The idea of writing this book on inside and outside liquidity started when we were invited to give the Wicksell lectures at the Stockholm School of Economics in 1999. We are grateful for and honored by this invitation. The lectures gave us the impetus for thinking more deeply about the implications of the framework for liquidity that we developed in the mid-1990s.

As usual, our own contribution builds on a large body of research, from the classic works of Wicksell, Keynes, and Hicks on liquidity and macroeconomic policy to the modern corporate finance literature, which forms the foundation for our modeling approach. We are very grateful to the many researchers whose work is cited here, and apologize for inevitable, but inadvertent omissions that have arisen.

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