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FINANCIAL AND COMMERCIAL NEWS FROM SWITZERLAND.

Over-subscription of the new Loan.

Shortly before going to press news has been received that the new Federal Loan has been largely over-subscribed and that the subscription lists were closed on the evening of Monday last, the day of their opening. The amount of the issue was 125 million francs, but in case of over-subscription the Government reserved the right to increase the amount to 200 millions. It now appears that Monday's applications were for no less than 350 million francs, a fact which abundantly illustrates the present state of the Swiss money market. The difficulty of placing surplus funds at the present time was discussed in the financial columns of *The Swiss Observer* last week. It may be recalled that the new loan is redeemable in 1932, and interest at 4% is payable in April and October. The issue price was 97½%. The first 125 millions were underwritten firm at 96¼% by the banks, which have an option on the underwriting of the further 75 millions at 95½%. This option will, of course, be exercised in view of the over-subscription. Conversion right, which attach to the new loan, will be open to be exercised until September 8th.

Other new Loans and Advances.

The Canton of St. Gall has also been in the capital market, negotiating for a 12 million francs loan at 4½% to be issued at par. As in the case of the Federal Government, St. Gall have benefited by the cheaper money rates now ruling, for the question of this issue has been under discussion since last May, and the conditions proposed earlier in the year would have involved the Canton in considerably more expense.

To complete the list of new borrowers, we may also mention the Municipality of Vevey, who are raising 2,500,000 frs. through the instrumentality of the Valais Cantonal Bank. The loan is also of the 4½% type; the issue price is to be 98% and the date for redemption at par is fixed in 1932.

The Vevey authorities have also appealed to the Federal Government for an advance of 700,000 frs. to be used for purposes of creating relief work for the unemployed. Interest on this advance would be at 4½% and it would be repaid in forty years by a sinking fund of one per cent.

Revival of the Glass Industry.

It is highly satisfactory to learn that the Swiss glass works in Münster are to be reopened, after being closed down since 1919. It is expected that work will be resumed within the next few months. Alterations in the existing plant are at present being undertaken, which, when completed, will render it possible to turn out window glass by a new process. The great advantage of the new system will be that it will obviate the necessity of employing large numbers of expert foreign workpeople for glass blowing. The whole process will be able to be conducted by Swiss labour, and as the work will all be done by machinery it will be possible largely to increase the output as compared with that of former times.

Union Bank of Switzerland's Half-year's Figures.

The Union de Banques Suisses, which has now adopted the above as its English style, has this year for the first time published a half-yearly statement. The principal items in the balance sheet at the 30th of June, as compared with the corresponding figures at the date of the last yearly report, are as follows:—

	30 June, 1922	31 Dec., 1921
(in millions of francs)		
LIABILITIES		
Debentures outstanding ...	112.55	115.82
Banks and bankers ...	33.50	40.38
Other creditors ...	251.12	278.12
ASSETS		
Bills receivable ...	100.22	136.89
Banks and bankers ...	107.22	90.74
Other debtors ...	236.85	256.15

Brown Boveri's Report.

The well-known engineering firm of Brown, Boveri & Co., of Baden in Switzerland, closed their accounts for the year ending March the 31st, 1922, with a net profit of 1,082,665 frs., which compares with 670,000 frs. last year. This is arrived at after deduction of depreciations amounting to 5,470,000 frs. In view of the unsatisfactory industrial situation the directors did not feel justified in paying a dividend, and thus for the second year in succession the ordinary shareholders have been left without any distribution.

In their report the directors point out in the first place that the prudence which was observed in the establishment of the 1920-21 balance sheet was only too well justified by subsequent events. The situation in all Swiss industries became worse during the year, and in the engineering industry in particular orders were very scarce and prices quite insufficient to allow an adequate return of profit, even without regard to the fact that the reduced scale of production has brought a natural proportional increase in costs. During the year the number of workpeople employed at Baden had to be reduced from 3,258 to 2,518, while at Munchenstein the pay-roll fell from 989 to 565, and even so the employees are only working to 88 per cent. of capacity.

The Swiss workshops were principally engaged during the year in the manufacture of electric locomotives, particularly the new express locomotives with individual axle control, which have been entirely satisfactory in working. This type of engine solves for the first time the problem of the electric locomotive and makes it possible to obtain the maximum economic advantage from electrification. The favour which these locomotives have found abroad is illustrated by the fact that engines of the same type, only considerably more powerful, have been ordered by the German Railways for the expresses on the Bavarian lines. These orders have been placed with the company's Mannheim works.

STOCK EXCHANGE PRICES.

	BONDS.		Aug. 29th	Sep. 5th
Swiss Confederation 3% 1903 ...	...	...	83.60%	83.40%
Swiss Confederation 9th Mob. Loan 5% ...	...	...	103.75%	103.50%
Federal Railways A—K 3½% ...	...	...	87.80%	88.15%
Canton Basle-Stadt 5½% 1921 ...	...	...	105.75%	106.55%
Canton Fribourg 3% 1892 ...	...	...	81.00%	79.50%
Zurich (Stadt) 4% 1909 ...	...	...	101.00%	101.10%
		SHARES.		
	Nom.	Aug. 29th	Sep. 5th	
	Frs.	Frs.	Frs.	
Swiss Bank Corporation ...	500	651	664	
Crédit Suisse ...	500	691	700	
Union de Banques Suisses ...	500	578	595	
Fabrique Chimique ci-dev. Sandoz ...	1000	1450	1520	
Société pour l'Industrie Chimique ...	1000	1192	1267	
C. F. Bally S.A. ...	1000	975	950	
Fabrique de Machines Oerlikon ...	500	578	600	
Entreprises Sulzer ...	1000	670	700	
S.A. Brown Boveri (new) ...	500	340	354	
Nestlé & Anglo-Swiss Condensed Milk Co. ...	400	199	199	
Chocolats Suisses Peter-Cailler-Kohler ...	100	115	111	
Compagnie de Navig'n sur le Lac Léman	500	445	445	