

## Comments on the Paris conference of 23<sup>rd</sup> September 2013

Cher Kumi,

Je suis heureux que la conférence se soit bien déroulée et que son bon niveau et sa bonne organisation contribuent à votre réputation.

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Je vous renouvelle mes sincères compliments pour votre initiative, si pertinente dans sa conception et si réussie dans sa réalisation. J'ai été très heureux d'y contribuer.

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Dear Kumi,

I would like to thank you once again for your kind invitation to your conference on the limits of global and regional surveillance. I enjoyed very much participating in this meeting. Your main issues note and the background papers were excellent. Your chairmanship, the oral presentations of papers and discussions were at high professional level. So, I only can congratulate you to a successful and worthwhile event.

For me personally, the real test of whether I benefited from a conference, is not necessarily whether I got some new answers to a number of questions which have been on my mind before, but frequently much more whether I go home with new ideas and new perspectives. And this was in fact the case.

In particular, your thesis that the Euro crisis is basically a balance-of-payments crisis and not a sovereign debt crisis which I fully support was a real eye-opener for me.

If we give the Euro crisis this interpretation, austerity programs, the banking union, the stability pact and improved surveillance are all to a certain extent necessary steps to overcome the crisis, but they are by far not sufficient. None of these measures will make a major contribution to convergence of productivity levels. Structural adjustment, if ever possible supported by dynamic economic growth, becomes much more important. Moreover, it becomes very much clearer, if one adopts this interpretation of the Euro crisis that it is illusionary to believe that the main debtor countries will ever be able to repay their debt.

If one drives this direction of thought to the extreme, one may even conclude that the Euro might not have a longer-term future if the Europeans do not get their act together and move to a Federal State. Perhaps one should see whether there are lessons which could be drawn from the early phases of monetary union in the United States.

Once again, many thanks for your invitation. I was also pleased to meet Akiko at that occasion and, of course, it is always a pleasure to have an exchange with so many old friends from the OECD.

Best wish

3 October 2013

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Dear friends,

To me, a great disappointment about our Paris conference was the absence of Steve Axilrod who kindly contributed a fine paper to Session 3. Philip Turner did a remarkable job of making a succinct oral summary presentation of Steve's paper and another by Charles Goodhart. But, of course we would like to see him talk on the platform. And, Akiko and I would have loved to get together with Steve and Kathy Axilrod at our lunch following the conference at Le Dôme du Marais in Paris as well.

I sent him comments I had earlier received from our mutual friends on the conference. Here are Steve's words in response.

Kumiharu Shigehara

Kumi--

I have been delighted to read these and other words testifying to the success of the conference.

You found a great topic and many excellent people to participate.

It takes much effort and confidence to have such a success, and you were crucial to all that.

Congratulations, and my best regards,

Steve

(Stephen Axilrod)

Former staff director for monetary and financial policy at the Federal Reserve Board

-----Original Message-----

Steve,

See below Philip Turner's kind words.

Indeed, it all started with Philip's moral support to my idea of launching a new international project which I explained to him at a dinner he invited me in Zurich in September last year.

The project could not have been pursued without his encouragement and if I have

been appointed Bank of Japan governor last spring.

Kumi

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Dear Kumi

It is I who should thank you for pursuing this idea we talked about in Zurich with such persistence.

It was an exceptional conference, and a wonderful chance to see old friends again.

All the best

Philip  
(Philip Turner)  
Deputy Head of BIS Monetary and Economic Department

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From: Kumiharu SHIGEHARA  
Sent: Tuesday, September 24, 2013

Subject: Thanks for your co-operation

Dear Philip,

I thank you again for your excellent chairmanship in Session 3.

Please find below comments from conference participants on the floor. One of them is known to be a person who does not flatter people easily. He has lived long in the US and made efforts to join us from there. Indeed, it was from the US that he replied to my invitation: "Thanks for the invitation - I am honored and delighted, and shall try everything to attend".

I was glad to hear that, thanks to your excellent chairmanship on top of the high quality of papers, fine oral presentations by the paper authors and comments by pre-assigned speakers as well as very useful interventions from Don Johnston and others on the floor, I did not disappoint this man who came all the way from the US to join us in Paris with high expectations.

Best regards,

Kumi

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Dear Kumi,

This was one of the best organized and efficiently run conferences I have attended. I benefitted a lot - thanks for inviting me.

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Dear Kumi,

Congratulations on organising and managing a successful seminar, with, what I think, very interesting and high quality papers.

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Cher Kumi,

Merci et bravo pour cette conférence réussie.

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Hi Kumi

I am now back in Montreal and I am pleased to have attended the conference.

Thank you for including me.

I judge it to have been a great success.

Warm regards

Don

(Donald Johnston)  
Former OECD Secretary-General, former Canadian Minister of Justice