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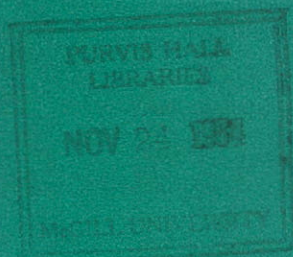
REVIEW  
OF ECONOMIC CONDITIONS  
IN SWITZERLAND

*during 1953*

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Vre-Principal's Office - Nov. 23.54

# ECONOMIC CONDITIONS IN SWITZERLAND DURING 1953

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### General Survey

Apart from some signs of stagnancy in certain sectors during the first half of 1953 Swiss industry was on the whole fully employed and the number of persons at work in the third quarter again almost equalled the peak reached in September 1951. During the first nine months factories had to work more overtime than ever before and the small number of totally unemployed persons remained consistently below the vacancies registered with the labour boards. Another indication of the brisk industrial activity is to be seen in the evolution of the employment coefficient,

which had amounted to 120 (100 = satisfactory) in the first quarter and then moved up successively to reach 126 by the end of September. The national income in 1953 is not likely to have differed materially from that of the previous year which amounted to 20.2 billion francs.

Although some branches which had previously benefited most from the boom—engineering in particular—received fewer orders than in 1952, the backlog of unfilled business ensured the maintenance of a high rate of activity. The chemical and pharmaceutical sector, as well as most subdivisions of the textile industry, did

better than in the previous year. Thanks to the fine autumn the building trade has in all probability set up a new production record. The tourist industry has likewise made good progress.

But more detailed observation reveals the fact that business conditions in Switzerland have become less uniform and competition keener, this being noticeable in a deterioration of terms of sale. As a matter of fact, prices have tended to fall in spite of a marked increase in demand. Thus the official wholesale prices index of 211 at the end of December was 10 points below the level of a year ago, while the cost-of-living index, which had fluctuated between 171 and 169 since the end of 1952, stood at 170.1 on the same date.

Developments in the individual branches of the Swiss economy are summarized in the following pages on the basis of reports kindly supplied us by business friends.

### **Silk and Rayon Weaving**

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In 1953 the silk and rayon mills were well employed. Exports came to about 100 million francs as in the previous year. When evaluating export figures it should be kept in mind that technical fabrics as well as foreign fabrics finished in Switzerland have to be deducted in order to arrive at the percentage of Swiss-manufactured materials in total exports as revealed by foreign trade statistics. Since, in 1953, exports of articles not woven in Swiss mills went up from 12 to 17% of

aggregate exports of silk, rayon and staple-fibre fabrics, sales of textiles of Swiss origin showed a slight decline.

Among the most important foreign markets were Sweden, Germany, Belgium, Australia, Denmark, Great Britain, the Union of South Africa and the United States. Approximately two thirds of exports were to Western Europe, a fact which shows how very important the European Payments Union is for the marketing of silk and rayon fabrics.

The inflow of new orders for staple goods—which alone makes it possible for factories to keep their plants in profitable operation—unfortunately left much to be desired. However, the demand for fashion articles, rayon fabrics and other specialties developed satisfactorily. Mills nevertheless complained about inadequate prices and short-term deliveries which disturb the continuous flow of production in an industry extremely sensitive anyhow to the whims of fashion and seasonal influences. To ensure contractual deliveries and efficient operations the silk and rayon mills would be very appreciative if in future the trade could bring about a more rational spacing of orders.

### **Silk Ribbon Industry**

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Business in the silk ribbon industry, particularly since the spring, experienced a marked increase in volume. More numerous orders were mainly due to the fact that buyers who had previously reduced their stocks were now forced



to lay in new and regular supplies. Furthermore sales were increasingly stimulated by new import facilities introduced in Great Britain, South Africa and, in particular, Australia. Again, fashion was better disposed towards ribbons, leading to larger bookings in the favoured specialties.

The revival in activity resulted in better employment; however, prices quite generally were under heavy pressure so that profits gave less cause for satisfaction than the growth in sales volume.

The tendency to specialize which set in years ago has gone on developing. The customer's desire for a constant flow of novelties is a challenge to the versatility of manufacturers, who are constantly compelled to improve their plants. It goes without saying that this state of affairs not only gives rise to knotty organisational problems and burdensome outlays but also tends to make production unstable. Yet, it does enable Swiss manufacturers to demonstrate their superior inventiveness as to new uses and designs and enhances their reputation for irreproachable quality and on-the-spot-delivery. The trend to further liberalisation in world trade, vital to the silk ribbon industry, makes the 1954 outlook encouraging.

### **Cotton Industry**

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Adversely affected by the previous decline in raw material prices, the inflow of new orders in the cotton industry at the commencement of the year was

nearly everywhere a mere trickle. This meant that the collective restrictions imposed on production in the fine-weaving sector in the summer of 1952 had to be spread over to carded coarse-spun yarns and the respective tissues.

But orders gradually came in in better volume. From spring onwards the demand improved, above all for quality goods, fine yarns and fabrics, so that output well into 1954 has already been disposed of at satisfactory prices. As for medium-fine, coarse and coloured fabrics, sales also went up in the second half-year, but most incoming orders were relatively small and short-term, placed at somewhat higher but still inadequate prices.

In the third quarter the situation had improved to such an extent that it was possible to release some of the brakes on production. With the more plentiful flow of new business it became necessary to fill the gaps left in the labour force by the dismissal of foreign workers, voluntary resignations and old age; the problem, however, was to find enough skilled workers.

In contrast with the previous year, fluctuations in cotton prices kept within narrow limits. Throughout 1953 good Karnak was obtainable at between 230 and 240 francs per 50 kilos. At first Upper Egyptian cotton sold comparatively low at 180 francs, but later rose to 220 francs and towards the end of the year stood at 212 francs. If raw material prices continue relatively stable, the cotton industry believes that good employment can be expected for the

coming months, especially as present fashion trends are sympathetic to high-quality cotton articles.

### **Embroidery Industry**

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Business, already good in the embroidery industry in 1952, went on improving in the year under review. In shuttle embroidery there was even something like a real boom from spring onwards. A good deal of overtime was put in and some factories went on double shift. The apprentice problem has therefore become acute, and the industry is devoting considerable attention to the extension of training facilities, since existing schools can no longer cope with the number of applicants.

Embroidery exports amounted to 98.7 million francs, as against 89.7 millions in the previous year, thus exceeding the record figure of 1951 by another 3.5 million francs. This is all the more remarkable as the average price of exported articles has meanwhile dropped from 88 to 84 francs.

There have, however, been far-reaching changes in regional markets. Owing to import restrictions and prohibitive tariffs, exports to India and Pakistan, which formerly purchased for 6 to 10 million francs, came to an almost complete standstill. Higher customs duties adversely affected sales to Cuba and Mexico, and similar restrictive measures also greatly reduced business with France, Spain and Columbia. But countries that had eased

their import controls—Germany, the Union of South Africa, Australia and New Zealand in particular—considerably increased their purchases. The same applies in a lesser degree to the highly competitive liberalized markets. The United States, with purchases of approximately 18 million francs, again headed the list of buying countries.

Since embroideries remain in fashion, the outlook for this industry in 1954 may be viewed optimistically unless new trade barriers are erected.

### **Hosiery and Knitting Industry**

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Trade in the hosiery and knitting industry took a very encouraging course especially in the second half-year, although prices, mainly for underwear, were submitted to strong pressure. Of the various sub-sections, outer garments perhaps made the best record, the market for pullovers being especially good. For this branch the cotton pullover has the particular advantage that it can be manufactured in the slack season of February-March-April.

The hosiery industry, in 1953, saw the fulfilment of one of its long-standing demands: by virtue of a Federal decree dated September 1 the customs item "silk and rayon stockings" was split in two, and the duty on stockings of fully synthetic fibre (nylon, perlon, grilon, etc.) increased to offset the disparity in tariff resulting from the much lighter weight of these



articles. Duties for all hosiery imports are therefore now levied, relatively speaking, on the same basis. The new regulation has contributed to no small extent to putting the home stocking market on its feet, and manufacturers are now in no doubt as to their ability to master the situation, providing nothing unexpected turns up.

One of the thorny problems of the industry is the short-term deliveries called for by the trade; these, however, are hard to reconcile with manufacturing requirements, and it is therefore not surprising that disappointment often ensues.

### Woollen Industry

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After the seasonal last quarter increase in business in 1952, the woollen industry again had to go on short time in the first few months of the year under review. Only about one third of the labour force was properly occupied and the number of workers sank to the lowest level in years.

Later demand gradually picked up, but orders received were mainly small and for immediate shipment. The worsted yarn spinners, for example, had to resort to overtime in order to cope with the requests for quick delivery, even though most firms had but a modest backlog of unfilled orders. In the third quarter there was a satisfactory volume of business in worsted yarn spinning and weaving. The same was true of the carding yarn sector and the manufacture of towels and blankets,

but the number of mill hands remained below normal.

Aided partly by low Swiss import tariffs and partly by foreign export subsidies, imports of yarns, fabrics and carpets rose sharply to outweigh those of the previous year by about 50%. But exports, amounting to less than half of imports, could not be increased by more than 15% despite all efforts to do so.

Since raw wool advanced right into the fall, while competition stiffened, firms were compelled to offer prices altogether insufficient to cover increased replacement and production costs. The outlook for 1954 is somewhat cloudy, especially as new orders have not been numerous of late, a fact, it seems, that cannot entirely be ascribed to seasonal trends.

### Linen Industry

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The year started off badly for the linen industry. Although the situation improved a little in the second half-year, it remains unsatisfactory. Most weaving mills, thanks to cheap yarn purchases in the spring, were able to reduce their prices for linen and half-linen fabrics with a view to attracting more customers. But in the third quarter cotton and linen yarns advanced as much as 10% and a price adjustment for the finished product appears inevitable unless cheaper yarns become obtainable again.

As hitherto the export trade had to shoulder the burden of high tariffs and import restrictions; nevertheless, the

top quality of Swiss linen rendered possible an expansion of sales to certain countries.

The key problem Swiss mills continue to face is the import of inferior goods which jeopardize the market for the high-quality home product. Last July the Swiss government placed linen imports under licence so that the authorities are now at least in a position to restrict imports of a pronounced dumping character.

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### Textile Processing

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The textile processing industry was able to improve its position considerably, thanks in the main to a decisive comeback of cotton cloth. The recovery also spread to other subdivisions of fabric processing, with the exception of rayon and staple-fibre piece-goods dyeing and rayon machine-printing. Fashion has frowned on this section for years, a phenomenon not restricted to Switzerland, but of a definitely international character.

The headway made by fully synthetic fibres acted as a certain counterbalance. In this sector technical developments are in full swing and present textile processors with problems incomparably more difficult than those weavers have to face; costly and highly specialized installations have to be acquired—particularly for dyeing—involving considerable financial risk since more efficient equipment is liable to come on the market at any time and supplant the old.

Aggregate sales almost equalled those of the good year 1951, but owing to depressed prices this result could only be achieved by a greater volume of work. All the more disturbing was the fact that small-scale orders, calling for quick delivery, have come to dominate. The outlook for the next few months is generally speaking favourable.

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### Tanning

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Business in the *tanning industry* was a little better in 1953. This, however, does not apply to the tanning of boxcalf where, because of insufficient tariff protection, the impact of foreign competition was particularly severe. In sole leather, too, trade was rather sluggish owing to the inroads made by new materials, such as rubber and plastics. Yet, it is hoped that the undoubted hygienic advantages of this natural product will make the leather-soled shoe popular again and swell the demand for sole leather. The manufacture of side upper-leathers could be stepped up slightly, but this had to be paid for in terms of appreciable price concessions.

Prices are inadequate all along the line, and the industry cannot indefinitely sustain the losses resulting therefrom. Swiss tanners have to fight their well-protected foreign competitors with unequal weapons and expect accordingly that the duties on foreign leather, low in comparison to those abroad, will soon be revised upwards. Until such an adjustment has taken place the



prospects for the industry will remain dim.

### **Shoe Industry**

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The shoe industry reports a satisfactory year. Output was higher than in 1952, but did not match that of 1951. Because of increasingly sharp competition it was not possible to pass on higher raw material costs—skins and leather for example—to the consumer, so that profit margins have contracted.

All the more disquieting are the waves of shoe imports which have gone on mounting since 1949 and now exceed by far the pre-war figures. These imports cause severe prejudice to the home market as most of them are cheap mass-produced footwear. On the other hand foreign sales were expanded with some success, but in view of the many obstacles shoe exports to certain countries are confronted with, manufacturers will have to redouble their efforts if sales are to be brought back to the pre-war level.

There was no shortage of labour, thanks to the employment of numerous female workers from neighbouring countries.

After prolonged and difficult bargaining the collective labour contract the unions had revoked was renewed for a further three years with some modifications. Despite growing imports and large stocks in the retail trade, the shoe industry is fairly confident that business in the immediate future will continue good, providing

of course conditions in general remain satisfactory.

### **Hat Braid Industry**

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In the hat braid industry there was an appreciable increase in sales during the 1952/53 season, owing mainly to the fact that the United States stepped up their orders. But Canada and Africa, too, purchased more, and so did most western European countries, particularly Great Britain.

The 1953/54 season, which opened in September, got off to a good start. European trade, the French market excepted, was somewhat livelier than usual, and of oversea customers Australia increased her purchases. Even orders from the U.S.A. were at first booked in larger numbers; but their inflow has slackened since, customers there complaining of a poor market. It does in fact look as if stocks had piled up in America, and it is therefore impossible to forecast what the season has in store.

### **Rubber and Thermoplastics Industry**

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Under the influence of price developments in the crude rubber market the stagnation of business which began to affect the Swiss rubber industry in 1952 continued on the whole throughout the period under review.

Turnovers of the industry's various subsections, however, underwent certain marked changes as compared to

the previous year. While the demand for technical rubber goods, used mainly by the engineering and appliance trades as well as by the chemical industry, tended to fall off slightly, sales of vulcanized rubber soles went up appreciably in the first half-year, although most of the gains were lost subsequently. The tyre market was, on the whole, fairly stable. As for other mass consumption goods, foreign competition, German and Italian in particular, was extremely intense. Prices gave way in consequence, Swiss high-pressure hose manufacturers being very badly hit, especially as the wet summer so reduced sales of garden hoses that production was far below capacity.

The thermoplastics industry, up against powerful and aggressive foreign competitors, had to make drastic cuts in the prices of numerous finished articles, even though raw material costs failed to decline. Sales, however, rose in volume, since new fields of application are constantly opening up for thermoplastics. Of late, for example, the demand for plastic floorings has increased at a very promising rate. Thermoplast insulators, too, are more and more replacing those of rubber, and they should undoubtedly make further headway from now on.

### **Engineering Industry**

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In the engineering industry order bookings, which had begun to slacken towards the end of last year, continued to taper off in 1953. The pinch, how-

ever, was not felt in the same degree by the various manufacturing sectors and enterprises. There are often considerable differences in the backlog of orders the individual subdivisions and plants can draw on. Owing to the considerable time required for the execution of business booked in previous years, unfilled orders are still substantial in the heavy engineering division and will probably suffice to keep plants of leading firms going full steam for some time to come.

Foreign sales have again expanded as compared with 1952, and it is particularly gratifying that exports to the United States have shown a notable increase. Shipments to our most important South-American customers, Brazil, Argentine and Chile, have, however, shrunk considerably. Raw materials and semi-finished goods were procurable without the slightest difficulty; in some cases they could be secured at much lower prices and on shorter notice.

In order to speed up their own deliveries and thereby run a better course in the competitive race, some Swiss firms have again added to their personnel. In addition to quick delivery, price and quality, the suppliers' readiness to grant credit facilities has come to play an increasingly important rôle in the solicitation of new business, now that the transition from a seller's to a buyer's market is rapidly progressing. For the engineering industry the extension of long-term export credits has therefore become an acute problem to



which serious thought must be given if ways and means are to be found better to meet the requests of foreign buyers for easier terms of payment.

### **Electrical Equipment Industry**

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The electrical equipment industry, too, suffered a shrinkage in new orders in the early months of the year. But as this downward trend slowed up after a while, it was possible to maintain production at a relatively high level. Since foreign enterprises have expanded their productive facilities in recent years, the struggle for markets has become more intense. Prices of finished goods are subject to growing pressure, and another sign of the times is the request for long periods of payment, particularly when it comes to large-scale projects. As our competitors abroad are granting their customers credits that often stretch over many years, it is clear that Swiss enterprises must be ready to do the same.

That the electrical equipment industry's output is still high can be seen from the pertinent export figures. In the first 10 months foreign sales increased 3,8% by weight as against the same period of last year, thus exceeding the 1951 export record by 2%. By value (234 million francs) they were, however not quite up to last year's level. The greatest decline occurred in exports of electrical machines and transformers, whose value was 8,5% lower. Control apparatus and instrument sales were

also below 1952, while foreign demand for smaller appliances expanded a little.

Semi-manufactured goods and raw materials could be obtained without too much difficulty, except for certain special grades of sheet-metal which continue in limited supply. The electrical industry's backlog of orders should, on the whole, provide work for another eight to twelve months, depending on the branch and the category of products.

### **Iron and Metal Goods Industry**

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In the iron and metal goods industry the gradual downswing that set in quite some time ago continued through the first six months. In the third quarter, however, business showed signs of improving. The shrinkage has come to a standstill almost all along the line, and a certain recovery occurred here and there.

It is certainly not far from the mark to explain this change by the fact that dealers had been holding back in the hope of a drop in prices and that stocks had therefore sunk to such a low level that the trade is now compelled to return to normal buying. This reversal in policy was all the more natural as prices proved very resistant at the reduced level.

Business on hand at the end of September was on the average sufficient to keep plants going for 58 days, as compared with 69 at the beginning of 1953. But the situation differs greatly according to the sector involved. In

spite of lively construction activity, business continues poor for manufacturers of locks and fittings, the impact of German competition being particularly felt in this field. For partly the same reason household articles too sold badly during the first three quarters of the year.

Consumer demand for most goods was generally satisfactory throughout the year. Should this persist, the iron and metal goods industry believes on the whole that it may count on a larger volume of orders in the months to come.

### Watch Industry

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The watch industry in 1953 was again fully employed and exports attained the highest level on record, although in the first few months of the year it did not appear as though the gratifying 52's figures could be matched. While the physical volume of foreign sales aggregated somewhat below those of the previous year, their value increased by 24 millions to a total of 1,106 million francs.

In this connection it is interesting to note that exports of finished watches lost ground in relation to those of movements. These were up some 25% from a year ago, which clearly indicates that foreign buyers are showing a growing tendency to purchase movements in Switzerland instead of the finished article, and to market them in casings of their own manufacture.

Once again the United States occupied first place amongst foreign outlets, ac-

counting for 37% of total watch exports (1952: 33%). The continued success in that market provided American manufacturers with a pretext for suggesting that their authorities apply the escape clause. Such a step would lead to an appreciable increase in customs duties and severely prejudice sales prospects particularly for cheaper articles which are already feeling the pinch of rapidly expanding German competition. Besides North America, Asiatic markets took more Swiss watches, while various European and certain South American buyers (Argentina, Brazil) as well as South Africa and Australia purchased less, if not considerably less, than in 1952.

### Chocolate Industry

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While sales in the chocolate industry were below those of 1952 in the first half-year, business began to pick up in the summer, stimulated by the cool weather and the additional demand stemming from the large inflow of foreign visitors. In the fall there was also a welcome improvement in export sales.

Concern was caused by the price increase on the cocoa market where spot supplies were very scarce, so that quotations have reached a level considerably in excess of that which prevailed twelve months ago. Another of the industry's basic raw materials, cocoa butter, has gone up in sympathy, while sugar is lower and hazel nuts and almonds cost about the same as last year.

In the chocolate industry, as else-



where, the struggle for markets has gained momentum and manufacturers vie with each other in advertising their established products and in promoting new ones. It looks as if it will not be easy to maintain the 1953 sales volume in the current year.

### **Chemical Industry**

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In the chemical and pharmaceutical industry the business upswing which set in in the last months of 1952, following the slump in dye exports, continued unabated throughout the period under review. Foreign sales exceeded those of 1952, but did not reach the 1951 record. The main explanation for this pick-up is that the textile, leather and paper industries were able to recover after the previous year's recession and that inventories had been depleted to an extent that made restocking imperative. But this development, gratifying as it is, should not be allowed to conceal the fact that, internationally, market conditions in the dyestuffs industry are overshadowed by the existence of considerable excess capacity. The fight for available outlets has therefore stiffened perceptibly and is mirrored by rather substantial price reductions on the one hand and often excessive concessions as to payment terms on the other.

Exports of aniline dyes to Japan, Argentina, England and Yugoslavia registered a particularly remarkable expansion, while sales to eastern countries again slumped all along the line. There

was also a heavy downturn in exports to Brazil and Israel.

Business in auxiliary products for the textile industry remained stable. It appears that the Swiss chemical industry can easily hold its own against foreign competitors when it comes to specialties requiring assiduity and inventiveness on the part of the research staff, as contrasted with lines involving large-scale capital outlays. Market conditions for insecticides showed little change on the whole. Prices stayed low, but it is hoped that 1954 will witness some improvement.

Business in pharmaceuticals was much livelier. But protectionist measures of certain countries building up their own industry are causing Swiss manufacturers more and more to abandon their former policy of supplying finished goods and instead to proceed to the export of semi-finished products and basic substances, or even to set up their own plants abroad.

Prices for raw materials and intermediate chemicals, which had fallen in 1952, became more stable, and there are various indications that a certain amount of re-stocking is going on in the chemical and pharmaceutical industry, especially as business prospects for the coming months are viewed quite optimistically.

### **Hotel Trade**

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The improvement which set in in the hotel trade in 1951 continued throughout 1953, stimulated by higher foreign

exchange allocations for travelling purposes which a number of countries were in a position to grant. From January to November hotels, boarding houses and sanatoria registered a total of 21.2 million overnight reservations as against 20.5 million in 1952. This increase is exclusively due to the greater requirements on the part of foreign visitors (10.1 compared to 9.2 million reservations in 1952), while Swiss visitors accounted for 11.1 million as against 11.3 million reservations in the same period of last year.

However, regional differences in business were considerable. While the Tessin and such great tourist centres as Lucerne and Interlaken were already fairly well frequented in June, the season came late in the Alpine resorts, particularly in the Grisons, because bad weather at the outset of the holidays caused many people to cancel reservations.

As operating costs kept on rising, profits continued inadequate in many cases, but if turnover maintains itself at the satisfactory rate of last year, it may be hoped that profit margins will gradually return to normal.

### Building Trade

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The building trade once more looks back on a real boom year, official sources estimating the value of 1953 projects at the record-breaking figure of over 2.9 billion francs. Local construction delays in the first six months notwithstanding, 14,550 new apart-

ments were completed in the 42 municipalities covered by monthly statistics, which is 276 units more than in 1952. At the same time the number of building permits (19374) granted in 1953 was an all-time high, in spite of the fact that Federal subsidies were no longer available.

Industrial and commercial construction fell off as compared with 1952, but this decline was more than compensated for by greater activity in the heavy contracting field. Many big electric power plants are under construction, so that some contractors experienced difficulties in obtaining the required supplies of machines and tools and had to invest large sums in new equipment. This year as last, over 30,000 Italians, mainly bricklayers and other skilled men, were on seasonal work in Switzerland.

Since highway construction and road maintenance will have to be stepped up, adding to the great activity caused by the aforementioned power developments and numerous housing projects, the building trades may anticipate another excellent year.

### Retail Trade

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The country's high level of employment found ready expression in the volume of retail sales, which exceeded that of the previous year by about 2 per cent. This is all the more remarkable as selling prices were mostly lower than in 1952.

The largest gains were made by



household articles and metalware bought more and more on the instalment system. Increased sales of food-stuffs and luxury goods may be ascribed largely to the greater influx of foreign tourists. Clothing and soft goods sales were little better than last year, but with prices averaging 5% lower, there was an impressive rise in physical volume. Trade circles do not think that this reflects a genuine expansion in consumption; it is rather felt that there was a shift in timing to be traced to the fact that many customers deferred their purchases in 1952, in anticipation of the lower prices which materialized during the year under review.

Inventory reductions, undertaken vigorously in 1952, came to an end almost everywhere in the course of the year. Accordingly the retail trade bought again more freely, causing an extension of delivery terms in textiles which at the same time met with renewed demand from abroad. Christmas sales proved satisfactory on the whole. The best retailers think they can expect in 1954 is to move as much merchandise as last year.

### Agriculture

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The output of Swiss agriculture in 1953 was somewhat affected by heavy rains and severe frosts in the spring. Nevertheless warm and dry weather in late summer and fall permitted the harvesting of field crops and late fruits under favourable conditions.

The second hay crop was excellent so

that, despite the poor results of the first mowing, coarse feed stocks reached a level sufficient to cover the winter needs of the country's livestock. On a slightly reduced acreage the wheat crop fell short of that of a year ago and its quality did not entirely measure up to established standards. Potatoes and sugar-beets, on the other hand, turned out well. The vintage was of outstanding quality, however in terms of quantity the 682,000 hectoliters estimated to have been produced failed to reach the average results of the last ten years. Bad spring weather also did considerable damage to cherries, apples and pears, while the apricot crop was at least satisfactory as to quantity.

The pending elimination of tubercular animals increased supplies and depressed prices of slaughter cattle. According to estimates of the Secretariate of Agriculture, farmers' income in the first nine months of 1953 derived from the sale of livestock for slaughtering about equalled that of the previous year, although the quantity disposed of, viz. 2.6 million hundred-weights, was 11% greater. On May 1, the milk price was raised by one centime to 39 centimes per liter.

In spite of the slightly diminished number of cows, more milk was delivered to the dairy centres, owing above all to prolonged green feeding in autumn and the fact that reduced breeding resulted in a larger percentage of milk output coming on to the market. As milk consumption kept stable on the whole, the additional offer was taken

	Unit	1950	1951
<b>Employment</b>			
		<i>yearly average</i>	
Industrial Employment .....	1938 = 100	124	137
Number of unemployed .....	persons	9 599	3 799
Vacancies .....	number	3 992	5 402
<b>Production and Trade</b>			
<i>Building Activity</i>			
		<i>yearly figures</i>	
Apartments completed (in towns of over 10 000 inhabitants) .....	number of units	12 879	15 596
Residential building contracts (awarded in towns of over 10 000 inhabitants) .....	number of units	16 982	15 918
<i>Retail Trade</i>			
		<i>monthly average</i>	
Retail Sales .....	1949 = 100	105,5	112,5
<i>Hotel Trade</i>			
Overnight reservations .....	thousand reservations	1 553	1 691
<i>Railway Traffic</i>			
		<i>yearly figures</i>	
Gross Income of Federal Railways	million francs	642	715
<b>Foreign Trade</b>			
<i>Value of Trade</i>			
Imports .....	million francs	4 536	5 916
Exports .....	million francs	3 911	4 691
<i>Volume of Trade</i>			
		<i>monthly average</i>	
Imports .....	1938 = 100	147	174
Exports .....	1938 = 100	142	171
<b>Prices and Wages</b>			
Cost of living .....	Aug. 1939 = 100	159	167
<i>Wholesale prices</i>			
Home-Type Goods .....	} Aug. 1939 = 100	187	196
Import-Type Goods .....		227	275
Aggregate Index .....		203	227
Hourly Earnings .....	July/Sept. 1939 = 100	184	188



# INDICATORS I

1952	1953	1st Quarter	2nd Quarter	1953 3rd Quarter	4th Quarter
			<i>end of period</i>		
138	138**	137	139	139	
5 314	4 995	4 154	2 076	1 911	7 113
4 295	4 216	5 652	4 936	4 341	2 694
			<i>quarterly figures</i>		
14 274	14 550	2 977	3 248	4 053	4 272
14 840	19 374	4 123	5 252	4 826	5 173
			<i>monthly average</i>		
114,2	116,8	106,9	115,1	107,1	136,7
1 800	1 930*	1 365	1 711	3 276	1 089*
			<i>quarterly figures</i>		
731	747	163	190	208	186
5 206	5 071	1 167	1 259	1 237	1 408
4 749	5 165	1 226	1 234	1 280	1 425
			<i>monthly average</i>		
153	159	145	158	158	176
170	190	179	182	191	206
			<i>end of period</i>		
171	170	169	170	170	170
198	196	195	197	195	196
255	239	242	238	237	234
221	213	214	213	212	211
193	195**	195	195	195	

\* Average first eleven months and October/November respectively

\*\* January/September 1953

	Unit	1950	1951
<b>Banking and Finance</b>			
<i>Swiss National Bank</i>		<i>end of period</i>	
Gold stock .....	million francs	5 976	6 004
Foreign exchange holdings .....	million francs	256	228
Discount and advances .....	million francs	286	311
Securities .....	million francs	41	40
Banknotes in circulation .....	million francs	4 664	4 927
Sight Liabilities .....	million francs	1 773	1 529
<i>Big Commercial Banks (5 institutes)</i>			
Cash in hand or at call .....	million francs	1 519	1 547
Bills .....	million francs	1 902	1 873
Advances on current account .....	million francs	1 995	2 257
Fixed advances .....	million francs	1 207	1 336
Investments .....	million francs	943	1 037
Sight deposits .....	million francs	4 854	5 047
Time deposits .....	million francs	2 177	2 357
Capital and surplus .....	million francs	659	685
Total liabilities or assets .....	million francs	7 977	8 410
<b>Stock Exchange</b>		<i>yearly figures</i>	
<i>Turnover on the Zurich Stock Exchange</i>	million francs	4 969	5 317
<i>Stock Prices</i>		<i>end of period</i>	
Industrials (33 issues) .....	{ paid-in share capital = 100	381	439
Combined Index (85 issues) .....		261	308
<i>Bond Prices</i>			
Federal Bonds (12 issues) .....	nominal value = 100	104	103
Foreign Bonds (75 issues) .....	issue prices = 100	51	64
<i>Bond Yield</i>			
(Yield of 12 selected Federal Bonds figured to the first call date) .....	in percent	2,74 %	2,90 %



# INDICATORS II

1952	1953	1953			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
		end of period			
5 876	6 086	5 911	6 009	6 073	6 086
491	522	467	525	532	522
310	272	225	218	208	272
40	36	40	39	36	36
5 122	5 229	4 806	4 814	4 938	5 229
1 454	1 541	1 677	1 809	1 743	1 541
1 629	1 764	1 722	1 692	1 678	1 764
1 870	1 922	1 863	1 896	1 956	1 922
2 327	2 339	2 246	2 200	2 198	2 339
1 538	1 697	1 575	1 681	1 688	1 697
1 052	1 094	1 101	1 121	1 082	1 094
4 967	5 155	5 080	5 214	5 258	5 155
2 875	3 115	2 893	2 864	2 843	3 115
702	725	702	702	702	725
8 847	9 272	8 928	9 045	9 059	9 272
		monthly average			
6 231	6 622	1 688	1 614	1 608	1 712
		end of period			
419	404	413	387	392	404
318	333	322	315	325	333
104	106	105	106	106	106
70	83	74	76	81	83
2.65 %	2.33 %	2.47 %	2.36 %	2.32 %	2.33 %

up by cheese manufacturers who notably increased their production of full-fat cheese.

At the end of 1953, the price index (1948 = 100) for agricultural products stood at 97, about unchanged from the level prevailing a year ago, while the index of prices paid by farmers (1948 = 100) fell in the same period by 2% to 103 points.

### Foreign Trade

For the first time for a full year, war conditions excepted, the balance of

Swiss foreign trade closed with an export surplus in 1953. This is due chiefly to the all-time record set up by exports which were boosted by the speedier execution of old orders in the engineering trade and the revival in foreign sales of textiles and chemicals. Imports, however, were below previous year's level, notwithstanding the fact that they too have shown a rising tendency since the spring.

As compared with 1952 exports have risen by 416 millions to 5.2 billion francs, whereas imports dropped by 135 millions to 5.1 billion francs. Ac-

### Swiss Foreign Trade by Regions

	Imports			Exports		
	1951	1952	1953	1951	1952	1953
	Million Swiss Francs					
<b>Europe</b>						
Belgium .....	427	292	231	275	267	250
France .....	619	512	515	392	330	367
Germany .....	914	959	1039	422	496	609
Great Britain .....	394	335	340	224	229	243
Italy .....	397	379	461	344	438	500
Netherlands .....	203	245	238	186	157	175
Sweden .....	126	124	110	156	160	170
Rest of Europe .....	587	545	478	704	696	673
Europe, total .....	3667	3391	3412	2703	2773	2987
<b>Western Hemisphere</b>						
Argentina .....	79	32	57	104	73	33
Brazil .....	86	57	53	204	145	96
Canada .....	152	220	202	75	81	95
United States .....	943	836	619	597	703	852
Rest of America .....	340	283	280	246	259	286
America, total .....	1600	1428	1211	1226	1261	1362
<b>Africa</b> .....	233	140	184	196	221	267
<b>Asia</b> .....	364	217	231	478	443	458
<b>Australia and Oceania</b> .....	52	30	33	88	51	91
Swiss Foreign Trade, total	5916	5206	5071	4691	4749	5165



cordingly, the trade balance shows an export surplus of 94 million francs, instead of the 1952 deficit of 457 millions.

While, in 1952, the import shrinkage was caused by reduced volume, in 1953 it was mainly occasioned by falling prices. As a matter of fact the index of import prices averaged 6% lower while the quantities imported rose somewhat, manufactured goods in particular showing a notable increase. On the export side the engineering industry contributed most to the expansion of sales; relatively more pronounced, however, was the upturn in foreign shipments of cotton fabrics and aniline dyes.

A glance at the regional distribution of foreign trade shows that the United States purchased appreciably more Swiss products, with the result that, for the first time since 1945, the trade between the two countries resulted in a favourable balance for Switzerland. Shipments to Argentina, Brazil and Eastern Europe dropped sharply, while those to the majority of Western Eu-

ropean countries, as well as to Australia, China and Japan showed improvement.

### Federal Finances

Whereas in 1952 the budget of the Confederation closed with a deficit of 214 million francs on current account, estimates for 1953 envisage an excess of expenditure over revenue in the amount of 61 million francs. In 1954, however, the government hopes to achieve a small surplus in its accounts again.

Gratifying as this prospect is, it should nevertheless be emphasized that total expenditure of the Confederation is not expected to contract in spite of the fact that extraordinary outlays for rearmament are on the decline. The explanation for the relatively favourable 1954 estimates is therefore to be sought exclusively in the sharp increase of revenue, especially from the Federal income tax which, for technical reasons, will yield about 400 million francs in

### Budget and Public Debt of the Confederation

	1950	1951	1952	1953*	1954*
	Million Swiss Francs				
<b>Federal Budget</b>					
Current Expenses .....	1740	1889	2162	1819	1923
Current Revenue .....	2035	1812	1948	1758	1959
Balance on current account	+ 295	— 77	— 214	— 61	+ 36
Increase or decrease in assets	— 124	+ 87	+ 33	— 108	+ 14
Surplus (+) Deficit (—) ..	+ 171	+ 10	— 181	— 169	+ 50
<b>Federal debt held by public</b>	7777	7806	7727	7759**	

\* Budget Estimates \*\* preliminary figures

the current year, or some 200 millions more than in 1953.

In the field of fiscal policy attention was concentrated on the reorganization of federal finances. A bill appertaining thereto was put to the vote on December 6, 1953 and rejected by the people, who in April had already meted out the same fate to a proposal to increase postal charges. As the provisional fiscal regulations, on the basis of which the government now levies taxes with an average yield of almost 900 million francs annually, will expire at the end of 1954, the most important problem is to work out new temporary arrangements which will assure the Confederation of adequate sources of revenue for the next three or four years until a new fiscal reform bill has been drawn up.

### Money Market

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In the year under review the drain on reserves which set in in the middle of 1950 to show signs of unmistakable slackening in 1952, gave way to conditions of greater ease in the Swiss money market, the appreciable surplus of the balance of payments swelling available funds.

Symptomatic of the freer supply of money is the increase of the Swiss National Bank's sight liabilities which since April have kept on running ahead of a year ago. After reaching almost the two billion franc mark in June, they amounted to 1.5 billion francs at the end of December, exceeding the 1952 year-end figure by 86 millions. This is

all the more remarkable as private foreign lending increased in the fall and the high rate of economic activity led to added demand for funds. Thus the note circulation at the end of December stood at 5,228 million francs as against 5,122 millions in 1952. Not only was the market practically always able to satisfy all demands out of its own resources, but it even discharged liabilities previously contracted with the National Bank.

As against an aggregate increase of almost 200 millions in the central bank's sight liabilities and in outstanding banknotes there was a rise of 241 million francs in monetary reserves which were reported at 6.8 billions at the end of 1953. In addition, the advances made by the Confederation to the European Payments Union increased by a further 283 millions to 798 million francs so that after clearance of the December balances the credit line of 930 million francs authorized by the Swiss parliament had already been used to the extent of 86 percent.

The easier money conditions were quick in exerting pressure on more volatile rates of interest, while the official and private discount rate as well as the rate for loans against collateral continued unchanged at  $1\frac{1}{2}\%$  and  $2\frac{1}{2}\%$  respectively.

### New Issues

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The overabundance of funds also left its imprint on the capital market where the volume of new issues, after lagging

behind last year in the first nine months, experienced a marked revival in the fourth quarter. Based on issue prices, Swiss loans offered for public subscription totalled 784 as against 721 million francs in 1952. Since 536 millions represented refunding operations, the market was called upon to absorb only 248 million francs of fresh borrowings (1952: 333 millions) in the face of bond repayments aggregating 236 million francs. About half of the new issues were conversion loans of the Confederation, the cantons and of municipalities. Other bond offerings included: 202 millions for electric power plants, 89 millions for the two central mortgage institutes, 58 millions for mortgage banks and 46 millions for miscellaneous enterprises.

In line with the renewed decline in bond yield during the first half-year, debtors could accomplish their financing on much more favourable conditions. While government bonds, offered in spring 1952 at 100.75%, still carried a 3% coupon, interest on those marketed

last November at 102% was fixed at 2½%. Otherwise the 3% type continued to predominate. But cantons and municipalities took advantage of the abundance of funds by lengthening maturities and issuing their loans at premiums as high as 4.65%. The central mortgage institutes, mortgage banks and electric power plants also floated their bonds above par. Commercial and industrial concerns were generally able to satisfy their financial needs at rates varying between 3% to 3½%, with issue prices not below par and as high as 101.

New shares taxed the market to the extent of 52 million francs as against 66 millions in 1952.

Four foreign bond offerings with a total nominal value of 220 million francs (1952: 247 millions) were successfully sold, all of them representing new money. Some were heavily oversubscribed, so that the task of allocating the bonds proved exceedingly difficult and many subscribers could not be given any allotment.

### Foreign Bond Issues in Switzerland

Nominal Amount	Issue	Issue price	Issue yield
Swiss Francs			
60 000 000	Belgian Congo, 4s due 1967/78 .....	100 %	4 %
60 000 000	Commonwealth of Australia, 4s due 1968 ...	99 %	4,09 %
50 000 000	International Bank for Reconstruction and Development (June), 3 ½s due 1968 .....	99 %	3,59 %
50 000 000	International Bank for Reconstruction and Development (November), 3 ½s due 1968 ..	100 %	3,50 %



## Foreign Exchange

On the foreign exchange market quotations for the U.S. dollar fluctuated between  $4.28\frac{1}{2}$  and  $4.29$  francs per dollar right into the fall, i.e. near the lower gold point, with the National Bank intervening occasionally to prevent the rate from falling below that level. In October a somewhat firmer tendency asserted itself, which continued into November, when the year's peak of  $4.30\frac{3}{4}$  was reached. The Canadian dollar followed its own course, at first selling as high as  $4.42\frac{1}{2}$  francs and then witnessing a successive decline which carried it down to  $4.30$  in spring. Subsequently, however, it recovered this loss and reached  $4.42\frac{3}{4}$  in mid-December to close the year at  $4.40$ .

No major fluctuations were recorded by other foreign currencies, except in

blocked German marks where business was very active. Quoted at  $64.50$  francs per 100 Sperrmark at the beginning of the year, they fell off to  $57.75$  in the spring and oscillated between  $60$  and  $61$  for months afterwards. Owing to renewed demand in summer the rate rallied quickly and, inspired by Dr. Adenauer's election victory and the rapid relaxation of German exchange controls, it closed the year at a new high of  $77$ .

Business in foreign exchange was further stimulated by the fact that, on May 18, multilateral arbitrage for spot transactions, extended in the fall to forward operations up to three months, could be resumed with seven members of the European Payments Union, viz. Belgium, Denmark, France, Great Britain, Holland, Sweden and Western Germany, with Norway permitting spot dealings on December 14. Even though

## Zurich Foreign Exchange Quotations

	Payments		Banknotes	
	Beginning of 1953	End of 1953	Beginning of 1953	End of 1953
New York .....	$4.28\frac{3}{4}$	$4.28\frac{7}{8}$	$4.28\frac{1}{2}$	$4.28\frac{1}{2}$
Montreal .....	4.42	4.40	$4.41\frac{1}{2}$	$4.39\frac{1}{2}$
London .....	$12.18\frac{3}{4}$	$12.21\frac{7}{8}$	$11.02\frac{1}{2}$	$11.24\frac{1}{2}$
Paris .....	$1.24\frac{1}{2}$	$1.24\frac{5}{8}$	$1.03\frac{3}{4}$	$1.12\frac{1}{2}$
Italy .....	—70	—70	—68	—68 <sup>35</sup>
Western Germany				
ordinary marks .....	104.10	104.60	$91.12\frac{1}{2}$	100.55
blocked marks .....	64.50	77.75		
Belgium .....	8.73	$8.74\frac{1}{4}$	$8.42\frac{1}{2}$	$8.46\frac{1}{4}$
Netherlands .....	115.10	115.10	$109.62\frac{1}{2}$	111.75
Sweden .....	84.50	$84.37\frac{1}{2}$	73.50	76.50
Denmark .....	63.30	63.20	54.50	57.—
Norway .....	61.22	61.05	54.—	53.75
Spain .....	—	—	$9.11\frac{1}{4}$	$9.92\frac{1}{2}$
Buenos Aires .....	31.25	31.25	18.75	20.75

this development has mere technical significance under present circumstances, it may nevertheless be welcomed as a step towards the re-establishment of a free system of international settlements.

A full-fledged bear market existed in gold. By the end of the year quotations

for gold in transit had come down to the official U.S. gold parity of \$35.— per fine ounce, so that bullion was obtainable in Switzerland at 4920.— francs per kilo, against fr. 5225.— a year ago. A corresponding decline took place in gold coins.

### Gold Prices in Zurich

	Beginning of 1953	End of 1953
Bar gold per kilo fine .....	fr. 5225.—	fr. 4920.—
Gold in transit per fine ounce .....	\$ 38.—	\$ 35.30
Swiss 20-franc gold coin .....	fr. 38.50	fr. 33.—
Napoléon .....	fr. 39.50	fr. 34.—
Sovereign .....	fr. 48.—	fr. 38.—
Gold dollar .....	fr. 9.20	fr. 8.—

### Swiss Stock Exchanges

During the past year developments on the Swiss stock exchanges were mainly determined by two conflicting factors: the extraordinary abundance of money and the changed appraisal of economic prospects, as it resulted from stiffened competition and the decrease in new orders experienced by those sectors of our export industry which up to then had enjoyed a particularly high degree of prosperity. Aided by the seasonal ease in the money market as well as by the strength of Wall Street, the Swiss bourses started the year in a fairly cheerful mood. Already towards the end of January, however, a feeling of growing uncertainty developed, car-

rying prices irregularly lower on diminished volume.

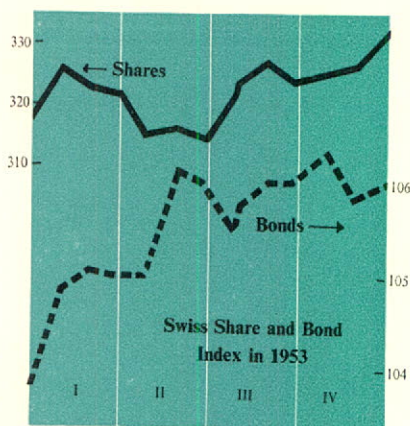
Not before mid-year did the market regain its poise. Starting in the sector of German and related securities, activity soon spread over to other sections and caused quotations to advance noticeably. However, in the second half of August, a reaction of mild proportions set in, cushioned by the plethora of funds seeking employment.

Subsequently the vigorous recovery of the American market and the fact that, price adjustments notwithstanding, business conditions in Switzerland continued satisfactory, caused Swiss investors to adopt a more constructive attitude. A bullish sentiment had taken hold and at the end of December the

share index reached 333, a new high for the year.

Bank shares were sought by investors throughout the year and scored wide gains in comparison with prices at the end of 1952. Industrials, however, lost some ground, with the exception of power plant equities which, less sensitive to cyclical influences, met strong demand at higher prices. Insurance shares were likewise in greater favour. The shares of holding and finance companies were at times the subject of feverish activity, with the equity of the Sté Internationale pour Participations Industrielles et Commerciales leading in volume again and changing hands at prices that fluctuated between 1822 and 1150. This stock ended the year considerably lower while, on the other hand, Elektro-Watt and Italo-Suisse advanced substantially. In this sector much the same holds true for German shares and Royal Dutch, and in the last few months Argentine securities came in for speculative attention for the first time in many years. American certificates listed in Switzerland showed a highly irregular pattern. Material losses, particularly amongst the actively traded railways, contrasted with major advances in General Electric and E. I. du Pont de Nemours.

In notable contrast with developments in the United States, where bond prices weakened during the first half-year, the Swiss market for fixed interest securities maintained a buoyant tone right into the fall, forcing down the average yield of twelve selected government and guaranteed railroad bonds from 2.65%



at the start of the year to 2.28% in autumn. A slight reversal carried this figure back to 2.33% at the end of December.

Active business characterized the foreign bond market, the at times impetuous demand for German securities being the most striking feature. Most other foreign bonds, especially Austrian and certain South-American issues, also improved.



# Share Quotations

Last Annual Dividend paid		Price Range 1953		Dec. 31 1953	
		high	low	bid	asked
	<b>Banks</b>				
40.—	Credit Suisse .....	1161	965	1152	1155
40.—	Swiss Bank Corporation .....	1137	928	1121	1125
	<b>Holding Companies</b>				
40.—	Electro-Watt Electrical and Industrial Management Co. ....	1258	1015	1221	—
—.—	Sté Internationale pour Particip. Industrielles et Commerciales ...	1822	1150	1300	1310
25.—	Motor Columbus S.A. d'Entreprises Electriques .....	845	767	839	841
—.—	Swiss-American Electric Co. "I" ..	69 <sup>1</sup> / <sub>2</sub>	52 <sup>1</sup> / <sub>2</sub>	66 <sup>1</sup> / <sub>2</sub>	66 <sup>3</sup> / <sub>4</sub>
	<b>Insurance Companies</b>				
225.—	Swiss Reinsurance Co., Zurich ....	8170	7740	8100	8125
250.—	"Zurich" General Accident and Liability Insurance Co. ....	9200 <sup>1</sup>	8400 <sup>1</sup>	9050 <sup>1</sup>	9150 <sup>1</sup>
	<b>Industrial Enterprises</b>				
45.— <sup>2</sup>	S.A. Adolphe Saurer, Arbon .....	1128	985	1030	1055
80.—	S.A. pour l'Ind. de l'Aluminium ...	2390	2035	2160	2165
21.—	Ateliers de Construction Oerlikon .	660	588	600	607
35.—	C.F. Bally Ltd., Zurich .....	840	805	830	835
40.—	Brown, Boveri & Co. Ltd., Baden ..	1190	1060	1130	1135
90.—	Ciba Limited, Basle .....	3095	2650	2935	—
50.—	George Fischer Ltd., Schaffhouse	1190	1070	1100	1108
35.—	Lonza Electric and Chemical Works	997	900	930	—
16.— <sup>3</sup>	Nestlé Alimentana Co., Vevey ....	1713	1542	1620	1625
90.—	Sandoz Ltd., Basle .....	3200	2886	3030	3050
90.—	Sulzer Brothers Ltd., Winterthur ..	2230	1800	1900	1905
	<b>Shares of Foreign Companies</b>				
\$ 1.—	Baltimore & Ohio RR. Co. com. ...	129	80 <sup>3</sup> / <sub>4</sub>	82 <sup>1</sup> / <sub>2</sub>	—
\$ 1.50	Pennsylvania Railroad Co. ....	102 <sup>1</sup> / <sub>2</sub>	71	73	73 <sup>3</sup> / <sub>4</sub>
—.—	Société d'Electricité (Sodec), Luxemburg .....	42 <sup>1</sup> / <sub>4</sub>	21	38 <sup>3</sup> / <sub>4</sub>	39
\$m/n 7.—	Cia. Italo-Argentina de Electricidad	33 <sup>1</sup> / <sub>2</sub>	22	29	29 <sup>1</sup> / <sub>4</sub>
hfl 16.—	Royal Dutch Co. ....	402	340	398	398 <sup>1</sup> / <sub>2</sub>
\$ 4.50	Standard Oil Co. (New Jersey) ....	335	288	308	310
\$ 2.50	Union Carbide & Carbon Corp. ...	323	268	316	317
\$ 4.25	General Electric Co. ....	392	290	369	373
\$ 4.—	General Motors Corp. com. ....	297 <sup>1</sup> / <sub>2</sub>	229	252	254
\$ 2.35	Internat. Nickel Co. of Canada ....	204	149	150 <sup>1</sup> / <sub>2</sub>	151
\$ 6.—	Kennecott Copper Corp. ....	349	254	275	276
\$ 3.50	Montgomery Ward & Co. Inc. ....	280	231 <sup>1</sup> / <sub>2</sub>	242	243

less fr. 300.— share capital not paid in <sup>2</sup> plus fr. 15.— bonus <sup>3</sup> plus fr. 12.50 per amortization note and  
\$ 3.75 per attached Unilac share

## Bond Quotations

### Swiss Bonds

	Price Range 1953		Dec. 31, 1953	
	high	low	bid	asked
Federal Government 3 $\frac{1}{4}$ s of 1941 .....	102.40	101.—	101.—	101.15
Federal Government 3 $\frac{1}{2}$ s of May 1944 ..	104.90	104.—	104.30	104.50
Federal Government 3 $\frac{1}{2}$ s of June 1945 ..	108.40	106.35	107.60	107.75
Federal Government 3 $\frac{1}{4}$ s of April 1946 ..	107.50	104.65	106.95	107.—
Federal Government 3s of 1946 .....	104.25	102.80	103.10	103.25
Federal Government 3 $\frac{1}{4}$ s of 1947 .....	108.—	104.90	107.—	—.—
Federal Government 3s of 1947 .....	104.—	102.65	102.85	103.—
Federal Government 3s of 1949 .....	107.—	102.80	106.80	106.90
Federal Government 2 $\frac{3}{4}$ s of 1950 .....	104.40	101.25	104.—	104.10
Canton of Berne 3 $\frac{1}{2}$ s of 1945 .....	108.40	106.35	108.25	108.75
Canton of Zurich 3 $\frac{1}{2}$ s of 1944 .....	108.50	106.75	108.—	108.25
Canton of Zurich 3 $\frac{1}{4}$ s of 1947 .....	109.50	105.50	107.85	108.—
City of Zurich 3 $\frac{1}{4}$ s of 1942 .....	103.—	101.75	101.75	—.—
City of Zurich 3 $\frac{1}{2}$ s of 1944 .....	105.—	104.25	104.25	104.75
City of Zurich 3 $\frac{1}{2}$ s of April 1948 .....	108.75	106.75	108.—	108.50

### Foreign Bonds

Austria 7s of 1930 (International Loan) (Swiss francs) .....	100.—	52.50	100.—	—.—
Belgium 4s of 1952 .....	105.—	101.85	104.—	104.25
Belgian Congo 4s of 1952 .....	106.75	102.25	105.—	—.—
Brazil 3 $\frac{3}{8}$ s (formerly 6 $\frac{1}{2}$ s), Plan A (£) ..	35.50	33.—	35.—	—.—
Chile 2 $\frac{1}{2}$ s (since 1954 3s) of 1930 .....	46.50	33.50	44.50	44.25
Commonwealth of Australia 4s of 1953 ..	—.—	—.—	103.60	103.70
Denmark 3 $\frac{1}{2}$ s of 1938 .....	101.50	93.25	100.25	100.75
France 4s of 1939 .....	104.—	99.75	101.25	102.—
Germany 7s of 1924 (Dawes Loan) (Swiss francs) .....	83.50	48.—	83.50	84.—
Germany 5 $\frac{1}{2}$ s of 1930 (Young Loan) (Swiss francs) .....	61.50	37.—	60.50	60.90
International Bank for Reconstruction and Development 3 $\frac{1}{4}$ s of 1952 .....	102.50	99.35	100.75	100.90
Italian Public Utility Credit Institute 3s of 1947 (Swiss francs) .....	66.—	56.—	64.—	65.50
Japan 5s of 1907 .....	73.—	61.—	67.—	—.—
Netherlands 4s of 1950 .....	105.50	100.50	105.—	105.50
Norway 3s of 1938 .....	95.25	89.—	93.—	93.50
Union of South Africa 4s of 1952 .....	102.50	97.—	101.50	—.—

**CREDIT SUISSE**  
**SCHWEIZERISCHE KREDITANSTALT**  
**CREDITO SVIZZERO**

Head Office in Zurich

Established 1856

**CONDENSED BALANCE SHEET**

End of December	1950	1951	1952	1953
	in thousand Swiss francs			
Assets				
Cash on Hand and Due from Banks .....	580 234	582 817	656 034	651 601
Coupons .....	5 631	4 088	3 089	3 947
Loans and Discounts .....	1 382 138	1 475 956	1 545 173	1 562 595
Investments .....	267 295	316 228	274 811	308 112
Syndicate Participations .....	11 475	7 321	7 061	5 548
Other Assets .....	18 165	21 132	22 590	21 146
Total Assets .....	2 264 938	2 407 542	2 508 758	2 552 949
Liabilities				
Deposits .....	1 969 952	2 093 152	2 199 811	2 233 104
Outstanding Checks .....	11 492	10 573	7 419	8 240
Acceptances .....	28 736	36 834	19 921	23 682
Dividend Payable .....	9 000	10 500	12 000	12 000
Other Liabilities .....	38 516	44 691	53 064	55 866
Capital and Surplus .....	205 000	210 000	215 000	215 000
Balance carried forward .....	2 242	1 792	1 543	5 057
Total Liabilities .....	2 264 938	2 407 542	2 508 758	2 552 949

**BRANCH IN NEW YORK:**

**CREDIT SUISSE, NEW YORK AGENCY**  
**25 PINE STREET**

**AFFILIATED COMPANIES:**

**SWISS AMERICAN CORPORATION**  
**25 PINE STREET, NEW YORK**

**CREDIT SUISSE (CANADA) LIMITED**  
**360 ST. JAMES STREET WEST, MONTREAL**

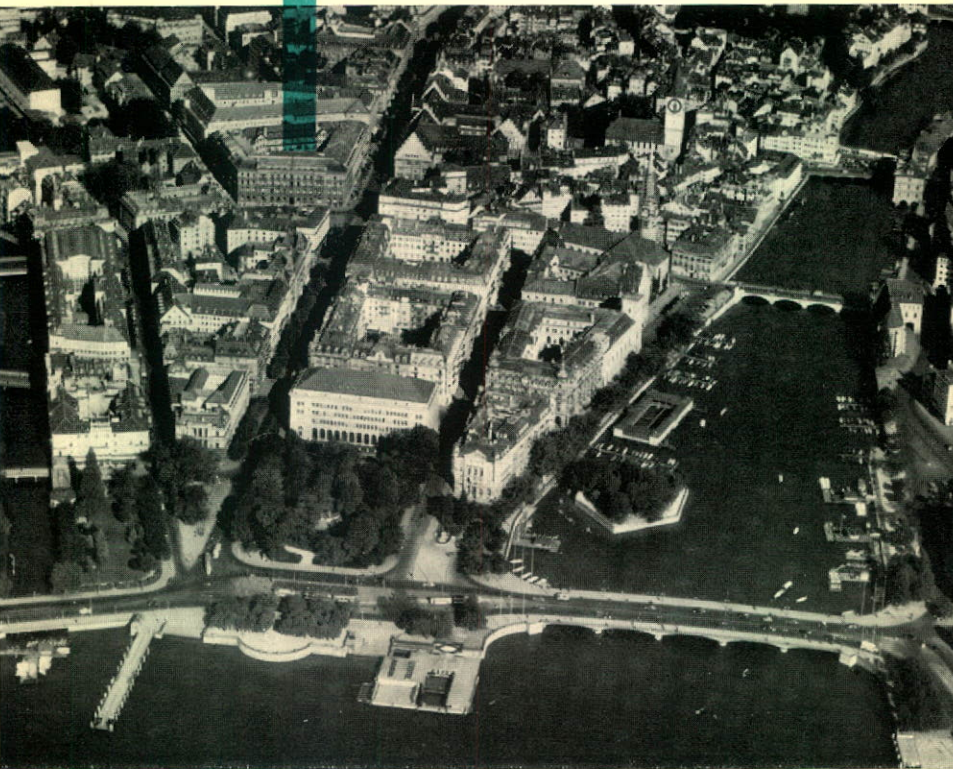




Head Office of Credit Suisse in Zurich.

# CREDIT SUISSE

and its organizations in New York and Montreal



Credit Suisse has its head office in the business centre of Zurich, Switzerland's fast-growing financial metropolis.

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# CREDIT SUISSE

Head Office

**ZURICH**

Capital and Surplus Fr. 220 000 000



Credit Suisse was established in 1856. Thanks to its rapid development it has been from the start one of the leading banks of Switzerland and its field of activity subsequently spread over the whole country and far beyond its boundaries. In the course of the years, Credit Suisse has opened numerous branches throughout Switzerland and has also established its own organizations in New York and Montreal.



## BRANCHES IN SWITZERLAND:

Basle - Berne - Bienne - Coire

Davos - Frauenfeld - Geneva - Glaris

Kreuzlingen - Lausanne - Lucerne - Lugano

Neuchâtel - St. Gall - Zug

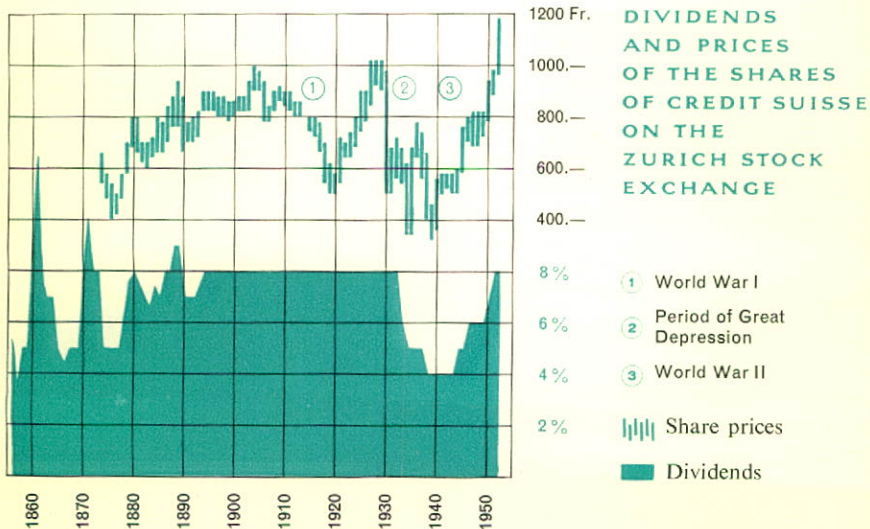
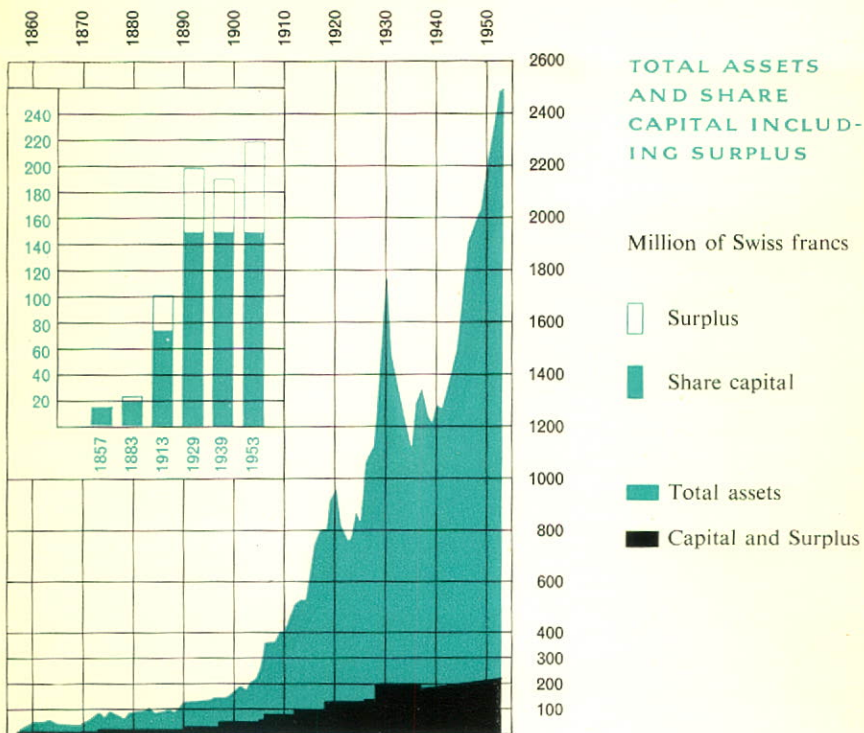
Arosa - Interlaken - St. Moritz - Schwyz - Weinfelden

NEW YORK: 25 Pine Street

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## GROWTH OF CREDIT SUISSE SINCE ITS FOUNDATION



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# SWISS AMERICAN CORPORATION

Incorporated under the laws of the State of New York

25 Pine Street – Cables: Swissam

**NEW YORK 5, N.Y.**

Capital and Surplus \$ 3 000 000

## UNDERWRITERS AND DISTRIBUTORS OF MUNICIPAL AND CORPORATE SECURITIES

Execution of orders for the purchase and sale of United  
States Government as well as municipal bonds, corporate  
bonds and shares, listed and unlisted

▲  
Research service available to clients for investment analyses

▲  
Safekeeping

▲  
Collections, redemptions

▲  
Any other services connected with the supervision of portfolios.

▲  
Associate Member New York Curb Exchange  
Member National Association of Securities Dealers, Inc.

### OFFICERS:

George N. Lindsay	President	Henry Stravitz	Vice President
Otto de Neufville	Vice President	John F. Rush	Treasurer
P. Jordi	Vice President	Harry A. Benson	Secretary

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# CREDIT SUISSE NEW YORK AGENCY

25 Pine Street – Cables: Credsuis

NEW YORK 5, N.Y.

The activities of the Bank's  
NEW YORK AGENCY  
include the following types of business:

Foreign Exchange  
▲  
Loans and Discounts  
▲  
Commercial and Travelers' Letters of Credit  
▲  
Collections  
▲  
Purchase, Sale and Safekeeping of Securities, etc.

▲  
The Agency also acts as connecting link between  
the Head Office and Branches in Switzerland and  
their American Correspondents and Clients.

## OFFICERS:

Walter Niklaus	Senior-Agent	Emile Thut	Pro-Agent
Paul Weber	Agent	John J. Battista	Pro-Agent
Arnold Hunn	Deputy-Agent	Z. R. Ruocco	Pro-Agent
John C. Campbell	Sub-Agent	Tullio J. Marchioni	Pro-Agent
Howard A. Johnson	Sub-Agent	Silvio A. Romaglia	Pro-Agent
John F. Kramer	Pro-Agent	Paul J. Staub	Pro-Agent

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# CREDIT SUISSE (CANADA) LTD.

360 St. James Street West

Cables: Credit

M O N T R E A L - C A N A D A

An affiliated company of

CREDIT SUISSE, ZURICH

established 1951, whose special lines include:

Safe custody of securities



Execution of orders for the purchase and sale of securities on the  
various Canadian stock exchanges at official commission rates



Subscription to new bond and stock issues



Investment advisory service



Information on economic matters and tax problems  
as well as other services in the field of personal  
property administration



