

# Switzerland and the Eizenstat Report

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## I. The insolence of a foreign state secretary

A few weeks ago, the so-called "Eizenstat Report" was published in America. Prior to its publication, many politicians were trembling like rabbits confronted by a slithering snake. Critics within Switzerland were as pleased as small children. "Just wait 'til our big brother comes, then we'll show you", they threatened. And big brother came indeed!

Until then it had been both Swiss and foreign individuals, private organizations, and above all an American senator together with the head of the Jewish World Congress who had been ridiculing, disparaging, humiliating, threatening and demanding financial payments from our country. **With the Eizenstat Report, the polemics have taken on new a dimension.** According to his report, Stuart Eizenstat, the American Special Envoy of the Department of State, received his mandate from President Clinton. In other words, he is **officially** pronouncing judgment on our country **in the name of the American state.** Let me repeat: **A foreign state has chosen to render judgment on our country. That is why this verdict must be subjected to especially close scrutiny.**

Let me ask you: **how can a foreign state even conceive of the idea of sitting in judgment on the more than fifty year old history of another sovereign state?** Conversely, what would happen in America if Federal Councillor Cotti would suggest to his Department of Foreign Affairs: "I have the feeling that before and after the Second World War and during the Vietnam War certain things went wrong for the Americans. Write a report for me so that I can give the Americans a helping hand in reappraising their history." The most restrained of reactions from the United States would justifiably be an outcry of indignation and sharp diplomatic protest. Contrary to every custom under international law, however, our Federal Council allows our diplomats to trot from one hearing to the next. **Why does the Federal Council not repudiate, once and for all, this treatment of a sovereign state? And why does the Federal Council receive those representatives of private foreign organizations and associations, who have been constantly offending our country, like members of an official state delegation?**

What is this Eizenstat Report actually all about? It is divided into a short introductory section with a foreword by Under Secretary of Commerce Stuart Eizenstat and a section of some 500 pages which includes the actual report and documentation. The report, which was compiled in seven months, is based exclusively on material in American archives, taking practically no account of more recent specialized studies. Many media have asserted that the report is based on an examination of some 15 million pages of documents. In reality, according to Eizenstat, one has just begun to review these 15 million pages.<sup>1</sup>

**Although a great many specialists collaborated on it, the weighty publication brings little in terms of new knowledge for the reasonably well-informed contemporary. Eizenstat's summarizing commentary nevertheless, unburdened by historical fact, presents itself in a manner towards a foreign state which is schoolmasterish, smug, and highly presumptuous.** Numerous of his so-called "insights" are devoid of any proof and even lack substantiation from the report itself. Contrary to advance notice, **the introduction concentrates essentially on Switzerland** and largely obscures the role of the Allies and of other neutral states. **Eizenstat's evaluation is of special interest because it is the only part which will be read by many and because it has received the most attention from abroad.** As a result, it should be considered somewhat more closely.

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<sup>1</sup> Kreis, Georg: Ringen um das "richtige" Geschichtsbild, Fragen zum jüngsten Deutungsversuch [Struggle to establish the "right" version of history, questions on the most recent attempt at interpretation], in: "Neue Zürcher Zeitung", May 17/18, 1997, p. 87

## II. An attack on our neutrality, an affront to international law

Mr. Eizenstat describes neutrality as "immoral". It is noteworthy that Eizenstat nevertheless allows the neutrality of Swiss conduct during the Second World War. It is noteworthy because in this country - contrary to the corroborative facts - some claim the Swiss basically cooperated with the Nazis.

What can be deduced from the outrageous accusation of **immoral neutrality**? Eizenstat devotes not a single word to the fact that ours was an armed neutrality defended by some 800'000 soldiers <sup>2</sup> or to the fact that Switzerland even had an army. **He overlooks the fact that Switzerland's neutrality was not a momentary attitude during the Second World War, and did not arise from opportunism or for other dubious reasons. Rather it is a historical state maxim, founded in international law, which basically began in Marignano in the sixteenth century, has been maintained since the Thirty Years War, and has been an integral part of international law since the Congress of Vienna in 1815.** <sup>3</sup>

**Today Switzerland is being accused of the mistake of not having participated in the war.** With all due respect for the immense contribution of the United States of America and its allies in liberating Europe, we must not forget that after the First World War, the U.S. was the leading mentor of the fateful Treaty of Versailles which in turn prepared the ground for the war in Europe which followed. **Shortly thereafter, the U.S. left Europe to its own devices,** and even after the outbreak of the Second World War was still pursuing a **policy of "non belligerency". Had the Japanese not attacked the United States at the end of 1941, this powerful nation would also have stayed out of the war. Conversely Switzerland, as an armed neutral country, would have entered the war, just as the United States, did if it had been attacked by the Germans.** <sup>4</sup>

Switzerland did not simply stay out of the war. Instead it was ready to help all peoples afflicted by war. It voluntarily assumed countless humanitarian efforts and, with the mandate of a protective state, represented 43 nations accounting for four fifths of the world's population. Without neutrality, all of this would have been inconceivable. **Swiss neutrality thus served not only its own purpose but to a great extent that of the world as well.**

The United States also had a great appreciation of Swiss neutrality during the Second World War. It entrusted our country with the safeguarding of its diplomatic interests vis-à-vis Germany and eleven other hostile states. <sup>5</sup> It conferred the responsibility for the protection of its prisoners of war throughout the world to Switzerland, <sup>6</sup> and it even conducted its extensive European espionage network from the safety of Swiss soil! Today, at a distance of more than fifty years, Eizenstat judges our neutrality to be "immoral". Under similar conditions of foreign animosity in 1914, Carl Spitteler, the Swiss Nobel laureate in literature, called upon the Swiss to **"Do what you should and disregard the consequences".** <sup>7</sup> **It was not necessary to go into a lengthy explanation as to what should be done: Keep a firm hold on perpetual neutrality. One thing was clear at the time, and is still clear today: If we formulate our highest state maxim according to the will of foreign powers rather than the will of the Swiss people, our country as a sovereign state is lost!**

Eizenstat's accusations are not new. There were, and there still are, people who reject neutrality, not only outside of our country but within it. The concept of neutrality is deeply embedded in the Swiss people. But such is not necessarily the case with our politicians and our government. And such has

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<sup>2</sup> Opening speech of the Swiss delegate Walter Stucki to the Washington negotiations, March 18, 1946, in: Bonjour, Edgar: Geschichte der schweizerischen Neutralität, vol. 9, Basel 1976, p. 318

<sup>3</sup> See also Bonjour, Edgar: Geschichte der schweizerischen Neutralität [History of Swiss neutrality], 6 vols. and 3 vols. of documents, Basel 1965-1976. Also more recently Chevallaz, Georges-André: Die Herausforderung der Neutralität, Diplomatie und Verteidigung der Schweiz 1939-1945 [The challenge of neutrality, diplomacy and defence of Switzerland, 1939-1945], Zurich 1997.

<sup>4</sup> Bonjour, vol. 9 (1976), p. 317

<sup>5</sup> Rings, Werner: Advokaten des Feindes, das Abenteuer der politischen Neutralität [Advocate of the enemy, the adventure of political neutrality], Vienna/Düsseldorf, 1966

<sup>6</sup> Letter of January 1945 from Franklin D. Roosevelt, President of the United States of America, to Eduard von Steiger, President of the Swiss Confederation: "We are deeply obliged for the help which your government has offered to us in connection with our men in German captivity and in other ways." Schweizerisches Bundesarchiv, 2001 (E), 2/555

<sup>7</sup> Spitteler, Carl: Unser Schweizer Standpunkt [Our Swiss point of view], lecture given to the Zurich group of the Neuen Helvetischen Gesellschaft on December 14, 1914, Zurich 1915, p. 14

not always been the case with higher military officers. In these circles, it is considered to be an overly simplified answer, as they say, to the question of an increasingly "integrated globalised world". **Whoever analyzes it, however, discovers negligence, incompetence, convenience and a craving for status lurking behind it.** Our neutrality, which has grown over centuries, is in no way simple but rather unbelievably demanding. Professor von Salis, in citing the remarks of a French author with regard to Switzerland, said that "It takes a good measure of heroism to be able to move as little as possible on such a restless and troubled globe".<sup>8</sup> **Neutrality forces us to repeatedly explain this abroad. We must make it clear anew to foreign countries that Swiss neutrality cannot be suddenly discarded or decisively changed without detrimentally affecting our entire national coexistence.**

The icy breeze which is blowing from America **results in good part from the lack of knowledge of Swiss history and political characteristics.** Our foreign policy, which for years has been gazing almost exclusively and spellbound towards Brussels, and is totally preoccupied with European relationships, is being avenged. Important contacts with the United States have been grievously neglected and early warnings from the Swiss ambassador were not taken seriously.

Once again it must be emphasized that Switzerland is a federalistically assembled association of cantons which formerly had far-reaching sovereignty. Our confederation is not held together by a common language nor common ethnic background, nor by a predisposed geography nor concurring religious denomination. It is held together **solely by a common history which has been lived through together.** Switzerland consists of rural and urban cantons. It is located in the centre of Europe and already in the past, if it wanted to safeguard its existence as a small state, it could **do nothing other than to stay out of foreign hands. The understanding for our neutrality, especially in cases of conflict, must be constantly renewed. For each party to a conflict, the neutral state is neither enemy nor friend. The neutral state stands between two fronts. Both sides encounter it with mistrust.** In 1940, National Socialist Germany described armed Swiss neutrality as "fully outdated by events and incompatible with the new order in Europe".<sup>9</sup> Even the United States declared in 1937 that, in view of the "epidemic of lawlessness", it is no longer possible for anyone to be neutral. The **Swiss writer Carl Spitteler**, in his well-known speech "**Our Swiss Point of View**", said "**We must keep in mind the fact that basically no member of a belligerent nation can consider a neutral attitude as legitimate. With an enormous effort, it can do so with the intellect, but not with the heart. We affect it like apathy in a house of mourning. We are certainly not indifferent. I call upon you, with all of your feelings, to show that we are not indifferent. Alone the fact that we do not stir makes us appear to be indifferent. Our mere presence provokes annoyance. Initially it has the effect of being awkwardly disconcerting, then of gradually stimulating impatience, and finally of becoming objectionable, detrimental and offensive.**" These words were spoken by Carl Spitteler in 1914! **They were valid for the Second World War, and they are still valid today.** It almost appears as if Spitteler were referring to an American state secretary of recent months when he speaks of the voices and writings which are being directed at us from abroad, "**for the most part excessively loud in tone, often in the form of command, and from time to time even enraged**". That sort of thing misses its mark. It is not very appealing to have the impression we were meant to be devoured. "**Have these men lost their feelers that they no longer sense how one speaks, and does not speak, to other people?**"<sup>10</sup>

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<sup>8</sup> Salis, Jean-Rodolphe von: Grenzüberschreitungen, ein Lebensbericht [Border crossings, report on a lifetime], 4th ed., vol. 2, Zurich 1974, p. 114

<sup>9</sup> Bonjour, vol. 5 (1970), p. 137

<sup>10</sup> Spitteler (1915), p. 13 ff

### III. The reproach of "legalism": power versus law

The main reproach raised in the United States is related to the conduct of Switzerland after the war. It was not only uncooperative, but even stubborn and selfish. Mr. Eizenstat speaks of a "legalizing" attitude. Ladies and gentlemen, now it becomes dangerous. **What does "legalism" mean exactly?** It means nothing other than the strict adherence to law! **In this case, it relates to the sovereignty of a small state. Because the small state has only the law on its side, and not the power.** Much more than one of the great powers, the small nation must abide by the laws negotiated between states with painstaking exactitude. And conversely, it must courageously demand, if need be displeasingly, persistently and legalistically, that the powerful nations comply with the law. **The small state may not bow to pressure, to a fashionable zeitgeist, or to a momentary trend. The small state, limited in its power, has little to offer in terms of grandiose gestures and ponderous phrases.** It is discomfiting for the increasingly numerous "visionaries" and moralists in our politics who suffer under the small state because it painfully limits their extravagant daydreams. No, in agreements with other states, we Swiss must laboriously revert to innumerable paragraphs in order to maintain our rights. "Pea counting", as the negotiation of international treaties is contemptuously known today.

In 1946, Switzerland stubbornly countered the political power of the Allies in Washington with Swiss and international law. It must be emphasized that **armed neutrality is not an arbitrary Swiss eccentricity but it is perpetual and recognized under international law.** It dispels the mistrustful prejudice that the Swiss sympathized with the Nazis. Walter Stucki, as head of the Swiss delegation at the time, said, **"We do not want to conceal, and we cannot conceal, that it would be incomprehensible in our case if large and powerful countries who have led and won the war for freedom and democracy were to use pressure against our small and economically powerless country. Until now we have been accustomed to other treatment".**<sup>11</sup> Our diplomats resolutely fought for the release of Swiss assets in the United States and the repeal of the arbitrary "Black List". Switzerland also appealed to the principles of law with regard to the question of German assets. After the war, the Western Allies passed laws according to which the assets of German citizens were seized for the benefit of the Allies. Although Switzerland was threatened with the blocking of Swiss funds abroad, it steadfastly refused to adopt these measures. Not all Germans, those who had long been living in Switzerland for instance, should be treated without exception as Nazis and war criminals and robbed by the victors.<sup>12</sup> **Although it would have been easier and more advantageous economically, Switzerland refused to compromise and in doing so to relinquish its legal foundation.** Our country finally came to an agreement with the Allies in 1946. According to the terms of the **Washington Accord**, Switzerland, without acknowledging any guilt, paid the Allies gold valued at 250 million francs. **In addition, it had to surrender a part of German assets which were in Switzerland, whereby Switzerland as a constitutional state allowed a compensation claim to the Germans concerned.** In Switzerland, the **Washington Accord** was considered to be **highly unjust and humiliating.** To say today that the small state of Switzerland cunningly duped and outwitted the fully unsuspecting Allied powers in these negotiations is absolutely ridiculous. **A re-negotiation of the Washington Accord is absurd and would, if at all, turn out in favour of Switzerland.** This is especially true if one considers that Portugal, which had been feverishly piling up gold under a fascist government, did not have to hand over a single gram. And Austria and Italy, comrades in arms during the war, received gold by the tons from the Allies when the war was finished.

**With regard to dormant assets, Switzerland strictly abided by international private law in the post war years.** This stated that the last country of domicile of a person presumed to be dead had claim to heirless assets. In 1962, Parliament passed a federal law to the effect that the banks were obliged to report dormant assets to an office of the federal government. This office was able to account for about 10 million francs, of which three-fourths went to the appropriate heirs and the remainder to the Swiss-Israeli community and to the Swiss Refugee Fund. In 1995/96, another 40 million in dormant accounts was reported, of which no more than 10 million could have belonged to Holocaust victims.<sup>13</sup>

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<sup>11</sup> Bonjour, vol 9 (1976), p. 319

<sup>12</sup> Castelmur, Linus von: Schweizerisch-alliierte Finanzbeziehungen im Übergang vom Zweiten Weltkrieg zum kalten Krieg, die deutschen Guthaben in der Schweiz zwischen Zwangsliquidierung und Freigabe (1945-1952) [Swiss-Allied financial relationships during the transition from the Second World War to the Cold War, German assets in Switzerland between forced liquidation and release (1945-1952)], Zurich 1992.

<sup>13</sup> Hug, Peter / Perrenoud, Marc: In der Schweiz liegende Vermögenswerte von Nazi-Opfern und Entschädigungssabkommen mit Oststaaten [Assets of Nazi victims in Switzerland and compensation agreements with Eastern

In my opinion, a new solution must be found for those cases in which the victim and the heirs could not be granted legal redress, and the purpose must be clearly stipulated. Today it is unclear if injustices were committed in relation to dormant assets. If such is the case, it must be rectified with compensation according to the basic principles of law. <sup>14</sup> **The Swiss people as a whole have nothing to do with it. They had nothing to do with it 50 years ago, and they have nothing to do with it today!**

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states], Bunderarchiv-Dossier 4, Bern, December 13, 1996 / January 1997. Picard, Jacques: Die Schweiz und die Vermögen verschwundener Nazi Opfer, die Vermögen rassistisch, religiös und politisch Verfolgter in der Schweiz und ihre Ablösung von 1946 bis 1973 [Switzerland and the assets of missing Nazi victims, assets in Switzerland of victims of racist, religious and political persecution and their redemption between 1946 and 1973], in: Die Schweiz und die Flüchtlinge 1933-1945 [Switzerland and the refugees 1933-1945], Studien und Quellen 22, Zeitschrift des Schweizerischen Bundesarchivs, Bern 1996, p. 271-324. Schneider, Richard Chaim: Die Schweiz will vom 3. Reich nichts wissen [Switzerland wants to have nothing to do with the Third Reich], in: Koch, Peter Ferdinand: Geheim-Depot Schweiz, wie die Banken am Holocaust verdienen [Secret depot Switzerland, how the banks profited from the Holocaust], Munich/Leipzig 1997, p. 227-265

<sup>14</sup> For various examples see Balzli, Beat: "Treuhänder des Reichs", die Schweiz und die Vermögen der Naziopfer, eine Spurensuche ["The Reich's trustee", Switzerland and the assets of Nazi victims, searching for traces], Zurich, 1997

## IV. Switzerland's outstanding war-time economy and foreign trade

We are coming to another point in Eizenstat's foreword, to that of Switzerland's trade relations with Germany and with the Allies. Trade relations with national socialist Germany were self-evident for all nations. Who should know this better than the United States! All large American companies maintained especially intensive trade relations with Germany. Before Hitler seized power, they filled the party coffers with 128 million Reichsmark and helped to arm and motorize the forces of the German Reich. American managers even accepted the distinguished Verdienstkreuz, the highest Nazi decoration awarded for military or other service.<sup>15</sup>

**It must once again be emphasized that the foreign trade with Germany and with Nazi-occupied countries was of vital significance to Switzerland. Switzerland was encircled by the Axis powers. It lacked both mineral resources and an outlet to the sea and, as a highly developed location for industry and services, it was dependent on foreign raw materials and financial relations. This was especially true during the war.** It was the import of weapons, coal, iron and gasoline that facilitated the necessary defence efforts, the systematic modernization of the army, and the impressive reinforcement of the 'réduits'. **For Switzerland it was not a matter of winning or losing the war but rather one of surviving it.** As an internationally active industrialist, I am well aware that the roots of Swiss prosperity are in foreign trade. **If today, in addition to the achievements of our foreign trade delegates, it is both warranted and gratifying.** Federal Councillor Stampfli, the capable head of national economic policy, was justifiably disappointed during the war when the enormous efforts of international economic negotiations were not given due recognition at home.<sup>16</sup> Its work of resistance was not outwardly visible, and for the sake of the matter should not have been so.

Today everyone is talking about the trade policy of that time, but the contribution of those who were responsible for it has not been acknowledged. On the contrary, they are being blamed for their untiring efforts. After having worked closely with our foreign trade during the Second World War, I am deeply impressed by the achievement of those economic diplomats.<sup>17</sup>

A vast responsibility weighed heavily on the shoulders of a few. They negotiated for years in London under great psychological and physical strain. Swiss negotiators spent many a night in air-raid shelters in Berlin with a hail of bombs overhead.<sup>18</sup> **They had the essential task of keeping the import and export routes open,** of bringing raw materials and food into the country and, through the export of semi-finished and finished products, of safeguarding jobs.<sup>19</sup> **It was a matter of protecting the Swiss people from hunger, cold, and large scale unemployment. In wise anticipation, our country prepared for war not only in terms of armaments technology but at the same time by system-**

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<sup>15</sup> The Shell Company alone was said to have paid 50 million Reichsmark to NSADP. Koch, Peter Ferdinand: *Geheim Depot Schweiz, wie Banken am Holocaust verdienen* [Secret depot Switzerland, how the banks profited from the Holocaust], Munich/Leipzig 1997, p. 75. He mentions the close cooperation between General Electric and Krupp, or between General Motors and Opel, and the great interest of the Ford Corporation in the German market. Trepp, Gian: *Die Bank für internationalen Zahlungsausgleich im Zweiten Weltkrieg, Bankgeschäfte mit dem Feind, von Hitlers Europabank zum Instrument des Marshallplans* [The Bank for International Settlements in the Second World War, banking transactions with the enemy, from Hitler's Eurpabank to an instrument of the Marshall Plan], 2nd ed., Zurich 1996, p. 76 ff

<sup>16</sup> Gautschi, Willi: *General Guisan, die schweizerische Armeeführung im Zweiten Weltkrieg* [General Guisan, the leadership of the Swiss army in the Second World War], Zurich 1989, p. 434. See also Hafner, Georg: *Bundesrat Walter Stampfli (1884-1965)* [Federal Councillor Walter Stampfli (1884-1965)], Dissertation, Olten 1986, especially the chapter "Kriegswirtschaft" [Wartime economy], p. 251-363. Stampfli says: "I am not at all interested in what are descendants are going to say. I am much more interested in what the present generation would say if it had no coal and nothing to eat."

<sup>17</sup> *Handelsabteilung und Handelspolitik in der Kriegszeit* [Department of commerce and trade policy during wartime], in: *Die Schweizerische Kriegswirtschaft 1939-1948* [The Swiss wartime economy 1939-1948], Bern 1950. Inglin, Oswald: *Der stille Krieg, der Wirtschaftskrieg zwischen Grossbritannien und der Schweiz im Zweiten Weltkrieg* [The silent war. Economic warfare between Great Britain and Switzerland during the Second World War], Zurich 1991. See also Schaffner, Hans: *Die Handelspolitik der Schweiz im Zweiten Weltkrieg* [The trade policies of Switzerland in the Second World War], in: "Neue Zürcher Zeitung", February 8/9 1997, p. 91

<sup>18</sup> Homberger, Heinrich: *Schweizerische Handelspolitik im Zweiten Weltkrieg, ein Überblick auf Grund persönlicher Erlebnisse* [Swiss trade policy in the Second World War, an overview based on personal experience], Zurich 1970 (1st ed.) und 1997 (2nd ed.), p. 80. 85. 87, 91

<sup>19</sup> See the introduction to the report of Homberger, 2nd ed. (1997)

**atically building up an organization for wartime economy.** The difficulties during the war were enormous, negotiations - often conducted separately with three or four parties - were lengthy and frustrating. **The Second World War was not only a military and political war, it was also an economic war.** Each of the belligerents tried to integrate a neutral Switzerland into its blockade. Neutrality, however, imposed economic relations with all sides which were as normal as possible, pre-programming enormous tensions. The Axis powers tried to extort the most far-reaching concessions possible from a surrounded Switzerland, the Allies viewed our trade with Germany with constant mistrust. Trade with the Allies on the other hand, including the supplying of goods from overseas, was only possible if the encircling Axis powers allowed the goods to pass. Trade agreements were repeatedly concluded with both of the warring parties. But in times of war, the law of the unexpected rules. Sometimes negotiations lasted beyond the validity of an agreement. **In 1943 there were uneasy months of a 'treatyless' state with Germany and at the same time all imports from England and the United States were blocked.** Economic warfare meant blockades and counter blockades, it meant arbitrary "black lists" of companies which were trading with one or another of the enemy. If one of the war parties eased its hold on Switzerland and granted concessions, the other reacted with countermeasures. Each concession from one side was sooner or later met with some sort of punishment from the other. Willingness to compromise on the part of the negotiating parties changed according to the course of the war. **Military defeat increased the readiness to negotiate with the neutrals, military success catapulted demands beyond reach.** In the preliminary stages of the war, the federal government passed a resolution which generally prohibited the export of weapons and ammunition. The governments of France and Great Britain were the ones at the time which urgently requested reconsideration. Until the summer of 1940, practically all deliveries of Swiss weapons went to these two countries. Later a temporarily triumphant Germany demanded similar rights.<sup>20</sup>

Mr. Eizenstat claims that Germany's ability to threaten neutral states was considerably diminished as of mid 1943. And he accuses Switzerland of not participating in the Allies' economic sanctions against Germany thereafter. **In April of 1944, the Allies conveyed an order to the neutrals to break off all trade relations with Germany. Had Switzerland complied, it would have violated international law.**<sup>21</sup> Eizenstat also appears to have forgotten that Switzerland, until the **fall of 1994**, was a Nazi enclave. Following the dismissal of Mussolini and the capitulation of the Italian army in the fall of 1943, the situation even intensified because the Germans now occupied all of upper Italy and the harbour of Genoa. Instead of the occasionally accommodating Italians, they also assumed control of Switzerland's southern border. In 1944, the Nazis were still able to invade Hungary and wreck havoc and bloodshed there. The fact that the Germans undertook the large scale Ardennes offensive in December of 1944, which could just as well have gone through Swiss territory, also seems to have escaped Eizenstat. For the Allies this meant one of the last far-reaching dangers of warfare. **Even if the Western Allies had wanted to richly reward us with supplies for breaking with Germany, the intact German counter blockade would not have let the goods pass through.** The Allies never offered to supply an encircled Switzerland by means of an airlift. **Whoever believes that Switzerland should have given up its neutrality at that moment, because the fortunes of war had changed to the side of the Allies, has understood nothing of the state maxim of perpetual armed neutrality!**

In important trade exchanges with Germany, one resorted to the means of **clearings**. Switzerland granted credit to Germany in an amount of more than a billion francs, tied to the purchase of Swiss goods. **Switzerland skilfully played out its trump: an intact, efficient and competitive industry, a functioning system of credit, and the control of the most important tunnels through the Alps.** Together with gold and currency transactions, it acquired a trade weapon, a certain position of strength, which was not to be underestimated. **Switzerland was therefore no longer at the mercy of German coercion.**

The more that victory tilted to the side of the Allies, the greater the pressure to break off trade relations with Germany. **To the surprise of the Allies, Switzerland was able to show that the balance of trade with Germany resulted in a clear surplus in favour of Switzerland.**

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<sup>20</sup> In mid March 1940, Switzerland had defence contracts of about 264 million francs from the Western powers and barely 150,000 francs for the Germans. Rings, 2nd ed. (1996), p. 129-131. Homberger, 2nd ed. (1997), p. 43. See also Bonjour, vol. 6 (1970), p. 195-391.

<sup>21</sup> Handbuch zur Schweizer Geschichte [Handbook of Swiss History], vol. 2, 2nd ed., Zurich 1980, p. 1210.

In February of 1945, an Allied special commission called for Switzerland to **break off all trade relations with Germany and to block the transit axes.**<sup>22</sup> This was incompatible with neutrality.

**Our diplomats are to be commended for the fact that, even before the war's end, they withstood the immense Allied pressure which was being strengthened by domestic opinion, and insisted on compliance with the principles of neutrality and legitimate agreements.** It was easier to demonstrate firmness in the face of a politically and ideologically hostile Germany than to the Western powers whose 'weltanschauung' Switzerland shared. The legal relationship with Germany, which lasted until the war's end, was also of considerable significance for the future because relations had to be resumed with the Federal Republic which was emerging from the devastation of war.

At the end of 1943, Heinrich Homberger, member of the permanent negotiating delegation, summarized the guiding principle of the Swiss wartime economy: "The times have also become dangerous for us. And because they are dangerous, we must follow a straight path, steady and upright, even if it should lead us into a storm. There will be a storm in any case! **But we would rather sail into this storm with a solid compass than let ourselves be knocked about by the speculation of emotion. The solid compass is our neutral status which requires that we maintain economic relations with all states, and in a way such as would be demanded by our own decree.**"<sup>23</sup>

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<sup>22</sup> On the so-called "Currie Mission" see esp. Castelmur (1992)

<sup>23</sup> Lecture given by Heinrich Homberger at a conference of the Swiss Trade and Industry Association on October 8, 1943. Printed in Homberger, 2nd ed. (1997), p. 98

## V. Allied gold, German gold, and victim gold

**Another reproach in Eizenstat's foreword concerns Switzerland's gold transactions** with Germany during the Second World War. The subject of so-called "looted gold" is in no way new. Already in 1945/46, it ardently occupied Parliament and the general public and was the subject of extensive reports in almost every newspaper of our country. Various papers and doctoral dissertations have dealt with the subject.<sup>24</sup> In this respect, **although the Eizenstat report presents new documents, it offers little in the way of new knowledge.** The facts are well-founded:

### 1. Essential acquisition of gold

The German Reichsbank transferred gold with a value of 1.7 billion francs to its deposit in Bern. The Swiss National Bank acquired gold valued at 1.2 billion from the Reichsbank. Eizenstat, however, overlooks the fact that **the Swiss National Bank, in the war years between 1939 and 1945, purchased 1.82 billion francs worth of gold from the Allies in New York, London and Ottawa, in other words more Allied gold than German gold.**<sup>25</sup>

Eizenstat **devotes not a single word** to the immensely important fact which explains the Swiss acquisition of gold from the German Reichsbank. **In June of 1941, prior to Switzerland's important acquisitions of gold from the Reichsbank, the United States seized all Swiss gold and foreign exchange holdings which were in the United States.** These blocked holdings belonged to the state. As a financial and political precaution in case of war, the Swiss National Bank had already transferred almost a billion francs worth of gold to the other side of the Atlantic for safekeeping in the middle of 1938. By May of 1939, the Swiss gold deposits in the United States had reached the respectable value of 1.7 billion francs (exactly the same amount as the much-discussed gold purchases from Germany). That was not all. In May of 1940, the United States accepted another billion in Swiss gold. And in the middle of June, in the days of the French collapse, a small Swissair plane took off from Locarno for Lisbon with the last transfer of 12,000 kilos of gold.<sup>26</sup> **According to American estimates, Swiss holdings of the National Bank, the government and industry, valued at 6.3 billion francs, were in the United States for safekeeping in 1941.**<sup>27</sup> That was six times as much as the total annual federal budget before the outbreak of the war! **These enormous Swiss assets were "frozen" by the United States in June of 1941 due to the political situation** because the United States of America, which had not yet entered the war, was treating neutral Switzerland as though it were a hostile state. New York became a prison of international gold and foreign currency, even for Switzerland. Until the end of the war and beyond, the United States robbed our small country of the unproblematic access to a significant part of its own resources. It was a devastating burden for Switzerland, surrounded as it was by the overpowering Nazis! Switzerland was therefore forced to purchase gold. **At the time when the threat from Germany was at its greatest, its holdings in gold amounted to less than 600**

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<sup>24</sup> Mosimann, Emil et al.: Schweizerische Nationalbank 1907-1957 [Swiss Nationalbank 1907-1957], Zurich 1957. Frei, Daniel: Das Washingtoner Abkommen von 1946 [The Washington Accord of 1946], in: Schweizerische Zeitschrift für Geschichte, no. 19, 1969, p. 567-619. 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) [Swiss-American financial relationships in the Second World War, from the blocking of Swiss assets in the USA over the "Safehaven" policy to the Washington Accord (1941-1946)], Bern 1984. Vogler, Robert: Der Goldverkehr der Schweizerischen Nationalbank mit der Deutschen Reichsbank 1939-1945 [Gold transactions of the Swiss National Bank with the German Reichsbank 1939-1945], in: Gold, Währung und Konjunktur [Gold, currency, and market conditions], Quartalsheft Schweizerische Nationalbank, I/1985, p. 70-78. Rings, Werner: Raubgold aus Deutschland, die "Golddrehscheibe" Schweiz im Zweiten Weltkrieg [Looted gold from Germany, the gold turntable of Switzerland in the Second World War], Zurich 1985, 2nd ed. Zurich 1996. Compilation of literature by Mario König in Rings, Werner: Raubgold aus Deutschland [Looted gold from Germany], 2nd ed., Zurich 1996, p. 243

<sup>25</sup> It refers to gold valued at Sfr 1,823,491 from Great Britain, Canada and the United States. Rings, 2nd ed. (1996), p. 99, 199, 210

<sup>26</sup> Rings, 2nd ed. (1996), p. 20

<sup>27</sup> Die blockierten Guthaben der Schweiz in den Vereinigten Staaten von Amerika, Exposé des Eidgenössischen Politischen Departements vom 20. Februar 1954 [Blocked assets of Switzerland in the United States of America, exposé by the Department of State], Schweizerisches Bundesarchiv 2001 (E) 2/641. Federal Councillor Ernst Nobs, in speaking to the National Council on June 26, 1946, referred to 5.3 billion francs of blocked assets in the USA. Stenographisches Bulletin der Bundesversammlung 1946, p. 403

million.<sup>28</sup> As the National Bank was obligated to keep a high gold reserve as coverage on the bank notes it issued, gold was essential for Switzerland.

## 2. Necessity to obtain gold from Germany

**Switzerland could no longer dispose of its gold which had been blocked in New York.** The obstruction from the United States, which was not only awkward and annoying but even dangerous for the Swiss economy, **necessitated the gold transactions with the Germans.**<sup>29</sup> **Without German gold, it would have been impossible for Switzerland to successfully influence the economic situation.** Switzerland needed gold for its own supply of foreign raw materials and for the payment of other vital imports. On September 11, 1942, the management of the National Bank **determined that gold holdings should be increased in the interest of the country's safety.**<sup>30</sup> **An intact and stable financial centre with a solid currency was an important condition of national defence.** This included the necessary gold reserves. Fear that the franc could be devaluated was substantial and justified.

The German Reichsbank repeatedly replied to Switzerland's inquiries as to the gold's origin by confirming that all of the gold which had been sold to Switzerland came from its own holdings.<sup>31</sup> This was later shown to be false. 1.1 billion had been of Dutch and Belgian ownership. Belgian gold, which had been entrusted to the French, was handed over to the Germans by the Vichy government and then smelted in Berlin, pre-dated and skilfully disguised. Although Dutch gold, on the other hand, still bore the original stamp it also could not be classified as looted gold by Switzerland. The President of the Central Bank of the Netherlands had officially transferred it to the Germans!<sup>32</sup> Dietrich Schindler, an authority on international law, established in an expert opinion of 1944 that the decisive criterion for the National Bank should be credulity in the acquisition of gold. The criterion would be fulfilled if there were official affirmation that the gold was acquired according to the principles of international law.<sup>33</sup> In 1946, the Federal Council also requested an opinion from the Federal Supreme Court. It came to the conclusion that, "although the policy of the National Bank was in principle right at the time, it was not sufficiently cautious".<sup>34</sup> Whoever is familiar with the extremely difficult situation, whoever as a later-born does not simply accept a moralistic, complacent point of view, will agree with this verdict. **Those who were responsible were giving primary consideration to the emergency conditions caused by the war.**

## 3. No political collaboration

What are we to think of the favourite assertion of many leftist historians that the Swiss National Bank dealt with the Reichsbank out of sympathy for the Nazis? Werner Rings, who has examined the Swiss gold transactions, exactly and extremely critically, wrote in 1985: "I have looked into the matter and can ascertain **that in the papers of the Swiss National Bank I have not found the slightest evidence which would indicate a politically motivated collaboration with the Third Reich.**"<sup>35</sup> **The clarification of the question of the National Bank's delinquency is therefore important because**

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<sup>28</sup> Bericht über die zweite Finanzsitzung der Currie Mission in Bern am 16. Februar 1945 [Report on the second financial meeting of the Currie Mission in Bern on February 16, 1945] Schweizerisches Bundesarchiv 2001 (E) 2/555. Rings, 2nd ed. (1996), p. 76, 208

<sup>29</sup> See also Philippe Marguerat's speech "La neutralité économique" [Economic neutrality] for an international colloquium in Bern and Neuchâtel in 1983. See Rings, 2nd ed. (1996), p. 84 ff, 186.

<sup>30</sup> Meeting of BIS representatives Paul Hechler and Konrad Thiersch with the entire Board of Directors of the National Bank (Ernst Weber, Paul Rossy, Fritz Schnorf and Alfred Hirs) on September 11, 1942. Trepp, 2nd ed. (1996), p. 69, 205

<sup>31</sup> Letter of August 7, 1944 from the Swiss National Bank to the Department of State, Schweizerisches Bundesarchiv 2001 (E) 2/560. Notes taken by Alfred Hirs on the visit of the Vice President of the German Reichsbank, Emil Puhl, on September 18, 1944, Archiv der Schweizerischen Nationalbank, "Verkehr mit der Deutschen Reichsbank 1944-1949" ["Transactions with the German Reichsbank 1944-1949"]. Notes taken by Alfred Hirs on the visit of Emil Puhl and Director J. Reinell on December 13, 1944, Ibid.

<sup>32</sup> The President of the Dutch Central Bank at the time was the National Socialist Rost van Tonningen.

<sup>33</sup> Letters and reports by Prof. Dietrich Schindler from July 22, 1944, Schweizerisches Bundesarchiv 2001 (E) 2/560

<sup>34</sup> Report of June 4, 1946, with address and without signature, in the Swiss government archives, Akten des Eidgenössischen Finanzdepartements 6100 (A) 25/2326

<sup>35</sup> Rings, 2nd ed. (1996), p. 187

**today an ill-considered participation of the National Bank in the Special Fund for Holocaust victims could be interpreted as an admission of guilt.**

#### **4. No victim gold in Swiss coins**

In the last point of his foreword, Stuart Eizenstat addresses the problem of so-called "**victim gold**". The idea that dental gold of murdered concentration camp victims could be found in gold bars and gold coins in Swiss deposits, and even in our living room closets, seems to be one of the favourite images for critics of today's banks and the financial centre of Switzerland.

What is the historical truth with regard to "victim gold"? A few German middlemen, who had received stolen goods, offered jewellery and precious stones of Jewish people and murdered government opponents to neutral foreign countries, including Switzerland.<sup>36</sup> The provenance of the jewellery was concealed from the buyers, and the Reichsbank was also involved in its financial exploitation.<sup>37</sup> The concentration camps provided the appropriate government office with wedding rings, bracelets, watch bands, glass frames, other gold objects, and even with dental gold. Following the bombardment of the Berlin headquarters of the Reichsbank on February 3, 1945, the greater part of concentration camp gold, together with other gold reserves, was hidden in the tunnels of a salt mine in Merkers (Thüringen). American troops discovered the gold in one of the subterranean rooms on April 4, 1945. **Several dozen tons of concentration camp gold were still in their original state.** Somewhat later it was brought to the cellar of the Reichsbank in Frankfurt and filmed. Gold rings found in the concentration camp in Buchenwald were also filmed by the Allies. **These Allied films of boxes filled with victim gold are being shown again and again today on television to document a connection with the gold acquired by our National Bank. And that is exactly what it was not!** Even German leaders did not dare to obviously entrust such perfidious original objects to the personnel of a mint and never tried to integrate the large part of concentration camp gold into international transactions.<sup>38</sup> At the end of 1947, the Americans asked the Swiss National Bank if it would take on the task of smelting gold from the concentration camps. The Board of Governors rejected the idea by literally saying "Switzerland wants to have nothing to do with this gold, either directly or indirectly."<sup>39</sup>

It was self-evident that, even without Switzerland's assistance, gold from the concentration camps would be smelted, sold, and integrated into worldwide gold transactions by the Allies. According to the will of the United Nations, the proceeds went to a project for the "Re-integration of non-repatriable Nazi victims".<sup>40</sup> Dozens of tons of victim gold, smelted by the Allies after the war, can certainly be found in global circulation today. It was truly cynical when an English television studio recently broadcasts the fact that it had discovered a slightly increased mercury content in two Swiss gold coins which could possibly be attributed to smelted dental gold. But of course it had no proof...<sup>41</sup>

The books of the Federal Mint clearly verify the fact that the National Bank did not mint a single gold coin after 1935 and before 1945. In July of 1946, the Financial Supervisory Board ascertained that the National Bank had used for its minting since 1945 only those gold bars which had been in its possession before the outbreak of war. With the approval of the Federal Council, the 20 franc coin of the first post-war years was stamped with the year 1935. It was in no way illegal. Its purpose was to clearly indicate a gold content equal to that of coins minted prior to the franc's devaluation in 1936.<sup>42</sup> Even

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<sup>36</sup> "Der Kreis der konzessionierten Exporteure, die teilweise auch als Schätzer fungierten, wurde bewusst klein gehalten." [The group of licensed exporters, who also partly acted as assessors, was purposely kept small.] Balzli (1997), p. 145

<sup>37</sup> Der Prozess gegen die Hauptkriegsverbrecher vor dem internationalen Militärgerichtshof von Nürnberg [The trial against the main war criminal before the International Military Tribunal in Nürnberg, Nürnberg 1948, vol. 13, document PS-3947]

<sup>38</sup> On the "Melmer Account", the concentration camp gold account of SS Officer Melmer, see Der Prozess gegen die Hauptkriegsverbrecher vor dem internationalen Militärgerichtshof Nürnberg [The trial against the main war criminal before the International Military Tribunal in Nürnberg, Nürnberg 1948, documents PS-3945, 3948. 3951, 3976, vols. 12, 13, 14, 17]

<sup>39</sup> Report of Proceedings no. 1208 of the Board of Trustees of the Swiss National Bank from September 17, 1947. Balzli (1997), p. 160 ff

<sup>40</sup> Balzli (1997), p. 160.

<sup>41</sup> Kamber, Peter: Dunkle Schatten auf der Münze [Dark shadows on the coins], in: "Die Weltwoche", no 25, June 19, 1997, p. 33

<sup>42</sup> The PdA newspaper "Voix Ouvrière" already wrote about the alleged smelting scandal on May 15, 1946. Georges Perrin countered in "Feuille d'Avis de Neuchâtel" on May 22, 1946

Balzli, the especially critical journalist of the "Sonntags-Zeitungs" who is specialized in tracking down sins, came to the conclusion that "in all probability" Swiss gold coins contained no victim gold.<sup>43</sup>

A very small part of victim gold was re-smelted in the Prussian state mint, and in the German subsidiary mint for gold and silver (Degusa), and then re-integrated into official gold holdings.<sup>44</sup> Gold from concentration camps could therefore no longer be recognized by third parties. According to the Eizenstat Report, about 30 kilos of victim gold reached the National Bank in the form of re-smelted bouillon. One thing is clear, victim gold can be found today in all of the gold pools of the world, including those of the United States. Any specialist can confirm that it is technically impossible to prove the existence of potential victim gold in gold bars or coins which were replenished with non-monetary gold. **Even Eizenstat comes to the conclusion that there is no proof of Switzerland or any other neutral state consciously accepting victim gold.**

If the Jewish World Congress today assumes astronomical figures in the case of gold from concentration camps, it is historically incorrect and, on top of everything else, dangerous. It approaches the old anti-Semitic prejudice to the effect that the persecuted Jews were immeasurably rich and would have lugged away all of the kilos of gold, so to speak, on their backs. In reality, the Jews who perished in the concentration camps, and especially the Jews of eastern Europe, were poor, and undoubtedly poorer than the rest of the population. This has often been pointed out by researchers of the Jewish Holocaust.<sup>45</sup>

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<sup>43</sup> Schweizerisches Bundesarchiv, Akten der Eidg. Finanzverwaltung, E 6100 A 24, vol. 5, as well as Akten der Eidg. Münzstätte, E 6200 (C) 1987/153 HAZ-c/187, E 6200 (C) 1969/263, vol. 23. Balzli (1997), p. 159.

<sup>44</sup> Der Prozess gegen die Hauptkriegsverbrecher vor dem internationalen Militärgerichtshof Nürnberg [The trial against the main war criminal before the International Military Tribunal in...., Nürnberg 1948, vol. 13, p. 190, 627. See also the statement of the Reichsbank employee Albert Thoms, in: Das Urteil im Wilhelmstrasse-Prozess [The verdict in the Wilhelmstrasse case], published with the assistance of C.H. Tuerck. Schwäbisch Gmünd, p. 151-156. Kempner, Robert M.W.: Ankläger einer Epoche [Prosecutor of an epoch], Berlin 1983, p. 251 ff. Koch, Peter Ferdinand: Geheim-Depot Schweiz, wie die Banken am Holocaust verdienen [Secret depot Switzerland, how the banks profited from the Holocaust], Munich/ Leipzig 1997, p. 82, 111, 135-140

<sup>45</sup> See also Hilberg, Raul: Die Vernichtung der europäischen Juden [The extermination of the European Jews], 3 vols., Munich 1990. Ibid: Täter, Opfer, Zuschauer, die Vernichtung der Juden 1933-1945 [Perpetrator, victim, spectator, the extermination of the Jews 1933-1945], Munich 1996

## VI. Allegations of "prolonging the war" and "profit seeking"

### 1. War prolonged by 2.36 days?

I do not have to spend much time on Eizenstat's reproach that Switzerland, with its economic policy, prolonged the Second World War. **Such generalizations in the Eizenstat Report are just as senseless as if we were to extrapolate the prolongation of the war from the Allied side based on Prime Minister Chamberlain's initial policy of appeasement, on Stalin's pact of non-aggression with Hitler, on America's delayed entry into the war, on the postponed Normandy invasion and through it the delayed establishment of a second front. And this could go on to include the possible extension of the war through the rivalry of certain Allied states, politicians and military leaders. One could justifiably argue that Switzerland, from the war's outset until the end of 1944, imported 400 million francs more in goods from Germany than it exported, thus weakening its resources and shortening the war.**<sup>46</sup>

It has often been claimed the war was extended because the Swiss defence industry delivered weapons to the Germans. In 1984, a well known German economic historian estimated Germany's total war costs at about **1200 billion converted francs**. Germany obtained armaments from Switzerland in a larger sense for 1.35 billion francs.<sup>47</sup> If we are to accept the absurd hypothesis of prolonging the war, then the Germans in purely arithmetical terms with Swiss support, could have financed exactly 2.36 war days. **Hitler after all was conquered by the Allies militarily and not economically.**<sup>48</sup>

**In a military sense, the protection of Swiss neutrality was of great importance in curtailing the war.** Even the Allied generals recognized this.<sup>49</sup> What would have happened if Switzerland had not preserved its territory intact? What would have happened if the Germans had captured Swiss positions in the Alps and had been able to oppose the Allies on Swiss soil? The example of Montecassino in the early months of 1944 demonstrates how the Germans, in difficult terrain, were able to resist Allied supremacy for months.

### 2. Profit for whom?

Eizenstat claims Switzerland also remained neutral out of an **"obsession with profit"**. Whoever reproaches us for not participating in the war out of greed should calculate the enormous costs to Switzerland for non belligerency, for defence, for the greatest possible self-sufficiency, and for the admission of almost 300,000 refugees and internees. He should calculate the major losses on credits for Germany after its collapse.<sup>50</sup> He should mention the amount of over 200 million, which was voluntarily brought together in 1944/45 as part of the Swiss contribution to the rebuilding of a war-ravaged Europe.

After the war, Switzerland neither requested nor received American money as part of Marshall Plan aid. On the contrary, it **contributed to the rebuilding of Europe** in an impressive way. For instance, it offered financial help to various European states in the form of credits and foreign loans and made substantial contributions to welfare organizations for civilian victims of war. In 1948, **the Federal Council estimated the contribution for the re-building of Europe at a total of some 2.5 billion**

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<sup>46</sup> Bonjour, vol. 6 (1970), p. 365

<sup>47</sup> Memo from Prof. Willi H. Boelcke to Werner Rings of January 24, 1984. Rings, 2nd ed. (1996), p. 169, 221. See also Boelcke, Willi H.: Zur internationalen Goldpolitik des NS-Staates [On the international monetary policy of the national socialist state], in: Schriften zu Politik und Zeitgeschichte, Düsseldorf 1977. Rings figured with a total of 3 billion Swiss francs for the German armaments. We are accepting: Marguerat, Philippe: La Suisse face au IIIe Reich [Switzerland confronted by the 3rd Reich], Lausanne 1991, p. 94-97. Hofer, Mark: Die schweizerischen Kriegsmaterialexporte nach Deutschland während des Zweiten Weltkrieges [Swiss armament exports to Germany during the Second World War], Seminararbeit Universität Freiburg i. Ue., Mskr., 1922, p. 11-16. See also Chevalaz (1997), p. 166 ff

<sup>48</sup> Hofer, Walter: Wer hat wann den Zweiten Weltkrieg verlängert? [Who prolonged the Second World War and when], in: "Neue Zürcher Zeitung", June 7/8, 1997, p. 93

<sup>49</sup> Opening speech of Ambassador Walter Stucki in Washington. Bonjour, vol. 9 (1976), p. 317

<sup>50</sup> Even if the repayment of 665 million francs by the Federal Republic of Germany, according to the terms of the Liquidation Agreement of August 26, 1952, were deducted, Switzerland's credit policy would have had a loss of a half billion.

**Swiss francs, or 532 francs per capita of the population.** <sup>51</sup> The individual American paid 410 francs for the Marshall Plan. <sup>52</sup> **After the Second World War, which country in the world, calculated on a per capita basis, participated with greater solidarity to the rebuilding of Europe than Switzerland?**

During the war, our country was in no way considered safe. Everyone who in some way could, especially Jewish investors, instructed their Swiss banks to transfer existing accounts and securities deposits to the United States. <sup>53</sup> For Switzerland, it was certainly not a profitable business. During the war, the United States benefited from enormous assets. **In 1940 alone, it received 21 billion francs from Europe.** <sup>54</sup>

**The disposable real annual income of every Swiss dropped during the war from 1772 francs in 1939 to 1636 francs in 1944.** <sup>55</sup> Such was not the case in America where the gross national product increased between 1939 and 1944 from 90.5 billion dollars to 210.1 billion dollars. In the same period, the pro capita income in the United States increased from 691 to 1,518 dollars, or correspondingly from 3,100 to 6,800 francs. <sup>56</sup>

**That, Mr. Eizenstat, is the truth with regard to neutral Switzerland's alleged profit seeking!**

Today, leftist historians claim that **Hitler declined to attack Switzerland because it had become too valuable for him as a trading centre and financial turntable.** With this assertion, Hitler is virtually elevated to an expert in economics, as if he had ever allowed himself to be influenced in his policies by economic considerations. **Had he possessed the slightest expertise in economics, he would never have picked a quarrel in the first place.**

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<sup>51</sup> Statement by the Federal Council addressed to Parliament with regard to Switzerland's membership in an agreement on European economic cooperation which was signed in Paris on April 16, 1948 in: Bundesblatt no. 34 of August 26, 1948, p. 1199

<sup>52</sup> The American Marshall Plan aid for Western Europe comprised about 13 billion dollars. After the Second World War, the population of the United States was amounted to about 135 million.

<sup>53</sup> Balzli (1997), p. 79

<sup>54</sup> 1940 Annual Report of the Bank for International Settlements (BIS), Basel 1941, p. 99

<sup>55</sup> Historische Statistik der Schweiz [Historical statistics of Switzerland], edited by Hansjörg Sigenthaler and Heiner Ritzmann, Zurich 1996, p. 871, table Q4b

<sup>56</sup> Die Vereinigten Staaten von Amerika [The United States of America], Fischer Weltgeschichte, vol. 30, Frankfurt 1993, p. 502

## VII. The Gotthard Agreement: German and Italian transit rights since 1909

For the person familiar with history, Eizenstat's statement, that Switzerland, with a "never been there", allowed the use of its railway network for the transport of coal and other goods between Germany and Italy, is truly amusing. In fact, the far reaching transit rights of these two countries for the alpine tunnel go back to 1880 when they substantially shared in its financing. With the repurchase of the Gotthard railway by the state, Switzerland had to substantially accommodate the interests of German and Italian traffic. **The resulting Gotthard Agreement of April 20, 1909, committed Switzerland to important transit concessions and tax relief with regard to Germany and Italy.** At the time it led to an intense and long lasting quarrel in Parliament and with the people as to whether or not the Agreement proposed by the Federal Council could be reconciled with Swiss independence and sovereignty. Impassioned public gatherings, printed material, and finally a petition with 130,000 signatures did not attain their goal.<sup>57</sup> **Those who prevailed in Parliament (unfortunately already at that time) were the ones who declared themselves to be "Europe friendly", "forward looking" and "liberal minded". Accordingly, Switzerland promised Germany and Italy to "guarantee the operation of the Gotthard railway against any interruption, apart from an act of God".**<sup>58</sup> **The Gotthard Agreement remained legally valid and binding during the Second World War.** Under the conditions of the time, Switzerland had no reason to breach the law. And exactly this has been turned into a reproach today in the Eizenstat Report. **Maybe we can learn something from the past for the present, that our country should not thoughtlessly surrender its transit rights, and that it must carefully protect its rights of sovereignty, especially in matters of transit.** Who knows, someone might use this against us in the future!

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<sup>57</sup> Handbuch der Schweizer Geschichte [Handbook of Swiss History], 2nd ed., vol. 2, Zurich 1980, p. 1122 ff

<sup>58</sup> Text of the agreement in its entirety in Wey, Max Sigmund: Die Entwicklung und Verstaatlichung der Gotthardbahn [The development and nationalization of the Gotthard Railway], dissertation, Bern 1914. See also Bosshard, Felix: Der Gotthardvertrag von 1909, ein Beitrag zur schweizerischen Innen- und Aussenpolitik vor Ausbruch des Ersten Weltkrieges [The Gotthard Agreement of 1909, a contribution to Swiss domestic and foreign policies before the outbreak of the First World War], dissertation, Zurich 1973

## VIII. Conclusions to the Eizenstat Report

**1. The Eizenstat Report constitutes an attack on our state pillars of neutrality and sovereignty.**

**It amounts to an inadmissible interference of a foreign state in our internal affairs.**

**No sovereign state can tolerate this sort of interference.**

**The report is to be dismissed with all resolution.** It is unlikely that the answer issued by the Federal Council will be understood in the United States as such a resolute rejection.

**2. The verdict of an American state secretary surprises us even more as the Americans have traditionally been a people for whom the Swiss have both admiration and a feeling of friendship.** We Swiss must be fully aware that the Eizenstat Report does not represent a misjudgement pronounced by the American people but one by a state secretary of the present administration in Washington. It would be regrettable if it disrupted the more than 200 year old positive and friendly relationship between Switzerland and America.

Comments voiced unofficially by leaders of Swiss industry and politicians to the effect that the Clinton Administration is also being strongly pressured by Jewish organizations in New York is irrelevant. **Even if it were so, our country could not accept such a justification. And even then, the report should be dismissed.**

**3. Eizenstat's verdict that neutrality is "immoral" is offending and represents an affront to international law.** During the Second World War, Swiss neutrality was not just a momentary opportunistic stance but rather a maxim of the Swiss Confederation which has proven its worth over centuries.

4. On the other hand, the report shows with all clarity how dangerous a neutrality, which is only momentary and implemented in special cases of war, would be for our country. Neutrality is only credible when it is **permanent, perpetual, never-ending**. In my opinion, Switzerland could not have justified itself after the war, **had it not been able to appeal to its centuries old, permanent and perpetual neutrality as a securely anchored state maxim** - something which needs special emphasizing in Switzerland today.

**5. The accusation of "legalism" is nothing other than the expression of a way of thinking which places the power of mighty nations above the law and rights of the small state. It is precisely the small state, lacking in power, which must strictly abide by the law. Eizenstat's accusation that Switzerland was too legalistic is totally unacceptable, especially to a small state.**

**6. Switzerland's foreign trade policy is not to be reproached. Its international economic relations, according to the principle of "trade with all sides", was the essential means by which a neutral state could survive and come through the war. Switzerland will never allow this means to be taken away.**

**7. The acquisition of gold by the Swiss National Bank from the German Reichsbank was essential to the economic defence options of our country.** The purchase was also necessitated by the fact that the United States froze the Swiss gold reserves which had been stored there during the war years. The possible insufficient caution with regard to gold transactions from the side of the management of the National Bank was **more than compensated by the payment of 250 million Swiss francs in gold according to the terms of the 1946 Washington Accord. A re-negotiation of the Washington Accord, which was generally felt to be unfair and humiliating in Switzerland, is to be rejected. If anything, it would have to be changed in our favour.**

**8. The small state of Switzerland did not prolong the war through its trade with Germany.** The United States should rather ask what the great powers did or did not do to facilitate or prolong the war.

**9. Switzerland was not a rich country during the war, and did not become one as a result of it.** On the contrary, economic recession, poverty and rationing of food was also prevalent in Switzerland. To speak of profit- seeking bears witness to an ignorance of history.

10. The part of the Eizenstat Report which has been historically researched brings little in terms of new knowledge. **Many of the opinions of state secretary Stuart Eizenstat are not supported in the least by the academic part of his own report.**

## IX. We are not ashamed of our own history

Swiss political strategies, embellished by an expensive New York advertising agency, **have deteriorated into utterly wrong and dangerous strategies**. Our negotiators have been innocently begging the United States of late to **measure Switzerland not on its past, but on its good intentions** to finally "reappraise" its history and pay for the sins of its forefathers.<sup>59</sup> Occasionally the idea is expressed that one should concentrate on the **present and the future**, that it is pointless to explain our history to Americans, and that they would not understand it anyway.<sup>60</sup>

**This is wrong.** Even the American people can be convinced by good and historically well-founded arguments. The exclusion of the past is being interpreted in America - and rightly so - as the sign of a bad conscience, the suppression of unpleasant awkward facts. The opposite of what we want to attain is actually being achieved. **Our diplomatic representatives must first become familiar with our history, then stand to it. They must explain it and emphatically point out that, even if we have made individual mistakes as is the case everywhere, like the Americans we are proud of the accomplishments of our forefathers during the Second World War.** We are not ashamed of our history. And especially not the history of the Second World War!

**It is the task of our government to explain the interrelated facts to a largely unknowing world audience and to clearly repudiate intentional slander and misrepresentation. Whoever governs, whoever actively identifies with a cause, whoever fights for the rights of his own country and commits himself to Swiss self-determination, must at times bear the loneliness of rule.** Whoever fails to endure must relinquish leadership. But our foreign policy officials in Bern and those on the other side of the Atlantic are having great difficulty in living with tensions and coping with the occasional withdrawal of affection.

**As long as Switzerland's neutrality, its direct democracy, its federalism is called into question internationally, as long as our foreign representatives must justify themselves anew and almost daily with regard to our centuries-old pillars of state, I am not worried.** Only the daily criticism from abroad can strengthen a nation and its self-confidence. Fritz Bopp, an important co-founder of Zurich's Agrarian Party, and present SVP [Democratic Union of the Centre], who worked his way up as self-didactic from farm hand to National Councillor and newspaper editor, compared the 1919 state visit of President Ador to France **with a child standing in front of its first Christmas tree and believing that everything that shimmered was gold.** To quote him: **"We wanted to be the ones who stayed at home, who would not let themselves be blinded by personal tributes, coolly and soberly recalling that Switzerland was not exposed to the greatest danger when foreign cannon barrels were starring at its borders but when powerful foreign states were suffocating our representatives with an overdose of kindness. Then, as never before, the admonition was valid: 'Pray, free Switzerland, pray!'"**

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<sup>59</sup> "Since this week, it looks much more positive", Jeffrey Kahn, advisor to the Swiss diplomats, on American opinion of Switzerland, in: "Sonntags Zeitung", May 18, 1997, p.

<sup>60</sup> Müller, Felix E.: Washington attackiert und Bern duckt sich [Washington attacks and Bern ducks], in: "Die Weltwoche", May 15, 1997, p. 1

## X. Switzerland's dubious critics

### 1. The Left

In the so-called "reappraisal" of Swiss history, it is above all the Left which is gaining attention at present. It is not surprising that its members are the very ones who distinguish themselves today as moralistic, hypocritical "appraisers". **Because the leftists, after the catastrophic failure of real socialism, have nothing more to offer for the present and the future and are trying to at least seize the past.** But how credible are they?

The Federal Council decided it would be a good idea to appoint a Marxist, Jakob Tanner, to the Historian's Commission. Tanner has also called for the introduction of a "socialist democracy" for Switzerland which would "encompass all areas".<sup>61</sup> The Federal Council would do well to occasionally remember that there have been two primary ideological evils in our century: **fascism and communism.** Both are second to none in terms of their millions of casualties. **The liberal democrats, however, fought both brown and red.** Both political heresies were equally opposed to freedom, and subjugated the people to the total domination of the state. We must emphatically reject a Marxist in our Historian's Commission who will pass judgment on something like Swiss refugee policy. **And in any case we must reject the possibility that Tanner, as a supporter of the all encompassing socialist democracy, could voice his opinion on how Switzerland is to maintain its humanitarian ideals. The number of social democrats, which he so admires, involved in the refugee plight and destitution of this century - in the Soviet Union, Hungary, Czechoslovakia and Afghanistan - is still too large!**

A remark by Hitler to the effect that he began as a "simple worker" and yet was a socialist shows how much the oppressive dictators of communism and fascism sought common ground. When he was excluded from the Socialist Party, Mussolini shouted that one could not simply get rid of him. He was a socialist and would always remain one.<sup>62</sup> It is an almost unbelievable fact that the "Berner Tagwacht", **the official publication of the Social Democratic Party of Switzerland, wrote the following on the 60th birthday of the Italian fascist leader, and one day after Mussolini's fall: "Regardless of how the end may be, he deserves a place in world history, and the final judgment will attest to his personal honesty, vigour, and eminent capabilities. A political genius of enormous dynamic energy."**<sup>63</sup> **Are the leftists, countless of whom have admired Soviet socialism with all of its atrocities, the credible "reappraisers" of Swiss history?**

### 2. Pro Helvetia

The Swiss foundation "Pro Helvetia" was founded in 1939 in the spirit of an "intellectual national defence" against the danger of totalitarian ideologists. According to a federal law, the foundation today is still responsible for furthering an understanding abroad of the Swiss intellectual and cultural heritage.<sup>64</sup> The foundation receives its money from the federal government, in other words tax money. In January of this year, the foundation's board of trustees had the glorious idea of again **showing in America the self-accusatory and one-sided Swiss film on the years between 1939 and 1945.** (The suggestion came from the filmmaker himself. In this country, there seems to be more filmmakers than people who want to see their films!) A credit of Sfr 200'000 was approved for the projected viewing in New York, Chicago, Boston and Washington. According to the accompanying text, there have been many filmmakers who did not close their eyes and ears to "reality". And it continues: "The film sheds light on

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<sup>61</sup> Tanner, Jakob / Schächli, Hans / Müller, Felix: Krise - Zufall oder Folge des Kapitalismus, die Schweiz und die aktuelle Wirtschaftskrise, eine Einführung aus marxistischer Sicht [Crisis - accident or result of capitalism, Switzerland and the present economic crisis, an introduction from a Marxist point of view], Zurich 1976, p. 209 ff

<sup>62</sup> Stäubli, Eduard: "... so dass keiner mehr die Sprache des andern versteht" [so that no one understand the language of the other], Politik mit verfälschten Begriffen [Political dealings with distorted concepts], in: Medien-Panaoptikum, April 1997, p. 26

<sup>63</sup> "Berner Tagwacht", official publication of the Social Democratic Party of Switzerland from July 26, 1943, 51st year, no. 171, p. 2. On Mussolini's law of racism and on his policy with regard to the Jews see: Stamm, Rudolf, Mussolinis Italien und die Juden, amtliche Diskriminierung nach zwei Jahrtausenden Koexistenz [Mussolini's Italy and the Jews, official discrimination after two millenniums of coexistence], in: "Neue Zürcher Zeitung", May 24./25, 1997, p. 9

<sup>64</sup> Federal law of December 17, 1965. See also Schweizer Lexikon, vol. 5 (1993), p. 243

the dark corners of Swiss history and swirls up dust in the corridors of power." <sup>65</sup> Under no condition should a patriotic event be organized with a cleansed version of Swiss history. But you can relax. Pro Helvetia's masochistic America campaign has been kept secret from the Swiss public until today. We are not supposed to know anything about it, but we are supposed to pay for it!

Pro Helvetia, in other words every Swiss tax payer, is paying for transport costs, projection rights and a publicity campaign for the film event. We are also paying for the trips to the United States of our critical historians who are part of the deal, including their lodging, food and "capitalistically" fat fees. At our costs, Jakob Tanner (once again!) and the famous historian **Mario König** as prosecutor should go along. His German parents survived the Nazis in Switzerland and returned to Germany after the war. <sup>66</sup> As a follower of the "Psycho School" of Friedrich Liebling, König came back to Switzerland in 1969, took Swiss citizenship, and in gratitude, has recently been providing an English author with material from the federal archives. Out of this has come a series of articles for the "Sunday Times" entitled "Blood Money". <sup>67</sup> **The accompanying illustration equates the swastika with the Swiss cross and in a photomontage depicts the gateway to Auschwitz as a portal to the Swiss alpine landscape. Are the cultural functionaries of Pro Helvetia, and are their paid cultural travellers, credible "reappraisers" of Swiss history?**

### 3. Swiss television

This summer, in a series of 27 mostly evening-long broadcasts on two channels, one Swiss and one foreign, Swiss television wants to finally get across the way in which Swiss history should be viewed. The official accompanying letter from the television company states: "The myth of neutral Switzerland, prepared to fight and capable of standing up to Nazi terror, has finally been demystified. A critical historiography since the end of the Second World War has reappraised the extent to which the alpine republic felt favourably toward Germany and the Nazis and to what extent it was **anti-communist**." Do you realize this? It was especially distressing that Switzerland was also anti-communist! And now comes the best part: "Even the 1st of August, the Swiss national holiday, has been placed against a background of critical historiography." <sup>68</sup> **We have really come a long way when our national television, in the style of a totalitarian state apparatus, dictates to the people which version of history they should kindly accept. Are the ideological enthusiasts of our monopoly television corporation credible "reappraisers" of Swiss history?**

### 4. Jewish organizations and their representatives

It is a fact that today we are being threatened, ridiculed and blackmailed by organizations and their representatives in New York. **But just as Stuart Eizenstat's opinion of Switzerland is not the opinion of the American people, the actions of the Jewish World Congress with regard to Switzerland cannot be blamed on the Jewish people as a whole. Incorrect conduct by such organizations may by no means be generalized and simply blamed on the Jewish people.** Unfortunately, some of the responsible persons from Jewish organizations in Switzerland, have emerged today as severe critics of our country's history. This includes above all Dr. Sigi Feigel, who never tires of emphasizing his honorary chairmanship of the Israeli religious community in Zurich. In an "open letter", referring to me, he remarked that until now he had always defended me against the accusation of being anti-Semitic, but he must now adjust his incorrect assessment. <sup>69</sup> **I can assure Mr. Feigel that I can confidently do without his attestation that I am not anti-Semitic. My own conscience in the matter seems to be much more reliable!**

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<sup>65</sup> Why a film series about Switzerland between 1933 and 1945? Undated text of the Pro Helvetia Foundation, Headquarters address: Hirschengraben 22, 8024 Zurich. World War II and Switzerland, undated text by Paul McKay, "Tour Coordinator" of Pro Helvetia

<sup>66</sup> Undated curriculum vitae of Mario König from the offices of the Pro Helvetia Foundation in Zurich

<sup>67</sup> See also Bower, Tom: Das Gold der Juden [The gold of the Jews], Munich 1997

<sup>68</sup> Die Schweiz im Schatten des Dritten Reiches, Faksimile des offiziellen Begleitbriefs des Schweizer Fernsehens [Switzerland in the shadow of the Third Reich, facsimile of the Swiss Television's accompanying letter] in: "Schweizerzeit", no. 11, May 30, 1997, p. 3

<sup>69</sup> Feigel, Sigi: Offener Brief an Christoph Blocher [Open letter to Christoph Blocher], in: "Tages Anzeiger", March 3, 1997

After my speech on March 1, 1997, today's President of the Swiss-Israeli community also warned me of anti-Semitism. I believe it is extremely necessary to once again establish conceptual clarity. An **anti-Semite** is a person who despises or persecutes other people because of their Jewish beliefs or because of their Jewish origin. If those who **criticize** Jewish people or Jewish organizations now become notorious as anti-Semitic, then this is an unacceptable broadening of the definition of "anti-Semitic". I have never criticized people or organizations **because** they are Jewish. I have done it **although** they are Jewish.

Eizenstat brashly condemns our trade with Germany but in his criticism of the rejection of Jewish refugees remains strangely subdued. The reason is clear and will be confirmed. The United States has not the slightest interest in publicly ridiculing Switzerland all too loudly on this point. The United States only relaxed its extremely restrictive immigration policy in 1948! Between 1933 and 1945, Switzerland admitted 50,000 Jewish refugees, of whom 30,000 remained in Switzerland and survived the war. I am stating with all clarity what I have unfortunately never heard from our government officials: **No country in the world admitted more Jews during this devastating period for the Jewish community than Switzerland.**<sup>70</sup> Not even large countries, in incomparably better strategical and geopolitical positions! Between 1940 and the summer of 1942, only 38 refugees from Switzerland were accepted into the United States.<sup>71</sup> **Is it therefore right, that representatives of those states which did not help are now accusing Switzerland of having helped too little?**<sup>72</sup>

But also the Jewish organizations and their exponents have little reason to self-righteously point their fingers at the refugee policy and those who were responsible during the war years. If Feigel says, "as a Swiss I feel called upon today to defend the 'good Switzerland' against a Christoph Blocher",<sup>73</sup> then it is wonderful in this sinful world if one can be counted among the blameless and the good! But in history it has not always been easy to differentiate between the good and the bad. This also applies largely to the refugee policies of the time. **Federal offices and the highest representatives of the Jewish community in Switzerland worked closely together before and during the war years.** Both sides understood that our country was only a transition stage for Jewish refugees and not a place of permanent residence.<sup>74</sup> It was agreed that, with the help of contributions from within Switzerland and from abroad, the Jewish people resident in Switzerland would largely take care of the Jewish refugees. The chief of the police department subsequently confirmed that this was **based on an initiative of the Swiss Jews.**<sup>75</sup> The Swiss-Israeli community or the association of Swiss Jewish welfare services repeatedly promoted a restrictive refugee policy. Looking back, in 1984 a representative of the Jewish community in St. Gallen said, "I stand by my assertion that the leadership of the Swiss Jews, out of short-sightedness, had no interest in the unlimited entry of emigrants because it feared an increase of anti-Semitism in Switzerland. The only inexplicable thing is that no one ever stood up to this opinion at a later date."<sup>76</sup> The President of the Jewish Welfare Services had already agreed with the police department in August of 1938 that, due to the large number of Jewish emigrants, "there was no possibility other than blocking their entry."<sup>77</sup> On October 12, 1938, Saly Mayer, President of the

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<sup>70</sup> Statement by Gerhard M. Riegner, see "Neue Zürcher Zeitung", March 1, 1997

<sup>71</sup> Mysyrowicz, Ladislas / Favez, Jean-Claude: Le Refuge [Refuge], in: RH 2e Guerre mondiale 121, p. 112-120. Chevallaz (1997), p. 196

<sup>72</sup> See the appeal of Vetstein, Michael: An die jüdischen Glaubensgenossen [To the members of the Jewish religious community], advertisement in: "Neue Zürcher Zeitung", May 17/18, 1997, p. 50

<sup>73</sup> Ein Tag im Leben von Sigi Feigel [A day in the life of Sigi Feigl], in: "Tages-Anzeiger Magazin", no. 20, May 17, 1997, p. 63

<sup>74</sup> Picard, Jacques: Die Schweiz und die Juden 1933-1945 [Switzerland and the Jews 1933-1945], 2nd ed., Zurich 1994, p. 279-385. "Mr. Mayer (SIG President) is in agreement with his colleagues in the central committee regarding our practice towards the emigrants. Above all, the emigrants must leave our country as soon as they have the possibilities." Heinrich Rothmund, head of the police division in the Federal Department of Justice. Mysyrowicz, Ladislas: Le Dr Rothmund et le problème juif (février 1941) [Dr. Rothmund et the Jewish problem], in: Schweizerische Zeitschrift für Geschichte, vol. 32, 1982, p. 355.

<sup>75</sup> "That in certain cantons there were difficulties with regard to the temporary residence of these refugees was discussed with us by the representatives of the Swiss Jewish community. They assured us that, if the cantons agreed to accept them, they were prepared to assume the costs for a temporary stay, and one without the possibility of working, for these emigrants. The initiative for this promise came from Saly Mayer, President to the Swiss-Israeli community, and Silvani Guggenheim, President of the association of Jewish welfare agencies." Heinrich Rothmund to Federal Councillor Markus Feldmann, May 24, 1954, Schweizerisches Bundesarchiv, 4800, A 1997/111, no. 207

<sup>76</sup> Sandor, Lancelot C.: Aktenzeichen Grüninger - ungelöst? [The Grüninger case still unsolved?], in: "Tages Anzeiger-Magazin", no. 14, October 13, 1984, p. 24

<sup>77</sup> Report of the Federal Justice and Police Department to the Federal Council on August 18, 1938, Bundesarchiv E 4001 D, 1973/15, no. 119

Swiss-Israeli community and thus the highest representative of the Swiss Jews, was informed in Bern about the introduction of a "Jewish stamp" for passports of German Jews. Mayer expressed his doubts as to whether it would be possible to explain the Jewish stamp in such a way that it would not be interpreted as a Swiss measure against the Jews in general. But he also said, **"To the extent that they can, the Swiss Jews will make sure that the measures are understood abroad."**<sup>78</sup> Saly Mayer, President of the Swiss-Israeli community, then reported the "unbearable wave of emigrants" to Bern.<sup>79</sup> In September of 1942, after the federal government had temporarily closed the borders, he still complained that the Swiss-Israeli community was not permitted to "take a position on the invasion of refugees but had to assume responsibility for its consequences".<sup>80</sup> In 1944/45, in a totally incomprehensible way, Mayer torpedoed various rescue operations for concentration camp prisoners. Had he not, it would have been possible to bring many more into the safety of Switzerland than the 1,200 who were finally rescued from Theresienstadt shortly before the war's end.<sup>81</sup> In 1954, with the emerging wave of indignation over the Jewish stamp and the Swiss refugee policy, a Jewish organization in New York which had contributed financially to the rescue of refugees, offered its journalistic help to the Swiss Jews. The president of the association of Swiss-Jewish welfare services, however, informed the New York organization about the close cooperation between the highest committee of the Swiss Jews and police officials. He warned against firing a powerful broadside at Switzerland and its government, which in the end did not occur.<sup>82</sup>

Why am I saying all of this? Those responsible from the Jewish organizations in Switzerland, as well as in America, must realize that their members were also ordinary people. Like the Swiss, they were being confronted with fear and pressure, and all of them often misjudged the highly dangerous situation of the European Jews. Thus it is in no way the Jewish people as a whole who are making the demands today. Representatives of the Jewish community have repeatedly assured me of this in their letters. But it is certain officials of Jewish organizations who, with their exaggerated suspicions and excessive claims, are risking an increase in anti-Semitism.

When Jewish organizations emphatically demand the reappraisal of history, then it applies to all. **It is unacceptable that the Swiss-Israeli community still refuses to reveal its records of the past to the general research of today.**<sup>83</sup>

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<sup>78</sup> Schweizerisches Bundesarchiv 4800 A, 1967/111, no. 207. Information from Saly Mayer (President of the Swiss-Israeli community) and Silvain S. Guggenheim (President of the association of Swiss Jewish welfare agencies) on October 12, 1938 through Heinrich Rothmund. See also Sandor (1984), p. 24, Picard, 2nd ed. (1994), p. 168

<sup>79</sup> Letter to the editor from Herman Landau, Director from 1944-1951 of the welfare organization for Jewish refugees abroad (Montreux), in "Tages Anzeiger-Magazin", no. 48, December 1, 1984, p. 2

<sup>80</sup> Record of the Central Committee of the Swiss-Israeli Community of September 24, 1942, Picard, 2nd ed. (1994), p. 416

<sup>81</sup> Landau, Herman: Letter to the editor in "Tages Anzeiger-Magazin", no. 48, December 1, 1984, p. 2. On the catastrophic conduct of Saly Mayer (SIG President until 1943) in the rescuing of concentration camp inmates in 1944/45 see especially Biss, Andreas: Der Stopp der Endlösung [The end of the final solution], Stuttgart 1966. Biss, Andreas: A million Jews to save, check to the final solution, London 1973, p. 124-127, 134, 157, 164, 183 ff, 189, 194, 225 ff, 243, 251, 254. Wyman, David S. was more positive: Das unerwünschte Volk, Amerika und die Vernichtung der europäischen Juden [America and the elimination of the European Jews], Munich 1986, p. 277-281, 284 ff

<sup>82</sup> Archives of the American Jewish Joint Distribution Committee, letter from Otto Heim of June 26, 1954 and memorandum of June 18, 1954, Picard, 2nd. ed. (1994), p. 155, 481. The subsequent verdict on the Swiss refugee policy, spoken by SIG President Saly Mayer, shortly before his death, is notably sobering: More could have been done, and less could have been done." Letter of Otto Heim to Heinrich Rothmund of October 29, 1957, Schweizerisches Bundesarchiv E 4800 A 1. See also Roschewski, Heinz: Heinrich Rothmund in seinen persönlichen Akten, in: Die Schweiz und die Flüchtlinge 1933-1945 [Switzerland and the refugees 1933-1945], Studien und Quellen 22, Zeitschrift des Schweizerischen Bundesarchivs, Bern 1966, p. 111 ff

<sup>83</sup> "With the exception of the material which we have given to the archive for contemporary history at the ETH in Zurich, our archives and documentation are not open to the public. Exceptions will be granted only for cases which are founded" Statement of the offices of the Swiss-Israeli community of May 27, 1997. In contradiction: "A feasible way out of this dead end requires that, in the interest of the truth, a historical investigation is initiated and is based on unlimited access to all archives and sours both at home and abroad." Picard, Jacques: Die Schweiz und die Vermögen verschwunder Nazi Opfer [Switzerland and the assets of missing Nazi victims], in: Die Schweiz und die Flüchtlinge 1933-1945 [Switzerland and the refugees], Studien und Quellen 22, Zeitschrift des Schweizerischen Bundesarchivs, Bern 1996, p. 273.

More recent research has shown that the **American Jewish organizations** undertook no more than "the absolute minimum to rescue European Jews".<sup>84</sup> These organizations must recognize that their representatives also made mistakes in the difficult years of war.

In view of their own history, where do the Swiss-Israeli community and the Jewish World Congress derive their legitimation to represent the interests of concentration camp victims? **Is the Jewish World Congress, as leader of the campaign against a Switzerland of the past and the present, and as one which is demanding financial sacrifices, credible under these conditions?**

## 5. A Swiss author as "German cultural burgher"

In a booklet printed in Germany, a Swiss author by the name of Adolf Muschg expressed the opinion that "Auschwitz lies not only everywhere but also in Switzerland". It doesn't take an evil eye to detect "in an undisguised Auschwitz of yesterday something of the facade of present-day Switzerland which is no longer totally genuine: the geranium embellishment on the window sill, the meticulous and embarrassing cleanliness, which is what matters ..." <sup>85</sup> One could naturally assume that a professor, who equates a geranium-bedecked Swiss house with the worst death factory of all times, is beyond all help. **With his geranium story, he establishes a direct relationship between our country and the worst mass murder in history.** At the same time, the comparison of Swiss cleanliness with the concentration camp of Auschwitz has the effect of unbelievable innocence. It is precisely his young readers, little touched by the burden of history, who will come to the conclusion that if Auschwitz were as bad as the cleanliness and geraniums of a Swiss house, then it was really not such a terrible place to be. **Muschg's remarks amount to an incredible mockery of the millions of victims who died in Auschwitz.**

Something should be added to this. Adolf Muschg has recently become, as never before, a much-sought guest for German television, magazines and newspapers. With a reproaching sepulchral voice, Muschg has been moralizing in German mass media about the dreadful complicity of a self-centred Switzerland in Nazi atrocities. This, of course, is balm for the German soul. For nothing is more agreeable than to discover someone to share the blame and to blur the limits of responsibility.

The currying of favour on the part of a Swiss author with our neighbours to the north naturally has a well-founded purpose. In **Germany**, the sales of his books are many times greater than in a small country like Switzerland. In Germany he needs the publishing house, the critic, the literary prize. But Mr. Muschg has also discovered the Holocaust as a business! And so this professor, with the applause of his German audience, formulates sentences such as: **"The people in the German-speaking part of Switzerland especially dislike hearing that they must once again learn to be German "cultural burghers".**<sup>86</sup> The wish to be accepted in Germany, to become well-known, and to sell as many of his books as possible is nothing new for this German Swiss author. But it occasionally gets him into difficult situations. In 1963, Karl Schmid, Muschg's predecessor as Professor of Literature at the Federal Institute of Technology in Zurich, impressively described in a book entitled "Unbehagen im Kleinstaat" [**Uneasiness in a small state**] how Swiss authors repeatedly long for the dawn of our small country into a "large entity" where vitality, life and fate would prevail instead of "Helvetic petty-mindedness". **These authors consider the affiliation with a small state not as our fate but as our guilt.**<sup>87</sup> The first literary success of Conrad Ferdinand Meyer was called "Huttens letzte Tage" [Hutten's last day] and appeared in 1871. It was a singular glorification of the recently founded German Reich.<sup>88</sup> Meyer's German friends in Zurich patted him on the back and in Germany he became well known overnight. Gottfried Keller, in a farewell toast of 1872 for a German professor (perhaps having already had one glass too many), made the rather inept remark that the time might well come

<sup>84</sup> Wyman, David S.: Das unerwünschte Volk, Amerika and die Vernichtung der europäischen Juden [The unwanted people, America and the annihilation of European Jews], Munich, 1986. Elam, Shraga: Nazi-Fluchtgeld in der Schweiz, [Nazi fugitive money in Switzerland], in : Widerspruch 32, Beiträge zur sozialistischen Politik, vol. 16, no 32, December 1996, p. 142 .

<sup>85</sup> Muschg, Adolf, Wenn Auschwitz in der Schweiz liegt, fünf Reden eines Schweizers and seine and keine Nation [If Auschwitz were in Switzerland, five speeches of a Swiss addressed to his nation and to no nation], Frankfurt 1997, p. 10

<sup>86</sup> Muschg, Adolf: Im Namen einer Mitbürgerin [In the name of a fellow citizen] in Wenn Auschwitz in der Schweiz liegt, Frankfurt 1997, p. 58

<sup>87</sup> Schmid, Karl: Unbehagen im Kleinstaat [Disquiet in a small state], Zurich, 1963

<sup>88</sup> See for insurance the verse "Geduld! Es kommt der Tag, da wird gespannt / Ein einig Zelt ob allem deutschen Land!" [Be patient! The day will come, a single tent will be spread above all of Germany.]

"in which we Swiss could also return to Kaiser and Reich".<sup>89</sup> Many other writers could be listed in this respect. Only Jakob Schaffner will still be mentioned here. In the 1930's, under the pressure of pleasing the Germans, he identified with them to the extent that his native community in the canton of Basel refused at first to bury his mortal remains.

Schaffner saw Switzerland in the role of an observer excluded from actual trade. Today Muschg writes of a dark spectator's room in which we were seated "while the war played itself out on the stage".

In 1940, Schaffner wrote that the Swiss people were "awkwardly standing behind their wire enclosure and are beginning to reflect". Muschg scoffs at the "state of siege" and at the "defensive reflexes of a hedgehog country".

Schaffner wrote that the "new Europe" had no interest in supporting a "club of capitalists which had come to a standstill". Muschg describes the "golden nose" which we have earned at the cost of others' misfortunes.

Schaffner believed that the "twilight of neutrality" had been broached. Muschg writes that with its neutrality, Switzerland has "withdrawn from the world since the time of Magadino".

Muschg today criticizes the fact that the Swiss unwillingly admit to be being "German cultural burghers". Schaffner wrote: "Instead of the over-emphasized differences, the imperturbable fact of our linguistic and blood relationship will be shown to advantage again under the new international freedom."

In 1940, Schaffner wrote in the Nazi propaganda paper "Das Reich": "For our people, there is a very straight and simple path to an understanding of the future and to integration in the new Europe with dignity and by choice... In this new Europe, a number of economic and transit standardizations will undoubtedly be concluded and established, from which Switzerland will neither want to withdraw nor can withdraw because it is in the centre of Europe and is not an island in the middle of the Atlantic Ocean". And Muschg complained in 1997: "Switzerland does not belong to Europe. It does not participate in the civilization which began with us". And in addition: "The only way out of the present crisis leads us back to Europe."<sup>90</sup>

**Schaffner and Muschg: Swiss authors of 1940 and 1997. Schaffner was an opportunistic collaborator. And Muschg? At most an opportunistic and colourful chatterbox!**

The Federal Council has expressed its appreciation for Mr. Muschg's "service" to our country by appointing him advisor to the Solidarity Fund. **Is this Swiss writer a credible "reappraiser" of our Swiss history?**

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<sup>89</sup> "Badische Landeszeitung" of March 23, 1872. Kriesi, Hans Max: Gottfried Keller als Politiker [Gottfried Keller as a politician], Frauenfeld, 1918, p. 204

<sup>90</sup> Schaffner, Jakob: Die Schweiz im Neuen Europe [Switzerland in a new Europe] in "Das Reich", no 12, August 11, 1940, p. 17 ff. Schaffner, Jakob: Der Prozess um mein Land [The trial involving my country] in "Das Reich", no 18, September 22, 1940, p. 3. Interview with Adolf Muschg in "Der Spiegel", no 12, 1997, p. 183. Muschg, Adolf, Wenn Auschwitz in der Schweiz liegt [If Auschwitz were in Switzerland], Frankfurt 1997, p. 11, 13, 15, 58.

## XI. The Swiss people cannot be blackmailed

**On March 5th, the Federal Council promised Switzerland and the world a "solidarity fund".** The President of the Swiss Confederation announced to the world that Switzerland would reevaluate the gold reserves of the National Bank and allocate seven billion to a solidarity fund. Only two days earlier, a Federal Councillor had replied to the question of a member of Parliament with regard to financing the proposed north-south railway line with the National Bank's gold pool. It would not be advisable to use the gold inventory of the National Bank for that purpose, he said, because it was meant "as a reserve in emergencies". I am quoting the Federal Councillor: **"Such a procedure would amount to the same thing as selling the family silver and could undermine the spending discipline urgently needed to eliminate the structural deficit."**<sup>91</sup>

Why then this solidarity fund only two days later? Following the boycott threats from New York, not only the top echelons of bank management lost their nerves but the Federal Council slid into a state of panic as well, which was interpreted as such.<sup>92</sup> **It acquiesced to the pressure of foreign Jewish organizations and allowed itself to be blackmailed into payments out of national assets! That the National Bank, which has been independent until now, should be plundered is frightening from an economic point of view. But it is even more frightening, from the point of view of national policy, that Swiss politicians should have allowed themselves to be blackmailed.** The attempt to extort money or other concessions through threats is unfortunately becoming commonplace in politics and industry.<sup>93</sup> **Although he who blackmails is condemnable, he who gives in is even worse. He encourages the extortionist to continue his obviously successful methods and exposes himself to further blackmail.** The Federal Council believed that when it announced to the world the creation of a fund with the splendid title of "solidarity", the entire world was going to be talking only about Swiss solidarity. But what happened? **The entire world has been talking instead about the admission of an appalling sin!** And those groups which have been incessantly attacking us, have reacted immediately with new threats of extortion. If the Swiss electorate does not vote for the solidarity fund, or so goes the saying in America, it would be unforgivable and bring with it serious consequences.<sup>94</sup>

Federal President Arnold Koller announced that half of the annual proceeds from these seven billion would be used at home and abroad in equal amounts. According to Koller, this could include, "of course", the "victims of the Holocaust and Shoa as well".<sup>95</sup>

In retrospect, the Federal Council has realized that the people will never vote for a fund based on extortion. The Federal Council is of course shocked and wants to repeal everything with the explanation that the fund has absolutely nothing to do with the Second World War, and nothing to do with the pressure from foreign groups. With a statement entitled "Dormant Assists, Explanation of the Federal Council", an attempt is being made to eradicate the proposed use for Holocaust victims, which in turn is leading to a new lack of credibility.

By now, everyone feels disavowed: the Swiss people because they are supposed to have been blackmailed from abroad, the Federal President because he had to revoke a statement which he made in the name of the Federal Council, and members of foreign Jewish organizations to whom one promised a fund on March 5th only to have it revoked today.

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<sup>91</sup> Bundesrätlicher Slalom um Gold [Parliamentary slalom for gold], in: "Neue Zürcher Zeitung", April 25, 1997, p. 14. Interpellation of Tschopp recommending the partial use of gold of the Swiss National Bank for "productive infrastructure projects" such as Neat (proposed north-south railway line through Switzerland)

<sup>92</sup> Jonathan Steinberg, historian in Cambridge and Holocaust specialist, on the difficulties of Switzerland with its past and with the present in: "Die Weltwoche", No 24, June 12, 1997, p. 30

<sup>93</sup> "Klagen als Volkssport in den USA [Legal action as a popular sport in the USA] in: "Neue Zürcher Zeitung", April 11, 1997, p. 7

<sup>94</sup> "The New York Times" of May 14, 1997: "None of these steps represent full restitution of Switzerland's unpaid obligations. Should the foundation vote fail, the post-war balance sheet will be largely unchanged. That would be unforgivable".

<sup>95</sup> Die Schweiz und die jüngere Zeitgeschichte, Erklärung von Bundespräsident Arnold Koller vor der Bundesversammlung [Switzerland and the more recent history, statement by Federal President Arnold Koller to Parliament], in: "Neue Zürcher Zeitung", March 6, 1997, p. 15

Council has lost its mind, and with its announcement of a solidarity fund has brought our country into a difficult situation. **Only the highest instance, namely the people, can disentangle this mindless confusion by saying 'no' to the fund.**

At home, however, so-called democrats have been threatening the people long in advance of the deciding vote on the solidarity fund. Muschg, for example, wrote: "Following a NO of the people, 'shambles' would be an overly neutral expression for the Constitution and the reputation of the Republic. The pinched gold would become the excrement in which psychoanalysis has recognized its infantile raw material. Then the muck heap which we have collectively assembled would be so contaminated by resentment, defiance, and self destruction that nothing would thrive on it for years to come."<sup>96</sup> Ladies and gentlemen, in contrast to Professor Muschg, I had enough opportunities as a farm hand to use manure and to judge its effect on vegetation. I can tell you that there is no place in nature where life thrives more luxuriantly than there where a substantial muck heap has been spread. And so I await the muck which the Swiss people have allegedly produced with equanimity. **Switzerland will show that it cannot be blackmailed, and the world will acknowledge our 'no' with amazement.** It will realize that it is not the blackmailed politicians who decide but rather an **independent and sovereign people who have the last word.** Our small state will earn respect - in accordance with Jacob Burckhardt, the great cultural historian who died one hundred years ago: "The small state exists so that there is a spot on the earth where the largest possible proportion of nationals are citizens in the fullest sense of the word."<sup>97</sup>

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<sup>96</sup> Muschg, Adolf: Wenn Auschwitz in der Schweiz liegt [If Auschwitz were in Switzerland], Frankfurt 1997, p. 24

<sup>97</sup> Burckhardt, Jacob: Weltgeschichtliche Betrachtungen [Reflections on History], edited by Albert Oeri and Emil Durr, vol. 7, Basel 1929