

a result of economic egoism, repercussions of the general economic crisis, all this led to a desperate situation for which the rate of unemployment was perhaps the most symptomatic: 600,000 unemployed in a population of not even seven million! This was not the least among the reasons for the collapse of the First Austrian Republic in 1938.

3. POLITICAL CONSIDERATIONS

After the Second World War, when the economy of most of the European countries literally lay in ruins, the United States took a most remarkable initiative: the Marshall-Plan. This ingenious plan not only offered the most generous financial aid supplied by the American tax-payer, it also tied this aid to the requirement that the European countries help themselves on the basis of close economic cooperation.

The progressing abolition of trade barriers among the European countries in the framework of the Organization for European Economic Cooperation was viewed by many European protectionists, among them many Austrians, as a road leading to certain disaster.

The positive results surpassed the expectations of even the greatest optimists: in the course of a few years the European economy not only recovered from the damages inflicted during the war years, it flourished to such an extent that the expression "economic miracle" was coined for some of these European countries, including Austria. Austria today is no longer the "sick man" in Central Europe as it was in the period between the Wars; Austrians are enjoying now an economic prosperity and social and political stability unsurpassed in her history.

This most fortunate state of affairs which is one of the results of the Marshall-Plan has convinced Austrians in particular and Europeans in general that *Americans have taught the Europeans a most profitable lesson in liberal trade policy*. From a political point of view it can be said without exaggeration that the outcome of the Marshall-Plan was one of the most outstanding achievements of American foreign policy in the post-war period.

Austrian leaders and the Austrian population are still grateful for the Marshall-Plan aid, and this gratitude is a firm basis for the friendly feelings Austrians have for the United States. However, in view of historic experiences, they are keenly aware of the vital importance of economic and social stability in Austria and in Europe. Any strong setback in the economic development that could for instance be caused by strong restrictions of export opportunities could seriously endanger this stability which could have especially grave consequences on account of Austria's particular situation on the border line between East and West. *The spirit of the Marshall-Plan should not be abandoned.*

Another aspect should be taken into consideration: as a result of the impressive economic progress made by the Western European countries in the past twenty years they are in a position now to assume a growing share of the burden of economic aid to developing countries. Austria for instance is approaching the goal of one per cent of her GNP set for the UN Development Decade. In proportion to GNP Austria is already giving more in development aid than the United States. In case the Austrian economy would be weakened by a loss of export markets as a result of a resurgence of large-scale protectionism it is safe to predict that *development aid is one of the items in the budget that would have to be adjusted accordingly*. The same is true for other European countries.

CONCLUSION

On the basis of all these considerations it can be said that the protectionist measures envisaged by certain groups would be harmful both from the point of view of internal and foreign policies. The protection of certain group interests would by no means justify the damage that would be done to a much wider range of interests in the United States and abroad.

STATEMENT BY RAYMOND J. PICARD, PRESIDENT, FRENCH CHAMBER OF COMMERCE IN THE UNITED STATES, INC.

The French Chamber of Commerce in the United States, Inc. (the "Chamber"), a non-profit, non-political, and independent service organization established in 1896, duly incorporated in the State of New York, submits the following state-