

1979

Georg Simmel's 'Philosophy of Money': A Review Article for Economists

David Laidler

Nicholas Rowe

Follow this and additional works at: <https://ir.lib.uwo.ca/economicsresrpt>

 Part of the [Economics Commons](#)

Citation of this paper:

Laidler, David, Nicholas Rowe. "Georg Simmel's 'Philosophy of Money': A Review Article for Economists." Department of Economics Research Reports, 7927. London, ON: Department of Economics, University of Western Ontario (1979).

20124

ISSN: 0318-725X

ISBN: 0-7714-0133-7

RESEARCH REPORT 7927

GEORG SIMMEL'S PHILOSOPHY OF MONEY:

A REVIEW ARTICLE FOR ECONOMISTS

by

David Laidler

and

Nicholas Rowe

September, 1979

GEORG SIMMEL'S PHILOSOPHY OF MONEY:

A REVIEW ARTICLE FOR ECONOMISTS

by

David Laidler and Nicholas Rowe

Department of Economics
University of Western Ontario
London, Ontario, Canada
N6A 5C2

September 1979

I

Sociologists regard Georg Simmel as one of the great pioneers of their subject, and his (1907) Philosophy of Money (trans. 1978) as one of his major works. Nevertheless, this particular work, and indeed Simmel himself, seem to be almost unknown to economists nowadays. The dominance of the English language in our discipline, and the fact that the (1978) translation of the Philosophy of Money, which provides the basis for this article, is the only complete one ever to have been published must have a great deal to do with this. However, the interesting question for us is not why economists have lately neglected Simmel, but rather whether Economics has suffered in any important way as a result of that neglect.

One recent commentator (Frankel (1978)) has argued most forcefully that economists' neglect of Simmel has had a pernicious effect on their analysis of monetary theory and policy, and in this article we will consider this matter further.¹ First of all, we will argue that Simmel's methodology is such as to make his work both accessible and attractive to modern economists, and we will then briefly describe those aspects of the analysis set out in the Philosophy of Money that are particularly relevant to modern Economics. As the reader will discover, Simmel's ideas are closely related to what is nowadays called "Austrian" economics, and not just by accident: not only does Simmel seem to have drawn heavily on the work of Karl Menger, but later Austrians (not to mention Germans) in their turn drew on him. It is not just Simmel, but the whole German language tradition in monetary analysis that has been relatively neglected in contemporary monetary economics, both "Keynesian" and "Monetarist". The ideas to be found in the German language literature on money, not least in Simmel's Philosophy, are in certain crucial respects different from those upon which most modern

discussion is based, and we will therefore devote a considerable portion of this paper to the question of just what contemporary monetary economists do and do not have to learn from this literature.

II

Though Simmel is, beyond doubt, a Sociologist and not an Economist in disguise, the approach that he takes to the study of society in the Philosophy of Money is one that many economists will find congenial. To begin with, he rejects Marx's version of the labor theory of value in favor of a not always clearly or consistently formulated Marginal Utility approach that obviously derives from Carl Menger (though no such debt is explicitly acknowledged), and closely related a central feature of his analysis of society is a conception of man as a rational evaluating agent who carefully matches means to ends.² His individualist approach to the analysis of social relationships is supplemented by a pragmatic approach to the nature of scientific truth: "...truth is not useful because it is true, but vice versa" (p. 107) and he goes so far as to argue that "The final, highest abstractions, simplifications and syntheses of thought have to renounce the dogmatic claim to be the ultimate judgements in the realm of knowledge. The assertion that things behave in a determinate way has to be replaced...by the notion that our understanding must proceed as if things behave in such and such a way" (p. 110). All this, with its pre-echoes of Brunner and Meckling (1977) and above all of Friedman (1953) is quite enough to make Simmel very much an economist's sociologist. However, the important point is not that Simmel's methodology makes his work accessible to economists; rather it is that he analyzes a complex of social phenomena that are, in and of themselves, of interest to economists and in a way that they should

find stimulating.

The Philosophy of Money is concerned not just with the means of exchange, store of value, and unit of account of the money and banking textbook but more generally with the market economy of which the monetary system forms an essential part, and the relationship between the institutions of that market economy and such matters as justice, liberty, and the nature of man as a social being. Simmel begins with exchange. This "...is a sociological phenomenon sui generis, an original form and function of social life" (p. 100). It is one of the "most primitive forms of human socialization; not in the sense that 'society' already existed and brought about acts of exchange but, on the contrary, that exchange is one of the functions that creates an inner bond between men--a society, in place of a mere collection of individuals" (p. 175). But exchange by barter is so inconvenient that out of it there naturally develops "a class of merchants" (specialists in exchange) and the institution of money (p. 175). Immediately money enters the picture, exchange ceases to be a simple relationship between two individuals because, "when the value of exchange given by one party has no direct value for the other party...[it must be] a claim upon other definite values...whose realization depends upon the economic community as a whole or upon the government as its representative" (p. 177).

In Simmel's view the monetary system is not the conscious creation of any political entity, but is the unintended product of social evolution. In this, the development of money as a social institution resembles the growth of a moral code or a legal system. Although money may have its origin in the use of intrinsically valuable material as a means of exchange, it does not derive its value from any physical property of the material which might be used to represent it at any particular time and

place. Simmel notes that in practice money is likely to consist of, or be convertible into, some intrinsically valuable commodity with that convertibility carrying a government guarantee but he argues that this is incidental to its nature.³ "...in principle, the exchange function of money could be accomplished by mere token money..." (p. 159): unlike other things that "have a content from which they derive their value...money derives its content from its value..." (p. 121). That value in turn is underpinned not so much by the physical properties of money as by an implicit guarantee given by the community as to the acceptability of money for useful commodities in a stable ratio of exchange. Belief in that guarantee contains an "element of socio-psychological quasi-religious faith" which must be based upon "confidence in the socio-political organization and order" (p. 179), and is referred to by Simmel (at least in this translation) as "trust".

The more "trust" do members of society have in its institutions in general and money in particular, the more is the extension of the money using market economy promoted, with profound, and largely--though not totally--beneficial consequences for man.⁴ Most fundamental of all, Simmel regards man's purposeful evaluating nature not as something biologically inherent but as a product of the same processes of socialization that produce money. Hence it is a human quality that becomes more highly developed as the money using market economy grows. Our understanding of man's artistic development, of the growth of science, and of much else that is of only indirect interest for economists, are all, according to Simmel, enhanced if we recognize their relationship to growth of the monetary economy.

Justice and individual freedom are also inextricably bound up with its development. In contrast to theft and gift, "Exchange...is, in its

simplicity, [a] really wonderful means for combining justice with changes in ownership" (p. 291) while "...exchange against money is the most perfect form of solution of the great cultural problem...namely to raise the objectively given amount of value to a greater amount of subjectively experienced value merely through the change in its owners" (p. 293).

Liberty involves our ability to act independently of the whims of particular individuals. Hence, almost paradoxically, it is promoted by the growth of the money economy precisely because that growth widens the extent to which the individual comes to depend upon the activities of others. "The general tendency...moves in the direction of making the individual more and more dependent upon the achievements of people but less and less dependent upon the personalities that lie behind them" and though, in modern times, "...we are much more dependent on the whole society through the complexity of our needs on the one hand, and the specialization of our abilities on the other,...we are remarkably independent of every specific member of this society" (p. 296) (*italics in original*).

Clearly Simmel's analysis of the relationship between the development of the money using market economy and the growth of freedom is in many respects similar to much that is to be found in the writings of modern neo-conservatives, but it should be noted that he distinguishes carefully between the desirability of economic freedom per se and that of the higher standard of material comfort which it may or may not promote, arguing explicitly, for example, that the fact that "...emergent freedom [from bondage to a particular master] has little...influence upon the material situation of the worker should not prevent us from appreciating it" (p. 300). Moreover, Simmel leaves his readers under no illusion that economic freedom is in any way sufficient to guarantee political freedom. On the contrary, he tells

us that "...the shrewd despot will always choose a form for his demands that grants to his subjects the greatest possible freedom in their purely individual relationships... . The freedom that is granted in purely private affairs in no way prohibits...disenfranchisement in the political sphere..." (pp. 398-99) (italics in original).

Even with these qualifications, there can be no doubt that Simmel regards market mechanisms underpinned by a monetary system as a desirable way of organizing economic and social life, but he points to two inter-linked consequences of this form of social organization which threaten its survival. First the receipt of wages in money, rather than in kind, although it represents a "life form of freedom" rather than "a life form of bondage" exposes the worker to "uncertainty and irregularity which often enough may be quite tangible" (p. 338) and which in turn stem from fluctuations in the purchasing power of money. At the same time the growth of rationalism that goes along with the growth of the money economy, in combination with the "complete heartlessness of money...which is reflected in our social culture" makes Socialism "...the final developmental product of the rationalistic money economy, and on the other...the embodiment of the most basic instincts and emotions" (p. 346) an increasingly attractive ideology. As the money economy develops, "Modern man...becomes more and more conditioned into accepting the idea of an anti-individualistic social order..." (p. 460).

Though Simmel stopped far short of predicting that the uncertainty inherent in the market economy and the attractiveness of socialist ideas would inevitably combine to destroy the individualistic social order based on markets and money, he undoubtedly regarded that social order as a fragile one whose survival was far from assured. Hence his fear of price level fluctuations in general and of inflation in particular: Uncertainty about

the price level undermines trust in the monetary order. The source of Simmel's ideas on inflation is clearly Hume's essay "Of Money" (though again there is no acknowledgement). However he rejects Hume's notion that money is neutral in the long run as empirically irrelevant, precisely because it is not neutral in the short run. "Money, which is entirely a social institution and quite meaningless if restricted to one individual, can bring about a change in general conditions only by changing the relations between individuals" (p. 162) and that change in relations once brought about will persist. The reasoning that economists use to show that "an arbitrary increase in money is unable to disrupt...[relative prices]...permanently" is correct as far as it goes "...but it does not prove that the removal of all limitations upon the increase in the supply of money is possible, taking into account the inadequacy of human circumstances. For the transitional period, the instability and difficulties of which are admitted, would... become a permanent condition, and the state of adjustment that is attainable in principle for any quantity of money would never be reached" (p. 164). Inflation then (and deflation too), undermines social relationships and hence "trust" and because, with "mere token money, no human power could provide a sufficient guarantee against possible misuse..." "because"...paper money can escape the dangers of misuse by arbitrary inflation only if it is tied to a metal value established by law or by the economy" (pp. 159-160). to put control of money solely in the hands of government is to invite destruction of the social order; and yet money tends to evolve towards the form of a pure token issued by the state. Hence the fragility of the money using market economy and the social order that it underpins.

Now we noted at the outset of this essay the similarity between Simmel's ideas and those that are nowadays associated with what is usually

called "Austrian" economics. We have already pointed to Simmel's debt to Menger in the area of value theory, and it is hard to believe that his ideas on the evolution of money as a social institution do not also derive from Menger. But the debt goes both ways: there are abundant references to Simmel in the German language economics literature of the first three decades of this century, and thereafter, his ideas persist even if the references do not.⁵ It is not so much that Simmel has been neglected by economists, as Frankel asserts, as that his ideas were absorbed into a particular body of economic and social thought which itself came to be ignored by the mainstream of the profession. But the question remains: have we lost anything of importance by ignoring this body of thought? It is our contention that we have and we will turn, in the next, and final section of this essay, to justifying this contention.

III

The sharpest contrast between what is more accurately called "German" (in the sense of Greater German) than merely "Austrian" economics, and contemporary mainstream monetary theory lies in their treatment of the nature of money itself. For the "German" money is, in Simmel's words, "a social institution and quite meaningless if restricted to one individual." It is an essential part of the infrastructure of the market economy, a public good in the same sense as, for example, the legal system. In modern monetary theory, money, or more precisely "real balances", is simply another durable good available to be held by the utility maximizing individual or profit maximizing firm.⁶ The tools of supply and demand analysis may be applied to it as to any other durable good. Now this essentially Marshallian (by way of Hicks (1935), Keynes (1936), and Friedman (1956)) approach to

monetary theory has certainly paid important dividends. It is hard to believe that the advances in our empirical knowledge of the monetary system that have taken place in the last twenty years or so could have been made without it. Moreover, we can refer to Friedman's "as if" principle--of which, as we have seen, Simmel approves--to defend its application here; but we can only push this defence so far. To treat money as a private durable good is undoubtedly useful, and therefore to that extent "true", in helping us to unravel, for example, the relationship between interest rates and the velocity of circulation. However it gives us a view of the social consequences of variations in the purchasing power of money that is surely sufficiently misleading as to justify, again in terms of an "as if" methodology, the adjective "false".

The distinction between anticipated and unanticipated fluctuations in the price level arises naturally from the capital theoretic nature of mainstream monetary economics. Until recently it has concentrated on analyzing anticipated fluctuations. Here there has been developed the celebrated "shoe leather" theory of the cost of inflation that follows inevitably from treating money as if it were a private durable good: if the rate of return on holding real balances falls, then what else could a maximizing agent do but substitute out of them into consuming more of the services of something else--his shoes for example? The analysis of unanticipated price level fluctuations is a more recent development. Here modern monetary theory notably as developed by Lucas (1972) (1975) tells us that individuals will make mistakes about relative prices when price level fluctuations are not foreseen. However because it treats money as a purely private good, modern monetary theory finds no difficulty in analyzing the consequences of such errors on the assumption that markets continue to clear,

and therefore can give no meaning to the notion of involuntary unemployment. For unemployment to be involuntary would imply that certain mutually beneficial and consciously desired acts of exchange had not been accomplished, and in a model in which money is treated as if a purely private durable good, it is difficult to see how such a thing could happen as a consequence of monetary instability.

In contrast to all this, if we take the view that money is best understood "as if" it were one among a complex of social institutions, then we would expect the consequences of anticipated inflation to be, not just an increase in the consumption of shoe leather, but an adaptation of the social order away from money and markets towards a greater reliance on one form or another of command organization. That would inevitably involve an increase in the dependence of individuals upon other "specific personalities", and hence a diminution of freedom.⁷ As to unanticipated monetary fluctuations, the "German" view would see these as increasing the uncertainty inherent in a money economy, hence as tending to undermine the mutual trust that is an essential prerequisite for monetary exchange, and would conclude that a decline in the number of mutually beneficial and desired exchanges that actually took place would be their inevitable consequence. Monetary instability and market failure are closely linked in a view of the world that regards both money and markets as social institutions designed to facilitate exchange. In short, if monetary theory is best approached along German lines, then we must conclude that mainstream monetary theory, for all its considerable accomplishments, not only trivializes the social consequences of inflation in particular, as Leijonhufvud (1977) has argued, but that it grossly underestimates the destructiveness of monetary instability in general.⁸

Now the phrase "monetary instability" is vague. By it we mean the occurrence of fluctuations, in particular unanticipated fluctuations, in either the demand or supply of money that would require fluctuations in the general price level to take place in order to ensure that markets continue to clear. We have argued that these very price level fluctuations would tend to undermine the market mechanism and hence violate a vital implicit ceteris paribus assumption upon which the prediction of continued market clearing is premised. Though we have claimed that this idea follows naturally enough from "German" economics, we hasten to add that this is not an implication that any "German" economist has explicitly drawn (except about inflation). Indeed, German economists have been, and still are, among those who insist most strongly upon the capacity of downward price level flexibility to cope with monetary disequilibrium, and yet, as Simmel noted, there seems no reason to distinguish here between inflation and deflation: both alter social relationships.

It was Keynes (1936) and not Mises or Hayek who insisted on the futility and destructiveness of downward price level flexibility in the 1930s, and he did so precisely because of the importance he attached to stability of the purchasing power of money in permitting voluntary trading activity, particularly that which involved the passage of time, to be carried on smoothly. "The chief result of this policy [of money wage flexibility] would be to cause a great instability of prices, so violent perhaps as to make business calculations futile in an economic society functioning after the manner of that within which we live. To suppose that a flexible wage policy is a right and proper adjunct of a system which on the whole is one of laissez-faire, is the opposite of truth" (p. 269). But of course the bulk of the General Theory is devoted to showing how monetary instability, in the absence of price

level flexibility, will lead to determinate fluctuations in real income and employment, and these are at least as destructive of trust in the individualistic socio-economic order as price level fluctuations. For Keynes, therefore, even more than for Simmel, the money using market economy and the social order that went with it were fragile. To this extent Keynes was a great deal more German than the Germans, precisely because, though he certainly pioneered the capital theoretic approach to analyzing the individual agent's demand for money, like Dennis Robertson, e.g., (1924), he never lost sight of money's social role as a vital component of the market mechanism, and of the need for "trust" in the stability of its purchasing power if the mechanism was to function.⁹ In Keynes's thought, money is not just another good, and a money economy is essentially different from a barter economy, as Clower (1965) and Leijonhufvud (1968) have long insisted. However, this element of his ideas was lost as the Hicksian IS-LM interpretation of the General Theory came to dominate monetary economics, "monetarist" as well as so-called "Keynesian". The dominance of this incomplete version of Keynes in subsequent debates has also surely been the main reason for participants in them having neglected German ideas on these matters.

If Keynes had a great deal in common with Simmel and the Germans as far as monetary theory was concerned, his views on the conduct of monetary policy were undoubtedly very different. Indeed the differences here tend to obscure the similarities to which we have just drawn attention. Keynes was the great proponent of discretionary monetary policy, and scorned the monetary role of gold as a "barbarous relic"; Simmel, as we have seen, was a defender of the gold standard as were (and indeed are) the great majority of "German" economists; while modern monetarists contribute a third strand to the policy literature arguing as they do for a $k\%$ growth rate rule for

some definition or other of the money supply. It is widely accepted that the differences between the latter two views stem not from disagreement about ends, but rather about means. Simmel, and the modern monetarist are both concerned with the promotion and preservation of monetary stability, though the latter does not have much to say about stability's role in promoting the "trust" that permits markets to function.

In the eighteenth and nineteenth centuries, as Simmel documents at considerable length, the advocacy of what would now be termed discretionary monetary policy was often, though not invariably, associated with misguided and ultimately futile and destructive attempts to exploit the short-run non-neutrality of money in order to increase output permanently. Moreover, many self-styled "Keynesians" have recently advocated using discretionary monetary policy to exploit an alleged inflation-unemployment trade off in the pursuit of full employment, and in so doing have placed themselves firmly in a crude inflationist tradition that goes back at least to John Law.¹⁰ It is understandable then that modern Germans and Monetarists often classify Keynes as yet another, more subtle than average, inflationist. However advocating that the state take and use discretionary control of the money supply as Keynes undoubtedly did, is not the same thing as advocating inflation as a means of increasing output and employment.

Keynes, being a good Marshallian, had considerable faith in the capacity of an essentially Fabian state to carry out discretionary policy in the public interest and he advocated that it do so. The modern monetarist believes that the aggregate demand for money function is rather stable and that other sources of macro-instability are hard to predict, and opts for a $k\%$ growth rule. The gold standard advocate distrusts the abilities and the motives of bureaucrats and perhaps also doubts the stability

of the demand for money function; hence he prefers to peg the price of money in terms of gold and to rely on the stability of the relative price of that commodity in terms of goods in general.¹¹ To repeat though: each set of institutional arrangements is advocated because its proponents believe that their own proposal will better than any other advance the goal of monetary stability, and hence the promotion and preservation of the trust upon which a free economic order depends.

The debate about "rules versus authorities" in monetary policy is thus really two debates: the first is between those who regard price level stability and predictability as largely irrelevant and those who regard its pursuit and attainment as a principle of vital importance, a necessary (not sufficient) prerequisite for the existence of a free society which, in turn, is regarded as highly desirable.¹² The other debate is among members of the latter group and concerns the design of the institutional framework best adapted to the pursuit of that goal. Neglect of Simmel, and of the tradition of monetary analysis to which he belongs, has led modern monetary economics both to fail to make clear the distinction between these two sets of issues, and largely to neglect the essentially ideological nature of the first.¹³ However, when it comes to the second of these debates, modern monetary economics comes into its own precisely because it provides the tools whereby the empirical issues that underlie it can be dealt with.

In short, in arguing that we lose something if we ignore Simmel and the tradition in monetary theory to which he contributed, we do not mean to imply that mainstream monetary economics should be abandoned as misguided. Rather we would conclude that German monetary theory gives us a valuable framework in terms of which the accomplishments, and shortcomings, of that mainstream tradition can better be assessed.

FOOTNOTES

¹Though we by no means agree with everything that Frankel has to say, the debt that this essay owes to his book should be clearly acknowledged.

²Simmel gives no references, as they are nowadays understood, to the work of others. Indeed he mentions very few other social scientists by name-- Marx being the most important exception. Thus it is virtually impossible to decide which ideas in the Philosophy of Money originate with Simmel and which have been drawn from the work of others.

³The contrast between Simmel's views, and those of his colleague Georg Friedrich Knapp (1924) on the role of the state in the monetary system, are thoroughly explored in Frankel (1978). Hence we do not take up this particular issue here.

⁴Simmel's concept of "trust" seems to bear a close relationship to that of "the informational content of money" which is to be found in the work of Brunner and Meltzer (1971) and Alchian (1977). Space does not permit us to pursue this matter further here.

⁵See, for example, Helfferich (1927), von Mises (1934) as well as Ellis's (1934) survey of German monetary theory. In addition to this direct evidence of Simmel's influence on economists, Fritz Machlup assures us that his work was well known to the Austrian economists, who however tended to regard it as representing a parallel development of ideas similar to their own, rather than a source of new ideas for them. (Private communication from Professor Machlup (1979).) In the light of all this it is hardly surprising that the ideas to be found in the work of Frederich von Hayek are so often related to those of Simmel.

⁶However note that money has been referred to as a "public good" in recent papers by Weldon (1970) and Laidler (1978).

⁷This matter is analyzed at some length in Laidler (1978).

⁸Note that we here refer to modern monetary theory and not to its proponents. The principal authors of the "shoe leather" approach to analyzing the costs of inflation such as Friedman have expressed far more concern about the importance of controlling or avoiding inflation than their theories could possibly justify, as their opponents (e.g., Tobin (1977)) have been quick to point out. In this their instincts have, in our view, run far ahead of their analysis.

⁹This is not to say that Keynes regarded the laissez-faire economy with the same enthusiasm as German monetary theorists. He was of course extremely ambivalent about its virtues as a means for organizing economic activity, as Frankel (1978) has documented at considerable length. Whether Keynes's ambivalence about the market economy stemmed from a socialist streak in his ideology, or simply from the typical distaste of a member of the British professional upper-middle class for "trade", is something that we will leave to others to argue about. We incline to the latter interpretation however.

¹⁰The relationship between modern arguments in favor of the pursuit of "full employment" and those advanced by nineteenth century inflationists is explored in considerable detail by Henneberry and Witte (1976). However, see also Hicks (1967), Chs. 9 and 10, for a discussion of nineteenth century defences of discretionary monetary policy that did not involve crude inflationism.

¹¹Lack of space prevents us going into the debate within the gold standard camp between those who regard gold convertibility as a sufficient

guarantee of monetary stability, and those who advocate a return to 100% gold backed money supply.

¹²It is this debate to which Henry Simons's (1936) celebrated essay contributes. There Simons advocates that the monetary authority use its discretionary powers over the instruments of policy in order to attain the rule of price stability.

¹³An important exception here is the collection of essays edited by Yeager (1962). This collection is neither as widely cited, or more important as widely known, as it deserves to be.

BIBLIOGRAPHY

- Alchian, A. A. (1977), "Why Money?" Journal of Money, Credit and Banking 9, pt. 2, February, 133-40.
- Brunner, K. and W. H. Meckling (1977), "The Perception of Man and the Conception of Government," Journal of Money, Credit and Banking 9, pt. 1, February, 70-85.
- Brunner, K. and A. H. Meltzer (1971), "The Uses of Money: Money in the Theory of an Exchange Economy," American Economic Review 61, December, 784-805.
- Clower, R. (1965), "The Keynesian Counter-revolution: A Theoretical Appraisal," in F. H. Hahn and F. Brechling (eds.), The Theory of Interest Rates, London, Macmillan.
- Ellis, H. E. (1934), German Monetary Theory 1905-1933, Cambridge, Massachusetts, Harvard University Press.
- Frankel, S. H. (1978), Two Philosophies of Money, New York, St. Martin's Press.
- Friedman, M. (1953), "The Methodology of Positive Economics," in Essays in Positive Economics, Chicago, University of Chicago Press, 3-43.
- _____ (1956), "The Quantity Theory of Money, A Restatement," in M. Friedman (ed.), Studies in the Quantity Theory of Money, Chicago, University of Chicago Press.
- Helffferich, K. (1927), Money, translated by Louis Infield with an introduction by T. E. Gregory, New York, The Adelphi Co. (reprinted by Augustus M. Kelley, 1969).
- Henneberry, B. and J. G. Witte (1976), "The Unemployment-Inflation Dilemma in Macroeconomics: Some Contradictory Aspects of Contemporary Theory and Policy," Scottish Journal of Political Economy 23, February, 17-36.
- Hicks, J. R. (1935), "A Suggestion for Simplifying the Theory of Money," Economica NS 2, February, 1-19. (Reprinted in Hicks, 1967).

- Hicks, J. R. (1967), Critical Essays in Monetary Theory, Oxford, The Clarendon Press.
- Keynes, J. M. (1936), The General Theory of Employment, Interest and Money, London, Macmillan.
- Knapp, G. F. (1924), The State Theory of Money, abridged and translated by H. M. Lucas and J. Bonar, London, Macmillan.
- Laidler, D. (1978), "The Welfare Costs of Inflation in Neoclassical Theory-- Some Unsettled Questions," in E. Lundberg (ed.), Inflation Theory and Anti-Inflation Policy, London, Macmillan.
- Leijonhufvud, A. (1968), On Keynesian Economics and the Economics of Keynes, London, Oxford University Press.
- _____ (1977), "Costs and Consequences of Inflation," in G. C. Harcourt (ed.), The Microeconomic Foundations of Macroeconomics, London, Macmillan.
- Lucas, R. E., Jr. (1972), "Expectations and the Neutrality of Money," Journal of Economic Theory 4, April, 103-24.
- _____ (1975), "An Equilibrium Model of the Business Cycle," Journal of Political Economy 83, December, 1113-1144.
- Mises, L. von (1934), The Theory of Money and Credit, translated by H. C. Batson with an introduction by Lionel Robbins, London, Johnathan Cape.
- Robertson, D. H. (1924), Money, London, Nisbet.
- Simmel, G. (1907), The Philosophy of Money, translated (1978) by T. Bottomore and D. Frisby with an introduction by D. Frisby, London, Henley and Boston, Routledge and Keegan Paul.
- Simons, H. C. (1936), "Rules Versus Authorities in Monetary Policy," Journal of Political Economy 44, February, 1-30.
- Tobin, J. (1977), "Inflation Control as a Social Priority," Yale University mimeo.

Weldon, J. C. (1970), "Theoretical Penalties of Inflation," McGill University
mimeo.

Yeager, L. B. (ed.) (1962), In Search of a Monetary Constitution, Cambridge,
Massachusetts, Harvard University Press.