R.J.B. Drake

**Priming the Powder Keg**

**Habsburg Modernization Efforts and their Effects on Balkan Diplomacy**

**Abstract**

Efforts to modernize the political, foreign and military affairs of the Habsburg Monarchy were begun in 1906, in order to counter the perceived weaknesses of the Habsburg state. The effects of these reforms, both intentional and unintentional, would serve to push the „Balkan Question“ into a prominent position in European Great Power diplomacy from 1906-1914.

**Keywords:** Habsburg Dual Monarchy, Balkans, diplomacy, Francis Ferdinand, Alois Lexa von Aehrenthal, Franz Conrad von Hötzendorf

At the beginning of the 20th century, the Habsburg Dual Monarchy was either allied to, or had cordial relations with, all of its neighbors. Imperial Germany and Austria-Hungary had been tied together in the Dual Alliance since 1879, which became the Triple Alliance with the addition of the Kingdom of Italy in 1882. A secret treaty with Romania had made that country an unofficial member of the alliance in 1883. Serbia, under the rule of the Obrenovic dynasty, had pursued a pro-Habsburg policy since 1878, which had essentially turned Serbia into a de facto Habsburg satellite.¹ The mercurial Prince Nikita of Montenegro was a bit less predictable, but the fact that his tiny principality was almost entirely surrounded by Habsburg territory generally guaranteed his falling in line with Habsburg policy on most issues, in spite of the fact that he had married his daughters to the king of Italy and a pair of Russian archdukes.² The old enmity between the Habsburgs and the Ottomans had died out during the 19th century, to be replaced with a desire on the part of Austria-Hungary that the territorial integrity of the Ottoman Empire in Europe be maintained as a check against Balkan nationalist aspirations. Tsarist Russia was preoccupied with its expansion in the Far East, and was mostly interested in maintaining amicable relations on its western frontiers.

By 1916, the Habsburg Monarchy was at war with all of her neighbors with the exception of Germany (the Ottoman Empire had ceased being a neighbor of Austria-Hungary since the conclusion of the First Balkan War in 1912). How was it that such a dramatic change in circumstances could come about in such a relatively short time span? A key to answering that question may lie in the rise to prominence of three individuals within the Habsburg policy making process in

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1906. These three men shared a common vision of a strong, unified and above all modernized Habsburg state, with an effective army and an independent foreign policy which would serve the purpose of maintaining the Great Power status of the Monarchy. Archduke Francis Ferdinand, nephew and heir apparent to the Habsburg Emperor-King Francis Joseph, Count Alois Lexa von Aehrenthal and General Franz Conrad von Hötzendorf, made up this triumvirate of reformers who wished to renovate the Habsburg Monarchy from an historical anachronism into a more modern state. In so doing, they each pursued their own adaptation of that vision, which ultimately proved unobtainable. The actions they took, and the policies they pursued, helped lead to the situation in which the Habsburg Monarchy found itself surrounded and nearly friendless, and ultimately to the destruction of the state they had sought to preserve.

Some have described the Habsburg Monarchy as „having not a government but a diplomatic service that also administered,”3 while others have called it „an organization for conducting foreign policy.”4 The unique nature of the Habsburg state in the early 20th century illustrates the reality behind these observations. Since 1867, the Habsburg Monarchy had actually been two states, each with its own parliament and each having (at least theoretically) complete jurisdiction over purely internal matters. The only joint enterprises of Austria and Hungary were the foreign office and the ‘Imperial and Royal’ Army, both of which were beyond the jurisdiction of the parliaments and under the sole purview of the Emperor-King himself. However, the preoccupation of the Habsburg Monarchy with diplomatic affairs was already long established by 1867.

As a polyglot, multi-national, multi-confessional state, the Monarchy acquired its legitimacy not through the consent of the governed, or as a vehicle for the aspirations of any particular nation of people, but solely through the notion that the other states of the world, and particularly the other Great Powers, recognized its legitimacy by engaging in diplomacy with it. This had been true since at least 1720, when Charles VI promulgated the ‘Pragmatic Sanction’ in an attempt to get not only the disparate peoples of his realms, but also the sovereigns of Europe to recognize the unity of the Habsburg lands.5

The diplomatic maneuverings of post-Napoleonic Europe were dominated by the Habsburg Chancellor and Foreign Minister Prince Klemens Wenzel von Metternich, who held his post from 1809 until the revolutions of 1848 finally swept him away. The foreign policy of Metternich was focused on the maintenance of the peace of the Congress of Vienna, which sought to uphold the legitimacy of absolutist rule in the face of assaults by both liberal and radical elements. This led him to make common cause with the other autocratic states of

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Europe, most notably Russia and Prussia, in the so-called Holy Alliance. The dividends from this partnership paid out even after the departure of Metternich from the scene, as the intervention of a Russian army against the Hungarians in 1849 sealed the fate of Lajos Kossuth’s attempt to establish an independent Magyar nation-state.6

Unfortunately, this might be seen as the highpoint of Habsburg diplomacy, as a long series of setbacks and defeats, both diplomatic and military, followed over the next 60 years. The failure of the Habsburgs to support Russia during the Crimean War caused a serious rupture in the previously close relationship. Failures of diplomacy led to defeats on the battle field against France in 1859 and Prussia in 1866. The Prussian Chancellor Otto von Bismarck’s magnanimity towards the Habsburgs after 1866 allowed a quick rapprochement with Prussia-Germany, but it became increasingly clear that the Habsburgs were considered the junior partner in the arrangement.

A revival of the Holy Alliance seemed on offer with Bismarck’s Three Emperor’s League amongst Germany, Russia and Austria-Hungary, but the ambitions of the new German Kaiser allowed the treaty to lapse. From the loss of territory suffered in the wars of 1859 and 1866, to the loss of prestige and influence suffered by becoming increasingly dependent on the German alliance, at the turn of the 20th century there were many, even within the Habsburg Monarchy, who would have agreed with the Italian ambassador in Vienna when he noted that „Austria follows a policy of complete effacement.”7

In the Habsburg realms this led to an adoption of a fatalistic attitude among some that the days of the Monarchy were numbered. Among others, there arose a determination to reverse the tide, or at least to go out with a bang instead of a whimper. Foremost amongst the latter were numbered Francis Ferdinand, Aehrenthel and Conrad. There were a great many obstacles in the way of instilling a sense of renewed vitality and re-establishing the Monarchy as an independent agent on the Great Power level, most of which stemmed from the structure of the state itself.

In the Habsburg Monarchy, the ideas of Innenpolitik (domestic politics) and Außenpolitik (foreign affairs) were intertwined as nowhere else in Europe. This was due as much to the unique internal structure of the Dual Monarchy as to the multi-national nature of the state. Since the Compromise of 1867, (German: Ausgleich, Hungarian: kiegyezés) the Habsburg Monarchy had been recognized as consisting of two separate constitutional realms, with a sovereign (and very little else) in common. Even the title of the sovereign was in dispute, as Francis Joseph was Emperor only of the non-Hungarian parts of his realm; within Hungary he was only referred to as king, to do otherwise was to invite a charge of treason.

In practice, therefore, the Habsburg Monarchy operated on three different

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7 MAY (1968): 386.
levels. The ‘common monarchy’ represented Habsburg interests to the rest of the world, and consisted of the Emperor-King, the Foreign Ministry and the War Ministry. A common customs union between Austria and Hungary regulated the economic affairs of the Monarchy, and by the terms of the Compromise was subject to renewal (and renegotiation) every ten years. Finally, there were the two separate constitutional states of Austria and Hungary, each with their own parliaments and full control over all strictly internal matters. Each state also had its own armed forces that were distinct from the ‘Imperial and Royal’ (kaiserliche und königliche, or k.u.k) ‘Common Army’, the Austrian Landwehr and the Hungarian Honvéd. All matters of joint interest were negotiated by the ‘Delegations’, selected by each of the parliamentary bodies as their representatives to the common Monarchy. Due mainly to Hungarian wishes that there be no hints of an ‘Imperial Parliament’, the delegations always sat separately, and negotiated directly with the Minister concerned rather than with each other.10

The nature of the two states of the Monarchy also provided sources of friction and instability, both internally and externally. The Kingdom of Hungary had been an historical state from the time of its founding under the Árpád dynasty in the year 1000. It had maintained a geographical continuity within its established borders since at least the 13th century, and had passed into the Habsburg domains by election of its nobility after the death of the Jagiellonian King Louis II following the battle of Mohács in 1526. The stipulations under which Ferdinand, brother of the Holy Roman Emperor Charles V, assumed the throne of Hungary included the recognition of the territorial integrity of the ‘Lands of the Hungarian Crown’, and the recognition of the rights and privileges of the Hungarian nobility. With the exception of the reign of Joseph II, who attempted to fashion the disparate parts of his inheritance into a unified, Enlightened state, and the period between the suppression of Kossuth’s Hungarian Republic in 1849 and the Compromise of 1867, both the territorial integrity of the historic Kingdom of Hungary and the acknowledgement, often grudgingly given, of a Magyar political nation, was part of the coronation oath of every Habsburg ruler from Ferdinand up to the end of the dynasty.

By the early 20th century, the Kingdom of Hungary made up the largest part of the Habsburg Monarchy, and about 40% of its population.11 Although it was a multi-national state within the multi-national Monarchy, ethno-linguistic Magyars

8 To be precise, the use of the term ‘Austria’ to refer to the non-Hungarian part of the Monarchy is an anachronism prior to 1915. The official title of that entity was ‘the lands and kingdoms represented in the Reichsrat’. For reasons of clarity and brevity, the term ‘Austria’ will be used to refer to that part of the Habsburg Monarchy that was not Hungary, or after 1908 neither Hungary nor Bosnia.

9 TAYLOR (1990): 146.


made up a clear majority of 54% of its population.\textsuperscript{12} When taken together with the restriction placed on the franchise (about 6% of the population was eligible to vote) this Magyar majority translated into an absolute Magyar domination of the political life of the Hungarian state. The Nationalities Act of 1868 had set the official acknowledgement of the right of non-Magyars to use their own language, but was adamant in asserting that there was but one, unitary political state to be found within the kingdom. By the early 20\textsuperscript{th} century, this had been interpreted to mean that individuals had various cultural and linguistic rights, but no collective political rights separate from the one, unitary Hungarian political state.

In contrast, the Austrian part of the Monarchy had no dominant political or linguistic majority, with Germans (35%) and Czechs (23%), being the two most populous groups.\textsuperscript{13} Spatially, the Austrian lands were \textit{"a geographic nonsense"},\textsuperscript{14} in that they were a hodgepodge of feudal dynastic holdings acquired through several centuries of Habsburg diplomacy, marriage, conquest or inheritance that lacked any unifying theme. The greater diversity of nationalities within the Austrian state, along with a much broader franchise (27% of the population were originally eligible to vote, which was expanded to universal adult male suffrage in 1907), provided for a much more contentious and divisive political life. No nationality or political party could gain predominance, with even the socialists splitting into separate Czech and German parties.\textsuperscript{15}

While this led to greater internal instability in Austria, as both the Germans and Czechs used obstructionist tactics to periodically render the \textit{Reichsrat} unworkable as a legislative and governing body, it did manage to make things easier for the Emperor and his Ministers. For one, the wide range of nationalities, each further splintered into discrete political parties, guaranteed a hung parliament every election, allowing Francis Joseph to pick the Austrian Minister-President from among his own choices.\textsuperscript{16} In addition, Paragraph 14 of the Basic Law of Representation which governed the activity of the \textit{Reichsrat} allowed the Minister-President to essentially rule by fiat until such time as the legislature could come to order.\textsuperscript{17}

The complications for Habsburg foreign policy which arose from its unique composition were manifold. First and foremost, the agreement, or at least compliance, of the two constitutional states would have to be acquired for any major diplomatic or military action. While the structure of Dualism left the fields of military and foreign affairs to the sole discretion of the Emperor-King and his

\textsuperscript{13} TAYLOR (1990: 286).
\textsuperscript{14} Ibid, 284.
\textsuperscript{15} Catherine ALBRECHT: \textit{The Bohemian Question}, IN: Mark CORNWALL (ed.): \textit{The Last Years of Austria Hungary: a Multi-national Experiment in Early Twentieth-century Europe}, University of Exeter Press, Exeter, 2002. 83.
ministers, in practice nothing could be done without the acquiescence of the two parliaments, or at least the Minister-Presidents. While this was generally a pro forma exercise in the case of the Austrians, it was anything but that with the Hungarians. The principal aim of the Hungarian government was the continued integrity of the Lands of the Holy Crown of St. Stephen, and the maintenance of the one and indivisible Hungarian political nation. To that end, while Hungary was not prepared to give up any of her Slav or Romanian subjects (or, to probably be more precise, they were unwilling to part with the ground they stood on), they had no desire at all to increase the number of Slavs within the Monarchy either.

Another possible complication for the foreign policy makers of the Monarchy was their inability to directly influence strictly internal matters within each of the constituent parts of the Monarchy. In a state where there were 11 different nationalities, at least 5 of whom had national states to which they could conceivably become ‘magnetized’, strictly internal policies could have international repercussions. Internal laws, such as the Hungarian education law of 1907, which made the teaching of Hungarian compulsory among all ethnic groups, caused tensions with the ethnic Romanians of the Monarchy. The status of the ethnic Romanians in Hungary was an issue which Romania felt compelled to remark on, and was then a source of tension between Romania and the Monarchy. However, the apparatus of the ‘common monarchy’ had very little power to influence the internal education policies of the Kingdom of Hungary. Perhaps it is understandable that as the nationalities issue became more of a concern in the last decade of the 19th century, Habsburg foreign policy had taken on the appearance of muddle and inaction.

Habsburg diplomatic fortunes in the 20th century seemed to be continuing in the same direction, as relations with Serbia began to worsen. Serbia had been an economic and political dependency of Austria-Hungary since at least 1878, and the Austrophile King Milan had urged his son to take a German princess as a bride in order to seal Serbia’s place within the Triple Alliance camp. There were even some elements within the Serbian intelligentsia in the late 19th century which were sympathetic to the idea of a merger of Serbia and the other Balkan states into a federalized Habsburg Monarchy. With the death of Milan in 1901, Habsburg influence on Serbia began to weaken. His son Alexander rejected both his father’s wish to take a German bride, and those of many of his Russophile army officers to make a match that would tie the kingdom closer to the Romanov dynasty. Instead he made Draga Masin, a commoner as well as a widow with an extremely colorful past, his wife and queen. This scandalous union was the cause of much debate in Serbia, especially among the small but growing number of nationalist army officers. Rumors of an impending coup d’état in favor of the pro-Russian Karadjeordjevic prince Peter were finally proven true in 1903. What was originally supposed to be a clandestine

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coup with the connivance of some of the palace guard turned into a bloodbath, as
the royal guard was slaughtered, and the naked bodies of King Alexander and
Queen Draga were hacked by sabers and then thrown from the royal apartments
into the courtyard.

The overthrow of their client in Serbia and its replacement with a pro-Russian,
pan-Slav dynasty, not to mention the brutal savagery with which the coup had
been carried out, made a deep impression on those responsible for the foreign
and military affairs of the Monarchy. When the Karadjordjevic king and his
government showed a propensity for encouraging Serbian nationalist sentiment,
the Habsburgs applied the tool that had been able to keep Serbia under control
since the 1870’s; namely, economic pressure.

As a landlocked country completely surrounded by the territory of the Ottoman
Empire and the Habsburg Monarchy, Serbia’s economic life had been almost
completely dependent on Austria-Hungary since its independence from direct
Ottoman rule. Serbian industry, such as it was, was quite basic, and its main export
commodity was livestock, particularly pigs. In Serbia, Austro-Hungarian industries
had one of its few direct external markets. After 1903, Serb nationalists demanded
that Serbia simultaneously protect their own fledgling industries against Austrian
dominance, and to expand the range of economic relationships with other countries.

When the Serbian government placed a contract for new artillery guns with the
French firm of Schneider-Creusot, rejecting the Austrian Skoda bid, the Habsburgs
proclaimed an embargo of Serbian goods, unleashing the so-called ‘Pig War’, in
1906. This economic conflict became a humiliating defeat for the Habsburgs, as
Serbia not only increased its exports and GDP during every year of the ‘war’, but the
vacuum left by the exclusion of Austro-Hungarian capital and products from Serbia
was more than compensated for by the influx of French, Russian and, most
disturbingly from the Habsburg point of view, German money and goods.20 The
strengthening of the Serbian nationalist party, as well as the doubts cast on the
reliability of Germany as an ally in regards to Serbia in future, provided further proof
of the Habsburg slide into decline, or so it seemed to many observers at the time.

A combination of internal and external pressures in 1905 and 1906 had some
contemporary outside observers forecasting the dissolution of the Dual Monarchy
itself.21 This provided the impetus for a profound change in the course of Habsburg
diplomatic orientation. The failure to bend Serbia to the Habsburg yoke, coupled
with the humiliation felt in Habsburg military and diplomatic circles over the
obsequious role they played during the Algeciras conference in 1905, awoke them
to the dangers posed by an increasing dependency on the alliance with Germany.
The prospect of being dragged into a general European war over some peccadillo
of the German Emperor, who had sought to praise Austria-Hungary as Germany’s
„brilliant second“ at the conference,22 made it clear that the Habsburg Monarchy’s

22 MAY (1968): 388.
continued status as a Great Power and an independent actor in European diplomatic affairs were at issue.

The domestic troubles of the Monarchy in 1905-06 would also end up having a lasting impact on its foreign affairs. In Hungary, the Magyar nationalist Independence Party (generally anti-Compromise) defeated István Tisza’s Liberal Party (pro-Compromise) in the elections of 1905, thus ousting the Liberals from power for the first time since the establishment of the Dual Monarchy in 1867.23 The new Hungarian government immediately challenged the constitutional order by seeking to interfere in one of the king’s areas of sole jurisdiction, the military. The Hungarian parliament wished to make the funds paid to the common war treasury, and the sending of its share of recruits, contingent upon the use of Hungarian as the language of command used in all regiments of the common army raised in Hungary.

Francis Joseph had always been scrupulous in abiding by the terms of the Compromise, and had never interfered in the internal affairs of his Hungarian lands; thus he was indignant that his parliament in Budapest had attempted to force its will on an area of his royal prerogative. When the Hungarian government proved intransigent to negotiation, Francis Joseph suspended the constitution and cleared the parliament building with the aid of a battalion of the k.u.k. Armee. After fifteen months of martial law, Francis Joseph was finally able to restore constitutional rule with the return of Tisza to power, although not yet to the premiership.

The strain of the problems in Hungary, coupled with serious health problems, took its toll on the aged Francis Joseph. From 1906, he began to involve the heir presumptive, his nephew Francis Ferdinand, more directly in the policy making process. In the main, this involvement was of an informal, unofficial nature. The power of the sovereign remained irreducible, and with him remained the sole power of decision in matters of war and peace. The one area of official power bestowed on Francis Ferdinand was the establishment of a military chancery in the Belvedere Palace, the Vienna residence of the heir apparent. From this growing center of power, Francis Ferdinand was to exert an increasing influence on military affairs, chiefly in the areas of modernization of tactics and equipment.

Even though his official influence was not considerable in the Habsburg state apparatus in general, his unofficial influence waxed and waned according to circumstances. His direct influence on the Emperor-King was slight, as Francis Joseph disliked his nephew intensely. He had never forgiven Francis Ferdinand for insisting on marrying the Bohemian Countess Sophie Chotek, who Francis Joseph viewed as occupying too low a social station to be consort to the future Habsburg ruler. Etiquette required that only a fellow Habsburg or a member of one of the other significant royal houses of Europe would be a suitable spouse for the heir apparent (Francis Joseph himself had married his own first cousin).24

24 Alan PALMER: Twilight of the Habsburgs: The Life and Times of Emperor Francis Joseph, Atlantic
The adamant refusal to allow the marriage by Francis Joseph was met by the equally adamantly refusal to consider another spouse on the part of Francis Ferdinand. The impasse had threatened the continuity of the Monarchy, and it took the personal intervention of Kaiser Wilhelm, Tsar Nicholas and Pope Leo XIII to persuade the Emperor-King to permit the marriage. The conditions under which he permitted the marriage were to cause lasting resentment in Francis Ferdinand. The most egregiously offensive was the stipulation that the marriage be morganatic (i.e. the offspring of the union were barred from the line of succession).

Although his personal influence with Francis Joseph was slight, Francis Ferdinand did manage to be more successful in another form of influence; namely in getting many of his choices for key military and diplomatic positions put into place. The pinnacle of his success in this field was in influencing the appointment of Aerenthal as the Habsburg Foreign Minister in October, 1906, and getting Conrad appointed Chief of the General Staff the following month. Although both men may be fairly called protégés of Francis Ferdinand, they were definitely not his creatures. Each man, upon assuming his post, felt that he owed his allegiance first and foremost to the Monarchy as an institution, not to any one particular man. For his part, Francis Ferdinand did not appear to attempt to play the part of puppet master.

Each of the three men sought to secure the future of the Monarchy by the talents available to them. Ultimately, beginning from a point of general commonality in 1906, the three men followed different paths, which ultimately led to a divergence of opinions on the best way to secure the future continuity of the Monarchy. By July, 1914, two of the men were dead, and the third was able to see his vision implemented in full, to the ultimate destruction of that which he had sought to preserve.

Francis Ferdinand, as heir to the throne had the most potential, and the least actual, power of the three. In a state where the sitting monarch had reigned since 1848, and had already outlived his brothers, son and wife, most of the Habsburg officials realized that Francis Ferdinand was the future of the Monarchy, and that the future was fast approaching. Thus, his views were considered and his voice increasingly heard in the affairs of the Monarchy, and the military chancery at the Belvedere took on the appearance of a sort of shadow government.

Francis Ferdinand was known to favor an internal reform of the Dual Monarchy, in order to preserve its Great Power status and independent role in European affairs. The exact shape of those reforms was left, probably purposefully, vague. His antipathy towards Hungary and the Hungarians was well known, and he was recognized as having a personal animus towards István Tisza, whom Francis Ferdinand regarded as "the most dangerous man in the
Ironically Tisza was as much a supporter of the Monarchy as the Crown Prince, but in the case of the former he thought that the future unity of the Habsburg dynasty required that its center of gravity move more towards Budapest, while Francis Ferdinand believed that the centralization of power and the elimination of Magyar influence was essential for the Monarchy to become a modern state.

Exactly what plans Francis Ferdinand had in mind for the future of the Monarchy are not known, but he gave off a few hints of his intentions. He was rumored to be in favor of a 'Trialist' solution to the Monarchy's South Slav question, which alarmed both the Hungarians and Serbian nationalists. A third, South Slav political nation to be formed within the Monarchy would rob Hungary of both political influence and territory, as the majority of the South Slavs of the Monarchy, outside of Bosnia, lived in Southern Hungary and Croatia. Additionally, if the South Slavs within the Monarchy became reconciled to working within the state, Serbia would be cut off from the dream of both Greater Serbia and Yugoslavia. Given that Francis Ferdinand’s overall goal was to increase the power and prestige of the Monarchy, it seems counterintuitive that he would truly pursue a policy of permanent Trialism. It could be that he only used this as a way to frighten the Hungarians into a more acceptable frame of mind, or that he may have intended Trialism to be a step in the direction of a federal Monarchy. The idea of a ‘Danubian Confederation of Nations’ had precedence at least as far back as Kossuth’s proclamation regarding the autonomy and equality of nationalities within Hungary in 1849. Whatever his ultimate plans were, Francis Ferdinand was an unwavering advocate of peaceful means in resolving the various crises which assailed the Monarchy between 1906 and 1914. His long term view was that the Monarchy needed to reform from within in order to survive as a modern state, and that peace was an essential prerequisite for the domestic reforms to be implemented.

The man designated to reverse the Monarchy’s diplomatic torpidity and restore its international standing was Count Alois Lexa von Aehrenthal. Described by one historian as „the most respected foreign minister of the day,” and by another as „arrogant, vain, impatient and eager for action,” Aehrenthal sought to restore vigor and independence to the foreign policy of the Monarchy, and to that end sought to come to a modus vivendi with Russia in the Balkans. He recognized that if Austria-Hungary were to have any chance of discarding its role as Germany’s „brilliant second,” then cordial relations with Russia were essential.

As a long serving ambassador to St. Petersburg, Aehrenthal had come to the

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30 TAYLOR (1954): 450.
conclusion a decade earlier that the key to gaining Russia’s partnership in Balkan affairs was the question of Russian access to the Turkish Straits.31 Aehrenthal’s self-confidence and his intimate knowledge of Russian affairs led him to begin laying the groundwork for what was to be his master stroke of international diplomacy from the moment he assumed his office in the Ballhausplatz. This was to take the form of a quid pro quo arrangement with Russia involving the annexation of Bosnia-Herzegovina by Austria-Hungary, and the opening of the Turkish Straits for Russian warships.

With this plan, Aehrenthal hoped to address several of the Monarchy’s problems in a single issue. The proposed agreement between Russia and Austria-Hungary to recognize each other’s legitimate spheres of influence in the Balkans would simultaneously lessen tensions in the area and increase the degree of independence the Monarchy could exercise in regards to the German alliance. Additionally, the acquisition of Bosnia-Herzegovina would eliminate those provinces from being absorbed into a Greater Serbia, thus thwarting the expansion of Serbian and South Slav nationalism in the direction of the Monarchy. Tangentially, the Bosnian territories were not to be absorbed into either of the constitutional states of the Monarchy, but governed directly by the ‘common monarchy’. This could be seen as an opportunity to defuse South Slav nationalism within the Monarchy by highlighting the ability of the Habsburgs to give justice and equity to the Slavs who were not under the domination of the Magyar nation. Ultimately, success in the realm of foreign policy was supposed to lead to a rejuvenation of society as a whole, and was not bound inexorably for the ash-heap of history.

In addition to his reorientation of Habsburg diplomacy, Aehrenthal began a series of reforms within the diplomatic service itself in order to try and bring it more into line with the contemporary practices of the other Great Powers of Europe. Primary among these was the recognition that 20th century diplomacy should incorporate the economic and industrial concerns of the state and its citizens, in addition to the more traditional aspects of personal diplomacy and Realpolitik. In this regard, although an aristocrat himself, Aehrenthal sought to broaden the recruitment of the foreign service outside of the traditional sphere of the aristocracy, and implemented personnel reforms which introduced educational and training requirements for the first time. Although these reforms did not make an immediate impact, especially on the upper tier of the diplomatic service, they did serve to instill a certain modernizing spirit within the lower ranks of the diplomatic service. Chief among these was an increasing recognition of economics and trade as the engine that drives international relations.32

The third individual to make his appearance on the scene was General Franz

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Conrad von Hőtzendorf. In the general shakeup of the upper echelons of Habsburg leadership of 1906, it was thought that General Friederich von Beck-Rzikowsky, the long serving Chief of the General Staff, ought to be retired. Many people, including Conrad himself, thought that the obvious choice to succeed Beck would be General Oskar Potiorek, Beck’s deputy.\textsuperscript{33} Potiorek had a strong background in logistics and strategic planning, which are two of the main functions of a general staff. In an attempt to do away with all vestiges of the past, Francis Ferdinand championed the candidacy of Conrad, who had no prior experience in staff work, logistics or strategy, but who had impressed the Crown Prince with his modernizing views and his ability to inspire troops as a regimental and division commander on the Italian frontier. As a popular and innovative instructor of infantry tactics at the War Academy, Conrad had literally written the book on which the modernization of the Habsburg Army was to be based, \textit{Die Gefechtsausbildung die Infanterie} (1907).\textsuperscript{34}

As an instructor and troop commander, Conrad’s views on politics and strategy were unknown, and Francis Ferdinand had made his promotion of Conrad based solely on his military capabilities and modernizing reputation. Once Conrad assumed his duties as Chief of the General Staff, he felt it was his duty to keep his sovereign, and the rest of the political-military establishment of the ‘common monarchy’, informed of his views regarding the military implications of every foreign and domestic policy.

Conrad was a committed Social Darwinist, and as such believed that “…the recognition of the struggle for existence as the basic principle of all events on this earth is the only real and rational basis for policy making.”\textsuperscript{35} Conrad viewed the role of the army as being able to support the aggressive foreign and domestic policies which would revitalize the Monarchy and heal its internal divisions. Conrad saw no distinction between military and political issues, which led him to take a much more vigorous role in the formation of state policy than was commonly accepted from a military figure of his time. Conrad’s basic view of the role of the foreign office was that it should endeavor to lay the groundwork for wars which the Monarchy could win, and to avoid getting them into wars which they would lose.\textsuperscript{36} Thus, Conrad was in favor of Aehrenthal’s implementation of an aggressive Balkan diplomacy, as he regarded it as the prelude to a preventive war against Serbia, and possibly Italy as well, in which Russia would remain neutral.

Aehrenthal found a willing partner for his proposed Austro-Russian entente in the person of Alexander Petrovich Izvolsky, the Russian foreign minister. Also appointed to his post in 1906, Izvolsky was equally intent on restoring Russian prestige and influence following the disastrous defeat in the Russo-Japanese War,
and the resultant unrest that had convulsed the Romanov Empire. To this end, Izvolsky desired to achieve the goal that had eluded all Russian foreign ministers since the end of the Crimean War; that being the opening of the Turkish Straits to Russian warships. Aehrenthal and Izvolsky recognized that both the Bosnian annexation and the opening of the straits could only be done following proper diplomatic preparations, as the status of both territories were guaranteed under the 1878 Treaty of Berlin, to which all the Great Powers had been signatories.

On September 16, 1908, the two foreign ministers met at the Moravian villa of Buchlau to discuss matters. There was some agreement that was reached between the two, but the exact nature and timing of the particulars has been a source of speculation, since there were no records kept and no documents signed. Many historians have come to accept that there was a definite quid pro quo regarding Russian support for the annexation in return for Austro-Hungarian support for the Russian demands on the straits, but there seems to be a disagreement over the timing of the announcements. Aehrenthal wanted to announce the annexation in early October, while Izvolsky wanted to wait until the end of the month, after he had had time to lay the groundwork with the foreign ministers of the other Great Powers.

Whether Aehrenthal intended on double-crossing Izvolsky from the beginning or whether events just spiraled out of control is also debatable. It seems that the former idea would be unlikely, as Aehrenthal had a complete restructuring of the diplomatic landscape in mind, one which would require amicable relations with St. Petersburg. However, Conrad later claimed that Aehrenthal had confided that the ultimate aim of his policy was not just the annexation of Bosnia, but the incorporation of all the non-Bulgarian parts of Serbia within the Monarchy, with the Bulgarian parts going to that state. There are some historians who have asserted that Aehrethal’s ultimate aim was for the complete destruction of Serbia, as a prelude to a solution of the South Slav question as an internal Habsburg reorientation.

In any event, the Young Turk coup d'état in the Ottoman Empire forced Aehrenthal to announce the annexation earlier than planned, as he was afraid that the Turks would call for elections to be held in Bosnia and Herzegovina to send representatives to the new parliament, thereby weakening Habsburg claims on the provinces. For his part, Izvolsky underestimated both the willingness of Russia’s Entente partners, France and England, to countenance the opening of the straits, and, more importantly, the sentiment within Romanov circles to acquiesce to Habsburg penetration into the Balkans. The Serbs were completely opposed to the annexation, as was anticipated, but the Tsar and a good part of his cabinet were similarly adamant about preserving pan-Slav unity.

Caught out in his secret diplomacy, Izvolsky attempted to bluff his way out of...

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38 Ibid, 57.
the situation, which encouraged the Serbs to take a more warlike stance. Izvolsky tried to get the matter decided by an international conference, but Aehrenthal, backed enthusiastically by Conrad, refused arbitration, and attempted to impose a unilateral Habsburg conclusion to the event. In this he was largely successful as Germany declined to ask for a conference, thereby relegating the affair to a strictly Habsburg-Romanov dispute. Izvolsky, and the rest of the Russian political establishment, was forced to come to the conclusion that Russia was not strong enough, either militarily or politically, to force the issue.

This would seem to have been the close of the affair, but the Serbian nationalists still held out against the inevitable. They mobilized the army, and increased political agitation among Bosnian Serbs through the nationalist organization Narodna Odbrana (National Defense). Conrad had been allowed to mobilize part of the k.u.k. Armee in response to the Serbian measures, but was restrained by Aehrenthal and Francis Ferdinand from launching his long desired attack. The Serbs were eventually talked into facing the reality of the situation, and backed down after Aehrenthal offered a sop to them by agreeing to withdraw from the Turkish province of Novi-Bazzar, which they had occupied since 1878.

Francis Joseph and Francis Ferdinand were both pleased with the peaceful outcome, and Aehrenthal got the chance to bask in the acknowledgement of his diplomatic prowess. Conrad, on the other hand, was absolutely livid, and believed that Aehrenthal had played a double game with him, as well as with Izvolsky. This served to permanently poison their relationship, and Conrad continued to advocate for a military solution to the South Slav question.42

The fallout from the Bosnian Crisis would have profound effects on the future direction of events on the road to Sarajevo. Although Aehrenthal had restored the luster to Habsburg power, he had succeeded in completely alienating Russia in the process, and enflamed Serb irredentism even further. Russia’s impotence during the crisis spurred a massive rearmament program designed to accompany a more confrontational diplomatic policy in regards to the Balkans.43 The more radical nationalists in Serbia, built around the nucleus of the regicides of 1903, formed the secret society Ujedinjenje ili Smrt (Unification or Death), also known as ‘the Black Hand’, which was dedicated to the expansion of Greater Serb and South Slav nationalism through violent means. Although it was not an official organization, the Black Hand included in its membership many high placed officials of the Serbian military and state apparatus, including the head of Serbian military intelligence, Colonel Dragutin Dimitrijevic, and embarked on a program of sabotage, assassination and intimidation in the South Slav territories of the Monarchy.

Within the Monarchy, the expected positive results of the new assertive diplomacy failed to take root, and Conrad became ever more convinced that they

had missed a golden opportunity to strike down the Serbian threat while Russia was unable to intervene. He became an even more inveterate advocate of war, going over Aehrenthal’s head directly to Francis Joseph in order to advocate an attack on their erstwhile ally Italy while they were involved in war with the Ottoman Empire over Libya in 1911, which led to his temporary dismissal as Chief of the General Staff. Aehrenthal was removed from the scene in 1912, as he was diagnosed with leukemia and retired from public life. His replacement, Count Leopold Berchtold, was more susceptible to Conrad’s arguments, but Francis Ferdinand and Francis Joseph managed to keep a reinstated Conrad from unleashing his war during the diplomatic crisis surrounding the Balkan Wars of 1912-1913, although it was a close run affair.

Finally, Francis Ferdinand met his end in Sarajevo on 28 July, 1914, at the hand of an assassin armed and trained by Colonel Dimitrijevic and the Black Hand. With the elimination of Francis Ferdinand, the last advocate of a peaceful approach to the South Slav question was removed from the councils of the Monarchy, and Conrad was able to impress both Berchtold and Francis Joseph that the time had come to settle the account, before the balance of power swung too far away from the Monarchy. Conrad got his war at last, but the Monarchy was not to survive it. It is perhaps ironic that the death of the man who had been the most steadfast advocate of a peaceful solution to the Monarchy’s problems became the pretext for a war which he had done all in his power to avoid.