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## FEDERAL FINANCE

The Federal state accounts for 1962 are the most favourable since the Confederation came into existence. Expenditure reached the record figure of 3,684 million francs, of which 42 million more had been spent on staff than in the previous year, even though some 700 situations could not be filled. The contributions and subsidies had also increased: for the railways 54 million as against 37 in 1961, for science and education 83 million (54 in 1961), and military expenditure had reached a total of 1,264 million francs — 170 million more than in the previous year. The building of national motor roads had cost 430 million francs.

On the other hand the revenue, too, had increased considerably. The turnover tax had brought in 895.5 million and customs revenue 893 million francs. Defence tax had amounted to 602 million and fuel tax to 322 million. The withholding tax had realised 238 m. and stamp duties 231 million. Tobacco tax had brought in 136 m. and tobacco customs duty nearly 82 million. Amongst the remaining sources of income were military service substitute tax 26.2 m. and beer duty 23.8 million. It is interesting to note that luxury tax amounted to only 0.2 million francs. The Cantons' part of the military tax, the defence tax and the stamp duties accounted for 231 million, which brought the total income of the Confederation to 4,116 million francs. There was an overall net surplus for the year of 485 million, 152 million more than in the previous year. The budget had expected a 105 million surplus, in other words the accounts are better than expected by 380 million.

In his comments to the press Federal Councillor Bonvin explained that the figures had doubled within the last ten years. He also pointed out that unlike most Cantons and most other States, the Swiss Confederation no longer kept ordinary and extraordinary accounts — all operations were contained in the state accounts. In the discussion the head of the Federal Finance and Customs Department declared that plans for a reduction in the defence tax were being studied. The export risk guarantee had used 1.2 million francs and the same amount had been used on loans and credits to other countries. He stressed how important it was that the Cantons kept their autonomy without having to renounce financial help by the Confederation.

There is a Finance Delegation consisting of three members each of the National Council and the Council of States which has to supervise and examine the whole financial administration of the Confederation. They hold a series of meetings every year and report to Parliament. The

Federal Council also submits all decrees which affect finance to the Delegation, and its members inspect various Federal establishments such as the Sports School at Magglingen and various military centres and depots.

The Delegation suggested that some reserves which had been made in the accounts for 1962 should be taken out and the surplus thus increased. After a special meeting with Federal Councillor Bonvin they accepted the Council's recommendations and proposed to Parliament that the accounts be passed. The National Council accepted them. But the whole problem of reserves should be studied by the Finance Delegation and the Federal Council.

One of the tasks of the Finance Commission was the study of the proposed increase of salaries and pensions of the Federal Councillors. At present the basic salary is Fr.65,000.— per annum which should be increased to Fr.80,000.— and the President's additional salary during his term of office should be raised from Fr.5,000.— to Fr.10,000.—. Now each Councillor has an expense allowance of Fr.10,000.— which it is proposed should be doubled. The pension is at present 45% of the basic salary or below if a Councillor has been in office for less than a full term. A proportionate increase to a maximum of 50% is suggested. If a retired Federal Councillor has additional earnings the pension is adjusted so that his income is no more than the salary of a Federal Councillor in office. The widow's pension is a quarter of the annual basic salary and one-twentieth for each child under 20, or 25 if on full-time training.

The Federal Finance Administration also made a favourable report for 1962, which was a very active year. The turnover in the Federal kitty reached a total of 86.6 milliards of francs (60.4 in 1961). The national debt has been reduced by 258 million.

The Swiss National Bank held its 55th annual general meeting in Berne at the end of March under the Chairman of the Bank Council, National Councillor Dr. Brenno Galli (Lugano). Its accounts for 1962 showed a surplus of 6.8 million francs. Its basic capital remained at fifty million francs and the reserve fund was increased to thirty million. Sixty per cent of its capital is in the possession of the Cantons, of twenty-four Cantonal Banks and some fifty public institutions. 41.85% of the shares are in the hands of private shareholders. The Confederation received not quite two-thirds of the surplus, and the shareholders were paid a dividend of 6%.

The assets include 11½ milliards of gold. In 1962 a total of 27 million banknotes were either recalled or had been handed in because they were damaged. They were destroyed and replaced by new notes.

In 1962, the Swiss Federal Mint struck 112 million coins for the State, valued at 28.7 million francs, as well as 400,000 five-franc crowns commemorating the centenary of the Red Cross. It also executed orders for other countries by minting, in particular, 10 million aluminium coins and 5 million bronze coins for Middle Eastern countries, 20,000 fifty-franc gold pieces and 20,000 twenty-five franc gold pieces for the Principality of Liechtenstein.

The President of the National Bank addressed the annual meeting of the shareholders on the economic position of Switzerland. He stated that the world economic boom had been declining slightly since the past year and even in Switzerland there was a faint trace of slackening to be noticed. In several branches of industry orders had come in a little more slowly, the piled up orders were decreasing, and in many quarters more circumspection was being shown when making commitments. Nevertheless, the boom was still there and the strength of Swiss

economy was being overtaxed. The large number of foreign workers, the wages and price spiral, greater competition on the world's markets, and possibly a growing customs discrimination on the part of the Common Market, were dangers inherent in the present economy which could not be overlooked. The battle to keep an economic balance must be continued vigorously and with it the efforts to keep down the cost of living. Dr. Schwegler concluded by stressing that to maintain the value of money and of sound economic principles was the affair of the whole nation. Acting reasonably and with moderation on all sides would save trouble in the long run.

Finally, it will be interesting to learn that the budget of the Confederation for 1963 again predicts a surplus. When it was published in October last year it estimated a surplus of 372 million francs. Since then further credits for 28.6 million francs have been asked of Parliament, which should reduce the estimated surplus accordingly.

*(Based on reports from A.T.S. and O.S.E.C.)*

## IT HAPPENED IN THE CANTON OF ZURICH

The citizens and inhabitants of the most populated Canton in Switzerland are proud to learn that according to the census of December 1962, carried out by the Cantonal statistical department, the Canton of Zurich has passed the million mark (1,002,000 inhabitants). Looking at the accounts for 1962 it is not surprising, therefore, to find that the Canton of Zurich had an income of 592 million francs and expenditure of 551 million, with a surplus of 41 million francs. The extraordinary accounts, however, showed a deficit of over 53 million, mainly due to large acquisitions of land and the building of national motor roads.

Well over a quarter of a million was received from the net profit of the "Sport Toto and Lottery" organisations, which sum was put into the Cantonal sports fund.

The Cantonal Legislative and Executive (Kantonsrat and Regierungsrat) have busy months behind them. After four years in office, a new Cantonal Parliament was elected at the end of April. 1,251 candidates had been nominated and 180 representatives were elected belonging to eight parties, the Social Democrats leading with 51 representatives.

In the elections of the Cantonal Government there was a surprise result: Dr. P. Meierhans, who had been most successfully in charge of building works, was not confirmed by the electorate. This means that there is now only one Socialist in the Government of seven members. Two new "Regierungsräte" have taken office: Alois Guenthard (police and military affairs) and Dr. Urs Buergi (health and welfare).

Parliament accepted large credits for educational, building and road projects, and passed bills on various subjects, for example the new film bill with special reference to the protection of youth. For ordinary cinema-going the minimum age is 16, which can be raised to 18 if found desirable for special films.

The electorate of the Canton had to vote on several constitutional proposals, amongst which the following were accepted: old age, invalidity and dependants' insurance for civil servants, the nature protection bill (which proposed between 5 and 8 million francs annually for the protection of worthwhile monuments and natural reserves), partial revision of the road laws, increase of children's allowances, and 2.7 million as Zurich's contribution to the National Exhibition 1964.

### ZURICH TOWN

The town of Zurich received 385½ million francs in 1962 and made a surplus of 42.1 million, which allowed the deficit in the extraordinary accounts to be absorbed. This satisfactory result was mainly due to an increase of revenue; 3.14 milliards of income had been taxed. The property of natural persons was given as 9,711 million and the capital of juridical persons as 6,557 million. Within five years the revenue from taxes had increased from 158.6 257.1 million francs. The value of realisable property had increased by 24.8 to 290.6 million. The staff of the municipal administration numbered 14,389.

Many were the proposals which the Town Council debated and passed on to the Commune Council. This started its new year early in May when the Liberal Dr. Eugen Hatt-Wiskemann was elected President. The business dealt with included increases in salaries of municipal employees, purchases of buildings and land, various sewerage and sanitary projects, a deficit guarantee of half a million francs to the Federal shooting championships in Zurich in July, 6.44 million francs for 20 trolley-busses to take 150 passengers each, six new refuse vans for nearly a million francs, the renovation of the "Volkshaus" at the Helvetiaplatz, and a number of educational and welfare projects.

In March and May the electorate of the town granted a total of nearly 70 million francs for various projects like road improvements, an open-air swimming establishment at Oberengstringen, the demolition of the old school at the Gotthelfstrasse and the erection of a new school on that site, new projects of the electricity works, a new cemetery Eichbühl with its appertaining buildings including a civil defence shelter, and a contribution to the game park Langenberg, one of the biggest game reserves in Central Europe.

### WINTERTHUR

The Municipal Government and Parliament (Great Commune Council) of Winterthur have been busy, too, purchasing land and buildings, granting credits for a youth home to be run in the centre of the town (Steinberggasse), for a water reservoir for fire fighting, a five million school project in the new district of Gutschick, new flats for old people and a contribution of Fr.100,000.— for the EXPO 1964.