

# Contents

Contributors	vii
Acknowledgments	ix
Nobel Prize Background Survey	xi
<b>Introduction</b>	<b>1</b>
<b>1 The International Effects of Monetary and Fiscal Policy in a Two-Country Model</b>	<b>9</b>
Caroline Betts and Michael B. Devereux	
<b>2 The Rise and Fall of a Barbarous Relic: The Role of Gold in the International Monetary System</b>	<b>53</b>
Michael D. Bordo and Barry Eichengreen	
<b>3 Fostering Financial Stability: A New Case for Flexible Exchange Rates</b>	<b>123</b>
Roberto Chang and Andrés Velasco	
<b>4 Curing a Monetary Overhang: Historical Lessons</b>	<b>143</b>
Rudi Dornbusch and Holger Wolf	
<b>5 Staying Afloat When the Wind Shifts: External Factors and Emerging-Market Banking Crises</b>	<b>171</b>
Barry Eichengreen and Andrew K. Rose	
<b>6 Perspectives on the Recent Currency Crisis Literature</b>	<b>207</b>
Robert P. Flood and Nancy P. Marion	

<b>7 Progress in the Theory of Economic Policy</b>	251
Francesco Giavazzi and Alberto Giovannini	
<b>8 International Trade and Factor Mobility: An Empirical Investigation</b>	273
Linda S. Goldberg and Michael W. Klein	
<b>9 Saving, Investment, and Gold: A Reassessment of Historical Current Account Data</b>	303
Matthew T. Jones and Maurice Obstfeld	
<b>10 Globalization and the Consequences of International Fragmentation</b>	365
Ronald W. Jones and Henryk Kierzkowski	
<b>11 Money Shocks and the Current Account</b>	385
Philip R. Lane	
<b>12 Euroland and East Asia in a Dollar-Based International Monetary System: Mundell Revisited</b>	413
Ronald I. McKinnon	
<b>13 The Business Cycles of Balance-of-Payments Crises: A Revision of a Mundellian Framework</b>	431
Enrique G. Mendoza and Martín Uribe	
<b>14 Tariffs, Unemployment, and the Current Account: An Intertemporal Equilibrium Model</b>	467
Shouyong Shi	
<b>15 The Policy Rule Mix: A Macroeconomic Policy Evaluation</b>	505
John B. Taylor	
Index	519