

Export Program for Bavaria

Interzonal Trade At RM 129,000,000

THE signal for initiating export programs to produce \$ 13,170,000 worth of pencils, toys, electro-medical equipment and overcoats has been received in Bavaria from the Joint US/UK Import-Export Agency.

Approval of the programs, which were developed by Bavarian manufacturers in cooperation with Military Government, indicates to the firms concerned that they may begin production with materials now on hand, while the bizonal agency will undertake to import the necessary raw materials, valued at \$ 1,622,500.

The largest program approved was the six-month proviso for the production of \$ 6,000,000 worth of pencils by Nuremberg firms from \$ 900,000 worth of raw materials. Although the firm has been in production of pencils for export for nearly a year, new programs must be drawn every six months to provide for new imports.

Indicative of the complexity of such programs was the list of raw materials which must be procured for the pencil industry alone: gums and glues from Egypt and Persia; aromatic woods from the United States and Mexico; nitro-cellulose for varnish from Sweden; linseed oil from South America; rubber from the Western Hemisphere; graphite from Mexico, Ceylon, and Korea; kaolin and alder-wood from Czechoslovakia; wax from Japan, and talc powder from Austria.

COUNTRIES throughout the world will be in the market for these pencils, said officials of the Trade and Commerce Branch, Office of Military Government for Bavaria, because of the quality and special types included in the 260 different varieties. The production includes all types from heavy carpenter's pencils to fancy crayons, in addition to color pencils of 50 different shades.

A five-million-dollar export business, based on \$ 500,000 of imports, is anticipated for the toy program during the next six months. Imports which the bizonal agency will purchase for the program include Swedish band steel, linseed oil from the

United States and Holland, resin from Holland and Portugal and goose-feathers for artificial Christmas trees and flowers from Czechoslovakia. Sheet metal required will be procured from Germany stocks. Most important contribution to the toy program is German skill which produces complex mechanical toys that are popular in world markets. Largest buyers of Bavarian toys are the United States and European countries.

THE new program for the Bavarian electro-medical industry provides for the export of \$ 2,100,000 of X-ray and dental equipment and spare parts for electro-therapeutic equipment during the next half year. This program is extremely important to nearby European nations, where doctors and hospitals had used German-produced medical equipment before the war. An acute shortage of spare parts has developed, which can be alleviated by production of the original manufacturers in Bavaria. The program is based on approximately \$ 212,500 of imports, including copper, molybdenum, and tungsten.

Approximately 2,500 "loden coats" worth \$ 70,000 and known for their high-quality wool, will be produced for export under the new program, which will provide for the import of \$ 10,000 of Australian wool. This will be the first post-war export in this line of goods.

As of 1 June, \$ 33,692,648 worth of exports had been sold in Bavaria, with \$ 14,019,280 worth already manufactured and shipped to the buyers. The leading purchasers were the United States, Switzerland, Sweden, France, and Luxembourg.

German Phone Service

German nationals in the US and British Zones of Germany, exclusive of the city of Berlin, are permitted to make reverse charge (collect) telephone calls to the United States. Overseas booking offices are located at Frankfurt, Bremen, Munich, Nuremberg, Stuttgart, Wiesbaden, Kassel, Heidelberg, Minden, and Duesseldorf.

During the first quarter of 1947, commodities valued at approximately RM 75,000,000 were shipped from the US Zones to the French and Soviet Zones and Berlin, while US Zone receipts from these areas totaled about RM 54,000,000 the Trade and Commerce Branch, Economics Division, OMGUS, announced. Total shipments from the US Zone showed a four percent increase over shipments for the fourth quarter of 1946, which totaled about RM 72,000,000 while receipts represented a decline of 13 percent from receipts for the fourth quarter of 1946, which totaled RM 62,000,000.

Interzonal trade with the French Zone was considerably greater during the first quarter of 1947 than with the Soviet Zone, 77 percent of US Zone receipts coming from the French Zone against 21 percent from the Soviet Zone, and 71 percent of shipments from the US Zone being made to the French Zone compared to 25 percent to the Soviet Zone. Receipts from Berlin were two percent of the total, and shipments to Berlin four percent.

Swiss Agreement

A trade agreement has been initiated in Berlin between Switzerland and the combined UK/US area of Germany. No estimate can be placed at present on the value or volume of trade likely to result, but heads of the delegations which negotiated the agreement expressed the view it would greatly facilitate resumption of normal business activities.

Lists of goods and services available for export in Switzerland and the UK/US Zones were exchanged. The discussions covered trading procedures between the combined UK/US Zones and Switzerland, visits of Swiss buyers to the Combined Zones, as well as the goods and services available for trade on either side and the methods of payment.

The arrangements agreed upon relative to the payment for trade between Switzerland and the UK/US area of Germany provide for the establishment with the Banque Nationale Suisse of a Swiss franc account and an account kept in dollars.