The Dollar at Home and Abroad

By John G. Bell

CHART 1

Because of steady inflation in the U.S. over the last five years, the dollar today buys fewer goods in this country than it did in 1970.

Index of Purchasing Power of the Dollar* (1970 = 100)

* 100

CPI

CHART 2

YET THE DEPRECIATED DOLLAR HAS STILL HELD ITS PURCHASING POWER FAR BETTER AT HOME THAN IT HAS OVERSEAS...

Index of Purchasing Power of U. S. Dollar* in Selected Countries—1st Quarter, 1975
(1970 = 100)

* This index is computed by multiplying the exchange rate in terms of dollars per unit of foreign currency by the CPI for the country and converting to an index with 1970 = 100

SOURCE OF COMPONENT FIGURES: International Monetary Fund
CHART 3

...BECAUSE IT TAKES MORE DOLLARS TO BUY FOREIGN MONEY...

Percentage Change in Dollars Needed to Buy One Unit
Of Foreign Currency—1970 to 1st Quarter, 1975

SOURCE: International Monetary Fund
CHART 4

... AND FOREIGN MONEY BUYS FEWER FOREIGN GOODS.

Average Decline in Purchasing Power of Selected Currencies in Their Home Countries
Percentage Change from 1970 to 1975

SOURCE: International Monetary Fund