

# Stagnant Swiss Riches Are in Need of Innovation

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Back in Switzerland ... the sun wakes up the streets of the city of Lausanne, on the shores of Lake Geneva.

Towns of charm and righteousness cross the border Lake ...

Here in Switzerland, cities like Montreux, Lausanne, and Geneva attract people from all over the world - from the Middle East, the United States, Germany, Italy, or even China and Japan ...

The calmness and cleanliness of these towns - between the lake on one side and the ridges of the mountains on the other - attracts tourists and expatriates ...

In the restaurants, tourists enjoy fades, civets, and raclettes ... accompanied by summer wines ...

In terms of "standard of living," Switzerland ranks at the top of the world ... even if its critics accuse it of a lack of innovation and dynamism ...

In spite of all its assets - money, talents, and quality schools - Switzerland suffers from the deflation of its currency: its interest rates raze the floor ... a sign of excess capital in relation to demand ...

In short, despite the size of its capital reserves, Switzerland does not have the entrepreneurs, the projects, and the growth to invest this capital for profit ... and the capital remains on bank accounts without moving, or in Bonds paying an interest rate ...

World at the ...

According to newspapers, investors are increasingly engaging in "promises of the future ..." giving their support to any technology or innovation that can excite their imagination.

Companies without profits are able to have valuations of billions of euros because of their number of users, and their growth ...

In the field of innovation and technology, investors seem to want to "go all out ..." by seeing a potential without limits ...

Yet, here in Switzerland, investors - the rich and the companies - are careful not to put their money at risk ... preferring to keep it at hand ...

Maybe they refuse to believe in valuations ... or maybe they see the risks ... and prefer to stay on the sideline for the moment ... before joining the game.

All money in bank accounts - in life insurance, and in investment funds - comes from the labor value of millions of people over decades, see centuries, to innovate, build, move forward, and save...

... and sometimes decades later, after the creation of wealth, this money can still be exchanged for goods, services, and shares in a company ... as if the buyer was paying for his dinner with his work yesteryear.

All retirees, with their savings, life insurance, and pensions, pay for goods in the present with their former work ...

All this wealth is transmitted from year to year through two "tools" to transmit value: the holding of goods - like real estate, or gold - and credit.

By crediting, the creditor grants to bequeath his capital, hoping to find it later, at the time of repayment ...

Through assets such as gold and real estate, and credit, wealth can be transmitted through time ... and the fruit of the work of millions of lives - in savings, life insurance, and retirement pensions - can be spent in the present ...

My book, "France in Bankruptcy: Your Survival Plan," dealt with the value of bonds - credit - and the effect of the ECB and Fed

guidelines on the bond market ...

Because credit is our "link" between the past and the present, a tool for transmitting wealth over time, then manipulating interest rates reduces the value of one or the other - Present or past ...

What to do...?

When rates go down so much, then people today have less need of capital ... less need of the past ...

Despite years of savings, the funds do not find takers ... no use ... and masses of money remain on the accounts of the ECB or the Swiss National Bank.

Instead of preserving the value of the past, the present grows ... Instead of sparing, young people spend ... rent instead of buying ... and prefer to afford cars and travel than to invest ...

With "zeros rates," the market encourages spending, taking risks, rather than sparing ... but pensioners and savers are struggling to do it ... and continue to put their money in hiding ... or in a Rather than putting it at risk on a project, an innovation, or a start-up.

"Water is good" say experts, analysts, and politicians ... but the common people do not believe in it altogether ...

25-year-old billionaires are creating at Silicon Valley ... and the geniuses of Wall Street are full of pockets ... but most continue to doubt ...

In the end, wealth does not come with ease ... but by work, discipline, effort ... so what about start-ups worth 10 billion euros ...?

And Silicon Valley computer scientists circulating in Rolls Royce ...?

Sooner or later, the present will see its moment of glory ... but the past will end by saying the last word ...

You could always make a fortune in an investment fund in technology ... or betting on an innovation in solar or computing ...

... but maybe have gold next door ...

Truly,

Henri Bonner