Why we are probing into World War II
By Arne Ruth

GOLD DOESN'T SMELL, as the saying goes. Does it really matter that the Swedish Central Bank sold German gold to Swedish dentists during the war (something that the Central Bank Governor admitted after the war)? Is it of any interest to anyone that even the tiniest amount of this gold may have come from victims of the Holocaust?

A contrived question, you might think. The Central Bank, after all, knew nothing about the origins of the gold while the imports were going on. To delve into the circumstances surrounding what has come to be known as the Nazi Gold affair is to turn one's gaze from all the unpleasant things going on in modern society. It is unemployment, social deprivation and the growth in racism that should be spotlighted now.

This is the kind of comment I have been hearing now and then from various people, including journalists whose opinions I respect. But there is something strange about this attitude. Without exception, the people responsible for such comments are my fellow-countrymen. From people outside Sweden I have received quite a different response. Surely, they say, you've only just begun to unravel what went on during the war. Sven Fredrik Hedin's and Göran Elgemyr's disclosures about the Nazi Gold in Dagens Nyheter and on Swedish Radio made the front pages of a number of the leading European and American newspapers. They became part of an international debate. Around Europe, stones are being lifted that have remained unturned for more than five decades. Politicians, church leaders and others in power are apologizing for the deeds committed by their predecessors.

Everywhere - except in Sweden. Here, an official commission of inquiry has been set up to investigate the way our country dealt with Jewish property. But Swedish interest in these wartime wheelings and dealings is tepid. There is one reason in particular why the temperature has risen higher in other parts of the world. A couple of years ago, the US removed the stamp of secrecy on nine tenths of their war documents. As a result, we can see for ourselves how CIA's predecessor, the OSS, traced the extent of covert German power in neutral countries. And, importantly, we have gained insight into the secret 'Safe Haven' project, the sole purpose of which was to chart the ways in which Third Reich leaders - with helpers in both Switzerland and Sweden - smuggled money and valuables so that they themselves and their ideology might survive the approaching defeat.

BEYOND SWEDEN'S BORDERS, journalists, historians and others with an interest in the matter have begun to use the US archives as a crowbar to break the locks on their own countries' sealed archives. Investing much time and energy, they are digging out a great deal of information about businessmen both large and small around the world who profited by trading with Nazi Germany. This also applies to big American corporations like Ford, ITT and Standard Oil, although there was supposed to be an American ban on trade with Nazi Germany.
The US admitted that the Cold War had ended, thus eliminating the reasons for keeping the material secret. Other countries, too, have begun to adjust to the new reality. But Sweden seems to be the only state where the realization that a political epoch is over has never really taken hold. In this frosty land of neutrality, the powers-that-be are forever cautious about exposing their pasts to scrutiny. And the historians stay on the right side of the boundary marking what is politically sensitive.

The debate on forced sterilization in Sweden has upset this routine. The things that happened during World War II need to be aired in the same way. And the most sensitive questions of all concern how companies and individuals - for profit reasons or ideological ones, or both - voluntarily met Nazi Germany's demands.

In front of me lies a letter from a major Swedish firm of lawyers dated 5 November 1941. They have received an inquiry from a firm in German-occupied Denmark. The document offers some insight into what was clearly a profitable Swedish information sector - selling information about who is Jewish in the Swedish business community.

"Re the Aryans inquiries. In grateful response to your inquiry of the 30th in the above matter, we hereby inform you that, due to an agreement between the Swedish information agencies, we are obliged to charge you a fee of 2.25 crowns each, even in cases pertaining only to inquiries of the type you request. For this price to apply under the aforementioned agreement, however, the subscriber must purchase at least 100 inquiry forms at a time. If you are agreeable to this, we would be happy to provide the information you request, which will be supplied in the form of short reports."

JUST HOW EXTENSIVE was this clandestine 'Aryanization' of the Swedish business community? Nobody knows. Swedish historians have not even touched upon the matter. The person who has brought the problem to light is himself an archivist, Göran Blomberg, whose article in Dagens Nyheter this spring has been reprinted elsewhere in this supplement. The documents I have seen reveal a manifest anti-Semitism in parts of the Swedish business community. We will continue to investigate this in our paper.

Suppression of Sweden's wartime history has not only obscured the opportunism of fellow travellers, it has also erased memories of people's courage and sacrifice. In 1944, two officials of SKF reported to the Allies about the Swedish ballbearing company's exports to Germany. Together with the Norwegian resistance fighter Paul Frisch, they helped the US gain insight into Sweden's connections with the German arms industry. At negotiations in Stockholm, the Americans pressured SKF into reducing these exports and eventually ending them completely. But the two officials were arrested and jailed. The trial documents have disappeared from the National Archives. Both men are now dead. But Paul Frisch is still alive and can testify to this forgotten episode.

THE BUSINESS MACHINATIONS of the Wallenberg-owned Enskilda Banken both before and after the war are extremely well-documented in the US. The documents show that without a shadow of doubt Marcus and Jacob Wallenberg were involved in a sham deal with the German arms manufacturers Bosch. A number of similar transactions are described in American and German documents. It is also clear that the bank purged its own archives to conceal its relations with German companies.
The exposure of this trickery is no minor matter. After the war, Enskilda Banken simply put the lid on. By comparison, our politicians look like candid men of honour. Digging into the pasts of the major corporations is one way of forcing them to be more open in future. In Switzerland, the banks have been forced to break with secrecy. In future, they will not be able to behave as arrogantly. This shows that a revision of wartime history can prove politically fruitful here and now. In Sweden, it has scarcely begun.

Israel Singer
demands both an apology and recompense
By Kurt Mälarstedt

WASHINGTON. It's not about money, it's about morals. But the Jews involved must get back their rightful property. This, along with an apology from the countries of Europe, is important if the human dignity of the Jews is to be restored. Thus Israel Singer, Secretary-General of the World Jewish Congress, the organization that has been given most of the credit for the disclosures about Nazi expropriation of Jewish assets during World War II. Property that ended up in neutral countries, primarily Switzerland but also Sweden.

He has discussed the subject many times in recent years, but his indignation - his anger - is still deep. "What happened during World War II was that the Jew was dehumanized and stealing his property became acceptable as he was no longer considered a human being. The most important thing for us now is to 'rehumanize' the Jew. "The dehumanization process plus the theft of property from these Jews were one long criminal act, a moral, physical and financial crime. So I think an apology is due, from the whole of Europe."

With statements like these, Israel Singer has indirectly dismissed the fears expressed in more cautious Jewish circles that the blunt, aggressive methods sometimes employed by the World Jewish Congress might have undesirable effects. Fears that the demands for repayment might reinforce the stereotype view of Jews as people only interested in money.

"If their status as human beings is to be restored in this world, the survivors (of the Holocaust) must be treated properly and they must be recompensed in some way," says Israel Singer. "And the only way is to return to them the money that is rightly theirs."

According to reports in leading American newspapers, it was Paul Erdman's novel 'The Swiss Account' that was chiefly instrumental in opening Israel Singer's eyes to the fact that Jewish fortunes had been turned into 'Nazi Gold' during the war and had been locked away in inaccessible Swiss bank accounts ever since. Yes, he has read the novel, he concedes - "one of the few I've read in recent years" - but says factual books have been a greater source of inspiration.
The World Jewish Congress.
The World Jewish Congress, WJC, was founded in 1936. It is an international collaborative body for Jewish communions and organizations from over 60 countries. Its goals are to defend Israel, strengthen Jewish unity and combat anti-Semitism and racism. The WJC acts as a representative of international Judaism in the UN, UNESCO and a number of European institutions. Its president is Edgar Bronfman, board chairman of Seagrams, one of the world's leading liquor manufacturers, and also on the board of chemicals giant DuPont. The WJC secretary-general is Israel Singer.

However, the most important factor contributing to the success of his work and that of the organization's chairman, Edgar Bronfman, was the collapse of communism in 1990, adds Israel Singer. "We were then able to negotiate with countries in former East Europe, and that led us to begin scrutinizing the West European countries and the neutral countries as well."

Singer and Bronfman found an enthusiastic ally in New York senator Alfonse D'Amato. No-one doubts that D'Amato is sincere in his support for the cause, but it has also allowed him to notch up political points. At the time he was contacted by the World Jewish Congress, D'Amato had low ratings in the opinion polls following a number of ill-conceived attacks on President Bill Clinton, and he is shortly due to stand for re-election. The hearings he led as chairman of the Senate's Banking, Housing and Urban Affairs Committee contributed strongly to Switzerland's decision to set up a humanitarian fund of 70 million dollars for Holocaust survivors and their families. Today, D'Amato's political future looks much more secure.

HOW IMPORTANT WAS CHRISTOPH MEILI, the guard who discovered and exposed the fact that the giant Union Bank of Switzerland was destroying important documents about Nazi monetary transactions and Jewish assets?
"We had known before that banks, and for that matter government agencies, too, and not just in Switzerland, had destroyed documents and were still doing so. Christoph Meili's action meant that we could prove it, and this was very important."

Israel Singer is a member of the Volcker Commission, which is seeking to locate and recover more Jewish assets in Switzerland than the Swiss banks have so far agreed to. The US administration is working in the same direction. Some people feel things are not going fast enough and want to take tougher measures to pressure the Swiss. New York's financial boss, City Comptroller Alan Hevesi, who himself lost relatives in the Holocaust, has clearly indicated that the city may "reconsider" its future contacts with the Union Bank in Switzerland, contacts that last year brought the bank almost SEK 10 million.

On this question, Israel Singer is markedly diplomatic: "I want to handle matters like this in a positive manner, not with threats and so on. At the same time I can appreciate that individual survivors, people who were not correctly treated, are angry. Who am I to tell them they can't use all the legal means at their disposal?"
Both Israel Singer and Swedish spokesmen describe the contacts Singer has had with the Swedish government as positive. The contacts are continuing and Singer is convinced, he says, that "the Swedish government will do the right thing".

The Wallenberg brothers, Jacob (left) and Marcus, narrowly escaped being put on trial for their collaboration with Germany in World War II. The Cold War and the Americans' need for new allies in the fight against the Soviet Union came to their rescue.

»The Wallenbergs helped the Germans«

The Swedish Nazi gold. Secret archives are opened: the US wanted to bring the brothers to justice, claims Jewish World Congress.

By Arne Ruth

Classified documents released from the US Treasury archives chart the economic links between Germany and Swedish financial circles during World War II. In documents relating to the activities of the Wallenbergs and Enskilda Banken, the family is said to have collaborated extensively with a number of major German companies during the war, among them Bosch and IG Farben.

• The Holocaust.
  All told, an estimated six million Jews and 4-5 million Gypsies, political prisoners and other were murdered by the Nazis. About half of them died in giant extermination camps like Auschwitz-Birkenau, Treblinka and Sobibor.

• The Cold War.
  The post-war period brought an arms race and conflicts between the United States and the Soviet Union and their respective allies. The Cold War ended in 1989-90 with the collapse of communism in the Soviet Union and Eastern Europe.

• Swedish neutrality.
  Defined as non-alignment in peacetime with the aim of remaining neutral in wartime. During World War II, Sweden agreed to let Germany ship troops and arms through the country by rail, a decision that has attacked as being a breach of neutrality.

• Norway during the War.
  On 9 April 1944, Germany launched its attack on Denmark and Norway. While Denmark capitulated within the course of a few hours, the Norwegian military defence managed to delay the Germans long enough to let the government, royal family and members of parliament escape to London and organize resistance activities from exile. The same day, Vidkun Quisling, leader of the small National Coalition party, announced on Norwegian radio that he had set up a national government. In practice, Germany ruled the country, via a national commissioner, Joseph Terboven. Norwegian resistance against the Nazis was active. Resistance fighters who risked arrest fled to Sweden, where large groups of refugees continued to oppose the German occupation in their home country. After
Germany capitulated, Terboven committed suicide. Quisling was tried and executed along with 24 other Norwegians. Some 18,000 Norwegians were given prison sentences for having taken the Germans’ part.

- The Commission of Inquiry.

Following pressure from the World Jewish Council and others, the Government decided in February 1997 to appoint what was termed the Nazi Gold Commission. Its task is chiefly to check into the existence in Sweden of Jewish assets. The commission has also been directed to evaluate and if necessary augment the Swedish Central Bank’s own investigation into Sweden’s alleged purchases of gold stolen by the Nazis from other central banks. The commission is headed by former county governor Rolf Wirtén. Its members are university lecturer Nina Einhorn, Professor Boel Flodgren, Per Jermsten, a former Supreme Court judge, Lennart Kanter, a lawyer, Helene Lööw, Ph D, and Ambassador Kristo Wahlbäck. The commission’s special advisers include; Salomo Berlinger, former head of the Jewish Communion in Stockholm, and Israel Singer, secretary-general of the WJC.

- The Wallenbergs.

Today, the family has a dominant position in big companies like Scania, ABB, Astra, SKF, Atlas Copco, Ericsson and Skanska. Much of the family’s ownership control is channelled through its investment company, Investor. In no other Western country does a single family dominate industrial life to the same extent. Wallenberg’s business empire was founded when André Oscar Wallenberg started Stockholm’s Enskilda Bank in 1856. During World War II, the family dynasty was led by brothers Jacob (1892-1980) and Marcus (1899-1982). Today, Marcus’s son Peter Wallenberg (b. 1956) and is phasing out his involvement in the business, while his son Jacob (b. 1956) and nephew Marcus (b. 1956) have take over several top managerial posts. During World War II, Raoul Wallenberg (1912-?) played an important part in helping Jews in Budapest escape from the Nazis.

OSLO. Israel Singer, Secretary-General of the World Jewish Congress (WJC), based in New York, is in no doubt whatsoever - the Wallenberg family helped mask Nazi German assets during the war.

"What saved Marcus and Jacob Wallenberg in 1945 was that the Cold War was imminent. History took a new direction. Greater importance was attached to finding allies in this new struggle than exposing collaboration with Germany. The US government aborted the investigation it was conducting into the Wallenbergs' activities. The idea of bringing them to account was shelved. Now, however, the Cold War is history. In Washington, the stamps of secrecy have been lifted. Everything that disappeared back then is going to be brought to light."

Staffers of the World Jewish Congress are now systematically combing the recently-opened archives in Washington. They have already found a number of documents describing the Wallenberg brothers' contacts with Nazi Germany. And they know that other Swedish financial institutions were involved as well. A cautious initial estimate
suggests that gold worth at least 18.5 million dollars - and worth ten times this amount today - was brought into Sweden from Germany. Confiscated works of art and valuables, too, passed through the hands of Swedish dealers and out onto the international market. And when the Germans shut down what were mainly Jewish diamond shops in Amsterdam, the loot was shipped out via contacts in Switzerland and Sweden. The Nazi leaders were not the only ones to profit from such dealings.

The details of all these transactions remain to be sorted out. But Israel Singer said in Oslo on Tuesday (26/11) before travelling on to meet Sweden's Foreign Minister Lena Hjelme-Wallén in Stockholm that he expects the Swedish government to appoint an independent commission, open to WJC scrutiny, with full access to Swedish archives, including the books kept by Swedish banks. Norway is setting an example. There, a commission has been working for the past six months with the most-suppressed aspect of Norwegian wartime history - the fact that Norwegian Jews were robbed of all their property by the Quisling regime as a first step on the road to the Holocaust. About two-thirds of Norway's 2,100 Jews survived. But they got back only a fraction of the property that had been taken away from them.

I met Singer and other representatives of the WJC executive in Oslo. Delegates from all over the world had gathered there at the invitation of the Norwegian Jewish community. For three days, they discussed the material dimension of the Holocaust, a dimension that has been neglected. For the leaders of the Third Reich, it was a question of both ideology and personal profit. The hitherto concealed alliances made when businessmen around Europe realized that cooperation with Berlin promised dizzy profits are now being mapped out. The nominally neutral countries of Switzerland, Sweden, Spain and Portugal were given the special task of administering looted treasure for a certain period or disguising its origins prior to shipment onto the world market.

SWITZERLAND was the main arena for these transactions. There, analysis of Nazi collaboration is generating an unparalleled wave of national soul-searching. After more than a year of stubborn refusal, the banks have now partially lifted their famous secrecy laws. Relentless political pressure from Washington has forced them into a U-turn. A committee of experts, sworn to secrecy, is being given full access to all the relevant archives. The law amendment that made this possible was adopted by the Swiss parliament's upper chamber yesterday (27/11 1996), with a number of reservations. There is a dark historical irony in this decision. The bank secrecy laws were tightened up in 1934 specifically to protect German Jews who were depositing money in Swiss banks following the take-over of Hitler. No-one knows the total value of what was deposited in the Zürich bank vaults in this way up until the end of the war. In 1962, the banks' central organization paid out 7.5 million Swiss francs to Jews who laid claim to the accounts. This was a symbolic one-off reimbursement. The WJC argues that the total sum was ten times the size, when the valuables deposited in bank safety boxes are included. The irony has been taken far beyond the boundaries of absurdity. Death certificates were demanded of the heirs of account-holders who died in the Holocaust. Without these, they were denied access to the accounts. THE CHARGE AGAINST the Swiss banks is that they
took delivery of dirty money - by the billions. The money included gold reserves from occupied countries, gold bars that the Germans had made out of private valuables taken from the Holocaust victims, including gold teeth, and all the fortunes derived from the Nazi leaders' own plundering (even Hitler had a Swiss bank account where his royalties from 'Mein Kampf' were deposited). The gold taken out of Berlin, for instance, was turned into Swiss francs and the Germans used the currency to buy raw materials for their arms factories. Ballbearings from SKF and iron ore from Kiruna - two cornerstones of Nazi Germany's armaments industry - were largely paid for via such transactions.

One of the speakers at the WJC meeting in Oslo was British Labour MP Greville Janner. He initiated an official British investigation of the Swiss dealings, based on previously confidential documents kept in London archives. When the investigation was announced by the British government, Janner received a phone call from Frederick Forsyth, the thriller writer. "You should realize," Forsyth told Janner, "that what you are about to investigate is the plot of my thriller, 'The Odessa File', translated into real life. You've launched the biggest treasure hunt in the history of the world. It's about gold stolen from devastated countries, much of it from Jewish owners. And it was channelled by the Nazis via Switzerland so that they could build up new resources after the approaching defeat of Germany. The things my book was about happened in real life. And that's what you're now going to be untangling."

FORSYTH HAS APPARENTLY been proved right. The most remarkable document among those brought to light by Janner's committee is dated 27 November 1944. It is a report from US military intelligence headed 'The plans of German industrial owners to build up undercover operations after the defeat of Germany: the flow of capital to neutral countries.'

The report describes a meeting in Strasbourg in August 1944 where representatives of companies like Krupp, Messerschmitt and Rheinmetall discussed plans with SS representatives for a continuation of the struggle following Germany's inevitable defeat in the war. The plans included setting aside resources for a German underground movement following the country's collapse. And it made clear that the resources would be channelled via Swiss banks.

The United States countered with a secret project called 'Safe Haven'. Its purpose was to chart the transactions between Germany and neutral countries and to create a basis for the return of stolen property to their rightful owners when the war ended. But because of the new confrontation with the Soviet Union, Switzerland too escaped being called to account. In 1946, Switzerland paid 60 million dollars of the contaminated money to the Allies, a fraction of the true amount. And in 1949 the Swiss negotiated an agreement with Poland and Hungary whereby gold reserves could be used by the Swiss state as compensation for Swiss property confiscated by the communist regimes in these two countries. The fact that this gold may largely have belonged to Polish and Hungarian Jews who fell victim of the Holocaust does not seem to have worried either side. It is this kind of dirty laundry that Switzerland is now being forced to hang out.
HOW MUCH more of the same kind may be found in Swedish archives? Nobody knows. But the World Jewish Congress representatives feel that Sweden in spite of everything belongs to another category. The type of transaction was the same. But the scale was so much smaller that the Swedish debt - both material and moral - will be considerably easier to deal with. The debt, though, does exist. And Sweden can learn from the mistakes of the Swiss. They insisted for as long as they could that there was no problem. The country's reputation in the international arena will take years to rebuild. The Swedish Government should cooperate with the WJC from day one. The Wallenberg camp and all the other institutions involved in those dark schemes during the war years must be forced to open their archives. We are now embarking on the final, painful chapter in the exposure of what really went on in Sweden during World War II.

Swedish swapped iron for looted gold

The coalition government knew of suspicions that the Germans paid for the ore in war loot. But it preferred to be kept in the dark.
By Sven Fredrik Hedin and Göran Elgemyr

How much stolen gold did the Swedish Central Bank accept from Nazi Germany? During the post-war decade, Sweden was forced to hand back 13,000 kilos of gold bullion to Belgium and the Netherlands. But according to a newly-discovered confidential document, the Central Bank judged well before the end of the war that 20,000 kilos of gold purchased from the Nazis could be 'contaminated'. The coalition government decided not to ask the Germans where the gold came from but to let deliveries from the Third Reich continue.

Ambassador Sven Fredrik Hedin and Swedish Radio reporter Göran Elgemyr have searched Swedish, Swiss and US archives and turned up previously unknown documents indicating that both Sweden and Switzerland preferred to receive payment in war loot rather than break off their lucrative trade with Hitler's Germany. In two articles based on these documents, they tell the story of Sweden and the Nazi gold.

Sweden's trade policy dealings with Nazi Germany have been written into the history books, along with the concessions made on the political policy level. The Swedish Central Bank's gold transactions with the Third Reich, however, have scarcely been touched upon by Swedish historians. Abroad, considerably more interest is being shown in Sweden's role.

Startled into action, the Central Bank has now promised an inquiry into the bank's acquisition of gold from Nazi Germany. The key question is whether the Central Bank acted in good faith during the war or was aware that it was buying looted gold.

During World War II, Nazi Germany desperately needed hard currency from abroad. Switzerland now stands accused of having helped finance the German war effort by means of extensive gold trading. Also, a large part of the Nazi gold stock had been stolen from the central banks of German-occupied countries. Switzerland, nominally neutral in
the war, is now being pilloried and has promised to leave no stone unturned in its efforts to get at the truth.

Other neutral states, too, were happy to purchase German gold, among them Sweden, Spain and Portugal - despite the warnings from Allied quarters that began coming through in January 1943. After the war, both Switzerland and Sweden were forced to hand back gold that had demonstrably been stolen in the war. Naturally, they were very reluctant to do so.

We have discovered a rather striking document in the Central Bank archives, a memo dated 19 February 1943 from Ivan Rooth, the bank’s governor at the time. It was filed in five copies and stamped confidential. A worried Rooth recorded a conversation he had had with trade minister Herman Ericsson about the gold deals:

"At the beginning of February, I notified the trade minister of the following. In view of the declaration from the British and other Allied governments that claims may be forthcoming on property deriving from the occupied countries, the Central Bank faced the risk that gold it had bought or might buy in the future from the Reichsbank could be placed in this category. As it seemed likely that the Reichsbank, having sold gold to the Central Bank for a total of SEK 70 million under a previous agreement, would apply to sell further quantities, the risk faced by the Central Bank was likely to grow. I therefore asked whether the issue of possible further gold transactions should be raised either by myself in a letter to Puhl ( = Emil Puhl, deputy governor of the German Reichsbank) ... The reason being that I wanted to bring the British declaration to Puhl’s attention and to request - in order to avoid any unpleasantness or losses for the Central Bank - that the Reichsbank should in confidence declare its readiness to supply only such gold as did not fall into the category described in the British declaration."

• Ivar Rooth

• Herman Eriksson
(1892-1949) Civil servant, cabinet minister 1938-44. Minister of trade 1941-44.

• Emil Puhl
(1889-1962) Deputy head of the German Reichsbank 1939-45. Jailed for five years by a war crimes tribunal for having had chief responsibility for the theft of valuables from Holocaust victims. Puhl served six months of his sentence. He then worked for a bank in Hamburg.

• Swedish Coalition Government.
Took office in December 1939 following the Soviet attack on Finland and was dissolved in 1945. The cabinet included ministers from the Liberal Party, the Right, the Agrarian Party and the Social Democrats. Per Albin Hansson (Soc Dem) was prime minister and diplomat Christian Günther foreign minister. The Communists were the only parliamentary party to be left out of the coalition government.
• Ernst Wigforss  
(1881-1977) Social Democratic politician and one of the party’s foremost ideologues.  
Cabinet minister from 1924 onwards, holding the finance portfolio in 1925-26 and 1932-49.

• Gunnar Hägglöf  
(1904-94) Diplomat and head of the foreign ministry’s trade department 1939-44.  
Responsible for Swedish trade policy during World War II and led the negotiations with Germany.

• Dag Hammarskjöld  

• BIS.  
The Bank for International Settlements. Often called the central banks’ bank. Founded in 1930 in Basel, Switzerland. Continued its activities during World War II with representatives from the various warring countries, both Axis powers and Allies. Its wartime head was American Thomas McKittrick. The BIS has been criticized for helping Nazi Germany trade in stolen gold.

• Per Jacobsson  

• The Tripartite Commission.  
Or rather the Tripartite Commission on the Restitution of Monetary Gold. Set up at the end of the war by the US, Britain and France, it worked on behalf of all the Allied states to seek restoration of the stolen gold. Sweden paid over 7,000 kilos of gold to the Belgian central bank and 6,000 kilos to the Netherlands. The other neutral countries, too, have repaid some of the gold, although by no means as much as the Tripartite Commission demanded.

• Swedish Gold Reserve.  
At present, the Swedish gold reserve correspond to about 15,000 million Swedish crowns. Where the gold is kept is a secret, but the Swedish Central Bank’s goal is to store it in the same vaults as are used by other central banks, to minimize the risks involved in transporting it when transactions are to be made. “The Swedish Central Bank this autumn examined the entire reserve of Swedish gold, totalling 188 tons, to check whether any part of it might be traced to Nazi Germany."
"No such link has been found. Most of the gold was melted in Western Europe and in Sweden," Robert Sparve, head lawyer of the Central Bank, told Dagens Nyheter.
"But as the gold has been melted down several times it is very difficult to state with any certainty whether or not any part of it came from Germany during the war years." (DN 28/11 1996.)

Ivar Rooth had been seized with misgivings. What if it was looted gold that the Central Bank had purchased or would be purchasing? The Central Bank had clearly not posed this question before, and the time had now come to seek guarantees before buying further consignments. Otherwise, the Central Bank might incur losses. Herman Eriksson replied to Rooth:
"In answer to my question, the minister of trade stated on 12 February that the government was of the unanimous opinion that there were insufficient grounds for raising the matter in any of the ways I had proposed. There was, however, nothing to prevent me from raising it in passing during a personal conversation with Puhl."

Thus the Swedish coalition government urged the Central Bank to continue buying what might be stolen property. To salve any pangs of conscience, however, Rooth could 'in passing', perhaps over a cup of coffee, toss off the question: "It's not stolen, is it?".

Hardly had the Allied warnings been filed away than the German Reichsbank once again sought to sell gold to the Swedes. This time for SEK 35 million. This caused Rooth to raise the matter once more, both with the trade minister and with finance minister Ernst Wigforss. Neither the trade minister nor the coalition government, it turned out, had had any change of heart.

"I pointed out that a matter of this nature was not something I alone could take responsibility for and said I would bring it before a meeting of the (Central Bank) executive board. The trade minister then authorized me to record in the minutes of the meeting that the government wished the Central Bank to agree to the Reichsbank request for further gold transactions but that the Central Bank should not make this conditional on a declaration from the Reichsbank regarding the nature of the affair. He did, however, repeat what he had previously told me - that there was nothing to stop me raising the question with Puhl in private."

Once again - don't ask whether the gold is stolen, keep buying! The Central Bank executive board, too, was worried about the possibility of buying stolen property, when Rooth brought the matter to its attention.
One of those present suggested that the government had “dismissed the risks rather too hastily”. At the same time, the board members expressed the hope that the government would either give them a written explanation of its position or send a representative to a board meeting who would read into the minutes the government’s view of the matter. The meeting decided to call on “His Royal Majesty” to appoint a representative who could negotiate with the bank’s executive board.
Rooth's memo exposes a number of peculiar circumstances. He claims that the matter was brought before the executive board on 18 February 1943. When we checked the minutes of that meeting, we found no record of the matter at all, either in the normal records (for routine matters) or the special records (for confidential matters). This was clearly a very sensitive issue. Not even the board’s decision to take the unusual step of calling on the Swedish monarch to appoint someone to 'negotiate' with the members has been included in the minutes of the meeting.

Only a few days later, however, Rooth was able to relax. Gunnar Hågglöf of the Foreign Ministry disclosed that during Sweden’s trade negotiations with Germany he had met Emil Puhl, who had given him assurances that all the gold Germany had sold to the Central Bank had its origins in the pre-war period. A memo from Hågglöf to this effect was filed, dated 22 February 1943. This clear, definite statement must have come as a godsend for Rooth. Both he and Dag Hammarskjöld - then secretary of state in the finance ministry and chairman of the Central Bank executive board - were to refer to it time and again to justify Sweden’s gold dealings.

Another remarkable point is that there is nothing about the Allies’ warning signals in the minutes of the board meetings held at that time. There is, however, a minute showing why the board approved the gold transaction. The Central Bank could not ‘to any reasonable extent’ refuse to take delivery of the gold as the German gold sales were to be used to regulate the clearing balance between the two countries.

But does this explanation stand up to scrutiny? The moral aspects of the matter should have been given greater weight.

The trade agreement was used as an alibi. In 1946, Rooth was to tell the Swiss National Bank that Puhl had declared that looted gold had never been sent to Sweden. He does not, however, appear to have given any assurances about future consignments. And they were to involve large quantities - altogether about 10,000 kilos during the remainder of 1943. The final consignment was acquired at the beginning of 1944, by which time the Swedish Central Bank had bought a total of 34,564 kilos since the trading began in 1939. In the gold prices of the day, this wartime tally was worth over SEK 163 million.

When the Germans surrendered in May 1945, the Swedish Central Bank owned 22,466 kilos of gold, deposited at the Swiss National Bank in Berne. In current prices, this was worth SEK 2,000 million. It was not until March 1944 that the Central Bank executive finally decided not to take delivery of any more gold from the Reichsbank. It could no longer be viewed as 'internationally salable'. The reason was that the Allies had issued a fresh warning about the gold.

Before war broke out in 1939, the Swedish Central Bank had not had any gold dealings with Nazi Germany. They began in connection with the extensive trade exchange between the two countries. This trade was of the utmost importance both for keeping the Swedish population in supplies and for the German war effort. During the war years, for instance, Sweden exported 35 million tons of iron ore to Germany. Gold was used, as we have noted, to regulate the clearing balance. But quite apart from this, Germany was
anxious to sell gold to get access to the internationally-acceptable Swedish currency. Despite Allied warnings in early 1943, then, the Central Bank went on buying German gold. But could the Central Bank have known even prior to 1943 that Germany’s gold assets were largely war loot? How much could they have known?

Rooth’s network of contacts may give us a clue. He had excellent channels of information so as to be able to keep an eye on other countries’ gold holdings and on major gold deals on the European continent. As Swedish Central Bank governor, he was on the board of the Bank for International Settlements (BIS) in Basle. This bank, which was supposed to promote cooperation between the various states’ central banks and also facilitate international payments, continued its operations throughout the war years. The BIS executive was drawn from countries on different sides in the war and their representatives in fact continued to work together throughout the war.

Senior economist at the BIS was a Swede, Per Jacobsson, with whom Rooth maintained a regular correspondence. Rooth also had excellent relations with the Swiss National Bank, which traded extensively in gold with Nazi Germany.

Rooth’s contacts with the BIS and the Swiss National Bank were maintained partly by letter and partly through visits to Basle and Berne. For correspondence with both these banks, the Central Bank was allowed to make use of the Swedish foreign ministry’s diplomatic bags.

This broad network of contacts must have given Rooth insight into the Germans’ gold dealings, on a scale that far exceeded the country’s holdings of pre-war gold. The alarm bells should have rung. Rooth knew of course that prior to the outbreak of war in 1939 Germany had seized the gold reserves of Austria and Czechoslovakia. In the case of the Czech gold, the BIS did Hitler’s work for him and transferred 23 tons of gold to the Reichsbank.

As a result of his contacts with the Swiss National Bank and the activities of the BIS, Rooth was doubtless aware of the fact that 288,000 kilos of gold had arrived in Berlin from the French colony of Senegal. The last consignment from Africa was recorded in the spring of 1942. This was gold that various central banks, including the Belgian one, had deposited with the French national bank. Just before France’s collapse in 1940, the gold had been shipped to Dakar. As a result of strong Nazi pressure on the Vichy regime in France, this huge stock of gold was sent to Berlin. There, it was remoulded into new ingots which were given false pre-war stamps and certificates of authenticity.

An internal step that was taken by the Central Bank in 1944 looks serious and suggests cold feet. How much of the gold could be classed as stolen? Or ‘contaminated’, as they preferred to call it. An estimate was made. Over 14,000 kilos were considered ‘free of risk’, while 20,000 kilos were considered ‘at maximum risk’. At the time this was worth about SEK 95 million. In order to assess the ‘risks’ as early as the beginning of 1944, the Central Bank must have been very well informed about the Reichsbank’s peculiar gold transactions. A reasonable conclusion is that in 1943 the Swedish Central Bank already knew or suspected that a share of the gold could have been stolen from other countries’ central banks.
A report from Switzerland suggests that even while the gold trading was in progress, the Swedish Central Bank had something to hide. The Swiss Foreign Ministry reported to its Washington legation in May 1944 that the Swiss National Bank in Berne had equipped German gold ingots with Swedish identity markings. Outright falsification, in other words. Despite a thorough scrutiny of the national and central archives in Berne we have been unable to find clear confirmation of this, only certain signs that it is true.

In 1946, the Western Allies began bringing the neutral states to book for having dealt in Hitler’s looted gold, despite the warnings sent to them. Switzerland was first, then it was Sweden’s turn. In the negotiations with the Swiss, it emerged that Emil Puhl had told his interrogators that the Swiss National Bank knew that not all the gold it had taken delivery of was German pre-war property. This caused Ivar Rooth to despatch the following instructions to his staff: 'NB - R wants everything about Puhl’s promise to be struck from the memo as the Swiss letter shows that the promise was not kept'.

On the Allied side, the negotiations in Washington for the return of the looted gold were conducted by the Tripartite Commission on the Restitution of Monetary Gold. Within this commission, Britain, France and the US also acted on behalf of the other Allied countries. Switzerland refused to the very last to accept that it had done anything bad, but finally agreed to award 'symbolic damages' of 250 million Swiss francs, which was only a small part of what the Allies had demanded.

After six weeks’ tough negotiations, during which the commission presented overwhelming evidence, Sweden was forced to return 7,152 kilos of gold to the Belgian national bank. Among the evidence were notes kept with typical thoroughness by the German authorities detailing the origins of the gold that was melted down, recast and given pre-war insignia.

The Dutch central bank also presented claims to Sweden in 1946, but these were rejected. The Dutch persisted however, and by 1954 had scraped together enough documents to get Sweden recalled to the negotiating table in Washington. In a letter to foreign minister Östen Undén, ambassador Erik Boheman wrote on 21 May 1954:

"Dear Brother, The negotiations on the so-called Dutch gold have now been in progress for three days and I want to take this opportunity of letting you know that they seem to have taken an unfavourable turn from a Swedish point of view, partly because of the evidence the Americans apparently have showing that 505 ingots were indeed produced from Dutch gold coins that had been melted down, and partly because as far as we can see it appears possible to prove that these gold coins can be defined as 'looted gold'."

In Berlin, documents had been found clearly showing that Germany had seized about 32,000 kilos of Dutch gold florins. These had been recast as gold ingots and had naturally been stamped as pre-war bullion. The end result was that Sweden had to repay 6,000 kilos of gold to the Netherlands, worth SEK 35 million at the time and almost 500 million today.
Finally, the question has to be asked whether Sweden has really paid its debt in full? A remarkable discrepancy remains. Sweden has paid back just over 13,000 kilos of gold. But the quantity of gold ‘at maximum risk’ according to the Swedish Central Bank in 1944 was over 20,000 kilos.

Who today can lay claim to the difference?

The Royal Dramatic bowed deep for Nazi Germany

By Per Lysander

During World War II, the German legation was able to influence plays, casting and the way actors interpreted their roles on Sweden’s national stage, the Stockholm Royal Dramatic Theatre. In June 1941, the company made a guest appearance in Berlin. It was a great success and was much acclaimed in the press, but members of the cast believed to be of Jewish descent were not allowed to go along. Per Lysander tells the remarkable story of how the Royal Dramatic viewed Sweden’s policy of neutrality as an adjustment to Nazi German realities and adjusted its own actions accordingly.

The following is in the form of an article. In my head, though, it takes the form of a theatre play. As the real theatre has chosen not to be involved in what could have been a real production, this piece is presented instead on the reader’s own inner stage.

The scene, both then and now, is the Royal Dramatic Theatre in Nybroplan in the heart of Stockholm. It is an enduring, monumental bastion of dramatic art. One of the main reasons for delving into these matters is the institution itself, its solidity and immutability. Audiences flow in and out, theatre managers come and go and performers endlessly replace one another. The very existence of the place seems to be of another age.

It is often said of buildings heavy with tradition that the walls speak. This cliché has indeed been used frequently and with some intensity at the Royal Dramatic. For this reason, the imaginary theatre performance we are now presenting should begin with an invocation to the building’s walls - if they have any honour left in their stuccowork, let them tell of the 1940/41 season!

The time between midsummer 1940 and midsummer 1941 must have been one of the strangest and most terrifying periods of our recent history. People in our country – and in other countries - were forced to confront the idea of a future under Nazi domination. In politics, in the arts, in thought and morality, all the points of gravity shifted. Those who still remained democrats and anti-Nazis at the end of those twelve months deserve our admiration. It is harder to know what we should make of those who wavered.

At that time, the Royal Dramatic Theatre was a representative stage in many senses of the word - both for drama and for its audiences, a meeting-place for officious Sweden. The path chosen by the Royal Dramatic during the war is not one of its most illuminating chapters.

In a number of works, Professor Sverker Ek has discussed the theatre’s dubious role. It reflects the adjustment of the times to Nazi German ‘realities’. During this dark year,
however, the Royal Dramatic appears to have gone a step further. One of the company's first productions of the season was something as bizarre as an anti-Semitic farce, 'The Little Royal Concert'. Two German actors, Inpekooven and Verhoven, have put together a plot loosely based on the works of the German 19th century painter Spitzweg. This painter was one of Hitler's favourites. The plot: the wandering Jew with his evil ways upsets the German small town idyll until the good burgers get together and chase him off.

Theatre veteran Willmar Säunter, who has written about the way Jews have been portrayed in the Swedish theatre, shows that no effort was made in this production to tone down the anti-Semitic element. The actor played the Jew with a grotesquely large nose. Yet the production was presented by the theatre as a major work — the director, Rune Carlsten, wrote long, prominently-featured articles about the great Spitzweg. The critics for their part had a few reservations about the open anti-Semitism but the play proved a considerable success, with 42 performances. It was not Rune Carlsten's first dabbling in this type of political theatre. In 1933 he had introduced Benito Mussolini as a playwright to audiences at the Royal Dramatic with the play 'The Hundred Days'.

In 1940, the theatre board, however, was worried about the lack of representative German drama in the repertoire of the Royal Dramatic. The board went so far as to deprive the theatre manager, Pauline Brunius, of the right to plan repertoire. Instead, the task was given to a committee headed by Rune Carlsten. This committee took its task seriously. From the German legation it ordered a list of 35 plays popular with the Nazis and which they would like to see performed in Sweden. Rune Carlsten, it turns out, had established close contact with the German legation. That year, the legation had brought in a new official with special responsibility for cultural affairs, Dr Hermann Kappner. Throughout that season, Kappner was ever-present, helping and supporting. In the spring of 1941, crisis loomed. Inga Tidblad had been on loan to Gothenburg. She now informed the Stockholm theatre that the play she was starring in was such a formidable hit that she wanted to continue in it. She would not be returning to Stockholm. What was to be done?

The Royal Dramatic arrived at the conclusion that there was only one other leading lady in Scandinavia of Inga Tidblad's class: the Norwegian Aase Bye. But how was she to be brought out of occupied Norway? Carlsten and Kappner went into action once again. Kappner achieved the impossible - an exit permit.

The situation at that time was more sensitive than it might have appeared. A year into the occupation of Norway, the Germans were beginning to meet serious opposition, both from resistance fighters and from the populace. One of the first groups subjected to German wrath was the acting profession.

<Picture> The stage Jew at the Royal Dramatic in 1940. Ivar Kåge in 'The Little Royal Concert'.
THERE WAS MORE to wonder at during this particular season. The Royal Dramatic managed to give a guest performance of 'Hedda Gabler' in occupied Copenhagen. The director? Rune Carlsten. But the crowning feat, the major project of the season, was to be the finale - a guest appearance in Berlin, the war capital.

This performance by the Stockholm Royal Dramatic in Berlin in 1941 has been described as a return visit for a performance in Stockholm by the Schiller Theatre Company in 1938. This is by all accounts an explanation trumped up after the event. In the space of a few months in 1938, the Schiller Theatre toured Europe at a hectic pace, visiting some 40 towns and cities. Stockholm and the Royal Dramatic were just one venue among many towards the end of the tour.

It has also been said that the guest performance was forced on the Royal Dramatic by the Swedish government, which was anxious to make a goodwill gesture to the triumphant power. It is quite possible that the Government for such reasons viewed a guest performance in a positive light. But the idea for it was doubtless well entrenched at the Royal Dramatic beforehand. Kappner himself advanced the invitation in the autumn of 1940 and he told the theatre with no further ado which play the Germans would like to see - Strindberg's 'Gustav Vasa'.

German influence over the doings of the Royal Dramatic was now lifted onto a higher level. The theatre's planned appearance in Berlin became a matter for the Swedish Foreign Ministry and the Cabinet and for Swedish national security interests.

A degree of resistance was mobilized. An action within the company was instigated by the actor Uno Henning, who himself played Olaus Petri in the play. Those opposed to it called on the minister of ecclesiastics and asked to be spared the Berlin appearance, but in vain. Most of the press found the invitation flattering and wished the company luck in presenting Swedish performing art to German audiences.

As usual, the Gothenburg paper GHT and the magazine Trots All! were the lone voices of dissent. They acidly pointed out that while Norwegian actors were languishing in camps, their Swedish colleagues were planning to perform for their warders.

• Pauline Brunius

• Hermann Göring
(1893-1946) German politician and officer. Creator of the German Luftwaffe and Reichsmarshal in Nazi Germany.

• Rune Carlsten

• Hermann Kappner
I (1907-77) Came to Sweden in the early 1930s. Recalled to Germany in 1944 but requested asylum and was granted it. Became a Swedish citizen in 1956. Language assistant at the Education Agency, author of school textbooks in German. Remained in Sweden until his death.

- Henry H Koux
  (1894-?) Chaired the German chamber of commerce in Sweden during the war. Became a Swedish citizen in 1925. Convicted after the war of "unlawfully receiving foreign monies" after passing on German funds to the pro-German newspaper Dagsposten. After serving his sentence, Koux moved to Austria.


- Benito Mussolini
  (1883-1945) Italian politician, founder of the Fascist Party, Italian head of government 1922-43.

- The Stockholm Royal Dramatic
  The theatre was founded in 1788 by King Gustav III. The king wanted to erect a national stage to promote the Swedish language and Swedish drama. At the centenary celebrations of 1888, the Swedish state withdrew all funding and the theatre became a private company. In 1908, when the present building was inaugurated at Nybroplan in central Stockholm, the theatre regained the status of a national stage. Since then, the state has funded the theatre's activities and the government appoints the board and management.

THE MAGAZINE 'Trots Allt!' also snapped up a rumour that the German legation had demanded certain changes in the script and in the production. Among other things, it apparently wanted the merchant from Lübeck who is one of the leading characters in the play to be 'Aryanized' - a Jew was out of the question. In the next issue of the magazine, the Royal Dramatic guardedly replied that no such demands had been presented and that no changes would be made. So far so good. The theatre's third assertion, however, cast something of a shadow over its alleged firmness of principle - it declared flatly that Strindberg's character Herman Israel was not a Jew at all.

In point of fact, the Royal Dramatic adapted the performance to suit a Nazi audience. This can clearly be seen from an exchange of correspondence kept at the Royal Stockholm Library between Rune Carlsten and Hermann Göring's sister-in-law, who went to Stockholm to help plan the guest performance and welcomed the closer cultural ties between Sweden and the Nazis. Certain changes were made in the cast. These included
replacing actors who were thought to be of Jewish origin, out of consideration for the hosts.

On 18 and 19 June, the play was due to be performed at the Schiller Theatre in Berlin. Heinrich George, its manager, famed for his part in staging 'Jud Süss', the foremost propaganda play of the time, welcomed them at the station. The Swedish company was shunted from place to place in a whirl of receptions, parties and compliments. The management of the Royal Dramatic in Stockholm and the Berlin theatre exchanged messages of thanks and wished each other good luck. The play was an assured success. The German press was full of banner-headline acclaim for the performance and Swedish papers blushed with pride at the triumph of their national theatre. The Swedish guests were flooded with telegrams. One began 'Heil Gustav Vasa!' and many others were in the same vein. This was undoubtedly one of the Nazis' major propaganda victories in our part of the world.

Carlsten went to Berlin well-prepared. The theatre had thought of everything - in fact the thoroughness of its preparations was made clear by a number of letters of recommendation that Carlsten had with him. They were issued by a Director Koux, head of the German-Swedish Chamber of Commerce in Stockholm. Koux was convicted after the war of having passed on German money to Swedish Nazis, as a Germany spy. He clearly issued one of the letters of recommendation in this capacity. Thus Carlsten and the Royal Dramatic were travelling under the protection of German espionage. Their return home did not quite work out as planned. The German advance on the Eastern Front overshadowed all else and the thunder of the guns drowned out the applause from the Schiller Theatre. Carlsten was met by the news that the board had dissolved his repertoire committee and that the responsibility for what plays the Royal Dramatic would perform in future had been restored to the theatre manager. Nor was Kappner able to reap the fruit of his labours. The German propaganda machine was torn asunder by internal strife, with various factions at loggerheads, and Kappner suddenly lost his post and was moved to a more subordinate one.

The fact that this did not bring the German legation's influence over the Royal Dramatic to an end is made clear by another leading Swedish actress, Mimi Pollack, in her memoirs. In 1942, she was offered an acting contract with the theatre by the manager, Pauline Brunius, an old colleague from her days in private theatre. Mimi Pollack was delighted until Pauline suddenly told her that she naturally would be checking the matter first with the Prince of Wied - the German ambassador. In the book, she then describes her feelings at the first get-together of the autumn season when she is welcomed as a member of the company and suddenly realizes that this means the German ambassador has not had any objections to her being taken on. How could all this come about? Sverker Ek has made a couple of important observations. The Royal Dramatic clearly felt that its position as a national stage imposed strict demands on its impartiality. Whereas places like the Gothenburg City Theatre - or, for that matter, several of Stockholm's many private theatres - looked about for plays that
reflected the horrors of the day, the Royal Dramatic was swayed by a fervent desire to reflect the Swedish government's policy of neutrality.

Ek traces this exaggerated identification with the state to the many examples of state intervention in the theatre's affairs in the 1930s - commissions of inquiry, sacked directors, board changes, etc. He has unquestionably hit upon an important truth in this assessment - the management and board of the Royal Dramatic felt they owed their power and legitimacy to the government and to the responsible minister. Nor were they able to see that what may have been politically expedient at central government level was not necessarily artistically expedient on stage.

The moving force behind this extreme interpretation of the theatre's task was, according to Ek, Oscar Wieselgren, the director and principal librarian of the Royal Swedish Library who was also a doctor of dramatic art and a lecturer and artistic adviser to the head of the Royal Dramatic. Ek quotes Wieselgren's evaluations of plays, demonstrating a remarkable sympathy for German viewpoints. Wieselgren was Carlsten's closest friend and advised him in everything he did. In addition, Wieselgren had a project of his own on which he collaborated with Kappner and the German legation: the major exhibition of German books that the Royal Swedish Library and the National Museum planned to launch the same year.

THAT THE NOTION of the national theatre as an extension of government policy could drive the Royal Dramatic into the arms of the Nazis is both remarkable and worrying. But this clearly cannot explain all that the theatre got up to that year.

The people in charge of the Royal Dramatic during the war years did everything in their power to dissociate themselves from the actions of their predecessors. Before Pauline Brunius came onto the scene, the place had been run by Olof Molander. During his years there, Molander had made an ambitious attempt to introduce the radical 'folk drama' utopia of the times. He and another star director, Alf Sjöberg, had pushed 'The Marble House' beyond its familiar limits and shocked audiences. Molander himself was a despot, the foremost exponent of modern, closely-directed theatre. His rule at the Royal Dramatic and his directing style ran into considerable opposition within the company, particularly from the older members. The battle between this kind of 'demon' directing and the more traditional style of direction focusing on the actors was a rancorous one and raged for decades.

During Molander's time at the helm, it was he and Sjöberg who took care of the heavyweight pieces in the repertoire. Carlsten was allowed to add a few comedies, farces and children's plays. It is not difficult to imagine his frustration. But the departure of Molander and the arrival of Pauline Brunius changed Carlsten's situation drastically. For a while, he totally dominated the internal affairs of the theatre. He did so not by reason of artistic successes but by skillfully taking advantage of the theatre's internal crisis and drawing on the advice and assistance of the German legation. The theatre policy battles and internal feuding merged handily with the politics and
ideology of the time to become the brew that resulted in the Royal Dramatic's moral disaster of 1940-41.

HOW WAS THE CLOSE RELATIONSHIP between the national stage and the German delegation eventually dissolved? Here the mists lie thicker. As we have noted, Pauline Brunius regained the reins of artistic control at the theatre. Despite her poor health and somewhat questionable artistic qualifications, she was a formidable powerbroker. And she doubtless had a strong feel for the demands and atmosphere of the times. After midsummer 1941, these begin to shift, slowly but steadily. Carlsten, though, had one last trump card. As head of the theatre's repertoire planning committee, he had managed to push through a decision that is every Swedish director's dream -- a production of Shakespeare's 'Hamlet' at the Royal Dramatic, with himself directing.

While the fortunes of war began to turn in the world outside, Carlsten, seconded by Wieselgren, struggled to put together a production that would reinforce his position at the theatre and thus make it more difficult to remove him. Pauline Brunius, for her part, discreetly phased out Carlsten's various other initiatives - calling off among other things a return visit from the Schiller Theatre scheduled for 1942. Carlsten's 'Hamlet' was not a success and his artistic credibility was thus eroded. But he was put at even further disadvantage by an astounding move from Brunius - she opened the door and let the dreaded Molander back into the building. Not only that, she was publicly reconciled with him on stage in front of the entire staff. With Molander back, the whole internal power game at the Royal Dramatic took on a new shape.

At the same time, Pauline Brunius put all her energy into making sure that the theatre was finally given its much-awaited studio stage. This was a stroke of genius that united all the factions at the theatre - the folk drama enthusiasts, the star actors, the demon directors. They all gathered around their leader when the issue was pressed with the board and the government.

Although fairly undramatic, Carlsten's fall from grace was a long one. He was hugely bitter when he discovered after a few years that he was back in the slot he had occupied in the 1930s -- as a utility director in the shadow of the dancing elephants. For with the demise of Carlsten, it was Sjöberg's star that ascended, culminating in an offer from the board and management in 1944 for him to become 'chief stage director' at the theatre. In the light of what now concerns us, it is even more important to note that on 5 January 1994 his production of Shakespeare's 'The Merchant of Venice' opened at the Royal Dramatic. Its presentation of Shylock must be viewed as a direct retort to the anti-Semitism of 'The Little Royal Concert' three and a half years earlier. That same season, the theatre also hosted a guest performance - by Fri Norsk Scene, the theatre set up by Norwegian actors in exile. The winds of change had indeed blown through the Royal Dramatic.

Otherwise, the most remarkable thing about the aftermath of this whole affair is the growing silence. After the war, the Swedish secret service issued a public report on
German wartime propaganda in Sweden. Kappner figures large in its pages but not a word is to be found about the Royal Dramatic’s guest performance in Berlin or the legation’s other activities with regard to the theatre. This report has since served as source material for everything written on the subject. Consequently, the doings at the Royal Dramatic slip below the horizon, despite the fact that they must surely rank as one of the biggest and most successful German propaganda operations in this country.

THEATRE HISTORIANS are the only ones who have stopped to reflect over the Royal Dramatic’s wartime activities. Its discreet repertoire policy has been remarked upon. The guest performance in Berlin has been noted with some surprise. At the theatre itself, this affair, like so much else, has just dissolved - most theatres deal with the present through intrigues and with history through anecdotes. The majority of those involved in this story are now dead. Pauline Brunius has gone down in history as a grandiose theatre manager, with a lightweight repertoire but never an overdrawn budget throughout her ten years in power. Wieselgren remains a theatre historian and chief librarian with only one blot in his copybook.

Carlsten continued at the Royal Dramatic, without any major successes and as a butt of many anecdotes, a bitter but full-blooded stage eccentric. The documents he left are today filed at the Drottningholm Theatre Museum library housed in the Stockholm Film Centre. Packing-case after packing-case full of the drafts of letters to Kappner, Wieselgren’s elegantly-penned advice and expressions of support, invitations to the German legation, lectures, rationing cards from Berlin, notes from his work on the repertoire committee and - yes - even the notorious letters of recommendation from the convicted spy Koux. They are stored there for research purposes. As far as I know, only one person, a student of drama studies named Toni Fridh, has so far show any interest in them, with a three-term paper containing a biography of Carlsten. Official Sweden has been careful to tidy up after the war. Archives are kept secret, documents have vanished. It is ironic that a man like Carlsten did not empty his closet. Instead, he collected everything and held on to it.

This is a shortened version of the article published in Dagens Nyheter on 13/4 1997.

Ivar Kåge, pictured as the Jew, was not one of those in favour of the theatre’s pro-German stance or the guest performance in Berlin. Together with Uno Henning and Actors’ Union representative Sven Bergvall he joined the delegation that lobbied the government and asked to be excused the Berlin trip. According to notes kept by Ivar Kåge’s family, the minister of ecclesiastics, Bagge, rejected the delegation’s appeal out of hand. The guest performance was an order, it was ‘government relief work’, and refusal to take part would be regarded as a breach of contract. According to the same notes, the Berlin performance was insisted on by Rune Carlsten and Lars Hanson, in the face of strong opposition from members of the company.

Directors ran the Nazis’ errands
The documents that show how Swedish companies traced and fired Jews during World War II.
By Göran Blomberg

Strongly influenced by German military successes in 1940-41, Swedish companies unswayed by Sweden’s political neutrality followed directives from Berlin. The Germans did not want to do business with Swedish companies that were owned by Jews. And for that reason, many companies dismissed Jews and assured their customers that they only had ‘Aryan’ employees. But some directors refused to cooperate. Archivist Göran Blomberg has studied the files of the Swedish security police from the war years. His conclusion is that many company owners and industrial leaders were opportunists. When the fortunes of war turned, the ‘Aryanization’ of Swedish companies automatically ceased.

A great deal has been written about the policies of the Swedish coalition government that was in power during World War II. For example, the transit shipment of German troops and arms and censorship of the press have been the subject of lively debate. Significantly less has been written about the conduct of individual Swedes and businessmen. To what lengths did their opportunism and self-interest take them? In times of unrest, the desire for profit is generally more rampant than usual, as for certain kinds of companies and operations the opportunities for profit increase dramatically. A careful study of the records of the Swedish security police, which are kept in the National Records Office, reveals documents that speak for themselves. These documents show only too clearly that many Swedish companies were happy to comply with Nazi demands. Here is what happened:

The German occupation of Denmark and Norway in April 1940 left Sweden cut off from the Western powers, and in practice the country became encircled by Greater Germany. Sweden’s trade with countries beyond the German blockade set up in the Skagerrak was drastically reduced, which resulted in an increase in trade with Germany and German-occupied countries - in fact, it doubled, according to some sources. The Germans now exploited their dominance and began to make demands of Sweden. Through their Chamber of Commerce in Stockholm and other channels, the Germans made some very specific demands, notably that Swedish export companies should be ‘Judenfrei’ (= free of Jews), i.e. the Germans did not want to do business with Swedish companies owned by Jews. It was at this point that many people saw their chance to engage in profitable business deals.

The above-mentioned documents in the archives of the Swedish security police show that a number of Swedish companies demonstrated great sensitivity to the German call for ‘Aryanization’. The companies’ accommodating attitude found expression not only in the exclusion of Swedish citizens of Jewish origin from the management and boards of the companies, ‘Aryanization’ in some companies also came to apply to the labour force. In many instances companies went further in this respect than the Germans had actually demanded.
How do we know this? Throughout the war, both telephone calls and correspondence in Sweden were censored by a special authority - the Swedish security police. Millions of letters sent to addressees in Sweden and abroad were opened (with great care - they were steamed open and when necessary translated into Swedish) and millions of telephone calls were monitored. Foreign telephone traffic was closely monitored and some domestic telephone calls as well. The postal supervision department was set up in 1940, and all post to addresses abroad was checked. Random samples of domestic mail were opened. The purpose of these operations was to obtain information about enemy intelligence activities and other matters of interest to the state.

Information deemed interesting was documented in reports. It is in these reports that we can read among other things how certain Swedish companies sought to pave the way for increased trade with companies in Germany, with their allies or with German-occupied countries by testifying to the "racial purity" of their management and employees. Business as usual!

- Transit shipments of German troops.
During the war, Germany was frequently permitted to transport troops across Sweden by rail. The transportation of the Engelbrecht Division from Norway to Finland in the summer of 1941 was the object of particularly harsh criticism, as it constituted a departure from the Swedish policy of neutrality.
The Swedish security police, SÄPO, are subordinate to the civilian police force, unlike the military intelligence service.

- Arier-Nachweise.
Certificate proving a person’s Aryan origins.

- Parteigenosse.
Party comrade.

Here are some examples of correspondence between Swedish and German companies, all of them obtained from the archives of the Swedish security police. An agency in a town in central Sweden writes as follows to a firm in Stuttgart on 12 March 1941: "We are not completely sure how we can prove that our firm is an Aryan one, since we do not have such things as the ‘Arier-Nachweis’ (= Aryan identity document) here in Sweden, so you will have to content yourselves with our assurance that both the manager of our company and its employees conform with any requirements that you in Germany may have with regard to race."
The following letter comes from a small town in Western Sweden: "Given the present atmosphere and circumstances, you can count yourselves lucky that your query of the 10th of this month fell into our hands. Had it reached any other Swedish agent, you can
be sure that the matter would have been passed to the press and made news headlines. However, we feel it is our duty to inform you that in all probability we have purer Germanic blood in our veins than you yourselves, especially those of you who come from the Rhenland, and we would be happy to prove this but we consider it unsuitable to discuss such matters in our business correspondence. We can supply information about this by more discreet channels. Heil Hitler." (17 May 1941).

From an agency in Stockholm: “I find it exceedingly strange that German Jewish wine merchants are allowed to make money here in Sweden from German goods, and wine in particular, when we know how much work and endeavour goes into the production of a single bottle. It has come to my attention that German firms are not allowed to have Jewish representatives abroad, but perhaps this is not so in the case of wine. I am convinced that Aryan wine merchants could take over the export trade to Sweden." (29 July 1941).

Another firm in Stockholm writes: “For your information, we are able to inform you that both the owner of company X and all its employees are of the purest Aryan origin.” (21 February 1941).

A Stockholm-based firm: “I have received your warning against doing business with Jewish elements from another quarter. In this respect I can inform you that I stopped all sales to such businesses a long time ago: any other conduct would be a breach of the friendship that exists between our peoples.” (16 May 1941).

From a firm in the fur business (Stockholm) “Our firm is pure Aryan and there is, thank God, not a single drop of Jewish blood in it.” (21 February 1941).

From a textiles business in southern Sweden to its German counterpart in Karlsruhe: “Moreover, it is absolutely unthinkable for our firm, whose owner has been a party member for many years, to employ people whose Aryan origins have not been fully proven.” (14 February 1941).

A couple more examples, this time from a Swedish firm in the course of its negotiations with a German manufacturer of zip fasteners. The Swedish owner: “At the same time we would once again stress most emphatically that there have been no Jewish interests in our company for over ten years, since the occasion when a Jewish businessman swindled us so thoroughly that we intend never again having business dealings with a Jew." (21 April 1941)

“For your information, we would like to point out that our firm (in Gothenburg) has been purely Aryan since the outset. I, the undersigned owner, am a pure Aryan, and only Aryan capital is invested in the firm. Only Aryan members of staff are employed here." (13 August 1941).

In a document from a major concern with branches all over Sweden, the German partner is assured: “In reply to the first part of your letter, I would like to point out that Mr X has not been dismissed from our employment since the ‘Aryanization’ of the company is for the time being restricted to the executive level; in time, however, Jewish employees will also be removed.” (16 June 1941). In a letter from a Jewish man living in Stockholm to a friend in Italy, we read the following: “Here too only native-born employees are hired.
Firms that have connections with Germany refuse to hire us." (14 March 1941). And there are many more examples. The ‘Aryanization’ of Sweden had begun!

The German Chamber of Commerce in Stockholm, a focal point for trading between neutral Sweden and Germany, was not happy with way Swedish firms were behaving when it came to providing information about which rival firms were A = Aryan, B = Jewish, camouflaged or openly hostile to the Germans. “In our view, an all-Swedish enterprise can scarcely be trusted to provide proper information about its customers’ pro- or anti-German stance. Such a procedure entails the risk that the Swedish company, for competitive reasons, will claim that a rival firm is hostile to the German cause.”

In other words, the German Chamber of Commerce was naturally concerned about safeguarding direct German trading interests as well. The most vital German concern at the time was the war economy. But the signals coming through from Berlin were not unequivocal:

“For the time being, the Chamber of Commerce does not wish to recommend that every non-Aryan firm should be boycotted. On the contrary, we have received strict orders from the Ministry of Finance (Reichswirtschaftsministerium) not to omit anything that might benefit German exports. In the tobacco industry, the international Jewish influence is well known. Even major German firms cannot fail to include Jewish individuals here and there.” (Document to the Export Office (Aussenhandelsstelle), Klosterstrasse 41, Berlin, 2 April 1941).

Further, from the German Chamber of Commerce to a German company in southern Germany (concerning the identification of Swedish companies) “Naturally, a Swedish agency is hardly in a position to answer your questions. The competent body for the provision of information as to whether a firm is Aryan or secretly or openly hostile to Germany is the ‘Prüfungsstelle Textilindustrie’. This is the only organization able to inform you whether a delivery to a particular Swedish firm is advisable or not. When it comes to determining whether a Swedish firm would make a suitable partner for German companies, we naturally cooperate closely with German organizations in Sweden.” (24 July 1941).

It would seem that inquirers from abroad had little difficulty finding out who was ‘Aryan’ or “non-Aryan” in Sweden. Apart from being able to turn to the German Chamber of Commerce, for example, interested parties in Germany or the occupied countries could get in touch directly with Swedish law firms or Swedish banks. A law firm in a town in southern Sweden wrote the following:

"Re the Aryans inquiries. In grateful response to your inquiry of the 30th in the above matter, we hereby inform you that, due to an agreement between the Swedish information agencies, we are obliged to charge you a fee of 2.25 crowns each, even in cases pertaining only to inquiries of the type you request. For this price to apply under the aforementioned agreement, however, the subscriber must purchase at least 100 inquiry forms at a time. If
you are agreeable to this, we would be happy to provide the information you request, which will be supplied in the form of short reports." (5 November 1941).

Some more examples: one of Sweden’s major banks informs an addressee at the “Office of the Bohemia-Moravia Protectorate” in connection with a credit status inquiry concerning the owner of a silk garment business: “In response to your special inquiry, we are able to inform you that X is in all probability an Aryan.” (1941) The ease with which such specific personal details were obtainable would have meant that if the Germans had occupied Sweden, they would have had no great difficulty in tracing all the Swedish Jews.

It is interesting to study the line of reasoning taken by the Germans with regard to the Nazi policy of ‘Aryanization’. In a matter concerning the department store AB Nordiska Kompaniet (NK), the German Chamber of Commerce tells Berlin:

“With reference to your letter of the 21st of this month, we are able to inform you that Nordiska Kompaniet has been expressly acknowledged as an Aryan company by competent German sources. Between 1-12 per cent of the share capital (which totals 20,500,000 crowns) is in Jewish hands. Other investors in the company include the banker Wallenberg, who is an Aryan, and the Swedish royal family. With the exception of a small share holding, owned by the Enskilda Banken, the remainder of the capital is sold in small blocks on the stock exchange. Of the company’s 2,100 employees, around 25 persons or one per cent are non-Aryans. We have no misgivings about engaging in the proposed business transactions with Nordiska Kompaniet.” (21 May 1941)

The question inevitably springs to mind: how did the German Chamber of Commerce know that 25 employees at NK were “non-Aryans”? What was the general attitude to Sweden in 1941 from a German perspective? The Secretary-General of the German Chamber of Commerce, Eitel Becker, who doubtless had a relatively good picture of the situation in Sweden thanks among other things to the great number of informers, sent a document to Germany on 20 February 1941, containing the following:

“It is interesting to trace the mood in Sweden, particularly since my field of work embraces a country that continues to enjoy complete freedom, but one that in geographical terms already belongs to the financial sphere of Greater Germany. Naturally it has a few shortcomings, in particular the rather troublesome press in the western part of the country. But one should make a clear distinction between the press, the politicians and financial circles in Sweden, if one wishes to work successfully for the German economy.” We can be sure that Becker knew what he was talking about.

It is quite evident that many Swedish companies were eager to convince the Germans, not only that their companies were owned by “Aryans”, but also that their employees were pure Aryans. Here is an example of notes made by the Swedish security police:

“The German ordinance prohibiting business dealings with non-Aryan firms has been complied with immediately, and documents from Germany requesting information in this respect about the firms and their customers have been sent to a large number of Swedish
firms. Similar information has even been submitted by Swedish firms who have not been contacted with such a request."

Maximum profit was then, as now, the prime goal of many owners and industrial leaders. However, the documents in the archives of the Swedish security police show - and this should be emphasized - that there were Swedish businessmen who categorically refused to reply to enquiries from Nazi-Germany as to the "racial situation" in their companies.

Many of the above-mentioned company-owners were strongly influenced by German military successes in 1940 and 1941, when they did as the Nazis told them and followed the directives from Berlin. The 'Aryanization' of Swedish companies ceased automatically from the moment that German armed might in the outside world began to falter and the balance of power in Europe began to shift.

These Swedish fellow travellers with their highly developed sense of which way the wind was blowing - a gift possessed by opportunists throughout history - now saw that Germany's fortunes were on the decline and adjusted their actions accordingly. If, or to what degree, they really believed heart and soul in the Nazi doctrines can only be a matter for speculation. Whatever the case, Stalingrad and El Alamein spelled salvation for the Swedish Jews.

**Arne Ruth tells the story of a Norwegian family of financiers who took over the property of a deported Jewish family.**

By Arne Ruth

A RECEIPT dated 18 November 1942. After almost 55 years it is now material evidence in a political-moral indictment levelled at one of Norway's financial families, the owners of a major company with branches in Sweden - the fashion clothes chain Adelsten.

The company head office is situated in Tonsberg, an illustrious port of trade on the Norwegian south coast. Once a whaling centre, it is now a summer enclave for the country's jet-set, its harbour packed with luxury boats.

HALF A DOZEN kilometres from the town centre, on a leafy hilltop, stands the old Berg prison. The barracks behind the barbed wire-topped fencing give it the atmosphere of a military camp. The only thing to suggest its special origins are a pair of pompously classical stone pillars bearing the name Berg on the approach road.

Berg was built by Quisling in 1942 to serve as Norway's own concentration camp. Its first inmates were the adult male Jews, aged between 15 and 90, from southern and central Norway. They were arrested where they lived at the end of October 1942, herded together and transported to Tonsberg in freight trucks. From the rail depot on the plain below, the prisoners walked the final stretch up to Berg in line, clearly visible from the main road. Three weeks later they were shipped to Auschwitz.

THE FIRST superintendent of the camp was Alf Kjölner, the man who signed the receipt for the safe. Alf's father Emil ran a men's clothing shop in one of the main streets of Tonsberg. His brother Per was one of a couple of hundred young Norwegians who had gone out to fight as volunteers in a 'Nordic' SS company on the Eastern Front.
The former SS soldier Per Kjølner is now the head of a financial family that owns the controlling stock of the Adelsten concern. The origins of this clothing chain can be traced back to Emil Kjølner's men's clothing store.

Two weeks after the concentration camp opened for business, the Berg management acquired a safe storage place for their most confidential documents - 'Item: 1 C-Kabinett-400 safe' was taken from the Kjølner family's main rival, the Tønsberg Clothing Co. Its proprietor, 50-year-old Isak Plesansky, was among the first Jews imprisoned at Berg. At dawn on 26 November, Norwegian police arrested Plesansky's wife, his 11-year-old daughter and his 12-year-old son. The children were sick in bed with the measles. A few hours later, the Plesansky family were among the 527 Norwegian Jews on board a ship called the Donau, en route to Auschwitz. A month later, they had been gassed to death.

DURING THE WEEKS after this voyage to the Holocaust, a local lawyer familiar with the process of recording bankruptcies and legal estates, drew up a detailed list of the assets left by the Plesansky family. Bank accounts, securities, the contents of safes and bank deposit boxes, inventories and stock at the clothing store, private possessions in the house they rented in the town - everything was noted down in detail, down to the contents of the kitchen drawers. Jewellery, watches and items of gold were sent to the Gestapo at Victoria Terrasse in Oslo. The warehouse stock alone was estimated at 44,755:45 Norwegian crowns - worth about half a million today.

On 19 December, a new tenant moved into Plesansky's house. On 14 January 1943, camp superintendent Alf Kjølner requisitioned clothes for the concentration camp from Plesansky's warehouse. The final chapter in the chronicle of Plesansky's store was written on 3 February. The store manager, Olsen, noted down what happened: "The Tønsberg Clothing Co stock was sold via Alf Kjølner to Emil Kjølner. The goods were collected on 3/2 by Kaare Stang and Alf Kjølner. The following day at 9 a.m all the goods were driven down to Emil Kjølner's (articles of every kind! Suits, coats, winter coats, lots of shoes and ties)."

On 20 November 1943 it was time to auction off the furniture and other articles that had been stored in the empty shop. The auction realized 24,000 crowns. A man from the town of Horten later complained in writing that he had paid 990 crowns for a dining-table complete with chairs. The price was reduced.

AFTER THE WAR, the Kjølner family founded the second biggest chain of fashion stores in the country. They bought the Gulin shops in Sweden, which proved to be a rotten deal - the Swedish subsidiary went bankrupt. But the dynasty had the means to lick its wounds. Of Adelsten's 86 stores, 30 are still located east of the border.

The Kjølner sons, Alf, Per and Trygve, were convicted after the war for their membership of Nazi organizations. But their father Emil, who reaped the profits from the elimination of the Plesansky family, was never called to account. He was not a party member and what he did during the war could not be legally defined as theft. When he took possession of his rival's stock, he had the government and the law behind him, and the price he paid,
6,000 crowns, a fraction of the original value, had been fixed by the authorities. The only measure taken against him was a special taxation - he had to pay 6,000 crowns to the government a second time.

ONE MEMBER of the Plesansky family survived the war - a son, Bernhard, who was 21 in 1945. After a tip-off that danger threatened, he had gone underground a few days before the police arrested his brother, sister and parents. The resistance movement helped him flee to Sweden. Bernhard took his school-leaving exam in the town of Uppsala and then flew by military aircraft to Britain, where he was sucked into the work of the Norwegian exile government's command. A month after the Liberation, he returned to Tønsberg to learn that his parents, brother and sister had been gassed.

The authorities worked out that 33,000 crowns was left in the family estate. Of this, Bernhard was able to recover 68% - 21,000 crowns - in 1947. When he asked the family's bank manager whether he might borrow money to re-start the confiscated clothing business, he was told that in contrast to his father he could not be considered a financially reliable client.

Bernhard Plesansky chose to return to London. For many years, he put aside what had happened to his family and built himself a new life as an Englishman. He changed his name to Prydal, removed the 'h' from his Christian name and learnt how to speak Oxford English with no trace of an accent. But he retained his Norwegian citizenship. When I met him, he described this as a token of gratitude. The Norwegians who saved him had done so at great risk to their own lives, although they did not know one another. As long as he lives, Bernard Prydal will keep them as his compatriots.

DOES A COMPANY like Adelsten have any responsibility for what its founder did more than half a century ago? Do the members of the family have any moral debt to pay? Does such a deed affect the business of a major company?

It is not difficult finding Tønsberg residents who have not forgotten what happened. A number of those I talked to said they would never set foot in any of Adelsten’s stores. A neighbour of Plesansky's that I met described his sense of powerlessness when he saw the clothes of the missing children being worn by the children of neighbouring families sympathetic to the Nazis.

There are rumours that the Kjölner family are preparing a donation as a gesture of atonement. But the headman of the clan, Per Kjölner, has so far chosen to remain silent. The fact that his past has caught up with him is primarily due to Bjørn Westlie, the Dagens Næringsliv journalist who published a detailed report of how the transactions were carried out. Westlie found Bernhard Plesansky/Bernard Prydal in London and gave him the opportunity to tell his story for the first time.

It provides an all-too-clear illustration of the material aspect of the extermination of the Jews. Besides all its other dimensions, the Holocaust was robbery with murder on the grandest scale in history, with a network of victims, murderers, fences and profiteers extending across a whole continent. That part of history still remains to be written.
WHEN HITLER seized control of most of Europe, a very special problem arose - what to do with the property of the deported Jews? A market emerged of unprecedented proportions. For the Third Reich, it was a question of transforming tied-up assets into liquid funds, both to slake the financial thirst of leading Nazis and to pay for a highly costly war. And those who profited from such transactions were, just as in Tönssberg, to a startling degree everyday businessmen.

Some 115,000 of the Dutch Jews lost their lives, more than in any other Western European country. Detailed documentation of what happened to their property would necessitate a huge research effort. And in Eastern Europe, the scale of the Holocaust was so great that there is not the shadow of a chance that researchers would be able to find out where all the Jewish property went.

IN NORWAY, the number of Jews was so small that it was possible to register all the transactions. That is why it has been possible to expose what went on between the Kjölner and Plesansky families. It could be seen as a pilot case. No-one knows how many similar examples lie buried and suppressed in post-war Europe.

Neutral Switzerland was the perfect marketplace for illegal trading during the war. The Nazi Gold has become a metaphor for stolen valuables of every kind - stocks and shares, bonds, rights of property, art, antiques, jewellery. It is this murky swamp that is now seeing the light of day. It would be very strange if Sweden was not involved, too.

Saved by the Cold War

Sweden's Nazi Gold. New light thrown on the Wallenberg family's Nazi transactions

By Gerard Aalders and Susanne Berger

To what extent did the Wallenberg brothers and Sweden's Enskilda Banken act as fronts for the German war industry? Supplementing last week's reports about the Wallenbergs' purchase of Nazi gold, the following account details the bank's intimate collaboration with Bosch and other German war suppliers. Dutch historian Gerard Aalders and American journalist Susanne Berger have unearthed previously unknown documents in the US Department of Justice revealing how the Wallenbergs went about laundering 'contaminated' German gold.

<Picture>AT THE END of January, the Swedish TV news programme Rapport disclosed that Jacob Wallenberg had applied to the Swedish Central Bank to purchase gold from Nazi Germany although it was generally known that this was 'contaminated gold', stolen from German-occupied countries.

But the brothers went further than just seeking permission for a gold transaction.

IN AMERICAN ARCHIVES, one of us recently came across a previously unknown investigation dating from 1949. This report has now become accessible along with a large number of other documents pertaining to the Wallenberg family's relations with the Third Reich. The report, entitled "Historical Outline of Gold Transactions", was the result of an investigation carried out by the US Justice Department. It provides a detailed description of one of the Wallenberg family's most complex transactions with Nazi Germany. It
makes clear that the brothers actually accepted payment in gold which they suspected was 'contaminated'.

The pivotal section deals with Jacob Wallenberg's attitude to this gold, worth SEK 5.7 million at the time (about 90 million today). In the spring of 1943, the German Reichsbank had placed the gold at the disposal of the Bosch industrial company, to be forwarded to the Wallenberg operation. The US report refers to a German memo about this dated December 1943. Jacob Wallenberg's attitude is described as follows:

"Wallenberg asked where the gold actually came from and suggested that its origins be investigated. If its origins proved objectionable, Wallenberg recommended that the gold be sold and Swiss or Swedish securities purchased in its place."

This is exactly what subsequently happened. In May 1944, the gold was handed over to the Swiss National Bank and for the purchase sum Swiss securities were bought via two banks in Zurich. Thus the gold that may have been stolen from the occupied countries was deliberately laundered. Most of the securities purchased in the deal were placed in a Swiss bank deposit box in the name of a private individual. The key to the box was deposited with the Wallenbergs' partner in this transaction, the German firm of Bosch. But the securities in fact belonged to the Wallenbergs, as the gold had done.

In the US report, the following comments were made about the transaction: "This was a time of German conquests and of the final liquidation of the Jews who had lived under German domination. It is worth noting that Das Reich offered the gold to Bosch, and handed it over, precisely at the time it gained access to substantial quantities by means of expropriations and extermination camps. There is no evidence of whether or not Bosch was aware of the gold's origins.

"But Germany's lack of gold was widely known, and the Bosch management could reasonably have been expected to wonder at the sudden generosity of the German state and its willingness and ability to make gold available for the company's purposes."

• Bosch

The Bosch company was founded in 1886 by German Robert Bosch, inventor of the sparking plug. At the time of World War I, Bosch was a major company with five foreign subsidiaries and broad range of electrical appliances. During that war, Bosch became a cornerstone of German arms manufacture. As a result of the German defeat, Bosch's foreign subsidiaries were confiscated. After the Wall Street Crash of 1929, the company regained control over its American subsidiary, ABC. It proved an important source of information about US military technology. During World War II, this was described in a company document:

"...thus we gathered information that would help us develop products capable of standing both Russian winters and Libyan desert heat." Just as in the previous war, Bosch became a key industry in the German war effort.

The majority shareholding in ABC was taken over in 1940 by the Swedish Wallenberg group, but the shares were confiscated by the US in 1942 because of the company's
German ties. The Wallenbergs were awarded compensation in 1950 for the seizure, following a settlement with the US state. Bosch was reconstructed after the war as a company focusing to a great extent on electrical household products.

* Carl Friedrich Goerdeler
  (1884-1945) German conservative politician. Chief mayor of Leipzig 1931-32. Economic adviser to Bosch. During the war, he was one of the leading conservative opponents of Nazism. Prior to the attempt on Hitler's life in 1944, Goerdeler had been appointed by the others in the resistance group to succeed him as German Chancellor. When the assassination failed, Goerdeler was tried and executed.

THE TRANSACTION took place as a result of Bosch's problems with its US subsidiary at the outbreak of war. At an early stage in the war, the Wallenberg brothers took upon themselves to act as fronts for Bosch AG. They 'bought' the American Bosch Corporation (ABC), the Germany company's US subsidiary, so as to give the impression that it was a Swedish-owned company. This was thought to be a good way of preventing the US authorities from confiscating the company should the United States enter the war. In actual fact, nothing changed. The electronics giant in Stuttgart would keep its US holdings whichever way the war went. Negotiations between Bosch and the Wallenberg bank, Enskilda Banken, began in November 1939. On 20 July 1940, two agreements were reached with regard to the ABC shares - one open and the other secret.

The open contract set out the terms for transferring the ABC shares to Enskilda Banken. The secret contract described the parent company's hidden interests and its absolute right to repurchase the shares at Enskilda Banken's purchasing price no later than two years after the war's end.

It was also decided that Bosch should be credited with the share dividends and that the German company, for the duration of the agreement, should pay interest on the sum Enskilda Banken had paid for the ABC shares. So Bosch's right of ownership to the shares was secured by means of a diversionary feint, and the company also paid the Wallenbergs a US$ 655,000 fee of commission for acting as its front.

This is a much simplified account of what was a very complicated transaction. But it is enough to enable us to understand what subsequently happened to the gold. The feigned ABC purchase was incidentally only one of the Wallenbergs' many camouflaged operations aimed at protecting German interests. They also 'bought' some 30 other Bosch companies in Europe and Latin America and acted as fronts for companies like Siemens, I G Farben, Schering and Telefunken.

The ABC deal, however, proved a fiasco. Washington suspected that it was a mock transaction and started by freezing the ABC shares on the grounds that they were of
German origin. This happened on 11 December 1941, four days after the United States had been drawn into the war. In May the following year, the shares were confiscated.

HOWEVER HARD the Wallenbergs tried to recover their capital from Washington (partly with the help of the Swedish government), they were unsuccessful. After the US seizure, Bosch wanted to end its interest payments to the Wallenbergs for their investment in the ABC shares, and also wanted to renegotiate Enskilda Banken's $655,000 fee of commission.

Moreover, Bosch wanted to repurchase its shares as soon as possible instead of waiting until the end of the war. The necessary capital had already been deposited with Swiss banks. But Jacob and Marcus Wallenberg realized that if the US authorities found out about this final transaction it would constitute what the report termed "clear confirmation of the falsehood in their earlier claims" that there were no longer any German interests in the ABC shares. The risk of exposure was too great, so Jacob Wallenberg agreed to Bosch's request to waive the interest payments. At the same time, he decided to let the capital deposited by Bosch (for the reacquisition of Wallenberg's 51% ABC holding) remain in Switzerland until the end of the war.

By this manoeuvre, Wallenberg tried to reduce the risk of exposure. Bosch escaped further interest payments. And the money for the reacquisition of the shares was placed in a bank in Switzerland.

"The Historical Outline of the Gold Transaction" provides a detailed account of the repurchasing process. The fact that this report has become available means it can now be established for the first time that Bosch in part repaid the Wallenbergs with gold that may have been 'contaminated'.

WHEN BOSCH sought to exercise its right of reacquisition, and the Wallenbergs baulked for fear of exposure, the German company made them a tempting offer presented as "a unique opportunity to secure the necessary funds to fulfil Bosch's future obligations without further delay". The money was to be made available in Swiss francs or in gold at a Swiss or a Swedish bank. On 17 April 1942, Bosch's financial adviser Karl Goerdeler met Jacob Wallenberg, who explained that he was prepared to accept the offer on condition that payment was not made directly by Bosch but via a third party. In all, it amounted to SEK 11,400,000 for a majority holding in ABC. Bosch could pay half in cash. The remaining 5,000,000 (about 3,000,000 marks) was to be paid in gold. The Reichsbank in Berlin agreed to sell gold worth that amount to Bosch. In order to keep the reacquisition a secret from the US authorities, the deal was camouflaged with a complex web of loans, deposits and guarantees (which however the US report has untangled and describes in detail).

In its application to the German Reichsbank (31/8 1942), Bosch describes the importance of the Wallenbergs for the German war industry:

"The letter describes in detail the history of Bosch's American subsidiary, from the time before World War I onwards. It stresses the importance of ABC for Bosch, for the German economy in general and for the German war effort in particular. It describes how Wallenberg succeeded in protecting ABC from further steps against that company in the
US. To support Wallenberg in this struggle, Bosch had to state in a letter to AB Investor of 14 July 1942 that Bosch no longer had any interests in the ABC shares. "Bosch depends entirely on the loyalty of Wallenberg and wants to strengthen his position by providing him with (a sum corresponding to) the entire value of the 397,326 ABC shares."

The gold was to be made available to the Wallenbergs at a Swiss bank. On 30 March 1943, the details had been hammered out and the following day Bosch purchased almost 1,150 kilos of gold worth 3.3 million marks from the Reichsbank in Berlin. This was the equivalent of SEK 5.7 million at the time, over 90 million today.
The Swedish Central Bank was informed of the transaction by the Wallenbergs. The gold, comprising 96 ingots, was packed in 24 boxes with four ingots in each, and despatched in a reserved goods wagon guarded by two Reichsbank officials via Basle to Zurich. From Zurich it was sent on by lorry to the Basler Handelsbank subsidiary in Spiez.

On 19 May 1943, the Wallenbergs were instructed that "in banks in Switzerland, Bosch was holding at Enskilda Banken's disposal the total sum required for the reacquisition of ABC", partly in currency and partly in gold. Bosch had achieved its goal -- to avoid having to pay further interest on the ABC shares, which as a result of their seizure were costing money instead of paying dividends. Although the money for the deal was being held on the Wallenbergs' behalf, at their request Bosch held on to the key to the bank deposit box in Spiez until the war ended. In this way, the Wallenbergs hoped to avert any risk of US insight into their dealings.

It is still not clear what happened to these assets after the war ended. It would be fair to assume that this might interest both the Swiss and the Swedish investigations of the Nazi gold trail.

THE US JUSTICE Department investigated the matter in preparing for a trial in the late 1940s to settle the question of who owned the ABC shares. The Wallenbergs were seeking compensation for the losses they claimed to have incurred as a result of the shares being confiscated during the war. The preparations for the trial lasted from 1947 to 1950.
The investigation was based on a thorough scrutiny of archives, particularly German ones. The Bosch headquarters in Stuttgart were situated in the American zone in occupied Germany. The US confiscated the company's archives, which were then used as source material in preparation for the trial. The material presented in court amounted to over 1,000 documents. There were more than 2,000 pages of evidence, while witnesses' testimonies ran to 8,000 pages. Among those questioned were a number of Bosch representatives, including several of those named in the investigation as contacts of the Wallenbergs.

From a political and moral standpoint, the Wallenbergs' position was a weak one. From a legal standpoint, it was stronger. After four years, the Department of Justice and the Wallenbergs reached a settlement whereby the American state paid them $2.6 million, the sum they had originally invested in ABC. The Wallenbergs paid court costs of $420,000.
The way in which the Bosch affair was resolved should be seen in the light of the conflicting interests often found between the Justice Department and the State Department in the US. The emergence of the Cold War worked in the Wallenbergs' favour. Germany had been transformed from an enemy into a friend. And the Wallenberg lawyer in the US was John Foster Dulles, a man with good contacts in both the White House and the State Department. Dulles himself became Secretary of State in 1953.

Peter Wallenberg cannot of course be held responsible for what his family did during the war. But it is only reasonable to expect him to stand by his repeated pledges of complete openness. This should also apply to the family archives at Täcka Udden. Such a course would not only benefit the investigations being conducted into the Second World War in general but might also shed new light on the fate of Raoul Wallenberg. There are strong signs that the ties between Raoul and his financier brothers were closer than have been thought. Research in this area has been hampered by the fact that Swedish archives have to a large extent been kept closed. Sweden now has the chance to bring quite a few skeletons out of its Second World War cupboard. This presupposes a thorough, wide-ranging investigation that would also include Swiss and American archives - but above all those Swedish archives that have hitherto been largely inaccessible.

The Holocaust as a business project
Arne Ruth on how Sweden has repressed its guilt over the gold trading with Nazi Germany.

By Arne Ruth

Among the documents Göran Elgemyr and Sven Fredrik Hedin uncovered in Swedish and foreign archives, described in previous Dagens Nyheter articles, were the minutes of a meeting of the Swiss National Bank's executive, dated 23 May 1946. In the light of other documents now available in Switzerland, Germany and the United States, this record brings into the open yet another instance of Swedish repression of wartime involvements - the connection between Nazi gold and the Holocaust.

ONE MAY DAY just over a year after the end of World War II, the governor of the Swedish Central Bank, Ivar Rooth, was staying as a guest with his colleagues in Switzerland. Both countries were under considerable pressure from the Tripartite Commission, a body led by the United States with Britain and France as deputies. The winning side was demanding the return of all the looted gold acquired from Berlin. The Swiss had originally rejected this demand. All gold transactions with the Third Reich had taken place in accordance with normal business practices. They could see no grounds whatsoever for complying with the repayment demand.

The first round of negotiations in March 1946 had collapsed. The Swiss chief negotiator, Stucki, had left Washington in protest. Now round two was under way. The Swiss were confronted with evidence proving that they had taken possession of large amounts of gold
stolen by Nazi Germany from Belgium. Their new tactic was to offer a 'goodwill payment' without conceding that they had been aware the gold was war loot. Originally, the Commission's claim was for $200 million, about ten times that amount in current prices. On the basis of available documents, Commission experts had worked out that Switzerland had taken delivery of stolen gold worth 289 million. The Swiss eventually agreed to pay 58.1 million in compensation without admitting that they had any guilt in the matter.

- The Wilhelmstrasse trial
The last of the war crimes trials after World War II. Wound up in Nuremberg in April 1949, when 19 poersons were sentenced to between four and 25 years' hard labour.

- Goodwill payments.
Switzerland was prepared to make payments as a gesture to protect its reputation, but not to admit that any irregularities had occurred.

A THIRD of the stolen gold had been passed on to other states that were neutral and non-aligned during the war - Sweden, Portugal, Spain and Turkey. It was clear to everyone how the transactions had been carried out. Germany had no means of paying for the import of war materiel and strategically vital raw materials with negotiable currency. Via the National Bank in the Swiss capital of Bern, they were able to continually exchange gold for Swiss francs, or transfer the gold directly to the country whose debt they were in.

It was an adroit procedure. All the countries involved had gold reserves in the Swiss National Bank's underground vaults. When a major transaction was to take place between the Third Reich and other countries, bank officials simply saw to it that the right number of gold bars was transferred from one deposit box to another once the deal had been completed.

It was the deputy governor of the National Bank, Roissy, who had come up with the idea of a multinational gold depository. In the autumn of 1942 he had visited Spain and Portugal to discuss mutual problems. On returning home, he wrote a three-page report in which he noted that in future Portugal did not intend to accept gold as a means of payment from Berlin, "partly for political reasons, partly as a precautionary legal measure". But, he wrote, there is a solution: "Such objections would no longer apply if the gold were to pass through our hands. We should give this our consideration."

IN THE SPRING of 1946, Roissy's notes were still a secret withheld from everyone but the innermost circle of power in Switzerland. The whole world, however, could see that Switzerland had acted as a turnaround point for the Nazi gold. And the governor of the Swedish Central Bank, who had been a constant guest in Bern and Basel during the war, was well aware that until 1944 Switzerland's role as an intermediary had been an essential precondition for Sweden's war trading. As the end of the war approached, in August
1944, the Swiss National Bank described the situation in sober terms: "These circumstances are not publicly known. Consequently, Sweden is not named in the press as a buyer of 'stolen gold'. Generally speaking, Switzerland is serving as a curtain for Sweden. Our country is giving them an alibi."

But in the minutes of a National Bank executive meeting in May 1946, Swedish Central Bank governor Ivar Rooth put things in another light. Emil Puhl, deputy governor of the German Reichsbank, had, declared Rooth, on 18 February 1943 assured "a Swedish trade delegation" that no stolen gold had been transferred to the Swedish Central Bank. All the gold received as payment in Sweden throughout the war had been "old gold". And no gold had been received after 15 January 1944. Thus, at a sensitive stage in the negotiations, a central Swedish figure in the affair corroborated the Swiss denials.

Elgemyr and Hedin have already shown (in Dagens Nyheter on 21/1 and 22/1 1997) that Rooth was speaking against his own better judgement. But the record ends with a passage that in hindsight is little short of dynamite: 'In conclusion, Herr Rooth also declared that he had been totally convinced Puhl had spoken nothing but the truth and that he had not signed over his soul to the National Socialist party. He had reached this conclusion as a result of the conversations between Puhl and Hechler that he had heard on occasion in Basel, conversations that without a shadow of doubt would have cost both gentlemen their lives had they come to the attention of the regime.'

Walter Funk, head of Germany's Reichsbank and Nazi minister of economics, planned with the SS how gold and other valuables from the concentration camps could be used.

WHO WAS PUHL? Let me quote from a document dated 20 days prior to the above record of Rooth's position in the matter of the stolen gold:

"Baden-Baden Germany 3 May 1946 Emil Puhl, duly sworn in, states the following under oath:
My name is Emil Puhl. I was born on 28 August 1889 in Berlin, Germany. I was appointed to the board of the Reichsbank in 1935 and to the post of deputy Reichsbank governor in 1939. I served continuously in these posts until the capitulation of Germany. In the summer of 1942, Reichsbank governor and German finance minister Walter Funk had a conversation with myself and Herr Friedrich Wilhelm, a member of the bank board. Funk told me that he had reached an agreement with Himmler whereby the Reichsbank would take delivery of gold and jewellery for safe storage on behalf of the SS. Funk ordered me to work out the formalities with Pohl, who in his capacity as head of the SS commercial department was responsible for the financial aspects of the concentration camp programmes. (...)"
The materials that the SS deposited included jewellery, watches, spectacle rims, gold teeth and other gold articles in vast quantities, taken by the SS from Jews, concentration camp victims and other persons. (...)

At regular intervals, I visited the Reichsbank storage vault in the course of my duties and took note of what was there. Funk also visited the vault in the course of his duties.

Under Funk's leadership, the (German) gold discount bank also established a short-term account which eventually reached 10-12 million Reichsmark, for use by the SS commercial department to fund the production of materials in the concentration camp factories run by the SS. I understand the English language and swear that the above statements are in accordance with everything I know and believe.”

This testimony is taken from the records of the Nuremberg war trials. It was central to the evidence that brought finance minister Walter Funk a life sentence. And it was through this testimony that the world first heard confirmation from one of those responsible that looting so thorough that it even included the gold teeth of the Holocaust's victims had been conducted as a carefully planned business project, and that Holocaust gold, too, had been part of Germany's trading with neutral countries. Eventually, testimony from SS officers and Puhl's own underlings resulted in Puhl himself being put on trial. In the last of the war crime proceedings, known as the Wilhelmstrasse trial, he was sentenced to five years' imprisonment as the person chiefly responsible for managing the valuables from the Holocaust. In February 1943, the Swedish government had advised Ivar Rooth to ask Emil Puhl in private whether the German gold might be 'dirty'. At the same time, as Elgemyr and Hedin have shown, they urged him not to investigate the matter through his own channels. And it was to Puhl that Jacob Wallenberg shortly afterwards, at the request of the Swedish Central Bank, put the question whether the gold was dirty, and naturally received a denial.

IT WAS ALSO PUHL who, in his capacity as the day-to-day supervisor of the Germany Reichsbank's affairs, had approved the gold transactions of 1943-44 when the Wallenberg empire secretly accepted the equivalent of SEK 90 million as reimbursement for its part in acting as a front for the German company Bosch. The man who in June 1944 was received as a guest of honour in Stockholm, with receptions and dinners given by both the government and top financiers, was the supreme manager of the Holocaust gold. And it was Puhl whose name appeared as an unofficial referee as late as the autumn of 1944 when Jacob Wallenberg tried to get the Swedish Central Bank's permission for yet another gold transaction.

Just three weeks after Puhl supplied his sworn testimony, Ivar Rooth, unaware of what his old friend had admitted, contended that the German banker had certainly not signed over his soul to Nazism. Henceforth, the chief German mover behind Sweden's war trading vanishes into the dark depths of history. The archives of both Dagens Nyheter and Expressen contain not a single line about Puhl's testimony against Funk, and not the slightest word about the trial against his own person, events that were fundamental in showing that the Holocaust was not only about mass murder but also about money.
None of the Swedes involved can have known about the darkest role that Puhl played while the war was in progress. But the post-war trials were conducted in the full glare of publicity. That is where the process of mental repression begins. Those who did business with Puhl’s assistance, or indeed who included him in their circle of friends, have not subsequently commented on his testimony or on the verdict against him. And Swedish historians, in describing Sweden’s situation in World War II, have never introduced him as the mastermind behind the stolen, bloodstained gold.

THE SWISS have not been able to repress him so easily. The Swiss government’s first line of defence before the Tripartite Commission was that it had agreed in the spring of 1945 to comply with US demands that it cease trading in gold. In other words, Switzerland had by its actions shown that it was on the Allies’ side. While it was busy presenting this line of argument, Senator Harley M Kilgore was disclosing to his committee in Washington the contents of four letters sent by Emil Puhl from Switzerland to (German) finance minister Funk in March and April of 1945. They reveal in detail how Puhl, only a month before the end of the war, persuades the Swiss to accept three tons of gold. And among those he corresponded with was the same Walter Stucki who after the war would defend Switzerland before the Tripartite Commission.

Switzerland has landed in an international hurricane of opinion as a result of its gold dealings. Sweden’s guilt is perhaps a few degrees less, and our country was more willing to atone for at least part of it after the war. This is why we have so far only experienced a few mild breezes.

BUT SWISS historians and journalists have shown considerably more energy in seeking the truth about what happened. Virtually everything that has now whipped up such a storm over the gold transactions is described in a book from 1985 by a journalist, Werner Rings, ‘Raubgold aus Deutschland’ (Gold Booty From Germany). It also looks at Sweden’s role. And its basic understanding of the situation is undoubtedly as valid for our country as for Switzerland - invisible networks of people in power for whom trading with the Third Reich was simply 'business as usual'.

In rounding off his final letter to Walter Funk, dated 6 April 1945, Puhl looks back on yet another successful negotiation on a gold transaction, despite seemingly insurmountable obstacles. And the reason why it succeeded? "Personal contacts on this occasion, as always, were marked by the utmost friendliness, something that is of decisive importance whenever one negotiates. In other words, they should be cultivated at all costs."

A ballbearing spy tells his story
Paul Frisch worked for the US
By Sverker Lenas

AS WORLD WAR II was drawing to a close, a young Norwegian sat in a cell in Sweden’s Vänersborg Prison sewing mailbags. The cell was narrow and dirty, the tarred thread sticky and the sheets had not been changed for months. Paul Frisch was 26 years old and had been convicted of industrial espionage for having supplied American intelligence - probably the OSS, forerunner of the CIA - with information about Swedish
ballbearing exports to Germany. With this information in hand, the US sought to dissuade Sweden from supplying any further exports. Finally, with great reluctance, the Swedish government and the SKF ballbearing company complied.

The ballbearing exports were an issue of prime international concern and they had already given Sweden the reputation of a country willing to help the Nazis. The fact that Paul Frisch was later sentenced to two and a half years' hard labour for a crime that the court ruled had been 'directed at Sweden' did not make this chapter in Swedish history any more honourable.

Today, Paul Frisch is a forgotten spy. One of the most important documents for those seeking to understand the SKF affair must be the court records, but these papers were long filed as secret and have now disappeared.

Half a century on, few of those involved in the affair are still alive. The forgotten spy himself, who is now 79 years old and still a Norwegian citizen, lives in a terraced house in Knutby near the Swedish university town of Uppsala.

THE WALLS of his living-room are lined with books. In recent years, Paul Frisch has worked as a translator. In the 1950s he was foreign editor of the Gothenburg newspaper Handelsbladet before editing another paper, Hudiksvalls Nyheter, and in the 1960s he was secretary of the Press Council and editor of the trade journal Pressens Tidning. Discreet in manner and impressively articulate, he quotes Ibsen, offers us apple brandy and expresses regret at his fading short-term memory.

"But as you grow old, it seems that your memory of more distant events improves," he says. "The exploits of your youth come back to you."

Paul's story is detailed and begins in the forest outside Oslo. It was the winter of 1942 and for the past two years Norway had been occupied by the Nazis. Paul, then 24, skied around with a 30 kilo rucksack on his back containing a radio transmitter that his group in the Norwegian Resistance was using to communicate with London. As the Germans were able to trace radio signals, this was a hazardous venture. It was not the radio transmitter, however, that finally forced Paul to flee but his work for the Resistance paper Fremtiden. The paper's editorial premises were at that time hidden in a ski chalet deep in the Nordmarken wilderness. One late autumn day of that year, a German patrol passed. "One of my friends panicked and began shouting 'Every man for himself!' Everyone streamed out through the doors and windows, which of course led the Germans to check the place out. They found not only news material, a forbidden radio receiver and a transmitter but also a list of all the members of the editorial committee."

AFTER HAVING TRIED in vain to escape to London by submarine, Paul Frisch fled northwards by train with the aim of hiking across the border to Sweden. Just before the train arrived at the various stations he would lean out of the wagon to see if there were any uniformed soldiers on the platform. Twice he had to jump off while the train was in motion, sneak past the German guards and jump aboard the next train.
At this time, Sweden was using Norwegian refugees as cheap labour in the forests. Like many other of his countrymen, Paul arrived first at Kjesäter in Sörmland. From there he was transported to Öreryd in Småland. He felt disappointed.

"We'd come here to try and do something useful for Norway. Instead we were working in the forests for a pittance. And that's not all. When we went into the village to deliver what we had produced, we saw a train full of Germans on leave. Some of us felt pretty murderous."

WITH HIS SHOES full of holes, Paul Frisch set off for Gothenburg. There, he was given a fresh set of used clothing by a charity so miserly that the shoes were already worn down and the jacket pockets fraying. Paul fitted nicely with the image of a poor student. It was at Gothenburg University that he first made contact with Allied intelligence.

At a seminar, he met Finn Jensen, deputy head of the US consulate-general, went home with him for a drink and discussed far into the night how an intelligence service - purely hypothetically - might do undercover work in Gothenburg.

Paul insisted on two things. He did not want any money and his assignments were not to harm Sweden. During the first few weeks, he moved about in the harbour talking to seamen who gave him information about troop movements, arms and battle readiness along the entire coast from Spain to Denmark.

"Later in 1943 I was given a special assignment, focusing on Swedish ballbearing exports to Germany. The Allies knew that the Swedes were exporting ballbearings but they didn't know in what quantities."

During their endless air raids in the autumn of that year, the Americans had bombed the SKF factory in Schweinfurt, one of Germany's leading suppliers of ballbearings. Suspicion now grew that Germany would become increasingly dependent on ballbearings from Gothenburg. Paul Frisch took over an already established contact with two office workers employed at SKF, John Wilhelm Bergquist and Fritz Oskar Palmblad. The three spies used to meet at small cafés while Paul Frisch memorized information about the code numbers of the goods and the destinations of consignments. Coded messages were only to be used in emergencies.

PAUL LIVED in a small flat in the Gamlestaden district of Gothenburg where the SKF factory now stands, a slum area in those days. Late one night in the spring of 1944, the night before Paul was to be married, he was awakened by a knock on the door. Police stormed in, led by detective chief inspector Per Synnerman. Paul had reason to curse the miserliness of his old benefactors - his jacket pocket had by now split at the seams and a coded message fluttered to the floor. Paul put his foot on it but when he was obliged to move, the damning proof was there for all to see.

Bergquist and Palmblad may have been shadowed from the outset, says Paul Frisch. They came from different class backgrounds and were an odd, conspicuous pair - Bergquist short and shy, Palmblad well-dressed and suave.

The ballbearing spies, as they came to be called in the Swedish press, were remanded in custody on 26 May 1944. By that time, however, American intelligence had got the
information it needed. The US reacted sharply, launching a massive campaign to get the
exports stopped. The American President sent over a specially-appointed ambassador by
the name of Stanton Griffis, a tough-minded character whose task was to pressure
Sweden into agreeing to halt the exports. The government and SKF finally agreed. They
had argued that signed agreements could not be terminated and that anyway only minor
quantities of ballbearings were involved.
These 'minor quantities' should be seen in the light of an incident in Norway later that
year. When the Germans in the autumn of 1944 were no longer able to get ballbearings
from Sweden, they set their sights on the SKF storage warehouse in Oslo. This contained
60 tons of ballbearings that could be used for things like cars, airplanes, artillery and
tanks. But when the Germans arrived at the warehouse at the end of November to collect
the stores, the Norwegian Resistance was ready for them. Late one night when there was
no-one around, the Resistance carried out one of its most successful acts of sabotage of
the entire war.
"Two or three charges of dynamite, twelve firebombs and 400 liters of petrol - one
hundred per cent results," says Birger Rasmussen, leader of the raid, now 77, on the
phone from Oslo.

PAUL FRISCH says that he was never involved in any acts of sabotage himself. Whether
or not his intelligence activities were in fact 'directed at Sweden' is a fine legal point. The
question then is, why was he given such a harsh sentence?
The court records might have thrown some light on this. Today, all the papers should
have been assembled in a file at the National Swedish Archives. Should have been. There
is no reference to where they have gone.
"The last trace we have of them is a note referring to 'the secret cabinet'," says one of the
archivists. "Then the trail just vanishes into thin air."
It is theoretically possible, but seldom the case, that Supreme Court records filed in the
National Archives are lost through carelessness. There is now no longer any public
documentation of the trial available. Dagens Nyheter of 20/9 1944 carries a report that
Bergquist and Palmblad had each been given two years' hard labour and Paul Frisch two
and a half years.

SEVERAL OF THE PERSONS involved are now either dead or have poor memories.
Also at the trial was a Norwegian woman who was given a conditional eight-month
prison sentence. Today she is 78 and does not wish to discuss the case.
Detective chief inspector Per Synnerman, who in the closing stages of the war helped the
Danish Resistance, is now 88. His memory is a blank, he says, and the name Paul Frisch
means nothing to him - at least until he is reminded that he was the one who actually
arrested him.
"That's a rotten story that you should skip," he says.
The Swedish government's perennial slogan during the war was: "Grim times call for
community spirit, vigilance and silence." But is that silence supposed to have continued
right up to the present day? The court records are gone. Carelessness or screening?
"We shouldn't be surprised if more than one item has disappeared from the days when
Swedish dignitaries were caught with their trousers down," says Paul Frisch.
"When Norwegians talk about their experiences in Sweden during this period, most of
them agree that they were shown a lot of loyalty and helpfulness by what we might call
the people, for want of a better word. But a small, important minority, over-represented in
the legal profession, the police and the military, were either subservient or sympathetic
towards the plight of the German people, or outright enthusiastic about German armed
might."

Not all Swedes remained silent
By Ingrid Lomfors

In the same way as people have avoided discussing Swedish misdeeds during the Nazi
era, the good deeds have also been neglected. Raoul Wallenberg and Folke Bernadotte are
of course well-known Swedish heroes, but their names still arouse more interest abroad
than here.

Where were all the other Swedish heroes during World War II? Where were those who
openly dared to question the human slaughter that the Nazis were guilty of? The curve of
a diagram showing the number of active opponents of the Nazis rises only a little in the
years between 1933 and the end of 1942. Then it suddenly shoots upwards. By the time
the capitulation of Nazi Germany was in the offing, the number of active Swedish
opponents is many times as great. By then, however, anti-German opinion had completed
its task.

Otherwise, Swedish opposition to Hitler and the Nazis was mostly about trying to sway
public opinion. More a case of defiance than resistance.

Several newspapermen, for instance, defied Sweden's policy of self-censorship. Of these,
Torgny Segerstedt had the sharpest pen. His paper, Göteborgs Handels- och Sjöfarts-
Tidning, was one of 127 Swedish newspapers that had copies seized on one or more
occasions between 1939 and 1942. Another was poet and journalist Ture Nerman, who
was jailed for three months for calling the German government a 'gangster regime' in his
magazine Trots Allt! When the government information board urged the Swedish press to
keep quiet about the transit shipment of German troops through Sweden, one of those
prepared to pay the price of refusal was Zeta Höglund of Social-Demokraten. In his song
'The Notorious Trojan Horse' in 1940, variety artist Karl Gerhard derided Quisling and
other Nazi stooges. His strongly-worded couplets were censored by the Swedish
authorities and Karl Gerhard himself was fined.

Most of those in a position to influence public opinion remained silent about the transit
agreement. As a result, trainloads of German troops and ammunition bound for the
Norwegian front were able to roll through Sweden for years without any protests being
heard in this country.
At the Swedish universities, there were plenty of pro-Nazi professors and students. The anti-Jewish protests that were staged in Uppsala, Stockholm and Lund were stirred up by pro-German university heads. One of the few with the courage to stand up for its beliefs was Gothenburg University and its principal, Curt Weibull. He invited German Jewish researchers to Gothenburg when other seats of learning were shutting them out. He refused all form of scientific exchange with Nazi Germany and defied the state authorities over the university's distribution of honorary degrees. Another local man prepared to stand up for his beliefs was the Dean of Gothenburg Cathedral, Olle Nystedt, who in 1942 called for protests against the German deportation of Jews in Norway. His sermon awoke a response throughout Sweden. In those days, only a very few preached that God's words about compassion should be translated into deeds. Among other men of the cloth, Gustaf Aulén and Folke Holmström may be numbered among the courageous. Also brave, defiant and inventive were the few but energetic women who worked on behalf of refugees and stood up for the persecuted, not infrequently in direct opposition to official Swedish refugee policy. Marika Stiernstedt, head of the Swedish Writers' Association, was a vociferous anti-Nazi who was also active in helping refugees. When Nazi Germany occupied Denmark and Norway, Amelie Posse founded the Tuesday Club, a forum for the exchange of information and moral support.

Another fearless woman in this context was Mia Leche-Löfgren, secretary of the Committee for Exiled Intellectuals. She dared stand up and denounce two virtually unimpeachable Swedish celebrities, Fredrik Böök and the explorer Sven Hedin, for their pro-German stances. Within her own circle she enjoyed strong support but outside it she had the winds against her. The same could be said of Matilda Widegren, who chaired the Swedish section of the International Women's League for Peace & Freedom. Despite an almost total lack of resources, she initiated a network of refugee workers across the country and took an active part in several other aid organizations. Together with people like Anna Lindhagen, Ingrid Segerstedt Wiberg, Marie-Louise de Vylder-Lehmann, Gerda Marcus, Eva Warburg and Inga Gottfarb, she helped thousands of persecuted Germans who had fled from the Nazis, often without the support of the Swedish authorities.

Refugee organizations that helped people get entry permits included the Jewish Congregation, the labour movement's refugee aid organization and the Israel Mission. Funds for the refugees' upkeep and social welfare were provided among others by Natanael Beskow and Gillis Hammar from the Birkagården centre in Stockholm. The Swedish foster families that looked after orphaned refugees from Nazi Germany also deserve a mention. Without their support and their pledge to "not let the children become a burden on society", the government of Per Albin Hansson would in all likelihood have denied them visas to enter Sweden. The probable alternative would have been Auschwitz.

When Stockholm glittered with stolen diamonds
Swedish companies traded illegally with the Nazis
By Sven Fredrik Hedin and Göran Elgemyr
Twice a month, Count von Schwerin, a young German official, came to Stockholm with stolen diamonds in his diplomatic pouch. The diamonds were then sold via the German legation to well-known Swedish businessmen.

Count von Schwerin's smuggling activities are just one of several startling German-Swedish diamond deals reported by US intelligence agents in Stockholm during World War II.

In the US national archives in Washington lie previously secret documents showing how American intelligence in the shape of the OSS - forerunner to the CIA - suspected Swedish companies and individuals of dealing in stolen diamonds during World War II. Today, over 50 years later, it is hard to establish how reliable these documents are. We know nothing about those who supplied the information. Illegal transactions or shady business deals are seldom recorded on paper. Also, the archives of banks and private companies are not open to public scrutiny.

What we do know for certain, however, is that Hitler had commando units that specialized in combing banks, companies and individual possessions for gold and silver, jewellery and currency. Also that he emptied the central banks of countries he occupied and transferred gold and jewellery from the concentration camps to the German Reichsbank. All this was used to finance the German war effort and intelligence operations. Hitler's lackeys also robbed Belgium and the Netherlands of their diamonds. The two countries led the world in the polishing and processing of raw diamonds. At the outbreak of the war, they employed some 25,000 diamond polishers. A large number of Jews were active in this field.

The gold stolen from the central banks was willingly purchased by the central banks of Europe's neutral countries. In the trade of diamonds, too, the neutral countries played an important role. One of the tasks of the OSS was to chart the deals that were being done and to bring the guilty to account after the war.

Accounts, however, were never settled. We only have recourse to the documents, and the informants who provided the reports are anonymous. They are hidden behind initials or a set of figures. The documents state that the information was provided by various sources, that mistakes of detail may have been made, but that the person summarizing it is inclined to accept the general thrust. At one point, it is stated that the informant has been employed by a private banking company in Germany. (Reports 11 and 14/8 1944.)

EVEN IF IT IS almost impossible to throw light on this intelligence material and scrutinize it with the help of other sources, there is good reason to believe that the OSS had reliable informants. US Deputy Secretary for War Robert P Patterson, for instance, had access in April 1944 to extremely detailed information about the Swedish company SKF's ballbearing exports to Germany. Who had supplied this apparently credible information? When we sort through yellowing press clippings in Dagens Nyheter's files, we find that two SKF employees were each sentenced to a couple of years' hard labour in 1944 for having provided the Americans with information via a Norwegian refugee, Paul Frisch (see separate article).
The US placed individuals and companies doing business with or otherwise collaborating with Germany - 'the enemy' - on a special blacklist, 'The Proclaimed List', published in the Swedish press, including Dagens Nyheter, from 1942 to 1945. There we find for instance Hallbergs Guldsmeds AB, which however changed owners in 1953. We have not come across any evidence that the people and companies we refer to have protested. The family members we managed to contact stated that they were unaware of any suspicions about or participation in the diamond trading with the Germans. This applies for instance to the son of Heinrich Otto Decker, previous owner of Hallbergs Guldsmeds AB. The son tells us he has no knowledge whatsoever of this alleged involvement, adding that he recalls his father on one occasion refusing to buy jewels from Danish Jews who had fled to Sweden, on the grounds that it might damage his reputation.

The diamond trading took place at the instigation of the German government and Reichsbank. The deals in Stockholm emanated from the German legation. The smuggled diamonds arrived in the diplomatic pouch, brought in by a young German official, Count von Schwerin, who enjoyed diplomatic immunity. He went back and forth twice a month in the latter stages of the war.

There were plenty of Swedish Nazis in Stockholm. They liked to hang out at the Rainbow restaurant in Stureplan and at Ogo's pastry-shop in Kungsgatan. The OSS kept a close eye on a certain Dr Koch in the German legation's commercial section. It was he who sold the stones. The smaller ones, up to four carats, were administered by the legation itself. Larger diamonds were sold off to dependable customers via agents.

DESPITE THE SECRECY surrounding the transactions, the OSS was able to gain information about them. One of Dr Koch's most important agents was Kyril Goranoff, a Bulgarian living at the Grand Hotel in Saltsjöbaden. He is described in the report as an adventurer.

Goranoff had come to Sweden from Berlin in 1942. He is said to have begun by speculating in foreign currency. He is also said to have sold high-grade steel to the Romanian military attaché in Stockholm. Via other Romanians, the steel was then sold to Germany for military purposes. For Goranoff, this was a lucrative business. The deal brought him 60,000 Swedish crowns, according to the OSS. Today this is worth about a million. (Reports 11, 14/8 1944, 28/4 1945.) The OSS also kept watch on Paul Meier, owner of the Saltsjöbaden Grand. The stolen diamonds that he is said to have helped sell came originally from Amsterdam. The object of the transactions was allegedly to set up 'funds' in Stockholm for Nazis and their families. (Report 16/4 1945.)

DR HERBERT LICKFETT, who represented the giant German concern I G Farben in Sweden, also came under suspicion. He is included in the OSS list of Nazis in Sweden (see Aalders/Wiebe: 'Affärer till varje pris' [Business At Any Price], 1989.) We have contacted his son, who denies that his father was a Nazi and refers us to the fact that they together met Carl Goerdeler, a conservative German opponent of the Nazi regime. The
Wallenberg brothers also had business contacts with Goerdeler in which Lickfett, too, was involved.

Further, the OSS reports that C G Hallbergs Guldsmeds AB and its subsidiary Guldvaruhuset AB bought diamonds on the black market. The owner, Heinrich Otto Decker, a German-born Swede, is also identified as a majority holder in Hovjuvelerare K Andersson AB, a distinguished jewellery shop located in the Royal Opera House. Decker is said to have had close ties with the German legation and to have been involved in yet another company, Silver Plata AB in Dalagatan in Stockholm. Decker allegedly received almost half a million Swedish crowns for having helped the Germans sell diamonds. He is described as the ideal kind of person for helping the Germans stash away assets in Sweden. (Reports 27/4, 9/9, 23/12 1945.)

Platinum was another valuable metal that figured in the black market. And in this case, according to Iver Olsen of the American legation in Stockholm, it was the Russians who were involved, in a bid to finance their war operations. Olsen said he had received the information from a Swedish intelligence officer whom he described as reliable. (Report 23/5 1944). During the final four years of the war, the Russians were said to have brought in and sold an average of 12-14 kilos of platinum a month.

<Picture>IN THE NATIONAL ARCHIVES in Washington, we also found an incredible document, in which Enskilda Banken in Stockholm is alleged to have been involved in a huge platinum deal. The document comes from the US consulate-general in Basel and is dated 29 December 1944. It is addressed to the US Secretary of State. In summary, the dispatch reads as follows:

"The biggest bank in Switzerland, the Swiss Bank Corporation, today replied in the negative to a telegram received this week from Enskilda Bank in Stockholm, in which the latter offered 20 tons of platinum at a price of 15,000 Swiss francs per kilo. The offer created a major stir in banking circles because of the sum involved, i.e. 300 million Swiss francs or approx. 75 million US dollars. Bankers here believe it concerns platinum from Russia (...) It is considered highly unlikely that the Swedes, especially Enskilda Banken, would act on behalf of the Germans or that other German interests might be involved."

The dispatch could be written off as a tall tale, as the Soviet Union at that time had an annual production of about four tons of platinum. Thus it would have had to sit on five years' stock in order to release 20 tons onto the market at the end of 1944. We have contacted the archives of the Wallenberg family and of Enskilda Banken but have not been able to get any comment on these reports. Even if we have to question the quantities involved, it appears however that the Wallenbergs were indeed involved in a platinum deal.

Such a transaction is described in the memoirs of a former NKVD agent, Pavel Sudaplatov, entitled 'The Directorate' (1994). He bases his information on details in the KGB's Wallenberg file and also on the memoirs of Zoya Yartsev. She was married to another NKVD officer, Boris Rybkin, who was stationed in Stockholm.
With the legendary Swedish variety artist Karl Gerhard acting as a go-between, they had arranged a business deal whereby the Wallenbergs supplied the Soviet air industry with high-grade Swedish steel in exchange for platinum. This was in 1942. Sudaplatov comments: "The agreement constituted a grave violation of Swedish neutrality, but earned Enskilda Banken a considerable profit...

**Paul Erdman's thriller**
**opens the Swiss bank vaults**

Circling seagulls fill the sky. The screeching overhead blends with a deafening chorus of cackles from the trees surrounding the harbour. Lodged there is a giant colony of birds of a Californian species that reminds me of jackdaws.

"You can hear Hitchcock was right, can't you," says thriller writer Paul Erdman. "The birds around here are tougher than anywhere else and there are more of them."

We are standing beside the quay in Bodega Bay, about 100 kilometres north of San Francisco. The view is the one you see in Hitchcock's classic, 'The Birds'. Here was where the star of the film, Tippi Hedren, climbed into a motorboat and set out for the houses on the other side of the bay, where romance and disaster awaited her.

The schoolhouse that plays such an important part in the film has not changed, with its chalk-white wooden chapel in the background. The chapel bells are ringing for the service as we pass, and the bell-ringer, who is about to close the doors, wonders if we would like to come in. But we decline and drive home along the coastal road that winds along the cliffs with the Pacific as a distant blue backdrop far below. Tippi Hedren takes this stunningly beautiful route to Bodega Bay in her two-seater Aston Martin, unaware of what lies ahead.

I travel with Paul Erdman in an open MG of the same vintage as the film, 1963. This is what spending time in his company is like -- myths blend with reality, history with the present and the perspective is extended in both directions.

• Paul Erdman

Born in Canada in 1932.

Educated at Georgetown University in the US and took his doctor's degree in international economics at the University of Basel in 1957.

Economic investigator with the European Coal and Steel Union, Luxembourg, and the Stanford Research Institute, California.

Has written nine thrillers since, most recently 'The Set-Up' (1997).

Board member of American capital investment funds.

TV commentator and lecturer in subjects relating to international economics.

HE LIVES in vineyard country a few dozen kilometres inland. His house is situated high up in an undulating landscape with grapevines stretching in all directions, cultivated land with not a building in sight. In and around the area, a construction boom is on. New residential neighbourhoods pop up almost overnight. But the vineyard terraces around Erdman's estate are owned by the multimillion dollar wine company of Paul Masson, and the most exclusive of the Masson wines are made from the grapes growing below us. Wine-making is even more profitable than housing construction. Erdman jokes about the paradox - the high level of profit ensures that the rural idyll will be preserved.

I have come here to ask him about one of his novels, which Time Magazine, the New Yorker and others have described as having triggered the attack on Switzerland over its role in the Nazi Gold affair. According to this version, Israel Singer, secretary-general of the World Jewish Congress, read Erdman's thriller, 'The Swiss Account', and promptly decided to begin probing into the way the Swiss handled Jewish property. The rest is history. The World Jewish Congress has forced Swiss banks to reveal how they work.

SINGER HAS PLAYED DOWN Erdman's role in this. But he does not deny that reading the book was important to him. His closest aide, Elan Steinberg, confirms this for me when we meet in New York. Erdman says he knows nothing about such things. But he produces a document showing that the book at least set the ball rolling in Sweden. Former ambassador Sven Fredrik Hedin, the first person of all in our country to begin investigating the wartime links between Sweden and Switzerland, has sent him a letter of gratitude, saying it was 'The Swiss Account' that first put him on the right track.

In form, the book differs from all previous thrillers. It is packed with footnotes and source references, and the narrative is interrupted by pages showing authentic historical documents, among them a restaurant bill from 1944. It represents proof that Nazi Germany's head of espionage, Himmler's closest aide, SS General Walter Schellenberg, visited Switzerland and met the country's national hero, General Henri Guisan, commander of the armed forces, for secret talks. 'The Swiss Account' describes the finely-woven net that linked the upper echelons in Switzerland with key individuals in the Third Reich. And behind the whole scenario, the money flowed. General Guisan's son was on the board of a Swiss company that supplied the German army with wooden barracks. A number of these barracks probably ended up in the extermination camps.

SWITZERLAND adopted the role of Nazi Germany's agent in the world market. Erdman describes the gold as the link that joined them together, the factor that guaranteed that the
double-dealing would result in profits for all concerned. Self-interest and 'national interests' became virtually inseparable.

Featured in 'The Swiss Account' is Allen Dulles, the US spy chief in Europe, based for much of the war in Switzerland. Among those who report to Dulles is another character from real life, Swedish financial expert Per Jacobsson, an official with the supranational but decidedly pro-Nazi Bank for International Settlements, BIS, in Basel. The hero of the story, however, is fictitious - a Swiss official of the BIS who is ashamed of what is going on around him and an American diplomat, a young woman with a Jewish background. They get one another in the end. By then, the hero has managed to establish that Nazi Germany's chances of producing atomic weapons are virtually zero.

"I set out my sources so that people would understand I wasn't just making it all up," says Erdman. "The framework for the book was thoroughly researched. I spent two years reading up the history. And it now seems I was probably over-cautious, rather than the other way round. Swiss papers have published articles showing that Göring, too, visited the country as late as September 1944. He is said to have deposited money in two Swiss banks."

WHEN WORKING AS an economic historian, Erdman had dug up some of the fundamental facts about Switzerland's wartime dealings. As a young American scholarship student, he had presented his doctor's thesis at the University of Basel in 1957. It focused on the conflict between Switzerland and the Allies over who owned wartime rights of property. He tells me that the Swiss government tried to stop publication of the thesis. Ironically, it was one of the major Swiss banks, the Union Bank of Switzerland, that helped him get it printed.

"In those days I was a confused young American shut away in academia. I still believed in the Swiss ruling elite. Since then, I've learnt that the Swiss bank secrecy laws provide the framework for unscrupulous business practices. If you've got money you want to salt away, you hire a Swiss lawyer. He opens a numbered account on your behalf without supplying your name to the bank. Anyone wanting to find out where the money has gone runs into the bank secrecy laws first and then the lawyer's oath of secrecy. If the client dies and no heirs present themselves, a lawyer with a flexible conscience can gain access to the account. Nobody is ever going to find out what Jewish assets in actual fact ended up in the pockets of Swiss lawyers."

It is deeply ironic, Erdman notes, that the bank secrecy laws made this kind of stealing possible. The laws were introduced in 1935 for the declared purpose of protecting Jewish property from the clutches of the Third Reich. "Bankers quickly realized that they'd found a way to do really smart deals. The Jews tried to protect themselves from politically sanctioned theft. But those who want to hide their money away nowadays usually have shadier reasons for doing so. And that's what Switzerland has learnt to exploit. Since the war, the country has had to hang out some of its dirty laundry. But the bank secrecy laws are completely taboo. They'll never lift them."

<Picture>ERDMAN IS GOOD at explaining the mysterious inner workings of capitalism. He has written nine thrillers about different ways of making money through
deals that are cross-boundary in every sense of the word. None of them ends in unequivocal victory for the forces of justice and moral rectitude. The titles are hard-boiled, such as 'The Crash of '79' and 'The Panic of '89'.

As a story-teller, Erdman is a believer in the Hitchcock maxim - there's no excitement in a big explosion, only in the anticipation of it. Almost all his books build towards a climax that seldom complies with the reader's expectations.

His own life is woven into the stories. Twenty-seven years ago, when he was 38, he was a financial wizard, an early forerunner of George Soros and others who have made billions in the 1990s out of currency speculation. He managed an American-owned bank in Switzerland, the United California Bank of Basel, set up specifically to exploit the Swiss bank secrecy laws for wide-ranging transactions that would have proved difficult in the US. Among his most important clients were central banks in Eastern Europe. He was little more than 30 when the New York Times described him as one of the fastest-rising stars in the financial firmament. But some of his staff got a bit too involved in speculative commodities trading. The losses were concealed in fresh bids to recoup, until the bubble finally burst. Erdman was arrested by the Swiss police, accused of violating the bank laws.

HE SPENT NINE MONTHS in jail while the investigation was in progress. In his cell, he had plenty of time to review his life. He began work on a dark thriller about the world he had so recently left behind. When he was released, a US publishing company heard about the manuscript. Erdman was commissioned to finish the book, 'The Billion Dollar Sure Thing'. In 1973, it made number one in the New York Times' bestseller list. In the plot of this thriller, Erdman had anticipated the train of events that dominated the world news just when the book was published. The dollar was in free fall and gold prices were soaring skywards. Erdman described how a small group of unscrupulous big-time gamblers were able to earn billions by triggering just such a state of affairs. 'The Billion Dollar Sure Thing' became a cult book on Wall Street. After two or three more books about speculation in the world of finance, the genre was dubbed 'fi-fi', finance fiction, and Erdman was identified as its creator. 'The Crash of '79', which came out in 1976, sold three million copies and reinforced the impression that Erdman could predict the future (it touches among other things upon the corrupt Iranian regime of the Shah and its forthcoming demise).

Erdman switched from being a banker to being a thriller writer. There is an implicit moral tone in all his books. They can be seen as a continuous retrospective revolt against the world of banking in which he had originally been such a success.

"I had no direct knowledge of the cheating that brought my own bank down," he says. "But I suspected that all was not as it should have been. I was partly responsible for what happened. And I knew after all what can go on in the Swiss banking world. One day during the Vietnam War, two American officers came to see me. They had a metal suitcase full of gold ingots. I said 'No thanks, I don't even want to talk to you about that'. In those days, Americans were not allowed to possess bank gold. 'Where should we take
"It, then?" the Americans asked. I pointed through the window at the offices of a major Swiss bank a couple of blocks away.

"I knew that in that building they considered the American gold ban a big joke. Their basic attitude was that if you wanted to stash away money so that your wife couldn't get at it for alimony you should go to a Swiss bank. That was how the system worked. And that was before the days of illegal drugs. Since then, the banks have laundered millions in drug money without asking any questions. What happened during the war was only the beginning."

NEITHER ERDMAN nor his wife Helly (who was born in Basel) has wanted to return to Switzerland. They bought the estate in grape-growing country out of the royalties from Erdman's first book. In the novel, 'Last Days of America', which came out eight years after his debut book, the main character and his wife buy just such a place as a country hideaway in anticipation of international disaster. Right-wing leader Franz Josef Strauss has taken power in Germany, with the help of Swiss bankers. Germany acquires its own nuclear weapons, leaves NATO and aligns itself for purely political reasons with the Soviet Union. Strauss plays the xenophobia and nationalist cards. The US gives in to the seemingly inevitable - a Europe once again dominated by a power-crazed, extreme right-wing Germany. Erdman laughs when I remind him of this disaster scenario.

"That stuff about the last days of the United States was probably my worst prediction yet. It was an idiotic title. This country is stronger than ever, both economically and politically. But I'm not sure that things are going to work out in Europe. The political elites there are losing touch with ordinary people. The single currency will probably leave even more Europeans unemployed. This is asking for trouble. I prefer to live on this side of the Atlantic. So I suppose this place is still a hideaway.

"But I don't think you'll find idylls anywhere these days. I'm still studying the financial world both from within and without. And I see the risks in what's going on right now. George Soros is trying to pretend he's a great humanitarian. That's just silly. He brings the Bank of England to its knees and makes a billion dollars out of it. The taxpayers are going to have to pay for that. Or take the Mexican financial crisis a year or two ago. The solution deprived a tenth of the Mexican labour force of their jobs. I should really be the last person to moralize about this kind of thing because I myself was involved in just such deals. But today they're on a completely different scale. "The main problem is the lack of moral fibre in the system. I can see some positive signs, politicians like Tony Blair who have the courage to say that human rights take precedence over business considerations. And I think our new Foreign Secretary, Madeleine Albright, takes the same view. But on the whole, what is happening has very little to do with Sunday School truths. In the business world, there's one overriding belief nowadays - the market decides everything.

"For the most part, this is just another way of saying that whoever is greedy is good. This was the motto of the Swiss during the war. The Russians have taken this approach to its logical conclusion - if you want to get rid of your competitor, do him in. But this is the kind of capitalism we need least of all. Morals and market must be linked."
"For a long time, I thought that Sweden represented this approach. I used to say this from time to time when I was out lecturing. I could hear some capitalists in the audience muttering, 'How the hell can he be so stupid?' But twenty years ago; I really believed there was a Swedish middle way. Although to be honest there was one thing I could never understand: here were the Wallenberg family and a few others and as far as I could see they had greater influence on the Swedish economy than any Social Democratic government ever had, and yet there didn't seem to be a Swede anywhere who considered this worth discussing."

"NOT SO LONG AGO, I was at a dinner with the chief executives of the ten biggest computer companies in Silicon Valley," Erdman continued. "The talk was all about options and shareholder influence. And someone said: 'If you want to move in a new direction, mustn't you have the support of the shareholders?' And someone replied: 'It's very simple. There's something like twenty unit trust funds controlling all our companies. All you have to do is phone up twenty stockbrokers and you'll find out if you're going to be able to do what you're planning.' Take those twenty guys and you have a new world power. The major capital investment funds are run by a handful of anonymous men with greater power than most governments.

"And those guys are getting more powerful every year. Indirectly, they're handling something like 800 billion dollars in investment capital. They're the ones to approach if you're looking for the funds to sell your telecommunications systems to the Philippines. You don't approach the World Bank. I think the Wallenbergs fit into that circle, too. Perfect stuff for a conspiracy theory. Maybe it'll be the subject of my next thriller."

Switzerland's gold trading overshadows Sweden's
By Kaj Schueler

When I arrived in the United States last December, I discovered that what scarcely made the newspapers in Sweden could be headline stuff here. Reading the New York Times, listening to the radio and watching TV this spring, it was hard not to be caught up in the story of the Swiss gold scandal. The somewhat generalized headlines summarized a whole range of questions concerning Swiss policy during World War II.

But there was scarcely a word about Sweden, and this surprised me. The World Jewish Congress had been in Sweden and the Swedish government had set up a commission of inquiry. Swedish-Swiss collaboration had led to the introduction of the letter J for Jew in the passports of German Jews, both countries had been officially neutral during the war and both had pursued a sometimes dubious refugee policy. The similarities were so obvious.

THE SILENCE was not total, however. Respected newspapers like the Washington Post and the Boston Globe each sent a reporter to Sweden. In prominently-featured articles, they reported in detail on one of the most sensitive chapters in Swedish post-war history - - the operations of the Wallenberg family. In the New York Times, Stuart E Eizenstat, who at the request of President Clinton had compiled the US report on the stolen Nazi
gold, urged Turkey, Portugal, Spain and Sweden to follow Switzerland's example and set up a fund for the victims of the Holocaust. This was another way of saying that these countries, too, had been hiding something for far too long.

Switzerland was subjected to much rougher treatment than Sweden, and it is clear that without American involvement the Swiss would never have washed their dirty laundry in public. But now some influential Americans are beginning to react to all this. Thomas L Friedman, foreign policy commentator of the New York Times, recently urged all the American parties in the affair to keep a low profile. "This is a struggle between anger and shock," he wrote. "It is important that shock should win. But we cannot be certain that it will." In his view, the shock has led to a constructive search for the truth while anger simply leads to anti-Americanism and anti-Semitism. "The Swiss government has done so much but received so little acknowledgement for it that further threats would be counter-productive," says Stuart E Eizenstat in the same article.

POSSIBLY, the focal point of press coverage has shifted. During the summer, several newspapers have reported the Nazi thefts of art from private individuals and museums in Europe. In New York, a row has erupted over a painting by Claude Monet. It was donated to the Metropolitan Museum a few years ago but a private German citizen has now laid claim to it. Until the legal issues have been settled, the painting will remain stored out of sight at the museum.

In most cases, these works of art have changed hands several times, like the landscape painting by Degas owned by a private person in Chicago. It is now said to have belonged to Dutch Jews who died in the camps. Another legacy, a rather more obscure one, is being disputed in Brazil and has been brought to the attention of the first Brazilian commission of inquiry set up to investigate Nazi war criminals who found a haven there. One Albert Blume, who died 14 years ago, left a five million dollar fortune in gold bullion, watches and rings. Little is known about him or where his fortune came from, but according to the New York Times the dispute has created a climate in which it has become possible to investigate Brazil's past.

MY INVOLVEMENT with these matters is governed not just by a thirst for knowledge and a reluctance to allow Swedish contemporary history to be hidden away in archives, in doctoral theses or with the experts. I also have a personal stake in finding out more -- my grandparents fled to Switzerland in 1942 and saved their lives as a result, a few years after the Swedish authorities had denied them entry to Sweden, where their son was living.

They were saved by non-Jewish friends and by good fortune. One neutral country turned them away, another gave them sanctuary, albeit unknowingly. So what does it actually mean to stand neutral between the perpetrators of the worst crimes ever visited on
humanity and their victims? What does it mean to stand outside history? Could Sweden have remained outside the war without making concessions to the Germans? Surely it is questions like these that many of us feel the historians should be examining now? Perhaps the moral price of remaining outside the war was too high, and perhaps the same may be true in the future.

Suppressing the memory of recent events

Swedish historians have sanitized the country's history, says author and journalist Maria-Pia Boëthius.

By Henrik Berggren

There are some Swedish historians who look daggers at you as soon as you mention the name of Maria-Pia Boëthius. They see her as the foremost purveyor of a populist, moralistic and above all unjust critique of the way professional historians have dealt with Sweden's behaviour in World War II.

The whole thing dates back to 1989, when the 50th anniversary of the outbreak of war came round. Boëthius made the claim that the Swedish people were ignorant of the true extent of Sweden's policy of concession towards Nazi Germany. She noted the large-scale transit shipments of German troops to Norway and Finland, the iron ore exports to Germany, the coalition government's censorship policy and a string of other examples indicating that Swedish neutrality virtually amounted to active support for the German war effort.

"I'd studied Sweden's wartime history for many years," she says, "mostly for my own sake. But in 1988, when I thought I was going to die of cancer, I felt it would be sad if all the knowledge I had gained were to be buried along with me. When it became clear that I was going to survive, I began trying to interest various newspapers and magazines in an article. Only a small magazine, 'Prat' showed any interest. But there was little response to that article. Then Norstedts offered to publish the material in the form of a book, 'Heder och samvete' (Honour And Conscience), and it appeared in 1991.

"Ah, now there's going to be a proper debate, I thought. What happened was that all the papers and magazines wrote about the book, and that was that. Their reactions ranged from 'at last' and 'this book should be compulsory reading at school' to 'a pack of lies', which of course it wasn't. But the only person to actually embark on a public debate was Alf W Johansson in (the Stockholm evening paper) Aftonbladet - and that was tremendously encouraging. He said that if Sweden had adopted my viewpoint, the country would have been plunged into war. He took the matter completely seriously.

"Otherwise, the historians mostly expressed chagrin. All this stuff is already known, they said. They couldn't understand how I dared venture into their territory. They're a cliquey gang who keep in touch with one another, and they disapprove of journalists or anyone else offering views on the way they've described history. Just as we have 'ombudsman politics' in this country, we also have 'ombudsman historians'. They've talked it over
among themselves and decided what history should look like, and then that's it. And ninety-five per cent of the Swedish people have no idea what happened or what conclusions have been drawn."

I meet Maria-Pia Boëthius in her flat in Tegnérlunden in central Stockholm. Six years have passed since 'Honour And Conscience' was published. But the row over where and how Sweden's history is to be written has not subsided. Rather, the increasing interest in history that Swedes have shown in recent years has opened up new front lines. The giant exhibition, 'Swedish History', the easily-read and hugely popular history books of Herman Lindqvist, the inflammatory debate on forced sterilization in Sweden and not least the present supplement about Sweden's profitable wartime trading - all this shows that the country's professional historians are no longer seen as the natural authorities when it comes to recording Swedish history.

MARIA-PIA BOËTHIUS of course welcomes this development. There is now greater pluralism, the debate is more intense, interest in history as a whole is greater than ever. But, I suggest to her, is there not a risk of fragmentation and populism? Delivering moral judgment on historical events presupposes an exhaustive command of the facts. Complex processes are not easily sorted out in polemical newspaper articles and on talk-show couches.

"Among the researchers I've met, I know much more about the Second World War than most. Usually, they know about a small part of it, whereas I've devoted myself to the situation as a whole. They've criticized me for writing things like 'As we can now see...', on the grounds that you can't judge what people did in those days on the basis of what you know today. I finally sat down and read everything (the liberal Gothenburg newspaperman) Torgny Segerstedt had written from 1933 onwards. Without realizing it, I had reached the same conclusions as he had, down to the last detail. And he was able to arrive at my conclusions without the benefit of hindsight. So the accusations that I was being wise after the event collapse of their own accord - people were saying these things at the time."

"But this is assuming your criticism was correct. If I were to argue instead that (prime minister) Per Albin Hansson's concessionary policies were actually the right course and that Segerstedt's approach would have plunged Sweden into war..."

"Then I'd reply that the great interest the outside world has shown in the reports of forced sterilization in Sweden is a result of the mistakes Sweden made in the Second World War. Neither during the war nor after did we settle accounts with our opportunism and subservience towards Nazism. In the eyes of others we were very much a country of war profiteers and collaborators. There's a hidden story about Sweden that is so unpleasant that we don't want to hear it."

"But surely such hidden stories are to be found in many countries. The guilt is relative."

"Of course, but we're not even aware that our story exists. I was shocked when I discovered what had really happened - we were Nazi stooges and afterwards we became the richest country in the world, due in no small measure to the Second World War. During the war, Sweden had to confront the most profound human and moral issues you
can be faced with - and they were hushed up. Only a few people protested - Torgny Segerstedt, Ture Nerman and the author Vilhelm Moberg.

"WE MUSTN'T FORGET that neutrality may mean passively watching the inhuman suffering of others. In 1942, we knew about the Holocaust. But all we said was - we must support ourselves, we must sell iron ore, we must have coal. And the coal that heated our homes came mainly from Poland, where seventy per cent of all five year olds died of cold and starvation. It's questions like these we have to consider. But we haven't done so."

"But what if the horrible truth is that people actually knew about this but didn't care?"

"I'm not sure what people felt or didn't feel. But we might be able to find out if we debated the matter, if we had brought this into the open. But we don't know what we think as a nation. Whether we're ashamed or feel that what happened was for the best. When I was writing my book, I asked a lot of people what they knew about the war. A stock question was, 'Do you know how many German troops passed through Sweden on transit trains during the war?' The largest figure I was offered in reply was 100,000. The actual figure was two million - and nobody knew this."

"Does it matter if it was 100,000 or two million? From a purely moral viewpoint?"

"But people think this was only a minor matter. It was huge. And 100,000 railway trucks full of weapons as well. What's your opinion? That it doesn't matter?"

I'M A BIT lost for words when Boethius bats the question back at me. I mumble something silly about just playing the devil's advocate. But the truth is, I don't really know what I think.

I myself am a product of the system she is criticizing. One of my first exercises in historical method at Stockholm University concerned what was known as the 'Midsummer Crisis of 1941', when the Swedish government had to reply to the German demand for transport facilities. And what I remember most about it all was my not particularly edifying conclusion ... faced with such a moral dilemma.

This is the core point of the present inflammatory debate in Sweden about World War II. It is not primarily about the war itself, about what Sweden did or did not do. It is about how we view our own history today, how we see ourselves and our nation. Our policy of non-alignment, our sceptical attitude towards the EU, our historic welfare state - is all this the result of a small country's heroic and successful efforts to keep a straight course in the stormy seas of big-power politics? Or have we bought our success at the price of a moral incapacity, an inability to realize that we are part of the world outside, that Sweden too is a political actor with certain responsibilities and duties.

ON THE ONE HAND you have a string of professional historians who argue that they have left no stone unturned, that they have recorded everything of note. And on the other, Maria-Pia Boethius and a number of others - now joined by the historian Alf W Johansson - who argue that we must critically scrutinize the official version of events after 1945.
"Recently," says Maria-Pia, "I attended a conference of historians in New York dealing with how various countries had confronted their wartime histories."

"WHAT THEY DISCUSSED there was that it was time to assemble the historiography, the fifty years of writing about the Second World War. How the war was used to promote myths of nation, what we have written about resistance movements and heroic deeds, and so forth. Every country has its skeletons in the cupboard. And the conclusion was that you may be able to get amnesty from the Second World War but you have to know what you're actually being granted amnesty from. In Sweden, there is none of this.

"Sweden has been a consensus society. It has striven for the common good, and it was the politicians who with the help of the scientists defined the common good. The people of Sweden were kept out of it. In the same way as the politicians in the folkhem, the welfare society, have put our lives to rights, put them in order for us, the historians have put history to rights. This is so unpleasant that it's difficult for us to discuss. We've never had independent historical research, free of all prior assumptions, we've always had research shaped by those in power."

"ARE YOU SAYING that Swedish historians are corrupt? Sweden hasn't exactly been like the Soviet Union..."

"No, I don't mean there's a conspiracy or anything. But getting ahead in a consensus society - if you want to be a star, if you want to get research funding - does not mean searching out the truth and saying what you think. It means merging into the professional groups that already exist - journalists, historians - and showing how good you are at the kinds of things that are acceptable within the group. Saying things that breach the consensus can prove costly."

"But aren't the moral questions you're trying to raise quite simply unbearable in the public mind? There are many other questions we choose not to discuss nowadays as well, not least what's happening in the Third World. If you make too heavy demands, people tend to shrug off responsibility."

"If we can't handle such a discussion, then we can't discuss morals at all. I think that Sweden did wrong, other people think we did right. It all depends on what view you take of life. Vaclav Havel says that those who are not afraid to die for their freedom probably have a greater chance of achieving it. But it is never right to force someone else to die for their freedom."

Do-it-yourself archive research
Probing into World War II is not that difficult
By Göran Elgemyr

The past keeps popping up and making itself felt. Something is found in an archive or people in influential positions start leaking information they have known about but never divulged. Then new finds are dug out of the archives and the roundabout is in full swing.
'Hmm! If it's no trouble, we'd rather have the gold bars stamped with a swastika...
Cartoon by Pancho, published in the French daily Le Monde on 24/1 1997; with an article about the Nazi Gold disclosures by Göran Elgemyr and Sven Fredrik Hedin.

This was the case for instance when Austrian President and former UN Secretary-General Kurt Waldheim's Nazi past was brought to light. The US declared him persona non grata and Austria was given the cold shoulder by the international community. Special commissions and individual researchers went through every archive they could lay their hands on. It was remarkable how one person's actions and deeds in different parts of wartime Europe could be pieced together with the help of details turned up in archives.

Today, it is Switzerland that is in the stocks. There are clear parallels between this affair and the affair of Waldheim and Austria in the late 1980s. The actors are the same - the World Jewish Congress (WJC) and powerful, influential people in various parts of the world, especially Britain and the United States. On a couple of occasions, Switzerland has come very close to having its banks boycotted in the US.
It is sometimes suggested that the action against Switzerland stems from the fact that the Cold War has ended and there is no common enemy to bind nations together. But the case of Waldheim and Austria hardly confirms this. The lengthy process was completed before the collapse of the Soviet Union. But in another respect, the end of the Cold War has indeed played a crucial role. It was the arrival of the Cold War that prevented the international community from settling accounts with the neutral countries after World War II.

The other frequently-heard explanation for the affair is the opening of formerly secret archives around the world that has allowed researchers to delve into documents from the war years. But nor is this explanation entirely accurate. In the case of Swiss archives, for instance, it does not apply. The archives concerned have long been open to view, including those of the national bank (not, however, those of the private banks). The situation has been the same in Sweden for at least the past 10-15 years, with the exception of the secret police's archives. In the US, the documents assembled in the national archives have not presented any great problem. The exceptions have concerned documents relating to the intelligence services of other countries. What, then, caused the action against Switzerland? First and foremost, the WJC's view that it was now time to settle the question of the Jewish bank accounts once and for all.

The fiftieth anniversary of the German capitulation in 1945, which was celebrated with pomp and festivities by the victorious powers, also contributed. It suddenly became abundantly clear to all that those who had been young during the war were now old and frail. The media had also begun reporting about Jews who had spent decades trying in vain to recover large sums of money from Swiss banks that their fathers had once deposited there.
DURING THE CELEBRATIONS, it also became clear that the neutral countries had continued collaborating with Germany even after 1943. Switzerland's involvement with the 'Nazi Gold' - the gold stolen from central banks in occupied countries - had in actual fact been documented in the scientific literature for several years before it became front-page material in the world press in the autumn of 1996. Now, however, it was time to make use of the archive material available in the literature. The WJC repeated its strategy from the Waldheim case, letting slip compromising material from the archives from time to time to keep the kettle boiling. It was explosive stuff and Switzerland was forced to retreat further and further.

In the spring of 1997, the biggest investigation of archives ever attempted finally came to an end. The Eizenstat Commission had been instructed by President Clinton in October 1996 to compile a report on the Allies' efforts to trace and return the gold and other assets stolen and hidden away by Nazi Germany. Over a six-month period, 300 people combed the US national archives, reading 15 million pages in all and removing the stamps of secrecy on between 800,000 and a million pages!

And it is not over yet. In various archives around Europe and in Washington, students are scrutinizing documents on behalf of the official commissions that have been set up, not only in Switzerland but in other neutral countries as well. Sweden is one of them. Here, too, a government commission is going through the archives.

**Swedish companies purged Jews**

Text: Jesús Alcalá

Nazi demands met. Jesús Alcalá discloses the details of secret files in the Swedish National Records Office.

Everything has a price, including conscience.

On 20 March 1940, just three weeks before the Nazis invaded Denmark and Norway, the head of the Swedish security police was presented with three 'highly sensitive' reports. One was very brief, consisting simply of a word-by-word record of the bugged phone conversation between an aide of Hermann Göring in Berlin and one of Göring's best friends in Sweden:

"Berlin: Field Marshall Göring says he would like Engineer D to present himself in Berlin as soon as possible. He has important matters to discuss. Perhaps you could travel via Cop."

"D: I'll try and catch the night train via Malmö. I'll find out if it can be done and let you know."

"Berlin: The Field Marshal would like Jacob Wallenberg to accompany you." "D: I'll do what I can."

The second report has been published before but is presented here once again. The informant, a security officer in Malmö, wrote: "An Italian aircraft factory in Turin (Fiat) is shipping aircraft parts to the Malmö free port. Italian and Finnish mechanics are fitting out aircraft at the airfield and designating them 'SA' with running numbers and Finnish
swastikas. The machines are then test-flown by Italian and Finnish pilots (...) At least 10 foreigners are engaged in this work: 2 Italian and 2 Finnish mechanics, 2 Italian and 2 Finnish pilots and at least one representative each from Italy and Finland.”

The third report comes from the Swedish Telegraph Board and is a detailed account of a somewhat bizarre complaint. The head of the Swedish pulp and paper company Svenska Cellulosa (SCA) is unhappy about what he terms the Board’s extremely lax censorship, as witness the fact that the Swedish security police had failed to stop a telegram sent from Sweden to the US containing amongst other things the following sentence: ...Germany has bought 150,000 tons of sulphate wood pulp from Sweden...”

Such information seriously damages Swedish national interests, contended SCA. The company’s dealings with Germany had political implications and should therefore be kept strictly secret, as the Swedish government itself had pointed out. Indeed, in preparation for the company’s negotiations with Germany, the government had even spoken of ‘the importance of maintaining the utmost secrecy’. If it became known that, at a time when there was an acute lack of wood pulp in Britain, France and the United States, Swedish companies were in the process of tripling their annual pulp sales to Germany, there would inevitable be trouble and the company would end up on the Allies’ blacklist. (SCA’s letter to the security police 11/3 1940.)

The fact was, to quote the head of SCA further, that the British government had already made inquiries and voiced its suspicions. Also suspicious were SCA’s customers in Britain, France and the US. These customers had made ‘repeated efforts’ to ensure that their supplies were delivered as agreed. But SCA could no longer sell to these customers in negotiations it would be “obliged to plead force majeure”. This was because accepting the huge order from Germany presupposed the annulment of supply agreements already concluded with the Allies.

Could the security police not understand this? Yes indeed, the security police understood. In fact, they had long known that the SCA was lying to its customers. Regarding these lies, a security official wrote the following: ”...In a number of telegrams to America, the company, with the intention of getting out of supply agreements, has referred to a shortage of hydroelectric power, coal and bleach as well as transport difficulties and increased production costs...” (Report 18/3 1940.)

Two years later, Hitler’s armies were besieging Stalingrad. In June, the first reports about the Holocaust were emerging. And in September, the Swedish-German Chamber of Commerce held its annual general meeting. The chairman, head of Helios Kemisk-Tekniska Fabriker and other companies, expressed his pleasure at the fact that the Chamber of Commerce had so many members in Sweden, over 1,000 companies in fact. He spoke of the Chamber’s successful activities in Sweden, about the fact that so many had helped make relations between the two countries so smooth and excellent. Then followed a lecture about Germany’s economic strength, ‘Wirtschaftskraft’, and later a major German fashion show at the Grand Hotel. The show had been in preparation for months and all the garments were what you might describe as hallmarked for quality, as were the models. It was important, wrote the secretary-general of the Chamber of Commerce in a letter to the trade policy department in Berlin, that exceptionally beautiful
German women were sent over as models. “They must make an impression on the members of the audience and if possible enchant them.”

THE EVENT lasted three days and proved - if one is to believe the official reports sent back to Berlin - a ‘political success’. Among other things, the organizers very glad that the wife of the Swedish Commander-In-Chief along with a number of other high-ranking officers and prominent company directors “honoured Germany with their presence”.

(Reports, notes and letters from 6/10 1942, 20/10 1942, 9/10 1942.)

Glad, too, was the head of SCA, who was on the board of the Swedish-German Chamber of Commerce. So was Fiat’s managing director in Sweden - Fiat’s Swedish subsidiary was a member of the Chamber of Commerce and had just arranged the purchase of Italian aircraft by the Swedes, planes bought with Nazi gold. And so, too, was Hermann Göring’s close friend, D, who had received special favours for his involvement in the fashion show. But if it was indeed the case that the fashion show had been put on as a platform for contacts with the most important businessmen in Sweden, why wasn’t the Bonnier family invited? The explanation is to be found in a letter from the Chamber of Commerce to the fashion magazine An das Mode in Vienna: “The magazine Bonnier Månadstidning is published by the Jewish company Bonniers, and collaboration with Jewish companies is not permitted. Heil Hitler.” (Letter 11/2 1941.)

IT WAS NOTHING personal, so to speak, directed specifically at the Bonnier family, much less was it an exceptional case. It was just another of those innumerable official communications put together by the Swedish-German Chamber of Commerce on the subject of Jewish, half-Jewish and quarter-Jewish businesses. Germans were not supposed to collaborate with such companies. If they did, they would be punished for high treason. Hitler had said so.

There was also a law in Germany forbidding any trade with “Jewish, indirectly Jewish or anti-German companies”. The law naturally presupposed an efficient monitoring body. A network of reliable and loyal watchdogs was called for. In Sweden, the Swedish-German Chamber of Commerce, along with the German embassy in Stockholm and the German consulates in Gothenburg, Malmö and Norrköping, constituted an important link in this network, perhaps the most important of all. The Chamber members were Swedish companies whose executives also dominated its board.

The task before it, a close inventory of “Jewish influence” in Swedish companies, was performed with exceptional thoroughness. Everything was scrutinized - the ethnic background of the owners and top managers, the proportion of “Jewish share capital” in the companies, the number of Jews employed, etc. And the information was sent to Berlin and registered. There, it provided the basis for special warning cards, ‘Warnungskarten’, in other words lists of “non-Aryan or anti-German companies” that were not to be permitted to do business with Germany:
Raincoat factory Regnkappsfabriken AB. Jewish company. Warning Card No. 27876.
The Swedish Cooperative Assocn, Kooperativa Förbundet. Anti-German group with ties
to the Swedish Social Democratic Party. Warning Card No. 27836.
Linen factory Linnefabriken Merkur AB. Jewish company. Warning Card No. 27877.
Heyman & Olesen AB. Owner Rolf Heyman is a Jew. Warning Card No. 27999.
Regina Magasinet AB. The former owner, Alcibiades Max Naschelski, a Jew, recently
sold the company. He is not however totally without influence. Card No. 25253.
Bror Elliot AB. Elliot's father was a Jew, his mother Aryan. The company should be
considered non-Aryan. Warning Card No. 25393. Warning Card No. 25254: Kaffe Haag
AB - according to a recent check - is no longer collaborating with anti-German
companies. The warning card is hereby withdrawn...

The list was long and the warning cards many but the Swedish-German Chamber of
Commerce was often inclined to accept “frictionless” solutions. Of course they would
abide strictly by the law and of course they would break off all business relations with
non-Aryan companies. But why not try first to get the companies to 'de-Aryanize'
themselves, so to speak. If they succeeded, the gains would be both financial and
political. This was how the secretary of the Swedish-German Chamber of Commerce
argued his case at a board meeting on 16 November 1940. The board agreed and the
policy of finding frictionless solutions was put into practice, at least with regard to
Sweden's major companies.

There was little friction in their negotiations with the head of the Svenska Päls & Råvaru
AB fur company concerning the difficulties that had arisen as a result of “Jewish
influence” in the company. As agents for the respected German firm of Doll & Söhne, it
would not do for Svenska Päls to have Jews amongst its owners or employees, declared
the Chamber of Commerce. The ties would therefore have to be severed unless...well,
unless the good Herr Managing Director, who was a pure Aryan himself, dismissed the
Jews and took over the agency himself.

Did he agree to this? Indeed he did, and the Chamber of Commerce summarized the
outcome thus: “So as to avoid the difficulties that have arisen as a result of the non-Aryan
influence at Svenska Päls & Råvaru AB, the consul-general Dr Hollender (the German
consul in Stockholm - ed.), Herr Doll and Herr T A have agreed that T A should set up a
firm of his own that under no circumstances would employ a non-Aryan person.”
(Communication sent to the trade policy department in Berlin, 29/1 1941.) And the
negotiations steadily grew in number, as did the company directors wanting to get into
the Chamber of Commerce's good books. Herr G W, head of Manufaktur Hertz & Co,
described himself as a loyal Aryan friend of the new Germany and promised to make sure
that the few Jews who unfortunately still held stock in the company would not wield any
influence. (Letter 9/9 1941.) Herr C G, director of Svenska Warner & Co, admits that his
partner is a Jew but declares his readiness to take over all the stock. (Communication
dated 26/4 1941.) A Major G has in his capacity as head of A W AB nothing against
German demands for the removal of three Jewish board members. (Letter, 25/3 1941.)
The Swedish-German Chamber of Commerce often got the upper hand, at least during the first two years of the war. But not always, for example when it entered into 'Aryanization negotiations' with two companies as big and successful as Nordiska Kompaniet (NK) and Turitz & Co. Yet both consented - or rather a whole flock of influential directors and part-owners consented - to the Aryanization demands of the Nazi regime.

BOTH NK and Turitz & Co, a group whose holdings included the EPA chain of department stores, were important and influential importers of German goods. Nazi Germany was very anxious to keep their custom. But the companies were not purely Aryan. Some of the share capital was “in Jewish hands” and several top executives were “full-blood Jews”. For instance H G Turitz, founder of the Turitz group, and the Sachs family at NK.

The situation was further complicated by the fact that NK had a significant shareholding in Turitz and the secretary-general of the Swedish-German Chamber of Commerce had the greatest respect for one or two of the NK directors but hated - those were his actual words - “the Jew” H G Turitz. These conflicting interests and emotions caused quite a few headaches and confusion. One moment NK and Turitz were described as Jewish companies that shouldn't be allowed to buy German, in the next instant it was pointed out that the “warning cards” issued for NK and Turitz were only “preliminary”.

A lot of head-scratching went on while everyone waited for the negotiations to bring results. And some people, especially those who numbered NK among their customers, became impatient and decided to get the Aryanization question settled once and for all. We are planning a furniture exhibition in Stockholm and would like a final decision on whether or not NK is to be regarded as an Aryan company, wrote the chairman of the German Furniture Industry Association in a letter to the German trade policy department. In his view, it did not matter that much if Sachs was a full-blood Jew, 'Volljude'. Those who made up the real top management and who thereby actually controlled the company - something the association had been able to ascertain in direct talks with the persons concerned - were not only Aryans but politically pro-German into the bargain. “Die politische Einstellung dieser Herren ist, wie sich unser Möbelexportsachbearbeiter persönlich überzeugen konnte, ausgesprochen pro deutsch.” (Communication dated 17/6 1941.)

The Swedish-German Chamber of Commerce agreed and proposed that “NK's racial matter” should be settled on the basis of “purely financial considerations”. After all, they noted, the Jews did not have much of a say in the NK operations - only 12% of the company's share capital was “Jewish” and only 25 of the 2,100 employees. What happened next is unclear, partly because many of the documents have been expurgated from the files. It is clear however that the Sachs family remained at NK. But is also clear that the Swedish security police suspected that Jewish employees had been sacked. And the surest thing of all is that the Swedish-German Chamber of Commerce was very glad that the “pro-German” directors had acted against the Turitz concern.
A PROPOSAL BY the NK management led to H G Turitz being deprived of his post as managing director of the group in 1941. He had no sense of thrift, commented the "pro-German" director who dealt with the matter. He added: "T G Turitz always felt that it was of no consequence if the company were to pay five crowns more or less to the employees." (Report from the negotiations on Turitz's dismissal, quoted in a Swedish book on the NK department store by Kurt Samuelsson: 'Nordiska Kompaniet. Historien om ett varuhus'.)

That was the official version. And perhaps T G Turitz was indeed a man with no head for pure business finances. Removed, though, he undoubtedly was. A man prepared to accept realities was given the job instead. This man was the head of the Upplands Enskilda Bank. And hardly had the shareholders' meeting approved the change at the top than the new company leadership hurried to inform the Swedish-German Chamber of Commerce of what had occurred.

First, information on the palace coup and then a plea: could the Swedish-German Chamber of Commerce kindly see its way to ensuring that the news of the change of leadership in the Turitz concern was given as much publicity as possible in the German press? The Swedish-German Chamber of Commerce was more than happy to do so. To the news item that the Turitz group itself composed, the Swedish-German Chamber of Commerce added the following:

"We support the wish expressed by Turitz & Co as we are of the opinion that the reorganization that has taken place at the company will lead to conclusions and have consequences of interest to German export companies." (Communication dated 11/7 1941.)

Confirmation of a kind that Turitz & Co could now be considered 'Aryan'? Yes, it was. But there were still some reservations. A "Jew" still remained in the company management and too many of the employees were non-Aryans. But here too changes were on the way. This at least was what one of the board members of the Swedish-German Chamber of Commerce felt called upon to declare:

"It is true as you point out that the Jew S still holds an executive post at Turitz. But the new managing director has told me that he too will be compelled to leave at the next shareholders' meeting..." (Communication dated 5/8 1941.) And a few months later a Turitz employee wrote to a Jewish foundation in the US informing it that he and other Jews had been dismissed. (Letter, 29/1 1941.)

SO A board member of the Swedish-German Chamber of Commerce was providing useful information - information that would be used as a basis for Aryanization proceedings, for warning cards and for lists of non-Aryan companies or companies hostile to the German cause. What other informants were there?

LET'S TAKE a look at the reports of the Swedish security police for a perfectly ordinary day, 16 October 1940:

"During today's examination of outgoing mail to Norway we observed that the Export Association's Credit Information Agency in Stockholm had written to Heffermehl & Co of Oslo supplying credit reports re four named individuals and at the same time noting
that three of them were Aryans (...) The information in question was supplied on a special
card attached to the credit report. (...)
Credit report on the Ajax Silk Clothing Company (stating): ...With regard to your specific
inquiry in this matter, we hereby inform you that Nils Edman appears to be an Aryan.
“Letter from Apoteksvaror, Örebro, to the Asal-Fabrik, Berlin: ...Informing you that AB
Thermosan, Stockholm, advertises in the Jewish journal Judisk Tidskrift...
“German Consulate, Norrköping, to the Trade Policy Dept, Berlin: Re Carlswärd, his
Aryan origins appear to be impeccable. Re his political stance, we have not been able to
ascertain any details...”

The Export Association - forerunner of today's Export Council but in those days made up
exclusively of the biggest Swedish companies - often supplied information on the 'racial
question'. Why? And why did Svenska Handelsbanken do the same? And the Jönköping
Law Company, which sold similar information to German companies and government
bodies - why did it do this? And all the thousands of other companies and individuals
who willingly put information at the Nazis' disposal?

NO ORGANIZED system of informants was needed. It was all done voluntarily. And
membership of the Swedish-German Chamber of Commerce was voluntary, too. On the
board of this organization, which eagerly and zealously promoted the Aryanization of
Swedish companies, were nineteen men. Eighteen of them were directors of well-known
Swedish or German companies like Svenska Cellulosa, the Göta insurance company,
AEG, Siemens, Helios, the Svecia export company, AB Larka and so on. The nineteenth
board member was the 'Landesgruppenleiter' for the NSDAP, in other words the German
Nazi party.

In Gothenburg, the Swedish-German Chamber of Commerce has a subsidiary and a
special 'advisory committee' with seven members. Five were company directors,
representing Anilinkompaniet, Söderberg & Haak, AB F W Hasselblad & Co, Elektriska
Svetsnings AB and the steamboat company Hallands Ångbåts AB. The sixth member was
the German consul in Gothenburg. And the seventh? The seventh was a party member, an
'Ortsgruppenleiter' from the German Nazi party's foreign section.

ALL THESE Swedish directors - didn't they read all the official proclamations about
Aryanization policy in Sweden? Didn't they see all the 'Heil Hitlers' that rounded off
every single missive from the Swedish-German Chamber of Commerce? Were they
asleep at the board meetings where the "blacklists" and "warning cards" were discussed?
The tides of war turned and by 1944 it was obvious that Germany was going to lose.
Then, but not until then, did the directors of the Swedish-German Chamber of Commerce
decide to "review" the statutes. The statutes were to be altered and adapted to "the
forthcoming peace". (Communication date 5/1 1944.) And that was what happened. For
these were men who at all times accepted realities.

The names behind the documents
Jesús Alcalá's article concerning Swedish company links with Nazi Germany is based on secret material from the Swedish National Records Office. He has chosen not to divulge the names of private individuals mentioned in the documents. This was the condition on which he was given access to the material. He has however made one exception: Jacob Wallenberg.

The reason is Jacob Wallenberg's official role in political life during this period. During the war, he had the Swedish government's mandate to negotiate with Germany on trade exchange between the two countries. He travelled on a Swedish diplomatic passport. Jacob Wallenberg cannot in this context be regarded as a private citizen.

Dagens Nyheter has chosen to supplement Alcalá's article with information from public sources concerning which persons belonged to the Swedish-German Chamber of Commerce and the Swedish Export Association during the war years.

**Swedish-German Chamber of Commerce**

- Vice chairman: Carl Reuterswärd, Man. Dir., Svenska AEG.
  Paul Pothoff, Man. Dir., Exportkompaniet Svecia.
- Other board members: Friedrich Wilhelm Stengel, 'Landesgruppenleiter', Germany Nazi Party, NSDAP.
  Torsten Hernod, Man. Dir., Svenska Cellulosa AB, chairman of the Sw. Export Assocn (forerunner of the Sw. Export Council) and board member of the Sw. Industrial Assocn.
  Anders Torsten Hammarstrand, Man. Dir., Göta insurance company.
  Hugo Montgomery, owner of company Hugo Montomery.
  Albin Wedholm, Man. Dir., Svenska Siemens AB.
  Helge Svenson, Man. Dir., Anilinkompaniet AB.
  Torsten Larka, Man. Dir., AB Larka.
  Hermann Facklam, Man. Dir., Facklams Järn AB.
  Harald Ficker, Man. Dir., Silver Plata AB.
  Herberg Lickfett, Man. Dir., Lickfets Kemikalier. After the war, managing director of Agfa Foto AB in Sweden and for Delgar AB.
- The Swedish-German Chamber of Commerce had the following 'honorary members':
  Prinz Victor zu Wied, German ambassador in Sweden.
  W Bisse, undersecretary for press affairs, German Foreign Ministry, Berlin.
  Th. Dieckmann from the Swedish-German Chamber of Commerce.
  Helmut Klein, member of Nazi Germany's 'Ministerial Council'.
Swedish-German Chamber of Commerce subsidiary in Gothenburg

- Deputy chairman: Torsten O Söderberg, Man. Dir., Söderberg & Haak AB.
  Walter Edström, Man. Dir., Elektriska Svetstning AB.
  Harry Trapp, Man. Dir., Hallands Ångbåts AB, board member of the shipowners Göteborg-Frederikshavnlinjen.
  Consul-General Dr Daehnhardt, the German consul in Gothenburg.

Swedish Export Association.

- Chairman: Torsten Hemod, Man. Dir., Svenska Cellulosa AB.
- Vice chairman: Rolf von Heidenstam, Man. Dir., AGA (participated in the trade negotiations with the Nazi regime in 1940).
  Axel Ax-son Johnson, head of Rederi AB Nordstjeman and Avesta Jernverk.
  Wiking Johnsson, chairman of Sw. Ironworks Assocn., board member of Sw. Employers' Fed.
  K F Göransson, Man. Dir., Sandvikens Jernverks AB.
  Erik Hedén, Man. Dir., Götaverken.
  Carl Kihlgren, Man. Dir., Arvikaverken AB.
  Arvid H Nilsson, Man. Dir., Öberg & Co AB
  Erik Wetter, board member, SKF.
  Axel Wästfelt, Man. Dir., Separator AB
  Josef E Sachs, vice chairman of board of Nordiska Kompaniet (NK), chairman of Sw. Fed. of Timber Industries, deputy chairman of Sw. Industrial Assocn.
  H E Hencke, Sw. Assocn of Electronic Industries.
  Gustaf Tham, Sw. Assocn of Mechanical Industries.
Ragnar Hamberg, Sw. Assocn of Wood Processing Industries.
Martin Månsson, Sw. Trans-Marine Export Assnecn.
Ludvig Lundquist, Sw. Assocn of Papernill Industries.
Erik Olson, Sw. Assocn of Breweries.
J L Ekman, Sw. Assocn of Timber Exporting Industries.

Racial agitation for profit
By: Jesús Alcalá

Sweden's Pressbyrån chain drew up advertising campaigns for anti-Semitic publications from Germany.

WHEN WALTER FUNCK, governor of Nazi Germany's central bank, stood before the judges at the Nuremberg War Crimes Tribunal, he said he could not understand why any charges had been brought against him in the first place. He had never - neither in word nor deed - supported the cruel actions of the Nazi regime.

The prosecutor promptly produced the papers detailing the investigation and read aloud: "The witnesses from Treblinka, among them a so-called 'tooth puller', describe how they themselves delivered the murdered prisoners' gold teeth, gold jewellery and gold watches to the central bank (Reichsbank) (...) Witnesses working at the central bank state they were constantly taking delivery of cardboard boxes containing gold teeth and gold jewellery from the inmates of Auschwitz and other camps (...) Employees of the German Mint admit to having remoulded gold jewellery and gold teeth into gold ingots..." Had Herr Funk forgotten? No, he had not. But he still could not understand why he was being prosecuted. As head of the Reichsbank, he had quite simply been obliged to consider the country's economy. He had acted as he had, not out of any ideological convictions but for purely financial reasons.

THAT WAS HOW the governor of the Nazi regime's central bank explained himself in a courtroom in Nuremberg on 6 May 1946. And it was on that precise day - such are the ironies of chance - that Swedish central bank governor Ivar Rooth wrote a memo concerning Sweden's acquisitions and sales of gold from Nazi Germany. Sweden, he said, had sold part of the German gold to the Swiss National Bank. The value of this transaction was 34-35 million Swedish crowns and the gold may have been stolen by the Germans in Belgium.

But, added Ivar Rooth, the Swiss were no longer prepared to buy just any old gold - they wanted what they termed 'good delivery', meaning uncontaminated gold. Rooth explains: "In the case of the most recent gold sales to the Swiss National Bank, they only agreed to accept the consignments from us on condition that they were 'good delivery'." (Dispatch and memo, 6/5 1946.)

IVAR ROOTH went on to write that the Swiss had not been the only ones with whom the Swedish central bank had traded German gold. The gold that Sweden had bought from Germany during the war could, said Rooth, be accounted for thus:
"Gold ingots sent to Sweden and sold by the central bank to goldsmiths and dentists; gold ingots that the central bank bought from the Deutsche Reichsbank (the German central bank) and which were lodged in a gold depot in Berlin; gold held in a gold account with the Deutsche Reichsbank; gold used to pay for aircraft that the Swedish government bought from Italy during the war; gold that Germany had taken in the Netherlands and that had been sold to Swedish industry and other buyers; gold that had been sold to or invested in the Swiss National Bank..." (Swedish central bank dispatch and memo, 6/5 1946 and 18/5 1946.)

Nazi gold that on arrival here had been melted down once again - to be used once again for gold teeth and wedding rings? Yes, that was what it was. We entered into the deals in good faith, said the Swedish central bank governor, adding that it was anyway impossible to undo what had been done: "The central bank cannot under any circumstances be made responsible for the gold it no longer has in its possession."

WHAT'S DONE is done. In legal terms, good faith means that you are ignorant of the actual state of affairs in a given deal and believe the other side to be sincere. If the seller is a known villain, it is hardly appropriate to talk about good faith. Among the documents detailing Sweden's ties with Nazi Germany are a number of transcripts of the laws and regulations that constituted the 'legal' grounds for the Holocaust. A couple of the transcripts refer to the Nazis' seizure of gold articles owned by Jews. The Swedes obviously did their homework - they clearly understood only too well that the Nazis' gold supplies were not 'good delivery'.

After the war, when the Allies tried to get both Sweden and Switzerland to take responsibility for the multi-million crown deals in Nazi gold that they had been involved in, some of the Swedish negotiators found "the Jews" a bit too demanding and troublesome as they refused to accept the concept of "good faith dealing". It was in its way a "sign of the times", wrote a Swedish ambassador, that the Allied team of negotiators included "twenty legal experts, of which no less than eighteen turned out to be Jews". And it was precisely these 'Jews', these 'emigrants' from Germany and Austria, who were causing trouble by taking such a rigid view of 'the position of a good faith dealer'. (Dispatch dated 6/2 1954.)

Rash words from an ambassador lacking in judgment? Perhaps. But both during the war and after, a strictly businesslike approach was adopted, a sort of cold indifference to human values, and this stance was said to derive from Sweden's political neutrality. Ultimately, many of those involved actually believed that they had acted in good faith, believed that they had a valid excuse for aligning themselves with Nazi Germany.

A telling example of this is the case of Wennergren-Williams and the Pressbyrån chain of newspaper and magazine outlets.

IN THE AUTUMN of 1940, Wennergren-Williams, a subsidiary of Pressbyrån, became by far the most important platform for the Hitler regime's propaganda effort in Sweden. In Berlin, the Nazis were very concerned about the anti-German sentiments being aired in the Swedish press. They wanted to balance things up and sought a business partner for the sale and distribution of Nazi publications here. A representative of the German newspaper association, Otto Friedrich Mauer, who also happened to be the senior official in
Goebbels' ministry of propaganda, travelled to Sweden and contacted Wennergren-Williams. They promptly agreed to this highly profitable deal and made clear that they wanted "exclusive rights to the sale of all German press". (Swedish security police report, 20/7 1941.)

At first, the idea was to sell such anti-Semitic and Nazi publications as Signal, Das Reich, Der Adler and Die Wehrmacht. A bit later, when the market had been "softened up", it might be possible to increase the range, Wennergren-Williams said - but only if they were granted "exclusive rights". There was however a catch. The Nazi government demanded - and it would not compromise on this point - that the German papers and magazines be distributed through the Pressbyran chain. This posed a problem as Pressbyran was owned by the Swedish newspaper association and one or two members of that body opposed such collaboration with the Nazis. Tor Bonnier, for instance, was furious at the proposal and said so. But he was voted down. The million-crown profits were too attractive a proposition and the Pressbyran board gave its approval.

PRESSBYRAN then launched - with the help of detailed instructions from Nazi Germany - a massive advertising campaign, and the first copies of Nazi periodicals reached Swedish readers. One of these publications had the following to say:
"In this age of Jewish-capitalist gold, estate and class betrayal, the National Socialist folk state stands as a memorial struck in bronze over social justice and common sense. It will survive not only this war but also the forthcoming millennium."

Another magazine informed its readers:
"A circle of Jews, semi-Jews, Jew sympathizers and assorted figures either related to or bought by Jews permeate the entire Roosevelt system. They are not interested in ensuring the well-being of the Aryan population but only in promoting the Jewish crusade for world mastery." (Swedish security police report, 20/7 1941.)

IN GENERAL, said the Swedish security police, summarizing the content of the Nazi's publications in Sweden, it was an example of how Germany "is seeking to conjure up a fanatical racial hatred that is foreign to our Nordic notions of decency."

But neither Pressbyran nor Wennergren-Williams cared about decency. They were only interested in the ringing of the cash till. And Goebbels' ministry of propaganda invested in yet another wide-ranging and expensive advertising campaign. This campaign got under way in October 1940. Pressbyran wrote:
"Dear Retailer, the German publications Signal, Das Reich, Der Adler and Die Wehrmacht are finding an increasingly large readership in Sweden. To make these publications even more widely known and to encourage sales, a major advertising campaign will be launched when new issues are available at the end of this week. Sales of these papers, especially Signal, are on the increase, which suggests that retailers with only a small number of copies would be advised to obtain more. The poster enclosed with the consignment should preferably be put up in the most advantageous place."

THE NAZI propaganda experts were more than satisfied with Pressbyran and Wennergren-Williams, and thanked them for their fruitful cooperation. This praise gave
Pressbyran and Wennergren-Williams a further boost. They now set about launching further campaigns to recruit readers and 'broaden' the range of publications, and also declared their readiness to offer their services to the Nazi Party itself in Germany. The managing director of Wennergren-Williams took it upon himself to work out a viable sales strategy, first and foremost for the Nazi Party's own magazine. This "ambitious strategy" was presented in the following way for the "honoured German clients": "As can be seen from the enclosed set of proposals, we believe we would be able to facilitate the introduction of your magazine in Sweden. Our broad network of agencies - a network comprising several thousand shops, newsstalls and magazine & book stores - will naturally take part in a major advertising campaign. (...) In the fond hope that you will be interested in our proposal, we look forward to hearing from you...". (Letter, 26/3 1941.)

Pressbyran and Wennergren-Williams willingly contributed to the import and distribution of 85,000 copies a week. And the two Swedish companies willingly agreed to try and make Nazism and anti-Semitism - in the words of Die Wehrmacht's chief editor - "more dashing".

AFTER THE WAR, papers like Expressen and Aftontidningen denounced Pressbyran's and Wennergren-Williams' collaboration with the Nazi regime. But that was about all that happened. Apart, that is, from the setting up of a committee of inquiry. This committee eventually arrived at the following conclusion: "Nothing has emerged to suggest that Wennergren-Williams's and Pressbyran's handling of the matter before us was informed by any sympathy for the ideology expressed in the German publications. The collaboration of the company in question with Germany has been motivated exclusively by economic considerations."

The committee was unanimous in absolving the company of all guilt, and this verdict was used to put Pressbyran's critics in their place. The whole affair soon developed into a veritable campaign - perhaps the most unpleasant ever waged in Swedish press history - against the press family that had refused to rub the Nazis up the right way, the Bonniers. It was not for "idealistic" reasons that Tor Bonnier and his newspapers had attacked Pressbyran for collaborating with Nazi Germany, wrote the conservative Svenska Dagbladet on 9 January 1946. No, behind Bonniers' attacks were "business motives", a desire to outdo Pressbyran. Another Stockholm daily, Stockholms-Tidningen (Lib), was of the same view, accusing the Bonnier family of "manipulation" and "disloyal competition". (8/1 1946.)

WHAT WAS IT that caused Svenska Dagbladet and Stockholms-Tidningen to sink so low in this debate? Were there ideological reasons? No, the explanation was probably to be found elsewhere. The managing directors of both Svenska Dagbladet and Stockholms-Tidningen were on the board of Wennergren-Williams - the very board that in the autumn of 1940 had allied itself with the Nazi regime. As we have seen, the committee of inquiry had nothing against the dealings of Pressbyran and Wennergren-Williams with the Nazi propaganda machine. The companies had maintained a neutrality of opinion and behaved in a strictly "businesslike" way. The
government probably took the same view. There is no other way to explain why it should leave Pressbyran alone when it had otherwise been so eager to pounce on Swedish papers that "stirred up trouble".

IT IS TRUE that the authorities tried to persuade Pressbyran and Wennergren-Williams to stop collaborating with the Nazis. But when the companies refused, nothing was done about it. This is clear from a report by the Bureau for Counter-Propaganda (June 1942). This bureau was a secret intelligence outfit accountable to the government. It composed quite a few memos on "dangerous un-Swedish activities". In one of these memos, which in fact was a summarized annual report of its activities, it wrote:

"In certain well-known and influential newspapers and magazines, domestic propaganda in support of the Western Powers finds its most effective and dangerous expression. In this context we need only mention such publications as Göteborgs Handels- och Sjöfarts-Tidning (circ. 52,000), Vestmanlands Läns Tidning (20,000), Eskilstuna-Kuriren (15,000), Trots Allt (52,000), Nordens Frihet and NU". (Report on "Un-Swedish Propaganda", June 1942.) So the publications listed above were, according to the Bureau for Counter-Propaganda, "un-Swedish" and "dangerous". And they were dangerous and un-Swedish because they provided "insidious propaganda that is totally in conflict with the principles governing our policy of neutrality".

AS THE Bureau for Counter-Propaganda saw it, these papers, or at least some of them, were as big a threat to the security of the realm and to public order as the Swedish Nazi publications:

"At least in its most aggressive and disloyal form - in Handelstidningen and Trots Allt, for instance - this propaganda must logically be placed on a par with domestic Nazi propaganda and must consequently be adjudged a direct threat to national security. Already in the present foreign policy situation, it constitutes an unmistakable threat to the security of the realm and public order in our country." (Report on "Un-Swedish Propaganda", June 1942.)

THE SWEDISH government and the Bureau for Counter-Propaganda shared a certain view of things. While it is true the government rejected the Bureau's call for advance censorship of Handelstidningen and Trots Allt, it confiscated many editions of these publications. And what the government ministers of the day really thought about the situation often emerged behind locked doors.

Actually, I can understand the Germans being irritated over the Swedish press, declared foreign minister Christian Günther at a private meeting with trusted newspapermen on 3 October 1942. For "what would people say in Sweden if for instance major German newspapers were to run insinuating columns on an almost daily basis attacking the Swedish king and conditions in Sweden, especially Swedish politics and the way Swedes think?"

And a month later at a closed meeting in Parliament: "Whatever you may make of German reaction to the Swedish press it is undoubtedly a fact of life, the importance of which in terms of realpolitik cannot be ignored by our foreign policy makers. Especially
since the German authorities have shown an increasing tendency when discussing other
issues to let their positions be influenced by the current situation on the Swedish press
front. This applies both to purely political issues and to trade policy issues."
(Parliamentary address, 4/11 1942.)

AT THE TIME Günther was delivering this final comment, in November 1942, Sweden
was in the process of buying 3,997 kilos of gold from Nazi Germany. Good delivery?
Neutrality?
If you take neutrality to extremes, it means that health should not be preferred to sickness,
welfare to destitution or goodness to evil. In daily life, of course, we would dismiss such
a stance as absurd. When delving into documents and official records from World War II,
however, you sometimes find yourself in the realm of the absurd.
Dear Dr. Slany,

Based on the last meeting of the Interagency history group at Secretary Eisenstadt's office, we did some preliminary searching at the Center regarding the issue of the Vatican, Croatian gold, and so forth. Although I'm unsure of the direction and depth already committed to the matter, I thought we might find something of use in our own holdings.

At the Center archives, the only reference to the Vatican centered around the wartime bombing of the Papal See (Encl 1), which I did not follow up. There was also nothing in our civil affairs volume on the subject and nothing on Croatia, although I did find one cryptic reference in the British official history (Encl 2), which also goes into detail on the post-war Trieste special administration (an area that included Italians, Slovenes, and Croats). A call to the Military History Institute at Carlisle Barracks produced a number of references (Encl 3) that may be useful if your historians have not yet exploited them.

Finally, I spoke with an old friend of mine, Mr. Anthony Auletta who resides in Alexandria. Tony retired as a Colonel in the early 1960s, I believe, and then served many years as a senior civilian in the Civil Affairs/Psops Directorate of the Army operations staff. As a young officer, however, he was assigned occupation duty, 1945-47, in the American Zone of Trieste. Tony explained to me that the Americans worked mainly with Italians and Slavonians in the northern sector of the zone and the interior, with presumably the British working with Croatian (Yugoslav) elements in southern Istria (Pola/Fiume); his people were familiar with the Merkers find in southern Germany, but he did not recall anything of that nature occurring in his area, even rumors. In any case, his memory is good and he would be glad to answer any questions about his experiences there.
I know that this isn't much right now, but hope that it is helpful. If you can let us know more about the nature of the project and what you have found, I'll try to provide further assistance.

Sincerely,

[Signature]

Jeffrey J. Clarke
Chief Historian

Enclosures

Copy Furnished:
Secretary Eizenstadt
Ms. Melanson DOD/ISA/ENA
BG Mountcastle
VATICAN CITY - Italy, Bombing, WWII

Facts on file item on 7 Nov. 1943, p.353, 1943 Vol. "Bombs dropped 5-6 Nov. 1943"

SEE also card ROME, Italy

Information on the "Bombing of Vatican" for Dr. Winnacker
11 Dec 57

Geog L Italy 373.11 Vatican 11 Dec 57

10 Dec 1957
ALLIED MILITARY ADMINISTRATION OF ITALY
1943-1945

BY

C. R. S. HARRIS

LONDON: 1957
HER MAJESTY'S STATIONERY OFFICE
number of United Nations, for example Holland and Belgium, had already been permitted to establish consular officials in liberated Italy, but their dealings with the Italian Government had been channelled through the Political Section of the Control Commission. Once direct diplomatic relations had been established, it was no longer considered appropriate that the Commission should be interposed as the channel for their communications. All that was required was that the Commission should be kept fully informed of their activities. The United Nations were therefore permitted the normal cypher and bag facilities which had already been conceded to those who were members of the Advisory Council.

With regard to neutral countries, the Combined Chiefs of Staff had insisted that all negotiations between neutral missions and the Italian Government should be conducted officially through the Allied Control Commission, in spite of the fact that General Wilson soon after the liberation of Rome had expressed the opinion that this was neither necessary nor practical. They had, however, been prepared to allow unofficial contacts between neutral diplomatic officials and the Italian Foreign Office. Neutrals were now permitted to establish direct relations with the Italian Foreign Office, provided that the Allied Commission was kept informed of all negotiations undertaken by them. They were not, however, permitted to use cypher or bag facilities—with the exception of the Swiss, who were allowed a diplomatic bag—though representatives of those neutral powers which were represented at the Vatican continued to enjoy both these facilities from the Papal State.

In formulating the measures required to implement the policy of the New Deal the most important part was taken by Mr Macmillan, whose views, as the new effective head of the Commission, naturally carried great weight in Washington no less than in London, and formed the basis of the directive finally issued to the Supreme Commander. The discussions over the draft of this directive in the Combined Civil Affairs Committee were even more than usually prolonged. With the details of these deliberations this volume is not concerned. Suffice it to say that the American members felt that the British proposals did not go far enough in the direction of relaxing Allied control. Their views were based on the fundamental idea that the armistice regime was by now out of date since Italy was cooperating actively in the war. They therefore proposed that the armistice regime should be superseded by a preliminary peace treaty, thus reviving the British proposal made in the spring of 1944. But the British Government at this stage were unwilling to agree to a

---

1 Hence the very pertinent remark of Mr Macmillan that the attempt to guard against the leakage of military information in this way was trying to block a channel with a sieve.
ITALY
Showing the return of territory to the Italian Government

Legend

Feb 44
Northern Boundary of territory returned at date stated
Kings Italy

Oct 44
Front line at date stated
XIII Corps area

Dec 45
A.M.G. Enclaves handed back at date stated

Scale of Miles
MEMORANDUM FOR CHIEF HISTORIAN

SUBJECT: US Army Military History Institute (MHI) Search for Documents and Other Materials on the Vatican and Nazi Gold

1. Upon my request, Mr. John Slonaker, MHI, Carlisle Barracks, PA 17013-5008, telephone 717-245-3611, searched the MHI library and collection for information regarding the Vatican and Nazi gold during World War II. He found nothing, but faxed several titles (and/or the tables of contents) of books on the Vatican in the Second World War (see attachment).

2. Additionally, Mr. Slonaker consulted Mr. David Keough in the MHI archives regarding their holdings on this subject, but Keough indicated that he was unaware the existence of any such holdings without conducting an exhaustive search.

Mary Haynes
FI/761-5416

Attachment
Title The Vatican and the war / by Camille M. Cianfarra.

Author Cianfarra, Camille M. (Camille Maximilian), 1907-

Imprint New York : Dutton, 1944.

Pagination 344 p. ; 21 cm.

Includes index.

Subjects Pius XII, Pope, 1876-1958.
Catholic Church -- Foreign relations.
World War, 1939-1945 -- Catholic Church.
World War, 1939-1945 -- Personal narratives, American.
Title Spy in the Vatican, 1941-45.

Author Bokun, Branko, 1920-

Imprint New York : Praeger, [1973]

Pagination 259 p. : ill. ; 23 cm.

Subjects · Bokun, Branko, 1920-
· World War, 1939-1945 -- War work -- Red Cross
· World War, 1939-1945 -- Italy -- Rome.
· World War, 1939-1945 -- Vatican City.
· World War, 1939-1945 -- War work -- Catholic Church.
Unholy Trinity

HOW THE VATICAN'S
NAZI NETWORKS
BETRAYED WESTERN
INTELLIGENCE TO THE
SOVIETS
Contents

Preface xi

Part One The Church’s War Against Communism
1 A Spectre was Haunting Europe 3
2 Bishop Hudal and the First Wave 25
3 A French Spy in the Vatican 48
4 A Staggering Blow to the Holy See 70
5 Ratline 88
6 The Golden Priest 120

Part Two Communism’s War Against the Church
7 The Vatican’s Black Orchestra 143
8 The Catholic Army of the Ukraine 173
9 Diplomacy and Deceit 189
10 The Philby Connection 208
11 Barbie and the American Ratlines 235
12 Conclusions 264
Acknowledgements 288
Endnotes 290
Bibliography 354
Index 363
Saul Friedländer

PIUS XII
and the
THIRD REICH
A Documentation

Translated from the French and German
by Charles Fullman

1966
Chatto & Windus London
FOREWORD

Now it is my most sincere followed by many others, to this difficult problem. Every account in the present edition about this book so far, and the have been added. I can only this book in the spirit in which to draw any final conclusions, future research.

July 1965

...ing to press, the Vatican an­e of its World War II archives. period from March 1939 to published. This volume, to interesting details on the period. However, what has been, on the whole, seem to con­ssion given by the documents same period.

December 1965

CONTENTS

INTRODUCTION

Page

xv

CHAPTER I

The International Crisis, March–September 1939

1. The Rapprochement between the Church and the Reich 3
2. An Attempt at Mediation 18
3. The Holy See and the Polish Crisis 24

CHAPTER II

The Victories of the Reich, September 1939–June 1940

1. The Destruction of Poland 33
2. Pius XII Meets Ribbentrop 41
3. The Invasion of Belgium, Holland, and Luxembourg 48
4. The Defeat of France 53
5. The Path of Concessions 56

CHAPTER III

The Beginning of the New Order in Europe, June 1940–June 1941

1. Mediation by Pius XII and the Soviet Menace 59
2. An Unfathomable Personality 62
3. The Political Attitude of the Holy See, Spring 1941 71

[ xi ]

Àge rallevs à la Seconde Guerre /e Guerre en Europe, mars 1939– Vaticano; 1965.
CHAPTER IV
Germany Attacks Russia; the United States Enters the War; the Extermination of the Jews (First Phase), June 1941–December 1941
1. Germany Attacks Russia 76
2. The United States Enters the War 86
3. The Anti-Jewish Legislation; the Concentration and Extermination of the Jews (First Phase) 90
4. The Shooting of Hostages 102

CHAPTER V
The "Final Solution," January 1942–Early 1943
1. Information Reaching the Holy See Early in 1942 103
2. The Intervention of the Jewish Organizations 104
3. The Deportation of the French Jews 110
4. Allied Approaches to the Holy See 117
5. The Gerstein Report 125
6. Pope Pius's Christmas Message, 1942 130
7. The Pope's Letter to Msgr. Preysing and Address to the Sacred College of Cardinals 135
8. Msgr. Orsenigo's Interventions 145

CHAPTER VI
The Holy See and the Antireligious Policy of the Reich, 1942–Summer 1943
1. The First Difficulties 148
2. The Holy See and the Antireligious Policy of the Reich at the Beginning of 1942 152
3. Hitler's Order of June 1942 and its Consequences 160

CHAPTER VII
The Development of the International Situation and the Bolshevik Threat, 1942–1943
1. The Russian Resistance, 1942 174
2. The Aftermath of Stalingrad 176
3. The Allied Landing in Sicily and the Problem of Protecting Rome 180
4. The Fall of Mussolini, the Badoglio Government and the Separate Italian Armistice, July 25–September 3, 1943 183
5. The First Weeks of the German Occupation of Rome 192

CHAPTER VIII
The Deportation of the Roman and Italian Jews, October–December 1943
1. The Germans and Vatican City 197
2. The Deportation of the Jews from Rome 204
3. The Deportation of the Jews from Italy 209
4. An Interview with the Pope on the Reich and the International Situation 211

CHAPTER IX
The Deportation of the Hungarian Jews, 1944 217
1. The Note from the Nuncio in Budapest and the Fears of the Wilhelmstrasse 218
2. The Pastoral Letter of the Primate of Hungary 220
3. The Intervention of the Chief Rabbis of Palestine at the Holy See 222

CONCLUSION 236
INDEX follows page 238
RECORDS AND DOCUMENTS OF THE HOLY SEE RELATING TO THE SECOND WORLD WAR

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BURKHART SCHNEIDER

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THE HOLY SEE AND THE WAR IN EUROPE
MARCH 1939–AUGUST 1940

CORPUS BOOKS
Washington—Cleveland
CONTENTS

Preface vii
List of Documents xv
Works to which Reference is Made xxvii
Symbols and Abbreviations xxix
Note to English Edition xxx

Introduction 3
Documents 91
Appendix 481

Index 485