

## Foreword

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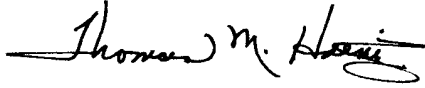
Central banks throughout the world have come to recognize the importance of price stability to the long-run health and prosperity of their economies. While countries and their central banks are embracing price stability as a primary long-term goal for monetary policy, they are adopting a variety of strategies to achieve it. Some banks, for example, have adopted explicit inflation targets. In other cases, institutional structures such as currency boards and monetary union have been suggested as vehicles for achieving and maintaining price stability.

To gain a better understanding of how central banks can best reduce inflation and what policies and operating procedures should be implemented to maintain price stability, the Federal Reserve Bank of Kansas City sponsored a symposium entitled “Achieving Price Stability,” held at Jackson Hole, Wyoming, on August 29-31, 1996. A distinguished group of central bankers, academics, and financial market representatives shared their views and research results on this important monetary policy issue.

The papers, commentary, and discussions at the symposium were substantive and informative. Accordingly, we gratefully acknowledge the outstanding contributions of all who participated. Also, special thanks go to members of the Bank’s Research Division who helped plan and implement the program, especially to Thomas E. Davis, Senior Vice President and Director of Research. Dr. Davis, who will retire early in 1997, has provided exemplary leadership in

ensuring the substance and timeliness of topics throughout the Bank's series of Jackson Hole conferences since the early 1980s.

We hope these proceedings will contribute to a better understanding of how central banks can best achieve and maintain price stability. As recognized by all conference participants, price stability is monetary policy's major contribution toward maximizing long-run economic growth and, ultimately, raising standards of living.

A handwritten signature in black ink, reading "Thomas M. Hoenig". The signature is fluid and cursive, with a prominent initial "T" and a stylized "H".

Thomas M. Hoenig  
President  
Federal Reserve Bank of Kansas City