Foreword

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President

For a number of years the research department of the Federal Reserve Bank of Minneapolis has been engaged in a program of research aimed at advancing knowledge about monetary stabilization policy. In the latter half of 1975, the research department conducted a series of seminars to discuss findings from that program. Papers presented at the seminars by Thomas Sargent and Neil Wallace were published separately in June of this year in the third in our STUDIES IN MONETARY ECONOMICS series, *Rational Expectations and the Theory of Economic Policy, Part II: Arguments and Evidence.*

This PROCEEDINGS volume contains the entire series of papers from the 1975 seminars which collectively explore the provocative challenge to conventional monetary theory posed by the "rational expectations" view. We are pleased to make these papers available to a wide audience. While the Bank does not necessarily endorse the various views presented in the papers, we hope that this publication will stir discussion and debate of the important policy issues which are raised and in this way lead to a deeper understanding of the economic process and the proper role for economic stabilization policy.