Fragility and resilience of the international financial structure.

Question of the relevance of inhereted doctrine. We note that the basic free trade argument is developed on a trade only model where either the mode of production or the relative availability of inputs leads to comparative advantages. In a world with financial links among the various trading partners there are payment commitments that are independent of the current trade balance. The appropriate way of looking at a financially interrrelated world is to first inquire into the payments that are mandated by the international financial structure and then turn your attention to the ways in which the "financial nut" is made.

Paper for session Peter Gray is organizing start from Wallach’s view that system is also resilient, can take blows and recover international maintenance of profits in the various currencies by government even as governments avoid permanent or structural Ponzi finance.

In the longer run international robustness requires that countries with major international creditor positions run deficits. What I recall as the Pier Jacobson proposition with regard to fiscal independence, It takes a special kind of financial; position for a country to be a locomotive.

Do the tier argument.

The German open ended commitment to Eastern Germany, not only through the budget but also through the public holding company: the endorsement of this debt by the full faith and credit of the united germany

Will the coming German trade deficit be allowed to go mainly support the export hooked japanese economy? The inappropriate reliance on a commodity trade model for policy guidance in a world in which products dominate international trade. The Schumpeterian nature of the world.

The post war American economic policy can be characterized as giving up product markets even as research and development funding is wasted on moon shots, armanent and other cold war.
Are the comparative costs arguments in which trade conforms to some underlying productivity advantage at all relevant in a world of high tech product production?