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## Development spectrum

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# DEVELOPMENT SPECTRUM

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**Personalialia:** The State Secretary in the Federal Ministry for Economic Cooperation, Professor Sohn, met the Liberian Ministers for Planning and Public Utilities, Bright and Major, for talks to exchange information on the current German development aid projects in Liberia. Capital aid commitments totalling DM 69.5 mn have by now been made to Liberia, chiefly for road-building and technical aid in the context of infrastructure measures.

The Federal Minister for Economic Cooperation, Dr Eppler, has received the Tanzanian Minister of Finance, Amir Jamal, and informed him of the willingness of the Federal Government to grant to Tanzania capital aid credits of about DM 25 mn.

The Secretary General of FAO, Boerma, met Federal Food Minister Ertl during the "World Campaign against Hunger"-Week. As the disposal of surpluses currently leads to frequent market disruptions, improved food aid planning is wanted. It has been agreed to draw up a world food balance-sheet.

**German Forum for Development Policy:** In an open letter to the Federal Chancellor on behalf of the German Forum for Development Policy the editor of the German weekly magazine "Die Zeit", Marion Countess Dönhoff, used the award of the Nobel Peace Prize to Federal Chancellor Brandt as an opportunity to draw attention to the link between peace policy and economic development of the countries of the Third World. She pointed out the well-nigh disastrous consequences which the present world monetary crisis, the threatening trade war and the economic downturn in the industrial states entail for the developing countries and called for suitable measures to

avoid a re-emergence on a world scale of the social problem of the 19th century. Countess Dönhoff asked the Federal Chancellor to urge all industrialised nations to show solidarity.

**VW in Mexico:** On October 21, 1971, the 200,000th Volkswagen car produced in Mexico rolled off the assembly lines of Volkswagen de Mexico at Puebla. This VW plant, which was set up in 1966, was able to launch its full production programme in 1970. At present Volkswagen de Mexico is the second largest Volkswagen subsidiary abroad. The first imported Volkswagen cars appeared on the Mexican market in 1954. In 1957 the Mexican Volkswagen plant started assembling the first units from imported components. Since Volkswagen de Mexico has gone into full production, the share of made-in-Mexico components now amounts to 60 p.c. Currently about 220 Volkswagen cars—mostly beetles—are being produced daily by over 4,400 workers.

It is intended to step up the output of the Puebla plant in the next few years. That depends very largely on further extension of the local accessories industry. The Volkswagen car has at present a share of about 30 p.c. in the Mexican passenger car market. Since 1968 replacement parts have been exported from Mexico to the USA, Canada and several countries of Central and South America. Since the beginning of 1971 complete vehicles have been exported as well. But the Mexican automobile market is also growing and offers a stable basis for future progress by the enterprise at Puebla.

**Indira Gandhi in Bonn:** The Indian Premier, Mrs Indira Gandhi, visited Bonn on her

world tour between November 10 and 12. She had political talks bearing on the conflict in Asia with Federal Chancellor Willy Brandt and Federal Foreign Minister Walter Scheel. Her talks with Federal Minister of Economic Affairs and Finance Professor Schiller and Federal Minister for Economic Cooperation Dr Eppler chiefly concerned economic subjects.

The German development aid and its contribution to lessening the repercussions of the repayments due to be made were discussed in the conversation with Professor Schiller. The Minister pointed out that according to German capital aid statistics for 1971, which show total contributions of DM 4.9 bn, India is receiving DM 270 mn, which puts it in first place. The Federal Republic is as interested as India in scaling down the Indian trade deficit which amounted to DM 130 mn in 1970. Reference was made by the German side to the efforts to increase exports by the Indian business world with the help of German customers and to the general tariff preferences of the EEC for developing countries.

Questions concerning German development aid were also the main topic of Mrs Gandhi's talk with Minister Eppler. The Federal Government has stated its willingness to step up the DM 56.1 mn of aid for refugees by DM 50 mn, thus making a further contribution in addition to the DM 5 bn of financial aid given hitherto, which puts it in fourth place among the nations providing capital for India. Besides, the discussion covered the encouragement of direct investment in India by German enterprises. The Indian Prime Minister promised that India would create a favourable climate for German investment activity.