

IMF WORKING PAPER

This is a working paper and the author would welcome any comments on the present text. Citations should refer to an unpublished manuscript, mentioning the author and the date of issuance by the International Monetary Fund. The views expressed are those of the author and do not necessarily represent those of the Fund.

October 27, 1986

WP/86/2

Subject: The Dynamics of a Two-Country Minimodel Under Rational Expectations

CORRIGENDUM

The left-hand columns of Charts 1 and 2 (pages 20a and 20b) were incompletely reproduced. Corrected charts are attached.

Att: (2)

MASTER FILES
ROOM C-120
001

CHART 1
EFFECTS OF A PERMANENT INCREASE IN
THE U.S. MONEY SUPPLY OF ONE PERCENT
(Percentage deviations from baseline)

- Full model
- - - No J-curve
- Equilibrium demands for money
- · - · Lower U.S. price flexibility

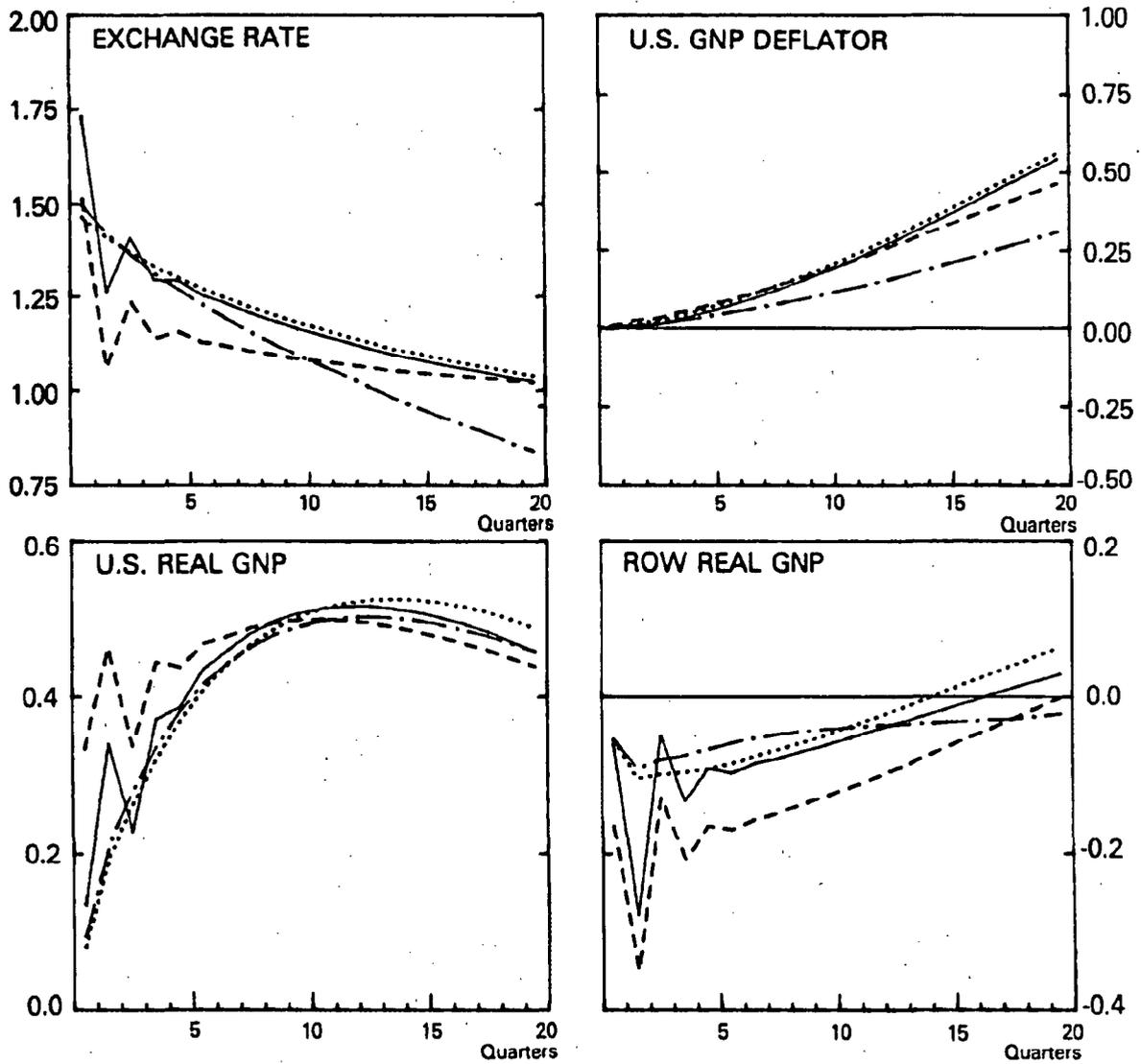


CHART 2

EFFECTS OF A PERMANENT INCREASE IN U.S. REAL GOVERNMENT SPENDING EQUAL TO ONE PERCENT OF GNP

(Percentage deviations from baseline)

- Full model
- - - No J-curve
- Equilibrium demands for money
- · - Lower U.S. price flexibility

