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THE PRESIDENT HAS SEEN. *def*

COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

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

January 23, 1975

*MEF*

MEMORANDUM FOR THE PRESIDENT

Subject: New Orders for Durable Goods in December - Advance Report

Summary

New orders received by manufacturers of durable goods -- an important advance indicator of durable goods activity -- declined 11 percent in December. Orders in every major industry group declined. The total decrease over the past 4 months has been 23 percent and more than this if allowance is made for higher prices.

These figures were released on January 22 at 2:00 p. m.

*William J. Fellner*

William J. Fellner  
Member

*[Handwritten signature]*

Alan Greenspan  
Chairman



Additional detail

Shipments of durable goods manufacturers showed an extremely large decline of 8 percent in December. This was far in excess of the decline in industrial production. In a very rough way this comparison suggests an involuntary buildup of inventories in the closing month of the year. These will be liquidated in the current quarter through further cuts in production.