American soldiers, civilians and dependents of the US Zone have been bumping their pocketbooks more often of late against an ubiquitous organization called JEIA. At the opening of the first JEIA-run businessmen's hotel in Bad Homburg, Hesse, they found their dollar chits disappearing as fast as the lobster and martinis at Stateside prices. The 2,000 taxis operating in German cities suddenly became JEIA concessions. A few American car-owners discovered they could drive up to a German tire factory, have four brand new tires put on without delay and pay JEIA cash in dollars. An American dependent who went to a German optician to be fitted for contact lenses was sent to the JEIA branch office to settle the bill—$50 in scrip.

JEIA—the US-British operated Joint Export-Import Agency—controls most of what the Bizonal Area buys abroad and everything it has to sell. A hardheaded Anglo-American business operation, JEIA has a tight clutch on the area's tattered purse strings and a big job ahead—to pull bankrupt Bizonia out of the red.

Americans in the US Zone are likely to meet JEIA on even more occasions in the next year. By autumn there will be nine JEIA hotels in operation, complete with restaurants and

Am fot Dorothy Gies
Staff Writer, WEEKEND

Making pencils at Staedtler Pencil Co.

Byers, JEIA

Ford Motor Co. assembly plant, Cologne.

Photography by Al Byers, JEIA

Pfersee textile plant at Augsburg.
bars, and highly profitable prices. Plans have been discussed to set up JEIA stores where Americans can buy German products at export prices.

ALL THESE THINGS are part of the JEIA aim to make Germany's exports pay the high cost of her imports. Everything Germany needs in raw materials—from sheep gut and slates for schoolboys to radium for medicine—is bought today through the agency. JEIA exports cover everything from German coal and cameras to ship repairs in German docks, the sale of German patents, and the services of German workers.

If a Chinese merchant in Hong Kong orders German dyestuffs, he pays JEIA dollars through a New York bank. Vaccine made in the laboratories of the former I. G. Farben Company that was rushed to check the cholera epidemic in Egypt added dollars to JEIA funds. JEIA collects the royalties paid to a German concert singer who cuts records for a company in Switzerland.

JEIA headquarters in Hoechst near Frankfurt are housed in what is possibly the most dismal building intact in Germany. The interior is faced with poisonous-looking red, blue and green brick that once advertised Farben dyes. In the unpretentious offices opening off gloomy corridors JEIA's billion-dollar trading business is carried on.

Around a long table in JEIA's chief conference room sit delegates from European governments who want to do business with Germany. Miss Ethel Dietrich, trade negotiator for JEIA, sets up the conferences. According to Miss Dietrich, "JEIA does business with any country that wants to do business with Germany." Trade conferences have been held with every country in Europe except Russia, Romania, Albania and Spain.

GERMAN AND FRENCH are usually the languages of the conference table, and the agreements are drawn up in English. Often German experts on certain commodities sit in on the discussions. There is plenty of international horse trading and haggling over prices and terms.

"The Greeks, for example," explains Miss Dietrich, "want to sell Germany some of their surplus to-

bacco. It's more expensive than American, but JEIA agrees to take $2,500,000 worth, because Germans like it—it blends well with German tobacco, and because JEIA can sell Greek German machines, needles and scissors."

JEIA officials are careful to explain that there is no bartering with foreign countries. They buy from Germany, Germany buys from them. Payments are made through a series of "offset accounts": in foreign banks that are cleared every three months by the debtor paying off the creditor in dollars.

JEIA's sweeping operations on the European economic scene did not spring up overnight. It has been quietly working out details of its organization since James F. Byrnes, then US secretary of state, and British Foreign Minister Ernest Bevin met in December, 1946, to agree on a bizonal economic merger. JEIA is the mainspring of their plan.

At first JEIA operated from Minden in the British Zone, with a joint British and American staff patterned on the lines of SHAEF. Early this year, JEIA was set up in Hoechst near bizonal headquarters in Frankfurt, and received a new charter and a complete job of streamlining. Its powers were made virtually autocratic.

MODELLING ON THE lines of a corporation with a board of directors at its head, JEIA is responsible to no one except the Bipartite Board, which is composed of the two Military Governors. Its staff is jointly American and British, but the voting in the board is by capital investment. The United States ousts Britain by three to one.

The two most important men in JEIA today are its director general, William John Logan, and his British deputy, John F. Cahan. Logan's background is the favorite American success formula. He was an all-American football player for Princeton in 1921, went to work as a messenger boy for the Hanover Bank in New York, and rose to be

How JEIA Works is carried with permission of the editors of WEEKEND, weekly magazine of the unofficial US Army newspaper, The Stars and Stripes, and with the approval of the director general of the Joint Export-Import Agency.

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vice-president. He retired from banking but worked during the war for the War Production Board. He was appointed by Secretary of State Marshall and General Clay for his present job. Colleagues say he considers it a sort of patriotic duty.

By profession, Canadian-born Cahan is not a businessman, but a teacher of economics. He taught at the University of London until the war when he joined the staff of the British Treasury.

Most of the day-to-day dealing with German and foreign businessmen is carried on in JEIA branch offices set up in each state capital. Here German manufacturers, exporters and agents flock with every conceivable question and problem arising out of the intricacies of present-day commercial transactions.

A canary breeder from Fulda comes to the JEIA Branch in Wiesbaden to arrange for the import of grapeseed for his canaries. When the canaries are old enough to travel, they will be flown to an American dealer in New York. The latter pays JEIA for them in dollars, and the German breeder gets marks at the prewar price level for canaries.

A Swedish businessman—distinguishable from German visitors by his very new clothes and his shiny black hamburg—knocks at JEIA’s door for a billet. He is in Germany shopping for a custom-built piece of paper-cutting machinery he bought here before the war. JEIA reserves a hotel room and a private car for him. He pays for both in dollars.

A Dutch furrier and a German tanner confer with a JEIA representative in a branch office about the terms of their contract. The Dutch furrier wants to send raw Persian lamb into Germany to be processed. The German tanner must get an import license from JEIA first to bring the furs in. When they are ready to be shipped back to Amsterdam, the contract must be drawn up, terms and prices checked first by German officials in the state economic ministry, then by JEIA.

Prices of German exports must approximate world market prices, and a German exporter must present at least three world price quotations to get JEIA’s O.K. “Germans often don’t price their goods high enough,” said one JEIA official.

A German wine-seller wants to apply for an exit permit so he can go to New York to sell his wine. If he can show that it is going to benefit the German economy, he will probably get the permit—eventually. Several hundred German businessmen have already gone abroad, usually to Sweden, Switzerland and the United States, to sell or buy.

An application for an exit permit has to run an obstacle course among a dozen sets of German and American officials before it is granted. Often it takes weeks or months to obtain. “One German died last year waiting for his,” says an assistant in a JEIA branch. “But it wouldn’t have made any difference. He wanted to go to South America, and his papers were disapproved.”

Another source of revenue for JEIA is from the services of Germans sent abroad to work. Usually such workers are engineers or technicians sent to another country to repair a piece of German machinery, or perform a skilled job of one kind or another. A German specialist from Wiesbaden is working today fitting glass eyes to patients in a Swiss hospital. His salary of $50 a day goes to JEIA, and JEIA deposits marks for him in Germany, fixed at the prewar wage scale. The foreign employer usually provides the German employee with expenses and transportation from the German border. Any German going abroad to work under JEIA sponsorship has to sign a statement promising not to sell or barter his services except through JEIA.

Often JEIA can set the salary concerned, as in the case of a top-flight German business executive now in the United States consulting with the American firm he represented before the war. JEIA decided he would probably earn $20,000 a year under ordinary circumstances. The equivalent of this salary is deposited in a JEIA account by the American firm.

JEIA’s most important work to date has been to iron out business procedures. A year ago the German businessman who set out to revive his export trade was living, commercially speaking, on a desert island. He had lost touch with his prewar customers. He could not telephone or telegraph outside Germany. He could not travel to his customers, and they could not travel to him. The Trading with the Enemy Acts forbade the latter from doing business with Germans at all. With an isolated cur-


(Photo by Byers, JEIA)
rency, the German manufacturer could not hope to import raw materials he needed to get his business back on its feet.

Today most of the ordinary business procedures have been restored in Germany. A German can telephone or telegraph outside the country.

Several hundred German businessmen have made trips outside Germany, and several thousand foreign businessmen have come to Germany. JEIA helps a German manufacturer subscribe to trade magazines to refresh his knowledge of world markets. He can advertise his products through the trade fairs held at regular intervals in German cities. Most important, he can import raw materials through JEIA, providing he can prove his product will make a dollar profit of three to one, or more.

JEIA’S MAIN PROBLEM is to persuade the German manufacturer and laborer to produce—and then to export their goods instead of bartering it on the German economy. Brigadier M.R.L. Robinson, deputy director of the foreign trade division, estimated recently that 80 percent of German production is going back into the German economy, legally or illegally.

"Many Germans are hoarding raw materials against the day of currency exchange," said Harold Nickelsberg, of the JEIA branch office for Hesse.

How does JEIA prevent the German manufacturer from selling on his own to a foreign buyer and pocketing the proceeds? JEIA has no police force. But it has the German customs authorities to help check; MG’s control of transportation, and MG Law No. 161, which makes it a criminal offense, punishable by anything up to death, to move property and goods across the border without proper authorization. Branch offices can also check the exports a German manufacturer is making against the amount he has imported, to see if he is really producing.

The German press has been highly critical of JEIA. One German newspaperman called it “the most hated organization in Germany.” A frequent complaint of German businessmen is that there is still too much red tape in dealing with JEIA.

But JEIA has simplified complex procedures a great deal in the last few months. A German producer with goods on hand can make over-the-counter sales up to $5,000 without any license, and the buyer can take the goods away with him. A German exporter by acquiring an “open-end export license” can make sales up to $10,000 without consulting JEIA and without demanding letters of credit from his customer. The buyer, however, pays through JEIA and the German firm in turn gets marks.

Sales of more than $250,000 still have to be forwarded by the JEIA branches to JEIA headquarters, sometimes a long-drawn-out procedure that may take two months or more to consummate, according to branch officials. "And those are the sales we like to make," says Henry D. Cohen, deputy chief of the Hessian Branch of JEIA.

According to Mr. Nickelsberg, who talks to German businessmen every day, "Their main troubles are due to general conditions today. They complain that they can’t get labor or they can’t get shoes for their workers—things we can’t control." JEIA will help, however, by using part of its $300,000,000 import fund this year to buy consumer goods for Germany.

Another German complaint is that the dollar bonus given to exporters from the proceeds of their sales is too small to be a real incentive. Bonus A—five percent of the proceeds of German goods sold abroad—goes to the exporter. He can use it either for the purchase of machinery or raw materials, or for travel abroad. Bonus J—another five percent—goes to the export labor, in the form of extra food, clothing, tobacco.

Bonus J funds collect in a central kitty and are distributed entirely by a German-run committee. JEIA spokesman say the Germans have been very slow about distribution of the funds. However, tea, coffee, cheese and sardines have finally been ordered, and export workers will be able to draw about $6 worth of commodities a month.

JEIA IS CONSIDERING a plan to give German exporters 40 percent of the dollar proceeds from exports. Each German would then be responsible for importing his own raw materials. German businessmen like the idea because it would give them a greater feeling of independence.

JEIA has always planned to turn over its administration to the Germans eventually, keeping only a policymaking body at the top. This year German officials are planning the expenditure of the $200,000,000 fund earmarked for JEIA imports.

The 64-dollar question which JEIA must answer is: “Can Germany become self-supporting, and how soon?” Byrnes and Bevin in their three-year plan for bizonal economy hoped that in 1948 German would be exporting enough to pay two-thirds of her import bill, and that by 1949 German
exports and imports would balance. Then western Germany would be self-supporting.

But while German exports are lagging, Germany will probably receive $1,500,000,000 or more in imports this year. Her exports at the present rate will not pay a third of the bill. Many foreign buyers have had to cancel their contracts already. Dollar-short countries cannot afford to buy German luxury goods. Moreover, German production is still low—crucial steel will probably not reach the 5,000,000-ton mark this year, only half what the level of industry allows.

Everybody agrees that the Brynes-Bevin goal is impossible. "Actually," says Deputy Director Cahan, "it was too optimistic. It was intended mainly as a target for the Germans. But the Germans are sure the Americans and British won't let them starve, anyhow."

JEIA officials look to Marshall Plan aid to save the situation by providing western Europe with a transfusion of vital dollars. "JEIA will coordinate the spending of all funds available to western Germany—category A imports, export proceeds, and ERP funds," Cahan points out.

When then, with Marshall Plan aid, can a self-supporting Germany be established? Director General Logan replies carefully:

"It is perfectly possible for German exports to be raised in balance of imports. How soon will depend on world conditions."

Cahan is more pointed. "If everybody worked for it, and if the Germans didn't play about with political squabbles, and if they really could be persuaded that they would starve if they didn't produce—then they might, reach the target in 1951."

**Writing Ban Lifted**

French Military Government withdrew the writing ban originally imposed on Gunther Markscheffel, editor of the SPD paper "Die Freiheit," for publishing articles comparing unfavorably the present food conditions with those of concentration camps.

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**JEIA Ends Entry Quota System**

The Joint Export-Import Agency, announcing the abolition of the quota system for the entry of foreign businessmen into the Bizonal Area, said that under a new procedure any person who has an interest in trade with the Bizonal Area may now be admitted for repeated journeys over a period of 30 days. If additional time is required, the JEIA branch offices have been authorized to grant whatever extension is necessary.

Previously, the number of businessmen admitted to the US and UK Zones was based on the extent to which the individual countries engaged in trade with the economically-fused zones and upon available accommodations. This plan has been abandoned in keeping with the plan of the two Military Governments for expanded trade with other countries.

In a further effort to encourage the visits of businessmen, JEIA is adding new hotels to those already operating for the exclusive use of foreign visitors.

The procedure for the entry of foreign visitors is as follows:

The visitor will obtain a "sponsorship" from the ministry of foreign trade or its equivalent in his country. Such sponsorship will be considered as a guarantee of the bona fides of the visitor and as an indication that an import license will be granted if a contract is concluded.

The businessmen will then receive a Military Entry Permit from the Military Permit Officer. MPO's are located in all the important European capitals and Washington.

Each applicant will have his passport stamped indicating that he is entitled to use all facilities available to foreign businessmen in the Bizonal Area. He will receive a copy of the "Business Men's Guide," published by JEIA and listing these facilities.

Complete freedom of travel will be allowed between the United States and British occupation zones.

In the British Zone, visitors will pay for accommodations and transport in British Armed Forces Special Vouchers (BAFSV), and in Military Payment Certificates (MPC) in the US Zone.

BAPSV's will be procured in Germany against a special sterling letter of credit obtainable from the London Foreign Office (German Section); from the British MPO, or the principal British consular representative in countries where there is no MPO. American Express dollar traveler's checks or MPO's will be accepted in exchange for BAPSV's.

In the US Zone, MPO's will be issued in exchange for dollar instruments.

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**Deadline Extended**

The US Zone deadline for filing reports of property confiscated from persecuted persons during the Nazi regime and subject to restitution under MG Law No. 59 has been extended three months to Aug. 15, the Property Division, OMGUS, announced.

The extension does not affect the deadline date of Dec. 31, 1948, for filing of claims for restitution. A large number of persons entitled to file claims, many of whom were forced to leave Germany during the Nazi regime, have lost trace of their property and must rely on reports required of all persons having knowledge of such property.

The extension was granted because some individuals and agencies under obligation to file reports have encountered unusual difficulty in obtaining necessary data.

**Bavarians Adopt Slogans**

The latest slogans of the Bavarian party include the claim that "God decides who is to be a Bavarian" and "The Bavarian people decide who is to be accepted as a Bavarian."

In an eight-point program, the party demanded the independence of the Bavarian state, followed by a "Deprussianization," a plebiscite to determine the state's relationship to the rest of Germany, and a ruling that only Bavarians be permitted in the civil service, press and radio.—News of Germany.