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Slight growth of industrial production in 1967

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few basic remarks can be made about this: the modern holidaymaker—with few exceptions—demands a certain degree of comfort; he has an outspoken preference for a permanent lodging with running water and electric light. General communications and catering arrangements should also meet the standard of a European accustomed to civilisation. The average tourist avoids areas where the political situation is so unstable that there is danger of a war, a coup d'état, a revolt or the like. So, it is well for the host countries to pursue a policy, which guarantees the visitor a minimum of recreation and personal security. In addition, tourists expect friendly—or, at least, polite—treatment from the local people. Nothing is more

injurious to tourism than negligent or even inimical behaviour on the part of the inhabitants towards foreign visitors.

It is certainly to be anticipated that the recent increase in international tourism will continue over the next few years, even in developing countries. There are different reasons for this: the improved economic situation of many European countries, a rise in personal incomes, the trend towards longer holidays, an increasing desire to travel or the wish for peace and relaxation—and, as the tempo of our professional lives rises, there is an increasing need to satisfy this latter urge.

World Business Trends

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Slight Growth of Industrial Production in 1967

Industrial production reflected last year's recession with particular distinctiveness. In the Western industrial countries its volume (excluding building output) in 1967 surpassed that of 1966 by but 2 per cent, after in each of the three preceding years the increase had reached about 7 per cent. But also before that, since the late fifties, there had never been such a small growth rate. The unfavourable development in 1967 had been decisively influenced by the fact that North America and Western Europe, the two most important industrial centres, simultaneously experienced a recession, which only to a minor degree could be balanced by the vigorous expansion in Japan. Eliminating seasonal influences, total industrial production in these two economic areas at first receded even in 1967, while, in the second half-year, rallying tendencies asserted themselves.

The losses in industrial production, caused by the sluggish trend in the first half of 1967, were particularly heavy in the United States. In this country, on an annual average (January to November), the preceding year's corresponding production could be surpassed by but 1 per cent, after an increase by 9 per cent in 1966. The production of basic materials and

consumer goods was involved most, since in this sector the previous year's level could hardly be surpassed at all. Obviously the restraint in arrangements for carrying stocks affected these sectors decisively. As against that, the manufacture of investment goods and armament supplies developed more favourably, although here, too, the growth rate declined to 4 per cent (1966: + 18 per cent). However, upward tendencies could be noticed in all sectors during the second half of 1967.

In Western Europe, too, the industrial production of 1967 surpassed but slightly the previous year's level. That this increase occurred at all is almost exclusively a reflection of the incipient recovery of business, that became gradually more pronounced in the second half-year, after, at the beginning of the year, the sluggishness of production had still continued. To begin with the recession and later the recovery in the Federal Republic of Germany made a particular contribution to this development. In 1967 the annual average of industrial production did not only fall in the Federal Republic (– 2 per cent), but also in Britain (January to November – 1.5 per cent). As against that, it continued increas-

ing in France (+ 2.5 per cent) and above all in Italy (+ 9 per cent), although the expansion slowed down distinctively. The same tendency was more or less noticeable in almost all of the minor West European economies.

In Western Europe the differentiation also between individual trades or industries is considerable. Thus from January to September production did not reach the previous year's corresponding level—apart from mining (– 2 per cent), which is structurally handicapped—this applies particularly to the textile and clothing industries (– 6 per cent), where, obviously, contractive fluctuations of stocks had their consequences. The same applies also to the metal-using industries (– 2 per cent), and here especially to motor-vehicle construction, where also the ultimate demand declined strongly in important markets. Metal production surpassed the previous year's corresponding output only slightly, but tendencies towards a recovery could be noticed early. The growth of production remained most pronounced in the structurally favoured chemical industry and in power supply enterprises (+ 6 per cent).

In complete contrast to the development in the leading "old" industrial countries, industrial output in Japan continued growing at an undiminished speed during