

Mugur Isărescu: The history of the Romanian monetary system in a European context

Opening speech by Mr Mugur Isărescu, Governor of the National Bank of Romania, on the occasion of the inauguration of the Euro Exhibition at Banca Națională a României, Bucharest, 10 March 2011.

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*Dear Mr González-Páramo,
Your Excellencies,
Distinguished guests,*

It is an honour for us and we are glad to welcome you today, at the opening of an exhibition not only educational and attractive, but also relevant considering Romania's euro adoption. We do hope the Euro Exhibition that the National Bank of Romania is hosting, on behalf of Romania, will prove successful all the more so as our country is destination No. 10 of the European Central Bank's travelling exhibition.

Let me thank Mr. José Manuel González-Páramo for accepting to jointly launch the Euro Exhibition today in Bucharest where it will be open for about three months, here, in the old financial centre of Bucharest where the Romanian leu was born.

The leu-euro relation is thus acquiring a symbolical dimension with a certain meaning in the current European context.

The reference to the European context is neither conventional nor formal. It reveals that the Romanian leu is one of the strong historical bonds that put our country on the European map. Its roots in the olden leeuwendaalder or the Dutch lion-thaler show not only its descent from the former Dutch coin (and therefore its being related to the US dollar), but also its European dimension as ever since its birth, shortly after the creation of the modern Romanian state, our leu currency was French. This means that the 1867 Monetary Law was designed in terms of the Latin Union, most of all France. The law stipulated that metal coins should be minted in French style. But our bonds with Europe were broader as the law set forth that the gold and silver coins issued by France, Belgium, Italy and Switzerland (all members of the Latin Union) should be accepted by all exchange houses, along with the Romanian ones. Thus, Romania's European aspirations were strongly asserted, while spreading to Germany through King Carol I of Hohenzollern, whose effigy was placed on the first Romanian gold and silver coins, and to Spain, Mr. González-Páramo, via its Latin spirit.

Ladies and Gentlemen,

It is my pleasure to restate here with you what I have often underlined throughout 2010 when we celebrated the NBR's 130th anniversary since its establishment which made it the 16th central bank in the world in chronological order. The fact is that the history of the Romanian monetary system is closely linked to the history of the modern Romanian state. Feel free to discover this reality by visiting the space dedicated to the leu in the lobby of the Euro Exhibition. Moreover, the NBR Museum has on display valuable exhibits testifying to a "culture of money" dating back to ancient times in our region.

The NBR Museum has made substantial efforts to raise awareness about the history of the national currency, the features of banknotes and coins, as well as the role of money in the economy. For instance, in 2005–2006, the National Bank of Romania conducted an extensive communication campaign on the leu's redenomination, and in view of the prime function of a central bank, namely currency issue, keeps the public informed about the leu's security features. At the same time, apart from these efforts, our central bank often includes among its strivings to increase financial education, themes related to the history of the

European single currency. It is only natural that Romanians be well aware of the currency of the club that we aim to be part of.

Keeping the public informed is an ongoing process, prepared and unfolded long before Romania's euro adoption. This is why we appreciate and support the ECB's effort to showcase this travelling exhibition to the EU Member States to the benefit of all European citizens. I therefore totally agree with Mr. Jean-Claude Trichet, the ECB's President, who said precisely one year ago (on 10 March 2010, when this exhibition was inaugurated in Frankfurt) that "the euro should speak both of Europe's diversity and its common culture, its history and its future". The euro speaks clearly about Europe's diversity through the architectural motifs of the euro banknotes as well as through the cultural symbols on the national sides of the euro coins.

For Romania, as a euro area hopeful, thorough preparation in order to fulfil all criteria, with no exception, is crucial. As I stated before, it is important to define a target (horizon). Even if changed, the target must exist so that the commitment to implementing reforms does not wear off. The creation within the NBR of a committee for preparing euro adoption in February 2010, to whose meetings we have invited ever since October 2010 representatives of the Finance Ministry, is a solid proof for the fact that we care about and are strongly interested in the future of our country within the euro zone. Nevertheless, it is of utmost importance to ensure coherent policies and a sustained reform pace to render our endeavour sustainable so as the euro adoption becomes certain as close as possible to 2015.

Getting back to the Euro Exhibition, which has arrived in Bucharest shortly after Estonia, the 17th country to join the euro area, I want to underscore once again the ECB's efforts to raise awareness of Romanians and other EU citizens about the single currency, as well as its history, role and symbols. From today until the end of May, Romanians have an opportunity to find out more about the currency we strive to adopt. Starting with the history of money to the production of euro banknotes and on to the security features and the educational games in the Kids' Corner, all visitors will definitely find useful information displayed in an attractive manner.

For the NBR, the Euro Exhibition is yet another opportunity to strengthen our external communication activities, to get closer to the public at large and to open the doors of our institution in a special context: consolidating the steps towards full integration in Europe.

Let me end by thanking all of you here today. I now give the floor to Mr. José Manuel González-Páramo to share with us his thoughts about the exhibition.