

CHAPTER VI

BUREAUCRACY

In its work for centralization and unification, there was a secular effort of the Habsburg dynasty to create everywhere in its empire an absolutely reliable and loyal bureaucracy entirely under the control of its will. This effort was totally successful in the Austrian half of the monarchy, nay even in Hungary under the Germanizing centralization of the Bach system, absolutism was already very near to accomplishing the task of uniting the whole empire under the sway of a German administrative staff.

This administration, I repeat, was the most personal work of the Habsburg dynasty and aimed to eliminate all national particularism and all serious local autonomy. If the army could be called the military bodyguard of the Habsburgs and the Catholic church its spiritual bodyguard, then, the bureaucracy played the rôle of an official and police bodyguard. In the atmosphere of the *ancien régime* so full of feudal intrigues, treasons, and local interests, it was not an easy task to establish such a reliable bureaucracy and, therefore, the dynasty as a matter of fact employed by preference foreigners, very often adventurers, who sought for bread and glory in the imperial service. This historical structure of the older Austrian bureaucracy was pictured in a vivid manner by Hermann Bahr the able critic whose little book *Wien*, published in 1907, already mentioned, was immediately confiscated by the Viennese police. His most characteristic description is the following:

It became urgent to discover creatures into whom the semblance of a living force could only be blown by the breath of the imperial grace and which could be extinguished whenever wished. People nowhere at home, without fatherland, rooted nowhere, yesterday nobody but suddenly lifted up by an unseen hand, suspended in the air, as it were, in constant fear, almost on the gallows of the imperial grace. Runaways, vagrants, outcasts, forlorns, stablemen, adventurers, alchemists, astrologists, bastards, fortune-hunters, lackeys, penmen, and outlawed fugitive folks of the streets, unbound, nowhere adjusted to a social structure, everywhere at home where they had a chance to be fed. . . . And they know always that they may be hanged tomorrow. . . . Out of such people emanate the new races. And here was also a new colony, the colony of the imperial house. Here originated, too, a new race, the "patriots for me" of Emperor Francis. . . . They were artificial in their thoughts and sentiments, nay even in their language. A special Austrian-German was invented, an idiom still used in our administration and by Jews who do not wish to be Jews. They

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were, one might say, imaginary men created from above. This people have maintained state and society through two hundred years. . . . The nation of the Holfräte [court councillors]. . . .

But even in modern times when bureaucracy was no longer a foreign body in the state but the accustomed career of the sons of Austrian nobility and high bourgeoisie, this caste character of the organization continued. The acute analyst of the pre-war Austrian society, Kleinwaechter, who passed his life in the Austrian bureaucracy, describes in the following manner the type of an official whom the Habsburg spirit tried to develop:

The ideal of an Austrian official was a man who had a perfect command of the German language but having no kind of national consciousness, not even a German if he happened to be a German; a man who was devoted to the dynasty as a blind instrument without a semblance of criticism. . . . Naturally this ideal was not reached to a large extent. It flourished most outstandingly in the old official and noble families in which the national feeling was stunted by transferring them from one country to another and so eradicating their own soil from them. These men sought to find a poor substitute for the missing idea of a nation and of a state in the ideal of the so-called Austriandom. . . . Just the best among them came through it into the heaviest inner conflicts. They detected very soon that what they called Austriandom was not at all a state consciousness which offered a place for patriotism but in its essence only a mechanical fashion, signifying a loyalty to the dynasty untouched by any state or national sentiment. . . .¹

This imperial bureaucracy pressed heavily on the various peoples of the monarchy. Always renewed complaints were made because of its pedantry, of its servile and thoughtless routine, of its haughty incompetence, from Joseph II through Baron Andrian to Joseph Redlich. The great Emperor in 1765 wrote:

It occurs that nobody does work and that among the hundred reams of paper which are consumed in eight days in the offices of Vienna, you would not find four pages of spirit or a new or an original idea. . . . Two generations later Sealsfield made a vehement attack against the ridiculous laziness, dilatoriness, and orthodoxy of the imperial bureaucracy. "Eight hundred miles from the capital an old school bench cannot be mended without the authorization of the prefect of the district." And Andrian writes ironically: "If our ideas concerning China are correct then Austria is in Europe the same as China is in Asia. . . ." Redlich wrote a monograph and delivered a powerful speech against the anachronistic spirit and practice of the Austrian bureaucracy and the pathological exuberance of this organization.²

¹ *Op. cit.*, pp. 107-8.

² *Verfassung und Verwaltungsorganisation der Städte*. Band 6: *Österreich* (Leipzig, 1907). *Zustand und Reform der österreichischen Verwaltung* (Wien, 1911).

The situation was made worse by the fact that not a bit of public control reached the imperial offices, the rigidity and secrecy of which was so great that cases were narrated when even the will of the Emperor was frustrated by the administration. And though this system was somewhat mitigated by the traditional Austrian *Gemütlichkeit* ("joviality"), the spirit of patriarchalism enforced on the people checked the best energies of public life and it is no wonder that at the time of the popular reawakening of 1848 many complaints of the most vehement nature were made against this rigid centralizing absolutism. But this hurtful spirit survived victoriously the revolutionary period and remained almost unaltered until the collapse of the empire. It was characterized by Victor Adler, the great Socialist leader: *Ein Absolutismus gemildert durch Schlamperei* ("an absolutism tempered by slovenliness").

This rule of bureaucracy was made more oppressive by other factors. The favoritism exercised by the court and the higher nobility put many unfit men into public service. The whole organization was connected by a hundred ties with the so-called good society and one could often hear when a more influential man had some difficult affair with the authorities the hopeful remark, *Ich werd's mir schon richten!* ("I'll fix it up!"). In a later period the bureaucracy came into a certain dependence upon the great industrial and financial enterprises. By this statement I do not allude to any corruptive influences but to a connection of quite another nature. When the big capitalistic concerns began to dominate the industrial life, their leading offices meant a far more splendid financial position than the badly paid state offices. Under such circumstances the more capable and energetic public servants preferred to go over into capitalistic employment. It was quite natural and human that these gentlemen utilized their former connections with their colleagues in the higher state bureaus in the interest of their new connections and were often capable of securing such advantages as ordinary business people could not attain.

Another factor which poisoned the atmosphere of bureaucracy was an entire lack of clear political aims and the absence of any true ethical motives. The officials who were sent to the various parts of the country were not prompted by any real national or social solidarity toward the population to which they administered. Gustav Strakosch-Grassmann, to whom we are indebted for an excellent history of Austrian public instruction, emphasizes this trait of the Austrian bureaucracy as one of the chief obstacles in the building up of an efficient school administration. He writes:

The lack of acquaintance with country and people of those officials who are sent into the provinces to administer them is an item of great consequence. Without any or with only the scantiest knowledge of country and people, without a knowledge of the language, but with much self-as-

sertion (one must make the acquaintance of these elegant gentlemen in the political administration who with so much poise always play the fine cavalier and emphasize their superiority) came the young and older representatives of the political authorities into the province. Behind their glittering and supple appearance there was nothing in their kernel but bottomless ignorance. Whereas in Switzerland the men of the civic administration fulfilled their duties with a relentless energy and with a calm modesty, in the higher bureaucracy of Austria there rules the spirit of aristocracy and the officials of a bourgeois descent try to copy in their exterior forms, in their demeanor, and in their social life the manners of the aristocracy. . . .³

Another detrimental factor in the work of Austrian bureaucracy was the continuance of the old police spirit and one can say without exaggeration that Austria always remained in its essence the same old *Polizeistaat* that it used to be in the times of Metternich or Bach. In this respect H. W. Steed proved again to be an acute observer when he said:

At moments of crisis the colors revive automatically and render the resemblance or rather the identity more apparent. In normal circumstances, however, the action of the police is not obtrusive. The stranger is unaware that the porter in his house is a *confidant* of the police, and that his goings and comings, his manner of life, the number and names of his friends, and all personal details are carefully communicated by the porter to the police who preserve them in a *dossier* ready for communication to the political or fiscal authorities as occasion may require.

The picture which I drew above of the Austrian bureaucracy would be, however, very one-sided, if I did not emphasize strongly that in spite of its shady sides mentioned above this bureaucracy and the administration accomplished by it was not only far superior to the former feudal administration to which it succeeded, but, compared with Eastern and Southeastern Europe, it represented a very honorable degree of order, accuracy, honesty, and humanitarianism. Especially in the last decades of the monarchy, under the influence of Socialism and Christian Socialism, a great deal of social spirit penetrated into this administration. And what is still more important, this administration in its bulk remained intact from all corruption, and it could seldom be accused of brutality toward the poor and the oppressed. Besides, some representatives of this bureaucracy were really gifted men, often with great erudition. Especially in all state departments we meet the well-known type of the *Sektionschef* ("head of the chief division") who, in spite of the state ministers, harassed in general by party and national struggles, represented very often the constancy, the objectivity, and the higher points of view of justice, not seldom with great energy and success. Perhaps such an evaluation of Aus-

³ *Geschichte des österreichischen Unterrichtswesens* (Wien, 1905), III Buch, IV Abschnitt.

trian bureaucracy would have seemed, fifteen years ago, to many people as an exaggeratedly optimistic and indulgent judgment. But anybody who experienced that new administration and police which supplanted the old in the succession states could not fairly deny the advantages of the imperial bureaucracy which I have described.

The deterioration of the spirit of the administration of the monarchy began, however, not with the World War, but the signs of dissolution as in the other fields of state activity became manifest much earlier. This process may be recapitulated in a few words by saying that the lack of a state principle and the confronting growth of the particularistic national ideas corrupted this administration both from the intellectual and from the moral point of view. The national consciousness of the peoples of Austria came gradually more and more decidedly and hostilely into collision with the old Habsburg state idea. In connection with this struggle, there went on that ill-famed *politischer Kuhhandel* ("political cow-bargaining") by which state ministers or governors opened the doors of administrative positions to the sons of those nations which gave them the greatest difficulties in their political fights. Under the premiership of the very gifted Ernest von Körber (1900–1904) this tendency became almost a system as specific as the Metternich or Bach systems were. Under the cover of an elastic "liberalism," even of a flirting with socialism, a bureaucratic absolutism was built up which corrupted the press and the political leaders and made continuous secret "national" compromises with those thundering political orators who openly paralyzed parliament by their continuous obstructionism. But even disregarding this political corruption, the very process of the growing national consciousness had the result of making the old German imperial bureaucracy more and more impotent and unable to deal with the administrative problems of the whole monarchy; and there was an increasing need for more bureaucrats, employing the Czech mother-tongue, in Bohemia, the Polish and Ruthenian tongue in Galicia, the Rumanian and Ruthenian in Bukovina, and the Croat and Slovenian in the Jugo-Slav territories. This process would have been in itself completely normal, nay, wholesome, if this natural, national differentiation of the monarchy had been followed by a corresponding federalization of its constitution. But by maintaining the system of a rigid centralization, the newly formed intelligentsia of the various nations got into the imperial offices, one might say, by the back door, often through the conspiring means of the Trojan wooden horse. This new officialdom on a national basis had nothing to do with the old Habsburg state ideal. At the beginning it treated it, with masked and hypocritical sentiments, but later with the growing national tendencies, it left its bureaucratic reserve and went openly into the camp of national struggles. On the other hand, the spirit of the older German

bureaucracy still remained the Austrian patriotism without any national color, which began to lose all its reality and which survived only in the minds of the court and the old-fashioned *Hofrat* type. But this Habsburg patriotism became something imaginary, "a pure relation of loyalty, like that of the mercenary to his war lord, which could flourish independently of space and nowhere" (Kleinwaechter). It is only natural that this bureaucratic bodyguard of the Habsburg state idea could not long withstand the attack of the officials belonging to the rising nations whose intolerant vehement nationalism thought more and more of the hour of final liquidation when their own nations would build up their own independent states and national bureaucracy.

This situation led more and more to a complete administrative deadlock. The single nations were already so filled with their national aspirations, all purely administrative problems became so much infiltrated with politics, the various national parties fought each other so bitterly in the provincial diets and in the parliament, that the leading statesmen adopted the principle of *quieta non movere*. Naturally the best elements of the bureaucracy were constantly harassed by this condition, for they saw that no earnest work of reform was possible. On the other hand this situation encouraged all climbers who in a pretended strenuousness possessed merely sufficient ability to do administrative routine work. The consequence was that centralism not only destroyed the efficiency of administration but corrupted also its public morality.

As already mentioned, the description given above, pertained exclusively to the Austrian half of the monarchy. In Hungary the situation was entirely different. Since the compromise of 1867, there had been no Habsburg administration in Hungary. The whole bureaucracy, both that of the state and of the local administration, stood exclusively in the service of the so-called Hungarian state idea, as this idea was interpreted by the leading class in the state, by the great landed interest and the financial powers attached to it. This state idea had, as we shall later see in detail, two fundamental dogmas. The one was that it did not recognize a connection with the Austrian half of the monarchy other than that based on *ad hoc* contracts, and it denounced as treason to the country any effort which tried to build up a common state organization above the two halves of the monarchy. The other was a rigid clinging to the Magyar national character of the state, repudiating as high treason all endeavors which aimed at the bringing into a confederal relation the non-Magyar nations of Hungary with the Magyar nation and the nations of Austria. Instead of such a policy, the Magyarization and assimilation of the non-Magyar nations of Hungary remained the fundamental effort of the Magyar policy of an almost sacramental character which

was hidden from foreign public opinion but which was followed constantly with the most passionate perseverance. The Hungarian bureaucracy, all the leading positions of which were occupied by Magyar higher and middle nobility, the so-called *gentry*, and by some entirely assimilated elements of the other nationalities, became the chief supporter of this state idea. This bureaucracy developed into one of the chief centrifugal and separatist forces of the monarchy, and, therefore, I shall analyze its effects in the next part of the book.

CHAPTER VII

CAPITALISM AND THE JEWRY

One of the most powerful forces which upheld the Habsburg monarchy was, without any doubt, the growing capitalistic penetration of its economic organization.¹ This process began with full force as early as the sixties of the last century in the Austrian part of the monarchy. The bearer and leader of this capitalistic evolution was, as a matter of fact, the German bourgeois class. Its power emanated from Vienna and the Bohemian industrial regions throughout the entire monarchy, and had many representatives, branch members, and affiliated enterprises in all countries and capitals of the empire. To this vast German industrial and financial capitalism, the backward, agrarian countries of the empire played for a long time the same rôle as the colonies beyond the seas did for the western states; and indeed Austrian capitalism employed very often in its own countries the unscrupulous methods of colonial capitalism.

This capitalism, proceeding with growing energy and assuming more and more an outstanding Jewish color, became a very efficacious force in the unification and cohesion of the monarchy. The empire gained through it a unity of economic life, a more complete division of labor, and a more efficient credit system. It is one of the most interesting problems by which foreign observers are often startled, as to

¹ In order to visualize this process of growing industrialization some few figures will not be out of place. The value of the general trade of the Austro-Hungarian Custom Union rose between 1876-1913 from 1,660 million crowns to 6,400 millions. The value of the whole Austrian foreign trade (1900-1913) from 5,044 million crowns to 8,539 millions. The output of the coal production between 1876-1913 rose from 118 million quintals to 437 millions. The length of the railway tracks was in 1865, 3,698 kilometers, in 1913, 22,981 kilometers. The mass of the transported goods rose between 1877-1913 from 46 million tons to 159 million tons, the number of passengers from 32 millions to 301 millions, the number of pieces of mail (1865-1913) from 81 millions to 2,049 millions. The percentage of the people occupied in agriculture dropped between 1890-1910 from 55.8 per cent to 48.4 per cent.

Also in Hungary the process of capitalization was a rapid one. The length of the railways which was in 1846 only 35 kilometers, grew between 1867-1913 from 2,285 kilometers to 22,084 kilometers. In the years between 1867-1913 the number of passengers rose from 9 millions to 166 millions, the number of pieces of mail from 38 millions to 828 millions, the merchandise tonnage from 9 millions to 87 millions, the output of coal production from 7 million quintals to 91 millions, the value of foreign trade (1882-1912) from 1,763 millions of crowns to 4,174 millions. The percentage of people engaged in commerce and industry rose between 1869-1910 from 4.9 per cent to 25.1 per cent, whereas the percentage of the agrarian population dropped to 62.4 per cent.

For more details, see the highly interesting study of Paul Szende: "Der Staatshaushalt und das Finanzsystem Oesterreichs und Ungarns" in *Handbuch der Finanzwissenschaft*, Tübingen, 1928.