that a financial centre is judged by what happens to the money entrusted to it, or held within it, in a crisis. Geneva learned that discretion without responsibility towards the owners of dormant assets damages a reputation for generations. Singapore learned that a currency without credible backing, and property without the protection of law, can

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be wiped out in weeks. The institutions that each centre built after the war, from the Swiss rules on dormant assets to the full backing of the Singapore dollar, reflect these different lessons.

In figures

Japanese landings in Malaya and first bombing of Singapore: 8 December 1941. Japanese crossing of the Johor Strait: 8 February 1942. Surrender at the Ford Factory: 15 February 1942, 6.20 pm. Allied troops on the island: about 85,000, of whom about 80,000 became prisoners of war. Sook Ching: 18 February to 4 March 1942, with estimates of 25,000 to 50,000 dead in Singapore. Forced "gift": $50 million, of which $28 million was raised and the rest borrowed from the Yokohama Specie Bank at 6 per cent, with a final deadline of 25 June 1942. Malayan money supply during the occupation: ×25.1. Prices in Singapore: ×11,226.5. Rice: $5 to $5,000 per 100 catties. Real money balances in August 1945: 2.0 per cent of their initial level. Japanese surrender in Singapore: 12 September 1945. Crown colony: 1 April 1946. War crimes trials in Singapore: 131, from 21 January 1946 to 12 March 1948. War damage claims: about 200,000 by 1952. "Blood debt" rally: 25 August 1963, about 120,000 participants. Japanese settlement: S$50 million, 25 October 1966. Civilian War Memorial: 15 February 1967.

Notes

1. Hong Kong Monetary Authority, *Money Past and Present* (hkma.gov.hk, accessed November 2026): during the occupation (December 1941 – August 1945) the local currency was mostly replaced by Japanese military notes; unbacked notes signed by HSBC executives under duress went into circulation; "These 'duress notes' were validated in 1946 by the bank, which paid the required sterling backing to the Exchange Fund over a number of years." ↩
2. Treaty of Peace with Japan, San Francisco, 8 September 1951, Art. 14(b) (text consulted on Wikisource, November 2026): "Except as otherwise provided in the present Treaty, the Allied Powers waive all reparations claims of the Allied

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Powers", other claims of the Allied Powers and their nationals arising out of actions taken by Japan and its nationals in the course of the prosecution of the war, and claims for direct military costs of occupation. ↩

3. Hong Kong, Debtor and Creditor (Occupation Period) Ordinance 1948, with a revaluation scale in its Schedule; Legislative Council proceedings of June 1948 (legco.gov.hk). ↩

4. Ressos, *Genève, place financière internationale*, partie D, chapitre V, « La Seconde Guerre mondiale et les avoirs en déshérence » (manuscript, 2026), relying on the *Dictionnaire historique de la Suisse*, art. « Guerre mondiale, Deuxième »: the Reichsbank sold gold to the Swiss National Bank for 1.212 billion francs in total. Ressos, *Genève, place financière internationale*, partie D, chapitre V, relying on the *Dictionnaire historique de la Suisse*, art. « Washington, accord de »: agreement of 25 May 1946; Switzerland "versera 250 millions de francs pour contribuer à la reconstruction de l'Europe". Ressos, *Genève, place financière internationale*, partie D, chapitre V, relying on swissinfo.ch, « L'accord sur les fonds juifs a "libéré" la Suisse »: global settlement of 12 August 1998 for 1.25 billion dollars. ↩

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