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runs during the whole winter. The panorama from Alp Grum, just south of the Hospice, is most inspiring. In the foreground is a view deep down to the terraces of Cavaglia and deeper still, to the blue lake of Poschiavo. In the distance south, already into Italy, are the Bergamasker Alps. To the west a number of high peaks lead to the famous Piz Palu, from which descends a large glacier only a stone's throw from the viewpoint of the Alp Grum.

(To be continued)

A Serious Blow to the Principle of Free Trade: the United States Raises the Duty on Watches

The recent decision of President Eisenhower to accept the recommendations of the American Tariff Commission has resulted in the raising of duty on watches imported into the United States by as much as 50 per cent. This step, which seriously affects one of Switzerland's most important export industries, is at the same time a direct blow at the principle of the freedom of international trade. It has been received with great misgivings, not only in Switzerland, but also in the United States itself.

The Swiss watchmaking industry, represented by 550 factories employing some 55,000 workers, produces Switzerland's main export commodity to the United States. Watches, in fact, constitute nearly half of America's purchases of Swiss goods (1953: total of Swiss exports to the United States 852,000,000 francs, 402,000,000 of which were for watches). The increase of the present tariff by 50 per cent. will result in raising the customs duty on Swiss watches from 36 to 53 per cent. of their value, which corresponds to an increase of 17 to 18 per cent. It is feared, in competent circles, that this rise may have serious effects on employment and oblige factories to dismiss redundant workers. But it is not only one branch of production that is affected by this measure. Its effects will be felt by Swiss economy as a whole. Watch exports in fact provide Switzerland with one third of the dollars she needs to pay for her purchases in the United States. If the matter is considered on a higher plane, it must be admitted quite impartially that the recent American decision has a much more serious significance than just an unfortunate move with regard to Switzerland. It is the principle of the freedom of international trade that has been imperilled, and by the very country which has constituted itself the most ardent advocate of the principle.

Opinions of the Swiss Press

The Swiss press is unanimous in deploring this move on the part of the United States which strikes such a severe blow at a Swiss industry exporting a third of its output to the United States and employing one-tenth of the nation's workers. The *Neue Zürcher Zeitung* qualifies this decision as a "world economic drama" which threatens to create a dollar problem in a country where it was hitherto unknown, and whose consequences cannot be foreseen. As a result of this action, the United States will lose the position of leaders in the economic field which they claimed and which they had held for some time. In the *Gazette de Lausanne*, Mr. Jean Seitz declares that "a powerful nation has deliberately struck a blow, hoped mortal by some, at the activity of a country which asks only to be allowed to live in peace, a peace based on skilled labour." The same commentator regrets that three American watch factories have succeeded in persuading President Eisenhower to take a decision "that risks destroying the high opinion in which America is held throughout the world and her doctrinal position among the nations."

Swiss Exports of Capital

Last year, Switzerland was the only European country which furnished important capital, emanating from private sources, for investments abroad. In 1953, five foreign loans were subscribed in Switzerland, two of them being issued by the International Bank for Reconstruction.

A New Underground Electric Plant

A new stage has been passed in the work of rendering utilisable the hydraulic forces in Switzerland. For, it was within the last few days that the finishing touch was put to the power plant at the Oberaar, on the Grimsel, thus crowning the vast construction job which has been going on for several years in the upper valley of the Hasli.

The Oberaar artificial lake is the fourth of its kind, created in this region, in accordance with a general plan. This reservoir is situated at an altitude of 2300 metres, and its waters come right to the foot of the upper glacier at the Aar. It possesses a capacity of 58 million m³. In order to bring it into being, it was necessary to build a dam, a hundred metres high and representing a mass of concrete amounting to 453,000 m³. The Lake of Oberaar supplies water to a power plant of the same name,