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### **'The Profits of Genocide' by Paul Monk**

***Hitler's Secret Bankers: How Switzerland Profited from Nazi Genocide*, by Adam LeBor; Simon & Schuster, Pocket Books, 1997, \$12.95. *Blood Money: The Swiss, the Nazis and the Looted Billions*, by Tom Bower; MacMillan/Pan, 1997, \$16.95.**

ROBERT LUDLUM's 1995 novel *The Apocalypse Watch* begins with the description of a Nazi movement renascent in contemporary Germany and with tentacles spreading across the Western world; a movement which, has been preparing its comeback since the 1940s. Ludlum, of course, is a popular novelist and there is no indication that the novel is based on any serious research into the roots and post-Second World War avatars of Nazism. I mention it by way of underscoring the old maxim that truth is stranger than fiction, especially light fiction like Ludlum's.

Had Ludlum wanted to write a novel with some historical resonance, he might have taken as his point of departure a meeting which archival documents indicate took place in Strasbourg, on 10th August 1944, at the Rotes Haus (Red House) hotel. It was a meeting of Himmler Circle industrialists from such firms as Krupp, Messerschmitt, Volkswagen and Rheinmetall, with SS and German military personnel. It was chaired by SS Obergruppenfuhrer Scheid and its agenda was to discuss how Nazi loot, laundered through Swiss banks, would be used, following the impending defeat of the Third Reich, to build a new economic empire, which would extend around the world. In describing this meeting and the documentation of it, a World Jewish Congress official exclaimed, "The Red House report is scary, like something out of Robert Ludlum." Forget Robert Ludlum -- with the Red House report, we leave the realm of "scary" light fiction and enter the far grimmer world of intelligence and banking intrigue. Here you confront the dark side of the force in sombre reality.

Adam LeBor's *Hitler's Secret Bankers* is a useful addition to the body of research which has painstakingly documented how Nazism was not rooted out by the victorious Allies after 1945, but, for the most part, simply dissolved back into the mainstream of German and Western capitalist business and politics. In particular, it shows how Swiss bankers profited from the Holocaust, by taking vast deposits from fearful European Jews in the 1930s and withholding these same deposits from the surviving family members of the depositors after 1945. He shows, further, how the same Swiss banks accepted vast sums in Nazi loot from all over Europe and kept the secret deposits of SS and Nazi Party officials open and operational after the end of the Second World War, directly assisting the agents of war and genocide to survive the downfall of the Third Reich.

There are a host of issues that intersect in studies of this dark and controversial matter. The key to understanding the role of the Swiss banks is the history of the fabled "Swiss bank accounts", going back to the 1920s. This is, of course, a subject of importance quite apart from the Holocaust accounts, since many a dictator and corporate criminal has been able to deposit huge sums of ill-gotten gains in Swiss bank accounts (or in other "havens" modelled on them) right up to the present. But the Holocaust accounts are a notorious case and LeBor's study focuses on the way in which Swiss bankers, shielding themselves behind secrecy laws, played a crucial role in abetting

the looting of Europe by the Nazis, while, at the same time, for practical purposes embezzling the funds belonging to the Jewish clients whom the Nazis murdered. By British intelligence estimates, the Nazis stole the equivalent of \$US180 billion, in Europe, excluding the USSR, by 1943 -- in 1943 exchange rate terms. That is the equivalent of approximately ten times that amount now. The records of prewar Jewish deposits in Swiss banks have never been opened by the banks in question, but estimates of their 1940s value run into the tens and even hundreds of millions of dollars. The primary story LeBor has to tell is of how, for decades, the Swiss bankers fought tooth and nail to hang onto these deposits, as well as denying their role in holding or laundering the loot of the Nazis.

COINCIDENT with publication of LeBor's book, the distinguished British investigative historian and broadcaster Tom Bower produced another book, *Blood Money: The Swiss, the Nazis and the Looted Billions*. Bower is on familiar terrain in writing about the secrets and conspiracies associated with the end of the Second World War and he has, again, given us a seriously researched, tightly written, emotionally disciplined investigation of a more than usually unsavoury subject.

The thrust of Bower's story is the frustrated efforts of America's Sam Klaus and his colleagues, in US Treasury Secretary Henry Morgenthau Jr's "Operation Safehaven", at war's end, to get the Swiss banks to disgorge their ill-gotten gains. It was only, as Bower relates, in 1997 that renewed pressure, exerted by Canadian billionaire Edgar Bronfman and American senator Alphonse D'Amato, chairman of the US Senate Banking Committee, drove the Swiss banks and government to come to terms with the legacy of the 1940s. The issue came to a head at the February 1997 World Economic Forum, in Davos, Switzerland, a place which had been a safe haven for Nazis in the 1940s. On 5th March 1997, Swiss President Arnold Koller declared that a fund worth \$US5 billion would be established to produce around US\$250 million annually to be used as compensation for victims of all human catastrophes, including the Holocaust. Even then, there were those, such as Christoph Blocher, a wealthy right-wing politician, who declared that Switzerland had nothing to apologise for and that the fund was a result of Anglo-Saxon media sensationalism and blackmail. The value of Bower's book is that it lays out this sordid affair for us meticulously enough for even the most sceptical reader to see that the attitude of a Christoph Blocher is hopelessly obtuse and morally bankrupt.

Understanding the wider significance of what LeBor and Bower have researched and set down requires a reading of a third book: Christopher Simpson's *The Splendid Blond Beast: Money, Law and Genocide in the Twentieth Century* (Grove Press, 1993). Simpson explores the rationale among British and American elites for largely turning a blind eye to both the Turkish genocidal massacres of the Armenians in 1915-18 and the Nazi genocide of the Jews and others in Europe in 1938-45. Simpson is the author of an earlier, prize-winning study of American recruitment of Nazi and fascist agents after 1945, *Blowback: America's Recruitment Of Nazis and its Effect on the Cold War* (Weidenfeld and Nicolson, 1988). *The Splendid Blond Beast* explores the pre-history of such recruitment and ought to be required reading for anybody concerned with debates over international law, human rights, markets and humanity. In particular, it demonstrates how leading German bankers and industrialists not only profited immensely from collaborating in the Nazi war effort and the plunder of Europe, including the use of slave labour on a huge scale, but survived and prospered after the war because, of their links with powerful American bankers and

industrialists and intelligence figures, like John Foster Dulles and Allen Dulles, who actively protected them.,

All this makes grim reading, but it is very much the sort of history which we cannot do without, if we have any intention of coming to grips with what the twentieth century has really been about (and not only the twentieth century). Both LeBor's and Bower's books are likely to seem to many to be of the nature of obscure footnotes to the Holocaust. If they are read against the background which Christopher Simpson provides, however, it becomes clear that the significance of the Swiss banks' behaviour is not only that it was sinister in itself, but that it was very much part of a far larger pattern of calculation, capital movements, exploitation, plunder, intrigue and deceit which did not end in 1945 at all, but had deep implications for the Cold War and has implications All for the analysis of international capitalism and human rights. If you want to learn about the Swiss banks, read LeBor and Bower. But if you are prepared to grapple with the underlying issues more systematically, read Christopher Simpson. And Robert Ludlum? Well, *The Apocalypse Watch* might be useful as a soporific, if you find that what Simpson shows you keeps you awake at nights.

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