Figures

3.1 Keynes’s General Theory model of interest rate determination 89
3.2 The neo-Keynesian model of the money supply process 91
3.3 The neo-Keynesian model of the money supply process with interest rate targeting by the central bank 92
3.4 Competing Post Keynesian theory of endogenous money 94
3.5 The horizontalist model of the money supply process 96
3.6 Determination of the supply of high-powered money, the money supply, bank lending and interest rates 99
3.7 The LM schedule in an endogenous money system 104
3.8 The ‘corridor’ model of short-term interest rate management 105
4.1 The emission of central-bank money as a flow on the interbank market 118
6.1 The evolution of fixed investment, exports and trade account with respect to GDP 158
6.2 Gross domestic product and credit relations 159
6.3 Net internal credit and international reserves with respect to the monetary base 160
6.4 Exchange-rate depreciation, interest rates and inflation rates 161
6.5 Exchange-rate depreciation and real exchange-rate movements 162
7.1 Gold stocks and flows 184
8.1 Kaldor’s IS–LL diagram 190
8.2 Money-market equilibrium 191
8.3 A horizontal money-supply curve 196
9.1 Keynes’s principle of effective demand in the D–Z model 211
9.2 Using IY–LM to illustrate Keynes’s concept of long-period unemployment equilibrium in a laissez-faire economy 213
10.1 The horizontal supply of loans 231
12.1 The loanable funds theory 267
12.2 The liquidity preference theory 268
12.3 Horizontalism 271
12.4 Real interest rate determination 278
13.1 Wicksell’s theory of interest 291
Figures

13.2 A change in policy-determined interest rates
13.3 Real GDP growth, credit spread and interest rate on ten-year government bonds, Australia, 1980–2015
14.1 New Zealand CPI inflation rate and first mortgage interest rate, March 1970–December 2006
14.2 New Zealand Phillips curve, March 1985–March 1993
14.3 New Zealand real exchange rate, March 1970–December 2006
14.4 Process analysis of Keynes's model of investment finance
14.5 New Zealand share price index, January 1980–December 1989
14.6 New Zealand house inflation and interest rates, 1982–2006
15.1 The horizontalist approach of endogenous money and credit
15.2 The structuralist approach with incomplete accommodation of the central bank
15.3 The structuralist approach with complete accommodation of the central bank
15.4 A time framework explanation of endogenous money with complete accommodation of the central bank
15.5 A time framework explanation of endogenous money with incomplete accommodation of the central bank
16.1 The impact of an exogenous increase in the inventories of firms
16.2 The impact of an exogenous permanent increase in government expenditures
19.1 A general endogenous-money analysis of the reserve market
19.2 A general endogenous-money analysis of the credit market
19.3 A general endogenous-money analysis of the financial market