

# monthly statistical report

## NINTH DISTRICT CONDITIONS federal reserve bank of minneapolis



### UNEMPLOYMENT RATE JUMPS IN JULY TO HIGHEST RATE IN OVER SIX YEARS

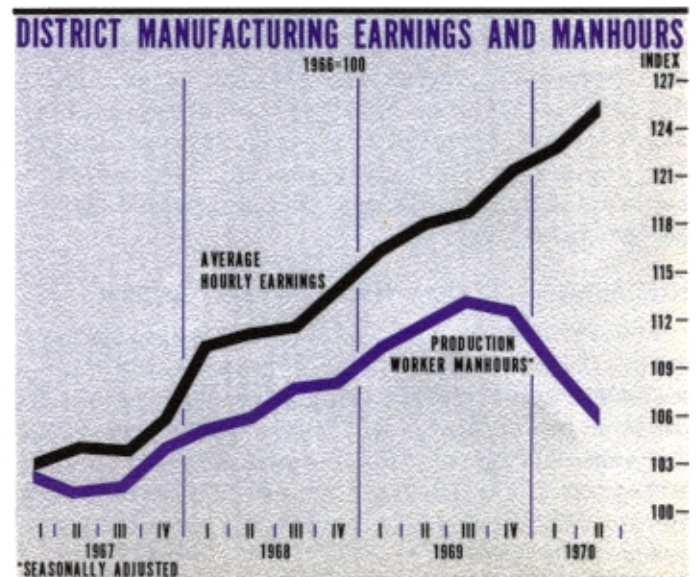
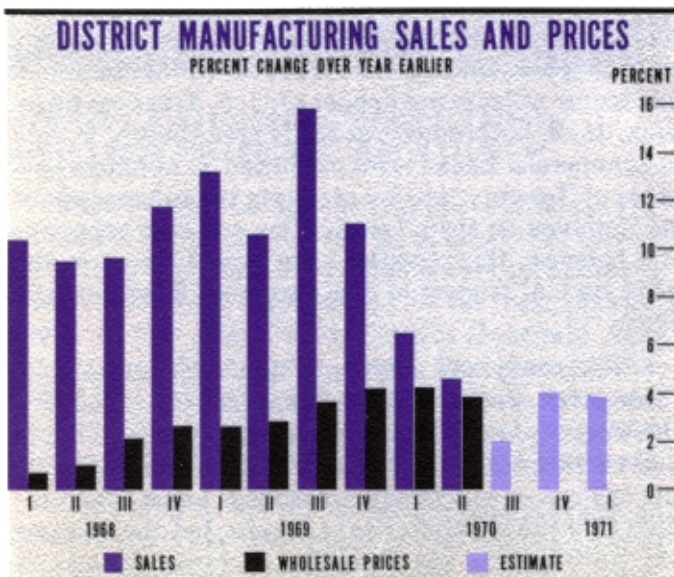
The demand for labor in the Ninth District is continuing to ease. Unemployment, seasonally adjusted, jumped to 5.1 percent of the labor force in July from 4.8 percent one month earlier. This is the highest rate of joblessness experienced in the district since June 1964 and was slightly above the nation's 5.0 percent unemployment rate in July. Another indication of labor market weakness is the district's July help wanted advertising index which was down 27 percent from a year ago.

Payroll employment in the Ninth District continues to be at a depressed level. Although district wage and salary employment, seasonally adjusted, increased slightly in July, this gain was primarily caused by striking construction workers returning to their jobs and does not necessarily reflect a turnaround in district economic conditions. In fact, the number of workers on district payrolls in July was no greater than the number employed last year. Manufacturing employment has been a major factor in the poor employment performance; in July it declined for the sixth consecutive month and was down 3.8 percent from a year ago.

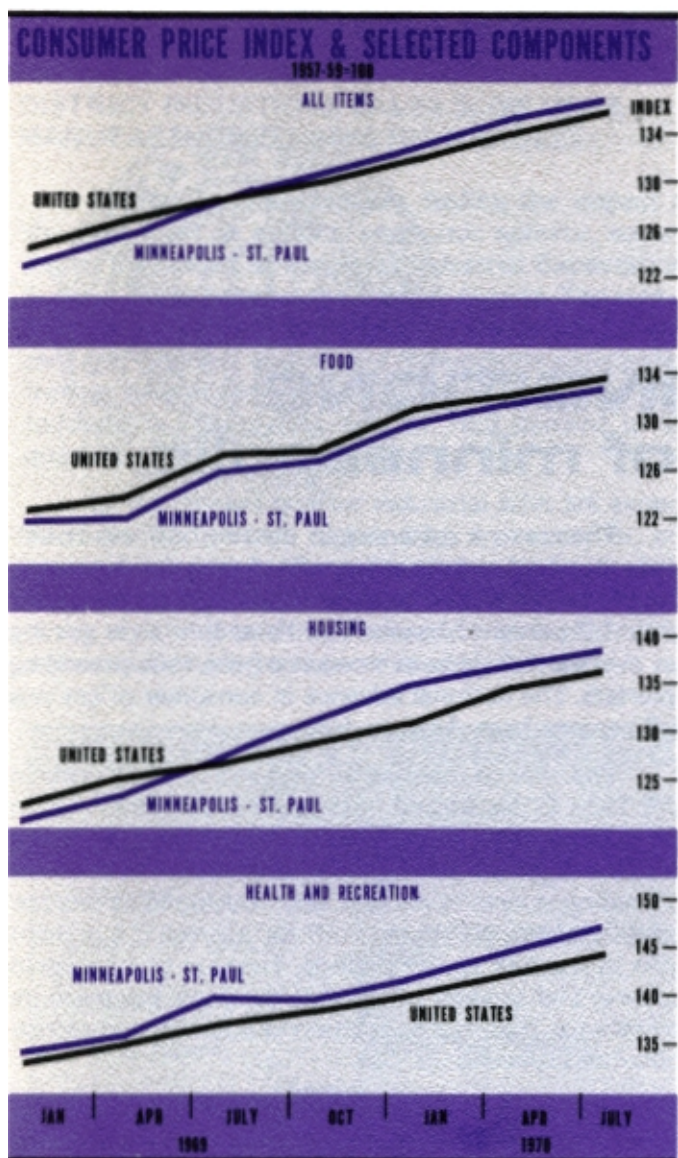
The current softening in district business conditions has had a dampening effect on price increases. Consumer prices in Minneapolis and St. Paul increased only 1.2 percent between April and July after gaining an average 1.9 percent in each of the four preceding quarters. The national advance in consumer prices was 1.3 percent from April to July.

The rate of increase in food and housing costs in the Twin Cities slowed noticeably in the three-month period ending in July. Food prices advanced only 0.8 percent after an average 2.2 percent rise in the four preceding quarterly periods, and housing costs increased 1.3 percent compared with the average 2.6 percent gain in the four earlier periods. The rate of advance in apparel and upkeep prices also declined, but price increases for both transportation and health and recreation costs speeded up.

District manufacturers apparently foresee no significant recovery in manufacturing activity through the rest of this year. According to the results of the latest Industrial Expectations Survey (see back page), district manufacturing sales exceeded last year's sales by only 4.6 percent in the second quarter, and sales are expected to be up only 2.0 percent in the current quarter. Manufacturing sales in the next two quarters







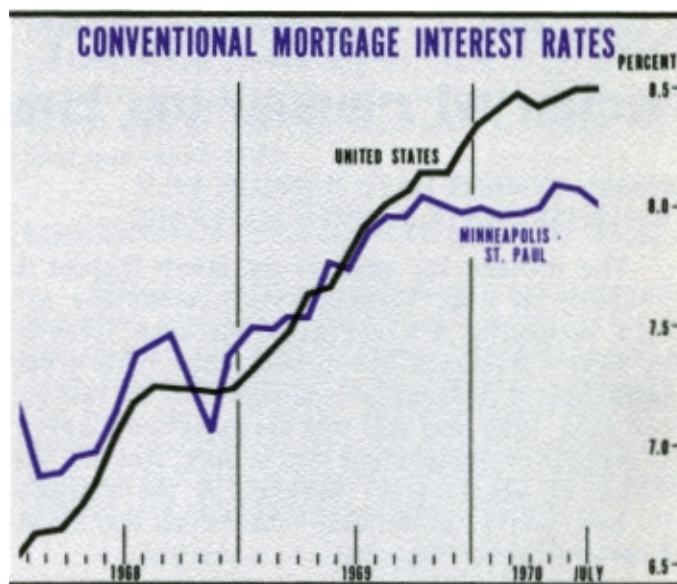
are expected to advance 4.0 percent on a year-to-year basis. Given recent price increases, sales gains of this magnitude imply little or no increase in sales volume.

While district manufacturing sales gains have decreased, manufacturing costs in the district have continued to rise. The average hourly wage in Minnesota manufacturing industries, for example, is up 6.0 percent from the second quarter last year. Consequently, district manufacturers have had to make some adjustments in their operations, especially labor utilization. The number of manhours consumed in district manufacturing activity in the second quarter was down 5.4 percent from a year ago.

#### HOUSING OUTLOOK REMAINS OPTIMISTIC

The outlook for housing is still relatively optimistic. Although housing unit authorizations on a seasonally adjusted basis retreated in July, permit activity in the district is still higher than it was earlier this year. During the three months ending in July, an average of 2,300 housing units were authorized each month. This was 15 percent above the pace of the first quarter this year.

There are scattered indications that district mortgage markets are loosening somewhat. Discount points on government-insured mortgages are lower than they were earlier in the year. Conventional mortgage rates in the Twin Cities have hovered around Minnesota's 8 percent interest rate ceiling since late last year and, being well below market mortgage rates, are not expected to soften in the near future. Mortgage lenders apparently are reducing their loan requirements, however, by extending the length of mortgages.



#### TOTAL BANK DEPOSITS CLIMB FURTHER TIME DEPOSITS CONTINUE TO INCREASE

Total deposits at district member banks continued to climb in August but at a more moderate pace than in July. The slower growth in August reflected relatively smaller increases in both demand and time deposits.

The rise in demand deposits during August was supported by the continuation of a vigorous upsurge in correspondent bank balances and private deposits but was moderated by a decline in U. S. government deposits following a substantial increase during the preceding month. The month-to-month fluctuation in this sector reflects the impact of U. S. Treasury financings. U. S. government deposits rose sharply in July as commercial banks were permitted to purchase new issues of Treasury bills by crediting the full amount of the purchase to their Treasury tax and loan accounts. The balances thus created were drawn down in the latter part of August in order to meet federal obligations.

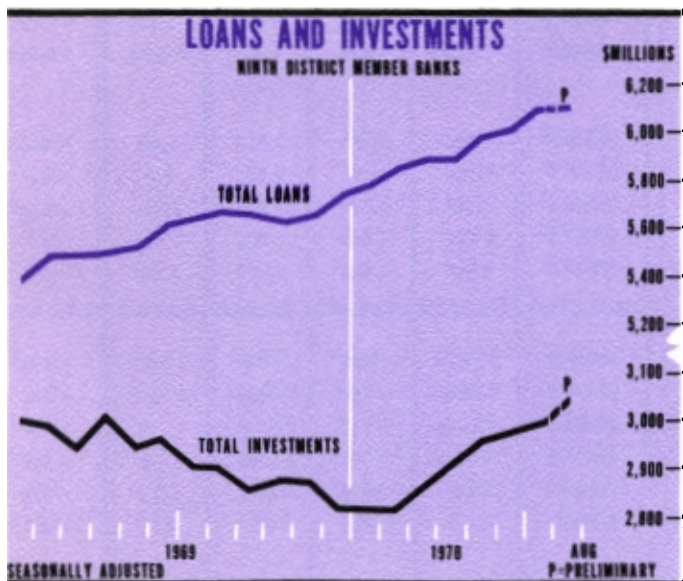
Following their July spurt, time deposits resumed a somewhat slower but still vigorous pace in August. The surge in July had stemmed largely from a jump in large certificates of deposit after Regulation Q interest rate ceilings were partially suspended. Large denomination CDs continued to rise in August, but the increase was substantially less than that recorded in July as



banks were able to obtain other short-term borrowings at lower costs. Meanwhile, small CDs and passbook savings continued to expand during August at the rapid pace which has been observed in recent months.

On the asset side of banks' balance sheets, outstanding loans at district member banks increased only marginally during August following a relatively vigorous advance in July. The slowdown in loan growth during August occurred for the most part at reserve city banks. Loan growth at rural banks and at smaller banks in urban areas has been sluggish for several months, and this pattern continued during August.

Holdings of U. S. government securities and other investments rose markedly during August. This expansion was to be expected in view of the strong deposit growth and weak loan expansion recorded during the month. As the accompanying chart indicates, however, the upturn in investments dates back to March and coincides with the upsurge in time deposit inflows. Growth in holdings of U. S. government securities has accounted for most of the increase in total investments since March. Holdings of other securities, seasonally adjusted, have increased only marginally since March and are still below year-ago levels.



### INTEREST RATES ON AG LOANS TAPER LONG-TERM RATES RISE RELATIVELY

Interest rates on agricultural loans at Ninth District banks continued to rise throughout the second quarter this year, but the increases were substantially smaller than those experienced in the first quarter. Results of the latest Ninth District Quarterly Agricultural Conditions Survey reveal that these smaller interest rate increases were noted for both short- and long-term loans and suggest that interest rates, which had been rising since early in 1969, may be leveling off.

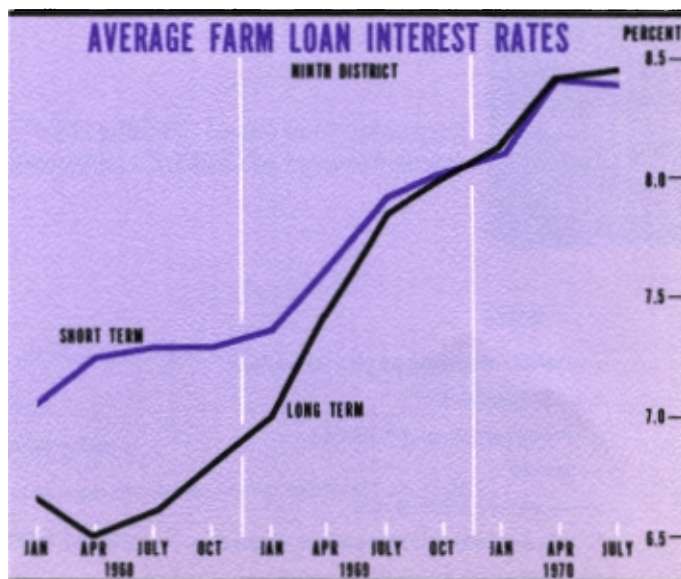
According to the survey results, interest rates on long-term loans have continued to rise relative to rates on short- and intermediate-term loans. On the average,

short-term interest rates declined 3 basis points (three-hundredths of one percent per annum) during the second quarter, while in the previous quarter they had risen 32 basis points. Intermediate rates rose 1 basis point compared with a 29-point increase in the first quarter. Interest rates on long-term loans, which are used primarily for building and purchasing real estate, rose 4 basis points compared with a 27-point increase in the first quarter this year. Of course, these comparisons partly reflect the very large agricultural interest rate increases during the first quarter of this year.

This term structure realignment probably had many causes, but one important factor is that life insurance companies have drastically curtailed their agricultural lending activities over the past two years. Agricultural borrowers, who have traditionally received about one-fourth of their long-term funds from life insurance companies, have thus been forced to rely more extensively on alternative sources: individuals, bankers, and the Federal Land Bank.

Two other factors seem to have contributed to the large increases in agricultural interest rates during the first quarter this year. First, there were some adjustments to new legal surroundings as usury ceilings were lifted in the Dakotas. Second, district agricultural banks appeared to carry an unusually high level of loans last winter which caused them to enter the spring period of seasonally high loan demand in an unusually tight position.

The tightness at district agricultural banks is apparent from their loan-to-deposit ratios. On January 1 of this year the survey showed approximately one-half of the respondents reporting loan-to-deposit ratios of 60 percent or greater, which historically is high for agricultural banks. On January 1, 1969, only one-fourth of the respondents reported a ratio this high. After planting was completed this year, six out of ten survey respondents reported loan-to-deposit ratios over 60 percent compared with less than five out of ten last year.



# NINTH DISTRICT income and finance

I N D I C A T O R		UNIT	1970			1969	Percent Change JULY-JULY
			AUGUST	JULY	JUNE	JULY	
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION	Total Personal Income*						
	Nonagricultural Personal Income*						
	Average Weekly Earnings in Manufacturing <sup>1</sup>	Dollars,	n.a.	139.80e	139.35p	133.86	+ 4.4
	Consumer Installment Credit Outstanding <sup>2</sup>	Million \$	n.a.	n.a.	1,361	1,312	
	Time and Savings Deposits at Member Banks	Million \$	n.a.	5,071	4,913	4,791	+ 5.8
	Savings Balances at Savings & Loan Assoc. <sup>3</sup>	Million \$	n.a.	n.a.	n.a.	3,292	
	Cash Farm Receipts <sup>3</sup>	Million \$	n.a.	n.a.	n.a.	299	
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS	CITY BANKS <sup>4,5</sup>						
	Adjusted Loans and Discounts <sup>6</sup>	Million \$	2,457	2,449	2,447	2,236	+ 9.5
	Commercial and Industrial Loans	Million \$	1,098	1,080	1,081	1,056	+ 2.3
	Real Estate Loans	Million \$	459	458	457	456	+ 0.4
	Gross Demand Deposits	Million \$	1,945	2,008	1,923	1,862	+ 7.8
	Time Deposits	Million \$	1,343	1,301	1,199	1,309	- 0.6
	U.S. Government Securities	Million \$	346	368	312	325	+13.2
	Other Securities	Million \$	504	474	502	574	-17.4
	COUNTRY BANKS <sup>4,7</sup>						
	Loans and Discounts	Million \$	3,785	3,305	3,729	3,487	- 5.2
	Gross Demand Deposits	Million \$	2,206	1,931	2,090	2,115	- 8.7
	Time Deposits	Million \$	3,806	3,360	3,713	3,482	- 3.5
	U.S. Government Securities	Million \$	977	909	922	985	- 7.7
	Other Securities	Million \$	1,106	951	1,079	1,009	- 5.8
MEASURES OF RESERVE POSITION AND "LIQUIDITY" OF MEMBER BANKS	Total Reserves <sup>8</sup>	Million \$	712p	688	667	673	+ 2.2
	Required Reserves	Million \$	704p	678	659	662	+ 2.4
	Excess Reserves	Million \$	8p	10	8	11	- 9.1
	Borrowings from FRB	Million \$	39p	35	62	37	- 5.4
	Ratio of Loans to Total Deposits—City Banks <sup>4</sup>	Percent	76.6	76.0	80.3	71.8	+ 5.8
	Ratio of Loans to Total Deposits—Country Banks <sup>4</sup>	Percent	62.9	62.5	64.3	62.3	+ 0.3
MEASURES OF PRICE LEVELS	Consumer Price Index <sup>9</sup> —Minneapolis	Index, sa	n.a.	136.7	n.a.	128.0	+ 6.8
	Prices Received by Farmers <sup>9</sup> —Minnesota	Index, sa	n.a.	128	125	128	

## NOTES

e—Partially estimated; all data not available  
n.a.—Not available  
p—Preliminary; subject to revision  
r—Revised  
sa—Seasonally adjusted data  
\*—U.S. and District do not have comparable data  
saar—Seasonally adjusted annual rate

## FOOTNOTES

1. Excluding Northwestern Wisconsin
2. All commercial banks, estimated by a sample of banks
3. Excluding Northwestern Wisconsin and Upper Michigan
4. Last Wednesday of the month figures
5. City Banks—Selected banks in major cities
6. Net loans and discounts less loans to domestic commercial city banks
7. Country Banks—All member banks excluding the selected major city banks
8. Average of daily figures of the four or five weeks ending on Wednesday which contain at least four days falling within the month
9. Index: 1957-59 Base Period



# UNITED STATES income and finance

Percent Change JULY-JULY	1970			1969	UNIT	I N D I C A T O R	
	AUGUST	JULY	JUNE	JULY			
+ 6.7		801.8p	798.2	75.4	Billion \$, saar	Total Personal Income	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION
+ 6.9		779.3p	775.7	728.8	Billion \$, saar	Nonagricultural Personal Income	
+ 3.2		133.39p	134.40	129.20	Dollars	Average Weekly Earnings in Manufacturing	
		n.a.	41.0	39.2	Billion \$	Consumer Installment Credit Outstanding <sup>2</sup>	
+ 6.0		163.3	155.6	154.0	Billion \$	Time and Savings Deposits at Member Banks	
+ 4.1		139.2	138.6	133.7	Billion \$	Savings Balances at Savings & Loan Assoc.	
		n.a.	n.a.	3.8	Billion \$	Cash Farm Receipts	
+ 2.3		171.9	169.7	168.0	Billion \$	CITY BANKS <sup>4,5</sup>	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS
+ 2.2		79.3	79.6	77.6	Billion \$	Adjusted Loans and Discounts <sup>6</sup>	
+ 0.9		33.6	33.5	33.3	Billion \$	Commercial and Industrial Loans	
+ 1.2		128.7	130.5	127.2	Billion \$	Real Estate Loans	
+ 5.9		106.5	99.7	100.6	Billion \$	Gross Demand Deposits	
- 0.4		23.4	21.7	23.5	Billion \$	Time Deposits	
+ 3.6		37.9	38.0	36.6	Billion \$	U.S. Government Securities	
						Other Securities	
+ 6.1		63.0	62.6	59.4	Billion \$	COUNTRY BANKS <sup>4,7</sup>	
+ 2.3		44.9	44.3	43.9	Billion \$	Loans and Discounts	
+ 6.4		56.8	55.9	53.4	Billion \$	Gross Demand Deposits	
- 5.5		15.6	15.3	16.5	Billion \$	Time Deposits	
+ 7.4		20.2	19.9	18.8	Billion \$	U.S. Government Securities	
						Other Securities	
+ 4.0		28,143p	27,566	27,052	Million \$	Total Reserves <sup>8</sup>	MEASURES OF RESERVE POSITION AND "LIQUIDITY" OF MEMBER BANKS
+ 4.3		28,002p	27,374	26,848	Million \$	Required Reserves	
-30.9		141p	192	204	Million \$	Excess Reserves	
+13.7		1,398p	848	1,230	Million \$	Borrowings from FRB	
- 1.2		75.4	76.6	76.3	Percent	Ratio of Loans to Total Deposits—City Banks <sup>4</sup>	
+ 1.3		61.9	62.5	61.1	Percent	Ratio of Loans to Total Deposits—Country Banks <sup>4</sup>	
+ 5.9		135.7	135.2	128.2	Index, sa	Consumer Price Index <sup>9</sup>	MEASURES OF PRICE LEVELS
+ 0.9		118	116	117	Index, sa	Prices Received by Farmers <sup>9</sup>	

## SOURCES

PERSONAL INCOME: U.S. Department of Commerce, Office of Business Economics

SAVINGS AND LOAN ASSOCIATIONS: Federal Home Loan Bank Board

CASH RECEIPTS FROM FARM MARKETINGS: U.S. Department of Agriculture

FINANCIAL DATA OF MEMBER BANKS: Federal Reserve Bank of Minneapolis and Board of Governors of F. R. System

CONSUMER PRICE INDEX: U.S. Department of Labor, Bureau of Labor Statistics

PRICES RECEIVED BY FARMERS: U.S. Department of Agriculture and Minnesota Farm Price Report

# NINTH DISTRICT production and employment

I N D I C A T O R		UNIT	1970		1969	Percent Change
			JULY	JUNE	JULY	JULY-JULY
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION	Total Industrial Production*					
	Electrical Energy Consumption: Mfg. and Mining <sup>1</sup>	Index, sa	273	264	258	+ 5.8
	Production Worker Manhours: <sup>1</sup>	Index, sa	n.a.	120p	126	
	Manufacturing	Index, sa	n.a.	128p	137	
	Mining	Index, sa	n.a.	78p	78	
	Total Construction Contracts Awarded	Million \$, sa	n.a.	199.0	143.6	
	Residential Buildings	Million \$, sa	n.a.	47.8	56.3	
	Nonresidential Buildings	Million \$, sa	n.a.	30.7	52.2	
	All Other Construction	Million \$, sa	n.a.	120.5	35.1	
	Bldg. Permits: New Housing Units <sup>2</sup>	Number	2,107	2,868	3,401r	-38.1
MEASURES OF MANPOWER UTILIZATION	Civilian Work Force <sup>3</sup>	Thousands, sa	2,561e	2,550p	2,527	+ 1.3
	Total Civilian Employment	Thousands, sa	2,431e	2,429p	2,440	- 0.4
	Number Unemployed	Thousands, sa	130e	121p	87	+49.4
	Unemployment Rate <sup>3</sup>	Percent, sa	5.1e	4.7p	3.4	+50.0
	Average Weekly Hours in Manufacturing <sup>3</sup>	Hours, sa	40.6e	39.9p	41.2	- 1.5
EMPLOYMENT BY INDUSTRY SECTOR	Wage and Salary Employment, Nonfarm <sup>3</sup>	Thousands, sa	1,907	1,902	1,898	+ 0.5
	Manufacturing	Thousands, sa	379p	380	395	- 4.1
	Mining	Thousands, sa	32p	32	31	+ 3.2
	Construction	Thousands, sa	91p	87	97	- 6.2
	Transport., Comm., & Public Utilities	Thousands, sa	129p	132	133	- 3.0
	Trade	Thousands, sa	464p	460	455	+ 2.0
	Finance, Insurance & Real Estate	Thousands, sa	89p	88	87	+ 2.3
	Service Industries	Thousands, sa	311p	310	306	+ 1.6
	Government	Thousands, sa	412p	413	394	+ 4.6
MEASURES OF SPENDING	Total Retail Sales*					
	New Passenger Car Registrations	Thousands, sa	n.a.	n.a.	20.8	
	Bank Debits <sup>4</sup>	Billion \$, saar	167.7	160.1	161.2	+ 4.0

## NOTES

e — Partially estimated; all data not available  
n.a. — Data not available  
p — Preliminary; subject to revision  
r — Revised  
sa — Seasonally adjusted data  
\* — U.S. and District do not have comparable data  
saar — Seasonally adjusted annual rate

## FOOTNOTES

1. Index: 1957-59 Base Period
2. A sample of permit issuing centers
3. Excluding Northwestern Wisconsin
4. Six standard metropolitan statistical areas
5. A sample of centers blown up to represent total permits issued
6. 226 centers excluding the seven leading centers



# UNITED STATES production and employment

Percent Change JULY-JULY	1970		1969	UNIT	I N D I C A T O R	
	JULY	JUNE	JULY			
- 3.4	169p	169	175	Index, sa	Total Industrial Production	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION
- 5.9	111p	110p	118	Index, sa	Electrical Energy Consumption: Mfg. and Mining *	
- 7.4	113p	113p	122	Index, sa	Production Worker Manhours: <sup>1</sup>	
	82p	80p	82	Index, sa	Manufacturing	
					Mining	
- 1.9	5,628.9	5,798.9	5,736.1	Million \$, sa	Total Construction Contracts Awarded	
+ 2.2	2,175.6	1,903.8	2,129.1	Million \$, sa	Residential Buildings	MEASURES OF MANPOWER UTILIZATION
+ 2.4	2,241.7	1,783.1	2,190.1	Million \$, sa	Nonresidential Buildings	
-14.5	1,211.6	2,112.0	1,416.9	Million \$, sa	All Other Construction	
	n.a.	131.8	126.4	Thousands	Bldg. Permits: New Housing Units <sup>5</sup>	
+ 2.5	82,813p	82,125	80,789	Thousands, sa	Civilian Work Force	
+ 0.9	78,638p	78,225	77,931	Thousands, sa	Total Civilian Employment	
+46.1	4,175p	3,900	2,858	Thousands, sa	Number Unemployed	EMPLOYMENT BY INDUSTRY SECTOR
+42.9	5.0p	4.7	3.5	Percent, sa	Unemployment Rate	
- 2.0	39.9p	39.8	40.7	Hours, sa	Average Weekly Hours in Manufacturing	
+ 0.1	70,455p	70,598	70,400	Thousands, sa	Wage and Salary Employment, Nonfarm	
- 4.2	19,400p	19,473	20,247	Thousands, sa	Manufacturing	
- 0.2	617p	619	618	Thousands, sa	Mining	
- 3.7	3,311p	3,326	3,439	Thousands, sa	Construction	MEASURES OF SPENDING
+ 1.2	4,507p	4,498	4,454	Thousands, sa	Transport., Comm., & Public Utilities	
+ 1.7	14,922p	14,941	14,673	Thousands, sa	Trade	
+ 3.1	3,676p	3,672	3,567	Thousands, sa	Finance, Insurance & Real Estate	
+ 2.5	11,484p	11,516	11,205	Thousands, sa	Service Industries	
+ 2.8	12,538p	12,553	12,197	Thousands, sa	Government	
+ 5.3	30,631p	30,432	29,090	Million \$, sa	Total Retail Sales	MEASURES OF SPENDING
	n.a.	n.a.	767.6	Thousands, sa	New Passenger Car Registrations	
+ 9.6	3,385.8	3,334.6	3,089.8	Billion \$, saar	Bank Debits <sup>6</sup>	

INDUSTRIAL PRODUCTION: Board of Governors of F.R. System

INDUSTRIAL USE OF ELECTRIC POWER: Federal Reserve Bank of Minneapolis

PRODUCTION WORKER MANHOURS: Federal Reserve Bank of Minneapolis

CONSTRUCTION CONTRACTS AWARDED: Board of Governors of F. R. System, F. W. Dodge Corporation data

NEW HOUSING UNITS AUTHORIZED: Federal Reserve Bank of Minneapolis and U.S. Department of Commerce, Bureau of Census

BANK DEBITS: Board of Governors of F. R. System

## SOURCES

EMPLOYMENT, UNEMPLOYMENT, HOURS AND WAGES:

Employment Security Departments; Minnesota, North Dakota, South Dakota, Montana, Michigan, and U.S. Department of Labor, Bureau of Labor Statistics

RETAIL SALES: U.S. Department of Commerce, Bureau of Census

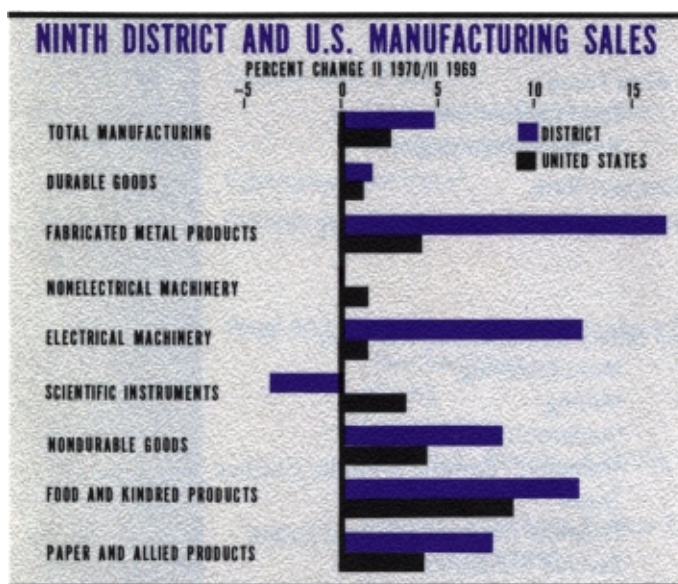
NEW PASSENGER CAR REGISTRATIONS: Automotive News Magazine

# INDUSTRIAL EXPECTATION SURVEY

## DISTRICT INDUSTRIAL SALES SLOW MORE MANUFACTURING FIRMS HIT HARDEST

District businessmen are feeling the impact of the slowdown in national economic activity, according to the results of the latest Industrial Expectations Survey, taken around the first of August. The rate of increase in district industrial sales slowed to 7.8 percent last quarter, and survey respondents anticipate a further deceleration in their rate of sales gain. This followed a year-to-year gain of 10.3 percent in the quarter.

In the current quarter industrial sales are expected to be 2.9 percent higher than a year earlier, and respondents anticipate no significant deviation from this rate of advance in the next two quarters. A slowdown in sales growth is disclosed in both the mining and manufacturing components of the survey.



District mining sales were up 23.8 percent over a year ago in the second quarter, down from the 29.5 percent advance recorded in the first quarter. District mining respondents look for their rate of sales increase to drop to 7.6 percent in the current quarter. Sales on a year-to-year basis are expected to advance only 3.8 percent in the fourth quarter and to fall by 6.6 percent in the first quarter of 1971.

The survey results reveal that the district manufacturers are bearing the brunt of the current economic slowdown. After reaching a peak of 15.9 percent in the third quarter of 1969, the rate of advance in district manufacturing sales has steadily declined to 4.6 percent in the last quarter. Sales increases of this magnitude imply little or no increase in the volume of goods sold, since manufacturing prices have increased around 4.0 percent in the last year. District manufacturers expect additional deterioration in their sales

growth. Manufacturing sales are anticipated to be up from a year ago by 2.0 percent in the current quarter and by 4.0 percent in the next two quarters. Although manufacturing respondents did reduce their expectations between May and August, this pattern of slowing conforms to that observed in the earlier survey.

In the cyclically sensitive durable goods industries, sales increased only 1.4 percent over a year ago in the second quarter and are expected to decline 3.0 percent in the current quarter. Durable goods manufacturers look for their sales to equal 1969's in the fourth quarter and then advance 1.5 percent in the first quarter of 1971.

## NONDURABLE GOODS SALES HOLD UP WELL

Sales in the district's nondurable goods industries surpassed year earlier levels by 8.1 percent in the second quarter, and manufacturers in these industries expect their sales gains to be of the same magnitude in the next three quarters. Although their rate of advance is expected to slow, food and kindred product sales are primarily responsible for preventing a deterioration in nondurable goods sales increases.

A comparison of the relative performance of second quarter district and national manufacturing sales discloses that district sales increased 4.6 percent as compared to a 2.5 percent year-to-year national gain (see graph). Whereas the district's gain in durable good sales approximates the national change, district nondurable goods sales increased at about double the national rate. Within the durable goods industries, district fabricated metal and electrical machinery sales substantially outpaced the national increase while non-electric machinery and scientific instrument sales grew faster in the nation. District sales advances in the food and kindred products and paper and allied products industries, important nondurable goods industries, surpassed national gains.

## INTERNATIONAL ADJUSTMENT AND THE DOLLAR

"International Adjustment and the Dollar," a monograph focusing on tension and turbulence in the world's foreign exchange markets during the 1960's and how that experience can help prospects for tranquility in the '70's, has recently been published by this Bank as part of its Ninth District Economic Information Series. The paper was written by Francis Cassell, a Senior Economic Advisor at the British Treasury, while he was in residence at the Bank on leave from the Treasury. It is available upon request to the Director of Public Information, Federal Reserve Bank, Minneapolis, Minnesota 55480.