

Alfred Escher, Zurich and the Gotthard

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The railway age also changed the balance between the Swiss financial centres. In Zurich, the politician and entrepreneur Alfred Escher founded the Swiss Northeastern Railway in 1853 and, to finance it, the Schweizerische Kreditanstalt in 1856, a joint-stock bank on the model of the French *Crédit Mobilier*.¹ The Kreditanstalt, later Credit Suisse, became the largest bank of Switzerland and the principal financier of the railways and industry of eastern Switzerland. Escher also led the Gotthard Railway Company, which built the railway through the Alps with financial participation from Germany, Italy and Switzerland. The Gotthard tunnel, opened in 1882, was the greatest engineering achievement of its time.

The Gotthard line made Basel the northern gateway of the most important transalpine railway route between northern Europe and Italy. Goods and travellers from Germany, the Netherlands, Belgium and northern France passed through Basel on their way to Milan and Genoa. The city's role as a hub of transit, which Part A traced back to the Roman roads over the Jura, was renewed and multiplied by the railway.

Zurich's founding of a large joint-stock bank linked to railway finance gave it a lead in Swiss commercial banking that it never lost. Basel responded with the transformation of its consortium into a joint-stock bank in 1872, as Chapter III shows, but the centre of gravity of Swiss banking moved to Zurich in the second half of the nineteenth century. The companion volume on Zurich examines this development from the Zurich side.

1 Notes

1. On Alfred Escher (1819–1882), the Swiss Northeastern Railway (Schweizerische Nordostbahn, 1853), the Schweizerische Kreditanstalt (1856) and the Gotthard Railway Company (1871), see HLS, article "Escher, Alfred". To be verified. ↩

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