the anonymity which the Swiss provide and which other countries do not provide.

In a country which is relatively small like Switzerland, it seems to me this might be a significant factor. This might be one of the things that permits you to get along with a relatively low interest rate.

Mr. NIEHANS. In principle I agree that this fact has a tendency to keep our interest rates somewhat lower than they would otherwise be. I have no way of knowing how much this difference would be.

Senator BUSH. If the Senator would yield; is it not true that the attractiveness of Switzerland to capital around the world is due not to the numbered account so much but to the historic position of neutrality and inviolability of Switzerland. There is a haven of refuge that through decades and decades has impressed people.

So your country is regarded as a secure place for deposits of capital. That is the basic attraction that you have, is it not, rather than the secrecy?

Mr. NIEHANS. I certainly agree. Secrecy is one part of it; I would say it is only a fraction of the whole problem. To this aspect you would have to add stability of our foreign exchange. The fact that we have been at peace for a very long time. The fact of neutrality and some other factors of the Swiss banking system which has nothing to do with secrecy. Secrecy is one part but a minor part.

Senator BUSH. Also because you have an orderly government there. You have an orderly economy. You have missed the misfortunes that have plagued so many of our countries, particularly unemployment. You have a stability there that lends confidence to people who wish to place their funds in another country than their own.

Is that not true?

Mr. NIEHANS. I agree but I won't say that we have a monopoly on orderly governments.

Senator BUSH. I do not think you have a monopoly but you furnish a good example.

Mr. NIEHANS. I agree.

Senator PROXMIRE. Do you provide this anonymity for anyone? Suppose somebody is a known criminal or a person who is accused of being a swindler?

Mr. NIEHANS. No. The banker is in about the same position as a medical doctor and lawyer. He has to give information on criminal and police civil cases to the courts. He does not have to give information on tax cases since tax cases are treated in our legal system somewhat different from other criminal cases. So the banker does not have to give tax information.

Senator PROXMIRE. In other words, a tax dodger is given protection but another type of criminal is not?

Mr. NIEHANS. That is right.

Senator PROXMIRE. Mr. Lolli, you are executive vice president of one of the biggest commercial banks in Europe?

Mr. LOLLI. That is right.

Senator PROXMIRE. I am struck by this charming paragraph on page 3:

> I do not think one should be afraid of a budget deficit provided it is financed with savings with little resort to bank credit—