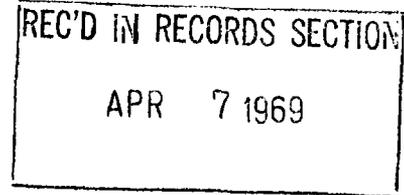




BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551



April 7, 1969

CONFIDENTIAL (FR)

TO: Federal Open Market Committee

FROM: Mr. Holland

Enclosed for your information is a memorandum from Mr. Partee dated April 4, 1969, entitled "Correction of Data Presented to FOMC on Business Capital Spending Plans."

A handwritten signature in cursive script, appearing to read "Robert C. Holland".

Robert C. Holland, Secretary,
Federal Open Market Committee.

Enclosure

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

REC'D IN RECORDS SECTION
APR 7 1969
Date April 4, 1969

Office Correspondence

To Mr. Holland

Subject: Correction of Data Presented to

From J. Charles Partee

FOMC on Business Capital Spending Plans.

In my presentation to the Federal Open Market Committee on April 1, I indicated that preliminary and confidential tabulations from the Commerce-SEC plant and equipment spending survey showed that the very large manufacturing firms were planning only a 7 per cent increase in outlays this year, while medium-size firms (total assets from \$10 to \$100 million) had reported plans for a 28 per cent increase. Final tabulations have just been received from Commerce on this point, and they now show a 12.9 per cent increase in planned outlays for the largest firms. Medium size manufacturers are still shown as planning a much larger rise-- 28.8 per cent--but the increase for the large companies is so much greater than I reported that I believe the correction should be brought to the attention of the Committee.

A table showing the results of the final tabulation, for the confidential use of Committee members and staff, is attached.



Attachment.

BUSINESS SECTION
1968 / 1969

Plant and Equipment Expenditures for Manufacturing, by Size of Firm 1968-1969
Per cent change 1/

Sector and Size of firm (total assets in mils. of dollars)	Not Seasonally Adjusted			Annual change 1968-1969	Seasonally Adjusted		
	1st Half '68 to 2nd Half '68	2nd Half '68 to 1st Half '69	1st Half '69 to 2nd Half '69		1st Half '68 to 2nd Half '68	2nd Half '68 to 1st Half '69	1st Half '69 to 2nd Half '69
Total manufacturing	15.1	-1.2	19.6	16.2	2.6	10.7	6.7
under 10	4.6	.8	6.0	6.1	-6.9	13.1	-5.6
10 - 99	17.7	4.2	28.6	28.8	4.9	16.7	14.8
100 and over	18.0	-4.8	19.2	12.9	5.2	6.5	6.5
Durable	18.5	-3.5	19.6	14.9	4.1	9.8	4.9
under 10	5.1	-2.2	2.5	1.5	-7.6	11.3	-10.0
10 - 99	23.6	3.2	28.5	30.3	8.6	17.4	12.8
100 and over	21.9	-8.1	21.3	11.7	7.2	4.6	6.4
Nondurable	11.8	1.4	19.6	17.5	1.1	11.7	8.6
under 10	3.8	4.9	10.5	12.4	-6.0	15.6	0.3
10 - 99	11.8	5.3	28.8	27.2	1.1	16.0	17.0
100 and over	14.3	-1.6	17.4	14.0	3.5	8.4	6.6

1/ Not for publication.