

Zeitschrift: The Swiss observer : the journal of the Federation of Swiss Societies in the UK
Herausgeber: Federation of Swiss Societies in the United Kingdom
Band: - (1926)
Heft: 260

Artikel: The new uniform motor car legislation in Switzerland
Autor: S.T.O.
DOI: <https://doi.org/10.5169/seals-690333>

Nutzungsbedingungen

Die ETH-Bibliothek ist die Anbieterin der digitalisierten Zeitschriften auf E-Periodica. Sie besitzt keine Urheberrechte an den Zeitschriften und ist nicht verantwortlich für deren Inhalte. Die Rechte liegen in der Regel bei den Herausgebern beziehungsweise den externen Rechteinhabern. Das Veröffentlichen von Bildern in Print- und Online-Publikationen sowie auf Social Media-Kanälen oder Webseiten ist nur mit vorheriger Genehmigung der Rechteinhaber erlaubt. [Mehr erfahren](#)

Conditions d'utilisation

L'ETH Library est le fournisseur des revues numérisées. Elle ne détient aucun droit d'auteur sur les revues et n'est pas responsable de leur contenu. En règle générale, les droits sont détenus par les éditeurs ou les détenteurs de droits externes. La reproduction d'images dans des publications imprimées ou en ligne ainsi que sur des canaux de médias sociaux ou des sites web n'est autorisée qu'avec l'accord préalable des détenteurs des droits. [En savoir plus](#)

Terms of use

The ETH Library is the provider of the digitised journals. It does not own any copyrights to the journals and is not responsible for their content. The rights usually lie with the publishers or the external rights holders. Publishing images in print and online publications, as well as on social media channels or websites, is only permitted with the prior consent of the rights holders. [Find out more](#)

Download PDF: 13.08.2025

ETH-Bibliothek Zürich, E-Periodica, <https://www.e-periodica.ch>

THE ECONOMIC AND FINANCIAL EVOLUTION OF SWITZERLAND DURING THE LAST FIFTEEN YEARS.

By Prof. WILLIAM RAPPAUD, Geneva.

(Concluded.)

Although it is impossible to substantiate any statement concerning the fluctuations of private wealth by any precise and accurate statistics, it seems very probable that the Swiss people as a whole were impoverished rather than enriched by the war. Some conspicuously large fortunes, it is true, were made out of war profits. But, aside from the fact that, as a rule, they proved as ephemeral as they had been rapid, the great mass of the population, particularly in the towns, suffered from the enormous rise in prices, the uncertainty and often the absence of employment, the losses sustained in foreign and domestic investments, the calamitous decline of the tourist trade, and the heavy increase of taxation.

However the war may in fact have affected the total real income of the Swiss people, there is no doubt whatever as to its disastrous consequences on the public finances of the country.

The exchequer of the federal State was particularly hard hit. On the one hand, its revenues, derived mainly from the customs and from the postal, telegraphic and telephone monopolies, declined *pari passu* with the volume of trade. On the other, its expenditure was enormously increased by the cost of the mobilisation as well as by the measures taken to counteract the rise in prices. The figures relating to the budgetary evolution, striking as they are, tell only a minor part of the tale of the increasing financial distress of the federal State. This is due to the circumstance that the mobilisation cost, as also certain exceptional receipts, were not included in the budget, but charged to a special capital account. In order to appreciate the full impact of the war on the public finances of Switzerland, one must note the rapidly increasing public indebtedness which it occasioned.

With the outburst of hostilities the whole army was mobilised for the defense of the neutrality and territorial integrity of the country. Throughout the war and according to the strategic developments on the frontiers it was maintained under arms, in whole or in part. The total cost of mobilisation, from August, 1914 up to the end of 1918, amounted to 1,076 millions of francs. In order to meet this extraordinary expenditure, as well as the rapidly increasing deficits due to secondary causes, new taxes were introduced, existing rates were raised, and loans were floated at home and in the United States.

The new taxes were: 1) a general property and earned income tax, once levied in 1915; 2) a war excess profits tax, introduced in 1916; and 3) a federal stamp tax, which became payable from April, 1918, on. By the end of 1918 about 345 millions of francs had flown into the federal treasury from these three sources.

Notwithstanding this and other extraordinary revenue there remained a large surplus of expenditure. This was covered by public loans, amounting to nearly 1,000 millions of francs, all of which, except \$15,000,000, were raised on the domestic market at a rate little exceeding 5%.

The main result of the war on the public finances of Switzerland was that, in spite of very heavy taxation, the debt of the federal State had increased about tenfold from 1913 to 1918 and that the total indebtedness of the cantons had nearly doubled.

III.—The Post-War Period (1919—1924).

The economic evolution since the war has been hardly less eventful and tempestuous than it had been from 1914 to 1918. The first two years of peace were times of high prices and an active trade. There followed a three year period of profound depression and unprecedented unemployment, from which the country has been slowly but steadily emerging since 1923.

The movement of the population seemed to develop along the same general lines as the economic evolution. As soon as the war ended the marriage and, shortly later, the birth-rates suddenly rose, only to decline again from 1921 on. Although the marriage-rate has remained slightly higher than it was before the war, the birth-rate is very appreciably lower. Were it not for the heavy decline of the death-rate, which, after the exceptional influenza year of 1918—when it had for the first time in statistically recorded history exceeded the birth-rate—had rapidly fallen below the pre-war level, the increase of population would have been almost checked.

As a matter of fact, the surplus of births over deaths, although somewhat less than it had been before 1914, is still between six and seven per thousand inhabitants. As since the war the population has not increased as rapidly as this ratio would lead one to expect, one must conclude that there has been an excess of emigration over immigration. This fact, which is confirmed by the fragmentary and local inter-census statistical investigations, is the most important demographical result of the war.

The foreign trade of Switzerland very promptly responded to the lifting of the restrictions of the war régime. Both imports and exports increased by more than 50% from 1918 to 1919/1920. When, in 1920, the deterioration of the German currency began to deprive the Swiss exporters of their main foreign market, other countries, and notably Great Britain and the United States, more than made up for the deficiency. But after 1920 and until 1924 a severe crisis occurred.

Obliged to offer their commodities, produced under conditions of high wages, exorbitant internal transportation costs, and heavy taxation, in markets protected both by sometimes insuperable customs barriers and by depreciated and depreciating currencies, the Swiss manufacturers of silks, embroideries, machinery, watches, chemical products, condensed milk and chocolate, often found it impossible to compete. Besides several of the secondary non-exporting industries, such as the paper, the furniture, the leather trades, were paralysed by the inflow of incredibly cheap competing goods from abroad, notably from Germany. These goods manufactured and exported into Switzerland, under conditions of abnormally low cost, flooded the internal market, so that the federal government felt constrained to resort against them to the unusual weapon of prohibition of importation. The measures thus taken, however contrary to the traditions and general interests of a small, exporting country like Switzerland, were justified by their authors and accepted by public opinion as the cheapest and most effective method of combating unemployment.

In spite of these measures, an unemployment crisis broke out, which was for a time relatively more severe than the British, and similarly gave rise to the payment of very generous doles on the part of the State. Fortunately for Switzerland it proved less persistent and the statistics relating to 1924 and 1925 show a marked increase in almost all branches of manufactures and a corresponding decrease of unemployment.

The great menace to the economic prosperity of Switzerland, which is so clearly dependent upon its export trade, is the recrudescence of protectionism all over the world, not least in Switzerland herself. Relatively cheap labour cost, combined with the highest quality of product, alone explains her industrial rise in the past. This condition of success has for the present disappeared. It is hoped and expected that the stabilisation of foreign currencies will partly restore it. But it cannot be fully restored, unless the present drift towards a reactionary policy of national protection be resisted and checked.

If the cost of living were to remain at its present relative height in Switzerland, the population would be bound to diminish, as no new industries would be established and as more and more existing industries would emigrate. Even if the tourist traffic, which has almost regained its pristine prosperity in the course of the last two years, were to be unaffected, Switzerland could not thrive on that alone and on the exploitation of her meagre agricultural resources.

That is why no country can suffer more than Switzerland from the spread of economic nationalism and none should more warmly welcome a wholesome return to a spirit of real international co-operation in the economic field.

When the war was over, the general expectation in Switzerland was that public revenue would automatically increase with the return of economic prosperity and that public expenditure would no less automatically shrink with the decline in the cost of living and the diminution of State activities. The general wish was also that measures be promptly taken for the funding of the enormously swollen public debt. For this latter purpose the people, by means of a constitutional referendum, had, on May 4, 1919, authorised the introduction of a renewed direct federal war tax on property and earned income. This tax was to be levied yearly until its yield, added to that of the already existing excess war profits tax, would have sufficed to pay off the mobilisation expenses.

These expectations and these wishes were to be sadly disappointed. The ordinary annual revenue increased, it is true, from 101 million francs in 1918 to 283 million in 1924, thanks mainly to higher custom tariffs levied on increased imports, to the rise in the yield of the stamp tax, and to the improved position of the postal, telegraphic and telephone administrations. But the ordinary expenditure increased at a faster rate than the ordinary revenue and the mobilisation cost, which disappeared from the so-called annual capital account, was almost equalled in amount by the extraordinary expenditure incurred by reason of the food policy of the government and of the unemployment doles.

As a result of these developments the public debt was not only not funded, but had actually risen from 1,507 million francs at the end of 1918 to 2,304 million by the end of 1924. The increased general expenditure was due to the increased debt charges, which to-day far exceed the total pre-war budget, as well as to increased expenditure in all government departments, notably in the war office. Aside from the increase in the number of government officials, due mainly to in-

creased State regulations, the underlying cause for the excessive public expenditure of the post-war period was a change of administrative standards, indirectly occasioned by the war. Combined with the increased cost of living, this factor led to an appreciably heavier government salary list. The following figures, relating only to public servants in the central federal administration and not including the officials and employees of the postal, telegraphic, telephone, and railroad monopolies, show that the average earnings of government officials have nearly doubled in Switzerland as a result of the war.

	1913	1918	1924
Number of officials ...	5,281	5,880	7,159
Total personnel expenses (in millions of francs) ...	18.7	30.6	50.8
Average per capita expense (francs) ...	3,549	5,209	7,092

In the federal budget for 1926 the ordinary revenue and expenditure at last almost balance. As the receipts from the general war tax are expected very appreciably to exceed the extraordinary expenditure for 1926, it is contemplated that an earnest beginning will be made with the repayment of the public debt. According to the intentions of the government, a sinking fund is to be set up which should assure its complete repayment within forty years. If this exceedingly optimistic plan can be carried out, which cannot but seem doubtful to all careful students of Swiss public finance, the sins of the fathers will not be visited upon their offspring for more than two generations.

Let us hope that our grandchildren at last may have no grounds for cursing our improvidence. Let us hope still more that they may be spared the ordeal of another world war for such calamities, as this brief review shows, are no respecters of neutrality in the economic and financial field.

THE NEW UNIFORM MOTOR CAR LEGISLATION IN SWITZERLAND

Of late motor-car traffic in Switzerland has been the cause of much discussion. At present, this traffic is regulated by the Laws of the 25 Cantonal States; there exists, it is true, an intercantonal concordat which has been joined by almost all the Cantons, each of them being authorised, however, to set up special regulations of its own, as restrictions in Sunday traffic, opening and barring of roads, etc., etc. This privilege certainly means a great inconvenience—considering the small area of many of the Cantons, as well as the speed of the automobile, which can cross several Cantons in a few hours—not only to the Swiss themselves, but still to a greater extent to the foreign motorists, who are supposed to know 25 different laws. As a remedy, the Federal Constitution has been completed—after several years' debate at the Swiss Parliament and by plebiscite—by a disposition, according to which the Confederation is authorised to set up regulations for motor-cars and bicycles. Thus the foundation was laid for a uniform Swiss law on automobile traffic.

A law of this kind was then worked out and approved of by the Swiss Parliament. The new legislation contains regulations regarding liability by accident and compulsory insurance, not only of the Swiss, but also of the foreign motorists. While the laws of all foreign States contain dispositions for liability, there are but very few countries prescribing a respective *compulsory insurance*. This fact has caused some dissatisfaction among motorists, and also in certain tourist centres, it is feared that the rules on compulsory insurance of foreign motorists may have a bad influence upon Swiss tourism. Submission of the new law to the plebiscite has been required.

So far as the compulsory insurance of foreigners is concerned, it may be said that—considering the mentality of the Swiss people—a rule made only for the natives and not also for foreigners would not be consented to, just as the citizens of other countries would not agree with having the foreigners treated better than themselves in their own country.

Whether the new law will be passed or not is a matter for the Swiss people to study. If it is passed, the dispositions with regard to the insurance of foreigners will be made in such a manner that they will not harm the influx of visitors to Switzerland, i.e., the entrance into this country shall not be rendered more difficult. On this subject, the Federal Authorities have already given guarantees. It may be said that the Federal Council will pay regard to the insurance contracted abroad. If the latter is not sufficient, a supplementary insurance may come into question, by way of tickets, which would be calculated according to the number of days and weeks of the stay in Switzerland. The foreign motorists, who are, in the majority of cases regularly insured, will therefore be able, as hitherto, to enter Switzerland without any trouble and to drive about the whole country under one uniform regulation.

S.T.O.

The Publisher will be pleased to forward free specimen copies of "The Swiss Observer" to likely subscribers whose addresses may be supplied by readers.