

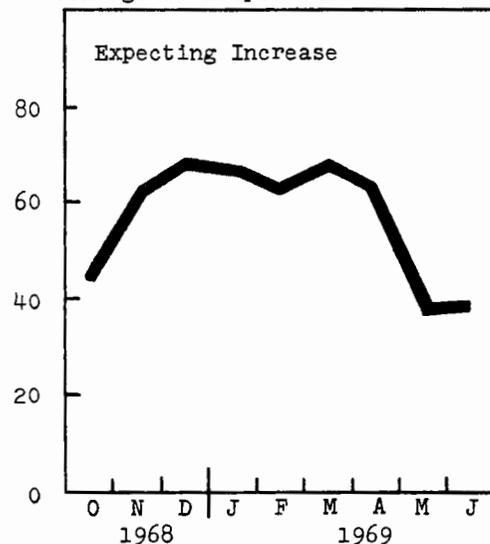
This Summary of Returns reports on the June responses to the Business Outlook Survey conducted by the Federal Reserve Bank of Philadelphia. Its purpose is to provide an insight into Third District business conditions. The survey sample polls manufacturing firms with 500 or more employees.

The rate of business expansion is expected to taper off during the second half of 1969, according to manufacturers in the Third Federal Reserve District. The latest Business Outlook Survey shows that the percentage of business executives with "bullish" expectations for six months ahead has plummeted from 67 per cent in March to 39 per cent in June. The outlook for July is dominated by "no change," although nearly one-third of the executives polled project a decrease in business activity. In March, less than 10 per cent were "bearish" about the month just ahead.

This major shift in sentiment on the part of corporate executives is shown in the chart. During the closing quarter of 1968, expectations for the general business outlook were on the rise. For the first four months of 1969, rising expectations leveled off at a high plateau. In May, expectations for business expansion dropped dramatically from over 60 per cent to less than 40 per cent, where they remained in June.

GENERAL BUSINESS OUTLOOK
SIX MONTHS AHEAD

Percentage of Respondents



There has been, however, no corresponding trend for prices in recent months. The outlook remains inflationary, suggesting that businessmen see no quick end to upward pressures on prices even with a slower-paced economy.

On the employment front, most firms plan to maintain the size of their present labor force. Although this may mean few layoffs, it also may foreshadow rising unemployment for the economy as a whole. With productivity advances and an expanding pool of manpower because of increasing population, no change in the number employed implies rising unemployment.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

JUNE 1969

INDICATOR	May vs. April			June vs. May			July vs. June			Six Months From Now vs. June		
	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS												
What is your evaluation of the level of general business activity?	12.5	57.1	26.8	10.7	57.1	32.1	32.1	48.2	19.6	39.3	21.4	39.3
COMPANY BUSINESS INDICATORS												
New Orders	25.0	42.9	28.6	17.9	42.9	39.2	28.6	44.6	26.8	32.1	23.2	44.6
Shipments	26.8	37.5	32.1	16.1	35.7	48.2	37.5	32.1	30.4	28.6	30.4	41.1
Unfilled Orders	23.2	37.5	30.4	23.2	44.6	26.8	16.1	50.0	25.0	30.4	35.7	28.6
Delivery Time	7.1	75.0	12.5	8.9	80.4	8.9	8.9	76.8	10.7	23.2	64.3	8.9
Inventories	17.9	48.2	26.8	19.6	55.4	21.4	23.2	57.1	16.1	41.1	35.7	19.6
Prices Paid	0.0	50.0	41.1	0.0	67.9	26.8	0.0	73.2	21.4	1.8	33.9	57.1
Prices Received	0.0	78.6	16.1	0.0	83.9	14.3	1.8	78.6	17.9	5.4	55.4	37.5
Number of Employees	10.7	67.9	17.9	7.1	67.9	25.0	8.9	78.6	12.5	16.1	62.5	21.4
Average Employee Workweek	5.4	82.1	8.9	5.4	85.7	8.9	12.5	83.9	3.6	19.6	69.6	10.7
Capital Expenditures										14.3	42.9	32.1

Note: Items may not add to 100 per cent because of omission by respondents.