Financial Markets and the Course of History
Comments on an Article by M. Kucher and B. S. Frey

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1. INTRODUCTION

As KUCHER-FREY rightly point out, non-historians who happen to be interested in a given historical question, such as Switzerland’s fate during World War II, and who look up the relevant historical literature hoping to find out which facts are important and how they should be interpreted, often find themselves faced with a bewildering array of different factual selections and divergent interpretations. They are therefore left with a difficult choice as to which historian(s) or historical school(s) they had better trust.

2. AN ILLUSTRATION

The so-called Clodius memorandum affords a beautiful example. As the reader may know, this notorious document summarizes the views held, as of May–June 1943, by various German governmental agencies about the advisability of starting an economic war against the Swiss, or at least breaking economic negotiations with them. A representative of the Reichsbank is thus quoted to the effect that (...) he could not agree to breaking economic negotiations, nor could he agree to economic warfare measures, because Switzerland represents the only possibility we have to get hold of a freely convertible currency. The document goes on to state that (...) Funk, the Minister for Economic Affairs, has fully endorsed the standpoint of the Reichsbank representative, adding that he could not envisage giving up, even for two months, the possibility of doing currency transactions in Switzerland (...)

Now, the question of course is: how relevant is this memorandum, particularly regarding the reason(s) why Switzerland remained non-invaded during World War II?

In his contribution to the 1983 collective New History of Switzerland and the Swiss, Hans-Ulrich Jost emphasized this document, arguing subsequently that close economic-financial collaboration with Nazi Germany is the main or possibly the only real reason

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2. See VOGLER (1997, pp. 199–204) for a photocopy of this memorandum.
why the country remained non-invaded. More recently, Jean Ziegler rather rashly claimed to have «discovered» this piece of documentary evidence, and he too used it as a kingpin in his ramshackle reconstruction of Switzerland's role during World War II. On the other hand, Jean-Claude Favez, who is arguably the first professional historian to have come across this memorandum back in 1970, subsequently stated that he considers it rather insignificant, being just one among hundreds of other documents to be found in the German archives.

At the end of the day, having gone through the historical literature, the interested non-historian therefore finds herself/himself no wiser than before.

3. A GENERAL PROPOSITION

Of course, much the same is true of many important economic issues such as globalization, liberalization, privatization, etc. In that respect, economics is no kinder to outsiders than history. Nevertheless, Kucher-Frey are quite right to stress that historians, like economists, should consider all the available information; and more specifically, that modern econometric techniques can and should be used to extract as much relevant evidence as possible from (e.g.) the reactions of financial markets to various political and military events. In the article under review, they thus scrutinize the behavior of one segment of Switzerland's financial markets during the 1928–1948 years in an effort to find out which political and military events were seen by that specific market as constituting a threat to Switzerland's external security.

The article by Kucher-Frey is unquestionably an important and original contribution to our understanding of Switzerland's fate during World War II. In the following their approach will however be questioned on a number of points, the idea being to contribute to a constructive discussion without detracting anything from the general quality and interest of their work.

6. Further down, the Clodius memorandum quotes the German Minister of Armaments (Speer) as indicating that the armaments contracts passed with Switzerland amount to only 0.5% (sic) of the production capacity of Germany's armaments industry. This part is usually left out by those historians who use the Clodius memorandum as incriminating evidence against Switzerland.
7. I.e. the yield and hence the price of Federal bonds as compared to those of all government bonds traded on Swiss financial markets.
4. **FIRST, A MISSING-DATA PROBLEM**

Using their monthly value index for Swiss Federal bonds in order to test for structural breaks that might reflect political or military events more or less unforeseen by the market, KUCHER-FREY apply a moving 36-month «window» starting in December 1928. Inside each successive window they then estimate their equation (1) by OLS and apply a Wald-test to identify a possible structural break in the middle of the sample. This basic procedure is then checked and completed in various econometric ways – e.g. see their equation (2). The methods used appear to be «state-of-the-art» and no objection shall be raised on this count.

The authors however state (p. 477) that all trading was suspended – «for about two months» – in May and June 1940, i.e. during the Blitzkrieg against France. Given that their sample consists of just one daily observation per month (around the 25th day of each month\(^9\)), a fact to which we shall return, this must mean that there are two missing observations in 1940:5 and 1940:6; or possibly just one, given that the trading was suspended for «about» two months. This gap clearly shows up in their Figure 1. Moreover, and assuming that there are indeed two missing data points, this did not only affect the window centered on May and June of 1940, a window extending from December 1938 to November 1941, but also no less than 18 adjacent windows on each side of this one window – meaning an overall period going from June 1937 to May 1943.

The authors say nothing about how this missing-data problem was handled. Since the overall period 1937:6–1943:5 includes seven of the fifteen major military-political events in which they are interested\(^10\), it is conceivable that depending on how this prob-

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8. Prior to that, it may be useful to point out a number of small apparent errors, inaccuracies or imprecisions. Thus, the authors refer (on p. 479) to their sampling period as covering 40 years; this should read 20 years (1928–1948). The authors also repeatedly refer to September 1, 1939, as marking the beginning of World War II; although this was the date of Germany’s aggression against Poland, the Anglo-French declaration of war, which took the form of an ultimatum, was handed to Germany on September 3, which thus marked the true beginning of World War II in Europe. Perhaps more important, KUCHER-FREY write (p. 487) that the Yalta Conference, which met in February 1945, adopted «the principle of the complete (vollständige) capitulation of Germany»; actually, the unconditional surrender of Germany as a war aim was made public by Roosevelt and Churchill much earlier, i.e. in January 1943 at the end of the Casablanca Conference – see WEINBERG (1994, 438–439; and pp. 802–810 on the Yalta Conference). Finally and on a more anecdotal level, KUCHER-FREY state that upon entering the arena during the 1936 Berlin Olympic games, the French team gave the Nazi salute (Führergruss); according to other sources, these athletes meant it to be the ... ancient Olympic salute, although their gesture was certainly ambiguous all the same.

9. The authors state flatly (p. 479) that each data point corresponds to the 25\(^{th}\) of each month. This is impossible as the 25\(^{th}\) must have sometimes fallen on a Saturday or a Sunday or some special holiday (December 25...) when the market was closed and no trading took place. Actually, the abscissa labels in their Figures 1 and 2 reveal dates varying between the 22\(^{nd}\) and the 30\(^{th}\) in various months.

10. i.e. the Anschluss of Austria, the annexation of rump Czechoslovakia, the start of World War II, the Blitz in the West, the attack on the Soviet Union, the entry of the USA in the war, and Stalingrad; see their tables 2 and 3.
lem was handled, it may have had a non-negligible impact on their tests, and hence on
their findings. All the more so than one of these major events (the Blitz in the West) took
place precisely in May–June 1940.

But let us now turn to more fundamental questions. A first one has to do with the fact
that identifying a given structural break says nothing, of course, about what may have
casted it. To ascertain the nature and the causes of such a break requires an interpreta-
tion in historical terms. But this is not always a straightforward matter, as will be now
shown in two cases.

5. INTERPRETATION PROBLEMS, I

According to their Figure 2, the by far most important structural break (with an associat-
ed F-value of almost 50) identified by KUCHER-FREY took place in late September 1936.
According to their preferred interpretation, the strong rise in the value of Swiss bonds (as
compared to all government bonds traded on the market) which took place then – to the
tune of about 7%\footnote{According to table 1, Figure 1 however suggests an increase of more than 20% in the value of the index.
Maybe the 7% estimate is that part of the increase which is not accounted for by the general variables in
equation (2), as a footnote to their table 1 states. Or maybe the rise was spread over a few months. Mat-
ters such as these will not escape a watchful reader and they should be discussed more thoroughly. In ge-
eral, it would help if one could have a look at KUCHER-FREY’S raw as well as constructed data.} – supposedly reflects the impact of the Berlin Olympic games which
were held at that time.

In our view, this is completely implausible. First, according to KUCHER-FREY’S equa-
tions (1) and (2), the inclusion of a value index for all government bonds traded on the
market\footnote{I.e. franc-denominated bonds issued by both Switzerland and foreign countries.} means that their tests are ceteris paribus ones; in their own words (p. 481), we
correct for all the factors which influence all traded government bonds equally (e.g.
changes in real interest rates, inflation, etc.). Now, if the Berlin Olympic games had re-
ally amounted to such a powerful signal about the suddenly «more peaceful» (friedlich-
er) nature of the Nazi régime in general, as argued on page 484, it is not clear why this
signal should have had such an impact on Swiss bonds only\footnote{The same reasoning can be applied to the breaks identified with the seizure of power by the Nazis in
April 1933 and the reinstatement of obligatory general military service in March 1935 (see their table I).
Why should these events have affected Switzerland more than the other non-German European countries
(or, for that matter, some non-European countries as well such as the USA, Canada, etc.?).}

More generally, many and probably most historians would agree that the Berlin
Olympic games were indeed a great PR success for Hitler and Nazi Germany, but they
would rightly deny that it signalled anything of significance regarding the nature and the
political-military designs of the Third Reich.

The structural break which took place in late September 1936 may in fact reflect
something altogether different, i.e. the impact of the 30% devaluation of the Swiss franc
which took place on September 27.
Defaults on government bonds were quite frequent in the 1930's. For example, according to Eichengreen, practically all Latin American governments defaulted at that time. This suggests that the price of bonds may have included a country-specific default risk premium.

It is thus conceivable that the 1936 devaluation, which greatly improved the outlook for the Swiss economy, meant a lessening of the default risk premium on Swiss Federal bonds (a premium which admittedly may have been small, although not zero). But that was of course not the case for the risk premium on foreign bonds. If this is correct, it means that the devaluation had a different impact on the price of Swiss Federal bonds as opposed to that of foreign franc-denominated bonds; a different impact which Kucher-Frey's procedure would rightly identify as a structural break which was not, however, connected in any way with the Berlin Olympics.

As to timing, the reader cannot tell whether the September, 1936, value of Kucher-Frey's index reflects the state of the market just before or just after the day of the devaluation (September 27th), or possibly on the same day – see above.

Should the value of the index refer to some day just before the devaluation, this would not settle the matter. Whereas the decision to devalue and the exact time and amount of the devaluation were of course held secret till the last possible moment, devaluation had been in the air for some time, as it was clear that the situation of the Gold Bloc countries was becoming ever more untenable. In Switzerland itself, there were increasing tensions between, on the one hand, the financial-banking sector which was dead set against devaluation and, on the other hand, the export industries which were clamoring for relief. Moreover, Switzerland followed France's lead in devaluing, and a devaluation of the French franc had been a distinct possibility ever since the Popular Front came to power in the spring-summer of 1936.

6. INTERPRETATION PROBLEMS, II

Just as debatable are two of the three interpretations offered (on p. 485) for the structural break in October, 1939, which is labelled «official start of the war» (offizieller Kriegsausbruch). Considering, incidentally, that the Anglo-French declaration of war

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15. The other possible interpretations offered, i.e. the adoption of a quadrennial economic plan by Germany or the emergence of a national consensus in Switzerland (pp. 484–485) seem just as unconvincing.
16. This example shows that a «monthly» time series made up of just one daily observation per month may not be appropriate under all circumstances. A genuine daily series (measuring the price of bonds in each trading day at, say, closing time) would certainly be better, although such data may not or no longer exist, and although collecting them would be hard work in any case.
17. Looking closely at Figure 2, there seems to have been a small peak in the first half of 1939, but ... none at all in the second half of that year! Maybe this has to do with the graph not being exactly aligned on the dates indicated.
was handed to Germany on September 3, i.e. almost two months earlier, it is really a rather curious label as far as semantic accuracy is concerned.

For all practical purposes, the Polish campaign was over by the end of September, 1939, without the Anglo-French Allies having done anything to help Poland. What followed was the phoney war/Sitzkrieg/drôle de guerre, which lasted till May 1940. According to one of the three interpretations put forward by KUCHER-FREY for this possible structural break in October, 1939\(^\text{18}\), the French were now less likely to embark on a «diversionary offensive» (Entlastungsoffensive) through Switzerland in order to relieve the Poles, which the market supposedly interpreted as an improvement in Switzerland’s external security situation. In our view, this explanation is very far-fetched.

The French authorities, both political and military, knew quite well that any such move would be opposed at all times by the Swiss armed forces and would lead to a call for help by the other side, i.e. Germany. Moreover, it is a matter of record that prior to World War II the French and Swiss general staffs had developed a close working relationship and had actually drawn up some detailed joint plans in the event of a German invasion of Switzerland (see the affair of the French military archives seized by the Germans at Charité-sur-Loire). It is thus highly unlikely that the French would have ever launched or even contemplated launching an outflanking move through friendly and cooperative Switzerland against the latter’s will, and it is just as unlikely that the market should have first worried about it during the Polish campaign, to be then surprised and relieved when it was over.

More generally, France was very much on the defensive throughout the 1930s – vide the construction of the Maginot Line and the way Paris let its eastern system of alliances de revers unravel progressively, a process most sadly exemplified by the immolation of Czechoslovakia during the Munich Conference in September 1938. This being so, it is very hard to imagine France launching a serious offensive of any kind in any direction whatever, and most particularly one through neutral and friendly Switzerland, and it is also difficult to believe that the market should have felt otherwise before and during the Polish campaign.

KUCHER-FREY offer a second, rather more convincing explanation for the 3% surprise increase in the value of Swiss bonds which occurred in October, 1939; ie. the emergence of a relative «security premium» for Swiss bonds (the same thing happened with South-American bonds). As to the third explanation, it has to do with the successful completion of economic negotiations between Germany and Switzerland. But then, it is not clear why this outcome should have taken the market by surprise, for it had been known all along that negotiations were under way.

\(^{18}\) «Possible» because it is noted that the F-test gives a significant result at the 95% confidence level, but not at the 99% level. Figure 2 also shows clearly that the $F$-value peak associated with the October break is quite small and it hardly stands out. Maybe it was just noise.
7. WHAT DOES THE MARKET KNOW?

We have no disagreement with KUCHER-FREY'S basic argument that the market tends to make up a larger, and hence a more reliable sample than any individual actor's statement or any single document (or a small number of them), and also that the participants in the market have a strong material incentive to place their bets right.

This view should however not be pushed too far and the market is clearly not omniscient. The June 1941 German attack on the Soviet Union affords an interesting illustration. According to KUCHER-FREY'S results, it took the market by surprise (p. 490). It is however known that in the spring of 1941 the British and American governments sent several pressing and well-documented messages to the Soviet authorities warning them about an impending German attack19, which the latter and particularly Stalin however chose to ignore because they were convinced that Hitler would not be foolish enough to open a second front in the East before having «finished off» England. Thus, we have here a clear case where some governments were – for once? – better informed than the market.

8. AND WHAT THE MARKET MAY NOT KNOW

Another interesting result in KUCHER-FREY'S article is that after the May–June 1940 emergency, the market calmed down in the following months because Germany's breakthrough at Sedan supposedly lessened the threat on Switzerland. As the authors point out, this appreciation was shared by the Swiss high command and a partial demobilization was ordered.

Now, ÜRNER (1996) makes a compelling case that the summer of 1940 was actually the period when Switzerland's external security was in greatest jeopardy, and that the German Tannenbaum plan for an invasion of the country was meant seriously and could very well have been implemented.

It follows, on a general level, that a threat to Switzerland's external security may have been actually extant at some given time, but without its showing up in the market. In other words, it is not because a threat did not register in the market (be it as a surprise or not) that it did not exist. The behavior of the bond market is thus one interesting complementary indicator of the external security situation of Switzerland20, but it certainly does not exhaust the issue in and by itself. Put differently, the approach pioneered by KUCHER-FREY (at least in the case of Switzerland during World War II) also has its inherent limi-

20. As the authors themselves clearly point out (p. 475).
tations – just as the other methods have theirs. It follows that the manner in which the authors evaluate the judgments of various historians, in the light of what the market indicated or did not indicate, seems a little unfair and too self-assured.

9. WHAT ABOUT COMMON THREATS?

Another issue can be raised along the same lines. Suppose that at some moment before the war, or during this or that part of the conflict, Germany’s intentions or actions posed a threat to all or most of its immediate or less immediate European neighbors (France, Belgium, Netherlands, England, Scandinavia, etc.) in addition to Switzerland. According to the basic KUCHER-FREY equation (1), this might have shown up in both the index for Swiss bonds (\( p_t \)) and in that for all government bonds traded on the Swiss market (\( p_t \) bar). It is consequently possible that this common threat would not have been caught by the method used, although it concerned Switzerland too. One possible case in point suggests itself.

Following El-Alamein (October 1942) and Stalingrad (December 1942–January 1943), the war progressively moved closer to the center of Europe again, and hence also closer to Switzerland. This could only mean an increase in the perceived general threat to Switzerland’s external security\(^{21}\). But clearly, other European countries also became more exposed to the risk of warfare touching their territories and economies (Italy, France, the Benelux countries, etc., not excluding Germany itself). Consequently, the price of these countries’ state bonds may have been affected too, and to more or less the same extent as Swiss Federal bonds. Under that hypothesis, the common threat to all these countries, including Switzerland, would remain undetected by KUCHER-FREY’S equation\(^{22}\).

10. A STILL MORE FUNDAMENTAL MATTER

On a still more fundamental level, one is left with the impression that the authors focus too much on identifying and labeling various structural breaks, but not enough on the general behavior of the market per se as measured by their index – see their Figure 1. Structural breaks do matter, but so does the general behavior of the market, especially because some external threats may not have surprised the market and may consequently

\(^{21}\) In this respect, it does not matter whether subsequent historical research revealed that various putative specific threats (e.g. the «alarm» of March 1943) had actually been fictitious or not. What matters here is the general and perceived nature of the threat to external security.

\(^{22}\) Looking closely at Figure 1 again, one notices a sudden steep fall in the index around early 1943, i.e. precisely around the time of Stalingrad (on the assumption that the time scale on the abscissa is correctly indicated).
have been internalized more or less progressively, so that they would not show up as structural breaks at all.

The following general interpretation of their Figure 1 suggests itself: the market was broadly in decline from about the middle or the end of 1932 (as the Depression really hit Switzerland) till about September 1936 (as the franc was devalued – see above). Following that, the market recovered robustly between the fall of 1936 and the middle of 1938 or so, after which it trended downwards till the spring of 1940. This decline may have been due to a general economic slowdown around 1937–38 (in the USA there was a «recession inside the Depression»), and/or to the gathering international storm.

After trading resumed in the summer of 1940, the market went through a strong recovery till early 1942 and then remained on a high plateau (meaning low interest rates and hence high bond values) till the end of the war. In fact, the value index for Swiss bonds hovered, from early 1942 till the end of the war, around a level equal to the highest peak registered in the 1930s. Both facts (strong recovery followed by a high plateau) may at first look surprising. Care should however be taken as to how they should be interpreted.

11. WATER TO THE REVISIONISTS’ MILL?

On this issue, the authors quote, without commenting, an interpretation by Hans-Ulrich Jost (p. 479) to the effect that the rapprochement between Germany and Switzerland had already made sufficient progress in July 1940 for the economic actors – in general, and hence also for the participants in the bond market – to anticipate a favorable economic evolution (günstige Konjunkturentwicklung). This of course ties in with the revisionist thesis according to which Switzerland’s economy greatly benefited from the war.

There is however an altogether different, and in our view more realistic interpretation. During the war, Switzerland’s economy was characterized by: extensive price controls and widespread rationing, and hence by excess demand on most markets for goods and services; low real investment activity (presumably both in construction and in equipment) due to material shortages and to government planning; a contraction of real GDP (by an estimated 10% or so on a per capita basis); a nominal and above all a real fall in imports much larger than that of exports; a high degree of direct government intervention

23. Regarding the period after the war, it is noteworthy that Figure 2 exhibits a peak towards the end of 1945, at least if our reading of the graph is correct. Could it be that this peak reflected the forthcoming Washington negotiations? Incidentally, the situation surrounding these negotiations (continued freezing of all Swiss private and public assets in the USA, non-lifting of the «black lists», threat of an embargo on exports to Switzerland) should not be belittled, as the authors seem to do on p. 487 where they argue that it «only» affected Swiss export industries. The threat was not only real and serious, but also general. In fact, if Swiss export industries are under threat, the whole economy is. Another interesting feature revealed by Figure 1 is the sharp decline in the second half of 1947, about which the authors say nothing.

24. For a dissenting analysis, see our recent book (Lambelet 1999).
in the working of the economy; abundant liquidity in the hand of the public as well as high private saving rates; and pretty strong inflation in spite of price controls (prices increased by about 50% during the war)\textsuperscript{25}.

Normally, high – actual and expected – inflation as well as the contraction of real GDP should have depressed the bond market. But this was a \textit{wartime} economy which cannot be analyzed with the same concepts as a peacetime economy, something which is generally ignored or fudged by historians of the revisionist, «new history» school (\textit{neue Geschichtsschreibung}). Liquidity was unusually abundant during the war, particularly on account of rationing, and private saving rates were abnormally high. At the same time, real investment activity was weak. Normally, i.e. in peace time, low interest rates would have boosted private investment, which in turn would have pushed interest rates up again, at least part of the way. But nothing of the sort could happen in 1940–45 because private investment was \textit{constrained} by material shortages and government planning.

That, under these wartime circumstances, a fraction of the \textit{excess liquidity} extant should have gone into financial assets like bonds, thus boosting their price, need not surprise. In other words, the two positive factors (high liquidity and weak investment) are quite likely to have outweighed the negative ones. Moreover, and particularly to the extent that there were non-residents among bond buyers, a special «security premium» for Swiss bonds is quite likely to have developed too (see above). As to private profits, both actual and anticipated, they are of course more relevant for private stocks than for government bonds\textsuperscript{26}, although they may have exerted an indirect influence on the latter via private capital income. But it should not be forgotten that the war years witnessed a sharp increase in taxation: adoption of the direct Federal income tax\textsuperscript{27}, of a heavy tax on «wartime profits», of a general indirect Federal turnover tax and of a special tax on luxury goods, together with various special Federal levies on private wealth.

\textsuperscript{25} Regarding all this, here are some indications drawn from the \textit{Statistique historique de la Suisse} (1996). Total activity in the construction branch measured at current prices amounted to 860 millions francs in 1939, 780 in 1940, 825 in 1941, 895 in both 1942 and 1943, 1010 in 1944 and 1075 in 1945 (cf. p. 891); hence, it must have fallen in real terms due to wartime inflation. Unfortunately, there seems to be no data for investment in equipments (cf. pp. 882–883). As to liquidity, M1 increased from 2573.3 millions francs in 1939 to 4091.9 in 1945, meaning an increase of 55%, and M3 from 11 850.9 millions francs to 17 599.6, for an increase of 47% (cf. p. 807, estimations by GRÜEBLER). Saving accounts grew from 5420 millions in 1939 to 6611 millions in 1945, i.e. by 22% (cf. p. 819). \textit{Per capita} real net social product fell from 1999 francs in 1939 to a low of 1674 francs in 1942, and then recouped partially to 1811 francs in 1945 (cf. p. 871). The consumer price index (June 1914 = 100) increased from 138.2 in September 1939 to 209.6 in May 1945, meaning an increase of 52% (cf. p. 504). For the extent of rationing and government intervention as well as for the evolution of Swiss foreign trade during the war, see LAMBELET (1999), chapters 2 and 6.

\textsuperscript{26} The average market value of Swiss stocks, measured as a percent of the firms’ paid capital, fell from 188.7 in 1938 to a low of 145.4 in 1940, and then recouped to 165.9 in 1941, after which it hovered between 180 and 190 till 1945; see \textit{Statistique historique de la Suisse} (1996), p. 832.

\textsuperscript{27} Which was supposed to remain in force «for the duration» only, but which is of course still very much with us.
More generally, the question can be raised as to whether these very special conditions may not mean that the bond market changed its behavior once the economy was put on a wartime footing. Kucher-Frey apply the same technique to their index both in the 1930's and during the war. It is not sure that this is really appropriate.

In short, the best way to envision the working of the Swiss economy during the war is probably by reference to the «fix-price» models à la Barro-Grossman which were all the rage in macroeconomics some ten or fifteen years ago (and which have nowadays largely sunk into oblivion). How the financial markets will behave in this peculiar economic environment is not obvious at all. In an economy of that sort, with shortages all around and concomitant high liquidity and high saving on the part of private agents, attitudes towards risk in general and toward the riskiness of government bonds in particular may well be quite different from what they are in peace time. In our view, the authors should have tested this hypothesis rather than indiscriminately applying the same tools to the entire 1928–1948 period.

12. CONCLUSION

To conclude, our feeling is that Kucher-Frey's article represents a valuable study which uses a novel empirical approach, at least insofar as Switzerland during World War II is concerned. But it also seems to be an imperfect study which, in our view, still suffers from some serious teething troubles.

A more complete approach might include three successive steps or stages:

1) A general description and analysis of the evolution of Swiss financial markets during the relevant years, both in military-political and in economic terms, with a view to identifying common external threats too, as well as progressively internalized threats.

2) The identification of ceteris paribus structural breaks affecting Swiss Federal securities, just as the authors have done, but taking into account the points raised above (missing data, a monthly series which is really a one-day-in-the-month series, the possibility of changed attitudes and behaviors in wartime).

3) Above all, more careful and informed historical interpretations, where all possible causes should be considered without placing unduly strong (in fact, almost exclusive) emphasis on political-military factors in general and on the threats to Switzerland's external security in particular.
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ZUSAMMENFASSUNG

führt werden, sondern eher auf die Abwertung des Franken, die zum selben Zeitpunkt erfolgt. Es scheint ebenfalls wenig wahrscheinlich, dass der im Oktober 1939 identifizierte Bruch dem Ereignis entspricht, dass eine mögliche französische Ablenkungsoffensive via der Schweiz abgewendet wurde. Schwerwiegender ist es aber, dass die von den Autoren verwendete Methode es scheinbar nicht zulässt, die «allgemeinen» Drohungen Deutschlands zu identifizieren, d.h. jene Drohungen, die gleichzeitig an die Schweiz und andere europäische Staaten gerichtet waren. Es darf auch nicht vergessen werden, dass die Finanzmärkte nicht allwissend sind (ein Beispiel wird gegeben), und dass es Bedrohungen der äußeren Sicherheit der Schweiz gegeben haben könnte, die die Finanzmärkte nicht aufgezeichnet haben (auch hier folgt ein Beispiel). Es wäre auch möglich, dass die Märkte die Bedrohung der äußeren Sicherheit der Schweiz progressiv in ihr Verhalten miteinbezogen haben, und jene somit keinen «Bruch» oder keine Überraschung mehr darstellen. Wir schliessen die Kommentare zum KUCHER-FREY-Artikel mit einigen allgemeinen Empfehlungen zur verwendeten Methode ab. So könnte zum Beispiel eine generelle Interpretation des Börsenkurses der Obligationen der Konföderation, d.h. eine Interpretation, die sich nicht nur auf die «Brüche» in der Zeitreihe konzentriert, die Methode bereichern. Das hohe Kursniveau dieser Obligationen während des Krieges ist zum Beispiel sicher nicht auf eine hypothetische gute Wirtschaftskonjunktur während des Krieges selbst zurückzuführen, sondern vielmehr auf die Eigenschaften der Schweizer Kriegswirtschaft (Überfluss an Barmitteln, Rationierung und somit Nachfrageüberschuss auf fast allen Güter- und Dienstleistungsmärkten, usw.)

RESUME

Un récent article de M. KUCHER et B. S. FREY paru dans cette revue (Krieg und Finanzmarkt, eine ökonomische Analyse der Bedrohungslage der Schweiz im 2. Weltkrieg, 134(4.1)/471–497) représente une application aussi intéressante qu’originale de l’analyse économétrique moderne à une question historique. Il semble cependant qu’elle pourrait souffrir de quelques lacunes, faiblesses ou imperfections. A part certains problèmes ponctuels et techniques (comment les observations manquantes ont-elles été traitées? une série «mensuelle» constituée d’une observation journalière par mois est-elle suffisante?), il y la question de l’interprétation historique de certaines des «ruptures» identifiées par les auteurs dans la série qu’ils analysent, c’est-à-dire le rendement des obligations de la Confédération en 1928–1948. Ainsi, la forte hausse observée en septembre 1936 pourrait être due non pas à un hypothétique signal pacifique émis par l’Allemagne nazie à l’occasion des jeux olympiques de Berlin, mais plutôt à la dévaluation du franc intervention simultanément. De même, il est peu probable que la rupture identifiée en octobre 1939 corresponde à l’éloignement de la menace d’une offensive de diversion française contre l’Allemagne via la Suisse. Par ailleurs, et plus fondamentalement, la méthode utilisée par les auteurs ne permet pas, semble-t-il, d’identifier des menaces allemandes «communes», c’est-à-dire dirigées à la fois contre la Suisse et les autres États
européens. Enfin, il ne faut pas oublier que les marchés financiers ne sont pas omnis- scient (un exemple est donné), et aussi qu’il y a pu y avoir des menaces sur la sécurité extérieure de la Suisse qui ont été tout à fait réelles, mais qui n’ont pas été enregistrées par les marchés financiers (un exemple est aussi donné), ou encore qu’il a pu y avoir des menaces sur la sécurité extérieure de la Suisse qui ont été «internalisées» progressivement par les marchés et qui ne constituent donc pas des ruptures ou surprises. Ces commentaires sur l’article de KUCHER-FREY se terminent par quelques recommandations générales sur la méthode utilisée. En particulier, une interprétation générale du cours des obligations de la Confédération, c’est-à-dire pas seulement en termes de ruptures, pourrait utilement compléter cette méthode. Ainsi, le cours élevé de ces obligations pendant la guerre elle-même est sans doute dû non pas à une hypothétique bonne conjoncture économique pendant la guerre, mais bien plutôt aux caractéristiques de l’économie de guerre en Suisse (surabondance de liquidités, rationnement et donc excédent de demande sur la plupart des marchés pour les biens et services, etc.)