

Foreword

Ladies and Gentlemen

The Swiss National Bank looks back on a good year. We have succeeded in managing current business without encountering any major problems. At the same time, we have shifted the emphasis in important areas.

Particularly gratifying was the economic upswing, which increasingly manifested itself in the course of the year. We are now closer to the goal of a balanced overall economic development – adequate real growth, high employment, low inflation – than we have been for many years. This is due in part to the favourable monetary conditions.

Changes in the environment relevant to the National Bank have induced us to reconsider the basis of our monetary policy. The adjusted concept will permit us to continue to fulfil our mandate of pursuing a monetary policy in the interests of the country as a whole. We are, however, aware that with the means at our disposal we can primarily ensure price stability.

Further progress has been made in adapting Switzerland's monetary order to modern standards. The new Federal Constitution also includes an amended monetary article. At the beginning of May, the new Federal law on currency and payment instruments is expected to enter into force. This will sever the link between the Swiss franc and gold. As already known, it is intended to use half of the approximately 2,600 tonnes of gold holdings for other public purposes. The National Bank will continue to maintain adequate currency reserves.

The reorganisation of the distribution of currency has been completed. Cash processing is now concentrated in the head offices in Berne and Zurich and in the branch offices in Geneva and Lugano. The branch offices Basel, Lausanne, Lucerne and St Gallen still perform their task of collecting and providing information in their respective regions.

Our earnings situation permits a distribution of profits to the Confederation and the cantons in the agreed amount, i. e. Sfr 1.5 billion.

Looking back on a successful year does not allow us to forget that numerous tasks await a solution and that we will certainly be faced with new challenges in future.

We wish to thank our Bank's staff, as also the members of the bank authorities, for their support, on which we continue to rely.

Berne, 3 March 2000

Eduard Belser

President of the Bank Council

Hans Meyer

Chairman of the Governing Board