

# The Gottlieb Duttweiler Story

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## THE GOTTLIEB DUTTWEILER STORY

The creator of the MIGROS, Gottlieb Duttweiler, has been compared with Franklin Roosevelt for his enterprising genius. He perhaps wasn't as able a politician and not as expert as Roosevelt at "making deals", but he changed the fabric of Swiss life in the same way as Woolworth and Hartford had done in America before him.

"Dutti" Duttweiler was a young importer, ruined in 1918 by the financial chaos that befell Europe. He emigrated to Brazil where he became a coffee planter. He failed there again because the coffee overproduction of the 1920s made its price crash. He returned to Zurich having wasted his energies in the tropics and was immediately struck by the high price one had to pay for a cup of coffee.

How was it that they were burning coffee beans in Brazil while the cost of coffee at the grocer's was actually rising? Duttweiler inquired into the matter and discovered that the cause lay with the cartels who were controlling the supply, distribution and marketing of coffee. This prompted him to investigate further how everyday consumer commodities found their way on the grocer's shelves and how their prices were established. He found that although Switzerland was politically highly decentralised, it was not so economically. The retail prices of such commodities as coffee or chocolate was fixed by cartels in such a way that every shop, however inefficiently run, could make a decent income. There were moreover an abundance of small shops with small and uneconomic turnovers not in a position to lower their prices independently or step out of line with the cartels because their supplies would have been immediately cut off. The system was designed to ensure the stable income and employment of an army of shopkeepers, which was in itself not a wrongful thing, but it did so at the expense of the consumer, who at that time had no defence. Other goods like cement and most professions were protected by prearranged price-fixing at the detriment of con-

sumers and clients. Such restrictive practices, which in Great Britain have been stemmed since the creation of the Monopolies Trade Commission, were left unchecked in the early days of Gottlieb Duttweiler and his career was to be a long and victorious struggle against the cartels which was to bring about an overhaul of the structure of the distributive trades.

He began in August 1925 with a fleet of five decrepit cars stacked with seven common articles. He concentrated on workers' neighbourhoods, underselling every local store. The action had an instant success, as the Swiss are keen to save a rappen whenever they can. The cartels immediately reacted and attempted to freeze him out by inducing all importers and wholesalers to cut him off. Duttweiler fought back by opening his own wholesale store. When Swiss importers declined to supply him with sugar, spaghetti and salt, he obtained his own importer's licence. Swiss cartels, however powerful, could not control the world, and when Duttweiler wanted to sell tea, he made the journey to China and established his own connection there. The same applied for other goods. He grew too strong for boycott and the cartels could no longer bring him to his knees in the way they could with the small retailer. The MIGROS grew. His shops sold at first a small number of goods commonly needed by the small customer. They were the people that Duttweiler wanted to help. But gradually MIGROS came to sell a wider variety of articles and evolved into a prefiguration of the modern supermarket—shops where everything formally to be found by the housewife in a dozen shops at the cost of a morning's shopping could be found. Gathering every daily speciality on one floor was not just a way of easing the life of the housewife, it was also a means of running his stores economically and thus offering cheaper prices.

Duttweiler's image grew. Thousands of Swiss began to understand his fight with the cartels and to realise that

he was independent of everyone except the customer. No prices were fixed: the customer was king. But this was a principle which the cartels hardly appreciated. The constant harassment from the entire Swiss mercantile structure was ironically what made the MIGROS and Duttweiler's influence grow. As his business expanded, Duttweiler was interested in providing reasonable insurance for his growing throngs of customers. He tried to make a marketing connection with a large insurance company in Geneva, but the interlocking directorates which dominated all Swiss mercantile life defeated him. Duttweiler was not stopped for long and MIGROS formed its own insurance company. When MIGROS had bulged large enough to have to be controlled by a holding company, the MIGROS Trust, Duttweiler needed financing. But the Big Banks were cartelised too and it was inevitable that MIGROS should open its own bank. This bank was opened in Zurich in 1958 and became Switzerland's most unorthodox financial institution. When every paper in the country, pressured by mercantile trusts, refused to print MIGROS adverts, Duttweiler founded his own paper — "Die Tat". As there were no parties to propagate his own radical ideas, he had to create one and founded the Independent Party in 1933, having become national councillor for Zurich. No man has ever displaced more air in Switzerland than Gottlieb Duttweiler. In a place which was cramped, conservative and protectionist, this magnate smashed himself his lebensraum and changed the physiognomy of the country in the process! Wholesale, Insurance, Banking, Press and political avenues had been closed to him, the pariah of economic life. Which other entrepreneur has ever had the versatility to forge these necessary utilities for himself and with his own bare hands?

The MIGROS Bank distinguished itself by being uninterested in foreign money. Whereas the Big Banks had made their name and their fortune by

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taking care of the foreigner's money, the MIGROS Bank spurned it and turned to the small saver, just as MIGROS stores had sought the small consumer 30 years before. The MIGROS Bank in the Seidenstrasse in Zurich is the only downtown bank doing business from eight to five and on Saturdays. MIGROS Banks refused to join the Swiss Bankers Association and took a very distant stand from the position of its established competitors, accusing them of accepting foreign money too gleefully and indulging in the glut of investments which have overheated the Swiss economy of the 1960s so badly and made prices soar. The MIGROS and the Independents feel that the established and cartelised big banks other than the cantonal banks have acted irresponsibly in accepting so many funds from abroad and investing them locally. MIGROS wants Swiss money to be invested in Switzerland and unconventionally does not want to be taken for a traditional "Swiss Bank", refusing to do business abroad (when not forced by official measures). Duttweiler once said that the Swiss should cease being "*Eine Nation von Watch-und-Cheese-makers, Hotelpartiers, und Bankiers*". This subversive statement, with which he wanted to free the Swiss from their image, reflects the pattern of an independent life spent struggling against the strictures in the establishment.

Although the MIGROS Bank started with a built-in, loyal clientele of "Migros Club" members, it is still a small bank. The Big Banks are said to fear its competition while not holding it in particular esteem. Who knows, the MIGROS Bank may one day grow into a giant, just as the Volksbank, created for the small saver, has now become one of the established giants. Gottlieb Duttweiler set out in 1925 to fight against the cartels. When he died in 1962 he left instead the biggest cartel of them all. (PMB)

# COMMENT

## REDUCE THE VOTING AGE TO 18?

Dr. Fritz Tanner, a marriage counsellor and a great friend of the young who is at the same time a member of the National Council, introduced a *postulate* in the Chamber aiming at lowering the minimum voting age by two years. The postulate is a Swiss political creation and consists, when it is passed by the National Council, in inviting the Federal Council to consider the issues it raised. It is therefore not a motion but an obligation and usually calls for a reply by the Federal Council.

As a result of the postulate, "Die Weltwoche" had the idea of inviting a panel of young people and of recording their views of the problem. Six youths, in and out of school, aged between 18 and 24 were interviewed together and the most striking impression one gathered from reading the interview was that they had a sound common sense.

They raised many sensible points. The first was that to be able to take part in the political life of the community it was necessary to be politically educated and to know what each party and electoral list stood for. It was therefore a task for the schools to educate all future citizens in these matters. This is in fact already practised in Swiss schools and Civic Instruction is given in primary school and Political Science in the third year of secondary school. In spite of this, one of the girls of the panel said that many 18-year-olds couldn't say if they were asked what the National Council was. Another point raised was the immense separation between the respective lives and interests of the parties and the young. A student said that it was pointless to lower the voting age if the parties were entirely governed by old people not open to the young. The feeling was that the parties were controlled by the old and that the young had no place in them. One member of the panel said, however, that he might try for the Social Democratic party — it was the party which perhaps offered the best chance to the young. The Initiative principle was criticised and the initiative launched last year by students to change the law on the Institute of Technology was considered as a failure. The young had launched an initiative but those in a position to implement it, the old in Parliament, had done what they wanted to anyway. Besides, the initiative was a very slow procedure and one youth claimed that the treatment received by apprentices, who get a very small pay in Switzerland, could only be improved if they went on strike and not through

an initiative. It would just have no effect. Asked whether they were interested in getting effective power, one of the panel frankly admitted that youth was not interested in power, all they wanted were good chances and a peaceful life. Neither did the panel appear to be particularly outraged by the materialism of their surrounding. Children, and their parents as well, should be taught that life was not just a matter of consumption. It was all a question of education. The youth are also the country's conscience and the panel agreed that if 18-year-olds had been given a chance to vote on June 7th, then the Schwarzenbach Initiative would not have been rejected by such a small majority.

The discussion did not show a strong common will in favour of the right of vote at 18. It seemed as though the students were as guarded against themselves as they were against society.

(PMB)

# SWISS NEWS

## SEVEN ACCUSED IN THE BUEHRLE AFFAIR

As a conclusion to the inquiry into the illegal arms shipment by Buehrle, the well known armaments factory in Oerlikon, seven persons have been charged with falsifying the documents warranting an arms export licence. The enquiry had been directed against a director of the company, a manager, a signing clerk and two junior employees. It was a surprise to learn that seven employees instead of six, of the company had been involved in the charges, which will now be dealt with by the Federal Court. The Buehrle Company has been found guilty of exporting some 88.7 million francs worth of arms to countries inscribed in the Swiss arms ban list. 52.7 million francs worth was sent to South Africa, 19.5 millions to Israel, and the rest to Egypt, Nigeria, Saudi Arabia and Lebanon. The accused had furthermore attempted to obtain an export license for 10 million francs worth of unexportable arms. Dieter Buehrle, the head of the Buehrle concern and son of its founder, was not among the accused but has been the aim of a complaint for his lack of control over the activities of his company.

## THE COUNTRY'S AGRICULTURE

A report has just been published by the Agricultural Division of the Department of Economy in Berne. This report doesn't actually tell the farmers of Switzerland what they have to grow and produce, it barely sets forth a number of recommendations which they