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Hall



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Inflation: Causes and Effects

Inflation



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Edited by
Robert E. Hall

Inflation: Causes and Effects

Edited by ROBERT E. HALL

This volume presents the latest thoughts of a brilliant group of young economists on one of the most persistent economic problems facing the United States and the world, inflation. Rather than attempting an encyclopedic effort or offering specific policy recommendations, the contributors have emphasized the diagnosis of problems and the description of events that economists most thoroughly understand. Reflecting a dozen diverse views—many of which challenge established orthodoxy—they illuminate the economic and political processes involved in this important issue.

The papers form four general categories. Two papers explore the central question of what would happen to output and employment if inflation were brought to an end. These papers reach dramatically different conclusions. Two others investigate the types of changes in economic institutions that might contribute to limiting inflation. Eight of the papers examine how inflation has changed the economy, reporting on such areas as the private pension system, the character of certain types of markets, the joint effects of inflation and the tax system on incentives for capital accumulation, and the relation between monetary instability, inflation, and the international value of the dollar. Finally, one paper examines the volatility of inflation in the 1970s and its relation to shocks in the energy and food markets.

Among the challenging conclusions reached in *Inflation* are Thomas J. Sargent's contention that the fight against inflation need not involve an extended depression; Robert E. Hall's conclusions that the purposes of the gold standard could be better met if a set of commodities other than gold lay behind the

(Continued on back flap)

Inflation



**A National Bureau
of Economic Research
Project Report**

Inflation: Causes and Effects

Edited by **Robert E. Hall**



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Chicago and London

ROBERT E. HALL is professor in the Department of Economics and Senior Fellow of the Hoover Institution, Stanford University. He also serves as director of the Research Program on Economic Fluctuations and the Project on Inflation of the National Bureau of Economic Research and as chairman of the NBER's Business Cycle Dating Group.

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Robert E. Hall

