



Strathprints Institutional Repository

Bell, D N F and Danson, M W and Glassford, M E and Kirwan, F X and Morton, A J and Simpson, D R F and Wingfield, Alison A. (1978) Summary [January 1978]. Quarterly Economic Commentary, 3 (3). p. 38. ISSN 0306-7866 ,

This version is available at <http://strathprints.strath.ac.uk/51479/>

Strathprints is designed to allow users to access the research output of the University of Strathclyde. Unless otherwise explicitly stated on the manuscript, Copyright © and Moral Rights for the papers on this site are retained by the individual authors and/or other copyright owners. Please check the manuscript for details of any other licences that may have been applied. You may not engage in further distribution of the material for any profitmaking activities or any commercial gain. You may freely distribute both the url (<http://strathprints.strath.ac.uk/>) and the content of this paper for research or private study, educational, or not-for-profit purposes without prior permission or charge.

Any correspondence concerning this service should be sent to Strathprints administrator: strathprints@strath.ac.uk

SUMMARYWorld and the United Kingdom

For most of the major industrialised countries, 1977 was a year of slow growth in terms of output, stagnation in terms of employment and a general reduction in the rate of price inflation. Only the United States and Japan saw a sustained advance in production.

In 1978 these trends are expected to continue, with the US current balance of payments remaining in substantial deficit. Aggregate growth of GDP is forecast at $3\frac{1}{2}\%$ for the OECD countries as a whole.

We anticipate that the rate of growth of output in the United Kingdom will be around 3% during 1978. By the end of the year we expect that the rate of increase of prices will be about 10%, and rising, while unemployment will remain at about 1.5 million.

Scotland

The upward movement in the Scotland/UK unemployment relative over the past few quarters is unlikely to portend a return to the poor relative performance of the Scottish economy which occurred in the early nineteen sixties. Nevertheless the outlook for the Scottish economy in 1978 is not very encouraging.

The rate of growth of output is largely dependent on the nature and extent of the stimulus imparted in the forthcoming April budget. A reduction in such taxes on employment as the national insurance contributions would be particularly appropriate in dealing with unemployment, the principal economic problem of the moment.

Since whatever measures taken in April will take some time to have an effect on unemployment, it is unlikely that anything more than a levelling out of the trend rate of unemployment can be hoped for before the end of the year. We anticipate that the total number of unemployed, including school leavers, will still be around 200,000 in June 1978.