The original documents are located in Box C16, folder "Presidential Presidential Handwriting, 3/18/1975" of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

March 18, 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Preliminary projections of first quarter GNP

    The Commerce Department is projecting an 11-1/2 percent
decline (annual rate) in real GNP from the fourth to the first
quarter and an inflation rate of 7.2 percent.   The decline in real
GNP is worse than the fourth quarter decrease while the overall
price rise is half the high fourth quarter rate.   These figures are
not greatly different from those we used last week in our reassess-
ment of the economic outlook.

    These figures are very tentative and are not for publication.
First quarter 1975 estimates based on more complete information
will appear in about one month.

Alan Greenspan

Additional detail

The Commerce Department is projecting a sharper decline in inventories than we had projected for the first quarter. If the big cut in inventories does indeed materialize, it will be a favorable development, since a reduction of burdensome inventories is a necessary condition for a recovery. With the tax cut bolstering private spending, chances for a second half upturn seem to look somewhat better than they did a month ago.