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## Nuclear research in the scope of the German atom programme

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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 Julich. The "atomic research unit" at Julich, 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

engage in nuclear research and in atom technology within the scope of the German nuclear programme. The most important work of the centre will be the development of the Thorium high temperature reactor, which will be a major contribution to the German nuclear programme. For the years 1968 to 1972 this programme provides for expenditure of DM 5,000 million.

### **10 Million Homes Completed Since 1949**

Since 1949 over DM 250,000 million have been spent on building 10 million dwellings. The proportion of public expenditure for house building has fallen from its highest point in 1952, when

it stood at 43 per cent, to 17 per cent in 1966. During the same period the proportion of capital market funds rose from 25 per cent to more than 60 per cent. The proportion of social housing being built annually stood at around 70 per cent in the first years of the Federal Republic of Germany. It had fallen to around a third of the last year. In total, almost 50 per cent of the ten million new dwellings belong to the social housing programme and have been promoted with public funds.

### **Beer Sales Will Grow Further in the Next Years**

The IFO Institute for Economic Research in Munich has cheering news about beer sales and the beer tax yield in the Federal Republic. German beer drinking does not look like diminishing,

and saturation of the market is still a long way off. The brewers have strengthened their home sales techniques and are gaining new customers. Effective advertising is attempting to persuade women to take up the beer drinking habit. In future weather conditions could, however, exert a stronger influence on beer consumption. The IFO Institute estimates beer sales subject to taxation at 75.4 million hectolitres and the beer tax revenue at DM 1,042.6 million for 1967; for 1968 77.4 million hectolitres and DM 1073.4 million; 1971 87.0 million hectolitres and DM 1219.2 million beer tax yield.

### **The Highly Competitive German Pharmaceutical Industry**

The export of German pharmaceuticals has experienced a rapid rise in the post-war period. Since 1963 Germany has been the world's second largest exporter of pharmaceutical products and is

now threatening the American lead. The OECD pharmaceutical industry statistics for January to June 1967 show that the USA has increased its exports by

10 per cent compared with the same period in the previous year to \$ 145.2 million, while the German pharmaceutical industry has increased its exports by 13 per cent to \$ 169.5 million in the same period. The traditionally high reputation which German pharmaceutical products have abroad as well as the excellent sales network which has been built up are reasons for the high competitiveness of the industry. These are, of course, not the only reasons for the export position; successful research work is highly responsible, too. Of the new substances of the newly introduced medicines between 1961 and 1965 the USA discovered 22.1 per cent, Germany 18.9 per cent, France 18.5 per cent, Switzerland 9.7 per cent, Great Britain 7.6 per cent, and Japan 6.1 per cent.

### **Considerably Higher Foreign Investment in West Germany**

In the first half of 1967 the total foreign capital invested in West Germany made up DM 2,308.7 million as compared with DM 1,522.5 million in the first half of 1966.

The net additional investment was DM 2,134.5 million, compared with DM 1,374.9 million in the first half of 1966. The difference comes from the repayment of loans, liquidations, sales of participations and shares, transfers. The Federal Economic Ministry states that the total net capital investment in the Federal Republic from 1st September 1966 to 30th June 1967 rose to DM 12,762.9 million. Of this 6,372.2 million came from Europe (2,687.9 million from the Six and DM 3,673.0 million from the EFTA countries). The USA invested DM 6,347.6 million. In the distribution according to branches industry received DM 11,482.1 million of this foreign investment.

### **Foreign Success in the German Car Market**

From January to October last year 1.15 million new passenger and estate cars were registered in the Federal Republic. According to statistical figures of the Federal Office for Motor

Transport this was 173,372 (13.07 per cent) less than in the previous year's corresponding period. Volkswagen holds first rank, with a figure of 307,822 newly registered vehicles, but this was still 83,789 (21.3 per cent) less vehicles than in the previous year. Opel (General Motors) sold 232,271, a fall of 49,963 vehicles (17.7 per cent), and Ford sold 193,292 cars, a fall of 46,005 (19.6 per cent). Not all motor manufacturers experienced a fall in sales in the German market. Mercedes, for example, sold 85,514 vehicles which is an increase of 3,486 (4.1 per cent) over the same period in the preceding year. Despite the purchasers' restraint above all also foreign makes such as Renault, Simca, Peugeot, Austin and DAF increased their sales.