Foreword

By

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When the sixteenth Bologna Center–Claremont Graduate University Monetary Conference was held in Bologna in Spring 2000 the world was a different one. The bubble had not burst, corporate mergers were still fashionable, a major conflict did not rage, the Middle East was seemingly in equilibrium, and the price of petroleum was stable.

The conference focused on the management of major currency exchange movements. And prophetic it was. Currency fluctuations have reached critical levels as the euro strengthened over 40 percent since its introduction in relation to the dollar, affecting not only tourists' pocket books but also the development and expansion of European economies.

Matters were certainly simpler when in 1967, C. Grove Haines, with the support of the World Gold Council, launched the first conference; gold was the central focus of discussion. In 2001, once again the World Gold Council made our meeting possible, and thanks go to its Managing Director of Public Policy and Research, Robert Pringle.

The major characteristic, the spirit, of the previous meetings – free-flowing discussion among distinguished economists, often challenged by “Young Turks” – is respected in this book which addresses, effectively, the issue of major currency exchange rate movements in a context of even greater capital flows. The issue of the future of the international monetary system is still open – as we knew it would be when we convened.

While I left the Bologna Center in Summer 2003, the subject of the conference remained in my thoughts as I now administer the American University of Rome which until recently had income in dollars and expenses in euros!