Univ. of Minn., Duluth
News Service
108 Main
Duluth, Minn.
Jan. 16, 1961

Immediate Release

Duluth--- "Unless foreign markets are supplied from the output of domestic plants, the growth of Upper Midwest durable industries may be tied more closely to the overall growth of the U.S. economy and less to the growth of the export demand," Oscar Litterer, business economist, Federal Reserve Bank, Minneapolis, warned today.

Speaking at the University of Minnesota's first annual Seaway Institute, Litterer indicated that many U.S. firms which plan expansion of production and distribution facilities abroad--- especially in Europe---might now find it cheaper through lower transportation costs on the St. Lawrence Seaway to spend that money at home through increased exports.

Litterer said Seaway commerce has and will play a major role in the export market at a time when there has been a drain of gold from the U.S. treasury.

Litterer said American firms have become less concerned about import restrictions since many American companies have increased investments abroad. For example, nearly one-fourth of U.S. imports in 1959 were from such firms.

The imports of foreign iron ores, Litterer pointed out, has caused displacement of both labor and capital in mining regions such as Minnesota. But there still is no serious movement afoot to impose a duty on foreign iron ore, he said. Instead, Litterer pointed to the Trade Adjustment Act introduced in 1960 by the Minnesota Congressional delegation which would aid workers through supplementary unemployment benefits, earlier social security retirement, re-education for new jobs, transportation to new job centers, and loans and accelerated amortization privileges for business firms. Litterer concluded the Seaway will play an increasingly important role in the future export and import strength of our national economy.