

# Lessons from Small-State Deterrence: Europe and the Nazis, 1937-44

by

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## Introduction

The challenges facing the smaller states around Nazi Germany in the lead-up to World War II and during the course of that conflict highlight the vulnerability of such states in proximity to a regional aggressor. Scholars of statecraft and deterrence often focus on the larger combatants in that 1939-45 conflict, because those countries played a more significant role in shaping the outcome of the war. However, understanding what options the *smaller* states had in the face of aggression can also offer insights into opportunities and challenges of deterrence, especially when aggressor states do not clearly act as a traditional rational actor.

World War II deterrence studies relegate the lesser states in that conflict to no more than brief narratives.<sup>1</sup> And, indeed, small countries seeking to maintain neutrality or independence from powerful neighboring states do have more limited options than large ones, and measuring *degrees* of temporary deterrent success can also be difficult where, in the end, it still ultimately failed. Before that war, however, some small states did attempt to do what they could for deterrent effect in order to sustain their independence or neutrality, such as by leveraging unique military factors, technical production capabilities, or sources of scarce raw materials. This essay investigates the extent to which such endowments could have contributed to the deterrence strategies of small states, particularly in connection with approaches to “deterrence by denial,” and reviews whether any of those attempts influenced the intentions or actions of Nazi Germany.

## Different Variables and Different Approaches

During World War II and the years preceding it, Czechoslovakia, Sweden, Switzerland, and Romania each sought to maintain neutrality and the autonomy of their foreign policy as they engaged with Great Powers such as Germany, France, the United Kingdom, and the Soviet Union. While Sweden and Switzerland successfully maintained official neutrality, however, Germany broke up and occupied Czechoslovakia, and significantly influenced internal Romanian politics to press Romania into the pro-German Axis alliance system. It is worth exploring the many factors that affected their greatly varying degrees of success.

Beyond simply a would-be victim's military power, many variables – such as territorial integrity, military size, national unity, raw material, technical capabilities, and long-term political design by the larger powers – may affect the success or failure of deterrence. Other, more idiosyncratic variables can also be present. Perhaps unique to the era, for instance, Adolf Hitler's convictions about the nature and future of the German race and German land, in conjunction with his deeply engrained antisemitism, directly shaped German military and foreign policy in ways beyond what one might expect from strategic factors such as natural resources, technology, or military posture.

The four countries analyzed here – Czechoslovakia, Sweden, Switzerland, and Romania – took greatly varying approaches during World War II. Of the four, Sweden came closest to successfully deterring invasion from Germany (and, later, even from the United Kingdom) due to balanced economic engagement and geographic circumstances that kept Sweden peripheral to the most significant fighting in Europe. However, Sweden probably was more successful in appeasing the combatants than in deterring them, and even this did not prevent Hitler from entertaining a long-term plan to occupy the country. Moreover, Sweden could still have done more. Specifically, it could have linked its plan to destroy its specialized ball-bearing

capacities with a public statement of deterrence objectives, but it did not do so. Relatedly, Hitler was likely not swayed by Switzerland's deterrence attempts in 1943 because the German Army had alternatives to Swiss transportation capabilities. However, the German Army does seem to have been deterred from invading Switzerland at specific points earlier in its war with France. While Romanian leadership made some statements about destroying its oil-producing capabilities, presumably uttered in an attempt to achieve deterrence by denial, it muddled its message with other conflicting signals. For its part, Czechoslovakia did not link technical capabilities to deterrence messaging and communicated to France that Czechoslovakia would sacrifice its territory for survival. The following pages will look at these various dynamics in more detail.

### **Germany's Drive for Economic Growth**

German economic redevelopment and foreign trade policy affected the smaller neighboring states long before the war. Hitler's quest to rearm Germany and prepare for a prolonged global war generated friction among traditional finance and economic advisors who sought to avoid inflationary pressure,<sup>2</sup> as his drastic increases in military spending – beyond what one would have expected for a country of its size – injected money into the economy amidst a growing demand for limited natural resources and currency. As a result, the German balance of payments system became stressed to the point where Germany faced pressure to choose between increasing taxes, reducing defense spending, or increasing exports at the expense of defense expenditures. (This may actually have increased the risk of war, inasmuch as actually *using* the military in a conflict might have been seen as reducing the need to choose between those unpleasant domestic options.) All of this created economic shockwaves among the trade and finance sectors in Central and Eastern Europe, though of course Hitler cared little for the details or negative externalities such populations may have experienced.<sup>3</sup>

The German annexation of Austria significantly reduced this pressure on Germany's balance of payments, however, since Germany thereby acquired access to Austria's wealth. Taking over Bohemia and

Moravia from Czechoslovakia also allowed Germany to increase its ownership of Czech firms and benefit from existing and continuing Czech military exports to Romania and other neighboring countries. Furthermore, Germany imposed bartering practices on Eastern European countries (rather than currency payments) to help Germany manage its balance of payments challenge.<sup>4</sup> During this time, Hermann Göring, who among other roles was Hitler's head of the Luftwaffe (air force), took leadership of Nazi Germany's "Four Year Plan" in 1937 and effectively sidelined the finance minister, Hjalmar Schacht. (Schacht had been unwilling to promote Hitler's plans to bypass traditional concerns about the adverse effects of unresolved balance of payment problems.)<sup>5</sup> Thereafter, Göring managed such balance of payment challenges, sought to increase industrial capacity, and gain access to special technologies, while Hitler himself remained more focused upon first territorial annexation and then unification of Europe's various German-speaking peoples. This rough division of labor helped complicate the efforts of regional countries seeking to preserve themselves against Hitler's plans by leveraging resources and technology for purposes of deterrence.

### **Weak Alliances and the Czechoslovakian Break-Up**

Czechoslovakia was one country that failed early to escape disaster. Historians often focus on the importance of the Munich Agreement, the problem of the Sudetenland Germans, and Hitler's final occupation of Bohemia and Moravia when discussing appeasement in the face of Nazi aggression and road to war.<sup>6</sup> There has been less emphasis, however, upon what alternative strategies the country might have had. Many observers have correctly noted that the Czechoslovakian military was more capable than the Austrian military, and that Czechoslovakia had better border defenses with more defensive capability than Austria, Hungary, or Poland.<sup>7</sup> Furthermore, Czechoslovakia had a significant military-industrial complex. In this context, its best strategy for maintaining independence rested with its alliance with France as a complement to its defensive systems in the Sudetenland.

Herman Göring was well aware of the value of Skoda, the famous Czechoslovakian arms plant in Western Bohemia in Pilsen, and saw this as a reason for invading the remainder of Czechoslovakia.<sup>8</sup> If the idea of acquiring Skoda for Germany had contributed to Hitler's desire to invade, then the threat of a Czechoslovakian self-destruction of that facility might have contributed to deterrence (by denial). Hitler's primary goal was simpler, however – the destruction of Czechoslovakia – and industry did not weigh into his thoughts; German unification with the Sudetenland was a byproduct of that destruction, though Hitler was indeed pleased with the idea of acquiring the facilities that manufactured Czech tanks.<sup>9</sup>

Czechoslovakia had made alliances with France and the Soviet Union, but since neither of those countries actually bordered Czechoslovakia, the ability of either of them to intervene or apply pressure on Germany was limited. Moreover, as the willingness of the French and British to enforce other terms of the Versailles Treaty had diminished over time, it became less likely that France or the United Kingdom would risk war simply to sustain the diverse ethnic political structure of Czechoslovakia – a country that the Allies had essentially created with the Treaty of Versailles in order to keep millions of Germans separate from Germany. Ultimately, Czechoslovakian Prime Minister Edvard Beneš resigned himself to partition, weakened his country's diplomatic position still further by signaling to France and the United Kingdom that he would be willing to surrender the Sudetenland to Germany.<sup>10</sup> This notice, and French leadership's unwillingness to confront Germany, undermined Czechoslovakia's best chance to defend the Sudetenland.

After the Munich Agreement and after the collapse of the remainder of Czechoslovakia in March 1939, Germany immediately sent a general to take over the Skoda factory.<sup>11</sup> Göring then incorporated the Skoda factory into his Four-Year-Plan Reichswerke corporation. Though the Skoda factory provided an immediate influx of nearly 300 quality tanks for the Wehrmacht (German army) and, in later years, produced a high-quality mobile tank destroyer, Skoda did not offer any unique technological advantage that might have given

Czechoslovakia leverage in a strategy to fend off Germany – either by producing enough high-quality arms to permit military defense of the country or at least by providing Germany enough value in arms imports from Czechoslovakia that seizing the country (and risking Skoda’s destruction) made outright invasion less attractive.

Though the Skoda factory did not leverage unique technology, however, it did create useful tanks due to many years of experience developing various caliber weapons. By the late 1930s, Skoda produced a superior light tank, the LT vz. 35, or the “Lehký tank vzor 35.” As a light tank, the LT vz. 35 was superior to the German Mark 1 and Mark 2 tanks because the LT vz. 35 had a 37-millimeter gun, whereas the Mark 1 had only machine guns, and the Mark 2 had a 20-millimeter gun.<sup>12</sup> Furthermore, the LT vz. 35 had superior and thicker armor compared to the Mark 1 and 2 and thicker armor at the front compared to the German Mark III medium tank.<sup>13</sup> (After the invasion, Germany allowed the remaining tanks sold to Romania and Bulgaria to improve the German Balance of Payment dilemma.<sup>14</sup>) Ultimately, while Skoda output materially contributed to the German army, the technology, and quantity were not unique in comparison to factories in Austria or Southern Germany; instead, Czechoslovakia’s technical comparative advantage, before the war, resided mainly within its Skoda munitions factory skilled workforce and willingness to innovate when operating in a free society – a value that decreased under Nazi occupation.<sup>15</sup>

It is doubtful, however, that a Czechoslovakian industry-based leverage strategy employed in the interests of deterrence would have worked in any event. German leadership dynamics left no room for such influences to impede Nazi moves upon Czechoslovakia. Adolf Hitler never seems to have contemplated that Germany should occupy Bohemia and Moravia in order to acquire Czech industrial capacity or gold supplies. His motives were much simpler than that.

Hitler had the long-standing view that Czechoslovakia should never have existed as a state in the first place, and long-standing prejudices against the Czech ethnic identity.<sup>16</sup> Under his leadership, German foreign policy leaders noted repeatedly that the outright

destruction of the Czechoslovakian state was the ultimate goal.<sup>17</sup> Hitler was not dissuaded by industrial capacity or Czech defenses in the Sudetenland, and actually favored military combat against the entire Czech state in 1938. Ultimately, Hitler would have been perfectly happy to see the military destruction of Czechoslovakia, including the Skoda factory, and might even have *preferred* this – finding it more satisfying than a non-violent, pseudo-peaceful takeover.

### **Resource-Rich Sweden Partially Deterred Germany**

Sweden successfully stayed neutral throughout World War II, but it also significantly bent traditional concepts of neutrality based on how isolated it was – or how much threat it felt – from either belligerent.<sup>18</sup> At first, this meant bending in Germany's direction.

Germany needed Swedish high-quality iron ore, which was superior to German ore,<sup>19</sup> and Nazi German politicians had long-term plans to subjugate Sweden or further degrade its neutrality in order to exterminate Sweden's Jewish population.<sup>20</sup> The Nazis were well aware of their partial dependency upon Sweden; before the war, during the German buildup, Göring noted that a strike in Sweden or the coming to power of an unfriendly democratic government would ruin Germany's heavy arms production.<sup>21</sup> Berlin's interest in controlling Sweden was thus significant.

During the war, however, geographic circumstances helped Sweden to maintain its neutrality, especially after Germany invaded Norway, thereby lessening the risk of *allied* invasions into Scandinavia and Finland or conflict with the Soviet Union. Since Sweden in this sense existed on the periphery of the fighting, it was able to exploit opportunities for trading with the Allied powers (some of this by means of smuggling) and with Germany alike.

Sweden's industrial base gave it some advantages in this respect. Though it traded high-quality iron ore with Germany in exchange for coke and coal, Sweden also exported the highest-quality ball-bearings, which could not be replicated anywhere else globally, specifically from

the SKF Global corporation. Significantly, SKF invested in relatively lower-quality ball-bearing factories in many countries, including the United States, the United Kingdom, France, Russia (briefly), and Germany. These factories provided ball-bearing parts to their host countries' militaries. Still, the ball bearings only available directly from Sweden were of higher quality and had lower failure rates. (In general, ball bearings reduce friction on two moving parts of a machine. They can be of various sizes, which helps improve efficiency in other industries, as well as airplanes, tanks, and locomotives.<sup>22</sup> For example, a part with relatively lower-quality ball-bearings may increase the risk of machine failure, which could result in an airplane crash.)

While these unique Swedish ball bearings supported the militaries of both sides, they were not critical for anyone since importing countries could still produce lesser quality (but still useable) ball bearings domestically, or import adequate substitutes if supplies from Sweden were cut off – though it might take many months to adapt.<sup>23</sup> As noted earlier, Sweden traded with the United Kingdom through clandestine means, which included sending ball bearings in diplomatic pouches, fast aircraft, or blockade-running fast ships.<sup>24</sup> SKF's business dealings with Germany were on advantageous terms, and there is little sign of German efforts at economic coercion against Sweden.<sup>25</sup> Nonetheless, Sweden bent, or effectively broke, the traditional rules of neutrality by allowing German soldiers to transit its country from Norway to Finland and, in reverse, down to Denmark.<sup>26</sup>

From 1943 onward, as Germany started to lose the war, allied nations pressured Sweden to reduce its ball-bearing exports to Germany, and Sweden partially complied. It did not proclaim any plan to destroy its ball-bearing capacity and equipment in the event of invasion, but SKF in Goteborg did complete a plan in April 1943 to do so if needed.<sup>27</sup> However, little information exists on how prepared or willing the Swedish government and the SKF corporation were to implement such plans. At any rate, Sweden did not announce any such plans, thus giving little sign that they contemplated any kind of deterrence message.

Hitler's commentaries about Sweden make clear that he thought about its iron ore supply to Germany, but he did not consider Sweden the only source of such ore, for in his view occupied portions of Russia could serve as a backup option.<sup>28</sup> Hitler did not envision Sweden being part of the land he deemed critical to expanding the German population, and he likely considered the non-Jewish Swedish population easier to Germanize in the long run after the war.<sup>29</sup> (Hitler did state, however, that Jews would "have to clear out of Sweden and Switzerland."<sup>30</sup>) Hitler apparently did not say much about controlling Sweden to the German General Staff, or at least not enough to have necessitated drawing up any invasion plans. Ultimately, the pressing concerns of the Eastern and Western Fronts crowded out any concerns Germany may have had with Sweden, which allowed Sweden to retain some autonomy in its foreign and trade policy with Germany.

### **Switzerland Stalled an Inevitable Invasion**

During World War II, Switzerland maintained its neutrality, though that country may also have bent, or broken, neutrality rules, such as by allegedly allowing German transit of prisoners through Swiss territory, similar to Sweden allowing transit of soldiers.<sup>31</sup> (Note, however, that a Swiss-led commission refuted such claims in 2001, though it did conclude that Switzerland had helped Germany by closing its borders to a number of refugees fleeing Nazi oppression and by accepting Nazi transfers of looted gold.<sup>32</sup>) In the long run, Nazi Germany – had it been more successful in the war – would have likely eventually enveloped Switzerland through political or military force, because Hitler disliked the country and had strongly antisemitic perceptions of Switzerland, and also because of his desire to ensure no German-speaking people existed *outside* of Germany and within a democratic government.<sup>33</sup>

The historical image of Switzerland's survival during the war has developed over time, from an initial reputation as an invasion-resistant showcase of mountain defenses to a later image of financial collaboration with the Nazis, due to records released in the 1990s about unaddressed lost Swiss bank accounts of Holocaust victims.<sup>34</sup> Though

some authors at the time felt that Switzerland deterred Germany from invading it because of the high numbers of armed citizen soldiers in that country,<sup>35</sup> this seems unlikely because Yugoslavia represented a similar partisan risk but this did not deter Germany from invasion.<sup>36</sup>

One feature that may have helped Switzerland sustain its neutral status, however, was indeed related to its geography and defenses, in conjunction with its public willingness to destroy key transportation links upon invasion. Such plans also included creating a “national redoubt,” which Switzerland announced publicly in what it called “the Rütli Report,” so named because General Guisan, head of the Swiss Armed Forces, collected his officers at the Rütli Meadow on July 25, 1940 to relay this message. Switzerland later also broadcast portions of this message over the air for German consumption, which may have helped with stalling a German invasion by making the country seem indigestible.<sup>37</sup>

Hitler often railed against Switzerland to the German General Staff, resulting in their development of Operation Tannenbaum, which would have involved invading and partitioning Switzerland into German and Italian enclaves. Hitler noted that any Jews surviving in Switzerland would infiltrate Germany,<sup>38</sup> suggesting that he also would have liked to extend the Holocaust there. Ultimately, however, Hitler never gave the final order, and Germany never invaded Switzerland.

### **Romanian Infighting Prevented a Deterrent Strategy**

Like Czechoslovakia, the post-World War I Romanian state grew by incorporating land previously belonging to other countries.<sup>39</sup> In the Romanian example, the land previously belonged to Hungary, Bulgaria, and the Russian and Ukrainian territories of the Soviet Union. Romania also contained several diverse non-Romanian ethnicities, including Germans, Hungarians, Bulgarians, Ukrainians, and Russians, which contributed to territorial insecurity as neighboring countries sought to regain control over their former populations.<sup>40</sup>

Deeply concerned about losing territory to Hungary, Romania attempted to align its territorial policies and diplomacy with Czechoslovakia and Yugoslavia, with the support of France through what was known as the “Little Entente.” However, this grouping did not withstand pressure from Germany or Russia for long.<sup>41</sup> While Romania attempted to leverage its oil capacity and processing to gain favorable treatment from Germany, it failed to enact any explicit deterrence strategies – primarily due to internal political dynamics and infighting within the country’s right-wing paramilitary groups.<sup>42</sup> Economically, once German investment and occupation gave the Nazis majority control of Czech firms in Bohemia and Moravia through Göring’s Four-Year Plan organization, Romanian heavy industry could not avoid growing integration with Germany due to cascading investment spillover effects.<sup>43</sup>

Interestingly, regarding deterrence threats, upon learning of the Molotov-Ribbentrop Pact, Romanian leader King Carol threatened through an intermediary to destroy the Romanian oil fields if the Axis invaded. However, King Carol also sent other, conflicting messages that confused the deterrent signal.<sup>44</sup> (During the war, the allies also expressed concern about German domination of Romanian oil fields by noting, in 1939, that the United Kingdom and France reserved the right to destroy the oil wells.<sup>45</sup>) Romania did attempt to prevent German domination of Romania’s heavy industry and those oil fields. Still, these efforts failed after the general Ion Antonescu overthrew King Carol in September 1940. From Hitler’s point of view, when the pro-British King Carol was in power, Romania would have had to be turned into an entirely agricultural society with no industry.<sup>46</sup> Later, however, Hitler admired Antonescu’s leadership, especially in hoping that Antonescu would “get rid of the Jew” in Romania.<sup>47</sup> (Antonescu did persecute Jews, and was executed for war crimes and treason after the war.)

Romania had lost 30 percent of its territory to the Soviet Union and Hungary through various agreements around the time of the Molotov-Ribbentrop Pact of 1939, which led to the rise of right-wing antisemitic paramilitary groups in Romania.<sup>48</sup> The Romanian political response to this loss of territory was to lean further into the German-

led Axis political sphere; under Antonescu, it officially joined the Axis alliance in November 1940. Even then, however, after the Axis defeat, Romania failed to regain all its claimed territory.<sup>49</sup>

### **Deterrence by Punishment vs. Deterrence by Denial**

Post-war deterrence theory has routinely focused on the importance of ensuring a capacity for retaliation against aggression, as highlighted in various studies emphasizing “deterrence by punishment” approaches.<sup>50</sup> This emphasis may stem largely from the United States’ own stress upon policies of ensuring nuclear retaliation vis-à-vis the Soviet Union after 1945. Few other states have had that option, however, and certainly not the smaller neutral European states that are the subject of this study, and at a time before the Atomic Bomb had been invented. For them, deterrence by punishment was less relevant. These smaller states had little conventional capability to punish invaders, such as with strategic aerial bombing. Nevertheless, these smaller states still had, to some degree, opportunities to establish and signal “deterrence by denial.”

Comparing punishment and denial theories, deterrence by punishment increases the costs for the aggressor, while deterrence by denial works by reducing the probability of success for that aggressor.<sup>51</sup> Ultimately, prior to and during World War II, those small states had little ability to inflict critical costs on any powerful invader, so they could not deter through punishment; instead, their best hope probably lay in relying on *denial* signals, to show that a German invasion would fail, or would at least result in too few benefits to make it worthwhile. Even then, however, the countries mentioned above were generally unable to enact an effective overall strategy against Hitler. When facing a potential aggressor of his sort, such denial approaches may have had little chance of success, for their impact on German planning would almost certainly have been overwhelmed by Hitler’s violent prejudices and antisemitism, swamping any more normal military, economic, or rational calculus.

## Switzerland's Case: Limited Success in Deterrence-by-Denial

In some sense, Switzerland did successfully deter the German military elite – though not Hitler himself – by using deterrence by denial, dissuading it from supporting an invasion during a brief period after the fall of France and during the subsequent focus on the Battle of Britain and planning the invasion of Britain (Operation Sea Lion). However, the lack of a German attack resulted more from the dynamics between Hitler and the German Army General Staff than from any strategic effort or signaling by the Swiss military or leadership.

The Swiss, in fact, missed key efforts to bolster their deterrence by denial strategy, though it did include public warnings of destroying key transport nodes, destroying specialized military-related machine tools and precision technology firms, and highlighting the national redoubt in the mountains. Swiss partial demobilization of the military after the fall of France, for example, reduced the effectiveness of any deterrence posture.<sup>52</sup>

Despite such mixed signals, at least some Germans seem to have wondered whether attacking Switzerland would be more trouble than it was worth. On August 26, 1940, General Franz Halder, Chief of Staff of the German Army High Command, advised Hitler that “Switzerland is determined to resist an invasion with all its might,” which Halder noted was “intended to deter Hitler.”<sup>53</sup> (Halder did not identify the nature of this resistance, however, such as whether it was related to the quality of Swiss soldiers, their equipment, or their plans for a fortified “national redoubt” in the mountains.<sup>54</sup>) Furthermore, Halder and the rest of the German General Staff may have preferred alternate opportunities when evaluating the costs associated with invading Switzerland. Competing priorities at this time included preparing for the invasion of the United Kingdom, addressing a potential failure of the Armistice with the Vichy French regime, planning to seize Gibraltar from Britain, and the fear of a revivalist France in North Africa.<sup>55</sup> With such other concerns to worry about, evidence suggests that the German General Staff was relatively

resistant to Hitler's interest in attacking Switzerland during this early period.

Before Halder's deterrence-by-denial warning, the German military plans for Switzerland were unclear, as was Hitler's vision for that country. However, Hitler did assume Switzerland would indeed fall to German political pressure if surrounded. Apparently with this in mind, he ordered the German military to observe Swiss neutrality at the start of the war in 1939.<sup>56</sup> However, at several junctures, Hitler also pressured his generals and Italy to surround Switzerland more rapidly – specifically, before the armistice with France. Italy failed to meet these commitments, however, leaving an unoccupied gap for France, which kept a trade route open for Switzerland. Enraged by this, Hitler was also angered by the fact that Swiss pilots shot down several German fighters and bombers in early June 1940.<sup>57</sup>

Therefore, after Germany completed its armistice with France on June 24, 1940, the German General Staff ordered Otto Wilhelm von Menges, under pressure from Hitler, to create the first of three drafts of an attack on Switzerland.<sup>58</sup> This first plan involved surprise attacks from multiple directions to prevent the Swiss from retreating to the mountains, and attempts to protect Swiss arms centers in Solothurn and Oerlikon (the name both of a region and a technology firm) from destruction – presumably so that they would thereafter be available for German exploitation. While these documents recognized that Swiss forces might resist, they assessed that Switzerland would ultimately cave upon invasion.

However, staff updates to the plans repeatedly collided with other German campaign priorities, particularly in Romania and the Balkans, and then plans for the invasion of the Soviet Union (Operation Barbarossa). By April 1941, the risk of an imminent invasion of Switzerland had receded, after which Germany relied instead on economic pressure, which the Swiss mitigated by shifting trade more toward Germany. Even as late as March 1943, Swiss military leader General Henri Guisan tried to keep deterrence by denial alive, privately informed the Nazi intelligence officer Walter Schellenberg that the Swiss army would destroy key Alpine railroads

if invaded. However, whether or not that message reached senior German leadership is unclear.<sup>59</sup>

### **Sweden’s Missed Opportunities for Deterrence-by-Denial**

Sweden’s geographic location, dependence on German coal, and value to Germany as an iron ore supplier made its neutrality precarious. The country leaned toward Germany when the Nazis seemed to be winning the war. Sweden might have thought the risk of damage to the infrastructure permitting extraction of its valuable iron ore supply would contribute to deterrence by denial, but the country made no explicit public communication to this effect,<sup>60</sup> and internal Swedish political dynamics allowed no consensus and undermined clear signaling. For instance, publicly announcing plans to destroy the critical hydroelectric dam in Northern Sweden to disable power needed to extract iron ore, or publicly announcing plans to destroy key advanced ball-bearing manufacturing could have supported deterrence by denial. And indeed, Gunnar Hägglöf, a Swedish diplomat during the war, noted that he “several times” told German delegates that blowing up the indispensable power stations would be “the action of a moment.”<sup>61</sup> However, it is unclear if German senior leadership or the military received this message, or – if they did – whether it affected their planning.

Rather than sustain a consistent posture of deterrence, Sweden mixed vague and inconsistent signals of deterrence by denial with appeasement, frequently acquiescing to German demands, such as by allowing German army troop movements across its territory and by continuing to build warships for Germany. This effectively meant that Sweden was a near-client state for Germany, at least while Germany was winning. In exchange, however, Sweden maintained some independence, protected its population from direct occupation, and maintained essential coal imports.

### **Hitler’s Dismissal of Swiss and Swedish Capabilities**

Assessing the success of the deterrence messaging received by Germany requires insight into the actions and deliberations of the

German Army General Staff and Adolf Hitler and his bureaucratic apparatus. Rather than Germany functioning as an efficient unitary state, various political and military factions sought to influence Hitler, who himself could alter military strategy on a whim. This made policymaking volatile and unpredictable, reducing the role of the kind of careful calculation that one might have expected from the General Staff. As it turned out, neither Switzerland nor Sweden deterred Adolf Hitler; instead, he was likely only distracted from focusing upon these states by the challenges of dealing with the United Kingdom, France, and the Soviet Union.

Regarding Swiss military capabilities, Hitler did not consider Swiss military officers to have any technical credibility, partially due to his antisemitic theories that Jewish commercial interests had sapped Swiss military vigor and his view that neutral states were militarily and culturally inferior in any event.<sup>62</sup> Irrespective of any invasion, he likely assessed that Switzerland would eventually fall under German political control due to cultural pressure. Indeed, Hitler stated that “a state like Switzerland, which is nothing but a pimple on the face of Europe, cannot be allowed to continue.”<sup>63</sup>

On Sweden, Hitler had even fewer thoughts, probably because that country lacked large German-speaking enclaves. He did not fully value or understand the key importance of Swedish iron ore to German industry, contending that Germany could find alternate supplies in Russia after he won *that* war.<sup>64</sup> In the long run, Hitler stated that future German generations should destroy Sweden, referring to the Swedes as “vermin.”<sup>65</sup> This statement underscores Hitler’s overall viewpoint: foreign technical and resource capabilities were, at best, secondary to his more ideological convictions on land and race. This tended to undermine the effectiveness of regional counterstrategies of deterrence by denial.

### **Concluding Analysis and Contemporary Insights**

On the whole, of course, the relatively smaller countries of Europe did poorly in the face of aggression by a much stronger Germany. Yet their records of (relative) success nonetheless vary.

Relatively smaller countries that existed on the path of Nazi Germany's territorial expansion for living space, such as Czechoslovakia and Romania, fared worse than those outside the scope of that planned living space, like Switzerland, or on the periphery of heavy German fighting, like Sweden.

Possession of critical technology or resources alone was insufficient to protect a state's neutrality, such as in the Czechoslovakia and Romania examples. Still, trying to leverage such advantages might offer the chance of at least some success in conjunction with other deterrent communications practices, as Switzerland attempted, at least partially. The smaller regional states did not stand much chance of success through deterrence by punishment. (Though the Czech and Romanian armies were larger than one million soldiers, for instance, these large armies did not protect their independence.) Countries with long-established national borders, such as those of Sweden and Switzerland, did better than those with recently-adjusted borders that cut through contested national or ethnic groups, such as in the Czech or Romanian cases. Internal national unity also helped ensure stronger resistance to external cultural, political, financial, and military pressure, with Switzerland and Sweden as prime examples.

No state in this study had a unique material or technology that it could leverage against Germany, but each had some comparative advantage in quantity or quality. These states derived the highest value from industrial production, including the people, processes, and inputs that made it possible. To some extent these capabilities may have had some modest deterrence-by-denial effect. Workers in successful private sector industries working under occupation, for instance, would see their incentives and capacity drop, as illustrated by the relatively poor performance of Skoda under occupation. Yet small, specialized factories such as SKF in Sweden were more logically "self-destructible" than larger Skoda-type facilities or oil fields. Adding a clear public messaging component to national strategy while developing self-destruction options for such installations could perhaps have improved deterrence, at least to a point. Even then, however, it is unclear that such approaches could have succeeded

against an adversary like Adolf Hitler – though perhaps modern states can learn from these examples if they are lucky enough to face someone less fanatical.

In the modern era, therefore, states can draw valuable lessons from these relatively little-known examples from World War II. I offer four. First, advanced or rare technical capacities are unlikely to be decisive in ensuring deterrence by denial if the adversary prioritizes ideological or territorial gains with the monomania of a Hitler. Second, deterrence should involve public and credible commitments to denial, such as clear plans to destroy critical infrastructure that would be valued by an occupier, rather than simply relying upon adversary inference. Third, as shown by Romania’s example, a fractured internal society weakens deterrence. Fourth, allies with weak resolve and reliant on allies too remote to offer effective military support, such as with Czechoslovakia’s reliance on France, are unlikely to deter enemies. Ultimately, a further lesson might be to temper expectations. As these cases show, a small state’s ability to leverage unique capabilities and its determination to deny its resources to an invader is of some but only limited use, and various issues of economics, geography, global power balances, and ideology might still overwhelm any intended deterrence-by-denial effect.

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## About the Author

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## Notes

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- <sup>1</sup> See, e.g., John J. Mearsheimer, *Conventional Deterrence* (Cornell University Press, 1990).
  - <sup>2</sup> J Adam Tooze, *The Wages of Destruction: The Making and Breaking of the Nazi Economy* (Penguin Books, 2008), 231.
  - <sup>3</sup> *Ibid.*, 49.

- 4 R.J. Overy, *War and Economy in the Third Reich*, new edition (Clarendon Press, 1994), 217.
- 5 United States Holocaust Memorial Museum, Washington, DC, “Hjalmar Schacht,” United States Holocaust Memorial Museum, 2023, <https://encyclopedia.ushmm.org/content/en/article/hjalmar-schacht>.
- 6 “Munich Crisis 85 Years on - Historian Reveals How Appeasement of Hitler Affected British Public,” The University of Sheffield, October 11, 2023, <https://www.sheffield.ac.uk/news/munich-crisis-85-years-historian-reveals-how-appeasement-hitler-affected-british-public>.
- 7 Patrick Crowhurst, *Hitler and Czechoslovakia in WWII: Domination and Retaliation* (London, United Kingdom: Bloomsbury Academic, 2020), 25.
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