Contents

Editors' Introduction		1
То	p Three Essays	
1	The Limits to Japanese Power WILLIAM EMMOTT, The Economist	5
2	Slimming the US Trade and Current Account Deficits: How it Will—and Won't—Occur	0.1
	ALLEN LENZ, Chemical Manufacturers Association	21
3	Meltdown Monday or Meltdown Money? Causes of the Stock Market Crash	
	MARK MULLINS, London School of Economics	43
De	veloping-Country Debt	
4	Brazil at the Crossroads: Foreign Debt and Fiscal Exhaustion	
	ALVARO ZINI JR, University of Sao Paulo	67
5	Some Lessons of the Debt Crisis: Never Again? Christopher Huhne, The Guardian	85
6	The African Debt Problem	
	JOSHUA GREENE, International Monetary Fund	103
De	velopment Issues	
7	Determinants of Exports from Developing Countries BEJOY DAS GUPTA, Christ Church, Oxford University	117
8	Forward Foreign Exchange Markets in Developing Countries	
	Anthony Saunders, New York University and Federal Reserve Bank of Philadelphia	135
9	Brazil: The 'Alcohol Plan' Reviewed ALBERT HAHN, EcoPlan International (Paris)	151

viii Contents

Tra	ade and Services	
10	Globalisation of Services and Developing Countries PHEDON NICOLAIDES, Royal Institute of International	
	Affairs	161
11	China and GATT	
	NICHOLAS BUTLER, British Petroleum Exploration	177
Fo	reign Exchange Rates	
12	A Tale of Two Markets: Capital Market Integration and the Determination of Exchange Rates	
	Menzie Chinn, University of California, Berkeley	193
13	Variable Exchange Rates and the Quality of Credit Zvi Schloss, J. Rothschild Investment Management	
	Ltd	215
De	regulation, Innovation, and Financial Markets	
14	Financial Deregulation and Monetary Policy Brian Tew, Loughborough University	227
15	Financial Innovation and the Abandonment of Monetary Targets	
	DAVID COBHAM, University of St Andrews	245
16	Globalisation of the US Financial Markets	
	Roy Allen, St Mary's College of California	267
17	International Capital Imbalances: The Demise of Local Financial Boundaries	
	DAVID MEERSCHWAM, Harvard Business School	289