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Sommario/riassunto	The real effective exchange rate of the dollar is close to its minimum level for the past 4decades (as of September 2008). At the same time, however, the U.S. trade and currentaccount deficits remain large and, absent a significant correction in coming years, wouldcontribute to a further accumulation of U.S. external liabilities. The paper discusses thetension between these two aspects of the dollar assessment, and what factors can helpreconcile them. It focuses in particular on the terms of trade, adjustment lags, andmeasurement issues related to both the real effective exchange rate and the current accountbalance.