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HOME NEWS

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FEDERAL.

SWISS MILITARY MISSION TO ITALY.

Colonel Guisan, commander of the 1st Army-Corps, and Colonel de Diesbach, commander of the 2nd Division are attending the great Italian army manoeuvres, which are taking place between Bologna and Florence.

SWISS PAPERS IN GERMANY.

The German Government prolonged the prohibition to circulate the "Neue Zürcher Zeitung" until the 15th of September, instead of August 19th.

BROWN BOVERI'S SETBACK.

At the general meeting of Brown Boveri and Co., held at Baden, M. H. Naville, the newly elected president of the administrative council, said that since the annual report was drawn up occurrences in Germany and Austria had considerably intensified the political uncertainty in Europe. As a result the slight business recovery which set in early this year had flickered out during the second quarter.

To-day, he added, the whole aspect of the international market was as sinister as in the beginning of 1933.

M. Naville expressed the opinion that many orders for mechanical and electrical material would be given as soon as the political situation cleared. He urged the necessity for lowering costs of production if Switzerland wished to compete for such orders in the international market.

The Brown Boveri company, he said, was doing all in its power to reduce overhead costs.

The administrative council, added M. Naville, had decided, notwithstanding the heavy losses of the past few years, not to attempt to stabilise the company's financial position yet, for the risk of recommending measures that might prove ineffectual was too great to be undertaken.

SWISS ALPINE CLUB.

About 50 members and many ladies responded to the call of Mr. A. N. Andrews, the president, at the anniversary dinner of the Association of British Members of the Swiss Alpine Club held on the 14th inst., at the Hotel Monte Rosa at Zermatt. The dinner was organized by Dr. Seiler.

Sir William Ellis proposed the toast of the Swiss Confederation. Dr. Gugler, the central president of the Swiss Alpine Club, M. D'Arcis for the Genevese Section, and Dr. Seiler for the Monte Rosa Section wished a long and prosperous life to the Association, to which the Genevese Section presented a marble clock and the Monte Rosa Section a piece of Valaisian timewaster. The chief of the Zermatt guides, Herr B. Biner, expressed admiration for the achievements of British climbers, whose high ideal in mountaineering he commended. Dr. Dubi, of Berne, still full of life and wit in spite of his 84 years, recalled the beginnings of the association in 1909, and remarked on the value of British friendship for Switzerland.

Among the congratulations received were messages from Sir John Withers, president of the Alpine Club, and Brigadier-General C. G. Bruce, a former president of the Association.

JAPAN'S NEW DIPLOMATIC REPRESENTATIVE.

Monsieur Massa-aki Hotta, at present Japanese Ambassador in Czechoslovakia, has been appointed to the post of Ambassador to the Swiss Confederation.

LOCAL.

BASLE.

Dr. h. c. Jaeggi, late National Councillor, has resigned from his post as President of the Administration Council of the Swiss Co-operative Society. Dr. Jaeggi who is 65 years of age has been in a leading position of this organisation for the last 25 years.

ZURICH.

Mr. Arnold Koch, late Manager of the "Kammgarnspinnerei Derendingen" has celebrated his 85 birthday anniversary.

VAUD.

The town of Saint-Prix which is situated between Morges and Rolle on the shore of Lac Leman, has celebrated last Sunday the 700th anniversary of its existence.

SCHWYZ.

The death is reported from Morschach of M. J. P. Inderbitzin, late Manager of the Hotel Union at Lucerne, at the age of 70. M. Inderbitzin was a member of the Cantonal Council.

LUCERNE.

The King and Queen of Siam have arrived at Lucerne, and are staying at the Hotel Montana.

* * *

Owing to the bursting of a tyre, a motor-car travelling along the road from Dagmersellen to Uffikon left the road and overturned. M. O. Pluss, 24 years old, from Olten, received serious injuries from which he succumbed, the three other passengers were only slightly hurt.

GRISONI.

Evaristo Romagnoli from San Vittore (Misox) lost his life during a pistol shooting competition at Davos Platz. The well-known marksman Niedermann encountered trouble with his pistol and left the range for a few minutes to adjust same, on coming back, when passing Romagnoli he inspected the weapon again, and suddenly a shot rang out, and Romagnoli fell down dead, he leaves a wife and three children.

* * *

The 26 year old Walter Stern, an employee at the Palace Hotel in Pontresina, was killed when gathering "Edelweiss."

ST. GALLEN.

The late A. Singer-Münz in Horn, has left an amount of 80,000 frs. for charitable purposes.

* * *

M. Emil Thomann, Founder and Chairman of the "Elektra" Münchwilen, has died at the age of 67. M. Thomann was a member of the Grand Council.

ARGAU.

Burglars entered two inns at Eiken and removed foodstuff amounting to several hundred francs. One of the thieves, a German, was caught at the moment when he tried to pass the frontier into Germany.

SCHAFFHAUSEN.

The Editor of the communist paper "Die Arbeiterzeitung" has been condemned to a fine of 100frs. for having published an insulting article about religion.

SWISS EXCHANGE TROUBLES.

By DR. FELIX PINNER, ZURICH.

If one wishes to characterise the economic structure of Switzerland with one phrase, one would fall upon the term "people of private means." A few comparisons will serve to illustrate this: In 1932 Swiss banks of all kinds held deposits by customers to the amount of about 16.8 milliard francs, compared with £2.4 milliard in England (at that time about 50 milliard gold-francs), and about 20 milliard reichsmarks, or 24 milliard gold-francs, in the German banks and savings banks. Switzerland has 4 million inhabitants, England 38 millions, and Germany 66 millions. Of course, these comparisons are imperfect. The English figure refers more to pure commercial banks than does the Swiss or the German. Still, the above-mentioned figures convey an approximate idea of the magnitude of the bank deposits. The comparison is not rendered useless by the fact that the deposits in Swiss banks appear inflated by some milliards of foreign refugee capital. The refugee capital in Switzerland is about equal to the Standstill credits in Germany and to the foreign short-term credit balances in England.

The Tourist Industry.

The world crisis hit the Swiss tourist business more than anything else. The normal annual surplus which Switzerland used to draw from its tourist business in former times was estimated at about 500 million francs. Since the outbreak of the world crisis this sum has dropped to less than 200 million francs, and even this result has only been achieved through public subventions. Switzerland's income from foreign investments was estimated up to 1928 at 350 million francs per annum. During the last two years these amounts will hardly have reached a total of 200 million francs. Like all countries with large capital investments abroad — in Switzerland they are estimated at one-seventh of the national wealth — the country could afford a highly unfavourable trade balance, especially in view of its extensive services and its other invisible exports. A high import surplus, in her case, was identical with a high standard of living. In the war years the adverse trade balance disappeared, mainly on account of large war contracts, and this transitory development naturally helped towards an increase in saving and investment abroad.

In these circumstances the trade balance became too adverse even for so rich a country possessed of large devision reserves. The climax was reached in 1932 with an import surplus of 962 million francs, which could no longer be balanced by the surplus from tourist business and other invisible items. For the last few years, therefore, the country's balance of payments has been adverse. The deficit for 1933 is estimated at 300 million francs in a publication of the Schweizerischer Bankverein on "Switzerland's property and balance of payments," from which this institute draws the conclusion that Switzerland is living since two or three years, if not from the substance, at any rate from the reserves.

Strong Gold Holding.

The gold holdings of the Swiss National Bank, while they are 1 milliard less than in 1932, are still at the high figure of 1.64 milliard francs, as against a legal coverage requirement of not much more than 600 million francs; there are, in addition, private gold hoardings to the amount of many hundred million francs. Although, therefore, the country's devision reserves are still very high and exceed the bank note circulation of 1.3 milliards by some 340 millions, the size of the adverse trade balance has for some time been a source of much uneasiness. After all, the gold and devision reserves by no means serve merely to correct the balance of payments, but they must also be held against possible withdrawals of short-term foreign credit balances and other sales of Swiss assets from abroad.

Hence much attention has been paid to the question of decreasing the adverse trade balance as the factor in the balance of payments which can relatively be subjected to the strongest influence. This position also explains Switzerland's stubborn refusal to allow the returns on her foreign capital investments to be diminished by transfer restrictions and interest reductions on the part of the debtor countries. In particular, the milliards loaned to Germany play a far more important part in the Swiss balance of payments than in that of England or America. Swiss policy is bent on employing its trade-political system both to protect capital returns from foreign countries (hence the great importance attached to the "special agreement" with Germany, viz., the compensation of interest payments by additional exports), and to assist exports, which naturally suffer from the competition of the countries with depreciated currencies through bilateral agreements making Swiss imports dependent on the admittance of Swiss export products. The Swiss system of import quotas, one of the earliest and most extensively developed quota systems of the world, certainly pursues to some extent the aim of protecting domestic industry against foreign competition. But more particularly the system aims at achieving counter-concessions for Swiss exports by allotment of quotas. Indeed, Swiss trade policy has attained certain successes along these lines. Exports, which suddenly dropped between 1931 and 1932 from 1.34 to 0.8 milliard francs, rose to 0.85 milliard francs in 1933, and have practically retained their level during the current year. Since imports at the same time dropped from 1.76 to 1.59 milliard francs, the adverse trade balance dropped in 1932 from 962 to 742 million francs in 1933. But lately imports show

an upward trend, due to the increased raw material requirements, and as the increase in exports threatens to stagnate, the chances for a further decline of the adverse balance are very small.

Difficulties of Deflation.

The result is that the two-edged weapon of quota policy is used even more rigorously. It alleviates, perhaps even more than tariffs, the pressure of foreign competition, furthers price conventions in the quota-favoured import trade, and assists in the maintenance of excessive price margins. But it is just the maintenance of a high price level which hampers exports. Since the beginning of 1932 the Swiss wholesale-trade index has only decreased from 92 to 89, a percentage which is insufficient for the maintenance of competitive capacity in the export trade, in view of the unchanged gold exchange parity.

Under these conditions it is only natural that in Switzerland the fateful question has also arisen whether the method of deflation offers any hope, or whether the example of the "depreciated" countries should not be followed, and a devaluation of the franc undertaken. The fact is that the deflatory policy to which the Government and the National Bank have unswervingly adhered has hitherto led to no decisive results. A monetary deflation is practically impossible in Switzerland, because the National Bank is called upon as ultimate source of credit at the most by a few illiquid banks. Most banks are so liquid that they are not only not dependent on the rediscount facilities of the National Bank, but keep with that institute large credit balances in addition to large cash and gold holdings, which, according to the latest bank balance-sheets, constitute about one-fifth of the total bank deposits, and frequently exceed share capital, plus reserves.

That means that deflation must be carried out by way of public budgets and reductions in

wages and salaries. But just in these points there is a very strong political and social resistance in Switzerland, since, on the one hand, the subsidy policy and the firm adherence to an excessive wage level impede a reduction in public budgets, while low interest rates make it easy for the owners of commodities to hold their stocks. The conversion into loans of the (hitherto) moderate deficits has not been difficult. But it is becoming more difficult; and the most recent issues did not find a very ready sale among the saving public. Meanwhile, the salaries of Civil servants have been subjected to an average reduction of only 5 per cent., while in private undertakings the average reduction hardly exceeds 10 per cent., although in certain branches of the export trade the figure is substantially higher.

In spite of the insignificant success of the deflation policy, the Government authorities, the National-bank, and most business people (with the exception of the hotel-keepers and exporters) vigorously oppose any depreciation of the currency. Their arguments have a certain fundamental logic. The losses in income from foreign investments would be unbearable for Switzerland in case of a devaluation; and the country's dependence on raw material and foodstuff imports would mean a heavy rise in costs of production. Any devaluation would mean a big rise in prices, which would render it impossible to reap the fruits of depreciation in the export and tourist trades. In support of this argument it has frequently been pointed out that the decline in Switzerland's exports between 1930 to 1933, calculated in gold, was 52 per cent., slightly lower than the British figure which was 56 per cent. For several reasons, therefore, the devaluation is opposed: while, on the other hand, is advocated deflation, but not carried out with sufficient intensity. It is hoped that the world prices, rising gradually, will meet the gradually sinking Swiss

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to be continued.

price level. That, however, is a vague hope, and, if it does not materialise within a reasonable time, it might well be that the Swiss franc would be drawn into the danger zone by the balance of payments. Besides, the Swiss franc stands or falls with the French franc. The gold bloc has its centre in France, and Switzerland must of necessity to a large extent take its cue from Paris.

Financial News.

permis. Elle était restée très sincèrement attachée au Roi de Prusse et nous a toujours défendre au père et à moi, de nous occuper de ces partis républicains. Voilà pourquoi jamais une gazette n'a pénétré chez nous. Tandis que les Saintes-Ecritures, on les lit toujours avec profit — vous n'avez qu'à me citer n'importe quel verset de la Bible et je vous dirai où il se trouve et de quoi il s'agit.

Al! ce n'est pas pour me glorifier, mais je me charge de donner des leçons pour les textes, à tous les pasteurs du pays! Vous ne savez pas toutes les fois que les pasteurs viennent me consulter quand ils sont embarrassés, et ils sont bien contents de m'avoir. Il est vrai qu'ils ont fait des études dans des écoles où on leur enseigne toutes espèces de choses, excepté la religion. Moi, je lis la Bible depuis mes jeunes années, ainsi que ma chère mère l'exigeait, et je comprends bien des choses qui sont incompréhensibles pour des pasteurs, c'est pas pour me glorifier, car l'Éternel a dit qu'on devait être humble et soumis, mais je suis me vanter d'en savoir plus qu'eux et de marcher glorieusement et avec confiance sous la houlette du Seigneur tant que dureras mon pèlerinage terrestre!

— Alors, ami Ulysse, sans t'en douter, tu as fait des incursions fructueuses dans le domaine de l'exégèse!

— Je ne veux pas être traître; je ne sais pas où ce domaine se trouve, comment appelez-vous ça?

L'exégèse.

— C'est pas pour me glorifier, mais je connais tous les domaines depuis la Saulaie jusqu'à Bullon, et depuis la Côte-aux-Fées jusqu'à Baulmes, mais jamais mes pas ne m'ont porté sur celui que vous me dites!

— Eh bien! Ulysse, cette fois nous partons, il est..... neuf heures, ta pendule marque toujours neuf heures!

— Oh! je sais bien; il y a longtemps que les aiguilles ne veulent plus marcher, mais je la remonte toujours parce qu'elle me désennuie; j'ai l'habitude de l'entendre et, lorsqu'elle ne va pas, il me semble que je suis comme un navire désembarqué, ballotté par les vagues, et qui a perdu son pilote! Bonne nuit Messieurs, n'oubliez pas de revenir; vous me ferez plaisir parce que vous, il y a longtemps que je vous connais, et le toit de la Saulaie abritera toujours mes amis, avec plaisir, avec honneur et avec joie; si vous voyez Polonti, saluez-le bien de ma part; il a beau être tout ce qu'il voudra, c'est un bon garçon!

— Là-dessus, nous sommes sortis de chez Ulysse, tout impressionnés de ses hautes qualités, de ses vertus, et surtout de son style apocalyptique.

L'après vent de l'onest continuait à faire rage; et avant de nous endormir, nous pensions à cet intérieur si calme de notre ami; et nous nous le représentions, penché sur un immense in-folio, sondant les mystères de la "Sapience" ou de "l'Histoire de Suzanne."

Fin.

RECITS JURASSIENS. L'ami Ulysse de la Saulaie. par JEAN-PIERRE DES RAISSES.

I LA SAULAIE. Continuation

— Ma foi! je ne veux pas être traître je suis encore bien favorisé, je suis forcée de le dire; je suis allé ce matin au comptoir et, autre les "cartons" que j'ai à terminer on m'en a promis quatre "ou tant" pour la semaine prochaine. Ah! c'est qu'il faut savoir travailler pour contenir les bons établissements; de mon temps on faisait des apprentissages, tandis que maintenant, ceux qui se disent horlogers ne sont que des manœuvres. C'est comme ces jeunes filles qui travaillent dans ces fabriques; elles ne pensent qu'à leur toilette et à leurs plaisirs, elles n'ont pas encore communiqué qu'elles courront déjà après les garçons et, quand elles sont forcées de se marier, elles ne savent pas seulement faire de la soupe. Pourquoi? — parce qu'elles aiment mieux aller à des rendez-vous et se laisser "emparoler" que d'aider leur mère à faire le ménage. Ah! il est beau leur progrès! tout va à la dérive. Quand j'étais jeune on voyait de braves et honnêtes jeunes filles respectueuses envers leurs parents, aller modestement faire des emplettes pour les besoins de la famille, mais — maintenant tout cela est changé. A moi, on me confie beaucoup de choses, parce que je suis discret et "circumflexe"; je connais les secrets de toutes les familles; c'est pas pour me glorifier, mais on ne peut rien m'apprendre; je sais tout! et, bien souvent, quand je rencontre dans la rue, une de ces filles qui fait bien sa belle, je me dis en moi-même: "Tu as bien de quoi faire tant ta belle, je te connais, je suis physionomiste, tu n'en n'as pas pour longtemps à vivre pauvre fille et tu ne seras pas si glorieuse le jour où le corbillard viendra te chercher pour te conduire au sépulcre! On ne peut pas m'y prendre, je connais tous les signes de maladie et je n'ai qu'à regarder une femme pour connaître son état physique — c'est Bovet-des-ducs qui m'a mis au courant de toutes ces remarques, du temps que ma grand-mère demeurait encore au Cernil-Verbé.

Maintenant, garçons, désirez-vous jouer un peu aux cartes? — ma mère m'a toujours dit que, lorsque le jeu n'est pas une passion mais seulement un délassement, on n'offense pas l'Éternel en faisant une partie honnêtement. J'aime bien faire une partie d'homme de Brouck, je ne dis pas non; c'était le seul jeu de cartes du vieux temps, celui que ma mère m'a appris. Dans le temps on jouait aux cartes pour s'amuser, mais, à présent, ils ont recrût des jeux d'allemands auxquels on ne comprend plus rien. J'ai vu à la Croix-Blanche chez Alfred; il donnent les cartes, puis ils les jettent tout en paquet sur la table en disant: "On pousse" — ou bien ils font semblant de jouer un moment "ou tant;" ils disent des mots en allemand et quand ils ont fini, ils ne font que de crier et de s'insulter; c'est

pas pour me glorifier, mais ils me font pitié. Aussi, c'est comme j'ai dit souvent à l'Henriette. Pauvre Henriette, vous qui êtes si gentille, je vous plains d'être forcée d'assister à toutes ces chicanes d'allemands. — Vous voulez déjà partir, mais restez donc encore un moment, vous avez bien le temps; vous êtes des amis, et les amis sont toujours les bienvenus sous mon toit. Quant à ceux qui sont venus me faire des dégâts et des niches, il ne faut pas qu'ils essayent de repasser le seuil de ma porte — il y a Rosbif, le Bornu, le Cambour, le Bossu et encore d'autres de cette même racaille, qui sont pernicieux pour moi! Et le plus pernicieux c'est encore Perone; celui-là on dirait vraiment qu'il ma jeté un sort; quand je le vois, j'aimerais autant avoir le diable après mes trousseaux! C'est comme je leur ai dit: Espèces "d'apostrophes" laissez moi tranquille! Et dire que, si j'y voulais, il ne tiendrait qu'à moi de les "encerner" herbes que ma mère m'a apprises, dire quelques paroles, et quand ils viendraient, ils ne pourraient plus bouger de la place avant que j'aile les délivrer! — Et si vous croyez que je vous dis des mensonges, vous n'avez qu'à aller demander à Jean-qui-sait-Tout.

— Tu as bien raison Ulysse.

— Oui, j'ai raison d'autant, plus que je n'ai de mal à personne, mais je sais bien, ils sont jaloux sur moi, à cause de mon "port" majestueux et à cause de mon intelligence!

— Eh bien! Ulysse, nous voulons te quitter pour ce soir, nous pensons que tu vas aller te vas coucher. Après une journée bien remplie tu as aussi besoin de te livrer au repos.

— Ouais! vous ne me connaissez pas; je ne sais pas "au monde," de quoi je suis fait; rien ne me peut; grâce à ma jeunesse sobre et austère, le bon Dieu m'a fait la grâce de m'accorder une sorte de fer.

C'est comme une dame me disait encore l'autre jour: "On ne vous donnerait pas quarante ans;" il est vrai que, ce jour-là, j'étais rasé de frais, j'avais la figure aussi fraîche qu'à vingt ans et j'avais mis le beau manteau et le chapeau supérieur! — Si vous voulez absolument partir je ne veux pas vous retenir; moi je veux encore préparer mon linge pour demain — demain soir il faudra aussi que je fonde du lard et que je me prépare pour "dégrossir" mon linge. La vieille Lydie veut venir la semaine prochaine pour la lessive; c'était une amie de ma mère et il n'y a qu'elle qui sache s'y prendre comme on faisait autrefois — et pour ce soir, je veux encore lire un chapitre de la Bible; vous savez que c'est ma seule lecture.

— Comment, Ulysse, tu ne lis pas les journaux?

— Mais, vous le savez bien; jamais mes yeux ne se sont dirigés sur les journaux, et je ne m'en trouve pas plus mal, au contraire; les gazettes, comme disait ma mère, ne disent que des mensonges, et nous font perdre du temps pour rien. Toute cette politique, je n'ai jamais vu m'en mêler et d'ailleurs ma mère ne l'aurait pas