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

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.

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