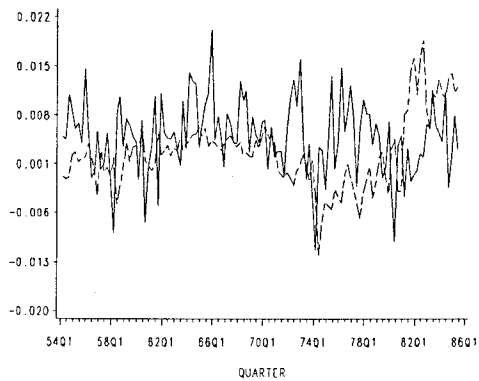
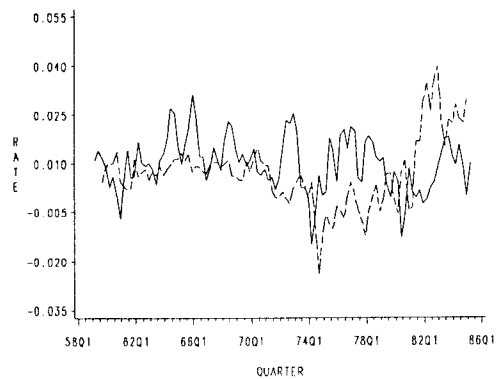


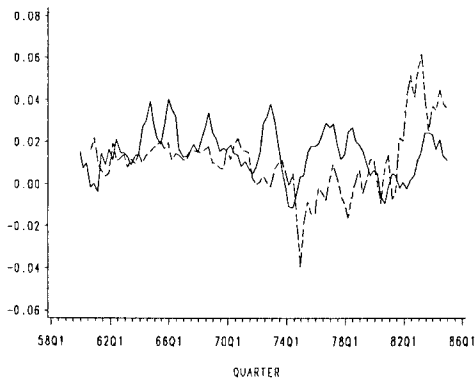
One Quarter Consumption Growth  
and  
the Expected Real Interest Rate



Two Quarter Consumption Growth  
and  
the Expected Real Interest Rate



Three Quarter Consumption Growth  
and  
the Expected Real Interest Rate



Four Quarter Consumption Growth  
and  
the Expected Real Interest Rate

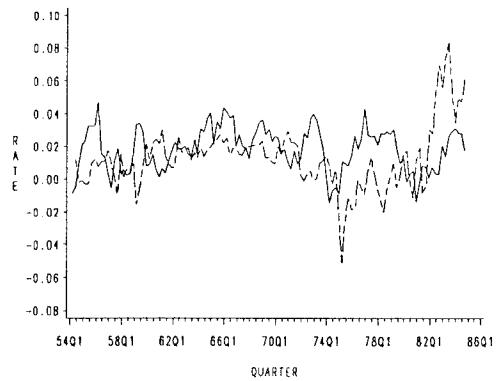


Fig. 8. Expected Real Interest Rates and Consumption Growth: Quarterly Data: 1953:2-1985:3. Consumption growth is represented by the line and the Real Interest Rate is represented by the dash. Note the series are aligned so that consumption growth from  $t$  to  $t + j$  is matched with the expected real interest rate at time  $t$ .