

**Zeitschrift:** Helvetia : magazine of the Swiss Society of New Zealand  
**Herausgeber:** Swiss Society of New Zealand  
**Band:** 11 (1945-1946)  
**Heft:** 6

**Rubrik:** News from Switzerland

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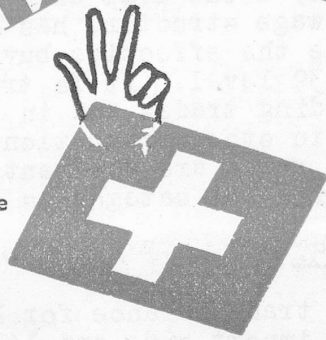
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# HELVETIA



Monthly Publication of the

SWISS BENEVOLENT SOCIETY  
in New Zealand

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Group New Zealand of the N.H.G.

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WELLINGTON.  
APRIL, 1946.

## NEWS FROM SWITZERLAND.

### Switzerland's Economic Situation.

A report on the economic situation during the last quarter of 1945, recently published by the Federal Commission for Economic Research, states that, despite the demobilization effected in the course of the last six months of 1945, Switzerland's economic situation was characterized by practically full employment on the labour market. The number of industrial workers employed increased by 4.3% during the third and fourth quarters of the year and exceeded the December 1944 level by 12.1%. The man-power shortage has become acute in industry, agriculture, the hotel trade and domestic service. This shortage is due, on the one hand to the heavy demand for labour on the home market where agriculture and industry are absorbing all available man-power for the production of commodities which formerly were imported and, on the other hand, to meet the heavy demand from devastated areas and countries which have suffered from war restrictions. According to the export volume index, Swiss consignments for foreign markets rose to almost three-quarters of the level registered in 1938, for the corresponding period; this figure can be compared with those for the third quarter of 1945 and the last of 1944, namely, three-fifths and one-third respectively.

Furthermore, a very marked tendency to invest capital is apparent, as is evidenced by the number of building plans put forward by industrial firms and in the trades and crafts. According to investigations carried out by the delegate of the Labour Employment Committee, the plans put forward at the end of 1945 would involve the total expenditure of 160 million francs, whereas in 1944 plans to the value of 91 million francs were drawn up. As regards housing, building and civil engineering, so many schemes have been put forward for 1946, that a serious tension would result on the labour market if they should all materialize. An idea of the present situation can be gained from the following figures: building plans for 1946 involve 1043 million francs expenditure as compared with 686 millions in 1945.

Several circumstances, and especially the reduction in the price of essential imported foodstuff commodities imposed by the Government in anticipation of a fall in transport costs, brought about a downward trend in the price level during the last quarter of 1945. The price of home-produced commodities remained fairly stable, but imported goods fell by about 7.5% on the whole. However, clothing and fuel prices mounted steadily, but in spite of this the

cost of living index fell by about 1.4% as a result of the decrease in foodstuff prices. The wage structure has been adapted to present conditions, and on the whole the effective buying power of industrial workers has reached the 1939 level. It is true that this rise only affects labour in the building trades and in industry, and not office workers or those employed in other occupations: in some cases quite marked differences in wage rates are apparent from one firm to another, or even between different categories of workers.

#### Swiss foreign trade in 1945.

Switzerland's foreign trade balance for 1945 shows a total of 1225 million francs on the import side and 1474 millions for exports. The following table shows Switzerland's major sources of supply and channels of trade for the period under review.

<u>Imports</u>		<u>Exports</u>	
(in mill.Sw.frs.)		(in mill.Sw.frs.)	
United States	136.8	United States	385.3
France	128.9	France	165
Argentina	120.7	Sweden	114.4
Canada	103.5	Spain	99.6
Spain	93.5	Argentina	86.9
Belgium	66.6	Brazil	64.9
Germany	55.2	Portugal	60.3
Turkey	52.9	Turkey	53
Sweden	50.4	British India	47.8
Brazil	47.8	Belgium	45.6
Italy	47.1	Canada	35
Portugal	31.4	Great Britain	31.6
Portuguese East Africa	25.6	Mexico	26.1
Czecho-Slovakia	25.4	Czecho-Slovakia	19.1
Great Britain	21.5	Cuba	16.3

#### Anglo-Swiss Economic Negotiations.

Negotiations carried on in Berne and in London concerning trading and payments between Great Britain and Switzerland have been brought to a close by the conclusion of a monetary agreement similar to those recently concluded by Switzerland with other European states. The agreement was signed in London on March 12th 1946.

The agreement provides that the Swiss National Bank acting on behalf of the Swiss Government, will supply Swiss francs in exchange for pounds sterling credited in London. A maximum of 280 million francs, equivalent to 15 million pounds sterling has been provided for by this monetary transaction which will help to bridge the temporary disequilibrium which is expected to occur in Anglo-Swiss payments during the next three years. On the other hand, this arrangement will also help to eliminate many obstacles which, up to now, have hampered the revival of trade and travel in the two countries. It is hoped that the agreement will facilitate trade, not only with the United Kingdom but also with all other countries included in the sterling area.

#### Payment transactions between Switzerland and the sterling area.

The decree issued by the Swiss Federal Council on March 12th 1946, concerning payment transactions between Switzerland and countries of the sterling block, came into force on March 14th. It provides for a decentralization of payments: as a result, it will henceforth be possible to operate payments to sterling area countries through the medium of banks designated by the Swiss Federal Department for Public Economy apart from the Swiss National Bank.



### Swiss investments in Germany.

Like many other countries, especially the Netherlands, Great Britain and the United States, Switzerland invested considerable sums in Germany during the years 1924 to 1931. The object of these capital investments was the reconstruction of Germany, the consolidation of her national economy and her rehabilitation in the community of nations. The afflux of Swiss capital to that country stopped in 1931, however, the year that the Central European financial crisis broke out and two years before Hitler's accession to power. Following this crisis, some Swiss capitalists even called back their investments, but such transactions were interrupted when, a few months later, Germany adopted the policy of currency control. Since 1932, no Swiss capital has been invested in Germany.

### Switzerland's national defence: the war effort.

Throughout the second World War, Switzerland's front-line army incorporated about half a million men. These forces were complemented by about 300,000 men and women of the defence services, armed and unarmed. A further hundred thousand men were mobilized in the Home Guard, bringing the total of the Swiss army up to 900,000 men and women actively engaged in national defence. This figure represents more than one-fifth of the 4,300,000 inhabitants of Switzerland.

National defence in wartime involved an expenditure of about 9 million francs. Armament and equipment cost over frs. 2,8 milliard francs: fortifications and the building of the inner stronghold cost about 830 millions. Wartime mobilization caused an emergency expenditure of about 4½ milliard francs, while one milliard francs were expended in soldiers' welfare funds.

This total of 9 milliard francs, representing over frs. 2,000 per capita of the population surely testifies to the fact that the people of Switzerland spared no sacrifice to defend their independence and neutrality.

### The fastest locomotive in Switzerland.

This is a light train locomotive, one of a series of six for which the order was placed in March 1944. The machine is fitted with four axles and weighs 40 tons less than the type used up to now. Its maximum speed is 125 kilometres per hour (approximately 170 m.p.h.); with this locomotive the journey Geneva-Zurich has been shortened by twenty minutes, an appreciable saving of time for the busy executive.

### Hydro-electric power in Switzerland.

The total output of electric energy in Switzerland was 9655 million kW/h over the 1944/45 period as compared with 8583 million kW/h in 1943.

The remarkable increase in the output of electric power in Switzerland during the last few years may be attributed to several causes. The country is, it must be remembered, the land of "white coal"; hydraulic power is, in fact, its only natural resource. Owing to the difficulty in obtaining coal supplies, this resource has been exploited to the full: great new power stations have been built, harnessing mountain torrents, rivers and streams.

Last summer the rise in output was checked by the interruption of the export of energy to Germany and the percentage of exported energy as compared with the total output fell to 9.2%, as against 13% in the previous year, 22% in 1938/1939 and 24% in 1935/36.

Switzerland's consumption of electric power has risen from 7432 to 8771 million kW/h, representing the energy of 230,000 tons of imported coal. Over the 1944/45 period only 160,000 tons of coal reached Switzerland, and it will therefore be easily understood how important this modern source of energy is to this little country. The Swiss Federal Railways are entirely electrified and last year consumed 15 million kW/h more than in 1943. A slight fall in consumption for industrial purposes was noted.

#### A census of factory workers.

On September 20th 1945, a census of factory workers was held in Switzerland. The results of this investigation show that 435,603 workers were employed in industrial occupations at that date as compared with 426,010 in the previous year, an increase of 9,593. The 1945 census almost reached the peak registered on September 17th 1941 (namely, 435,862). Except for the Cantons of Uri and Valais, all the Swiss Cantons show an increase as compared with the previous year. The factories are grouped in 17 categories, 14 of which show an increase and 3 a decrease of labour.

#### Trade and industry in Switzerland.

There is a very marked trend in Switzerland towards ever more intensive industrialization. The movement is clearly manifest in the figures shown by the Official Trade Registers of the country. At the end of 1945, 110,090 firms were officially registered as against 106,285. An interesting feature in this small country is the number of one-man firms (59,713): joint-stock companies number 18,243 and last of all come limited liability companies (890).

Among the Cantons, Zurich, the most industrialized, ranks first with 17,058 firms: next come Berne (16,596), Vaud (12,273) and Geneva. This, in a nutshell, is a picture of the distribution of trade and industry in Switzerland.

#### Active neutrality.

It is a point worthy of mention that, during the second World War as in the first, Switzerland has played an important role in her capacity of Protecting Power: her work as such has been greatly appreciated by many countries and proves that a neutral state can render great service to humanity in times of international conflict.

From the very outbreak of war, Switzerland's acceptance of the representation of foreign interests in belligerent countries called for the creation of a special organization in order to carry out this work. In Berne, the Swiss Federal capital, a new department called the Foreign Interests Section of the Federal Political Department was created. In Berne, 153 officials were employed in this department, while over 1,000 special appointed civil servants were at work in different foreign capitals. Special departments were created at the Swiss Legations in London, Berlin, Rome, Washington, Vichy and Buenos Aires: in Berne, over 40,000 cases were filed. Statistics will help to show more clearly how actively this wartime diplomatic service carried on its work: in 1943, for instance, the correspondence of this Department alone amounted to 150,000 memos and letters and 17,000 cables, most of the latter being in cipher. By the end of 1944, foreign Powers had paid Switzerland no less than 236 million Swiss francs to cover costs of administration and to pay for the repatriation and welfare of their nationals: 186 millions of this large sum was spent on assistance given to foreign citizens.



Switzerland's task as a Protecting Power covered a very wide field of activity. Apart from diplomatic and consular work of a general nature, Switzerland had to watch over the application of the Geneva Conventions and of all agreements passed in favour of the Jews - very far-reaching tasks. The protection of officials (exchange of diplomatic missions), of foreign nationals of foreign Government and private property, were all tasks which fell to the Foreign Interests Department and sometimes proved no easy ones to fulfil. Switzerland's help in consular work was particularly valuable, as it included legal assistance, the establishment of protective passports, the legalization of thousands of documents and intervention in all matters bearing upon civilian law.

But one of the greatest tasks of all was the inspection of Prisoner of War camps. As the number of prisoners increased, so the number of inspectors attached to the different Legations of Switzerland had to be increased. In 1944, the inspectors of the Swiss Legation in Germany made 42 tours, visiting about 150 camps, military hospitals and prisoners, as well as most of the 1900 Labour Camps attached to the Base Camps for Anglo-Saxon prisoners. The repatriation and exchange of the seriously wounded was also organized and carried out under Swiss supervision.

The treatment undergone by the Jews wherever the Nazi regime held sway aroused indignation in the United Kingdom and the United States. Switzerland, therefore, acting in her capacity of Protecting Power for these two countries was called to intervene most actively in this matter, to a point which even involved the physical courage of the Swiss officials entrusted with these tasks.

This very brief survey of Switzerland's work during the war will show how important a part a neutral country can play in wartime and how it can help the belligerent nations. The fact that there has been a Protecting Power has made it possible for international relations to be maintained and, however limited they may have been, this in itself proved invaluable from every point of view.

#### Social Welfare and Industry.

Thanks to the emergency powers conferred upon it since the outbreak of war, the Swiss Government has the power to enforce the enactment of awards passed between labour unions and employers. In the course of the last five years, arrangements of this kind have been widely adopted. The Swiss Federal Council has issued 51 decrees giving force of law to agreements of this kind having a national or regional scope. The compulsory application of 64 orders passed by cantonal authorities has also been decreed and 58 of these enactments were still in force at the end of September 1945.

The objects of most of these awards are higher living allocations, family subsidies, paid holidays for workers, the length of working hours, and so on. Switzerland is making a great effort to ensure good working conditions in trade and industry thus raising the standard of national well-being.

#### The raising of petrol restrictions.

Restrictions on gasoline, paraffin, crude oil for Diesel engines and heating purposes and on all other liquid fuels were raised in Switzerland on March 1st 1946. It is not expected that the price of petrol will be brought down for some time to come, however.