

## Preface

Actual monetary policy decisions result from a complex mixture of technical economic considerations, domestic socio-political forces, and influences stemming from international economic and political relations. These themes provided the agenda for papers presented at a conference held in Perugia, Italy on July 19-22, 1983 and published in this volume.

The conference brought together academic students of monetary policy, central bankers, and staff members of international organizations concerned with international monetary cooperation. The principal papers and discussants' comments can be organized under three main headings. First, there are five country-oriented studies concerned, respectively, with the political economy of monetary policy in France, Italy, the Federal Republic of Germany, the United Kingdom and the United States. These papers and comments constitute part I of this volume. Part II presents five papers that take a comparative or international approach to various issues in monetary policy. These issues include the determinants of central bank behavior in using domestic policy instruments, central bank intervention policy in foreign exchange markets, and an investigation of ex ante crowding out in the E.E.C. member countries as this may influence possibilities for macroeconomic (including monetary) policy coordination in the E.E.C. . Part III presents three theoretical papers concerning, respectively, the choice between a credit or monetary aggregate as intermediate monetary target in an open economy, alternatives to exchange market intervention as means to influence a country's exchange rate, and estimation methods appropriate to reaction function or control theory models of central bank behavior.

The conference was made possible by the generous cooperation of the central banks and international organizations whose staff members participated and by principal support from several sources. The Banca d'Italia hosted the conference in flawless fashion at its School of Automation for Bank Executives in Perugia, Italy. The Federal Reserve Bank of Boston is publishing the conference proceedings in this volume. The Volkswagen Foundation and the Council for European Studies assisted with travel expenses for some participants and with various preparatory expenses. The Department of Economics and the College of Commerce and Business Administration at the University of Illinois, Urbana-Champaign also contributed support. To all these I express sincere thanks on behalf of the conference. Finally, I wish to express my appreciation to Ruth Norr for her skill and diligence in copy editing this volume.

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