

**The Euro: Outcome and Element of
the European Identity¹**

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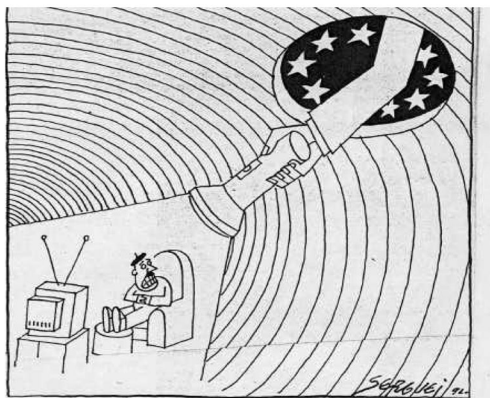
Writing about money is always a challenge. Neither economists nor historians specialized in monetary matters agree on its definition. Money itself is a long and fascinating subject with institutional, political, social, technical, symbolic, and psychological dimensions. This multidimensional aspect of money, which was commonly accepted during the nineteenth century and until World War II, re-emerged clearly during the changeover to the Euro, after economists had reduced its role to its sole macro-economic and financial dimension for more than half a century. By focusing on the various dimensions of money and guiding the reader on a historical monetary tour of Europe, this paper aims to illustrate how, both consciously and unconsciously³, the European nation states drew upon the roots of their common civilization to build a single currency as part of their new common identity. The paper will discuss these bi-univocal links between money and European identity, and will analyze the historical roots of the choice of name and symbol for this new currency, as well as the design of its banknotes and coins. It is necessary, however, to begin with a preliminary discussion of the following two questions:

- 1 - Is there a European identity?
- 2 - When was Europe?

Why proceed in this fashion? By briefly answering these two questions, we can define two European characteristics, which, from my point of view as one of many participants in this adventure, were of utmost importance to the creation of the European Union and the project of monetary unification.

I - Is there a European identity?

European identity (1)



European identity (2)



This is a challenging question. Like several of my predecessors in this series of talks, I am quite cautious about using the concept of “identity” when speaking about any group of populations sharing their destiny inside definite borders and under a common government. And this cautiousness is independent of the reasons that may have pushed the members of this collectivity to be part of a common entity by their own will; by the will of their fathers; by an accident of history; or, as Eli Barnavi formulated it to qualify the building of the French nation, “by a combination of violence, persuasion and ideology.”⁴

My skepticism does not result from the fact that there is nothing that could be called a “European identity.” On the contrary. My circumspection arises from the difficulty inherent in attempting to define this concept of identity precisely and in using it to describe collective behavior.

Aristotle used this concept in his logic to define elements that are what they are and cannot be something else. “A” has an identity because it is “A” and not “B.” If $(A = B)$, then A is B.⁵ It is the reason why, “identity,” initially a logical and mathematical concept, may be considered a pertinent individual psychological concept - and one notes that most psychopathologies come from broken personalities. By extension, such a concept can be used in specific political thinking. For example, Max Stirner⁶, in his book *Ego and its own* (1845), discusses a “Union of egoists,” where likes are to be treated in the same way. But, even under such assumptions, a union of unique identities will not give a unique identity to that egoistic collectivity.

Researching the various elements that could define a collective identity allows us to understand better the various bonds that may contribute to making a society hold together and imagine its own future. But this falls short of defining or even discovering a “European identity” that is both exclusive and timeless. A stumbling point arises concerning the fact that an identity can only be defined by the verb “**to be**,” which applies to the essence of the individual being. By contrast, what we, as economists, historians, and sociologists, are analyzing, through the concept of social or collective identity, should be qualified by the verb “**to belong**.” Any sane individual can only “be” himself. But, he can feel or desire to “belong” simultaneously - with varying degrees of intensity or commitment - to a multitude of sets: to a family, a town, a church, a cultural environment, a linguistic community, a country, or Europe, etc...⁷

A collective identity would therefore, in my point of view, be better characterized by the conscious or often unconscious sentiment of *belonging*: a sentiment that makes one feel he is part of a certain collectivity and that can emerge under specific or indeed exceptional circumstances, for example: a sense of feeling European when one is physically outside of Europe⁸ or an unconscious realization that one is European as a result of an extraordinary event like the introduction of the Euro.

Moreover, in the case of national or supranational collectivity, the feeling of belonging to such a specific collectivity will result in an unstable interlacing of different elements.

The mathematical theory of sets could serve as a good toolbox for expressing what I mean. Elements constituting a family, a national history, a culture, a religion, a language, an education, or whatever element that constitutes a “civilization,” each of these constitutes a set. Any individual will consider whether he does or does not/wishes to or not, belong, partly or fully, to each of these pre-defined sets.

A collectivity is, at the very least, a set of individuals; and the degree of **homogeneity** attached to that collectivity (that is, not to say, its identity) will depend on the number of individual sets of belonging that overlap one another. By contrast, the **dynamic** of this collectivity will result both from the consciousness of this homogeneity and from its members’ will to build a future on that basis.

Homogeneity results from history and geography, two elements that we cannot dispose of. A dynamic is not naturally occurring. A dynamic must be created by a conscious and voluntary will that cannot be an accident of history, nor can it be a unanimous expression of the will of all individuals party to that collectivity.

This very dynamic will in turn contribute to the creation of new sets of potential bonds, such as a corpus of legislation, common institutions, a common currency. These new bonds will in turn reinforce the collective homogeneity. As such, the present European integration is a self-fulfilling process that is creating new elements of **possible** belonging and also reinforcing the feelings of belonging.

The **stability** of this new equilibrium will certainly extend the common roots of each set. But the permanent work of memory will be needed to reveal the existence of these sets of secular, self-constituting flows of common history and civilization to the mass' consciousness. And this equilibrium will result from the common will to preserve the new order, as well as the old values that it carries, and which the members of the community would not wish to renounce.

Undoubtedly, for centuries, for most of the inhabitants of Europe, there has been a number of sets that overlap to create a generally diffused, often unconscious, sentiment of belonging, which could be called a European identity. But these overlapping sets may vary in time and space, as well as in the dimension of their intersection. Other intersections of sets, other than those presently existing, much less appealing and sometimes horrendous, could be and have been possible, as we all know. To paraphrase Parmenides: "In the Human collectivities are light and night."⁹ As the English language suggests, it is not far to go from "word" to "sword," from "god" to "gold," from "worship" to "warship," from "the sword of god" to "the sword for gold."

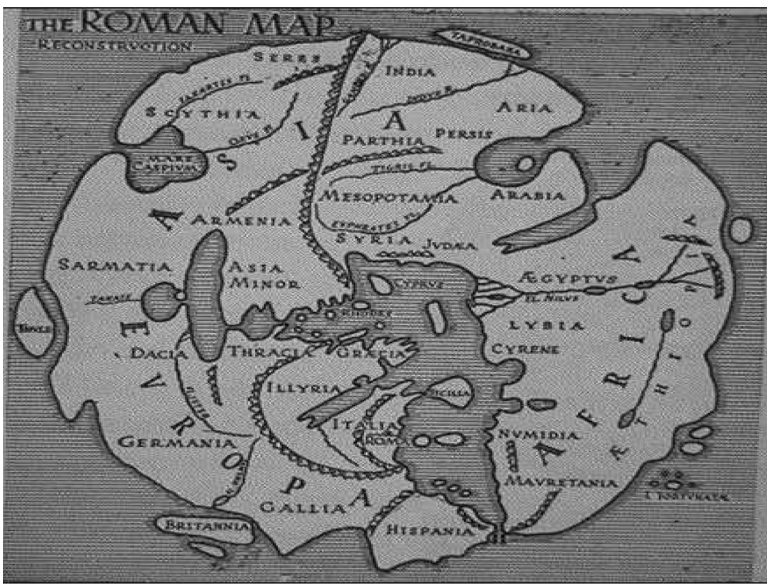
To focus my thinking further, I must now turn to the second question.

II - When was Europe?

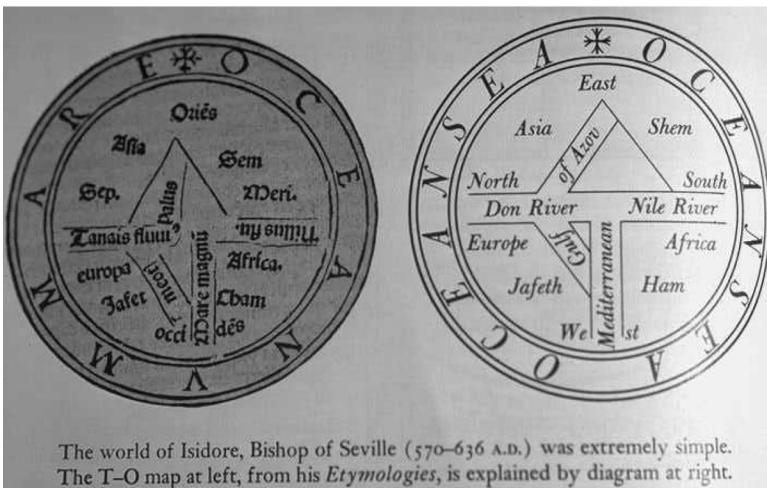
I would be tempted to answer that Europe **was**, from the very moment it was qualified as such. To put it again, according to Parmenides: to be is to be thought of as being.

Some say that Homer, more than thirty centuries ago, was the first to qualify the western part of the then-known world, opposite Troy, with the name *Europe*. Whether true or not, since the writings of Herodotus (mid-fifth century B.C.), “Europe” has been defined as a precise geographical entity, chiefly inhabited in its central and western part, from the Pontus Euxinus to the Hercules Pillars, from the North Sea to the Tanais river (the Don, then the Dniepr), by people calling themselves and called by others: Celts¹⁰.

Orbis Terrarum 20 AD (3)



Biblical and early medieval vision of Europe (4)



The world of Isidore, Bishop of Seville (570–636 A.D.) was extremely simple. The T-O map at left, from his *Etymologies*, is explained by diagram at right.

Herodotus' followers described Europe and mapped it with increasing accuracy, from Eratosthenes (around 250 B.C.) to Claudius Ptolemy (87-150 A.D.). Remarkably, the descriptions and the maps of Ptolemy remained unchallenged for nearly fifteen centuries. But what is interesting is not so much the longevity of the Ptolemaic works, but rather: from the beginning of cartography, the clear absence of discussion and debates concerning what constituted the distinctive European space; the methods used by Ptolemy and other cartographers to produce their maps, and the reasons that created the need for such maps.

A geographical description or a map is never drawn up merely for the intellectual interest of its author.¹¹ A map fulfills commercial, political, military, and ideological purposes and needs. Drawing a map is a way to define and, sometimes, to appropriate, territories, properties, riches, and subsequently, to protect these acquisitions.¹²

Similarly, the Epic of Jason and the Argonauts, anterior to the Homeric epic, is not only a purely mythological fantasy.¹³ It is the first geographical description of Europe - even if the word "Europe" is not found in the text. It is a description of the commercial routes followed by the Mycenaeans and the people of Near Eastern civilizations to obtain fur, gold, amber, and tin, among other riches. It is the story of the first organized tour of Europe in search for an Eldorado - The Colchis Golden Fleece - and as such, represents a geographic exploration of the "other's" world.

As a matter of fact, the "Golden Fleece" was not only a mythological legend, but also, very pragmatically, the simplest technique known and used at that time for extracting gold washed along by gold-bearing rivers (such as the famous Pactole river in Anatolia, which made the fortune of Croesus).¹⁴

It is generally on the basis of such mythological stories or travelers' and merchants' stories - as well as, sometimes, the geographer's own peregrinations, that maps were drawn. Ptolemy, in contrast to Herodotus or Strabo, did not travel much. But by working in Alexandria, the largest seaport of that time possessing the largest existing library, Ptolemy was able to listen to sailors and merchants and to quantify and

theorize about their stories.¹⁵ And his information on Europe, like that of his predecessors', came mainly from merchants.¹⁶

Last, but not least, geographers' studies and cartographic works also show Europe as a space of circulation. There were and there are no real obstacles to stop eastern tribes from flooding down to Europe's western oceanic or southern Mediterranean shores. And, as the Greeks rightly believed, several large rivers do cut Europe into parts, permitting movement (and trade) quite easily from south to north, from one sea to another.

But Europe is also a "cul de sac." Once they have arrived at its ends, there is not much else for people to do but settle or go back. Each wave of new migrants had to be accepted and to be integrated by the older inhabitants, if they wanted to survive. By its mere physical nature, Europe was a natural melting pot.

These physical realities are, most probably, a strong factor explaining two of the most interesting characteristics of European populations, and have played an important role in Europe's history and, more specifically, in its monetary history.

III – About two main European characteristics

1 – Cultural appropriation and permeability

The first of these two characteristics is the incredible capacity of Europeans for preserving their own "identity," knowledge or technology, while adopting other civilizations' knowledge. Such a capacity for preservation is reinforced on the one hand by the Europeans' ability to make their adopted knowledge evolve according to **their way**, and on the other hand by possibly imposing their ways on others afterwards. It is this mix of appropriation and preservation that in turn gave rise to much diversity within a rather homogenized civilization.

Many examples could be called upon from numerous political, scientific, or artistic domains to illustrate this point. But, for the purpose of this paper, a good example of this European ability to deal with diversity and build a common project from it, is the coexistence of three major legal systems imported by various "invaders": common law, German law, and Roman law. Although their philosophies differ, all three accept the rule of law and the contract as the basis of human relations.

These philosophic differences are very long-lasting and they have remained at the core of the main debates on European currency for the last thirty years (and more importantly, during the twenty years between 1971 and 1991).

-The Anglo-Saxon common law “party” wanted custom and usage to decide on the utility and the selection of a single European currency. Therefore, they pleaded for developing a “common” currency in parallel to national currencies, rather than a “single” currency.

-The German law block argued that a single currency should be the logical result of a preliminary political and legal order (“the icing on the cake”).

-The Roman law “party” considered that the will - expressed by law - would be sufficient to build that monetary order, and that the political order would naturally follow.

The result, as always, has been an interesting compromise expressed by an original new legal order. The outlines of the new legal order were designed through three modifications of the Treaty (the Single Act in 1985, the Maastricht Treaty in 1992, and the Amsterdam Treaty in 1997). A common currency, the *écu*, renamed “euro” in 1995, circulated for twenty years (1979-1999) and was transformed into a single currency before the end of the political integration process.

2 – Circulation of people, ideas, and techniques

The second European characteristic linked to the geography and to the specific topography of this continent derives from Europe’s relatively small area and from the facility of circulation inside and around this space. Dominant winds and streams facilitate coastal navigation. Numerous large and navigable rivers permit easy access to the territories and facilitate travel to reach the seas or oceans. The old chains of mountains can be crossed at numerous passes, even with elephants, as Hannibal demonstrated to the Romans. Huge plains in the western parts are easy walk-through territories. All this, at least from the Neolithic period onwards, permitted not only migrations, but also the development of east-west and north-south trade and, later, of monetary flow.¹⁷

As stated above, trade in amber from the northern part of Europe and in tin from the southern part of England

developed with the Middle East well before the Greek Age. The episode referred to above of the “Argonauts’ Tour,” as well as the writings of Herodotus and of Greek and Latin geographers, clearly show how much this space was already, at that time, a space of circulation of persons and goods.

The Romans dramatically increased the freedom of movement within Europe through their highly-developed and dense network of roads. By building more than 80,000 kilometers of roads, thousands of bridges, and using long-existing paths of circulation, they facilitated movements of populations (and of troops). Although this network entered into decay after the fall of the Empire, these roads were used for centuries afterwards, at least up to the time of the Crusades. Church structures compensated for a while for the absence of political power and maintained the network’s viability, or opened more roads, paths, and bridges. For the Church, the reasons were to intensify evangelization and, once accomplished, to ensure the circulation of pilgrims and especially that of the church tax, the “dime,” as well as to facilitate the supply of goods to abbeys. All these elements contributed to maintaining flow of trade, thereby facilitating the medieval renaissance.

From Charlemagne’s time onwards, the political powers took over this task, as part of the attributes of their sovereignty. They pursued, with increasing attention and success, a policy of public works on roads, rivers, and seaport installations.

Even if a large majority of the population was not moving very far from the vicinity of their village church, Europe never stopped being an area of circulation for pilgrims, merchants, scholars, artists, troubadours, not to mention, soldiers, Jews, and Protestants.¹⁸ In normal times, merchants, scholars, and artists were by far the most numerous travelers. This easy circulation (even if, for a long time, somewhat dangerous) facilitated the circulation of ideas and of techniques that wars, mercantilistic policies, and religion were never able to stop.¹⁹ And this circulation of ideas and of the elite contributed strongly to the creation of a certain degree of intellectual, cultural, artistic, and architectural homogenization in Europe.

In matters of economic and monetary policy matters the

picture is very similar. Thanks to the Arabs, scholastic scholars rediscovered the Aristotelean economic basis of European monetary thought. But, it is the circulation of ideas that emulated the long-distance debate between scholars and permitted the evolution of European economic thought. Following Thomas Aquinas, enlightened scholastic thinkers like Francis Bacon, Oresme, Jean Bodin, and the School of Salamanca, by debating the “just price,” defined the law of supply and demand and the quantitative theory of money. They introduced the roots of the monetarist approach. They pleaded, not always with success, for controlling the supply of money as well as for the issuance of “strong currencies” by a central power, in order to put an end to the anarchical supply of money by the local nobility. Their works and analyses inspired followers and led to the creation of national central banks²⁰ and to the nineteenth-century controversy between the “banking” and the “currency schools.” The final victory of the banking school two centuries later, was the creation of the European Central Bank.

Not surprisingly, the same phenomenon of appropriation/evolution by debate and circulation of ideas occurred in economic and monetary practices. The latter had been built on Near Eastern and Greco-Roman foundations. They were enriched by a constant circulation of ideas and merchants throughout Europe and by the strong legislative action of monarchs. Good examples of this are the invention or re-invention, to quote only the more long-lasting ones, of: the bill of exchange by Italian merchant-bankers and its adoption throughout Europe, modern banks and insurance companies and practices, the stock-exchange; the “holding” structure for international companies; the practice of “double-entry bookkeeping,” theorized in Venice at the turn of the fifteenth-sixteenth century by the Franciscan friar Luca Pacioli (1445-1514) and enhanced by the German banker Fugger.

The more that physical circulation was eased by public works activity, the faster ideas circulated and could be debated. It is this acceleration in the circulation of new ideas, sciences, and techniques that forged the eighteenth-century movement of Enlightenment and contributed to the scientific, technical, and industrial revolution.

I would like now to illustrate concretely how these two main characteristics, appropriation and circulation, as well as the will to demonstrate that Europe “was” and “is” more than a geographic area, were at the root of the history, the idea, the name, the symbol, and the design of the European currency.

IV - The building of a European monetary identity

When questioning the identity concept I referred to the difference between “to be” and “to belong.” But the reconciliation of these two concepts comes from the fact that in order “to belong to something,” that “something” must “be” and be recognized “to be” by others. The existence of an identity, as noted before, appears more obvious when others help to reveal this identity. This was and is specifically the case, after centuries of missed attempts to stabilize currencies, for post-World War II Europe. It can be argued that the euro would never have been created without the failure of the United States to manage, as hegemon²¹, the international monetary system based upon the US Dollar.

1 – The vain search for a European “solidus”

European monetary adaptability or pragmatism, as well as the search for monetary stability, can be traced back to the adoption and the diffusion by the Celts of Lydian and Greek monetary innovations, some 2,300 years ago. Well before unification under Roman law and citizenship, the Celts adopted the Greek monetary system of weighted stroke money during the third century B.C. In so doing, they replaced their less handy monetary instruments “rouelles,” “hâches à douilles,” and gold or silver ingots with the Greek tetradrachmes. However, this appropriation was done according to their own way: after simply copying the model (Philippe II’s tetradrachme), they replaced the Greek designs and the Greek gods with their own Celtic designs and gods.

The first monetary appropriation (5)



Since then, the whole monetary history of Europe can be characterized by a constant appropriation of monetary innovations that emerged here or there, by most of the other European states or sovereigns, in search for a stable European currency, as exemplified by Emperor Constantine's (306-337 AD) "solidus."

At the beginning of their political power, the Romans took over the Greek monetary system, issuing silver currencies to replace their old "aes librae" and the Etruscan system of weighted bronze ingots, but kept their system of weights based on the Roman Libra. They quickly imposed their system on territory they conquered in Europe. In this way the first monetary unification of the continent appeared, and it lasted for five centuries. Although their currency depreciated in time, many emperors proceeded with reforms to stabilize its value. The two main reforms were accomplished, first by Emperor Augustus (27 B.C. – 14 A.D.), who created the silver-based "denier," and then, three centuries later, by Constantinus, who issued the gold "solidus." The "Pound" (or livre or lira), the denier (or denar or denaro, or penny or pfennig – abbreviated "d."), the solidus (or sou or schilling or shilling) remained the names for monetary units of account or coins for nearly twenty centuries.²² The Roman monetary system was also largely used behind the "limes," by the Scandinavians and by Eastern Europeans, to which discoveries of hoards of Roman coins found in these parts of Europe can attest.

After the fall of the Roman Empire, Goths, Visigoths, Lombards, Burgundians, and other German tribes adopted the Roman monetary system and issued the solidus and the "tremissis"²³ (one third of the gold solidus). They did so in order to ensure their legitimacy as issuers of money, at first striking them with the names and the heads of the last Roman Emperors or that of the Emperors of Constantinople, and later, using their own names and choices of designs. Obviously, this monetary policy was also linked to the fact that the German tribes quickly understood the importance of the economic organization of the Roman Catholic Church, which had survived the Roman Empire and taken over its administrative and fiscal structure – with the Church's power based on its capacity to levy monetary taxes.

From medieval times up to the nineteenth century, as states and kingdoms attempted to affirm their sovereignty, they did not stop copying one another's successful monetary systems, in search of monetary stability. It is true that, for centuries, hundreds of different coins circulated in Europe. They were so numerous that merchants needed to have some kind of monetary dictionary to recognize them.²⁴

But in fact, international trade took place with few international currencies recognized as stable currencies. In this way, several monies acquired a real European status and wide circulation, and were abundantly copied. Such monies as the silver British "Penny long cross" and the French gold Ecu had only relatively short-lived international success, that is, one or two centuries. But, the Ecu²⁵ had a strong political influence. It served not only as a currency of reference for a while, but it also served as a model of political design all over Europe.

From this period (mid-fourteenth century) onwards, the issuing authority, the "écu d'arme," figured prominently on European currencies, thereby reaffirming the secular national sovereignties, instead of referring only to religious symbols. The Anglo-Saxons translated the term Ecu as "Crown," later translated as "Krone" by the Scandinavians. One century later at the beginning of the Renaissance, the Italians, returning to the Roman tradition, continued this approach by striking the head or the bust of the issuing sovereign on coins – the so-called "Testons" ("Heads"), thus establishing what would soon after become the norm in Europe.²⁶ Others monies, such as the Venetian Ducato or Zecchino d'oro and the Florin of Florence, remained the unchallenged European currencies of reference for several hundred years.

From its first issue in the mid-thirteenth century to the end of the Venetian Republic during the French Revolution, the gold mass of the Zecchino remained constant (circa 3.48 g.). Its name became synonymous with wealth all over Europe, entering into the literature of many countries ("les sequins" in the plays of Corneille, for instance).

The Florin did not merely serve as a benchmark for many European currencies. If the Ecu gave its name for a while to the Spanish Scudo and, up to the introduction of the Euro in 2002, to the Portuguese Escudo, the Florin gave its name to

several European currencies like the Dutch Gulden and the Hungarian Fiorint. It is based on a silver weight equivalent to the Florin's gold value that Sigismund, Prince of Tyrol and owner of the silver mines of Hall, issued the first Thalers in 1477-1478, a big silver coin whose style was influenced by the Italian testons. And soon after, the Thaler was copied by the Mexican-Spanish coin: the "peso" or "piece of eight" or "peso a ocho" or "pillar dollar" or "dollar," which then became the most popular coin in transatlantic and Far Eastern trade for three centuries up to the end of the nineteenth century, as well as the official currency of the United States of America in 1794 (see below). And curiously enough, in popular language, all of these big silver coins were often called "écu" or "scudo" or "crowns."²⁷

It is one of the reasons why, when launching the European Monetary System (EMS) in 1979, Giscard d'Estaing, President of France, and Helmut Schmidt, German Chancellor, agreed to call the future European currency, which would result at a later date from this exchange rate system, "Écu."

2 – From the Dollar to the Ecu: in search of a European monetary identity

The Great Depression following World War I had already destabilized the European imperial powers and their currencies. Although still an international currency thanks to the Imperial Preference Regime, the Pound Sterling was losing ground against the Dollar. Obviously, the second world conflict did nothing to prevent the decay of the European world order. But when, in 1941, Churchill and Roosevelt agreed upon the "Atlantic Charter,"²⁸ which formed the basis of the Anglo-American relationship, to ensure their post-war dominance²⁹, they inevitably created the roots for a reaction from the countries which had not been involved in the process.

At that time, Churchill and Roosevelt may have thought that the notion of a post-war union between continental European nations traditionally opposed to each other was highly improbable. A Mutual Aid Agreement that included the involvement of Britain and America in a postwar multilateral payment system prolonged the Atlantic Charter

in 1942. The design of such a system was left to discussion between the British, led by J.M. Keynes and the Americans, led by Harry Dexter White. After two years of bilateral discussions, a pre-agreement was set forth for discussion with forty-two other countries, including China and the USSR. A final conference was convened from July to December 1944 in Bretton Woods, New Hampshire.

Not much remained of the Keynes proposal in the Bretton Woods agreement, which appeared, in fact, to be very similar to the White proposal.³⁰ This new international monetary order was a system centered on three pillars: The Dollar convertible into a gold - dollar exchange standard, a free trade organization, and the American funding of European reconstruction.

Although somewhat humiliated, the British momentarily saved their Imperial Preference Policy and their full employment. The other European countries, still at war and indebted to America, did not have much to say otherwise, and the Marshall Plan helped them to accept the new order.³¹

But the political balance sheet with Europe was rather unbalanced. The Americans were dominating Europe from all points of view, and militarily occupying its territories. The European future was under American supremacy in NATO³², the Bank for International Settlements³³, the OECD³⁴, the General Agreement on Trade and Tariffs³⁵, the International Monetary Fund, and the World Bank.

The World financial system was dominated by the Dollar, considered during the fifties, “*as good as gold*,” for the simple reason that the US held, at the end of World War II, ninety percent of the world’s monetary gold reserves. The Europeans knew they had no other choice and although they were grateful for American help and willingly accepted playing the game, their pride was sorely wounded.

No wonder that, when a fierce and nationalist Charles De Gaulle returned to power in 1958, he successively decided to quit NATO, ask the Americans to evacuate their French military bases, repatriate – on a French Caravelle plane - the French gold that was stocked in Fort Knox, and to put his veto on the entrance of the UK into the Common Market. Nevertheless, the building of the European Monetary Union

resulted much less from such proud reactions or resentments, than from the failure of the Americans to manage properly the international monetary order they had created and imposed upon the rest of the world with its consent.³⁶

From the beginning of the Common Market (1958), each monetary move of the Europeans can be seen, at least in part, as a reaction to American monetary mismanagement. After the first crisis of the Dollar and the creation of the “Gold Pool” in 1961, in order to save the gold convertibility of the Dollar, the then six Members of the European Union decided to introduce a monetary dimension into their agreements. In 1962, the role of the Monetary Committee was enhanced and a Committee of the Central Banks’ Governors, the Governors’ Committee, was created to coordinate European monetary policies. In 1964, the European Commission proposed a discussion in the Monetary Committee on a first project of European enhanced monetary cooperation.

The informal end of the “Gold Pool” in 1968 was immediately followed, in 1969, by a first plan of monetary Union presented by the then French Commissioner for Economic Affairs Raymond Barre. Ten years later, Barre would prepare the European Monetary System (EMS) as Prime Minister to Valery Giscard d’Estaing.

To the unilateral decision of President Nixon to declare the dollar unconvertible (August 1971), the European answer was the first real proposal for a monetary Union in three stages, known as the Werner Plan. It is to be noted that this first European plan was inscribed in the international monetary order of Bretton Woods. Its scope was to reduce the European currencies’ margins of fluctuations within the limits of Bretton Woods. It is the reason why this agreement was nicknamed the “European Snake.” The failure of the Snake resulted from several external reasons. Among them was the decision of the US to float the dollar and the collapse of the Bretton Woods system, both of which in turn were partly due to the 1973-1974 oil crisis. It must be noted however, that this failure was also due to the insufficient economic policy coordination among the European states.

From 1976, it was decided to suppress any reference to gold in international monetary affairs. The following period

was characterized by the huge fluctuation of the dollar resulting from the Americans' Vietnam war effort and from its monetary and exchange rate policy of "benign neglect". That policy was made possible because of the dollar's supremacy as an international invoice and financial currency. To stabilize their economies, the Europeans had no choice but to play a common monetary game and to aim at building together that which had been missing: a stable international currency, which had always been necessary to ensure the coherent flow of goods and services.

From 1980 onwards, the reaction to the insufficiencies of the dollar's management - although still important - began to be secondary to the need for developing a currency that would be at the level of the new economic power of Europe and that could help stabilize the world monetary system. It was necessary to ensure that the price of raw materials, oil specifically, and the charge of the debt would not be disrupted anymore by the unpredictable evolution of the Dollar's exchange rate. To reduce the unpredictability of their profits and reduce the edging costs, the Europeans needed to be able to invoice and be invoiced, to issue their debt in their own currency. Moreover, a single currency would avoid any exchange costs inside Europe, which a common currency like the Ecu proved not to be able to achieve.³⁷

This was made easier by the complete marginalization of the Pound Sterling and by the wisdom of the Germans. The negative experience of the British with their Pound Sterling balances after the dying out of their Empire, made the Germans understand that the Deutsche Mark should never become an international currency. They understood that whatever their economy's strength, it would never be big enough to issue enough Deutsche Marks to respond to international need without inflationary risks. Such a risk was not acceptable in a country twice-traumatized by hyper-inflationist experiences.

Nevertheless, as we shall see, the definition of the European currency as opposed to the Dollar played a role in the choice of its name as well as that of its symbol.

3 – From the Ecu to the Euro: the battle for a name

As noted above, since 1979, the name of the European currency had been chosen and was supposed to be the Ecu. Its

name was first inscribed in the Single Act in 1985 and subsequently in several articles of the Maastricht Treaty. Particularly, in its article 4.2 (ex 3A) the Rome treaty, as modified by the Maastricht and the Amsterdam Treaties, states (and still does, even after the agreement to call the single currency the Euro³⁸): “...*The activities of the Member States shall include the irrevocable fixing of exchange rates leading to the introduction of a single currency, the ECU.*”

Incidentally, the word “écu” never was conceived nor legally described as an acronym. But by chance or misfortune, its three letters could be split into three English words: European Currency Unit. Many made abundant use of this coincidence in their propaganda against the capacity of the écu to be the single European currency.

In fact, “écu”, as a word, the same in all European languages, and as a quasi-currency, replaced a preceding European Unit of Account whose acronym was: E.U.A. or U.C.E., E.W.E for “*unité de compte européenne*” in French, “*unita di conto europea*” in Italian, etc.³⁹ In the minds of Giscard d’Estaing and Schmidt, giving a true name to the “common currency” was also conceived as a political move to affirm the monetary identity of Europe against that of the Dollar. The EUA had a value based on gold, then on the IMF basket unit called “Special Drawing Right (SDR),” dominated by a dollar that represented more than fifty percent of its value. To differentiate it from the SDR, the écu had a value based exclusively on a basket of the European currencies that were part of the EMS (including the Pound Sterling, which, although a member of the EMS, never really participated in its exchange rate mechanism, except for a short period at the beginning of the 1990s).

The reasons for the disqualification by the Germans of the word Ecu are numerous but would be too long to explain here. More interesting are the reasons explaining the choice of the word Euro. When the debate on the name started, beginning in 1995⁴⁰, the commission was asked to think about possible alternatives. Obviously, the Commission was not very keen to change the name for many reasons. Among those was the legal aspect – écu was the name written in the Treaty - and the importance of the financial Ecu markets,

valued at that time around 250-300 billion Dollars. Moreover, finding a name was not an easy task.

All historical options were examined (the “Florin,” for instance, was quite popular at a certain point in time), but either they were not easy to pronounce or to translate, or they could have strange meanings in certain languages. At one point, for instance, the name of the most common Roman coin - the “as” - was refused by the Anglophones for mysterious reasons!

Finally, in the absence of a consensual solution among technical groups, the discussion went to the table of the December 1995 Head of States and Governments Council in Madrid. The Germans proposed the name Euro, arguing that although it was quite an overused prefix and that the currency could be confused with one of the most popular soccer championships, it was immediately understandable, common to all languages, and expressed a clear and unmistakable European identity as compared to the US Dollar. This proposal and argumentation were accepted unanimously.

4 – The Euro symbol

Few currencies have a symbolic representation that goes beyond territorial boundaries as that of the dollar. The S with two vertical bars crossing it, is recognized all over the world. Its history merits a telling.

The history of the Dollar starts with the War of American Independence. At that time, the most commonly used coin in the Americas as well as in the international trade with the Far East was the silver Hispano-Mexican coin of 8 Reales. Its

The “Spanish Dollar” (6)



weight in silver had been fixed so that its value would be the same as that of the Venetian gold Ducat. This equivalence of value between coins of different metals was called in Spanish “peso”⁴¹. So many of these coins had been struck since the mid-sixteenth century that some computed that, by putting them together it would have been possible to build a bridge one meter wide between Mexico and Madrid.⁴²

However, at the same time, the German-Austrian Thaler, which was of similar weight (while based on the value of the gold Florin), was extremely popular in Western Europe. Therefore, many were calling the 8 reales coin: “Spanish Thaler,” or modified in Spanish: “Spanish Tollaro.”

The popularity and the use of this “Spanish Tollaro” in America was so great during the eighteenth century that it was often called by the name of its backside design representing the two Pillars of Hercules, that is in English: “Pillar Dollar.” A thin strip coiled around the pillars under the form of an “S,” on which was engraved the Latin formula adopted by the Spanish: “Plus ultra.”

Since this “Pillar dollar” was the most common currency in circulation and was used to quantify exchanges, accountants started to accelerate the writing of their accounts by just noting the “S” strip crossed by the two vertical pillars to qualify the figures expressed in Pillar Dollars. On July 6, 1794 the United States adopted the name “Dollar” as the unit of account, and in 1795, issued its first one Dollar Liberty coin. That coin had exactly the same characteristics as the Pillar Dollar in dimension, weight, and silver content: 27.97 g, with a silver fineness of 0.892. Nevertheless, the Spanish Pillar Dollar remained in widespread use up to 1850.

Now let’s turn to the reasons why the Europeans decided to create a Euro symbol. It was not, at the beginning, to copy the dollar, but by mere “accident” of communication. Moreover, there was no need for a symbol, as all currencies have an ISO (International Organization for Standardization) normalized international abbreviation, used all over the world by financiers and published in documents and newspapers. The international abbreviation of the euro had been already defined and agreed upon as “EUR.” Therefore, when launching its Euro communication campaign, the

Commission had only to choose a logo for the campaign. It was to be a tripod hourglass. On its uppermost part figured the European currencies, which, as they glided towards the bottom, were transmuted into a large Euro. That looked very nice indeed. However, the Anglo-Saxon popular press did not take long to ridicule this logo, arguing that the basic property of a sandglass is to be turned upside down. That was not really the message the Commission wanted to convey!

Instead of a logo, the European Commissioner in charge, Thibault de Silguy, suggested finding a symbol that could compete with that of the dollar. When various projects were tested before a panel of citizens, the actual symbol “€” won out easily. It was presented to the Dublin Council in December 1996. But what definitively won over popular opinion was an inspired public relations gesture - offering a handsome blue European scarf with the Euro symbol embroidered on it in gold to journalists. The success of the symbol was immediate and the Euro symbol was reproduced the following day in newspapers all around the world. The official explanation of its meaning was given by the Commission some months later in a July 23 Communiqué, in which the Euro’s form, colors, and usages were also set forth: *“The graphic symbol for the Euro looks like an E with two clearly marked, horizontal parallel lines across it. It was inspired by the Greek letter epsilon, in reference to the cradle of European civilization and the first letter of the word ‘Europe.’”*⁴³

By deciding to include two bars on the Euro symbol, the Europeans not only affirmed their monetary identity in the face of America’s, but also re-appropriated their geographical identity: the Pillars of Hercules.

5 – The design of the coins⁴⁴

Designing the coins has been a subject of lengthy discussion within the European Council of Ministers. This discussion has centered not so much on a decision concerning what to represent on the coins, but whether the coins would be similar in all countries or whether each Member State could choose its own design on the basis of identical physical characteristics. The European Commission, as “Guardian of the Treaty,” could not accept that the European “**single**” currency would be created with different “national” coins. Its

position maintained that the design of each coin should be identical in all countries. It must be noted that, due to the “subsidiarity” principle and by Treaty, each Member State is responsible for striking the quantity of coins that the European Central Bank (ECB) defines for its territory.⁴⁵

The idea that the obverse of the coin, the side bearing the value, would be identical in all countries, was quickly accepted. But many Member States were in favor of the reverse side bearing national designs. The compromise was to accept, following a proposal by the Commission, that on this “national” side, the design would be included within a circle of the twelve stars of the European flag. The reasons pleading for a national side were diverse. Some considered that it would facilitate the transition to the euro and its acceptance by their citizens. One Member State, Belgium, without the inclusion of the portrait of its monarch, would have had to modify its Constitution⁴⁶ - which in itself would have created the risk of opening a Pandora’s box. Others, like France, wanted to preserve, at the least, an image of their national monetary sovereignty.

Due to the very small space remaining on the common side, once the number and the value had been engraved, the choice of a design to inhabit that remaining space was rather complex. Moreover, once, for political reasons, all kinds of designs that could be considered problematic had been excluded, the remaining options were limited. Nevertheless, a European competition was opened and the Ministers made their choice after consultation with various bodies and panels of citizens. All the parties consulted agreed on the final choice: a highly symbolic set of cartographic representations of Europe, including a political message. The eight coins were divided into three value sequences: 1, 2, and 5 cents; 10, 20, and 50 cents; 1 and 2 Euros.

The design of the 1, 2, and 5 cent coins, by presenting a globe on which figured Europe, puts emphasis on the idea that Europe did not want to build a “fortress” Europe. The design of the 10, 20, and 50 cent coins represents the map of Europe with the borders of each Member State clearly marked, in order to present the union as a gathering of well-identified nations. The design of the 1 and 2 Euro coins depicts a

Europe without frontiers. The choice of the sequence of values attributed to each design also indicates an interesting hierarchy of value for each of the messages conveyed by the coins' designs.

The importance of such symbolism can be attested to by the strong controversies that arose after the publication of the first draft of the designs. Some ultra-peripheral regions and islands had been forgotten. The borders of Germany were those existing before the reunification. All this had to be corrected, in spite of the fact that, considering the actual size and dimensions of the designs in question on the coins, nobody would really have noticed the difference.

The designs for the national side are also interesting. Three countries had, by law or Constitution, to represent their monarch: Belgium, Luxembourg, and the Netherlands. The Irish chose their national emblem, the Irish Celtic harp. The Portuguese opted to portray the seals of their first kings. The Finnish incorporated their heraldic emblem on six of the eight coins, and depicted a typical blackberry bush flower and a flight of swans over a lake, images that were already current on Finnish coins, for the high value. Some national designs were more imaginative and some clearly nationalistic, like those of France and Germany.

The French chose three highly symbolic French designs: Marianne, La Semeuse, the famous female sower featured on French coins since the Latin Union, and the Revolutionary liberty tree surrounded with the French motto: "*Liberté, égalité, fraternité.*"

The Germans adopted their traditional oak tree, the Brandenburg arch, to symbolize their reunification, and the imperial eagle.

The Spanish, while representing their king on the two high value coins, honored their culture through images of Miguel Cervantes and the Spanish-Roman architectural masterpiece of Saint Jacques de Compostelle.

The Greeks honored their nation by representing their major economic strength: sea-boats, along with portraits of important politicians⁴⁷ who figured prominently in the liberation of Greece from the Ottomans, as well as the most striking figures of their antique culture: the rape of Europe by

Zeus, transformed into a bull for this purpose, and Athena's owl, which recalls the first long-lasting international currency: the Athenian tetra-drachma.

Only the Austrians and the Italians decided to express a more humanistic message, even if, in so doing, they did not neglect glorifying their national specificities.

The Italians, after a popular vote organized by the national television network RAI 2, decided to present themselves as a country of culture. They selected poets, painters, and architectural symbols: Dante and Raphaël, Leonardo da Vinci, the Roman sculpture of Marcus Aurelius, Umberto Boccioni, Botticelli, the Coliseum (architect Alessandro Antonelli's masterpiece), and the famous medieval Castel del Monte of Frederick II.

The Austrians, by using images of rare and fragile flowers (gentian, edelweiss and Alpine primroses), insisted upon the importance of a common European environmental policy. Three other coins recall the role of Austria in European architecture and culture. On the 1 Euro coin figures the famous composer Mozart. The 2 Euro coin presents the bust of a great pacifist, Bertha Von Suttner, thus focusing both on the main aim of the European Union and on the importance of the role of women in its construction.⁴⁸

6 – *The design of the notes*⁴⁹

Although under the strict and sole responsibility of the European Monetary Institute, the predecessor of the European Central Bank, the design of the banknotes was not any simpler than that of the coins. The debate on the possibility of introducing a national side was quickly resolved, mainly for technical reasons. It would have been too complex to make the designs on the two sides compatible if one had been national. Therefore the decision was taken that, contrary to what was decided for the coins, the two sides of the notes would only present common European designs.

Nevertheless, the problem remained to choose the designs. This complexity was increased by the relatively small number of banknotes: seven. Using traditional banknote design types like portraits or any other design with a nationalistic dimension, would have led to the selection of a mere seven nationally-biased designs to satisfy *fifteen* Member States and

probably more in the near future. Moreover, due to the various existing religions and the sensitivity of this subject in many States, the use of a design that could offend people's beliefs was ruled out.

It was therefore decided to create a consultative group of experts, "the Feature Selection Advisory Group,"⁵⁰ to reflect on the remaining possibilities. Their mission was: "*To find anonymous features, which would continue to be anonymous in the future while meeting the requirement of being aesthetically beautiful and minimizing national bias and gender imbalances.*" At the same time, it was recommended that: "*The banknotes must be clearly and identifiably European and should embody a cultural and political message that is readily acceptable to the citizens of Europe.*"

The design process was more or less like trying to square the circle, specifically because the working group, dominated by the designers and artists of the Central Bank, had the utmost difficulty in renouncing the use of portraits. After several meetings, the group proposed two sets of designs, as it had been asked to do: The first proposal, the group's preferred version, would present designs symbolizing the "ages and styles in Europe," with, on one side, architectural designs, and on the other, portraits. Those portraits, carefully chosen, would either be of unknown artists or represent unknown persons, and obviously would be considered European artistic masterpieces.⁵¹

The second proposal, which nobody really liked, contained designs on "modern/abstract themes." competition, restricted to professional banknote designers, was opened on those two themes, leaving the artists either to design specific monuments of the seven architectural styles selected or to imagine a design that would synthesize these styles. The seven chosen styles were: Classical (Greek), Romanesque, Gothic, Renaissance, Baroque and Rococo; Iron and Glass, Modern architecture of the twentieth century.

Finally, portraits and abstract designs were excluded⁵², and the final choice was to keep the "ages and styles" design. But it was decided that no reference to any national, identifiable monument would be made, because as the EMI formulated it: "*None of the selected styles can be considered as being associated*

with specific countries, since they belong to the common heritage of European culture."⁵³

The final designs introduce a redundant number of European signs and symbols: the flag, the stars, and the name "Euro" in Greek and Roman letters.

Moreover, it was agreed that a political message would be superimposed on these various European symbols, through the type of architectural elements selected: On the verso, a representation of open doors or gates and windows, in order to symbolize the passage into a new era, as well as the openness of Europe and the transparency of its policy. On the recto, a representation of bridges, symbolizing the passage between borders, cultures, and old oppositions. To ensure that everybody would understand that this was a European currency, the European map was also introduced on this side.

This voluntary symbolism concerning passage was further enhanced by the hidden reference to the popular Roman God Janus, who gave his name to the first month of the year

Janus (7)



January. His name seems to come from the Etruscan word "jauna," meaning "door." Janus was a god with two faces gazing in opposite directions. He was the God of doors and of gateways, of beginnings and of good endings, contemplating the happenings of the old times whilst looking forward to the future. As such, Janus, the God of the Euro doors, is the one who can reconcile the European past, present, and future.

Concluding remarks: Do Europeans feel more European since the introduction of the Euro?

So far, the answer is apparently YES. The introduction of the new coins and notes went surprisingly well - much better than anybody expected. Clearly the operation had been long in preparation, be they the technical or practical aspects, or the information campaign that tried to reach all kinds of people, including the handicapped and the poor.

Nevertheless, the notable enthusiasm of the people, their desire to acquire the coins as soon as possible, their curiosity and good humor, and the calm with which they supported the first few days' small problems, were a real surprise for many observers⁵⁴ The introductory packets of coins, on sale from the 15th of December 2001, were sold out within just a couple of days. The old currencies had more or less disappeared by mid-January and a real collectors' mania ensued. It was quite a frequent sight to see people in shops, cafés, etc. exchanging coins of various national origin and peering into one another's wallets.

Several quantitative and qualitative studies were done in March/April 2002 to test the acceptance of the Euro and the evolution of the "European feeling."⁵⁵ In a poll conducted at the end of March 2002, although 58.6 % of people declared themselves still to be attached to their old national currencies, 40.4 % declared themselves very attached or fairly attached to the euro, and 47.6 % affirmed that, "*by using the Euro instead of their national currencies they felt more European than before.*" Only 25.3 % declared the contrary. **(See the Table in the Annex on page 28.)**

As the author of the qualitative study summarized it: "*The symbolic strength of the Euro, as a factor bringing closer European countries and unifying Europe, is very clearly perceived by the citizens of Italy, Portugal, France, Germany, Finland (a country where this is particularly relevant), and Spain. It is less generalized, although far from absent, in the other Member States, with the only exception being the Netherlands, where it is felt only by a small minority.*"⁵⁶

What will happen to this new set of European belonging will, most probably, depend on the way citizens and politicians are able to build an appealing European vision for the future and to ensure the social cohesion of Europe through solid and democratic institutions.

ANNEX 1: Monetary Identity – Eurobarometer poll 57.1 – Spring 2002

- Q 1: Do you totally agree (++) , tend to agree (+) , tend to disagree (-) , or totally disagree (—) with the statement that: *“By using the euro instead of my (national currency), we feel more European than before.”*

- Q 2: Do you personally feel very *attached* (++) , fairly attached (+) , not very attached (-) , or not at all attached (—) *to the single currency that is the euro?*

- Q 3: Do you personally still feel very *attached* (++) , fairly attached (+) , not very attached (-) , or not at all attached (—) *to your past national currency (NC)?*

European Q1 (++) and (+)	Attached to Q2 (++) and (+)	not attached to NC Q 3 (-) and (—)
Belgium	46.3	40.6
Germany	37.4	26.6
Greece	41.6	53.0
Spain	48.3	27.3
France	49.8	48.2
Ireland	50.3	38.5
Italy	63.0	44.2
Luxembourg	62.3	53.8
Netherlands	38.6	51.5
Austria	43.8	25.6
Portugal	52.7	75.5
Finland	38.4	29.3
		33.4
		36.7
		47.1
		29.0
Eurozone	47.6	40.4
		38.5
Not European Q1 (-) and (—)	Not attached to Q2 (-) and (—)	Attached to NC Q 3 (++) and (+)
Belgium	33.2	53.7
Germany	25.3	67.9
Greece	40.8	46.7
Spain	23.2	72.4
France	23.9	48.8
Ireland	23.5	46.4
Italy	16.2	58.3
Luxembourg	21.5	67.5
Netherlands	47.6	49.4
Austria	39.7	40.0
Portugal	21.9	43.0
Finland	40.2	21.2
		45.4
		65.6
		56.5
		51.1
		68.5
Eurozone	25.3	54.8
		58.6

ENDNOTES

¹ This paper is an edited version of a talk given in a Series of Conversations with Europeans about European Identity under the title of “WHEN WAS EUROPE?,” organized by Professor Jay Winter, the Council on European Studies at YCIAS, the Whitney Humanities Center, and the Yale Department of History. The other lecturers of this first series were: François Loyer, University of Paris I; Peter Burke, University of Cambridge; Dominic Sachsenmayer, Harvard University; Hartmut Kaeble, Humboldt University, Berlin; and Ute Frevert, University of Bielefeld and Dartmouth College.

² The author is Head of Unit at the European Commission and European Union fellow at the YCIAS for the year 2002-2003. This text does not engage the responsibility of the European Commission. The author is grateful to Emily R. Wentworth for her invaluable help in drafting this paper into English and for her numerous useful comments and questions. He is also indebted to Adel Allouche, Professor in the Yale History Department, for his careful ultimate readings, corrections and comments. Obviously potential remaining errors are the author’s full responsibility.

³ In his remarkable essay, “The conversation that we are. The seven lamps of European unity. The sacred. The ideal. The imaginary. The real. The social. The suffering. The future,” Philip Allot insists on the importance of the unconscious: “An unknowable unconscious mind nevertheless conditions what society knows and how it knows it.” In *Governance, Globalization and the European Union: Which Europe for Tomorrow?*, ed. Henry Cavanna (Four Courts Press, 2002), 214.

⁴ Eli Barnavi, “European Identity and the Way to Promote It,” *Governance, Globalization and the European Union: Which Europe for Tomorrow?*, op.cit.

⁵ Aristotle defined three laws of propositional logic, necessary for syllogistic thinking: A law of identity: A is A. A law of contradiction: A must be either A or not A. A law of an excluded middle: A cannot be both A and not A. See: *Organon*, “On interpretation,” 17a-34 and 35, and *Metaphysics*, VII-1011b-13 to 23.

⁶ Max Stirner (1806-1856) was also the first German translator (1847) of Adam Smith’s *The Wealth of Nations*.

⁷ This is not far from the distinction made by Stirner between the “natural bonds” - the “ought,” these simple relations that are not mine to dispose of, but which are given to me from without and that I must confirm to - and the “willed relations” - the “shall,” that can be discarded at any moment, by will.

⁸ Like many of my predecessors in this lecture series and like other “Europeans” I have met at Yale University, I can say that, aside from my personal experiences as a European civil servant, holding a French passport, contributing every day to the building of the European Union, married to an Italian wife, and living in Belgium, I have never felt as “European” as I have since I have been in America.

⁹ Parmenides, Fragment 9: “In the Human mind are light and night.”

¹⁰ Pausanias (115-180 A.D.), in his *Description of Greece* writes: “These Gauls inhabit the most remote portion of Europe, near a great sea that is not navigable to its extremities, and possesses ebb and flow and creatures quite unlike those of other seas. Through their country flows the river Eridanus (The Rhine), on whose banks the daughters of Helios (the Sun) are supposed to lament the fate that befell their brother Phaethon. It was late before the name “Gauls” came into vogue; for anciently they were called Celts both amongst themselves and by others” (Book I, IV, 1). Thanks to the salt trade and the salt riches of the Hallstatt mines (in the Austrian Alps – near Salzburg) and their mastery of iron working, the Celts expanded over most of the European continent between 800 and 450 B.C. It is not certain that the Greeks actually considered themselves European, but certainly Strabo (c. 63 B.C. – c. 24 A.D.) did in his *Geography*.

¹¹ As the historian of cartography James Aber writes: “A map can display only a few selected features, which are portrayed usually in highly symbolic styles according to some kind of classification scheme... A map is the product of Human endeavor and as such may be subject to unwitting errors, misrepresentation, bias or outright fraud.”

¹² The Roman maps, known as the “Tabula Peutingeriana,” are probably the best examples of such maps. On a roll measuring 6.82 meters long and 34 centimeters wide, divided into 11 segments, a format useful for travelers, all the roads, crossroads, distances, stops, etc. of the Roman Empire at the beginning of the 4th century are presented. Such a map gave

a complete overview of 200,000 square kilometers and provided travelers, merchants, and soldiers with a device that greatly facilitated circulation.

¹³ There are several interpretations of the routes followed by Jason. In the Orphic tradition, considered here, - that serious textual analysis makes credible -, Jason goes up to the Baltic Sea, an important source of amber (Electric Island), proceeds west to the northern ocean, and then turns back either by the Rhine and the Rhone rivers (Eridanus), or follows the coast, passing by Cornwall (from whence tin was imported), or goes around Ireland, then south around Portugal and Spain to reenter the Mediterranean by the Hercules Pillars. See the website of Vasilis Haskas, Argonautica, Poseidon :

<http://www.greece.org/poseidon/work/argonautica/argo.html>

¹⁴ Moreover, due to the composition of Jason's crew, Jason's Epic could also be seen retrospectively as the first attempt by numerous heirs of princes to find realms and riches beyond their too-small countries and to secure their inflow. Such behavior may be considered one of the sets constituting European homogeneity that will haunt the European unconsciousness, re-emerging with the crusades, sixteenth-century western expansion, and nineteenth-century European imperialism.

¹⁵ At that time, one day's walk was considered equal to 6 degrees

¹⁶ A map also enables one to define oneself in regard to others. The very fact of being able to identify one's territory, to differentiate it from that of others, creates another set of homogeneity. Moreover, a map allows its users to introduce ideological and symbolic elements, through illustrations of the various parts of described lands, and to attribute elements of identity to each of them. Those symbolic elements also allow for erecting a hierarchy of values. This, in particular, has been the case for the history of European cartography since medieval times. It is interesting to see that from the beginning of the Christian religion, the "T" and "O" maps have been generalized, following the Roman "Orbis Terrarum", like that of Isidore, Bishop of Seville (570-636 AD), who, in his *Etymologies*, refers to the three sons of Noah: Shem for Asia, Japheth for Europe, and Ham for Africa. Thus, a clear hierarchy of the inhabitants of the world is introduced, giving Japheth a clear right to exploit Africa, since Ham, by his disrespectful conduct, was condemned to serve his brothers. A careful comparative analysis of the maps' illustrations from all origins would be an

interesting way to analyze how European geographers saw others, as well as how other people, specifically Arabs, saw Europeans. Not only did geographers define the limits of Europe and describe Europe, but also, by selecting synthetic features, they attributed specific qualities to Europe and to its inhabitants. Strabo, for instance, wrote about Europeans: “Europe is superior to other continents because of its eminent favorable qualities in which nature has placed it for the moral and social development of its inhabitants (...) because, even in its mountainous parts, their intelligence and their ingenuity have defeated the nature and permitted their civilization to develop.” Strabo, *Geography* II, 4, 8. This Euro-centric and conceited view of oneself, will be, with the help of the Christian religion, that of the Europeans for two millennii. This view will be reproduced for centuries in comments and symbolic allegories about the continent, specifically from the sixteenth century onwards. In 1781, the French Jesuit Trévoux was writing in his famous *Dictionary*, competing with Diderot’s *Encyclopédie*. “The Europeans are of the peoples of the earth the more refined and the best made. They surpass all those of the other parts of the world, in sciences and in the arts and specifically those named “liberals,” in trade, navigation, war, in the civil and military virtues. They are more courageous, more prudent, more generous, more gentle, more sociable and more human.” Trévoux, *Dictionary* (1781), Article “Europe”, Vol. 3 of 8 volumes.

¹⁷ Pierre Petrequin has demonstrated that a high-level technological industry of stone axes existed between 5400 and 2100 BC. Two main industrial centers were competing with one another. One was situated in the Jura, the other in the Val d’Aost. They were exporting to buyers situated in a perimeter of at least 800 kilometers. Pierre Petrequin and Christian Jeunesse, eds., *La Hâche de Pierre, carrieres vosgiennes et échanges de lames polies pendant le néolithique* (Editions Errances, 1996).

¹⁸ See: Paul Gerbod, *Voyager en Europe, du Moyen Age au troisième millénaire* (L’Harmattan, 2002).

¹⁹ And sovereigns would sign commercial treaties giving guarantees on their life, goods, and riches to the foreign merchants living on their land, towns, and ports, even after war had been declared.

²⁰ This school of thought was strongly supported by the numerous banking and financial crises that developed from the seventeenth century

to the beginning of the eighteenth century with international impact, like the tulip bubble crisis in Holland, the South Seas Bubble crisis in England or the dramatic experience of John Laws in France. See Charles P. Kindleberger, *Mania, Panics and Crashes: A History of Financial Crisis* (New York: Basic Books, 1978).

²¹ In his book *The World in Depression* (Berkeley: University of California Press, 1986), Charles P. Kindleberger defines the five criteria that permit the stability of an hegemonic system. The main factor is that the “hegemon” must ensure the coordination of macro-economic policies

²² The United Kingdom was the last state to abandon, in 1973, the Roman system - as modified by Charlemagne - made of the pound, shilling, and penny (abbreviated from the Latin: “L”, “s.”, and “d.”, respectively), and to decimalize its currency.

²³ Those solidus or tremissis coins were issued under the names of the last Roman emperors or of the Emperor of Constantinople: Tiberius II, Maurice Anastasius, Justinian I and II, etc. For instance, from 568 to c. 680, the Lombards imitated the Byzantine tremissis coins that were struck in Ravenna under the name of Justinian II, and Maurice and Tiberius.

²⁴ From the time of the development of wood engraving techniques, at the beginning of the fifteenth century, merchants had engraved illustrations of money at their disposal to refer to and to identify different coins. They could verify their content in metal thanks to various techniques (such as the touchstone), and their value by weighing them with balances. With the advent of the printing techniques developed by Gutenberg, books could be published containing engraved illustrations of all circulating currencies. These books were called “monetary ordonnances” because they resulted from the monetary laws defining those currencies that could or could not circulate on an international basis. The Antwerp publisher Plantin Moretus made their publication one of his specialties. A 1575 edition of a monetary ordinance of Philippe II of Spain contained 1,281 engravings representing the then-circulating gold and silver currencies in Europe.

²⁵ The first Ecu was issued by Saint Louis or Louis IX, in 1270 and received its name from the French shield that was struck upon it.

²⁶ It must be noted that the first monarch to reintroduce the Roman model of coins, featuring the head of the Emperor, was Frederick II of Hohenstaufen, who, between 1231 and 1250, issued superb gold coins called “Augustales” in Sicily. They featured his stylized portrait based on the model of the aurei of Tibere. Another innovation was to engrave on the other side of the coin - contrary to heraldic usage - a very realistic imperial eagle. Clearly Frederic II was an “enlightened” monarch, who also had a vision of reunifying Europe, but his innovation just died with him. The “realist” movement really started in Italy, thanks to the Venetian Doge Nicolò Tron. He issued the first silver Lira in 1472, adorned with his portrait. The Sforza followed suit, in Milan, from 1474 on. The most famous portrait is that of Ludovico il Moro, engraved by a follower of Leonardo da Vinci on a double gold Ducat. See Andrea Saccocci, “Tra ideali di universalità, spinte del mercato e particolarismi politici: la moneta in Italia e nell’Occidente medioevale” in *Alle radici dell’euro, quando la moneta fa storia* (Canova, 2001, Catalogue of the homonymous exhibition in Padua, December 2001- April 2002).

²⁷ This created emulation and strong competition between rulers to issue stable currencies on the basis of the few existing benchmark currencies. This competition was at its climax during the nineteenth century and concerned three main currencies: the British Pound, mainly used in the Commonwealth, the French franc, which consolidated its position in Europe, North and central Africa, and Latin America, thanks to the Latin Union, and, last but not least, the Austrian thaler, so popular in Eastern Europe and in the Near East. And this competition was fierce, specifically for the conquest of the Chinese and Japanese markets. Nevertheless, the characteristics, dimensions, weight, and silver content of these three currencies were very similar, although the French franc was the only coin based on a decimal system of value and weight.

²⁸ The Atlantic Charter was signed on August 14, 1941 and was completed by the Anglo-American Mutual Aid Agreement of February 28, 1942. Both texts can be found on the website of the Yale University Avalon Project: <http://www.yale.edu/lawweb/avalon.htm>.

²⁹ An example of this “agreement” can be found in the negotiation of the GATT agreement, in which the British succeeded in preserving most of their interests, particularly the Imperial Preference System, the acceptance

of quotas and cartels. See: James N. Miller, "Origins of the GATT - British Resistance to American Multilateralism," Jerome Levy Economics Institute, Working Paper No. 318 (December 2000).

³⁰ For an in-depth analysis, see Henry C.K. Liu, "The Keynes Plan," *Post-Keynesian Thought Archive* (2 October 2002), and: <http://csf.colorado.edu/pkt/>.

³¹ See: Charles Kindleberger, *Marshall Plan Days* (Allen and Unwin, 1987).

³² Created in 1949, the Atlantic Pact, under the US command of Dwight D. Eisenhower, was a response to the threat of the USSR on the eastern border of Europe.

³³ Although created in 1930 in the context of the Young Plan to deal with the issue of the reparation payments imposed on Germany by the Treaty of Versailles, the BIS had as mission to promote central banks' cooperation. This became its main scope after WWII, as well as managing central banks' monetary reserves and working to facilitate monetary and financial stability. During the 1950s, the BIS managed the fund of the European Payment Union, and up until the time of the creation of the European Monetary Institute, the embryo of the ECB, the BIS hosted the meetings of the EU's Governors' Committee.

³⁴ Created in April 1948, the Organization for European Economic Cooperation (OECE) was renamed Organization for Economic Cooperation and Development (OECD) in 1961. The OECE was created to supervise the Marshall Fund for European reconstruction, but also to promote economic cooperation and study the possibility of a free trade area and the multi-lateralisation of payments. It originally had 18 participants: the fifteen present Members of the European Union minus Spain, plus Iceland, Norway, Switzerland and Turkey.

³⁵ The GATT (now World Trade organization or WTO) was created in 1947 to provide world trade discipline, ensure some rules relating to employment and commodity agreements, and impede restrictive business practices. Twenty-three countries signed the first agreement.

³⁶ One of the most influential academics in the building of European monetary unity, Robert Triffin, pointed in 1960 to the fundamental long-term instability of the International Monetary System, see: *Gold and the Dollar Crisis* (New Haven: Yale University Press, 1960).

³⁷ For a discussion of this point, see Stefan Collignon, *Monetary Stability in Europe* (Routledge, 2002) and “A Common or a Single Currency,” Chapter 3, *Private Sector Involvement in the Euro: The Power of Ideas* (Routledge, 2003), 61-93.

³⁸ The Nice Treaty did not introduce a modification of the word ECU in the various articles where it is mentioned, even if it introduced some modification of articles dealing with the monetary union, particularly articles 111 (ex 109), 117 (on the issuing of banknotes, ex 109f), 118 (ex 109g) and 123.4 (ex 109l.4 “...the rate at which the Ecu shall be substituted for the currency of the Member states concerned”).

³⁹ In European legal documents acronyms are always translated in the various official languages. And obviously this was the case for the European Unit of account EUA. From 1979 on, i.e. from the first regulation defining the “écu,” it was no longer translated and this word was used as such in all official languages, with an “s” for the plural form.

⁴⁰ In fact, it started immediately after the agreement on the draft treaty by the European Council in Maastricht (December 1991). The Germans insisted that the jurist-linguists, who were editing the final version before the official signature, should print the word “écu” in capital letters ECU. Later they would insist that this writing indicated that écu was not the name given to the single currency, but only a generic indication that a single name would have to be found. So écu is written as a word in the French version, in capital letters in the German one, and with a capital E in the English version! Curiously, the word écu is still found in the consolidated treaties after the Nice Treaty (2001) and the introduction of the Euro as a single currency.

⁴¹ That gave its name to many South American currencies and to the French colonial coin “piastre.”

⁴² See: Rafael Feria, *Historia del diner* (Madrid: Museo Casa de la Moneda, Lunwerg Editors S.A., 1991).

⁴³ Some days before, on July 15, 1997, the European Monetary Institute (EMI) had expressed its support for the codification of the Euro symbol. It must be noted that the use of the Greek letter ‘epsilon’ on coins goes back to the sixth and seventh centuries, when the Byzantine empire was striking low-value bronze coins, whose value was expressed in letters. One small coin with the epsilon, the fifth letter of the Greek alphabet, was valued at 5 units (or nummi), and for this reason, called “pentanummi.”

⁴⁴ Nothing yet has been published on the history of the design of the coins. Having been the Commission member of the Mint Directors Working Group, from 1992 to 1996, I base this part tale on my own experience and archives.

⁴⁵ Article 106.2 of the Treaty.

⁴⁶ The Constitution of Belgium precisely states that coins must bear the portrait of the Belgian Monarch. Due to the devolution policy existing in favor of the regions (Flanders, Wallonia, and Brussels), any discussion bearing on the Constitution’s content would have been risky indeed.

⁴⁷ Eleftherios Venizelos (1864-1936), Ioannis Capodistrias (1776-1831), and Rigas Velestinlis-Fereos (1757-1798).

⁴⁸ A complete description and photos of the euro coins can be found in Thierry Vissol, Ed., *De l’Europe à l’Euro*, Brussels: La Monnaie Royale de Belgique, 2001.

⁴⁹ Part of the information on the design of the banknotes has been published in the Annual Reports of the European Monetary Institute since 1996. But, there again, most of the non-confidential information given here comes from my private archives.

⁵⁰ The group was composed of art historians, designers, and persons representing “civil” society and the blind (the president of the European Blind Union, then that of the Euro group of the EBU, Jean-Pierre Lhoest), as well as specialists in banknote design.

⁵¹ The list was as follows: The ephebe of Antikythera (anonymous artist); Head from a statue in Astorga Cathedral (anonymous artist); Head attributed to Nicola Pisano (Siena, Duomo); Portrait of an unknown lady

(Jean de Bray): Photograph of a young lady (Hugo Erfurt); Photograph of a family (Robert B. Carrington). A second series was proposed: The epebe of Marathon (anonymous artist); The Parma Head Gennaio (Benedetto Antelami); Statue of a man holding a globe, Strasbourg Cathedral (anonymous artist); Portrait of an unknown woman (Sebastiano del Piombo); Portrait of an unknown lady (Carel de Moor); Photograph of an unknown woman (anonymous photographer); Photograph of a doctor (August Sander).

⁵² This was also done following qualitative and quantitative studies within the various Member States. Five different series of each of the two themes “Ages and Styles” and “Modern and Abstract” were presented to large samples of citizens for discussion. Although one of the “Modern and Abstract” series was among the preferred versions, the perceived European symbolism of the “Age and Style” series was much stronger. The EMI was specifically looking to avoid having “the notes give... Europe a too regionalist, limited or even national expression”. See: IME, “Test Billets de banque euro – rapport final” (6 December 1996), 25.

⁵³ All quotations are drawn from official and confidential documents issued by the European Monetary Institute, since the preparatory works were done in 1995-1996, before the creation of the European Central Bank.

⁵⁴ Press reports as well as polls and qualitative studies done since the introduction of the Euro are unambiguous on this matter. See also a lively American testimony by John Merriman of Yale University: “Some Observations on the Transition to the Euro in France,” a paper presented at and published to coincide with the Conference on the Transition to the Euro (University of Notre-Dame, December 2002).

⁵⁵ *Eurobarometer 57.1 - Spring 2002*, European Commission (June 2002). “Qualitative study on the citizen and the euro in the months following its introduction,” OPTEM for the European Commission (Brussels: Directorate General for Health and Consumer Protection, May 2002).

⁵⁶ Op.cit. page 64.