INTERNATIONAL TRADE AND PAYMENTS

By the same author

INTERNATIONAL MONETARY POLICY (1957 and 1961)
THE LONDON DISCOUNT MARKET (1968)

International Trade and Payments

W. M. Scammell

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*'The why of the world is an
answerless riddle
Puzzlesome, tiresome, hard to
unriddle.'*

JAMES JOYCE

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Preface

THIS book has been international in the writing as well as the content for it has been written in many places. Begun on the beautiful campus of the University of California at Santa Barbara, completed at my home university of McMaster in southern Ontario and revised while a visitor at the University of Manchester, it reflects, at least to some degree, work and discussion at these universities.

To my hosts at two of these universities and to my colleagues at the other I owe much for their help, tolerance and interest. The only claim to originality which a textbook may have is that at least it reflects the author's evaluation of his subject and of what within it is worthy of particular attention. Even this claim has been conditioned in the present case by the reactions of students during some years of teaching international trade at the graduate and undergraduate levels. I am convinced that here, as elsewhere in economics, relevance to the problems and confusions of our time is the criterion which must be paramount in this exercise in judicious selection.

Apart from the problems of selection, other constraints operate in the writing of a textbook. One of these is to achieve a balance between the rigour of analysis and format and the diffusion of example and illustrative and institutional material. This problem is exacerbated in that institutional and policy discussion quickly shows its age and loses some of its potency even before the book appears. This dilemma I have tried to meet by concentrating on the theoretical rather than descriptive approach to the subject. At the same time I have been mindful of my own oft-declared philosophy: that theory is only useful in so far as it illuminates fact and points to solutions of practical problems.

I am indebted to many friends and colleagues for their views and opinions during the writing of this book. Most of all I am indebted to my wife for help too great and varied to describe.

*Hamilton,
Ontario, 1973*

W. M. S.

Abbreviations and Acronyms

(a) International Organisations

AID	Agency for International Development
Basle Club	Group of Central Bank governors meeting in Basle for monthly meetings of BIS
BIS	Bank for International Settlements
CECM	Central American Common Market
CEEC	Committee for European Economic Co-operation
COMECON	Council for Mutual Economic Aid – an Eastern Bloc trade organisation
ECA	European Co-operation Administration
ECAFE	Economic Commission for Asia and the Far East
ECE	Economic Commission for Europe
ECLA	Economic Commission for Latin America
ECM	European Common Market
ECOSOC	Economic and Social Council of the United Nations
ECSC	European Coal and Steel Community
EEC	European Economic Community
EFTA	European Free Trade Association
EPU	European Payments Union
ERP	European Recovery Programme
EXIMBANK	Export-Import Bank of Washington
FAO	Food and Agricultural Organisation
GATT	General Agreement on Tariffs and Trade
IBRD or World Bank	International Bank for Reconstruction and Development
ICA	International Co-operation Administration
IDA	International Development Association
IDB	Inter-American Development Bank
IFC	International Finance Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
ITO	International Trade Organisation

LAFTA	Latin American Free Trade Association
MSA	Mutual Security Agency
OECD	Organisation for European Co-operation and Development
OEEC	Organisation for European Economic Co-operation
OSA	Overseas Sterling Area
RSA	Rest of the Sterling Area
SA	Sterling Area
SDR	Special Drawing Rights of the IMF
UN	United Nations
UNCTAD	United Nations Committee for Trade and Development

(b) *Bibliographical Abbreviations*

Professional journals are referred to by the following abbreviations:

<i>AER</i>	<i>American Economic Review</i>
<i>EJ</i>	<i>Economic Journal</i>
<i>Eca</i>	<i>Economica</i>
<i>IFS</i>	<i>International Financial Statistics</i> (IMF)
<i>JPE</i>	<i>Journal of Political Economy</i>
<i>MS</i>	<i>Manchester School</i>
<i>OEP</i>	<i>Oxford Economic Papers</i>
<i>QJE</i>	<i>Quarterly Journal of Economics</i>
<i>RES</i>	<i>Review of Economic Studies</i>

Except where it is otherwise indicated the words 'America' or 'American' in this book refer to the United States.