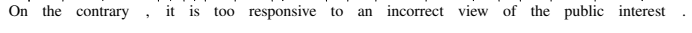
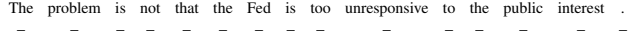
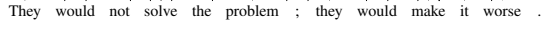
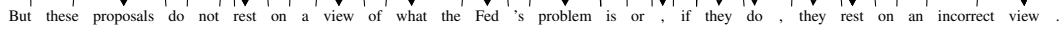
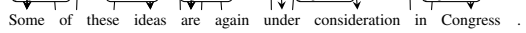
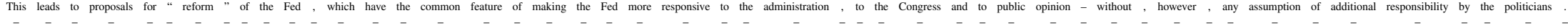
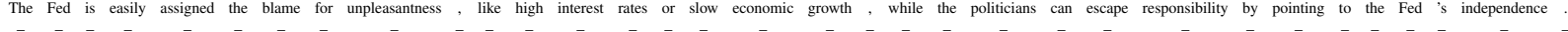
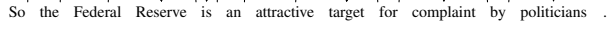
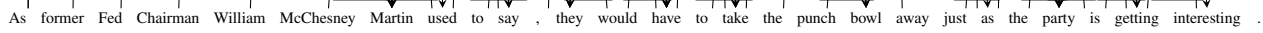
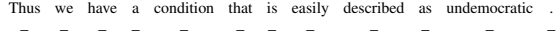
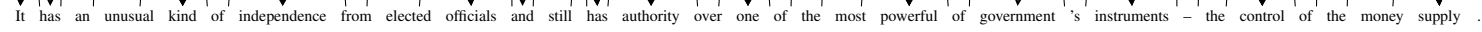
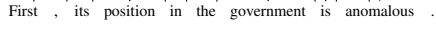
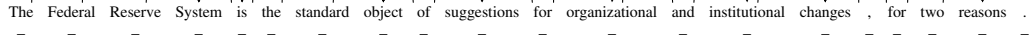
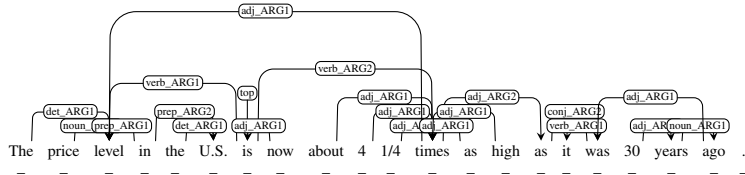
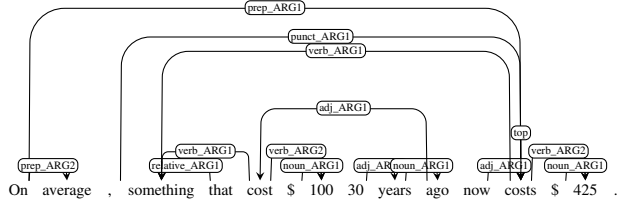


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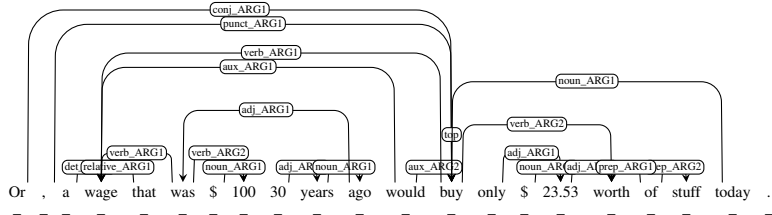




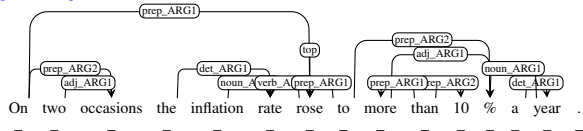
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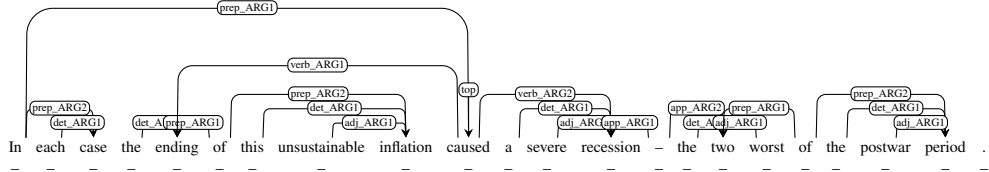
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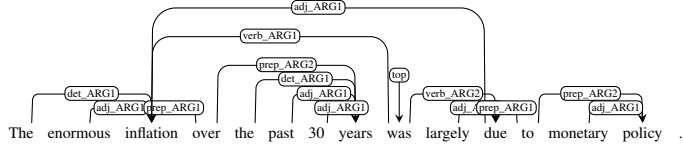
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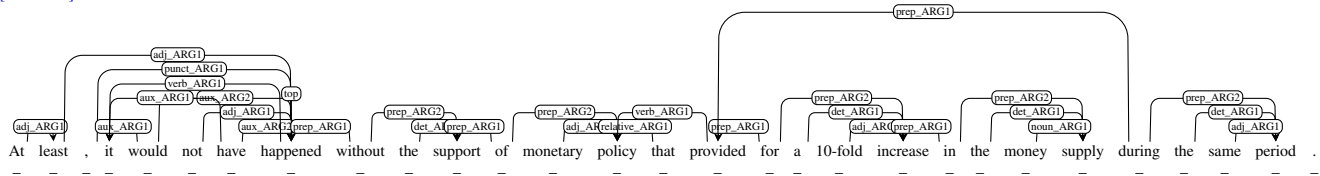
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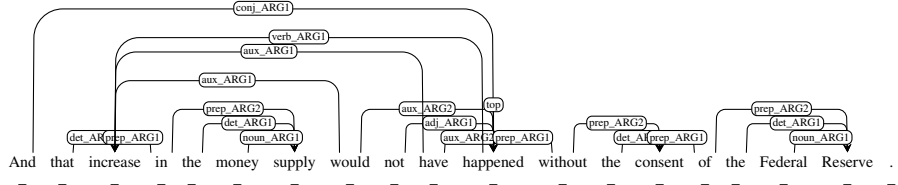
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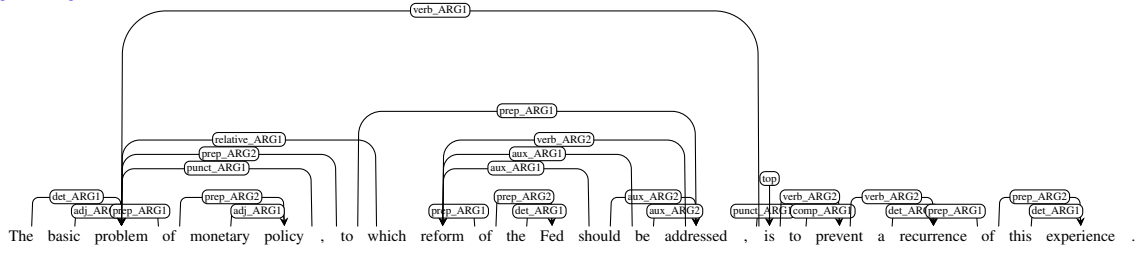
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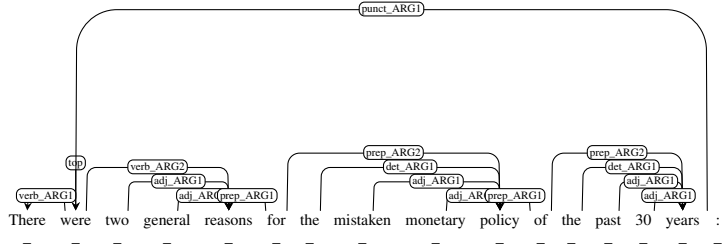
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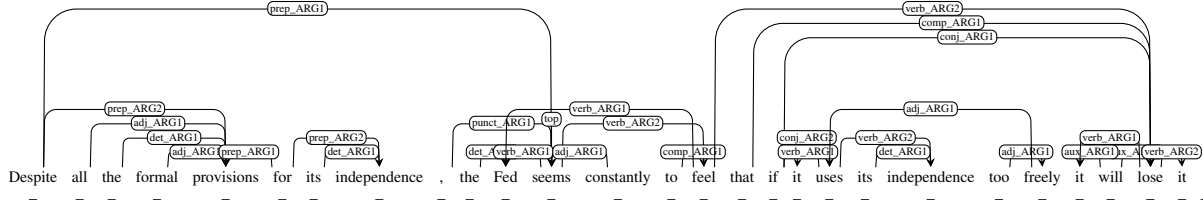
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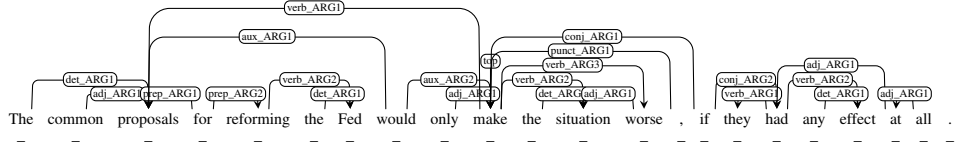
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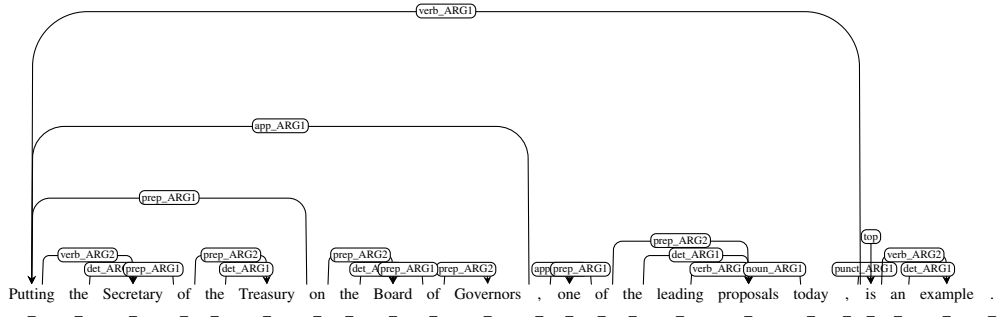
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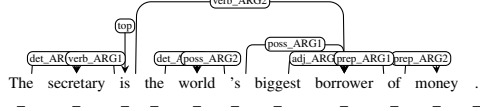
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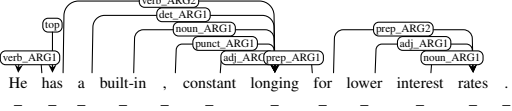
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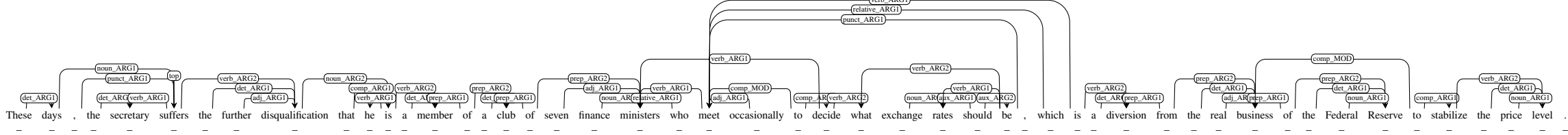
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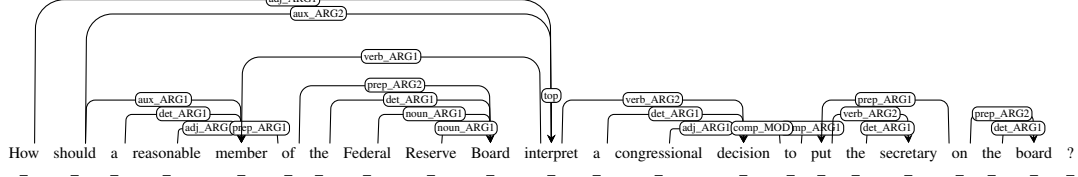
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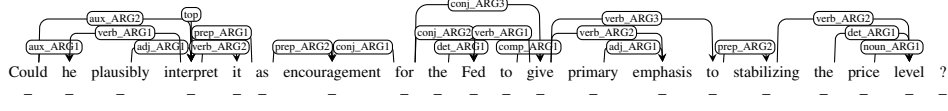
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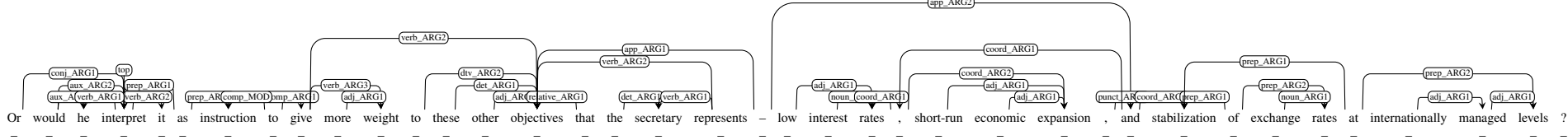
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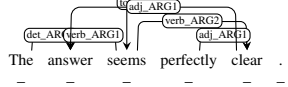
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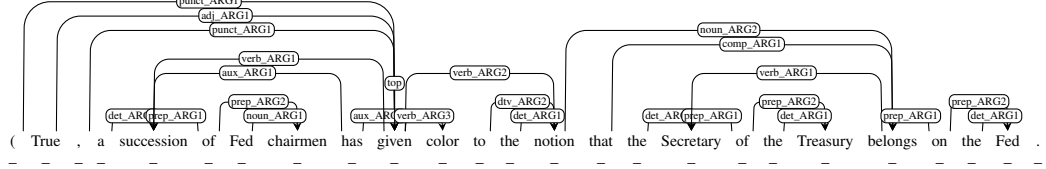
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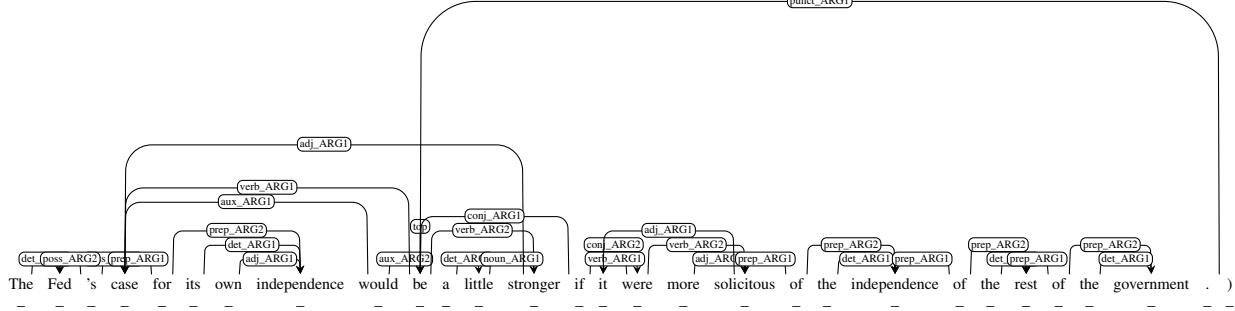
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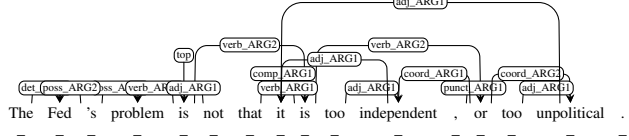
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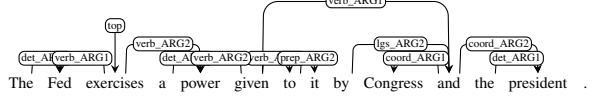
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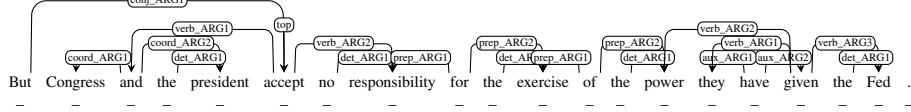
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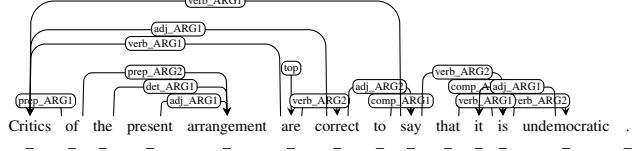
[21795044]



[21795045]



[21795046]



[21795047]

What is undemocratic is the unwillingness of the more political parts of the government to take the responsibility for deciding the basic question of monetary policy , which is what priority should be given to stabilizing the price level .

[21795048]

To leave this decision to an independent agency is not only undemocratic .

[21795049]

It also prevents the conduct of a policy that has a long-term rationale , because it leaves the Fed guessing about what are the expectations of its masters , the politicians , who have never had to consider the long-term consequences of monetary policy .

[21795050]

The greatest contribution Congress could make at this time would be to declare that stabilizing the price level is the primary responsibility of the Federal Reserve System .

[21795052]

It is not the kind of thing that is likely to be enacted , however .

[21795053]

Congress would be required to make a hard decision , and Congress would much prefer to leave the hard decision to the Fed and retain its rights of complaint after the fact .

[21795054]

People will say that the nation and the government have other objectives , in addition to stabilizing the price level , which is true .

[21795055]

But that is not the same as saying that the Federal Reserve has other objectives .

[21795056]

The government has other agencies and instruments for pursuing these other objectives .

[21795057]

But it has only the Fed to pursue price-level stability .

[21795059]

The two objectives most commonly thought to be legitimate competitors for the attention of the Fed are high employment and rapid real growth .

[21795061]

A former chairman of the president 's Council of Economic Advisers , Mr. Stein is an American Enterprise Institute fellow .