ESSENTIAL HISTORICAL BACKGROUND

For our purposes it is convenient to divide the history of Europe into three periods. The first spans about a thousand years, from 500 BC, when Athens began to emerge as the dominant intellectual and cultural centre of Greece, to AD 500. It is the period of antiquity, of Ancient Greece and Ancient Rome. The second period, also a millennium long, from AD 500 to AD 1500, is that of Christian Europe. It began after the collapse of the Western Empire, which is officially dated in 476. In that year the Germanic general Odoaker deposed the last Roman emperor and did not even bother to lay claim to the imperial throne. The Christian faith and its church filled the gap left by the disappearance of the imperial systems of administration, organisation and communication. The period ended when the Roman Church was successfully challenged by religious reformers, a new scientific and humanistic spirit agitated the intellectual scene, and European monarchs embarked on a policy of absolutism at home and of conquering the newly discovered continents in search of riches and colonies. Thus, AD 1500 is a convenient date to mark the beginning of the period of modernity, which continues to this day.

On the next pages the reader will find an outline of European history, with marginal references to important thinkers and currents of thought. The outline lists in a rough chronological order some of the major events and transformations that have played a part in the genesis of the world in which we now live. The focus throughout is on the European continent, but when we get to the nineteenth and the twentieth century, it will be necessary to refer to what happened elsewhere.

Frank van Dun, Maastricht 1995
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The second world war

**DECOLONIISATION AND INDEPENDENCE MOVEMENTS.**

**COLD WAR AND OVERHEATED ECONOMIES**

**EUROPEAN INTEGRATION (1950-1993)**
THE FIRST MILLENNIUM
ANTIQUITY
(500 BC - AD 500)

GREECE

500-320: THE RISE AND FALL OF HELLAS.

1) 500-450: The Persian Wars.
   In 500 BC the Greek colonies in Ionia (on the Mediterranean coast of what is now Turkey) rise against
   the powerful Persian Empire. The Greek cities in Hellas (now Greece) offer assistance. The Persian wars drag on for about fifty years and establish
   the Greeks, the Athenians in particular, as a major economic, military and cultural power in the eastern Mediterranean Sea.

2) 450-400: The Golden Age of Athens
   448-429: Maintaining and consolidating democratic institutions, Perikles is the effective ruler of Athens. Under his rule, Athens
   becomes the most powerful city in Hellas. He dies in 429, a victim of the plague, shortly after the beginning of the long
   conflict with Sparta over the hegemony in Hellas.

3) 430-400: The Peloponnesian Wars
   Resenting Athens' power and imperialistic policies, other cities enter into a coalition with Sparta. The war ends with the defeat of Athens in 404.

4) 400-320: Decline of Hellas
   400-360: Resuming the war against the Persians, Sparta tries to impose a strict military hegemony over Hellas. The other cities revolt
   under the leadership of Thebe.
   360-330: Philippus of Macedonia intervenes in the affairs of Hellas. In the battle of Chaironea (338) he defeats the Athenians and the Thebans, thus ending the independence of the Greek cities.
   330-320: Alexander the Great, the son of Philippus, embarks on an audacious expedition
   against Persia, and in eight years conquers the Near East and large parts of Central Asia and Northern India. He dies in 323, at the age of thirty-three.

320 BC-AD 150: THE PERIOD OF HELLENISTIC CULTURE

1) 320- AD 150: Hellenisation of the Roman world
   320-150: After his death, Alexander's empire is divided among his major generals, some of whom found successful dynasties (the Seleucids in Syria, the Ptolematians in Egypt, and the Antigonids in Macedonia). Alexandria, in Egypt, is the commercial centre.
   320- AD 150: Accommodating themselves to local cultures, the new Macedonian empires help to spread Greek culture and philosophy in the Near East and Egypt. Later the Romans
adopt many aspects of Greek culture. Athens remains the home of philosophy and science, long after it has ceased to play any political or commercial role.

**ROME**

**500-30: THE ROMAN REPUBLIC**

1) **500-250: Class conflict and conquest of Italy**

Having expelled the last king, the Romans adopt a republican or mixed form of government, in which democratic, aristocratic and monarchical elements are combined. Recurring tensions between the patricians (nobles) and the plebeians (the poor) are periodically resolved by the adoption of constitutional compromises. The *Law of the Twelve Tables* is promulgated around 450. The *Lex Hortensia* (287) resolves the question of the public status of the plebes, whose assembly (comitia tributa) acquires proper legal standing. Rome establishes its hegemony over the rest of Italy.

2) **250-150: Punic wars**

Increasingly militaristic, the Romans enter a long period of war against their main trading partner, the city of Carthago (in what is now Tunisia). These Punic wars end with the destruction of Carthago, and Roman hegemony over the Western Mediterranean sea.

3) **200 BC - AD 150: External expansion**

Strife among the Greeks and the Macedonians leads to intervention by the Romans, who make Macedonia (148) and Hellas (146) into Roman provinces. In 133 the Asian territories come under Roman control. The *provincia* is the basic pattern for Rome's imperialistic policies in Asia, western Europe and northern Africa. A Roman governor and Roman legions rule the province, but generally abstain from direct intervention in local affairs unless this is felt to be necessary for fiscal or military and strategic purposes.

4) **150 - 30: Civil wars**

Continuous warfare and expeditions impoverish the farmers and the artisans who are unable to maintain their farms and professional skills. They become ever more dependent on public policy and largesse. Attempts to better their position through land reform only end in protracted civil wars. Private farming is gradually replaced by the managerial exploitation of *latifundia* (large landholdings, resulting from grants of conquered land or the expulsion of indebted farmers) and the introduction of slave labour. Republicanism is further undermined by the professionalisation of the army, which resolves some of the economic problems of the poor, but makes them also more dependent on their commanding general than on the official governing bodies in Rome. The generals (Marius, Sulla, Crassus, Pompeius, Julius Caesar, Antonius, Octavianus) use their troops to enhance their positions in the power structures in the city of Rome itself. The period ends in 30 BC when Octavianus eliminates his rivals. His honorific name is Augustus.

5) **From 150 BC onwards: Hellenisation, Roman jurisprudence**

Contacts with Greece lead to a flowering of Roman culture, especially in the fields of rhetoric, literature, sculpture, architecture and medicine.

While on a diplomatic mission to secure Roman assistance in the struggles against Macedonia, two Greek philosophers introduce the Romans to speculative thought. They are influential with the intellectual circle around Scipio the Younger. The combination of general
principles (Greek philosophy) and practical interests proves fruitful for the development of a distinctively Roman approach to jurisprudence, which eventually becomes the paradigm of the "science of law" in the West.

**30-478: THE ROMAN EMPIRE**

1) 30 BC - 180: The Pax Romana

Augustus is a successful ruler. The period of civil wars ends. The outer borders of the empire are well defended, and the system of imperial rule functions efficiently to keep peace and to supply Rome with food and riches. It becomes a city of splendour and grandeur. Republican institutions are maintained, but political power rests exclusively with the emperor (who is characteristically referred to as the princeps, the first in rank). Some of Augustus’ successors are far from admirable characters, but Rome keeps on expanding its empire until it reaches its greatest expansion under Trajanus (98-117), the adopted son of the emperor Nerva (96-98). The second century, from 96 to 180, is one of peace and culture. Culturally, Rome moves closer to the East.

2) 180-300: Towards absolute monarchy

After the death of the emperor and philosopher Marcus Aurelius in 180, the energy is gone. Eastern cults and religions (among them the very successful Christian creed) dominate the scene. Recurring raids of the “barbarians” threaten the borders; intrigue, murder and military force again dominate the politics of the palace, where one soldier after another succeeds to the throne. Strong emperors, such as Septimius Severus (193-211) and Diocletianus (284-305), move towards further centralisation, explicit monarchy, in the manner of eastern despotism. The emperor is now regarded as dominus (lord and master, owner). The rural population loses its freedom to move; the economy is increasingly regulated and taxed. Citizens often seek refuge from the excessive burdens of the state across the borders.

3) 300-500: Decline and fall of the Western Empire

312-395: Under Constantinus Magnus the orientation towards the East continues. In 357 the imperial residence is moved to Constantinople (Byzantium, now Istanbul). Christianity becomes an officially tolerated, then a more or less privileged religion. Theodosius the Great (379-395) is the last emperor of the unified empire.
395: The Empire is divided in a Western and an Eastern part under the sons of Theodosius. While the Eastern part flourishes and continues to exist for another thousand years (until 1453, when the Ottoman Turks take it), the Western part declines rapidly.

Germanic generals play an important role in the Roman armies, many of them mercenary troops recruited from the Germanic peoples on the borders of the Empire. When these peoples feel the pressure of the Turks and the Huns in the East, they begin to migrate and invade the empire.

410: The Visigoths under Alarik sack Rome. The Western Empire is overrun by migrating Germanic peoples (Goths, Alamans, Franks)

476: The Germanic general Odoaker deposes The last western emperor, Romulus.

4) A cultural division of Europe
In Italy and the South of France, Roman influences meanwhile have been entrenched sufficiently to produce an enduring Gallo-Roman civilisation, but in the outer north-western reaches of the former empire the Roman heritage disappears almost completely. Thus, a division appears between Latin and Germanic culture that endures to the present day.
THE SECOND MILLENNIUM
A CHRISTIAN EUROPE

500-900: THE DARK AGES

30-500: ROMAN PRELUDE

1) 30-300: Persecution and success

30: Crucifixion of Jesus. Christianity originates as a Jewish sect in Jerusalem. Paulus brings it to the Graeco-Roman world. He invokes direct revelation rather than adherence to the Jerusalem Church as the source of his authority.

60: Paul arrives in Rome, where the apostle Peter represents the Jerusalem Church. Christians refuse to recognise the divinity of the emperor and preach a doctrine of the holiness of poverty. These elements and the success of the movement lead to the first persecution of Christians in 64 under the emperor Nero.

70: Roman legions destroy Jerusalem and the Temple of Salomon, forcing the Jews once more into a Diaspora, and making the mission among the gentiles the centre of the Christian movement. Rome becomes the seat of the first non-Jewish Christian church.

70-100 The gospels (of Mark, Matthew, Luke and John) are composed and are rapidly accepted as divinely inspired accounts of the teachings of Christ. Together with Paul's epistles and the revelation to John (dating from ca. 95), these become the basic texts of Christianity (known as the New Testament).

150-250: Rivalry with other eastern religions and the emergence of different interpretations of the teachings of Christ (or Paul) lead early Christian intellectuals and church fathers (patres) to attempts to define the true doctrine of the faith (orthodoxy) against heretical (mainly Gnostic) teachings.

250-300: As the church expands, persecutions recur from time to time, until Constantine the Great officially recognises the Christian faith in the Edict of Toleration (313).

2) 300-500: Church and orthodoxy

325. While the construction of the Peter's Church in Rome is in progress, the first general or ecumenical Church council is held in Nicea (in what is now Turkey). There church leaders try to establish a common creed for the whole of Christianity, and to resolve the intractable theological problems concerning the relations of the Father, the Son and the Holy Spirit.

370. The first orders of monks and nuns are established.

381. Christianity is recognised as the official religion of the empire. Pagan rituals are outlawed. At the Council of Constantinople, the doctrine of the Holy Triunity is adopted as the foundation of Christian theology.

390. Ambrosius, the bishop of Milan, establishes the moral authority of the church when the emperor Theodosius apologises for cruelty in his campaigns in northern Greece.
430. *Augustinus of Hippo*, a disciple of Ambrosius, dies shortly after the completion of his *De Civitate Dei*, the most authoritative synthesis of the early Christian outlook on human life and history and salvation through faith.

440-461. *Leo I the Great*, claims - and is granted by imperial law - leadership over the whole of Christianity, thus securing the primacy of the Bishop of Rome as the Father (or Pope) of the church. The western and the eastern ("Orthodox") churches begin to drift apart. Leo persuades Attila the Hun to withdraw from Italy, and prevents the burning of Rome by the Vandals. He establishes the role of the Church in the diplomatic and political affairs of the empire.

492-496. Pope *Gelasius I* proclaims the *doctrine of the two swords* (one spiritual, the other military and political) as the primary constitution of the Christian world: the church and worldly rule are separate but co-operating institutions, neither one subordinated to the other. The western church thus rejects the caesaropapist union of state and church that is emerging in the Byzantine empire.

**500-900: THE ROMAN CHURCH AND THE FRANKISH RULERS**

1) **Economic expansion and integration**

500-900. The collectivist policies and oppressive taxes of the Roman empire in its final stages had almost completely pulverised production and trade, leaving only local production centres (*latifundia*, organised around *villae*) and no trade to speak of. While the Germanic migrations continue with intermittent warfare, raids by the Vikings, and threats from the east (Turks, Mayars) and the south (Moors), only fortified domains can practice agriculture on any scale. These become the economic basis of the feudal system of the Dark Ages.

2) **The christianisation of Europe**

While the Western Empire crumbles, missionaries convert the Germanic peoples that continue to settle into the southern, western and central regions of Europe (until ca. 900). Patrick reaches Ireland in 432, and makes it a vital centre of Christianity. By 750, the christianisation of western and most parts of central Europe is complete.

496. *Clovis*, the king of the Franks and the conqueror of the Roman province of Gallia, is converted.

590-604. Pope *Gregorius the Great* strengthens the position of the Roman church, and claims the city of Rome as a papal estate.

650. Following the revelation to Mohammed, earlier in the century, the rapid expansion of *Islam* reduces the Christian influence east of Byzantium, in northern Africa, and Spain. The Mediterranean Sea is dominated by Muslim powers.

3) **The Frankish empire**

500-750: The Merovingian kings

By 507, Clovis controls most of Gallia. When he dies in 511, the territories are divided under his four sons, but these continue to work together under the guidance of the church. Until 561 the Frankish empire (under Theudebert I and Clotarius I) appears to be the true successor of the Western Roman Empire. Then the dynastic struggles plunge western and central Europe in a long period of war that weakens the position of the king and strengthens the position of the great lords (feudal aristocracy).

690-750. Rise of the Carolingian family that holds the important post of major court administrator. In 732, one of its descendants, Charles Martel defeats the Muslims near Poitiers, thus containing the rapid advance of Islam from its European base in Spain.
750-900: The Carolingian empire

751: Pippin the Younger deposes the last Merovingian king and proclaims himself King of the Franks. By seeking the approval of the pope, Pippin lays the foundation for the alliance between the Frankish kings and the Roman church, which allows the latter to forego the protection of the Byzantine empire and to concentrate on western and central Europe (the Germanic world).

768-814: Charles the Great (Charlemagne) reconstitutes the Frankish empire as a unit. In 800 he goes to Rome to have himself crowned as emperor with the blessing of pope Leo III, thus marking the transition from King of the Franks to the Supreme Ruler and Protector of the Faith of all Christian peoples (within the sphere of the Roman Church). Charles has the ambition to revive the old Roman Empire. He introduces many administrative reforms and promotes learning (Carolingian renaissance).

815-900 Charles’s son proves too weak to maintain the empire, and his grandsons divide it in three parts: France, Germany, and a narrow buffer in-between, from Frisia in the north to the northern parts of Italy in the south. This buffer, Lorraine, remains the contested border between the French and German territories for the rest of the Middle Ages, but it also becomes the major European trading route (until royal greed and warfare force the merchants to prefer ships to wagons).

900-1250: THE HIGH MIDDLE AGES

I. THE HOLY ROMAN EMPIRE

1) The Holy Roman Empire

900-1250. Because the major threats to the Christian world come from the east and the north, Germany becomes the strategically most important region.

936-973. Otto I again seeks to reconstitute the empire. In 962, he is crowned as emperor, partly in recognition of his assistance to the Pope. Thus, the so-called Holy Roman Empire comes into being. For nearly three hundred years, until 1256, the fate of Europe depends largely on the balance of power between Pope and Emperor.

2) Pope and Emperor - Phase I

962-1054. In the first phase of the Holy Roman Empire, the fundamental constitution of Christian Europe is strengthened. The emperors are the undisputed worldly leaders of the Christian world. At the same time the authority of the church grows as a result of staunch support from the emperors (who put a series of German popes on the papal throne) and
successful reforms of the church itself. Hildebrand, the abbot of the abbey of Cluny, propagates the reforms. He stressed discipline, piety and labour; and centralisation of church activities in the hands of the pope.

1054. Rome severs its ties with the Byzantine Church. East and West are now not only politically but also religiously separated.

1054-1125. A succession of popes tries to undo the imperial influence in the process of selection of the pope. The pope should be elected by the cardinals in a secret conclave. Hildebrand, ruling as Pope Gregorius VII (1073-1085), insists that the Church should be the political suzerain of the Christian rulers, because of the priority of spiritual matters over purely worldly affairs. This bid for worldly overlordship leads to the first conflict between Pope and Emperor, and introduces the concept of sovereignty into political discourse. The Church is strong enough to force serious concessions from the emperor but fails to achieve its goal. The conflict ends with the Concordat of Worms in 1122, a compromise that settles none of the fundamental questions.

3) The Crusades

1070. The Turks take Jerusalem. Their advance forces the Byzantine emperors to seek assistance in the West. The Church seeks to exploit its newly won authority by calling the western nobility to a crusade to conquer the Holy Land.

1096-1099. The first crusade is successful and leads to a short-lived Christian kingdom in Jerusalem (1100-1118). Contact with highly developed and refined hellenised Arab culture.

1147-1270. Several other crusades are organised but generate more military and commercial than religious enthusiasm. From 1190 to 1291, a Christian stronghold is established in Akkon (now on the northern coast of Israel). From 1204 to 1261 there is even a Latin empire in the East (under Baldwin I of Flanders), but it does not produce a reconciliation of the eastern and western churches.

The crusades also lead to the establishment of diverse religious-military orders (The Knights of the Temple, The Knights of Saint John, The German or Teutonic Order, etc.) that rapidly become important, powerful and wealthy institutions in the Christian world. The intricate codes of conduct for these knights inaugurate the Age of Chivalry.

4) Heretical movements, the cult of apostolic poverty and the Inquisition

1150-1250. Partly in reaction against the wealth and power of the Church, partly as a consequence of the crusades, there is a resurgence of heretical movements. The most successful are those of the Waldenses (who preach a pure faith outside the church and an extremely ascetic life), and of the Cathars or Albigenses (after Albi, a town in the south of France), who revive Gnostic and Manichaean ideas (which had survived in the East, especially in Bulgaria).
The reconversion of the heretics fails, and the bloody Albigensian Crusade is launched. To put dealings with the heretics on a more orderly basis, the Church organises an Inquisition, which takes its definitive shape in 1231. It is entrusted to the Dominicans (formed in 1214 to reconvert the heretics) and the Franciscans (founded in 1208). Both orders insist on apostolic poverty. They soon grow enormously, becoming wealthy and powerful key players in the theologico-political controversies of the later Middle Ages.

5) Pope and Emperor - Phase II
While many nobles are occupied in the crusades, the kings increase their power at home. By the time of the third crusade, which they lead, Richard the Lion-hearted (England), Frederick Barbarossa (Germany) and Philip August (France) are very powerful indeed.

1152-1190. Having re-established his rule in Germany, Barbarossa (of the House of the Hohenstaufen) is crowned as emperor in 1155. His attempts to get the papacy under his control lead to a schism in the church, where the German party is opposed by an alliance of England, France, Sicily and Lombardy (in northern Italy). Henry of Bavaria, who has ambitions of his own, refuses to support the emperor against the pope but is defeated.

1183. The Peace of Konstanz with the Lombardian cities allows Frederick Barbarossa to bring almost the whole of Italy under his rule. Rome is thereby isolated, and the power of the papacy almost vanishes. Barbarossa's successor, Henry VI, intends to make the title of emperor hereditary (and so independent of the pope's intervention), but dies at a young age, leaving only a three-year-old son.

6) Pope and Emperor - Phase III
1198-1216. Pope Innocentius III tries to exploit the situation by supporting the claims of the Bavarian dynasty (the Guelphs) against the Hohenstaufen (the Ghibellines), but gets involved in a game of shifting coalitions, in which Philip II August of France becomes an ever more important player.

1215-1250. Frederick II of Hohenstaufen concentrates his interests in the wealthy and highly civilised Sicilian kingdom. While remaining emperor, he abandons his kingly prerogatives in Germany to the local lords and princes. Frederick fights the Pope for supremacy on the Italian peninsula, while the Pope continues to press for recognition as the official overlord of all Christian rulers.

The conflict between Guelphs and Ghibellines drags on until the French king intervenes and definitively defeats Frederick's son and successor (1254). The reign of the Hohenstaufen is over. The role of the medieval empire is finished. However, the idea of a world monarchy lives on.

ECONOMIC GROWTH, CULTURE AND PHILOSOPHY

1) Economic expansion and integration
900-1250. Medieval warfare is relatively restricted because the war-horse and armour are very expensive. Hence relatively few people are involved, and little of the land is affected. It is difficult to organise long campaigns, because the feudal system of personal allegiance requires vassals to serve their overlords for only so many days per year. Moreover, the church has a moderating influence.

The taxing powers of rulers do not yet amount to much, and the rulers have to rely for the financing of their policies mostly on their own resources. In the places where political authority is weakest, along the border between the French and the German territories, there emerges a major trade route connecting Flanders and the Northern parts of Germany with the Italian cities in

Western Aristotelianism, Albertus Magnus, 1200-80, Thomas Aquinas, 1225-74

Dante, 1265-1321

Medieval scholastic economics
Lombardy. The famous fairs of Champagne become symbols of orderly trade and economic growth. Trade encourages the building of cities, and cities encourage agriculture and mining by providing outlets for surplus production and opportunities for raising the living standards of the rural population. Trade also encourages specialisation and the division of labour and technological innovation. The result is that population can increase and that more villages are built and more land is taken into production. In several places enterprising lords clear large tracts of forests or (as in Holland) increase the supply of land by building dikes and draining the polders.

The cities cannot be incorporated into the domain-based feudal system. Most of them become free cities; as such they develop their own administrative, commercial and financial institutions, law courts specialising in commercial and credit transactions, and, most conspicuously, corporations of artisans (the guilds) and leagues of merchants (for example, the Hanze). Theologians are consulted on the foundations of proper commercial and economic conduct, and so begin to turn their attention to economic and market process analysis. The doctrine of the just price (justum pretium) ambiguously asserts that the just price is either the market price (which reflects the communis opinio of buyers and sellers) or the price set by the proper legal authority. The practice of usury (charging interest on loans of money) is condemned, but the prohibition is at the same time qualified to such an extent that most credit-transactions easily pass the test of propriety.

2) The rediscovery of Antiquity and the universities

The Carolingian Renaissance of the ninth century and the Ottonian Renaissance of the tenth mark a general revival of the arts and scholarship. In the newly founded universities of the twelfth century, theology, law and medicine are studied. Law studies are based on the sixth century compilation of Roman private and public law known as the Corpus Juris of the emperor Justinian. The study of theology rapidly becomes involved with the study of the philosophers of Antiquity, mainly Aristotle. Many of his works have come to the West in Latin translations (often via Spain and the Middle East, where the Arabs have come into contact with the Hellenistic heritage and developed a flourishing cultural and intellectual life that greatly impresses western traders and crusaders).

LATE MIDDLE AGES

1250-1500: THE LONG DECLINE

1) Decline of the papacy and the empire

1250-1300. It seems that the pope has won the two hundred year struggle for supremacy in Europe, but it soon turns out that the church has been corrupted more than strengthened, and also that its allies (especially the French) have been fighting more against the emperor than for the pope. In 1303 Pope Boniface VIII is taken prisoner by Philip IV the Fair of France, who after the death of his opponent removes the Papal See from Rome to Avignon, thus ensuring direct control over the actions of the papacy. In a period of little more than fifty years both the empire and the papacy have been reduced to secondary players.

1356. The great lords of Germany constitute the College of Electors, which will henceforth elect the emperor.

2) The crisis of the church

1377-1418. The end of the 'Babylonian exile' of the pope in Avignon is followed by quarrels between Pope Urbanus VI and the cardinals who elect another pope. These two
rival popes are deposed in 1409 at the Council of Pisa, where Alexander V is chosen. Now there are three popes. Only after the intervention of the emperor at the Council of Konstanz (1414-1418) is this problem resolved, but other problems remain.

Attempts to vest the supreme authority over the church in the Council or consilium lead nowhere. The eastern Orthodox Church resists attempts to reunify with Rome.

1420-1500. The Council of Konstanz marks the end of the medieval church. From then on the Renaissance Popes concentrate on the expansion and wealth of their Italian territories.

1418-1436. The followers of the Bohemian church reformer and nationalist John Hus (condemned in Konstanz and burned at the stake) rise in revolt. Hussite raids devastate Central Europe. Extremist Hussites (Taborites), denying the validity of all laws and institutions of this "empire of evil", attempt to establish the New Jerusalem, i.e. God's Kingdom on Earth, as foretold in the Book of Revelation (the millennial heresy). In western Europe too the millennial Brethren of the Free Spirit are a permanent cause of concern for the Church.

3) Kings and the decline of the feudal system

While pope and emperor are engaged in their long confrontation, lords and kings continue their own dynastic struggles. Continually shifting their allegiances, they become skilful political players.

France. The Capetingian kings (987-1328, especially Louis VI, 1108-1137) restore the prestige of the crown, by allying themselves with the new commercial wealth in the cities against the great lords. By 1214, Philip II August has succeeded in driving the English out of many of their French possessions.

England. William the Conqueror, Duke of Normandy, had already established a strong system of rule in England, which he and his barons had conquered in 1066. In the second half of the twelfth century, the ruling dynasty of the Plantagenets (1154-1399) had acquired large feudal holdings in the west of France, which had made the kings of England the first power in the west. Most of Ireland is conquered. In this period, the centralising policies of the court give rise to a system of common law for the whole of the kingdom. In 1215, after many of the possessions in northern France have been lost, the nobility rises and forces the king to agree to the Magna Carta, which solidifies their power and restrains that of the king.
Spain. Spain's early history is dominated by the occupation by the Moors (who establish the Caliphate of Cordoba in 929). Only in the north, Castille, Navarra and Aragon remain under Christian rule. They set out to reconquer the whole of the Iberian Peninsula. This is accomplished by 1250, except for the south, which remains under the control of the Moors in Granada.

Decline of political feudalism. The basis of the royal power is still formally tied to the principles of feudalism, i.e. the allegiance of the great lords, in addition to a small cadre of advisors (mainly clerics and jurists) at the court. In Sicily, however, Frederick II organises a new and different system of rule, using paid functionaries (bureaucrats) rather than the uncertain loyalties of the feudal lords. This new system will gradually spread throughout Europe, and displace political feudalism. It can draw on ever increasing numbers of graduates from the universities. Very soon, the kings will raise many of these intellectuals to the ranks of the nobility (noblesse de robe). They become social and political rivals of the old military aristocracy (noblesse d'épée).

4) A century of chaos in the west

1285-1314. Philip IV the Fair of France keeps on increasing his power at home; his ultimate aim is to bring the Holy Roman Empire under French control, and to establish himself as the Protector of the Faith. A skilful politician, he relies heavily on representative assemblies to garner support for his policies, tax increases and unorthodox measures of raising money. He debauches the currency and confiscates the wealth of the church, the Jews (whom he ends up expelling from France), and the Knights Templar (whom he persecutes in a most ruthless way).

1309-1377. Philip gets the last word in his conflict with Pope Boniface VIII, when he appoints the latter's successor and moves the Papal See to Avignon, where it remains until 1377. The prestige of the popes is permanently damaged.

1328-1453. The Hundred Year's War between England and France breaks out over the remaining English possessions in the south-west of France. The first phase of the war is successful for England. The English hold the French king John II as hostage, and France is burdened with a hefty ransom. Economically depressed France is troubled by peasant uprisings and the independent policies of the Dukes of Burgundy who acquire Flanders, other parts of the Low Countries and Limburg and Luxembourg. For a while they become significant rulers to the east and north of France.

At one moment, it looks as if Henry V of England will succeed to the French throne. However, in 1429, Jeanne d'Arc rallies the French forces. The English are driven out of France for good.

5) Economic decline and the Black Death

Exhausted by wars and increasingly confiscatory policies (taxation, inflation, economic regulation) western Europe goes into a deep depression. Famines recur regularly, and in 1315-1317 "the great famine" strikes Flanders, one of the hitherto most prosperous regions. Peasants and workers are hit particularly hard. The fourteenth century is marked by numerous uprisings, most of which are put down with great cruelty.

1348. The Black Death (bubonic plague) spreads among the weakened and impoverished population, and recurs at regular intervals of about ten to fifteen years for the rest of the century. The European population decreases with between one fourth and one third in less than fifty years. Consequently the supply of labour falls and the wage rate increases dramatically, and the feudal economy (the economic basis of the landholding nobility) is
permanently impaired by the shift to a free labour, monetary economy. The power to tax, rather than feudal privilege, becomes the main source of raising revenue for the crown.

6) Towards absolutism

**France.** After the war with England, Louis XI (1461-1483) subdues the great lords and recovers Burgundy for the crown. (The Flemish parts go to the emperor's son, Maximilian.) France is now ready for absolute royal power.

**England.** In England, the war leads to revolts by the nobles who are unwilling to bear the burden of the hostilities. After the war, these revolts intensify, pitting the ruling Plantagenet House of Lancaster against the House of York (the *War of the Roses*, 1459-1485). Henry Tudor triumphs over York, and again strengthens the crown. Under the Tudor kings (1485-1603) England becomes an absolute monarchy in all but name.

**Spain and Portugal.** In Spain, after long years of conflict between the nobles and the burghers, the alliance between burghers and king triumphs. Castille and Aragon are united by the marriage in 1469 of Ferdinand of Aragon and Isabel of Castille. In 1492, Granada is conquered and Spain too is ready for absolute monarchy.

Portugal has been an independent kingdom since 1140. In 1385 it successfully resists annexation by the expanding kingdom of Aragon. King *Henry the Mariner* (1383-1433), sensing that Portugal's future is in ocean-going trade (the Mediterranean is at the time controlled by the Turks), promotes the building of ships and the study of maritime sciences and geography.

**Italy.** In Italy, on the other hand, the void left by the collapse of the imperial power, is filled by countless independent principalities and cities (Savoye-Piedmont, Milan, Venice, Florence, Genoa, Naples, the Papal territories). These are in continual conflict and remain valuable prizes for foreign (French, Spanish) princes and the emperor, who continue to meddle in Italian politics. Sicily is in Spanish hands (Aragon). The wars in Italy are fought by mercenaries (*condottieri*) and consist usually of long sieges rather than actual battles (the mercenaries go for the ransom money rather than for blood).

1390-1453. Meanwhile in the east, the Turks are advancing steadily on European soil and into the Balkan, increasing the pressure on Byzantium. The Eastern Roman Empire becomes dependent on the Sultan and finally collapses when Constantinople itself is taken (in 1453).
THE MODERN WORLD
(1500 -2000)

1500 - 1650: EMERGENCE OF THE STATE

NEW WORLDS

Africa, India, America. Exploring the African coast, the Portuguese Bartolomeo Diaz sails past Cape Good Hope (1485), thus opening a route to the East. In 1498, Vasco da Gama reaches India and opens the first European trading posts there. Later in the century, the Portuguese reach China and Japan.

In 1492, the Genoan Christophorus Columbus, trying to find a Western route to India, discovers America, landing on the Caribbean Islands and in Middle America. In 1500, Cabral discovers Brazil.

1519-1522. The Portuguese Magelhaes sails around the world.

1519. The Spanish Conquista begins. Cortes conquers the Aztec and other Indian kingdoms in Mexico. In 1532, Pizarro lays waste to the Inca empire in Peru.

Further discoveries, conquests, and colonisation. In the sixteenth century, Spain and Portugal dominate the expansion. Mixing trade, conquest and missionary activities, they try to export Christianity and to import gold and exotic spices and artefacts. Gradually, more and more Europeans move to the colonies in search of riches and adventure.

England, France and the Dutch Republic join in the colonial expansion. The English are particularly active. They explore North America (17th century), and later the South Pacific where England gets hold of Australia (1770, James Cook) and New Zealand. North America soon becomes a refuge for persecuted minorities from all over Europe, where the wars of religion are in full swing. The colonial expansion of Great Britain continues until the end of the nineteenth century. By that time, England is a major power on all the continents except South America.

THE RENAISSANCE AND THE REFORMATION

1) Flowering of humanistic studies, the Roman Inquisition

The fall of the Byzantine Empire to the Turks, in 1453, leads to an exodus of Greek speaking intellectuals and artists, the inheritors and descendants of Hellenistic civilisation. Italy is the direct beneficiary of this influence. The west rediscovers the pagan culture of Antiquity, its advanced science and philosophical systems.
(other than the Aristotelianism that had been adopted by most of the medieval theologians). Many of the later Hellenistic systems (e.g. the neoplatonism of Plotinus) are mystical, pantheistic or panentheistic, and close to views that the Church had always considered to be heretical. To combat these heresies, the Roman Inquisition is instituted in 1542. It will be responsible for many (in)famous trials against intellectuals and scientists, and for the *Index of Forbidden Books* (first published in 1559).

2) Reformation, contra-reformation

The *reformation*. The most direct challenge to the Church comes from the reformers *Martin Luther* and *John Calvin*. Referring to its morally corrupt practices, and appealing directly to the Scriptures, they challenge the authority of the church while generally remaining within an orthodox (Augustinian) theology. Allying himself with the political interests of the German Princes, Luther avoids the fate of earlier reformers who too often have become entrapped in popular movements that confused religious expectations with social, political and economic demands and were easily put down by the coalition of church and worldly powers. Calvin takes even greater care to distance himself from such enthusiasts. From his power base in Geneva, Calvinism spreads to France and later, after the suppression of the Calvinistic Huguenots there, to the Low Countries, Scotland, and to a lesser extent Poland and Hungary. Lutheranism becomes dominant in the north of Germany and in the Scandinavian and other Baltic countries.

The emperor *Charles V* of the House of Habsburg, also king of Spain (1516-1555), assumes leadership in the struggle to restore unity in the Church.

1526. The reformist princes protest against the imperial ban against Luther (hence 'Protestantism'). A politico-religious compromise is reached in Germany: each prince will decide about the faith of his region (*cuius regio, eius religio*) and organise his own regional churches (*Landeskirchen*). The compromise is confirmed in the *Settlement of Augsburg* (1555).

**Contrareformation.** 1530. The Spanish Inquisition was instituted in 1478 at the request of King Ferdinand V and Queen Isabella I to deal with Jews who through coercion or social pressure had insincerely converted to Christianity. It is now used against persons suspected of Protestantism. While its officers are churchmen, the Inquisition is more an instrument of the state than of the church.

1534. The *Societas Jesu* (the order of the Jesuits) is founded to counteract the reformation.

1545-1563. At the *Council of Trent* the Church is reformed and catholic doctrine is firmly rooted in the theology and philosophy of Thomas Aquinas. His doctrines are actively studied in Italy, but especially in Spain (Salamanca) and Portugal (Coimbra) by Dominicans and Jesuits. They become the intellectual forces of the contrareformation, and lay the foundation of catholic political theory for many centuries to come. They are particularly influential in working out theories of constitutional and international law, and sophisticated analyses of economic and monetary phenomena.

3) Millenarianism and fundamentalism; Anabaptism

1534. Millenarian expectations continue to have much influence, especially among the Anabaptists. In Münster (in the north of Germany), revolutionary Anabaptists attempt to install the New Jerusalem by force. They are exterminated.

After the suppression of the revolutionary wing, most Anabaptists turn to pacifism and communitarian anarchism. Persecuted by Catholics and Protestants alike, most of them end
up emigrating to America, where they are joined by other persecuted groups of radical Protestants. To this day, these religious groups have a profound impact on American life.

THE RISE OF THE SECULAR STATE

1) The emergence of absolutism
The first half of the sixteenth century is marked by dynastic wars between the Habsburg emperor Charles V and the French kings, who both seek control of Italy and the corridor between Italy and the Low Countries (Burgundy, Metz). There is also war in the area of the Baltic sea among Sweden, Denmark, Poland and Russia. Then there is the war against the Turks, who are stopped at Vienna, but occupy parts of Hungary. These wars tend to strengthen the positions of the kings, who continue to move towards an open absolutism.

Spain. Charles I (king of Spain, as Charles V German emperor) disregards the Cortes (assembly of the nobility and burghers). His son Philip II (1556-1598) is the most formidable monarch of his age, controlling colonies all over the world. Spain becomes the leading catholic nation. It rules the Mediterranean sea, having destroyed the Turkish fleet at the battle of Lepanto (1571). However, Philip's efforts to conquer England fail (in 1588 the Spanish Armada is wrecked by storms and English ingenuity); and his generals are unable to put down the revolt in the Protestant Low Countries (which at the time were under the Spanish crown). After Philip, Spanish power dwindles rapidly.

France. 1515-1547. Francis I reigns as an absolute monarch. His foreign adventures in Italy are less successful. He cannot break the supremacy of Charles V in Italian politics. 1547-1559. Henry II successfully resists Charles' attempts to occupy Metz, thus frustrating the emperor's policy of encircling France with Habsburg possessions.

England. Without abolishing Parliament, the Tudor kings in England (Henry VIII, 1509-1547, his daughter Elisabeth I, 1558-1603) rule virtually unchecked. Sweden (under Gustav Wasa, 1523-1560, and his successors) and Russia (under Iwan the Terrible, 1533-1584) take their place among the major European powers.

2) Religious wars
Germany. 1519-1555. Despite Charles V's ambition to restore Catholicism, the Turkish threats keeps the German Protestants and Catholics more or less together, but in 1546 the emperor moves against the Protestants in northern Germany. His successes are undone with the help of his archenemy, the equally catholic Henry II of France. Dynastic interests clearly dominate over religious loyalties. The Augsburg settlement keeps Germany relatively free of religiously motivated civil wars.

France. 1515-1547. The two catholic monarchs, Francis I of France and Charles V, battle each other abroad, while defending the faith at home. Francis uses his support to increase his power over the French Church. 1547-1559. Henry II continues the war against Charles, and starts the persecution of the Protestants (many of them nobles: the so-called Huguenots).

1562. The catholic duke of Guise is the driving force behind the persecution. Under the regentess Catherine de Médici, Henry's widow, the religious conflict escalates into a civil war that will continue until the end of the century.

1572. In the night of August 23, many thousands of Huguenots are massacred (the infamous Night of Saint Bartholomew).
1589. After the murder of Henry III, the Protestant Henry of Navarra is first in line for the succession. To forestall catholic rebellion he becomes a catholic (1593), but guarantees equal rights to the Huguenots (Edict of Nantes, 1598). Henry and his chief minister Sully propose a plan for a general alliance of all Christian rulers in Europe.

1610-1642. Under Louis XIII, Cardinal Richelieu becomes the chief architect of French policy. He moves towards centralisation and absolutism, and continues the anti-Habsburg course of the French.

The Low Countries. 1568-1648. The Eighty Years War. Under Philip II of Spain the persecution of Calvinist Protestants intensifies. There is a revolt, which escalates into open rebellion when the Spanish governor, Alva, executes leaders of the local nobility. William of Orange and, after his murder in 1584, his son, Maurice, continue the war with some help of England.

The northern regions (The Republic of the Seven United Provinces) rapidly become a leading military, commercial and colonial power. However, the southern [Belgian] regions remain under the firm control of Philip. Even in the Republic, religion continues to supply a pretext for conflict. One victim is the famous jurist Hugo Grotius who has to flee the country, seeking refuge in catholic France, and earning a living as a diplomat for the Protestant Swedish monarchy.

England. 1509-1558. In England, the principle of cuius regio, eius religio fails spectacularly. The establishment of the Anglican Church by Henry VIII and of the Episcopalian Church (a compromise between Protestant theology and catholic practice) by Edward VI, is followed by a restoration of Catholicism under Bloody Mary (the wife of Philip II of Spain).

1558-1603. Restoration of the Anglican Church under Elisabeth I. 1603-1649. The Age of Absolutism in England gets under way when the catholic Stuart James VI of Scotland succeeds to the English throne as James I (hence: the United Kingdom). In his youth James had made the theory of the divine rights of kings his own. The Stuart kings (James I, Charles I, 1625-1649) make royal absolutism their official constitutional policy. However, opposition to absolutism remains strong, and attempts to disregard parliament or the common law lead to civil war.

1649-1660. After the decapitation of Charles in 1649, the Puritan Protestants come to power under Oliver Cromwell, but the revolutionary period is marked by millenarian agitation (ranters, diggers) and dissent.

1660-1688. The revolution is followed by a catholic restoration under Charles II and James II. After that, the principle of toleration is accepted for all Protestant sects (but not for Catholics).

The Habsburg empire. 1618-1648. The Thirty Years War. The religious settlement of Augsburg (1555) finally disintegrates in 1618. However, here more than elsewhere, the
resulting war is a complex mixture of internal and external political and religious motives. On the one hand, there is the rivalry with France and the struggle over the control of the Baltic Sea. On the other hand there is the endemic centrifugal force of German politics (opposition to any increase in the emperor's power) caused by the heterogeneity of the many peoples and regional interests in the empire.

The catholic emperor Ferdinand II, allied with Spain, successfully fights the Protestants on all fronts. However, when Gustav II Adolf of Sweden takes the leadership of the Protestant alliance, subsidised by catholic France, the tides of war turn. The toll of the war is enormous: large parts of Germany are virtually depopulated.

3) The Westphalian Peace Treaties

1648. The outcome of the war is a substantial redrawing of the political maps of Europe. France and Sweden gain substantial territories at the expense of the Habsburg Empire, while inside the empire new borders mark the gains and losses of the great lords. The most significant victor in Germany is Frederick-William, the Elector of Brandenburg, who will soon succeed in making his realm (Prussia) fully independent of the empire.

4) The secularisation of politics

While great lords of the church continue to play an important role in politics, they do so now as ministers of the king or other secular rulers (e.g. the cardinals Richelieu and Mazarin in France). Except in Italy, the political role of the pope is finished. The ruling principle and the legitimisation of rule is no longer the defence of the faith, but the raison d'état (the interest of the state, especially in its dealings with other states). It is implemented by realpolitik (the cold calculation of costs and benefits in terms of gains and losses of political power). In political thought, this means a shift of emphasis from principle to expediency (or utility).

However, if the political role of the church is finished, the political role of religious thought is not. Because orthodox Christianity appears to many to have failed, they start looking for a new religious foundation in unorthodox, even heretical, religions and allied philosophical systems. The first half of the seventeenth century yields a rich harvest in utopian literature. It looks forward to a completely new form of social and political existence, based not on the Judaeo-Christian-Roman notions of covenant, property, contract and neighbourly love, but on a metaphysical and mystical notion of fundamental unity and universal brotherhood.

1650-1800: THE MONARCHICAL STATE

THE AGE OF ABSOLUTISM

1) Absolutism and civil war in the United Kingdom

1649-1660. The period of the civil war (1642-1649) ends the absolutist experiment of James I and Charles II at the moment when absolutism reaches maturity on the continent. England is now a republic, but in 1653 Cromwell assumes dictatorial powers as Lord Protector of England, Scotland and Ireland. England becomes the first maritime power, after its war with the Dutch Republic.

1660-1688. In 1660, the Stuarts return to the throne. Charles II tries to re-establish absolutist rule, but his successor James II has to flee to France, when the Protestant William of Orange, a

1689-1775. The *Declaration of Rights* establishes a new constitution, with strong parliamentary powers. While on the continent absolutism is still the rule, the English model of a balanced ("constitutional") government becomes a source of inspiration for political reformers and revolutionaries. Colonial expansion of Great Britain in its American and Indian possessions, and new discoveries in the Pacific (Australia) make it the leading power in the world. However, in 1776 the American colonies, with the exception of Canada, are lost after the *American War of Independence*.

2) The French against the Habsburg

**France.** 1643-1715. *Louis XIV*, king of France, reigns openly as an absolute monarch (*L'état, c'est moi*), without any consultation of the parliaments or lords. His major policies include continued, and for a while successful attempts, to make France the leading power in Europe (at the expense of Spain, the German Habsburg territories, and the Republic), and to develop a national economy (chief architect Colbert) and a colonial empire. The Edict of Nantes is revoked (1585) and many Huguenots flee to the Republic and Prussia.

The absolutist policies and the Court at Versailles become models for other princes on the continent. France is now the leading cultural centre.

However, by 1714, at the end of the Spanish war of succession, a new equilibrium is established, with France, England, Prussia and Austria as the major powers.

1715-1774. Beset by financial troubles, exacerbated by the disastrous failures of the Scottish banker John Law to save the treasury with complicated financial schemes, Louis XV can hardly maintain the style and ambitions of his great-grandfather. Except for the acquisition of Lorraine (North-East of France), his foreign adventures turn sour. The Canadian colony is lost to the British.

1774-1792. *Louis XVI* tries to solve the problems of the state by instituting many reforms, but only succeeds in weakening absolutist rule (the parliaments are restored, but turn out to be arenas of conflict between burghers and nobles). Overtaken by events, he falls victim to the French Revolution (1789) and is beheaded in 1792.

**The Habsburg Empire.** 1658-1705. Defeated in the west, the emperor Leopold I turns to the east (against the Turks) and makes Austria the dominant power in southern and central Europe and the Balkan.

1714. However, after the Peace of Utrecht (1714), Austria regains control of the Belgian Low Countries in the north, and of parts of Italy. In Germany, the rise of Prussia divides the empire in a Prussian and an Austrian part.

1740-1792. Maria-Theresia (empress in 1745), Joseph II and Leopold II organise the Austrian Empire on an absolutist basis. They reign as 'enlightened despots'.

**Prussia.** 1701. Prussia becomes a kingdom. *Frederick-William* (1713-1740) makes it a model-state with a strong bureaucracy and a formidable professional army.
1740-1786. *Frederick II the Great* continues to expand his kingdom (acquisition of Silezia).

**NATIONAL ECONOMIES AND MERCANTILISM**

1) The demise of the feudal economy

The most important effect of the triumph of absolutism is the emergence of national economies. Local lords and cities are deprived of most of their autonomy, often including the right to levy tolls and taxes and to regulate local economies. The kings work towards a virtual monopoly of fiscal and regulatory powers. Thus, the production of local public or collective goods is impaired, while national public goods (mainly "defence", territorial and colonial expansion, but also administrative unification) are heavily subsidised. Local development is increasingly dependent on its relevance for national policy. Economic competition for people, capital and trade gives way to competition for royal favours. These tend to be given on purely political grounds, and usually in function of the royal policy of the moment.

2) Mercantilism

Not surprisingly, in view of the ambitions of the kings, the main objective of policy is to raise revenue for the crown. This is the guiding principle of what has come to be known as mercantilism. While this term suggest some sort of "theory" or "system", it really refers to an opportunistic policy of diverting as much money to the treasury as is politically feasible. 'Bullionism', a typical mercantilist policy, is to favour the export of goods (the import of gold), and to deter the import of goods (the export of gold). Tariffs siphon off a sizeable part of the gold received in payment to the treasury, but are easily avoided by smuggling. Another policy is the granting of monopolies, which allow the monopolist and the treasury to divide the monopoly rents amongst themselves, but this policy too is often subverted by illegal production (the "black market" or "shadow economy"). From the point of view of general welfare mercantilist policies make little or no sense, but from the point of view of the crown they are eminently sensible. Reacting against these ideas, Adam Smith (following the French *Physiocrats*, who believe in a strict natural economic law, and other critics of mercantilism) lays the foundation of British classical economic analysis.
1800-1900: THE CONSTITUTIONAL STATE

THE FRENCH REVOLUTION AND ITS AFTERMATH

1) The Revolution and Napoleon

The revolution in France. 1789-1799. At a meeting of the Estates-General, the third estate (the burghers) forms the National Assembly to draft a new constitution. The French revolution begins with the storming of the Bastille (a state prison). Many nobles flee to England or Austria.

The Assembly produces the Declaration of the Rights of Man and of the Citizen, which lays down the political principles of the new order (a mixture of Locke's natural rights, liberty and property, and the concept of the sovereignty of the united people, inspired by Rousseau).

In 1792, France becomes a republic. In 1793, the king is executed and the radical Montagnards and Jacobins, whose leader, Robespierre, institutes the Comité du Salut Public and a regime of terror, drive the moderate Girondins from power. A year later, a new government is formed (the Directoire) to restore normal conditions, but these efforts succeed only after the brilliant general Napoleon Bonaparte assumes power as First Consul (1799)

From 1792 and throughout the revolutionary period French armies battle royalists, other rebels, and the alliance of European rulers, who want to take revenge for the execution of the French king. The Dutch Republic falls to the French. Napoleon Bonaparte emerges as the military genius of the French armies. He sets out to conquer Italy, reaches Egypt and Syria, but cannot wrest the Near East from the English.

The Napoleonic era. 1799-1815. Napoleon rules in France, as First Consul, then as Consul for life, then finally as Emperor (1804-1814). His aim is to unify the whole of Europe under French rule (the Grand Empire). The main obstacle is England, which he tries in vain to isolate economically with his continental blockade (an attempt to stop trade between the continent and England). His campaigns in Spain, central Europe (against the Prussians and Austrians) and in Russia are at first successful, but he is finally defeated at Leipzig (1813). A year later he is forced to abdicate and to retire on the island of Elba. After a successful return to Paris, he is again defeated at Waterloo (1815), and banned to the island of Saint Helen (in the Atlantic Ocean), where he dies.
1800-1815. The rhetoric of the French revolution takes root all over Europe, but not in the form expected by the French. Rather than to rally around the French banner, the peoples of Europe begin to seek their own national revolution, agitating for constitutional reform but also for liberation from foreign rulers, whether French or Austrian. Nationalism rapidly becomes a potent ideology in Europe, but is one that pits every nation against all others.

2) Aftermath

The Congress of Vienna. 1815. The Congress of Vienna redraws the map of Europe. England, Austria, Prussia, and Russia are the main powers, as France is forced to give up most of its acquisitions of the preceding period. The Holy Roman Empire is officially dissolved and replaced by the German Federation (Deutsche Bund), under Austrian leadership. In France, Louis XVIII is confirmed as "constitutional" monarch.

Reaction and national revolutions. To counteract the proliferation of revolutionary (liberal) ideas, the German and Austrian rulers, acting on the advice of Metternich, opt for a reactionary policy of strict control, censorship, and persecution of dissidents. Nevertheless, revolutions continue to erupt, notably in Spain (1820, against the restored king), Greece (1821, against the Turks), and Belgium (1830, against the Dutch king to whom the Belgian region was allotted in 1815). In France, the attempts of Charles X to restore monarchical rule lead to the Revolution of 1830, which bring the bourgeoisie to power, with Louis Philippe I (the "citizen-king") as a constitutional monarch. Paris becomes a haven for political refugees, dissidents and revolutionaries from Germany, Poland and Russia.

The industrial revolution and demographic expansion. By 1830 Great Britain has become the first industrialising nation. Steam-power, steamships, railways and advanced metallurgy will forever change the shape of things, both civilian and military, in Europe and elsewhere. The new economic base allows rapid increase in population without a substantial decrease in living standards. From 1850 on, living standards rise for all classes of society. The last famine in Europe is in 1848, in Ireland, then a backward country. By 1850, industrialisation is a top priority for most European nations. Economic policies become ever more important. In Germany, Prussia takes the lead in instituting a Tariff Union (1833, completed by 1836). It creates an internal common market of the German principalities, which many Germans welcome as a step towards political unity. From England the idea of free trade spreads to the continent, but will never be as successful as the idea of internal free trade. The reasons are that external tariffs remain the most important source of government revenue before the advent of income taxation, and economic interests, increasingly organised on a national basis, agitate for protection and subsidies.
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Ideological tensions. The combined political, economic and social consequences of the French and the industrial revolutions call forth a strong current of conservative, even reactionary, opinion. It is motivated by concern over the loss of traditional values and religious faith, and increasing social mobility (which leads to disorientation and a crisis of authority, as commercial and political upstarts move into positions of power that were once reserved for people with an aristocratic or highly cultured background).

On the "progressive" side of public opinion, there develops a tension between classical (Lockean) liberals, who insist on the rule of law and natural rights, and the political or nationalist liberals. The latter want to democratise their state while increasing its powers, as well as between liberals and communists or socialists, who wish to extend the political idea of unity of the nation to every aspect of life, especially to the economic sphere. By 1850, these socialists have become increasingly interested in the new industrial proletariat as the political power base for a general transformation of society. Among the liberals, utilitarianism tends to replace natural law (freedom, equality) as the foundational philosophy (influence of "political economy" and the Benthamite principle of "greatest happiness for the greatest number"). The philosophy of law gives way to the positivist legal thinking of John Austin, a disciple of Bentham. When Mill introduces the romantic notion of the "autonomous individual", liberalism drifts even further away from the natural law principle of freedom.

Increased powers for the state and politicisation of society. A lasting effect of the revolution is that the national state can vastly increase its powers, under the flags of the people's sovereignty and national unity. Thus, a central ambition of absolutism is realised by the transition to the constitutional state. Many important social functions are monopolised by the state (defence, taxation, regulation, adjudication, soon followed by the creation of national banks which give governments monopolistic control over the issue of paper money and banking, and ultimately schooling and education). The new financial powers of the state allow it to incur large amounts of debt at its own bank in order to finance ambitious programs of industrialisation, colonial expansion, and mechanisation of the armed forces. With so much power firmly vested in the state, political energies are increasingly directed to controlling and influencing national policy.

The Age of Nationalism

1) 1848, the revolutionary year

France. In France attempts to reform the fiscal system and controversy over foreign policy lead to the Revolution of February. Louis-Philippe flees to England. France becomes a republic (1848-1852). Socialist agitators try to exploit the crisis by inciting a general revolt, which is brutally put down. Again, the events in France have consequences elsewhere. Constitutions are granted in the Netherlands, under king William II, in Denmark, and in the Papal domains. In France, the troubles result in a coup d'état and the installation of Louis Napoleon, a nephew of Napoleon I, as emperor (1852-1870).

Germany. Liberalism and nationalism in Germany. In Austria, the Hungarian territories rise in revolt. The emperor defeats the revolutionaries, but tensions continue to weaken the empire until in 1867 the Austrian and Hungarian parts become separate and largely autonomous parts with a common military, financial and foreign policy (the Austro-Hungarian Empire).

In Berlin, riots expose the weakness of the Prussian government against the demands for
liberal reforms, unification and a constitution. The first German National Assembly meets in Frankfurt, but fails to achieve much in the face of the continuing opposition between Prussia and Austria, and the resistance of the German princes to reform. In the Rhineland, radicals (among them Karl Marx) press on but also fail to achieve anything.

2) Unification of Italy and Germany

Italy. 1858. Napoleon III tries to strengthen his position. He supports the Italian nationalists (Garibaldi, Cavour) in their struggle for national unification against Austria (until then the dominant power on the Italian peninsula).

1861. Victor Emanuel II is crowned king of Italy. 1870 Rome is added to the Kingdom, and becomes its capital. The Pope takes refuge in the Vatican.

Germany. 1861. While the Austrian emperor Franz Joseph I (r. 1848-1916) favours a Great-Germany (Prussia, the principalities, and Austria), Prussia, under William I and his Chancellor Otto von Bismarck, wants to exclude Austria and become the dominant power in a unified Germany. In 1866, after the Austrian-Prussian war, the German Bund is dissolved, and replaced by a North German Bund under Prussian control.

1870. When the German Leopold of Hohenzollern accepts the Spanish crown, the French take the opportunity to declare war on Prussia, in an attempt to stop its growing power. The Franco-Prussian war becomes a Franco-German war when the southern German states ally themselves with the North German Bund. Immediately after the French defeat, king William is crowned Emperor of the German Reich (in Versailles, January 1871). Austria and Prussia now control Central Europe as unified national states.

The Reich takes the lead in forging a model of a highly industrialised economy under authoritarian control. Despite the failure of the Kulturkampf against the Roman Catholic Church, the state keeps the administration of the church under close supervision. Education, schooling and vocational training, are also centralised in the state. Bismarck’s Sozialpolitik (1881), designed to avert social unrest, has many admirers in other countries.

Austria. The many nations in the Austrian-Hungarian empire begin to struggle for national independence, while the empire still has to reckon with Turkish rule in the Balkan, and with attempts by Russia to extend its influence in a south-eastern direction. Especially the Serbs agitate against the Austrians, who oppose the idea of a union of the Slavic peoples in eastern Europe and the Balkan.

1912-1913. The first Balkan war (provoked by Russia) ends with the defeat of the Turks, but immediately afterwards the victors fall out over the division of the spoils.

1914. The Austrian duke Franz Ferdinand, successor to the throne, is murdered in Sarajevo.

3) France and The United Kingdom

France. Championing the liberation movements in southeastern Europe, Napoleon III, together with England and Austria, attacks Russia (Crimea War, 1865-1856), thus breaking the hegemony of Russia on the continent. When he then goes on to defeat Austria (1859), France is again the first power in Europe, until it is defeated in 1870 by the Germans with their new concept of a mechanised Blitzkrieg (rapid and massive movement of troops by railway). Within a few weeks Napoleon III is defeated, taken prisoner, and deposed.

1870. France becomes again a republic. In Paris a popular insurrection (The Paris Commune) is suppressed after a few months.

1880. France embarks on a program of military modernisation and colonial expansion.

1887-1889. General Boulanger attempts a coup d’état, but is forced to flee.

The United Kingdom. During the nineteenth century, the United Kingdom remains a
model of political and economic liberalism. After the defeat of Napoleon, it turns its attention to internal reform (the discrimination of Catholics is finally lifted, in the 1830s parliament is reformed, free trade becomes the official policy) and defence and expansion of its colonial possessions.

The British Empire
ON THE EVE OF THE FIRST WORLD WAR

Figure 2 The British Empire

1837-1901. during the long reign of Queen Victoria, the colonial possessions are consolidated. In 1877, Victoria becomes Empress of India, and the British Empire is at its apex. When they attempt to acquire large chunks of Africa, the British come into conflict with France and Germany, and the Boers (descendants of Dutch immigrants) in South Africa.

DIPLOMACY AND IDEOLOGY

1) The emergence of ideological parties

The parliamentary system with its far-reaching legislative powers, the decline of the class system and the rise of the professional politician lead to the formation of political parties that attempt to garner support among the electorate (an ever increasing number as the conditions restricting the right to vote are relaxed). The parties form along ideological lines: conservative, liberal, socialist. The conservative parties usually claim a religious inspiration; in catholic countries, they tend to become broad-based reformist Christian democratic parties. They attempt to keep the working classes away from socialism by incorporating many socialist demands in a paternalist philosophy of government based on co-operation among well-organised social corporations. The liberal parties tend to dwindle. Classical liberalism is concerned more with safeguarding the basic institutions of law than with spectacular policy-programs - not a fruitful election platform in an age of demagoguery. The political liberals are caught between their beliefs in the sovereignty of the people and the
principle of universal suffrage, on the one hand, and the fact that each voter generally assumes that what is good for him is good for the country. These liberals tend to become social-liberals who concede the principle of state intervention to the socialists and the conservative reformers, but are not prepared to use it as sweepingly as their opponents. The socialist parties tend to become reformist and gradualist, though they officially stick to their revolutionary goals. Nearly all these parties accept the spirit of nationalism, but in many countries, explicitly nationalist parties are also successful.

2) The age of imperialism

The search for cheap resources (coal, oil, minerals, ore) and strategic strongholds to protect overseas trading routes fuels a new and intense policy of colonial acquisition. During the second half of the 19th century, most of Africa is divided among the Western powers, and exploited to the hilt (although often at great expense of the taxpayers, who end up paying for the expeditionary armies and the legions of administrators).

1890-1905. Germany, its heavy industry now fully developed, modernises and expands its fleet and strengthens its positions in the Near and Middle East, thus threatening vital British interests. Its expansion in northern Africa (Morocco) brings it into conflict with France. Because Germany is by now the leading military power in Europe, the French and the British are drawn into an anti-German coalition, which has the support of Russia.

The United States. After the civil war (1861-1865), the balance of power in the USA permanently shifts to the northern states, especially the industrial and financial centres on the East Coast (Boston, New York). By the turn of the century the "Eastern Establishment" and "Wall Street" have a firm hold on banking and investment and are increasingly influential in politics. The banks, trusts and law firms controlled by the House of Morgan, the Rockefellers, and Kuhn-Loeb, begin to supply the government in Washington with many and important politicians and administrators, especially in foreign affairs.

1895. The Morgan and Rockefeller trusts turn American foreign away from isolationism to imperialism. British interests in South and Middle America are the first targets, but war is averted because the British are occupied with the war against the Boers in South Africa, and prefer to settle. Soon the Spanish interests are attacked (Spanish war of 1898 over Cuba; South America, the Philippines). Then the USA turn their attention to China.

1904-1905. In the Far East, war breaks out between Russia and Japan (with diplomatic support of the Americans) over Korea and Manchuria (in China). The Japanese victory demolishes the myth of the invincibility of the European powers. The defeat leads to crisis and repression in Russia (the Potemkin incident).

3) The age of the diplomat

At the beginning of the century the German military bureaucrat Von Clausewitz had formulated the principle that war is but the continuation of policy by other means than diplomacy. Among the major powers in Europe, diplomacy was for a long time successful in preventing direct war, until the Franco-German war of 1870. But the powers did clash in indirect ways, by intervening in other countries, supporting nationalist liberation movements in each other's sphere of influence, and often also in far away countries by trying to frustrate each other's colonial ambitions. The geopolitical history of the century is marked by innumerable conferences and treaties in which the diplomats are continually redrawing maps, sometimes swapping whole countries among the major powers themselves or their allies of the moment. Not until 1901, when Edward VII succeeds to the throne, does England give up its policy of splendid isolation, which in effect allowed it to maintain the balance of power on the continent by siding against
whichever continental power seemed to gain the upper hand. When it does give up that policy, the reason is, that for the first time since the wars against the Dutch in the seventeenth century, a continental power (Germany) has acquired a fleet that is capable of challenging, even breaking, the British hegemony on the seas. Thus, the foundation is laid for a Franco-British alliance that makes Great Britain a direct participant in the political affairs of the continent.

4) The second industrial revolution

By 1890, the second industrial revolution is well under way. If the first had been carried by steam power, mining and metallurgy, the second is carried by the internal combustion engine, chemistry, and long distance communication (the telephone, and radio communications). In the meantime, various legislative innovations have paved the way for increasingly complex structures for the finance and management of industry (and government).

While gold and silver remain the basic money, banks acquire significant powers to expand credit when the use of bank notes becomes widespread, and banks are legally entitled to speculate with depositors' funds. The inherently unstable system of fractional reserve banking is propped up when the central banks begin to act as lenders of last resort. Limited liability companies are made legal, despite the fact that their lawfulness is in dispute. But legislators are increasingly willing to pass laws and regulations that cannot be justified in law, in order to achieve their political, social or economic goals. Thus, legal interventionism begins to erode the sphere of private law.

1900-1950: CRISIS OF THE EUROPEAN STATES SYSTEM

THE FIRST WORLD WAR

1914-1918. Within two weeks after the assassination of Franz Ferdinand in Sarajewo, on July 28, 1914, the conflict between Austria and Serbia spreads to all the major powers. Russia prepares to help the Serbs. Germany tries to get Austria and Russia to negotiate, fails, then declares war on the Russians in full knowledge that France will support its enemies; when Germany attacks France, and crosses the border of neutral Belgium, Great Britain enters the war on the side of the French and the Russians. The European war spreads rapidly to the German colonies, the German and British fleets do battle on all the seas and oceans. All over the world, the European countries mobilise their colonies and allies for the war effort.

The war is a war of attrition. From a military point of view, Germany is the superior power. It has the best armies, the most sophisticated weaponry, and its strategists are way ahead of their adversaries. But it lacks sufficient resources to keep its armies going for a long time, and the British fleet proves for the last time to be sufficiently strong to deny Germany control of the seas. With the exception of East Africa, the German colonies fall one after another. Unable to secure a quick victory, Germany, soon followed by the Allies, devotes ever more human and material resources to the war. All the new technologies and scientific discoveries are put to military use. Trains, armoured vehicles, powerful guns, mines, submarines and aeroplanes are produced in enormous quantities and continually improved.
Mechanised warfare is supplemented by chemical warfare. Civilian provisions are strictly rationed and civilian life as such comes to a halt. (Even in the United States, a late entrant, but an essential financier of the Allies, plans are made to organise a war economy). It is, in the fullest sense of the word, a total war. Casualties run into many millions, but on all sides, nationalistic enthusiasm continues to feed the flames of war.

**The Interbellum**

**THE TWENTIES**

A new world order. 1918-1930. By the end of the war, the face of Europe is radically altered. Germany is economically exhausted, the emperor has to flee, and the Weimar Republic faces the difficult task of reconstruction amidst run-away inflation, revolutionary agitation on the Left and on the Right. In Russia, the October revolution of 1917 has exterminated the old tsarist regime and installed a bunch of utopian fanatics (under Lenin) in charge of a vast continental empire. After his death, Stalin emerges victoriously from the internal power struggle with rival Trotsky and becomes the undisputed leader of the Soviet Union and the communist movements in other countries.

Ireland, Turkey and the Middle East are in revolutionary ferment, and in the former colonies (notably in India) the subject peoples begin to clamour for independence as a reward for their wartime assistance to the colonial powers. In Europe, the working classes (who have supplied most of the manpower for the armies) also want compensation and get it in the form of universal suffrage.

1919. Paris Peace Conference. The French insist on heavy "reparation payments" from the Germans. New borders are drawn: Poles, Czechs and Serbs are favoured to contain Germany; they get political control over large areas inhabited by minorities of various descent (German, Slovak, Ukrainian, Croat, Slovene, ...). This repartition will eventually lead
to new tensions that erupt in World War II, and again in 1990, when Yugoslavia and the
Soviet Union disintegrate.

Despite their insignificant military part, but conscious of their financial role, in the war, the
United States of America (under President Woodrow Wilson) have the ambition to create a
New World Order, based on respect for national borders, democracy, and international co-
operation. The League of Nations is the embodiment of this dream, but it cannot prevent the
French insistence on exorbitant reparations for the damages suffered during the war. (In
1923 French and Belgian troops occupy the Ruhr area to force Germany to honour is
obligations.) Nevertheless, diplomacy acquires a new dimension with a proliferation of
multilateral treaties. "International law" becomes a full-time profession.

1921. The financial establishment in the USA continues to influence foreign policy. It
organises The Council on Foreign Relations (CFR), which begins to publish Foreign Affairs, the
most influential foreign policy journal of the century.

Economic changes. The victorious European powers
are financially broke. The gold standard, abolished
during the war to permit the Allies to accumulate huge war debts, is ineffectively re-instated.
The world economy is now highly dependent on the wisdom (or lack of it) of a few central
bankers. New York becomes the leading financial centre of the world.

The USA are the dominant economic power. Experiencing unprecedented credit
expansion (as a result of the creation in 1914 of the Federal Reserve System, the American version of a central bank), they enter into an era of
explosive growth (durable consumer goods: cars, radio sets, household
appliances - the Roarin' Twenties).

Political and social unrest. The relative international stability of the period masks
growing internal conflicts, ideological and social, even if with the resumption of trade and
the return to a normal peace economy most nations recover quickly from the disastrous war.
While Turkey modernises and becomes a republic (in 1923, under Kemal Ataturk), in some
parts of Europe democracy, capitalism and liberal constitutionalism are held responsible for
national decline and humiliation. An increasing number of intellectuals become enamoured
with ideas of "planning the economy" and technocracy (rule by experts). In Western Europe,
general strikes become formidable political weapons. Politics is seen primarily as a ruthless
struggle rather than as constitutional management of public affairs. Communists, on the one
hand, and nationalists and fascists, on the other, try to exploit the situation of unrest and
resentment. In Germany, in 1920 a military coup led by Kapp, followed by a heavily armed
communist insurrection in the Ruhr area, fails. In 1923, Adolf Hitler lands in jail after a failed
coup in München. Italy is shaken by the communist and socialist agitation of the biennio rosso
(1919-1920). Capitalising on the fear for a proletarian revolution, Mussolini rises to power
after his March on Rome (1922). In Spain, Primo de Rivera establishes a military dictatorship
(1923-1930); in Portugal, Professor Salazar (1929-1968) reorganises the state along
conservative corporatist lines; in Poland Pilsudski also moves to dictatorship (1926-1930).

THE THIRTIES

1) Crisis and depression

On October 28, 1929, the stock market in Wall Street crashes,
ending the spectacular boom that had been driven by reckless
monetary expansion. Turning to European-style authoritarian policies (The New Deal: "bank
holidays", labour legislation, control of prices and wages, public works and other make-work
schemes, restriction on labour hours, and protectionism), the successive Franklin D. Roosevelt
administrations vainly try to resolve the crisis. Unemployment remains high until the USA
again switches to a war economy in 1941. When the New Deal is declared unconstitutional, Roosevelt attempts to "pack the [Supreme] Court" with his own supporters.

The depression spreads to the rest of the world through the sharp contraction in American credit and the crippling effects of protectionism on trade. Bilateral barter again becomes the norm in world trade. Between 1931 and 1935, the gold standard is abandoned when each nation begins to use its monetary authority as an instrument of national policy.

2) Power shifts

Western Europe. In England, the socialist Ramsay Macdonald tries to meet the crisis with a grand coalition of all parties (1931-1935). From 1933 onwards, the collapse of trade and the gold-based monetary system hits also the sound money countries in Europe (among them France and the Netherlands). In France, after years of agitation by the nationalistic right and an open revolt in 1934, the leftist Popular Front comes to power (1936). Everywhere, universal suffrage brings nationalist and/or socialist parties in or close to positions of power; in the conservative and Christian democratic parties, the balance shifts to the labour union wing. However, there is still strong support for the liberal-democratic constitution, although this becomes more and more a mere shell enveloping a vast structure of authoritarian and corporatist centres of decision making.

Austria. In Austria, chancellors Dolfuss (murdered in 1936) and Schuschnigg (forced to resign in 1938) reorganise the country along authoritarian lines while at the same time trying to keep Germany at bay.

Spain. 1931. After the death of Primo de Rivera, and the abdication of king Alsonso XIII, Spain becomes a republic. When the elections of 1936 go to the leftist Popular Front, and shortly after that a leading monarchist politician is murdered, civil war breaks out.

1936-1939. The government faces the rebellious troops under General Franco, who forms his own government (1939-1975). While both sides fight with extreme bitterness and cruelty, the conflict is exacerbated by the intervention of "foreign brigades" (ideologically motivated communists, socialists, republicans, and adventurers of diverse nationalities) on the side of the republican government, and of Italian and German troops on the other side. For the militaristic regimes in Germany and Italy the conflict is a testing ground for their armies.

Italian expansion. Mussolini wants a colonial empire for Italy. In 1935 he sets out to conquer Abessinia. Despite international protests, the Italian king is made emperor of Ethiopia (Italian possessions in East Africa: Abessinia, Somalia and Etrirea), and is immediately recognised as such by Germany, Austria, and Hungary, and in 1938 also by the French and the British. All of them are wooing Mussolini.

In 1939, Italy occupies Albania.

The Far East. After the First World War, Japan rapidly becomes the major industrial power in the Far East, and threatens western (American and English) commercial interests. Overpopulation and strong imperialistic tendencies among the leading political and business groups give the military the pretext to press for war with China. In 1931, Japan attacks and occupies Manchuria. In 1937, it steps up its efforts to conquer China, with airborne attacks on civilian targets (cities), forcing the Chinese dictator Chiang Kai-Shek to seek a truce with the communist rebels of Mao Ze Dong. The Japanese fail to get control of the Chinese country side.

4) Germany under the Nazi's

In 1933, Adolf Hitler is named Chancellor of the Reich. Winning the elections a few months later, he asks and gets full legislative and executive powers. The national-socialist Führerprinzip (principle of the supreme leader) replaces republicanism as the form of government, the independence of the judiciary
is abolished (police state). Carrying the doctrine of authoritarianism to its logical extreme, Hitler reorganises the German economy as one massive Zwangsökonomie (command economy), institutes a one-party system, and quickly moves to totalitarianism (attempts to redefine every aspect of life according to Nazi-principles). The grisly side of Nazism manifests itself as militant racism against Jews and Slavs, discrimination of "unfit persons", and incarceration of all of these in concentration camps where they are subjected to forced labour, experiments for medical and eugenic purposes, and torture. On the religious front, Hitler regularly provokes the Catholic Church, despite the Concordat with the Pope of 1933, and institutes a Protestant Reichskirche. In 1934, Hitler orders the murder of his remaining political rivals (Nazi or other) and, after the death of President Hindenburg, becomes the absolute ruler of Germany. Re-armament, with modernisation of the army, is his first goal. Hitler also declares all foreign obligations of Germany null and void. In 1936, German troops occupy the demilitarised zone west of the Rhine. In the same year, treaties with Japan and Italy lay the foundation for a coalition that will endure to the end of the Second World War.

1938. Germany intervenes in Austria, which is annexed to the Reich. Later in the year, Hitler uses unrest among the German speaking population of Czechoslovakia as a pretext for demanding their independence. Under pressure from the prime ministers of England (Chamberlain) and France (Daladier), Prague gives in to the demands, and the question is settled at the Conference in Munich, which public opinion interprets as the guarantee of peace in Europe. Most of Czechia becomes a protectorate of the Reich in 1939. Also in 1939, Hitler and the Soviet dictator, Stalin, come to a non-aggression pact, which allows the Germans to go ahead with their plans for war against Poland and France.

5) Demise of the league of Nations
In all these conflicts of the 1930s, the League of Nations demonstrates its lack of authority. Dutiful condemnation of the aggressors only leads to their leaving the League: important European countries (Spain, Italy, and Germany) simply disregard its actions and end their participation. Japan does the same.

The second world war

1) First shots
1939. When Germany attacks Poland, the French and the British (together with the countries of the Commonwealth, the association of Great Britain and its former colonies) declare war on Germany. The Soviet Union, at the time in league with Hitler, attacks and occupies large sections of Poland and Finland. In the following year, it annexes the Baltic States (Lithuania, Latvia, Estonia) and parts of Romania. Germany gets support from Hungary, Slowakia, and Croatia.
1940. In the race to the Scandinavian reserves of iron ore and wood, the Germans beat the allies and occupy Norway and Denmark. Sweden remains neutral.

A few months later, Germany starts its attacks on France, moving at the same time against The Netherlands, Belgium and Luxembourg. Paris falls in June, while the Italians cross the Franco-Italian border. Most of France is under direct occupation, but in Vichy Marshal Pétain is allowed to become head of state of a non-occupied zone. Pétain promises to open airfields for Japanese aeroplanes in French Indo-China, but the Japanese occupy the area.

In the second half of the year, the war in the air begins, with the Battle of Britain (which the British Royal Air Force wins) and destructive bombardments on military and industrial installations and cities on both sides. The American president, Roosevelt, promises to supply the Allies with weapons, but will not enter the war until after the Japanese attack on Pearl Harbour (on Hawaii, in the Pacific) in December 1941.

During the first years of war, superior weaponry and daring offensives will serve the Germans well, but their impressive Luftwaffe (air force) never achieves complete control of the skies. The tactical advantage of their airforce and fleet of submarines is reduced significantly, when the Allies perfect radar and sonar technologies. The Germans too continue to do advanced weapons research, but their ambitious projects (jet engines, rockets) are too complex to yield practical results in time. On the other side of the Atlantic, another ambitious project only barely meets the deadline of the end of the war (the atom bomb).

2) The war expands

In the summer of 1940, the Italians attack the British troops in northern Africa, Egypt and Libya, but are defeated the next year. When the German Afrika Korps under Field Marshal Rommel takes over from the Italians, the English have to withdraw. Not until 1942 can they stop Rommel's advance (at El Alamein).

In the autumn of 1940, the Germans move the war to the Balkan, Greece, Crete and other islands in the eastern Mediterranean.

1941. In the summer, having secured a non-aggression pact with Turkey, Hitler moves in a surprise attack against the Soviet Union. By October, German troops and their allies are near Moscow, but are forced to withdraw with the onset of winter. In the south they reach the Crimea.

The English Prime Minister Winston Churchill comes to an agreement with Stalin and secures support from Roosevelt for the Allies. These three war leaders will regularly confer with one another and co-ordinate their strategies against Germany. Great Britain and the Soviet Union occupy Iran (Persia) to secure their oil supplies and install Reza Pahlawi as Shah.

In 1942, the Japanese attack the Dutch colonies in the Far East (Indonesia), the Philippines (until then an American protectorate), and Burma. These events bring the theatre of war close to Australia.

In the occupied territories, the Japanese practise the same methods (terror, concentration camps, forced labour) as the Germans. To keep their war industries going while their own

Figure 3: Stalin, Roosevelt and Churchill in 1943
men are at the front, the Germans and the Japanese forcibly import millions of labourers from abroad.

3) Turning point

1943. The Americans now begin their long campaign to clear the Pacific islands, bringing their carriers close enough to launch air attacks on Tokyo.

In Europe, the year brings the turning point in the war as the German offensive in Russia falters, then ends in disaster when the army of General Paulus is encircled at Stalingrad: after another terrible winter, the survivors surrender in January 1943. The eastern front is about to collapse.

Another defeat, with equally great losses in human lives and weapons, waits in the deserts of northern Africa. The American general Eisenhower lands in the west and, with the support of defecting military of the Vichy government, links up with Field Marshall Montgomery's troops (attacking from the east).

Control of the African coast gives the Allies a basis for a landing in Sicily. From there, they bomb Naples and Rome. Italian anti-fascists take Mussolini prisoner, but after a few months he is liberated during a daring German raid. Withdrawing to northern Italy, Mussolini heads the fascist Republic of Salo, where he tries to implement his original fascist programs in a pure form. Germany is now forced to occupy Italy to stop the allied armies.

Meanwhile, Allied airpower brings the war home to Germany. Military and civilian targets are destroyed, with great losses in human lives. In response, the German Nazi's accelerate their campaigns against Jews and other undesirables, deporting them to labour or extermination camps. Faced with increased activities from the resistance fighters, they resort to ever more brutal repression (e.g. in Lidice, Oradour, and elsewhere).

4) Collapse

1944. Early in the year the Allies land at Anzio (Italy). Their costly victory at Monte Cassino forces the German troops to retreat to northern Italy, where they hold their ground until the end of the war.

At the same time, the eastern front collapses, and the Red Army launches an offensive that quickly captures the Baltic coast, Finland, Romania, Bulgaria, and Hungary, and threatens Germany itself.

In the utmost secrecy, the Americans and the British build up a massive invasion force that lands on the Normandy coast on June 6, 1944. After several weeks of intense fighting to protect the arrival of new supplies, the Allies succeed in piercing through the German lines. A secondary invasion succeeds near Marseilles. The Germans, attacked from the west as well as from the south, retreat. However, they slow the advance of the Allies considerably. On August 25, Paris is liberated and handed over to French General De Gaulle, whose Free French Forces (under General Leclerc) lead the entry into the capital.

The year ends with the Battle of the Bulge (in the Ardennes), a last daring attempt of the German forces to get the upper hand on the western front. The new long range V-weapons (unmanned planes and rockets) prove not effective. In desperation, Hitler orders older men and sixteen-year-old boys to do front duty.

1945. In February, at Yalta, Roosevelt, Churchill and Stalin meet to discuss plans for dealing with Germany after the war, and for organising a new and improved version of the League of Nations. Two months later, Roosevelt dies, while Stalin's Red Armies advance toward Vienna and Berlin, driving millions of refugees before them. Heavy fighting in the streets of Berlin ends when Hitler's suicide is reported and Admiral Dönitz offers to negotiate the circumstances of a general capitulation. On May 8, the war in Europe is over.
In August, Roosevelt's successor, vice-president Truman, authorises the use of the atom bomb against Japan (Hiroshima, Nagasaki). Japan capitulates to the USA on September 2, and to Chiang Kai-Shek on September 9.

5) Aftermath: The Cold War

Even before the war in Asia comes to a close, Truman, Churchill and Stalin, decide the future organisation of Germany, at the conference in Potsdam. Later in the year, the Nuremberg trials start to investigate the war crimes of the Nazi leaders and generals. In the peace treaties with the former allies of the Germans, the maps of Europe and the colonies are again redrawn. Italy becomes a republic. Austria remains a problem because it is situated in-between the western and the eastern powers. Belgium, The Netherlands and Luxembourg form the Benelux, an organisation for economic co-operation.

The main new institutions to arise out of the alliance that won the war are the Organisation of the United Nations, the International Court of Justice, the International Monetary Fund and the World Bank. They are intended to be of global significance in peacekeeping and assisting governments with money and expertise. However, the Allies rapidly split along ideological lines: a communist Soviet Union, occupying eastern Europe and parts of central Europe; and the liberal-democratic western allies (USA, UK, and France). Already in 1944 at Bretton Woods (New Hampshire, USA) an intergovernmental conference had agreed on a new monetary system, only symbolically tied to gold. It had made the American dollar the basic money of the non-communist world. This system allows the US to inflate almost at will, thereby imposing an inflation tax on the rest of the world (as a means of recouping their generous grants of aid and credits).

Germany divided. Germany is divided in four occupation zones (for the Soviet Union, the United States, Great Britain, and France), subdivided in Länder administered by Germans. Berlin, which is in the Soviet zone, is divided in East and West Berlin. In 1947, the Americans come with a special plan for aid to Europe in the period of reconstruction after the war (the Marshall Plan, which ensures that European markets will be open to American exports). The Soviet Union declines aid from the USA, and begins to organise the eastern European countries in a communist bloc. When the Russians refuse to supply West Berlin (Blockade of Berlin), the western allies fly in provision from the West. This episode marks the beginning of the Cold War (1946-1990)

Because the Allies are unable to reach agreement on Germany, the Soviet zone becomes the German Democratic Republic (1949, virtually a one-party state under the Socialist Party of Unity), while the western zones are organised as the German Federal Republic (1947, the Christian democrat Konrad Adenauer is the first chancellor). The German Federal Republic is quickly integrated, politically and economically, but not yet militarily, in the western alliance.

In 1949, the former Allies drift further apart. In the West NATO (North Atlantic Treaty Organisation, the basic military organisation of the western allies) is created. The German Federal Republic does not join until 1956.

Emergence of the Communist Bloc in Europe and central and eastern Asia.

1947. While in the western European countries, socialist and communist parties remain strong (with support from many leading intellectuals), the Soviet Union makes the countries it occupies communist one-party states (non-communist leading politicians are arrested on charges of conspiracy, or forced to go into exile). National-communists are soon replaced by loyal followers of Stalin, or else expelled from the international communist organisations (Marshall Tito in Yugoslavia, who begins to experiment with a different form of socialist
organisation: firms and factories managed by the workers, rather than by the central authorities as in the Soviet system).

After Stalin's death in 1953, resistance to the Soviet domination appears in revolts in East Germany (1953), Poland and Hungary (1956) that are suppressed by Russian troops.

In 1949, in China, Chiang Kai-Shek, the American ally during the war, is defeated by the communist rebel army of Mao Ze Dong and flees to Taiwan, an island off the coast of mainland China. On the mainland, Mao organises the People's Republic of China, with the Red Army and the communist party as its basic institutions. After a decade the alliance with the Soviet Union breaks down, and Mao embarks on his own disastrous revolutionary experiments (The Great Leap Forward, 1958-1960, The Cultural Revolution, 1966-1976), which exhaust the country and necessitate a drastic change in economic policy after his death in 1977.

**Korea.** 1945. In the Far East, Korea is divided in two occupation zones, among the Russians (North) and the Americans (South).

1950. Korean War. The North Koreans attack the South, the UN send troops (mainly American, under General MacArthur), but these are opposed by Chinese armies. The Soviets' "Iron Curtain" and the Chinese "Bamboo Curtain", that mark the borders between "The Free [Western] World" and "The Communist Bloc", now span the whole of the Eurasian continent. The American president, Eisenhower (1952-1960), formulates the Eisenhower doctrine of military aid to countries threatened by the Soviet Union.

**DE-COLONISATION AND INDEPENDENCE MOVEMENTS**

1) The end of colonial rule

Immediately after the Second World War, the inflow of Jewish immigrants in the Middle East causes the Arab countries to form the Arab League. Jews fight the British and in 1948 an independent Israel is created in Palestine. It promptly begins to expel non-Jewish, mainly Islamic Palestinians. Pakistan (1947) and India (1950) become independent, partly as a result of rebellions, partly as a result of a decision by the Labour (socialist) government in London.

In South East Asia, the French try to recapture the colonies (Vietnam, Cambodia, Laos) lost to the Japanese during the war, but they get involved in a long war against nationalist and communists guerrilla's. Final defeat for the French comes in 1954, at Dien Bien Phu (in Vietnam).

2) Neo-colonialism

The western European powers, occupied with European matters (European Economic Community), rapidly move towards de-colonisation. They try to keep their influence in the former colonies with transfers of money (often conditional upon trade agreements) and assistance in massive modernisation programs. The USA try to replace the former colonial powers as the main western influence in Africa and South East Asia. These policies are often denounced as "neo-colonialism".

1955. Trying to exploit the tension between the superpowers (the USA and the Soviet Union), many of the new countries confer in Bandung and try to form a Third World alliance. Many of the Third World leaders are socialist intellectuals who like to experiment with grandiose planning, schemes for rapid industrialisation and modernisation, but find that it is easier to get money from the West than from the Communist Bloc.

By 1960, de-colonisation is virtually complete, but many of the new countries are soon involved in internal power struggles, with different parties seeking support either from the Americans or Europeans, or from the Russians or Chinese. The intermittent wars, often of a tribal or religious nature, cause massive movements of refugees (especially of skilled and
highly trained people, who end up working either in the West or in the growing international bureaucracies), that frustrate local development.

**COLD WAR AND OVERHEATED ECONOMIES**

1) The 1960s

In 1960, Nikita Khrushchev, Stalin's successor, turns up the heat of the Cold War. He allows the East Germans to build up the Berlin Wall (making it virtually impossible for East Berliners to visit the prosperous West Berlin). Then he sends missiles to Cuba (where Fidel Castro had come to power after a guerrilla war against President Batista, a staunch American ally). The events strengthen the prestige of John F. Kennedy, the new president of the USA (1960-1963).

American foreign policy (partly motivated by the desire for opening new markets to the again booming American economy, partly by the desire to contain communism) leads to entanglement of the USA in numerous conflicts in different parts of the world (South and Middle America, Africa, especially Zaire). In South East Asia their intervention leads to the disastrous Vietnam War, which ends in defeat, when the communist rebels take the South Vietnamese capital (Saigon, 1975).

In the US the Vietnam war generates often violent student protest. Faced with growing opposition to the war, President Lyndon B. Johnson (1963-1968), the main architect of the American welfare state (The Great Society), does not seek re-election. His successor Richard Nixon (1968-1974) and National Security Advisor Henry Kissinger, reach a peace agreement with the North Vietnamese, but Nixon is forced to resign over the Watergate Scandal (for tapping the phones of his political adversaries in the re-election campaign of 1971).

In Europe, public opinion turns against the Americans. In April 1968, radical leftist students at the Freie Universität (founded by the Americans in 1948 in Berlin) develop a rhetoric of absolute rejection of "American capitalism and imperialism", from which some of them will eventually draw arguments for a war of terror on the establishment (Rote Armee Fraktion). In May, students in Paris stage a much mediatised series of demonstrations which become known as the revolution of May '68. When striking workers join them in the streets of Paris, President De Gaulle (1958-1969) makes a show of force by sending tanks on the way to the capital, leaving it to his successor George Pompidou to do something about "reform".

In the US and Europe, growing prosperity, the result of the resumption of nearly free trade, and a pro-growth policy that favours investment, and the fact that the post-war baby boom generation reaches adulthood, lead to significant cultural changes. Consumerism and trendy philosophies (neo-marxism, flirtations with radical politics, the "flower power"-movement, anti-authoritarianism, the sexual and other life-style revolutions, environmentalism) thrive. So do ever more ambitious and expensive social programs and increased demands for leisure and guaranteed income regardless of work or circumstances (welfarism). Especially in England, Italy and Belgium, attempts to accommodate these demands weaken the national economies (although in the latter two countries strong "shadow economies" come into existence). Meanwhile, the losers of the Second World War, Germany and Japan have emerged as regional super-powers. That is a consequence of their strategic locations in the Cold War, severe restrictions on their military spending, and their constitutional commitment to a relatively unhampered market economy (with economic legislation following rather than attempting to steer business practices) and relatively low taxes.
2) The 1970s

The Soviet Union retains super-power status, but it becomes increasingly manifest that its economic system is mired in massive inefficiency and corruption. The extravagant promises of Khrushchev in 1961, that the Soviet Union will surpass the West within 20 years and that Soviet Man will by then have reached a new stage in the evolution of the human species, are forgotten. In 1964 the flamboyant Khrushchev is ousted by the uninspiring apparatchik Leonid Breznjev (1964-1982). Breznjev's policy is based on the concept of the Soviet Union as super-power, exerting full hegemony within its own sphere of influence. Thus, when in the spring of 1968 Czechoslovakian party leaders led by Alexander Dubček set out to produce a "socialism with a human face" without proper consultation of Moscow, Russia and other Eastern Bloc nations send tanks to suppress the uprising and to replace the party leadership with loyal supporters. It was to be last successful military show of Soviet force.

1973. Reinforcing the Council on Foreign Relations, the Trilateral Commission (organised by David Rockefeller and Henry Kissinger) tries to form an international policy elite of bankers, corporate leaders, politicians and opinion makers from the USA, Western Europe and Japan. With the exception of Reagan (1980-1988), all the recent American presidents are members (Carter, Bush, Clinton).

In the West, the extravagant spending of the previous decade has flooded the world with dollars. In 1971, President Nixon, facing an unavoidable devaluation of the dollar, is forced to suspend the convertibility of the dollar into gold, thus ending the Bretton Woods system. There are sharp increase of the oil price, engineered by the cartel of oil and petroleum exporting countries (OPEC, 1973), and Japanese and Arabian corporations start using their dollars to buy up large American holdings. These developments signal the end of an era of American economic supremacy, just as the defeat in Vietnam marks the end of the myth of its military invincibility. The decade continues under the spectre of worldwide inflation, high taxation, sharply increasing unemployment, and increasing worries about the viability of the welfare state.

In the USA, the Trilateralist President Jimmy Carter (1976-1980) claims to make "human rights" the basis of American foreign policy, but suffers badly when he fails to liberate the American hostages held by the fundamentalist regime in Iran (which had ousted the pro-American shah Reza). Moreover, growing dissatisfaction over high tax burdens and government regulation lead to strong popular support for Ronald Reagan ("Government is not the solution, it is the problem"), who also promises to break the hold of the Trilateral Commission on American foreign policy.

Political homogeneity in Europe. In Europe, the liberal-democratic state (governed by centrist or centre-left parties and coalitions) becomes the universal norm, even if in Turkey and Greece military regimes interfere when democratic politics gets out of hand. Communist parties are no longer politically significant (except in France and Italy). In many countries, the socialists abandon their favourite policies (since the 1930's: nationalisation, state-controlled monopolies, protective subsidies), either because of their dependence on coalitions with the Christian-democrats, or because of the requirements imposed by the European Economic Community and the Treaties of Rome.

Two remnants of the Interbellum and the Second World War disappear from the European scene. In Portugal, Salazar dies in 1968, his successor Caetano (1968-1974) is overthrown by the disaffected military when the Portuguese colonies in Angola and Mozambique are lost. A centrist or pragmatic socialist, Mario Soares, soon emerges as the
leading politician. He ends his career as president (1996). In Spain, Franco dies in 1975, having arranged a peaceful transition. Soon the socialists of Felipe Gonsalvez outflank the already moderate “euro-communists”. Portugal and Spain enter the European Community.

3) The 1980s and 1990s

In the early eighties, President Ronald Reagan (USA, 1980-1988) and Prime Minister Margaret Thatcher (United Kingdom, 1979-1990) become symbols of a conservative reaction against excessive regulation, taxation and government spending, and of a general "trust in the market". Their economic policies are adopted and adapted by most western governments, including those led by socialists (who increasingly draw their support from middle class intellectuals, bureaucrats and white-collar workers). In France, the socialist President Mitterand (1981-1995) abandons the traditional socialist policies after one year. In England, even the very traditionalist labour party, after many years in opposition, eventually drops the once sacred nationalisation clause, when Tony Blair becomes party leader (1994).

"Privatisation" and "competitiveness" are key economic strategies: governments try to raise cash by selling off nationalised industries and encourage and assist businesses to cut costs by rationalisations, re-organisations, and technological innovations. The aim is to increase tax-revenues without "killing the goose that lays the golden eggs" (most governments continually run huge deficits and are burdened by debt). In combination with often perverse marginal tax rates the rising demand for "efficiency" creates "welfare traps", or the "dual society". In Europe, high unemployment becomes endemic; despite concern about the long-term viability of state-funded pensions-systems, the actual age of retirement falls. The ratio of net-tax payers to net tax-consumers continues to fall.

4) Collapse of the Communist Bloc

With the exception of the continuing war between Catholic and Protestant extremists in Northern Ireland, the terrorist tactics of Basque nationalists in Spain, Europe is at peace. Hooligans and Mafiosi commit occasional violence and there are rumours of right-wing conspiracies behind some acts of violence. A lot of terrorist violence is a consequence of conflicts in the Near and Middle East (Palestine, Lebanon, Iran, Iraq). Left-wing terrorism (Rote Armee Fraktion) disappears.

The most dramatic events occur in Eastern Europe. In 1980, Polish workers, led by Lech Walesa, demand the right to form an independent labour union and there are manifestations and riots. The Russians intervene, but cannot suppress the clandestine opposition. In 1988, the workers again rise, and this time they get their union, and much else besides. In 1985, the reform-minded Gorbachev becomes party leader and (in 1988) President of the Soviet Union. He immediately withdraws the Russian troops from Afghanistan where they were suffering heavy losses in a protracted war against Islamic guerrilla fighters. Trying to improve the efficiency of the Soviet economy, he unintentionally undermines part of the established Soviet power structure, thus letting loose forces beyond his control. At the same time, huge numbers of people in the Eastern Bloc countries (Czechoslovakia, East Germany) try to escape from the collapsing communist economy to the West. When the borders are opened, people flee by the thousands, hasty reforms announced by the authorities only lead to demands for fundamental political and economic reform. In complete disarray the communist leaders abdicate or are driven from power, and provisional governments set out to link the countries to the West, or at least to reform the economy. None of them succeeds in doing what the communists in Asia do: reform their economies without relinquishing political power. Numerous republics within the Soviet Union itself demand independence (most notably the Baltic states, the Ukraine, Georgia, but also the Islamic states). Challenged by the mayor of Moscow, Boris Yeltsin, Gorbachev is ousted, and the Soviet Union suddenly
ceases to exist. It is replaced by a Community of Independent States. In several of them, including Russia, irredentist and independence movements spring up, trying to redraw the map of the former Soviet Empire. In the Balkan, the Yugoslavian Union is dissolved, but there too conflict and bitter fighting erupt (especially during the war in Bosnia-Herzegovina, until the peace agreements of 1996).

**EUROPEAN INTEGRATION (1950-1993)**

1) **Coal and Steel**

1945. With the Americans assuming the leadership of the Western world, European politicians can turn their attention to reconstruction of the devastated economies.

1950. Robert Schuman, a French politician, proposes the creation of a common supranational, apparently non-political authority to regulate the coal and steel industry in West Germany and France. With Jean Monnet, he argues that France and Germany might put aside their long-running antagonism if given economic incentives for co-operation. The proposal is welcomed by the West German government and by the governments of Belgium, Italy, Luxembourg, and the Netherlands.

1951. Along with France and Germany, these four countries sign the Treaty of Paris, and the European Coal and Steel Community (ECSC) is established in August 1952. The British government decides not to join, because it is not prepared to surrender national sovereignty to "an irresponsible body appointed by no one and responsible to no one" (as the British prime minister Attlee explains). The British traditionally attach overriding importance to the strict constitutional conception of political power vested in the "King in parliament" and in local government. It is no secret, that the ECSC is meant to be only a beginning of a further supranational integration of Western Europe.

2) **The Treaty of Rome and the European Economic Community**

1957. In March, efforts to strengthen economic integration of the six ECSC-countries result in the Treaties of Rome, which create the European Economic Community (EEC) and the European Atomic Energy Community (Euratom). The latter is of little importance. The national governments refuse to surrender control of their nuclear power programmes.

In political terms, the treaty of Rome is a retreat from the supranationalism embodied in the ECSC. It gives a greater role to national governments than the earlier ECSC treaty, though it does provide for the EEC to become supranational as economic integration progresses. The EEC-Commission, comprising appointed commissioners from the member states, becomes the administrative and political heart of the community; this supranational bureaucratic body initiates and prepares proposals which are then submitted to the Council of Ministers, the ultimate decision making body, in which each member state has a veto.

The treaty is particularly important in the field of trade policy: the EEC treaty mandates the gradual elimination of trade barriers among member nations, the development of a common tariff for imports from the rest of the world, and the creation of a common agricultural policy (CAP). The trade agreement is largely based on the principles of free trade, but the CAP is protectionist and redistributionist, like the earlier agreement on steel and coal.

1960. Great Britain, Austria, Norway, Denmark, Sweden, Switzerland, and Portugal form the European Free Trade Association (EFTA). Finland and Iceland also become members. Thus, by 1960, the whole of western Europe (with the exception of Spain and Portugal) is officially committed to free trade. Unlike the EEC, EFTA has no supranational ambitions. Efforts to incorporate the EEC within the EFTA-agreement fail.

1961. In view of the EEC’s apparent economic success, Great Britain begins negotiations towards membership. However, in January 1963, and again in 1967, the French president
Charles de Gaulle vetoes British membership, particularly because of the island's close ties with the United States.

1967. The EEC, the ECSC, and Euratom merge in July under one set of institutions, the European Community, but again De Gaulle opposes any proposal for an enlargement of the EC or an extension of its powers. After his resignation in May 1969, his successor, George Pompidou, opts for a more pro-"European" course.

1969. At Pompidou's suggestion, a summit meeting of the leaders of the member states is held in The Hague in December. This summit consolidates the EC with plans to create a permanent financing arrangement. Revenues are to be gained from levies on imports and from a small percentage of the value-added tax collected by member states. The summit also sets up a framework for foreign-policy co-operation among the member nations. Clearly, political and fiscal objectives are rising to the top of the agenda. At the same time, the go-ahead is given for the opening of membership negotiations with Great Britain, Ireland, Denmark, and Norway.

1972. In January, treaties of accession are signed to admit these four applicant countries on January 1, 1973, but Norway votes against membership in a referendum. Great Britain is a "difficult partner" from the very start, but in June 1975 a British referendum turns out in favour of membership. However, problems remain concerning the distribution of the fiscal burden of the EC.

1984. It is agreed that Great Britain should receive a partial rebate of its annual net contributions to the EC. The important issue underlying these negotiations is, whether the EC is essentially a state-like redistributionist institution, taking money here, and spending it there, according to who has more or less power and influence on decision making; or a co-operative undertaking to generate mutual gains of trade. As the EC acquires new powers and new opportunities for spending money, 'Brussels' is rapidly becoming a symbol of political and bureaucratic lobbying. One instance is the expansion of EC aid to former colonial possessions of the member states and to other less developed countries.


1986. Spain and Portugal are admitted.

3) The European Monetary System

One major problem of the European states system is the existence of national banks. These banks are generally under strong political pressure to accommodate the policies of the national governments, i.e. to manipulate the money supply according to the political demands of the moment. The general trend is one of increasing inflation, though at widely different rates. Consequently, the market exchange rates fluctuate considerably.

1979. In March the European Monetary System (EMS) is instituted to provide some stability in the relationships among member currencies. It is meant to be a first step towards the rapid achievement of an economic and monetary union. This projection proves overly optimistic; currencies of member states continue to fluctuate against each other. The system cannot avert the devaluation of some currencies.

The theory behind the EMS is to stabilise exchange rates and curb inflation by limiting the margin of fluctuation for each member currency to a small deviation from a central rate. A common European Currency Unit (ECU) is introduced by which the central exchange rates can be set. The ECU is comprised of all the EU currencies, weighted according to the economic importance of each country. When any currency reaches the limit of the margin of fluctuation, originally set at 2.25 per cent, the central banks of the respective countries are obliged to intervene by selling off the stronger currency and buying the weaker one. To prevent significant deviation from the target rate over extended periods, the member states are required to adopt appropriate economic policies.
Despite some successes attributed to the EMS (lower inflation rates, and a relative protection against global currency fluctuations during the 1980s), its principal mechanism, the Exchange Rate Mechanism (ERM), collapses in September. Two major members, Italy and Great Britain, are forced out of the ERM.

3) **The Single Market and major reforms**

1985. Jacques Delors, a former French finance minister becomes president of the European Commission. He makes progress towards a single European market the top priority for his presidency. At a summit meeting in Milan, he proposes to remove nearly all the remaining trade barriers between the member states. The European Council of heads of state and leaders of government approves the plan, setting December 31, 1992, as the date for the completion of the single market. The execution of the plan accelerates reforms within the EC, increased co-operation and integration among member states, and paves the way for the formation of the European Union. Delors becomes a hero of "Europe". An important reform involves the once sacrosanct Common Agricultural Policy (CAP). During the 1980s the fiscal burden of the CAP has grown to about two-thirds of annual EC expenditures; it has led to enormous waste, inefficiency, fraud, corruption, and conflict. The CAP encourages the production of large surpluses of some commodities that the EC is committed to buy, thereby generating large subsidies to some countries, firms and individuals at the expense of others.

1988. At an emergency summit meeting steps are taken to limit the controversial CAP-payments. The next year, agricultural subsidies comprise less than 60 per cent of total EC spending for the first time in more than thirty years.

1985. The Single European Act, introduced in December (approved by all 12 members by July 1987), establishes the first major changes to EC structure since the Treaties of Rome of 1957. Hitherto, the Council of Ministers has had to reach unanimous agreement on every decision. It is felt that this requirement makes it impossible to meet the deadline of December 31, '92 for the single market. Now a system of weighted majority voting is introduced.

The Single European Act gives the European Council a formal status. Member states agree to adopt common policies and standards on matters ranging from taxes and employment to health and the environment. In addition, each member state resolves to "harmonise" its economic and monetary policies. The Commission, the central player in the formation of European policy, becomes an even more important power broker. The state-like appearance of the EC is enhanced also in other respects. The European Parliament is given greater voice and influence. A Court of First Instance is established to hear appeals of EC rulings brought by individuals, organisations, or corporations.

While the British government apparently believes that the Single Act is no more than a means for establishing the single or common market, others see it as one more step in the process of political unification. It is argued that the single market "requires" the establishment of a single monetary authority. A three-stage plan for achieving European Monetary Union (EMU) is suggested, the key element being the creation of a single European central bank. Thus in the monetary field the EC is merely transposing national institutions to the European level. At the same time, the commission proposes a social charter, as a benchmark for harmonising social and labour policies. Great Britain opposes both proposals, on the familiar ground that its sovereignty would be threatened by a further
expansion of the powers of the EC. However, its opposition is swamped by the collapse of the communist system, first in Eastern Europe, then in the Soviet Union itself.

4) Changes in Europe and the EC

1989. Faced with the pressing need to reconstruct almost every aspect of social and economic life, many of the former Communist countries look to the EC for political and economic assistance. The EC agrees to military aid and association agreements with several of these countries, but rules out immediate membership (with the exception, granted in April 1990, of East Germany: it is expected that it will be re-united with the German Federal Republic). The French and the Germans take the opportunity to call for an intergovernmental conference (IGC) to pursue closer European unity to deal with the geopolitical situation. “Having burned her fingers once”, when she had agreed to the Single Act, the British Prime Minister, Margaret Thatcher, strenuously opposes calls for increased unity, but she is soon to be ousted from office.

1990. John Major becomes the British Prime Minister. He opts for a policy of loyal opposition from within the EC. The IGC proceeds to prepare the Treaty of Maastricht that will establish the European Union (EU).

1991. The EC and EFTA complete an agreement to establish the European Economic Area, which takes effect on January 1, 1994, and eliminates trade barriers between the EU and EFTA, each of which is the other’s largest trading partner. It completes the original plan for a single market for goods, services, and capital.

5) The European Union

1991. December. the European Council meets at Maastricht, the Netherlands, to consider a draft version of the Treaty of European Union. The European Council formally signs the Treaty on February 7, 1992; it is ratified in October 1993, and goes into effect on November 1. The Treaty is ratified by the 12 members of the European Community (EC): Belgium, Denmark, France, Germany, Great Britain, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. They are the original members of the EU. Even before the EU is established many countries apply for membership in the EC: Turkey in 1987; Austria in 1989; Cyprus and Malta in 1990; Sweden in 1991; and Switzerland, Finland, and Norway in 1992. Switzerland, honouring its tradition of independence and neutrality, later withdraws its membership application. In June 1994 Austrian, voters overwhelmingly affirm a referendum on EU membership. Finland, Austria, and Sweden join the EU in 1995. After a referendum, Norway again elects to remain outside. It is expected that many countries will eventually apply for membership.

The EC becomes the policy-making body of the EU. Under the Treaty on European Union, European citizenship is granted to citizens of each member state. Measures are taken to allow European citizens greater freedom to live, work, or study in any of the member states. Further co-operation in all sorts of domains is established as a firm goal, and 1997 is set as the date for making the EMU operational.

Decision-making in the EU is divided between supranational European institutions (the European Commission and the European Parliament) and the governments of the member states (the Council of Ministers, the European Council). The Court of Justice serves as the final arbiter in legal matters or disputes among EU institutions or between EU institutions and member states.

The European Commission makes policy proposals and presents them to the Council of Ministers. The European Commission also represents the EU in economic relations with other countries or international organisations. The administrative role of the Commission is to manage EC funds and programmes and to deliver aid to other countries.
The Council of Ministers, the main law-making body of the EU, is composed of cabinet ministers from the member governments. The Committee of Permanent Representatives, who are the ambassadors of each member state, assists the Council. Every six months another country assumes the presidency of the Council. One task is to call summit meetings of the heads of states and the leaders of government (the European Council).

The citizens of the member states directly elect the members of the European Parliament. The seats are allotted based on the population of each member state. The main body meets in Strasbourg, though most of its committee-work is done in Brussels and the secretariat is based in Luxembourg.

No longer only a consultative body, the parliament has some, and strives to gain more, powers within the EU that are comparable to those of the national parliaments. The European Parliament has a significant role in the budgetary process of the EU. Individual committees of the European Parliament review legislation proposed by the European Commission. These committees often propose amendments to the legislation before submitting it to the Council of Ministers.

A number of advisory committees assist the decision-making processes of the EU. The Economic and Social Committee and the Committee of the Regions are among the most important of these bodies. Members are appointed to four-year terms by the Council of Members to represent relevant interest groups (e.g. associations of employers, unions; regional and local authorities; specialists in various fields of expertise). These committees, and others like them, have no legislative power, but often the Council of Ministers and the European Commission are obligated to consult them on specific legislative issues.

The final arbiter in all matters of EU law is the Court of Justice, which meets in Luxembourg. The court is composed of 13 judges who are appointed to six-year terms, with at least one judge from each member country. The Court deals with disputes between member governments and EU institutions, among EU institutions. It deals with appeals against EC rulings or decisions. Courts of the member states often refer cases involving an unclear point of EU law to the Court of Justice. The Court makes binding rulings on EU law to help guide the rulings of national courts. The rulings of the Court of Justice set legal precedents and become part of the legal framework of each member state.

6) Outlook

Because of the single market, the EU has become a major economic unit. If the long-term goal of a single federal European political state as envisioned by the original proponents of European economic co-operation is no longer part of the political rhetoric of the EU, the formal structures of the EU are all modelled on the familiar institutions of the nation states. Moreover, the principle of supra-nationalism is now firmly entrenched in the European Union. Over the years, the European institutions have acquired far-reaching formal powers, and significant political importance. The underlying motive seems to be to make "Europe" a global super-power, both in economic and in geo-political terms.

Ironically, while “Europe” likes to present itself as the flag-bearer of ‘democracy’, it also becomes the standard example of a political process characterised by a ‘democratic deficit’—blatant political wheeling and dealing and the absence of public discussion or even awareness of the issues. Democratic process is replaced by undefined ‘democratic values’, which miraculously always turn out to endorse whatever the European policy elite is up to. Apparently, the stronger the belief in democracy, the less need there is to practice it.