The Joint Export-Import Agency came into being in January 1947 soon after the merger of the economies of the British and American Zones. The purpose of the JEIA was to build up bizonal export trade to the highest possible level and eventually make the Bizonal Area a going concern able to pay its own way in the world and take a useful place again in the general European economy.

It has been difficult to get the experienced expert personnel necessary to administer such an agency. World trade conditions were not such that it was easy to break into either the commodity markets to get the required raw materials or into the consumers market to find profitable outlets for finished products. Moreover, communication channels between Germany and the outside world had long been broken, and complicated negotiations on a quadruplicate basis were necessary to get them reestablished.

As an example of the crippling effects of this lack of communication take what happened at Offenbach, Hesse, some months ago. There precious leather was used to make a large quantity of ladies handbags for the export trade, but, unfortunately, these bags could not be profitably sold because they were out of style. They were the wrong size. Their designers had simply been unable to keep in touch with the demands of the world market.

Such mistakes should not occur again. Now the international mails are open, samples and catalogs are being exchanged, and personal contacts between buyers and sellers are being facilitated.

Gradually the difficulties are being overcome. The most important advance has been the recent thorough overhauling and streamlining of the JEIA organization. Under its new charter adopted last month the JEIA has become a virtually autonomous agency run as a business organization by experienced specialists. The JEIA is now directly responsible only to its board of directors. On this board are an American as director general, a Briton as deputy director general, and the two economic advisers and the two financial advisers of the British and American Military Governors. This board of directors now has full responsibility for getting the job done.

The success of the export-import program is a vital matter for Germany. Its management is to be turned over to qualified German officials as soon as is possible. But as long as the Bizonal Area does not have sufficient foreign exchange to feed its people adequately and keep its factories going — that is, as long as the American and British taxpayers must make up the deficit out of their own pockets, it is appropriate that Allied authorities should exercise final control to see that the limited supplies of foreign exchange are wisely used.

But responsibility for planning and day-to-day administration of the program can be put into German hands as quickly as experienced and capable personnel are available for the job.

Here is an example of what is already being done in this respect. JEIA recently approved the purchase of $3,700,000 worth of hides from which 5,000,000 pairs of shoes are to be made for German residents of the Bizonal Area. The orders for these hides were not placed by JEIA, but by German tanners and hide workers dealing directly with the sellers. It is this kind of decentralization, whereby German firms handle their own procurement, which will cut down red tape and bureaucracy and speed recovery.

The reorganized, streamlined JEIA has not lost any time getting into action. It has already announced that $100,000,000 has been earmarked for purchase abroad of raw materials during the first three months of 1948. A large proportion of the $100,000,000 fund is to be used for supplying the people of the Bizonal Area with the raw materials needed for the manufacture of consumer goods. For example, leather for the 5,000,000 pairs of shoes mentioned above is coming from this fund.

The remainder of the $100,000,000 will be used for the purchase of raw materials which will be made into export products, which will in turn be used to buy from abroad more raw materials for consumer goods and expanding export industries. In this way, JEIA will enable the people of the Bizonal Area to exchange their labor, skills and technical resources for the goods which they must have from abroad. JEIA is the spark plug which will get the German economic engine going and keep it going.

Obviously all this required careful planning, for which German authorities have recently been given freedom of action. Each of the export industries of the Bizonal Area, such as chemicals, optics, and textiles, has worked out a production plan showing what materials it needs to import and how it intends to use these imports as working capital for rebuilding the German economy.

All sorts of factors must be considered. For instance, will the German standard of living be increased in the long run by using more leather now for shoes for sale to German