A Boost for Trade
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INDUSTRIAL PRODUCTION is no longer a great problem in Western Germany.

Although one year ago some observers were skeptical about ECA's goal for 1952 — to reach 128 percent of Germany's 1936 production — the goal has, in 1950, already been attained.

The really big economic problem lies in West Germany's foreign trade — in its inability so far to export as much to the dollar market (the United States and Canada) as it has been importing.

This discrepancy between imports and exports, currently closed by Marshall Plan funds which have a fixed termination date, is well-known as the "dollar gap." To fill the gap, West Germany must step up her exports.

Despite the support which government can lend to export campaigns, the main weight must come from private enterprise; only on this basis can Europe and America establish sound, strong economic ties.

One of the first necessities for expanding exports was an agency from West German private enterprise which could stimulate export effort and act as clearing-house for information between importers in the United States and manufacturers and exporters in Germany.

IN THE PAST, ONLY the largest firms had been in a position to keep informed on foreign markets; very few small and medium manufacturers who wanted to sell for dollars had been able to bridge the difficulties of foreign sale alone. To set up this helping agency, representing all West Germany's export industries, was one of the hurdles that had to be taken if the dollar gap was to be crossed.

West German enterprise responded to the challenge. After months of planning, the German-American Trade Promotion Company, a non-profit organization representing practically the entire business community, is now in operation. Over-all mission of the company is to advise and assist German industries and exporters to market their goods in the United States and Canada, and to keep interested US importers and distributors informed of goods available in Germany.

Five trade associations, which represent every important export industry in western Germany, established the company in Frankfurt. The associations are the Federal Association of German Industry (whose nearest American counterpart is the National Association of Manufacturers); the Council of the German Chambers of Industry and Commerce; Association of German Hotels and Restaurants (tourism); the Association of Hamburg Exporters (trustee for all exporters and importers); and the German Central Handicrafts Association.

With these groups contributing to the GATPCo, exporters and industrialists are assured of practical and learned advice, GATPCo's board of directors is drawn from these associations as are the working personnel and advisory committees which offer specific counsel to various categories of industry.

Dr. Onno Oncken and Dr. Gerhard Dehne are managers of the company's Frankfurt office. Their staff numbers 23. Located in the Stock Exchange Building, 8 Boerse, the company has already processed 2,000 letters asking for marketing advice. While this work is important, the staff also is occupied with many other promotional activities.

EXTENDING AN ARM across the ocean, the company recently opened a New York branch office in Suite 6921, Empire State Building.

While the Frankfurt office directs its attention to German industry, the New York office deals directly with US importers, distributors and market research bureaus. Headed by Henry A. Abt, with a staff of eight employees, the latter office supplies data to US importers on specific industries and goods, and import possibilities from Germany. Special pains will be taken to inform German producers of suitable packaging, styling and designing of their wares for American consumers.

Chicago, New Orleans and San Francisco have been given study as new localities for additional branch offices. The company would then be able to furnish German exporters with valuable data on market conditions and tastes in other key American areas.

GATPCo is beginning to run the gamut of many services. The company has already accomplished such things as assisting in the preparational work for the German representatives at the Torquay conference, which dealt with international tariff and trade, and conducting studies of German patents and trade marks in the United States. Export incentives and the extension of long-term credits to export industries are occupying the company's attention at present.

Putting heavy emphasis on its information program, the company has begun publication of circulars, catalogs and booklets. One of these is an eight-page weekly bulletin informing German exporters of American market and sales conditions. A recent issue dealt with the effect of the Korean war and the armament boom on exports from Germany to the United States, thus helping exporters judge present and future developments.

A STATISTICAL HANDBOOK containing the most relevant data on the US economy is being prepared, to include such information as a table for converting cost insurance freight (c.i.f.) prices into landed cost, and information on US patent laws and antitrust legislation. Other directories presenting data on sales poten-
tialities, sources of supply and similar fields are being published.

An extensive lecture program under GATPCo’s auspices is now under way. Among the list of 15 or 20 speakers who have been engaged for this program are Dr. Eric Stoetzner, of The New York Times, on “The Business Climate in the United States,” and Thomas Lyons, executive of the Foreign Trade Zones Board, US Department of Commerce, on “Foreign Trade Zones in the United States.”

The bulk of the company’s work is counseling of individual German and American firms. Personal attention is given each caller, and letters are promptly answered.

American businessmen are often personally accompanied to factories in Germany, given counsel on business contacts, and supplied with data which minimize red tape. If the company hires special traveling representatives, as planned, personal contact between GATPCo and visiting businessmen will be on a larger scale.

While the main weight of the German “dollar drive” is beginning to be borne by the Germans themselves, there are a number of Americans in Germany lending assistance to this drive.

The Export Promotion Bureau of the ECA Special Mission to Western Germany is giving invaluable assistance to the company.

This bureau helps with counsel on American marketing practices, guidance and advice in handling trade problems. In addition, it has advised the company of many foreign trade services offered by American business and government agencies. A number of technical publications have been placed at the disposal of GATPCo. An example is the translation and distribution of a free booklet issued by the US Bureau of Customs entitled “Customs Information for Exporters to the United States.” This booklet alone is expected to do much to dispel the bogey, common to the majority of German exporters, that US customs procedures present insurmountable obstacles.

BESIDES SUPPLYING SALES AIDS to German exporters, ECA’s Export Promotion Bureau has a continuing program of meetings with German industrialists to encourage more of them to become exporters, and to increase group export representation in the United States. These meetings have already achieved much — for example, the planned establishment of an export sales organization for the German handicraft industry, which means that scores of small-scale manufacturers, producing in too little quantities to attempt foreign selling by themselves, may have the benefits of a central export agency to promote sales in the American market. The Export Promotion Bureau is also in a position to arrange visits for traveling US economic officials with the proper German agencies.

In a recent visit to Germany, a top ECA official from Washington said that excellent opportunities now exist for strong trade ties between the United States and Germany and commended West German private enterprise for its initiative in forming the trade promotion company. He also stated that he expects “to see the day soon when German goods are being distributed and sold throughout the United States.” This official was Wayne C. Taylor, author of the “Wayne Taylor Report,” which recommended precise steps for closing European dollar gaps, a document which, by its thorough analysis of the problem and its recommendations, may become an important historical paper, representing a turning point in American-European trade relations.

ECA technical assistance leaders encourage German economic experts, returning from the United States, to speak before audiences with potential exporters, thus bringing valuable information on the American market.

THE WORK BEING ACCOMPLISHED by the commercial sections of numerous US consulates in Germany cannot be overlooked. The consulates are now in a position, for the first time since the end of the war, to offer German manufacturers the services available under the US Department of Commerce’s World Trade Directory Reports.

Even the US Resident Officers have been enlisted in the dollar campaign, ECA Export Promotion officials briefed the October gathering of more than 150 resident officers in Frankfurt on the part they can play in boosting export trade, they can encourage small and large manufacturers in their districts to aim for the dollar market.

Through such efforts — especially through the work of West Germany’s private entrepreneurs — the outlook is today brighter than ever for closing the dollar gap.

Happy grins of Berliners (below) indicate they were among 250 unemployed who received four tons of clothing distributed by American Friends Service Committee. Left, Toyland opening at Berlin’s Military Post’s Shopping Center got enthusiastic welcome. (PRB HICOG-BE & US Army photos)