

**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:** - (1974)  
**Heft:** 1697  
  
**Rubrik:** Comment

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**Download PDF:** 10.12.2025

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The youth clubs of the three churches also had their stalls, selling books, candles, hand-made bracelets and various baubles, decorated matchboxes, embroidered plate-rests and kitchen articles.

Cervelas and other typical Swiss fare were on sale, and a great many tables had been laid out for lunch. But the latecomers found all those good things had been snapped up and had to be content with tea, sandwiches and cakes.

A lively and friendly atmosphere prevailed throughout the afternoon. The occasion was ideal for meeting old friends. The young people of the three churches added to the gaiety of the Bazaar and, although sales were slackening toward four o'clock, there was still plenty of movement and conversation in the great hall, rented for the afternoon at the cost of £80.

The two treasurers, Mr. Bertin and Mr. Oggier, were busy tying together wads of banknotes and totting up figures. They had taken over £2,000 with some selling still going on.

Two years ago, the Bazaar had netted £1,900 so that the figure obtained on Saturday 2nd November had just about kept abreast of inflation. Considering the difficulty of the times, there were sufficient reasons to be satisfied with the results of this 1974 Bazaar.

## Comment

### THE CONFEDERATION BLAMED FOR OVERSPENDING

The 1975 Federal Budget passed by the Federal Council amounted to a record 14,727 million francs (or about £2,000m). Although the Government had tried very hard to cut down on expenditure, this budget was still 14.5 per cent larger than the previous one. It has grown markedly faster than the Gross National Product, which has expanded by about 9-10 per cent. Moreover, the growth in federal expenditure has overshot the 12 per cent mark which had been mutually agreed in 1972 by the Federation and the Cantons to prevent the economy from overheating. The Confederation had then taken the initiative in showing the Cantons a good example of restraint. The great majority of Cantons were in fact until recently heavily overspending.

Unfortunately, the present federal budget, which will probably be subjected to several cuts during the December parliamentary session, is also in excess of revenue to the tune of 594 million francs, or 4 per cent of the total. This sum will add to the National Debt. The situation could become more drastic for Mr. Georges Henri Chevallax, Head of the Department of Finance, if the people decide on 8th December to block an increase on Turnover Tax designed to bring an extra (and already budgeted) 685 million francs in the coffers of the Federal State, and if the people stand against the 10 cent per litre surcharge on petrol which was planned to net some 570 million francs. The people will

probably be called to vote on this surcharge some time next year in a Referendum. If the Federal Government be faced with a double "no", it would suffer from a shortfall of income of 1,255 million francs.

Judging from several recent polls on communal and cantonal tax increases, the Swiss people are in no mood to pay for more taxes, even though the level of Swiss taxation is considerably lower than elsewhere in Europe, particularly Britain. This has led a great many papers to denounce the Government's "unthriftiness" and accuse it of adding to the woes of inflation. Other papers, more sympathetic to the Government, wondered on the contrary whether this particular controversy didn't cast some doubts on the easiness of launching initiatives liable to slow down the process of running the country.

In this case, the Government has some valid excuses for "overspending." In the first place, it has lopped off some 670 million francs from the earlier requirements of the various departments and compressed expenditure to the lowest realistic limits. In particular, there has been a clamp-down on the recruitment of new staff in the Federal Administration, whose budget has only increased by 2 per cent, infinitely less than the current rate of inflation.

The main cause of the State's excess of expenditure over income lies with a 22 per cent increase in the Social Services budget, which at 3,270 million francs is by far the most important item. As the Confederation carries 25 per cent of Old Age Insurance and Social Security burden, it is no wonder that the considerable increases provided by the 8th Revision of Old Age Insurance should have produced a heavy cost overrun. Defence spending has also increased by 20 per cent because of the growing cost of equipment. The budget also provides for 331 million francs in foreign aid, or 0.2 per cent of the Gross National Product.

The main heading of the budget are the following: Defence 2,946 million francs, Social Services (ie Old Age Insurance) 3,270 million francs, Communications (roads) 2,128 million francs, Education and Research 1,536 million francs, and Agriculture 1,379 million francs. Other federal commitments totalling 3,468 million francs include: Administration, Justice, Police, Foreign Policy, Culture, Sports, Public Health, Hunting, Fishing Waterway and Anti-Avalanche works, Forestry, Industry, Support to Cantons and equalisation, Handicraft Industry and Commerce.

Federal expenditure has increased by three-quarters since 1970. This reflects the growing weight of the Confederation in the affairs of the country. The central government in Berne is increasingly called to assume financial burdens which Cantons are not in a position to carry. These increased commitments, matched by a growing centralisation in many other fields as well, can only be faced by

increasing the Federal Revenue. This of course means more taxes, something which would appear easy enough in a country like Britain, where taxes appear and disappear depending on which party is in power and whether the mood is for reflation or deflation. But in Switzerland, federal taxes are a constitutional issue and must therefore be approved by the people in a Referendum. The Swiss are, like most people, attached to their well-being and likely to bring any new tax proposals under the closest scrutiny. Given this, they can't really blame the Government for spending a little more money than the people are prepared to give on projects wanted by everybody.

## LETTER FROM SWITZERLAND

### "Service Compris"

On July 1st, this year, the Federal Council decreed the first nationwide collective agreement for the catering trade to be in force. From that day onwards the "Service Compris"-System became compulsory in all hotels, restaurants, canteens and other catering establishments. At the same time it was decreed that prices could only be increased by the amount of the correct service charge and no more.

Since July 1st the Federal Office for the Surveillance of Prices, Wages and Profits, known as the Pricewatcher's Bureau, has had to deal with around 700 complaints from the consuming public. These concerned, interestingly enough, mainly coffee and beer and came chiefly from the regions of Zurich and Geneva. All these complaints had to be investigated and in some 300 cases the Pricewatcher accepted the caterer's plea that his price increase for coffee was not unreasonable, since he had not increased his prices for wine at all. Legally the onus for proving that a price increase is unreasonable rests with the Pricewatcher and this presupposes a very complicated analysis of the whole costing system of a particular establishment.

If the Pricewatcher comes to the conclusion that a caterer has increased his price unduly, he has two possibilities of action. Possibility number one consists of a *recommendation* to the effect that certain prices should be decreased by such and such an amount. If the recommendation is of no avail, the Pricewatcher can issue an *injunction*, which, if not followed, can lead to a criminal indictment. Whether an injunction, once issued, is obeyed or not is a matter for checking up by the local trade police (Gewerbepolizei). In cases of downright disobedience the caterer is hauled before a court, which can either send the latter to prison or impose a fine of up to 100,000 francs (approximately £14,200) on him. If a court imposes any such penalty, the caterer has the right of appeal, first to the Federal Economic Department in Berne and in the last instance to the Federal Court in