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SWISS MERCANTILE SOCIETY.

Monthly Meeting of June 9th, 1943.

The Monthly Meeting of the Society was held at Swiss House on Wednesday, June 9th. Mr. J. J. Boos, President, was in the Chair, and the Meeting was well attended.

The Chairman reported on the Delegates' Meeting of the S.K.V. which was held at Lugano on May 7th to 9th. 77 Sections were represented by 203 Delegates and two of the principal resolutions passed were in connection with "Abkommen über Teuerungszulage" and "Kaufmännische Arbeitsbeschaffung." Telegrams of good wishes had been received from two foreign Sections, viz., London and Milan and were read out to the Meeting.

The Chief item on the agenda was a discussion on post-war problems. In these days when economic and social planning are in vogue, the S.M.S. has not remained indifferent to the many problems with which commerce and industry will be faced in the post-war period. Indeed, a number of highly interesting and instructive lectures bearing on the subject have been held at Swiss House by eminent lecturers. However, as members usually have to confine themselves to a few questions at the end of these lectures, a general desire had been expressed to give them an opportunity of discussing these post-war problems freely amongst themselves in the light of their personal experiences and views. It had therefore been decided to arrange for a series of discussions on economic subjects, and for the first of these discussions the title — "*A Target for Trade in Peace Time*" — had been chosen. The principal speaker was Mr. W. Meier, Vice-President, who introduced the subject with an excellent address. He did not merely indulge in superficial platitudes, but went right to the fundamental causes of economic disturbances. How to remove these and how to achieve world-wide stability was the main theme of his talk.

In his opening remarks Mr. Meier pointed out that it was not the purpose of the meeting to initiate a campaign on one or another of various ideas. That, he said, would be quite outside the sphere of activity of the Swiss Mercantile Society. The purpose of the discussion was to examine some of the fundamental principles governing international trade in order to arrive at certain conclusions as to how to stimulate external trade. He took it for granted that the meeting considered the continued expansion of trade a desirable object to achieve if only in order to raise the general standard of living in all parts of the World and especially in those countries at present far behind western standards. He mentioned China as a typical example. Her population equals that of Europe including European Russia and her capacity to absorb manufactured goods was only limited by her capacity to pay for them.

He then argued that the industrial countries on both sides of the Atlantic could only expand their exports if those requiring their products had enough purchasing power to buy them. On the basis of several examples he demonstrated that some countries lacked purchasing power because they had little to export, due to unproductive soil and lack of mineral resources; they were working "a bad patch" of this earth. Others, such as Switzerland, had overcome these fundamental disabilities and had through energy and skill built up large manufacturing industries whose exports

enabled them to make good the lack of food and raw materials. Others again, in spite of possessing agricultural resources and mineral deposits, or both, had been quite unable to raise the standard of living of their populations.

Mr. Meier continued: "To sum up, there are very considerable differences in the reward which the World's treasures bring to the populations in whose countries they are situated, but there is another reason for the lack of purchasing power of some countries. In my opinion it is by far the most important one. It is the difference in remuneration paid in different parts of the World for the same amount of human labour performed.

Within the boundaries of a country these differences have to a large extent been eliminated. The efforts of the workers themselves and human conscience are responsible for that. Personally I see no *fundamental* reason why a full day's work performed by a labourer in New York harbour should be paid differently from a day's labour performed by a Russian on the Caspian Sea or a labourer in the port of Shanghai. It is a full day's work in each instance and should, by mere human right, entitle to the minimum reward for a decent existence. Along the lines of the Beveridge Report a man's labour, even if unskilled, should provide his daily bread and any extra energy or skill, whether technical, scientific, artistic, commercial or otherwise, should provide his butter.

In my opinion, the principal reason why the levelling out within the frontiers of a country have been possible is the fact that the reward can be measured by a single currency. And the chief obstacle to the levelling out over a whole continent and the World has been the multitude of currencies which make comparison difficult for anyone but an expert. I suggest with full confidence that the best formula for an unprecedented expansion of trade is the introduction of a single universal currency and the gradual adoption of a uniform standard of minimum reward for human labour all over the World.

Both the British and American Currency Plans published recently have as their most striking feature a uniform currency for the settlement of international trade debts. In fact, everyone appreciates that if the currency operations, manipulations, valuations and revaluations of the inter-war years are to be avoided in future, a uniform and universal measure of value has to be found and the authors of the currency plans just mentioned have of necessity created one. Its name is immaterial, whether Bancor, Unitas, Paritas or Uniformas is of no consequence; the international currency will make exchange transactions unnecessary and foreign exchange rates obsolete, each country only having an exchange rate in relation to Bancor. But each country will still require two measures of value; its own internal currency and another for external trading. Why not go a step further and do away with all the individual currencies and uniformly adopt a World currency.

This, combined with the universal adoption of the decimal system, would not only facilitate trade to an unheard-of degree, but it would have an immense psychological effect. It would bring the conception of value of the whole World on a uniform basis which could be understood by all. It would make the £ or the Unitas worth a £ or a Unitas in China and Peru,

in the U.S.A. and Russia. It would then be possible to have a World standard price for wheat, for bread, for coal, oil, sugar (subject to variations in each country for the purpose of its internal trade, but uniform for international trade). Most important of all, however, it would be possible to have a World standard price for an hour's or a day's labour. It would then be realized more easily by everybody that the Chinese labourer is at present paid too little for his day's work and that unless he can get more into line with the remuneration of western countries he and the 500 million other Chinese cannot buy our industrial products.

Apply this standard to the whole World and you will see the root causes of all trade difficulties exposed.

There will immediately be a dozen objections. Some will say that some countries might print millions of notes and swamp the rest of the World with worthless currency. Naturally there would have to be law and order and a certain measure of international control. There would be a Central Issuing Bank, possibly with authorized agents in each country and the notes allocated to China would circulate only in China. If a Chinaman wanted to travel to New York he would go to his bank and exchange his Chinese Paritas notes into U.S.A. Paritas notes and if he brought any back on his return to China, he would change them back into the notes of his own country.

Another critic might say "what will a Chinese coolie do with the equivalent of £4 a week?" Obviously, if he got £4 a week as from next Monday the total income of all the Chinamen would be so enormous that there would not be enough goods available in China for purchase. That would drive up local prices and start the vicious circle of inflation. I would suggest, therefore, that the adjustment of wages to the World minimum standard should be gradual, possibly spread over 50 years. That would no doubt be a reasonable period during which enough goods could be produced to represent the value of the World's workers' income by that time. In fact both the British and American Currency Plans lay down definite rules as to how each country should acquire its share of the international currency and this problem presents no insuperable difficulties."

Mr. Meier then said that within the short space of time allotted to him he could not go into further detail but he would be pleased to deal with any specific question that might be put to him in the debate. He then concluded: "I do not claim that a World Currency and a World Standard of wages would solve all the World's problems. There would, for instance, still be the fact that some people are working a "better patch" than others. I have deliberately left out of account the problem of unsettled balances dating to earlier periods, such as trade debts, war debts, debts resulting from foreign investments and foreign lending. (These might usefully form the subject of one of our future discussions). I do suggest, however, that these measures would remove the most serious obstacles to an expansion of international trade and thus to a gradual raising of the standard of living in all parts of the World. We know now that Peace is indivisible. We know now that there cannot be permanent Peace in one part of the World while a War is raging in another and we shall have to acknowledge that Prosperity is likewise indivisible. To achieve this world-wide Prosperity is surely a worthy target for trade in peacetime."

During the ensuing debate, Mr. R. Chapuis, Hon. Secretary, acted as Chairman. He called on Mr. W. Beckmann, who opened the discussion by stressing the necessity for individualism and free enterprise. He particularly emphasized the need for international currency stability as a prime essential for economic prosperity and quoted as an example the Latin Monetary Union which functioned so well before the last war.

A very lively and stimulating discussion then followed, in which a large number of members, including the President, took part, and this most interesting debate was wound up by Mr. Meier, who answered various criticisms of his suggestions. All present expressed the hope that similar discussions would be arranged for future meetings and in conclusion a hearty vote of thanks was accorded to Messrs. Meier and Beckmann who had spent a great deal of time in preparing for this most instructive evening.

The next Meeting will be held on Wednesday, 14th July, and will be followed by a social evening, to afford members an opportunity of indulging in a game of "Jass," table tennis, etc.

Members, therefore, please reserve the 14th July for the S.M.S. and bring along your friends.

W. B.

TRITTST IM MORGENROT DAHER.

When the morning skies grow red
And o'er us their radiance shed
Thou, O Lord appeareth
In their light.
When the Alps glow bright with splendour
Pray to God, to Him surrender
For you feel and understand
That He dwelleth in this land.

In the sunset Thou art nigh
And beyond the starry sky,
Thou, O loving Father
Ever near.
When to Heav'n we are departing
Joy and bliss Thou'lt be imparting
For we feel and understand
That Thou dwelleth in this land.

When dark clouds enshroud the hills
And grey mist the valley fills,
Yet, Thou art not hidden
From Thy sons.
Pierce the gloom in which we cower
With Thy sunshine's cleansing power,
Then w'll feel and understand
That God dwelleth in this land.

Through the wild and stormy night,
Thou doest shield us with Thy might,
Omnipotent Saviour,
Lord of all.
Humbly in our God confiding,
Conscious of His love abiding.
Yes, we feel and understand
That He dwelleth in our land.

(Translated by J.J.F.S.)