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CONFIDENTIAL (FR)

SUPPLEMENT No. 2

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the  
Federal Open Market Committee

By the Staff  
Board of Governors  
of the Federal Reserve System

February 28, 1966

## SUPPLEMENTAL NOTES

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### International Developments

U.S. foreign trade statistics for January show movements somewhat more unfavorable than the February 24 Green Book indicated on p. I-6. Merchandise exports and imports were both off from the high December levels. However, when adjustment is made to correct for statistical carryovers, the import dip was not as large as the drop in exports. The statistics suggest what may turn out to have been a leveling off, for the time being, of the previously rising trend of exports. Comparison of the average for December-January with the average for the preceding two months shows exports down 3 per cent, while imports were up 3 per cent over this two-month interval.