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FEDERAL.

SWISS MILITARY MISSION TO ITALY.

SWISS PAPERS IN GERMANY.

BROWN BOVERI'S SETBACK.

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

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

SWISS ALPINE CLUB

Sir William Ellis proposed the toast of the Swiss Confederation. Dr. Gugler, the central president of the Swiss Alpine Club, M. D'Arcin 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 tinpewter. 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.

JAPAN'S NEW DIPLOMATIC REPRESENTATIVE

BASLE.

ZURICH.

VALID

SCHWYZ.

LUCERNE.

Owing to the bursting of a tyre, a motor-car travelling along the road from Dagmersellen to Ufikon 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.

GRISONS.

Evaristo Romagnoli from San Vittore (Miso) lost his life during a pistol shooting competition at Daves 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. GALL.

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.

AARGAU.

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 devisen 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 devisen 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 devisen 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