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## After the recession now an upswing made to measure

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# GERMAN PRISM

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## **Germany's Major Role in the Development Work of the FAO**

The Federal Republic of Germany is after the USA the second biggest donor of money to the world-wide work and development programme of the Food and Agricultural Organisation of UNO (FAO). During the years 1966/67 the Federal Republic contributed \$ 4.870 million, 9.74 per cent of the total budget of FAO. Since the beginning of its membership of the FAO, including 1967, the Federal Republic of Germany has contributed \$ 14 million. The Federal Republic has made the third highest contribution to the world food programme, established by UNO and FAO in 1961, \$ 8 million in the period 1966/68. More than a quarter of the \$ 6 million which Bonn, as a non-member of the United Nations has paid in 1967 for the UN development programme, has been used to finance the development projects, which were carried out on behalf of UNO by the FAO.

## **After the Recession now an Upswing Made to Measure**

The passed year gives German economists little occasion for self-satisfaction. The politico-economical targets have largely been missed. Instead of an economic growth of 4 per cent, which might be considered "adequate", the real gross national product even declined by 0.5 per cent. Even if one excludes the 150,000 dismissed foreign labour, the number of employees decreased by approximately 750,000 as compared with the preceding year. In contrast to that, the balance of foreign trade, services and donations closed with a surplus of more than DM 10 billion. It was, however, almost entirely compensated by the deficit in the capital balance. Only prices showed a pleasant development. With but 1.5 per cent the cost-of-living index rose less than in all the years since 1960. In the building business, which for a long time had been regarded as the source of inflationary tendencies, prices fell even absolutely.

These global results could palliate that after a duration of scarcely one year the recession phase now finally comes to an end. This is owing to the energetic economic policy, which above all has re-established the private industry's trust in the development. Granted, due to the pound devaluation the initial growth expectations must be slightly reduced. But, even under these changed circumstances, there can be no doubt about the effectiveness of the forces of recovery.

Corresponding to the relatively small employment of capacities and labour the real gross national product might well rise by 6 per cent next year, without considerable tensions arising in the business cycle. The enterprises' slowly increasing propensity to invest, the only limited growth in state consumption and the influence of the pound devaluation on foreign trade and payments as well as the limited growth in private consumption, however, indicate a smaller rise. It is generally estimated at 4 per cent. Thus, the cyclical development will hardly lead to an advance in prices and costs. This impact might, however, derive from the planned increase of the rate of added value tax on July 1.

## **Strong Interest in the International Agricultural Show in Berlin**

The "International Agricultural Week Berlin 1968" will be opened on the 26th January. This enormous agricultural exhibition will be open until the 4th February. A broad spectrum of agricultural products will be on show, as well as agricultural machinery, insecticides, animals and animal breeding. The exhibitors show in halls and pavilions, covering about 61,000 square metres. Last year there were 1,159 exhibitors. Twenty-three countries have booked space at the exhibition, and they include Algeria, Great Britain, Denmark, India, Yugoslavia, Canada, Spain, the USA and exhibitors from the Common Market countries. In the last years an annual average of 421,000 visitors came to the exhibition.

## **Nuclear Research in the Scope of the German Atom Programme**

The Federal Republic and the Land of North Rhine-Westphalia have concluded an agreement on the 5th December 1967 on joint management of the atomic research centre at Jülich. The "atomic research unit" at Jülich, which built the first wholly German nuclear reactor, was founded eleven years ago and has been almost totally financed and maintained by North Rhine-Westphalia. In the course of further considerably extended research projects, the centre will now be maintained and managed by the Federal Government and the Land, who will share the 1968 investment of DM 115 million. With the help of well-known names from the universities and from industry the centre will