

Contents

<i>Contributors</i>	vii
<i>Preface by Mathew Forstater</i>	xi
<i>Acknowledgments</i>	xiv

PART I INTRODUCTION

1. Transformational growth and functional finance <i>Edward J. Nell</i>	3
Interlude I: Opening remarks <i>Richard A. Musgrave and Robert L. Heilbroner</i>	21

PART II FUNCTIONAL FINANCE: THE BACKGROUND

2. Functional finance, new classical economics and great-great grandsons <i>David Colander</i>	35
3. Toward a new instrumental macroeconomics: Abba Lerner and Adolph Lowe on economic method, theory, history and policy <i>Mathew Forstater</i>	52
4. Neisser's unorthodox quantity theory of money <i>Hans-Michael Trautwein</i>	66
5. Functional finance, past and present <i>Perry Mehrling</i>	83

PART III ASSESSING THE INFLATION BARRIER

6. The NAIRU and fiscal and monetary policy for now and our future: some comments <i>Robert Eisner</i>	91
7. The history of Abba Lerner's supply-side inflation <i>Lynn Turgeon</i>	116
8. Functional finance and fiscal functions <i>Richard A. Musgrave</i>	123
9. Are these trade-offs necessary? <i>James S. Duesenberry</i>	129

PART IV FISCAL AND MONETARY LINKAGES

10. Functional finance and US government budget surpluses in the new millennium 141
L. Randall Wray
11. Functional finance and full employment: lessons from Lerner for today 160
Mathew Forstater
12. Anchors aweigh: from real to nominal money and from market to government stabilization 171
Edward J. Nell
13. Interest rates, profits and economic growth 211
John Smithin
- Interlude II: Roundtable discussion 224
David Colander, James Duesenberry, Robert Eisner, Mathew Forstater, Robert L. Heilbroner, Richard Musgrave and Edward Nell

PART V FUNCTIONAL FINANCE AND FULL EMPLOYMENT

14. Equality and enterprise: can functional finance offer a new historical compromise? 243
Per Gunnar Berglund
15. The operational role of functional finance for labor market behavior and outcomes 266
Ingrid H. Rima
16. The job guarantee: full employment and price stability in a small open economy 278
William F. Mitchell

PART VI THE FINAL HOUR

17. Short-run macroeconomic stabilization by an employer of last resort 299
Edward J. Nell
18. Transformational growth project members and conference participants in open conversation 319
- Index* 339