

Accordingly, while western Europe, with plenty of capital and cheap, democratic weapons, could finance its industrialization with liberalism and democracy, central and eastern Europe had difficulty financing industrialism, and there the process was delayed to a period when cheap and simple democratic weapons were being replaced by expensive and complicated weapons. This meant that the capital for railroads and factories had to be raised with government assistance; liberalism waned; rising nationalism encouraged this tendency; and the undemocratic nature of existing weapons made it clear that both liberalism and democracy were living a most precarious existence.

As a consequence of situations such as this, some of the traits which arose in western Europe in the nineteenth century moved outward to more peripheral areas of Europe and Asia with great difficulty and for only a brief period. Among these less sturdy traits of western Europe's great century we might mention liberalism, democracy, the parliamentary system, optimism, and the belief in inevitable progress. These were, we might say, flowers of such delicate nature that they could not survive any extended period of stormy weather. That the twentieth century subjected them to long periods of very stormy weather is clear when we consider that it brought a world economic depression sandwiched between two world wars.

Part Two—Western Civilization to 1914

Chapter 4—The Pattern of Change

In order to obtain perspective we sometimes divide the culture of a society, in a somewhat arbitrary fashion, into several different aspects. For example, we can divide a society into six aspects: military, political, economic, social, religious, intellectual. Naturally there are very close connections between these various aspects; and in each aspect there are very close connections between what exists today and what existed in an earlier day. For example, we might want to talk about democracy as a fact on the political level (or aspect). In order to talk about it in an intelligent way we would not only have to know what it is today we would also have to see what relationship it has to earlier facts on the political level as well as its relationship to various facts on the other five levels of the society. Naturally we cannot talk intelligently unless we have a fairly clear idea of what we mean by the words we use. For that reason we shall frequently define the terms we use in discussing this subject.

The Organization of Power

The military level is concerned with the organization of force, the political level with the organization of power, and the economic level with the organization of wealth. By the "organization of power" in a society we mean the ways in which obedience and consent (or acquiescence) are obtained. The close relationships between levels can be seen from the fact that there are three basic ways to win obedience: by force, by buying consent with wealth, and by persuasion. Each of these three leads us to another level (military, economic, or intellectual) outside the political level. At the same time, the organization of

power today (that is, of the methods for obtaining obedience in the society) is a development of the methods used to obtain obedience in the society in an earlier period.

Major Change in the 20th Century

These relationships are important because in the twentieth century in Western Civilization all six levels are changing with amazing rapidity, and the relationships between levels are also shifting with great speed. When we add to this confusing picture of Western Civilization the fact that other societies are influencing it or being influenced by it, it would seem that the world in the twentieth century is almost too complicated to understand. This is indeed true, and we shall have to simplify (perhaps even oversimplify) these complexities in order to reach a low level of understanding. When we have reached such a low level perhaps we shall be able to raise the level of our understanding by bringing into our minds, little by little, some of the complexities which do exist in the world itself.

The Military Level in Western Civilization

On the military level in Western Civilization in the twentieth century the chief development has been a steady increase in the complexity and the cost of weapons. When weapons are cheap to get and so easy to use that almost anyone can use them after a short period of training, armies are generally made up of large masses of amateur soldiers. Such weapons we call "amateur weapons," and such armies we might call "mass armies of citizen-soldiers." The Age of Pericles in Classical Greece and the nineteenth century in Western Civilization were periods of amateur weapons and citizen-soldiers. But the nineteenth century was preceded (as was the Age of Pericles also) by a period in which weapons were expensive and required long training in their use. Such weapons we call "specialist" weapons. Periods of specialist weapons are generally periods of small armies of professional soldiers (usually mercenaries). In a period of specialist weapons the minority who have such weapons can usually force the majority who lack them to obey; thus a period of specialist weapons tends to give rise to a period of minority rule and authoritarian government. But a period of amateur weapons is a period in which all men are roughly equal in military power, a majority can compel a minority to yield, and majority rule or even democratic government tends to rise. The medieval period in which the best weapon was usually a mounted knight on horseback (clearly a specialist weapon) was a period of minority rule and authoritarian government. Even when the medieval knight was made obsolete (along with his stone castle) by the invention of gunpowder and the appearance of firearms, these new weapons were so expensive and so difficult to use (until 1800) that minority rule and authoritarian government continued even though that government sought to enforce its rule by shifting from mounted knights to professional pike-men and musketeers. But after 1800, guns became cheaper to obtain and easier to use. By 1840 a Colt revolver sold for \$27 and a Springfield musket for not much more, and these were about as good weapons as anyone could get at that time. Thus, mass armies of citizens, equipped with these cheap and easily used weapons, began to replace armies of professional soldiers, beginning about 1800 in Europe and even earlier in America. At the same time, democratic government began to replace

authoritarian governments (but chiefly in those areas where the cheap new weapons were available and local standards of living were high enough to allow people to obtain them).

The arrival of the mass army of citizen-soldiers in the nineteenth century created a difficult problem of control, because techniques of transportation and of communications had not reached a high-enough level to allow any flexibility of control in a mass army. Such an army could be moved on its own feet or by railroad; the government could communicate with its various units only by letter post or by telegram. The problem of handling a mass army by such techniques was solved partially in the American Civil War of 1861-1865 and completely by Helmuth von Moltke for the Kingdom of Prussia in the Austro-Prussian War of 1866. The solution was a rigid one: a plan of campaign was prepared beforehand against a specific opponent, with an established timetable and detailed instructions for each military unit; communications were prepared and even issued beforehand, to be used according to the timetable. This plan was so inflexible that the signal to mobilize was practically a signal to attack a specified neighboring state because the plan, once initiated, could not be changed and could hardly even be slowed up. With this rigid method Prussia created the German Empire by smashing Austria in 1866 and France in 1871. By 1900 all the states of Europe had adopted the same method and had fixed plans in which the signal for mobilization constituted an attack on some neighbor—a neighbor, in some cases (as in the German invasion of Belgium), with whom the attacker had no real quarrel. Thus, when the signal for mobilization was given in 1914 the states of Europe leaped at each other.

The Rise of Authoritarian Government

In the twentieth century the military situation was drastically changed in two ways. On the one hand, communications and transportation were so improved by the invention of the radio and the internal-combustion engine that control and movement of troops and even of individual soldiers became very flexible; mobilization ceased to be equivalent to attack, and attack ceased to be equivalent to total war. On the other hand, beginning with the first use of tanks, gas, high-explosive shells, and tactical bombing from the air in 1915-1918, and continuing with all the innovations in weapons leading up to the first atomic bomb in 1945, specialist weapons became superior to amateur weapons. This had a double result which was still working itself out at mid-century: the drafted army of citizen-soldiers began to be replaced by a smaller army of professional specialist soldiers, and authoritarian government began to replace democratic government.

The Political Level in Western Civilization

On the political level equally profound changes took place in the twentieth century. These changes were associated with the basis on which an appeal for allegiance could be placed, and especially with the need to find a basis of allegiance which could win loyalty over larger and larger areas from more numerous groups of people. In the early Middle Ages when there had been no state and no public authority, political organization had been the feudal system which was held together by obligations of personal fealty among a small number of people. With the reappearance of the state and of public authority, new

patterns of political behavior were organized in what is called the "feudal monarchy." This allowed the state to reappear for the first time since the collapse of Charlemagne's Empire in the ninth century, but with restricted allegiance to a relatively small number of persons over a relatively small area. The development of weapons and the steady improvement in transportation and in communications made it possible to compel obedience over wider and wider areas, and made it necessary to base allegiance on something wider than personal fealty to a feudal monarch. Accordingly, the feudal monarchy was replaced by the dynastic monarchy. In this system subjects owed allegiance to a royal family (dynasty), although the real basis of the dynasty rested on the loyalty of a professional army of pike-men and musketeers.

The Rise of the Nation State

The shift from the professional army of mercenaries to the mass army of citizen-soldiers, along with other factors acting on other levels of culture, made it necessary to broaden the basis of allegiance once again after 1800. The new basis was nationalism, and gave rise to the national state as the typical political unit of the nineteenth century. This shift was not possible for the larger dynastic states which ruled over many different language and national groups. By the year 1900 three old dynastic monarchies were being threatened with disintegration by the rising tide of nationalistic agitation. These three, the Austro-Hungarian Empire, the Ottoman Empire, and the Russian Empire of the Romanovs, did disintegrate as a consequence of the defeats of the First World War. But the smaller territorial units which replaced them, states like Poland, Czechoslovakia, or Lithuania, organized largely on the basis of language groups, may have reflected adequately enough the nationalistic sentiments of the nineteenth century, but they reflected very inadequately the developments in weapons, in communications, in transportation, and in economics of the twentieth century. By the middle of this latter century these developments were reaching a point where states which could produce the latest instruments of coercion were in a position to compel obedience over areas much larger than those occupied by peoples speaking the same language or otherwise regarding themselves as sharing a common nationality. Even as early as 1940 it began to appear that some new basis more continental in scope than existing nationality groups must be found for the new super-states which were beginning to be born. It became clear that the basis of allegiance for these new super-states of continental scope must be ideological rather than national. Thus the nineteenth century's national state began to be replaced by the twentieth century's ideological bloc. At the same time, the shift from amateur to specialist weapons made it likely that the new form of organization would be authoritarian rather than democratic as the earlier national state had been. However, the prestige of Britain's power and influence in the nineteenth century was so great in the first third of the twentieth century that the British parliamentary system continued to be copied everywhere that people were called upon to set up a new form of government. This happened in Russia in 1917, in Turkey in 1908, in Czechoslovakia and Poland in 1918-1919 and in most of the states of Asia (such as China in 1911).

The Economic Level of Western Civilization

When we turn to the economic level, we turn to a series of complex developments. It would be pleasant if we could just ignore these, but obviously we cannot, because economic issues have been of paramount importance in the twentieth century, and no one can understand the period without at least a rudimentary grasp of the economic issues. In order to simplify these somewhat, we may divide them into four aspects: (a) energy; (b) materials; (c) organization; and (d) control.

It is quite clear that no economic goods can be made without the use of energy and of materials. The history of the former falls into two chief parts each of which is divided into two sub-parts. The main division, about 1830, separates an earlier period when production used the energy delivered through living bodies and a later period when production used energy from fossil fuels delivered through engines. The first half is subdivided into an earlier period of manpower (and slavery) and a later period using the energy of draft animals. This subdivision occurred roughly about A. D. 1000. The second half (since 1830) is subdivided into a period which used coal in steam engines, and a period which used petroleum in internal-combustion engines. This subdivision occurred about 1900 or a little later.

The development of the use of materials is familiar to everyone. We can speak of an age of iron (before 1830), an age of steel (1830-1910), and an age of alloys, light metals, and synthetics (since 1910). Naturally, all these dates are arbitrary and approximate, since the different periods commenced at different dates in different areas, diffusing outward from their origin in the core area of Western Civilization in northwestern Europe.

Six Periods of Development

When we turn to the developments which took place in economic organization, we approach a subject of great significance. Here again we can see a sequence of several periods. There were six of these periods, each with its own typical form of economic organization. At the beginning, in the early Middle Ages, Western Civilization had an economic system which was almost entirely agricultural, organized in self-sufficient manors, with almost no commerce or industry. To this manorial-agrarian system there was added, after about 1050, a new economic system based on trade in luxury goods of remote origin for the sake of profits. This we might call commercial capitalism. It had two periods of expansion, one in the period 1050-1270, and the other in the period 1440-1690. The typical organization of these two periods was the trading company (in the second we might say the chartered trading company, like the Massachusetts Bay Company, the Hudson's Bay Company, or the various East India companies). The next period of economic organization was the stage of industrial capitalism, beginning about 1770, and characterized by owner management through the single-proprietorship or the partnership. The third period we might call financial capitalism. It began about 1850, reached its peak about 1914, and ended about 1932. Its typical forms of economic organization were the limited-liability corporation and the holding company. It was a period of financial or banker management rather than one of owner management as in the earlier period of industrial capitalism. This period of financial capitalism was followed by a period of monopoly capitalism. In this fourth period, typical forms of economic

organization were cartels and trade associations. This period began to appear about 1890, took over control of the economic system from the bankers about 1932, and is distinguished as a period of managerial dominance in contrast with the owner management and the financial management of the two periods immediately preceding it. Many of its characteristics continue, even today, but the dramatic events of World War II and the post-war period put it in such a different social and historical context as to create a new, sixth, period of economic organization which might be called "the pluralist economy." The features of this sixth period will be described later.

Stages of Economic Development

The approximate relationship of these various stages may be seen in the following table:

	Typical		
Name	Dates	Organization	Management
Manorial	6701	Manor	Custom
Commercial capitalism	a. 1050-1270	Company	Municipal mercantilism
	b. 440-1690	Chartered company	State mercantilism
Industrial capitalism	1770-1870	Private firm	Owners
		or partnership	
Financial capitalism	1850-1932	Corporation and holding company	Bankers
Monopoly capitalism	1890-1950	Cartels and trade association	Managers
Pluralist economy	1934-present	Lobbying groups	Technocrats

Finance and Monopoly Capitalism

Two things should be noted. In the first place, these various stages or periods are additive in a sense, and there are many survivals of earlier stages into later ones. As late as 1925 there was a manor still functioning in England, and Cecil Rhodes's chartered company which opened up Rhodesia (the British South Africa Company) was chartered

as late as 1889. In the same way owner-managed private firms engaging in industrial activities, or corporations and holding companies engaging in financial activities, could be created today. In the second place all the later periods are called capitalism. This term means "an economic system motivated by the pursuit of profits within a price system." The commercial capitalist sought profits from the exchange of goods; the industrial capitalist sought profits from the manufacture of goods; the financial capitalist sought profits from the manipulation of claims on money; and the monopoly capitalist sought profits from manipulation of the market to make the market price and the amount sold such that his profits would be maximized.

Four Major Stages of Economic Expansion

It is interesting to note that, as a consequence of these various stages of economic organization, Western Civilization has passed through four major stages of economic expansion marked by the approximate dates 970-1270, 1440-1690, 1770-1928, and since 1950. Three of these stages of expansion were followed by the outbreak of imperialist wars, as the stage of expansion reached its conclusion. These were the Hundred Years' War and the Italian Wars (1338-1445, 1494-1559), the Second Hundred Years' War (1667-1815), and the world wars (1914-1945). The economic background of the third of these will be examined later in this chapter, but now we must continue our general survey of the conditions of Western Civilization in regard to other aspects of culture. One of these is the fourth and last portion of the economic level, that concerned with economic control.

Four Stages of Economic Control

Economic control has passed through four stages in Western Civilization. Of these the first and third were periods of "automatic control" in the sense that there was no conscious effort at a centralized system of economic control, while the second and fourth stages were periods of conscious efforts at control. These stages, with approximate dates, were as follows:

1. Automatic control: manorial custom, 650-1150
2. Conscious control a. municipal mercantilism, 1150-1450 b. state mercantilism, 1450-1815
3. Automatic control: laissez-faire in the competitive market, 1815-1934
4. Conscious control: planning (both public and private), 1934

It should be evident that these five stages of economic control are closely associated with the stages previously mentioned in regard to kinds of weapons on the military level or the forms of government on the political level. The same five stages of economic control have a complex relationship to the six stages of economic organization already

mentioned, the important stage of industrial capitalism overlapping the transition from state mercantilism to laissez-faire.

The Social Level of a Culture

When we turn to the social level of a culture, we can note a number of different phenomena, such as changes in growth of population, changes in aggregates of this population (such as rise or decline of cities), and changes in social classes. Most of these things are far too complicated for us to attempt to treat them in any thorough fashion here. We have already discussed the various stages in population growth, and shown that Europe was, about 1900, generally passing from a stage of population growth with many persons in the prime of life (Type B), to a stage of population stabilization with a larger percentage of middle-aged persons (Type C). This shift from Type B to Type C population in Europe can be placed most roughly at the time that the nineteenth century gave rise to the twentieth century. At about the same time or shortly after, and closely associated with the rise of monopoly capitalism (with its emphasis on automobiles, telephones, radio, and such), was a shift in the aggregation of population. This shift was from the period we might call "the rise of the city" (in which, year by year, a larger portion of the population lived in cities) to what we might call "the rise of the suburbs" or even "the period of megapolis" (in which the growth of residential concentration moved outward from the city itself into the surrounding area).

Changes in Social Classes

The third aspect of the social level to which we might turn our attention is concerned with changes in social classes. Each of the stages in the development of economic organization was accompanied by the rise to prominence of a new social class. The medieval system had provided the feudal nobility based on the manorial agrarian system. The growth of commercial capitalism (in two stages) gave a new class of commercial bourgeoisie. The growth of industrial capitalism gave rise to two new classes, the industrial bourgeoisie and the industrial workers (or proletariat, as they were sometimes called in Europe). The development of financial and monopoly capitalism provided a new group of managerial technicians. The distinction between industrial bourgeoisie and managers essentially rests on the fact that the former control industry and possess power because they are owners, while managers control industry (and also government or labor unions or public opinion) because they are skilled or trained in certain techniques. As we shall see later, the shift from one to the other was associated with a separation of control from ownership in economic life. The shift was also associated with what we might call a change from a two-class society to a middle-class society. Under industrial capitalism and the early part of financial capitalism, society began to develop into a polarized two-class society in which an entrenched bourgeoisie stood opposed to a mass proletariat. It was on the basis of this development that Karl Marx, about 1850, formed his ideas of an inevitable class struggle in which the group of owners would become fewer and fewer and richer and richer while the mass of workers became poorer and poorer but more and more numerous, until finally the mass would rise up and take ownership and control from the privileged minority. By 1900 social developments took a direction so different from

that expected by Marx that his analysis became almost worthless, and his system had to be imposed by force in a most backward industrial country (Russia) instead of occurring inevitably in the most advanced industrial country as he had expected.

The Shift of Control

The social developments which made Marx's theories obsolete were the result of technological and economic developments which Marx had not foreseen. The energy for production was derived more and more from inanimate sources of power and less and less from human labor. As a result, mass production required less labor. But mass production required mass consumption so that the products of the new technology had to be distributed to the working groups as well as to others so that rising standards of living for the masses made the proletariat fewer and fewer and richer and richer. At the same time, the need for managerial and white-collar workers of the middle levels of the economic system raised the proletariat into the middle class in large numbers. The spread of the corporate form of industrial enterprise allowed control to be separated from ownership and allowed the latter to be dispersed over a much wider group, so that, in effect, owners became more and more numerous and poorer and poorer. And, finally, control shifted from owners to managers. The result was that the polarized two-class society envisaged by Marx was, after 1900, increasingly replaced by a mass middle-class society, with fewer poor and, if not fewer rich, at least a more numerous group of rich who were relatively less rich than in an earlier period. This process of leveling up the poor and leveling down the rich originated in economic forces but was speeded up and extended by governmental policies in regard to taxation and social welfare, especially after 1945.

The Religious and Intellectual Stages of Culture

When we turn to the higher levels of culture, such as the religious and intellectual aspects, we can discern a sequence of stages similar to those which have been found in the more material levels. We shall make no extended examination of these at this time except to say that the religious level has seen a shift from a basically secularist, materialist, and antireligious outlook in the late nineteenth century to a much more spiritualist and religious point of view in the course of the twentieth century. At the same time a very complex development on the intellectual level has shown a profound shift in outlook from an optimistic and scientific point of view in the period 1860-1890 to a much more pessimistic and irrationalist point of view in the period following 1890. This shift in point of view, which began in a rather restricted group forming an intellectual vanguard about 1890, a group which included such figures as Freud, Sorel, Bergson, and Proust, spread downward to larger and larger sections of Western society in the course of the new century as a result of the devastating experience of two world wars and the great depression. The results of this process can be seen in the striking contrast between the typical outlook of Europe in the nineteenth century and in the twentieth century as outlined in the preceding chapter.

Chapter 5—European Economic Developments