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Vertrauen hat. Nun war ihr tatsächliches Verhalten im letzten Jahrzehnt und namentlich in den letzten Jahren einem Wandel unterworfen, der alle Bedenken der Gegner immer wieder stärkte. Der sozialistische Kurs schwankte hin und her zwischen einer sterilen Obstruktionspolitik und einer Verständigungspolitik, die kein richtiges Vertrauen aufkommen liess. Das hing mit den Zeitverhältnissen zusammen, aber auch mit dem internen Kampf, der zwischen der gewerkschaftlichen und der linksextremen Richtung des Sozialismus einherging und einhergeht. Dazu kam, dass die Sozialisten für ihren Eintritt in den Bundesrat Bedingungen stellen, und insbesondere diesem Eintritt den Sinn der Aenderung des innenpolitischen Kurses unterlegen. Auch wird deutlich genug der Standpunkt verfochten, dass die Aufnahme eines oder mehrerer Sozialisten in die Landesregierung keine Bindung für die Partei, also keine Beeinträchtigung ihrer Oppositionsstellung und keine Uebernahme von Verantwortung bedeuten könne. Damit wird ersichtlich, dass der sozialistische Eintritt in den Bundesrat vorwiegend im Interesse der Verbesserung der sozialistischen Position steht und die gemeinsame Zusammenarbeit, wie sie die Zeit eigentlich erfordert, eine cura posterior ist.

Der Entscheid in der sicher nicht leicht zu nehmenden Frage soll in einer *Volksabstimmung* über die obengenannte sozialistische Initiative auf Volkswahl fallen und zwar vermutlich im Herbst. Auf eine Annahme beim Volk kann diese Initiative nicht rechnen, da die Volkswahl des Bundesrates allgemein auf Ablehnung stösst. So kommt es darauf an, ob Bundesrat und Bundesversammlung der sozialistischen Initiative einen Gegenvorschlag gegenüberstellen, der bloss die Erweiterung des Bundesrates auf 9 Mitglieder enthält. Darauf hofft man auf sozialistischer und auf linksbürgerlicher Seite. Die Schwenkung der sozialistischen Partei zu verstärkter Oppositionsstellung, wie sie sich im Zeichen des Krieges abzeichnet und wie sie konkret bereits in der Haltung der Partei in bezug auf das grosse Finanzprogramm und die finanzielle Landesverteidigung zu Tage tritt, lässt erwarten, dass auch heute die Zeit für die sozialistische Regierungsbeteiligung *noch nicht gekommen ist.*

SWISS LOANS IN THE UNITED STATES AND THEIR REPAYMENT.

A short time ago, the world press announced that Finland had won for herself America's particular favour through having so punctually and untiringly paid back the debts incurred during the last World War. However, when it comes to punctuality and trustworthiness in meeting financial obligations, Switzerland can compete with any nation in the world.

Switzerland too has conscientiously paid back to the last cent and dollar all the loans made in America during the War and post-war periods. Moreover, at the time of repayment, Switzerland made a very noble gesture: one of the loans was only to be refunded in 1933 — i.e. at a date *after* the unforseen devaluation of the dollar; but Switzerland, acting on a solemn decision of Parliament taken on a recommendation of the Federal Council, i.e. the Government, voluntarily paid back — not in devaluated dollars, but to the full *gold* value of the dollar, thereby fulfilling her signed undertaking. The decision involved the no mean sum of 30 million dollars! The said recommendation of the Government is dated March 19th, 1934 and says that the Government, after having sought the opinion of the Ministry of Justice on the matter, had come to the conclusion that "the debt could not be repaid in devaluated currency." How moving these words are to-day! They do prove however that Switzerland takes her contractual obligations seriously and is ready and willing to hold to them, whatever sacrifice they may entail. In times such as we live in, such a gesture of good faith is worthy of being noted.

There were in all five loans raised by the Swiss Federal Government in America, from March 1915 to April 1924, totalling 120 million dollars. The primary reason for these loans was not that Switzerland could not easily have raised this capital herself: it is well known that Switzerland is the country which possesses the most capital in proportion to her population. As the loans were raised in the United States at a much higher rate of interest than the Swiss Government would have paid on a national loan, many Swiss themselves subscribed to them. Why did the Government raise such huge loans in America during that period? The fundamental reason was a rise of the dollar even on the Swiss exchange. Moreover, Switzerland required currency credit in dollars chiefly to pay the necessary commodity imports from America. To these five Government loans can be added two municipal loans raised in 1920: the cities of Bern and Zurich each borrowed 6 million dollars from America at a nominal rate of interest of 8%.

The Government loans amounted in all to 120 million dollars. But they were raised over a period of nine years and when the last one was made, the first had long since been paid back.

The first Swiss Government loan in America of March 1st, 1915, covering 15 million dollars was in particular fairly short-termed. This loan was payable in three parts in 1916, 1918 and 1920 and the refunds were punctually acquitted at the appointed dates. At that time, capital was still relatively cheap in America; the nominal rate of interest was 5% and the market price was a little below par. The actual rate of interest paid was 6%.

On the following loans conditions imposed grew more and more difficult, but the terms were longer.

The second loan of 30 million was negotiated on August 1st, 1919, and was payable in 10 years. The nominal rate of interest was 5½%, the actual interest however amounted to 6.55%.

The third loan issued by the Swiss Government in the United States in July 1920 amounted to 25 million dollars payable in 20 years, with option to repay after 10 years at 105: Switzerland chose the second alternative. The interest this time was 8%.

The fourth loan, in August 1923, covered 20 million dollars payable in three years. It was, however, repaid after two. This time interest fell to 5%.

The fifth and last loan was raised in April 1924 and again covered 30 million dollars. The term was fixed at 20 years, with option to repay after 10 years. It was a 5½% loan; the opening market price was at a discount of 2½%, i.e. at 97½. The net cost amounted accordingly to 6.08. Repayment could thus only be made after the devaluation of the dollar (May 29th, 1933) and in spite of the circumstances, this loan also was repaid to the full gold value of the dollar. Our American creditors had surely scarcely expected this and they had reason to rejoice in Switzerland's generous interpretation of the meaning of the terms "good faith in contractual undertakings" and in her national honesty.

(*S. I. T.*)

L'ESSENCE DE LA LIBERTE *.

L'essence de la liberté n'a rien de politique, d'économique, de social : elle est morale. La liberté est en nous. Si nous ne l'avons pas en nous, l'extérieur — la constitution, la loi, l'Etat — est impuissant à nous la donner. Les plus éloquentes déclarations ne font que du bruit dans du vide, et voilà pourquoi je te conseille, Helvète moyen, d'être sobre quand tu parles de liberté.

La liberté est cette capacité que nous avons en nous, mais que nous pouvons perdre, d'accroître et défendre notre être propre, d'accroître et défendre les éléments spirituels de cet être. La liberté, c'est l'espace intérieur qui est nécessaire à notre effort de nous assimiler à Dieu. La liberté n'existe que là où l'être humain est parvenu à réaliser sa vraie nature dont les deux caractères sont la raison et la moralité, que là où l'être humain est devenu pleinement une personne. Personnalité et liberté ainsi se confondent. Une personnalité riche et forte a besoin de plus de liberté qu'une personnalité faible et pauvre. Mais la liberté, dans l'intérieur de l'homme, dans sa vie personnelle, c'est le gouvernement, la dictature du haut sur le bas, de l'esprit sur la matière. Les plus libres sont, pour citer Bossuet, ces âmes guerrières, maîtresses du corps qu'elles conduisent. Et nul homme n'est libre s'il n'est unifié, s'il n'est parvenu à enfermer dans la cage, au fond des oubliettes, la bête féroce que nous portons en chacun de nous, s'il n'a ensuite lancé la clef dans la mer. Au sommet, liberté et sainteté se rejoignent. Avant d'être un droit politique, et pour avoir droit à ce droit, la liberté est une vertu, un devoir.

Ce qui justifie les libertés politiques, c'est la liberté morale qui doit régner dans notre vie intérieure, dans ta vie à toi, Helvète moyen. Plus l'homme est parvenu à dominer son égoïsme, ses passions, ses instincts, moins il a besoin de contraintes extérieures. Plus il retombe dans la confusion des esprits et l'indiscipline des mœurs, plus il devra subir de contraintes extérieures.

Ce qui rend un peuple indigne de la liberté et incapable de s'en servir, c'est le matérialisme. Toute doctrine matérialiste, toute conception matérialiste de l'Etat, abolit nécessairement la liberté. Pourquoi? Parce que la liberté est spirituelle dans son essence. Parce que, la matière étant déterminée, plus on y enfonce la vie humaine, plus on lui enlève le sens et le besoin de la liberté. Je fais allusion ici, non pas seulement au marxisme des Internationales, mais à la théorie bourgeoise du *Wirtschaftsstaat*. Et je prie l'Helvète moyen de méditer un instant là-dessus.

* Extract from "Défense et Illustration de l'Esprit Suisse" by Gonzague de Reynold. Editions de La Baconnière, Neuchâtel. 172pp. 8vo Frs.3.75.

SWISS MERCANTILE SOCIETY.

The Monthly Meeting of the Society was held at Swiss House on Wednesday, April 10th. Mr. J. J. Boos, President, was in the Chair and over thirty members were present.

The President informed the meeting that this year's Delegates' Meeting of the S.K.V. will be held at Bienne on May 18th and 19th. The S.M.S., which is still the largest foreign section of the association, will be represented by Mr. M. Schneider, who was Hon. Secretary of the Society for a number of years and is now serving with the colours in Switzerland.

Mr. C. Chapuis, Hon. Treasurer of the Fête Suisse Committee, announced that the Fête Suisse will be held on June 27th. He made an eloquent appeal for the support of this annual gathering which has long established itself as one of the outstanding events in the Colony.

Mr. W. Meier, Vice-President, reported that the response to the recent efforts to re-open the Evening Classes had been fairly good, two classes having been formed, viz. one for Italian and one for English Shorthand. Further classes will be formed if and when the demand arises. The Society is prepared to provide all the necessary facilities and it is up to those who are interested to come forward.

Mr. W. Meier, in his capacity as Chairman of the First of August Committee, then announced that the necessary arrangements were being made to celebrate the National Day in a suitable manner. Although the present circumstances will impose certain restrictions on this function, the responsible Committee, encouraged by last year's resounding success, nevertheless felt that every effort should be made to repeat the venture. May their work be crowned with success.

This concluded the business part of the Meeting and many friends then joined the assembly.

The pièce de résistance of the evening was a film show presented by Mr. A. Tall of the Swiss Federal Railways, a member of the Society.

The Chairman, in introducing the lecturer, mentioned that Mr. Tall was already well known to most of the members through his previous lectures, and had earned himself the reputation of being the most prominent lecturer in the United Kingdom on travelling and winter sports in Switzerland.