

obsolescence. There are hundreds of millions of francs in Switzerland seeking outlets in reconstructed European industry. To my personal knowledge, substantial companies there have been gathering data for many months regarding specific projects of reconstruction in war-torn Europe to be undertaken in partnership with American capital and technical assistance.

American companies, which are ready and willing to consider European investments but are hesitant to do so for lack of knowledge of languages and conditions in the countries where business factors dictate the advisability of opening shop, can join with interests having the "know-how" of European affairs, dividing in any proportions they wish both the capital requirements and the responsibility for management.

#### 4. OBJECTIONS, DOUBTS AND DEMURS

If these factors are really in full force and effect, what then is stopping the flow of American private capital? It has been said a) that Europeans themselves are waiting for the United States to bail them out instead of getting down to hard work, and that they are not making a sufficient effort to remove obstacles such as customs barriers which stand in the way of trade; b) it is said that American business will not invest in Europe in fear of political uncertainties there. Why risk confiscatory taxation, nationalization policies, or possible loss of investments through exchange restrictions forbidding removal of capital or income derived therefrom? Let us consider these objections:

I. The lazy Europe bogey: There could be no more unjust calumny on our blood relations across the sea than a charge of laziness or lack of initiative in attacking the desperate plight in which the war left them.

In France, in spite of political strife, while the struggle for power teetered between the Communists and the Socialists, with the Rightists in the middle, production rose between liberation and May of 1947 from 25% of the 1938 production to 100% of the 1938 production. Ever since the war, French factories have worked longer hours and have had more men and women employed than were at work before the war - 106 for every 100 persons employed in 1938 - and this in spite of inadequate food, heat and clothing. The transportation system has been restored and is working. A start has been made toward replacing housing and modernizing plants, but production of consumer goods is inevitably below that of 1938.

Food production has been so low as to be disastrous. Only heavy imports saved France. Depleted farm lands, denuded of farm equipment by the Germans, without fertilizer for years, and unattended while the armed forces or slave labour for Germany drained France, left conditions which cannot be overcome merely by human will power. (14)

The story of Holland's recovery is one of the dramatic stories of the post-war period. As recently described in Washington, D.C., by the commercial counselor for the Netherlands Embassy, "when Holland was liberated in the spring of

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(14) See report of committee for European Recovery, Chapter 5 - France.