Home news

Objekttyp: **Group**

Zeitschrift: **The Swiss observer : the journal of the Federation of Swiss Societies in the UK**

Band (Jahr): **- (1935)**

Heft 691

PDF erstellt am: **13.09.2024**

The Swiss Observer

FOUNDED BY MR. P. F. BOEHRINGER.

The Official Organ of the Swiss Colony in Great Britain.

EDITED WITH THE CO-OPERATION OF MEMBERS OF THE LONDON COLONY.

Telephone: CLERKENWELL 9595. *Published every Friday at* 23, LEONARD STREET, LONDON, E.C.2. Telegrams: FREPRINCO, LONDON.

VOL. 14—No. 691 LONDON, JANUARY 19, 1935. PRICE 3d.

HOME NEWS

(*Compiled by courtesy of the following contemporaries: National Zeitung, Neue Zürcher Zeitung, St. Galler Tagblatt, Vaterland and Tribune de Genève*).

FEDERAL.

SWISS ESPIONAGE CASE.

The Swiss military inquiry into the case of Colonel Fonjallaz, chief of the Swiss Fascist Party, against whom allegations had been made by Socialist newspapers that he had handed over to Italy certain plans, has found that all the documents and the signature were forged. The case has been remitted to the Civil Court of Canton Vaud, which will prosecute the author of the forgeries and the editors who made use of the documents.

GERMAN ATTACK ON SWITZERLAND'S RIGHT OF ASYLUM.

Switzerland has so long kept its right of political asylum that there is a natural anxiety about the rumours of a division of opinion in the Swiss Government over the case of Heinz Neumann, a former member of the German Reichstag, for whose extradition the German Government have applied. In a similar case last year the Swiss Government and the High Court refused the extradition to Germany of a member of the German Socialist party. The Federal Council is reported to be receiving every day hundreds of telegrams from many countries asking it to refuse the extradition of Neumann. In Switzerland the Socialist and Communist press is against extradition, and there is also opposition to it in certain Catholic quarters. The Federal Council's decision is expected in the next few days. An effort is being made by sympathisers to approach the Swiss Government to maintain its right of asylum, which is never more needed than it is to-day.

The Nazi Government are seeking to secure Neumann's extradition on a charge of criminal culpability in a case in August, 1931, where two policemen were killed in a riot. According to Neumann's friends his name was not mentioned in the report of the inquiry by the Berlin Justice Court, and was only mentioned in the preliminary inquiry as one who participated in a meeting where the police officer's death is alleged to have been decided upon. The shooting occurred in a political riot and there were victims on both sides. There can be no doubt about the political character of the charge, and no doubt either, we think, that the Swiss Government will not depart from their ancient and honourable maintenance of political asylum.

SWISS BANKS DIVIDENDS.

The following dividend have just been declared: Federal Bank (Banque Fédérale S.A.), 3 per cent, (1933: 4%); Solothurner Handelsbank,5 per cent., (1933: 6%); Zuger Kantonalbank, 6 per cent. (1933: 6%); Handwerkerbank Basel, 6 per cent. (1933: 6%); Caisse Populaire d'Epargne et de Crédit, Lausanne, 5½ per cent. (1933 :5½%).

MOTHER'S ATTACK ON CUPID.

The highest court in Switzerland, the Federal Tribunal, has been called on to decide whether a man was feeble-minded because he was in love. His mother said he was. She was appealing from the decision of a lower court, and asked the Tribunal to stop the marriage of her son, who, she claimed, was about to marry a girl who was unworthy of him. She based her request on a section of the Swiss Penal Code which enables the marriage of feeble-minded people, drunkards, drug addicts, etc., to be stopped. The mother contended that her son must have been rendered feeble-minded by love; otherwise, she declared, he would not wish to marry the girl. Love was vindicated. The Federal Tribunal decided against her.

SKI RACE AT DAVOS.

The annual team race between the Davos English Ski Club and the Davos Ski Club for a challenge cup presented by Mr. Gerald Seligman was won by the Swiss team. A new cup for ladies, presented by Herr Kleiner, was won by the Swiss team, but the best time was that of an English woman, Miss Tomkinson.

AMERICAN WINS CURZON CUP ON CRESTA RUN.

The Curzon Cup, the most-coveted trophy for Cresta run riders, was won at St. Moritz by W. Fiske, the American and Olympic "bobber," with a time of 281.4 sec. for the six courses. He also had the fastest run for a single course with 46.4sec.

Visibility was bad.

ASSISTING POOR BRIDES.

In Switzerland it is the custom for engaged girls, whatever their social standing, to possess a complete trousseau, without which they have a poor chance of getting married. A society has been formed to enable poor girls to acquire this necessary asset. Each applicant is required to submit a medical certificate showing that she is in good health and fit to marry, the society's aim being not only to help poor girls to marry, but to encourage earlier and healthier marriages for the benefit of the country as a whole. The society relies chiefly upon wealthy brides for its funds, these being asked to deny themselves of unnecessary display and contribute the amount saved to the fund to help their poorer sisters.

ST. BERNHARD DOGS' SEARCH.

The famous dogs of the Augustinian canons of the lonely monastery of St. Bernard were employed to discover the body of a Swiss mountaineer named Hans Jenny, who was killed by an avalanche on the Col St. Ferat.

When an alarm was given the dogs were called out and, after an hour's search, they found Jenny. It took four hours to dig the body of the man from the snow. Attempts were made to revive him, but they were unsuccessful.

Three other members of a party of four Swiss tourists, who were on their way to Martigny, were saved.

ALUMINIUM SKIS.

Aluminium skis are being tested by first-class Swiss skiers at St. Moritz.

The new ski is claimed to be as flexible as the wooden ski, is of the same weight, needs no waxing, is unbreakable, and needs no special metal edges fitted.

WINTER TRAFFIC ACROSS THE ALPS.

Year after year, thanks to the efforts of the Swiss authorities and to the improved snow-ploughing devices, an increasing number of Alpine passes are kept open during the entire winter season. They can be crossed by private motor-cars equipped with chains, and are generally used by postal motor-coaches, fitted with skis at the front and caterpillars at the back. Powerful snow-ploughs and snow-tractors are stationed at the culminating point of each pass, so that the road can be opened after each fresh snowfall.

Among these passes are the Maloja (Engadine), leading from St. Moritz to Lake of Como, which reaches a height of 5971ft., and the Lenzerheide Pass (5,020ft.), connecting Coire with Tiefencastel. Last year the Julier Pass (7,503ft.) was regularly opened to vehicular traffic, and this year the Col des Mosses, leading from Aigle to Château d'Oex, and reaching a height of 5,080ft., was opened to winter traffic.

The opening of the Julier is a boon to skiers, as it opens to them the marvellous skiing fields that spread on both sides from the top of the pass, and on fine Sundays one can count up to 50 cars lined near the old hospice. The importance of the sacrifice made by the Swiss authorities can be gathered when it is known that the opening of the Julier road — altogether 10 miles long from Bivio to Silvalplana — costs £2,700 for five months.

SWISS MOTOR SHOW.

There will be more makes on exhibition at the Geneva Motor Show, than there were at the Paris, London (Olympia), Berlin, Brussels, New York or Milan Shows. It is stated that 60 makes will be shown. The Geneva Show will be held from March 15th to 24th in the Palais des Expositions at Geneva. Alterations are being made to the exhibition hall to provide further space for stands.

SWITZERLAND AND GOLD.

Switzerland's ability to return the existing gold mint parity of the franc is the subject of discussion in the "Index," published by the New York Trust Company.

The review surveys the main factors in the situation, and concludes that "it does not appear likely that the theory of devaluation will make popular headway in Switzerland."

It is pointed out that diminishing foreign markets, dwindling tourist traffic, and the high level of labour costs — the reflection of financial orthodoxy — are the doubtful factors in the position.

Metallic reserves present no problem.

"The gold reserves of the Swiss National Bank exceeded the note circulation in the approximate ratio of 5 to 4 at the end of September, 1934, and, being a creditor nation in respect to both long and short term accounts, Switzerland's currency has been largely immune from speculative exchange operations having depreciation of the Swiss Franc as their objective."

The budgetary problem has been virtually solved.

"The 1934 budget reduced the direct deficit to an almost nominal figure, and steps are being taken to reorganise the Government-owned Federal railways with a prospect that this unprofitable undertaking may eventually earn its operating and fixed charges.

"Subsequent efforts to place Swiss export products on a competitive basis with those of other countries have been largely successful.

"An important development, in this respect, was the recent conference of the "gold bloc" nations at Brussels. The encouraging progress made in Switzerland, and this evidence of co-operation in the "gold bloc," would seem, barring unforeseen circumstances, such as the disruption of the "gold bloc," to assure the maintenance of the gold standard in Switzerland."

LOCAL.

ZURICH.

Dr. Anton von Schulthess-Rechberg has celebrated last week his 80th birthday anniversary, he has been for the last 50 years an outstanding figure in the Swiss public utility movement. Fifty years ago he was appointed head of the Swiss Institution for epileptics. Forty years ago, Dr. von Schulthess was President of the Red Cross in Zurich, he is also one of the Founders of the "Stiftung für das Alter." He has written many books on insect research.

* * *

The firm of Möbel-Pfister, A.G., which has branches in Berne and Basle has set aside an amount of 350,000 frs. for a pension fund for the staff.

* * *

The town of Zurich, registered on December 31st, 317,378 inhabitants.

BERNE.

Dr. Leo Weber, a former Federal Judge, has died at Berne, he entered the Supreme Court in 1896, and retired in 1901. Dr. Weber was the author of many books on subjects of law.

* * *

Major H. Itten, President of the Tribunal in Interlaken has been nominated "Platzkommandant" of the town of Thun.

BASLE.

Dr. Gustav Binz, Professor of English Philology and Librarian at the University of Basle has celebrated his 70th birthday anniversary.

BASLE.

Burglars entered the post office at St. Alban, and took away postage stamps to the value of 1,500 frs.

FRIBOURG.

The population of the town of Fribourg at the end of December 1934 amounted to 23,737.

APPENZELL-a.-Rh.

The late M. G. Lobeck has left an amount of 30,000frs. to the town of Herisau, for the erection of a Concert Hall.

ST. GALLEN.

M. Heinrich Schiller, Director of the cantonal " Asyl " in Wil, has retired from his post; he was connected with this institution for over 43 years.

* * *

Colonel K. Th. Vonwiller, who was on a visit in Cairo, died after an operation. Colonel Vonwiller was for many years a member of the Federal Instruction Corps, he was promoted to Colonel of Artillery in 1917 and retired in 1922. He was 70 years old.

GRISONS.

For the first time in the history of St. Moritz, greyhound racing will be held on the frozen lake.

Not only will greyhounds take part on the races, but there are to be special events for whippets and Borzois. Fifteen greyhounds, twelve whippets, and thirteen Borzois have entered.

VAUD.

The death occurred at Montreux of National Councillor, Dr. Jean de Muralt, at the age of 72. M. de Muralt studied law at the Universities of Lausanne, Berlin and Paris, and afterwards established himself as an advocate in Montreux; from 1901-1925 he was a member of the Grand Council over which he presided in 1920/21. M. de Muralt entered Parliament (Nat. Council) in 1925.

FOOTBALL.

NATIONAL LEAGUE.

6th January, 1935.

Young Boys	4	Basel	4
Biel	1	Grasshoppers	2
Nordstern	1	Servette	1
Concordia	4	Bern	4
Young Fellows	4	Lugano	6
Carouge	1	Chaux-de-Fonds	0
Locarno	1	Lausanne	2

13th January, 1935.

Grasshoppers	3	Basel	1
Servette	4	Young Fellows	2
Bern	11	Carouge	1
Locarno	3	Young Boys	1
Biel	1	Lugano	1

The matches Nordstern v. Concordia and Chaux-de-Fonds v. Lausanne had to be postponed.

The see-saw at the head of the table continues and Servette has displaced Lausanne once more, the latter being disengaged. Lugano remains third followed by Basel and Grasshoppers. The latter have steadily climbed the ladder for some time now, to a position more in accord with their traditions. At the tail-end we have one week Carouge, the wooden spoonist, unexpectedly defeating Chaux-de-Fonds, raising hopes in the hearts of their supporters only to be beaten with a record score of 11 :1 by Bern, the week after. Horrible! Young Boys did well to hold Basel to a draw; in fact, three times were the Y.B. a goal behind and every time they drew level and 14 minutes before the end gained the lead for the first time. And they clung to it with all determination until seconds before the end, when Basel drew level. Hard luck. Still, Basel deserved their point. In Locarno the Y.B. lost a golden opportunity to pass another relegation candidate. The picture at the end of the table now is: 14th Carouge, 3 pts. 13th Concordia, 8 pts. 12th Young Boys, 8 pts. 11th Locarno, 11 pts. and 10th Nordstern 11 pts. Carouge and Young Boys have played 15 matches, the others one less.

M.G.

THE GOLD STANDARD.

What it was; How it worked; Should it be restored?

By GEORGE W. GOUGH, M.A.

The first thing to do is to get a clear knowledge of (1) what the gold standard was at the time when it was unquestioningly accepted as *the* standard and (2) why it was so accepted and what benefits accrued from it to gain this acceptance for it. The best time is just before the outbreak of the Great War, for 1913 was a year of unusually good trade and business.

On August 3rd, 1914, the legal tender money of the United Kingdom *to any amount* consisted of the sovereign and the Bank of England note. The sovereign was a coin containing 123.27447 grains of standard gold, that is, gold eleven-twelfths *fine*, so that the coin contained 113.00016 grains of pure gold. At this rate an easy calculation shows that *standard* gold is worth 77s. 10½d., and pure gold 84s. 11½d., per ounce troy. It is always the price of pure gold which is quoted in the papers. To-day's quotation is 139s. 3d. The record price, 143s. 3d., was quoted in the middle of October.

Bank of England notes (the lowest of which was for £5 — the old-time " fiver ") were simply certificates for their face value in sovereigns. Notes were legal tender to any amount as between citizen and citizen and between citizen and State, but they were not legal tender as *between citizens and the Bank*. Every man, whether a British subject or not, and whether living here or abroad, had the undoubted right to take notes to any amount to the Bank and have them changed into sovereigns. With the exception of notes to the value of about 14 million £ (for which, in effect, the *Government* was responsible and liable) the Bank had to put in its vaults the exact amount of gold to pay cash for every note in circulation.

Any man could get as much gold as he wanted if he had the notes to pay for it. The Bank was also under a legal obligation to buy all gold taken to it. Hence anyone could get gold sovereigns, smelt them into bullion, manufacture the bullion, or export it, or take it back to the Bank and have it changed into sovereigns, entirely at his own pleasure. Such was the Gold Standard in this country before the War, and such it had been since 1844. By 1914 all the leading countries of the world had adopted it, and it is reasonable to assume that they adopted it because of its proved advantages.

Advantages of the Old Gold Standard.

The first advantage, then commonly regarded as absolutely necessary, was that under the gold standard everybody can demand gold to the full amount of his wealth. The fact that a man can get gold is supposed to have a calming and assuring effect on him, and the possession of gold gives him confidence in the future. I state the facts as I know them to be. In the early days of the War a dear old lady gave me three gold sovereigns in exchange for three of the then new-fangled "Bradburys" in the fullest assurance that she was doing me a good turn; and in those same days, as I learned much later, a clear-headed and sober-minded business man known to me collected thirty thousands sovereigns and kept them locked up in the vault of a safe deposit company. The attitude of civilized man to gold may be no more respectable or well founded than a savage's worship of his idol, but it is there, has its inevitable consequences, and must be reckoned with.

The second advantage, and this was a very great and important one, was that gold flowed freely from country to country, at the command of private persons as well as of governments to any amount. If a country could not pay all its debts in goods and services, it paid the balance in gold as a matter of course. It was not necessary, though it was very usual, to move the gold from the debtor country to the creditor country. " Earmarking " it was enough.

The third advantage accrued directly from the second, for the constant and ready movements of gold from one country to another kept international prices steady enough for the ordinary purposes of trade. If gold moved from country A to country B, the loss of gold lowered prices in A, while the gain of gold raised prices in B. Hence exports from A to B increased and exports from B t oA decreased until, finally, the trade balance being the other way, the gold was returned from B. to A, so that prices fell in B and rose in A and thus restored equilibrium between the price systems of the two countries. By allowing the unrestricted movement of gold, the channels of trade were kept open for the maximum flow of goods from country to country.

Fourthly, since the gold price of notes (and consequently of all " valuable paper," of which bills of exchange are a most important part) was fixed by law in all gold-standard countries, the foreign exchanges were kept as steady as rocks. The pound was never more than the merest trifle out of its par value with any foreign currency — dollar, franc, mark, rouble, peso, yen, and so on. A few gentlemen in silk hats used to meet every Thursday afternoon in a corner of the Royal Exchange and settle all this for all the world for the coming week in a few moments of whispered conversation. In this most important matter, then, the gold standard worked automatically and with no more attention than has just been described.

Lastly, since the legal tender in every leading country in the world was gold, inflation was impossible. Sovereigns cannot be printed, they have to be made; and from start to finish a lot of work went to the making of every sovereign, so that its purchasing power over commodities was necessarily high.

In the foregoing brief account of the gold standard be kept firmly in mind, it is easy to balance the arguments for and against a return to it.

Arguments For and Against the Gold Standard.

The strongest argument in favour of going back to the gold standard is that the lost advantages explained above will be restored. It is not necessary to restore the internal circulation of gold coins as part of the gold-standard system, because it is not an essential part of it. The keystone of that system was the international use of the only ultimate legal tender, gold, by private persons for business purposes. Gold was, as stated, allowed to move freely from country to country and to have its effect upon prices, and, by consequence, on industry. It is true that the industrial effects were sometimes severe, but they were never as severe as the effects which the present system has allowed, if not caused; and they were transitory effects, which our present troubles do not seem to be.

The strongest argument against going back to the gold standard is that it would be a disadvantage to us as an exporting nation at a time when every effort should be made to regain some of our lost export trade. It is impossible in the space at my command to explain this. I can only say that it arises from the fact that changes in the gold price of " foreign exchange " can take place at once, whereas changes in the gold prices of the goods exchanged take place much more slowly. In the end they do take place, and then the disadvantage to the exporting trades has passed away.

Another argument against going back is that one of the worst results of the Great War was to throw on the gold standard a task for which it was never intended. The gold standard, as pointed out, settled small or not very large international balances easily, but the War has thrust on to a gold-standard system built only for this purpose the additional task of settling vast balances between governments due to war debts and reparations.

So there are three essential preliminaries to going back to the gold standard; (1) it must be a concerted going back agreed to by all, or nearly all, of the countries which have gone off gold; (2) when restored it must be allowed to work and not checked and thwarted by constant new interferences with imports; (3) the extra and impossible burden placed on the gold standard by the Great War must be reduced to its lowest limits in amounts to be transferred and in the number of years ahead during which they are to continue to be transferred.

There is no real dispute as to the advantages of the gold standard. They are derivable by accurate reasoning from accepted economic principles, and their theoretical validity was fully confirmed by pre-War experience of the actual working of the gold standard. I attach no importance to the argument that the gold standard is a bar to a " managed currency," for I do not greatly favour currency management or currency managers, and of such management as is necessary the gold standard is an integral part.

The result of the discussion is, I think, as follows: " Get back to as near normal as possible as quickly as possible by agreement; and then, also by agreement, get back to the gold standard, believe in it, and stick to it."

Links.
Jan.Febr, 1935.