

## Introduction

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In 1965, the Swiss satirical journal *Nebelspalter* published a cartoon about the large number of staff at the Chinese embassy in Bern. In the cartoon, a smiling Chinese man has his legs rooted by a large clew of two-headed worms, which symbolise Chinese intelligence and propaganda activity. Under the cartoon, a caption states that the worms are trying to turn ‘Swiss soil into Chinese soil’ (see Figure 0.1). The cartoon exemplifies the racialisation of the Chinese in Swiss Cold War cartoons: it is drenched in yellow, the Chinese man has grotesque features, and the portrayal of the Chinese as worms invokes Yellow Peril depictions of the Chinese as vermin that had to be exterminated. While racist depictions of the Chinese had a long tradition in Western media,<sup>1</sup> the cartoon portrays a situation that was unique to Switzerland amongst Western countries during the Cold War, because until the 1970s, Switzerland was used by the People’s Republic of China (PRC) as an intelligence and propaganda hub for Western Europe, at times even for Latin America and Africa.

What the cartoon does not mention is that the Chinese missions in Switzerland also functioned as headquarters for the PRC’s economic, political, and cultural networks in Western Europe. Switzerland and China were complete opposites in the Cold War; Switzerland was a tiny, capitalist yet neutral Western European country specialising in technological exports of the highest quality, while China was a massive communist country that was predominantly agrarian. Although both countries’ foreign policies were limited by the Cold War’s ideological dualism, this book will show that Switzerland’s diplomatic relations with China tended to be far better than those of other Western countries because the PRC’s embassy in Bern and the consulate general in Geneva were so important to the Chinese presence in Western Europe and, to some extent, in Latin America and Africa.

<sup>1</sup> Ariane Knüsel, *Framing China: Media Images and Political Debates in Britain, the USA and Switzerland, 1900–1950* (Farnham: Ashgate, 2012).

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This book will also discuss Switzerland's role in Chinese embargo goods networks in the Cold War. Switzerland refused to join the embargo against China, instead opting to tread a fine line between renegotiating Western economic policies towards China and irritating neither the Western powers nor China. Although Switzerland adhered to most of the embargo's stipulations, it will be shown that the Swiss refusal to join the embargo contributed to Switzerland's status as China's main economic hub in Western Europe, with the embassy in Bern as the nucleus of a network of embargo goods dealers from all over Europe.

As Figure 0.1 shows, Switzerland's hub function meant that the Swiss government was faced with Chinese agents, people producing and smuggling Chinese propaganda publications, and embargo goods dealers, all of whom were highly problematic for a neutral nation. By tracing the development of Sino-Swiss relations in the Cold War and the consequences that Switzerland's hub function had for Swiss and Chinese international relations, this study will contribute crucial insights into Cold War historiography regarding the PRC's official foreign policy towards Western Europe; Chinese intelligence operations in Western Europe, particularly the presence and activities of Chinese diplomat-agents; Chinese national and transnational economic and political networks operated from Switzerland; Western anti-communist counterintelligence; and Switzerland's efforts to align neutrality, humanitarian engagement, and economic interests.

Both China and Switzerland sought to step out of the non-superpower void in the Cold War. By describing the nature and operation of Chinese political, economic, propaganda, and intelligence networks operated from Switzerland, the following chapters shed light on the methods China used to implement its foreign policies towards the Western world, particularly Western Europe. Moreover, a closer look at the groups and individuals used as Chinese network contacts provides an insight into China's efforts to establish itself as a viable alternative to the Soviet Union in the late 1950s and the 1960s.

In addition to the PRC's use of Switzerland as headquarters for its European and even global networks, the chapters discuss the experiences of Swiss companies in China. Relying on files from company archives and interviews with diplomats and business representatives who were involved in commercial negotiations in China, it will be shown that some issues faced by Western European companies during the Cold War are still problematic for European companies trading in China today, including Chinese industrial espionage, copyright infringement, pressure on prices, and Western ignorance about cultural differences. The chapters also trace the Communist demand for Swiss watches – the

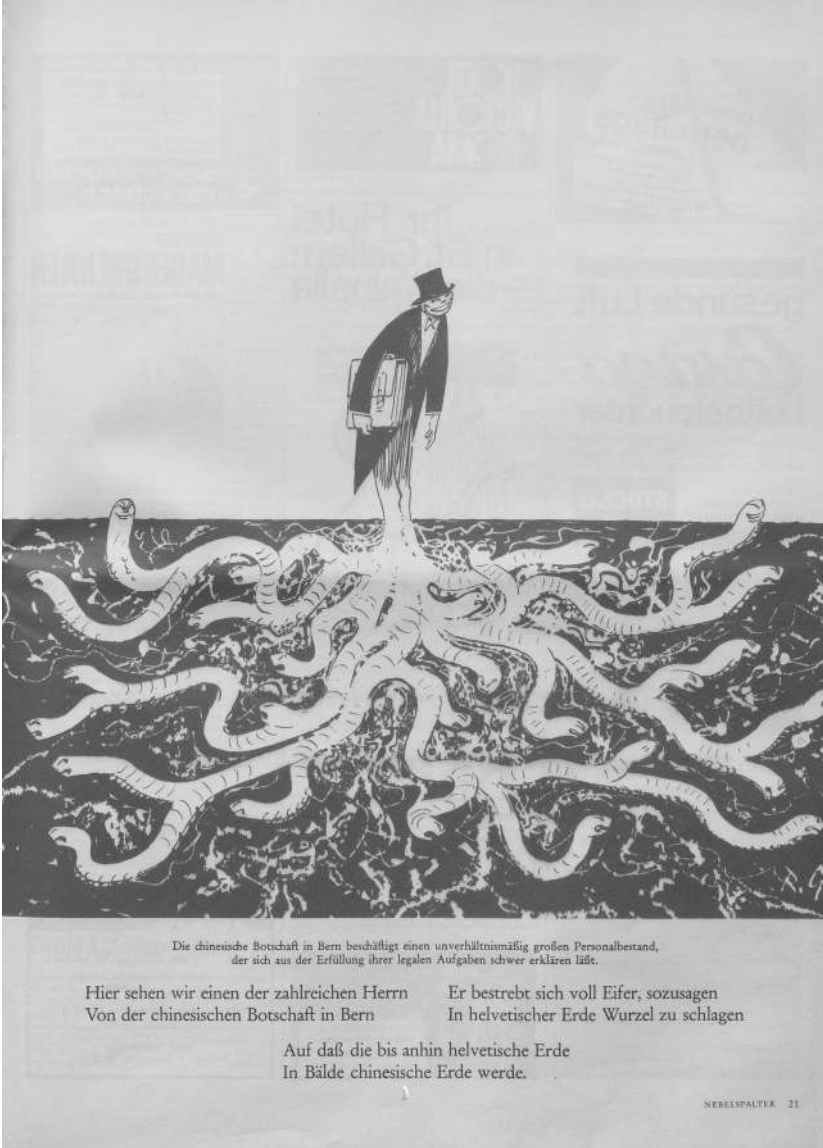


Figure 0.1 René Gilsi, 'Die chinesische Botschaft in Bern beschäftigt einen unverhältnismässig grossen Personalbestand' (The Chinese Embassy in Bern Employs a Disproportionate Number of Staff), *Nebelspalter*, 91:45 (1965)  
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ultimate capitalist status symbol – to demonstrate that Chinese foreign trade was not completely dictated by national economic policies and international relations alone, since the demand for Swiss watches survived even the harshest of anti-capitalist movements with only temporary setbacks.

The following chapters contribute to scholarly debates on the formulation and implementation of Chinese foreign policies. Following Chen Jian's seminal monograph *Mao's China and the Cold War*, they focus on Mao Zedong's role in formulating Chinese foreign policy primarily as a means of supporting the continuous revolution in China,<sup>2</sup> but they also show that the Chinese implementation of foreign-policy directives varied a great deal, even between Western countries. The same goes for the treatment of foreign diplomats and business representatives in China, with the Swiss often being singled out for preferential treatment among their Western European colleagues, not least because of the importance Switzerland played for the Chinese in Europe.

Despite being virulently anti-communist, Switzerland used its relationship with China to improve the international reputation of Swiss neutrality, establish itself as a powerful mediator between the two blocs in the Cold War, and access the Chinese market. Neutrality formed the basis of Switzerland's foreign policy in the Cold War, with the Swiss government adapting and redefining the concept according to Swiss political and economic requirements and goals.<sup>3</sup> While the Chinese government did not accept Swiss neutrality as true neutrality, the official Chinese portrayals of Swiss neutrality and the discussions between Chinese and Swiss officials about neutrality provide insight into the formulation of Chinese foreign policies and some of the measures taken to improve the Chinese reputation abroad and increase Chinese geopolitical power. The presence of Tibetan refugees in Switzerland challenged Sino-Swiss relations, but official discussions about this issue further show how unique Switzerland's status was for China among Western countries in the Cold War.

<sup>2</sup> Chen Jian, *Mao's China and the Cold War* (Chapel Hill: University of North Carolina Press, 2001).

<sup>3</sup> Thomas Fischer and Daniel Möckli, 'The Limits of Compensation: Swiss Neutrality Policy in the Cold War', *Journal of Cold War Studies*, 18:4 (2016), 12–35; Ursina Bentele and Sacha Zala, 'Neutrality as a Business Strategy: Switzerland and Latin America in the Cold War', in Sandra Bott, Jussi M. Hanhimäki, Janick Marina Schaufelbuehl, and Marco Wyss (eds.), *Neutrality and Neutralism in the Global Cold War* (Abingdon: Routledge, 2016), 178–195; Daniel Trachsler, *Bundesrat Max Petitpierre: Schweizerische Aussenpolitik im Kalten Krieg 1945–1961* (Zurich: NZZ Libro, 2011); Marco Wyss, *Arms Transfers, Neutrality and Britain's Role in the Cold War: Anglo-Swiss Relations 1945–1958* (Leiden and Boston: Brill, 2013).

Federico Romero has described the Cold War as ‘a complex fabric of disparate interactions (local, national, transnational and global) with multiple actors operating in many intersecting fields, and assorted interpretative paradigms often mixed together’.<sup>4</sup> Although neither China nor Switzerland managed to gain a reputation as a truly international heavy-weight during the Cold War period, the following chapters show that both countries were active players in the Cold War and were – sometimes more, sometimes less – skilled at renegotiating the positions ascribed to them by the superpowers and their allies by engaging with other countries, groups, and people. Thus, instead of speaking of a bipolar world order in the Cold War that was defined by the USA and the Soviet Union, this study follows Romero’s decentralised and heterogeneous definition and treats international relations in the Cold War as a power matrix shaped by the superpowers but also influenced by various other actors, including individual countries, supranational alliances, transnational movements, and international organisations. This has to be considered in an analysis of Sino-Swiss relations because it affected how China tried to assert itself as a major player in Asia and leader of the communist bloc in the 1960s and the Third World in the 1970s, and how Switzerland sought to establish itself as a crucial neutral mediator between the two blocs.

Various recent publications deal with relations between Western Europe and China in the Cold War,<sup>5</sup> but very few academic publications have discussed Sino-Swiss political or economic relations in the Cold War.<sup>6</sup> Historians of Western relations with China have ignored

<sup>4</sup> Federico Romero, ‘Cold War Historiography at the Crossroads’, *Cold War History*, 14:4 (2014), 687.

<sup>5</sup> Marco Wyss, Janick Schaufelbuehl, and Valeria Zanier (eds.), *Europe and China in the Cold War: Exchanges beyond the Bloc Logic and the Sino-Soviet Split* (Leiden: Brill, 2018); Guido Samarani, Carla Meneguzzi Rostagni, and Sofia Graziani (eds.), *Roads to Reconciliation: People’s Republic of China, Western Europe and Italy during the Cold War Period (1949–1971)* (Venice: Edizioni Ca’ Foscari-Digital Publishing, 2018), at <http://edizionicafoscari.unive.it/it/edizioni/libri/978-88-6969-221-5>, DOI 10.14277/978-88-6969-220-8; Angela Romano and Valeria Zanier (eds.), *Circumventing the Cold War: The Parallel Diplomacy of Economic and Cultural Exchanges between Western Europe and Socialist China in the 1950s and 1960s*, special issue of *Modern Asia Studies*, 51:1 (2017); Chi-Kwan Mark, *The Everyday Cold War: Britain and China, 1950–1972* (London: Bloomsbury Academic, 2017); Martin Albers, *Britain, France, West Germany and the People’s Republic of China, 1969–1982: The European Dimension of China’s Great Transition* (London: Palgrave Macmillan, 2016); Enrico Fardella, Christian F. Ostermann, and Charles Kraus (eds.), *Sino-European Relations during the Cold War and the Rise of a Multipolar World: A Critical Oral History* (Washington, DC: Woodrow Wilson International Center for Scholars, 2015).

<sup>6</sup> Ariane Knüsel, ‘Small Country – Great Importance: Switzerland and the Chinese Presence in Europe during the 1950s and 1960s’, in Wyss, Schaufelbuehl, and Zanier, *Europe and China in the Cold War*, 42–61; Ariane Knüsel, ‘“Armée de la pensée de Mao Tsé-toung, on peut résoudre tous les problèmes”: l’influence de la Révolution culturelle sur les

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Sino-Swiss relations to the extent that several publications do not even list Switzerland among the earliest Western countries recognising the PRC.<sup>7</sup> With the exception of a few pages on the discussions surrounding the establishment of Sino-Swiss relations in a collection of diplomatic documents, Chinese publications on Sino-Swiss relations consist mainly of commemorative volumes or publications either by or on Chinese diplomats who were stationed in Switzerland.<sup>8</sup> Although they present a somewhat uncritical and sanitised version of Sino-Swiss relations, they are valuable as representations of the official Chinese perspective.

The lack of academic publications about Sino-Swiss relations in the Cold War is partly due to both countries having other political and commercial priorities.<sup>9</sup> Moreover, historians who want to use Swiss archives to study Sino-Swiss relations have to grapple with files in up to five languages (German, French, Italian, English, and Chinese), while Chinese academics who do not toe the line of official historiography on topics like Chinese intelligence or Chinese policies towards Tibet and Tibetans can face severe repercussions from the government.<sup>10</sup>

Unfortunately, this study is more detailed on Swiss debates and decisions than on Chinese ones because hardly any Chinese archival files

relations entre la Suisse et la République populaire de Chine', *Relations internationales*, 163:3 (2015), 29–46; Knüsel, *Framing China*; Michele Coduri, *La Suisse face à la Chine: Une continuité impossible? 1946–1955* (Louvain-la-Neuve: Bruylant-Academia, 2004).

<sup>7</sup> Kjeld Erik Brødsgaard and Jan Rowinski, 'Diplomatic and Political Relations between Denmark and the People's Republic of China 1949–97', in Kjeld Erik Brødsgaard and Mads Kirkebak (eds.), *China and Denmark: Relations since 1674* (Copenhagen: Nordic Institute of Asian Studies, 2001), 199, 201; David Shambaugh, 'China and Europe', *Annals of the American Academy of Political and Social Science*, 519 (1992), 102–103; Fardella, Ostermann, and Kraus, *Sino-European Relations*.

<sup>8</sup> Waijiaobu waijiao shi yanjiushi (ed.), *Dangdai Zhongguo shijie waijiao shengya*, vol. 1 (Beijing: Shijie zhishi chubanshe, 1994); Waijiaobu waijiao shi yanjiushi (ed.), *Dangdai Zhongguo shijie waijiao shengya*, 2 vol. (Beijing: Shijie zhishi chubanshe, 1995); Li Qingquan, 'Ruishi qi nian', *Waijiao xueyan xuebao*, 1 (1997), 60–64; Xu Yingzhi (ed.), *Geschichten der Freundschaft über China und die Schweiz* (Beijing: Interkontinentaler Verlag China, 2016); Gu Rumei (ed.), *Zhongguo he Ruishi jianjiao 60 zhounian: 1950.9.14–2010.9.14* (Beijing: Shijie zhishi chubanshe, 2010); Lian Zhengbao, Wang Jingtang, and Huang Taopeng (eds.), *Jiemi waijiao wenxian: Zhonghua renmin gongheguo jianjiao dang'an 1949–1955* (Beijing: Zhongguo huabao chubanshe, 2006).

<sup>9</sup> Han Nianlong (ed.), *Diplomacy of Contemporary China* (Hong Kong: New Horizon Press, 1990); Pei Jianzhang (chief ed.), *Zhonghua renmin gongheguo waijiao shi*, vol. 1, 1949–1956 (Beijing: Shijie zhishi chubanshe, 1994); Sandra Bott, Janick Marina Schaufelbuehl, and Sacha Zala (eds.), *Die internationale Schweiz in der Zeit des Kalten Krieges*, special issue of *Itinera*, 30 (2011).

<sup>10</sup> Chris Berry, Patricia M. Thornton, and Peidong Sun, 'The Cultural Revolution: Memories and Legacies 50 Years On', *China Quarterly*, 227 (2016), 604–612; Thomas Heberer, 'The "Great Proletarian Cultural Revolution": China's Modern Trauma', *Journal of Modern Chinese History*, 3:2 (2009), 180.



could be accessed that deal with relevant discussions on China's economic and foreign-trade policies regarding Switzerland or the various networks operated from Switzerland. The majority of the files from the Chinese Foreign Ministry Archive (PRC FMA) that were used in this study are from the Cold War International History Project's collection.<sup>11</sup> Since files on China's use of Switzerland as a hub tend to be classified as intelligence files in most Western archives and are still closed to researchers, the vast majority of files used for this study belong to the Swiss Federal Archives (SFA), although I also found some relevant files in The National Archives in Kew (TNA), the National Archives in College Park, MD (NARA), some presidential libraries in the USA, the Nationaal Archief in The Hague (NA), and the Bundesarchiv Koblenz, Germany (BAK), as well as in the Diplomatic Documents of Switzerland (DODIS) and the Wilson Center's Digital Archive.<sup>12</sup>

The book's focus is not only on political and economic relations, which are classic topics of Cold War historiography, but also on intelligence networks and counterintelligence. The analysis of Chinese intelligence operations was only possible because I received special permission to consult dossiers of the Federal Police (Bundespolizei) for this study, which also included information from numerous Western intelligence agencies and police forces. Among the Federal Police files were thousands of reports about Chinese diplomatic staff (many of whom were suspected of being agents), as well as people, organisations, and institutions that were in contact with the Chinese missions. The reports can be roughly grouped into six categories: (1) files about Chinese diplomatic staff, (2) files about Swiss and foreign businessmen and companies, (3) files about (suspected) intelligence agents, (4) files about ethnic Chinese students and professionals,<sup>13</sup> (5) files about Swiss and foreign communists and communist sympathisers, and (6) files about people asking for propaganda material. The Federal Police filed reports on all observed visits and/or recorded phone calls made during a particular period, making it extremely labour-intensive to reconstruct actual contact networks. If a person contacted the embassy several times, individual reports were filed. Any further investigations and information received from the police or foreign intelligence agencies were recorded separately. In order to

<sup>11</sup> I would like to thank Charles Kraus for sharing those files with me and also all other scholars who sent me PRC FMA files.

<sup>12</sup> 'Diplomatische Dokumente der Schweiz', at [www.dodis.ch](http://www.dodis.ch); 'Wilson Center Digital Archive', at <https://digitalarchive.wilsoncenter.org>.

<sup>13</sup> I use the term 'ethnic Chinese' to refer to members of the Chinese diaspora, i.e. people with Chinese heritage in the PRC, the Republic of China, Hong Kong, Indonesia, and so on.

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reconstruct the contact networks operated by the PRC's embassy in Bern and the consulate general in Geneva, every single report had to be analysed and the information categorised, and then compared to other files in the same dossier and other dossiers on the PRC from the same period because reports about the same people or companies were often archived by different departments. Only then did it become clear which people were visiting the embassy and/or the consulate regularly, which visits were of a more subversive or intelligence-related nature, what contacts these people had, how these contacts changed over time, and what measures the Swiss police and the government took in their investigations and attempts to curb Chinese intelligence activities in Switzerland.

By categorising the Chinese contacts mentioned in the Federal Police's files according to profession, place of residence, nationality, date of visit, political orientation, Party membership, type of contact, and so on, I was able to define clusters of attributes that certain contacts had in common, allowing me to outline contact networks that were based on particular relations with the Chinese consulate general in Geneva and the embassy in Bern. The concept of 'network' is, therefore, used in this study to discuss a certain group of people who were in contact with the Chinese missions in Switzerland during a specific period for a particular reason. Networks tended to share certain attributes, like occupation, ethnicity, political orientation, or country of residence. The networks affecting Sino-Swiss relations changed over time; some appeared and disappeared (e.g. Latin American communists), while the nature of others changed (e.g. embargo goods dealers).

The archival files and personal recollections together provide clear evidence for Switzerland's function as China's headquarters in the West during the 1950s and 1960s, and the Swiss government's attempts to formulate China policies in a way that boosted the reputation of Switzerland as a neutral and humanitarian power. They also allow a discussion of Chinese intelligence activities in Switzerland and the unique nature of Chinese diplomats, who often had an intelligence background and participated in intelligence activities as handlers and agents. Moreover, since the Chinese diplomats in Switzerland operated several transnational intelligence networks, the Federal Police files contain a wealth of information about Chinese intelligence in Western Europe in the Cold War.

The chapters are ordered chronologically. Chapter 1 covers the years from 1949 to 1958, during which diplomatic relations between Switzerland and the PRC were established, the United Nations (UN) introduced an embargo against the PRC, and the Geneva Conference took place. Chapter 2 deals with the years from 1959 to 1965, which were



dominated by the effects of the Great Leap Forward and the Sino-Soviet split, as well as the arrival of Tibetan refugees in Switzerland. The Cultural Revolution (1966–1976) forms the time frame for Chapter 3, and Chapter 4 covers Chinese intelligence operations in Switzerland from the 1950s to the 1970s.

The chapters' contents are organised thematically, focusing on unique features of Sino-Swiss relations and their connections to Cold War events and international relations. Chapter 1 begins with the establishment of diplomatic relations between Switzerland and the PRC, demonstrating that Sino-Swiss relations in the 1950s were unique for Western Europe. The chapter's focus lies on the creation and operation of a Chinese hub for Western Europe in Switzerland in the 1950s, and on Swiss efforts to improve relations with China without damaging the reputation of Swiss neutrality or the role of Switzerland as a mediator. The different interpretations of Swiss neutrality by Switzerland and China were not only cause for some minor bilateral tensions in the mid-1950s, but also turned out to be a (temporary) stumbling block for Switzerland's goal of becoming a major mediating power respected by both blocs in the Cold War. China's official views on Swiss neutrality only improved with the usage of 'peaceful coexistence' as the official slogan for Chinese foreign policy, and therefore do not indicate a real change of heart by the Chinese leaders, but rather China's goal to be regarded by the international community as a champion of peace and a major power. Although peaceful coexistence has been discussed by Shu Guang Zhang and Chen Jian,<sup>14</sup> this chapter shows that the slogan was invoked to influence China's relations not only with Asian countries but also with Western European countries like Switzerland.

The second part of the chapter shows that while Sino-Swiss trade was negligible in the 1950s, trade relations were unique among China's relations with Western European countries, not least because of Switzerland's refusal to join the embargo, the Chinese embassy's network of embargo goods dealers, and the few Swiss companies' decision to remain in China. Chinese historians tend to be extremely reticent on the subject of embargo goods, and most of the relevant files in Western archives are still classified. As a result, Chapter 1 relies mainly on Swiss Federal Police files and some files from Western intelligence agencies to

<sup>14</sup> Shu Guang Zhang, 'Constructing "Peaceful Coexistence": China's Diplomacy toward the Geneva and Bandung Conferences, 1954–55', *Cold War History*, 7:4 (2007), 509–528; Chen Jian, 'China and the Bandung Conference: Changing Perceptions and Representations', in See Seng Tan and Amitav Acharya (eds.), *Bandung Revisited: The Legacy of the 1955 Asian–African Conference for International Order* (Singapore: NUS Press, 2008), 132–159.

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reconstruct the Chinese network of embargo goods dealers operated from Bern. The chapter also analyses bilateral trade relations to discuss the various factors that influenced the formulation and implementation of commercial policies, resulting in a fairly strong reluctance to trade with China among Swiss companies, while Chinese exhibited a somewhat surprising desire to own Swiss watches as status symbols.

Chapter 2 shows that the Sino-Soviet split contributed to the ever-increasing size, intensity, and reach of China's various networks operated from Switzerland, as the Chinese attempted to counterbalance the loss of Soviet economic, scientific, and political assistance. The Sino-Soviet split remains a rather contested topic, as historians do not agree on its main causes or periodisation. This study follows Lorenz M. Lüthi's multi-causal approach, as well as Chen Jian's and Mingjian Li's focus on Mao as the driving force behind it.<sup>15</sup> Chapter 2 shows that due to the Sino-Soviet split, more and more Chinese diplomats and political and business delegations travelled to Europe, Latin America, and Africa, and many, if not most, used Switzerland as a transit point. As a result, the importance of the Chinese missions in Bern and Geneva increased. Several publications in recent years have dealt with China's involvement in Africa and Latin America during the Cold War,<sup>16</sup> but the central role played by the Chinese missions in Switzerland in this has been ignored.<sup>17</sup> Chapter 2 discusses China's use of Switzerland as a global hub by analysing the way Switzerland and Chinese missions in Switzerland were involved in and affected by the arrest of nine Chinese in Brazil in 1964. A further consequence of the importance of the PRC's missions to the Chinese presence in Western Europe, Latin America, and Africa is that when diplomatic issues arose between Switzerland and China in the early 1960s, the Chinese opted not to escalate the situation to such an extent that the hub function of the missions in Bern and Geneva was hindered. This is

<sup>15</sup> Lorenz M. Lüthi, *The Sino-Soviet Split: Cold War in the Communist World* (Princeton: Princeton University Press, 2008); Mingjian Li, 'Ideological Dilemma: Mao's China and the Sino-Soviet Split, 1962–63', *Cold War History*, 11:3 (2010), 387–419; Danhui Li and Yafeng Xia, *Mao and the Sino-Soviet Split, 1959–1973: A New History* (Lanham: Lexington Books, 2018); Sergey Radchenko, *Two Suns in the Heavens: The Sino-Soviet Struggle for Supremacy, 1962–1967* (Washington, DC: Woodrow Wilson Center Press, 2009); Chen, *Mao's China*.

<sup>16</sup> Jeremy Friedman, *Shadow Cold War: The Sino-Soviet Competition for the Third World* (Chapel Hill: University of North Carolina Press, 2015); Radchenko, *Two Suns*; Gregg A. Brazinsky, *Winning the Third World: Sino-American Rivalry during the Cold War* (Chapel Hill: University of North Carolina Press, 2017); Li and Xia, *Mao and the Sino-Soviet Split*.

<sup>17</sup> Friedman mentions it very briefly: Friedman, *Shadow Cold War*, 31–37. See also Ariane Knüsel, '“White on the Outside but Red on the Inside”: Switzerland and Chinese Intelligence Networks during the Cold War', *Cold War History*, 20:1 (2020), 77–94.