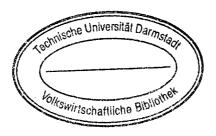
## Monetary Policy and the Great Inflation in the United States

The Federal Reserve and the Failure of Macroeconomic Policy, 1965–79

## Thomas Mayer

Emeritus Professor of Economics, University of California, Davis, USA



**Edward Elgar** 

Cheltenham, UK • Northampton, MA, USA

## Table of contents

| List of figures<br>List of tables<br>Preface           |                                       | vi   |
|--|---------------------------------------|------|
|  |                                       | vii  |
|  |                                       | viii |
| 1 Introduct  | ion                                   | 1    |
| 2 Forecasts of macroeconomic variables                 |                                       | 18   |
| 3 Controlling the monetary aggregates                  |                                       | 26   |
| 4 Cognitive errors                                     |                                       | 48   |
| 5 Political pressures                                  |                                       | 64   |
| 6 Controls and the Committee on Interest and Dividends |                                       | 83   |
| 7 <sub>eff</sub> Economists' thinking and the FOMC     |                                       | 91   |
| 8 Conclusion   |                                       | 117  |
| Appendix A   | The Federal Open Market Committee     | 126  |
| Appendix B   | Supply shocks in the 1973-5 period    | 128  |
| Appendix C   | Background of FOMC participants cited | 134  |
| References   |                                       | 135  |
| Glossary   |                                       | 144  |
| Index  |                                       | 147  |