

Introduction

This issue begins with five papers from the 2020 Annual Conference of the Institute of International Monetary Research, titled 'The return of inflation? Lessons from history and analysis of Covid-19 crisis policy responses'. They all relate to important current issues concerning the conduct of monetary and fiscal policy, but take rather different views.

George Selgin argues that the aggressive US policy response to the COVID-19 crisis has so far been more effective in maintaining aggregate demand than the New Deal response to the crisis of the 1930s. **Tim Congdon** considers whether central banks have run out of policy ammunition. He concludes not, as increases in the quantity of money remain possible even with central bank interest rates close to zero, and monetary expansion always boosts equity prices and thus demand and output. **Forrest Capie** and **Geoffrey Wood** argue from UK history that the increase in debt as a result of the pandemic is in principle appropriate and need not lead to an explosive rise in the debt-to-GNP ratio, although they stress the importance of continuing trust in the government's competence. **Robert Hetzel** is less confident in the Federal Reserve's current policy since the Powell policy review: simply expanding the money supply until inflation rises may present dangers. **Michael Bordo** and **Mickey Levy** also sound a warning note: expansionary fiscal and monetary policy did not lead to inflation after the financial crisis of 2007–08, but the response to the pandemic may involve risks of fiscal dominance and future inflation.

In an empirical study, **Sena Kimm Gnanngnon** examines the effect of poverty volatility in developing countries. He finds that poverty volatility consistently induces a rise in poverty rates. More stable economies would have lower long-run poverty rates.

Nearly half a century after President Salvador Allende's death, **Victor Espinosa** reviews Chile's economic policy in the early 1970s and argues that the country's economic collapse had an endogenous cause which bears out Austrian analysis of the failures of socialist planning.

Rupa Palanki, **Siva Chamrathy** and **Srinivas Palanki** use novel county-level data to analyse the relationship between Medicaid expansion and diabetes in the USA. The results suggest a slight negative relationship between expanding health insurance and diabetes diagnoses.

Robert Gmeiner sets out an analysis of international institutional free riding in which foreign businesses benefit from the institutions of countries such as the United States to the detriment of domestic competitors.

In the Discussion section, **Ilya Somin** develops the argument in his 2020 book *Free to Move*, which emphasises the superiority in many contexts of voting with your feet over voting through the ballot box, while **Michael James** discusses the career and contribution of the late economics journalist Samuel Brittan.



A Review Article by **Joakim Book** offers a critical assessment of Modern Monetary Theory, the seductive claims of which are increasingly popular on the Left.

Readers are reminded that we continue to offer some excellent reviews of recent books, affording the opportunity for readers to keep up to date with significant new ideas. In this issue the topics covered include an assessment of the US Trump presidency, the value of life, and the weirdness of the West.

J R Shackleton
Editor