

# Current Concerns

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and for the promotion and respect of public international law, human rights and humanitarian law

English Edition of *Zeit-Fragen*

## No to “Managed Care”

The serfdom of “patient population” is unworthy of a  
free and democratic state

by Walter Hippocrates

*On 17 June, the Swiss Confederation will decide on the “Managed Care”-proposal for a referendum. A small group of tight-lipped “agents” have been doggedly working for years to implement the American model of “Managed Care” in our health care system. It took the efforts of a referendum in order to achieve disclosure of the plans, inform the population and submit the referendum.*

*Meanwhile, the citizens’ hair stands on end – about the plans themselves, but also about the perfidy of the procedure. The people’s worry is justified that the quality of healthcare in our country could be damaged. The right to go to the doctor of one’s choice, unrestricted access to medical care corresponding to the current state of knowledge and research for all people in our country is a valuable asset and part of the high quality of life. Quality of medical care includes clear diagnosis from the start and an ensuing treatment that aims at recovery – and thus saves costs.*

*The citizens in representative democracies would do well to pay attention to similar developments in their health care system and consider the need for mechanisms of direct democracy.*

**It starts with “rating” –  
then the “patient population”  
becomes a commodity**

“Managed Care” wants to “regulate” access to medical care, as it corresponds to the current state of knowledge and research, and restrict the free choice of one’s doctor. The political program “Managed Care” is intended to cause a paradigm shift, following neo-liberal principles and giving priority to income return on the one hand, and setting Socialist guardrails on the other. This program defines the patient as manageable patient material. Public Health should be regulated according to market principles – put in euphemistic and misleading terms. A yield-and-risk computer program screens and assesses the patient; it assigns him to a group in which he will remain – once he is in it. Even when he realizes that neither diag-

nosis nor treatment is correct, he has no chance to get a second opinion and bring about a correction. This is the most direct way to protracted cases for years to come, which will cause longer working hours and higher costs and may also lead to individualizations. This neo-liberal, socialist redefinition will lead to the ruin of the worldwide highly respected Swiss health care system. The following will provide the reader with important basic information about “Managed Care” and help him to understand the current health policy debate better.

### Definition and development of “Managed Care”

According to the dictionary of social policy “Managed Care” means the application of corporate management principles on health care and their monitoring by the health insurances and the financing part.

“Managed Care” became the dominant form of insurance and care in the United States of America in the 1990s. A “Managed Care” organization (MCO) takes over health care of its members for a pre-defined premium for a specified period. The MCO operates its own utilities (networks), or settles agreements with selected providers (group practices, outpatient clinics, hospitals, etc.), while the patient has no choice and no right of appeal any more. What matters is that MCOs bear the economic risk of treatment. Regardless of individual needs, the members are comprehensively supplied with a prospectively defined budget per capita. The term “budget responsibility” used in this context is explained in the dictionary as follows: If the resource consumption remains below (i.e. below the budget per capita), the difference will convert into profits, as losses are incurred in another case. The supply is monitored and controlled both directly through micromanagement (guidelines, controlled and restrictive transfer to specialists, case management, disease management, etc.) and indirectly through monetary incentives (capitation, bonus-penalty systems, etc.). The patient

## Two important proposals for the citizens of the Swiss Confederation

by Erika Vögeli

On 17 June the voters in Switzerland will vote on two proposals that do not have much in common at first glance: First, on the people’s initiative “To strengthen the people’s rights in foreign policy (International treaties before the people!)” (see page 4f), on the other hand on the amendment of the Federal Law on Health Insurance (“Managed Care”). Nevertheless, here are close links that affect the substance of our democracy, democracy in general.

It is one of the central achievements of the Enlightenment that the shaping of human coexistence, also in the political sphere, must start out from the basic equivalence of all people. One fruit of this knowledge is the democratic constitutional state – the *res publica* – which is legitimated only through the obligation to the common good based on the dignity of the individual, the citizenship of the human being: the will of the citizens constitutes the state, and the right that they give themselves, determines the rules of their living together. Thereby Switzerland has gone further than other countries: grown by historical experiences and struggles something has developed in the form of direct democracy, which takes these principles into account more than any other form of state and government. The federal structure, which has in turn contributed to the internal balance and the obvious respect for lingual and cultural minorities, the deliberate non-participation in power politics manifest in the form of our neutrality, humanitarian Switzerland, the concordance democracy and its more sustainable, broad-based solutions – they are all directly and indirectly connected with the direct democracy and have contributed to our country and the people living here – even for all prevailing deficiencies and problems – to create the conditions for a life in peace and freedom.

Democracy can only exist on the basis of an honest debate, it requires the presentation of all facts relevant to a decision of importance, the open discussion of the var-

### International multinationals are purchasing physicians' networks

Marco Bianchetti predicted that the same would happen to the physicians' networks as to the private hospitals in Switzerland. "High competitive pressure among the networks will lead to fusions and takeovers. At some moment, they will be purchased by multinational firms and will be directed according to profit-oriented guidelines (instructions) as it is already the case with nearly almost all lucrative private hospitals today. As to 'Managed Care', it is not a question of the struggle between medical care against the specialists, but that of big trusts against small enterprises. It will be the international multinational companies that will siphon off the profit gained by way of rationalisation. The payers of the premiums are the ones who will be financing the profits."

#### "Kick-Backs" and Corruption

Physicians' networks can agree on discounts and so-called "kick-backs" with contract partners, providers or by collaborating with members of other health professions. This is extremely problematic, said Marco Bianchetti. The law prescribes that medical care doctors have to exclusively guard the interests of the patients when cooperating with members of other health professions, and that they are obliged to act irrespectively of any financial interests. The expert cited a study made by the firm Medvice to explain this point: "An obligation towards the health insurances affects this relationship and results in a corruption risk, particularly if it is connected with participation in profit and losses, as it is the case with co-responsibility for the budget in 'Managed Care'-models."

Source: Press release by the Swiss association PULSUS – For a free and socially responsible medicine, 8 March 2012 (extracts). Further information: Paul Felber, press spokesman Pulsus, Phone: +41 (0)79 467 24 43

### "Two important proposals ..."

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ious interest groups, setting out their concerns, their arguments, reasons, doubts, being able to argue out their pros and cons in an open dialogue – in Switzerland we have well-developed mechanisms that contribute much to the fact that decisions are sustainable and better supported than anywhere else. The whining about the fact that such decisions take longer, in view of the result is not right. This should apply all the more to foreign policy – the one who is committed to the common good and knows the value of our democracy, does not need quick-fix decisions, no rough-and-ready approaches and has no problems, to represent the concerns of their own people, whose interests is to protect, before a couple of diplomats.

### "No to 'Managed Care'"

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is allocated to a fixed primary physician (gatekeeper) who has the final decision as to whether the patient is referred to a specialist for outpatient or inpatient treatment. The MCO or the health insurance must allow costly measures in both diagnostics and therapy (referral to a specialty physician or hospitalization). The specific supply risk of "Managed Care" lies in the scarcity of resources. Both the patients' free choice of a doctor as well as the doctors' professional autonomy are hence restricted. According to the dictionary of social policy, insurances, physicians (group practices) and hospitals are increasingly combined and have to pursue "competitive profit goals" – instead of adhering to their Hippocratic Oath!

In 1996, about 100 million citizens in the United States were insured in "Managed Care" systems. These systems are better known as "Health Maintenance Organizations (HMO)", which began to take roots in Switzerland the same year. The newspaper *pharmakritik* (pharmaceutical criticism) is an independent, non-profit newspaper in German, which publishes no advertising but articles that are subject to a peer-review process. The target group of this paper is doctors, pharmacists, physiotherapists and other health professionals. As early as in the issue of 7 August 1996 *Etzel Gysling* drew the readers' attention on HMOs and warned of "Managed Care": "*Managed Care systems include the risk that, while the interests of insurance companies and doctors are well taken into account, the welfare of the sick individual is pushed into the background. If doctors are punished by fines when prescribing often expensive tests or treatments, they will in the worst case refrain*

In addition, many contracts and reforms prove to be products of a strange origin. Following up the question of the origin of the reform tide in recent years in various fields – health, education, military, in the areas of community organization (fusions) and regional policy (metropolitan areas and natural parks), administration and many others – for once from another angle, you will recognize common features not originating in Switzerland, but due to targeted influence from outside. The "Managed Care" programs are not a Swiss invention, they do not go back to solutions that were developed here for problems that have originated here, but are imported by the OECD, even though our health system is still regarded as one of the best. How did we come to import models whose failure we can actually study elsewhere?

It is very enlightening to get to the bottom of the origin of all these reforms –

from interventions even if these are clearly indicated." To this day, the patient has always had the option of getting a second opinion from another doctor, if he finds it necessary. He can see another family doctor, specialist or go to the polyclinic of a hospital. With the "Managed Care" proposal, this possibility will be abolished.

### "Managed Care" ruins the Swiss health care system

Medical care in Switzerland aims at the patient's recovery and is therefore one of the best in the world. Until today, many people in the world wish to be treated in our country. The high-quality health care and universal access to medicine, corresponding with the current knowledge and research status, are an important prerequisite for good public health, which in turn represents an important pillar for the standard of living in our country and the working capacity of the population. For students and doctors in training the status of research and the quality of teaching in our country enjoy a good reputation. At the medical schools in our country, hundreds of students from abroad are enrolled who wish to acquire the Swiss state exam. The long tradition of excellent teaching, combined with an equally significant clinical activity of many world-famous professors in internal medicine, abdominal surgery, heart surgery, neurosurgery, ophthalmology etc, was and is still the reason why our country is a magnet for students, doctors and patients. This kind of medical treatment, efficiently aiming at recovery/health, also makes economic sense.

On 8 September 2011 *Price Waterhouse Coopers (PwC) Switzerland* published the PwC White Paper 'Zukunft Personalisierte Medizin – Managed Care als Einstieg? (The Future of Personalized

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and note that they originate from a fairly unified cup of international organizations (IO) – for example, the EU Commission and the OECD, that have ruined Europe. Meanwhile, people openly speak and write about such IO being mere instruments of "soft power" pursuing their "hidden agenda" by way of bypassing democracy. "Soft governance" and "soft power" are less obvious than "hard power" though – in the assertion of interests by force and power – they manipulate better because they create less resistance. But they are just as undemocratic, devious and without any justification. They ruin the foundations of cooperation and break the confidence – that can not be retrieved. Both proposals go to the heart of democracy and need the active citizenship with a 'no' to 'Managed Care' and a 'yes' to the further development of the treaty referendum.

**"No to 'Managed Care'"**  
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Medicine – Managed Care as an introduction?) PwC is among the healthcare consulting firms committed to economic thinking. PwC Switzerland mandated the *gfs-Research Institute* in Berne with a survey which showed that 57% of the population in Switzerland did not want to be insured in a "Managed Care" system. According to the survey the restriction of the free choice of doctors is the most common motive, why the interviewees did not want to be insured in a "Managed Care" model. The *gfs-Research Institute* states in its survey ("Gesundheitsmonitor 2010") that 63% of the interviewees indicated that the quality should be the focus of treatment and not low cost.

In Switzerland there are known "Managed Care" models, labeled "physicians' networks" or "HMO group practice" etc. In July 2011, the Institute for Evaluative Research of the University of Bern published a report. According to this report the 25,000 interviewees judged "Managed Care" doctors worse than the traditional practitioners and family physicians.

The patients' discomfort in the view of "Managed Care" is absolutely justified. How should we translate "Managed Care"? The sociologist, Dr *Marianne Rychner* expressed in *Politik+Patient*, the newspaper of the Association of Swiss German Medical Associations (VEDAG). "What is irritating is the German translation of 'Managed Care': It oscillates between 'monitored', 'guided' or 'manipulated' care and medical assistance. The term, including 'budget responsibility', implies the opposite of a trusting doctor-patient relationship: Passive patients consume medical services and should also be prevented to do so excessively, while doctors are controllable via financial incentives. The underlying insinuations are bad for the relationship of trust between doctor and patient."

The degree of freedom of the individuals in our direct democratic state based on law guarantees a great variety of decisions to every citizen. Today, every patient is not only to decide whether he wants to have physical manifestations or symptoms be examined or not, he can also choose the doctor himself. He is the mature subject of his own health and not a passive object of income return. Talking to the doctor who examines him he can decide on the further steps or treatment together with him. In "Managed Care" models, neither the doctor nor the patient is free to carry out examinations or treatments based on medical criteria. Prior to the issue of further diagnostic or therapeutic steps, the economic question of the budget and the yield of the treatment unit come first. Medical care is

thk. A widely supported committee of responsible citizens has called for a referendum against the Federal Council's "Managed Care"-proposal. From doctor up to patients' organizations all are represented and through their dedication having helped contributing that we Swiss citizens can vote about this controversial change in the law. It is well known that in order a referendum is held 50 000 signatures have to be collected within 100 days and attested by a notary public. The referendum committee has succeeded in submitting 132 837 certified signatures to the Federal Chancellery. A distinct sign! On 17 June the citizens are called upon to vote on this bill hoping that the bill will fail because of the population's veto.

In the following table the collected signatures by the committee are quantified and it is remarkable that it is the urban cantons that have contributed a lot of signatures.

Cantons	valid signatures	invalid signatures
Zurich	17 949	127
Berne	12 302	146
Luzern	10 284	223
Uri	574	13
Schwyz	2 385	40
Obwalden	369	2
Nidwalden	653	1
Glarus	239	3
Zug	1 768	18
Fribourg	3 275	18
Solothurn	2 342	63
Basel-Stadt	6 265	59
Basel-Landschaft	7 945	202
Schaffhausen	828	4
Appenzell A.-Rh.	381	6
Appenzell I.-Rh.	140	0
St. Gall	4 731	30
Grison	1 576	16
Aargau	5 130	68
Thurgau	1 268	26
Ticino	6 057	55
Vaud	23 392	754
Wallis	4 672	34
Neuenburg	2 895	42
Geneva	12 867	72
Jura	871	5
<b>Switzerland</b>	<b>131 158</b>	<b>2 027</b>

Source: Referendum Committee, Prof Dr med Marcus M. Maassen (president PULSUS), Dr med Marco Bianchetti, www.pulsus.ch

controlled by yield and economic aspects, and both patients and physicians become centrally managed objects that serve the income return. A liberal democracy does not deserve to be treated like this. It contradicts the Hippocratic Oath. The budget, in the "Managed Care" jargon called "resources", decides if and how a disease is treated or clarified, or whether the patient will be doomed to die. Remember that it may affect your son or daughter. It actually evokes dark times of the last century.

**Selection of patients with small risks – why competition of a neoliberal pattern makes the health care system sick**

In the year 1996 a new Federal Health Insurance Act was introduced. Prior to this there was the plan of a single premium. Adults were divided into risk groups depending on their age, gender and residence. Thus the group of the 19 to

25-year-olds has a smaller risk of requiring diagnostics or therapies than the group of the 91-year-olds. In 1991 an urgent Federal Decree was issued to counteract the threatening loss of solidarity. This project was called demographic risk structure compensation scheme. Professor *R. Leu*, director of the Department for Economics of the University of Berne published an article about this project in 2007 with the title "Risk selection and risk compensation scheme" (Nomos, Baden-Baden). Professor Leu showed that if people with chronic diseases and healthy people pay the same premium the healthy automatically become good or preferred risks and vice versa. If the insurer (health insurance) makes a suitable selection of the insured (patients) he can save costs and thereby lower his premiums to improve his attractiveness on the market. Risk se-

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lection in Switzerland has become an important strategic option for many insurers which primarily costs a lot.

"Managed Care"-models will not be able to avoid risk selection. If a "Managed Care"-model (for example a HMO-group practice in the agglomeration of Berne) has to take care of many elderly patients but only few adolescents and young adults, the general practitioners in this model will be forced to refer patients to specialists as restrictively as possible to cause as little costs as possible and to adhere to the budget. So a possible under-treatment is pre-programmed. Thereby a kind of "cheap medicine" is pre-programmed.

Cheap medicine inevitably means cheap quality. Everybody can imagine how the quality will be lowered. Omissions in diagnostics, superficial examinations, careless treatment and follow-ups will inevitably lead to an accumulation of complications and produce a growing number of "protracted cases". More irreversible damage has to be expected which will burden other social insurances like the disability insurance (IV) and the unemployment insurance. Reintegration in the working process will be delayed or made impossible hence leading to economic problems. Altogether cheap medicine turnout to be expensive medicine; however, the health insurances are passing on the costs caused by them to other insurance networks in Switzerland. However, who will be left behind: it is the patient – and the Hippocratic Oath.

**Further questionable facts**

In November 2011 *Eduard Hafner*, MD and *Flavian Kurth*, MD of the association "Ethics and medicine Switzerland" (VEMS) published an article about legal issues and facts about "Managed Care" in the Swiss Medical Revue. The authors prod the readership to hidden rationalisation within "Managed Care"-models. They are citing a study in the probably most renowned medical revue, the *New England Journal of Medicine* (Trivedi A., Moolo H., Mor V., *Increased ambulatory care copayments and hospitalisations among the elderly*. *New Engl J Med*. 2010; 362:320-8). In this study it was possible to prove that an increase of the deductible leads to additional costs in the long run. This, because patients – in order to save money – delay health problems and visit the doctor not until the treatment is overdue and therefore more complicated and more expensive. In these premises it is

necessary to rethink the strategy to force a "Managed Care" model on the insured persons via increased deductibles.

In an expertise ordered by VEMS, Adj. Professor *Ueli Kieser*, MD ([www.physicianprofiling.ch](http://www.physicianprofiling.ch)) points out to an important principle in our health system. "*The physicians have to protect the interests and rights of the patients absolutely and without preconditions.*" Between doctor and patient there is a contractual relationship and the doctor is obliged to exclusively protect the interests of his patients. An obligation towards third parties (insurances with dividend payout) affects this relationship and bears the risk of corruption, especially if it is associated with profit and loss sharing for the operator as in the "Managed Care"-model responsibility of budget. Accordingly, the VEMS points out that the physician first has to bear in mind the patient's health and only then the budget. "We always served two masters, the patient and the general public represented by the health insurances", the authors of the VEMS write. "The health insurances question that physicians advocate the benefit of the patient. Counter-question: Since when do health insurances advocate the benefit of the general public? Does the 'Managed Care'-draft advocate the benefit of the general public? There is still the referendum!"

**Conclusion**

In summary one can say that the widespread introduction of "Managed Care" models, as well as forcing the Swiss people into one of these models will have fatal consequences.

1. Switzerland has been and still is proud of its excellent health care system which all the people who live here have access to. The introduction of "Managed Care" would not only destroy the quality but also a long and well-working tradition. The quality of medical care would then be thrown back at a low level.
2. The degree of freedom and self-determination both of the patients and the physicians would be destroyed by the newly introduced economism.
  - a) The patient would be assigned to one doctor and would neither be allowed to ask for a second opinion nor be able to change his family doctor.
  - b) Due to the "budget responsibility" the doctor's medical decision making would be severely restricted. Treatment strategies would not be guided by medical criteria but by cost effectiveness. A deficiency of medical care would be programmed.

Greed and profit would get priority before the patient's recovery.

3. It would be a fallacy to hope that the "Managed Care" system was able to reduce costs. "Cheap" medicine implies reduced, bad quality. Bad quality means delays in diagnosis and therapy. These delays will inevitably produce protracted cases and complications, which must then be resolved in expensive university hospitals. These cost-intensive consequences are hopelessly neglected. To date there is not a single study that plausibly demonstrates or suggests cost savings.
4. The relationship between doctor and patient is regulated by the Code of Obligations and the Federal Law on Medical Professions. According to this law there is a working relationship between two people, the patient and the physician. If "Managed Care" models try to implement the "third man" via health insurance companies, the role of the insurances within the sensitive patient-doctor relationship remains at least legally dubious and questionable and may open the floodgates to corruption. •

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# Establishing transparency in the health sector

The costs of the system grow only moderately.

Federal Government has to assume its monitoring function.

Savings in the insurance sector must be transferred to policy holders.

*Interview with Carlo Conti, new president of the Swiss Conference of Cantonal Ministers of Public Health GDK*

*zf. The new GDK president and director of the Basel health office recognizes a lack of understanding of the health policy objectives. Generally more transparency and clarity about the financial flows are required.*

*Councilor Mr Conti, from 1 January on you will assume office as the President of the Bureau of the Swiss Conference of Cantonal Ministers of Public Health. What are your concerns and goals?*

From the cantons' perspective the competencies in health care are to be clarified and the axis between the Confederation and the cantons is to be strengthened. Increasing competition and market elements require a clear role of regulators. According to the Constitution, these are primarily the cantons, but there are also federal responsibilities. Specifying this separation of roles, this composite task, is one of the main goals. A second important issue is the clarification of financial flows in health care. Personally, I would like to move the economic aspects of health care to the fore.

*What do you mean by clarification of financial flows?*

The increasing shift of financial burden from taxpayers to premium payers is an offense, more so as we in our country are at the highest level – according to the OECD – of direct financial costs for individual health care services that are not covered by health insurance. Therefore, there is need for action as far as premiums are concerned. Medical and technical progress cause an increasing shift from inpatient to outpatient care and the public sector must make financial contributions in this area.

*What are the basic deficits you discovered?*

There is a lack of political agreement on health policy objectives. This ought to be clarified between the federal government and cantons. In an increasingly market-oriented health care, an adjudicatory authority is needed that can intervene and regulate. This can only be a democratically legitimated body, and is certainly not the insurances' task.

**“It is important that transparency is established”**

*Are the cantons or rather the federal government to the fore?*

The cantons have the constitutional competence. Centralized health care systems do

not lead to better performance. On the contrary, they tend to scaling down. Our population, however, does not want this to happen. However, the cantons must cooperate better. 26 different systems are no longer suitable for everyday use. We require a development towards health care regions.

*On 1 January the new hospital funding comes into effect. The cantons finance about 55 percent of inpatient costs. But there is still the threat of rapidly increasing costs.*

First, it should be noted that the costs for hospitalization stagnate whereas the total cost of the health system grow only moderately. The health insurance premiums rise, however, as the ambulant patient services – which are funded only by premium payments – are higher than average.

*What other effects lead to increases in premiums?*

It is new that the investment costs of hospitals will be financed by the health insurances up to 45 percent. This leads to an increase in premiums. The Parliament wanted it that way. However, they were silent about the additional burden on premium payers.

*Are there any other shifts at the expense of premium payers?*

With the free choice of hospital, the new hospital financing extends the scope of basic insurance. This causes a shifting of costs from supplementary to basic insurance, which means additional pressure on the premiums for basic insurance. All in all, however, no additional costs arise in health care through the new hospital funding.

*Investment costs have been paid by the public sector so far. So it credits at the expense of premium payers?*

The financial burden will indeed be shifted. It is true that investment accounts of the cantons are credited and the accounts of the basic insurance are debited.

*This would mean to lower taxes.*

That would be a logical consequence, which we might demand of a regulatory policy. The Ministers of Public Health, however, would like to use these redundant funds for the premium payers' relief. This is even more important since the new hospital financing with its diagnosis-related groups (Swiss DRG) means that more services are provided for outpatient treatment.

*Is such a trend towards ever higher premiums any longer acceptable?*

It must be a priority to analyze the financial system and the shift to the premium payers in particular. This development will excessively charge mainly young middle class families and their monthly budget. More tax funds are required to finance the entire health system. The change must also be affordable for the cantons by revising the distribution key and setting it at 45:55 percent.

*The cantons could have set their share of funding the treatments at the hospital at a higher level. A majority even remained below the targeted rate of 55 percent laid down in the Health Insurance Act.*

That is correct. But there is no way for the cantons to come to a mandatory and binding agreement with the insurances, in order to use additional taxes to reduce premiums. When indicating the premiums at the federal level, the insurances do not differ in detail between costs for inpatient and outpatient treatment. The entries are not transparent. Therefore, the cantons could not and would not make use of additional tax revenue. This requires a transparent mechanism.

*Will you negotiate with the insurances on the funding distribution during your presidency?*

The insurances must have an interest in seeking solutions to stop the upward pressure on premiums, especially as the total cost of the system only increase modestly.

*You also mentioned shifts from supplementary to basic insurance. The additional insurance premiums have been reduced for 2012 but not significantly. Where does the money go? Who benefits?*

The insurances. They did not lower the premiums for supplementary insurance accordingly. After all I heard from representatives of insurances that they were being cautious and wanted to first wait how things would come out and then check the appropriate transfer of premium benefits to those who were additionally insured. Some insurers have also reduced the premiums to some extent.

**"Establishing transparency in the ..."**

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*Should the supplementary insurances not pass on their savings already in the course of the next year?*

This does not play a major role for me. It is important that transparency is created. I expect the insurance companies and above all, the federal government, which needs to strengthen its supervisory role, to establish more transparency, so that savings in the insurance sector are actually passed on.

*Is this an appeal to the FINMA?*

It is an appeal to the Swiss Financial Market Supervisory Authority FINMA, but also to the Federal Office of Public Health (BAG). One must consider the overall pie: The developments in the compulsory basic insurance and the additional insurance sector should be assessed in parallel.

*Doctors and nurses fear that the new hospital funding could be associated with a loss in quality.*

The population would not accept a loss of quality in health care, nor restrictions on the access to new medical treatments and innovative products. This has been clearly demonstrated in all surveys and studies. Those hospitals that have a poorer quality will be in trouble in the new competitive system.

*Competition requires transparency, the quality can only be assessed this way. What is being done for its promotion?*

In addition to their actual role as regulators, the cantons must assume an important task mainly in the field of quality. Quality indicators are to be defined,

### **Why we as patients support the referendum against the "Managed Care" model and advocate the open access to Centres of Excellence in integrated treatment networks**

The association "patienten.ch" as an umbrella organisation represents particular patients with rare and chronic diseases. For them, the free choice of a specialist or a specialized clinic of their faith is a crucial aspect of their treatment. They don't want to be treated by a general practitioner from whom it is usually demanded too much to deal with their diseases: usually he continues the treatment anyway, until he finally has to refer them to someone else. In most cases chronically sick know very well what treatment they need and need not to be patronized. For them the ideal coordinator is not the general practitioner, but the specialist. [...]

The association "patienten.ch" rejects the "roundabout" via a general practitioner or a "Managed Care" model in case of a clear indication for the involvement of specialists. Direct access to the ophthalmologist, gynaecologist or orthopaedic surgeon – just to name a few – would no longer be possible. Instead of "Managed Care" we prefer rather integrated treatment networks and centres of excellence and a free access to medical experts and specialists. [...]

*Source: patienten.ch, speech on the occasion of the Conference on the Referendum against the "Managed Care" model*

*Additional information: Arnold Forster, President Association Patienten.ch., Phone: 031 302 95 15, mobile: 079 478 75 18, e-mail: a.forster@bluewin.ch*

checked, and one must intervene in case these indicators are not kept.

### **"Hospitals with poor quality will have troubles in a competitive system"**

*Did you already set targets for next year?*

There is the National Association for Quality Development (ANQ). In various cantons there were discussions about quality and indicators for quality were defined. This process will develop. My idea is that we will define some indicators and standards throughout Switzerland.

*What did you arrange in Basel?*

We have defined some indicators together with the hospitals, with the service providers and the homecare management. On the basis of the new health law, we have

designed a so-called "Gesundheitsversorgung-Bericht", a report about health care supply. The first edition is published. Therein we will annually publish the financial flows, the patient flows, but also quality aspects.

*The duration of hospital stays is being reduced. Are the cantons prepared to guarantee the care after the hospital stay?*

The situation in the cantons is different. In some cantons one does not assume that an additional transitional care will be needed, in others probably yes. In Basel the already built facilities should be enough. But we will observe the market and, if necessary, intervene. •

*Source: ©Neue Zürcher Zeitung, 31.12.2011*

*(Translation Current Concerns)*

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# International treaties before the people!

## Direct democracy has also to be strengthened in foreign policy matters

by Dr phil. René Roca

The people's initiative "To strengthen the peoples' rights in foreign policy (International treaties before the people!)", which will be voted on 17 June, has been submitted by the non-party *Action for an Independent and Neutral Switzerland (AUNS)*. It is a reasonable and important further development of Swiss direct democracy and enlarges the involvement of the people in foreign policy.

What are the state treaties the Swiss population can already vote on by means of a mandatory referendum? So far only "the accession to organizations for collective security or to supranational communities" (Federal Constitution, art. 140 exp. 1 bst. b) is subject to a mandatory referendum. Further agreements under international law are subject to an optional referendum, i.e., if within 100 days of the official publication of the enactment any 50,000 persons eligible to vote or any eight Cantons request it, it shall be submitted to a vote of the people. Proposals that are submitted to the vote of the people are accepted if a majority of those who vote approve them. However, even as far as treaties are concerned that are actually subject to the optional referendum, juristic dodges aim at weakening the people as a sovereign or to even bypass them.

The people's initiative "International treaties before the people!" is now breaking ground for a rearrangement of foreign policy. It intends to extend the mandatory referendum on international treaties and change the Federal Constitution as follows:

"Art. 140 exp. 1 (existing), d (new)

The following must be put to the vote of the people and the cantons:

- d. the treaties under international law which:
  1. bring about a multilateral legal standardization within important ranges.
  2. oblige Switzerland to transfer future legal regulations in important ranges.
  3. transfer legal competences in important ranges to foreign or international institutions.
  4. entail new unique expenditures of more than 1 billion francs or new recurring expenditures of more than 100 million francs."

Which factual documents or which international treaties should be submitted to a mandatory referendum in the future? Of course, all further bilateral treaties with the European Union (EU), thus the future adoption of EU law; furthermore the imposition to subject Switzerland to EU ju-

risdiction or the plan to regulate further bilateral treaties by means of framework agreement. In addition, in the future the sovereign should also automatically vote

federal basis has to be strengthened again today. We had to realize lately that certain political circles in Switzerland are only acting according to the principle "global

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**"One can act in the interest of Switzerland only when being backed up by the voting people!"**

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on the billion payments to the *International Monetary Fund (IMF)*. The final word has also to be spoken by the citizen when it comes to agreements on education with the European Union, as for example concluded by the Federal Councillor *Burkhalter* in January 2010. Especially in this sector the citizen may not be deceived.

The parliament, performing good factual policy for the country's benefit, could always abstain from a popular vote on less important issues. However, the pressure on government and parliament for submitting a treaty to the obligatory referendum would decisively increase in cases of really important issues. This way, foreign policy goals and planned connections of Switzerland are made publicly transparent and can be discussed. Thus, in the future, the sovereign will be guaranteed that treaties are not negotiated and settled in back rooms, under exclusion of the public. Thus the public principle, one of the central basic principles in a direct democracy, is respected more and the morals of the politicians are strengthened because they have to lay their plans honestly on the table.

### Re-strengthen the cantons

If the initiative is accepted, not only the very complex collecting of votes for an optional referendum will become unnecessary in cases of important conventions, but the position of the cantons will also be strengthened. According to the Federal Constitution, the cantons together with the people constitute the sovereign, thus the highest decision maker. The importance of the cantons, however, is completely negated with an optional referendum, since only the people's majority counts. With a mandatory referendum, however, the so-called double majority counts. The cantonal majority was included in the Federal Constitution in 1848, in order to provide a sustainable basis for federalism in Switzerland. The Swiss federalism was additionally strengthened by the founding fathers when they put through the cantonal council as an equal second chamber of the parliament as well as the cantonal sovereignty of schools and the church. This

– local" and are increasingly negating the nation state and the cantonal level.

### To strengthen the credibility of the Swiss foreign policy

The Federal Council argues, the initiative of "International treaties before the people!" would make international cooperation more difficult and could unfavorably affect Switzerland and its economics. The opposite will be the case! Voting "yes" to the initiative will strengthen the credibility of Swiss foreign policy. The initiative committee holds an apt sentence out to the arguments of the Federal Council: "*One can act in the interest of Switzerland only when being backed up by the voting people!*"

The Federal Council moreover argues that in case of acceptance of the initiative the people would be called to the ballot box too often. They assume that this might overstrain the voting population who does not understand the complexity of negotiations with regard to foreign policy. Such arguments have always been stated, when it comes to introducing more direct democracy in Switzerland. During the 19<sup>th</sup> century rural people's movements had to screw any say out of the then political elites most arduously. Already at that time mainly liberal circles warned of a "mob rule". These circles tempted fate concerning the economic development of Switzerland, if the cantons and the federation introduced the direct democracy. Nevertheless people's movements were able to establish the direct democratic instruments of initiative and referendum in all cantons and also on federal level in the course of long political fights. It was in fact by the help of direct democracy that Switzerland could establish a very successful economic model in the course of the 19<sup>th</sup> century.

### A third step in the referendum on international treaties

The first bill, which concerned treaties, had also to be implemented by an initiative in 1921. The initiative wanted to as-

# Stay adaptable for real needs

by Dr iur. Richard Wengle, lawyer, Richterswil, Switzerland

International treaties have two massive drawbacks compared to internal legislation:

1. In practice, they can partly only under very difficult conditions and partly not at all be adapted to changed circumstances.
2. Where international committees are mandated with adaptation, treaties do not seldom get completely out of hand.

## Flexibility as competitive advantage

We all know: The world changes and in fact rapidly. Those who cannot adapt flexibly and in time will fail. That is also true for states. Who remains flexible has massive advantages.

## How flexible are our laws?

1. For the adaptation of our purely Swiss internal rules one legislative process is sufficient, that is our own.
2. In case we want to adapt a treaty with a foreign state to our needs, a second process adds to our internal one, namely the legislative process of the treaty partner. This has two negative consequences:
  - If the adaptation proposal appears negative for the treaty partner, there will be no adaptation to our needs.
  - If he finds the proposal positive in principle he will demand counterclaims; furthermore *two* legislatives are involved, and it is not seldom that the issue might be misused for political campaigns (like the tax quarrel with Germany shows).

International treaties with *one* other state are more complicated, but allow at least adaptations at minimum limit.

3. If we want to adapt a *bilateral treaty with the EU* to changed needs (for instance the Schengen treaty) the adap-

tation obstacles will multiply. Not only must the EU-administration be persuaded, the EU-commission, perhaps the EU-parliament, but also a qualified majority of the 27 EU-member states has to consent. The process is so long, unclear and non-transparent that an adaptation to changed needs seems to be nearly impossible.

4. Worst of all are multilateral international Conventions. An adaptation to changed needs is politically and practically impossible. Rules of multinational treaties are carved in stone.

For all these reasons it becomes clear: *International treaties make a juridical status permanent and impede or prevent later adaptation to changed needs.*

Is inflexibility a rare, unimportant, a minimal problem? No.

## International treaties are too numerous

In our federal legislation they will fill more pages than our internal Swiss law pretty soon. Thus in 50 percent of cases, adaptations to changed circumstances are impeded or impossible.

*We must put an end to this situation.* An international treaty should no longer be signed for every small matter. Joining for the sake of mere participation must stop.

If international treaties must be – according to the initiative – presented to the sovereign, the Federal Council must prove a considerable advantage for Switzerland in case of each international treaty.

## So-called dynamic treaties

There are international committees entrusted with adaptations. We signed, e.g. the *European Convention on Human Rights*, to prevent killings, torture and ar-

bitrary arrests. But what does the Court of Human Rights do instead? It deals with photographs of princess *Caroline of Monaco*, protects an association serving the purpose of illegal squatting of buildings and orders insurance companies to be obliged to pay for gender reassignments. That was definitely never the intention. An attempt to lead the Court back to its kernel competences failed miserably not long ago.

Does an international regulation not serve the interests of the Great Powers, they simply ignore it. The USA simply say “no” to further financial commitments to the *International Monetary Fund* (IMF). And what about us?

There would never have been a consent to joining the IMF, had the sovereign known that two years ago 16,000 millions and this year 10,000 millions of obligations had to be fulfilled. And how many billions next year? With this money we could refurbish all of our social services.

He, who believes that with piling up IMF debts on top of the old state debts one could overcome the European debt crisis is barking up the wrong tree.

Here plebiscites are obligatory. Let us stop this galloping nonsense with a Yes to the initiative.

## The initiative

- sharpens the view for the disadvantages of the inflexibility that each international commitment implies.
- prevents international treaties that do not have a considerable advantage for Switzerland.
- prevents exorbitant obligations by circumvention of the plebiscite.

## Also for these reasons a Yes for the initiative!

This so-called “judge article” points out well to what is at stake today. Without democratic participation, Switzerland may not conclude international treaties which will submit the country to foreign legislation and to foreign judges. We must clearly refuse being bound to the crumbling European Union and to other international big entities. Instead, Switzerland must *finally leave the way of servitude* and – referring to the Federal Charter – must strengthen the original confederation and act as a self-confident sovereign country. The initiative of “International treaties before the people!” hence provides an important contribution. •

## “International treaties ...”

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sign unlimited and non-redeemable treaties to the referendum which was clearly accepted by a majority of 71.3% votes in favor. Since then the referendum on treaties was twice enlarged, namely in the years 1977 and 2003. Now another step has become necessary with the initiative “International treaties before the people!” with the specific enlargement of the mandatory referendum in case of foreign contracts (treaties).

The initiative strengthens the national sovereignty of Switzerland. Swiss electorate is able to act with regard to foreign

policy only if they have a say with treaties. Our proven political culture includes *an open and honest discussion about all plans on how to co-operate with foreign countries*. Certain political circles, who want to adopt foreign legislation and its development in treaties (thus legislation, which they do not know at all yet), are reminded of the following: In the first *Federal Charter of 1291* the Swiss decided “to defend themselves seeing the malice of the age”: “... *in common council and by unanimous consent, that we will accept or receive no judge in the aforesaid valleys, who shall have obtained his office for any price, or for money in any way whatever, or one who shall not be a native or a resident with us*”.



# “International treaties before the people!” – The alignment of our foreign policy is a significant democratic affair

by Dr iur. Marianne Wüthrich

In recent decades, the Federal Council and parliamentary majority have concluded a large number of international treaties, which left deep scars in the foundations of our governmental structure, without any chance that we, the politically interested citizens could obtain any information, let alone would have been able to express our views. In particular, Switzerland's ever closer integration into the EU regulatory network is steering our state ship in a direction over which we seem to lose direct democratic control the longer the more.

The Swiss population has long been highly alarmed by the insidiousness of this approach. According to the arguments put forward by the people's initiative, more and more EU legislation is being adopted by the Swiss legal system, even though Switzerland “at least formally has not relinquished any sovereign rights to the EU”. Especially in some recent agreements, Switzerland actually commits itself to take on the further development of EU law (AUNS, leaflet, p. 15). Because of this development it is absolutely necessary to change course and to steer into the opposite direction.

In its voting “brochure” the Federal Council claims that “the extension of the mandatory referendum was unnecessary, because direct democracy already applies to the treaties.” Indeed, the councilors subject each year ten to twenty international agreements to the optional referendum, because they meet one of the requirements of Article 141, paragraph 1d of the Federal Constitution (see article by Rene Roca). In 2009 these were twelve submissions in total. However, only in two of those cases the referendum was put forward; in the three previous years no treaty came to a vote (*Botschaft des Bundesrates – Message of the Federal Council – 10 Oct 2010, BBI 2010, p. 6975*). The Federal Council seems to have drawn the erroneous conclusion that voters are not interested in many international treaties, because otherwise the optional referendum would be put forward more frequently.

## Politically interested citizens want to vote on all major international treaties

This interpretation is by far mistaken. I personally, and many other citizens, would like to vote on all state treaties which will result in important changes to our legal system if accepted, without the need to collect 50,000 signatures each time. Have you

ever organized a referendum vote? Such an effort cannot be afforded by even the most committed citizens, not even by the well-organized political parties every day! And how dare the Federal Council assert that provided the people's initiative was accepted, “undisputed” agreements would further have to be submitted to a vote? How does the Federal Council know what submissions are undisputed? This is exactly what the people and cantons decide at the ballot box.

## What are “important” agreements? This is not so hard to decide!

In its message the Federal Council wonders which agreements are actually considered as “important” according to text of the initiative: “Are all agreements that Switzerland wants to conclude with the EU important just on the basis of the fact that they concern European politics? Is the agreement on statistics less important than the agreement on the fight against fraud? Is – always in European-political context – air traffic more important than research funding?” (*Message, p. 6978f*)

In the same message the same Federal Council tells us that this issue has already been clarified, as today's optional treaty referendum in accordance with Article 141 BV applies among other issues to agreements that “contain important legislative provisions”:

“Although the application of the new constitutional rules had raised several questions of interpretation shortly after coming into force, the meanwhile developed practice of the Federal Council and Federal Assembly has been consolidated. There have not been fundamental differences of opinion or public debate over the question whether a treaty is to be subject to a referendum.” (*Message, p. 6969f.*)

So, all clear – then why the hue and cry?

## Examples of article 140, paragraph 1, d (new)

### on subparagraph 1

An example of the commitment to direct takeover of foreign law: the ECHR (*European Convention on Human Rights*).

### on subparagraph 2

Examples of the obligation to change the domestic law: all the bilateral treaties between Switzerland/EU, all double taxation agreements.

### on subparagraph 3

Example of the obligation to submit to foreign courts: so-called Joint Commit-

tees in the bilateral agreements under which EU law is exclusively applicable. on subparagraph 4

Example of large payments to foreign countries: parliament increases 6 billion Swiss francs contribution to the IMF to 10 billion to help mend the ever enlarging euro hole.

## Treaties, which would have had to be submitted to the mandatory referendum during the last years:

Of course all bilateral agreements with the EU are important – particularly because they all have more or less drastic effects on our legal system – of course they are to be submitted to people and cantons compulsorily for approval or non-approval, namely each individually, not in a package, as it was the case with the bilateral treaties I for tactical reasons. However, in addition there are other extremely important treaties.

## The bilateral treaties I (in force since 2002)

- *Free movement of persons*: the labor markets are to be opened (consequences are known)
- *Technical barriers to trade*: an easier admission of products
- *Public procurement*: broader access to the European buying market (duty of Federation, cantons and municipalities to accept the most favourable bid EU-wide instead of Swiss SME for their infrastructure plans)
- *Agriculture*: simplified trade of certain products (cheap goods flood the Swiss market)
- *Land transport*: Opening of the markets for traffic and rail transport (40-and 60-tons trucks flood in unreasonable number our country, in contradiction to “The article on the protection of the Alps”, article 84 FC)
- *Air traffic*: mutual access to the airline market (for protection of the *Swiss-Air* it was supposedly absolutely necessary – today only *Lufthansa* exists, which has access to the airline market anyway, for this reason Germany maltreats us with their rigid flight regime)
- *Research*: Swiss participation in the EU Framework Programs for Research; expenses: 2.4 billion francs for 6 years (2007–2013) (integration in EU programs for a lot of money, without controlling possibility for us citizens)

**“International treaties before ...”**

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**The bilateral treaties II** (the agreements have gradually come into force since 2005)

- *Schengen/Dublin*: Lifting of the border controls, intended coordination of the asylum system (does not work till this day)
- *Taxation of savings interest* (primarily payments of Switzerland to the EU)
- *Fight against fraud*: Fight against offences like smuggling (Among other things Swiss companies can be made submit their accountancy to EU investigators.)
- *Agricultural processing products*: Reduction of customs and export subsidies for products of the food industry (Cheap goods flood the Swiss market.)
- *Environment*: participation in the EU-Environment-Agency (Swiss environmental legislation, however, is widely stricter.)
- *Statistics*: Harmonisation and exchange of statistical dates (data security?)
- *MEDIA*: Access to the EU support for filmmakers (Switzerland could pay their contributions to Swiss filmmakers for less money directly, but then our decision makers could not be avoided.)
- *Education*: Participation in EU-educational programmes (with serious results for our education system)
- *Retirement pensions*: Elimination of the double taxation (for pensioners of the EU management with residence in Switzerland: They pay their taxes to the EU while living here tax-free.)

**Additional current international agreements of fundamental importance:**

- *European Economic Area (EEA)* referendum in 1992: EEA was submitted “for political reasons”, so voluntarily,

the mandatory plebiscite and was rejected by people and cantons.

- *Access to WTO*: Connection of Switzerland with the limitless global market (The referendum did not take place because nobody really committed himself to it – therefore, a contract with so serious results is valid just by simple parliament decision.)
- *Cassis de Dijon*: one-sided admission of products from the whole EU space whose production corresponds merely to the EU regulations (The referendum did not come about, the negative results are becoming apparent more and more.)
- *Partnership for Peace (PfP) and Euro-Atlantic Partnership (EAPC)*: Cooperation with NATO, accession in 1996 or in 1997, since so-called voluntary adaptation of the Swiss army to NATO for the purpose of possibility of common deployment like KFOR in Kosovo (by simple decision of the Federal Council, through circumvention of parliament and people)
- *Cooperation agreement with the European defensive agency (EVA)* with regard to EU arms projects as well as the purchase and maintenance of armament (approved by the Federal Council on the 15 February 2012, without parliament)
- *Financial contributions amounting to billions into the EU pot and to the IMF*
- *Numerous double taxation treaties*: Switzerland promises withholding taxes on interests of foreign account owners to a huge number of states or they promise to break the banking secrecy, while they answer so-called group enquiries to foreign countries (continually finished since those financial difficulties of other states, though not caused by Switzerland).

**Examples of future treaties on which the people must vote by all means:**

- *Agrarian agreement Switzerland-EU* (result would be a massive decline of farming in Switzerland.)
  - *Electricity market agreements* (cross-border European market in favor of the big electricity groups, with serious results for our smaller, locally embedded electricity producers)
  - *Changes in the company taxation* (cantonal law which the Federation is not permitted to negotiate)
  - *Framework agreements for “peace promotion”*: Connection to the common security policy and defence policy (GSVP), current participation in three so-called peace-supporting GSVP applications in Bosnia and Herzegovina as well as in Kosovo (in plain terms: Participation in the EU’s war politics; Federal Council member *Calmy-Rey* wanted a GSVP framework agreement with the EU to “facilitate the administrative expenses” with which she failed so far, the project is currently frozen.)
  - Framework agreements to so-called institutional questions (acquisition of EU law on EU order; will be later discussed in *Current Concerns* in detail.)
- The approval of this initiative is an important step, so that people again can give clearer direction to the policy of foreign affairs. Thus the continuing march from “federal Berne” in direction of EU surrender can be stopped, and also the eager bows to foreign tax offices which want to fill their pocket-holes with our money can be prevented by the people. •

(Translation *Current Concerns*)

## No more bets, please!

by Reinhard Koradi

Most of them still hold their executive positions, but the tricks do not work effectively any longer. No matter what actions are taken – debt limits, stimulating economic growth, political calls for perseverance or monetary support measures – no one is expecting a positive change. Shares are falling, Greece is teetering and the euro still weakens slightly. The peoples are starting to resist the high finance’s dictate and its closely connected elites. The willingness to foot the bill for others is declining.

Who cheated or pushed one’s luck too much? Is it the United States that can shirk responsibility for the financial and economic crisis due to the euro crisis? Or is it Europe – more precisely Brussels and *Ms Merkel* – engaged by the US that push centralism by all available means? Or is it the power-mad elite in all its excessive arrogance that does not respect boundaries and even does not stop short of waging wars?

We will all be the losers – however, the people cannot be dismissed but the manipulators and constructors of the worldwide crisis instead. We can look for new horizons and sharply rebuff the delusion of centralism’s healing power, enforced political conformity, concealed ecologic terror and unlimited markets. We ought to give back their sovereign rights and self-determination to the nations and demonstrate respect for their sovereignty. •

# The debt crisis – its cause is redistribution and its consequence debt servitude

by Professor Dr Eberhard Hamer, Germany

The indebtedness of America and most European countries is not only dynamite to the international monetary system, but also to the cohesion of Europe and even to the cohesion of individual nation states.

The large public debt crisis directly threatens our currency, our savings, our prosperity, our economic structure, our businesses, our jobs and our livelihood.

For three years, debt problems have shown in various countries with differing intensity and they have been worrying politics, economy, central banks and academia – so far without a common strategy, a way out or even a solution.

- Why are mainly the world's democracies most heavily indebted, at least more than the dictatorships?
- Where does the unimaginable funding come from, which made the world's countries run into debts?
- And why has nobody put a timely halt to decades of additional debts?
- Why have 40 years of accumulating excessive debts only become a world problem in the last few years and not earlier?
- Why do some countries not solve their debt problem in the classical manner by declaration of state bankruptcy and a solid restart?
- And why do financial markets and the rating agencies not focus on the absolutely largest national debt in the US but on smaller individual debts of European countries?

To all these questions there must be a joint explanation, because in the big game of the world financial industry nothing happens by chance, nothing without a purpose. But the international financial crisis and its underlying indebtedness already suggest that there must be a link, and that cause and effect of the financial crisis could be controlled, or that mighty financial forces might possibly be the wirepullers behind this crisis.

## Why have almost all democracies got into debt?

While the feudal states of the 19<sup>th</sup> century did above all intend to establish security, order and justice, the democracies of the 20<sup>th</sup> century are characterized by aiming at freedom and equality before the law. People should therefore be enabled to determine their political leaders by means of universal suffrage, i.e. vote them in or out of office. The political elite therefore had to fight for voter majorities.

The times of political competition with political ideas however are long gone.

They have been replaced by a competition of political parties with ever greater offers to the voters, promising them more state services and greater benefits. Anyone who promises most in election campaigns has the greatest chance of being elected. That is why the political competition does no longer enhance the democratic state in the sense of shared ideas, but by increasing public services to growing population (voters) circles.

In this view socialism, which was more or less predominant in all 20<sup>th</sup> century democracies, developed a demand for "social equality" out of the equality before the law and the equality of chances. Allegedly all people were not only equal, but also consubstantial and therefore entitled to equal claims to equal opportunities and equal welfare. The purpose of the welfare state is therefore to serve "social justice", while it remains controversial

- whether it is socially just, if everyone can enjoy the yield of his increased performance by himself (liberalism)
- or whether the "higher earners" may be deprived of more and more income to distribute it to others, at least if necessary (bourgeois parties)
- or whether basically all should be offered equal pay and equal conditions by redistribution (socialism).

## The democracies of the 20<sup>th</sup> century have degenerated into redistribution states

*Redistribution* has therefore not only become the main campaigning issue for the political parties in the welfare state of the 20<sup>th</sup> century, but also the dominating purpose of the state and the essential government activity. Since redistribution means that in order to give something to the one party we have to take something from the other party and the latter usually do not give it voluntarily, the state's power is required to enforce redistribution according to the respective political aspirations by means of coercive and judicial power. The democracies of the 20<sup>th</sup> century have thus not only become welfare states, but also redistribution states with their new state purpose of social redistribution of income and wealth.

A finely tuned system of more taxation for more income (progressive taxation) has been developed to bleed the better-off increasingly dry and gain money for social policy and redistributive policies. In most welfare states, therefore, the incomes of higher earners and corporate profits are coercively taken away by two

thirds in order to redistribute them to the political clientele.

Contrary to their claims the democratic parties do not exercise political power in favor of the citizens, but for their own sake and that of their followers. In this sense, the political benefit of each redistribution means that a party as holder of executive power can seize public taxes and social contributions under public constraint and hence distribute public social services.

Thus, any ruling party can reward its supporters for services rendered, for voting or generally for their political support, but it may also weaken its political opponents by taxing them, and thereby stabilize their political power.

The fact that the respective opposition does not fight such governmental redistribution is related to the fact that they, too, want to leave the door open for the distribution of electoral gifts to themselves and their followers in the event of a change of power in order to secure the advantages of being in power. In case of a change of power the formerly enriched will be disenriched again and the formerly disenriched will be enriched again. It is only the direction of redistribution that varies in a democratic government change – if at all – whereas the redistribution system as such remains unchallenged. All the political elites are interested in it, hoping to come to power or share power at some point by votes.

In this respect the democratic state in the 20<sup>th</sup> century has deteriorated into bribery helpers (election gifts) of the respective political elites in their struggle for votes and power.

Any redistribution, however, is a one-way street without return for the beneficiaries. Once granted, social benefits can hardly be withdrawn politically without attracting such ingratitude of the electorate that power will get lost. So there is a continuous increase, especially before elections.

An additionally enhancing effect emerges from the fact that certain benefits must be granted not only to the own political constituencies but to the entire population. Thus, some redistribution measures, sparked by another but inevitably wider benefit, become the starting point of a snowball effect, which extends on ever larger population groups (constituencies) by the time. These social gifts, however, are so common that most people do not consciously appreciate them. More than

**"The debt crisis – its cause ..."**

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three-quarters of the German population receive some transfers. A slight majority lives exclusively on them.

Not only is the income redistributed through government redistribution programs, but also the assets. Socialism changed the slogan of the "unjust distribution of wealth" into "social injustice" and demanded a new distribution of income and wealth, based on the needs rather than oriented at one's own performance. The property tax, established for the purpose of distributing the assets of the industrious to those with "low income", is therefore still a central requirement of all socialist parties.

**Big money is free – the main victims are the middle classes**

Main victims of this redistribution of income and wealth are the hard-working middle class. According to official German statistics, only 34.3 million (42%) of the 82 million inhabitants of Germany are "living on their work". According to official statistics, a minority of 42% of workers must therefore finance a majority of 58%, including their own family members.

Among the workers there are two very different groups:

1. Those, who live on their market income, such as employers and workers in the private sector.
2. On the other hand there are those who are indeed employed, but live on the taxes and social contributions of the former as public servants, social officials or people with transfer incomes.

In this sense, 66.1% of the population live on taxes and social security contributions of 33.9% of market performers, assisted by governmental redistribution of transfer incomes. The FDP (Free Democratic Part of Germany = Liberals) has painfully experienced this when they struggled in general for tax cuts and did not realize that now two-thirds of the population – namely the earners of transfer income – have already become interested in higher taxes for the market performers, because only then they could expect higher transfer incomes for themselves (public salaries, pensions, social benefits).

Redistribution in the sense of "establishing social justice" through the welfare state is operated not only by the political parties for matters of electoral corruption and is not only welcomed by a majority of the population, i.e. the recipient of redistribution benefits, but it is pushed forward also in the interest of an ever-growing army of social officials, for which the redistribution has created a "rule through care". Even *Ludwig Erhard* has always

warned against such "rule through care" and has branded social feudalism – namely, the parasite lives of those who distribute public funds at the expense of those who have to work for them.

**Social feudalism ruling over all others**

Wherever we look we recognize such social feudalism in Germany, not only in public administrations and the social system:

- The public broadcasters waste more top salaries than the funding federal states employ permanent secretaries.
- In the public chambers, water associations, housing associations, building yards etc. the officials have adjusted their salaries to those of private business management salaries, but nevertheless reserved public service law with public security and public pensions for themselves.
- Every evening a cultural jet set performs theater plays in highly subsidized places which only please the director, but make the audience run away
- A favorite field of activity for social feudalists is environmental protection. Whoever finds something in the environment that is worth being protected, can secure his ruling power over others with a public feudal position.
- Each group that is allegedly worth protecting has its own public official: thousands of functionaries for release, women, gays, lesbians, the environment, immigrants and the disabled, etc. are in highly paid public feudal positions without a genuine task.

As in any feudalism, the feudal officials have made their public status unassailable by the fetish word "social". Those who are not "social" are discriminated by society. For instance, not only the social benefits increase without limit, but also the number and income of the respective social functionaries. They are the priests, the nobles, the exploiters and the main beneficiaries of our sprawling redistribution state.

**Costs of redistribution**

The drawback of an increasing social feudalism and an ever more unbridled redistribution lies in their costs. Every benefit that the state wants to distribute must be paid by someone.

Traditionally in Germany, all social benefits are financed by labor taxes and social security contributions. The stronger the redistribution and the stronger the increase in costs for the army of social functionaries, the greater is the increase in additional labor costs. This is why Germany has the *highest labor costs in the world* and why it is becoming increasingly difficult to compete with countries such as China, who are much more competitive

because they have no such social costs and therefore no additional labor costs and can therefore produce at lower prices but the same performance.

The average gross wage in Germany is around 3,500 € a month. A celibate will only get a net of 55.9% of his wages. Due to the additional costs for the employer such as sick pay, holiday pay, social cost share, etc., the total cost of that worker amount to € 6,000 gross. The net earnings of the employee is thus expressed in one third of its total gross cost or otherwise, two-thirds of what the employees have to gain is absorbed and redistributed by many government tentacles (see *Hamer, E.*, "Mittelstand unter lauter Räufern" [SMEs fallen victim to predators]. 2011, pp. 66 ff.)

Redistribution is not only operated horizontally, the key player is ripped off of the benefit of beneficiaries – and vertically the government distributes on all levels:

- Traditionally, Germany has socialist states "Länder", which have been affording the highest administrations and redistribution for decades while at the same time they insist on equalization payments from the more solid states.
- At the national level "European solidarity" has recently required the largest financial transfer from financially sound countries – particularly Germany – to the bankrupt and corrupt EU member countries: ESM – "European debt machine".
- Even the international organizations have classified Germany as the main contributors, for example the UN (€ 530 million), the World Bank (€ 370 million), ESA (€ 557 million), etc. (See *Hamer, E.*, p 91).

Actually, there was once a natural limit for new social benefits that politicians and social functionaries could continually distribute and fulfill new tasks at public expense: The amount of the income of a country. However, since paper money can be printed at random and banks and institutional investors claim that they were able to allocate secure loans to states, the limit of the public revenue has no longer been the limit of public spending. Loans opened up an additional valve for expenditures, which provided the politicians with a convenient way for ever new redistribution and social gifts: public debts.

As long as additional debts could be contracted at all levels of redistribution, the enthusiasm of redistribution has not been slowed down, as you can always distribute more than you earn and the citizens can pay for the time being. So you can live permanently beyond your means hoping that the future will regulate debts some time.

## Voting on ESM ratification in Austrian parliament postponed

hep. In the Austrian parliament the ratification of the already decided EU fiscal pact was originally fixed at the middle of May. Thanks to different committed initiatives, critical statements from individual persons as well as the foundation of the persons' committee "For a national referendum on the EU fiscal pact" have contributed to the planned approval of the treaty to be withdrawn from the agenda of the National Assembly which otherwise would have been intentionally smuggled past the citizens quietly and unnoticed.

On a press conference in the run-up of the demonstration *Boris Lechtaler* summed up the concern of the persons' committee briefly and concisely: "It's about a fundamental democratic question, that's the issue here: The parliament has the right and the obligation to decide on the income and expenses of the state. This right can not be transferred to non-legitimised institutions like the European Commission or the ECJ. The parliament has not the authority to transfer this right. Therefore, the persons' committee calls for a national referendum on the fiscal pact."

The well-known Austrian economic researcher, *Stephan Schulmeister*, sup-

porter of the initiative explained in an interview to the weekly "Die Furche" (The gutter) on 10 May: "The basic conception of the pact originates from the neoliberal Chicago school of economics and results from a model that under president *Reagan* the US already checked out and rejected it later because it turned out to be impracticable. Basically it says nothing else but restraining the political freedom of action in order to facilitate the freedom of money."

In the long run the fiscal pact would strangle the economy and the welfare state.

*Gerhard Kohlmeier*, AHS-teacher and founder member of a bipartisan taxes' initiative of the Austrian Federation of Trade Unions ÖeGB formulated in an open letter to the members of parliament as early as April the following:

"Numerous critics of the fiscal pact are in complete agreement that besides this constitutional question it conveys clauses that are so substantial for the future of the people of our country that a ratification of this treaty under no circumstances may take place in parliament by simple majority but has to be put on the vote to the Austrian people.

In this context I want to refer to the promise given by Chancellor *Faymann*, to hold referendums in future when changes are made in the framework of the EU treaty. [...]

I want to know from you personally if you – also acting as my personal representative – will stand up for a referendum about the fiscal pact and if not, with which argument you intend not to do so. [...] Trade unions and official representations of employees of all European countries, in Austria too, have given warning of further steps of de-democratization. The German federation of trade unions strictly rejects the fiscal pact on grounds of democratic and economic considerations, as the Austrian Trade Union Federation also does. (Cited from the open letter of Mag. G. Kohlmeier to all members of parliament, ministers and the Federal President at 10 April, [www.steuerini.at](http://www.steuerini.at))

The spokesman of the board of "More-Democracy", *Erwin Mayer*, stressed that a referendum has to be the right of the people, and never may be an act of grace granted by parliament. Calling for a referendum on the fiscal pact is thus "a litmus test for the credibility" of the stance on developing direct democracy.

### "The debt crisis – its cause ..."

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This has led to the highest debt in history on all public levels. However, some governments have always claimed they were making savings. They only choked the amount of new net borrowings, but not at all the additional debt. So the overall debt steadily increased. Sometimes it increased more, sometimes less, but always constantly. The large public debt is therefore the result of the large public redistribution, the addiction to an ever greater distribution. And even the money they hoped to earn in the future.

#### Through indebtedness into bondage

All indebtedness always requires another party to the lender. In the private sector, a lender would not give more credit than the debtor can pay interest and principal, hence as long as the debtor is creditworthy.

In nation-states, such as the USA, Greece, Portugal, Spain and others, however loans were apparently not distributed according to creditworthiness, but far beyond. Greece, for example, would be able to repay neither its debt of 380 billion over the next 50 years nor the interest. Many other European countries in the world are already also indebted well above their creditworthiness (see ratings). So if the international high finance gave the countries

in the world excessive unbearable credits, it must have had its reasons.

The unrestrained public debt began in 1971, after the Federal Reserve Bank (Fed) released by the American president from the gold standard; hence dollars could be printed not only because of the gold reserves, but freely and without restraint. Since then, the money supply in the world has increased by a factor forty in thirty years, tripling again in the last five years, and thus the money supply increase of the US became ever unrestrained. This enabled the owners of the private Federal Reserve – the *Goldman Sachs gang* – to distribute uncontrollably more and more loans and by the distributing unrestrained credit to more than 200 countries around the world they have created a world rule supported by American bases or occupation forces. Meanwhile, more than 200 countries in the world owe interest and tribute to the US high finance – the lords of the dollar empire. What previous generations had to achieve by military conquest – namely, to subject countries and make them pay tribute – has been achieved by Goldman Sachs through the free creation of money, lending, and the resulting debt bondage. More than 200 countries owe them tribute and repayments. On credit, they built the largest financial empire that was ever created in history.

The redistribution of new gifts to the citizens by making debts was therefore

on the part of lenders a deliberate means to drive states and their citizens into debt bondage, to make them pay tribute and be ruled as vassals.

*John Perkins* was one of the top American agents of the US high finance, who was supposed to force countries into debt bondage. He and his colleagues had to create the conditions by which the countries should be subjected to US high finance. He wrote about "[...] corporatocracy [high finance] running our biggest corporations, our government, and our banks.

Like our counterparts in the Mafia, EHM's provide favours. These take the form of loans to develop infrastructure – electric generating plants, highways, ports, airports or industrial parks. A condition of such loans is that engineering and construction companies from our own country [USA] must build all these projects. In essence, most of the money never leaves the United States; it is simply transferred from banking offices in Washington to engineering offices in New York, Houston or San Francisco. Despite the fact that the money is returned almost immediately to corporations that are members of the corporatocracy (the creditor), the recipient country is required to pay it all back, principal plus interest. If an EHM is complete-

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**"The debt crisis – its cause ..."**

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ly successful, the loans are so large that the debtor is forced to default on its payments after a few years. When this happens, then like the Mafia, we demand our pound of flesh. This often includes one or more of the following: control over United Nations votes, the installation of military bases, or access to precious resources such as oil or the Panama Canal. Of course, the debtor still owes us the money – and another country is added to our global empire." (John Perkins, "Confessions of an Economic Hit Man", p. XVII)

**The example of Greece**

You can recognize the same pattern in the debt crisis, for example, Greece only joined the EU through fraud by *Goldman Sachs*, who fed it up to 380 billion euros in loans. In the alleged rescue efforts however no "private equity" from lenders could be found, but the discussion was only about how other not over-indebted countries should be held responsible for the over-indebted Greece. Allegedly out of "European solidarity" to help the local population. Thus in Greece, things did not get better but became worse and worse. Nor did the help remain there, but instead the money went straight on from the bondage countries to the creditor banks of high finance. Practically speaking, the entire bailout was no bailout to help the debtor countries, but was to help the US financial hyenas, which had forced the world into debt bondage. They have the power to drive other not over-indebted governments into violating their constitutions and into joint liability to US finance. The debts were not allowed to disappear; they had to remain intact to preserve the rule by dollar debt bondage. The alleged rescue systems are rated higher and higher, and for this reason also the ECB, contrary to its statutes, must unlawfully buy more and more debts from over-indebted countries (over 700 billion euros), and so the euro interest rates are kept artificially low so that the growing debt remains in an ever-increasing money supply (newly printed money). With the help of rescue systems Germany embarks voluntarily into joint and several liability for insolvent European debtor countries to US high finance. The individual debts of these countries become joint debts, for which Germany as a whole will then be liable. This means that the German parliament's decisions on the fiscal union and the ESM ("European debt machine") would be a second enabling act, handing Germany's financial sovereignty over to a European dictatorship. The first Enabling Act in 1933 created a national dictatorship; the second is creating a European financial dictatorship. And in the

background high finance is pulling the strings to create an ever larger and more complete bondage throughout Europe.

**Any solution to the financial crisis must maintain the interest bondage**

The debt crisis in Europe has been building up for decades. It will now always be cited by the US rating agencies, when the dollar drops, when the US debt, in the world's consciousness, leads to a loss of confidence in the dollar. For then the US will not receive the necessary annual 400 billion dollars from abroad, which the US needs to remain solvent (it has been in debt for a long time). So if the dollar loses confidence, the euro must lose even more confidence, so that speculators will not flee from the dollar into the euro. So the US high finance needs so the euro crisis to maintain the dollar empire.

At the same time the global financial empire needs to maintain debt bondage, which is the national debt, so that no country can escape paying tribute. Therefore a country must not declare national bankruptcy in order to get rid of the debt to US high finance.

Thus only temporary solutions are taken into account, which do not compromise the existing debt bondage and dollar domination of US high finance:

1. Allegedly, the debtor countries will achieve long-term financial restructuring by austerity programmes. Therefore, for example, Greece is forced to save. However, in a democracy no government can implement serious austerity programmes without being chased out of office. The electorate tolerates only limited restrictions. So saving will not solve the current indebtedness. So soon the austerity programmes will have to be abandoned.
2. *The EU should solve the debt crisis in Europe on instructions from the US.* Behind this is the quest to find indebted countries able to pay for the time being through contributions and guarantees by the countries that are not yet over-indebted. But behind it is also the aim of the global financial empire to drive those countries which are not yet over-indebted into debt bondage, too, by turning guarantees for the individual debts of heavily indebted countries into a total debt of all European countries. It is for this purpose that alleged rescue systems and the ESM have been set up, to socialise the debts, and in particular to drive Germany into over-indebtedness and to make all countries liable for the loans from the US high finance.

These measures only gain time; the problem is not solved, but only increased and intensified.

- The US itself tries to solve the over-indebtedness by a glut of money. The higher the debts grow, the more money is to be released in order "to drown the debts in the money supply". This is also attempted in Europe through the ECB. The ESM ("European debt machine") is nothing but such a money making machine.

**And now: Printing presses running at full speed?**

The increase of money in Europe is also necessary to prevent the dollar exchange rate falling too much despite this unrestrained proliferation.

Money supply increase always means inflation. This leads to progressive and later galloping inflation. Any runaway inflation eventually also leads to currency reform, the loss of monetary value.

What is fascinating for the high finance here is that its relative debt bondage – its power over the states – remains both with galloping inflation and currency reform. The path of money supply increase, inflation and currency reform only destroys the financial assets of the citizens, but maintains the debt dominance of the financial empire.

How would this affect us?

1. The losers in every currency reform and inflation are all holders of monetary values, all holders of monetary assets.
2. All transfer beneficiaries and recipients of current child support payments are also affected by inflation.
3. Many wealthy people thus become poor, especially in terms of their financial assets, while property owners only lose if the state imposes compensation taxes on them (load balancing).
4. Only a currency reform will end the sham prosperity and opulence, and life based on public benefits, making many nations poorer again.
5. The nations will then necessarily have to either develop away from a transfer society to a meritocracy, or they will abandon international competition and retire into poverty.

**Next aberration: war?**

However, there could soon be a completely different way, which often appeared to dictators as a last resort when their backs were to the wall: It is no secret that Israel wants war later this year. The American Secretary of War, *Panetta*, expects Israel's attack on Iran "between April and June this year". However, in his view it depends on how long the Mossad and the insurgents in Syria need to either "pacify" or at least destabilize this country so that the threat

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# Setting the course for a GMO-free agriculture

## Accepting the motion for an extension of the GM moratorium

Interview with Markus Ritter, National Councilor and president of St Gallen Farmers' Association



National Councilor  
Markus Ritter  
(picture ma)

*thk. Next year the extension of the so-called GM moratorium will expire. Just in time National Councilor Markus Ritter has filed a motion asking for another temporary extension of the moratorium.*

*It is the Swiss citizens' desire to abstain from the use of genetic engineering.*

*After all, today's moratorium goes back to federal popular initiative "For GMO-free food" that came to vote in 2005 and which has clearly been approved by 55.7 percent of the population and by all 26 states (cantons and half-cantons). At that time the initiative prohibited the release of genetically modified organisms (GMOs) for 5 years and in 2010 it has already been extended for another three years. In the summer session the Parliament will decide on another extension.*

*National Councilor Ritter, your motion demands an extension of the GM moratorium. Which objective is pursued by the moratorium?*

The objective is to prevent the release of genetically modified plants in Switzerland. It does not affect the research, but the release. It means that genetically modified plants may not be used for cultivation. This is the main target as it has already been stipulated in the moratorium and the Genetic Engineering Act.

*What does that mean?*

It is again a matter of a temporary solution which exactly regulates the prohibition of

the release of GMOs. The Federal Council tends to regulate the issue in the Genetic Engineering Act and not in the Agriculture Act.

*Would it not make sense to do basically without genetic engineering in agriculture?*

What makes sense right now is to wait until still pending research results are available; there will be another report on this issue in summer. At the moment it is very important that the citizens of our country reject genetically modified products in the food sector. People do not want to buy these foods especially for fear of unknown side effects, of risks you do not know. Of course, the market

signs indicating that one should change to GMOs.

*So it would not be a disadvantage to agriculture to continue refraining from the use of GMOs?*

No, this would actually mean an advantage, because there are no recognizable advantages either in cultivation or in marketing. The only ones exerting pressure are those who work in research, because they want to siphon off the market potential. In contrast to other countries, people in Switzerland have the advantage to take their own decisions in agricultural policy. They can determine for themselves what is admitted and what is not, how they want to regulate things by law, etc. Swiss agri-

### "Our animals refuse ..."

gs. Recently I met my schoolmate again. She told me – among many other things – a most interesting observation: Her sheep and goats are refusing to eat food that contains genetically modified soy. Normally on her farm only home-grown food is given. While rearing of the young lambs and goats once she put down conventional breeding food for the offspring, then the mother of the young came to the feeding trough first, sniffing and then turning away with her head held high.

Lo and behold! None of the young animals took even a crumb of it! Next day the feeding trough was still untouched whereupon my schoolmate carried it away thoughtfully. The checking with the manufacturer revealed that a certain percentage of grinded up soybeans was contained in it, coming from countries where there is no ban against cultivation of genetically modified products. She also said and added that she had the deepest respect for her mother animals ...

demand is crucial in order to judge such matters. On the other hand according to present knowledge we have absolutely no plants which would provide a significant advantage in cultivation for Swiss agriculture, so that it would be foolish to take a risk at the moment. Neither in terms of cultivation nor in demand there are

culture has naturally had a few examples when consumers were confused and serious damage was done to agriculture. BSE (beef), avian influenza (poultry meat) and last year the cucumber (false report about E-coli pathogens) – of course, we have become very careful about taking new risks

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### "The debt crisis – its cause ..."

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from Syria on Israel's northern border is no longer a danger. Only then could Israel move against Iran.

If this war alternative became reality later this year, a third world war would result. The US is obliged by treaty to help Israel, and NATO is no longer a defensive force but an auxiliary of US power would be there financially, with soldiers and equipment. Such a war would blank

out the current global financial crisis. In war finances have never played a role, because the attackers were hoping for victory and the spoils. The US has also developed into the leading economic power in the world through major economic crises, wars and war booty. Why should they not try a third time?

However, a war would endanger the Gulf oil supply, and probably double or even triple the price of oil in the world at once with all the ensuing consequences on prices, costs and prosperity.

Whether in an attack on Iran, its allies the Russians, Chinese and Pakistanis would remain idle, seems equally questionable, especially since they are dependent on the Iranian oil.

This military solution to the financial crisis would be the most damaging of all alternatives (Third World War). In contrast, peaceful inflation and currency reform would be the "lesser evil".

(Translation Current Concerns)

**"Setting the course for ..."**

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with modified plants, whose side effects we do not know.

Our top priority is the production of healthy food. If the citizen as a consumer is worried the market will collapse from one day to the next, namely in the field of the plant's application. Then there will be no point of return. If the genetically modified crop is released, the GMOs will mix with those who are not genetically modified, which causes an irreparable damage.

We can repeatedly hear about co-existence. However, no one talks about the issue who is going to pay for the co-existence and the security measures and guarantee in case of damages. On several occasions, particularly the federal government has proven that it is not willing to assume any damages. Therefore we are very careful at this and we will work very closely together with our trade partners and the consumers.

*How do you see the situation of agriculture and of the so-called opening of markets? *économiesuisse* is disseminating strange arguments about the decline of farming which would take too long so that the market would not be able to play and other such absurdities.*

I have often debated with *économiesuisse*, and the problem here is that they misjudge the functioning of agricultural markets. Farmers always produce bound to a specific location. Our markets are commodity markets meaning that we produce standardized commodities in large quantities for the processing that must only marginally differ in quality from producer to producer (cereals, milk, etc.). After processing, these products have significant distinguishing features that are visible to the buyer. By means of processing, the differentiation and hence the value in the market is effected on the food.

Therefore other rules are in force in various spheres of agricultural markets than in industrial and service provider markets. Agricultural products are very

price-sensitive and react very strongly to slight shifts in offer and demand.

*So what are the special features of our agriculture?*

Our agriculture is strongly based on the foundation of family businesses. This is of great and fundamental importance. In view of the revenues made in agriculture, it is very difficult to employ foreign workers.

*Farmers' calculations have thus become increasingly tight and difficult. The achievements of farmers are rarely appropriately honored.*

Considering the costs for food, they amount to 7 percent of the average household budget for our citizens (consumption in restaurants excluded). This is a relatively small amount.

At the federal level expenditure on agriculture in relation to the total budget has always decreased. We have reached about 6 percent of the total volume of the federal budget for agriculture. At the same time agriculture with its achievements is contributing a great deal to the quality of life in our country. Our farming families cultivate about half the area of our country. In addition to the production of healthy food there is a lot of work going on in the fields of recreation areas and tourism.

*The World Agriculture Report exactly confirms what you have said. A small-scale agriculture consisting of family businesses which guarantees the population's supply in particular and whose purpose is not to be traded at the stock market or struggle for market shares. Only small-scale farming can assure the supply of a growing human population with foods.*

Yes, that's it. It is a tragedy for me how semi or false knowledge is spread and how an industrialized agriculture with large-scale single-crop farming is advocated by people who have a good education. That is impossible and unnecessary.

*With regard to agriculture you also speak from experience, of course. You are working in agriculture yourself.*

Yes, we have a farm in the mountainous zone 1. Our farm comprises 28 acres with

dairy farming, breeding, high-stem fruit crops and a little cultivation.

We are organized as family business. We are supported by two employees and an intern.

*How do you see the future of our agriculture?*

If we look at the major development trends our agriculture, not only in Switzerland but all over the world, will have a future. The population continues to grow strongly, and thus more food is demanded. The *UN Food and Agriculture Organization* expects a world population of 9 billion people by 2050. In the coming decades it will become more difficult to feed mankind, this will be a very big challenge. Food production is increasingly becoming more important. For the people in Switzerland, it is primarily the question how to slow down the loss of cultivated land and how to position the profession of the farmer attractively in competition with other professions. The conditions for this will primarily have to be solved at the national level. I am convinced that agriculture is a very important factor in the competition between Switzerland and other countries. Healthy food, our beautiful landscape, the well groomed alpine and summering pastures, the living traditions and our culture are unmistakably belonging to Switzerland.

*Let me return to the moratorium again. Will it find a majority in Parliament?*

The chances are good, because many parliamentarians supported the request, and because the Federal Council has also spoken in favor of the motion. The question is how the Federal Council will implement the submission, and how we will continue in the medium term. We need to wait for the results of the research institute, and to conduct further discussions with organizations which share our ideas. Then we will be able to define further action. It is important now that the course is set for a GMO-free agriculture.

*National Councilor Ritter, thank you very much for the interview.*

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