

高等财经院校试用教材

# 国际金融专业英语

ENGLISH ON  
INTERNATIONAL FINANCE

上 册



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(上册)

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中国金融出版社

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## 编 审 说 明

本书是为适应高等院校国际金融专业高年级英语教学需要而选编的试用教材，也可供从事国际金融工作的干部和研究人员学习参考，全书分上下两册。

本书课文选自国外近年出版、发表的有关书刊和文章。内容包括国际收支、国际货币体系、国际金融市场、国际信贷、外汇汇率、外汇业务等方面的基本知识。为适应教学的需要，有些地方略作修改。在学习过程中，对资产阶级经济学家的理论、观点，应有所鉴别。

本书由天津财经学院国际金融教研室蒋辑同志主编，王正、郑云深同志参加了部分编写工作，经中国银行浦寿海同志审订。在编写过程中，中国银行浦寿海、上海财经学院谢树森、天津财经学院徐国勋、辽宁大学陈家盛、邵延利、暨南大学费存仁、人民大学沈瑞年、中央财金学院陈抗风等同志均参加了讨论并提出了许多宝贵意见。

现经我们审定，本书可以作为试用教材出版。各校在试用过程中，有什么意见和建议，请函中国人民银行科教司教材编审室。

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一九八三年二月

## CONTENTS

1. Money, Currency and Foreign Exchange	1
2. The Money Systems of the United States and Great Britain	8
3. The Rate of Exchange	14
4. The Mint Parity and the Purchasing Power Parity	23
5. Inflation, Deflation, Reflation, Stagflation	30
6. Balance of Payments and Exchange Rates	39
7. Leads and Lags	48
8. Money and Foreign Exchange Markets	54
9. Foreign Money Markets	63
10. The External Dollar Markets	71
11. International Banking Facilities	82
12. Spot and Forward Exchange Markets	89
13. Arbitrage	96
14. Official Intervention	102
15. International Monetary Systems before Bretton Woods	109
16. The Road from Bretton Woods	117
17. The Collapse of the System of Fixed Rates	125

## Lesson 1

### Money, Currency And Foreign Exchange

#### Money and Currency

Money is something which is accepted generally by a community as a measure of value and a medium for the exchange of goods and services. It gives the owner a command over the goods and services of other members of his community which he should be able to exercise at his option, and anyone who has exchanged his goods or his labour for money should have obtained something with which he can procure the goods or services of others to an extent which satisfies him that he has received a fair return.

The substance used as money must be one which is desired for its own sake as well as for its utility in facilitating the exchange of goods and services. Oxen amongst the ancient communities, tea in China, salt in India and Arabia, cowrie shells in Africa have all served as material money because they had in themselves a value in the eyes of the persons using them. The substance chosen as money must act as —

(a) A MEDIUM OF EXCHANGE in that it is freely accepted within the community in exchange for goods and services;

(b) A MEASURE OF VALUE in that the value of all other commodities and services can be measured or expressed in terms of the commodity used as money, i.e. it is a common denominator of value;

(c) A STORE OF VALUE in that the passage of time should not cause its power to command a given quantity of goods or services to change significantly;

(d) A STANDARD FOR DEFERRED PAYMENTS, which follows from its being a store of value and which means that where a creditor and debtor agree upon payment at some future date in terms of money, for goods or services rendered immediately, the money shall, when the future date arrives, still represent a command over a similar quantity of goods or services and that no hardship or loss is suffered by either party by reason of the debt having been expressed in terms of money; in other words, money must possess a purchasing power which remains basically stable even over lengthy periods.

The term "money" in the modern sense has a narrower meaning than the term "currency". The term "money" is now used to describe actual money in the form of coin or notes or in any other form which passes freely from hand to hand as the recognized medium of exchange within a country. Thus, if we speak of English "money" we should mean the Bank of England notes and the small change in the form of coins which are used for everyday payments. On the other hand, "currency" is a generic term and covers not only the actual coins and paper money in use in a country but also any credit instruments which convey the right to wealth in terms of any given unit, such as a cheque, a promissory note, a bill of exchange or any other instrument capable of transferring the property in a stated number of the units of account which are in use in any given country. Thus, dealings in British, French, Dutch or any other "currency" should mean the buying and selling of the right to a certain number of the units of account of that country, which may be in the form of actual coin or notes but is usually in the form of a credit instrument capable of transferring the property in the units of account concerned.

In this connexion it must be pointed out that, contrary to popular misconception, it is physically impossible to transfer or bring, for instance, dollars to London or to send sterling to New York. It is, of course, possible to carry a certain amount of currency on the person from one of these centres to the other or to remit substantial sums in coin and/ or notes through the post, but when carried on the person and intended for use in the other country they must first be exchanged for local currency before they can be used as money in the other country. If a London banker arranges for a quantity of French franc notes to be remitted to him from France, he does not intend to use them to meet the cheques of his customers over the counter, but he requires them to meet the needs of customers who intend to visit France and therefore require French money to spend in that country. Useful possession of a currency can be had only in the country in which it passes current and this is the fundamental of foreign exchange.

### **Foreign Exchange**

It has already been stated that money is a common denominator in which the relative values of goods and services can be expressed, that throughout history any community which forms itself into a nation for the purposes of self-government immediately introduces its own distinctive unit of account, and that useful possession of any currency can be had only within the country in which it passes current. In order, therefore, that the owner of one kind of money expressed as a particular currency unit should exchange it for another kind of money expressed as a different currency unit, some mechanism to effect such an exchange must exist and some designation be given to such operations.

The means and methods by which rights to wealth expressed in terms of the currency of one country are converted into rights to wealth in terms of the currency of another country are known



as “foreign exchange”. The term covers the methods by which the currency of one country is exchanged for that of another, the causes which render such exchanges necessary, the forms in which such exchanges are conducted, and the ratios or equivalent values at which they are effected.

The expression “foreign exchange” is also popularly used to denote a foreign currency, e.g. a bank is said to buy or sell “foreign exchange”, meaning that it buys or sells rights to foreign currencies or the foreign moneys themselves. In addition, the expression “foreign exchanges” or “exchanges” is used particularly by the Press to describe the ratios or rates of exchange at which currencies exchange for one another.

(Excerpts from “A Manual Of Foreign Exchange” by H.E. Evitt)

## A. GLOSSARY

1. Deferred Payments — Payments postponed until a future time.
2. Promissory Note — A document stating that a person promises to pay another a specified sum at a certain date. It is a negotiable instrument.
3. Bill of Exchange — An unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a stated future date a sum of money to a certain person or to the order of that person or to bearer.

## B. USEFUL WORDS AND EXPRESSIONS

1. It gives the owner a command over the goods and services of other members of his community . . .  
a command over sth. — to be in a position to use sth.

- Ex. Multinational corporations own large amount of capital which enables them to have a command over new methods of production.
2. ...which he should be able to exercise at his option, . . . .  
option — right or power of choosing  
Ex. Whether payment is to be made in terms of U.S. dollar or pound sterling is at the seller's option.
3. ...and that no hardship or loss is suffered by either party. . . .  
party — one of the persons or sides in a legal agreement or dispute  
Ex. Once a contract is made, the terms are binding on both parties.
4. ...Which convey the right to wealth in terms of any given unit, such as a cheque. . . .  
convey — give (to sb.) full legal rights (to land or property)  
Ex. When you give a cheque to somebody, you are conveying the right to the part of your wealth to the cheque receiver.
5. ...but he requires them to meet the needs of customers who intend to visit France. . . .  
meet the needs — satisfy the requirements  
Ex. Governments sometimes raise money by issuing bonds to meet the needs of capital construction.
6. Useful possession of a currency can be had only in the country in which it passes current and. . . .  
pass current — be commonly accepted  
Ex. These South African coins would not pass current in England.
7. ...the causes which render such exchanges necessary. . . . .  
render — cause sth. to be

Ex. The wide fluctuation in exchange rates has rendered government intervention necessary.

### C. EXERCISES

1. Answer the following questions:
  - (1) What is the definition of money?
  - (2) What kind of substance can serve as money?
  - (3) Why should money have a standard for deferred payments?
  - (4) What is the difference between “money” and “currency”?
  - (5) What is “foreign exchange”, and what does the term cover?
  - (6) In a broader sense, what else does the expression “foreign exchange” denote?
  
2. Translate the following sentences into English:  
(at one's option, for its own sake, party, meet, pass current, render)
  - (1) 合同规定货款以美元或英镑支付, 由买方任选。
  - (2) 这个国际金融机构保持大量美元, 并非慕美元之名, 而是因美元起储备货币的作用。
  - (3) 协议双方均应严格遵守这个条件。
  - (4) 卖方允许延期付款, 以满足买方的要求。
  - (5) 在一个主权国家里, 外币理应禁止流通。
  - (6) 汇率的大幅度波动使投机得逞。
  
3. Translate the following passage into Chinese:

International trade and international capital movements are the basis of foreign exchange dealings. For example: if a Swiss exporter sells a machine to a Japanese buyer, to conclude the transaction the Yen

which the Japanese merchant has available will have to be changed into Swiss francs, the currency sought by the supplier of the machine. The observation of the French economist Gaetan Pirou that foreign exchange deals spring from “the co-existence between the internationalism of trade and the nationalism of currencies”, thus aptly describes at least the oldest origin of this “métier”. Clearly, the day that sees the arrival of a single world money will also witness the disappearance of foreign exchange business.

4. Translate the following passage into English:

在国际金融领域里，“外汇”一词，通常有两种涵义。第一，动态的或抽象的涵义：外汇即国际汇兑，指用外币表示的各种支付凭证来清偿国际间债权债务的各种活动，其中包括各国货币相互兑换的方法、方式、比率等。研究这种活动的学科称为国际汇兑或外汇学。第二，静态的或具体的涵义：外汇指以外币表示的各种支付凭证。从广义上讲，外汇也包括外币本身。从狭义看，外钞不算外汇。然而外钞若能不受限制地存放在国外商业银行帐户上，也能换成外汇。有些国家的外汇管理条例规定不许外钞换成外汇，但相反的调换通常是许可的。

## Lesson 2

### **The Money Systems of the United States and Great Britain**

In 1785 the Congress of the United States chose the dollar, which is made up of 100 cents, as the basic unit of money and the decimal system as the basic method of counting. The word decimal comes from the Latin word *decimus*, which means "one-tenth". It is very convenient to use the decimal system in many kinds of mathematical computations. For example, all that you need to do when you multiply by ten is to add a zero or to move the decimal point.

In the United States, there are five coins in common use: the penny (1 cent), the nickel (5 cents), the dime (10 cents), the quarter (25 cents), and the half-dollar (50 cents).

Silver and gold coins were once in common use in the United States. Because silver has become so expensive, the old silver dollar has gone out of circulation. To replace the old silver coin, a new silverless dollar was minted in November of 1971. Gold coins were taken out of circulation many years ago.

The word dime has an interesting history. In 1785 Thomas Jefferson (who was to become the third president of the United States) suggested that the word *disme* be used for the new coin. Since the dime is one-tenth of a dollar, Jefferson must have had in mind the French word *dixieme*, which means "tenth".

If you ever visit the United States, you will probably use only four of the paper bills now in circulation: the one-dollar

bill, the five-dollar bill, the ten-dollar bill, and the twenty-dollar bill. On three of these bills you will find pictures of presidents of the United States. On the one-dollar bill is a picture of George Washington, the first president; on the five-dollar bill, a picture of Abraham Lincoln, the sixteenth president. And a picture of Andrew Jackson, the seventh president, appears on the twenty-dollar bill. The ten-dollar bill has a picture of the first Secretary of the Treasury, Alexander Hamilton.

The largest denomination you will see is the one hundred-dollar bill. However, many people do not like to carry a bill of this size in their pockets. The larger denominations (the five hundred-dollar, one thousand-dollar, five thousand-dollar, and ten thousand-dollar bills) are no longer being printed and are going out of circulation. Nowadays transactions that involve large sums of money are made by checks and fund transfers.

Until recently, the British system of money was not based on the decimal system. But in February, 1971, Great Britain (England, Scotland, Wales, and Northern Ireland) decimalized its currency — that is, it converted its currency to the decimal system. The pound is still the basic monetary unit, but it is now made up of 100 pennies or pence. In the new system, there are six coins. The coins are known by their values. They have the following values:  $\frac{1}{2}$  pence or penny, 1 penny, 2 pence, 5 pence, 10 pence, and 50 pence.

In Great Britain, the word note is used to refer to paper money. The notes you would most probably use if you visited England are the one-pound note, the five-pound note, and the ten-pound note.

It isn't easy for a country to convert its currency from one system to another. In England the Decimal Currency Board spent \$3 million to explain the new system to the people. February 15, 1971, became known as D (for "Decimal") Day, and announcements on television urged the people to "Think Decimal". Large posters were put up in cities and towns, and

15 million copies of a decimal guidebook were sent all over the country. The reaction, as might be expected, was one of confusion and uncertainty; for people everywhere find it difficult to change from old ways to new ones. The British Broadcasting Company had a thirteen-year-old schoolboy on one of its regular morning radio programs to convince the adults that decimalization was really quite simple. Undoubtedly many adults disagreed with him. Many of them, in fact, must have been more in sympathy with Winston Churchill's son, Randolph, when he referred to the decimal system as "those damn dots". Conversion to the new system was also expensive. The government estimated that the total cost of decimalization, including replacement and conversion of machinery, would be about \$300 million.

The change to the decimal method of counting is to go much further than the money system. Present plans are that Great Britain will adopt the metric system for all weights and measurements in 1975. The cost will be enormous: According to one estimate, it will run to \$12 billion. There must be new machinery for businesses and factories, new bottles and cans for the food and dairy industries, new traffic signs for the highways (the speed limits and distances must be marked in kilometers rather than miles), new thermometers (water will freeze at 0 degrees centigrade instead of 32 degrees Fahrenheit). But the change-over is inevitable. In the long run, the new system, which is uniform and simpler, will save money. And now that Great Britain has joined the Common Market, it will be necessary for British exporters to use the same system as that of the other countries with which Britain has formed such close economic ties.

Eventually, the United States will no doubt have to adopt the metric system also. It will be interesting to see how Americans react when "M Day" comes. Will they be able to "Think Metric"? How soon will they be able to read the new weather

reports and find out how cold or hot it “really” has been or is going to be? How many will get traffic tickets because they won’t be able to convert speed limits in kilometers to speed limits in miles? When the scales are in grams instead of pounds, how will they know how much they really weigh? Or how will they know how much gasoline their cars need when it is sold in liters instead of gallons? Maybe they will just have to ask their children. The change-over will doubtless be easier for them.

(From “English For Today” Book 3)

## A. GLOSSARY

Common Market — also known as the European Economic Community (EEC). The EEC was established in 1957 for the purpose of promoting harmonious development of economic activities, continuous and balanced expansion, increased stability and raising of the standard of living within, and closer relations between, the member states, namely, Belgium, France, the GFR, Italy, Luxembourg and the Netherlands. By a treaty signed in 1972, the Kingdom of Denmark, the Irish Republic and the United Kingdom of Great Britain and Northern Ireland acceded to the Community.

## B. USEFUL WORDS AND EXPRESSIONS

1. ...the old silver dollar has gone out of circulation.  
go out of circulation — no longer in circulation  
Ex. After liberation, with the issuance of the People’s Bank notes, the heavily inflated “gold yuan bills” very soon went out of circulation.
2. Many of them, in fact, must have been more in sympathy with Winston Churchill’s son,...



in sympathy with — agreeing with, approving of  
Ex. In order to curb inflation, some economists are in sympathy with the proposal of raising interest rate and tightening credit.

3. According to one estimate, it will run to \$12 billion.  
run to — reach an amount of

Ex. The United States of America ran to a double-digit inflation in 1973.

4. In the long run, the new system, which is uniform and simpler, will save money.

in the long run — measured over a prolonged period of time

Ex. It pays in the long run to buy goods of high quality.

### C. EXERCISES

1. Answer the following questions:

(1) Why do we say it is convenient to use the decimal system?

(2) Are there any gold and silver coins now in circulation in the States?

(3) What is the difference between a bill and a note?

(4) What is the largest denomination of the banknotes that we have in our country?

(5) In the United States, what will people usually do if they have to make payments in large sums? What do we do here?

(6) How did Gt. Britain decimalize its currency?

(7) What does the “D Day” mean in Gt. Britain?

(8) What advantages will Great Britain gain by changing over to the metric system?

(9) What difficulties might be expected if metric system is to be adopted in the U.S.A.?