Index

Abel, A.B. 176
adaptative expectations school 74–6
Amadeo, E.J. 101, 102, 104
American Economic Association 96, 110–11
anti-bullionist school 85
Asimakopoulos, A. 3
austere neoclassical case 141, 144
Bagehot, W. 28, 55, 85
Bailey, M.J. 179, 180
balance of payments 33, 48–9, 159–62
Ball, L. 78, 176, 181, 182
bank interest rates 91, 92, 94, 95, 96, 100–101, 125, 180
bank loans 99, 134
Bank of Canada 186, 187
Bank of England 66, 84, 85, 104, 154, 155
banking, stages of 29
banking school 84, 85, 86, 88–9
Barro, R.J. 111, 176
barter economy
compared to entrepreneur economy 3–4
compared to monetary economy 19–20, 24
inefficiency of 20, 35, 204
and interest rates 10, 123
models 17, 18, 19
and monetarism 7
and natural interest rates 108, 109, 199
and NME (New Monetary Economics) 22–3
and real analysis 2
base money 18, 19, 26, 29, 31, 32, 33, 49
Baumol, W.J. 17
Black, F. 22
Blanchard, O.J. 17, 47, 78, 115–16, 176
Bougrine, H. 8
Branson, W.H. 167–8
Bretton Woods system of fixed exchange rates 50, 154, 155, 158
Brunner, K. 42
Bryan, William Jennings 5
bullionist controversy 84–5, 88
Bundesbank 154, 156
Burstein, M.L. 47, 93, 115, 117, 118
business cycles
monetary model of 137–9, 140, 201
and monetary policy 50
and new classical school 52–3
Cagan, P. 42, 46, 74–5
Capie, F. 88
capital 183, 184, 190–92
capital accounts 159–62, 168, 207
capital flight 168–9
capital mobility 159–70, 207
capital theory 47, 113–14, 115–16, 127
capitalism 3–4, 8, 26, 192–3
cash see base money
cash in advance (CIA) model 17, 21, 176, 201
‘cashless’ payments systems 22
cashless society 1
central banks
and chartalism 26
and credit 126
and endogenous money 125–6, 202–3
and free banking 27, 86
and hegemonic system 153–6, 206
and interest rates 9–10, 27, 58, 91–101, 126, 147–8, 202–4
and monetarism 7, 54, 56
and monetary standard 33
and money supply 8, 29, 32, 33–4, 47, 49, 91, 198–9
and nominal interest rates 80, 90, 101, 124, 137–8, 148, 202, 203–4, 207
central banks (continued)
and nominal rigidities, short-run 66, 69
and quantity theory of money 47, 49
and real interest rates 145, 203–4, 206, 207
and state power 26–7, 28, 33–4, 152, 204, 206
and taxes 152
see also world central bank
chartalism 18, 19, 25–6, 36, 201–2
cheap money 145, 148
Chicago school of economics 6, 50, 93, 117, 179–80
‘Chicago special case’ 47
Chick, V. 29, 122, 123, 203
circuit school 55–6, 86, 98–100, 202–3
Clark, D. 6
classes of society, and inflation 182–4, 190–92
Clower, R. 17
Coddington, A. 59, 69, 101, 102, 104
commodity money 16, 23–5, 28, 29, 41, 50, 55, 58, 87–8, 149, 198
common currency see single currency
‘confidence’ see ‘trust and confidence’
contracts 27, 30, 177, 178–9
cooperative economy see barter economy
cost-push inflation 99–101, 104, 136
Cottrell, A. 97
Coulbois, P. 165
Courchene, T.J. 96
covered interest parity (CIP) 163, 165–6
Cowen, T. 17, 22, 36, 54–5, 201
credit
and distributional effect of inflation 183–4
and hegemonic systems 154–5
and money 28–33, 34
and social relation of money 25, 27
credit economy
and endogenous money 98–101, 103–4, 205–6
and monetary models 132, 147, 198–9
pure 131
credit money 29, 30, 50, 51, 58, 87–8, 199, 204
currencies 152, 168
see also single currency
currency risk premium 166, 167, 170
currency school 84–5, 86
currency unions 169–70, 171
current accounts 160–62
Davidson, P. 28, 46, 155
debt 30–34, 179, 183–4
deflation
and interest rates 92, 94, 95, 97
and monetarism 176, 187, 188, 189
and monetary production 177, 178–9
and quantity theory of money 46, 187
Deleplace, G. 8, 55, 202
DeLong, J.B. 27
Delors, J. 157
Delors Report 157
demand
aggregate 139–40
and employment 101–2, 141–2, 205
and Post Keynesian school 101–3
and real wages 143, 205
demand for money 17, 44–5, 54, 59, 104, 135–6
depressions 4–5, 7, 48, 50, 125, 155
see also recessions
Dillard, D. 3
Dimand, R.W. 3
discount interest rates see bank interest rates
disinflation 178–9, 186
Dixon, H.D. 68
dollarization 63, 153
dornbusch, R. 81, 71, 193
Dostaler, G. 2
Dotsey, M. 117
Dow, A.C. 122
Dow, J.C.R. 55–6, 101, 123
Dow, S.C. 18, 24, 26, 28, 34, 122, 132, 169, 203
Dowd, K. 32–3, 54, 186, 187, 188–9
Dutt, A.K. 101, 102, 104
Earle, P.E. 101
economic and monetary union (EMU) 27, 207
economic growth
and monetary policy 132, 143–7
Index

and profits 141–4, 190, 205
and real wages 138
and technological advances 145–6, 148, 205
Edey, M. 97
Eichengreen, B. 153
employment
and demand 101–2, 141–2
and monetary policy 50, 132
and quantity theory of money 46, 65–6
see also natural rate of
unemployment; real wages; unemployment; wages
endogenous money
and central banks 8, 9, 125–6, 202–3
and inflation 136–7
and interest rate 122, 123, 125–6
and monetarism 55–6
Post Keynesian theory of 98–101
entrepreneurial economy 3–4
entrepreneurial capital 142–3, 148, 191, 192–3
Epstein, G.A. 141
Ericsson, N.R. 41
Europe 55–6, 63, 65, 78, 86
European Monetary System (EMS) 154, 156
European Union (EU) 27, 153, 156–7, 171, 206
single currency 27, 33, 63, 153, 156, 158
exchange rate mechanism (ERM),
crisis in 156
exchange rates
alternative 157–9
and balance of payments 160
and national currencies 152
see also fixed exchange rates; flexible exchange rates; floating exchange rates
exogenous money 8, 9, 49, 122
expectations-augmented Phillips curve 69, 71, 175–6
expectations theory of term structure of interest rates 124
Fama, E.F. 22, 117
Federal Reserve Board 97–8, 154, 155
Federal Reserve System 88
Feldstein, M.S. 179, 180
fiat money 29, 48, 49, 85, 87, 187
financial innovation 51, 58, 201
financial institutions 33, 55–6, 131
see also central banks; international financial institutions (IFIs);
world central bank
financial networks 152–3
financial system 125
fiscal policy interaction with monetary policy 50
see also taxes
Fischer, S. 17, 47, 68, 71, 81, 115–16
Fisher, Irving 42, 58, 94
Fisher effect 117, 179
fixed exchange rates
and balance of payments 160
Bretton Woods system 50, 154, 155, 158
and interest rates 169–70
in international economy 156–8, 159, 206
and monetary policy 48, 50
Fletcher, G. 6, 13, 75
flexible exchange rates 49, 50–51, 158
floating exchange rates
and balance of payments 160
and central banks 206, 207–8
in international economy 156–7, 158, 207
foreign exchange reserves 162
foreign nominal interest rates 164
foreign real interest rates 167
Frankel, J.A, 166
free banking 104
and central banks 27, 86
and medium of exchange 23–5, 33
and monetarism 54–5
Freedman, C. 186
Friedman, B.M. 10, 91, 96, 97–8, 123, 132, 202
Friedman, Milton
on government and banking 54–5
on inflation 176, 186
on interest rates 96–7
on liquidity preference 58–9
on monetarism 6–7
on monetary policy 5, 28, 111
monetary theory of nominal income 43–9
Friedman, Milton (continued)
on money 20
on natural interest rates 110–11
on natural rate of unemployment 70, 201
policy proposals 50–51
quantity theory of money 40, 41–9, 52–8, 187–8
on real interest rates 115
theory of the demand for money 54
Friedman, R. 5, 47, 51

Galbraith, J.K. 5, 40
Germany 154, 156
Gintis, H.M. 141
Glasner, D. 88, 89
globalization and flexible exchange rates 158, 207
gold 2, 16, 32, 65, 84–5, 104
gold standard 5, 13, 24, 34, 35, 48, 56
controversies concerning 84, 85
golden-age Keynesian case 141, 142–3
Goodhart, C.A.E.
on alternative monetary theories 122, 123
on central banks 10, 58, 97, 202
on chartalism 26, 201
on interest rates 10, 58, 97, 131
on monetarism 57, 58
on money, functions of 18, 19
on single currency 153
governments 19, 23, 54–5

see also state power and central banks
Granger-Sims causality 57
Gray, H.P. 153
Graziani, A. 8, 55–6, 131, 202
Great Depressions (US) 4–5, 7, 48, 125, 155
Green R. 85, 88
Greenfield, R.L. 22
Grieve-Smith, J. 5, 155

Hahn, F. 1, 17, 21
Hall, R.E. 22
‘hard money’ 30, 32, 33, 34, 35, 88
Hayek, F.A. 177
hegemonic system in international financial networks 153–6, 206
Heilbroner, R. 40
Heinsohn, G. 27, 149
Hendry, D.F. 41
Hicks, J.R.
on credit economies 100, 198, 202
on inflation 175, 177, 178–9, 184
on interest rates 123, 132
letter from Keynes on monetary theory of interest 119
on monetarism 5, 20, 87
on money and credit 29–32
on monocentres 154
on nominal rigidities 69
on quantity theory of money 41, 44, 87
on store of value 20
Hirai, T. 101
Hodgson, G.M. 24
Hoover, K.D. 17, 21, 52, 53, 201
horizontalist school 122–3, 147, 202–3
Howitt, P. 97, 176
Howson, S. 96
Hume, D. 40, 46, 65, 198
Humphrey, T.M. 46, 48, 49, 84, 85, 88, 89–90, 96, 104
hysteresis 68, 78–80, 176
imperfect competition 68
income distribution 99–100, 101–2, 177, 182–4, 188, 189–93, 206
income form 42
indexation and inflation 184, 185–6, 193
inflation
alternative norms 186–9
capitalism 192–3
cost-push 99–101, 103, 136
costs to society 174–94, 204–6
and distributional issues 177, 182–4, 188, 189–92, 193
and endogenous money 136–7
and expectations 74–8
and the gold standard 85
and hegemony systems 155–6
and hysteresis 78–80
and indexation 184, 185–6, 193
and interest rates 91–101
menu costs 181–2
and monetarism 50, 56, 57–8, 103, 186, 188, 194
and monetary policy 143–8, 186, 194
and monetary production 177, 178–9
in monetary theory of nominal income 45
if money pays no interest 179–80
and money supply 99–100
and new classical school 52
and Phillips curve 70–71
and Post Keynesian school 98–101
in quantity theory of money 43, 45–7, 73, 85
and real interest rates 94–8, 101, 187, 189–92, 204–5
‘steady-state’ 179
and taxes 176, 184
and technological advances 148
theories, controversial nature of 132
and unemployment 175–7, 190, 194, 205
wage-push inflation 99–101, 103, 136
see also deflation; disinflation; zero inflation
Ingham, G. 18, 19, 25, 26, 27, 149, 154, 204
Innes, A.M. 19
interest rates
alternative theories 117–20
and capital mobility 164–5
and central banks 9–10, 27, 58, 91–101, 126, 147–8, 202–4
and economic growth 132
and fixed exchange rates 169–70
and inflation 91–101
in monetarism 8–10, 121–6
and monetary policy 9–10, 80, 91, 96, 97–8, 123–7, 147
and monetary production 199–200
‘nil influence’ hypothesis 117
and offshore financial markets 153
pegging 96–7
and profit 120–21, 141
term structure 123–5, 131–2, 203–4
see also natural interest rates;
nominal interest rates; real interest rates
international clearing union (ICU) 155
international financial institutions (IFIs) 155, 206–7
Intriligator, M.D. 116
Jones, C.I. 1
Jones, R.A. 18
Kahn, R.F. 139
Kaldor, N.
on endogenous money 8, 55–6, 98, 131, 202
on the gold standard 84
on inflation 99
on interest rates 96, 122, 147, 200
on monetary theory of nominal income 44
Kam, A.E. 119, 176
Kenen, P.B. 157
Keynes, J.M.
on bank rates 101
on chartalism 19, 26, 201
demand for money, theory of 44–5, 104
on distributional effect of inflation 181–4, 190
effective demand, theory of 139
on interest rates 10, 91, 96, 101, 112–13, 124, 193
liquidity preference, theory of 9, 44, 113, 122, 123, 124, 126, 127, 200
monetary theory of interest 47, 119–20, 122
on international clearing union (ICU) 155
on MEC (marginal efficiency of capital) 119, 120
on monetary disturbances 5, 7
on monetary production economy 3–4, 12, 131
on monetary reformers 6
on monetary standards 34
on money, functions of 18
on ‘money of account’ 25, 36
on natural interest rates 92, 109, 111, 200
on nominal rigidities, short-run 64–5, 67
on non-neutrality of money 47
on role of money 1–2
Keynes, J.M. (continued)
on store of value 20
on unemployment 65
Kilpatrick, A. 143
Kiyotaki, N. 18
Knapp, G.F. 19, 26, 201
Kroszner, R. 17, 22, 36, 54–5, 201
Krugman, P. 63–4
Kydland, F.E. 1, 53

labour, bargaining power of 143, 147, 148
labour relations shock 143, 145, 205
labour standard 100
labour unions 99, 143
Laidler, D.E.W.
on bullionist controversy 84, 85, 88
on demand for money 17
on expectations-augmented Phillips curve 69
on inflation 56, 91, 99, 186, 187
on interest rates 91, 92
on monetarism 40, 201
on monetary policy 28
on monetary theory 20–21
on new classical school 52–3
on nominal income and money 57
on nominal rigidities, short-run 64–5, 67–8, 69
on real bills doctrine 88, 90–91
on role of money 53
Lavoie, M.
on capital mobility 159, 165
on endogenous money 8, 55–6, 98, 122, 123, 126, 202, 203
on exchange rates 166
on interest rates 124, 131, 132, 147
on real wages and demand 143
Law, John 88
law of reflex 85, 88–9, 100, 131
laws, and international financial systems 152, 154
Lawson, T. 120, 143
Leeson, R. 69
legal restriction theory (LRT) and NME (New Monetary Economics) 22
Lerner, A.P. 26

less developed countries (LDCs), debts of, and inflation 179
Lewis, M.K. 91, 98
Lipsey, R.G. 70, 186
liquidity preference, theory of 9, 44, 58–9, 122, 123, 124, 126, 127, 136, 169, 200, 204
loanable funds, and natural rate of interest 112–15, 123
loans, bank see bank loans
LRPC (long-run Phillips curve) 146, 147, 176–7
Lucas, R.E. 52, 67–8, 69, 176
Lucas supply curve 69, 71, 72–3
Maastricht Treaty 157
MacKinnon, K.T. 97, 133, 136, 176
Mankiw, N.G. 5, 12, 59, 68, 72, 181, 182
marginal physical productivity of capital (MPK) 117–20
Marglin, S.A 142
Maris, B. 2
market economy see capitalism
market interest rates see natural interest rates
Marshall, Alfred 123
Marterbauer, M. 138, 170
McCallum, B.T. 36, 53, 54–5, 94, 97, 111, 115, 185
MEC (marginal efficiency of capital) 119, 120
Meltzer, A.H. 33, 36
Menger, C. 8, 18, 19, 23–4
Michie, J. 5
Mill, J.S. 2
Minsky, H.P. 122
Mints, L.W. 85, 88, 90, 91, 92, 94
Mishkin, F.S. 114, 117
misperceptions theory of output fluctuations 69, 78
Mizen, P.D. 91, 98
Modigliani, F. 20–21
monetarism and deflation 176
and endogenous money 55–7
and fiat money 85
and free banking 54–5
and inflation 50, 56, 57–8, 103, 186, 188, 194
influence of 6–7
and interest rates 96, 121–6, 201
and monetary policy 50–51, 96
new classical school 52–5
and real interest rates 115
see also monetary models; NME
(New Monetary Economics);
quantity theory of money
monetary analysis 2–3, 5–6, 7, 9
monetary disequilibrium theory 67–9, 78
monetary disturbances 5, 7, 48
see also depressions; recessions
monetary economy compared to barter
economy 19–20, 24
monetary models 201–2
aggregate demand and steady state 139–40
comparative statics of monetary
policy 144–7
demand for money 135–6
inflationary pressure in endogenous
money environment 136–7
production, financing of 133–5
profits, output growth and business
cycles 137–9
monetary policy
and free banking 25
impact on economy 132
and inflation 143–8, 194
and interest rates 9–10, 80, 96, 97–8, 123–7
and international economy 152–72
and monetarism 50–51
and money supply 74–6
and natural interest rates 108–111
and NME (New Monetary
Economics) 22
and nominal rigidities, short-run 63,
64–9
and real bills doctrine 90–91
and real interest rates 131–2, 145–6,
207–8
and unemployment 78–80
monetary production
and hierarchical monetary systems
18, 26, 28, 202
and inflation 177, 178–9
and interest rates 199–200
Keynesian concept of 3–4
and power 204
monetary reform 5–6
monetary systems
hierarchical 18, 26, 28
and interest rates 147–8
money
definitional problems 16–17, 36
demand for see demand for money
implicit mainstream view 19–21
as medium of exchange 16, 17,
18–21, 22, 23, 24, 25, 31, 32, 177
neutrality 2, 4, 7, 10–11, 19, 20, 22,
46–7, 66, 73, 76
non-neutrality 7, 9, 46–8, 63, 64–5,
67, 68–9, 73, 76, 104, 111,
126–7, 207
social relation of see social relation
of money
as standard of value 30, 31, 32, 33,
34, 152–3, 154, 177, 178
as store of value 16, 17, 20, 21, 31
superneutrality 47, 73, 76, 111
unimportance 1, 2, 3, 5, 159
as unit of account 16, 17, 18, 20, 22,
24, 25, 30, 32, 33
as a veil 2, 19
money interest rates 92–3, 94, 117–20
money multiplier 33, 49, 51, 56
‘money of account’ 25
money supply
and central banks 8, 29, 32, 33–4, 47,
49, 91, 198–9, 202–3, 204
and inflation 99–100
and monetarism 50–51
and monetary policy 74–6
and new classical school 52–3
in quantity theory of money 42–9
see also endogenous money
monocentres 154
Moore, B.J.
on central banks 101
on cost-push inflation 99, 104
on endogenous money 8, 36, 55–6,
131, 202
on interest rates 147, 200
on monetary theory of interest 119,
122, 123–4
on money 29
on natural interest rates 109
on quantity theory of money 41
Controversies in monetary economics

Mullineux, A.W. 1, 53
multiplier 102–3, 139
Mundell, R. 177
Mundell-Tobin effect 177

NAIRU (non-accelerating inflation rate of unemployment) 71
natural interest rates
and capital mobility 164
and capital theory 115–16
definition 92–3, 108, 110, 127
historical perspectives 108–11
and inflation 93–8
and loanable funds 112–15
and monetary policy 47, 108–11, 124, 199, 200
natural rate of unemployment 70, 201
Nell, E.J. 8, 55–6, 121, 127, 202
neo-chartalism 19, 25–6, 201–2
new classical school 52–4, 67–8, 96–7
new Keynesian school 53, 59, 66, 68
NME (New Monetary Economics) and role of money 17–18, 21–3, 31–3, 201–2
nominal income 43–9, 55–7, 98
nominal interest rates
and capital mobility 164
and central banks 80, 90, 101, 124, 137–8, 148, 202, 203–4, 207
definition 94
and inflation 94–6, 97
and monetary policy 96
in monetary theory of nominal income 45
and natural interest rates 114
nominal money supply in quantity theory of money 42–4
nominal price rigidities 97
nominal prices in quantity theory of money 46, 65
nominal rigidities
and new Keynesian school 53
and short-run monetary policy 63, 64–9, 78, 80
and unemployment 65, 66–7, 77–8
nominal wages 99–100, 136, 189, 200
non-monetary economy 24
offshore financial markets 153
Okun’s Law 71
old-fashioned macro 63–4
output 101–2, 137–9
overlapping contracts model 67
overlapping generations (OLG) model 17, 201
Palley, T.I. 122, 190, 191
Paraskevopoulos, C.C. 167
Parguez, A. 5, 8, 19, 55–6, 131, 137, 172, 202
Paschakis, J. 167, 169
Patinkin, D. 20–21, 44, 46
Peel’s Bank Charter Act (1844) 84–5
Perlman, M. 88
Phelps, E.J. 70
Phillips, A.W. 69–71, 175, 176
Phillips curve 67, 69–71, 78–80, 132, 146, 147, 175–6, 189
Pigou, A.C. 66–7
Pollin, R. 122
Post Keynesian school
and demand 101–3, 104
and endogenous money 55–6, 86, 98–101, 202–3
on inflation 69
and liquidity preference 122
on money 29
and profits 141
precious metals 25, 33, 35, 198
Prescott, E.C. 1, 53
Pressman, S. 163
price level determination 42–3, 97
prices, and inflation 177, 184, 185, 186, 187, 188, 192
Prissert, P. 165
‘private money’ 26, 27
production
and demand 139–40
financing of 133–5
and technological advances 141, 148
productivity shocks 138, 143, 188, 189, 205
profit rate 109–10, 121
profit squeeze 141–2, 191
profits
and economic growth 141–4, 190, 205
and interest rates 120–21, 127, 141–4
and output 137–9
property, private 27
purchasing power parity (PPP) 163–4, 166
pure credit economy 131
quantity theory of money 40–58, 65–6, 73–4, 77, 198
alternative views 84–104
Radcliffe Report 44, 96
rate of time preference 117–20
rational expectations school
and new classical school 52
and non-neutrality of money 67–8, 74–6, 77–8
real analysis 2, 5–6, 7, 9
real bills doctrine 85–6, 88–91
real business cycle theory 53
real exchange rates 57, 163–4, 206, 207
real income 43–4, 46, 48, 184
real interest rate parity 164, 165–7
real interest rates
and capital mobility 164–5, 167–9
and central banks 145, 203–4, 206, 207
definition 94
and demand for money 135–6
and economic growth 141–4
and inflation 94–8, 101, 187, 189–92, 193, 204–5
and monetarism 57, 115
and monetary policy 131–2, 145–6, 207–8
and output 137–9
and profits 127, 141–4
and quantity theory of money 45, 47
see also marginal physical productivity of capital (MPK);
money interest rates; rate of time preference; real interest rate parity
real money 43–4, 45–6, 184
real wages
and bargaining power of labour 143
and demand 143, 190, 205
and economic growth 138, 142
and productivity 136, 137–9, 189, 204–5
recessions 57–8, 68, 78, 101, 176, 185, 186

see also depressions; monetary disturbances
Reserve Bank Act (1990, New Zealand) 186
Ricardo, D. 2, 47, 87–8, 92, 110, 120–21, 127
Robertson, Dennis 6, 12, 68, 112, 178–9
Robinson, J. 99, 100, 101, 121
Rochon, L.-P. 8, 122, 131, 137, 203
Rogers, C.
on interest rates 108
on monetarism 53, 87
on money, functions of 21
on natural interest rates 112, 113–14
on quantity theory of money 41
on real analysis compared to monetary analysis 2
Romer, D. 59, 68
Romer, P.M. 1
Rotheim, R. 3
Ryan, C. 1, 53
Samuelson, P.A. 17, 70, 103
Sargent, T.J. 67, 88, 90, 97, 176
Saville, I.D. 55–6, 101, 123
Scarth, W. 187
Scholl, B. 117
Schor, J.B. 142
Schumpeter, J.A. 2, 6–7, 18, 19, 25, 30, 102
Schwartz, A.J.
on free banking school 86
on government and banking 55
on law of reflux 85
on monetary policy 5, 28
on Peel's Bank Charter Act (1844) 84, 85
on quantity theory of money 7, 42, 43, 46, 48–9, 57
on real bills doctrine 88
on real rate of interest 115
Searle, J.R. 25, 120
Seccareccia, M. 8, 19, 55–6, 85, 91, 99, 100, 124, 134, 202
self-interest 23
Selgin, G.A. 23, 24, 36, 54–5, 187
Selody, J. 186
Setterfield, M. 78, 176
shoe leather costs of inflation 179–81, 187
Sidrauski, M. 115
silver 2, 16, 32, 65
Simons, Henry 50
single currency 27, 33, 63, 153, 154, 156–7, 158, 159, 206, 208
Skaggs, N.T. 89
Smith, Adam 2, 88, 89–90, 138
Smith, G.W. 182
Smith, V.C. 55, 86
Smithin, H. 5
Smithin, J.
on chartalism 26
on deflation 176
on demand for money 136
on gold standard 34
on interest rates 93, 97, 123, 137, 147
on international financial institutions 155
on modelling expectations 75
on monetarism 5, 47, 53, 57, 87
on monetary production 3, 28
on money 1, 18, 24
on money pays no interest argument 180, 181
on natural rates of interest 109
on nominal rigidities, short-run 64–5, 66–7, 68, 80
on Phillips curve 132, 176–7
on production, financing of 133
on quantity theory of money 41
on real interest rates 167, 170, 189, 193
on taxes 184
Snowdon, B. 1, 68
social relation of money 8, 19, 25–8, 69, 120–21, 154, 204–5
society, and costs of inflation 174–5, 177–8
Solow, R. 70
Soros, G. 5
SRPC (short-run Phillips curve) 146
stagflation 5, 147, 191
standard of deferred payment 30
state power and central banks 26–7, 28, 33–4, 152, 204
Steiger, O. 27, 149
sticky-wage model of Lucas supply curve 72–3
Stockman, A.C. 176, 181
structuralist school 122, 123, 203
Summers, L. 78, 176
supranational central bank see world central bank
taxes
and balance of payments 161–2
and base money 19, 26
and central banks 152, 154
and inflation 176, 184
and monetary policy 50
Taylor, J.B. 9, 68, 74, 91, 98, 131, 139
Taylor rule 98, 139
technological and technical changes
and capital movements 158
and demand 140, 144
and economic growth 145–6, 148, 205
and inflation 148
and monetarism 47, 115
and monetary production 4, 201
and NME (New Monetary Economics) 23
and productivity 141, 142, 147, 148, 205
and role of money 1–2, 35
and systems of exchange 18
technology shocks 146, 147
Temin, P. 5
Temple, J. 176
Thornton, Henry
on credit money 87–8
on inflation 91, 92, 93, 95
on natural interest rates 47, 199
on nominal rigidities, short-run 66
on rate of profit 109–10
tight money 132, 148, 156
Tobin, J. 17, 20–21, 46, 47, 52, 57, 147, 177
transaction costs 18, 21, 23–4
Trautwein, H.-M. 17, 20, 28–9
‘trust and confidence’ 23, 34, 35, 127, 202
Turnovsky, S.J. 17
uncovered interest parity (UIP) 163, 166
unemployment
and hysteresis 78–80
and inflation 7, 175–7, 190, 194, 205
and monetary policy 5
and nominal rigidities, short-run 65, 66–7, 77–8
and Phillips curve 70–71
in quantity theory of money 47, 77
see also employment; natural rate of unemployment
United Kingdom 57, 70, 84, 86
United States
currency 63, 65
federal funds rate 91
Federal Reserve Board 97–8, 154, 155
Great Depressions 4–5, 7, 48, 125, 155
and interest rates 125
monetary policy 51, 57, 67
and quantity theory of money, alternative views 84, 85–6
and real bills doctrine 88
valuata money see base money
Vane, H.R. 1, 68
Vaubel, R. 28
velocity of circulation 42, 43–7, 55, 58, 73, 198
Verdoorn, P.J. 138
Verdoorn’s law 138
Viner, J. 67
wage-push inflation 99–101, 103, 136
wages
and income distribution 99–100, 184
and inflation 136–7
and Phillips curve 70
and production, financing of 133–4
and sticky-wage model of Lucas
supply curve 72–3
Wallace, N. 22, 67, 90, 97, 176
Walrasian economic systems 18, 21, 23, 53–4, 109, 201
Walsh, C.E. 9, 17, 115, 181, 201
WARBURTON, C. 67
Weber, M. 27
Weintraub, S. 99
White, L.H. 23, 24, 28, 36, 54–5, 86
Wicksell, K.
on inflation 91, 92–3, 94–7, 100–101, 104
pure credit economy 131
on quantity theory of money 93–4
Wolf, B.M. 155
Wood, G.E. 88
world central bank 155, 157, 165, 171
Wray, L.R. 8, 19, 25, 28–9, 30, 122, 125, 132, 149, 201
Wright, R. 18
Wyplosz, C. 78, 176
Yeager, L.B. 22, 67, 78, 86, 104
zero inflation 186–9, 192, 193