Their Royal Highnesses Grand Duchesse Charlotte
and
Prince Félix
THE GRAND DUCHY OF LUXEMBOURG

His Excellency Mr. Joseph Bech
Prime Minister of Luxembourg.

If in the second part of the 19th century so great a number of our fellow countrymen left the homeland and crossed to America, the first part of the 20th century has brought us the satisfaction of seeing these voluntary emigrants developing into a solid and prosperous colony through the energy and intelligence which they showed in their new surroundings and through the generosity with which they were received overseas.

The total number of Luxembourgers who have taken root in the United States is approximately equal to the population of the old country and already in 1927 their land holdings were equal to those of their fellow countrymen who remained at home.

The importance of this emigration can only be explained by the admiration and sympathy which the little nation of Luxembourg has always shown towards the great American people and by the similarity of character and spirit which not only made for rapid assimilation into their new surroundings but for a very rapid development.

We send to our overseas countrymen the best wishes of the homeland and the expression of our admiration for the great work they have accomplished: to American people we wish to express our gratitude for the liberal and generous hospitality they have shown us.
INTERNATIONAL SITUATION OF GRAND DUCHY

By Mr. Albert Wehrer, Government Counsellor and Delegate to the League of Nations

According to historians, the founding of Luxembourg occurred Palm Sunday, April 12, 963, when Siegfried, son of Wigeric, Count of Ardenne, exchanged Feulen for a little Roman chateau-fortress built on the heights of the Bock, at the confluence of the rivers Alzette and Petrusse, — the site today of the city of Luxembourg.

The name Luxembourg derives from Lucilinburhuc — Latin for "little chateau" — and the inhabitants up to this day call their country Lutzelp, the patois equivalent of Lucilinburhuc. Beginning as the center of Count Sigefroid's possessions, Luxembourg soon became the capital of a country which, under the reign of Wenceslas I, Duke of Luxembourg, covered an area four times as large as that of the present Grand Duchy.

Invaded in 1443 by Philippe le Bon, Duke of Burgundy, Luxembourg passed successively under the domination of Burgundy (1443-1506), of Spain (1506-1684 and 1697-1714), of Austria (1714-1795), and of France (1684-1797 and 1795-1814).

In 1815 the Congress of Vienna restored Luxembourg as an independent state. However, the king of the Netherlands, desirous of creating a union embracing the Netherlands, Belgium and Luxembourg, took over the Duchy as one of the three parts forming his kingdom. In 1830 Luxembourg was united to Belgium, with the exception of her capital which was occupied by a Prussian garrison.

By virtue of the terms of the treaty of April 19, 1839, the Walloon part of the Grand Duchy was incorporated with Belgium, and the frontiers of the present Grand Duchy were delineated and guaranteed by the larger powers.

However, it was not until the conclusion of the Treaty of London in 1867, obliging Germany to withdraw her garrison from the capital of the Grand Duchy, that Luxembourg recovered her full independence, collectively guaranteed by the great nations of Europe. At this time December 16, 1920 the permanent neutrality of the Grand Duchy of Luxembourg was established and it became a member of the League of Nations.

The policy adopted by Luxembourg and the great interest the country takes in all the manifestations of the League of Nations have resulted in a reaffirmation of the Grand Duchy's position as an independent state. Luxembourg has succeeded in getting from Geneva renewed contractual assurances of her independence, reinforced by the Protocol of 1924 and the spirit of Locarno.

A series of arbitrage treaties, inaugurated in 1927 by a preliminary accord with Belgium, regulates the relationship of the Grand Duchy with the principal European powers. A separate treaty, followed by an arbitrage agreement stressing the legitimacy of the country's policy of neutrality, was later concluded between Luxembourg and the United States.

Furthermore, Luxembourg has adhered to the thesis of the permanent Court of International Justice, to the facultative clause of obligatory jurisdiction and to the integrity of the General Act of Arbitration.

If the various arbitration treaties concluded by Luxembourg with the different powers rest generally upon the universality of their application to all possible conflicts, they nevertheless contain also precise provisions which exclude a priori any measure of force or armed intervention, thus constituting a further guarantee against acts of aggression.

The invulnerability of the neutrality of Luxembourg, therefore, seems perfectly assured. The maintenance of the Grand Duchy's independence, as well as her territorial integrity, is formally guaranteed by the treaties of 1839 and 1867; by Article 10 of the Covenant of the League of Nations and other provisions of this Covenant; by the Kellogg Pact of 1928 and the arbitration treaties of 1930. The Treaty of London, concluded on May 11, 1867, also adds a special guaranty to the permanence of the principle of neutrality.

The security of Luxembourg is the result of a work to which every epoch, every current of ideas has contributed its share. It is not merely a juridical achievement, an ensemble of formulas destined to solve a difficult problem, but also, and above all, a political work created by international necessities and affirmed by the will power of this little country, fully conscious of its vitality and its independent existence.

The relationships between the United States and the Grand Duchy have always been very cordial, and a great number of Luxembourgers have found in America their second fatherland. This amity between the two countries has constantly increased since the end of the War.

Article 2 of the Arbitration Treaty concluded between the United States and the Grand Duchy of Luxembourg on April 6, 1929 expressly stipulates that the provisions set forth in the Treaty can not be invoked in so far as differences are concerned the object of which depends on the maintenance, or jeopardizes the maintenance, of the policy of neutrality of Luxembourg. Thus the Grand Duchy of Luxembourg has succeeded in obtaining from the great American Republic recognition of the legitimacy of her policy of neutrality.

On the other hand, public opinion in Luxembourg has always considered the principles of President Wilson, proclaimed during the Peace Conference in 1919, as an incontestable condition of the maintenance of the Grand Duchy's independence. The cordiality which marks the relationship between the United States and Luxembourg was emphasized in November 1918, immediately after the Armistice. The natural disinterestedness with which the Government of the United States examined the problem of Luxembourg earned high praise in the Grand Duchy, where America was considered as the most sincere protector of those general principles for the defense of which it entered the World War and which guarantee the development of small countries.

Diplomatically, the rapprochement between America and Luxembourg made further progress in 1931, when the United States sent a Chargé d'Affaires to the capital of the Grand Duchy. Immediately after the War the Government of Luxembourg opened a Legation at Washington, as well as several consulates in the principal cities of the United States.
The financial policy of the Grand Duchy has been characterized at all times by a very liberal fiscal system, thus stimulating the economic activity of the country. Moreover, during the last few years, a vast program of repairs and extension of national equipment has been realized which has increased considerably the economic, social and cultural status of the people of Luxembourg.

The movement of the receipts and expenses of the State budget during the last ten years gives a general view of the financial situation of the Grand Duchy. The figures follow:

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<td>1933</td>
<td>373 —</td>
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In order to understand these figures which concern public finance, account must be taken of the fact that the country, while having only 300,000 inhabitants, must support at the same time and without compensation, the expenses of a complete central administration and a provincial administration.

Budgetary calculations having always been established with great care, expenditures made in proportion to the capacity to pay of the inhabitants of Luxembourg, tax reductions not having exceeded the permitted limit and surpluses of fruitful years having been largely placed in the reserve for less favored years, are factors which allow one to see the reward of prudent financial management.

The balancing of the budgets is not fictive and it has never been necessary to have recourse to loans for covering normal, current expenses. As to the public debt, however, the Grand Duchy is in a more favorable situation than other countries, since the debt totals only 678 millions, of which 613 millions is consolidated debt including 46 millions for a loan made for the construction of popular lodgings and which, from this fact, represents only an advance on funds redeemable by the beneficiaries, and 63 millions of floating debt which includes 22 millions of treasury bonds and 43 millions of savings bonds in circulation. The annuities to be served on the consolidated debt reach 26 1/2 millions. By taking into account what has just been said it follows that the capital charge on the consolidated debt per inhabitant comes to about 1,900 francs and the annual charge and interest to about 90 francs.

In view of the uncertainty of the present economic situation the Government follows a careful program of reduction of extraordinary optional expenditures without, however, injuring legitimate interests or compromising existing situations. The 1932-1933 legislature is dominated by the two-fold care of maintaining the stability of the financial situation and easing the consequences of the crisis.

The finances of the Grand Duchy of Luxembourg are the reflection of its social structure, which is healthy, well established, and resistant.
The fiscal statute, created in the Grand Duchy of Luxembourg by the law of July 31, 1929, concerning the fiscal regime of holding companies, greatly alleviates the disadvantages of double taxation between countries. It is especially favorable to them and has created a movement of capital concentration in this country which has already reached a remarkable development.

The advantages of this fiscal law being reserved uniquely to foreigners, the capitalists and financial groups of all the countries of Europe as well as some from overseas (by no means the least important), have placed a part of their financial interests in the Grand Duchy of Luxembourg. Among the latter should be especially noted the Ford Investment company with a capital of 480 million francs, encompassing directly and indirectly the interests of the Ford family in Europe.

The fiscal law of July 31, 1929, applies solely to holding companies, properly speaking. That is, to all those companies having as an object the taking over of shares, no matter in what form, in other Luxembourg or foreign enterprises, and the management as well as the issuance of such shares but in such a way that the holding company engages in no real industrial activity. The portfolio of the holding companies may include both Luxembourg and foreign funds.

Upon its formation, the holding company is subject to the payment of two taxes: (1) the tax of 3.20 francs per 1000 francs calculated upon the nominal value of the capital stock if the latter is subscribed in specie, even if only partially free; and upon the actual value if the formation was made by means of stock subscriptions: (2) the stamp tax of one franc per 1000 francs based upon the nominal value of the capital stock.

In the way of an annual tax, the holding company is subjected to the payment of a single tax, the subscription tax of 1.60 francs per 1000 francs, applying to the shares as well as the debentures of the holding and payable quarterly on the actual value of all the shares issued. The payments remaining to be made on shares which are not entirely free are not allowed deduction in the calculation of this tax. The actual value of the shares of the holding company is determined either by taking the average rate on the bourse for the preceding year if the shares are quoted, or, in default of a quotation, by considering the benefit realized and distributed.

The Legislature, favoring the formation of strong reserves, admits at par the shares of holding companies distributing a dividend of 10% whatever may be the sum attributed to the reserves. If the dividend is below 10%, the value of the share is based upon the importance of the sum to be attributed to the reserves, and if it is above 10% it is proportional to the sum of the latter, whatever the amount. The value of the portfolio of the holding company is never questioned in the calculation made by the registry administration for determining the amount of the annual impost.

The fiscal statute applied to holding companies in the Grand Duchy of Luxembourg, as minutely related above, may be considered at the present time as the most liberal in the entire world. One will see from the following paragraph that it is less onerous than that of the Canton of Glarus in Switzerland and the Principality of Liechtenstein, which, up till 1929, were considered as the preferred countries for trusts, and as being the most liberal towards them. A holding company with a paid up capital of 20 million francs and with annual earnings of approximately two million francs, would pay as follows: incorporation charges, 34,000 francs in Luxembourg, 360,000 in Glarus, and 360,000 in Liechtenstein; annual taxes, 32,000 in Luxembourg; 68,000 in Glarus and 68,000 in Liechtenstein.

The juridical statute of the holding companies in the Grand Duchy is determined by the law of August 10, 1915. The holding company may take the form of a corporation a joint stock company, etc. Its capital may be subscribed in any kind of currency. Its administrators, directors and shareholders may all be foreigners. In a general way, the juridical statute contains no measures inimical to foreigners coming to Luxembourg to form a company; on the contrary, the legal formalities foreseen by the law of August 10, 1915, for the formation and functioning of a holding or operating company, are very simple.

Likewise the movement of capital concentration in the Grand Duchy has made remarkable progress. At the end of 1932, i.e., 41 months after the vote of the law, the number of holding companies in the Grand Duchy was 360 and included a total of about two and one half billion francs in capital and more than 10 billions in shares. The most important of these are: The Ford Investment Company with a capital of 480 million francs, the International Union for Investments with a capital of 5,102,000 dollars—a veritable fixed trust and international in all terms of the word—since it combines the important interests of the principal financial groups such as the Cie Maritime du Canal de Suez, the Cie Générale d’Assurances, The Phénix de Paris, The Banque de l’Union Parisienne, The Crédit du Nord, The Maisons Robert Wolf, Raymond Philippe, Maurice Rueff & Cie of Paris, Warburg & Cie, Hamburg, Helbert Wagge & Cie of London and Labouchère & Cie of Amsterdam.

Among the other important holdings should be mentioned: The Anglo-Continental Trust with a capital of 119 million francs, the Cie Européenne for Investments with a capital of 89 millions, the Globe Investment Trust with a capital of 180 millions, all three of which include Anglo-Dutch interests. There is furthermore the Trust Belgo-Luxembourgeois for transferable securities with a capital of 100,000 millions, the Overseas Commercial Holding Company with a capital of 26,250 millions, the Society de Placements "Alimentation" with a capital of 15,750 millions which includes interests in the Coca Cola Corporation, etc., etc.

The rôle of Luxembourg as an interesting place for international financial concentration is being asserted more and more among those countries which favor the movement of rationalisation and economy in industry. It is under this aspect that it deserves especially the attention of those American financial and industrial groups which, like Ford, have branch companies for exploitation in Europe. To group these interests in a Luxembourg holding company, is tantamount to operating a financial rationalisation that provides interesting profits.
BANKS IN THE GRAND DUCHY OF LUXEMBOURG

By Mr. Paul Bastian, Director of the Economic and Financial Agency of Luxembourg

The national economy of Luxembourg is principally based on its industries and more especially on the heavy metallurgic industry which depends upon the mineral wealth in the southern part of the country. The abolition of the Zollverein in 1918, the liquidation of German metallurgic societies and the formation of new companies to the exclusion of German interests which preceded the Belgo-Luxembourg economic union in 1922, induced strong industrial and financial groups of Belgian and French origin to participate actively in the Luxembourg metallurgic companies.

However, the ramifications of Franco-Belgian financial influence did not stop at industrial participations. In view of the fact that the Luxembourg metallurgic industry lives chiefly upon expatiation (the Grand Duchy absorbing only a small part of its output) and in order to assure financial operations abroad, the Banque de Bruxelles, the Société Générale de Belgique and the Banque de l'Union Parisienne decided to place a part of their interests in the Luxembourg banks.

Up till 1918 the banking profession in Luxembourg was already of considerable importance. This is seen by the ever increasing development since 1856 of the Banque Internationale founded in that year. It is the only emission bank of the Grand Duchy, and has steadily grown, as has the Société Générale Alsacienne de Banque which opened a branch in Luxembourg in 1893. Also to be mentioned is the Banque Werdel Lambert & Cie, a limited joint stock company founded in 1882 and which is now consolidated with the Banque Internationale.

The banking profession, however, expanded considerably in 1918 through participations in the Banque Internationale, at Luxembourg, made by the Banque de Bruxelles and the Banque de l'Union Parisienne. In 1926 the Dresdner Bank in Berlin, the Banque Dillbruck Schickler & Cie of Berlin and the Sal. Oppenheim Jr. & Cie also participated.

Towards the end of 1919 the Sté. Générale de Belgique formed a branch: The Banque Générale du Luxembourg. Then in 1925 the Crédit Anversois (S.A. Belge) formed a company in Luxembourg with the same name. The Crédit Lyonnais was added to the list in 1929 when it opened an important branch in the capital. After 1931, the Crédit Industriel et Commercial d'Alsace et de Lorraine opened a branch and three agencies.

All these banks just mentioned are deposit banks. The rôle which they have played up to the present time for the regularization of credit adapted to the needs of production has produced a most favorable influence on the economic and financial progress of Luxembourg, which, since the War, has been very important.

Coming out of the great maelstrom uninjured, the Grand Duchy of Luxembourg, because of its ideal political and geographical situation, became a center for foreign capital. The instability of exchanges in bordering countries made of it, from 1919 on, an interesting place for financial arbitration. National industry naturally profited thereby and the spirit of initiative was stimulated, as is evidenced by the numerous companies existing at the present time in the Grand Duchy.

In spite of the investment of a large part of Luxembourg savings in these new affairs, the banking capacity exceeds the normal credit needs of the country. For this reason the treasury of the financial establishments of the Duchy, in the absence of a national bank and because of the legalized similarity in value of the Belgian and Luxembourg franc, is found in Brussels. This surplus thus reinvested in the Belgian banks, increasing yearly, and joined to ever increasing foreign investments, clearly depicts the sound situation both for the commercial balance and the balance of accounts in the Grand Duchy of Luxembourg.

This class of operations has, above all, brought about the formation of a certain number of commercial banks such as the Banque Commerciale, founded in 1928, under the patronage of the Banque Hardy & Cie, of Berlin and then the Ignaz Petscheck group of Aussig in Czechoslovakia.

The Banque Alfred Lévy & Cie, an ordinary joint stock company, founded in 1926, with the Paris bankers MM. A. Spitzer & Cie, as stockholders, is one of the principal private banks having interesting international relations. Besides its connections with Paris and Brussels, it has very close relations with the principal German, Dutch and American houses.

The opening of the Luxembourg Bourse in 1929 and the passing of the fiscal law as to holding companies, which took place during the same year, were two factors of the greatest importance for the evolution of the banking profession in the Grand Duchy. The Luxembourg Bourse, in spite of the general stock exchange crisis, has progressed rapidly. As to the holding companies in Luxembourg, this movement has surpassed by far the hopes of the sponsors of the law, since, with the passing of the law, financial and industrial groups from all parts of the world have placed more than two billion francs in capital and more than ten billions in securities in 374 different companies operating under the Luxembourg fiscal law. The larger number elected domicile with the Banque Internationale, while another very important group aligned itself with the Banque Alfred Lévy & Cie and other financial establishments in Luxembourg.

After 1929, Luxembourg was put down on the geographical map of Europe as a financial center. It became known in the most distant financial and industrial marts, thus emphasizing more and more its international position. In addition, still other financial establishments were added to those already existing.

Besides the deposit and commercial banks just cited, the banking network of the Grand Duchy has been extended to include some private bankers such as the Banque Derulle Wigeux & Fils, Jos. Weitzel successor, whose building is the seat of the American Chamber of Commerce.

Finally, in order to complete this summary of the credit establishments in Luxembourg, there should be mentioned, from a documentary point of view, the Caisse d'Epargne, the Crédit Foncier de l'Etat and various sociétés d'épargne as well as the Notaries. In the absence of a State Bank, the role of the Caisse
d'Epargne of the Grand Duchy is important. As a centralized organ for Luxembourg savings it has on deposit 600 millions coming from all classes of the population. The fixed rate on these deposits, which is at present 3.5%, acts as an index for the other establishments. The savings societies just mentioned have about 100 millions in deposits. The notaries, actually private bankers, have about 500 millions in deposits. Finally, the deposit and commercial banks have about 1,500 millions in deposits.

With the impetus given to the Luxembourg metalurgical industry after the War and the creation of a financial center in 1929, the banking profession increased the scope of its activities. Without taking into account savings banks, the number of banks is at present 19 against 3 in 1918 and 10 in 1928. Adding to this the 33 agencies and bureaux of the principal banks which are scattered over the country, the total number of offices open to the public is 52. For the entire country there is one bank or branch for (circa) 5,770 inhabitants.

The activity of the Luxembourg financial establishments as deposit and commercial banks is favored by a strict policy of secrecy. Depositors have more guarantees in this respect than in other countries. Here are the principal features:

There are no fiscal stamps, no registry control and no declaration to be made in case of the death of a depositor. The banks are not subject, in the case of death of one of their clients, to any fiscal control. The accounts are not subject to a declaration to the fiscal administration. The holders of these accounts enjoy absolute liberty, the advantages of which are easily seen. No law requires the opening of a safe deposit box after the decease of a depositor. The opening takes place for the liquidation of the accounts deposited by the successors without presence of a notary upon the presentation of a death certificate, with a notary's deed or a will if there is one. All this helps to make the banks established in the Grand Duchy an important reservoir of capital.

The cashing of coupons of Luxembourg securities and foreign securities and obligations is subject to no reserves. The revenues from local securities are not taxed as to the holder, though the companies are taxed directly according to dividends paid to shareholders. On the other hand, coupons of foreign companies are paid after simply deducting the taxes of the countries of origin. There is no tax in Luxembourg to burden the payment of foreign coupons.

The fiscal legislation as to corporations in the Grand Duchy should attract foreign business because of its liberality. In fact, private activity seeking a legal status that favors its purposes is not discouraged by the weight of existing taxes. Fiscal charges are reduced to a strict minimum, and enterprises whose purpose is not bound up with any one country have an advantage in the Grand Duchy. The fiscal regulations offer them advantages that they will not find elsewhere. A striking example is seen in the law of July 31, 1929, as to the status of holding companies.

The financial structure of the country is still further completed by a Bourse for Transferable Securities which has existed since May, 1929. The law of December 30, 1927, which created this Bourse, has given it real advantages such as exemption from the transfer tax on foreign securities, exemption of circulation stamp on foreign securities, exemption as to taxes on coupons and finally exemption from Stock Exchange tax.

Lastly, security in general business transactions in the Grand Duchy and especially in long term, economic transactions is considerably increased by the Law of December 19, 1929 defining the national money and stabilizing the Luxembourg franc at a value of 0.0418422 grams of fine gold.

During the last few years the economic conditions in the Grand Duchy of Luxembourg have reached a high state of perfection. This in turn has acted on the banking organisation, the development of which has been intense. This has interested the public authorities, who have spared no efforts in furthering the uplift of this branch of industry and in making Luxembourg an international financial center. Thanks to its powerful ramifications abroad, Luxembourg possesses through its banks and facilities for international finance, and through holding companies, the best equipment for profiting from the world economic revival which is already under way.
INDUSTRIAL LUXEMBOURG AND RELATIONS WITH U.S.

By Mr. Etienne Schmit, Minister of Public Works, Commerce and Industry

Mr. Etienne Schmit
Minister of Public Works, Commerce and Industry

The Grand Duchy of Luxembourg, more than any other country and proportionately more so than its economic partner, Belgium, derives a large revenue from the exportation of its products. Its abundant natural riches as compared with the narrowness of its territory make the country preeminently one of exportation.

The metallurgic industry, the principal wealth of the country, is based upon iron ore which is abundant in the south of the country. With an annual production of 3,214,000 tons of iron ore, a production of 1,959,000 tons of pig iron and 1,956,000 tons of steel, Luxembourg reaches a record per capita production: 11 tons of iron ore, 6.5 tons of pig iron and 6.5 tons of steel. Luxembourg is the head office of the Steel Cartel.

Along with this powerful industry, which exports about 99% of its production, the Grand Duchy also has cement factories; factories for agricultural instruments, boilers, metallic construction, leather tanneries; mechanical brick factories; factories for gloves, cloth and knit goods; slate and mosaic quarries; manufactures of tobacco products, soaps, candles, shoes, preserves, vegetables, gun powder, tar, pure carbonic acid, crockery, sparkling wines, breweries and agricultural and industrial distilleries.

The larger part of these industries live only by exportation. As to the commercial relations of the Grand Duchy with the United States, only the metallurgic products coming from the Arbed and Hadir shops, leathers of the "Idéal de Wiltz" factory, gloves of the "Fabrique Albert Reinhard" as well as horticultural products and especially rose bushes are to be taken into account.

That the country has not been unusually affected by the prevailing prohibitive tariff barriers is due to the fact, that, thanks to the powerful organization of the sales' banks of the metallurgic companies and the world-wide reputation of their products, it has been able to a certain extent to surmount them.

Having a liberal commercial policy, Luxembourg hopes very shortly to have the pleasure of once more shaking hands with its American friends in the commercial field. Luxembourg-American friendships are of long standing and have increased still more during the last few years. There are no less than 25,000 Luxembourg citizens in Chicago and about 300,000 in the entire United States, i.e., an amount equal to almost the entire population of the Grand Duchy. Many of them have become naturalized, all consider the U.S. as their second country.

These notes and figures are sufficiently eloquent to make known the vital strength of the Grand Duchy, its faith in the principles of broad commercial agreements with the United States and its sincere and cordial sentiments.
TOURING IN LUXEMBOURG

By Mr. Jerome Anders, Executive Secretary of the Union des Villes et Centres Touristiques du Grand Duché de Luxembourg

The Grand Duchy of Luxembourg is an enchanting little country, hidden away in a corner between Belgium, France and Germany. Although one of the tiniest of European countries—covering an area of 258,745 hectares with a population of 290,000—Luxembourg does not lack in scenic beauty nor in historical interest.

The traveler on his way to Italy or Switzerland is hardly aware of the existence of this small country. And yet, few other lands of this size offer the tourist as many delights and attractions as does Luxembourg. This lovely country might be compared to a pocket dictionary of Nature’s bulgy encyclopedia—an anthology of Nature’s complete works.

Touristically speaking, the Grand Duchy of Luxembourg is divided in three parts—the Ardennes in the north: a hilly region offering numberless magnificent panoramas and picturesque valleys; the Bon Pays in the south, a rich section of the country, as the name indicates, comprising the mining district of the southeast; and the Petite Suisse Luxembourgoise in the east, the most picturesque corner of the country.

The railway system of Luxembourg is highly developed and ranks among the best in Europe. According to motorists and cyclists, the numerous well-kept roads and highways are as smooth as billiard-tables. The Luxembourg people are bilingual, speaking French and German with equal facility. In addition, a large number of the inhabitants speak perfect English for this language is taught in all the secondary schools of the Grand Duchy. Thus the foreign tourist in this delightful little land need not fear of difficulties in making himself understood.

Luxembourg City, the capital of the Grand Duchy, lies on the international London-Ostend-Basle line, on which luxurious express trains run daily in each direction. The city is also connected with Paris, Holland and the Rhineland, and fast and comfortable trains permit one to reach any of the more important points.

The city of Luxembourg—perched on the top of an enormous rocky mass that falls away in sheer precipices on three sides to the river valleys beneath—occupies one of the prettiest sites of any town in Europe. It is surrounded on every side by the remains of massive fortifications, rising tier upon tier above each other. Mighty, bastions surmounted by picturesque, ivy-twinced watch-towers, are built into the rocks and continue the perpendicular cliff walls.

The city of Luxembourg is also a very convenient center for excursions to the surrounding countryside. No traveler in Luxembourg should fail to visit such places as Clervaux, Diekirch, Echternach, Larochette, Mondorf-les-Bains, Remich, Vianden, Wiltz, Esch, Martelange-Rombach, Berdorf, Mersch, etc., where everything seems to have been created with the sole purpose of delighting the eye of the wanderer.

Among the more popular sight-seeing trips are those along the river Moselle. From Schengen to Wasserbillig this river forms the border line between Luxembourg and the German Rhineland. The two pleasing little towns of Remich and Grevenmacher are famed for their huge wine cellars stocked with sparkling Moselle. Likewise celebrated for their generous wines are the two picturesque villages of Ettelbruck and Wormeldange.

Mondorf-les-Bains, a popular watering-place and health station under state control, is within easy reach from the city of Luxembourg. The waters of this charming summer resort are celebrated for their beneficial effects on the liver and the digestive organs. The cure establishment of Mondorf—surrounded by a magnificent park—is equipped with perfectly up-to-date hydrotherapeutic appliances.

The most ancient and picturesque town of the country is Echternach, situated at a short distance from Wasserbillig. The famous Benedictine Abbey which existed there from the seventh century to the French Revolution is said to have been founded by St. Willibrord, Anglo-Saxon missionary and Bishop of Utrecht. Its marvelous basilica, entirely restored, dates from the 11th century.

A curious religious celebration, the so-called Dancing Procession, takes place every Whit Sun-Tuesday at Echternach, attended by thousands of pilgrims praying to Saint Willibrord. This procession, a reminder of the Middle Ages, passes through the town and ends before the shrine of the Saint in the basilica. Owing to the antiquity of its relics and the beauty of its scenery, Echternach is one of the most popular summer resorts of Luxembourg.
From the city of Luxembourg a branch line passes through the fertile valley of Mersch, a delightful borough in the environs of which are to be found precious vestiges of the Roman and pre-historic eras. The traveler, charmed by the surroundings of Mersch, may also enjoy a variety of delightful trips to the valleys of the Mamer and the Eisch, abounding in a number of picturesque manors.

Not far from Mersch the tourist reaches Diekirch, the touring center of the Grand Duchy. Splendidly situated on the river Sûre, Diekirch vies with Echternach for the beauty of its scenery, the comfort of its hotels and the number of excursions that its environs afford.

Oak forests, picturesque mountains, limpid brooks at the bottom of narrow valleys, ruins of ancient castles topping the hills are the chief characteristics of this wild and romantic district. Among the best known valleys are those of the Upper-Sûre, the Wiltz, Clerf and the Our, which boasts such celebrated resorts as Esch-sur-Sûre, Wiltz, Clervaux, Vianden, etc.

The ruins of the medieval castles of Bourscheid and Brandenbourg also attract each year a large number of visitors fond of romantic scenery and legends.

The season in Luxembourg lasts from Easter to late in November. It should be added that Luxembourg, although an independent state, is economically united with Belgium. Belgian currency is used, and the cost of living is about the same as in Belgium.

The access to the country by road is so easy that tourists hardly notice the existence of any frontier. There is no annoying "red tape," no disagreeable customs formalities. Tourists are not burdened by national, municipal or residential taxes. All foreigners, whatever their political opinions are received with open arms. The 140 hotels are very comfortable, present all modern conveniences, and offer very reasonable rates. (*)

In short, due to the advantages of its position, the diversity of the landscapes, the richness of its historical monuments, its admirable net-work of roads, the excellence of its cuisine, its renowned vintages and liquors and the amiability of its inhabitants, the Grand Duchy of Luxembourg, is undoubtedly the ideal country for touring.

* Write for information to the Secretariat de l'Union des Villes et Centre Touristiques du Grand Duché de Luxembourg.

1. Vianden
2. Colmar-Bourg
3. Beaufort
4. Echternach
5. General view of Clerf
FAMOUS SPRINGS OF MONDORF-LES-BAINS

By Mr. Norbert Dumont, Minister of Justice and Interior

Acquired by the State of Luxembourg in 1885, the official recognition of the highly medicinal properties of Mondorf water have been definitely established. This has come about through systematic use of these springs in their specific application to diseases of the digestive tract. Moreover, because of their peculiar qualities for causing increased activity of the secretions, their therapeutical power goes far into the treatment of many other ailments such as arthritis, arterial hypertension of heart-renal character, diabetes, sciatica, chronic bronchitis, catarrh, asthma and all the well known disorders of the stomach, liver and intestines.

It was only by chance, while searching for salt in 1841, that a well was bored some 1800 feet into the earth thereby disclosing a spring of tepid and salty mineral water. This was reinforced by another shaft of 2370 feet so as to confine the spring, named ‘‘Kind’’ after its discoverer, and which gave a yield of 132 gallons a minute.

This was the beginning of the Thermal Establishment which was inaugurated in 1848, followed in 1865 by very large extensions of the installations. It was at this time that the well known Professor Fleury, founder of modern hydropathy, instituted a hydropathic institute here which speaks well for the recognized value of the water. This was further given public approval with the final purchase of the establishment by the State in 1885 along with the opening of a second spring, the ‘‘Marie Adelaide’’, which feeds the bathing pavilion.

But the mineral composition alone is not sufficient to make a thermal establishment any different from any other of its kind. One must have other qualities in the water and, above all, the Mondorf water is noted for its highly radio-active properties which have been fully tested by official chemists of the State. This radio-activity rises to: (1), for the gaseous element coming from the mouth of the spring, 92-98 units ‘‘Mache’’; and (2), for the water, 10.48 units ‘‘Mache’’ or 103.46 units ‘‘Mache’’ in all.

As for the mineral properties, the water contains chlorate of sulphur, alkaline, and is of the type of laxative waters with diuretic and stimulating effects. It is especially rich in chlorate of sodium, calcium and such elements as magnesium, lithium, strontium, iron, etc. With a temperature of 76.7 degrees at the mouth of the spring, it is also rich in nitrogen.

The new buildings, just constructed in 1924-25, are provided with the most modern and complete equipment. Excluding the hydropathic section, they cover an area of 7600 square feet and comprise 36 bath rooms, 56 rest rooms, massage halls, small pools, showers, sweat rooms as well as rooms for spraying and electric treatment. More than this there are separate rooms for men and women as well as separate bathing pools. Yet with all this there is a distinct innovation in the system of warming the water. It is brought under the bath itself where it is heated in hermetically-sealed containers and then runs directly into the bath.

Aside from the beneficial results obtained from the baths taken at the establishment, Mondorf water produces lasting cures for those using the bottled water consumed at home. This is especially remarkable in chronic cases of constipation, diabetes of slow or quick development and catarrhs, for the elimination of uric acid, sugar, etc. from the body. One or two glasses of Mondorf water taken in the morning, fasting, produces the required results in constipation.

The mineralisation of the water of Mondorf-State produces qualities that are laxative, purgative, curative, sedative, antihemorrhagic, diuretic, stimulating, tonic, antianaphylactic, antiaenaemic. The combined mineralisation with the radio-activity excites the internal secretion of glands and regulates the exchanges, the metabolism of the organism from which its antigoutous preventative, antilithiasic, antidiabetic powers act as a preventative of illness.

The Thermal Establishment of Mondorf-les-Bains is situated about one and a quarter miles from Mondorf in a beautiful park over 90 acres in extent. It is ornamented with sparkling waters and cascades bordered by shady walks where flower gardens and shrubbery abound. In addition there is a marvellous collection of exotic plants, palms, flowering laurels, cactus, orange and fig trees while tennis, fishing, boating and other sports are at the choice of the visitor.

Finally, there is a large Reception Hall for theatrical performances, daily concerts, lectures and dancing.

To reach this little garden park in Southeast Luxembourg, one has only to take any of the large international express services leading to Luxembourg. From there it is hardly twenty kilometers to Mondorf by rail or auto. The scenery, old castles, wooded hills and streams are well worth the trip for that alone.

Mr. Norbert Dumont, Minister of Justice and Interior
LAND OF ROSES AND WINES
By Mr. John J. Ernest, Executive Secretary, American Chamber of Commerce

It is little known that in the eastern corner of Luxembourg, on the beautiful hills along the Moselle River, a white wine is grown, which has much in common with the best and most famous products of other wine-producing countries.

As early as the time of the occupation of the country by the Romans at the beginning of the Christian era, there was a proverb:

A giver of health
is Moselle wine

This proverb is still truer today on account of the greater care given the vineyards and the hygienic progress in preparing and treating the wine.

A large part of the American public needs no introduction to the Luxembourg Moselle wine. We need only refer to the 60,000 natives of Luxembourg and their descendants, some of whom are to be found in every State in the Union, not to speak of the thousands and thousands of American soldiers who occupied Luxembourg at the end of the World War and the large number of American tourists who visit the country every year, attracted by its fame as the land of roses, old castles and scenic beauties.

Medical doctors, who have analyzed the Luxembourg Moselle wine and find it to be a preventative of gout and rheumatism on account of its low alcoholic content, further state that its organic acids and salts contribute to an ideal and perfect functioning of the intestines and tend to prevent the deposit of uric acid.

The vineyards in the Grand Duchy of Luxembourg are located along the river Moselle which, like a silver thread, winds its way through the hills and villages which are bathed in sunshine from the first awakening of spring until the harvesting of the grapes is completed.

The cities of Wermelingen, Einen, Ahn, Grevenmacher, Remich and Wellenstein are the most important centers of the industry, their products being sold under these names, which have long been favorites with connoisseurs. They produce some of the best known types such as Riesling, Sylvaner, white Pinot, etc. Consumers have every guaranty as to origin, purity and degree, as a strict control is exercised by the Government through experienced inspectors.

As before stated, the Luxembourg wines have much in common with the better French and German products, and this is especially true of our sparkling wines, which are prepared from the best grades of Moselle wine. Pure grape juice is used in an absolutely natural manner. With no chemical ingredients added the wines are then treated and matured in exactly the same way as in the Champagne area of the Marne.

It undergoes a four year process and, according to the market where it is destined to be consumed, it is sweetened by the addition of liqueur. Each bottle is of the finest excellence, purity and quality: clear and brilliant with no trace of any deposit. It is famous for its invigorating and diuretic qualities, as well as for its delicate flavor, and one can say, without hesitation, that it equals any sparkling wine that exists.

Under these conditions it is impossible for these wines to act adversely upon the digestion and the nervous system and "there is not a headache in a dozen bottles."

Two firms have specialized in the manufacture of sparkling wines, commonly called "champagne" in Luxembourg. These are the Caves St. Martin, Ltd., at Remich on the Moselle, and the Caves Bernard Massard and Co., at Grevenmacher on the Moselle. Their export trade already covers practically every country in the world and their slogan is "Champagne at half the price, try it and be convinced."

The manufacture of grape-juice or sweet-must in the Grand Duchy of Luxembourg has of late reached considerable proportions. Grape-juice needs hardly to be introduced to the American public, but attention must nevertheless be called to the fact that there is an immense difference between American grape-juice and that prepared from white Luxembourg Moselle grapes. To go into detail as to this difference, as well as to the health-giving and medical properties of the Luxembourg grape-juice or sweet-must would take up too much space. We recommend, however, to interested parties the reading of an English language pamphlet prepared on this subject by the Very Reverend M. Donven, residing at Altwies, Grand Duchy of Luxembourg. This booklet may be had free upon request.

It is a well known maxim that in international trade the determining factors are prices and supply. The Luxembourg wine industry meets these conditions from every point of view. Owing to low production costs and low railroad freight rates from cellar to seashore, Luxembourg can quote its bottled wines at prices far below those of the other European wine producing countries.

The culture of the vine, to produce the most wine for the least trouble and expense, requires much care, as is the case with all plants where the best quality is aimed at. The work is carried on by peasants who are attached to their vineyards with the bonds of pride and love.

The work necessary for the culture of the wine is laborious in the extreme. After the ground has been prepared and the vine planted, it takes years before the plant begins to yield grapes of the requisite quality; then they live for years.
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