

Tarnung, Transfer, Transit. Die Schweiz als Drehscheibe verdeckter deutscher Operationen (1938–1952)

Cover-up, Transfer, Transit. Switzerland as a Hub for German Covert Operations (1938–1952)

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Summary

After the fall of the Nazi regime, the transfer of assets and escape of politically incriminated Germans to safe places abroad have been the subject of wild conjecture and speculation unparalleled by any other issue. Up until today, Switzerland has been named as the target destination or center of important services in this context. The present study submits material and results which, for the first time, delineate more precisely the contours of such phenomena.

The investigations focus on the fifteen years from 1938 to 1952, but in certain instances go back to the First World War, or to the early twenties and thirties when the services in question offered by the Swiss financial center were essentially being molded. The advent of German foreign currency regulations in 1931 represented an important turning point, after which the transfer of assets by Germans into Switzerland increasingly became enmeshed in illegality. In the period immediately before and after the beginning of the war, when the lack of foreign currency was one of the key problems of the German economy, any transfer of assets abroad was made immensely difficult. At that time, the Allies were also most interested in any German operations which were going on under cover via Switzerland. The resulting obligation to keep such operations secret (including the later destruction of documents) had serious consequences for the clarification of such processes. The access given to corporate archives in Switzerland for the purpose of this research was only of limited assistance. More informative were the public archives of several countries, giving insight into German activities and actors from different perspectives. This includes information collected by secret services, to be treated with caution, as well as the investigations made in the period immediately following the war. Although exact quantitative data could not be obtained in this way, structural patterns, repetitive processes, central actors on both sides, as well as the behavior of authorities became visible, authorities which in Switzerland only started to intervene to control the situation at a late stage and under pressure from the Allies.

In Part I (chapters 3–5), this study deals with the three subject areas forming the title, each concluding with a small case study. This is followed by an analysis of a group of Swiss intermediaries, frequently named but never subjected to closer scrutiny – lawyers specializing in the safeguarding of economic interests (chapter 6). Part II especially concentrates on the interventions on the part of the authorities, i.e., by the Allies and their operation «Safehaven» (chapter 7) as well as by the Swiss authorities. In chapter 10, the confirmed and/or presumed volume of German assets ending up in Switzerland are discussed. The concluding chapter 11, in a somewhat more extensive presentation of a case study, takes up as an example the operations of some representatives of the German four-year plan who were successfully active in all three areas (camouflage, transfer, and transit), including the securing of their personal economic position after the end of the war by depositing stolen goods in and escaping to Switzerland, and eventually to Latin America.

German cover-up operations in Switzerland consisted principally of the following:

1. *Camouflage of German economic interests located abroad by means of sham transformations into Swiss companies and investment holdings or participations.* The camouflage actions represent a characteristic course of action of the first months of the war in 1939/40, when the German export industry was confronted with the impending loss of international participations and sales organizations. Big companies had, in view of past experiences in 1917/18, started to take precautionary measures already in 1937, by involving Swiss intermediaries and handing over to them temporary participations and portfolios of shares giving them control. It was not difficult to engage respectable lawyers and banks for such services directed against the Allies. On the German side, it was a network of foreign currency offices, ministries, and economic associations that centrally controlled these proceedings, and strictly monitored that no hidden flight of capital was involved. Typical here were covert agreements on a later German repurchase of the respective participations. From such agreements, occasionally only concluded in verbal form, in some cases disputes arose after the end of the war when the Swiss parties concerned attempted to take advantage of the momentary incapacity of the German parties to act in order to definitively appropriate assets.

In quantity, the number of German camouflage companies in Switzerland can be estimated at several hundred. Most of these soon appeared on the black lists of the Allies. Typical for these temporary take-over structures was their ambivalence which, depending on the course of events, allowed for different interpretation. Often wartime camouflages could be adapted to the new circumstances and explained as an endeavor to withdraw one's own capital from Nazi reach (which sometimes actually was the case). Many times the economic camouflage operations were primarily a waiting position for the time after the end of the war, and had no major function beyond that. However, individual operations were also actively executing specific tasks in the service of the German war economy; in the present study, the procurement of foreign currency by means of all sorts of covert transactions, including by the sale of stolen goods, is of specific interest.

2. *Transfer of German assets to neutral countries abroad.* These transactions gained importance in particular in the second half of the war when the impending defeat and eventually the occupation of Germany became apparent. German entrepreneurs presumed that their participations in allied territory – as had been the case in the First World War – would be to a large extent lost by confiscation, while assets in neutral countries might possibly remain intact to play an invaluable role in preparing the ground for new international economic relations. The transfer of German assets was carried out in many different forms. Typical for the widespread industrial withdrawal movements was the generating of financial reserves by false invoicing, the building up of stored goods, or the dislocating of production abroad. Much more difficult to assess, and noted with great apprehension by the Allies, was the transfer of assets by Nazi elites striving to safeguard their individual existence, or possibly even to ensure political survival after the defeat. It had to be suspected that the origin especially of such assets lay in coercion and theft. An extensive trade in banknotes, stolen securities, and diamonds can be documented. Yet not always did the allegations of the Allies regarding such transactions hit the right target. Individual Swiss companies which were highly suspected of such transfers of assets, for instance the banking house Johann Wehrli & Co. AG in Zurich, evidently had to suffer in the place of other, unidentifiable actors. Transactions in the substantial proportions alleged were never substantiated for this bank. However, the problems of documenting such transactions remain immense.

The amount and the origin of such assets elude any precise recording. This is true, in particular, for the bank connections and deposits of assets of Nazi perpetrators, in which cases access to bank archives is only of limited assistance (cf. chapter 4.3). The existence of bank accounts in Switzerland of top Nazis could not be established, but some bank connections of representatives of the economic and diplomatic elite were confirmed. The

ascertainment of German assets in Switzerland by the Swiss Compensation Office shortly after the war reached values in the amount of more than one billion francs, a figure which reasonably needs to be corrected considerably upwards. It may be assumed that the total amount of assets was above two billion francs. A large number of Swiss custodians had evaded the official duty to report. The contemporary estimates, some of them many times higher, or the suggestions contained in more recent publications cannot be confirmed. It is significant to note, however, that around two-thirds of the German assets registered by the Compensation Office, in spite of all German restrictions and controls in capital transfer, arrived in Switzerland only after the beginning of the war. Swiss authorities nevertheless preferred to speak of mainly old and thus unobjectionable investments and suppressed this crucial result of their investigations from the Allies and the Swiss public. Further questions into the extent of unilateral subservience to the German belligerents were thus thwarted.

3. The personal transit of Germans into neutral countries and overseas. Such movements occurring in the chaos of German defeat and during the first months of occupation meant overcoming travel restrictions and official control on all sides, and therefore required a network of supporting connections in Switzerland. As refugees from the collapsing Nazi empire were to be found Germans incriminated for their political activities, as well as persons who attempted to ensure their personal advancement by bringing along, for example, the technical and scientific know-how which had previously been put to the service of the Nazi system.

Quantitative evidence in this area is particularly problematic. It can clearly be determined, however, that such movements of escape to safe Switzerland – contrary to all contemporary and later official Swiss denials – were actually taking place. Individual business sectors such as the production of artificial textile fibers (Hovag) were able to benefit from German know-how by, as an example, engaging chemists from the former IG Farben. Occasionally persons indicted as war criminals were also able to find protection in Switzerland, provided they had connections here and were able to present themselves under the guise of economic utility. The most serious criminals of war (Adolf Eichmann, Josef Mengele and others), as far as can be determined, did not remain in Switzerland for any lengthy period, but after the war obtained the benefit of travel documents which the International Committee of the Red Cross (ICRC) in Italy, due to the lack of suitable control, unwittingly issued them. These individuals had presented themselves under false names in order to arrange for their escape to Latin America with the help of these documents.

The activities investigated in the area of camouflage, transfer and transit proved to be particularly successful whenever they were able to rely on old networks of connections. In many cases, these dated back to the twenties. Only in rare cases the involved Swiss were motivated by personal sympathy for Nazism. Most of the time the latter insisted that their German business partners had remained «decent». Based on this constellation of circumstances, the request of the victorious Allies for transactions to be disclosed was met with determined refusal. Even from the authorities, such persons as had been «useful to Switzerland» were often able to count on understanding and protection, although they were heavily incriminated as a consequence of their position and activities in the context of the German war economy. The authorities had in mind, on the one hand, the interests of the financial place, specifically its reputation as safe depository of foreign assets – wherever these might come from – and, on the other hand, they assumed that Germany would remain an important economic partner for Switzerland in the future as well.

German assets in Switzerland which, according to the Washington Agreement of May 1946, were supposed to be liquidated, eventually remained to a large extent untouched by these events thanks to the obdurate and stalling Swiss negotiation tactics, and in the course of the fifties were returned to their German owners. As a consequence of the onset of the Cold War the interest of the victorious Allies in the role played by neutral Switzerland regarding German

transactions ceased. In domestic politics in Switzerland, the willingness to pursue tedious investigations declined massively, in parallel with the decrease of pressure from the outside. The sometimes fierce criticism by the Allies which, from the beginning, had met with considerable lack of understanding in Switzerland, was to a large extent forgotten. The memory of the manifold economic services which had been contributed from Swiss territory to the German war effort continued to exist as mere «rumors». Only in the nineties did these old questions resurface to be of material importance in renewed claims for restitution.

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