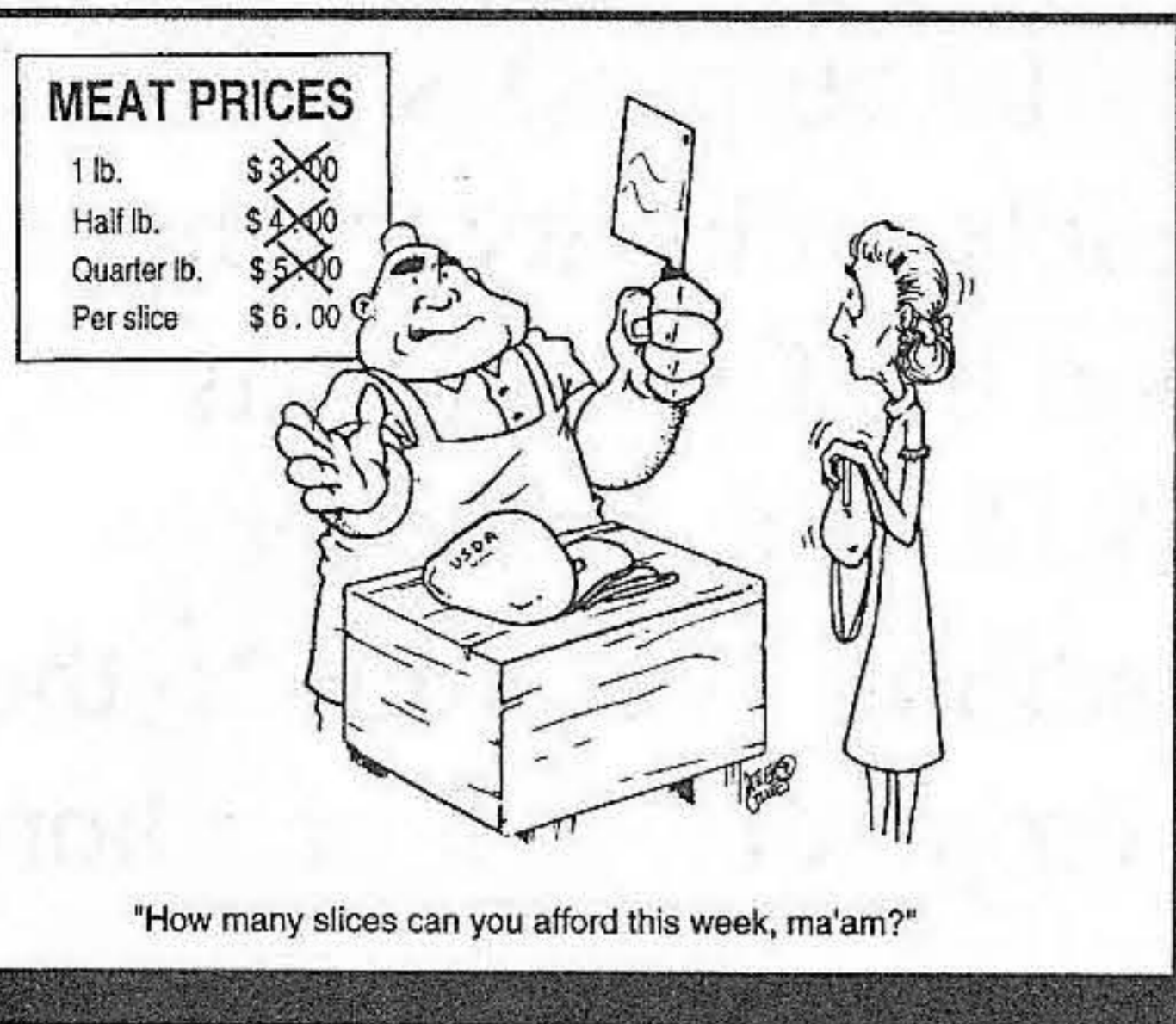


In transparency 1.3D we see a political cartoon that shows a woman's shock over inflated meat prices.



- Inflation has been one of the chief concerns of American economic policymakers in recent decades. Much attention has been focused on developing monetary policies to minimize its impact on consumers.
- The Roman economy suffered from inflation beginning after the reign of Marcus Aurelius. Once the Romans stopped conquering new lands, the flow of gold into the Roman economy decreased. Yet much gold was being spent by the Romans to pay for luxury items. This meant that there was less gold to use in coins. As the amount of gold used in coins decreased, the coins became less valuable. To make up for this loss in value, merchants raised the prices on the goods they sold. Many people stopped using coins and began to barter (trading goods for goods, rather than using money) to get what they needed. Eventually, salaries had to be paid in food and clothing, and taxes were collected in fruits and vegetables. Some historians argue that inflation weakened the economy and helped lead to the collapse of the empire.

Critical Thinking Questions: Which theory on the fall of the Roman Empire does this cartoon most closely relate to? What are the similarities and differences between Ancient Rome and America today on this issue?