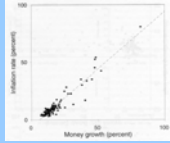


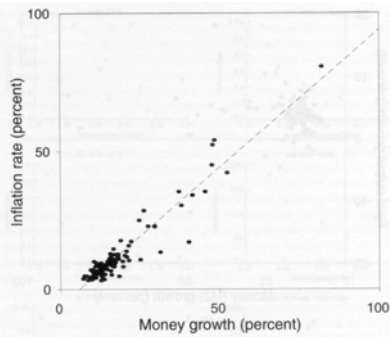
Evidence for the Quantity Theory



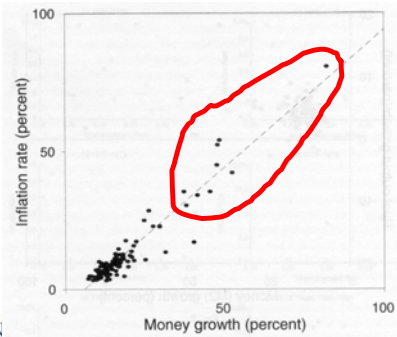
Data Sets

- International Data
- International Hyperinflations
- American Data

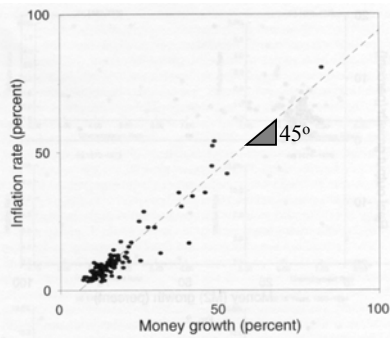
Inflation Rates for 100 Countries



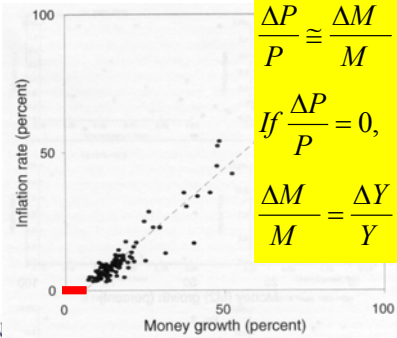
Inflation Rates for 100 Countries



Inflation Rates for 100 Countries



Inflation Rates for 100 Countries



$$\frac{\Delta P}{P} \cong \frac{\Delta M}{M} - \frac{\Delta Y}{Y}$$

$$\text{If } \frac{\Delta P}{P} = 0,$$

$$\frac{\Delta M}{M} = \frac{\Delta Y}{Y}$$

The German Hyperinflation

July 1914	1.0
Jan 1919	2.6
July 1919	3.4
Jan 1920	12.6
Jan 1921	14.4
July 1921	14.3
Jan 1922	36.7
July 1922	100.6
Jan 1923	2,785.0
July 1923	194,000.0
Nov 1923	

The German Hyperinflation

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Jan 1923	2,785.0
July 1923	194,000.0
Nov 1923	

726,000,000,000.0

August 1923



August 1923



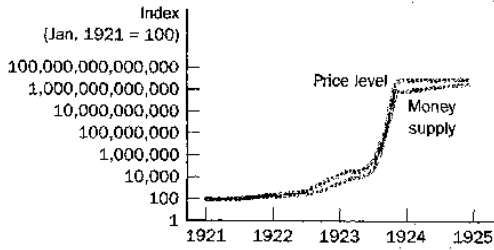
50,000,000 Marks



You think lines are long now?



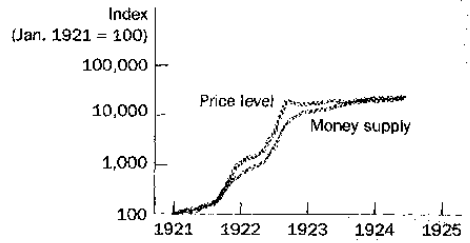
The German Hyperinflation



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Theory

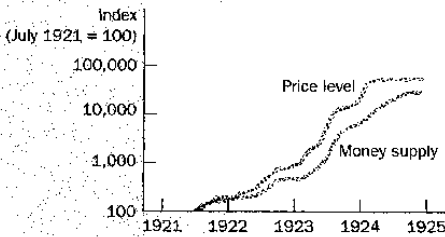
The Austrian Hyperinflation



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Evidence for the Quantity Theory

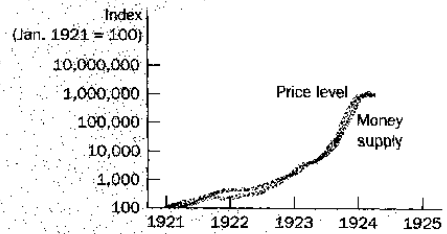
The Hungarian Hyperinflation



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Theory

The Polish Hyperinflation

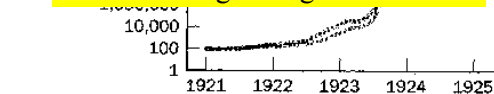


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Evidence for the Quantity Theory

Conclusions

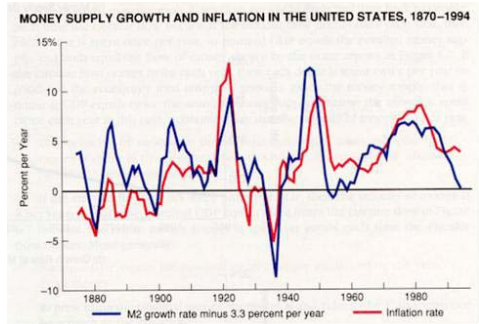
Price level and money supply go hand in hand. When money supply stops growing, price level stops growing.



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Theory

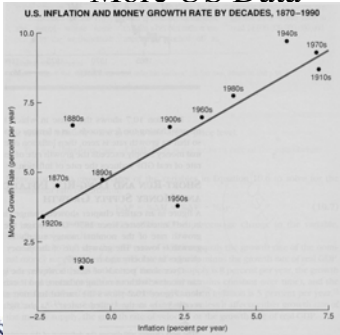
US Data



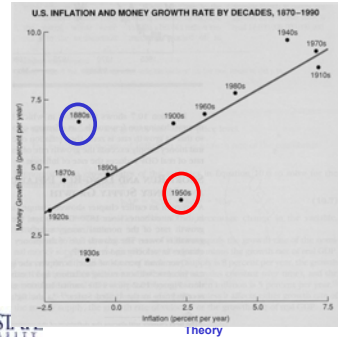
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Evidence for the Quantity Theory

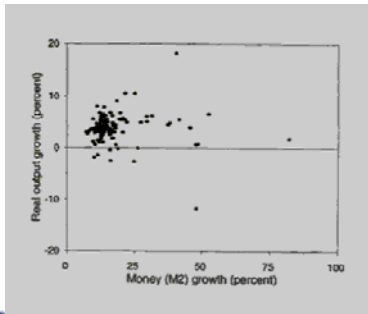
More US Data



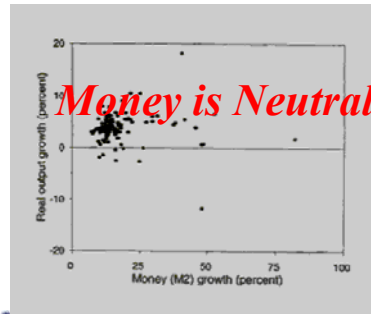
More US Data



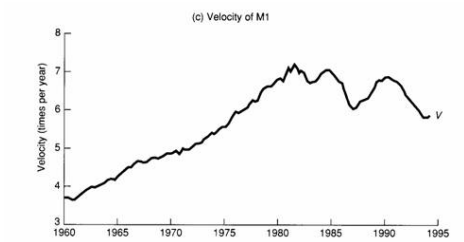
Inflation and Growth



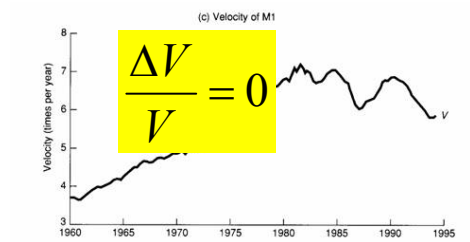
Inflation and Growth



Well Sort of Neutral

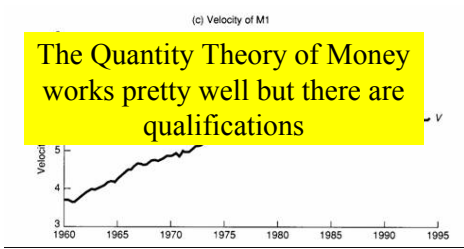


Well Sort of Neutral



Conclusions

(c) Velocity of M1



End

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