

PREFACE

This collection contains our choice of the best articles in the general area of macroeconomics and capital theory which appeared in *Econometrica* through 1966. The cutoff date was selected for the same reason expressed by the editors of earlier volumes in this series of reprints; roughly speaking, we feel that we lose perspective in trying to judge more recent articles. Except for the fact that the overall editor of the series, Joseph Stiglitz, suggested several articles he thought merited more consideration, appraised our choices, and thus partly implicates himself in the final decision, we accept full responsibility for the outcome.

There were a number of basic issues we faced in surveying the voluminous contributions *Econometrica* has made since its inception. Chief among these were: (1) What are the limits of the general area of macroeconomics? In particular, should we consider articles expressly microeconomic in original form but with obvious macroeconomic implications for later research? The inclusion of the pieces by Marschak, Muth, and Phelps clearly shows what we concluded on this question. (2) How comprehensive should we attempt to be? In this regard we did make some effort to include articles on a broad range of different topics within the general area of macroeconomics, basically to improve the usefulness of the volume. We did not, however, try to present some balance between theoretical and empirical work in the area, nor did we try to represent all authors who have made — in *Econometrica* and elsewhere — substantial contributions in the area. We believe these decisions, more than any other, shaped the final outcome on the margin. (3) Should we include articles readily available in other collections? Our answer here was unavoidably dictated by the recognition that the heart of our final selection (namely, almost half of the total in number, and more than that in quality) would have been excluded otherwise.

To end on a positive note: For the most part, scanning and reading back issues of *Econometrica* — and especially the articles included (or excluded on the margin) — was for us both very stimulating and very rewarding. We hope the resulting collection will be similarly appreciated by many others.