

1945, it was stripped of practically everything which makes life possible. The food packages dropped from allied airplanes were literally lifesavers for the city population. Had the occupation lasted only a few weeks longer, mass starvation would have taken place. Factories were stripped, bridges were destroyed and transportation equipment was carried away." (15) Dikes had been destroyed by the Germans and vast areas of agricultural land were flooded.

Starting from this state of ruin, Holland has repaired her dikes, drained her land, rebuilt bombed-out bridges, relaid railroad tracks, and trains are running on schedule.

In regard to customs barriers, it is an easy thing for us to say that other countries should abolish tariff barriers, but can we forget our own history? Tampering with tariffs in the United States of America has always raised hot political issues. While wool is only a by-product of the sheep industry in the United States, the sheep men came roaring into Washington, D.C., at the mere suggestion that tariffs be lowered to permit imports of Australian wool. If anybody wants to start a first-class fight, just let him suggest a tariff reduction to admit greater importation of Argentina beef!

Europeans are human beings just like ourselves. Tariff barriers abroad have entrenched human interests behind them just as they do here, not to mention the dependence of many countries on income derived from tariffs.

Nevertheless, even while the war was still on, the governments of the Netherlands, Belgium and Luxembourg, in exile in London, attacked in advance the complex task of striking down customs barriers. This has been done.

As of January 1, 1948, a common tariff went into effect among Netherlands, Belgium and Luxembourg. The Netherlands-Belgium-Luxembourg Economic Union, commonly called "Benelux," is moving ahead to greater achievements in the elimination of all trade barriers, such as "excise duties, quota regulations and foreign exchange restrictions." (16) No magic wand waved over Europe can abolish these ancient barriers, but the way has been blazed by Benelux, and a study group is at work on the problems of all Europe.

II. Will American business act in the face of political difficulties: As to possible availability of private investments, the State Department says in its report to Congress: "As economic conditions in Europe improve and political conditions become more stable, private financing may be expected to take up an increasing percentage of that portion of the financing which can appropriately be in the form of loans. Every encouragement should be given to the early initiation of private financing." (17) This is well said, but before pointing out

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(15) Address by Dr. A.H. Philipse entitled, "Some Economic Problems of the Netherlands in the Postwar Period," is printed in the Congressional Record, January 12, 1948, page A87.

(16) Address of Dr. A.H. Philipse, supra, footnote 15.

(17) State Department report on "European Recovery Programme," December 1947, page 47.