

Match the terms in column A with the explanations in column B.

A	B
1.lubricant	A. a promise to pay a debt, especially a signed paper stating the specific amount owed and often bearing the letters IOU.
2.barter	B. legal tender, especially paper currency, authorized by a government but not based on or convertible into gold or silver.
3. fiat	C. the tendency for bad money to drive good money out circulation.
4.assignat	D. a piece of stamped metal used as a substitute for currency:
5.token	E. any of the notes issued as paper currency in France (1789-1796) by the revolutionary government and secured by confiscated lands.
6.Gresham's Law	F. an arbitrary order or decree.
7.fiat money	G. to trade goods or services without the exchange of money.
8. IOU	H. a substance, such as grease or oil, that reduces friction when applied as a surface coating to moving parts.

### cloze

#### Will the Chinese economy cool off?

(Xinhua)

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With declining investment growth and a low inflation rate in April and May, some economics experts, discussing whether the Chinese economy was overheating early this year, are now concerned about its cooling-off.

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The Consumer Price Index (CPI), a leading inflation indicator, increased by a moderate 1.8 percent year-on-year in April and May. Fixed Assets Investment (FAI) grew 26.4 percent in January-May period, 8.4 percentage points lower as compared with a year ago, mainly pulled down by the dropping real estate investment growth. China's recent trade friction with the United States and the European Union hindered the growth of China's export.

"It is true that the major two engines fueling the Chinese economy, investment and net export, have both seen their growth decline, 2\_\_\_\_\_. " Dr.Wang Xiaoguang, with the Economic Institute of National Development and Reform Commission, China's economic planning agency, told Xinhua.

"China's FAI grows too fast at this time last year, especially real estate investment, arousing widespread concern for an overheated economy. After a series of macro-control measures, the current 26.4 percent growth is expected by the central government," said Wang.

Xu Lianzhong, an expert with the Price Monitor Center of the NDRC, said that the current FAI growth is in the range of healthy growth, and able to drive up the economy by the anticipated 8 percent.

"Speaking of the 1.8 percent CPI growth, it indicated less inflation pressure," acknowledged Xu. "The Chinese economy is entering a phase of fast growth and low inflation."

As for export disputes, Xu said that they could be resolved through negotiation.  
3\_\_\_\_\_.

There is another hidden factor driving up the Chinese economy, often ignored by overseas experts, said Xu. "The enthusiasm of the local governments to develop."

"To pursue better evaluation of their work, they will not let local economy cool down," said Xu. "They are inspired to continuously explore new economic growth points."

Both experts agree that due to the macro-control measures, which have been in place for one year and a half, the Chinese economy is now experiencing a "soft-landing" and heading for healthy development.

China's economy bid farewell to the five-year-long deflation in 2003, embracing a new round of economic growth. 4\_\_\_\_\_.

To avoid abrupt economic changes, China took a batch of macro-control measures to rein in growth some overheated sectors at the beginning of last year, prolonging this round of economic prosperity.

China's ongoing macro-control measures cut down overproduction in some sectors and reduced the possibility of deflation in the future," said Wang.

5.\_\_\_\_\_. they voiced their belief that the central bank should consider taking some precaution measures, like relaxing its money supply.

The growth of a broad money supply M2 in China, which covers cash in circulation and all deposits, quickened slightly to 14.6 percent in May over 14.1 percent in April. However, China's target for M2 supply growth is 15 percent this year.

A. But that does not signal a general cooling-down,

B. But following that, the bank loans increased dramatically, investment rocketed and

- a power crunch occurred.
- C. This does indicate a sign of cooling-down.
- D. Though the scene might be too dramatic to believe, official statistics indicate that Chinese economic growth is slowing down.
- E. The effect of the cooling-down on other countries is uncertain.
- F. Yet nobody can tell how much the influence might be.
- G. Though Wang and Xu said that China is not at risk of deflation at the moment,

## Translation

### Translate the English into Chinese.

In the days of the gold standard, the volume of money and credit in circulation was tied to the amount of gold in a country's vaults. Economies labored under the "tyranny" of the gold regime, booming when gold was abundant, deflating when it was scarce. The dollar standard is a more liberal system. Central banks retain the right to expand the volume of domestic credit to keep pace with the growth of the home economy. Eventually, however, growth in the world's economies translates into a growing demand for dollar assets. The more money central banks print, the more dollars they like to hold in reserve to underpin their currency. The more business is done across borders, the more dollars traders need to cover their transactions. If the greenback is the new gold, Alan Greenspan, the Federal Reserve chairman, is the world's alchemist, responsible for concocting enough liquidity to keep world trade bubbling along nicely.

### Translate the Chinese into English.

美元现在看起来脆弱不堪。其币值维持依靠的并不是美国出口的强劲，而是国外资本的大量流入。美国，一个资本如此富足的国家，竟然每天需要从国外输入将近 20 亿美元才能弥补经常项目的巨额贸易赤字。根据预测，今年美国的外贸赤字将会达到 5000 亿美元。大多数经济学家认为，美国如此巨大的外贸赤字会很快抽干世界别国的储蓄，因此，这一状况难以长久维持。一旦资本流入的来源枯竭，有人估计，美元将会贬掉四分之一的币值。然而美国财政部长——保罗·奥尼尔却显得镇定自若、波澜不惊。他宣称，经常项目赤字，是一个“毫无意义的概念”，之所以他也提到这个词，不过是因为其他人坚持让他对此发表意见。

Key

Match: H G F E D C B A

Cloze: D A F B G

### Translation

1. 在黄金本位制通行的日子里，流通中的货币数量和信贷供给都和这个国家金库中的黄金储备紧密相连。国家经济状况的好坏，颇受这一“黄金霸权”的统治之累：黄金数量充足时，经济繁荣；数量短缺时，通货便告紧缩。美元本位制下的情况，则灵活了很多。中央银行保存货币发行的特权，可以根据国内经济的具体状况，扩大或者紧缩信贷的数

量。然而，世界经济的增长最终会形成一种对美元资产的需求。各国中央银行发行的货币越多，表明它们越是愿意增加美元储备，并以此稳固本币的币值。国际贸易的数量越大，国际贸易商需要用来结算的美元也就越多。如果我们把美元比作一种新的黄金，那美联储主席——格林斯潘，就是我们这个世界的炼丹术士，他的工作就是尽量调制充足、恰当的国际交往润滑剂，促进国际贸易蒸蒸日上。

2. The dollar is looking vulnerable. It is propped up not by the strength of America's exports, but by vast imports of capital, has to borrow from abroad almost \$2 billion net every working day to cover a current-account deficit forecast to reach almost \$500 billion this year. To most economists, this deficit represents an unsustainable drain on world savings. If the capital inflows were to dry up, some reckon that the dollar could lose a quarter of its value. Only Paul O'Neill, America's treasury secretary, appears unruffled. The current-account deficit, he declares, is a "meaningless concept", which he talks about only because others insist on doing so.