

# The American Express in Switzerland. Part I

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Objektyp: **Article**

Zeitschrift: **Helvetia : magazine of the Swiss Society of New Zealand**

Band (Jahr): **28 (1965)**

Heft [5]

PDF erstellt am: **29.05.2024**

Persistenter Link: <https://doi.org/10.5169/seals-942349>

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# The American Express In Switzerland

(Extract from the "Swiss Review of World Affairs,"  
February, 1965)

THE year 1965 has been proclaimed "The Year of the Alps," in commemoration of two historic events which occurred a century ago: The first successful climbing of the Matterhorn by the Englishman Edward Whymper, and the arrival of the first foreign guests to spend the winter in St. Moritz and Davos. While the first event was certainly the more exciting, it was the second which had the greater significance for Switzerland; it marked the start of the country's growth as Europe's leading winter resort, a position which it has been able to maintain and consolidate during the past hundred years.

Many factors have contributed to Switzerland's development as a tourist centre. Among them, surprisingly enough, is an American company with a very American name, which has become closely integrated into the Swiss economy during more than forty years of operations here. But it is only recently that Europeans as a whole have begun to discover that American Express is more than just a glorified travel agency designed to assist Americans on their wanderings abroad.

In its 44 years of uninterrupted operation in Switzerland, American Express has become a recognised and respected member of the Swiss banking and stock brokerage community, in addition to its activities as a major travel, freight and car-rental agency.

## Some History

The history of the American Express Company goes back nearly 125 years, to the days before the American Civil War when the United States was still a largely unpopulated nation just plunging into the torrent of the Industrial Revolution. In 1841, a young man named Henry Wells undertook to carry a valise filled with gold, silver and currency from a bank in Albany, in the State of New York, to certain businessmen in the city of Buffalo at the other end of the same state. He made the trip by train and horse-drawn stage coach.

Thus, the basic theme was established around which a globe-cercling enterprise was to be built—money and transportation. Nine years later, Wells and six other men founded the American Express Company, and by 1852, in the aftermath of the fabulous Gold Rush of 1849, the firm's activities stretched across the North American continent to the Pacific Coast. The hazards involved in transporting money physically from place to place led to two important developments toward the end of the 19th century: In 1882 came the American Express Money Order, which permitted the transfer of funds without physical transportation of currency.

Today, these are the largest-selling commercial money orders in the world. And in 1892 a still more significant invention came to light: American Express Travellers Cheques—a kind of “ersatz money” that was sold with the incredible guarantee that the purchase price would be refunded if the cheque were lost or stolen. Sales of Travellers Cheques now total billions of dollars annually.

From these beginnings there grew a complex organisation which, as of the end of 1963, had 10,984 employees in more than 400 offices in 34 countries around the world. Total assets as of that date were slightly over \$1 billion; income from operations for that year was more than \$100 million, and net earnings were \$11.26 million.

As the world's largest travel agency, American Express annually brings thousands of tourists from America to other parts of the world. It is also becoming increasingly popular with people of other nationalities, both for travel to North America and for business or pleasure trips anywhere in the world.

### **An International Bank**

As an international bank, American Express has 49 branches in 16 countries. It began in 1904 with a branch in Rotterdam, becoming the first American bank to open offices in the Netherlands. It subsequently enjoyed the same distinction in Austria, Greece, Okinawa, Pakistan and Switzerland. At the end of 1963, total Amexco bank deposits and credit balances were more than \$366 million, with outstanding loans at \$172.4 million. The company's banking business is divided into commercial banking, serving business concerns and industry with a full range of services (development loans, foreign exchange and remittance, etc.), and tourist banking, designed for individuals, offering checking accounts in any currency and regular deposit accounts. The sale of Travellers Cheques and Money Orders is an important banking activity.

The American Express Credit Card has, during the relatively few years of its existence, become a familiar institution in the world of international travel. It is a form of “unloseable money,” which enables the cardholder to purchase a great variety of goods and services (from hotel rooms and airline tickets to jewelry and a fine dinner) without paying any cash immediately. At the end of each month, the cardholder receives a single bill itemising all his purchases. As of the end of 1963, there were 1,020,000 Amexco Credit Card holders all over the world, who had accumulated a total of 242 million dollars' worth of billings during that year. At the same time, there were some 85,000 establishments around the globe which honor these credit cards, including more than 9,000 restaurants, 15,000 hotels and motels, and 13,500 shops of every variety.



In Switzerland, card-holders can use their cards in 72 restaurants, 10 nightclubs, 43 small hotels, 515 shops, 34 car rental agencies, an aircraft rental agency, three travel agencies (in addition to Amexco itself) and an auto repair shop. Monthly billings on credit cards used in Switzerland average \$50,000. So far, there are only approximately 150 Swiss cardholders, but the number is expected to increase rapidly and there is a plan to issue credit cards for payment in Swiss francs in the near future (just as they are now available for pesos, pounds, French francs, marks and dollars).

As an international freight forwarder, American Express has more airport offices in Europe (12) than any other forwarding agent. The company provides comprehensive import and export facilities, including customs clearances, preparation of shipping documents, etc.

Another Amexco service on an international scale is Hertz Rent-a-Car, now a subsidiary of American Express. Already the largest car and truck rental agency operating outside the United States, in 1963 Hertz American Express opened new stations in Belgium, Denmark, England, Germany, the Netherlands, Spain, Switzerland and New Zealand. The organisation's total coverage is 386 cities in 73 countries.

Finally, American Express owns a number of armoured-car services in the United States. Early in 1964, in association with Thomas De La Rue AG and Securitas AG, the American Express' Wells Fargo initiated a new Swiss firm known as Securitas Express AG, which conducts armoured car operations for banks and commercial organisations in the principal Swiss cities.

How does this large, diversified company fit into the Swiss economy? (To be continued)

## **NEWS OF THE COLONY**

### **Hamilton Swiss Club**

The Hamilton Swiss Club held their social evening for the first time in the Old Boys Football Club hall, and a beautiful hall it is indeed, all laid out with nice carpets, an excellent dance floor and the most important item in wintertime, plenty of heaters to make it warm and cosy. The attendance was disappointing, but those who came along really enjoyed themselves. A good band and a tasty supper helped very much to make the evening a success.

A delegation from Auckland brought the big shooting cup, which they lost to Hamilton in the recent Swiss Society shooting competition. It was a very nice gesture to come along personally.

The prizegiving of the Hamilton shoot was held too. After a tie with Walter Unternaehrer and Walter Nauer with 59 points in the