Instead of complaining about the strong Swiss franc, the country should use it as an advantage. The idea of a sovereign wealth fund is obvious.

Why doesn't Switzerland promote their most valuable commodity?

Tourists attest Switzerland as a breathtaking beautiful country. It consists of forests, meadows, water - and a lot of rocks. Besides the water it lacks natural resources. They only have the trained minds of its inhabitants, in other words: education and diligence, that we have learned in school.
Didier Sornette, who teaches at the highest educational institution in this country, goes now one step further. According to the ETH professor the Swiss have a real commodity, as hard as ore: the Swiss franc, only many of them haven't noticed that. Sornette says this not just metaphorically but advises Switzerland to literally look at their own currency as "Swiss francs ore". Only this way can the country profit from the potential it has worked for – for both present and future generations. Didier Sornette shows: that the capital in Switzerland is increasing, both because it is flowing in, and because it stays there. Therefore the Swiss franc tends to fiercely increase despite interventions by the Swiss National Bank (SNB). The export-oriented companies groan about the pressure to innovate and the difficulty to exist. Further the trade unions are suffering due to their dwindling importance.

The basic idea of Sornette: The SNB, which has a monopoly on the "mining" of "Swiss francs ore", should finally meet the foreign demand and promote the frank much more aggressively than in the past. They will do this until the local currency weakens. The currency, which the SNB receives, won't be invested primarily in debt securities of rotten state papers, instead in the long term innovative real economic productive projects abroad. This provides the prospect of increases in real yields, which can be invested in public education, infrastructure and competitiveness (and not in their own national budgets). This gives rise to positive feedback effects: competitiveness leads to greater competitiveness - and thus to greater prosperity for all.
Sornette has introduced the idea in a well founded English essay under the title "The Swiss Sovereign Fund". According regulatory policy to this proposal is, undoubtedly a sin. And the most liberal reader of this newspaper should have already raised the moral finger. And

rightly so - in an ideal world. Yet recently, the monetary conditions have become rather cynical instead of a real competition: all against all. The United States, the euro countries and Japan print money, which with hot air - in other words - is collateralized pure rhetoric or substandard own sovereign debt. Behind the Swiss franc, on the other hand, are proven institutions (however the staff working there are suboptimal) political stability, innovative entrepreneurs, and well-founded taxpayers. The motto is therefore: Hard currency against hard stock - and not against air!

Sornette is aware of the risk concentration of such a fund: Foreign franc holders could blackmail Switzerland collectively. But there is no reason, as long as Switzerland continues to work successfully, and when the hard- and software is constantly renewed. The real and tangible assets in the portfolio of the SNB give political power to the Swiss Confederation. The question is absolutely justified given the presence of the confused and mistaken monetary policy: If the whole world wants francs why doesn't SNB promote their hard ore more offensively and invest in real assets abroad - instead of making our life harder through negative interest rates?

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