

The economy on the eve of the take-off

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At the end of the Second World War, Zug was a prosperous but unremarkable canton. Its income per inhabitant had exceeded the Swiss average since 1890. In 1890 it stood at 854 francs, which placed the canton fifth among the cantons, before rising to 1,289 francs in 1910 (sixth place) and 3,132 francs in 1945 (seventh place).¹ The ranking had slipped slightly in the interwar period. The holding law of 1930 had not yet produced a visible effect on the economy of the canton.

The number of registered companies had grown modestly. In 1913, the commercial register listed 395 entities, of which 245 were sole proprietorships, 54 companies limited by shares and 55 cooperatives. In 1945, it listed 850, of which 441 were sole proprietorships, 171 companies limited by shares and 130 cooperatives.² The share of factory workers in the total workforce stood at 21.6 per cent in 1911, 27.9 per cent in 1929 and 25.3 per cent in 1949.³ The largest employer in 1949 was Landis & Gyr, with some 2,000 employees, while the metal goods factories and the paper mills employed several hundred each.⁴

The canton that entered the post-war era was, in other words, an industrial canton with a modest tax privilege for holding companies. It had a long history of relatively high income, a stable conservative government, a consensual political culture and a location between Zurich and Lucerne. It had experimented with fiscal competition, but the experiment had not yet borne fruit. The decisive developments came in the fifteen years after 1945.

The deeper significance of the interwar period lies in the decisions it prepared. The canton had accepted, in principle, that it could use its taxing power to attract companies from outside. It had created a special regime for such companies, distinct from the ordinary taxation of domestic businesses. It had experienced the lobbying of Zurich lawyers and learnt to respond to it. And it had debated, openly and across the political spectrum, the moral and political risks of its choice. When the international economy

recovered after the war and capital again began to look for a safe and favourable home, the canton was ready.

1 Notes

1. Zug in der Welt, "Zugs wirtschaftlicher Aufstieg seit 1815 – der Weg von einem armen zum finanzstärksten Kanton", zuginderwelt.ch, accessed September 2026: nominal income per capita of 854 francs in 1890 (rank 5), 1,289 francs in 1910 (rank 6) and 3,132 francs in 1945 (rank 7); income consistently above the national average from 1890. ↩
2. Zug in der Welt, "Zugs wirtschaftlicher Aufstieg seit 1815": 395 registered companies in 1913 (245 individual firms, 54 companies limited by shares, 55 cooperatives); 850 in 1945 (441 individual firms, 171 companies limited by shares, 130 cooperatives). ↩
3. Zug in der Welt, "Zugs wirtschaftlicher Aufstieg seit 1815": factory employment as a share of the total workforce of 21.6 per cent in 1911, 27.9 per cent in 1929 and 25.3 per cent in 1949. ↩
4. Zug in der Welt, "Zugs wirtschaftlicher Aufstieg seit 1815": in 1949 Landis & Gyr led with about 2,000 employees; metal products factories and paper mills employed hundreds each; Zug in der Welt, "Zug und der globale Kapitalismus": by 1949, Landis & Gyr employed approximately 2,000 workers locally and was the canton's largest employer. ↩

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