

Volker Wieland

March 27, 2019

President Draghi, Ladies and Gentlemen, Dear Friends,

I am very pleased to welcome you to this conference, which brings together “The ECB and its Watchers” since 1999. Today we are celebrating our 20th anniversary!

We have prepared this little booklet as a window, or rather just a peek at these 20 years of open exchange and debates between ECB officials and ECB watchers from academia, the financial community and the media.

The first conference took place in 1999. OK, I am sure some of you are now thinking “Hej Volker, you don’t know how to count. Should be 21! “ I admit, there was one year we did not have an ECB watchers conference, that was 2013.

This conference series was initiated by Otmar Issing, then the ECB Board member, commonly referred to as the ECB’s Chief Economist, together with Axel Weber, then a professor at Goethe university in Frankfurt and Director of the Center for Financial Studies. I have organized the conference since 2004. And Günter Beck provided me with a three-year break as he organized the event from 2015 to 2017.

Let’s take a look at what the two founders wrote to us:

Otmar Issing: The conference is unique, and this applies to its origin. Several watchers groups had been formed. All had made critical comments on the ECB’s two-pillar strategy. I was convinced we should meet our critics in a conference open to the public.

Already the first conference was a great success.

Over the years I learned a lot from sometimes vehement discussions.

„The ECB and its Watchers“ has been an innovation in the world of central banking which has gained global reputation. The organizers have again done a great job and brought together outstanding representatives from around the world. On behalf of Axel, Günter, myself and the whole team of staff behind this lasting effort, let me say: Thank you, Otmar, for this endorsement!

Axel Weber wrote the following: The aim was to enhance market participants' understanding of ECB policy and, vice versa, allowing ECB policy-makers to gauge market perceptions. Communication is and always has been an important part of the transmission of monetary policy. As such, „The ECB and its Watchers“ from the start has been the go-to place for ECB decision makers, market participants and academics. Yes, thank you Axel.

Let me also use this moment to thank the Foundation of Monetary and Financial Stability as well as the Circle of Friends of the ECB and its Watchers for their unwavering support of this series. If you want to join the Circle of Friends, which also meets in between conferences, please approach me.

Finally, but at this point most importantly, let us thank ECB President Draghi for joining us to speak at this occasion. This is not first time that he gives the President's Address at this conference. It is the fifth time. I think that is very unique. So thank you very much for being ready to do so, President Draghi. It also means that you do not need an introduction here.

Instead, we can show you some appreciation. In fact, I will do so, not now, but after your speech I would like to present you with a small token of our appreciation. Thus, without further ado, let me invite President Draghi to the stage. Mr. President, I am sure, the audience as always, will be hanging on your every word.

After the conclusion of President Draghi's speech.

Dear President Draghi, may I ask you to stay with us for another short moment. This is the last time that you speak at this conference series in your role as ECB president. I would like to express our great appreciation and gratitude that you have been willing to do so for some many years.

I want use this opportunity to present you with a small token of our appreciation. The little gift we have has some connection to your birthplace, that is, if I am correct, the city of Rome in Italy.

Furthermore, it has a strong connection to the city of Frankfurt, which is the city of the Euro. And finally, it has some connection to a question that you addressed at key juncture during your ECB Presidency, namely the question of preserving monetary union. Perhaps, the defining moment in your presidency has been the speech you gave in 2012, when you said:

“Within our mandate, the ECB is ready to do whatever it takes to preserve the euro. And believe me, it will be enough.”

Let me start with the Frankfurt connection. In 794, Carolus Magnus, Carlo Magno, Charlemagne, or Karl der Grosse called together leaders of the church in the Council of Frankfurt to solve a whole range of problems in the religious and political sphere. This was the Frankfurt Synod. Importantly, from our perspective, the Council issued an edict, which declared the **Carolingian monetary reform** that was introduced a short time ago, as binding. This is the connection to the “preservation of monetary union”.

It was decided to introduce all over the Franconian empire new coins „novi denarii“ which should be accepted by all. And of course, the name “Denarii” comes from the original Roman Denarii, that is the connection to your birth place, Rome.

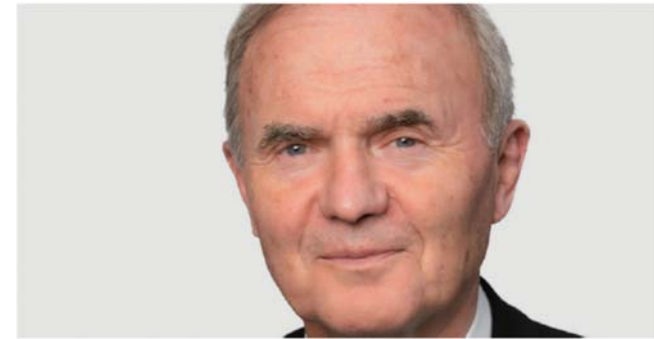
The new Denarii carry the name of Carolus Magnus, Carlo Magno, and are made of pure silver. Since the time of Carlo Magno, the Euro is the first currency which applies to a greater currency area within Europe than the Karlsdenar. The area of Carlo Magno’s empire and monetary union covered France, Germany, Switzerland, Austria, the Netzerlands, Belgium, Luxemburg, most of Italy, Slovenia, Croatia, the Czech and Slovak lands, and parts of Spain.

Interestingly, in 794 Carlo Magno also determined that 12 Denar make 1 Shilling, and 20 Shilling make 1 Pound. The Karlsdenar was even used by one of the kingdom’s on the British isle. And they kept the practice, 12 pennies equals Shilling and 20 Shillings one Pound for the longest time.

Some time ago, I found out that a Professor of History in Würzburg, Prof. Leng, mints replica of the Karlsdenar. Thus, I am in the position of handing over such a replica to you, President Draghi, as a little souvenir of the ECB Watchers conference. On one side, it shows the name and position of Charlemagne, Carolus Rex Francorum. On the other side, it shows the name of the mint location, in this case the city of Dorestad nearby Utrecht in the Netherlands.

De denariis autem certissime sciatis nostrum edictum, quod in omni loco, in omni civitate et in omni empturio similiter vadant ist novi denarii et accipiantur ab omnibus. Si autem nominis nostri nomisma habent et mero sunt argento, pleniter pensantes, si quis contradicit eos ...

MGH, Cap. I, S. 74, Synodus Franconofurtensis, 794



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THE ECB
AND ITS
WATCHERS
Circle of Friends

We are extremely grateful for financial support for the 2019 conference in equal parts by the Foundation of Monetary and Financial Stability and by the Circle of Friends of "The ECB and Its Watchers". In 2019, the Circle of Friends included Allianz SE, BlackRock, Deka, Element Capital, Natixis, S&P Global Ratings and Union Investment.

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THE ECB
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