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COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

ALAN GREENSPAN, CHAIRMAN  
WILLIAM J. FELLNER  
GARY L. SEEVERS

October 15, 1974

MEMORANDUM FOR THE PRESIDENT

Subject: September Industrial Production

*MR7*

Summary

Industrial production rose 0.3 percent in September following a decrease of 0.4 percent in August. In August, production was depressed by brief strikes, which were settled subsequently. Apart from the strikes there has been little change in industrial activity in the past 2 months on an overall basis. With some oscillations since the beginning of the year, the index is back at its January level (and at about the average 1973 level).

*William J. Fellner*  
William J. Fellner  
Member

*[Handwritten signature]*

Alan Greenspan  
Chairman



Additional Detail

Industrial production peaked in the fourth calendar quarter of 1973, declined sharply in the first quarter because of the energy crisis, made a partial recovery in the second quarter and leveled off in the third quarter. This year's third quarter was 1.3 percent below last year's fourth.

Output of the electric and gas utilities has made a good recovery from last winter's slump. Mining has continued to edge down. Production of durable goods, after some recovery in the spring, has since fallen back a little. In this important sector output of appliances and building materials has been reduced because of weak demand, but strong demand has sustained production of capital goods and steel. Production of autos and parts was disappointing in the third quarter, little different from the second. Here, strikes have hampered output in recent months but most of these have just been settled. Consumer response to the new 1975 models with their higher price tags will govern the course of auto production over the next few months.

These figures are for release October 15 in the P.M.