

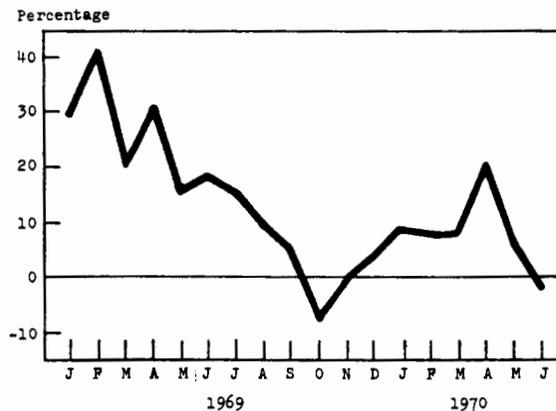


This summary of Returns reports on the June responses to the Business Outlook Survey conducted by the Federal Reserve Bank of Philadelphia. Its purpose is to provide an insight into Third District Business conditions. The survey sample polls manufacturing firms with 500 or more employees.

The slump in regional business activity is continuing. The latest Business Outlook Survey shows that most manufacturers in the Third Federal Reserve District are experiencing either no change or actual declines in new orders, sales, and order backlogs. And area executives polled foresee little or no change in the current business situation during the immediate months ahead.

However, optimism remains high for the longer run, according to survey results. More than two out of three of the responding executives say they expect sales and new orders to be higher for their own firms six months hence.

CAPITAL EXPENDITURE PLANS
SIX MONTHS AHEAD*



* (Percentage of respondents expecting an increase minus those expecting a decrease)

Despite rising expectations for business later in the year, survey findings indicate a downward trend in capital spending plans by area companies. The chart shows the percentage of respondents anticipating

an increase minus those expecting a decrease in capital spending over the next six months. From February through October of last year, plans for investment outlays trended downward. This downward trend was reversed in November. However, in recent months the trend again has headed down. And in June, the number of firms planning a cutback in capital outlays a half-year ahead exceeded the number planning a boost.

The outlook for prices remains inflationary. More than half the area executives canvassed expect prices paid to be higher six months hence. In short, area businessmen continue to foresee rising prices, combined with an upturn in business activity by the end of the year.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

June 1970

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?	38.5	51.9	9.6	21.2	63.5	15.4	25.0	59.6	13.5	5.8	13.5	80.8
COMPANY BUSINESS INDICATORS												
New Orders	26.9	40.4	30.8	21.2	50.0	26.9	21.2	57.7	19.2	3.8	23.1	69.2
Shipments	26.9	42.3	30.8	15.4	44.2	40.4	26.9	51.9	21.2	3.8	23.1	71.2
Unfilled Orders	30.8	48.1	17.3	25.0	50.0	21.2	23.1	57.7	15.4	9.6	30.8	53.8
Delivery Time	13.5	75.0	7.7	9.6	80.0	5.8	9.6	82.7	3.8	1.9	75.0	17.3
Inventories	23.1	48.1	28.8	21.2	57.7	21.2	13.5	65.4	21.2	26.9	36.5	34.6
Prices Paid	1.9	51.9	44.2	0.0	59.6	38.5	9.0	69.2	26.9	0.0	44.2	51.9
Prices Received	1.9	90.4	5.8	9.8	82.7	9.6	3.8	78.8	15.4	3.8	50.0	42.3
Number of Employees	25.0	57.7	15.4	15.4	65.4	15.4	17.3	73.1	7.7	11.5	55.8	28.8
Average Employee Payweek	17.3	71.2	7.7	3.8	80.8	9.6	11.5	75.0	9.6	3.8	78.8	13.5
Capital Expenditures										21.2	51.9	19.2

Comments on Business Developments (use reverse side if necessary)