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Security and defence in Liechtenstein

The Liechtenstein National Police is responsible for keeping order within the country. It consists of 87 field officers and 38 civilian staff. All officers are equipped with small arms. The country has one of the world's lowest crime rates. Liechtenstein's prison holds few, if any, inmates, and those with sentences over two years are transferred to Austrian jurisdiction. The Liechtenstein National Police maintains a trilateral treaty with Austria and Switzerland that enables close cross-border cooperation among the police forces of the three countries.

Liechtenstein follows a policy of neutrality and is one of the few countries in the world that maintains no military. The army was abolished soon after the Austro-Prussian War (1866) in which Liechtenstein fielded an army of 80 men, although they were not involved in any fighting. The demise of the German Confederation in that war freed Liechtenstein from its international obligation to maintain an army, and parliament seized this opportunity and refused to provide funding for one. The Prince objected, as such a move would leave the country defenceless, but relented on 12 February 1868 and disbanded the force. The last soldier to serve under the colours of Liechtenstein died in 1939 at age 95.

Liechtenstein's commerce and industry

Despite its limited natural resources, Liechtenstein is one of the few countries in the world with more registered companies than citizens. Very low business taxes (lowest in Europe; the maximum tax rate is 20%) as well as easy Rules of Incorporation have induced about 73,700 holding (or so-called 'letter box') companies to establish registered offices in Liechtenstein. This provides about 30% of Liechtenstein's state revenue. Liechtenstein also generates revenue from Stiftungen ("foundations"), which are financial entities created to increase the privacy of nonresident foreigners' financial holdings. The foundation is registered in the name of a Liechtensteiner, often a lawyer.

Liechtenstein is a large producer of ceramics and is the world's largest producer of sausage casings, potassium storage units and false teeth. Other industries include electronics, textiles, precision instruments, metal manufacturing, power tools, anchor bolts, calculators, pharmaceuticals, and food products. Its most recognizable international company and largest employer is Hilti, a manufacturer of direct fastening systems and other high-end power tools.

A whole Russian Army in Liechtenstein

Towards the end of the war Germany upgraded its Russian volunteers in the war effort, and Smyslovsky's forces were elevated to the 1st Russian National Army on 10 March 1945. By April 1945, Smyslovsky had moved his fighters to Feldkirch. The whittled-down army of 462 men, 30 women, and 2 children then moved into neutral Liechtenstein on 2 May 1945. The Russians were cared for by the Liechtenstein Red Cross.

On 16 August 1945, a Soviet delegation came to Liechtenstein in an attempt to repatriate the Russians. Homesick and subject to cajoling and menacing, about 200 of the group agreed to return. They departed in a train to Vienna - and nothing was ever heard of them again. The remainder stayed in Liechtenstein for another year, resisting, with support of Liechtenstein, further pressure by the Soviet government to participate in the repatriation program. Eventually the government of Argentina offered asylum, and about a hundred people left.

The Liechtenstein Russians were at no point in danger of being extradited, and the local population fully supported the government in providing asylum to the Russians. The small population of the country (12,141 in 1945) supported the émigrés (3% of the population) at a rate of SF 30,000 per month for 2 years and paid their costs to move to Argentina. While the Western Allies and other countries in Europe complied with Soviet requests to repatriate Soviet citizens regardless of their individual wishes, Liechtenstein was the only country that stood up to these demands and informed the Soviet government that only those Russians who wanted to go home would be permitted to go.

Smyslovsky died in Vaduz on 5 September 1988.

New FL constitution – a step towards what?

In a national referendum in March 2003, nearly two-thirds of the electorate voted in support of Hans-Adam II's proposed new constitution to replace the 1921 one. The proposed constitution was criticised widely as expanding the powers of the monarchy, as the new constitution retains the Prince's power to veto any law, and allows the Prince to dismiss the government or any minister. The Prince threatened that if the constitution failed, he would, among other things, convert some of the royal property for commercial use and move to Austria. The royal family and the Prince enjoy tremendous public support inside the nation, and the resolution passed with about 64% in favour.