

The Martin Family

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SWITZERLAND

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Dear Reader,

I hope that you are well and happy - avoiding the snow and frigid temperatures in the USA, the riots and demonstrations in Egypt, the cyclones and rain in Queensland, the draught in the Amazon... "Hmm," I think as I compose this epistle. *"living in Switzerland, with geological, meteorological and political stability has some major advantages. And - it is very pretty at sunset time.*



On the subject of **political and geological stability**: Beginning in World War II and continuing through the cold war, **Switzerland** carved several voluminous shelters into remote Alpine enclaves. These enormous caverns are disguised fortresses running along the center of the country. Designed to defend the country (after abandoning the low and flatter portions to the mercy of an invader), these redoubts are well-disguised. Gun turrets are hidden inside mountain chalets and machine-gun nests are secreted behind 'granite' outcrops made of wood. The facilities have ample, and uninterrupted, supplies of water and electricity. They are a wonder -

"And," I explained to Nazy, "an expensive anachronism. The country needs to move the budget into balance, so.."

"They'll install a few thousand additional automated speed trap cameras."

"Actually, they're trying to find an alternative use for these hidden caves."

"Alternative use? For a fortress?"

“One of the smaller ones, with capacity for 10 soldiers, has been turned into a o-st★r ‘hotel’ - which probably will make the HP-approved hotel list.”

“And the big ones?”

“They’ve turned one of them into a server farm.”

“A what?”

“A server farm is like a huge, shared computer center. The cave is secure, remote and comes with redundant power inputs. The doors are 2 meters thick. The whole thing is set on giant springs, so it can withstand earthquakes and nearby nuclear blasts. Computers in a facility like this are immune to disaster.”

“Except for bugs in the software.”

“Precisely! That’s why Windows Vista® is not permitted.”

From solid and secure structures, I now segue into something diametrically opposite - a fragile and unstable ballerina in The Black Swan.

This movie, brimming with tragic pathos, is (naturally) poised for an academy award. It has all of the features necessary for success: a nasty boss, a demanding parent, a heroine slipping into madness, a plot that mixes reality and fantasy, and a bleak story line devoid of humor. (The ‘best’ movie is never funny or happy.) Personally, I thought that the movie was a camp melodrama - but then I’m also the kind of guy that likes “The Little Fockers” and “The Green **Hornet**”.

By the way: The Martin Family has a pair of Black Swans. Ours [→] are neither **evil** nor **demented**.

While we’re on the subject of **evil** and **demented**, I attended a seminar on the future of Swiss banking. Historically, although foreigners maintained (secret) Swiss bank accounts for a variety of nefarious purposes, tax avoidance was, very often, a major factor. [Note: In Switzerland, there is a difference between tax fraud, which is illegal, and tax avoidance, which is, if not encouraged, not illegal.] Recent developments have made it much more difficult to use Swiss bank accounts to avoid or evade taxes. This fact, together with the remarkable damage done to Swiss banking reputation by the ineptitude at UBS, were, I thought, harbingers of a bleak prognosis.

It began as expected. All of the speakers spoke about how difficult and expensive it had become to comply with demands from the United States. For example:

“The USA will typically adopt laws so absurd that compliance is impossible. These edicts are ignored for several years. Finally, after 8 or 9 years, they show up at our banks with a subpoena saying that we’ve been ‘non-compliant’ for several years. They’ll offer to forget the whole thing if we pay them one or two billion...”

“*Sounds like extortion to me,*” I thought.



“It’s extortion,” the speaker continued.

It turns out that the USA has decided to impose an inheritance tax on anyone who holds US stocks. And, they want ‘anyone’s’ bank to withhold that tax and forward it to the US treasury when the shareholder dies. So: Heidi Stickelheimer, age 93, who inherited 15 shares of IBM stock when her husband (Georg) died, kicks the bucket. Her bank should withhold appropriate USA inheritance taxes - even if Heidi is not a US citizen, has never been to the USA, has no relatives in the USA and doesn’t know where or when Georg got the stock. It is an impossible situation. Accordingly, all of the Swiss banks are recommending that Swiss accountholders shed American shares.

The central question, however, concerned the future for Swiss banking. It turns out that people are willing to pay taxes on Swiss Francs fund held in Swiss Banks:

“Because people know that Dollars and Euros are fragile. Europe and America will either default or devalue. Having Euro or Dollar deposit\$ in a European or U\$ bank is not safe. And, as Argentina showed when they defaulted, having a Swiss Franc account in a local bank is also not a viable strategy.”

Note to readers: It is extremely difficult for Americans, especially non-residents, to open **Swiss Bank accounts**.

You may not be able to open a **Swiss Bank account**, but you can open Nazy’s new website: www.paintingadventure.com. This site depicts Nazy’s **artwork**.

And, while we’re on the subject of **artwork**..

Author note: Some readers complained that previous copies of TWL had become disjointed with no meaningful flow from one topic to another. I have specifically addressed that shortcoming in this edition.

..., when we were in California, Nazy (unsurprisingly) wandered into a store. After extensive negotiation with Barak, a crafty salesman, she agreed to eliminate all surplus in our bank balance in exchange for a large shipment of art and furniture. Everything she selected has arrived in Switzerland. The next edition of TWL will describe our adroit consultations with the customs agency, our polite altercation with the delivery company and our ongoing rearrangements at Casa Carmen, The Martin Family residence in Zürich. One of the art pieces is depicted in the photo:

Take Care and Cheers,



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