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# The Swiss Observer

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ties of the watch-making trade; there are only 1,040 today, when the demand for qualified people is almost explosive.

In a few decades, watch-making has evolved from a winter-time, cottage occupation to a highly specialised industry. The complete watch-maker is a rarity today: he has been replaced by a dozen separate specialists such as adjuster, draughtsman, turner, electroplater, micromechanic and, in the higher spheres, technicians in microtechnics and horological engineers (a completely new breed of technocrats, of which there are twelve at present, a number to be multiplied sixfold in ten years' time).

The visit of a large and modern watch factory will show that the work performed there is 80% unskilled or semi-skilled. A lot of it, although mechanical and repetitive, has to be precise and thorough and is performed overwhelmingly by women who, as has been abundantly shown, particularly in the electronic industries, are better at it than men. General shortage of labour make the employment of women absolutely mandatory, and it is fortunate that their gifts coincide with the needs of the watch industry.

The trouble is that even women are leaving the work bench and finding more relaxing jobs outside industry, thus leaving vacant seats for imported manpower, which is less and less forthcoming. A cursory visit to a gleaming, ultra modern watch factory in Geneva has made me realise that, although the physical conditions of work it offered were ideal, the number of hours of work, the stringent schedule and the modest pay, which were the rule, would have been considered totally unacceptable by the average English worker. In a way, the watch industry can be thankful to the provisions that actually rule labour relations in Switzerland, and the fact that it has been spared with all "bloody-mindedness" so far.

The picture prevailing in the minds of the youth of Neuchatel and the Jura who traditionally entered in the watch-making trade is that technological evolution has condemned the free, imaginative watch-maker of yore; that the invasion of electronics has led to tasteless and dull chain-labour, good for the non-qualified worker.

This is however only partially true. On the one hand, work has been greatly simplified and automated, on the other, it has become vastly more technical, a fact which the leaders of the watch industries are very keen to publicize.

The gloomy picture of the watch-making profession comes surprisingly from those who are engaged in it. During an enquiry in the Canton of Berne, 2000 people employed in the watch industry were asked whether they wished their children to start a watch-making apprenticeship: 62% answered negatively. They were asked whether, if they were 16-years old again, they would try to acquire a more complete formation: 60% said that they would. Asked whether they were informed of the various programs of continued formation, 30% said that they weren't.

What has happened is that countless workmen, many of them highly qualified, have been trained to do jobs which machines and unskilled manpower can perform today. A qualified man of 50 may be condemned to choose between a job that has become unqualified or train for an entirely new one. Thirty years ago one left school with a good training that was to secure a job and guarantee against unemployment for life. Today, no sooner has the apprentice left school that he is told go back to it again, for the rest of his professional life.

This is an intellectually exciting situation and the watch industry will spare no effort to make it known to all the youth who now tend to envisage anything but the work-bench of a watch factory as a place to unfold their ambitions. Technological progress has the particularity of calling for both more unqualified and highly qualified manpower, the intellectual rift between the two ever-increasing. Both are badly necessary. Today, thanks to imported labour and the preparedness of working-class wives to do chain-work, the Swiss watch industry's needs are just about satisfied in the former category. But the "Swiss watch's" future supremacy will rely entirely on the possibility of filling a speedily increasing number of highly qualified vacancies in time. As elsewhere, the shape of an industry has changed but its labour has lagged behind, a situation which could be very costly.

As is well known, thousands of "Swiss watches" usurp their description and it has been necessary for the Watch Federation to undertake a battle against those who make abuse of the Swiss name. To be "Swiss made", a watch must have its movement assembled in Switzerland, it must be wound up and

set in Switzerland, it must be controlled according to Swiss technical norms, its components must be Swiss to over half their value, excluding assembly.

A "Swiss made" watch may satisfy these requirements without having been produced by a Swiss factory, since many American companies have settled in Switzerland or have taken over Swiss companies. One important example of the latter case is Bulova, whose "Acutron" watch is flaringly advertised at Piccadilly Circus. American implantation has a bearing on the state of employment since many qualified people, trained by the home companies, are tempted to work for American watch firms. This is one reason why many watch industrialists would like Switzerland to limit her traditional liberalism, and put a bridle on foreign investments.

(P.M.B.)

## COMMENT

### SWISS HELP TO THE THIRD WORLD

The Federal Council has recently submitted a new investment-protection scheme to the Parliament's investigation. The idea is not new and had already been put forward, on a multi-lateral basis, by the World Bank and the OECD. If the Swiss scheme is applied, it will be the first time that national investments are nationally guaranteed. The Confederation would guarantee up to 500 million francs (taken from a special fund) of new investments for no longer than 15 years, subject to a number of particular conditions. The guarantee would not cover devaluation or depreciation of money, neither would it protect firms forced into liquidation. The protection is primarily aimed against nationalisations, blockage of profits and wars.

The Federal Council's move, in seeking to protect private investments, highlights the fact that it is these investments which make up for the bulk of Swiss help to the Third World. In fact, Switzerland devotes 1.49% of her gross national product to under-developed countries, a figure well above the 1% recommended by the Organisation for Economic Cooperation and Development (OECD), and putting the Swiss in first world position.

But, before we pat them on the back, we ought to examine this aid more closely.

Total aid amounted in 1968 to 1092.7 million francs, 1011 million of which came from private sources and 81.7 from public funds. Over 90% of the help then has a private origin, which contrasts with the help supplied by other well-off countries. For example, these countries supplied 7 billion dollars in 1967, 4.3 billion coming from official

sources and only 2.7 billion coming from private sources. In Switzerland the tendency is obviously reversed and the actual Federal help only amounts to 0.12% of gross national product, as compared with an average of 0.5% among the OECD countries.

Last year, Swiss private aid made a tremendous leap, rising from the 563 million francs of 1967 to the stated 1011 millions. There were three main reasons for this, none of them reflecting an increased altruism or world-consciousness among Swiss investors, but just better economic conditions. The first is that the credit awarded to Swiss exports has been both increased and prolonged. The second is that the profits of foreign investments are on the increase, that there has been a sharp fall in outstanding debts from developing countries. The third is that, following this general improvement, more funds have been making their way to the overseas development banks such as the World Bank and the Inter-American Development Bank.

Out of the 1011 millions, 368 are direct investments, 482 export credits of over a year's duration and 161 are long-term credits. This last figure only (the smallest one) can really be considered as disinterested help. Direct investments, although they are a great benefit to the countries to which they are destined, must produce a satisfactory return and therefore are directed towards those developing countries which are full of promise such as, say, the Ivory Coast and Mexico. A lot of that money goes to enlarge the overseas subsidiaries of Swiss firms, and these are usually located in countries already relatively

wealthy. The export credits, although they certainly help the poorer buyers in procuring the vital goods they need, are primarily beneficial to our exporters. Twenty per cent of Swiss exports go to underdeveloped countries and the commercial balance in favour of Switzerland is about a billion francs a year.

Therefore, although the good-will of our capitalists towards the Third World is genuine, their help is necessarily interested. They cannot afford to make loans without reasonable assurance of seeing the money back and cannot be expected to build factories at the cost of millions, only to see them seized. The men are not to blame, but rather the system of exchange between rich and poor countries, whereby the latter are considered as rich (and therefore as solvable) as the former. Easing the developed countries' terms towards the lesser developed countries has been a moot point for a very long time. So far, Switzerland as a whole behaves no differently than the United States (but makes a far smaller official effort in foreign aid) and participates in the general impoverishment of the Third World brought about by this lack of balance between the rich and the poor countries.

Switzerland not only gets back through her highly favourable commercial position all that it has laid out in hard currency towards developing countries, but it also receives all those expiring debts and their interests. The true value of the aid should be given by 1011 million francs *minus* the funds which come back home as repayments. These funds are bound to increase and a National Councillor has said that if

Swiss aid remained at the 1967 level, it would be compensated by return payments by 1975. This means that our foreign aid has to increase if it is to become more than a means for our debtors to repay old debts. The term "aid" seems to apply to any outgoings designed to increase a developing country's capital or infrastructure. By this token, the millions which Britain had to spare some 80 years ago which—instead of being invested in the home economy, were used to develop railways, mines and plantations all over the world—could in a way be considered as "help". That this "help" was devised primarily for the benefit of Britain is shown today, since the millions which these ancient investments produce are a valuable help to her balance of payments. When we read of "foreign aid", we must understand "aid without sacrifice on our part". This is of course a semantic deformation. "Help" or "aid" is naturally associated with a sacrifice on the part of the helper who, in helping someone else, or a given cause, foregoes a part of what he possesses, be it his time or his money. Nowadays, just because some capitalistic millions actually "help", they are considered as an "aid". We can therefore say that the Swiss actually do devote 1.49% of their income in "aid", as judged by its effect, but not as judged by its selfless intention.

As already mentioned, the money which the country gives away to the developing countries without expecting any redemption runs to about 0.12% of national product (or even less than that, since part of the official aid consists in long term loans).

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For 1968, the 81.7 million of this aid was allotted in the following way: technical co-operation 34.3 million, university grants 1.7 million, financial help (loans) 9.4 million, gifts of food 17.4 million, humanitarian help (Palestine refugees, Vietnam, Biafra, etc.) 18.9 million.

The Federal Council has reserved a credit of 230 million francs for the three years starting in 1970. 180 million of this will be development aid and 50 million humanitarian aid. This is a 50% increase on the previous three-year credit, ending this year, but still a negligible proportion of (Swiss) national product. Federal Councillor Spühler, who, as head of the Political Department, was responsible for the country's foreign aid programme, said that he was well aware of the smallness of this effort, but that it only tallied with Switzerland's policy of helping underdeveloped countries by private means.

About two-thirds of the official aid is managed by international organisations, mainly the subsidiary bodies of the United Nations, the other third going into individual projects sponsored directly by the Confederation. Some 120 Swiss specialists work in development help for the Confederation, 80 of them are volunteers who have left their jobs at home for varying periods. Another 180 Swiss do the same work under international auspices.

Many Swiss strongly feel that what their country is doing in favour of the Third World is definitely insufficient. Such is the case of those 1,080 citizens who, last December, signed their "Declaration of Berne" and pledged to devote 3% of their income for three years for the benefit of poorer countries. Such is equally the case of the "IG 3" movement in Zurich, which has recently been claiming a 220-million francs annual aid contribution by the Confederation, that is, a three-fold increase. It also wants the *official* aid to amount to 1% of the national product by 1972.

There are possible explanations to the smallness of our Federal aid to the Third World, the first one that comes to mind being that public money is less centralised in Switzerland than it is in other countries and that the means of the Confederation are proportionately smaller. The fact remains that, although there is plenty of good-will in all circles, and although Swiss development aid is judiciously apportioned and expertly managed, in quantitative terms, it is unworthy of one of the world's wealthiest countries. Private help, just one outlet for our booming industry and thriving banking business, must continue. Our microscopic public aid, that which shows to what degree we as Swiss sacrifice our comfort, must be greatly increased. At any rate, no one ought to be misled by the 1.49% figure, let alone trumpet over it.

(P.M.B.)

# SWISS NEWS

## FEDERAL COUNCILLORS SCHAFFNER AND SPUHLER STEP BACK

The news of Mr. Schaffner's departure hit the two chambers as they were beginning the third week of the present session. At the time of writing, the only reasons known for this retirement were those given by Mr. Schaffner himself: he had worked sufficiently long in the service of the Confederation and felt it was time for him to retire. It is possible that he will be active in private industry. His succession is now open and the object of numerous speculations.

Federal Councillor Hans Schaffner, Swiss "Minister for economy", will be 61 on December 16th. He was elected to the Federal Council in June 1961 and was President of the Confederation during 1966. He studied law in Berne and qualified as a lawyer in that town in 1934, beginning his career as secretary of the supreme court of the Canton of Berne. He was then appointed as adjunct to the Union for Commerce and Industry and in 1938 became the jurist of the Federal Office of Industry and Labour and was charged with preparing the necessary measures of war economy. In 1941 he was called to lead the central office of war economy. After the war, Mr. Schaffner was the delegate of the Federal Council to commercial conferences and became head of the commercial division of the Federal Department of Public Economy in 1954. He was a member of the O.E.C.D. directory from 1953 to 1961.

His distinctive qualities were a great working power, a flexible and pragmatic mind, a realistic understanding of economy, and diplomacy. He succeeded to resigning Federal Councillor Max Petitpierre, and was elected by a 175 to 49 majority in the first round.

The resignation of Federal Councillor Spühler was announced just a day after that of Mr. Schaffner but hardly came as a surprise. Indeed, intensive rumours were circulating in the Federal Palace on this matter. Mr. Spühler was head of the Political Department. In British terms, he was the Swiss Minister for foreign affairs. He was a down-to-earth socialist, excellent administrator and well known for his great personal distinction. His Zurich constituents maliciously but affectionately called him the "lord of Aussersihl".

He became national councillor in 1938 and succeeded to Emile Kloeti at the State Council. Before being elected as Federal Councillor, he was head of the Department of Transport, Communications and Energy.

The socialist group in the Federal chambers met to decide on the candidate to put forward in replacement of Mr. Spühler. The socialists insist on

having a double representation in the Federal Council. They have decided to present Mr. Pierre Graber, councillor of State and national councillor of the Canton of Vaud. Mr. André Chavanne, councillor of State and national councillor of Geneva was also a possibility, but he obtained only four votes, as against Mr. Pierre Graber's 27.

(A.T.S.)

## ITALIAN CHILDREN KEPT IN HIDING

At least 500 children of Italian parents living in Geneva have either had to be brought outside the country or kept hidden at home, said M. Tebaldi, executive member of the Federation of Italian Colonies in Switzerland, in a recent press conference. A solution to this problem had to be found and it could not consist in sending back the children one after the other.

These children either belonged to seasonal working people or to parents not satisfying the conditions fixed by the Swiss-Italian agreements. These were satisfactory living conditions, a sufficient salary and a stable household. But who decides whether a particular accommodation is adequate, and how could an Italian worker find such a thing when no policy for the building of popular lodgings existed?

For the Federation, the problem of reuniting Italian families was closely linked to the status of seasonal workers, which prevented them from bringing their families with them. There were definite regulations on the implementation of the Italo-Swiss agreement, said M. Tebaldi, but these were known only to the immigration police. The secrecy in which these regulations were held conferred the solution of human problems to administrative organs, and in many cases these problems surpassed their competence. The Federation wants the publication of these regulations, so that competent tribunals would henceforth be the sole organs entitled to rule on cases involving the civil and penal responsibilities of immigrant workers.

Mr. Tebaldi has further indicated that the Federation of Italian colonies would like a revision of the Italo-Swiss agreements and the inclusion therein of precise provisions guaranteeing home life for immigrants. This would prevent a worsening of an already taut situation, not least due to xenophobe initiatives.

(A.T.S.)

## LONZA TAKES OVER AN AMERICAN COMPANY

The Swiss company "Lonza A.G." has acquired the majority of the equity of "Baird Chemical Industries Inc.", an American company located in New York with a turnover of 3.5 million pounds. Its production conveniently completes the production range of Lonza.