

Geopolitics and International Economics

Year	Event
May 8, 1945	War ends in Europe
1946	French 4 th Republic founded; de Gaulle exits French politics
1947	Marshall Plan
1947-48	Berlin Airlift; Issuance of first Deutschmarks in W. Germany
1949	First elections, Germany; CDU/CSU under Adenauer and Erhard wins
1950-51	Founding of the European Coal and Steel Community with France, Germany, Belgium, Italy, Netherlands, and Luxembourg
1953	W. European joint security union fails Demonstrations in E. Germany
1955	German Rearmament; founding of NATO; end of W. occupation of W. Germany
1956	Demonstrations in Hungary, followed by Soviet occupation
1957	The Suez Crisis; definitive end of British international power; fall of the Eden government in the UK; Franco-British split on Europe; Treaty of Rome founding the European Community (Britain does not participate)
1958	French Fourth Republic falls; near-coup; de Gaulle returns to power
1961	Berlin Wall erected; attempted assassination of de Gaulle by French Algerians, the <i>pied noirs</i>
1963	Elysee Treaty between Germany and France, signed by Adenauer and de Gaulle
1964	de Gaulle withdraws France from NATO; independent French nuclear deterrent; "Empty Chair" crisis in EU as French absence paralyzes business
1967	First SPD government in Germany under Willi Brandt; first German postwar recession; <i>Bundesbank</i> -union standoff on wages
1968	Massive student protests across Europe; widespread labor unrest; de Gaulle leaves the Presidency and is succeeded by d'Estaing
1969	<i>Autunno Caldo</i> in Italy; beginning of domestic terrorism in Italy and Germany under the Red Brigades and the Bader-Meinhof Gang
1970-71	Collapse of the Bretton Woods international exchange rate system; Heath government (conservative) in the UK; Thatcher as Education Secretary
1971	The <i>Smithsonian Accords</i> , an unsuccessful attempt to re-found the Bretton Woods system
1973	First oil shock; first enlargement of the EU to include Ireland, UK, Denmark
1974	The Brandt government falls in Germany after spying scandal;

	Helmut Schmidt takes over. Heath government falls in UK.
1976	Britain forced to take IMF loan to restructure its currency
1978	Second oil shock; the beginning of the Euromissile crisis; fall of the Labour government after union protests
1979	Thatcher comes to power; The European Exchange Rate Mechanism begins operation
1981	Mitterand (Socialist) elected in France; Solidarity protests wages and working conditions in Poland; Greece enters the EU
1983	Mitterand's U-turn from "Keynesianism in One Country"-financial and economic deregulation in France; end of the Euromissile crisis
1984-85	Miners' strike in the UK; Thatcher breaks the unions and changes union regulation in Britain
1986	Single European Act, paving the way for the European Union; Spain, Portugal enter the EU
1987	Iran-Contra; Savings and Loan financial crisis, stock market crash
1989	June: Tiananmen Square protests, China June: Solidarity negotiations in Poland begin Autumn: Leipzig protests in E. Germany reach critical mass November: Berlin wall falls; revolution in Prague and Budapest December: Revolution in Bulgaria and Hungary
1990	October: German reunification
1991	USSR falls; Yeltsin takes over the Russian Republic
1992	Exchange Rate Mechanism crisis; Britain withdraws from the ERM; Maastricht Treaty of the European Union; <i>Mani Pulite</i> corruption scandals in Italy end single-party dominance of the Christian Democrats
1994	The Labour Party (UK) strikes Clause IV of its Constitution, which had called for the nationalization of the commanding heights of the economy
1995	Austria, Sweden, and Finland enter the EU
1997	Labour returns to power in the UK under the "New Labour" banner
1998	Kosovo crisis
1999	Euro begins operation
2001	Euro goes into circulation as hard currency
2004	Major EU enlargement to include Poland, Hungary, the Czech Republic, Slovakia, Slovenia, Estonia, Latvia, Lithuania, Cyprus, and Malta
2007	Enlargement of the EU to include Romania and Bulgaria

European Political Economy

Year	Event
July 1944	Bretton Woods conference on international monetary institutions
1946	J.M. Keynes negotiates postwar loan from the United States
1946	Jean Monnet chairs the <i>Commissariat du Plan</i> in France; first Plan published
1948	Deutschmark issued as the sole currency for the Western Occupation Zones in Germany
1949	First Volkswagen Beetle sold in the United States
1950	Ruhr Valley and Saar coalfields put under supervision of European Coal and Steel Community (ECSC) (along with Belgian, Italian, French, and Luxembourg fields)
1957	Harold MacMillan, Prime Minister, UK, "Britons have never had it so good"
1957	Treaty of Rome; founding of the Common Market in Europe
1964	IBM 360 Mainframe Computer launched
1967	<i>Bundesbank</i> punishes union wage demands with higher interest rates; recession ensues
1972	Arthur Burns at the Federal Reserve; significant increases in domestic liquidity ahead of 1972 election lead to short-term boom and long-term inflation
1973	First oil crisis; oil prices quadruple; UK and others enter the European Union
1976	Britain requires IMF loan to consolidate government finances
1978	Second oil crisis; oil prices rise ~ 250%
1981	IBM PC launched
1983	French U-Turn; privatization of banks and major industry following failure of Keynesian fiscal stimulus programs
1982-1986	Latin American debt crises
1987	Savings and Loan Crisis
1992	ERM Crisis; Britain fails to defend the Pound on world markets and withdraws from the ERM.
1994	Mexican Peso crisis
1997	East Asian Financial Crisis
1998	Russian Debt crisis; Long-Term Capital Management failure and bailout
1999-2002	Argentine Debt Crises

Economic Data

Compound real GDP growth rates:

	France	Germany	Italy	United Kingdom	United States
1950-59	4.29%	7.69%	6.13%	2.33%	3.57%
1960-69	5.55%	4.15%	6.19%	2.89%	4.63%
1970-79	3.43%	2.92%	3.60%	2.38%	3.58%
1980-89	2.32%	1.84%	2.24%	2.89%	3.38%
1990-99	1.76%	1.98%	1.37%	2.28%	3.26%

Source: own calculations, based on Angus Maddison's GDP time-series data

First year real GDP exceeds that of 1938

France:	1949
Germany:	1954
Italy:	1949
United Kingdom:	1945
United States:	1945
Japan:	1951

Inflation rates (Consumer price index)

	France	Germany	Italy	United Kingdom	United States
1950-59	6.17		3.01	3.51	1.82
1960-69	3.85		3.62	3.53	2.33
1970-79	8.90	4.88	12.32	12.63	7.09
1980-89	7.38	2.90	11.19	7.44	5.55
1990-99	1.89	2.50	4.13	3.71	3.00

Source: own calculations from IMF International Financial Statistics (Germany data from the World Economic Outlook database; pre-1990 data refer to W. Germany only).