MACMILLAN
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ECONOMICS**

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General Editor
David W. Pearce

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Lexicographer

‘A Writer of dictionaries – a harmless drudge.’

Samuel Johnson (1755)

‘Letter to Lord Chesterfield’,
Boswell, Life of Johnson.

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Preface to the First Edition

The idea for this dictionary of economics originated within the reference books division of Macmillan Press. When we were approached to put that idea into practice there was widespread agreement that there was a need for something different in this area of reference studies, despite the excellent contributions that already existed. The dominant thought was that the 'average undergraduate' (for which no entry will be found in this dictionary or, we suspect, any other) needed to be led, sometimes gently, sometimes a little more forcibly, into realms that lay beyond the conventional first year economics course. Hence the coverage of the current dictionary. It extends significantly beyond what the first year student will need. At the same time, and here we can only hope we have succeeded, it covers all that the traditional market has aimed at. In short, we felt that there was a demand for coverage of the words and phrases, concepts and institutions that a first year student might want, and more. Economics is undergoing yet another 'revolution', albeit one that it is difficult to secure great perspective on at the time of writing. We have therefore done our best. In so doing, all the authors are conscious that they have been selective in choosing entries, that the 'balance' in a book authored by no less fourteen people must inevitably be open to criticism and that they will have omitted something, somewhere which others will see as being far more important than many of the entries chosen. To this end all criticism and suggestions for improvement are welcomed. For the moment, we believe that the dictionary we offer is unique, tempting and useful.

Each entry contains cross references except in the few cases where a word or phrase is 'self contained'. To build a picture of a given area of economics, the reader is therefore encouraged to pursue the cross references indicated at the end of each entry. We have also included many business terms which some will argue do not belong in a dictionary of economics. The growth of courses in business finance and analysis, however, testifies to the need to make such an excursion in a dictionary of this kind. We have also included 'potted' bibliographies of celebrated economists. It is not too difficult to decide who deserves mention when they are dead – although students of the history of thought will dispute that statement – but it proved decidedly controversial as to whom among the living should deserve an entry. We therefore followed a general rule, again which some will dispute, that those who have received the Nobel Prize for Economics should automatically gain mention. Others, perhaps no less deserving, receive mention because they have lent their names to a particular growth model, a theory of this or a theory of that. We have not eschewed the use of simple mathematical symbolism. When used, it is explained in each entry. Where the axe had to fall, for reasons of time and space, was in the area of institutions. International institutions of note are therefore included, but institutions peculiar to one country are generally but not always excluded. It proved impossible, for example, to explain some words in current usage without reference to UK banking institutions. Against this, we are very conscious that many important Acts of Parliament, Royal Commissions, committees of investigation and so on are excluded. If future editions allow, that is one area we would seek to remedy.

The ready enthusiasm with which we greeted the initial idea for a new dictionary of economics contrasted somewhat with the falling tempers that characterized the indecent haste of the final preparation of the manuscript. That most of the ill temper focused on the so-called 'editor' was predictable, and apologies are owed to all other authors in this respect. The work share in the dictionary is virtually impossible to allocate. Everyone gave freely of their time and it is best to think of each author as being equally responsible, or equally at fault. The more than occasionally bewildering task of typing the manuscript was begun by

Mrs Pearl Watson in truly efficient style, subsequently to be equalled by Mrs Betty Jones. That the task was beyond one secretary towards the end was quickly realized. Entries flew faster into the 'in tray' than they appeared in the 'out tray'. Winnie Sinclair, Phyl McKenzie, Aileen Fraser, June Begg and Sandra Galbraith all shared the final dash to the final furlong. We owe them everything in terms of seeing the book actually materialize. We also owe a debt of thanks to Shaie Selzer of Macmillan for being very patient, for extending at least one deadline and for providing the encouragement in the form of nearly threatening letters towards the end of the preparation period. It would be a miracle if such an enterprise were not full of errors and omissions. We make no claim to miracles, merely to having done the best that we can in the time available.

David W. Pearce   *General Editor*

Preface to the Third Edition

This new edition had its origins in two sources. The first was the passage of time, which required the updating of many entries and the introduction of new terms. The second arose from suggestions made by the Economics Editor of the MIT Press, Robert Bolick, who must be one of the few who have read the dictionary in its entirety. As a result of Mr Bolick's suggestions this edition has a larger content relevant to the USA. This material was supplied by Professors R. Bartlett and P. King of Denison University, with whom the original authors are happy to be associated. The rest of the work was done by John Cairns, Robert Elliott, Maxwell Gaskin, Tony Harris, Ian McAvinchey and Robert Shaw.

Undoubtedly, however, the major input to this edition has been made by our secretary, Winnie Sinclair, who has always been helpful, kind and unflustered in the face of innumerable, unreasonable demands. She is the only person to have read the dictionary several times, as well as typed it several times! Any errors which remain are certainly not her responsibility.

Robert Shaw