

## Failure and credit: the Email- und Metallwarenfabrik and the cantonal bank

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The industrial history of Zug also has its failures. In 1881, an enamel and metal goods factory, the Email- und Metallwarenfabrik, was founded in the town of Zug. Although it employed about 200 workers, it failed after five years, in 1886, bringing down the private bank Hotz & Wyss, which had financed it.<sup>1</sup> The enterprise was reorganised as the Metallwarenfabrik Zug, which, according to its successor company, was founded as a company limited by shares in 1887 and produced enamelled cookware and other metal goods.<sup>2</sup>

The failure of Hotz & Wyss exposed the weakness of the local banking system. In a canton without large banks of its own, the small private banks that financed local industry were vulnerable to the failure of a single large borrower. Together with the catastrophe in the Vorstadt in 1887, described below, the collapse of 1886 cast a shadow over the economy of the town. In 1892, the canton founded the Zuger Kantonalbank, which began with seven employees.<sup>3</sup> Its balance sheet tripled between 1892 and 1898 to 20.5 million francs and nearly doubled again by 1910.<sup>4</sup>

The cantonal banks were a Swiss institution of the nineteenth century: banks owned or guaranteed by the cantons, created to provide credit to farmers, craftsmen and small businesses and to mobilise local savings. The foundation of the Zuger Kantonalbank in the years after the failure of Hotz & Wyss fits this pattern: the canton created a public institution to secure the supply of credit that private banks had failed to guarantee. The bank has remained the leading bank of the region. Today it is owned half by the canton and half by more than 7,000 private shareholders, most of whom live in the canton.<sup>5</sup>

The Metallwarenfabrik survived its difficult start and became one of the most successful industrial enterprises of the canton. Around 1900, it employed 400 people, one third of them Italian, a share that had risen to

nearly half by 1910.<sup>6</sup> In 1913, a sister company, the Verzinkerei Zug, was founded as a contract galvanising business. In 1915, the company launched the Zuger Waschherd, a washing stove, before progressing to automatic washing machines: the Unimatic appeared in 1950, the first tumble dryer in 1959 and the dishwasher Adora in 1962. After the two companies had merged in 1976, the business operated as V-ZUG from 1981.<sup>7</sup> In 2020, the holding company Metall Zug spun off V- ZUG as an independent listed company.<sup>8</sup> The industrial lineage that began with a failed enamel factory in 1881 thus leads to one of the best-known Swiss brands of household appliances. That lineage shows that the industrial base of the canton, discussed further in Part C, has deeper roots than the tax policies that made Zug famous.

## 1 Notes

1. Zug in der Welt, "Zugs zweite Industrialisierung 1880–1913": Email- und Metallwarenfabrik (1881–1886) failed after five years with approximately 200 workers; its failure bankrupted the private bank Hotz & Wyss; the enterprise was subsequently reorganised as the Metallwarenfabrik Zug. ↩
2. Metall Zug AG, "History", metallzug.ch: founding of Metallwarenfabrik Zug AG in 1887, initially producing enamelled cookware and other metal goods. The HLS article "Zug (Gemeinde)" dates the foundation of the Metallwarenfabrik to 1880; the difference reflects the reorganisation of the failed enterprise of 1881–1886. ↩
3. Zuger Kantonalbank, "Geschichte": founded in 1892 with seven employees; today some 600 employees. ↩
4. Zug in der Welt, "Zugs zweite Industrialisierung 1880–1913": the balance sheet of the Zuger Kantonalbank tripled between 1892 and 1898 to 20.5 million francs and nearly doubled again by 1910. ↩
5. Zuger Kantonalbank, "Geschichte": 50 per cent owned by the canton and 50 per cent by more than 7,000 shareholders, the majority of whom reside in the canton; described as the leading financial institution in the Zug economic region. ↩
6. Zug in der Welt, "Zwischen Not und Norm": Metallwarenfabrik Zug with 400 employees in 1900, one third of them Italian; nearly half Italian in 1910. ↩
7. Metall Zug AG, "History": Verzinkerei Zug AG established in 1913 as a contract galvanising factory; Zuger Waschherd launched in 1915; automatic washing machine Unimatic in 1950; first tumble dryer in

1959; dishwasher Adora in 1962; merger in 1976 into Verzinkerei Zug AG mit Metallwarenfabrik; operation as V-ZUG AG from 1981. ↩

8. Metall Zug AG, "History": spin-off of V-ZUG as an independent company in 2020; transformation of Metall Zug into a holding company from 2018. ↩

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