

Geschäfte und Zwangsarbeit: Schweizer Industrieunternehmen im «Dritten Reich»

Companies and Forced Labour: Swiss Industrial Swiss Industrial Enterprises in the «Third Reich»
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Summary

The present study examines the activities of a small number of selected Swiss subsidiaries in Germany and in areas annexed and occupied by Germany under the Nazi régime. At that time there were numerous subsidiaries of Swiss companies in Germany, most of them located in the areas along the Swiss border (Baden and Württemberg). This study focuses on the following companies:

- the electronics and electrical engineering firm Brown Boveri & Cie (BBC) in Mannheim (chapter 3.1);
- subsidiaries of Lonza AG and Aluminium-Industrie AG (AIAG), both active in the chemical industry (chapter 3.2);
- subsidiaries of the food and confectionery companies Nestlé and Alimentana/Maggi (chapter 3.3), and
- medium sized textile manufacturers (chapter 3.4).

We decided to choose these companies as the object of our investigation because they are ideal examples of what has been described as Switzerland's «secret empire» (Lorenz Stucki): a group of highly successful manufacturing companies which were able to expand beyond Switzerland's borders, often very rapidly, owing to the enormous demand for their high-quality products. All the firms listed above were already established in Germany before 1933 and enjoyed a solid market position at the time Hitler came to power.

All the Swiss subsidiaries examined by us established what was for them an acceptable *modus vivendi* under the legal and political conditions laid down by the Nazi régime (chapter 2), even if many of those conditions, especially the exchange regulations, were considered nothing but a nuisance. It is noticeable that the German authorities failed to establish precise and generally applicable guidelines and regulations in most areas or that, if they did exist, they could be superseded by emergency regulations, with the result that many Swiss subsidiaries were able to take advantage of the parallel regulations and frequent contradictions within the national-socialist state.

The *modus vivendi* was made possible in no small way by the fact that during the entire duration of the Nazi régime information was transmitted between the subsidiaries in Germany and the parent companies in Switzerland via many different channels and generally with no major problems. This fact clearly refutes the claim that the subsidiaries were cut off from their parent companies, which was often used as justification during the post-war period. Senior management in Switzerland had all the important information concerning the financial and operational situation of their subsidiaries. In contrast, in some cases it was difficult for the parent company to supervise its subsidiary. The degree of control exercised depended to a great extent on the structures within the company, the internal balance of power and the people involved. A good flow of information between the German subsidiary and the Swiss senior management did not necessarily mean that the latter was in full control (chapter 5.1).

In many cases cash transfer of dividends, licence fees and overheads to the parent company in Switzerland was relatively complicated. Apart from the fact that payment of dividends in

Germany was in any case subject to restrictions, the Third Reich tried to limit the flow of foreign exchange into Switzerland through restrictive foreign exchange control and a clearing system, while the Swiss companies naturally wanted to be credited the full amounts. The Swiss authorities tried to intervene in the interests of the Swiss owners by broaching the subject of complaints made by a number of companies during Germano-Swiss economic discussions (chapter 5.2).

The question of profits made from operations within the Third Reich is difficult to answer. On the one hand, the German wartime economy enabled the companies we examined to steadily increase production – especially for the Wehrmacht – and to raise turnover. On the other, the Swiss parent companies were only able to take advantage of this boom to a limited extent owing to the restrictive German foreign exchange policy. In any case the profits made must be considered beyond the short-term context. The expansion of production facilities and the construction of new factories also constituted a profit or a re-investment, in particular in view of the post-war period. Production capacity was increased using profits made on the spot which were difficult to transfer to the parent company, without the need for transferring capital from Switzerland. Furthermore, these profits could be used to raise the share capital or to pay off debts, so that most of the subsidiaries were in an excellent financial position with vast infrastructure after the fall of the Third Reich, and were thus in an ideal position for a good start in the post-war economy. In addition, it was in particular the factories located in the southern areas of Germany bordering Switzerland that escaped serious destruction during the war.

Swiss subsidiaries in Germany also lost many skilled workers during the war through conscription or transfer of personnel to those sectors and companies more important to the war effort. Like German companies, they also made use of forced labour and prisoners-of-war. The living and working conditions for such employees were comparable to those in German factories. There were repeated complaints particularly about the poor food situation and the maltreatment of workers by German staff. The company management on the spot was essentially responsible for this deplorable situation, since there was in fact considerable room for discretion in how forced labour was managed, housed and treated in general.

Senior managers at the parent company in Switzerland were aware that forced labour was being used. There is no evidence, however, as to whether and to what degree they may have had any information about the living and working conditions of these people at the subsidiaries. As a rule they were not worried or uneasy about the situation, and as long as production was maintained they had no thoughts of intervening in the management or personnel policy of their subsidiaries within Nazi territory (chapter 4).

All the companies we looked into were strongly involved in the German wartime economy, some branches naturally having greater strategic importance than others. This was true, for example, for armament factories such as BBC or suppliers of basic materials such as AIAG and Lonza. It can be seen, however, that every company that was able to keep going during the war was harnessed in one way or another into the Nazi war time economy. This was the only way of continuing production, obtaining raw materials and employing labour, especially during the «total war» phase. At the same time, integration into an economic area that was expanding in the wake of an advancing Wehrmacht seemed to offer limitless potential for growth. A distinction should be made here, however. While the policy of self-sufficiency and increasing demand offered Maggi GmbH the chance to stand its ground in the face of fierce competition from German companies, AIAG and Lonza found it possible to increase production capacity. Firms such as BBC and Nestlé even tried to enlarge their market territory. In their case, expansion was no longer only the result of a specific market situation, but also due to the extension of German-occupied territories.

After the end of the war the allies dealt with the various companies in different ways. In contrast to the dismantling programme implemented by the Soviet forces in Berlin (in particular in the case of Sarotti AG) and in the Soviet-occupied zone, the firms we have examined suffered very little dismantling or requisitioning for the purposes of reparations. Immediately after the end of the war the three western forces inspected manufacturing plants with regard to their contribution to the German war effort. But the more apparent the Cold War became, the less willing the western allies were to destroy German industry. The Swiss authorities considered it very important that Swiss property in Germany be preserved, and intervened mainly through diplomatic channels on behalf of the companies. They did not get involved in the denazification process, however, which in any case practically concerned only Germans (chapter 6).

Throughout the duration of the Nazi régime, the companies we looked at were all able to maintain their autonomy and their private sector character. At the same time, through their manufacturing activities and the employment of a vast number of workers, they contributed to the rallying and expansion of the German economy, thus supporting the Nazi system. The entrepreneurs were of the opinion that this was their duty towards the national-socialist state, regardless of what political system that state presented them with and of its legality.

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