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A beggar became a banker: Financial relations between Switzerland and France and the implications for foreign policy, from the Belle Epoque to the Phoney war

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ABSTRACT
This paper aims to analyse the changing course of financial relations between France and Switzerland and their political repercussions from the Belle Epoque to the beginning of the Second World War. During this period, a decisive shift occurred: while France was the main lender of the Swiss Confederation and had clear monetary ascendency over this country before the war, the latter, because of its neutrality and the rise of its offshore financial centre, became an important creditor of the former. This transition started during the hostility and continued until the 1930s. For instance, the Swiss banking centre played a crucial role in the stabilisation of the French franc (FF) in 1926, as well as during the financial preparation for the Second World War. While a few case studies have dealt with this historical issue, this paper is the first to examine the impact of this changing course of financial relations over the long term. It demonstrates that, paradoxically, the French government did not profit from its financial ascendency over Switzerland during the Belle Epoque, whereas the small Swiss Confederation was able to reinforce its political and economic position over France because of credits during the interwar period. The monetary environment, the internal political situation, and the general goals of both countries' foreign policy explain this difference.

KEYWORDS
Switzerland; France; international relations; diplomacy; finance; Belle Epoque; First World War; interwar period; neutrality; imperialism

Introduction

Financial relations between Switzerland and France during the twentieth century were deeply influenced by the offshore services provided by the Swiss banking centre to French customers. From the First World War onwards, the Swiss tax haven attracted significant French capital, and this had a notable economic and political impact on France, as it did during Popular Front and during the events of 1968. Diplomacy between the two countries was marked by the Swiss elites' intransigent attitude on the protection of banking secrecy and the mixture of nervousness and complacency of their French counterpart regarding tax issues. From time to time, affairs erupted on the public stage—such as in autumn 1932 with the scandal of the Banque commerciale de Bâle in Paris and, recently, during the banking crisis of 2007–2008. However, despite its huge scale, tax evasion did not constitute the whole dimension of the financial relations between the two countries. Monetary issues and international credits and loans, as well as cooperation and

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competition between their financial centres, were also of crucial importance to both Switzerland and France. From the Belle Epoque to the Second World War, a decisive shift occurred in bilateral relations: Switzerland, which was financially dependent on France during the Belle Epoque because of its membership in the Latin Monetary Union and its need of foreign loans, became, with its strong currency, an important creditor of France with its devaluated franc. This shift started during the war and became pronounced in the mid-1920s, while Switzerland continued to welcome French capital flight. This transformation had a significant impact on the countries' political relations. The following pages study the course of these structural changes by placing the interaction between finance and diplomacy at the core of the analysis.

Beyond its importance for economic history, this article contributes significantly to the understanding of Switzerland's policy towards the great powers before the Second World War and uncovers an unexplored dimension of the history of France's international relations. The implications of this transformation of financial relations on foreign policy have not yet been thoroughly examined because the narrative of the bilateral relations has been fragmented with different case studies on each period.[1] For Switzerland, the financial connexion with France questions the idea, very often present in the historiography, that during this period, a German orientation was predominant in Swiss foreign policy and economic relations.[2] While between 1890 and 1910, the Swiss Confederation exclusively issued its loans abroad in France, between 1922 and 1939, 58.5% of the amounts of foreign state loans issued on the Swiss market were French, compared to only 11.1% for Germany.[3] Considering the deep political burden of long-term credits during this period, these figures are cause for reflection. As far as French history is concerned, the article also provide an interesting insight into the role played by the Swiss offshore centre in French diplomacy and imperialism, which, barring a few pages in Raymond Poidevin's thesis some fifty years ago, no French historian has analysed.[4] While Switzerland was, from the point of view of the great powers, a square in the international chessboard of Belle Epoque imperialism, it indirectly contributed to the temporary revival of French financial influence in Eastern European countries at the end of 1920s.

However, this article demonstrates that it is impossible to identify a clear and constant causal link between the intensity of capital flows and the orientation of foreign relations of the two countries. In each period from the Belle Epoque to the Great War, the 1920s and the 1930s, the impact of financial relations on foreign policy was highly variable. Paradoxically, France did not take full advantage of Switzerland's financial dependency before the First World War, while the small Swiss Confederation was clearly able to use its new financial ascendency to strengthen its position over France beginning in the 1920s. The general foreign policy goals of both countries, their monetary environment, internal politics, and other economic issues in bilateral relations such as trade are key factors in explaining this difference. Finance was certainly one of the main *forces profondes* in international relations since the Belle Epoque, a point that transnational history seems to have forgotten in its tendency to edulcorate the economic confrontations between powers. Affirming this does not mean that foreign loans or credits always indicate submission or imperialism, as the Swiss historiography seems to claim.[5]

Business as usual?: The paradoxical French financial ascendency over the Swiss Confederation during the Belle Epoque

A new phase of banking in Switzerland started during the Belle Epoque, which could be truly considered the rise of a real financial centre. Despite the first boom during the 1850 s and 1860 s—after the political creation of the modern Confederation and the adoption of a common currency for the whole country—which soon collapsed in speculative misfortunes, the Swiss banking centre was surprisingly underdeveloped before the 1890 s by international standards. Stimulated by the savings of the Swiss people during a period of high economic growth, this decisive step was characterised this time by the strengthening of commercial banks, patterned on a German universal model of banking, and the consolidation of a stable network of regional establishments, called cantonal banks, benefiting from the guarantee of local states.[6] At the same time, the Swiss financial centre was becoming increasingly internationalised. Besides the growth of commercial banks' and industrial multinationals' investments abroad at the turn of the century, many foreign bonds and shares were floating on stock markets in Basel, Geneva, and Zurich. Foreign capitalists were utilising Swiss neutral territory to discreetly conduct business in other parts of the world or to use financial trust companies to raise money in favour of international consortiums.[7] The establishment in the small canton of Glarus of the Franco-German company responsible for the construction of the immense Berlin–Baghdad railway is an example of imperialist business conducted through Switzerland.[8] At the end of the nineteenth century, foreign banks, including French banks like Crédit Lyonnais, Banque de Paris et des Pays-Bas, and Société Générale also began to establish agencies and branches on Swiss territory.[9] Before Switzerland had transformed into a significant tax haven, its financial centre had already acquired a turntable function in the financial flows across Europe during the globalisation of the Belle Epoque. In 1913, Switzerland was likely the country with the largest proportion of foreign investments in the world considering its population size: its total foreign portfolio would amount to perhaps a quarter of that of France, a country ten times more populated.[10]

However, this seemingly tremendous financial expansion of the Swiss banking centre remained somewhat paradoxical until the war. Considering the high level of investment abroad, Swiss historians are accustomed to speaking of the rise of Swiss financial imperialism during the Belle Epoque. Certainly, Switzerland owned a vast amount of interests in some parts of the world, such as Argentina and Italy. However, next to the fact that Switzerland lacked a strong central state that supported the capitalist expansion in foreign markets in accordance with the definition of imperialism, this view tends to overestimate the country's financial strength before the war. Monetarily, Switzerland was far from being the refuge of stability that it would be from 1914 onwards. On the contrary, based on the pre-war standard of fixed parity, the Swiss franc was considered a weak currency. Besides the negative balance of commerce, a trend that would continue after 1918, the lack of a central bank in Switzerland until 1907, unlike other Western European countries, was a decisive factor in this situation. The commercial and cantonal banks that were authorised to issue money were competing among themselves, which possibly led to mismanagement in the control of the level of the monetary base and weakened the capitalists' confidence in the value of the Swiss franc.[11] Financially, despite the rise of the Swiss financial centre, the Confederation and the cantons borrowed massively on foreign markets because of the relatively high interest rates in Switzerland before the First World War. Thus, they were themselves exposed to imperialist practices or at least to financial pressure by the great powers during economic and political negotiations. Additionally, Swiss banks were under the strong influence of several foreign financial groups. The trusts and financial companies were often controlled from abroad, and the management of big commercial banks was not free from foreign presence. Before the war, Switzerland had already become a place of intense financial activities within Europe, but this does not mean that the Swiss banking centre was powerful or emancipated.

At the time, the main financial influence over Switzerland was clearly French. This is the second paradox that Swiss historians apparently have not been able to solve: according to the prevalent view, which is relevant, Swiss foreign relations were deeply German orientated before the war. Germany was the main commercial partner of the Swiss Confederation, and culturally, politically, and militarily, the Reich had such an ascendency over a large number of the Swiss elite that France feared the Confederation was becoming an informal member of the Triplice to some extent.[12] However, even if German capitalists closely collaborated with some large commercial banks, such as the Kreditanstalt, while being deeply involved in the establishment of large electric financial companies from the mid-1890s onwards,[13] Switzerland was undoubtedly dependent on French finance during the Belle Epoque. Like Belgium and Italy, Switzerland was a member of the Latin Monetary Union from 1865 and was therefore included in France's monetary sphere. The

Swiss franc was de facto pegged to its French counterpart, and their silver coins could freely circulate in both countries. This feature put the Confederation in a demand position in front of France on monetary issues: as the Swiss franc had a tendency to fall under the parity of the French franc, silver ecus drained across the Western border, forcing the Swiss to negotiate with the French to recover their coins.[14] More significantly, from 1887 onwards, the Swiss Confederation also began to place state loans on the Parisian market.[15] The actual turning point happened later, after the nationalisation of the railways, which was decided by popular vote in 1898, created a significant public debt that the Swiss Confederation had to address. While France used the liquidity of its financial market to increase its influence over indebted European states in need of loans, in the Balkans, in Italy, and in Russia, the Swiss Confederation became, in relation to its size, another important client of Parisian finance. Between 1887 and 1911, Swiss state and railway loans of a cumulated value of 1.5 billion francs were issued in Paris, an amount comparable to that of Belgium for the same category of bonds.[16] However, Belgium was twice as populated as Switzerland, and its economic and cultural ties with France were much stronger. Switzerland's financial dependency on France was evident: in 1910, almost half of the federal and cantonal debts were likely in the hands of French speculators.[17] The Crédit Lyonnais and the Banque de Paris et des Pays-Bas, not the Kreditanstalt or the Bankverein (now Credit Suisse and UBS), had become the main banking intermediaries for federal loans. Yet, surprisingly, the foreign orientation of the Confederation seemed to be impervious to French imperialism, alternating between diplomatic abstention over European political affairs—that is, neutrality de facto dictated not by real choice but by the smallness of the country—and a clear affinity towards the German Reich.[18] The trade war between France and Switzerland, which erupted in 1893 because of the rise in French protectionism after France's adoption of the Méline tariff, deeply disturbed their bilateral relations. Thereafter, the French government never fully succeeded in counteracting German ascendency over the Swiss elite despite its massive investments in the country.[19] The age of classical imperialism was the heyday of the Confederation's financial dependency on France. It was also the peak of German political influence over Switzerland.

There are two main reasons for this situation. Swiss historians have correctly identified the first one.[20] Despite the quantitative importance of the state loans placed in Paris and the membership to the Latin Monetary Union, the financial dependency of the Swiss Confederation was not comparable to the subservience of France's main European clients. Unlike the Balkan countries and Russia, Switzerland was not obliged to raise money abroad: the Swiss economy was strong enough to furnish the required capital, and the country was not facing a public debt crisis. This was a choice dictated mainly by pure economic calculations. If the Swiss Confederation chose to finance the nationalisation of the Swiss railways with French money, it was largely because the interest rates were slightly more attractive in Paris. Considering the scale of the operation, using French market would save a considerable amount without any apparent financial risk, while simultaneously avoiding further pushing up the price of money inside Switzerland. Similarly, for the French capitalists, the Swiss bonds were considered a secure and profitable investment, and they were warmly welcomed on the Parisian stock market. Caused by the interest rate gap between the two developed countries—a differential of 0.5% points on average between 1900 and 1910 that was partly due, as in Germany, to the dynamism of Swiss industries—these international financial operations represented easy, advantageous economic deals and appeared far from coercive imperialist practices. However, there was also a second reason for this situation, explained by the foreign policy of France. The French approach towards Switzerland was not comparable to the clientelist attitude it had towards the other European nations: France was essentially trying to consolidate the neutrality of Switzerland in case of war, rather than include Switzerland in its sphere of influence. The political orientation was one of seduction, not coercion, a trend that was also exemplified when Fallières made an official visit to Switzerland—the first ever by a French President—in August 1910.[21] Along with the pure economic dimension, this diplomatic aim would explain why the French authorities did not utilise financial leverage to gain political concessions from Switzerland in return for the acceptance of the issuance of loans in Paris.[22] As the French authorities fearfully contemplated the Prussian influence over the Swiss elite, and since Switzerland was able to raise money in its home market, they viewed the financial attractiveness of Paris solely as a means to prudently facilitate their relations with the Confederation. After the vote in favour of the nationalisation of the railways, French Foreign Minister Delcassé, anticipating a deep budgetary crisis in Switzerland, certainly wished to closely control the opening of the Parisian market to the Confederation, whereas the French Embassy was contemplating with some satisfaction the diplomatic opportunities created by the growth of the Swiss public debt.[23] However, according to French sources, no political demands were ever made to the Swiss by the French authorities when a loan was issued in France, and it appears that only in very few cases did the latter very cautiously contemplate using their financial power during other economic negotiations with the former.[24]

Financial ascendency is always a double-edged sword: French financial imperialism during the Belle Epoque could consolidate alliances, such as with Russia; however, it could also elicit strong reactions from a dependent country, resulting in the opposite effect. Such was the case with the Ottoman Empire, which finally joined the Central Powers, although, or perhaps because, France was its main creditor.[25] As Switzerland was not in a position of real subordination towards France, neither the first situation nor the second occurred in this case. Swiss bankers certainly were not glad to lose business, and raising money in Paris was also a way for the Confederation to circumvent their influence over Swiss politics. The foreign loans were contentious, and criticisms were regularly published in newspapers or voiced in Parliament. Nevertheless, overall, the political consequences of the Swiss financial dependency remained minor. Approaching the war, French ascendency clearly declined. The Latin Monetary Union had already lost a large part of its function because of the growth of scriptural money, while the creation of the Swiss National Bank in 1907 resulted in further financial emancipation from France. As far as loans were concerned, the Swiss Confederation ceased issuing them in Paris from 1911 onwards. This seems to have been mainly due to the increasing power of Swiss finance over the state, which was reinforced that year by the creation of a quasi-monopolistic cartel for issuance by the banks, the Syndicat d'émission des banques suisses.[26] Significantly, a shift occurred at the same time in Swiss stock markets: in 1912 and 1913, new French issues were as numerous as the issues made by France during the whole decade 1901–1911.[27] Finally, a third change that announced the course of the countries' relationship after the war occurred in the capital flows between Switzerland and France: wary of the rise in succession duties imposed in France and the anticipated implementation of a progressive income tax, French capitalists began to hide a significant amount of wealth in Swiss banks from the turn of the century.[28] Approximately 1.5 billion francs had been stashed in Switzerland before the war, a sum that was roughly equivalent to the value of the Swiss securities owned by the French. The total interest in Switzerland thus amounted to perhaps 3 billion, which was a sum equivalent to around 8%, or more, if one takes into account the direct investments, of France's total foreign investment.[29] There is no doubt that the Swiss Confederation was one of the European territories in which French capital was most intensively involved before the war. This was also indicated by the activities of joint Franco-Swiss financial companies like the Société financière franco-suisse and the Société franco-suisse pour l'industrie électrique, both in Geneva. However, unlike loans granted to Switzerland and other foreign investments, capital flight strengthened Swiss finance, while destabilising the French state financially and politically. When the war started, France's financial ascendency over Switzerland had thus already nearly ended.

A young girl nourished with blood: The growth of the Swiss Banking Centre during the first world war and the turning point of the financial diplomacy with France in 1917

War offered an excellent opportunity for Swiss finance to reinforce its international position. Capital flight from neighbouring countries increased, Swiss banks replaced their foreign competitors in several financial activities that were abolished or reduced by the new regulations in belligerent countries, Swiss loans and credits were in demand by warring states, and monetary speculation on depreciated currencies was intense in the Swiss territory.[30] Although, as we have seen, some premises of this development were perceptible before 1914, the Great War transformed Switzerland into a large offshore centre. This was due to the stability of the Swiss franc, the low taxes, the maintenance of financial deregulation in the Confederation, and banking secrecy. All these factors were linked to the non-participation in the hostility and the relatively low increase in public debt between 1914 and 1918. However, the 'dividends of neutrality' were cashed by Swiss banks only several years later, during the 1920s, when Switzerland became a banking centre for international financial activities in Europe that was much stronger than Germany and at least as important as France was, due to the marked increase in cross-border wealth management. As an exporter of capital, Switzerland was hardly affected by the disturbances and the depreciation of wealth in warring countries' markets, which explains the mitigated figures of the banking statistics from 1914 to 1918, and even until 1923. Although the nature of the banking business was quite different between 1940 and 1944 in the shadow of the Axis powers, the same could be said of the Second World War and the post-war years. During the twentieth century, the Swiss tax haven was like a young girl nourished with the blood of the battlefields, profiting from the resulting anaemia of her neighbours, but suffering from several serious illnesses during her infancy. As they require capital flight from other countries as well as satisfactory foreign market conditions to replace the money they receive, offshore centres are always living 'à cheval between globalisation and regulation'.[31]

The first shift in Switzerland's relations with France occurred in May 1915, when the French franc started showing obvious signs of weakness and when offshore activities in Swiss territory proliferated.[32] At the time, France and Great Britain were trying to impose on Switzerland the creation of a Swiss institution supervised by the Entente countries to control trade with the Central Powers and hinder the re-export of commercial import from their markets through Switzerland to Germany or Austria. This attempt would lead in September to the formation of the Société suisse de surveillance.[33] Yet, financially, Switzerland was also considered a threat by the Quai d'Orsay, who suspected, not without reason, that the Swiss offshore centre was used intensively by the Central Powers to speculate against the franc or to sell securities or notes stolen from conquered territories. For this reason, from the beginning of 1915, the Swiss banks' access to the Parisian stock market was restrained.[34] The Kreditanstalt's activities were considered highly suspicious since it was viewed as a Germanophile bank, more so than the other biggest Swiss commercial bank, the Bankverein, which removed its German administrators at the beginning of the war and whose Francophile manager, Leopold Dubois, regularly pushed French officials to counteract the economic influence of the Reich over Switzerland.[35] Depriving France of the wealth it needed to support the war while putting pressure on its currency, capital flight to Switzerland was also considered a major source of difficulties, although French authorities did almost nothing to hamper the financial haemorrhage until 1917.[36] On the other hand, the monetary strength of the neutral country and the deregulation of its financial centre created some opportunities for France. From the French point of view, the Swiss banking centre appeared to be as much the cause of problems as an opportunity to solve these problems, and this perception remained through the century. Credit negotiations between the two countries commenced at the beginning of 1916. Less than two years of war appeared sufficient to reverse the course of three decades of financial relations.

The first negotiation action happened in February 1916, when the Bankverein granted 20 million to the Bank of France in return for a deposit of silver ecus in its accounts at the Swiss National Bank.[37] Although Swiss bankers had been contemplating a financial operation to support the French franc for several months, this plan seems to have originated from a survey conducted in Switzerland by Turrettini for the Bank of France at the end of January. Convinced that a loan would be difficult to issue and would raise similar demands by the Germans, Turrettini, the Swiss director of the Banque de Paris et des Pays-Bas, proposed this operation as part of the Latin Monetary Union.[38] The Bankverein was easy to convince, and the deal was concluded at the end of February.[39] Thus, starting in March, the Bank of France sent ecus worth 2 million to Switzerland every fortnight. However, some Swiss and French financiers were keen on going further. At the beginning of June, a group of Swiss banks, led again by the Bankverein, proposed opening a credit of 50 million Swiss francs to a consortium of French banks acting on behalf of the Bank of France in order to facilitate the payment of some commercial imports from Switzerland without weakening the French franc.[40] The Bank of France agreed, and the deal was very discreetly concluded in July, although it was soon revealed in some newspapers.[41] The initial fear became reality two months later: in September, a similar loan under the patronage of the Kreditanstalt was granted to Germany. Because of the war, Switzerland was transforming into the ubiquitous financier of its larger neighbours. Nevertheless, one should not overestimate the significance of this action. Compared to the sizeable amount raised in the United States by France from mid-1915 onwards, the credit amounted to very little money: the first Franco-British loan in October 1915 was worth $500 million, of which half was for France, approximately 1.3 billion francs.[42] In reality, Switzerland itself was having difficulty at the time financing the cost of the mobilisation and the wartime economy. In March 1915, the Confederation had to issue a $15 million loan in the United States (75 million francs).[43] A year later, to avoid depriving the Confederation of the Swiss capital it needed, the Swiss Bankers Association demanded that its members limit the propaganda for subscription to foreign loans for their clientele after criticism of the extent of participation in French mobilisation loans.[44] The 50 million credit to France was mainly due to the initiative of private bankers and the participation of central banks. It appeared to be a single financial action dictated by what was considered at the time only a temporary fluctuation of the French franc of a little more than one-tenth of its pre-war parity. Affinity toward the Entente countries played a role, as Dubois' activism proved, but it would be a stretch to consider the credit as a real political move by the Swiss elite to rebalance their foreign relations with warring countries.

The true turning point in the financial diplomacy between the two countries during the war occurred later, in the second half of 1917, when the value of one FF was under 0.8 Swiss francs. Although this was a minor depreciation, considering what would follow, for contemporaries accustomed to the fixed-rate parity of the Belle Epoque, this situation looked dramatic. Economically, monetary depreciation naturally meant higher prices for imported goods and devaluation of national wealth, but France, the country *par excellence* of rentiers and financial imperialism, also saw it as signalling a deeper political phenomenon: the clearest sign of international decline. One way to counteract the depreciation of the French franc against Swiss currency was to build protectionist barriers on the import of luxury goods from Switzerland to readjust the trade balance. Swiss exports to France increased more than threefold between 1914 and 1917, which resulted in a trade surplus of 157 million Swiss francs during the latter year, while a deficit of 105 million was recorded during the former year.[45] While any product from Switzerland that could be used for the conflict was in high demand by the French, the import of Swiss luxury goods, like silk, was considered unnecessary during a time of monetary disturbance and war. Credits could thus have been a way for the Swiss to lower the quotas imposed by France on these types of imports by temporarily providing the Swiss francs it needed to buy them. In May 1917, Switzerland concluded an agreement with the Reich linking loans and trade, and in September the country supplemented this agreement by creating the Centrale des Charbons, a parastatal financial institution to furnish credits for the import of coal from Germany. The Swiss government proposed a credit scheme to the French authorities in June.[46] Legitimated by previous agreements with the enemy, while likely profiting as well from the consequences of the Hoffmann scandal, which led to the dismissal of the Swiss Foreign Minister after he was involved in attempts to negotiate a separate peace between Russia and Germany, the special delegate of the French Minister of Finance, de Lasteyrie, succeeded in getting significant concessions during negotiations with Swiss bankers and the Federal Council that concluded on 29 September in Bern: a credit of 37.5 million Swiss francs was granted by the banks for the period between October and December, with only 7.5 million of it intended for financing the import of luxury products.[47]

Although its implementation had some problems, this agreement provided the framework for the financial diplomacy between the two countries until the Treaty of Versailles. Governments, banks, and industries were involved in interwoven trade and financial deals. Along with the depreciation of the French franc, two factors undoubtedly had a decisive influence on the intensification of financial negotiation between the two countries from the end of 1917 onwards. On the one hand, Switzerland was facing a deep social crisis that threatened its political stability, due in large part to the deterioration of the economic situation because of inflation and difficulties with provision from foreign countries. Credits became increasingly useful tools for the Swiss negotiators in obtaining commercial concessions. On the other hand, after the Hoffmann scandal and the entry of the United States into the war, Switzerland also had to adopt a more compliant attitude with the Allied countries, even if the Swiss government were convinced of their victory only in the summer of 1918, after the final failure of German offensives in France. Consequently, the former provisional agreement between France and Switzerland was followed by a new convention concluded on 29 December 1917 and lasting for ten months. According to the convention, the amount granted by the Swiss banks would now depend on the tonnage that could be imported to Switzerland, and in June 1918 the Société financière suisse, an organisation similar to the Centrale des Charbons, was created under Dubois' initiative to coordinate the management of credits to the Entente countries.[48] Indeed, after unsuccessfully trying to link negotiations with France during the second part of 1917, Great Britain finally signed a very favourable agreement with the Swiss Confederation on 20 March 1918. According to this agreement, Switzerland had to provide a maximum of 10 million Swiss francs monthly to avoid restrictions on trade and secure overseas imports.[49] In 1919, currency credits negotiated through official financial agreements amounted to more than 800 million Swiss francs, of which more than 60% was divided almost equally between Germany and France.[50] This was an estimable amount of money, although Switzerland was no exception among the neutral nations during the war: the sum was comparable to what the Dutch banks granted to foreign countries with the collaboration of the central bank for financing trade until the armistice.[51] Credits became one of the main weapons for Switzerland and other neutral countries. They mitigated the Blockade policies of the European warring countries, even if the significance of financial compensations was not exactly the same for each economic partner: while for France, trade and financial relations with Switzerland were of real importance, in London, the granting of credit was seen, above all, as a political gesture expected from the Swiss Confederation as its ruling circles had been viewed by English diplomats as excessively Germanophile during the war.

However, unlike what would happen during the second post-war period, the financial weapon lost its importance after the armistice among negotiations with the Allied powers. Amid acute budgetary difficulties of the Confederation, the Swiss ruling circles were reluctant to grant new foreign credits, and the United States, which now led the economic negotiations with neutral countries, did not need Swiss money after the war. On the contrary, to finance its public debt, the Confederation issued four loans in America between 1919 and 1924. Considering the geostrategic importance of having a stable and prosperous Switzerland in the middle of Europe while Germany, Austria, and Italy were facing revolutionary turmoil, Great Britain also stopped asking for financial contributions. However, for a short period, France was still of an opposite mind for political and economic reasons: in Paris, neutral financial centres such as Switzerland and Holland were seen as war profiteers that had a moral duty to help France recover from the damages of fighting.[52] In January 1919, during negotiations between Switzerland and the Allied powers in Washington, France secured an article that opened the door to further credits.[53] After bilateral discussions in March and July, the Swiss offered a small credit line of 30 million Swiss francs to the French Treasury against some measures of economic liberalisation.[54] Contrary to the radical transformation of the economic system that would occur after the Second World War, it is likely that the mirage of a rapid return to pre-war liberal order, thanks to German reparation, mitigated French demands on Swiss finance after the Great War. Nonetheless, France remained the villain for Swiss finance for a few years, refusing, for instance, equality of treatment to neutrals on some financial clauses of peace treaties and suspecting, with reason, Switzerland of receiving large amounts of evaded capital from Germany. At the same time, Swiss rulers accused the French of hindering the reestablishment of the gold standard because of their policy of strength against the losers of war. Hyperinflation in Germany would be very costly for Swiss investors because of the extent of their interests in this country, but the fault of monetary disturbances was often placed on France and its reparations policy.[55]

A little help from our neutral friends: The discreet role of Swiss bankers in the stabilisation of the France from 1926 to 1928

European post-war inflation, even more than the war itself, was decisive in the emancipation of Swiss finance. Because of the dramatic hike in taxes and the rapid depreciation of currencies in former warring countries, amid an acute political crisis, huge amounts of money were moved from neighbouring countries to Switzerland between the armistice and the first part of the 1920s, more than during the years of the conflict. Trusts, holdings, and domiciled companies also proliferated in the Swiss Confederation to avoid taxes and regulations in the capital owners' home countries. Some 8 billion Swiss francs came into Switzerland from 1914 onwards, predominantly from a few countries, namely Germany, France, and, to a lesser extent, Austria, Italy, and Belgium, whose currencies were now severely depreciated against the Swiss franc. At the end of 1921, German capital hidden in Switzerland amounted to more than half of all the money deposited in the seven biggest Berlin banks.[56] Although no comprehensive estimates have been found in the archives, the French money that moved to Switzerland was also a substantial amount; perhaps 2 or 3 billion Swiss francs were added to the wealth that had already been stashed in the Swiss Confederation during the decade before the war.[57] Capital flight from France intensified from the second half of 1924 until the summer of 1926, when, as demonstrated by Jean-Noël Jeanneney, the Cartel of the Left (Cartel des gauches) was facing distrust towards its financial policy from the 'mur d'argent', the French nickname used at the time to characterise the opposition of capital owners.[58] However, even after the return to power of Raymond Poincaré in July 1926 and the stabilisation of the French franc at one-fifth of its pre-war value against the dollar and the Swiss franc, Swiss banks remained attractive to French clientele, at least for avoiding taxation at source on coupons. In 1930, approximately 29.3 billion Swiss francs (146 billion FF) were administered by Swiss banks, almost four times more than before the war; French capitalists, along with the Germans, remained the best customers of the Swiss tax haven.[59] With 'a banking system carefully designed to be a gigantic conspiracy against the fiscal authorities of other countries', according to an expert at the Bank of England,[60] wealth management was obviously the new *raison d'être* of the Swiss financial centre. Because of this, Switzerland could position itself during the second half of the 1920s as one of the four main creditors of other European countries, with Great Britain and the Netherlands, behind the United States.[61]

Considering the huge amount of imported capital, the Swiss could have been concerned about being under deep foreign influence. Indeed, at the end of the war, all the great powers were planning a financial expansion on Swiss territory, for instance, by the implementation of bank branches. Not without reason, the Quai d'Orsay was worried about a possible penetration of German industrialists' interests into the Swiss economy.[62] However, no such threat materialised. Soon, the financial disturbances and monetary depreciations weakened the foreign capitalists' attempts to assume influential positions on the Swiss market. Unlike what had happened during the Belle Epoque, it was not the imperialistic capital that was strategically placed in Switzerland after the war, but the money of fearful wealthy owners trying to find safe refuge. Still, the Swiss capitalists utilised this situation to get rid of foreign competitors. Very few foreign banks were authorised to implement new branches in Switzerland, and as early as 1919, the Confederation built a legal protectionist barrier to hinder the foreign capitalists' influence in Swiss limited companies: their boards would have to be imperatively composed of a majority of Swiss citizens.[63] While Switzerland and its banking secrecy appeared to be one of the last remaining havens of the Belle Epoque's financial liberalism for the European bourgeoisie, the country transformed itself into an Alpine fortress so that foreign competitors could not profit from its new competitive advantages. Released from the threat of French and German imperialism, the Swiss offshore centre now had significant influence over the policies of European countries. During the 1920s, Switzerland led tax competition in Europe, contributing to the decline of progressive tax rates in other countries at the end of the decade. As a significant creditor, the Swiss financial centre took part in the temporary reestablishment of the gold standard at the end of the decade based on the reflux of capital into former inflationary countries, often acting closely with the Bank of England, although its contribution to the international stabilisation loans remained much lower than those of Great Britain and the United States.[64] Simultaneously, the Swiss Bankers Association, the Swiss National Bank, the government, and diplomats cooperated more closely than they had before the war in a kind of liberal corporatism to protect Swiss investments abroad and coordinate foreign policy and financial relations.[65] If this was not the rise of Swiss imperialism, the exported capital being placed mostly in large countries during the interwar years, it was at least a new phase of affirmation of financial diplomacy for the Confederation.

Nothing demonstrates the change in the international position of Swiss finance between the pre-war years and the 1920s more clearly than its relations with France. As Pierre Guillen analysed thirty-five years ago using French diplomatic sources, the Swiss financial centre, with its Dutch counterpart, significantly contributed to the stabilisation of the franc in 1926. Whereas Switzerland had to find the money for state loans in Paris and negotiate its monetary stability with France until the end of the Belle Epoque, the relationship was now the exact opposite. Indeed, after having refused to grant credits to the French state from 1923 onwards, Swiss bankers agreed to issue loans for public railway companies as soon as the national union government led by Poincaré came to power in July 1926, thus stimulating the return of capital to France and helping halt the collapse of the franc.[66] While serious contention on foreign policies—the Ruhr occupation, for instance—with the former French government in 1923–1924 hindered such a financial move, the Swiss bankers were also reluctant to lend money to the Cartel of the Left in 1924–1926, insisting at the beginning of 1925 on the lack of confidence among French and foreign capitalists in the economic programme of this coalition, as well as criticising the attempt made at the time to establish a cooperation against tax evasion at the League of Nations that threatened banking secrecy.[67] By welcoming French capital during the Cartel coalition while closing the door to credits, Switzerland aggravated the monetary crisis that would bring down the left-wing coalition; it then consolidated the economic restoration conducted by Poincaré with loans partly subscribed by French capital formerly exported into the Swiss Confederation.[68] In September 1926, the first long-term loan of 60 million Swiss francs (300 million FF) for the French State Railways (Chemins de fer de l'Etat français) was issued in Switzerland under the patronage of the Kreditanstalt. Approximately 2.4 billion FF in total was lent to the French state through different long-term loans to the French railway companies by Swiss and Dutch financial centres between the summers of 1926 and 1927. This was almost the equivalent of the sum of all the European tranches of the Dawes loan in 1924.[69] Certainly, from a strictly national point of view, this process was somewhat absurd: Switzerland was in a sense the money doctor that bled France before administering it a transfusion of the same blood. However, the neighbouring presence of the Swiss tax haven was, on this occasion, most attractive, not only economically but also politically, to the French bourgeoisie. For the first time in the twentieth century, Switzerland became a sort of protector of financial conservatism for France. Despite the need to balance the budget, the Poincaré government immediately began in summer 1926 with tax cuts on high incomes, which would align the French fiscal system with the practices of the Swiss tax haven to reinforce capitalists' confidence.[70]

It could be argued that the loans granted by Switzerland and the Netherlands were small compared to the major flow of wealth and investments that came back to the country from summer 1926 onwards, and that therefore France did not need these credits to stabilise its currency. Indeed, as soon as Poincaré's government came to power, the import of capital to France became tremendous: after a few months, at the end of 1926, the franc was already de facto stabilised. Until the eruption of the European banking crisis in 1931, more than 50 billion FF were imported to France, approximately the same amount as the outflows between 1921 and 1926. The Bank of France's reserves were full of foreign currencies at the end of the decade, before the central bank converted them into gold.[71] Paradoxically, the under-evaluated franc would become one of the strongest currencies in the world from 1928 onwards. Compared to these huge inflows of capital, Swiss credits seem almost anecdotal, as during the war. However, this argument, which could also be used for the Dawes loan in Germany, misunderstands the political importance of the credits in neutral countries. In the summer of 1926, no French politicians expected monetary stabilisation to be so easily achieved. Under pressure from the so-called revaluationists, like François de Wendel or Edouard de Rothschild, who wanted the franc to approach as near as possible its pre-war rate, the government hesitated to fix the new exchange rate at a much higher level, which would have demanded greater financial effort.[72] Yet, at the time, help from foreign banking centres, usually a prerequisite for monetary stabilisation after inflation in Europe during the 1920s, was a contentious issue in France, especially for this very same nationalist revaluationists, because the government's options were very costly. The British and American financial markets were closed to the French for loans until France ratified its agreements on war debts signed by the former coalition, which it refused to do until summer 1929.[73] Foreign Minister Aristide Briand was contemplating another plan: to find money in Germany by a commercialisation of the reparations debt. On 17 September 1926, during a three-and-a-half-hour discussion with Stresemann in the small village of Thoiry near the Genevan border, a surprisingly ambitious plan emerged: Jacques Bariéty shows that to get slightly more than 6 billion FF, Briand was ready to consider the immediate return of the Saar to the Reich, the demilitarisation of the Rhineland in one year, and the end of Allied direct control on disarmament, abandoning almost all French military goals towards Germany.[74] If one of these two schemes had been adopted, the payment of war debts or the Thoiry plan, international relations in Europe would have dramatically changed during the 1920s.

Despite some hesitation, it was clear that the more modest, neutral option was undoubtedly the best one for the nationalistic Poincaré, who was reluctant to place France under British and American financial dependency or German patronage. In summer 1926, just a few days after the creation of the new cabinet, when the director of the Kreditanstalt, Rudolf Bindschedler, proposed to the director of the Mouvement général des fonds (French Treasury) Clément Moret, to issue a loan in Switzerland, the French authorities immediately supported him.[75] The Swiss francs received by France were used to rebuy the silver ecus exported to Switzerland because of the depreciation of the French currency, according to the convention signed on 9 December 1921 by the members of the Latin Monetary Union.[76] Then, what was called the strategy of small packages in France was started: the issuance of a series of loans for French public railway companies in neutral countries until the beginning of the 1930s.[77] The success of the first loan in September, as well as the following ones, could be publicly presented as proof of the new credit that France enjoyed in international financial markets, and it boosted the confidence of French and foreign capitalists: the high number of subscriptions in neutral countries was a sort of plebiscite given by international finance after a decade of monetary disturbances.[78] Although the ascendency of the Swiss banking centre was only a marginal cost on the chessboard of international politics for France, Switzerland utilised its new financial position to the greatest extent. For Swiss capitalists, the loans were primarily very good business: a 7% interest rate was common during the second half of the 1920s, while the average interest rate of the Swiss loans issued in Paris during the Belle Epoque had been 3.5%. However, as far as Swiss banks were concerned, the loans also had a deeper political significance. These loans provided them with the highest reputation among French ruling circles, although at the time they were still managing a huge amount of illicit evaded capital from France and were investing much more on the German market, sometimes using French capital.[79] Following a strategy of rehabilitation that had started at the end of the war, after having been accused of Germanophile tendencies during the conflict, the Kreditanstalt led French issuances.[80] Yet, this bank ended the 1920s as perhaps the largest manager of international wealth on the European continent, with a huge administered portfolio of 26 billion FF in 1930, and as one of Germany's main private European creditors.[81] In a sense, the loans to France could be considered the financial side of the balanced foreign policy among European powers that the Swiss Confederation pursued during the Golden Twenties.[82]

Business as usual?: The paradoxical Swiss financial ascendency over France during the 1930s

At the end of the 1920s, the Swiss banking centre was contributing in several ways to the revival of German power, but it was also acting through the loans, perhaps unintentionally, as an indirect supporter of the revival of French financial diplomacy in Eastern Europe.[83] From 1929 to 1933, the previous 'imperialism of the poor', an expression used by Georges-Henri Soutou to characterise France's foreign policy during the 1920s,[84] became a bit richer because of monetary stability and relied, as during the Belle Epoque, on credits. Beyond this general financial framework, each negotiation was an opportunity for Switzerland to gain economic concessions from France. Yet, contrary to what had happened between 1890 and 1910, Swiss banks, industries, diplomats, and the national bank worked together to use the financial weapon against France during the second half of the 1920s. The close relationships among the diverse components of Swiss financial capitalism and their integration in the decision-making process in foreign politics encouraged such a strategy. At the same time, the political opposition in Switzerland also induced it. The export of capital was a contentious issue: Socialist and agrarian deputies found common ground in financial nationalism, and in parliamentary debates they deplored the fact that international finance was depriving the Swiss economy of the investments it needed and was pushing up interest rates, although the cost of money in the country was now one of the lowest in Europe. Consequently, in 1925–1927, the commercial banks and the Swiss National Bank adopted a modus vivendi that allowed the authorities to supervise the issuance of foreign loans.[85] Linking credits with commercial selling and other economic deals became common practice in negotiations with foreign states in need of the abundant liquidity the Swiss financial centre possessed towards the end of the 1920s, thanks partly to the influx of capital from the very same countries. France also had to pay this price for long-term loans in a monetary environment that was much more febrile than the one during the Belle Epoque despite the attempt to rebuild the gold standard in Europe. While credits were essentially used as a defensive tool against blockade policies during wartime in negotiations in which Switzerland was often in the demand position, they looked much more like offensive weapons during the second half of the 1920s.[86] Ultimately, the beggar took the place of the banker, and vice versa. The liquidation of the Latin Monetary Union, which had been no more than a set of agreements to assess the condition in which metallic currencies would be repatriated from one country to another during the last decade, occurred on 31 December 1926. This was a formal political sign of the definitive end of the pre-war era of French monetary ascendency over Switzerland.[87]

At first sight, this situation seemed to be short-lived. With plenty of gold and foreign currencies, and experiencing a period of cheap money, France would be less in need of Swiss loans after the *de jure* stabilisation of the franc in 1928.[88] From summer 1930 onwards, it started to reimburse the loans. However, French financial dependency had not completely ended for two reasons. Firstly, a substantial part of the sums of the loans was converted rather than repaid in order to maintain contact with the Swiss banks, since this could have been of use in the future.[89] Sources prove that these loans were seen as being politically important for French rulers, and although Swiss banks were in a less ascendant financial position at beginning of the 1930s than in 1926 because of the significant impact of the German banking crisis, these operations also remained very fruitful for them for this political reason. How much influence credits had on the maintenance of banking secrecy and offshore businesses is hard to assess. After the monetary stabilisation of 1926, pressures against the Swiss tax haven remained low for a full decade. Certainly, in autumn 1932, during the second Cartel of the Left, a scandal erupted in Paris after the police investigated an illegal office held in a hotel by one of the major commercial banks, the Banque commerciale de Bâle, to serve its French clients, following a common practice of the Swiss offshore centre. Nevertheless, although it involved more than one thousand taxpayers and some 550 million FF of illegal exported capital, the scandal was soon stifled in tortuous judicial procedure.[90] It is perhaps significant that the Kreditanstalt and the Bankverein were not investigated the way the Banque commerciale was, although French authorities were perfectly aware that they were conducting business with their clientele on the French market in the same manner.[91] Interestingly, because of the scandal, in December 1932 the Kreditanstalt threatened to cancel the issuance of a conversion loan of the Alsace and Lorraine Railways (Chemins de fer d'Alsace et de Lorraine), which certainly had some impact on the lenient attitude of the French authorities.[92] Secondly, the way France chose to reimburse a part of the loans had serious consequences when the outflow of money started again and the railway companies experienced renewed financial troubles. From 1933 onwards, as the French state asked Swiss and Dutch banks to grant short-term credits to facilitate the reimbursement, the railway companies found themselves in an aggravated dependency to their creditors, being unable to repay the loans and having to ask for a prolongation of the date of payment of the credits.[93]

That same year, at the London Conference, everything proceeded as if the Latin Monetary Union would be revived. Against the British and American devaluationists and the German and East European autarkists, France, Belgium, Italy, and Switzerland, this time along with the Netherlands and Poland, decided to maintain the sacred triangle of the gold exchange standard: deregulation of capital flows, financial orthodoxy, and monetary stability. In July in Paris, in the aftermath of the conference, these countries created the so-called Gold Bloc.[94] However, this was far from a renewal of the French monetary ascendency of the Belle Epoque for Franco-Swiss relations. After a brief period of capital inflow in 1934, which followed the creation of the National Union Government led by Doumergue after the events of 6 February, the problems of the early 1920s soon reappeared in France.[95] Capital flight became endemic after the devaluation of the Belgian franc in March 1935, and there was then massive capital outflow with the advent of the Popular Front: the Bank of France estimated in 1938 that the invisible capital outflow from France was approximately 72.5 billion FF in 1935–1937.[96] Thanks to the immense accumulation of gold reserve from 1931, which was facilitated by the capital inflow into the tax haven, the Swiss National Bank was in a more comfortable position to defend the Swiss franc. Certainly, even if political voices against the economic cost of monetary stability and austerity increased from 1935 onwards in Switzerland, it was the French decision to devaluate the franc on 25 September 1936 that precipitated the choice of the Swiss government to follow this course the next day, before the Dutch did the same.[97] With the adherence of the Confederation to the tripartite agreement signed by France, the United Kingdom, and the United States, a monetary cooperation formally remained in place. Nevertheless, this echo of the pre-war monetary union was in fact a mirage, which was confirmed by two other devaluations of the French franc before the war, without Switzerland copying its neighbour's policy on these occasions. On the contrary, Switzerland experienced a new phase of easy money due to capital inflow and repatriations after the devaluation.[98]

Despite the singular 30% devaluation of the Swiss franc, 1936–1939 looked somewhat like a revival of the period between 1924 and 1927 for Franco-Swiss financial relations. During the Popular Front, Switzerland hosted a significant proportion of French capital flight. Possibly 4 billion Swiss francs, that is, one-third of the wealth that went out of the country, were stashed in Switzerland from 1935 onwards, before a large part of the capital, perhaps half of it, was re-exported on the US market under the Swiss flag.[99] The French capital owners thus benefitted from the protection of Swiss banking secrecy and the distance from European political disturbances. The new circular flows of money explain why Switzerland became the second-largest foreign buyer of US securities, behind the United Kingdom, at the end of the 1930s.[100] Nevertheless, as with the Cartel of the Left, Swiss bankers remained reticent to grant loans to the Blum-Auriol Ministry. In February 1937, the Kreditanstalt and the Bankverein were only keen on offering a short-term credit of 100 million Swiss francs, with very unfavourable conditions, which would have temporarily helped the budget but would certainly have had the opposite effect on confidence. The French government refused the offer.[101] Like a decade back, the Swiss financial centre had no revolving door on the French borders when the left was in power: it welcomed the capital, closed the entrance, and let it fly through a back door across the pond. There is no doubt that this contributed to the financial difficulties of the French state. Yet, after Blum was defeated by the parliament on 29 June 1937 in its attempt to gain full power to proceed towards financial recovery, the Swiss commercial banks started new negotiations for a credit under the more moderate government of Camille Chautemps.[102] The negotiations concluded in October 1937 with the decision to issue a two-year loan of 200 million Swiss francs for the Grands Réseaux des Chemins de fer français (1.3 billion FF) that would be consolidated through a six-year loan in Switzerland and the Netherlands in June 1939. Everything proceeded as though the new government had again accomplished Poincaré's 1926 tour de force. Ironically, one of the main concessions France had to offer to the Swiss in these negotiations was the signature of a double taxation agreement without exchange of information on tax evasion, thus maintaining the banking secrecy that was criticised by the former coalition while giving tax advantages to Swiss investments on the French market.[103] The structural function of the Swiss offshore centre for financial liberalisation and its role in tax competition was once more in force: by the economic and political disturbances it created, the capital flight obliged France to eliminate the regulation it was escaping in the hope of facilitating its repatriation. During the 1960s, a famous French economist called this trick the 'capitalists' blackmail', comparing it to a general strike of workers.[104] If the expatriation of the 'mur d'argent' was not a coherent strategy decided by the bourgeoisie as a whole but more akin to small and big stones being thrown out of the country individually, the impact of the desertion of capital on the French economy was surely as disruptive as social movements.

However, the monetary miracle did not happen this time as it did in 1926. The political shift in the summer of 1937 was not pronounced enough to regain the full confidence of capital owners. It was not before November 1938 that a massive amount of the wealth came back to France. The economic reform led by Paul Reynaud, associating financial orthodoxy with the increase in working time, was the decisive turn: approximately 25 billion FF came back to the country by September 1939.[105] Neutral banks accompanied the trend. The financial contribution of the Dutch and Swiss markets to the French state before the beginning of the war was more critical than it was in 1926–1927. After lending short-term credits to the railways and the Treasury from October 1937 onwards, they issued three large long- and mid-term loans in favour of the French state between January and June 1939 in order to consolidate these credits as well as former loans issued to the railways between 1924 and 1932, amounting in total to 8.4 billion FF.[106] Deeply involved in the financing of French railway companies from 1932, sometimes using

German capital,[107] the Jewish bank Mendelssohn in Amsterdam, more than the Kreditanstalt and the Bankverein, was now the leader of these operations, profiting from the reticent attitude Swiss financial centre had in 1935–1937.[108] For Swiss banks, in possession once more of huge liquidities due to capital inflow, notably from France, the loans were, above all, opportunities for fruitful foreign investments while access to the majority of the European markets was restrained due to financial autarky. However, Swiss bankers admitted this assistance was not devoid of a political dimension, as it consolidated the budgetary situation of France and as such indirectly participated in its rearmament, while inducing an economic rapprochement between the two countries.[109] Both governments and central banks were also closely involved in these financial negotiations. In reality, there is no doubt that French loans were supporting Switzerland's neutral policy, as they had during the second half of the 1920s. Before the war, the desire to balance the relations between powers was schematically characterised by a diplomatic appeasement towards the Axis countries, exemplified in the distancing of the League of Nations, and by a commercial and financial rapprochement with France, Great Britain, and the United States, stimulated by the fear of Nazi Germany and the anticipation of the economic difficulties of the war.[110] In welcoming capital flight from 1935–1937, Switzerland had surely increased the 'price of rearmament', to borrow from the title of Robert Frank's book on the economic preparation for war in France, but it also contributed to the financial recovery in 1938–1939 with its credits.[111] However, one final point should be not be forgotten: many capitalists who placed their money in France during the year before the war were likely still betting, following the Munich Conference, on the persistence of an appeasement policy by Daladier's government. Based on this view, the loans granted by the Swiss banks should not be considered as a sort of financial support against the Nazis.

At the end of this survey of fifty years of history of financial relations, two general historical observations come to mind—one about Switzerland, the other about France—which could provide food for thought beyond the narrow circle of experts on this specific topic. First, by offering a narrative of bilateral relations over the long run, which is rare in the modern history of Swiss foreign policy, this article has indicated how to weigh more carefully the international position of this country. The multiplication of precise case studies during recent years has prevented historians from questioning the overall pattern of Switzerland's foreign relations and its evolution over the twentieth century, while broad, often oversimplistic, and static interpretations of the German affinities of Swiss elites or imperialism are, explicitly or implicitly, still widely admitted. This article has proposed a nuanced perspective that insists on the changes of Switzerland's international position during this half century without granting credits on myths about Confederation's sacred neutrality or misrepresenting the reality of Swiss capitalism. Second, in addition to demonstrating the interest of the history of relations with small neutral countries, which receive little treatment in French historiography, this study should remind French historians of the extent to which, at least during the period considered here, finance was a key component of France's foreign relations, although its impact was sometimes paradoxical. It is not enough to make hagiographical accounts of the pioneering work on financial diplomacy of the French historical school of international relations without integrating their results in recent studies[112]: even cultural approaches could not avoid taking into account the fact that currency rate was one of the most crucial factors in determining foreign policies, a fact that also had much to do with discourses and representations of European elites during the gold standard era.

What happened next between Switzerland and France? During the Phoney war, credits would once again find themselves on the negotiating table between Switzerland and the Allied countries. Swiss banks and the British government discussed a credit scheme in parallel to the negotiations of the war trade agreement between France, Great Britain, and Switzerland in April 1940. It would never be put in force: the defeat of France temporarily reversed the pattern of financial relations. In August 1940, strongly incited to demonstrate its usefulness within the new order that appeared to emerge in Europe, the Swiss state granted its first clearing loans to Italy and

Germany. The former received 200 million Swiss francs, part of which was in the form of a currency advance provided by private banks, whereas the latter only received, at the time, a state credit of 150 million Swiss francs, which was extended in the following year to a much higher amount of 850 million Swiss francs. Despite the great wealth it had in the United States, which was blocked from June 1941 onwards, Switzerland transformed itself into the privileged offshore centre for Axis powers. However, a new shift would occur at the end of the war. While the Swiss economy was now attempting to integrate into the capitalist sphere dominated by the United States, Swiss loans granted to victor countries played a decisive role in international negotiation once again. These after-war negotiations are already well-known, but astonishingly, what happened during the interval, between Vichy and the Confederation from 1940 to 1944, remains unclear. This interlude of Franco–Swiss relations appears as a black hole, and its history must be written almost in its entirety.[113]

Notes

1. See, for the pre-war years, F. Walter, 'Finance et politique à la Belle Epoque. La France et les emprunts de la Confédération helvétique (1890-1914)', *Revue suisse d'histoire*, 32 (1982), 421-50; Sébastien Guex*, La politique monétaire et financière de la Confédération suisse, 1900-1920* (Lausanne: Payot, 1993), 59 ff. For the war years, Malik Mazbouri, 'Place financière suisse et crédits aux belligérants durant la Première Guerre mondiale' in Sébastien Guex (ed.), *La Suisse et les grandes puissances 1914-1945. Relations économiques avec les États-Unis, la Grande-Bretagne, l'Allemagne et la France* (Geneva: Droz, 1999), 59-90; Malik Mazbouri, 'Capital financier et politique extérieure à la fin de la Première Guerre mondiale: la création de la Centrale des Charbons (1917) et de la Société Financière Suisse (1918)' in Jean-Claude Favez, Hans Ulrich Jost and Francis Python (ed), *Les relations internationales et la Suisse* (Lausanne: Antipodes, 1998), 45-70. For the 1920s, Pierre Guillen, 'Les relations financières franco-suisses après la Première Guerre mondiale' in Raymond Poidevin and Louis-Edouard Roulet (ed.), *Aspects des rapports entre la France et la Suisse de 1843 à 1939* (Neuchâtel: La Baconnière, 1982), 155-71. For the 1930s, see Marc Perrenoud and Rodrigo López, *Aspects des relations financières franco-suisses (1936-1946)* (Lausanne: Payot, 2002), 74-84; Marc Perrenoud, *Banquiers et diplomates (1938-1946)* (Lausanne: Antipodes, 2011), chapter 5. The long-run history of the relations between Switzerland and France on fiscal issues and capital flight has been examined in Christophe Farquet, *Histoire du paradis fiscal suisse. Expansion et relations internationales du centre offshore suisse au XXe siècle* (Paris: Presses de Sciences-Po, 2018).
2. For instance, Dominique Dirlewanger, Matthieu Leimgruber and Gian-Franco Pordenone, 'L'Allemagne a-t-elle encore besoin de la Suisse ? Le capitalisme helvétique en Europe (1890-1970)' in *Bienvenue en Euroland ! De l'Europe de Maastricht à l'euro* (Lausanne: Antipodes, 1998), 97-136; Sébastien Guex, 'De la Suisse comme petit État faible. Jalons pour sortir d'une image en trompe-l'oeil' in Guex, La Suisse, 7-29. Against this view, see H. U. Jost, 'A rebours d'une neutralité suisse improbable', *Traverse, Revue d'histoire*, 1 (2013), 200-14.
3. Banque nationale suisse, *Manuel statistique du marché financier suisse* (Zürich: Schulthess, 1944), 24-25. This amount includes the loans guaranteed by the states that were granted for instance to railway companies.
4. Raymond Poidevin, *Les Relations économiques et financières entre la France et l'Allemagne de 1898 à 1914* (Paris: Comité pour l'histoire économique et financière de la France, 1998 [1st ed. 1969]).
5. See, among others, T. David, 'Un impérialisme suisse?', *Traverse, Revue d'histoire*, 5 (1998), 7-16 who even associates the methods of domination of the so-called Swiss imperialism with British and US ones. For a survey of Swiss literature on this issue, with a more balanced view in conclusion, see B. Etemad and M. Humbert, 'La Suisse est-elle soluble dans sa "postcolonialité"?', *Revue suisse d'histoire*, 64 (2014), 279-91.
6. Malik Mazbouri, *L'Émergence de la place financière suisse (1890-1913)* (Lausanne: Antipodes, 2005).
7. Serge Paquier, 'Banques, sociétés financières, industrie électrique de 1895 à 1914' in Youssef Cassis and Jakob Tanner (ed.), *Banques et crédit en Suisse (1850-1930)* (Zürich: Chronos, 1993), 241-66.
8. Poidevin, Relations économiques, 489.
9. Thibaud Giddey, 'The Regulation of Foreign Banks in Switzerland (1956-1972)' in Melanie Aspey et al. (ed.), *Studies in Banking and Financial History. Foreign Financial Institutions and National Financial System* (Frankfurt am Main: The European Association for Banking and Financial History, 2013), 457-9.
10. Paul Bairoch, *Victoires et Déboires. Histoire économique et sociale du monde du XVIe siècle à nos jours*, vol. 2 (Paris: Gallimard, 1997), 317-18.
11. Rolf Zimmermann, *Volksbank oder Aktienbank? Parlamentsdebatten, Referendum und zunehmende Verbandsmacht beim Streit um die Nationalbankgründung, 1891-1905* (Zürich: Chronos 1987).
12. See, for instance, Raymond Poidevin, 'Aspects militaires des relations franco-suisses avant 1914' in Raymond Poidevin and Louis-Edouard Roulet (ed), *Aspects des rapports entre la France et la Suisse de 1843 à 1939*

(Neuchâtel: La Baconnière, 1982), 85-93. On economic relations, see Cédric Humair, *Développement économique et Etat central (1815-1914). Un siècle de politique douanière suisse au service des élites* (Bern: Peter Lang, 2004), 580 ff.; Phillipe Gern and Silvia Arlettaz, *Relations franco-suisses. La confirmation de deux politiques économiques* (Geneva: Georg, 1993), 117 ff.

13. Peter Hertner, 'Les sociétés financières suisses et le développement de l'industrie électrique jusqu'à la première guerre mondiale' in Fabienne Cardot (ed.), *1880-1980, un siècle d'électricité dans le monde* (Paris: PUF, 1987), 341-55.
14. On the functioning of the Union, see Lucien Gillard, *L'Union latine. Une expérience de souverainetés monétaires partagées (1865-1926)* (Paris: Garnier, 2017).
15. The first of these operations of the Swiss Confederation in Paris was a loan of 31.2 million francs at 3.5%. Savigny-Le-Temple, C[entre des] A[rchives] E[conomiques et] F[inancières], B 0031276/1, file "Confédération suisse 3,5%, 1887". On loans in France, see Traugott Geering*, Die Verschuldung der Schweiz an Frankreich* (Zürich, Schulthess, 1904); Walter, 'Finance et Belle Epoque'.
16. The amount includes loans for the Confederation, cantons and municipalities, as well as for railways. See Roger Catin, *Le portefeuille étranger de la France entre 1870 et 1914* (Paris: Jouve, 1927), 153-214.
17. Hans Seitz, *Schweiz. Anleihepolitik in Bund, Kantonen und Gemeinden* (Zürich: Orell Füssli, 1915), 262.
18. See, for instance, Hans Rudolf Ehrbar, *Schweizerische Militärpolitik im Ersten Weltkrieg, Die militärischen Beziehungen zu Frankreich vor dem Hintergrund der schweizerischen Aussen- und Wirtschaftspolitik 1914-1918* (Bern: Stämpfli, 1976), 11-38.
19. Adolf Lacher, *Die Schweiz und Frankreich vor dem Ersten Weltkrieg. Diplomatische une politische Beziehungen im Zeichen des deutsch-französischen Gegensatzes 1883-1914* (Basel: Helbing und Lichtenhahn, 1967).
20. Walter, 'Finance et Belle Epoque', 429; Guex, La politique monétaire, 88-105.
21. Georg Kreis, 'Die Schweizerreise des französischen Präsidenten Fallières und die deutsch-französischen Rivalitäten in den Jahren vor dem ersten Weltkrieg' in Cinq siècles de relations franco-suisses, 233-44.
22. On the use of this financial weapon, see for instance, René Girault, *Emprunts russes et investissements français en Russie 1887-1914* (Paris: Comité pour l'histoire économique et financière de la France, 1999 [1973]).
23. Delcassé to Caillaux, 19 Oct. 1899; Appendix to the Political report of the French Embassy in Bern, 7 dec. 1898, CAEF, B 0031275/1.
24. Indeed, from time to time, the French reminded the Swiss of their financial dependency, as during the commercial negotiations in 1906. Chargé d'affaires of the French Embassy in Bern to Bourgeois, 21 Aug. 1906, Paris, A[rchives du] M[inistère des] a[ffaires] é[trangères], Suisse, 18. In two cases, the acceptation of the issuance of a federal loan in Paris was deferred by the French in order to profit economically from the situation: Pichon to Caillaux, Aug. 1907; Pichon to Cochery, 11 Dec. 1909, CAEF, B 0031276/1.
25. Jacques Thobie, *Intérêts et impérialisme français dans l'Empire ottoman (1895-1914)* (Paris: Publications de La Sorbonne, 1977).
26. For these two points, see Guex, La politique monétaire, 59-108.
27. Werner Stauffacher, *Der Schweizerische Kapitalexport unter besonderer Berücksichtigung der Kriegs- und Nachkriegsperiode* (Glarus: Tschudy, 1929), 245-64.
28. For instance, Maurice Brion, *L'exode des capitaux français à l'étranger* (Paris: A. Rousseau, 1912). On the opposition of French capitalists to taxes and capital flight, see also Lardy to Hoffmann, 12 Jul. 1914, in *Documents diplomatiques suisses*, vol. 6 (Bern: Benteli, 1981), 2-5.
29. For example, French Consulate in Basel to Pichon, 28 Sept. 1908, AMAE, Suisse, 18. For estimates on foreign investments of France during Belle Epoque, Maurice Lévy-Leboyer, 'La capacité financière de la France au début du XXe siècle' in Maurice Lévy-Leboyer (ed.), *La position internationale de la France: aspects économiques et financiers, XIXe-XXe siècles* (Paris: EHESS, 1977), 7-33.
30. Christophe Farquet, *La défense du paradis fiscal suisse avant la Seconde Guerre mondiale. Une histoire internationale* (Neuchâtel: Alphil-Presses universitaires suisses, 2016), 77-92.
31. Farquet, Histoire du paradis, 180.
32. See AMAE, Guerre 1914-1918, Affaires financières, Suisse, no 1493a, fos. 125 ff.
33. Heinz Ochsenbein, *Die verlorene Wirtschaftsfreiheit. Methoden ausländischer Wirtschaftskontrollen über die Schweiz* (Bern: Stämpfli, 1971), 201-46.
34. Minutes of the Vorstand of the Swiss Bankers Association, 24 Apr. 1915, Zürich, A[rchives of the] S[wiss] B[ankers] A[ssociation].
35. See Report of Sayous, 29 Oct. 1915. For Dubois' actions, see, for instance, Dubois to Gout, 13 May 1915, AMAE, Guerre, Affaires financières, Suisse, no 1493a.
36. See among others, Note of de Maulde, Aug. 1915, Paris, A[rchives of the] B[ank of] F[rance], 1370199601/1.
37. Compare with the narrative of the beginning of the negotiations in Mazbouri, 'Place financière'.
38. On this trip of Turrettini in Switzerland, see Report of Sayous, 29 Jan., 1916; Beau to Briand, 2 Febr., 1916, AMAE, Guerre 1914-1918, Affaires financières, Suisse, no 1493b.
39. Pallain to Dubois, 24 Febr. 1916; Bankverein to Pallain, 28 Febr. 1916, ABF, 1060200109/19.

40. Dubois to Pallain, 9 June 1916, ABF, 106020019/19; Sayous, Note of 11 June 1916, AMAE, Guerre 1914-1918, Affaires financières, Suisse, no 1493b.
41. The duration of the credit was 18 months. Minutes of the Conseil général, 4 July 1916, ABF, 1069198804/10; Beau to Briand, 27 July 1916, AMAE, Guerre 1914-1918, Affaires financières, Suisse, no 1493b.
42. Georges-Henri Soutou, *L'or et le sang. Les buts de la guerre économique de la Première Guerre mondiale* (Paris: Fayard, 1989), 346.
43. Luciano Ruggia, 'Les relations financières de la Suisse pendant la Première Guerre mondiale' in Cassis and Tanner (ed.), Banques et crédit, 79.
44. Minutes of the Ausschuss of the SBA, 19 Febr. 1916, ASBA.
45. *Statistique historique de la Suisse*, Table L. 17 [www.hsso.ch].
46. Note of 28 Jun. 1917 on the Franco-swiss commercial negotiations, ABF, 1370199601/1.
47. See the correspondence in AMAE, Guerre 1914-1918, Affaires financières, Suisse, 1493 c, fos. 37 ff.
48. On the Société, see Mazbouri, "Capital financier", 58-63. On the negotiation, see the correspondence in AMAE, Guerre 1914-1918, Affaires financières, Suisse, 1493 c, fos. 139 ff., especially Agreement between French and Swiss Governments, 29 Dec. 1917.
49. For the negotiations, see the correspondence in Kew, [UK National Archives, Public Record Office] F[oreign] O[ffice Records] 382/1981 and 1982. In the latter file, see especially for a survey of the results, Rumbold to Balfour, 21 Mar. 1918.
50. For a survey of the currency credits granted to foreign countries, see for instance Eduard Kellenberger, *Kapitalexport und Zahlungsbilanz*, vol. 1 (Bern: Francke, 1939), 43; Hermann Schneebeli, *La Banque Nationale Suisse, 1907-1932* (Lausanne, 1932), 203 and 367-69, with a total estimate of 836 million Swiss francs, 273,2 for Germany and 240,2 for France.
51. See J. Euwe, '"It is therefore both in German and in Dutch interest… " Dutch-German relations after the Great War. Interwoven economies and political détente, 1918-1933' (Ph.D. dissertation, Rotterdam, 2012), 86.
52. For the suspicion against neutral countries after the war, see for instance V. Laniol, 'Les diplomates français et les neutres européens au sortir de la Grande Guerre (1918-1920)', *Relations internationales*, 159 (2014), 83-100. For the dissension between France and Great Britain on this issue, see Contraband Department, Minutes of 3 Febr. 1919, FO 382/2276.
53. Sulzer to Schulthess, 24 Jan. 1919 and Appendices, in *Documents diplomatiques suisses*, vol. 7/1 (Bern: Benteli, 1979), 270-81.
54. 'Résumé des négociations économiques de Paris, février-mars 1919' in ibid., 541-8; Financial Agreement, 19 Jul. 1919, AMAE, Suisse, 124.
55. C. Farquet, 'Diplomatie de réhabilitation et politique d'équilibre. Les relations diplomatiques et économiques de la Confédération helvétique après la Première Guerre mondiale', *Revue d'histoire diplomatique*, in press (2020).
56. C. Farquet, 'Quantification and Revolution. An Investigation of German Capital Flight after the First World War', *EHES Working Papers Series*, 149 (2019), 13 and 20. These 8 billion would amount in 1926 to 40 billion FF.
57. See for instance French Consul in Geneva to Briand, 29 Dec. 1925, AMAE, Série Internationale, 359, in which an estimated 1 billion Swiss francs is produced, only for the French wealth managed in Genevan banks. See also Hennessy to Briand, 20 Jan. 1926.
58. Jean-Noël Jeanneney, *Leçon d'histoire pour une gauche au pouvoir: la faillite du Cartel (1924- 1926)* (Paris: Seuil, 1977).
59. Farquet, Histoire du paradis, 22.
60. Siepmann to Rodd, 3 Sept. 1930, London, A[rchives of the] B[ank o[f] E[ngland], OV 63/22.
61. League of Nations, 'Europe's Capital Movements, 1919- 1932. A Statistical Note', Unpublished paper (June 1943), 29.
62. See the following file: 'Action économique des Allemands pour l'après-guerre', AMAE, Suisse, 138.
63. M. Lüpold, 'Der Ausbau der "Festung Schweiz". Aktienrecht und Corporate Governance in der Schweiz, 1881-1961' (Ph.D. dissertation, Zürich, 2010), 217-68.
64. V. Laepple, 'Statistik der Auslandsemissionen in der Schweiz seit 1922 und Zusammenfassung der Argumente zur Frage des Kapitalexportes', *Zeitschrift für schweizerische Statistik und Volkswirtschaft,* 65 (1927), 648-56. On the cooperation between the Swiss National Bank and the Bank of England, see the correspondence in ABOE, OV 63/19, 20, 21.
65. On liberal corporatism in Swiss foreign policy, see Peter Hug, 'Innenansichten der Aussenpolitik - Akteure und Interessen' in Brigitte Studer (ed.), *Etappen des Bundesstaates, Staats-und Nationalbildung der Schweiz, 1848-1998*, (Zürich: Chronos, 1998), 209-11.
66. Guillen, 'Les relations financières'. As an exception, a 50 million Swiss francs loan of the Chemins de fer Paris-Orléans was issued in Switzerland in 1922 before the closing of the Swiss market to the France.
67. On the Franco-Swiss financial discussion at the beginning of 1925, Telegrams of Hennessy, 24 Febr., 28 Febr., 1st, 2nd and 3rd Mar. 1925, AMAE, Suisse, 127. On the link between pressures against banking secrecy and

refusal to issue loans, see Minutes of the Direction of the Swiss National Bank, no 178, 19 Febr. 1925, Zürich, A[rchives of the] S[wiss] N[ational] B[ank].

68. Minutes of the Direction of the SNB, no. 1061, 18 Nov. 1926, ASNB.
69. All contracts of loans are contained in the following files: CAEF, B 0064582, 0064583 and 0064584.
70. C. Farquet, 'Capital Flight and Tax Competition after the First World War: The Political Economy of French Tax Cuts, 1922-1928', *Contemporary European History*, 27 (2018), 556-60.
71. P. Sicsic, 'The Inflow of Gold to France from 1928 to 1934', *Notes d'études et de recherche de la Banque de France*, 22 (1993). Kenneth Mouré, *The Gold Standard Illusion. France, the Bank of France, and the International Gold Standard, 1914–1939* (Oxford: Oxford UP, 2002), 129, for the estimates of inflows and outflows.
72. On that point see Jean-Noël Jeanneney, *François de Wendel en République. L'argent et le pouvoir 1914-1940* (Paris: Seuil, 1976), 320-409.
73. Denise Artaud, *La question des dettes interalliées et la reconstruction de l'Europe (1917-1929)*, vol. 2 (Lille: Atelier de reproduction des thèses, 1978), 808-921.
74. J. Bariéty, '"Finances et relations internationales. A propos du "plan de Thoiry" (septembre 1926)', *Relations internationales*, 21 (1980), 51-70.
75. Moret to Poincaré, 3 Aug. and 17 Aug. 1926, CAEF, B 0064584.
76. On this operation, see 'Remboursement des 130 millions d'écus français rapatriés de Suisse', Aug. 1926, ABF, 1069199543/2.
77. League of Nations, 'Europe's Capital Movements', Appendices 3g-3i.
78. See the articles of newspapers collected by the Bank of France in ABF, 1069199543/2, as well as the reactions of French diplomats: French Consul in Zürich to Briand, 8 Sept. 1926; Chargé d'affaires at the Embassy in Bern to Briand, 14 Sept. 1926, AMAE, Suisse, 127.
79. French Consul in Basel to de Marcilly, 17 Jul. 1931, AMAE, Suisse, 218.
80. See Allizé to Briand, 21 Sept. 1921; French Consul in Zürich to Allizé, 12 Jun. and 12 Jul. 1922, AMAE, Suisse, 128.
81. Marc Perrenoud et al., *La place financière et les banques suisses à l'époque du national-socialisme. Les relations des grandes banques avec l'Allemagne (1931-1946)* (Lausanne: Payot, 2002), 622.
82. Farquet, 'Diplomatie de rehabilitation'.
83. Robert Boyce, 'Business as usual. The Limits of French economic diplomacy, 1926-1933' in Robert Boyce (ed.), *French Foreign and Defence Policy, 1918-1940: the Decline and Fall of a Great Power* (London: Routledge, 1998), 107-31.
84. G.-H. Soutou, 'L'impérialisme du pauvre: la politique économique du gouvernement français en Europe Centrale et Orientale de 1918 à 1929', *Relations internationales*, 7 (1976), 219-39.
85. Yves Sancey, *Quand les banquiers font la loi: aux sources de l'autorégulation bancaire en Suisse et en Angleterre, de 1914 aux années 1950* (Lausanne: Antipodes, 2015), 159-249.
86. The first 60 million loan in 1926 was not formally linked to economic concessions, which was deplored by Swiss authorities. See Frölicher, Note of 9 Sept. 1926, SFA, E 2200.41-02, 1000/1671, vol. 1358. See also Minutes of the Federal Council, 19 and 24 Aug. 1926 in *Documents diplomatiques suisses*, vol. 9 (Bern: Benteli, 1980), 362-5. Then see the precise conditions imposed by the Swiss National Bank to accept the issue of the 150 million loan to the Chemins de fer de l'Etat in January 1927, concerning among others financial controversies of Swiss assurance companies in France: Bachmann and Weber to Bindschedler, 17 Jan. 1927, ASNB, 2.6/2421, 262. For a summary of all the advantages obtained between 1927 and 1930, 'Ausländische Anleihensemissionen in der Schweiz 1927-1930', ASNB, 2.6/2421, 262.
87. For a summary of the negotiations during the 1920s, see for instance Louis-Albert Dubois, *La fin de l'Union monétaire latine* (Arbois: Guinchard, 1950).
88. See the discussion with Poincaré in Swiss Legation in Paris, Report of 19 Mar. 1928, SFA, E 2300, 1000/716#767.
89. See, for instance, Note to Flandin, 16 May 1931, CAEF, B0064582.
90. For an analysis based mainly on newspapers: Sébastien Guex, 'Le scandale des fraudes fiscales et de la Banque commerciale de Bâle. De l'une des causes possibles de la chute du gouvernement Herriot en décembre 1932' in Florence Bourillon et al. (ed), *Des économies et des hommes. Mélanges offerts à Albert Broder* (Bordeaux: Bière, 2006), 45-55. See also the police reports in Paris, Centre d'accueil et de recherche des archives nationales, BB/18/6704-6706.
91. Indeed, the French administration had collected information on the way these banks contacted French clientele. See, for instance, Bankverein, Letters to clients of 20 Mar. and 3 May 1930, CAEF, B 0043379. See also Minutes of the Ausschuss of the SBA, 5 Dec. 1932, 1, ASBA.
92. Chéron to Bonnet, 27 Dec. 1932, CAEF, B 0064582. On the link between the compliant attitude and the loans, see also de Marcilly to Herriot, 25 Nov. 1932, AMAE, Suisse, 218.
93. Note on the conversions of loans, 23 Febr. 1933, CAEF, B 0064584. The most important operation was a short-term credit of two years of 195 million Swiss francs granted by Swiss banks for the Chemins de fer de

l'Etat in February 1932. Contract between the Kreditanstalt and the Chemins de fer de l'Etat, 23 Febr. 1932, CAEF, B 0064584.

94. For Swiss attitude on these negotiations, see G. Arlettaz, 'Crise et déflation. Le primat des intérêts financiers en Suisse au début des années 1930', *Relations internationales*, 30 (1982), 166-72.
95. On capital inflows and outflows in 1932-1934, see 'Les mouvements de capitaux avec l'étranger sur le marché français', 31st Oct. 1934, ABF, 1370200008/167.
96. Estimates at the exchange rate of 1938. 'Evaluation des capitaux français exportés à l'étranger et thésaurisés en or à l'intérieur,' 1938, ABF, 1370200008/167.
97. Philipp Müller, *La Suisse en crise (1929-1936): les politiques monétaire, financière, économique et sociale de la Confédération helvétique* (Lausanne: Antipodes, 2010), 123, 645-734.
98. Michael Bordo and Harold James, 'De 1907 à 1946: enfance heureuse ou adolescence difficile?' in *Banque nationale suisse 1907-2007* (Zürich: NZZ, 2007), 53 ff.
99. Farquet, Histoire du paradis, 169-71.
100. Mira Wilkins, 'Swiss Investments in the United States 1914-1945' in Guex (ed.), La Suisse, 91-139. For instance, between April and June 1937, during a period of acute capital flight from France, 256 million $(around 5.5 billion FF) were imported from Switzerland into the United States. See *Revue de la situation de l'économie mondiale, 1937/38* (Geneva: League of Nations, 1938), 158.
101. Bankverein to Direction of the SNB, 1st Feb. and 9th Feb. 1937; Kreditanstalt to Direction of the SNB, 11 Feb. 1937, ASNB, 263.29.
102. De Torrenté to Bonna, 30 Sept. 1937 and Bonna to de Torrenté, 30 Sept. 1937, SFA, E 2001 D, 1000/1555, 15; AMAE, Suisse, 219, fos 204 ff.
103. Farquet, Défense du paradis, 409-17.
104. Alfred Sauvy, *Histoire économique de la France entre les deux guerres*, vol 1. (Paris: Fayard, 1965), 383.
105. Robert Frank, *Le prix du réarmement, 1935-1939* (Paris: La Sorbonne, 1982), 204.
106. For all operations, see the correspondence and contracts in CAEF, B 0064584. See also Kellenberger, Kapitalexport, vol. 2, 1942, 276-300.
107. Extract from a report of the French Consul in Amsterdam, 11 Jan. 1932, CAEF, B 0064584.
108. The turning point happened at the end of 1935 when the consolidation of the short-term credit granted by Swiss banks to the Chemins de fer de l'Etat was made through Mendelssohn. Notes of Baumgartner for Régnier, 8 Nov and 18 Nov. 1935, CAEF, B 0064584. Moreover, during the Popular Front, Mendelssohn agreed, in January 1937, to offer a new short-term loan to the railway company. Mendelssohn to Chemins de fer de l'Etat, 6 Jan. 1937, CAEF, B 0064584.
109. On the incidence of these loans for foreign policy, see Perrenoud and López, Aspects des relations, 74-84.
110. Daniel Bourgeois, *Le Troisième Reich et la Suisse 1933-1941* (Neuchâtel: La Baconnière, 1974), 71-84; Martin Meier et al., *Schweizerische Aussenwirtschaftspolitik 1930-1948. Strukturen—Verhandlungen—Funktionen* (Zürich: Chronos, 2002), 37-58.
111. Frank, Le prix du réarmement.
112. Some accounts have recently gone so far to try to include them in the field of transnational history. See, for instance, Laurence Badel, 'Die französische Historiographie zu den internationalen Beziehungen: transnational oder realistisch ?' in Barbara Haider-Wilson, William Godsey and Wolfgang Müller (ed.), *Internationale Geschichte in Theorie und Praxis: Traditionen und Perspektiven, Osterreichische Akademie der Wissenschaften* (Wien: VÖAW, 2017), 349-70.
113. The following PhD thesis, directed by Michel Margairaz, contains ten pages on the relations between Switzerland and Vichy in 1940-1944: J. Schaufelbuehl, 'La France et la Suisse, 1940-1954. Relations économiques, financières et politiques' (Ph.D. dissertation, Paris VIII and Lausanne, 2006), 81-91.

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