
MONETARY POLICY-MAKING UNDER UNCERTAINTY

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and the Center for Financial Studies
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OPENING REMARKS

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Thank you very much for an excellent beginning to this conference on Policy Making Under Uncertainty. I want to thank the European Central Bank and the Center for Financial Studies for organizing a really very interesting conference – and for inviting me to it.

The first session of the conference is a panel of policy makers discussing the subject of Monetary Policy Under Uncertainty. It is an honor for me to chair this opening panel with such a distinguished group of policy makers.

I think it is an excellent idea to start a conference on research on policy uncertainty by hearing from the policy makers who actually have to make decisions under uncertainty. There is nothing like having to make a decision about whether to raise or lower an interest rate – an action that affects many people's lives – to focus one's mind on the importance of uncertainty. And so,

we will begin by hearing about what it is like to make decisions under uncertainty.

Another reason that it is an excellent idea to start the conference by hearing from policy makers is that the ultimate goal of the policy research to be presented later is to help inform policy makers and to help them make better policy decisions. So, in my view, this beginning puts the emphasis on the right priorities.

We have a panel of five experienced policy makers: Prof. Otmar Issing from the European Central Bank, Prof. Steven Cecchetti who has just stepped down as Research Director at the Federal Reserve Bank in New York and is now at Ohio State, Dr. Charles Freedman of the Bank of Canada, Dr. Leo Liederman from the Bank of Israel, and Governor Lucas Papademos from the Bank of Greece.

And we are going to begin with Professor Issing.

