

RESEARCH IN  
INTERNATIONAL  
BUSINESS AND FINANCE

THE QUEST FOR EXCHANGE RATE STABILITY  
IN THE NEXT MILLENNIUM

*Series Editor:* •H. PETER GRAY  
*Department of Economics*  
*Rutgers University*

*Volume Editor:* SCHEHERAZADE S. REHMAN  
*School of Business and Public Management*  
*George Washington University*

VOLUME 13 • 1999

# CONTENTS

LIST OF CONTRIBUTORS	vii
ACKNOWLEDGMENTS	ix
INTRODUCTION <i>Scheherazade S. Rehman</i>	xi
<b>PART 1. THE EVOLUTION OF EXCHANGE RATE SYSTEMS</b>	
A SHORT HISTORY OF THE INTERNATIONAL MONETARY SYSTEM TO 1976, WITH EMPHASIS ON THE COLLAPSE OF THE BRETTON WOODS SYSTEM <i>Bruce F. Duncombe</i>	3
<b>PART II. RECENT REGIONAL EXCHANGE RATE ARRANGEMENTS</b>	
THE EUROPEAN EXPERIENCE WITH THE EUROPEAN MONETARY SYSTEM <i>Niels Thygesen</i>	39
EXCHANGE RATE SYSTEMS IN THE TRANSITION ECONOMIES OF CENTRAL AND EASTERN EUROPE AND THE FORMER SOVIET UNION <i>Joseph Pelzman</i>	61
<b>PART III. CURRENT ISSUES AND LESSONS</b>	
PERFORMANCE OF EXCHANGE RATE SYSTEMS IN THE FACE OF CAPITAL MOBILITY <i>Peter J. Quirk</i>	87
THE CASE FOR CRAWLING PEGS REVISITED <i>Hossein Askari</i>	127
HOW CAN EXISTING EXCHANGE RATE ARRANGEMENTS BE MADE TO WORK BETTER? <i>Dominick Salvatore</i>	145

**PART IV. CURRENCY ARRANGEMENTS FOR THE NEXT MILLENNIUM**

THE DOLLAR AND THE EURO <i>C Fred Bergsten</i>	167
THE COMING OF THE EURO <i>Sir Alan Walters</i>	179
THE INTERNATIONAL MONETARY SYSTEM <i>Antonio Fazio</i>	187
THE QUEST FOR EXCHANGE RATE STABILITY: REALISTIC OR QUIXOTIC? <i>Paul A. Volcker</i>	197