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# The Swiss Observer

FOUNDED BY MR. P. F. BOEHRINGER.

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## HOME NEWS

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### FEDERAL.

#### SWISS PARLIAMENT.

The spring session of the Swiss Parliament is to begin on Monday next, and the members will have to elect two Federal Judges and a new Federal Chancellor.

Only a few days ago Dr. Robert Käslin tendered his resignation to the Federal Council for reasons of health, after having been for 32 years in the service of the Confederation. The retirement of the Federal Chancellor is a great loss to the country. Dr. Käslin has occupied many posts in the Civil Service with great distinction.

The successors of Federal Judges von Arx and Merz will also be elected.

#### DIPLOMATIC VISIT AT THE FEDERAL PALAIS.

M. Pilet-Golaz, President of the Swiss Confederation, has received the new Spanish Minister, M. Lopez Alivian, in audience.

#### SWISS NATIONAL BANK'S GOLD.

The results shown by the Swiss National Bank for the financial year 1933 were a surprise to the Swiss public, especially seeing that up to the present date only half the nominal capital—or Swiss francs 25,000,000—has been paid up.

The bank ended the year with a profit of Swiss francs 5,253,120, which permits the payment of a dividend of 5 per cent. on the share capital of Swiss francs 50,000,000. Together with the Ordinary dividend, a super-dividend of 1 per cent. (Swiss francs 250,000) is being distributed to the shareholders. The sum of Swiss francs 3,253,120 was handed over to the Swiss Treasury.

The annual report clearly shows the solid position of the bank. The gold reserves, together with the gold deposits in the Bank of France, have reached the surprising figure of Swiss francs 2,028,505,670, to cover a circulation of bank notes amounting to Swiss francs 1,509,517,810. It is expressly stated that this represents a cover of 147 per cent. for the total circulation of bank notes. The average gold cover throughout the year for daily requirements was maintained at a figure of 96 per cent. As the legal gold cover for the circulation of notes is fixed at 40 per cent., the recent loss of Swiss francs 122,000,000 cannot affect the solidity of the franc.

P. T.

### LOCAL.

#### ZURICH.

The "Kantonsrat" has resolved to reduce the salaries of the cantonal administration by 5 per cent.; the cut will come into operation on April 1st.

An anonymous donor has sent an amount of 100,000 frs. to the Asylverein Wädenswil towards the cost of a hospital building.

The banking firm of Specker & Co., in Rheineck and Zurich, has closed its doors; a receiver has been appointed.

#### BERNE.

M. Hans Etter, General Manager of the Swiss Federal Railways, celebrated last Sunday his sixtieth birthday anniversary. M. Etter was born at Bischofszell (Thurgau); he studied at the Universities of Zurich and Munich. His first appointment was with the Gürbetalbahn. In 1902 he entered into the services of the Gothard Railway, and in 1917 he was appointed Chief Engineer of the Swiss Federal Railways; he entered the "General Direktion" in the year 1926.

Dr. Käslin, Federal Chancellor, has tendered his resignation to the Federal Council for reasons of health. He was appointed to this post in 1925.

#### BERNE.

The annual shareholders' meeting of the Dr. A. Wander A.G. in Berne again declared a dividend of 10 per cent., as in former years.

#### LUCERNE.

Doctor Josef Kopp, since 1901 surgeon in chief of the Cantonal Hospital, has asked to be relieved from his post, owing to failing health. Dr. Kopp, who was a pupil and later on assistant to the celebrated Professor Kocher, in Berne, has rendered many and valuable services to this institution, and the parting from this responsible post is universally regretted.

#### BASLE.

M. Alfons Eschle-Blum, Chairman of the Soap Manufacturing Works, Walz & Eschle, A.G., has died at Basle at the age of 66.

#### GENEVA.

The death is reported from Geneva of Mr. E. Montet, Professor of Oriental Languages at the University of Geneva, at the age of 76.

The action against Messrs. Miéville and Moriand, in connection with the "Banque de Genève" affair, was started on Monday last. The tribunal consists of Professor Eugène Borel as chairman, supported by the Judges Werner and Logoz. The case is expected to last several days.

#### ST. GALLEN.

From St. Gallen comes the news of the death of M. Oskar Fässler, a former Editor of the "St. Galler Tageblatt," at the age of 81.

Dr. Albert Mächler, since 1902 a member of the cantonal government, has resigned as a member of the National Council for reasons of health. Dr. Mächler entered Parliament in 1915, and presided over the National Council in 1924-25. His seat will be taken by Colonel Jakob Schmidheiny in Heerbrugg.

The late Mr. Alb. Schläpfer-Graf has left an amount of 200,000 frs. to various charitable institutions.

#### GRISONS.

Prelate Eugène Weibel, who for more than 40 years did missionary work in the State of Arkansas, U.S.A., died at Chur at the age of 81. Prelate Weibel was born at Eschenbach, Lucerne.

#### VAUD.

Mlle. M. L. Blumer, who recently died at Lausanne, has given 84,000 frs. for the poor.

The result of the elections for the Cantonal Government denotes a victory for the Radical-Liberal bloc, the following members having been confirmed: Bujard (Lib.), 40,050 votes; Frazan (Rad.), 39,992 votes; Fischer (Rad.), 39,488 votes; Porchet (Rad.), 38,715 votes; Bosset (Rad.), 36,877 votes, and Perret (Rad.), 36,865 votes. Baup (Lib.) was newly elected with 36,445 votes in succession to Dufour, who has resigned. The four Socialist candidates were defeated.

### FOOTBALL.

4th March, 1934.

#### SWISS CUP — SEMI-FINALS.

In Lausanne: Servette .....5	Montreux.....1
In Zurich Grasshoppers.5	Locarno.....2

No surprises here, and we are booked for a repetition of the Final in 1928, when Servette won handsomely by 5—1. The Swiss Cup competition only dates from season 1925-26, and up to now Grasshoppers have appeared on no fewer than six occasions in the Semi-Finals, in other words, every time except in 1929 and 1930. They won the Cup three times, in 1926 against Bern, in 1927 against Young Fellows, and in 1932 against Uramia. Servette, strange to say, only once before got so far, in 1928, as already related. I have a hunch they will pull it off once more this year; but one never can tell.

#### NATIONAL LEAGUE.

Lugano .....3	Biel .....1
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#### FIRST LEAGUE.

Carouge .....2	Grenchen .....1
Cantonal .....3	Monthey .....0
Fribourg .....4	Solothurn .....4
Bellinzona .....2	Luzern .....0
Seebach .....0	Krenzingen .....0
and three games were postponed again.	

### ICE HOCKEY.

Switzerland .....5 Germany .....0  
And so our Reds quickly had full revenge for their unexpected loss of the European Championship title to Germany in Milan three weeks ago. The result speaks for itself, and the enthusiasm of the 10,000 spectators was great. Switzerland had their best team in the field: First attack: Pic Cattini, Hans Cattini, Bibi Torriani (All Davos). Second attack: H. Kessler and Ch. Kessler (Zürcher S.C.), Meng and Putzi Müller (Grasshoppers). Defence: Geromini (Davos), Hug (Grasshoppers). Goal: Hirtz (Akademiker).

Germany lacked the services of two of their first choice players, and although may be a valid excuse, at least to some extent, for their heavy defeat, nevertheless the Swiss team is recognised to be about the best in Europe this year. So please do not forget it! In one branch of a multitude of "sport," we are top dogs, and no mistake about it.

M. G.

### SWITZERLAND'S ECONOMIC PROBLEM.

The returns of the Swiss National Bank show that gold holdings still exceed the note issue by some 500 millions Swiss francs, but for some years the deficits of public authorities have been increasing, the adverse trade balance has been rising, while internal indebtedness has shown no sign of reduction. In the absence of reliable figures relating to the balance of payments, the Swiss Bank Corporation have carried out private investigations, and have come to the conclusion that for the past two, if not three, years Switzerland has lived on her accumulated reserves, and that a reform of the federal, cantonal and railway budgets has become imperative. The great decline in the country's foreign trade and the decrease in tourist traffic and in income from foreign investments, as well as increased taxation, have all contributed to this development. For many decades Switzerland has had an adverse visible trade balance of approximately 500 millions Swiss francs, but income from tourist traffic and other invisible items has in normal years always offset it, while the influx of foreign funds between 1923 and 1928 actually created a surplus, which, in its turn, caused a gold influx during that period. Since 1928 exports have fallen by over 1,000 millions Swiss francs. In 1933 the adverse trade balance amounted to 742 Swiss francs, as against 962 millions Swiss francs in 1932, while the decline in tourist traffic and in revenue from foreign investments is estimated at 300-400 millions Swiss francs. No figures are given for the reduction of other visible items, but, on the basis of their investigation, the Swiss Bank Corporation estimate the adverse balance of payments at 300 millions Swiss francs for 1933. Available statistics seem to show that the deficits of the various federal and cantonal budgets continued to increase during 1933. The 1934 federal budget provides for an increase in revenue and a reduction in expenditure, thus bringing the deficit down to 8 millions Swiss francs, but it is doubtful whether these estimates will be achieved. There is, further, a deficit of nearly 700 millions Swiss francs in the unemployment insurance fund of the federal authorities and the railways, and there is a federal railways deficit of over 800 millions Swiss francs.

In view of the extremely conservative public accounting methods, which provide liberal depreciation allowances and statutory sinking funds, the dangers of these deficits are not as great as would appear; the danger lies in the fact that very little improvement can be expected from international trade in view of the strained commercial relations with all neighbouring countries, and there is therefore little hope that the unemployed will be re-absorbed in the near future. As in the United States and Czechoslovakia, the fact that agriculture in Switzerland has probably suffered most from the crisis makes the danger all the more real. Since 1930 exports of agricultural produce have fallen from 149 millions Swiss francs to 54 millions Swiss francs. Since farming property was heavily mortgaged during the years of the boom, this situation is affecting the banks. There is no doubt that the Central Bank and leading banks are fully alive to the consequences of a devaluation of the currency upon Switzerland as an international money and capital market, but there is also no doubt that currency depreciation is finding an increasing number of adherents.

Economist.