The following is copy of an article published in the New York Times on Jean’s Zeigler’s book “The Swiss, the Gold and the Dead”

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**Gnomes and Nazis**

*An account of Switzerland's role in financing Germany's war machine.*

**By PETER GROSE**

The day of reckoning for mighty Switzerland has been long in coming. In the manner of a post-modern Zola, an angry man of letters, Jean Ziegler, has thrown down his "J'accuse" with "The Swiss, the Gold, and the Dead," and brigades of auditors, financiers, factors, historians, lawyers and publicists are trying to cope with it.

During the cold war, successive Swiss generations wrote off the ambiguities of the World War II era as the time-honored way of neutrality. The enormous self-enrichment that grew from the financing of Hitler's war machine came, it was always said, through Switzerland's normal banking acumen. The disappearance into Swiss public and private coffers of assets seized by the Nazis from Jews and other victims was beneath polite discussion. For half a century, Switzerland lived as a nation in denial.

But the country has been set aflame by this modest volume, published last year by a petulant professor of sociology at Geneva University, a longtime Member of Parliament and a socialist, too left wing for the bankers' tastes yet Swiss through and through. Readers of English can now savor his polemic for themselves (in a fine translation from the German by John Brownjohn).

"The awesome, world-encompassing financial power wielded today by the major Swiss banks is founded on wartime profits," Ziegler writes. And, he says, the Swiss public, those who benefited directly or indirectly from these profits, accept this outcome with pride and an absolutely clear conscience.

Ziegler's fundamental aim is one that no board of auditors would presume to undertake: "to analyze sociological factors and human behavior, complicity and constraints." His is a book about the Swiss people, his own countrymen, a "nation of guilty innocents and innocent guilty," consumed in a "mania for self-righteousness, guiltlessness and perpetual purity."

"What never fails to fascinate me about Swiss business tycoons, industrial magnates and bankers is their combination of great professional ability and infinite political naivete," Ziegler declares. "We Swiss are 'available,' as Bernese political jargon still calls it. We have no political opinions, we merely offer our services."

Ziegler is no stranger to the Swiss banking community. His scholarly works over three decades have dwelt on capitalist exploitation in the third world. More than 20 years ago, he turned his acerbic scrutiny inward, to lift the story of his own society "out from under the stifling and
alienating blanket of fog which is produced by the ruling discourse and produces the silence and uniformity of consent." This first tentative foray was published in 1976, but attracted little notice in or out of Switzerland; an English edition entitled "Switzerland Exposed" found no American publisher.

But in the changed mood of 1997 Ziegler's latest broadside has provoked anguish among the Swiss. At best they are astonished; more often they are outraged. Geneva television held a three-hour town meeting on the issues raised by Ziegler's book; the studio audience jeered its author and applauded his critics. "The Foreign Minister instructed all our embassies to persuade 'friendly' journalists to denigrate the book in the foreign press," Ziegler writes in an afterword for this American edition.

He also reports on a long-scheduled parliamentary debate about "dormant Jewish bank accounts" that was canceled in September 1996, a few moments before it was to start. The presiding officer "seems puzzled by my indignation," says Ziegler, one of those listed to speak in the debate. "His rosy face registers profound surprise, his response strikes a reproachful note: 'You surely don't want us to make an exhibition of ourselves in front of all these foreigners?'" The press galleries were indeed crowded with American, French, British and German correspondents; the Ambassadors from Israel and the United States were settled in the diplomatic gallery. They were incredulous as word spread of the cancellation.

The issues that have to be aired have mounted far beyond the capacity of any single debate or author. Even as Ziegler was writing his book, the British Foreign Office put out a hastily assembled review of evidence from its official archives. In May 1997 the United States weighed in with a more thorough investigation led by Stuart Eizenstat, then an Under Secretary of Commerce; disputing Eizenstat's conclusions (which largely coincided with Ziegler's), the Swiss Government nonetheless declared the research "factual and balanced."

On the defensive, the Swiss Bankers Association asked Paul Volcker, the former chairman of the United States Federal Reserve, and three major international auditing firms for a comprehensive investigation of Swiss banking records. The Swiss Parliament has established an official commission of historians, with members from Britain, the United States and Israel, as well as Switzerland. (Why did they not include a German historian?)

Ziegler defers to these professional resources in ferreting out the scope and methods of Switzerland's gold trade during World War II. But he yields to no one in his accusations, and he warns against any facile hope that gold and jewelry taken from Holocaust victims, either before or after their deaths, can ever be identified: "The profits from Nazi gold are not simply lying around in their vaults; they have been invested and reinvested, laundered and relaundered... . . . The vanished Holocaust funds have long ago been converted into real estate and portfolios under new names." And, it might be added, they now figure in the capital flowing into the venerable American financial institutions that Swiss interests acquired in the 1990's.

Approaching the end of the 20th century, many countries have been roused to turn cruel historical hindsight inward, owning up to national error and tragedy, internalizing the lessons and moving on with strength restored. The United States went through this painful process after Vietnam, Britain after the Suez debacle of 1956 and the loss of empire. From the World War II era, Germany was necessarily among the first; Japan, Austria and France have started but have a long way to go. For now, it is Switzerland's turn. Others, surely, will follow.

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