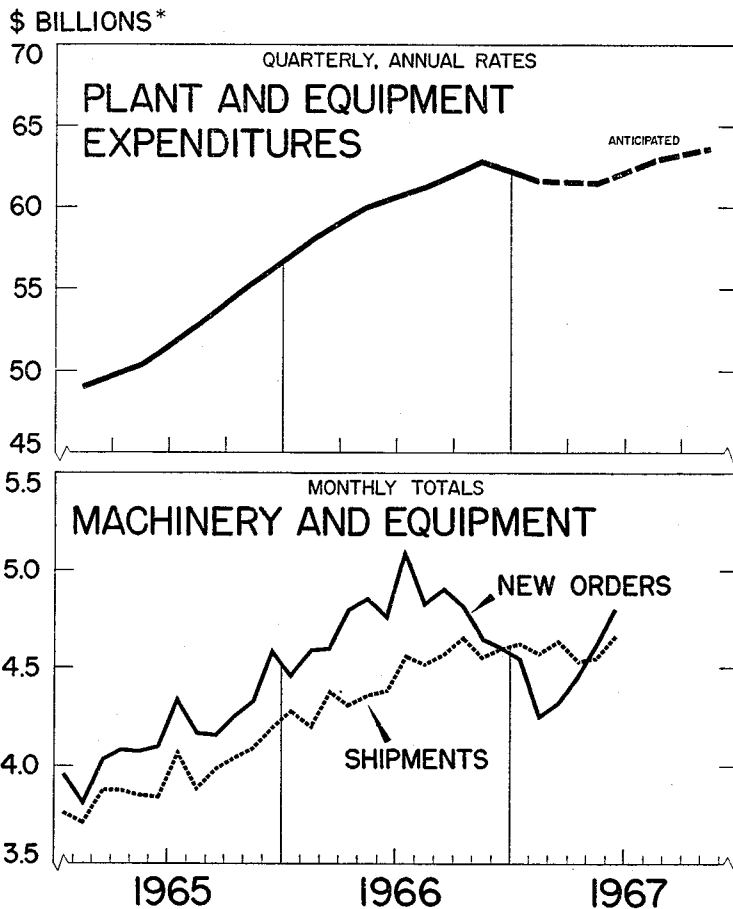


As chart 4 shows, businessmen have planned a gradual upturn in their investment for the second half of the year.

Chart 4.

## BUSINESS CAPITAL OUTLAYS



\*SEASONALLY ADJUSTED.  
SOURCES: DEPARTMENT OF COMMERCE AND SECURITIES  
AND EXCHANGE COMMISSION.

These are based on the Commerce-SEC survey of May of this year. In interpreting this evidence, it should be recognized that firms have scaled down somewhat their earlier plans for investment, and this scaling down could continue.

On the other hand, the restoration of the investment tax incentives may have some upward impact on plans. The chart also shows on the bottom panel the recent sustained recovery in new orders for machin-