

Why the Karl Brunner Centenary Event?

Organised by the SNB, the Karl Brunner Centenary Event was held on 22 September 2016. Allan H. Meltzer, Benjamin M. Friedman, Charles I. Plosser and Ernst Baltensperger each gave a presentation at the commemorative seminar. Videos of their presentations are available on the SNB's Research TV channel at www.snb.ch, *Research*. On the same day, Kenneth Rogoff held the inaugural lecture of the Karl Brunner Distinguished Lecture Series.

Karl Brunner was probably the most renowned Swiss economist of the 20th century. But this is not the only reason why the SNB commemorated his 100th birthday. So what prompted the SNB to hold a commemorative seminar and establish a lecture series in honour of Karl Brunner?

The first reason is Karl Brunner's international reputation as a monetary economist. In the 1970s, together with Milton Friedman and Allan H. Meltzer, Karl Brunner made a significant contribution towards shaping the debates on monetary theory and monetary policy. Contrary to the common view of the time, these authors argued that inflation is a monetary phenomenon that can be controlled by adequate monetary policy. Today, this represents the mainstream view. Furthermore, Karl Brunner founded two of today's leading journals in the field of monetary economics, the *Journal of Money, Credit and Banking* (1969), and the *Journal of Monetary Economics* (1975). He launched the Konstanz Seminar on Monetary Theory and Policy in 1970, an event which is held annually and is presumably the oldest macroeconomic symposium in Europe. At the beginning of the 1970s, together with his student and friend, Allan H. Meltzer, he founded the Carnegie-Rochester Conference on Public Policy. In 1974, he was President of the Western Economic Association International (WEAI), an office which was later also held by Milton Friedman (1985) and Janet Yellen, today's Chair of the Board of Governors of the Federal Reserve System (2004).

The second reason is Karl Brunner's influence on monetary policy. Not only was he a brilliant thinker, but he always tried to make practical use of economic thinking. Many of his reflections and considerations focused on economic policymaking. But his true passion was monetary policy. In 1973, together with Allan H. Meltzer, Karl Brunner founded the Shadow Open Market Committee (SOMC) as a reaction to the wage and price controls introduced by

President Nixon in 1971, which they both considered to be the wrong approach. The aim of the SOMC was the evaluation of monetary policy choices and decisions made by the Open Market Committee of the Federal Reserve System. At the time, the publications of this committee led to a broad discussion on monetary policy in the United States, both among academics and in the media. One of the main objectives of Karl Brunner's Konstanz Seminar was the enhancement of monetary policy in Europe, in particular in Germany and in Switzerland. As a result, Karl Brunner was also an influential advisor for a number of European central banks.

The third reason is Karl Brunner's close ties to Switzerland; as an expatriate Swiss economist, he cultivated a strong and enduring relationship with our country's academic community. One goal particularly close to his heart was that the Swiss academia would keep up with its US counterpart. This was borne out in his dedicated efforts to improve teaching standards at Switzerland's economics faculties.¹ The nine papers issued in the *Swiss Journal of Economics and Statistics* are yet further proof of Karl Brunner's affinity to his homeland. Six of these papers were published before he again spent part of his time living in Switzerland – starting in 1974 – not least because of his teaching activities at the University of Bern.

¹ Cf. Jean-Christian Lambelet. 2016. *Les trente ans du DEEP. Mémorial personnel d'un émérite*. Department of Economics. Faculté des Hautes Etudes Commerciales (HEC) University of Lausanne. February 2016.