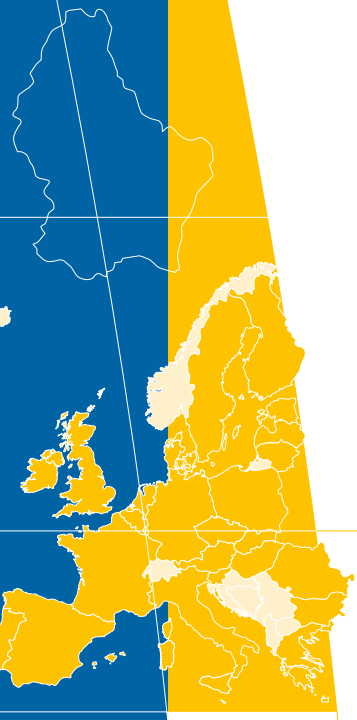


About…

History of the Grand Duchy of Luxembourg

Despite its small size – 2,586 km² and home to 476,000 inhabitants – the Grand Duchy of Luxembourg is a sovereign state with a rich history. Nestled between France, Belgium and Germany in the heart of Europe, it has been involved in the great European developments. The turbulent past of the Grand Duchy is a true mirror of European history. During the Middle Ages, its princes wore the crown of the Holy Roman Empire. In Early Modern Times, its fortress was a major bone of contention in the battle between the great powers. Before obtaining its independence during the 19th century, Luxembourg lived under successive Burgundian, Spanish, French, Austrian and Dutch sovereignty. During the 20th century, this wealthy and dynamic country acted as a catalyst in the unification of Europe.

Grand Duchy of Luxembourg

Form of government: constitutional monarchy

Neighbouring countries: Germany, Belgium, France

Area: 2,586 km²

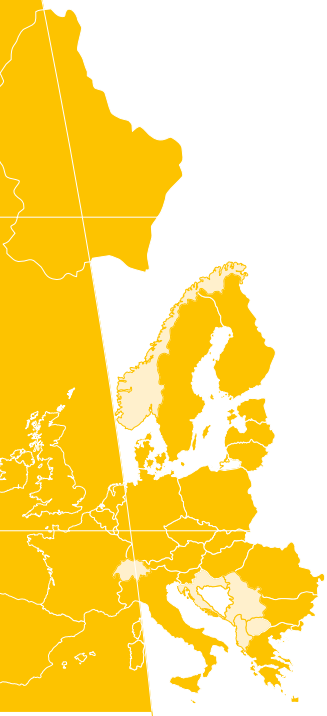
Population: 476,000 inhabitants, of which 198,000 are foreigners

Population density: 184 inhab./km² (2007)

View of the rocky outcrop called Bock featuring the remains of Lucilinburhuc castle
© Éditions Guy Binsfeld

Early origins (10th century)

The current geographical and political form of the Grand Duchy is a creation of 19th-century diplomacy. Yet the history behind what is now known as Luxembourg dates back much further in time. The name Lucilinburhuc, meaning "small castle", materialised for the first time in an exchange charter around 963. With this document, Count Siegfried acquired from the abbey of St Maximin in Trier a small fort *(castellum quod dicitur Lucilinburhuc)* located on the rocky outcrop of the Bock, which dominates the valley of the Alzette. At the time, this territory was part of the western fringe of the Holy Roman Empire.



Territorial assembling (11th-13th century)

When Siegfried established himself on the Bock, he owned land along the rivers of the Moselle, the Sûre and the Alzette, as well as in the Ardennes. Nevertheless, his possessions remained scattered. The County of Luxembourg, as a territorial principality, was a creation of Siegfried's descendants. Conrad I (deceased in 1086) was the first to explicitly bear the title of *comes de Luccelemburc.* The fortified castle Lucilinburhuc became the anchor point from which territorial assembling took place during the 11th, 12th and 13th centuries. Territory expansion was achieved through marriages, land purchases, vassalage ties and, above all, through war. The counts of Luxembourg succeeded in defeating their rivals, despite suffering occasional setbacks, such as the Battle of Worringen (1288), during which Count Henry VI and three of his brothers fell, mortally wounded. At the end of the 13th century, the County of Luxembourg occupied a vast area between the Meuse and the Moselle, with the particularity of straddling the linguistic border, with one part being German-speaking, the other French-speaking.

At the head of the Holy Roman Empire (14th-15th century)

During the early 14th century, the house of Luxembourg acceded to the imperial throne. In 1308, Count Henry VII was elected king of Germany by the prince-electors at the instigation of his brother Baudouin, archbishop of Trier, and by Pierre d'Aspelt, archbishop of Mayence, also of Luxembourg origin. A papal legate crowned him emperor in Rome in 1312. His son, John the Blind, married the heiress to the Kingdom of Bohemia and assumed the title of king of Bohemia. A model knight, he died a hero's death

Stained-glass window of the cathedral of Luxembourg City depicting Count Siegfried
© Éditions Guy Binsfeld

in the service of the king of France in the Battle of Crécy in 1346. Following Henry VII, three further members of the Luxembourg dynasty in succession were to wear the royal or even the imperial crown: Charles IV (1346-1378), Wenceslaus (1376-1400) and Sigismund (1410-1437). In 1354, Charles IV elevated the County of Luxembourg

962 — Creation of the Holy Roman Empire by Otto I

963 — Count Siegfried acquires the small fort Lucilinburhuc through an exchange act with the abbey of St Maximin in Trier.

1308 — Henry VII, count of Luxembourg, is elected king of Germany. He is crowned emperor in Rome in 1312.

1310 — John the Blind marries Elisabeth, heiress to the Kingdom of Bohemia. The counts of Luxembourg become kings of Bohemia.

to the rank of duchy. It achieved its greatest expansion with the acquisition of the County of Chiny in 1364. Nevertheless, with the accession to the royal and imperial rank, the Luxembourgs ended up paying increasingly less heed to their land of origin, which was ceded to lords on mortgage terms in return for loans, before falling into the hands of the Burgundians. In 1443, Philip the Good, duke of Burgundy, conquered the city of Luxembourg and the Duchy became a province of the Netherlands. Its destiny was to be linked to this geographical and political ensemble for the subsequent four centuries.

A province of the Netherlands (15th-18th century)

During Early Modern Times, the Netherlands changed sovereignty according to dynastic and political hazards. Following the death of Charles the Bold, duke of Burgundy (1477), the Netherlands passed to the Habsburgs. During the 16th and 17th centuries, the Duchy of Luxembourg, along with the other provinces that made up the territory of the Netherlands, belonged to the Spanish Habsburgs.

Luxembourg occupied an important strategic position on the European chessboard. From the 16th century onwards, the country was drawn into the numerous wars fought for the hegemony in Europe by the Spanish Habsburgs and the Valois, and finally the Bourbons of France. The city of Luxembourg was progressively transformed into one of the most renowned fortresses of Europe, a true "Gibraltar of the North". In 1659, the Treaty of the Pyrenees, which put a provisional end to the Franco-Spanish conflict, dismembered the entire southern part of the Duchy to the advantage of France. In 1684, the fortress of Luxembourg was besieged by the armies of Louis XIV. After capturing the city, the French engineer Vauban, who led the siege operations, carried out extensive fortification works. During a short period, from 1684 to 1697, the Duchy of Luxembourg remained under French rule. In 1715, following the War of the Spanish Succession, the southern Netherlands passed to the Austrian branch of the Habsburgs.

In contrast to the two preceding centuries, the 18th century was marked by a period of peace in Luxembourg. The reigns of Charles VI (1715-1740), Maria Theresa (1740-1780) and Joseph II (1780-1790) brought about a revival in several areas. The Austrian reforms, such as the Theresian Land Register introducing fiscal equality and the Edict of Toleration granting non-Catholics the freedom of religion, already signalled the innovations of the French Revolution. In 1795, the French revolutionary troops conquered the fortress and Luxembourg was annexed to France as the Département des Forêts

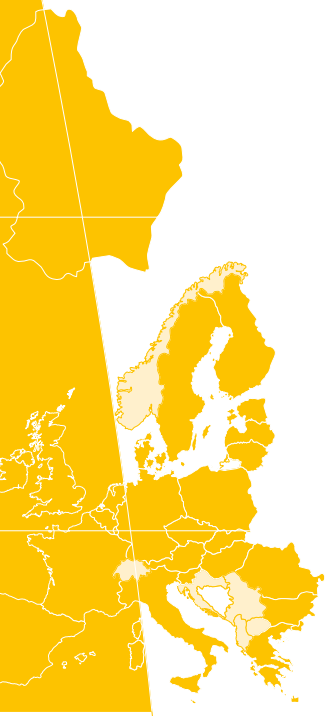
Banquet on the occasion of the coronation of the Germanic emperor Henry VII in 1312. Illustration of the Codex Balduini.
© Landeshauptarchiv Koblenz (Best. 1 C Nr. 1 fol. 3)

1337 Start of the Hundred Years' War

1354 Emperor Charles IV elevates the County of Luxembourg to the rank of duchy and cedes it to his half-brother Wenceslaus I.

1364 With the definitive acquisition of the County of Chiny, the possessions of the dukes of Luxembourg spread to a territory of 10,000 km².

1388 Wenceslaus II gives the Duchy of Luxembourg against mortgage to his cousin Jobst of Moravia.



(Forests Department). The introduction of conscription, a system of compulsory military recruitment, triggered a peasant uprising in 1798, known as the "Klëppelkrich" (cudgel war). Under Napoleon, the more moderate French regime gained more widespread acceptance among the population.

The creation of the Grand Duchy at the Congress of Vienna (1815)

In 1815, the collapse of the Napoleonic Empire resulted in a redrawing of the European map, which was to give rise to unexpected repercussions for Luxembourg. With the aim of erecting a barrier against France, the great powers brought together at the Congress of Vienna decided to create a great Kingdom of the Netherlands. The new state included Holland, Liège and the former Austrian Netherlands. Logically, Luxembourg should also have been part of this territory, but the diplomats thought differently. In fact, Luxembourg became a separate political entity. It was established as a grand duchy and assigned to the king of the Netherlands, William I of Orange-Nassau, who henceforth also bore the title of grand duke. The elevation in rank did not stop the country from losing a vast region situated to the east of the Moselle, the Sûre and the Our. These territories were awarded to Prussia. The Congress of Vienna

Death of John the Blind at the Battle of Crécy in 1346. Painting by the Luxembourg painter Nicolas Liez (19th century).
© Musée national d'histoire et d'art

1437
Death of Sigismund, last emperor of the house of Luxembourg

1443
Philip the Good, duke of Burgundy, conquers the city of Luxembourg. The Duchy of Luxembourg falls under the rule of the Netherlands.

1555
Abdication of Charles V in favour of his son Philip II. The Netherlands and the Duchy of Luxembourg are passed over to the Spanish Habsburgs.

1659
Following the Treaty of the Pyrenees, Spain cedes the southern part of the Duchy of Luxembourg, with in particular the city of Thionville, to France.

The myth of foreign domination

Luxembourg historiography has for a long time described the regimes that succeeded one another from the 15th to the 18th century as periods of "foreign domination". This suggests a simple interval from the autonomy of the Middle Ages, when Luxembourg had its own dynasty, to when it regained its independence during the 19th century. In this interpretation, the periods of Burgundian, Spanish and Austrian rule become periods of occupation with Luxembourg falling into the hands of foreigners. The men and women of the Ancien Régime, however, did not share this sentiment. They recognised the sovereign, whether Spanish or Austrian, as their natural prince, the legitimacy of whom had been acknowledged by the assembly of the estates of the Duchy at the time of accession. Within the Duchy, the wheels of the administration were driven in particular by men of the law and noblemen, originating from the province. And of course, Madrid and Vienna were far away. While a local and provincial sense of identity was very much present under the Ancien Régime, a national sentiment is but a 19th-century invention.

brought about an additional complication regarding the international status of the Grand Duchy. The latter became a member of the German Confederation, an association of 39 German states essentially pledging mutual defence. The fortified town of Luxembourg thus became a federal fortress.

How can the resolutions adopted by the Congress of Vienna be explained? For one thing, the principle of monarchical legitimacy played a role. The Orange-Nassau dynasty was in possession of a number of small principalities in Westphalia which, in 1815, were absorbed by Prussia. William I received Luxembourg in compensation. This territory was awarded as a patrimonial asset, in contrast to the Kingdom of the Netherlands, which was not part of the heritage of the Orange-Nassau family. Furthermore, the diplomats doubted the ability of the Dutch to defend the fortress of Luxembourg. Integration into the German Confederation enabled a Prussian garrison to be stationed at the fortress, a far more efficient protection to contain a French attack. As a final shrewd touch, the title of grand duke gave William I precedence over the lesser German princes within the same Confederation.

The emergence of the Grand Duchy in its current shape (1839)

On paper, Luxembourg became a state distinct from the Netherlands in 1815. In reality, however, William I made no such distinction. He governed the Grand Duchy as though it were the 18th province of his kingdom. The Dutch fundamental law was applied to Luxembourg, Luxembourg delegates sat in Dutch institutions and Dutch was taught at school. While the Luxembourg

1661 — Beginning of the personal reign of Louis XIV

1684 — Following a siege led by Vauban, the troops of Louis XIV capture the city and fortress of Luxembourg. Important fortification works are carried out.

1697 — As a result of the Treaty of Ryswick, Louis XIV is obliged to restore the Duchy of Luxembourg to Spain.

1701-1714 — War of the Spanish Succession

people did not oppose this, the economic and in particular fiscal policies of the Dutch regime gave rise to a growing discontent among the population. It was not surprising therefore that, when the Belgian Revolution broke out in 1830, the inhabitants of the Grand Duchy joined the Belgian insurgents. A great number of Luxembourg volunteers left for Brussels to join the army of the patriots. Following Belgium's declaration of independence on 4 October 1830, several Luxembourg representatives sat in the constituent assembly, and later in the institutions of the young Belgian state. Only the capital of the Grand Duchy remained under Dutch control, since it was protected by the Prussian garrison. Keen to extinguish the revolutionary fire, the great powers decided to separate the Belgians and the Dutch by creating the Kingdom of Belgium, while dividing the Grand Duchy of Luxembourg between the two adversaries (Treaty of the Twenty-Four Articles dated 14 October 1831). The Belgian Parliament accepted this decision, while William I refused to do so. For a further eight years, the Grand Duchy continued to be run by a double administration: Dutch power was limited to the city fortress, while the rest of the country remained under Belgian authority. Eventually, William I agreed to the decision of the great powers. The Treaty of London of 19 April 1839 laid down the division and from then on there were thus two distinct Luxembourgs: the Grand Duchy of Luxembourg, which remained under the sovereignty of the Orange-Nassau dynasty, and Belgian Luxembourg, which formed a province of Belgium. The dividing line more or less followed the linguistic border, except in the region of Arlon. The treaty of 1839 defined the borders of the Grand Duchy, which have not changed since.

Territorial division

Territories ceded

to France in 1659	to Prussia in 1815	to Belgium in 1839

Consolidation of autonomy (1839-1890)

From 1839 onwards, Luxembourg had no territorial link to the Netherlands and the king-grand duke was obliged to grant it a separate administration. The new sovereign, William II (1840-1849), who visited the Grand Duchy in 1841, declared: "I want Luxembourg to be governed by the Luxembourg people." Gradually, the structures

1715
Following the War of the Spanish Succession, the provinces of the Netherlands are assigned to Charles VI of Austria. Luxembourg falls under Austrian regime.

1789
Start of the French Revolution

1795
Following a blockade of more than seven months by the troops of the French Revolution, the fortress surrenders. Luxembourg becomes the Département des Forêts.

1798
Uprisings in Luxembourg against the introduction of general military service and the anti-religious policy of the Directory ("Klëppelkrich" – cudgel war)

Portrait of Adolf of Nassau-Weilburg, grand duke of Luxembourg (1890-1905), with whom Luxembourg obtained its own dynasty
© Service information et presse

of an autonomous state were put in place. As early as 1841, the king-grand duke granted a constitutional charter. A series of fundamental laws laid down community organisation, education, public charity and justice, while maintaining the Napoleonic Code. The Luxembourg state thus took shape, but could such a small country – 170,000 inhabitants on a territory of 2,586 km^2 in 1839 – be entirely independent? In the beginning, the Grand Duchy remained attached to both Germany through its membership in the German Confederation and the Netherlands through its dynastic link. Gradually, it succeeded in breaking free of these attachments.

In 1866, the Austro-Prussian War triggered the dissolution of the German Confederation. Faced with the expansion of Prussia, France sought territorial compensation. Luxembourg seemed easy prey. Napoleon III suggested the following deal to the king-grand duke: the Grand Duchy in exchange for five million gold francs. William III (1849-1890) accepted the proposal, but Prussia, whose garrison still occupied the fortress of Luxembourg, opposed it. To find a resolution to the crisis, the great powers gathered in congress in London. The Treaty of London (11 May 1867) resulted in a compromise which, while satisfying the Prussian Chancellor Bismarck and the French Emperor Napoleon III, also consolidated the international status of Luxembourg. Prussia withdrew its garrison, the fortress was dismantled and the Grand Duchy was declared perpetually neutral under the guarantee of the signatory powers. In return, France renounced its territorial claims.

The crisis of 1867 had exposed the conflict of interest that could arise for the king-grand duke owing to his two crowns. In 1890, when William III died, the personal union linking the Netherlands and Luxembourg came to an end, both countries being governed by different laws of succession. While Wilhelmina, the daughter of William III, succeeded to the Dutch throne, the Grand Duchy, as a patrimonial asset, passed to Adolf of Nassau-Weilburg. A family pact concluded in 1783 between all the lines of the house of Nassau determined that in the event of an extinction of male heirs in one branch, in this case that of the Orange-Nassau, the family possessions would be passed on to the next branch. As a result, Luxembourg had its own dynasty from 1890 onwards, the Nassau-Weilburg, who to date have provided the country with six sovereigns: Adolf (1890-1905), William IV (1905-1912), Marie-Adélaïde (1912-1919), Charlotte (1919-1964), Jean (1964-2000) and Henri (since 2000).

1804

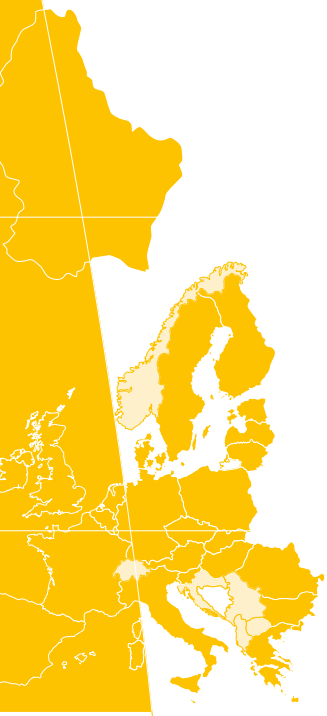
Introduction of the Napoleonic Code in Luxembourg, Département des Forêts of the French Republic

1815

Congress of Vienna. Creation of the Grand Duchy of Luxembourg assigned in personal union to William I, king of the Netherlands. Territorial division: the Luxembourg territories of the Eifel and across the Moselle, the Sûre and the Our are allocated to Prussia. As a member of the German Confederation, Luxembourg becomes a federal fortress and home to a Prussian garrison.

1830

Start of the Belgian Revolution



Setting up the machinery of the state

A favourable combination of circumstances enabled the Grand Duchy firstly to see the light of day, and subsequently to increase its autonomy. During the 19th century, however, this tiny country, never failing to arouse the envy of its neighbours, was given but a small chance of survival by international observers. Contrary to all expectations, however, the Luxembourg people were to succeed in building a sovereign state, endowed with a true national cohesion and founded on a solid economic basis.

The country's first task consisted in defining an institutional framework. Three successive constitutions dated 1848, 1856 and 1868 conferred a structure upon the young state and established a fair balance between the powers of the sovereign, responsible for appointing and

Inscription *"Mir wölle bleiwe wat mir sin"* on a façade in the capital, quoting an excerpt from the patriotic song *Feierwôn*
© Service information et presse

1839

Treaty of London. Luxembourg is split in two, its western part going to Belgium, while its eastern part continues to make up the Grand Duchy. Luxembourg acquires its current geographical form (2,586 km²).

1842

Luxembourg enters the Zollverein, which establishes an economic union with Prussia. This union lasts until 1918. Discovery of mineral deposits in the south of the country.

1848

Luxembourg acquires a constitution guaranteeing the fundamental freedoms and rights of its citizens.

1867

Treaty of London. The Grand Duchy obtains the status of a perpetually neutral and disarmed state. The Prussian garrison leaves the fortress, which is dismantled.

dismissing the government, and those of the Chamber of Deputies (Parliament), responsible for passing laws. The political regime of the Grand Duchy was that of a representative democracy in the form of a constitutional monarchy. Yet true democracy did not occur until 1919, when universal suffrage for men and women alike was introduced. Previously, the right to vote had been granted on the basis of fiscal criteria. Political life intensified on the eve of the First World War with the emergence of political parties: the socialist party in 1902-1903, the liberal league in 1904 and the party of the right in 1914. The communist party did not form until 1921 following a split from the socialists. The Luxembourg political landscape has been characterised by an extraordinary stability. Since 1919, all the governmental coalitions – with the exception of two short periods (1925-1926 and 1974-1979) – have been led by the party of the right, which became the Christian-Social Party after 1945.

In 1901, the steelworks of Differdange are the first to laminate Grey girders worldwide. The first 100-cm girder leaves the steelwork in 1911.
© Éditions Guy Binsfeld

The rise of the national sentiment

A true national sentiment started to form after the creation of the Luxembourg state. In 1839, the population of the Grand Duchy, which in its majority had supported the Belgians in their revolution, was still regretting its separation from Belgium. But before long, the Luxembourg people became attached to their state and started to appreciate the advantages conferred by autonomy. Twenty years following the split, the *Feierwôn,* a patriotic song composed to celebrate the inauguration of the railway, declared: *"Mir wëlle bleiwe wat mir sin"* ("We want to remain what we are"). It became a true national song. A different song, however, *Ons Hémecht* ("Our homeland"), was adopted as the official national anthem and performed for the first time in public in 1864. *Ons Hémecht* is a poem by Michel Lentz, set to music by Jean-Antoine Zinnen. The rise of Luxembourg literature from the mid-19th century onwards, with its principal authors Michel Lentz (1820-1893), Edmond de la Fontaine, better known as Dicks (1823-1891), and Michel Rodange (1827-1876), also bore witness to the development of a national conscience.

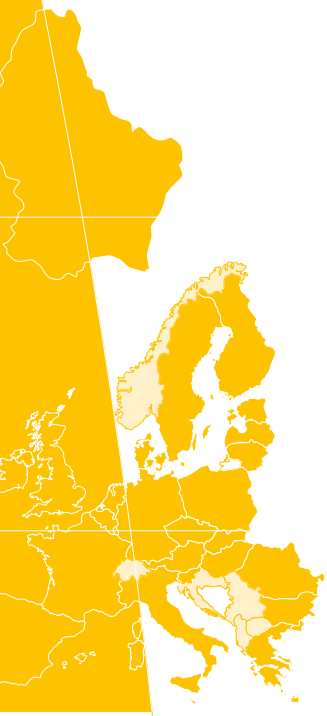
The use of languages certainly played a major role in the construction of the nation. The 1839 split created the linguistic unity, since the Grand Duchy was reduced to its German-speaking part. Nevertheless, the law of 1843 on primary education made the learning of French compulsory, alongside German. The social elite remained in favour of the use of French and were intent on avoiding a linguistic separation from the working classes. All Luxembourg pupils have

1870
The apostolic vicariate is elevated to the rank of bishopric of Luxembourg by Pope Pius IX.
Establishment of the first steelworks in the mineral basin.

1871
Creation of the German Empire (Second Reich)

1886
Birth of Robert Schuman, forefather of Europe, in Luxembourg City

1890
Accession to the throne of Grand Duke Adolf of Nassau-Weilburg. Luxembourg obtains its own dynasty.



henceforth had to learn two languages: French and German. In everyday life, the Luxembourg people spoke their own Moselle-Franconian dialect, which right up until the end of the 19th century was referred to as *Lëtzebuerger Däitsch* (Luxembourgish German). At the end of the 19th century, with the national sentiment gathering in momentum and maturity, Luxembourgish *(Lëtzebuergesch)* asserted itself as the mother tongue of the Luxembourg people, rather than German. During the Second World War, the use of *Lëtzebuergesch* was to become the symbol of resistance and national cohesion. The occupier, pursuing its policy of forced Germanisation, tried to suppress its use. In 1984, a law ratified this secular trend by awarding *Lëtzebuergesch* the status of national language, without however calling into question the simultaneous use of French and German.

The Luxembourg patriotism that developed from the mid-19th century onwards was occasionally tinged with anti-German sentiment, since the risks of assimilation by Germany were particularly high. From 1815 to 1866, Luxembourg was a member of the German Confederation; from 1842 onwards, it was part of the German Customs Union (Zollverein); from 1872 onwards, the Luxembourg railway network was under German control. In addition to their political and economic ties, an undeniable cultural and linguistic connection also existed between the small country and its great neighbour. In order to distance themselves from Germany, the Luxembourg people turned to France. They cultivated bilingualism, even trilingualism. French became the language of administration and justice as well as, generally speaking, that of the cultural and intellectual circles. Numerous craftsmen also travelled into France, while young women went to Paris to work as maids. In view of this openly displayed Francophilia, a resigned German diplomat once commented, shortly before the First World War: "With Germany, this little state entered into a marriage of convenience, but with

Luxembourg, long-time land of emigration

Today, the Grand Duchy is a country of immigration. This was not always the case. Prior to the takeoff of the steel industry, Luxembourg was a poor and rural country, with its agriculture unable to feed an increasing population. Driven by the hope of carving out a better life elsewhere, numerous inhabitants left their homeland. From 1825 onwards, Luxembourgers emigrated first towards Brazil and Argentina, then primarily to the United States of America. Others went to France to work as craftsmen or, in the case of young girls, as maids and governesses. Between 1841 and 1891, approximately 72,000 Luxembourgers left their country (of a total population amounting to 212,800 inhabitants in 1891). Significant Luxembourg colonies formed abroad. For instance, 16,000 Luxembourg emigrants lived in Chicago in 1908! Some achieved fame in their new homeland, such as Hugo Gernsbach (1884-1967), inventor of the term "science fiction", and photographer Edward Steichen, creator of the photographic exhibition "The Family of Man".

1902-1914

Birth of the three parties that will determine the political life of the 20th century: socialist, liberal and Christian-social

1911

Creation of ARBED, which becomes Luxembourg's principal steel group

1912

Accession to the throne of Grand Duchess Marie-Adélaïde, first sovereign to be born on national territory since John the Blind

1914-1918

First World War

France it was conducting a love affair."[1] In actual fact, by emulating its three neighbours, Luxembourg succeeded in carving itself an original identity, which was neither German, French nor Belgian, but a mixture of all three cultures.

The economic development

After 1839, the most challenging task consisted in providing the young state with viable economic foundations. Initially, Luxembourg was an agricultural country with outdated structures. It was home to a handful of small industries – tanneries, textile plants, potteries, traditional forges, paper mills, breweries – but these were scattered and not on a large scale. Luxembourg was suffering from its economic and geographical isolation. Economic development thus meant the country had to open up. In 1842, the Grand Duchy entered the Zollverein. This union, which provided access to the market across the Rhine, proved to be beneficial for Luxembourg. Germany supplied it with the capital and labour required to develop its heavy industry. But in order for economic trade to take place, good communication routes were necessary. The construction of the railway lines – the first connection from Luxembourg to Thionville was inaugurated in 1859 – linked the Grand Duchy to the outside world, while also unifying the national territory.

Membership in the Zollverein and the construction of the railway network created favourable conditions for economic takeoff. But it was the discovery of iron ore deposits in the south of the country during the early 1840s that allowed Luxembourg to launch its industrial revolution. From 1870 onwards, large-scale steelworks were erected in the mineral basin. Called "minette" due to its low iron content, the Luxembourg mineral contained a lot of phosphorus, which initially was a disadvantage. The acquisition of the Thomas-Gilchrist process by Luxembourg steel producers in 1879 enabled the conversion of phosphorous pig iron into steel. Henceforth, the Luxembourg steel industry was able to hold its own on an international level. On the eve of the First World War, Luxembourg ranked among the world's six largest producers. In 1911, several companies fused to create ARBED (Aciéries réunies de Burbach, Eich et Dudelange / Integrated steelworks of Burbach, Eich and Dudelange), which became the main player of the Luxembourg steel industry. Until

Industrialisation changes the demographic and social structures of the country. Luxembourg becomes a country of immigration with a large Italian community.
© Éditions Guy Binsfeld

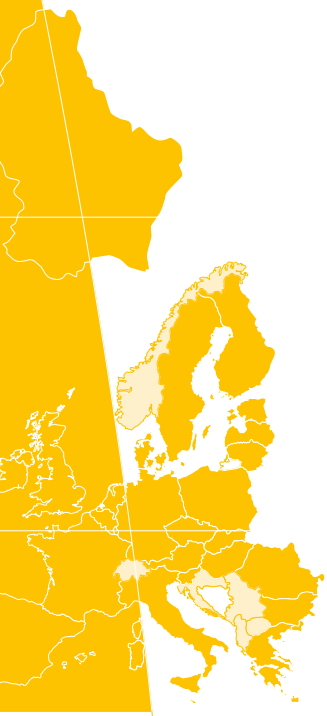
[1] (free translation) Karl von Pückler, *Aus meinem Diplomatenleben,* Schweidnitz, Verlag L. Heege, 1934, p. 136

1914
On 2 August 1914, German troops invade the Grand Duchy, thereby violating its neutrality laid down in the Treaty of London (1867).

1919
Abdication of Grand Duchess Marie-Adélaïde in favour of her sister Charlotte. Introduction of universal suffrage.

Double referendum: the Luxembourg people vote 80 % in favour of maintaining the dynasty and 73 % in favour of an economic union with France.

1920
France having refused the Luxembourg offer, Luxembourg enters into negotiations with Belgium.



the economic crisis of the mid-1970s, the steel industry remained the backbone of the Luxembourg economy. It employed a quarter of the working population and was responsible for almost two thirds of industrial production. As the main source of the country's wealth, it was at the root of the high standard of living enjoyed by the Luxembourg people during the industrial era.

Industrialisation changed the demographic and social structures of the country. The farmers of the Oesling, the northern part of the country, abandoned their land to work in the mines and factories. Local labour, however, was not sufficient. From 1890 onwards, emigration practically stopped and Luxembourg became a country of immigration. Foreigners arrived in several waves: first the Germans, then the Italians and, more recently, from the 1960s onwards, the Portuguese. In 1910, immigrants already represented 15.3 % of the total population. Today, they account for nearly 42 %. The dependency on foreign countries regarding labour, but also capital and markets, has remained a permanent trait of the Luxembourg economy. When Luxembourg had to denounce the Zollverein just after the First World War, it formed an economic union with Belgium in 1921. Originally set up for a period of fifty years, yet regularly renewed thereafter, the Belgo-Luxembourg Economic Union (BLEU) established a permanent link between the two countries. The Belgian franc became the common currency, but Luxembourg nonetheless retained its right to issue Luxembourgish money.

The occupation during the First World War (1914-1918)

Despite the guarantees laid down with the Treaty of London in 1867, the international status of Luxembourg remained precarious. Each European crisis brought up the "Luxembourg question" and heightened the desires of annexation harboured by its neighbouring countries. In 1914, Luxembourg was dragged into the First World War. On 2 August, the German army invaded the Grand Duchy and thus violated its neutrality. The Luxembourg authorities protested against the German invasion, but continued to observe strict neutrality with regard to all the warring parties. The occupation was restricted to the military domain. The occupier did not touch the institutions of the Luxembourg state. The sovereign and the government remained in place. Following the war, the Allies were to criticise Luxembourg for its policy of neutrality towards the parties at war.

During the occupation, the major problem facing the population was the provision of supplies. The state of war rendered the importing of supplies to compensate for the insufficiencies of national production impossible. The government introduced rationing and imposed maximum prices to curb inflation. The result was a flourishing black market and a high level of tension between the cities and the country. Shortages, price increases and loss of purchasing power triggered social conflict. The dissatisfaction drove labourers to organise themselves into trade unions. In September 1916, the first two trade unions of the steel industry were born, one in the mineral basin, in Esch-sur-Alzette, the other in the capital. A strike broke out in the steel sector in 1917 and was harshly repressed by the German army.

1921
Luxembourg and Belgium sign the BLEU.

1929
Three months prior to the great Wall Street crash, a law on holding societies attempts to attract international investors. This law is to bear fruit only from the 1960s onwards.

1937
Referendum on the so-called "muzzle law"

1939-1945
Second World War

The annexation of Luxembourg was one of the objectives of Wilhelmian Germany in the event of a final victory. But in the meantime, the German authorities imposed a certain restraint on themselves. The hardship of the 1914-1918 occupation can therefore not be compared to that of 1940-1944, when numerous Luxembourgers perished as victims of the Nazi regime. The oppression during the Second World War was to give rise to a remarkable burst of national solidarity, which translated into an active resistance against the occupier, whereas during the First World War, Luxembourg was a country marked by serious internal dissension.

Political crisis and 1919 referendum

The crisis was triggered immediately following the departure of the Germans. In Parliament, the representatives of the Left demanded the deposition of the dynasty. They reproached the sovereign for having entertained relations with the occupier during the war and for favouring the Right through intervening in political life. The motion was only just rejected. On an international level, the Luxembourg government also had to face criticism with regard to Grand Duchess Marie-Adélaïde. France and Belgium were carrying out secret negotiations,

Gathering of the population in front of Parliament on 21 September 1916
© Theo Wirol/Photothèque de la Ville de Luxembourg

1940

On 10 May 1940, neutral Luxembourg is invaded by the German army. The sovereign and government go into exile.

1944

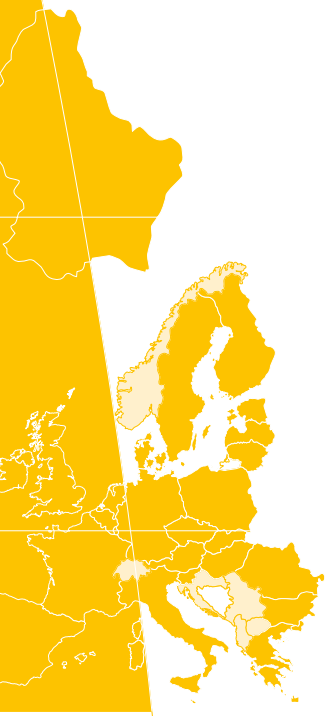
On 10 September 1944, the city of Luxembourg is liberated by the Americans.

1944-1945

The Battle of the Bulge devastates the north and east of the country following the counter-offensive of the Germans.

1947

Ratification of the Benelux agreement, a customs union between Belgium, the Netherlands and Luxembourg



which risked having repercussions on the independence of Luxembourg. On 9 January 1919, the volunteer corps (Luxembourg army) revolted and a committee of public safety declared Luxembourg a republic. These movements did not garner public support and were swiftly stifled by the intervention of French troops. But the position of Grand Duchess Marie-Adélaïde was definitely compromised. The sovereign decided to abdicate in favour of her younger sister Charlotte, who succeeded her without delay (15 January 1919).

To defuse the crisis, the Luxembourg government decided to organise a double referendum. The public was to be consulted on the form of the state (monarchy or republic) and the economic orientation of the country following the denunciation of the Zollverein. On the one hand, the voice of the population was intended to make an impression at the very moment the victors were gathered in Versailles to redraw the European map according to the Wilson principle of the right of nations to self-determination. On the other hand, the referendum was supposed to reinforce the legitimacy of the new grand duchess. Voting for the first time under universal suffrage, on 28 September 1919, a large majority pronounced itself in favour of keeping the monarchy (80 %) and for an economic union with France (73 %). France, however, withdrew and advised the Luxembourg government to turn towards Belgium. Following harsh negotiations, the agreement establishing the Belgo-Luxembourg Economic Union was signed in 1921.

The interwar years

After the economic recovery of the 1920s, there followed the crisis of the thirties, from which Luxembourg was not to be spared and which triggered a world economic deceleration. Yet in the Grand Duchy, the unemployment rate remained relatively low, since layoffs affected in particular immigrant workers who, without work, were obliged to return to their country of origin. The economic crisis provided a certain impetus to the communist party. Revolutionary ideas gained in popularity among the labourers of the mineral basin, which did not fail to cause concern among conservative circles. In 1937, the government tried to outlaw the communist party by means of a law aimed at "defending political and social order", branded a "muzzle law" by its opponents. In spite of a positive vote in Parliament, the majority of voters rejected this step in a referendum, considering it to be a violation of freedom of opinion.

On an international level, Luxembourg consolidated its position by playing an active role in the League of Nations in Geneva, while still maintaining its neutrality. With the establishment of the Nazi regime in Germany in 1933, however, an outside threat was once again looming on the horizon.

The ordeal of the Second World War

Twenty-two years after the First World War, on 10 May 1940, Luxembourg was once again occupied by the Germans. The Grand Duchy was about to experience one of the greatest ordeals of its existence. Having learnt their lesson from the past, Grand Duchess Charlotte and the government went into exile and established themselves in London and Canada. This proved to be a fortunate move, since its commitment to the camp of the Allies ensured that Luxembourg was awarded full international recognition immediately following the war.

1949
Having abandoned its neutrality (1948), Luxembourg becomes a member of NATO.

1951
Luxembourg is one of the founding members of the ECSC, precursor to the European Union.

1952
The city of Luxembourg is appointed the provisional seat of the first European community.

1957
Alongside Belgium, the Netherlands, Italy, Germany and France, Luxembourg signs the Treaties of Rome establishing the EEC and the European Community of Atomic Energy (Euratom).

German occupation meant the end of Luxembourg independence. In July-August 1940, Luxembourg was placed under direct German administration. Gustav Simon, gauleiter of the Koblenz-Trier Gau, was appointed head of the civil administration. From the outset, his initiatives were aimed at a *de facto* annexation of Luxembourg to the Reich and the Germanisation of its population. All the structures of the Luxembourg state were disposed of. The use of French was forbidden. An intense propaganda campaign attempted to promote the adherence of the Luxembourg people to the Nazi regime. The efforts of the occupier, however, met with increasing hostility. In a 1941 population census, a majority responded with "Luxembourgish" to the three crucial questions of national, ethnic and linguistic affiliation. This result reflected the resistance of the population to the occupier's assimilation attempts.

On their return from exile on 14 April 1945, HRH Grand Duchess Charlotte, Prince Félix, Hereditary Prince Jean and Princess Alix are greeted by a cheering crowd as they stand on the balcony of the grand-ducal palace
© Tony Krier/Photothèque de la Ville de Luxembourg

1963

Issue of the first eurobonds listed in Luxembourg. The rise of the euro markets triggers the growth of the financial centre during the 1960s.

1964

Abdication of Grand Duchess Charlotte in favour of her son Jean

1973

First oil shock. The ensuing crisis hits the Luxembourg economy head-on.

1981

Closing down of the country's last iron ore mine

On 30 August 1942, the occupier went even further, by introducing compulsory military service in Luxembourg, at the same time as in Alsace and Lorraine. This step triggered strikes throughout more or less the entire country. The German authorities responded by declaring martial law and summarily executing 21 strikers. In total, 10,211 Luxembourgers were forcibly conscripted into the Wehrmacht. More than a third refused to wear the German uniform and went into hiding. In response to this opposition, the occupier unleashed a reign of terror involving deportations to the East, imprisonment in concentration camps (in particular in Hinzert) and executions. The Jewish community in particular suffered under the Nazi regime. Out of the 3,700 Jews residing in the Grand Duchy before the war, 1,200 perished during the Holocaust.

Signing of the Treaties of Rome on 25 March 1957 by Joseph Bech, president of the government and minister for Foreign Affairs, and Lambert Schaus, Luxembourg ambassador and representative during the discussions preceding the signature
© Communauté européenne

While collaboration was not unheard of during the occupation, the majority of the population nevertheless bore witness to a remarkable national cohesion. As in other occupied territories, there were resistance organisations and one of their main activities consisted in hiding those who refused conscription. At the end of the war, the different resistance movements joined forces as the Unio'n.

On 10 September 1944, Luxembourg was liberated by the American army. Nevertheless, the Germans succeeded in stabilising the front along the Moselle and launched a counterattack in December 1944. The Battle of the Bulge wreaked havoc on the north and east of the country. The liberation of Vianden on 22 February, the return from exile of Grand Duchess Charlotte on 14 April and finally the unconditional surrender of Germany on 8 May 1945 marked the end of the war. The final toll was high: as a result of the armed conflict and the Nazi terror, Luxembourg suffered 5,700 deaths, accounting for approximately 2 % of the total population. The immediate post-war period was characterised by reconstruction. Thanks to the American aid received as part of the Marshall Plan, significant progress was achieved in terms of modernisation and infrastructure.

1984

Lëtzebuergesch becomes the national language.

1985

Pope John Paul II, on a visit to Luxembourg, elevates the country to the rank of archbishopric.

1986

The people of Luxembourg are awarded the Charlemagne Prize in recognition of their commitment to Europe.

1989

Fall of the Berlin Wall

Opening up to the world

The Second World War brought with it a reorientation of Luxembourg's foreign policy. By taking part in the effort of the war alongside the Allies, Luxembourg abandoned its status of neutrality and ensured its place within the international community that formed after 1945. The Grand Duchy was a founding member of all the multilateral cooperation institutions of the post-war period: the Organisation of the United Nations, Benelux, the Organisation for European Economic Co-operation (OEEC), the Brussels Pact, the Council of Europe, the North Atlantic Treaty Organisation (NATO).

However, the decisive opening up of the country took place within the framework of European unification. It was possibly no coincidence that the historic initiative of uniting Europeans came from Robert Schuman, a French minister for Foreign Affairs born in Luxembourg of a French father and a Luxembourgish mother. The education he received in both cultures provided him with the groundwork for the great task of French-German reconciliation. When Schuman launched his plan outlining the creation of a European Coal and Steel Community (ECSC) in 1950, Luxembourg was directly involved. With great skill, its diplomats succeeded in securing the provisional seat of the High Authority of the ECSC in Luxembourg City in 1952. The creation of the ECSC placed the main resource of the Grand Duchy, namely its steel industry, under the control of a supranational authority. This represented a risk, but also an opportunity for Luxembourg, since its significant steel production made it become a fully-fledged member of the Community bodies.

In 1957, alongside France, Germany, Italy, Belgium and the Netherlands, Luxembourg was a signatory of the

© Service information et presse/Christof Weber

Treaties of Rome, which founded the European Economic Community (EEC) and regulated the use of nuclear energy (Euratom). During negotiations, the government managed to have the principle of equity in law of all the states accepted, even the smallest, and to obtain direct representation in the European institutions (European Commission, Council of Ministers, etc.). The 1965 treaty merging the executive bodies of the different Communities consolidated the position of Luxembourg City as one of the three capitals of Europe, alongside Brussels and Strasbourg. The capital of the Grand Duchy became home to important Community institutions:

1992

The European summit in Edinburgh endorses Luxembourg City as one of the headquarters of Community institutions alongside Brussels and Strasbourg.

1997

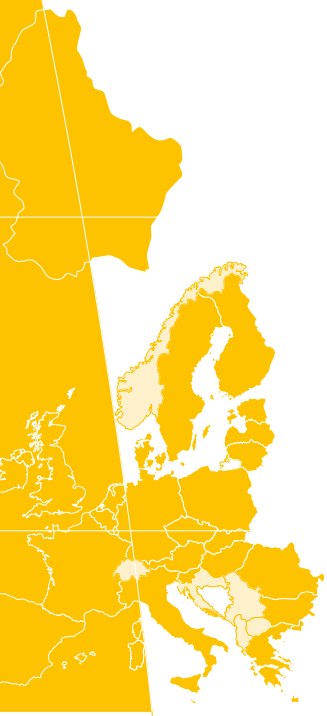
Definitive shut-down of the last blast furnace in Luxembourg. Steel production is henceforth limited to electric arc furnaces.

2000

Abdication of Grand Duke Jean in favour of his son Henri

2002

The euro begins circulation and replaces the Luxembourg franc.



the Secretariat of the European Parliament, the Court of Justice, the European Investment Bank, various services of the European Commission, the European Court of Auditors, the Publications Office, etc. To accommodate these institutions, the Luxembourg government established a European district on the Kirchberg plateau.

Its small size did not prevent the Grand Duchy from playing an active role in the European construction. Prime Minister Pierre Werner (1913-2002) can be considered the forefather of the euro. Appointed head of a group of experts, he presented a monetary union project (Werner Plan) to the European Commission as early as 1970. The Schengen Agreement, abolishing border controls, bears the name of the Luxembourg village in which the first agreements were signed in 1985. Two Luxembourg statesmen, Gaston Thorn and Jacques Santer, presided the European Commission, from 1981 to 1985 and from 1995 to 1999, respectively. From Joseph Bech (1887-1975) to Jean-Claude Juncker (born in 1954),

Northern European quarter of the Kirchberg: the two 19-storey towers flanking the Porte de l'Europe and the Alcide De Gasperi building in the background
© Éditions Guy Binsfeld

Luxembourg's politicians have excelled in the role of intermediary in European negotiations. The outcome of the 2005 referendum on the European Constitution (56.52 % of votes in favour) revealed that the majority of Luxembourgers continue to support a deepening of European unity.

Economic changes after 1945

After 1945, the Grand Duchy underwent a remarkable economic development, which resulted in a constant improvement of living standards and ensured social peace. Nevertheless, owing to its monolithic economy, Luxembourg was severely hit by the structural crisis that befell the steel industry from 1974 onwards. Between 1974 and 1992, steel production dropped by more than 50 % and the workforce of the steel industry was reduced by two thirds. 1997 saw the closure of the last remaining blast furnace. Only a few modernised sites survived the crisis. Having foreseen this danger, the authorities implemented a policy of industrial diversification from the late 1950s onwards. Yet in the end, it was the tertiary sector that took over from the steel industry to become the driving force of the Luxembourg economy.

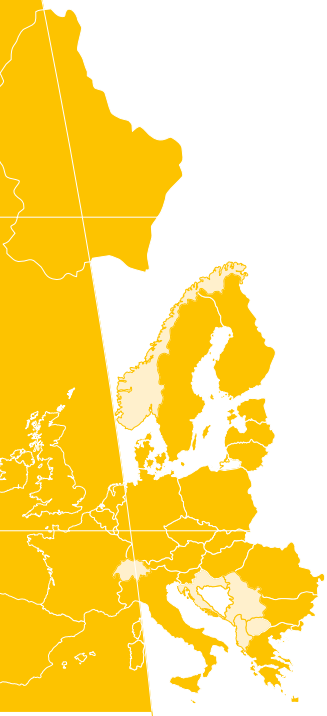
The 1960s witnessed the boom of the financial centre. The Grand Duchy took advantage of restrictive foreign legislation and the development of the eurodollar market. A multitude of international banks established themselves in Luxembourg. Today, the financial centre, which has diversified its activities, represents a fifth of the gross domestic product (GDP), a tenth of national employment and a third of the state tax revenue. The Luxembourg authorities have managed successfully to develop certain promising economic sectors, such as the financial or audiovisual sectors. This is one of the keys to Luxembourg's success.

Perspectives

At the dawn of the 21st century, the Grand Duchy is a pluralist society, a prosperous country perfectly integrated into the European Community. Today, the rapid increase of its population is due almost exclusively to immigration. In contrast, the number of Luxembourgers has remained almost constant, owing to low birth rates. The result is an increasing imbalance between "nationals" and foreign residents as well as a risk of a fragmentation of society. Current authorities are therefore counting on political participation and the use of *Lëtzebuergesch* as the common language for all nationalities living in Luxembourg as powerful factors of integration. But in a context of increased globalisation, will Luxembourg succeed in preserving its collective identity and the specificities of its socio-economic model?

Luxembourg and the Greater Region

Luxembourg shares a joint history with its neighbouring regions: the Saar, Lorraine, Rhineland-Palatinate and Wallonia. Today, these historical links find their continuity in the Greater Region, an area of transnational and interregional cooperation covering more than 65,000 km^2 and home to 11 million inhabitants. The Greater Region does not boast a great international metropolis. This absence, however, was compensated for with the creation in 2000 of Quattropole, a cross-border urban network encompassing the cities of Luxembourg, Trier, Saarbrücken and Metz. For Luxembourg, the exchange with its neighbouring regions is both a necessity and a daily fact of life. Each day, over 130,000 French, Belgian and German cross-border commuters travel to the Grand Duchy to work. The economic integration process has also been conferred a cultural dimension. In 2007, the event Luxembourg and the Greater Region, European Capital of Culture involved the entire Greater Region.



For further information

TRAUSCH, Gilbert (under the supervision of). *Histoire du Luxembourg. Le destin européen d'un « petit pays »*, Toulouse, Éditions Privat, 2002.

TRAUSCH, Gilbert. *Le Luxembourg. Émergence d'un État et d'une nation*, newly revised and expanded edition, Esch/Alzette, Éditions Schortgen, 2007.

© Service information et presse/Christof Weber

Impressum

Editor
Information and Press Service
of the Luxembourg Government,
Publishing Department

Author
Guy Thewes

Translator
Claire Weyland

Layout
Bizart

Printing

LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Service information et presse

33, bd Roosevelt L-2450 Luxembourg
Tél. : (+352) 247-82181 / Fax : (+352) 47 02 85
edition@sip.etat.lu / www.gouvernement.lu

ISBN 978-2-87999-119-1

February 2008