

Jean-Claude Trichet: Award acceptance speech for the Grand Cross 1st class of the Order of Merit

Speech by Mr Jean-Claude Trichet, President of the European Central Bank, at the Award of the Grand Cross 1st class of the Order of Merit by the President of the Federal Republic of Germany, Berlin, 3 April 2008.

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Mr President,
Dear Eva,
Your Excellency,
Dear friends,

I will not attempt to conceal the fact that I am extremely touched: touched to be here with you, Mr President, in this magnificent palace of yours; very touched to have such a prestigious honour bestowed on me by the Federal Republic of Germany; and touched to find myself surrounded by so many friends with whom we have worked with such energy in deepening and strengthening the friendship that exists both between France and Germany and across Europe as a whole.

Mr President, thank you from the bottom of my heart for awarding me this Grand Cross, which I regard as an honour bestowed on the whole of the Executive Board and the Governing Council and all of the staff of the European Central Bank.

Mr President, dear Horst, being here with you today, I am inevitably reminded of certain shared experiences, events that are now etched firmly in my memory as landmarks in what has been a truly historic period.

- My first memory is of the fall of the Berlin Wall in 1989. You were tasked with organising the reunification of Germany as State Secretary at the Federal Ministry of Finance. I remember accompanying you in 1990 on a long journey by helicopter over East Germany to Berlin, during which you explained to me the colossal economic and financial stakes involved in reunification.
- My second memory is of the Soviet Union itself suffering serious financial problems prior to its collapse in 1991. We were in Moscow together with our partners, the other G7 state secretaries, to negotiate with the Kremlin – which had, by then, lost all of its power and had an “end of empire” feel to it – with a view to rescheduling the Soviet Union’s debt.
- My third memory is of the decision in Europe to enter into intergovernmental negotiations with a view to establishing the single currency. You were negotiating on behalf of Germany. We met many times in order to prepare the text of the Maastricht Treaty. I will always remember a long discussion we had in 1991, when I remember having the impression that we had convinced each other that our respective countries really wanted to go through with this – but on two conditions: first, that the institutional structures put in place were flawless; and second, that there was irrefutable evidence of the monetary convergence of the countries invited to merge their currencies.

As far as our two countries were concerned, that meant the complete convergence of the Deutsche Mark and the French franc even before the introduction of the single currency. We had concluded that an essential precondition for the creation of the single currency was that the new currency had to be at least as solid and at least as credible and retain its value at least as well as the national currencies that preceded it.

And finally, of course, there was that crisis meeting at a Washington hotel in September 1992, at the end of which our two central banks found a way to save the European exchange rate mechanism by preserving the link between our two currencies. Several of us here today took part in that particularly tense – and particularly successful – meeting.

Mr President, you can be sure that the European Central Bank and its Executive Board, Governing Council and staff will – while remaining completely independent – continue to be faithful to the primary objective assigned to us by the Treaty. This is what the European democracies that ratified the Treaty expect of us. This is what our 320 million fellow citizens of the euro area expect of us. They want price stability. Medium-term price stability is a necessary precondition for sustainable growth and strong job creation. And as regards the latter, it should be noted that the euro area has, on a net basis, seen the creation of a remarkable 15.7 million new jobs in the nine years since 1 January 1999 – more than three times the total for the nine years prior to the euro and considerably more than have been created in the United States over the same nine-year period.

Now, more than ever, we have numerous challenges to face. The central banks of industrialised countries have to ensure price stability in their individual economies, which are characterised not only by extremely rapid progress in science and technology, but also by both globalisation and significant demographic change, particularly population-aging. But we also face challenges at the European level, having to implement the necessary structural reforms, deepen and strengthen the Single Market, particularly in the euro area, and pursue, with the utmost rigour and credibility, the enlargement of the euro area.

Mr President, thank you again for this great honour. The institution over which I preside is very grateful indeed. This will encourage us all to continue to pursue with professionalism and energy the historic task entrusted to us.

Mr President, dear Eva, please also allow me to say that, on a personal level, Aline and I regard this honour as a perfect example of the profound friendship that exists between France and Germany, a friendship that has been placed at the service of the European Union as a whole.