

CHAPTER VIII

SOCIALISM

“Nothing can show more clearly the abnormal state condition of the Danube monarchy than the fact that the strong parliamentary progress of Socialism could be regarded as a gain for the state.”¹ This remark of Rudolph Kjellén points rightly to one of the most efficient centripetal forces of the monarchy but his surprise shows that he did not completely understand the relation between the national and the Socialist thought. Socialism as the solidarity of working-people and an effort for their economic and cultural elevation must naturally strengthen the basis of the state though it tries to check the militaristic and imperialistic elements of government. The ideological internationalism of Socialism does not signify, because it cannot, the repudiation of national solidarities, but their spontaneous and harmonious adjustment into a superior unity.² It cannot be denied, indeed, that not a single class of the former Austria realized so clearly the fateful problem of the monarchy as the Austrian Social Democracy.

But Austrian Socialism was not always that unifying force which it became later. In the frames of the old absolutist, militaristic, and police state, the labor movement could not have its legal place. Nay, even later when a so-called liberal bourgeois government ruled in the country, in the sixties of the last century, the state power was brutally opposed to the working-class. When a labor delegation asked for the introduction of general suffrage, one member of the government said to the workers: “You should not believe that we would be inclined to introduce mob rule into Austria for a proletariat, with the cap on its head and the pike in its hands to run into the council hall.” By this governmental spirit the labor movement was constrained to adopt underground methods and used more and more revolutionary and anarchistic means. The situation became very acute in the eighties of the last century and some political murders greatly corrupted the atmosphere of the proletarian movement. In 1886 the Emperor sanctified the ill-famed *Law Against the Anarchists* which eliminated the jury in case of political offenses. The labor movement now enlisted the extremist elements and lost touch with the real problems of the state and society.

¹ *Die Grossmächte und die Weltkrise* (Leipzig u. Berlin, 1921), p. 16.

² The relation between Nationalism and Socialism was analyzed more clearly perhaps than by any other author, by Henry de Man in *The Psychology of Socialism* (New York, 1928).

In this critical situation Austrian socialism found its savior in a man of remarkable insight and of a pure unselfish attitude, Dr. Victor Adler, who through long and laborious propaganda united the various labor factions into a common organization on the basis of a reasonable and workable program. From this time the Social Democratic party made rapid progress and in 1897 an electoral reform was carried on which added a fifth Curia to the four already existing in order to open the doors of parliament to the Proletarian elements. The representatives of the working-class appeared for the first time in the Austrian parliament. The national problems of the monarchy greatly aroused the interest of the party because its leaders realized perfectly the danger which menaced the unity and efficiency of the labor movement in consequence of the national differentiation of the proletarian masses. The leaders of socialism regarded as the essential element of this antagonism the scuffling of the bourgeoisie for economic and political jobs, and tried to elaborate a national program fit for the particular interests of the working-classes. In their theory the interests of the proletariat were in harmony with the well-understood interests of the state, because the socialist considered the elimination or at least the mitigation of national struggles as a paramount condition for social and cultural progress. The socialist movement of Austria produced indeed some remarkably gifted and scientific thinkers in the field of the theory and practice of national movements, who introduced new and original points of view in the old vexed problems. These points of view united in a solid system, especially by Dr. Karl Renner and Dr. Otto Bauer, gained a European reputation and may be summarized as follows.

1. The national struggles of the bourgeoisie have a tendency to become submerged into a sheer demagogy and form the chief obstacle to serious parliamentary work for economic and social reconstruction.

2. These national struggles cover bourgeois class interests against which the solidarity of the proletariat belonging to the various nations must be emphasized.

3. First of all, the economic and political unity of the state must be safeguarded in order to secure a wholesome capitalistic evolution as the precondition of Marxist socialism.

4. Therefore, the chief endeavor of Austria, composed of so many nations and nationalities, should be to establish an appropriate scheme of local governments by which the reasonable content of national aspirations (educational system, cultural associations, administration, and judiciary in the mother-tongue) could be achieved without the dismemberment of the unity of the state.

In order to attain these aims Dr. Renner elaborated a new and ingenious system of national autonomy on the basis of what he called

the *principle of personality*, in conscious antagonism with those efforts which tried to solve the problem on the basis of the *territorial principle*. This latter endeavored to divide the monarchy into various political territories based either on the historical rights of the various countries or on the natural settlements of the various nations. All these distinct territorial governments should be combined into a kind of confederative state. The principle of personality advocated by the socialists rejected this conception of distinct national states. They were not willing to establish a distinct Czech, Polish, Jugo-Slav, or Rumanian state inside the monarchy, but tried to give to the old state an international or, better say, *supra-national organization*. As two generations previously, Louis Kossuth among the plans of his exiled life cherished the idea of solving the national problem on the model of religious autonomy, so now Dr. Renner (without knowing the political speculations of the Hungarian statesman) adduced an analogous scheme. He based it on the conception that just as the religious controversies could not be solved on a territorial basis because the principle of *cujus regio, ejus religio* led to incessant warfare, so the national problem could not be answered by a territorial dismemberment of the old state but the same principle of personality should be introduced here too. Following this principle, all the members of each nation should be entitled to form local, intermediate, and central national associations, so-called "National Universities," endowed with a state-like jurisdiction in all matters pertaining to cultural life and educational system, disregarding the territorial divisions of the whole empire. In this manner all the Germans, Czechs, Poles, and the other nations of the monarchy could have been united from a national point of view without establishing national state divisions inside the empire. According to this program the joint state should be doubly organized: first, from a national standpoint; and second, from an administrative standpoint. The national organizations would not coincide with the administrative divisions which would be determined not by national but by economic, financial, and trade considerations. National considerations would be acknowledged only so far as the local administrative unities should form, when possible, homogeneous national settlements. By the establishment of such administrative districts on a local national basis, public government could be carried on in the maternal tongue of the various nations.

This plan of Dr. Renner which may be regarded as an enlargement of the principles of the Kremsier constitution (with the difference, however, that he would abolish the antiquated crownlands and substitute for them a fourfold division: Inner Austria, the country of the Sudets, the Littoral, and the Carpathian provinces) had a great influence on the Austrian proletariat which accepted these principles as the solution of the national problem, in the so-called "program of

Brünn" (1899).³ This program asserts that the national problem can be solved only "in a strictly democratic community, based on universal, equal, and direct suffrage in which all the feudal privileges in the state and in the provinces are eliminated. . . ." It attacks equally the bureaucratic centralized state and the feudal autonomy of the crownlands and designates the democratic "Confederation of Nationalities" as the state ideal of the Austrian working-classes. Instead of the old nation of a territorial basis, a new nation should be constituted as a purely cultural association. It acknowledges emphatically the right of all the nationalities for cultural self-expression and admonishes the workers of Austria that "the peoples can only achieve progress in their culture through a firm solidarity with each other and not in petty strife against each other."

It is manifest that this program and especially its driving ideology⁴ was the most complete affirmation of the idea of a greater Austria and indirectly (though not outspokenly) of the German hegemony inside of Austria. The plan of Dr. Renner would have strengthened the leading economic and political rôle of Vienna. Even his last book published immediately before the collapse of the monarchy and in which he restates his plans of reform (*Das Selbstbestimmungsrecht der Nationen in besonderer Anwendung auf Österreich*) is the description and recommendation not of a real confederative state but of something which he called *Staatenstaat*, a supra-national synthesis which tried to satisfy the nations with a cultural autonomy.

In a period which heated the German, the Magyar, the Czech, the Polish, and the other national consciousnesses almost to the boiling-point and when the idea of a nation was no longer a simple cultural and ethnographical connection but an effort to unite the traditional national settlements into an independent state, the imagination of Renner was manifestly too schematic and too bloodless in the eyes of the fighting nations. These nations would have perhaps been inclined to combine their independent states with the others in a confederation but they refused to accept the competency of a super-state even in matters which they felt not strictly national.

In spite of its Utopian elements, the socialist ideology of state unity—*free nations in a free state*—became a very important connec-

³ It is worth while to notice that the brilliant solution of the nationality problem in Esthonia and Latvia is due to an arrangement which is animated by the very principles of Austrian Socialism.

⁴ The main ideas of the Austrian Socialists concerning the problem of nationality are contained in the following books: Karl Renner (Synoptikus), *Staat und Nation* (Wien, 1899). Karl Renner, *Der Kampf der österreichischen Nationen um den Staat* (Wien, 1902). Karl Renner, *Grundlagen und Entwicklungsziele der österreichisch-ungarischen Monarchie* (Wien, 1906). The last two named, under the pseudonym of Rudolph Springer. Otto Bauer, *Die Nationalitätenfrage und die Sozialdemokratie*, Zweite Auflage (Wien, 1924). Otto Bauer, *Die österreichische Revolution* (Wien, 1913).

tive link in the last decades of the monarchy and at the same time a strong admonition that without the democratization of the empire and especially without the establishment of a system of local autonomy, the monarchy was sentenced to death. At the same time the socialist conception emphasized most vividly the basic significance of the economic unity of the monarchy. It is very interesting to note that the chief defenders of this unity were not the real beneficiaries of this connection, the German high bourgeoisie and the Magyar landed interests, but the leading theoreticians of socialism who denounced the Magyar movement for independence (which aimed at the economic and military severance of the monarchy) as damaging important interests of the working-classes. And when the crisis of the constitution became the most acute between the Crown and the Hungarian opposition in 1905, it was the Austrian-German socialists who led the most vehement fight against Hungarian separatism. So, for instance, Dr. Renner chastised the cowardice of the Austrian bourgeoisie who began to acquiesce in the separatistic plans of the Magyars, though "the Hungarian market is incomparably more significant for Austrian capital than Moroccan is for the German," which German foreign policy defends so energetically. In the claim for an independent Hungarian customs territory, he saw nothing else than the clamoring of city sharks, swindlers, and political demagogues, against the very interests of Austrian industry, of the Austrian working-classes, and of the Hungarian agricultural population. And even Dr. Otto Bauer, though he realized that there were more serious interests behind the claim for a Hungarian economic independence, refuted these separatistic efforts emphatically; nay, he did not hesitate to advise military intervention against them in a memorable passage of a popular book:

To curb the country, split by class and national antagonisms [he refers to Hungary], by sheer military force, in the period of the Russian revolution, nobody will dare. But the inner conflicts of the country will give to the Crown other opportunities which it will be constrained to utilize if it cannot endure the fate of the Bernadotte dynasty: it cannot remain the organ of two distinct wills and still rule both Austria and Hungary. Therefore, it must take care that Hungary and Austria should have one will, and should constitute one empire. The tattered conditions of Hungary give a possibility to this unity. The Crown will not hesitate to send its army to Hungary in order to reconquer it for the empire, but it will write on its flags: Unadulterated, universal suffrage and secret ballot! Right of coalition for the agricultural proletariat! National autonomy! It will oppose to the idea of the independent Hungarian national state the idea of the United States of Greater Austria, the idea of a confederative state in which each nation will administer independently its national affairs and all the nations will unite in one state for the protection of their common interests. Neces-

sarily and inevitably the idea of a confederation of nationalities will become the instrument of the Crown because the dissolution of dualism menaces it with the destruction of its empire. . . .⁵

I scarcely know a document more significant for the elucidation of the inner crisis of the monarchy than this declaration of the socialist leader in 1907. Behold, this cool man, of uncommon intellectual penetration, an international socialist, and an anti-militarist, here gives counsel to the Habsburgs, to make a new effort for the armed coercion of Hungary and for its assimilation into the empire. What could demonstrate more clearly than this the bankruptcy of the centripetal forces and the menacing dissolution? For Bauer understood perfectly well that without the solution of the national problems the monarchy could not be maintained, and that its dissolution would signify an enormous crisis for its working-classes. For this reason, he advised this desperate method, showing that he regarded the problem very likely as Francis Ferdinand did: only by an operative interference did he think it possible to give a federative constitution to the monarchy against the will of Magyar feudalism. This federative state appeared also to him more as a superstate than a federation of national states: "If Austria should continue to remain, a national autonomy will be established."

This ideology of Austrian socialism represented with great brilliancy and dialectical force was felt beyond the ranks of the proletariat, and made a profound impression on many high officials and officers even in the entourage of the Emperor, who accepted more and more completely the doctrine that the envenomed national struggles of Austria could be checked only with the help of social, even socialist, forces. A kind of a neo-Josephinist policy began and the old Emperor himself became the chief protector of universal secret suffrage. It was the fashion in the camp of the enemies of democracy to speak ironically of *Burg socialism* ("socialism of the Court") and the gifted leaders of socialism adroitly utilized this disposition of the leading circles.

This social turn of the dynasty started in Hungary when the Crown was confronted with a nationalistic majority in parliament. Then it happened in 1905 that the minister of interior of the Fejérváry cabinet, Joseph Kristóffy, attacked vehemently by the whole chauvinistic public opinion, promised to a socialist deputation the introduction of universal suffrage. This promise, later indorsed by the Crown, had the effect of a bomb on the Magyar feudal classes who were perfectly aware of the fact that a popular parliament would put an end to the latifundist system and to the so-called Magyar national supremacy. Therefore, they provisionally abdicated from their claims

⁵ *Die Nationalitätenfrage und die Sozialdemokratie* (Wien, 1908), p. 373.

concerning the army, whereas the Emperor under the pressure of the annexation crisis (when Bosnia and Herzegovina were definitely incorporated into the monarchy) in order to gain the assistance of the Magyar upper classes, abandoned universal suffrage. The stone, however, thrown by Habsburg caused a tremendous political avalanche which descended upon the public life of Austria. Austrian Social Democracy utilized, in a skilful way, the Hungarian situation and demanded for Austria the universal suffrage promised to the Hungarian people. And indeed the action here led to success. In January, 1907, the electoral reform received the sanction of the Emperor, and in June of the same year the first parliament was convened on the basis of a universal, an equal suffrage, and a secret ballot.⁶

It has often been asserted that this experiment with the democratic forces refuted the hopes of their advocates because the parliament of the people continued the national struggles in the same manner as the parliament of the antiquated Curias, and that even the spirit of obstruction reappeared. These were really the facts, but the conclusion drawn from them seems to me still erroneous. On the contrary, one who had a clear vision concerning the fundamental forces of national movements could foresee that the masses are not less nationally motivated (though in another way) than the privileged classes, and that the problem of nationality could not be quieted until institutions are established satisfying all the reasonable national claims of the large masses of population. For this work, the forces of democracy were absolutely necessary. To believe—as many reactionaries did—that this work could have been carried on by the sheer force of military absolutism, over the heads of some twenty countries and ten nations, is a militaristic Utopia in which I cannot believe. On the other hand, however, to believe that democracy in the very moment of its birth would be successful in repressing the national fanaticism of the past is not less utopian. Besides, the new democratic constitution became only the basis for the election into the central parliament whereas the diets and the local administrative assemblies remained unaltered in their feudal atmosphere. And as the power of Magyar

⁶ By this coincidence of events Joseph Kristóffy, a former sheriff and later member of parliament, closely attached to the Tisza administration, became the man who gave the first impetus for the realization of universal suffrage in Austria. By this he acquired an almost mythical prestige in Austria, as a man of exceptionally bright ideas. (Even Joseph Redlich accepts this legend.) The truth, however, was that his intellectual and moral horizon did not surpass that of the average Magyar *szolgabíró* ("county sheriff"). He utilized the weapon of universal suffrage not as a real reform idea for his people, but as an instrument against feudalism for the benefit of the Emperor. The real author of the far-reaching plan was Mr. Charles Méray-Horváth, the distinguished sociologist who, twenty years before Oswald Spengler in a remarkable book which Spengler possibly did not read, diagnosed in the sharpest way the decline of the Western civilization (*Die Genesis des Kommenden Tages*, Budapest, 1901). Mr. Méray elaborated the whole plan for Kristóffy and made it acceptable to him. I was informed of their discussions, so to say, from hour to hour.

feudalism was not checked by the crisis of the constitution, and the Dualistic System was not even discussed, only political dreamers could hope that this half-measure tardily introduced could really solve the national problem.

The national aspirations, indeed, manifested themselves more and more vehemently not only in the bourgeois society but also in the masses of the proletariat. From the beginning the Austrian Social Democratic party was organized in various groups according to the mother-tongues of the population and combined into a unified system. But from 1907 the party was transformed into an association of national parties. In 1909, however, not even this loose unity could be maintained; and there arose an embittered fight between the German and Czech socialist parties, which latter would no longer accept the Viennese administrative and financial centralization. This struggle led to a disruption of the unified trade-union movement. The Czechs, disregarding the protests of their German comrades, began to build up their own trade unions. The international congress of Stockholm (1910) was unable to restore the unity of Austrian socialism. At the election of 1911 for the Reichsrat the autonomist and separatist wing of the Czech Social Democracy gained a large majority over the united party. The socialist movement, which always asserted very proudly that it possessed the panacea of national struggles, was incapable of uniting the various nations in a single party, even in its class-conscious camp. *The truth is that national solidarity vanquished class solidarity.* The centrifugal forces were victorious even in the labor movement. The crimes of the past had a greater effect than the tardy half-reforms of the present.

CHAPTER IX

THE TRAGEDY OF FREE TRADE

It has already been emphasized that one of the most outstanding centripetal forces of the monarchy consisted in its free-trade policy which made so many peoples and territories a complete economic unity. There can be no doubt that, if all the possibilities of the free-trade policy had been utilized in the right way, the centrifugal and particularistic tendencies could have been checked by the growing economic solidarity of the various nations and countries. Even under the shortcomings of the actual policy, which we shall consider in detail, its advantages were always emphasized by the supporters of the customs union. They employed the classical arguments of Cobden and Bright, saying: "Behold the Habsburg monarchy gives the privilege and opportunity to many peoples and countries different from each other in natural conditions, in language, in culture, in economic development to trade with each other without the obstacle of custom barriers and, therefore, to complete each other in the most harmonious way. Bohemia, for instance, can freely communicate with Transylvania, Styria with Galicia, Silesia with Dalmatia. How advantageous and progressive this free trade is!"

Recent political developments seem to corroborate this argument. In 1919 the Austro-Hungarian customs union was broken into seven parts and each of these seven parts is today much poorer economically, and much less efficient than in the flourishing period of the old connection. Besides, there can be no doubt that the present economic distresses of Czecho-Slovakia, Jugo-Slavia, Poland, and Rumania were caused to a large extent by those economic changes which were a consequence of the new custom barriers, not to mention the Austrian Republic and Hungary mutilated almost into a torso. It is now the general opinion both in Europe and America, expressed by the International Manifesto of the leading bankers, that the dismemberment of the Austro-Hungarian customs union was a great disadvantage to all the peoples concerned. That is also the chief argument for all those efforts which endeavor to use propaganda for the re-establishment of the Habsburg empire under an economic disguise.

Under such circumstances it is worth while to study whether the advantages of the customs union were really so overwhelming for the interests of the peoples who constituted it, and whether its dismemberment is really so detrimental to the future development of the various national economies. It is a firmly established fact that, since 1919, the succession states of the monarchy suffer more under the