

To Our American Friends: **Switzerland in the Second World War**



By Dr. Hans J. Halbheer, CBE

Honorary Secretary of the American Swiss Foundation Advisory Council in Switzerland and a Visiting Scholar at the Hoover Institution, Stanford University, California Dr. Halbheer wrote the following essay in 1999 to offer a Swiss perspective on some issues of the recent controversy to American friends of Switzerland.

In addressing the arguments raised by U.S. critics of the role of Switzerland during the Second World War, I am motivated both by my feelings of friendship towards America and by my Swiss patriotism. For both of these reasons, I feel deeply hurt by both the charges against my country and the vehemence with which they have been expressed.

During a recent period of residency at the Hoover Institution at Stanford University, one of the leading U.S. think tanks, I sought to present my personal standpoint regarding the lack of understanding about Switzerland's role during the Second World War in many discussions with Americans both young and old. On these occasions, I emphasized my awareness of the fact that the criticisms of Switzerland came only from a small number of Americans.

Despite the settlement reached in August 1998 between the two major Swiss banks (Credit Suisse Group and UBS) and two Jewish organizations (the World Jewish Congress and the World Jewish Restitution Organization), the matter has still not run its course, although it has widely disappeared from the American media. Unfortunately, I must maintain that as a result of the generally negative portrayal of Switzerland over the past few years, the image of Switzerland has suffered.

What I present to you here is my personal response in the face of this American criticism. Much of it is already known, and so I beg your patience if it sometimes seems like a civics lesson.

Broadly speaking, the charges relate to the following areas:

1. Swiss neutrality
2. Ownerless assets
3. The gold transactions of the Swiss National Bank (the central bank)
4. Refugee policy, especially regarding the "Jewish stamp" on passports
5. Economic relations with Germany
6. "Ill-gotten gains" (Raubgut – stolen assets). In this, Switzerland was compared as a second-tier player with France, Austria, and Russia by a high-ranking representative of the U.S. Government.

I will concentrate my thoughts on the first four points, which encapsulate many of the most serious charges against Switzerland.

Criticism of Swiss Neutrality

Stuart Eizenstat, an Undersecretary of the U.S. State Department, wrote in an official report on May 7, 1997 that Swiss neutrality during the Second World War was immoral. Yet the author did not bother to inform himself about our historic practice of neutrality or our situation in 1933-1945. Our neutrality was not opportunistic or of recent vintage, formed as a response to the Nazi takeover in Germany. Instead, neutrality has been a condition of our domestic peace and our foreign policy since time immemorial – dating back to 1515. Our policy of non-interference and non-belligerence in the various European wars raging around us is a doctrine originating from the Battle of Marignano in 1515. On September 13-14 of that year, the French king Francis I struck the Swiss who were fighting on the side of the Duchy of Milan; the Swiss suffered an awful defeat due both to deficient discipline and to strongly divergent interests within Switzerland as to the country's best foreign policy (the central Swiss favored northern Italy and those of Bern in the West leaned towards the French). It was concluded that a policy of neutrality would both prevent the risk of defeat in war and also lead to domestic harmony, because the country would no longer be faced with differing views over which side to choose in a European war.

Without neutrality over the centuries, we would have been sucked into the mire of the European dynastic and religious wars, to our demise. Since the Congress of Vienna of 1815, our policy of enduring and perpetual armed neutrality was recognized by the Great Powers under international law as being in the common interest of Europe. In this context, it is also worth noting that in 1955, as the four victorious powers of World War II concluded a peace treaty with Austria, it was explicitly stated that Austria was obliged to practice a neutrality like that of the Swiss.

Subsequent to the publication of his first report, Undersecretary Eizenstat apparently learned that the long history of our neutrality was not opportunistic; he indirectly acknowledged as much by noting in his second report of June 2, 1998, that the sympathy of the Swiss people, despite strict official neutrality, was overwhelmingly on the side of the Allies.

Neutrality, once adopted as stated policy, is binding on a state and its government. According to international law in force in 1939, a neutral country was required to practice

the principle of impartial treatment of belligerents. In view of this, it was expressly understood – indeed, it would have been regarded as a violation of neutrality to do otherwise – that trade relationships with all belligerent nations would stand in the same proportions as before the war. Since Germany was our most economically powerful neighbor, our principal source of coal, and our largest trading partner (as it also is today), Switzerland could hardly have changed this relationship unilaterally in 1939-45 without being accused of violating its neutrality. Switzerland can, however, prove that it also furnished the Allied Powers with important materiel until the last possible moment, when it was completely encircled by the Axis forces. Again, this trade with the Allies was completely consistent with the principle of neutrality, despite the anger it produced in Nazi Germany. After the capitulation of France on June 28, 1940, it was no longer possible for the Swiss to deal with all belligerents equally, even though we would gladly have been of service to the Allies, with whom our sympathies lay as fellow democrats and believers in liberty.

In his 1997 report, Undersecretary Eizenstat stated that Switzerland ended the Second World War as one of the wealthiest nations in Europe and that we profited from financing the Nazi war machine. Contrary to this assertion, from 1939 to 1945, the gross national product (GNP) of Switzerland increased less than that of any other European country except Germany, Italy, and Great Britain. For example, the growth rate of GNP in Sweden was over twice as high as that of Switzerland; the growth rate of GNP was also higher in Belgium, France, the Netherlands, etc. Also, the profits and assets of the three major Swiss banks of the time (Swiss Bank Corporation, Union Bank of Switzerland, and Credit Suisse) stagnated. For example, in 1930 Credit Suisse had net profits of 14.6 million Swiss francs; in 1940, profits sank to 6.8 million. In 1950, profits of 13.4 million Swiss francs were still less than those in 1930; not until 1960 did profits rise above the 1930 figure.

Switzerland's great competitive advantage was that at the war's end, in May 1945, it was unscathed by battle and its economy was immediately able to resume operations at prewar levels. But it was only at the end of the 1950s that Switzerland became a financial center of truly international significance.

Far more important than financial matters, however, is the fact that Switzerland defended her neutrality in the face of all potential adversaries in a way that could not be misinterpreted and left no doubt about her will to resist.

Americans are understandably impressed when told that Switzerland had – of all the smaller European countries and neutrals – the largest army at its disposal, comprising 600,000 battle-ready men at arms (including a few thousand women). Switzerland's military and economic sacrifice was great, our population being entirely determined to prevent invasion by our Nazi and Fascist foes and avoid the fate that had befallen so many other European countries. Hundreds of thousands of men at arms performed military service for years and were absent from their workplaces in business and the farm. Wives at home filled the void and also took over the civic responsibilities of their husbands. Far from war bringing us prosperity, instead we faced the rationing of basic necessities. Lack of food imports meant that we planted potatoes on every square meter possible and required compulsory work of city youngsters on farms.

The military threat to Switzerland was real. Our armed forces were decisive in preventing Hitler from attacking us. On September 2-3, 1939, as the war began with the Nazi invasion of Poland, the Swiss mobilized 430,000 fully equipped men within 48 hours. On May 11, 1940, the day after the German offensive against Belgium, Holland, and France, there was the second general mobilization and by now more than 600,000 soldiers were called for duty.

German troops were concentrated along the German and French borders near the city of Basle, where the three countries meet. The new military tactic of rapid advance known as "Blitzkrieg" utilizing tank armies induced the Germans to choose the plains of Flanders instead of hilly Switzerland for their move into France. However, the Germans kept forces ready to move behind the Maginot Line in eastern France through Swiss territory in case the action through Belgium failed.

Similarly, the Germans did not respect the neutrality of Swiss air space. We demonstrated our will to defend our neutrality and independence during the air battles with the Germans of May and June 1940 in which a total of 11 German planes were shot down while the Swiss lost 3 planes. Hitler was enraged by the downings of the German planes, and Luftwaffe-Marshal Göring was impressed with Swiss skills and determined resistance.

The Swiss troops concentrated along the French border were soon needed, not to fight an aggressor, but to control the entry of the 45th French Army of General Daille, who asked for internment in Switzerland after having been driven into a situation which left no alternative. Internment in a neutral country is permitted under international law; 42,000 soldiers began entering Switzerland on June 19, 1940, including 28,000 French, 13,000 Poles, and 600 Belgians.

After the defeat of France in June 1940, the strategic situation for Switzerland changed. It became necessary to review the defense plan of the Swiss Army, for Switzerland could now be attacked from any (or all) sides by the Axis powers without hope of getting support from the Allies. The revised defense plan called for the concentration of Swiss forces in the mountainous center of the country around the entrances to the Alpine valleys, in order for the Swiss forces to be able to resist as long as possible against an aggressor from wherever he might attack. The idea was that controlling the mountain passes and railroads which would likely be the object of any invader would itself deter an attack, since the attacker could not guarantee that he could achieve his strategic goals. In the event of an invasion, the St. Gotthard and Simplon railroads would have been destroyed, thus removing the easiest means of passage between Germany and its Italian ally.

This new defense concept was called the "National Redoubt," or, in French, the "Réduit National." On July 25, 1940, General Henri Guisan, supreme commander of Swiss forces, ordered all his high-ranking officers to attend a solemn ceremony on the "Rütli," a hidden meadow on the shores of Lake Lucerne, where the famous oath of August 1, 1291 was taken, leading to the founding of the Swiss Confederation (events later described in Friedrich Schiller's play Wilhelm Tell). In this historic place, General Guisan reinforced the morale of his officers and reaffirmed that Switzerland would never surrender, even in the face of Nazi invasion. This cradle of the Confederation thus became in July 1940, a doubly significant place in the hearts of the Swiss.

After the meeting at the Rütli, the Swiss started to reinforce their alpine fortress and extended it to become a tremendous defense system. The opinion of a foreign observer, André Siegfried, a member of the French Academy known for his travels on all continents, is valuable in evaluating the policy of the National Redoubt. In 1946, Siegfried wrote that, "It cannot be said too often that such a concept was inspired by great heroism, and the way in which the Swiss government and the country as a whole accepted it without recrimination and without hesitation – because it involved [in the event of an invasion] the abandonment of the Swiss plateau and the families of the defenders to the mercies of the invader – was admirable. The very soul of Switzerland fell back on its original hearth. In the whole history of war there are not many examples of such courage."

The Nazis directly and repeatedly threatened Switzerland. Swiss intelligence informed General Guisan of a number of incidents of direct threats of invasion. In January 1941, nine to ten infantry divisions and one tank division were stationed in southern Germany along the eastern Swiss border. One month later, there were 12 to 14 infantry divisions, a motorized division of the Waffen SS, and the two elite units of the SS, the Fuhrer and the Deutschland, on the northwestern Swiss border (near Belfort-Dijon).

On October 11, 1942, the Germans marched into the unoccupied part of France. At the same time, Italian forces advanced until they reached the Rhone river (the western Swiss border). Switzerland was now completely encircled and more exposed than ever before to the military pressure of the Axis.

Switzerland was also clearly and directly endangered in March 1943, when the Nazis were planning the "Operation Switzerland" action. Fortunately, Swiss intelligence detected this effort in time, thanks to a secret channel of communication between the Swiss General Staff and the German Chief of Intelligence, Admiral Canaris.

Because of a further total mobilization in Germany, in March 1943 the Supreme Command of the Wehrmacht had reserves of between forty and fifty divisions at its disposal. In those days, the German Army had reached new heights in its numerical strength. At the same time, the German defeat in North Africa had led to the withdrawal of the North Africa Corps to Italy.

Further, German intelligence had information that Germany could no longer count on the reliability of her Italian ally. Germany therefore needed to put more troops in Italy to remain in control of the situation there. However, the intensive bombing of the railroad connections leading from Germany to Italy over the Brenner Pass by American and British planes endangered the supply routes of German forces in Italy. This situation led the German strategists to seriously consider action against Switzerland once again, because the most important double-track railroads, the Gotthard and Simplon lines, the most direct north-south connections in Europe, both lead through Switzerland. An additional factor was the importance of Switzerland standing out in the middle (and on top) of Hitler's plan for a "European fortress" ("Festung Europa").

The ever-vigilant Swiss intelligence service reported on March 18, 1943, that a special headquarters had been set up for "Operation Switzerland." General-Colonel Eduard Dietl

was in charge of the proposed action, and German paratroopers were ready for an attack. In the following days, it was learned that the SS, led by Himmler, favored action against Switzerland, while German intelligence, as well as senior officers of the Wehrmacht, opposed it. Finally, on March 27, 1943, Swiss intelligence reported that the action definitely would not take place.

This was the greatest military threat to Switzerland during World War II. After the war, we learned from German sources that in 1942, German Foreign Minister Ribbentrop requested from Minister Koecher, the German Ambassador in Switzerland, a report on the Swiss defense situation. Ribbentrop especially wanted to know for what length of time the Swiss food and raw material provisions would last. In a detailed response, Koecher pointed out that Switzerland, because of her foresighted economic policy, had begun in 1938 to store up enough raw materials and food to hold out for about two years in the National Redoubt in the Alps. Conscious of the Nazis' plans for invasion, Koecher added in his report a description of the hardy and soldierly character of the Swiss people, who would answer an attack with the strongest resistance. He emphasized that it was out of the question to expect the Swiss to surrender the Gotthard and Simplon tunnels intact. Therefore, an attack on Switzerland would not improve transportation between Germany and Italy.

Admiral Canaris, head of German intelligence, similarly underlined the Swiss will of resistance and Switzerland's economic strength and geographic advantages. It was due to the views of Koecher and Canaris that Hitler gave up his plans to incorporate Switzerland into his "New Europe." Shortly before Canaris left office, he paid a visit to Bern, where he expressed to the German Ambassador his satisfaction about the success of their reports.

The capitulation of Italy on September 3, 1943, could have brought difficulties along the southern Swiss border. There were twenty German divisions in Italy which had to get control over the fifty-five remaining Italian divisions, and the Swiss feared that some of the Italians would try to enter Switzerland.. However, the Germans were able to bring the situation under control.

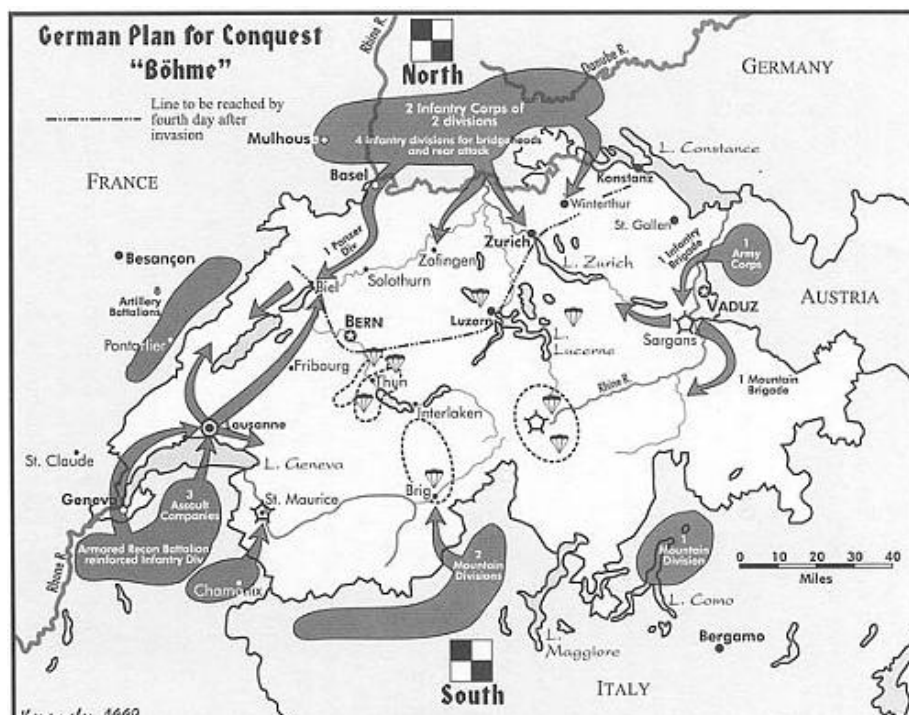
On April 29, 1944, a German Messerschmidt-110 landed erroneously at the airport of Zurich, 18 miles from the German border. The plane was a special night pursuit plane and had the latest secret equipment. Because the great air battle over Germany had started, the headquarters of the German air force attributed the highest importance to this equipment, even considering that it could decide the outcome of the war. As a precautionary measure, therefore, these Me-110s were used exclusively over German territory; they were not even used over countries occupied by the Germans, lest some technical details fall into the hands of the enemy.

First, the Germans tried through the customary diplomatic steps to obtain the return of the plane. The Swiss declined to return it, pointing out that as a neutral, if they gave back the Me-110 they would also be obliged to return the American planes interned in Switzerland. The Germans then planned a military action to seize the plane. The Swiss informed the German Ambassador that such an action would mean the outbreak of war between the two countries. As a result, the Germans shelved their plan, and an agreement was reached to destroy the plane where it was.

After the Allied invasion of France on June 6, 1944, the last threat to Swiss neutrality and independence arose. If the Germans had decided to fight the decisive battle in France, Switzerland was faced with the probability that the race to outflank the enemy would lead the belligerents to the Swiss borders. Under these circumstances, the Swiss could not be sure that both parties would respect the neutral Swiss border. However, when the situation changed in favor of the Allies, the last danger for invasion of Switzerland during the hostilities of World War II seemed to be over. But so long as Hitler – a desperate and unpredictable dictator, who hated Switzerland – was in power, there was always the danger of a possible action against Switzerland.

Our free press and radio contributed substantially to the moral and intellectual defense of the country and to keeping the spirit of resistance firm. They were also highly valued by the Allies and especially by the resistance movements in Nazi-occupied territories. Between 1939 and 1945, Nazi Propaganda Minister Josef Goebbels delivered 169 denunciations (démarches) of our press in the Federal Council, even threatening to kill our journalists and scatter their ashes in Siberia. Our leading journalists, on both the right and left, showed a great deal of courage throughout the war.

Thanks to neutrality, Switzerland was able to represent the interests of 33 states, including the U.S., in 139 countries, including Nazi Germany, Italy, and Japan. The Swiss Ministry of Foreign Affairs employed 30 people for that purpose in Bern and 1150 outside the country; the annual cost of 100 million francs was made good by the countries concerned.



(Map from *Target Switzerland* courtesy of *Sarpedon Publishers*.)

Readers interested in a complete account of the German military threat to Swiss independence throughout World War II will find it in detail in *Target Switzerland*, Stephen Halbrook's considered history of Switzerland and World War II.

Unclaimed Assets and the Actions of the Swiss National Bank

It is clear that the banks were not completely without blemish in this painful matter. When relatives of Holocaust victims visited the banks after the war, in many instances the banks did not bring psychological sensitivity to bear in addressing their inquiries. Too often, it seems, petitioners were dealt with bureaucratically and turned away on pure technicalities.

Those of us who can remember the mood after 1945 know that the sobering emergence of the Cold War quickly dampened the euphoria initially brought about by the victory in the West. The threat of the militarily powerful – and totalitarian – Soviet Union quickly overshadowed the Nazi atrocities, and the Holocaust disappeared from the headlines. Winston Churchill's 1946 speech in Zurich, along with his "Iron Curtain" speech in Fulton, Missouri, that same year, called attention to this new threat.

When we look at the situation in Western Europe in 1933, the year Hitler took power, from the perspective of a refugee looking to invest his money in a safe place, we see a region under the direction of the great powers of France and Great Britain, both poorly prepared for war. To the north, south, and east of Switzerland the dictators Hitler and Mussolini ruled, and in the west, there is a weak France. That Switzerland gave every appearance of being the most endangered country in Europe would have been immediately clear to anyone who consulted a map of the time.

Emigrants – above all, Jews and political refugees – who had credit balances in Swiss banks transferred these, whenever possible, overseas – mostly to the United States. Our major banks themselves also shifted assets to the Americas, to the U.S., Canada, and other countries. Two-thirds of the gold of the Swiss National Bank was delivered over to the U.S., and in June 1940, a further quantity of gold was prepared for sending to New York, although at that point such a transport became no longer possible because of the capitulation of France. By 1940, then, the amount of assets in Switzerland owned by non-Swiss Jews had been sharply reduced.

It is worth reviewing, dispassionately, the story of the development of the idea that billions of dollars in unclaimed assets remained in Swiss banks. The concept is probably attributable to a news article in April 1995. The journalist Itamar Levin made international headlines with a story in the Israeli business magazine *Globe* claiming that he had found an official document in an archive in Jerusalem according to which the Swiss authorities had supposedly obligated themselves in 1946 to pay global compensation for unclaimed Jewish assets in the amount of 300 million Swiss francs. Through a valuation process using such factors as interest charges and changes in purchasing power, Levin arrived at the sum of 7.7 billion Swiss francs, corresponding to the 300 million of 1946. The *Globe* article states: "In 1946, the Swiss government committed itself to the payment of 285 million Swiss Francs (95% of 300 million) – that is today about \$6.4 billion to be placed at the disposal of the rehabilitation of Jewish victims. The source of this money should be the ownerless assets."

The idea of a multi-billion dollar amount of unclaimed assets understandably aroused the interest of the World Jewish Congress (WJC) and its president, Edgar Bronfman. In

September 1995, the Swiss Bankers Association disclosed that its records indicated the existence of 38.7 million Swiss francs in ownerless assets; on February 7, 1996, the Association reiterated that it would stand by this figure. The WJC found this amount to be too low (which turned out to be true) and informed U.S. Senator Alfonse D'Amato, chairman of the Senate Banking Committee.

At that point, the issue came into full play in the U.S. press and developed a life and dynamic of its own. The final sum of the ownerless assets of Jewish victims of the Nazis in Swiss banks should be made known by the Volcker Commission in the coming months. It is likely to be in the area of 100 million Swiss francs, not billions.

Quite apart from these unreported assets of about 100 million Swiss francs, the Swiss banks offered \$600 million to gain respite from all collective complaints. In the face of a threatened boycott of Swiss banking services by the States of New York, New Jersey, and California, the bankers were asked to pay twice that amount, \$1.2 billion. The banks have had to pay a price, both in money and reputation, from the fact that they became inclined to take the matter seriously only in response to outside pressure.

If the banks had not settled, there would have been legal proceedings lasting for years, with much cost, work, and irritation, as well as a further worsening of the image of Swiss banks and Switzerland itself. Even had the banks prevailed in these proceedings, the harm would have exceeded the satisfaction of vindication.

Even if, ultimately, unclaimed assets of 100 million Swiss francs should be determined to exist, one aspect of the affair that rankles the Swiss is that other European lands, both small and large, whose policies involved more serious offenses and, indeed, active collaboration with the Nazis, generally received more restrained criticism. Frankly, the Swiss are quite puzzled by this and take this selectivity quite badly. Complete justice would require an accounting from all the countries of Europe, not just Switzerland.

Gold Dealings of the Swiss National Bank (Central Bank) Similarly, the much-discussed gold dealings of the Swiss National Bank must also be evaluated in light of the situation prevailing at the time. The most important mission of any central bank is to maintain the stability of a nation's currency and its purchasing power and thus to ensure social stability and the economic survival of the nation. After bad experiences with high inflation during the First World War, by 1939 the Swiss franc was bound to the gold standard and hence recognized as a strong currency.

After the entry of the United States into the war in December 1941, the Swiss franc was the only worldwide convertible currency, accepted everywhere, including by both sides in the war. Demand for the franc thus increased significantly. At that time, two-thirds of the currency reserves (the gold) of the Swiss National Bank (SNB) were in the U.S. for safekeeping, and had been held there since June 14, 1941 as a result of the American blockade; the SNB could not gain access to them, and the franc was therefore no longer sufficiently backed by gold.

This situation threatened to cause a worldwide loss of the franc's reputation as a strong currency, which could also have had economic consequences in Switzerland itself. The SNB was legitimately acting in the national interest in attempting to fulfill its mission of currency stability by obtaining gold. Because the Swiss franc was, as noted above, the

only convertible currency accepted worldwide, this mission of currency stability also provided benefits to the Allies. Because of the blockade on gold imposed by the U.S., it was an obvious course of action for Switzerland to demand gold as payment from belligerent countries, including Germany, for Swiss shipments. According to the Bergier Commission, the SNB bought 1.2 billion francs worth of gold from Nazi Germany from September 1, 1939, to June 30, 1945. In the same time period, however, Switzerland bought 2.2 billion francs worth of gold from the United States.

As befits its neutral status, Switzerland was a natural market for the international gold trade. Net buyers of gold during the war included such countries as Portugal, with 536 million francs, thanks to sales of tungsten to Germany, Argentina, France, Greece, and Sweden.

The Bergier Commission's criticisms of the SNB and three members of its directorate concentrate on the accusation that they should have ascertained the exact origin of the gold purchased by the bank. As we know today, the gold purchased from the German Reichsbank consisted in part of plunder. One could criticize the directorate of the SNB in that period (as the Commission has done) by saying that they should have sought to find out the exact origin of the Reichsbank gold, as they were warned about this by the Allies in 1944 (though note the late date of the warning).

If the SNB wanted to do the best it could in the interests of the currency – and hence, of the country itself – then it had to demand gold from Nazi Germany for the payment of Swiss shipments and not be satisfied with the Reichsmark, which they must have known – in 1944 at the latest – would soon have little value.

Again, my purpose is to examine this issue dispassionately, in light of the conditions actually prevailing at the time. As the "Arbeitskreis Gelebte Geschichte" of Bern has stated, "It is astounding that the experts of the Bergier Commission almost entirely overlook the moral and psychological climate of the war years in their analyses and manifestly adopt the comfortable and superficial assumption that what is valid today is also appropriate in wartime. A failure to take into account the distinct values and perspective of the time, as well as an inability to relate to them, must lead to erroneous conclusions." I would only add that the issue is not merely what is "appropriate" in wartime but equally what is even possible.

A third source of contention has been the question of Switzerland's refugee policies during the War. This matter has brought the country enormous criticism, in particular as regards the ominous "J" stamp for recognizing Jews in German passports. Some have maintained that the J-stamp was introduced at the request of the Swiss government. The fact, according to the official report on refugee policy by Professor Ludwig, is that in view of the increasing stream of refugees coming into Switzerland, the country wanted to initiate a general visa requirement applicable to German citizens. This was vehemently rejected by Nazi Germany, which proposed the introduction of the J-stamp into German passports. The J-stamp was thus an invention of the Nazis and not the Swiss.

The Swiss Federal Department for Foreign Affairs saw the controversy from a completely different perspective. Since 1936, when the Nazi party was banned in Switzerland, relations with Nazi Germany had been strained. After the Nazi annexation

of Austria in March 1938 and the Sudetenland (Czechoslovakia) crisis in that autumn, further difficulties arose from day to day. The Department head, Giuseppe Motta, sought to avoid causes of renewed friction when possible. In his eyes, a reintroduction of the general visa (for all Germans) would weigh more heavily on the situation than discrimination against the Jews. The Swiss representative in Berlin, Froelicher, a controversial figure who was apparently sympathetic to the Nazis, supported Motta and Kappeler. The entire Bundesrat decided to accept this German proposal on October 4, 1938. As Alfred Cattani wrote in 1998, "On the Swiss side, the central government bears the most responsibility. [Federal Councillor and Minister for Foreign Affairs] Motta closed his eyes to the underhanded intentions of the Germans and brushed aside misgivings felt, for one, by Justice Minister Baumann." The Swiss representatives in Berlin, Froelicher and Kappeler, shared in the responsibility. (Popular sayings of the time expressed cynical skepticism about Froelicher's "Swissness.") "[Heinrich] Rothmund [chief of the Federal Police for Foreigners], in contrast, perceived the duplicity behind the German proposals, insisting on identification for all emigrants and opposing a special designation for Jews until the very end."

By the end of 1938, Switzerland had accepted, per capita, the highest proportion of Jewish refugees, above all those from Austria. As it became clear in 1938 that ever greater numbers of people wanted to flee Nazi-controlled territory, the Americans were moved to take the initiative of holding a conference on the refugee situation at Evian, France on July 6-15, presided over by Myron Taylor. Thirty-two countries took part. According to U.S. documents, Taylor held to the line that the United States had to keep itself out of the refugee problem. The U.S. put forth the position that it was a matter of a "European conflict" between Germany and its neighbors and that America was strictly neutral.

Switzerland was the only country that offered to accept refugees in transit and help to convey them to traditional immigration countries (above all, in North and South America). No country was ready to accept additional refugees, especially Jewish ones. With this, the fate of the Jews in Europe was practically sealed.

In the protocols stemming from the September 1938 negotiations between Switzerland and Germany, it was established that the Swiss Government would allow the entry of Jews whose passport was marked with the J-stamp or the corresponding German notation, if the competent Swiss representative authority – such as the legation or consulate – had provided a certification of authorization to stay in or travel through Switzerland. As of September 1938, Switzerland allowed Jews entry only if they had a notation of such permission in their passports. German Jews were not, as is widely assumed, turned away at the Swiss border because of the J-stamp, but because they lacked these permits. This special provision for Jews lasted only four months. On January 20, 1939, Switzerland imposed on all emigrants the requirement to obtain a visa. The J-stamp was not a decisive factor. With the outbreak of the war on September 1, 1939, Switzerland introduced the universal compulsory visa. With this, the J-stamp became irrelevant.

The requirement for the permit and the lack of recognition of Jews as political refugees was decisive for the tragic – and I emphasize tragic – failure to receive them, as was the total closure of the border in the middle of 1942, which was successively relaxed

beginning in the middle of 1943. The demand that Swiss Jews come up with payment for the costs of their co-religionists' stay in the country was also unjust and discriminatory. With all understanding for the very difficult situation in which our country and its authorities found itself, and in full recognition of a long list of good deeds, the fact remains that purely humanitarian considerations often fell short, and there were also here and there some Swiss – though a very small minority – who gave free rein to their anti-Semitism.

The problem, in short, was with the attitude of the time towards refugees, especially Jews. And so Swiss refugee policies have left deeply unpleasant memories in their wake. In the end, however, over 50,000 Jews were able to enter Switzerland between 1933 and the end of the war, of whom 30,000 stayed. The Swiss Vice Consul in Hungary, Carl Lutz, saved 62,000 Jews on his own initiative through the issuance of protective letters. The total population of Switzerland in 1941 was 4.3 million; of those, 224,000 were foreigners with residency permits, and 300,000 were refugees. Together, foreigners accounted for 12 percent of the population.

Conclusion

In discussing these and other issues with American friends and acquaintances, I found that many of them were unaware of either Switzerland's extraordinarily difficult position during the war or the contradictions in U.S. policy during this period.

Switzerland's image has clearly been tarnished, however, and we Swiss should take every opportunity to correct the record. In this context, it should be noted that one recent book, for instance, *Target Switzerland*, by Stephen Halbrook, which appeared in the summer of 1998, highlights Swiss armed neutrality and the services rendered by our army during the Second World War. Other books, I understand from some of my American friends, may appear in 1999 and 2000 that will cover other positive aspects of Switzerland and Swiss history. We can hope that long-term as opposed to immediate results may be achieved with such publications.

In sum, we can only agree with the "Arbeitskreis Gelebte Geschichte" in Bern when they state that "the conduct of Switzerland during the Second World War was in conformity with the applicable international law of the time." If our country committed any offenses against justice, they should be understood to have occurred in a situation of great distress. It should also be noted that this situation was not of our own making but at least partially attributable to the failures of the great democratic powers to prevent Hitler's rise to power, thereby contributing to our predicament.

The highest duty of the government of a state is to provide for the survival of its own people – and, I might add, to distinguish our case from that of Nazi Germany, all its own people – with every means at its disposal. From this perspective, Switzerland acted correctly between 1939 and 1945. She acted in accordance with the circumstances, with honor and good faith, to achieve her political, legal, and moral goal: she endured in peace and freedom, through great sacrifice, as a legitimate state under the rule of law. It was a miracle.

Still, let us try to remain objective in our judgment of our recent American experience. Let us not forget what we owe to the Americans. Without them, we would be a Nazi or a Soviet republic. Western Europe has lived in peace for 50 years – does anyone know of a longer period without war in Western Europe? Secondly, since 1945, we have enjoyed the highest standard of living in our history thanks to the "Pax Americana." Never before in the history of war has there been a more generous victorious power than the United States; never has a victor not only demanded no reparations from the vanquished but gone so far as to help the latter rebuild, as America did through the Marshall Plan. The Europeans are always ready to criticize the Americans, but when it comes to defending the freedom of the Western democracies, the Americans are always called upon first. I maintain that, despite our mistakes, not only should we Swiss not be ashamed of our role in the Second World War, but we can even be proud of those who contributed to our successful survival. We owe them our profound thanks. Let us go forward into the future with self-confidence. That is what our American friends expect from us – and we have many of them!

God bless America and Switzerland!