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*Session "Business with money: monetary politics and capital flows in the era of the first globalisation".*

Coordinator : Catherine Brégianni, Academy of Athens/EHESS

[cbregiann@academyofathens.gr](mailto:cbregiann@academyofathens.gr)

The 19<sup>th</sup> century system of balance, the increase of business activity and the incorporation of European periphery's markets (including Ottoman Empire and Egypt) were created partially and supported by supranational monetary institutions and especially by the gold standard. Establishing supranational monetary zones can be considered as a necessary precondition for economic liberalism. Supranational monetary zones can be considered as a precondition for economic liberalism.

Analyzing the concept of money, it is essential to emphasize its many-sided nature. In a multileveled approach of monetary mechanisms, economic theory, historical conjecture, institutional aspects and social attitudes are involved. In this context, currency -in its material dimension- constitutes a tangible symbol of institutional evolution. Other than a strict economic framework, the regulation of the European monetary systems (via the gold standard and the bimetallism) created significant mechanisms tending to incorporate the regional markets.

Considering the above-mentioned remarks, currency materialise the interdependence of the economies, not only as monetary unit, but also via its material dimension, its artistic form, etc. In this order of ideas, the participation of different States in the 19<sup>th</sup> century's monetary zones provoked multiple changes in their numismatic systems as well. As a reflection of the monetary hegemony, some of the peripheral European States fabricated their currencies in the economic core: an institutional framework was set up, so as to secure this facet of State's entrepreneurship. On the other hand, private corporations are also implicated in this procedure, as parties of the money's issuing productive cycle were executed by private firms. Furthermore, the private European banking sector was also a pillar of the money fabrication, financing the States of the periphery so as to proceed to gold or silver mintages. This specific

interaction between the local and the global, but also between the national and the private, demonstrate the globalisation's mechanisms during the 19<sup>th</sup> century.

“Business with Money” pretends to be a session with a comparative approach on the monetary systems and on the numismatic activity and attends to investigate via which mechanisms the monetary models of the core were transfer to the countries of the periphery. The corresponding business activity and the transfer of technology from the centre to the periphery constitute autonomous research subjects, but also indices for the interaction between the centre (global) and the periphery (local). What are the monetary tensions between the local and the global during the first globalisation it will be the core of the research in this session.

### Participants

Dr. Catherine Bregianni, Academy of Athens, Greece / MSH, Paris  
Prof. Rita Martins de Sousa, Technical University of Lisbonne  
Vladimir Bakhtin, Financial University of Moscow  
Emmanuel Pruneux, EHESS/ Mission Historique de la Banque de France

### Commentator

Dr. Georges Depeyrot, Ecole Normale Supérieure, Paris

### Abstracts

Dr. Catherine Brégianni

Greek currencies issue in France : a case of economic and cultural interaction (1868-1893)

From 1867, Greece participated in the Latin Monetary Union, under the auspices of France. In the framework on this paper will be analysed :

- I. The copper issuing of 1869 and 1870, in the Mints of Strasbourg, Bordeaux and Paris.
- II. The issuing, during the period of 1868-1874, of smaller silver denominations (two drachma coins, one-drachma and 0,5 drachma coins), in the Mint of Paris.
- III. The issue of the main silver coin of five drachmas (1875 & 1876) in the Mint of Paris.
- IV. The issue of 1883 in the Mint of Paris, concerning silver billions (1 and 2 drachma coins).
- V. The gold issues of 1876, in the Mint of Paris.
- VI. The gold issue of 1884, in the Mint of Paris.

The investigation of the above mentioned thematically issues, is based on archival evidence from the National Bank of Greece, the Bank of France, the Bank of Greece and the Archives of the Paris Mint. The documents describe the numismatic activity

as a form of national entrepreneurship, while especially the French sources illustrate the implication of French and English private firms in the realisation of the numismatic «projects».

A theoretical interpretation is required, explaining the attempt of France for a monetary hegemony in the framework of the Latin Monetary Union.

The Lisbon Mint activity during the era of the first globalisation

Prof. Rita Martins de Sousa

[martins@iseq.utl.pt](mailto:martins@iseq.utl.pt)

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During the 19th century the monetary circulation in Portugal was the mirror of the interdependence of the economies and the hierarchy of them. The links among supranational, national and regional, between the public and private can be understood.

The English Royal Mint, the state Lisbon Mint and the private banking sector were the three pillars of the Portuguese money fabrication during all the 19<sup>th</sup> century. The English gold coins circulate with legal tender in Portugal and the Lisbon Mint House issue essentially subsidiary coins for internal circulation and coins for the Portuguese colonies. As a peripheral country, Portugal imported technology from the centre to develop its mint activity. In this sense, the Lisbon Mint house was also link with England in technological terms.

The questions will be: in terms of monetary activity, what are the characteristics and results of the participation of the Portuguese economy in the era of the first globalisation? How deep was the Portuguese monetary integration in the global economy? What are the tensions between national and global interests?

The Lisbon Mint activity interlinked circuits of the global economy. The relationship of them will be scrutinized in a historical perspective.

This research will be support on archival evidence from the Archives of Lisbon Mint House and Archives of Portuguese Banks, like the Archive of the Bank of Portugal.

*Key words:* Lisbon Mint House; Banking System; Monetary Institutions.

## The Banque de France and the globalization of capital flows in the early 19th century Emmanuel Pruneux

When the Banque de France was created in February 1800, capital mobility in Europe was already a reality. Since the 1770s, investors have actively diversified their financial investments thanks to the development of Dutch investment funds.

Transactions between financial centres intensified; arbitrage between Amsterdam, London and Paris became an important source of income for bankers.

The young issuing bank expanded its network of correspondent bankers in Europe to facilitate its operations and those of its shareholders. A completely novel study of Bank's foreign activity partially revealed the extent of capital flows in the early 19th century. The Banque de France had to define its interest rate policy in the framework of the European context while the Napoleonic government still had a national point of view. On the occasion of a new controversy with the government in November 1810, the Bank formalised for the first time its monetary policy objectives.

## Vladimir Bakhtin

"The Russian economy in the context of globalization in the 2nd half of the 19th century: foreign loans and investments"

The paper looks at the foreign state loans of the Russian Empire and investments of foreign companies in the 2nd half of the 19th century. The author links the economic activity of foreign state institutions and private enterprises in Russia to the economic globalization of the 19th century

Brief CVs.

Catherine Bregianni

Ph.D in Modern History, University of Paris I. Ph.D thesis : *Les Banques, l'agriculture et l'Etat. Stratégies de crédit et politique agraire en Grèce, de 1861 a 1940* (edition: Lille, Septentrion, 2002, 562 p.).

Her actual professional functions are : Senior Research Fellow at the Research Centre for the Study of Modern Greek History, Academy of Athens. Scientific Collaborator at the Bank of Greece (Department of Archives, Museum and Art Collections).

Tutor at the Hellenic Open University (2001-2011), where she published *History and Historiography. New approaches* [Patras, HOU, 2008, in Greek]

During her doctoral studies, she participated in research projects supported by the Historical Archives of the Agricultural Bank and the Historical Archives of National Bank. She has published various articles on Modern Greek Economic and Social History and she was Associate researcher in the Hellenic Bank Association.

Last publication: *Greek coins. State and Ideology from the Greek Revolution to the Interwar Period*, Athens, Academy of Athens, 2011, in Greek.

For the year 2012, she is affiliated to the Fondation de la Maison des Sciences de l'Homme

Prof. Rita Martins de Sousa

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- Professor at the School of Economic and Management, Technical University of Lisbon.
- Aggregation in Economic History
- Last publications:

#### Articles

“Banking in the Portuguese Colonial Empire (1864-1975)”, *Economies et Sociétés*, n° 9, 2011, pp. 1483-1554 (co-authors: Ana Bela Nunes, Carlos Bastien, Nuno Valério);

“Brazilian Gold and the Lisbon Mint House (1720-1807)”, *Electronic Journal of Portuguese History*, vol. 6, number 1, 2008.

#### Books

*History of the Portuguese Banking System*, (coordinator: Nuno Valério), Bank of Portugal, 2 volumes, 2007 and 2010.

*Moeda e Metais Preciosos no Portugal Setecentista (1688-1797)*, Imprensa Nacional- Casa da Moeda, 2006.

#### Working Papers

“The determinants of the behaviour of the income velocity of money in Portugal 1891-1998: an econometric approach”, ISEG, 2011 (co-authors: Ana Bela Nunes, Miguel St’Aubyn, Nuno Valério)

- Research Projects:

She has participated in several research projects supported by the Foundation of Science and Technology of Portugal (FCT) – *The Brazilian Gold – Agents and Inflows*; *The Income Velocity of Money in Portugal (1854-2002)*; *The History of the Portuguese Banking System*; actually she is supervisor of the research *Capital Markets in Portugal (1870-1914)*.