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

Band: - (1950)

Heft: 1145

Artikel: Switzerland economic situation

Autor: [s.n.]

DOI: https://doi.org/10.5169/seals-693751

SWITZERLAND ECONOMIC SITUATION.

Since the end of 1948, there was a marked falling off in the economic situation, the continuation of which did not fail to give cause for anxiety to certain observers. During the first half of the present year, however, this falling off slowed down, and during these last three months there has even been a slight improvement in the situation.

Foreign Trade. During the first 6 months of 1950, imports amounted to 1,786 million francs, being about 180 million francs (9%) less than in 1949. On the other hand, the volume imported remained at the same level as last year. Exports amounted to 1644 million francs and show no appreciable change compared with the first half of 1949. The balance of trade shows a particularly small excess of imports. At 142.4 million francs — the lowest figure recorded since the end of the war — the adverse balance is less than half the corresponding deficit in 1949.

Imports of foodstuffs and raw materials have decreased compared with the second half of 1949; on the other hand, imports of manufactured products have increased. Here it is largely a question of textiles and products of the metallurgical industry. Machinery 96.3 million francs) and motor cars (17,700 cars, 92.3 million francs) constitute by far the most important items.

Exports do not show any important fluctuations. In the textile industry, however, the situation has deteriorated with regard to natural and artificial silk ribbons. On the other hand, exports of cotton fabrics have increased. The watchmaking industry is seeing a serious decline in the sale of watches abroad, since compared with the same period last year the drop approaches 50 million francs. However, exports of instruments and apparatus are becoming more and more important, whereas those of machinery show an increase only on the figures for the first half of 1949.

The principal suppliers were the United States (15.4% of the total imports), France (10.7%), Germany (10.2%), Great Britain (9.6%), Italy (8.3%), Belgium-Luxembourg Union (4.9%).

The principal buyers were the United States (12.3% of the total exports), Italy (11.4%), France 10.8%), Germany (9.3%), Belgium-Luxemburg Union (8.3%), Great Britain (3.7%).

Is the slight improvement in the economic situation noted in this first half likely to continue? Without wishing to make any predictions about the future, it is evident that to-day's world events are going to cause an intensification of armaments, which in turn will bring about an increase in prices on world markets. Swiss prices therefore risk being affected at more or less short notice, so that the cost of living, which has fallen slightly of late, threatens to rise again. One thing is certain, however, and that is that Switzerland will do everything in her power to prevent such a development, for in order to meet foreign competition it is necessary to keep costs of production as low as possible.

The full employment obtaining in general throughout the country and in all trades and professions will doubtless be maintained during the coming months. On June 30th there were only 4,390 totally unemployed in the country, which shows a remarkably satisfactory level of employment. In view of the circumstances, it may even be said that a phenomenon of "over-employment" exists in Switzerland at the present moment.

The end of the holidays will see the country preoccupied once more with the tricky problem of a final settlement to the question of the federal finances. The government has recently put before members of both houses a provisional scheme for the financial system of the country which differs only slightly from the existing one. The new system tends in some ways to transform the present emergency fiscal legislation into a provisional measure based on the Constitution. It is a question therefore of extending, constitutionally, the levying of taxes instituted up till now by virtue of emergency legislation. That is why the Swiss people will be called upon to come to a decision on the subject of the new system, after its adoption by both houses, and this will probably be at the beginning of December. It is interesting to note in this connection that the Confederation is assured a revenue from taxes amounting to 665 million francs by emergency federal decrees or decrees passed by the Federal Council by virtue of its extraordinary powers. If it were not possible to maintain temporarily the sources of revenue based on this emergency fiscal legislation, the balance of the federal finances would be upset and the Confederation would be deprived of indispensable revenue needed for the carrying out of its social, economic and military commitments. It is easy to understand therefore the importance of this reform of the federal finances which continues to be the subject of discussion throughout the country. G.

(Swiss Industry and Trade, Sept. issue.)