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# The Financial Effects of Inflation

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# The Financial Effects of Inflation

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**Foreword**

In 1970 the National Bureau of Economic Research, with the support of a grant from the American Council of Life Insurance, undertook a major study of some of the important effects of inflation on financial markets. The present book began as a report of the overall project, but, as we brought in related work of others, the report grew into a survey of recent research on the financial effects of inflation. Although there are many aspects of inflation we do not attempt to deal with, we have endeavored, in drawing together the main results of the National Bureau's study and other work on the financial effects of inflation, to summarize what has been learned and what questions remain open.

We wish to acknowledge our indebtedness to the members of the study group, which included Jasper H. Arnold, Phillip Cagan, Stanley Diller, Peter Fortune, John Lintner, Thomas Piper, Thomas Sargent, Lester Taylor, and Paul Wachtel. Publications resulting from this research are denoted in the bibliography by an asterisk. For extensive comments and suggestions on the present manuscript, we also wish to thank Solomon Fabricant, John Lintner, Kenneth Wright, the National Bureau's staff reading committee members, Stanley Fischer, Benjamin Friedman, and James Lothian; and the members of the Board of Directors reading committee: G. L. Bach, J. Wilson Newman, and Philip J. Sandmaier, Jr.

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Phillip Cagan  
Robert E. Lipsey

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Phillip Cagan  
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