

Volume III

After the Gold Standard, 1931-1999

1936 September 27

Swiss Federal Council Decree, 1936. This is a translation of the Swiss Federal Council decree that abandoned the gold standard in 1936. The decree suspended the obligation of the Swiss National Bank to redeem its notes in gold and devalued the Swiss franc in terms of gold. However, the Swiss National Bank remained under an obligation to back the currency in circulation with a set proportion of gold in its vaults.

TRANSLATION

DECREE OF THE FEDERAL COUNCIL INSTITUTING CURRENCY MEASURES (dated 27th September, 1936)

Under Art. 53, par.I, of the Federal Decree of 31st January 1936, relating to new extraordinary measures for the restoration of equilibrium in the Federal Budgets of 1936 and 1937, the Swiss Federal Council decrees:

Art.1. The bank notes of the National Bank of Switzerland are declared legal tender. Consequently all payments made by means of these bank notes constitute a full discharge in the country.

Art. 2. The National Bank of Switzerland is released from the obligation to repay its notes in gold or gold foreign exchange as laid down in rts.20 and 20^{bis} of the Federal Law of 7th April 1921/20th December 1929 on the National Bank of Switzerland. It is, however, obliged to maintain their legal cover.

Art.3. The National Bank of Switzerland has been commissioned to maintain the gold parity of the franc between 190 and 215 milligrammes fine gold, which equals an average devaluation of the franc of 30%.

Art.4. This decree comes into force on the 28th September

BERNE, 27th September 1936.

In the name of the Swiss Federal Council:

President of the Confederation, MEYER

Chancellor of the Confederation, G. BOVET.

Source: *Bank of England Archives, OV48/10.*