## CONTENTS

		Introduction	1
		BALANCE-OF-PAYMENTS THEORY: OLD AND NEW	
٧	1.	A Model of Balance-of-Payments Policy APPENDIX: ABSORPTION AND SWITCHING FOR INTERNAL AND EXTERNAL BALANCE	7 19
	2.	Wage Rigidity, Income Distribution, and Balance-of-Payments Policy	22
	3.	Money, the Monetary Approach, Capital Movements, and Portfolio Balance	35
		INFLATION AND EXCHANGE RATES	
	4.	Inflation and the Exchange-Rate System: A Symmetrical Approach APPENDIX: INFLATION UNDER FIXED AND	55
	5.	Inflation and the Exchange-Rate System: Some Asymmetries	71 74
	6.	The Reserve-Currency Role and the Export of Inflation by the United States	85
		INTERNATIONAL ADJUSTMENT TO THE OIL-PRICE RISE	
	7.	The Adjustment to the Oil-Price Rise: Income Distribution, Inflation, and Unemployment APPENDIX I. THE WELFARE EFFECTS OF THE OIL-PRICE RISE APPENDIX II. THE EFFECTS OF THE OIL-PRICE	99 109
	_	RISE IN THE LM-IS DIAGRAM	111
	8.	The Adjustment to the Oil-Price Rise: Balances of Payments and Exchange-Rate Flexibility	113

V111	CONTENTS	
9.	Adjustment to the Oil-Price Rise: Three Interesting Issues	122
	MONETARY INTEGRATION IN EUROPE	
10.	European Monetary Integration: The Main Issues	139
11.	The Transition to Monetary Integration	149
	Index of Names	158
	Subject Index	159

159