

European Political Integration: a historical perspective

Erik Faucompret
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Abstract

In Europe there has always been a common culture. Unfortunately the old continent has always been divided along political lines. Before World War I there was a balance of power which sustained relatively well the revolutionary waves. But in 1914 the whole structure came down like a house of cards. In the interbellum the balance of power was not restored. Moreover no serious attempt was made at substituting a collective security system for the balance of power. After World War II Europe lost its privileged position in world affairs. Like Germany in the 18th century it became the scene for competing outside powers. Six Western European powers tried to unite by creating the European Coal and Steel Community, the European Economic Community and the European Atomic Energy Community. Right from its inception the Western European integration process proceeded with fits and starts. Periods of diffidence alternated with periods of progress. In 1989 communism disappeared in Eastern Europe. All the Eastern and Central European countries applied for membership of the European Union. For the first time in history Europe has the opportunity to unite the continent. Unfortunately nationalism seemed to have become stronger. An important task rests on the shoulders of the European politicians: to convince public opinion that the big problems of the new millennium had better be dealt with by the European Union than by each of the fifteen member states separately, and that a united Europe will increase material wealth.

Erik Faucompret
Department of International Management, International Economics and Development Co-
operation
University of Antwerp
Prinsstraat 13
B 2000 Antwerp
Belgium
erik.faucompret@ufsia.ac.be

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INTRODUCTION

When studying the process of European political unification, one should note that the first continent always has been characterised by political discords. The first political unification movement only came into being after 1945, though Europe never ceased to be integrated on a cultural level. In this paper I will describe some outlines which have determined European political relations. I will start with a short survey of the Middle Ages, after which I will pay attention to the 16th, 17th and 18th century. The 19th century, the interwar period and the post-war period will be more thoroughly discussed¹.

1. THE EUROPEAN CULTURAL IDEAL

The origin of the European cultural ideal is to be found in ancient Rome, where it originated as a synthesis of a Christian and a Greek component: according to the first component, man must deserve his place in heaven on earth, while, according to the second component, man should achieve the very limits of his potential on earth. In the course of European history, people like Augustine have emphasised the first component. Others, like Descartes, have emphasised the second, while still others, like Aquinas, have reached a perfect synthesis.

Two important events would refine the European cultural ideal. In 395, the Roman Empire had been divided into the Latin West and the Orthodox East. The former would go through the Renaissance and the Reformation, while the latter would keep up its respect for authorities, together with the unity of politics and economy and the unity of church and state. In 732, Charles Martel won a victory over the Moors near Poitiers, which prevented the Islam from exerting any further cultural influence on Europe. However, influences from the past can never be completely erased.

For a short period, under the reign of Charlemagne (742-811), Europe has been politically united. The Carolinian Empire came into being as a result of war, but in peacetime it was kept together by a clever policy, which made use of ambassadors, the so-called 'missi dominici', and which created uniform laws, the 'capitularia'. The Empire sought to spread Christianity and to reach a synthesis between secular and clerical authority. The Holy Roman Empire was again the hearth of civilisation. After the death of Charlemagne, the Treaty of Verdun (843)

¹ The following works, among others, have inspired me while writing this paper: CARPENTER, J. and F. LEBRUN (1993), *Geschiedenis van Europa*, Utrecht, Spectrum, 588 p.; DROZ, J. (1972), *Histoire diplomatique de 1648 à 1919*, Paris, Dalloz, 614 p.; DUROSELLE, J.-B. (1978), *Histoire diplomatique de 1919 à nos jours*, Paris, Dalloz, 1935 p.; FAYAT, H. (1979), *Op zoek naar vrede. Internationale problemen van deze tijd*, Gent a.o., Story-Scientia, 403 p.; FONTAINE, A. (1983), *Histoire de la guerre froide 2*, Paris, Fayard, 569 p.; FONTAINE, A. (1976), *Le dernier quart du siècle*, Paris, Fayard, 268 p.; FONTAINE, A. (1981), *Un seul lit pour deux rêves*, Paris, Fayard, 538 p.; FRANKEL, J. (1981), *International relations in a changing world*, London a.o., Oxford University, 218 p.; HEIRMAN, M. (1992), *Het Europees model*, Antwerpen, IPIS, 256 p.; KISSINGER, H. (1995), *Diplomacy*, London a.o., Simon & Schuster, 912 p.; LAFEBER, W. (1972), *America, Russia and the cold war*, New York a.o., Wiley, 328 p.; Luykx, T. (1971), *Geschiedenis van de internationale betrekkingen*, Brussel, Elsevier, 608 p.; MERLE, M. (1974), *Sociologie des relations internationales*, Paris, Dalloz, 436 p.; REYNOLDS, P.A. (1973), *An introduction to international relations*, London, Longman, 275 p.; VAN DE MEERSCHE, P. (1987), *Internationale politiek: 1818-1945*, Book 1: 1815-1918; Book 2: 1919-1945, Leuven, Acco, 512 p.; VAN DE MEERSCHE, P. (1990), *Van Jalta tot Malta. Politieke geschiedenis van Europa*, Antwerpen, Standaard, 335 p.; WENDZEL, R.L. (1980), *International relations: a policymaker focus*, New York a.o., Wiley, 266 p.

divided the Empire among his three grandsons. One could say that political discord in Western Europe has increased ever since. Germanic Germany and Latin France would contend again and again for Alsace -Lorraine, the territory awarded to the third grandson, a controversy which would only come to an end in 1945. The Carolinian Ideal would never again be fully realised: neither by Emperor Charles in the 16th century, nor by Napoleon in the 19th century, nor by Hitler in the 20th century.

The Middle Ages were dominated by the Christian component of European culture. The Church controlled public life with its Gregorian rite and its indulgences, its truces of God, church weddings and monasteries. The common people built cathedrals, knights protected widows and orphans, while monarchs like Louis The Holy acted as mediators in conflicts. Because of the high rate of mobility between European regions, it was possible to develop joint projects like the crusades. Both the Pope and the Emperor wanted to unify Europe politically at the time, but they had a different point of view upon the division of power. The conflict between church and state escalated when the Pope and the Emperor couldn't agree on which of the two had a right to appoint bishops. While the Pope and the Emperor waged a war of attrition, national states could arise.

2. THE 16th – 18th CENTURY

The Renaissance was dominated by the Greek component of the cultural ideal, which caused a shift in the existing synthesis of the two components. Confirmed non-believers could hardly be found, but a lot of people were indifferent to religion. The Reformation broke up the scholastic unity of the Middle Ages, but the cultural unity of Europe was still intact. European life style became uniform. The ideas of the Reformation and the Encyclopaedia dispersed over all regions. Europe dominated the world of culture and science, but new theories often experienced a lot of opposition (cf. Galilei). Explorers expanded Western horizons. Powerful nations came into being, which aimed for industrial development. In the 16th century, foundations were laid for the economic and industrial conflicts of later centuries.

There were of course religious wars, which were more about political conflicts than about cultural ones. In France, Protestants and Catholics were at each other's throats, a conflict which was settled in 1598 with the edict of Nantes. In the German regions the Protestant Union (led by Palts) fought the Catholic League (led by Bavaria) The conflict between Habsburg and Bourbon sprung from that war. France wanted to break through the Habsburg encirclement. They also fought for territory: Burgundy, Northern-Italy and Picardia. At the time, the ideal of the *Imperium Mundi*, the universal Christian monarchy in the spirit of Erasmus, was very popular. Charles V won the wars, but his Empire was split up in 1555: Ferdinand I was granted Austria, while Philippe II received Spain. The medieval ideal of a spiritual and political unity seemed more unreachable than ever. When the Thirty Years' War had come to an end in 1648, every German monarch could impose the religion he wanted. Under Philippe II, Spain gained extra prestige as a result of her colonial adventures, her powerful army, her fleet and her personal union with Portugal. But after the Peace of Westphalia, the country began to decline and her leading position was taken over by France (1660-1740). Under Louis XIV and Colbert domestic policy flourished, but foreign policy was far less successful (the wars against the Augsburg League). Austria concentrated on Central Europe and recovered some territories from the Turks. The 350 German monarchs set out their own political lines.

In the 18th century, new Great Powers showed up on the European political scene. First of all Great Britain, which managed to restore her internal stability (the Acts of Union, Toleration, Settlement and Navigation) and slowly forced France to give up her overseas territories in India and North America. Prussia came into being, a strong German nation which developed a powerful army under Frederick William I and Frederick II and modernised the existing social order. In one generation, Prussia grew into the Protestant opponent of Catholic Habsburg. The conflict between both Powers would only be solved in 1866. Russia was the third new Great Power. Peter the Great and Catherine the Great modernised the government and started territorial expansions. Peter conquered the Baltic States, which formerly belonged to a weak Sweden, while Catherine expanded the Empire by conquering a part of Poland, Odessa and the Crimea.

In the century of the Enlightenment three dynastic wars were waged. In the War of the Spanish Succession, the Habsburgs confronted the Bourbons again. England conquered Gibraltar and Austria gained the South of the Low Countries. In the War of the Austrian Succession the same nations waged war, this time with the support of Prussia and the United Kingdom respectively, but neither of the parties won an ultimate victory. In the Seven Years' War the alliances were different: Prussia and England fought France and Austria. Prussia was granted Silesia, while England definitively gained ascendancy over the transmarine territories. In the American War of Independence, France took revenge by supporting the rebels. Poland, which bordered on the Prussian, Russian and Austrian sphere of influence, was divided between these three Great Powers in three stages (1772; 1793; 1795).

The French Revolution is at the same time the pinnacle of French dominance in Europe and the beginning of its decline. Between 1789 and 1815, Europe was living on the rhythm of the French heartbeat. The continent was first conquered with French weapons, later with French ideas. France had the highest population density and was situated in the centre of Europe. Possessions were confiscated. The Church lost its privileges. France had to export her Revolution to other countries if she did not want to stay a *Fremdkörper* in Europe, but while doing so the country came into conflict with all other Great Powers. Especially with Great Britain, which feared to lose her continental outlets. Great Britain formed coalition after coalition to beat France. Napoleon first tried to correct his former mistakes by establishing the concordat with the Church, the agreement of Amiens with England and the code civil. But a new conflict arose when Napoleon did not respect the institutions he had established himself. The conquered nations didn't accept the taxes and the military service he imposed on them. The Catholics sided with the pope and the bourgeoisie rejected the continental order. With a series of brilliant battles (Austerlitz, Jena and Wagram) Napoleon managed to build up an Empire that reached from Spain till the Netherlands: the *Imperium Mundi*. But his invasion in Russia wasn't successful. Napoleon's fate was sealed one year later, when a coalition of England, Prussia, Austria and Russia won a victory in Leipzig. The battle of Waterloo was only the official end of French hegemony in Europe.

3. THE 19th CENTURY

On a diplomatic level, the 19th century was characterised by nationalism and imperialism. Belgium, Greece, Serbia, Montenegro, Romania, Bulgaria and Albania became independent. After World War I, nationalism would spread to Austria-Hungary and after World War II to

Africa and Asia. People found a common identity based on language, race, culture, religion, economy and social homogeneity. Intellectual movements (the Burschenschaften in the German nations, the Carbonari in the Italian city-states) and political leaders (Cavour in Piedmont or Bismarck in Germany) accelerated this process. Some nationalist movements were expansionist and racist, like H. Chamberlain's Pan Germanic League, Corradini's Great Italian Movement or Danilevsky's Great Slavonic Movement.

Economic imperialism had an industrial basis. Each nation tried to protect its own economy by setting up high tariff walls. Many national products weren't competitive. There was no outlet for them in other European countries. Therefore, nations needed overseas territories to gain cheap raw materials and to provide outlets for their finished products. Effective systems of communication became essential: railways were constructed and canals were dug. Consulates were established to secure the achieved positions of power. Industrialists, bankers and politicians formed coalitions which controlled the overseas territories financially (Egypt, the Ottoman Empire, Morocco, Latin America). The unification of financial markets created mutual interests between the European Great Powers and made it possible to buy off social peace, but at the same time it financed the arms race. On the one hand, there were economic conflicts: customs' wars, embargoes and boycotts. On the other hand, there was also co-operation (customs unions, open door policies, delineation of spheres of influence and international economic ententes), but this co-operation didn't go far enough to avoid a world war.

In the 19th century a dramatic demographic expansion occurred: at the end of the century four hundred million people were living in Europe, which was about one fourth of the world population. The so-called Second Industrial Revolution greatly stimulated European economic life. Agriculture was mechanised. Recession made people loose their confidence in the power of technological progress. There were several important waves of immigration to the new world. A lot of people left the countryside and moved to the cities. National governments tended towards more democratization, but each at their own pace. France introduced democracy at the highest pace, but democracy wasn't definitely installed till after the downfall of Louis-Napoléon. Ideological differences partly paralysed political life in France. England went through a gradual evolution towards more democracy, without blood being shed. At the end of the 19th century, social issues and the Irish Question left a negative mark on English policy. In Prussia, democratisation was one of the means by which Bismarck wanted to unify Germany. Real power rested with the federal states, the Chancellor and the Emperor. An interior political balance between the aristocracy, the Junkers, and the new industrial class was only achieved with much difficulty. In multicultural Austria there was hardly any democratisation process. Only Emperor Francis-Joseph could provide cohesion. Russia was the exception which proves the rule: illiteracy remained high (85%). The mushiks were exploited. There was no independent press or public opinion. Pogroms against the Jews served as an outlet for frustrations. In Poland each rebellion was punished mercilessly. Real power rested with the Tsar, the army and the cheka. There was an ideological fight between the pro-western Decabrists and the more Slavophile line of thought.

4. THE EUROPEAN CONCERT

In 1815, the Great Powers had to decide what to do with the post-Napoleonic order of Europe. At that time, the superpowers had an opportunity to redraw the political landscape, but they

didn't adjust their ambitions to the altered world view. Prussia, Austria, England, Russia and France (where a Bourbon was put to the throne once again) opted for restoration and acted as if the French revolution had never taken place. The European balance of power was restored. 'Balance of power' means that each country aims at an enlargement of its sphere of influence, without risking a war for it. All players are essential in the system and if one of them becomes too powerful, the others enter into an alliance. There is no European unification. The system only works under certain conditions. Information freely flows among the players, which have a common ideology. In case one of them disturbs the balance, a balancer comes into action. The different actors are more or less equally strong and are indifferent towards one other. None of the five Great Powers had an interest in an alliance with a specific country: France and England were historical enemies. France and Prussia were geopolitical rivals. France and Austria distrusted one other. Russia and France had totally different political regimes. Prussia and Austria both aimed at an enlargement of their authority in the German nations. Austria and Russia had opposite interests in the Balkans. England disliked the Austrian intervention policy and feared the Russian actions in the Balkans. Prussia wanted to unify Germany and tried to play off England and Russia against one another. Till 1853 the 'balance of power' system worked well, using alliances, arming, overseas expansion, neutralisation or division of contested territories and the adoption of international rules.

At the Congress of Vienna, Lord Castlereagh feared that Tsar Alexander I might become a new Napoleon. Russia tried to expand its territories to the west (to the detriment of Poland) and to the south (to the detriment of Austria). Castlereagh tried to reach an arrangement with Metternich and the cunning Talleyrand, but the return of Napoleon put a spoke in his wheel². To Castlereagh, it was essential that England could keep all her conquered overseas territories (Gibraltar, Malta, the Ionic Islands, Helgoland, Ceylon, the Cape of Good Hope, Mauritius). On the continent he wanted to establish some nations which were about equally strong: Prussia, Saxony, Bavaria, France (in alliance with Spain and the kingdom of Naples and Sicily) and the Reunified Netherlands. There was no place for Russia in his plan: Alexander I was to confine himself to the East of Europe. But the Tsar wouldn't agree with this plan: as it was mainly his army which beat Napoleon, he demanded to be rewarded with new territories.

The final act of the Congress of Vienna reflects these conflicting points of view: England was allowed to keep her territorial gains. Russia received Bessarabia, Poland and Finland. Prussia expanded her territory with the Rhineland, Northern Saxony, Posen and Pomerania. Austria acquired Salzburg, Tyrol, Lombardia, Illyria and Venice. France lost part of her border regions to Piedmont-Sardinia, Prussia and the Netherlands, which were only small sacrifices for a defeated country. To suppress the revolutionary movements in the German nations, the German Confederation was created. The Confederation was chaired by Austria and existed of 34 states and 4 free states. Heine would write the following line about this Confederation: "Bund, du Hund, du bist nicht gesund". The Netherlands were reunified and Scandinavia was reorganised. Most remarkable was the creation of the Quadruple Alliance by the representatives of Prussia, Austria, Russia and Great Britain. These Powers agreed to meet regularly to preserve the existing balance of power. In other words, the restoration didn't end in 1815.

5. REVOLUTIONS

² VAN DE MEERSCHE, P., 1987, Book 1, p.22; LUYKX, T., 1971, p.29

The system wasn't perfect. In 1830 there was a first limited wave of revolutions. In France, the last of the Bourbons, Charles X, and his reactionary Prime Minister Polignac were forced to resign. The bourgeoisie came to power under Louis-Philippe. Greece became independent with British support. Serbia and the Romanian kingdoms Moldavia and Wallachia were granted regional autonomy under Russian protection. Different factors laid the foundations for the Belgian revolution: William I's educational, economic and language policy, the situation in France and the socio-economic situation. The Belgian revolt was successful thanks to the diplomatic support of Great Britain and the military help of France. The suppression of the Polish rebellion by Russia was also very convenient for Belgium, because that revolt attracted all the attention of the Great Powers. The system of intervention was still limited to Europe. In the USA President Monroe proclaimed his doctrine (1823): the Western Great Powers were forbidden to help Spain and Portugal in their attempts to suppress the uprisings in Latin America. In return, the USA promised not to take part in European wars. A few new Latin American nations arose: Mexico (first under Iturbide, later under Santa Anna), Argentina (under San Martín), Colombia (under the legendary Simón Bolívar and Miranda), Paraguay (under Francia), Uruguay (under Artigas) and Brazil (under Pedro I). Because the Latin American countries had different interests, there was no shift in the balance of power. There are several explanations for this: the British financial support to the conservative regimes, the position of power of the Creoles, the internal differences between races, classes, religious groups and the supporters of the federal or the unionist persuasion; the economic dependence on the UK.

The real wave of European revolutions was still to come. The revolutions of 1848 had different causes: a bad economic situation, an overall recession and social misery, a crisis in the agricultural sector, a general feeling of dissatisfaction and a weak central authority. New ideological movements inspired the revolutionaries: nationalism, romanticism, liberalism and socialism. The revolution started in France again: Louis-Philippe was brought down. France got a constitution, a directly elected President and a multi-party system. The revolutionaries were internally divided: part of them followed Lamartine's moderate movement, others Ledru-Rollin's radical movement and still others Louis Blanc's socialist movement. Under Louis Blanc the so-called Ateliers Nationaux were established, which provided work for the unemployed. This experiment got out of hand: in July 1848 the socialist revolt led by Louis Blanc was mercilessly suppressed by Cavaignac. Bishop Affre was shot when he tried to mediate. In December 1848, Cavaignac lost the presidential elections: farmers, labourers and bourgeoisie voted for Louis-Napoléon. Bonaparte's nephew was ambitious and not prepared to share power with a parliament that would oppose his plans. The constitution had created a two-headed monster: an Assembly whose formation was based on universal suffrage and a President who could fill only one term. In December 1851, Louis-Napoléon carried out a coup. One year later the Second Republic was replaced by the Second Empire. The Empire had three stages: 1^o Empire Autoritaire, 1^o Empire Libéral and 1^o Empire Parlementaire. Only in this last stage (1869) Parliament was given back all its prerogatives.

Austria had a difficult time in this period. The revolutionaries in Lombardy and Venice were supported by Piedmont-Sardinia, but they lost the battles at Custoza and Novara. In Bohemia and Moravia, the Emperor granted the formation of a regional State Assembly. Kossuth and Görgey declared the independence of Hungary, but this revolution failed as well. The Russian Army took sides with Austria. The revolutionaries had internal discords and couldn't count on the support of the majority of the population. France and Great Britain didn't support the revolution. There was a double movement in the German states. The monarchs were forced to

grant regional autonomy. Some leading intellectuals (Radowitz and Von Gagern) demanded the election of a Greater German Parliament. This so-called 'Professors' Parliament', which had its seat in Frankfurt, assembled for the first time in 1848. Its members were mainly intellectuals who endlessly discussed the borders of Germany: should the Austrian territories be regarded as German, as there lived Germans as well, or should only those territories with a German majority be taken into account? In March 1849 the supporters of Little Germany won the discussion, but Frederick William IV, the Prussian king, refused to accept a crown which was offered by representatives of the people and not by European kings. One year later the advocates of Greater Germany got the upper hand, but Russia made clear that it would lend military support to the losing party.

The Revolutions of 1848 dealt absolutism a heavy blow, but they weren't completely successful. Concessions were withdrawn. Rebellions were mercilessly suppressed by general-slaughters (Radetzky, Cavaignac, Windischgratz, Schwarzenberg). Revolutionaries didn't agree on which strategy was to be followed. Their ideas were too utopian and idealistic. The conservatives were regrouping. When the Revolution became too radical, it lost a considerable part of its supporters. The intellectual strategy had clearly failed. German and Italian independence would be realised in a more pragmatic and military way.

6. FRANCE UNDER LOUIS-NAPOLÉON

Under Louis-Napoléon France pursued an active foreign policy³. In the Crimean War (1853-1855) it resolutely sided with Great Britain when that country opposed the Russian ultimatum to the Ottoman Empire (protectorate over the orthodox Christians, establishing of an alliance, independence of Romanian duchies). At first Austria declared its neutrality, while Piedmont sided with the Anglo-French force. Russia lost the war in the battle of Sevastopol in 1855. The Peace Conference of Paris imposed heavy conditions on Russia (neutralisation of the Black Sea). France had won the war on a diplomatic level, but Great Britain on a political level.

In Europe, Louis-Napoléon supported the formation of the Romanian and Italian unitary states. France wanted to weaken Austria diplomatically by putting an end to the leading position of the Habsburgs in Central Europe. It also wanted to annex Savoy and Nice. With the help of France, the Austrian army was defeated in the Battles of Magenta and Solferino (1859). Liberal rebellions took place in the other Italian states. In Parma, Modena, Romagna and Tuscany revolutionary parties came to power. After the Rebellion of Palermo and the so-called Expedition of 'the Thousand', Garibaldi defeated the Bourbon army in Naples. Cavour liberated Umbria and the Marche, which didn't make Louis-Napoléon too happy. Ultimately, he couldn't prevent the unification of the Italian states. For the first time in 2000 years, an Italian unitary state was established. Italy would encounter difficulties from the moment it became unified. There were discords between North and South and between the Catholics and the Republicans. Central authorities couldn't handle organised crime. There was a lot of frustration about the *terre irredente*.

Louis-Napoléon gained overseas territories as well. He established an autonomous province in Syria: the Lebanon. He stimulated the construction of the Suez Canal, but eventually it came

³ VAN DE MEERSCHE, P., 1987, Book 1, p. 104 ; LUYKX, T., 1971, p. 86-90

under the military and financial control of the British. He considered an intervention in the American civil war in favour of the South, but this would become impossible when President Lincoln abolished slavery and Great Britain opposed it. The Emperor wanted to form a Catholic nation in Mexico as a counterpart to the Calvinist North, but this adventure didn't succeed either. France only managed to establish its colonial authority in Indo-China. Meanwhile, the German unification process took place almost unnoticed.

7. THE UNIFICATION OF GERMANY

When Bismarck became Chancellor of Prussia in 1862, there could be no more doubt as to the way in which Germany would be unified: *Nicht durch Rede oder Majoritätsbeschlüsse werden die groszen Fragen dieser Zeit entschieden sondern durch Eisen und Blut*. Little Germany would be brought about by military power. The military service was extended to three years and the effective number of conscripts grew from 40.000 till 63.000. New weapons were put into practice (Dreyse's needle-gun and Krupp canons); the army was given more financial means; Von Moltke was appointed commander-in-chief and Von Roon Defence Minister. Military confrontations came about in quick succession: with Denmark in 1864 (annexation by Prussia and Austria of the Elbe duchies Schleswig and Holstein), with Austria in 1866 (renunciation of Holstein to Prussia and of Venice to Italy) and with France in 1870 (renunciation of Alsace-Lorraine to a unified Germany). Bismarck was not only a military but also a diplomatic genius. He helped the Russians repress a Polish uprising. He made no territorial claims to Austria and did everything in his power to restore former good relations with Austria after the Battle of Sadowa. In 1866 he made some promises to France, which he didn't keep afterwards (*politique de pourboires*). In 1866, Bismarck very gradually established a North German Confederation and a South German Confederation to avoid any reason for concern with the other European Great Powers.

In 1870, the European balance of power had disappeared. The Europe of the monarchs of 1815 didn't exist anymore: it had turned into a Europe of national states. In the centre of Europe a new state had come into being, which would pursue a clever foreign policy under Bismarck. Later, under William II, Germany would choose for Weltpolitik and regional preponderance. France had to deal with a lot of frustrations. The bourgeoisie took over the debts of the regime. Louis-Napoléon disappeared and the Third Republic replaced the Second Empire. France quickly paid off the reparations imposed by the Treaty of Frankfurt. The Third Republic reorganised her army and suppressed the Paris Commune. Her goal was to regain Alsace-Lorraine. Austria turned herself into a Double Monarchy with the Ausgleich (an agreement between Francis Joseph and the Magyars) of 1867. Russia, which wasn't influenced by revolutionary movements, didn't commit herself to any country and unilaterally terminated the declaration of neutrality of the Black Sea (later confirmed in the Pontus Treaty of 1871). The Italian unification process was completed after the annexation of Rome. Great Britain didn't take sides: England would only give up her policy of splendid isolationism when William II mounted the German throne.

Under Bismarck, Germany aimed for a balance of power⁴ under all circumstances. France was diplomatically isolated. As a compensation, the French colonial policy in Africa was supported as much as possible, which diverted the attention from Alsace-Lorraine. Germany

⁴ VAN DE MEERSCH, P., Book 1, p. 142; LUYKX, T., 1971, p. 115

didn't take part in the colonisation race. It reached its first goal with the establishment of the Three Emperors' League. Russia and Germany entered into a defensive alliance. Austria and Russia agreed to consult one another in case a crisis arose. The first Balkan War broke the Alliance. Russia came to the aid of the Bulgarians, but afterwards Russia used her power to extort large territorial concessions in the Treaty of San Stefano (Kars, Bathoum and Dobruja) and to create Greater Bulgaria between the river Danube and the Aegean Sea. On request of Austria-Hungary and the United Kingdom, Bismarck intervened. The Treaty of Berlin only stipulated the establishment of Little Bulgaria. Territorial gains were divided more equally. Russia was allowed to keep most of her gains. The UK received Cyprus. Austria-Hungary was granted administrative power over Bosnia-Herzegovina. Romania received Dobruja but had to renounce Bessarabia to Russia. In 1881 the Three Emperors' League was renewed, but this time, the Empires only committed themselves to staying neutral in the conflicts in which the other partners were involved. A very hypocritical agreement, knowing that Austria-Hungary and Germany had entered into a Dual Alliance in 1879. In 1882, Italy joined the Alliance but didn't commit herself to giving military support to Austria. If Italy were invaded by France, which was perfectly possible because of Tunisia, the other two allies would intervene.

8. IMPERIALISM AND WELTPOLITIK

19th century imperialism had economic, demographic, technical, nationalistic, strategic and psychological causes. It was especially about proving the superiority of the white race (E. HÄCKEL, *Die Welträtsel*). The French-British imperialist race was mainly focused on Africa. One could say that France divided the continent along a west-east axis (from Senegal to Djibouti), while England used a north-south axis (from Alexandria to Cape Town).

France annexed large territories around the Senegal and the Niger. England wanted to protect her silk route and therefore conquered Egypt, Sudan, a part of Somalia, East and South Africa. Portugal, France and Leopold II couldn't come to an agreement about Central Africa. The matter was settled at the Conference of Berlin (1884-1885): the Congo basin, which was strategically very important, was split up in Congo Brazzaville and Congo Leopoldville. The latter entered into a personal union with Belgium and would be governed by the International Congo Association. The Conference also accepted by international law some principles which had to justify the acquisition of land. One of these principles was the open-door policy, to which none of the Powers ever kept. Leopold II completely appropriated the rubber, ivory and palm oil trade, thereby violating the Treaty of Berlin. In Asia, The United Kingdom came into conflict with Russia. The British were controlling India, Burma, Iran and Afghanistan. The Russians conquered Trans-Caucasia, which was a part of Persia, and Turkestan, which belonged to China. An armed conflict was about to break out near the city of Merw (Turkmenistan).

19th century imperialism culminated in the last decade. Remarkably, not only the traditional Great Powers were involved, but also Germany, Japan, Italy and the United States. In Africa, the French and the British were waging war about Sudan (Fashoda, 1898). In Transvaal and Orange Free State, it took the British much effort to win the Boer War. In Ethiopia, the Italian army had been defeated (Adoea, 1896). Its defeat was also a psychological one. In its war against China, Japan gained some Chinese territories (Treaty of Shimonoseki, 1895): Korea, Taiwan, the Pescadores and the peninsula Liau-Tun with Port Arthur. The western Great

Powers and Russia forced Japan to give up some of its acquisitions. In a second stage they broke China up: Russia demanded a concession in Port Arthur and Trans-Manchuria, Germany gained Kiau-Chow, France Hainan and Kwan-Chu-Wan, while the United Kingdom gained Wei-Ha-Wei. This international humiliation brought about the Boxer Uprising in China, which was mercilessly suppressed by western military forces (1900). In the Spanish-American War (1898) the United States conquered Guam, Cuba, the Philippines and Puerto Rico. They unilaterally cancelled the Clayton-Bulward Agreement to start digging the Panama Canal. The United States also intervened by military force in Cuba, Nicaragua and Haiti, at times when they feared that their security was threatened. (Roosevelt's *Big Stick Policy*). In 1889, they organised the first Pan American Conference.

In 1890 Bismarck was forced to resign. Different factors were at play: first of all, Bismarck's authoritarian domestic policy, which strongly contrasted with the policy of France, the neighbouring country. Officially the Kulturkampf (a term made up by Virchow) was about the right to appoint priests and about freedom of education. In reality however, Bismarck was trying to break the power of the Catholic Party. After mediation by pope Leo XIII the conflict was solved: the bishops were released and all discriminating laws were abolished. Because the Social Democrats were accused of assaults on the Emperor, exclusion measures were taken. The Party's leaders emigrated to Switzerland and the government enacted its own social laws. Polish and Danish minorities were discriminated against. Industrial and commercial circles blamed Bismarck for Germany's lagging behind in the colonial race: Germany had only conquered Togo, Cameroon, Southwest Africa, Tanganyika, a part of the Samoa Islands and a part of New Guinea, which was nothing compared to the French and the British annexations. The hostility between Austria and Russia prevented Bismarck from renewing the Three Emperors' League. His renewal of the so-called Reinsurance Treaty with Russia was the direct cause of his downfall. Young William II wanted to be his own chancellor. As a result of the German power switch, France managed to break through its isolation: in 1893 it signed a treaty with Russia and thus entered into a defensive alliance, which was of great psychological importance. The German policy was now focusing on overseas expansion, which stimulated nationalism in colonial territories like India. The United Kingdom woke up from its diplomatic sleep: after 1902 it completely abandoned its policy of splendid isolationism.

After a failed approach to Germany, England successively entered into an alliance with Japan (1902), with France (1904) and Russia (1907). Japan felt robbed of her territorial gains in China and took revenge by annexing Russian territory in China: South Sakhalin, Trans-Manchuria, Port Arthur and Korea. At the Conference of Portsmouth (New Hampshire) organised by the United States, Russia had to reconcile herself to the facts. Germany opposed the designs of France to bring Morocco, which had a strategically important location, under her rule. It was again Roosevelt who would organise a conference at Algeiras to work out a compromise⁵.

9. TO A FIRST WORLD WAR

After 1907, the European balance of power had completely disappeared. It was replaced by an unstable bipolar system existing of the Triple Alliance (Germany, Austria-Hungary and Italy)

⁵ LUYKX, T., 1971, p. 165; DROZ, J., 1972, p. 483

and the Triple Entente (France, the United Kingdom and Russia). From 1907 till 1914, the alliances would contend with one another in a number of diplomatic crises, each of them intensifying the Alliances' internal cohesion and mutual hostility. England, a long-established Great Power, contended both on the military and on the commercial level with Germany, a very recent Power. The extension of the German fleet threatened the British two power standard. Great Britain entered into negotiations with Germany, but these remained fruitless because of the South African question and because Germany expected a political commitment to her two partners in the Triple Alliance, to which Great Britain wasn't prepared. In 1911, a second grave diplomatic crisis about Morocco arose. Germany wanted the Algeciras Accord to be carried out, but France, backed by Great Britain, didn't give in. An interim compromise was established - Morocco under French rule in return for renunciation of the French part of Congo to Germany – which was unable to satisfy any of the parties. In the Balkans heavy military confrontations took place, first between the Ottoman Empire and the so-called Balkan League (Bulgaria, Greece and Serbia). In 1913 the allies couldn't agree on the division of Macedonia. The Third Balkan War was lost by Bulgaria; Macedonia was divided between Greece and Serbia. Serbia had also interests in Bosnia-Herzegovina. Bosnian Serbians were mostly poor farmers exploited by Croats and Muslims, and therefore, they wanted to be part of Serbia. The terrorist movement Young Serbia was supported by a group of Serbian officers, called Black Hand. Gavrilo Princip's fatal gunshot which killed Franz Ferdinand, heir to the Austrian throne, formally gave rise to World War I (28.6.1914).⁶

Because of the existing alliances, it was possible for a local conflict between Serbia and Austria-Hungary to escalate to a world war in no time. Serbia refused the Austrian negotiation terms. Russia backed Serbia; France backed Russia; Germany supported Austria. The United Kingdom was a rather indecisive ally: it only declared war on Germany and Austria when the German army violated Belgian neutrality. Italy, as a partner in the Triple Alliance, should have sided with Germany and Austria, but it started negotiations with the Triple Entente. As the Triple Entente promised a large territorial annexation at the detriment of Austria, Italy declared war on the Triple Alliance. All kinds of other agreements caused numerous other countries and colonial territories to fling troops into the fray.

The world war was fought out on six fronts: Central Europe, West Europe, the Middle East, Turkey and the North Sea. The two most important events took place in 1917: Russia dropped out of the warring coalition after the October Revolution (peace of Brest Litovsk, 1918), and the United States joined the remaining members of the Triple Entente. The United States promoted peace without a winning side and aimed at a new world order. To this purpose President Wilson formulated his so-called Fourteen Points statement: self-determination for all peoples, international free trade, establishment of League of Nations, free navigation on the high seas, peaceful settling of conflicts. This way he wanted to give an ideological coherence to what had started for reasons of Realpolitik.⁷ Bulgaria, the Ottoman Empire and Austria-Hungary capitulated successively. On 11 November 1918, Germany, which had proclaimed the republic after leftist revolts, signed a treaty.

10. PEACE TALKS IN PARIS

⁶ LUYKX, T., 1971, p. 181; DROZ, J., 1972, p. 506

⁷ VAN DE MEERSCHE, P., 1987, Book 1, p. 222

January 1919 saw the start of peace talks. Five peace treaties were signed: Versailles (Germany), Saint-Germain (with Austria), Trianon (with Hungary), Neuilly (with Bulgaria) and Sèvres (with Turkey; afterwards replaced by the Treaty of Lausanne, 1923). The Paris Peace Conference did not include the defeated countries, and consequently Germany and Russia weren't present. A Council of Ten, consisting of the heads of governments and foreign ministers of the United States, the United Kingdom, France, Japan and Italy, dominated the peace talks. In reality, President Wilson, British prime Minister Lloyd George and French prime Minister Clemenceau determined the agenda. Wilson, a son of a Presbyterian minister, wanted to see his Fourteen Point-statement realised. France wanted to put an end to German militarism and weaken Germany economically. England wanted to get rid of the competition of the German merchant fleet, but it also feared a powerful France. The main settlements after the peace talks were a compromise of Wilson's idealism and Lloyd George's and Clemenceau's realism:

Germany lost Alsace-Lorraine, its colonies, Danzig and West Prussia. The left bank of the Rhine was demilitarised and three cities were occupied (zone A: Cologne; Zone B: Koblenz; zone C: Mainz; the occupation would end when Germany carried out the Treaty of Versailles, in 1925, 1930 and 1935 respectively). Conscription was abolished: Germany was allowed to keep an army of 100.000 soldiers and a navy of 15.000, but no air force. Its armament was reduced to these figures. Part of its merchant fleet was handed over to the UK. Heavy reparations were imposed (no agreement was reached as to the total amount that was to be paid. A Reparations' Commission was to report before January 1921). Some other economic penalties were imposed as well.

Poland was re-established, which cost territory to the Soviet Union, Germany and Austria. Danzig became a free town, administrated by the League of Nations. Poland had access to the city via Posen and West Prussia. Poland expanded its own territory to the east after the war with the Soviet Union (Treaty of Riga, 1922) and to the west (annexation of Upper Silesia when a referendum turned out to be in favour of Germany). The independence of the Baltic states and Finland was confirmed.

The Austro-Hungarian Empire was split up. New states came into being: Yugoslavia, Czechoslovakia, Austria and Hungary. Romania and Poland annexed some territories of former Austria-Hungary.

Turkey lost its Arab territories and on the continent it was reduced to Istanbul and a small piece of land across the Bosphorus and the Dardanelles. France, Italy and Greece received former Ottoman territory. The Kurds were granted self-government.

Bulgaria had to pay off reparations and lost territory to its neighbouring countries.

The League of Nations was established, which was to guarantee the implementation of the peace treaties, to protect small states against the ambitions of greater states and avoid wars.

Just like happened in Vienna after the Napoleonic wars, the countries gathered in Paris missed a historical chance to rebuild a new Europe. A general economic recovery was really necessary, together with decolonisation and social reforms. At that time, European institutions should have been established, which would have stimulated an economic recovery. Instead, a hybrid political system came into being. The German state, which - contrary to Austria-Hungary - had largely survived the war, had only one concern: the elimination of the Diktat of

Versailles. The Weimar Republic opted for a small-steps policy, but the Nazis would act more radically. For a while, France was the only military power on the continent, but gradually it was forced to see a number of guarantees disappear. The Security Treaty with the United Kingdom and the United States which had been promised failed to be realised. The occupying forces were withdrawn without Germany complying with the Treaty of Versailles. Germany had only paid a small part of its reparations bill. France reacted by concluding peace treaties with second-rate powers (Poland, Belgium and the so-called Little Entente). The UK and the US favoured a policy of isolationism. The USSR was isolated by Western Europe and surrounded by a kind of cordon sanitaire. The Bolsheviks killed the tsar, seized foreign properties and refused to pay off the debts of the Romanovs. With the help of the Comintern they organized strikes in the West and incited rebellions in the colonies. Enough reasons for the West to support the so-called Whites in the civil war against the communist regime. Only in the middle of the twenties diplomatic relations between the USSR and the West were established, but these relations remained very tense.

In Central Europe, the Double Monarchy disappeared, which had provided some sort of stability. Instead, small states were established which had economic problems and which were inhabited by frustrated minorities, involved in border conflicts with neighbouring countries. Democracy wouldn't last long there⁸. The balance of power wasn't repaired and no joint security system was established. The League of Nations had too little authority to enforce its resolutions. At first, only the victors were part of the League. Sanctions could only be imposed by the Assembly and not by the Council, and decisions had to be made by unanimous vote. Moreover, only moral and economic sanctions could be imposed. In addition, the United States refused to enter the League.

11. ECONOMIC RELAXATION

In the period from 1919 till 1939, two phases can be distinguished. The first decade was characterised by economic and diplomatic detente. From 1922 onwards, economic stability was insured by the system of the gold exchange standard and by the settling of the reparations problem. At the Conference of Genoa, it was decided that the pound sterling would serve as a reserve currency, because it enjoyed the confidence of the investors. The international prices of raw material were listed in sterling. The major part of foreign trade was being financed with British currency. The UK was a model democracy with freedom of the press and social stability. Nearly all patents were in British hands. Thanks to England the gold exchange standard did work (repeal of the Corn Laws, the New Poor Law and the Peel's Act). London had largely contributed to a general recovery of the economy, but paradoxically, England itself did barely benefit from it. During World War I, prices had risen by 700 per cent. The pound sterling should have been devalued, but this devaluation wasn't carried out for reasons of prestige. As an alternative, one opted for high interest rates, which curbed employment. A similar thing happened in Weimar-Germany, but the labour productivity of this country was higher and consequently, wage increases could partly remedy the problem. Germany's wage level was 66 per cent higher than in 1914; the UK's level only 17 per cent.

The reparations question heavily weighed on Franco-British and Franco-German relations. France didn't think Germany co-operative enough, and therefore it had occupied three more

⁸ VAN DE MEERSCHE, P., 1987, Book 1, p. 246-247; LUYXK, T., 1971, p. 212

cities: Düsseldorf, Ruhrort and Duisburg. An agreement on the amount of reparations that was to be paid was only reached in May 1921: 132 billion goldmark, to be paid off in the next 42 years. In principle, Germany accepted this amount (*Erfüllungspolitik*), but Rathenau, the German Chancellor, first wanted to try and reach a separate settling with France. When he didn't succeed, he requested to put the subject on the agenda of the Genoa Conference, but the French strongly resisted this request. The new German Chancellor Cuno refused to continue the nation's instalments. As a result, the French and the Belgian army occupied the Ruhr area in January 1923. The Germans organised a passive resistance, and the country kept to its decision. England condemned the Franco-Belgian invasion, which caused a lot of political and social unrest in Germany (Hitler's and Lundenorf's attempt to a coup in 1923). Early in 1924, different parties pleaded for a new approach to the imposed reparations. MacDonald's Labour Government, Herriot's leftist French Government, the new German Chancellor Stresemann and the American President Coolidge were prepared to search for a solution. The result was the Dawes Plan (1925). The German industry would serve as a collateral. Part of the war debts could be paid in kind. Germany committed itself to yearly instalments of 1 to 2.5 billion goldmarks, with a possibility of postponement of payment. The American creditors made the same concessions to their British and French debtors. Occupied zone A, the three cities that were occupied in 1921 and the Ruhr area were cleared. After new difficulties, the Young Plan was approved. The Allied Reparation Commission was discontinued. Germany was allowed to pay directly in exchanges. The annuities were replaced by a fixed amount of 38 billion goldmarks. Zones B and C were cleared as well. Under the Hoover Moratorium of 1931, Germany was granted postponement of payment for a duration of one year. At the Lausanne Conference, it was decided that only 3 more billion goldmarks had to be paid. Eventually, Germany had only paid off a small amount of its war debts (23 billion goldmarks instead of the demanded 132 billion). The reparations problem poisoned Franco-German relations. After World War II, it would appear that the involved countries had learned from this situation.

12. POLITICAL DETENTE

This period was also characterised by a political detente. At the Genoa Conference, which has been mentioned before, the two outcasts, Germany and the Soviet Union, got closer to each other. Lenin had launched his New Economic Policy. The USSR was trying to restore its economic life by foreign trade and foreign credits. France and Great Britain were trying to convince the Soviet delegation to appeal to section 116 of the Treaty of Versailles. This section gave the USSR a right to demand reparations from Germany. But in Rapallo, Germany and the Soviet Union came to an agreement in which the USSR relinquished her rights as provided in section 116, in return for German credits. This agreement completed the military cooperation which had already started thanks to Count Brockdorff, Baron Von Malzan and Defence Minister Von Sekt.

In 1925, the so-called Rhine Powers (Belgium, France, Germany, the UK and Italy) signed the Locarno Pact. In a number of bilateral agreements, Germany recognized de jure its borders with Belgium and France, together with the regulations concerning the demilitarised Rhineland. Its east borders with Poland and Czechoslovakia were only recognised de facto. For the first time, Germany accepted a regulation of the peace treaty, but the parties that signed it made a distinction between different regulations of the Treaty of Versailles. Moreover, Belgium was taking a security risk. Compared to 1839, there were less countries

guaranteeing its territorial integrity. The agreement was reciprocal, which meant that Belgium was to defend the German-French borders. In case of a Franco-German conflict, it was to be occupied preventatively by Germany. The pact would only come in force in case of a serious violation: in other situations, only arbitration was provided. If arbitration wouldn't solve the problem, the countries could appeal to the League of Nations.

The disarmament process made little progress, but disarmament intentions created a (temporary) peaceful climate. Under section 8 of the League of Nations' Charter, a country should only use its armament for maintaining individual and collective security. In 1922, a first Disarmament Conference was held in Washington. Nine countries attended to discuss disarmament at sea. One of the most important results was the so-called Five-Power Agreement between the United States, the United Kingdom, France, Italy and Japan. In 1924, Benes and Politis presented their Disarmament Protocol. Disarmament was linked to conflict regulating by the League of Nations. Arbitration became compulsory. If a compromise wasn't accepted, sanctions would automatically be imposed. The Council could proceed to it by a majority decision. In September 1925, the plan was rejected. The US feared an interference of the League of Nations in Latin America, the UK didn't believe in sanctions and feared that most of the burden would be on her shoulders, while the dominions were afraid of interference concerning immigration restrictions. In 1928, a weakened compromise was reached: a General Charter for Peaceful Settlement of Conflicts. Arbitration became optional. The implementation of the treaty became more flexible.

In the same year, French Foreign Minister Briand and American Secretary of State Kellogg launched the idea of an Anti-War Pact. Their purpose was to have the General Charter approved by non-members of the League of Nations. More than 50 countries signed the Briand-Kellogg Pact (August 27, 1928). The signatories solemnly promised never to declare war first and war was placed outside the law. The Disarmament Conference of Geneva (1932-1933) sobered up naive pacifists. Germany demanded *Gleichberechtigung* from the very beginning: an army of 200.000 soldiers on active service and a right to possess the kind of weapons their neighbouring countries had at their disposal. Their demand was supported by Italy and Japan, but opposed by France. France claimed a natural authority in view of the geopolitical situation, her past and her possession of colonies. The UK aimed at selective disarmament, the creation of a pool for certain categories of weapons under control of the League of Nations and the establishment of a regional security system. At the end of 1932, the German delegation left the disarmament conference and returned only after the principle of equal treatment had been accepted. In the meantime, Hitler had come to power and the negotiation climate got worse. France kept resisting the principle of *Gleichberechtigung*. In October 1933, Germany left the disarmament talks for good.

In a speech to the General Assembly of the League of Nations in September 1929, Briand launched a brilliant idea: the establishment of the United States of Europe⁹. In May 1930, he came up with a more detailed proposal while focusing on economic integration. The reactions of most countries were vague and dubious. In September 1930, it was decided to set up a commission which had to study the feasibility of the United States of Europe. Briand's proposal got the support of political (Benes, Masaryk), intellectual (Coudenhove-Kalergi) and economic (Bosch, Loucheur, Mayrishi) circles, but the proposal itself was ambiguous and came too late. The general economic recession was a universal phenomenon, but paradoxically, it roused nationalistic feelings.

⁹ VAN DE MEERSCHÉ, P., 1987, Book 2, p.314

13. THE DECLINE OF DEMOCRACY

In this period, totalitarian states arose in Europe, which was a relatively new phenomenon. In 1924, Stalin came to power in the USSR. He first eliminated Trotsky, his major opponent. Trotsky wanted to export the revolution. To this purpose he had established the Comintern and organised the Conference of Baku (1920). Events proved his ideas to be wrong. The communist revolts in Europe failed. The colonial territories refused to consider the so-called Eleventh Thesis on national and colonial questions. The Chinese rebellion failed (Shanghai, 1926). Stalin's ideology had a deeper domestic impact. In 1928, his domestic position was consolidated. From then on, the USSR opted for a strictly planned economy. The NEP was abolished, agriculture brutally collectivised and the first Five-Year Plan introduced into industry.

In Italy, Mussolini came to power. After World War I, it was difficult to bring the Italian economy to life again. Socialists and communists were regularly occupying companies. The nationalists believed Italy hadn't been granted enough territory by the allies (*Italia irredenta*). Mussolini set himself up as a defender of peace and order, and from this position he contrived to gradually seizing power. His ideology was a fascist one. Democracy was replaced by a system of corporations. All political parties were forbidden, except the Fascist Party. His foreign policy was an expansionist one: the Mediterranean again became the *Mare Nostrum* and Adoa had to be revenged.

Weimar-Germany appeared to be a multi-party democracy. Every law had to be approved by the Reichstag and the Reichskanzel. The president was elected directly. The Chancellor was appointed by the President. The country was federalised: there were 18 Länder with their own security apparatuses and their own systems of justice and education. On the economic level, especially the first years were difficult. Industrial areas were lost to Poland and France. The transition of a war economy to a peace economy, social unrest, reparations and the absence of international trade put a lot of pressure on the economy. After the introduction of the Rentenmark (1 new mark replaced 10 old ones) and the settling of the reparations, the economic situation improved. But in reality, the Weimar democracy was a sham. The real power rested with a small group of politicians, officers, aristocrats and industrialists. At elections, only half of the voters voted for democratic parties. Assassinations on union representatives, Jews and leftist politicians were hardly investigated by the police.

In the Central European countries, in Poland, in the Baltic states and on the Iberian peninsula authoritarian states arose: vulgar dictatorships led by oligarchs like Pilsudski, Stambuliski, Alexander I, Carol II, Horthy, Voledmaras, Ulmanis and Paets.

Nationalism was on the rise in the overseas territories: the Middle East, India, Japan and China.

14. THE ECONOMIC DEPRESSION AND ITS POLITICAL CONSEQUENCES

The economic recession of 1929 was mostly a speculative stock exchange crisis. Shares were traded without money being exchanged. The economic life of the United States had developed without any form of control by the government. The Republican Presidents Harding, Coolidge and Hoover believed in the free market mechanism. The division of income was very uneven and the economic recovery in Europe wasn't favourable to American exports. The US supported the British Pound: low interests stimulated economic growth. The world wide links between financial markets made it possible for a small stock exchange crisis to develop into a world crisis. All Western governments took measures for deflation and thereby worsened the situation. To stimulate her export, the UK left the gold exchange standard in 1931 and so did the United States two years later. The investors kept confidence in the pound and the dollar. British prices were hardly rising, not only because of the crisis, but also because the Commonwealth countries had devalued their currencies as well. The other West European countries held on to the parity of their currencies and created a so-called Gold bloc, which wasn't favourable to their exports. All countries took protectionist measures, which made a general economic recovery more difficult. Most governments reduced the power of their parliaments and governed with unlimited power. One could say that people were being prepared for more authoritarian policies.

The economic crisis had most impact on the three countries, which had known the most rapid economic growth in the latest decade: The United States, Japan and Germany. In the United States, the regime wasn't being questioned, because there was a democratic alternative. In 1932, Franklin Delano Roosevelt was elected President. He opted for the new deal, a radically new policy, even when this would cause a conflict with the Supreme Court. With measures like the Tennessee Valley Authority, the National Industry Recovery Act, the Civilian Construction Corps and his control on banking and exchanging, the President and his brain trust represented the new attitude of the government towards business. No democratic alternative existed in Japan and Germany. Japan opted for a military solution of its conflict with China. At the Conference of Washington mentioned above (1922), Japan was diplomatically isolated from the other attendants and was forced to give up its territories in China. The economic crisis prevented Tokyo from stimulating its export and measures limiting emigration made it impossible to channel the population surplus. In 1931, Japan occupied Manchuria, the Asian Rohr area. The League of Nations sent a commission led by Litton, but the Japanese government rejected his report. Japan left the League because it felt morally judged.

In Germany, the NSDAP found more support each time the economic recession grew worse¹⁰. This party offered an outlet for the frustrations of the impoverished middle-class, the unemployed and industry: the crisis was said to be caused by the jews, by dishonest Weimar politicians and by the communists. The NSDAP's foreign policy pleaded for expansion to the east, a return of German minorities and the annulment of the Diktat of Versailles. In January 1933, Hitler became Chancellor with the support of major industrialists. There were only three Nazi Party members in his cabinet (Göring, Frick and Von Neurath). One of them controlled the police. In this position, it wasn't difficult to obstruct the other parties, especially since socialists and communists were still diametrically opposed to each other. The elections of March 1933 were dominated by terror. The Nazi Party got 44 per cent of all votes and formed a coalition with Hugenberg's NPD. The *legale Revolution (der Umbruch)* took place: all political parties were dissolved, the Chancellor got special powers; the Weimar constitution was suspended. The regime first consolidated its domestic position of power.

¹⁰ VAN DE MEERSSCHE, P., 1987, Book 2, p. 337; LUYKX, T., 1971, p. 267

During the execution of the First Four-Year Plan (1934-1937), large public works were commenced; trade unions were abolished; strikes were forbidden; a compulsory industrial service was established and family allowances were paid. The Second Four-Year Plan envisaged to make Germany self sufficient: foreign trade was subjected to strong regulations; there was import substitution (e.g. concerning rubber and petroleum) and privileged relations were maintained with the Central European countries. Germany became the second most important industrial power in the world, after the United States.

Hitler's regime was explicitly racist. According to Alfred Rosenberg, the Nazi ideologist, race pre-ordained the fate of a nation and the German race was considered superior (*Der Mythos des 20. Jahrhunderts*). The Jews were regarded as the enemies within the state's borders and therefore they had to be exterminated. Firstly, the Neurenberg Laws were promulgated, which very gradually banned all Jews from social life. Next came the *Reichscrystallnacht* (1938, 9 and 10 November). During an orchestrated spontaneous outburst of public anger, 26.000 Jews were maltreated and abducted to concentration camps. Next came the forced expropriations, the exclusion from schools and public places and the confiscation of properties. In April 1939, the Jews were forced to move to the ghettos. Auchwitz-Birkenau, Treblinka and Sobibor were the climax of this agony, which would become one of the most horrible pages in European history.

15. TO A SECOND WORLD WAR

From 1934 on, Germany opted for an aggressive foreign policy. Germany left the League of Nations. When Hitler didn't manage to conclude a Four Power Agreement with Italy, the UK and France, he signed a separate agreement with Poland, in which nothing was specified about the borders of the two countries. In July 1934, the Austrian Chancellor Dolfuss was murdered by Nazi sympathizers. Hitler decided not to interfere for the time being, because at the moment, Germany and Italy were still contending for Austria. Moreover, French Foreign Minister Bartou was looking for allies (the prospect of an agreement with the USSR was held out). In October, Bartou was murdered. Laval, his successor, made advances to Italy and Germany.

In January 1935, a Franco-Italian pact of friendship was concluded, which granted some concessions to Italy in Africa. The Saar area was returned to Germany, which was a cheap propaganda victory for Hitler. In March 1935, Hitler openly violated the Treaty of Versailles when he reintroduced conscription. Because of this action, the UK was prepared to attend the conference of Stresa (April), which was called by Laval and Mussolini. The 3 countries agreed to oppose every unilateral cancellation of treaties. The Stresa front didn't last long. A few months later, the UK unilaterally signed a bilateral naval agreement with Germany, which determined the size of their navies at the high seas. When the Italian army invaded Abyssinia later that year, the United Kingdom was in favour of imposing sanctions on the aggressor. In the Spanish Civil War (1936-1939) Franco was supported by Germany and Italy, while the republicans were only backed by the USSR. Hitler and Mussolini considered Franco's victory an ideological triumph for fascism.

In March 1936, the Franco-Soviet agreement was ratified. Hitler used this event as a pretext to violate yet another regulation of the Treaty of Versailles: he occupied the left bank of the Rhine. Again the western countries didn't react. 1937 was a transition period. Germany, Italy

and Japan signed an Anti-Comintern Pact. Germany increased her propaganda with the German minorities in Poland, Czechoslovakia and Austria. Hitler was trying to drive a wedge between France and the UK by a diplomatic charm offensive. Under these circumstances the USSR decided it was no use making further advances to the West. Foreign Minister Litvinov would soon be replaced by Molotov. Hitler was only unsuccessful in the United States. President Roosevelt managed to relax the neutrality stipulations¹¹.

1938 was the decisive year. Hitler started with Austria. Two years before, a friendship treaty had been concluded by which the Nazis had free play. In the beginning of 1938, Hitler had forced Chancellor Schuschnigg to admit Nazi leader Seyss-Inquart to his government as Minister of the Interior. Seyss-Inquart prepared the Anschluss and demanded the German army to restore order. The Blumenrevolution went by without considerable bloodshed, which inspired Hitler to a next step: his claim on the economically and strategically important Sudetenland in Czechoslovakia, which also had an active Nazi grouping led by Henlein. It had approved a programme in Karlsbad, in which regional autonomy was claimed for Sudetenland, which was mainly inhabited by German-speaking people. In September, Hitler claimed autonomy for this region. Czechoslovakia wouldn't just undergo the same lot as Austria and therefore began to mobilise its army. The country also appealed to France and the USSR, as it had concluded security agreements with those countries before. France believed that Belgium should support all military actions, because an attack against the German Siegfried line couldn't help Czechoslovakia. The USSR only wanted to intervene if France would intervene as well. Convinced of Hitler's goodwill, the British Prime Minister travelled three times to Germany to mediate. Hitler each time raised the stakes. While at first he had only demanded the return of the territories that were mainly inhabited by Germans, he eventually demanded the annexation of the entire Sudetenland before 1 October 1938. At the Conference of Munich, Italy, France and the UK complied with Hitler's demands. Czechoslovakia could no longer hold its position of an independent state. In March 1939, Mgr. Tiso's fascist Slovakia proclaimed its independence while Poland and Hungary annexed the border regions. Hitler forced President Hacha to hand over his powers to Germany. Germany also annexed Memel, the border region for which it contended with Latvia. Italy occupied Albania.

At the end of 1938, Hitler demanded the return of the free town Danzig to the German Empire. The UK radically changed her attitude: Chamberlain promised unconditional support to the threatened Poland in case a war would break out. The West sought contact with the USSR as well. At the same time, Moscow negotiated with Germany. The result was the Molotov-Von Ribbentrop Non-aggression Pact, concluded on 23 August 1939. It contained an annex about the division of Poland and the Baltic States. Germany signed the Steel Pact with Italy. The German army had gained a lot of strength compared to 1914. There would only be a war on the west front.

16. THE SECOND WORLD WAR AND ITS CONSEQUENCES

The Second World War can be divided in two phases. During the first phase, Germany and her allies seemed to have a good chance of winning. Poland was liquidated (September 1939). The UK and France had declared war on Germany, but they were so impressed by Germany's

¹¹ VAN DE MEERSSCHE, P., 1987, Book 2, p. 362; LUYKX, T., 1971, p. 283 ff

Blitzkrieg strategy that they didn't take the offensive during the winter of 1939-1940. In April 1940, Norway and Denmark were invaded. In May 1940, a full-scale offensive against the West was mounted: the Netherlands, Luxembourg, Belgium and France capitulated, but Hitler didn't manage to conquer Great Britain. The German army had to help Italy in the Balkans. Under the Three-Power Pact (27 September 1940) Japan, Italy and Germany divided their respective spheres of influence. On 22 June 1941, the German army invaded the Soviet Union, which was Hitler's most daring decision but also his fatal one, as became clear afterwards. On 7 December 1941, a Japanese air squadron bombed Pearl Harbour. The United States declared war on Japan, while Germany and Italy declared war on the United States. The first phase was over at the end of 1941. Germany and her allies were still on the offensive. They had scored a lot of successes, but nowhere a final victory. The UK hadn't been defeated, resistance in the Balkans was continuing and a de facto coalition between the UK, the US and the USSR came into being.

During the second phase, Germany and her allies were forced into the defensive. Von Paulus' army was defeated in Stalingrad (January 1943). In El Alamein, Montgomery's army won a victory against Rommel's (October-November 1942). At the same time, the allied forces landed on the North African coasts. In the Pacific, General Nimitz and General MacArthur opted for a new strategy: island hopping. On 6 June 1944, the long-awaited allied landings in Normandy took place. The fate of the Dritte Reich seemed sealed, but the offensive on the west front went less smoothly than the offensive on the east front. Germany wouldn't unconditionally surrender before 8 May 1945. During this second phase, top-level diplomatic consultations had already been organised: the Arcadia Conference (December 1941), the Conference of Casablanca (January 1943) and the Conference of Teheran (November 1943).

The most important Conferences were those of Yalta (February 1945) and Potsdam (August 1945)¹². In Yalta, the following issues were on the agenda: the borders of Poland and its government, a possible Soviet participation in the war against Japan and the establishment of the United Nations. President Roosevelt did his best to maintain good relations with Stalin, while the latter was only after territorial expansion. The territorial consequences of some formerly concluded unequal treaties had to be rectified (Brest Litovsk, Riga, Helsinki and Portsmouth). Ultimately, the attending countries gave in to Stalin with regard to Poland, the Baltic States and the Japanese territories in China. He was even allowed to annex purely German territory. The attending countries informally permitted that in some Eastern and Central European countries regimes came to power which sympathised with the USSR, all in return for a Soviet declaration of war to Japan (at the latest three months after the German capitulation) and a Soviet participation in the United Nations project.

At the Conference of Potsdam, the atmosphere was less friendly. The main items on the agenda were Poland and Germany. The new American President Truman was less indulgent towards Stalin and he found an ally in new British Prime Minister Attlee. However, the US and the UK didn't turn to a fundamental revision of their policy toward the USSR, even though in the mean time Stalin had recognised a pro-Soviet regime in Poland – against the Yalta agreements – and had handed over the territories at the east of Oder-Neisse to that country. There were a lot of differences of opinion about Germany concerning possible reparations, a return of refugees, a defining of its borders, a restoration of sovereignty, a federal or a unitary structure, nationalisation and expropriation, allied supervision, economic restoration... Finally, it was decided to divide both Germany and Berlin into three zones of

¹² VAN DE MEERSCHKE, P., 1987, Book 2, p. 454 ff; LUYKX, T., 1971, p. 335 ff

occupation. The Foreign Ministers of the three countries (later on four) agreed to meet on regular times to elaborate a possible peace treaty. As decisions could only be taken unanimously, in practice each occupying force could determine what happened in its zone.

17. EUROPE DIVIDED

Soon it became clear that the Conferences of Yalta and Potsdam hadn't brought peace to Europe. Peace treaties were concluded with the former German satellite states Hungary, Bulgaria, Finland, Romania and Italy, but there was still no unanimity concerning Germany. In Eastern Europe communist regimes came to power after Soviet agitation (the Rakosi tactics). The Russian army didn't start with demobilisation, even though a large part of British and American troops were withdrawn. The economic situation was dramatic, but the United States couldn't meet all individual requests for help. France and Italy had strong communist parties. After three international crises, the United States turned to a different foreign policy. In Greece, communist rebellions menaced the regime. The USSR demanded a revision of the statute of the straits put down in the Convention of Montreux in 1936. In Iran, Soviet troops advanced towards territory belonging to the British sphere of influence.

In these dramatic circumstances the United States wrote history. In March 1947, President Truman announced his containment policy, which spelled the end of the Monroe doctrine. From then on, the United States would help western democratic regimes which were internally or externally threatened by communism, movements orchestrated by the USSR. The Truman doctrine had an economical and a military dimension. It laid at the basis of the West European unification process, but it also led to a split of the European continent right through Germany¹³.

In June 1947, the Conference on European Recovery was held. The main item on the agenda was the practical elaboration of the aid programme launched by the United States, by mouth of Secretary of State Marshall. The Organisation for European Economic Co-operation was set up. The Soviet answer was not long in coming: the Cominform was set up. Its purpose was to spread the Soviet ideology in the West and in the colonial territories (October 1947). In February 1948, the communists seized power in Prague. From May 1948 on, the Soviets blocked access roads to Berlin. The West reacted immediately: Berlin was saved by a gigantic airlift; France, the UK and the Benelux countries established the Western European Union (March 1948); one year later, NATO came into being; the Federal Republic of Germany was established and elections were called for, but only in the merged Western zones of occupation. In reaction, the USSR set up the Comecon (1950) and later on the Warsaw Pact (1955) and created the DDR. The Cold War wasn't only fought out in Europe: pretty soon also China and Korea got involved in the power struggle between East and West. The West European regimes felt threatened by the USSR and the Communist Parties and therefore they tried to unite.

Right after World War II, there were different integrating forces in Europe, but none of them led to the establishment of a supranational entity at the time. When the politicians returned from exile, they were first and foremost concerned with the restoration of the national sovereignty and the economy of their countries. Only the Benelux project came into being.

¹³ VAN DE MEERSCHE, P., 1990, p. 30 ff; FAYAT, H., 1979, p. 272

Generally, the resistance movements didn't adhere to a European ideology, except the Italian resistance, which had already published the so-called Ventotene manifesto during World War II. It's true that there were numerous European federalist movements (the Pan-European Union of Count Coudenhove-Kalergi, the Nouvelles Equipes Européennes, the United Europe Committee...), but they were still opposed to each other¹⁴. To bring more unity into their activities, these movements decided to organise a Conference in The Hague (May 1948). At the Conference, all differences of opinion which existed between the federalist movements on the one hand and the champions of the States of Europe on the other hand were confirmed. Finally, it was decided to form the Council of Europe, which wouldn't have any supranational competence. It was clear that the initiative for a United Europe would have to be taken elsewhere.

18. THE EUROPEAN COAL AND STEEL COMMUNITY AND THE EUROPEAN DEFENCE COMMUNITY

On 9 May 1950, French Foreign Minister Robert Schuman made a daring proposal: the French and German coal and steel industry should be placed under one authority with supranational competencies in an international organisation which other European countries could join as well. Why did France launch this proposal? Domestic political motives were involved. The influential French communist party and trade union were believed to moderate their revolutionary aspirations if a co-operation with the more submissive German SDP and trade union was started. France also feared German rearmament: some form of control over the German steel industry was essential. Furthermore, France aimed at a key role in post-war Europe and wanted to avoid that this role would go to the US or the UK. Why did Germany accept this proposal? In the short term, it opened up perspectives of reconciliation with the other West European countries. In the long term, it opens up perspectives of a reunification with the DDR. The USSR exploited East Germany, while the US had re-established the DBR economically. The DDR citizens would choose for material wealth. The moment Moscow let go of her stranglehold on the communist satellites, the two Germanies would be reunified spontaneously. Besides Germany and France, also Italy and the Benelux countries answered affirmatively, because for these countries, international trade was very important. Furthermore, Belgium and Italy had to deal with a crisis in the coal sector. The US played an important part behind the scenes. The American shareholders were afraid that the coal industry would be nationalised if the communists came to power. To the US, France and Germany were the pillars of the new Europe. The ECSC project created the best conditions for a reconciliation between those two countries. A strong Europe was essential to counterbalance the USSR. The United Kingdom turned the French proposal down. England considered herself a World Empire, not a European state. British history progressed by slow evolution, not by revolutions. The idea of power shared between institutions, like in the ECSC, affected England's indivisible national sovereignty. England survived World War II thanks to her patriotism, while on the continent war was waged against dangerous nationalism.

The ECSC was quickly set up (18 April 1951)¹⁵. Some factors made negotiations progress really fast: a favourable psychological climate; the UK's non-participation; the ECSC being a

¹⁴ VAN DE MEERSSCHE, P., 1990, p. 49

¹⁵ VAN DE MEERSSCHE, P., 1990, p. 58-59; LUYKX, T., 1971, p. 371

form of vertical integration, as it was limited to the coal, steel, iron ore and scrap sectors; the war in Korea, which convinced the negotiators of the necessity of European collaboration. The most important factor was the impressive groundwork already provided for by Jean Monnet and his collaborators. Jean Monnet's philosophy was one of a European unification process. In his opinion, this process should be linked to a concrete project to gain the support of the general public. Deadlines should be stipulated in order to work towards a specific goal. The European unification process should go progressively and be irreversible (Jean Monnet illustrated this idea by the story of the Kontiki expedition), which meant that crises in the unification process would be inevitable. Crises reveal existing problems. They serve as catalysts and accelerate the European unification process. Monnet looked upon the European project as a sort of social contract: like citizens entrust power to the national state, states should entrust power to supranational institutions. These institutions were considered very important, because they would accumulate the experience of all people who had ever had a seat in one of the different organs. Finally, Monnet believed that the European unification process couldn't be extracted from its international context. Integration movements also came into being in other continents, which meant that within the United Nations, regional groups could confer in an organised way. Europe was strongly dependent on the United States, but it had to learn to speak with a single voice. The Americans liked strong negotiation partners, and a new generation could very well feel more attracted to Asia and the Pacific than to Europe. Europe also had to rectify the historical mistake of colonisation, which would be easier if it were unified.

The ECSC was a success. Essentially, it was not much more than a free-trade zone in the territories mentioned above, though with harmonised external tariffs. Furthermore, there were common price, production, competition, social and intervention policies. The institutions which were established were completely new: the High Authority, the European Common Assembly and the European Court of Justice. The Council of Ministers only had administrative competencies. The six member states got so enthusiastic about it that they wanted to broaden the existing European integration. Again, it was France, which provided an opportunity. In 1950, French defence Minister René Pleven launched a plan for a European Army, as an alternative for an independent German army and Germany becoming a full member of NATO. A European Defence Community (EDC) would be set up, in which German contingents would operate together with those of other member states. In time of war, NATO would be in command. Airforces and naval forces remained under national command. A supranational institution was set up, modelled on the High Authority of the ECSC. A common budget and a joint armament industry were some of the possibilities. The second draft of the plan, which was signed in 1952 by the six ECSC members did not go as far as the former plan. Supranational institutions and a common budget were out of the question, and the weapons industries remained national. The EDC agreement never came into effect for different reasons: the apparent end of the Cold War, the revival of nationalism, the conflict in Indo-China, where the French army defended the national honour (without much success), the crisis in the French Fourth Republic and the refusal of the Benelux countries and Germany to renegotiate the treaty. Eventually, two member states refused to ratify the treaty: France and Italy¹⁶.

¹⁶ LUYKX, T., 1971, p. 408 and 413

19. THE EUROPEAN ECONOMIC COMMUNITY AND THE EUROPEAN ATOMIC ENERGY COMMUNITY

In the course of 1954, the Foreign Ministers of the ECSC members discussed a Benelux proposal concerning the further stages of the European unification process. At the Conference of Messina (in fact Taormina) in June 1955, it was decided to set up a working party presided by Spaak. The other members were Uri, Von der Gröben and Huppert. Their report envisaged the establishment of a customs union, a common policy concerning atomic energy and co-operation in some other sectors (e.g. telecommunication). At the Conference of Venice (May 1956), the ministers expressed their support to the first two projects. As in 1950, they came to recognise the necessity of co-operation by external circumstances: the Suez crisis and the repression of the Hungarian uprising by the Soviet army. In the course of 1956 and 1957, intergovernmental consultations were organised in the castle of Våle Duchesse on the outskirts of Brussels. On 25 March 1957, the Treaty of Rome was signed, which provided for the establishment of the EEC and the EAEC. The EEC treaty agreed on the customs union and the unification of trade, competition, agriculture and transport policies. The EAEC treaty was about a common supply policy, a common research and development policy and a common investment policy. New institutions were created: a European Commission and a Council of Ministers. The competencies of the European Parliament and the Court of Justice were adapted to the new Communities. The treaties were a kind of pragmatic compromise between France and Germany.

On 1 January 1958, both treaties took effect. Two events threatened the development of the EEC and the EAEC. First of all, the British proposal to start negotiations in the OEEC about a large West European free trade area. The so-called Maudling Negotiations failed because the UK clearly intended to nip the EEC in the bud. Secondly, General de Gaulle came to power in France, which was the end of the Fourth Republic. de Gaulle was attached to the national sovereignty of France and an advocate of *l'Europe des patries*. He accelerated the decolonisation process in French Africa, he granted Algeria independence, he withdrew France from the military alliance of NATO and pursued an anti-American policy. From the very beginning it was clear that during the next decade, he was going to determine the pace of the European integration process.

Three important moments of crisis characterised the first decade of the EEC. In 1960, Fouchet launched in the name of France a proposal for regular meetings of the Foreign Ministers of the six member countries. A working party was set up which had to elaborate this plan, but the Belgian and Dutch representatives opposed it. They claimed that de Gaulle tried to get rid of the two supranational institutions, the European Commission and the European Parliament. The Fouchet plan was buried. Moreover, de Gaulle was believed to try to prevent Britain's entry into the EEC. de Gaulle's revenge was not long in coming. In the beginning of the sixties, Great Britain changed her foreign policy. England no longer thought of herself as an equal to the US and the USSR and therefore directed her attention to the continent. London also saw her economy decline and applied for full membership of the EEC. Till the end of 1962, London negotiated with the Commission, but negotiations failed for the following reasons: London asked too many exceptional clauses while France was determined not to give in; Franco-British relations were tense (because of the Chunnel or Skybolt project)¹⁷; the Netherlands were favourably disposed towards the UK. In 1965, the new (Labour)

¹⁷ VAN DE MEERSSCHE, P., 1990, p. 104 ff; LUYKX, T., 1971, p. 481

government applied for full membership a second time, but this time there was even no reaction.

The third crisis broke out in the middle of 1965, as a result of the establishment of a common agricultural market and the start of the third phase of the transition period, which made it possible for the Council to vote by qualified majority. The Commission submitted some modest proposals for a common agricultural market. The plan was approved by five member states, but rejected by the French delegation. France decided to boycott all meetings in the next nine months. An agreement was reached no sooner than January 1966: the so-called Luxembourg compromise. Each member state interpreted the agreement in its own way, but the crisis was averted.

During the first decade, there were also some positive achievements. The customs union for industrial products was realised earlier than expected and the common agricultural policy was established. In 1965, the three communities were merged. From then on, there was only one community, but there were still three separate treaties. Only the executive bodies, the budgets and the staffs were unified. In the Kennedy round the EEC spoke with a single voice in order to be regarded as a single negotiating partner by other parties. The two British membership applications, the Greek and Turkish association applications and the applications for trade agreements by numerous third parties can be regarded as a proof of the success of the European integration process.

In 1969, de Gaulle dropped out of the picture. The new French President, George Pompidou, was an ex-banker and therefore first of all very pragmatic. He found a congenial spirit in W. Brandt, the German Federal Chancellor. A common Franco-German initiative led to the Conference of The Hague in 1969, where decisions were taken concerning the completion, enlargement and deepening of the EEC.

20. THE EUROPEAN COMMUNITY IN THE SEVENTIES

On 1 January 1970, the customs union was solemnly proclaimed as a part of the completion of the integration process. In reality, the customs union had come into being a year and a half before as a result of an acceleration of the rhythm of tariff reductions. During the next years, the member states would invent all kinds of new trade barriers, which would make the customs union de facto pointless. Free transaction of goods only existed in theory. No import duties had to be paid, but import itself was made impossible by all kinds of national laws and regulations concerning the production and marketing of goods. Still as a part of the completion of the integration process, two treaties about direct revenues for the Community were signed (1970 and 1975). Contrary to a traditional international organisation, the EC had its own revenues, which made it less dependent on the goodwill of the member states.

On 1 January 1973, the UK, Ireland and Denmark entered the European Community. The entry negotiations didn't go smooth at all. There were large differences of opinion on the import of commonwealth products, the common agricultural policy, the position of the pound sterling as a reserve currency and the British financial contribution. Some of these problems were postponed. Faced with an economically strong Germany, France did her best to conduct Great Britain into the EC as quickly as possible. One year later, Labour came to power. The British membership application split the Party. Certain issues were renegotiated with the EC,

but the UK only got a concession with regard to its contributions to the European budget. In The Hague, decisions were also made about the deepening of the EC, which was first of all attained by the system of so-called European Political Co-operation (EPC): a co-ordination of foreign policies, which had been proposed ten years before in the French Fouchet Plan. EPC was organised outside the legal framework of the treaties. There was no official role for the European Parliament or the European Commission: there were regular consultations among the Foreign Ministers and the political directors of the member states respectively. A troika formed by the chairman, the former chairman and the next chairman went into action if mediation in conflict areas was necessary. Different working parties were formed. An electronic data processing system was set up to exchange information rapidly. There was also co-operation among the embassies and within the international organisations. In case an international crisis emerged, the Ministers could be summoned within 48 hours. The member states committed themselves to searching for a common solution. Only if the member states really couldn't come to an agreement, they were allowed to undertake national actions.

A second decision concerning the deepening of the EC was the establishment of the Monetary Union. A first plan was launched in 1970: the fluctuations in the exchange rates of the participating currencies had to be reduced and the countries should aim at more macro-economic convergence. The American decision to suspend the convertibility of the Dollar (August 1971) spelled the end of the Bretton Woods system of fixed exchange rates. The EC members reacted in different ways: the fluctuations of the exchange rates rather increased than decreased. There were no further talks about a monetary union. For a moment, it seemed as if new life was breathed into the European unification process by the Paris Summit (October 1972)¹⁸, but one year later, the EC went through one of the most serious crises in its existence. As a result of a new armed conflict in the Middle East, the OPEC members decided to quadruple the prices of crude oil. At the same time, an embargo was imposed on the export to countries which sympathised with Israel, like the Netherlands. The EC member states didn't formulate a common policy. On the contrary: each country tried to conclude bilateral agreements with specific Arab states. The Copenhagen Summit (December 1973) tried to realign the nine members. Their unity was broken when France refused to enter the International Energy Agency, which was established within the OECD. Paris wanted to set up relations of privilege between Europe and the Arab world. Most of the other member states distrusted the Arab countries: they only wanted to disturb the relations between the EC and Israel. Even France preferred bilateral relations with the Arab world above multilateral ones. Some member states also feared negative American reactions to the so-called Euro-Arabian Dialogue.

In the second half of the seventies, the European integration process was making progress. At the Paris Summit (December 1974), the members states decided to form a European Council, a limited top organ in which the leaders of the governments have a seat. The European Council works outside the framework of treaties and can't make any binding decisions as far as the economic integration process is concerned. In 1975, the EC signed the Lomé convention with the so-called ACP countries, which are former colonies or territories of the member states. It was the first convention in its kind: it was signed within the framework of a new economic arrangement between a group of developing countries and a group of industrialised countries. In the beginning of 1976, the Tindemans Report was published. A number of his recommendations would later be executed. In 1979, two important decisions were made: the foundation of the European Monetary System (EMS) and direct elections to

¹⁸ VAN DE MEERSSCHE, P., 1990, p. 166-167

the European Parliament. The EMS was established as the result of an inter-governmental agreement between a number of member states. The ECU was created as a weighted average of the currencies of the member states. Fluctuations between those currencies and the ECU were kept at a minimum. The agreement on the direct election of the European Parliament members solved a number of bottlenecks with regard to the number of representatives per member state, the double mandate, the organisation of the elections, the electoral system etc.

At the end of the seventies, application negotiations with Greece and preliminary talks with Spain and Portugal were commenced. These countries had shaken off the yoke of dictatorship and were hoping to consolidate their democracies via EC membership. The negotiations dragged along for a long time because the countries involved were in different stages of economic development. Finally, an agreement was reached. Greece entered on 1 January 1981, Spain and Portugal on 1 January 1986.

21. THE EUROPE OF THE SECOND GENERATION

In June 1984, an important European Council was held at Fontainebleau. A provisional compromise was reached with regard to the three bottlenecks which were impeding the further progress of the European unification process. The European Regional Development Fund gained more scope. The Common Agricultural Policy was thoroughly reformed. A solution was reached for the problem of the British financial contribution. The European Council also formed two working parties. One on European citizenship (the Adonnino committee) and one on the future development of the EC (the Dooge committee). The latter presented her final report to the European Council of Milan one year later. Other documents that were on the table at the time: The Solemn Act of Stuttgart (1983), the report of the so-called Crocodile working party of the European Parliament and the highly important Cockfield Report of the European Commission.

The latter called for the creation of an internal market no later than 31 December 1992. This implied the entirely free movement of goods, persons, services and capital. According to Cockfield, a number of factors made this programme clearly necessary. European enterprises were hindered in their activities by different national laws. Furthermore, there was an increase in scale of the production processes and the economic threat which emanated from the newly industrialised world. The importance of Europe on the geopolitical stage had dramatically decreased. The general public wasn't exactly burning with enthusiasm; the European integration process stagnated because of the lack of a legal basis in the treaties. Because there were differences of opinion between the member states, the Italian President decided to apply the procedure provided for by section 236 of the EEC treaty for the first time in the history of the EC. This section makes it possible to amend the existing treaties by calling an intergovernmental conference. The decision to do this was to be taken by qualified majority by the Council of Ministers. The amendments themselves had to be approved unanimously by the intergovernmental conference and afterwards be ratified by the national parliaments. As a result of this procedure, the Single European Act saw the light in February 1986. This document included all amended sections.

A brief summary of the document mentioned above: the internal market got the green light; the EPC got a legal basis (but was still separated from the economic integration process); the EC was given competence over regional policy, R&D and environmental policy. The system

of qualified majority voting in the Council of Ministers was extended to certain subjects: the internal market (except the social and fiscal policies and the free movement of persons) and the implementation of the three new policies; some decisions had to be made in co-operation with the European Parliament; the Court of First Instance was established to relieve the Court of Justice. The Act came into force on 1 July 1987. The internal market programme (Europe 92) marked a major step forward in the European unification process: one year later, the European Council of Hannover (June 1988) put Jacques Delors, the President of the Commission, in charge of a report on the Economic and Monetary Union (EMU). This report was carried by the European Council of Strasbourg (December 1989). The first phase of the EMU was to take effect on 1 July 1990, the day when the free movement of capital would go ahead in most member states. The second phase, which mainly implied the establishment of the European Monetary Institute, would start on 1 January 1994, while the third phase would start at the latest on 1 January 1999.

1989 was a new year of European revolutions. It brought the end of communism in nearly all Eastern and Central European countries. The Berlin wall was pulled down in November 1989. Germany was reunified in October 1990 and one year later the USSR collapsed. Yalta was dead. The EC was of no particular importance in these events, but it did realise it had to adapt its structures to the new situation. The European Council of Dublin (June 1990) therefore decided to amend the treaties again under the procedure provided for by section 236. The closing session of the intergovernmental conference was organised in Maastricht in December 1991. The Treaty of Maastricht was signed in February 1992, but it would only come into force after new negotiations on 1 November 1993. Maastricht was the European price Germany was prepared to pay for the French support to her unification. But Germany wanted strict criteria to be adopted by countries qualifying for the EMU.

In Summary, the Treaty on the European Union contained the following stipulations:

- Dates were fixed for the start of the EMU. Based on criteria for convergence, it would be decided which countries were ready to enter the Union.
- New policy fields were added to the existing ones, but under a subsidiarity principle: the EC could only take decisions which affected the citizens of all member states.
- The possibility of taking majority decisions would be extended.
- The European Parliament was granted more competencies. It could set up committees of inquiry in case of alleged infringements or misadministration in the implementation of community law. Parliament has to be consulted before the governments of member states nominate the president of the Commission. The Commission nominees will be subject to a vote of approval. The EP was allowed to appoint an ombudsman who would examine complaints of citizens with regard to the working of the European institutions. The Parliament was to ratify certain agreements. In certain fields it was granted a right of co-decision.
- The Committee of the Regions was set up, which only had a consultative voice.
- A Cohesion Fund was to complement the existing Structural Funds.

- A European Citizenship was established, which meant that under certain conditions EU citizens could participate in local and European elections in their residence countries.
- Two so-called new pillars were added to the economic integration process: co-operation on the level of foreign policy and co-operation on the level of home affairs and justice. Both are intergovernmental forms of co-operation.
- Within the intergovernmental common security policy, the WEU was called the military arm of the EU.
- A social protocol was added to the Treaty (which wasn't signed by the UK). Certain decisions could be made with a qualified majority in co-operation with the European Parliament, those on less delicate topics (information and communication; equal rights for male and female employees; safety and health; measures in favour of special categories of employees; improvement of working conditions). For the more delicate issues, unanimity will still be required and the European Parliament only has a consultative vote (rights of employees in case of the closing down of a company; harmonisation of social security; treatment of non-EU employees; employment policy; representations of employees on works councils).

The Treaty of Maastricht was opposed by some. Renegotiations with Denmark were necessary (European Council of Edinburgh in December 1992) before the Danes would accept it in a second referendum. On the one hand, the opponents of Maastricht took advantage of the extremist right wing propaganda which held out the prospect of uncontrolled immigration flows and overrated the role of the European Commission (Brussels). On the other hand, European federalists were of the opinion that the Treaty didn't go far enough: on the level of defence and foreign policy, unanimity was still required; some decisions (e.g. those on the EMU) were only postponed; there was still no guarantee for democracy and national sovereignty wasn't touched on. Realists however thought that the Treaty went as far as possible given the circumstances. A treaty which tied up France, the UK and Germany to the European construction was worth a lot, even if it wasn't perfect.

On 1 January 1995, three new member states entered the Union: Austria, Sweden and Finland. Negotiations were concluded at record speed. The 3 countries were already integrated by concluding the treaty on the European Economic Area. They are rich countries with a higher standard of living and more advanced systems of social protection than the rest of the EU. Their democratic commitment is beyond doubt. From the outset of the negotiations they accepted the terms of the Maastricht treaty.

The European Council of Madrid (December 1995) decided to go ahead with the EMU in spite of the social unrest in some EU member states and the widening of fluctuation margins in exchange rates. It also decided to call a new inter-governmental conference to review the Treaty of Maastricht. In December 1996, a so-called Stability Pact was signed at the European Council of Dublin. In October 1997 the treaty of Amsterdam was signed (it entered into force on 1 May 1999). It had 4 main objectives:

- to place employment and citizens' rights at the heart of the EU;
- to sweep away the last remaining obstacles to freedom of movement and to strengthen security;
- to give Europe a stronger voice in world affairs

- to make the European Union's institutional structure more efficient with a view to enlarging the EU, with new member states joining.

At the European Council of Copenhagen (June 1993) the EU committed itself to accepting new member states but there were certain conditions to be fulfilled. At the European Council of Corfu (June 1994) a so-called Pre-Accession Strategy was defined. The European Council of Essen decided the countries wanting to become member states had to adopt the so-called *acquis communautaire* regarding the internal market. At the Cannes European Council the White Paper of the Commission got a thorough but yet inconclusive discussion. In July 1997 the Commission put forward Agenda 2000. This document dealt with both the enlargement and the necessary restructuring of the EU. The Luxembourg European Council (December 1997) adopted Agenda 2000 and decided that negotiations could be opened with 5 applicant countries in Central and Eastern Europe and Cyprus. In March 1998 enlargement negotiations started with Cyprus, Estonia, Poland, the Czech Republic, Hungary and Slovenia.

The European Council of Cologne (June 1999) made several important decisions:

- Javier Solana becomes the first High Representative of Foreign and Security Policy of the EU.
- The European Defence and Security Concept is put forward.
- The reform of the institutions will be dealt with by an new Intergovernmental Conference.
- A proposal for a Stability Pact in the Balkans is put forward.

The European Council of Helsinki (December 1999) modifies the enlargement strategy. The EU will no longer distinguish between the applicants. Negotiations will be (re)opened with the 12 countries (the 6 previously mentioned, the Slovak Republic, Bulgaria, Rumania, Latvia, Lithuania and Malta). No longer a target date is set. The next enlargement will only become effective when the EU institutions have been reformed.

The European Council of Nice (December 2000) concludes the Intergovernmental conference. The following amendments are added to the treaties:

- Votes in the Council of Ministers will be weighed in a new way.
- From the year 2005 on all member states will only be entitled to having one European commissioner (with a maximum of 27).
- The president of the Commission will have more powers.
- New cases will fall within quality majority voting procedures (but not social security, regional policy, fiscal matters, asylum policy).
- In the year 2004 a new Intergovernmental Conference will start.

Observers agree that the main target of the Intergovernmental Conference -preparing the EU for the enlargement- has not been reached.

22. CONCLUSIONS

Europe has always been culturally one. Up to and including the 19th century, it has been politically disintegrated. More and more small states came into being, but Germany and Italy were the exceptions which proved the rule. Only after World War II a broad integration movement came into being in Western Europe. For the first time, the prospect was held out of a Europe which wasn't only culturally but also politically unified. This was the merit of Jean

Monnet and his political associates: reaching political integration through economic integration by using a pragmatic approach. The founding fathers probably underestimated the nations' nationalist feelings. Nationalism has always existed, but it seems to have regained strength in the nineties. The original goal of European Unification has been reached: a war between France and Germany has been made impossible. In the 21st century, the general public is to be convinced of the use of a further integration process. Some new goals are the following:

- unity between Western and Eastern Europe
- a joint approach to terrorism
- the integration of immigrants
- the battle against environmental pollution
- calling a halt to the arms' race
- a new approach to the development problem

An important task rests on the shoulders of the politicians: to convince the public opinion that the goals mentioned before had better be dealt with by the EU than by each member state separately, and that a unified Europe will increase material wealth.