Exchange Pirates Hit by German Export Tax

Basel, Switzerland.—Germany has passed a law taxing exports that makes it impossible for foreigners to buy enormous quantities of German products and make four or five hundred percent profit on them through the low value of the German mark.

Now, when you enter Germany, you are required to furnish the German customs officials with a list of absolutely everything you take into the country. This includes pairs of socks, underclothing, shirts, and even handkerchiefs. No personal clothing is exempt. When you leave Germany, all your belongings are checked over and if you have one shirt more than when you entered the country, you pay a fat export tax on it that robs it of its value as a bargain.

As you go back into Switzerland from Germany you must present your German lists of belongings again and an import tax is levied on anything you have paid to bring out of the German republic. It is a wonderful example of getting them coming and going.

Both Germany and Switzerland have been forced to protect themselves in this manner because of the tremendous difference in value of their money. Before the export and import taxes went into effect, Germany was a happy hunting ground for Swiss exchange pirates. Anyone with a Swiss ten-franc note could buy a half basket full of German marks and it took the Swiss living along the German border about as long as it does a cat to smell fish to realize what they should do with those marks.

A German clothing store in one of the little German towns across the Swiss borderline would open for the day with a store full of goods priced in marks at prices comparable to the wages the Germans in the town were making. A couple of Swiss who had saved two or three weeks’ wages in francs and bought all the marks they could carry would enter the store and buy out its entire contents. Then they would drive their wagonload of clothing back a mile or so to the Swiss border to enter their native land and start a clothing store of their own, with prices marked down to half what their own Swiss competitors charged. These exchange pirates were ruining the market for Swiss products and the Germans in the border villages could get no clothing at all; it was all going to Switzerland. So the governments of both countries passed the present strict customs laws.

Of course there is still a big traffic in smuggled goods but it is nothing like the great days when the Swiss could buy out a clothing store and drive triumphantly home with it for the same expenditure that they would make for a pair of shoes in their own country.