

The ECB and its Watchers XV, Frankfurt, Goethe University, March 12, 2014

Introduction, Volker Wieland

Ladies and Gentlemen,

I am absolutely delighted to welcome you all to the fifteenth conference on “The ECB and its Watchers”. It is sponsored by the Center for Financial Studies and the Institute of Monetary and Financial Stability.

For the first time, I have the great pleasure to welcome you to Goethe University’s Westend Campus. The building in the neoclassicist style in front of us, nowadays named after its architect, Hans Poelzig, was completed in 1930 as the headquarters of the chemical conglomerate I.G. Farben. The building we are in is called the “Kasino”. In March 1945 this complex became the U.S. Army Headquarters under General Dwight D. Eisenhower.

Two historical details may be of particular interest to this audience. On June 20, 1948, the introduction of a new currency, the “Deutsche Mark”, was announced in this building. A young U.S. officer, Edward Tenenbaum, had played a key role in its creation. And this 26-year old Jewish American Yale Ph.D., who served as assistant to U.S. military governor Lucius Clay, is also credited with giving the new currency its name.

Shortly thereafter, on July 1, 1948, Lucius Clay, together with the British and French military governors, Sir Brian Robertson and Marie-Pierre Kœnig, met here with the 11 prime ministers of the West-German Länder. At this occasion these prime ministers were given the so-called “Frankfurt Documents” with instructions or recommendations for the creation of a West-German state. These documents also formed a basis for the work on the Grundgesetz, the Basic Law that became the German constitution. This Basic Law envisioned a Constitutional Court as guardian and interpreter of the constitution and the principles of liberty and democracy enshrined in it. It is this same Court that recently gave its opinion on the European Central Bank’s 2012 announcement of “Outright Monetary Transactions”.

With the end of the cold war, the United States reduced its military presence in Germany and returned this building complex in 1995. Fortunately for us, it was eventually decided to use it as a place of science and teaching.

There are two more issues I want to mention before we start. First, the last conference took place in 2012. Unfortunately, our preparations for the 2013 conference got delayed and eventually we agreed with the ECB representatives on today's date so as to have enough lead time in organization. Many of you wrote to me in the course of last year asking when the next ECB watchers conference would take place. Thank you very much for expressing your interest in this manner. Importantly, the ECB continues to show tremendous commitment to this platform for dialogue with ECB watchers. Today, three members of the ECB board will debate with us, Peter Praet, Benoît Cœuré and Yves Mersch.

Finally, as you may have noticed, I was joined by Günter Beck in organizing this year's event. The speakers at this conference know already that Günter not only joined me but took the lead in organization. In fact, since I have taken on new responsibilities as a member of the German Council of Economic Experts, I am very happy that I can hand over the organization of the ECB watchers conference to Günter now and for the future. Günter is the ideal person to run this event. He has actually been a part of it from the start. In 1998 he was already involved in its organization as Axel Weber's research assistant. These days he holds the Chair of European Macroeconomic Studies at the University of Siegen. And some of you might know that Axel Weber wrote his dissertation and habilitation in Siegen at this chair under the guidance of Günter's predecessor. Finally, Günter is closely affiliated as research fellow with the IMFS and the CFS, the two institutes sponsoring this event.

So without any further delay, let me hand over to Günter Beck who will introduce the first panel.