area handbook series

Austria
a country study

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a country study

Federal Research Division
Library of Congress
Edited by
Eric Solsten and
David E. McClave
Research Completed
December 1993

On the cover: Coat of arms of the Republic of Austria

Second Edition, First Printing, 1994.

Library of Congress Cataloging-in-Publication Data

Austria : a country study / Federal Research Division, Library of Congress ; edited by Eric Solsten and David E. McClave. — 2nd ed.
p. cm. — (Area handbook series, ISSN 1057-5294)
(DA pam ; 550-176)
"Supersedes the 1976 edition of Area handbook for Austria, coauthored by Eugene K. Keefe et al."—T.p. verso.
"Research completed December 1993."
Includes bibliographical references (pp. 273-286) and index.
ISBN 0-8444-0829-8
1. Austria. I. Solsten, Eric, 1943- . II. McClave, David E., 1947- . III. Library of Congress. Federal Research Division. IV. Area handbook for Austria. V. Series. VI. Series: DA pam ; 550-176.
DB17.A8 1994 94-21665
943—dc20 CIP

Headquarters, Department of the Army
DA Pam 550-176

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

Foreword

This volume is one in a continuing series of books prepared by the Federal Research Division of the Library of Congress under the Country Studies/Area Handbook Program sponsored by the Department of the Army. The last two pages of this book list the other published studies.

Most books in the series deal with a particular foreign country, describing and analyzing its political, economic, social, and national security systems and institutions, and examining the interrelationships of those systems and the ways they are shaped by cultural factors. Each study is written by a multidisciplinary team of social scientists. The authors seek to provide a basic understanding of the observed society, striving for a dynamic rather than a static portrayal. Particular attention is devoted to the people who make up the society, their origins, dominant beliefs and values, their common interests and the issues on which they are divided, the nature and extent of their involvement with national institutions, and their attitudes toward each other and toward their social system and political order.

The books represent the analysis of the authors and should not be construed as an expression of an official United States government position, policy, or decision. The authors have sought to adhere to accepted standards of scholarly objectivity. Corrections, additions, and suggestions for changes from readers will be welcomed for use in future editions.

Louis R. Mortimer
Chief
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Acknowledgments

This edition supersedes the *Area Handbook for Austria,* published in 1976. The authors wish to acknowledge their use of portions of that edition in the preparation of the current book.

The authors also are grateful to individuals in various United States government agencies who gave their time and special knowledge to provide information and perspective. These individuals include Ralph K. Benesch, who oversees the Country Studies/Area Handbook Program for the Department of the Army. Frank J. LaScala reviewed portions of the manuscript and provided military photographs. In addition, the authors wish to thank various members of the staff of the Embassy of Austria in Washington, especially Hedwig Sommer, and of the Austrian National Tourist Office in New York for their assistance.

Various members of the staff of the Federal Research Division of the Library of Congress assisted in the preparation of the book. Sandra W. Meditz made helpful suggestions during her review of all parts of the book, as did Andrea M. Savada. Tim L. Merrill assisted in the preparation of some of the maps, checked the content of all the maps, and reviewed the sections on geography and telecommunications. Thanks also go to David P. Cabitto, who provided graphics support; Wayne Horn, who designed the cover and chapter art; Marilyn L. Majeska, who managed editing and edited portions of the manuscript; Laura C. Wells, who helped prepare the Country Profile, tables, and Bibliography; Andrea T. Merrill, who managed production; and Barbara Edgerton, Alberta Jones King, and Izella Watson, who did the word processing.

Others who contributed were Harriett R. Blood and the firm of Greenhorne and O'Mara, who assisted in the preparation of maps and charts; Martha E. Hopkins, who edited portions of the manuscript; Sheila L. Ross, who performed the final prepublication editorial review; and Joan C. Cook, who prepared the Index. Linda Peterson of the Library of Congress Composing Unit prepared camera-ready copy under the direction of Peggy Pixley. The inclusion of photographs was made possible by the generosity of various public and private agencies.

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Preface

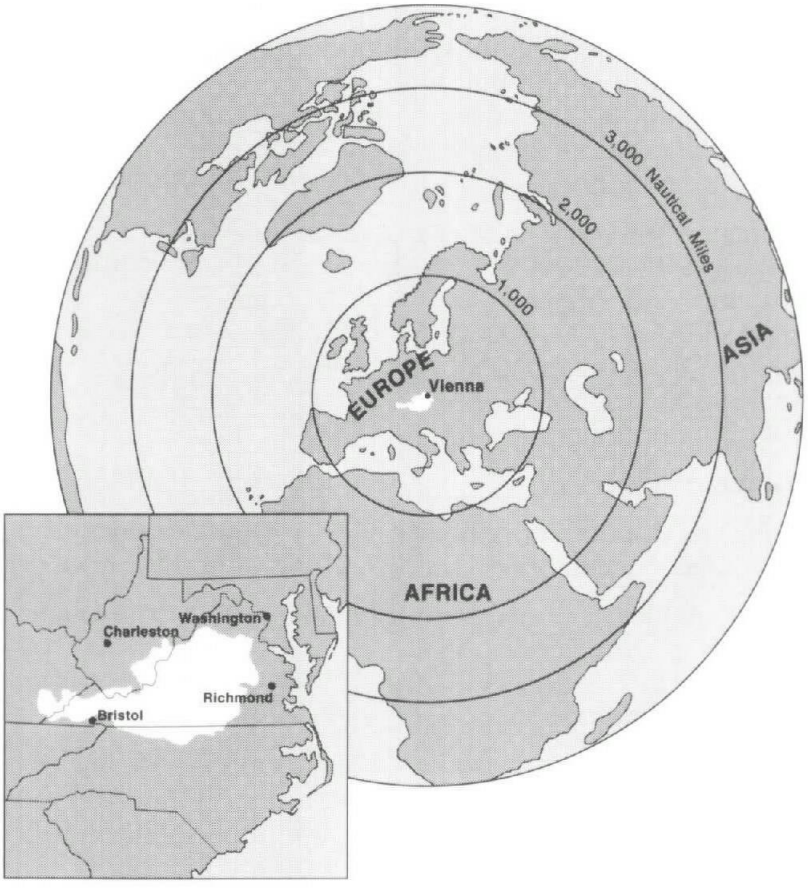
Like its predecessor, this study attempts to review the history and treat in a concise and objective manner the dominant social, political, economic, and military aspects of Austria. Sources of information included books, scholarly journals, foreign and domestic newspapers, official reports of government and international organizations, and numerous periodicals on Austrian and international affairs. Chapter bibliographies appear at the end of the book, and brief comments on some of the more valuable sources recommended for further reading appear at the end of each chapter. A glossary also is included.

Spellings of place-names used in the book are in most cases those approved by the United States Board on Geographic Names. Exceptions are the use of Vienna rather than Wien, Danube rather than Donau, Lake Constance rather than Bodensee, and the English names of four Austrian provinces rather than their German names: Carinthia rather than Kärnten, Lower Austria rather than Niederösterreich, Styria rather than Steiermark, and Upper Austria rather than Oberösterreich.

Measurements are given in the metric system. A conversion table is provided to assist readers unfamiliar with metric measures (see table 1, Appendix).

The body of the text reflects information available as of December 31, 1993. Certain other portions of the text, however, have been updated. The Introduction discusses significant events that have occurred since the completion of the research, the Country Profile and Glossary include updated information as available, and the Bibliography lists recently published sources thought to be particularly helpful to the reader.

Country Profile



Country

Formal Name: Republic of Austria.

Short Form: Austria.

Term for Citizens: Austrian(s).

Capital: Vienna.

NOTE—The Country Profile contains updated information as available.

Geography

Size: Approximately 83,859 square kilometers.

Topography: Most of country Alpine or sub-Alpine; heavily wooded mountains and hills cut by valleys of fast-flowing rivers. Plains around Vienna and Danube Valley in northeast only lowland areas and contain most of population. Danube, flowing east through northern provinces and Vienna, principal river. Of total area, 20 percent arable land, 29 percent pasture, 44 percent forest, and 7 percent barren.

Climate: Continental weather systems predominate; temperatures and rainfall vary with altitude. Temperate, cloudy, cold winters with frequent rain in lowlands and snow in mountains; cool summers with occasional showers. Humidity highest in wetter western regions, diminishing toward east.

Society

Population: In May 1991 census, population 7,795,786.

Language: Of native-born population, 99 percent German-speaking with small minorities speaking Serbo-Croatian or Slovenian.

Religion: Of native-born and foreign-born population combined, about 78 percent Roman Catholic, 5 percent Protestant, 8 percent other (includes Jewish, Muslim, and Orthodox), and 9 percent no denomination.

Education: Public elementary, secondary, and higher education free; nine years compulsory. By ninth year, students usually in preuniversity academic schools or vocational education. Literacy 99 percent for population over age fifteen.

Health and Welfare: Social insurance covers all wage-earners and salaried employees, self-employed workers, and dependents. Coverage compulsory. State-required health insurance covers 99 percent of population. In 1990 average life expectancy almost seventy-six years (seventy-two for males and seventy-nine for females).

Economy

Gross National Product (GNP): US$174.8 billion in 1992 with 2 percent growth rate; US$22,110 per capita with 2.4 percent growth rate.

Agriculture and Forestry: Agriculture and forestry accounted for 2.8 percent of gross domestic product (GDP) and 7.4 percent of

labor force in 1991. Principal crops: grains, fruit, potatoes, sugar beets, sawn wood, cattle, pigs, and poultry. About 80 to 90 percent self-sufficient in food.

Industry: Major sector with 36.3 percent of GDP and 36.9 percent of employment in 1991.

Services: Services accounted for 60.9 percent of GDP and 55.8 percent of employment in 1991. Largest growth sector; 10 percent growth in share of GDP and 14 percent growth in share of labor force since 1970.

Major Trading Partners: Most trade with European Union (EU). Germany largest single trading partner (in 1993 accounted for 38.9 percent of exports and 41.5 percent of imports), followed by Italy and Switzerland.

Imports: US$48.6 billion in 1993. Major imports: machinery and equipment, manufacturing products, chemical products, fuels and energy, and foodstuffs.

Exports: US$40.2 billion in 1993. Major exports: machinery and equipment, paper and paper products, transport equipment, metal manufactures, and textiles and clothing.

Balance of Payments: Current account deficit US$900 million in 1993. Persistent trade deficit. Per capita income from tourism highest in world; helps balance deficit.

General Economic Conditions: Stable economy with generally good rates of growth; high living standards, comparable with other countries of Western Europe. In 1992 real GDP growth 1.6 percent, inflation 4.1 percent, and unemployment 5.9 percent; in 1993 real GDP growth −0.3 percent, inflation 3.6 percent, and unemployment 6.8 percent.

Currency and Exchange Rate: Schilling. In March 1994, exchange rate US$1 = S12.1.

Transportation and Communications

Railroads: 6,028 kilometers total (94 percent standard-gauge 1.435 meter and 6 percent 0.760 meter), of which about 5,388 kilometers state owned and 640 kilometers privately owned.

Highways: As of December 1992, 108,000 kilometers of roads, of which about 1,800 kilometers major highways, 9,900 kilometers main roads, and 25,900 kilometers secondary roads.

Inland Waterways: More than 350 kilometers, carrying approximately one-fifth of total trade. Danube River only navigable waterway with barges carrying up to 1,800 tons; important connection with North Sea, Germany, and Black Sea.

Ports: Vienna major river port.

Civil Airports: Fifty-five total; twenty with permanent-surface runways. Main international airport at Vienna-Schwechat, southeast of Vienna; international flights also from Graz, Innsbruck, Klagenfurt, Linz, and Salzburg.

Telecommunications: Highly developed and efficient system with 4 million telephones, twenty-seven radio stations, forty-seven television stations, and four satellite ground stations.

Government and Politics

Government: Federal republic with nine provinces, each with own assembly and government. 1920 constitution, revised 1929, forms constitutional basis of government. Government consists of executive, legislative, and judicial branches. President head of state, elected every six years by popular vote. Executive headed by chancellor (prime minister) and cabinet, which reflect party composition of parliament. Legislative power vested in bicameral parliament consisting of Nationalrat (National Council) and Bundesrat (Federal Council). Nationalrat primary legislative power, with 183 popularly elected members; Bundesrat represents the provinces with sixty-three members elected by provincial assemblies. Independent judiciary.

Legal System: Supreme Court for civil and criminal cases, Administrative Court for cases involving administrative agencies, and Constitutional Court for constitutional cases. Four higher provincial courts, seventeen provincial and district courts, and numerous local courts.

Politics: Dominated by Social Democratic Party of Austria (Sozialdemokratische Partei Österreichs—SPÖ) and Austrian People's Party (Österreichs Volkspartei—ÖVP); government coalition of these two parties since 1987. Freedom Party of Austria (Freiheitliche Partei Österreichs—FPÖ) gaining strength despite split in early 1993 with formation of The Liberal Forum (Das Liberale Forum). Environmentalists also represented in parliament.

Foreign Relations: Founding member of European Free Trade Association (EFTA) and member of United Nations (UN) and European Economic Area (EEA). Admission into European Union (EU) expected in January 1995.

National Security

Armed Forces: In 1994 defense forces consisted of 51,250 troops, of which 44,000 were in Bundesheer (Federal Army; including 19,500 conscripts) and 7,250 in air force (including 2,400 conscripts). No women serve in armed forces.

Treaty Commitments: State Treaty of 1955 prohibits union with Germany. Constitutional Law of October 26, 1955, declares permanent neutrality, rejects participation in any military alliance, and prohibits establishment of any foreign military base on territory.

Conscription and Reserves: Males obliged to perform total of six months of active duty and two months of reserve training (or eight months of active duty with no reserve training). Ready reserves (ready within seventy-two hours) 119,000 in 1994. Each year 66,000 receive refresher training. Additional 960,000 under age fifty with reserve training (all ranks).

Standing Forces: According to *The Military Balance, 1994–1995,* army consists of three corps (one organized as mechanized division consisting of three armored infantry brigades) and one provincial military command. Air force (part of Bundesheer) has one air division headquarters, three air regiments, and three air defense battalions. Reorganization of Bundesheer under New Army Structure to be completed in 1995.

Troops Abroad: In 1994 Austrian military troops serving in UN peacekeeping forces included deployment in Cyprus, Golan Heights, Iraq-Kuwait border, and Rwanda.

Sources of Equipment: Heavily dependent on foreign suppliers: United States, 29 percent; Western Europe, excluding Germany, 67 percent. State Treaty precludes arms imports from Germany. Sweden primary source of aircraft and missiles.

Defense Expenditures: In 1993 defense budget US$1.63 billion, lowest proportion of GNP (1 to 2 percent) in Europe, except for Luxembourg.

Internal Security: Most important law enforcement agencies part of national government and organized by Ministry for Interior. Federal Police, oriented to urban areas; Gendarmerie, responsible for rural areas and towns without federal or local contingent; State Police, concerned with counterterrorism and counterintelligence.

Figure 1. Administrative Divisions of Austria, 1993

Introduction

THE AUSTRIAN PEOPLE ENDURED a series of political, social, and economic upheavals between the outbreak of World War I and the division of Europe into two hostile blocs shortly after World War II. In the next few decades, however, they succeeded in establishing a prosperous and stable democracy. Indeed, they were so successful that by the 1970s Austria had come to be widely characterized as "an island of the blessed" because of the material well-being of its people and the virtual absence of social conflict.

Devised in the first decade after War World II, the system of governing—the social partnership—that made this achievement possible gave each of Austria's main social groups a decisive say in the management of the country's affairs. In marked contrast to the social tensions of the interwar period, which culminated in a brief civil war in 1934, in the postwar era the representatives of agriculture, commerce, and labor were able to work together harmoniously for the benefit of all. By the 1990s, the decades of prosperity engineered through the system of social partnership had given Austrians one of the world's highest living standards. Sustained prosperity and social peace yielded yet another achievement, the creation of a viable nation supported by the overwhelming majority of its citizens. Thus, the Austrian state assembled out of the ruins of the Habsburg Empire at the end of World War I—said by many to be "the state no one wanted"—was replaced by one that gradually won the allegiance of its citizens by providing them with a long period of uninterrupted peace and prosperity.

At the beginning of the twentieth century, the territory occupied by present-day Austria had been ruled by the Habsburg Dynasty for more than 600 years. This territory was the core of an empire that at its height in the sixteenth century included Spain and its colonies in the New World, and much of Italy and the Low Countries. Although a military defeat at the hands of Prussia in 1866 had weakened Emperor Franz Joseph I (r. 1848–1916) and had obliged him to make such significant concessions to his Hungarian subjects the following year that the lands he ruled came to be known as Austria-Hungary (also seen as the Austro-Hungarian Empire), his empire remained one of Europe's great powers. In the last decades of the nineteenth century, it allied itself with Germany and Italy and in the years leading up to World War I actively pursued an aggressive foreign policy to extend Habsburg influence farther south in the Balkans.

The Habsburg Empire was supranational in nature. Many ethnic groups lived within its boundaries, including Germans, Czechs, Slovaks, Poles, Hungarians, Slovenes, Croats, Serbs, and Romanians. Most of the empire's German-speaking subjects lived in the territory that makes up present-day Austria, but significant numbers also lived in Bohemia, Moravia, and Silesia, and smaller numbers were found throughout the empire. Although the Hungarians had been granted the right to govern themselves and to have a significant say in determining the empire's affairs, German speakers remained dominant within the empire. Their dominance had gone on for centuries, although they made up only one-fourth of the population. Perhaps owing to their privileged status, the German speakers were more loyal to the empire than any other ethnic group. They did not see themselves as Austrian, however, but instead felt a strong local patriotism for their native provinces. They also thought of themselves as belonging to the German cultural community, a community found not only in Austria but also in Germany and Switzerland, and anywhere else German was spoken.

Germany's unification in 1871 under Prussian leadership after many centuries of division was only the most notable result of the powerful force of nationalism that appeared in many areas of Europe in the nineteenth century. Just to the south of the Habsburg Empire, for example, the many small states of the Italian peninsula had come together to form a united Italy. The nationalist ideal also came to touch with an ever-growing strength many of the peoples living within the Habsburg Empire. It was an ideal completely at variance with the supranational foundations of the empire and would in the end lead to its destruction. As nationalism gained in influence, growing numbers of the empire's inhabitants came to believe that they more rightly owed allegiance to their own ethnic group than to a ruling elite speaking a different language.

In response to the nationalist movements emerging within Austria-Hungary, the empire's German speakers formed their own political groups, often described as German nationalist-liberal, to protect their rights. Because the German-speaking community remained loyal to Emperor Franz Joseph, few of its members wished to see the areas in which they lived secede from the empire and become part of the newly united and powerful Germany. Their aims were to maintain their privileged position within the empire and to ensure that the German language did not lose ground to the empire's other languages.

In addition to the German nationalist-liberal parties active in the late nineteenth century, German speakers created political parties that had other goals. The Social Democratic Workers' Party

and the Christian Social Party were the most important political parties. The former sought to establish a socialist society based on Marxist principles. The latter sought to improve society, particularly (but not exclusively) rural society, by emphasizing Christian values and traditions. Because the memberships of both parties were largely German speaking, they had some sympathy with the aims of the empire's German nationalists. Their main concerns, however, were elsewhere.

World War I was set off by the June 1914 assassination of Archduke Franz Ferdinand, heir to the Habsburg throne, by Serbian nationalists. Within weeks, a system of interlocking alliances set the Great Powers of Europe against one another. By the war's end in November 1918, the Habsburg Empire had ceased to exist. Some of the empire's ethnic groups formed new nations. A German Austrian state was established on October 21, 1918. On November 12, 1918, one day after the war ended, the new state was declared a republic.

The new Austrian state was only one-fourth as large as the empire. In the eyes of many of its citizens, it was a mere "rump state" and was neither economically nor socially viable. Many argued that it logically should be part of Germany. The war's victors—the United States, Britain, and France—feared such a union would strengthen Germany, and they prohibited it. They also required that the new state be called the Republic of Austria rather than the German Austrian Republic. Despite the Allied prohibition, desire for union with Germany remained strong in Austria, particularly among German nationalist-liberals and socialists.

Shorn of many of the traditional economic connections it had had within the empire, Austria was poorly positioned to prosper. Its struggling economy was also hurt by the European economic slump of the early 1920s. The new republic's economic troubles diminished the support it needed from its citizens to survive. Rather than joining together to build a nation, Austrians sought social and economic security by withdrawing into the three large social groups, or camps (*Lager*), that predated the war: German nationalist-liberal, socialist, and Christian Social. Austrians usually gave their loyalty to the *Lager* in which they were born rather than to the country as a whole. Each *Lager* maintained a network of organizations such as credit unions, sports clubs, home mortgage funds, and the like that ministered to the economic and social needs of its members. Thus, contact among Austrians of different social backgrounds was lessened.

The hostility the groups felt for one another increased their inner cohesion. Socialist plans to establish a society founded on

Marxist principles frightened the right-wing German nationalist-liberals and Christian Socials and heightened their determination to defend their property. Socialist and German nationalist-liberal anticlericalism caused Christian Socials to be more resolute in defending their religious values. German nationalist-liberal and Christian Social anti-Semitism caused many Austrian Jews to become active in the socialist movement. This in turn meant that many on the right came to hate socialism even more because they saw it as a Jewish-controlled conspiracy to subvert all cherished values.

In response to the animosity the *Lager* felt for one other, armed militias were soon formed. The right-wing militia joined at times with state forces to oppose the socialists. Organized violence became frequent as the Christian Socials combined with the German nationalist-liberals to exclude socialists from the national government. Socialists governed only in Vienna. The many leftist social measures they enacted in "Red Vienna" further hardened conservative opposition.

A failed uprising in February 1934, in which the socialists sought to stand up to the central authorities, marked the definitive end of Austrian parliamentary democracy, already partially suspended the previous year. The Christian Social Engelbert Dollfuss established a right-wing authoritarian regime that attempted to govern Austria according to Christian principles. Austrian National Socialists, or Nazis, who desired to unite Austria with Germany, then ruled by Adolf Hitler, assassinated Dollfuss in July 1934. They were not strong enough to seize power, however, and the Dollfuss regime continued under the leadership of Kurt von Schuschnigg.

Despite the failed Nazi coup d'état, agitation for annexation, or Anschluss, of Austria by Germany continued. Schuschnigg resisted Hitler's demands for Anschluss for a time, but in March 1938 German troops occupied Austria. Because most Austrians felt little loyalty to their country, its seizure by Germany was widely supported, even by many socialists.

Austria was quickly and thoroughly absorbed by Nazi Germany. The country's new rulers attempted to expunge all traces of an independent Austria by ruthless personnel and administrative practices. Even the name *Austria* was replaced by a new designation—*Ostmark.* Austrians were drafted into the German army, the Wehrmacht, and when World War II began, they fought until Germany's unconditional surrender in May 1945.

Austria's human and material losses from the war were great. Furthermore, the country was divided into four zones, each occupied by one of the victorious Allies: the United States, Britain,

France, and the Soviet Union. Under the watchful eyes of the occupation powers, Austrians reestablished a government based on the constitution of 1920, as amended in 1929. This second attempt of Austrians to govern themselves in a parliamentary democracy proved eminently successful. In what came to be called the Second Republic, Austrians enjoyed a long period of social peace and prosperity.

A key reason for the success of the Second Republic was the manifest failure of the First Republic (1918–38). Confronted with a defeat of this magnitude, Austrian politicians vowed not to repeat the mistakes of the earlier period. Leaders of opposing parties imprisoned together in Nazi concentration camps discussed what was needed to rebuild their country and agreed to play down the ideological differences that had made interwar politics so bitter. In addition, Nazi barbarities gave them good reason to emphasize what distinguished Austria from Germany.

External forces also contributed to the eventual success of the Second Republic. The occupation of Austria by foreign troops and the need to resist their demands encouraged a new Austrian unity, as opposed to the lethal divisiveness of the First Republic. Furthermore, the gradual extinguishing of political freedom in Eastern Europe in the first years after World War II made the principles of parliamentary democracy more attractive than they had been in the interwar period. The Soviet Union's practices in its occupation zone were a daily affront to Austrians and discredited political groups not committed to parliamentary democracy. In the interwar period, in contrast, no political party had fully supported this form of government, and several had been actively opposed to it.

In addition to failing to establish a working democracy during the First Republic, Austrians also had failed to put in place a nation supported by most of its citizens. During the Second Republic—likewise born in defeat at the end of a world war—a stable, prosperous society was created that with time engendered in its members a sense of pride in their Austrian identity. This feeling of a national identity was new. As late as 1956, only 49 percent of Austrians believed that they constituted a nation, whereas 46 percent saw themselves as Germans. Several decades of success as a nation altered the views of most Austrians on this matter. An opinion poll in 1989, for example, found that 78 percent of Austrians agreed that they constituted a nation, and only 9 percent held that they did not.

After World War I, Austria's economy floundered for a time, improved in the second half of the 1920s, then collapsed with the

onset of the Great Depression. In contrast to this failure, after World War II an initial period of hardship was followed by decades of economic growth, which has continued into the 1990s.

In the first years after World War II, Austrians nationalized a large portion of their economy to protect it from foreign seizure; particularly by the Soviet Union. They also worked out mechanisms to involve the main participants in the economy—agriculture, commerce, and labor—in determining democratically how the economy was to be managed. During the 1950s and 1960s, further bargaining institutions were created, most notably the Parity Commission for Prices and Wages, that involved economic interest groups and the government in major economic decisions. The resulting system, the social partnership, is responsible for the extremely low incidence of strikes in Austria and the sustained stability crucial for economic growth.

The economy fostered by the social partnership has grown steadily in the postwar period, often at growth rates above the Organisation for Economic Co-operation and Development (OECD—see Glossary) average. Between 1955 and 1990, the economy increased in size by two-and-one-half times. In step with the rest of Western Europe, the Austrian economy modernized quickly. Agriculture, still a significant part of the economy in the 1950s, by the early 1990s provided only about one-twentieth of the work force with employment and accounted for an even smaller share of the gross domestic product (GDP—see Glossary). In 1970 the industrial sector and the services sector accounted for roughly equal shares of GDP; by the 1990s the latter had become twice the size of the former and provided jobs for more than half the work force.

Although Austrian industry has a smaller place in the overall economy than it did earlier in the postwar period, it has become more specialized and produces high-quality goods that are competitive on the world market. Despite its small size, Austria is an active participant in the global economy, and foreign trade, two-thirds of it with the European Union (EU—see Glossary), accounts for two-fifths of GDP. A persistent trade deficit is largely offset by high earnings from tourism. Austria's place in the global economy has made imperative its membership in international economic organizations, such as the European Free Trade Association (EFTA—see Glossary) and the European Economic Area (EEA—see Glossary). Austria is scheduled to become a member of the EU on January 1, 1995.

The expanding economy has brought higher living standards for nearly all Austrians. Automobile ownership and travel abroad are commonplace, and an ever-widening range of state-supervised social

benefits has made material want a thing of the past for ordinary Austrians. Sustained prosperity and a modernizing economy have permitted many Austrians to find better employment than did their parents. White-collar salaried employees now outnumber blue-collar workers. Much of the menial work is done by foreigners, who first began to arrive in significant numbers in the early 1960s and who at times have made up nearly 10 percent of the work force.

The great increase in white-collar employment permitted a tenfold increase in the number of Austrians enrolled at institutions of higher learning between the mid-1950s and the early 1990s. The upgrading of education at lower levels, such as specialized vocational training, is also impressive. As a result, many Austrians who themselves attended only elementary school have seen their children receive an education that results in well-paid skilled employment.

Social mobility has eroded the interwar division of Austria into *Lager.* The farming sector has dwindled into insignificance. The traditional blue-collar working class has diminished both in size and in cohesion as workers have become more middle class in their habits and expectations because of improvements in their housing, working conditions, and general standard of living. Many of their children have entered the ever-expanding middle class, which is no longer closed to outsiders. Younger Austrians, growing up in a more prosperous and egalitarian society than their parents, not only earn their livelihood in new ways but also have different social and political attitudes than the older generation.

In the decades after World War II, Austrian society has become more secularized. Regular church attendance has declined sharply, although the number of Austrians who have officially withdrawn from the Roman Catholic Church in this overwhelmingly Roman Catholic country has increased only slightly. The church itself has changed, withdrawing from the active and polarizing role it played in the interwar period. It speaks out only on issues it regards as within its legitimate sphere of interest. One such issue has been abortion. In the early 1970s, the church waged an ultimately unsuccessful campaign against the legalization of abortion.

The role of women also has changed in this new social environment. The so-called three Ks of *Kinder, Kirche,* and *Küche* (children, church, and kitchen) no longer dominate women's lives to the extent they did in the past. Marriage is no longer seen as the only socially acceptable goal of a woman's life. Families are smaller, and by the 1990s the birthrate was below that needed for the population to increase. Divorce is more frequent, as is cohabitation by unmarried couples. The number of illegitimate births also has risen,

although most of these children are subsequently legitimized by marriage.

Women now work outside the home in greater numbers than in the past. Although as of the first half of the 1990s women still earned less than men at all levels of employment, more women than ever before hold responsible positions. Some of the country's foremost politicians are women, and the number of seats held by women in the nation's lower house of parliament, the Nationalrat (National Council), increased from eleven in 1970 to thirty-nine in 1994. Laws have been passed to improve women's position in society. The Equal Treatment Law of 1979 mandates equal pay for equal work, and the Women's Omnibus Law of 1993 aims at increasing the employment of women in government agencies.

The economic and social changes Austria underwent in the postwar era began to affect the country's political life only in the second half of the 1980s. It was during this period that the dominance of political life by two large parties—a dominance that began immediately after World War II—began to be threatened by several smaller parties. Representing two of the country's three traditional social camps, the two parties are the Socialist Party of Austria, known since 1991 as the Social Democratic Party of Austria (Sozialdemokratische Partei Österreichs—SPÖ), the successor to the Social Democratic Workers' Party, and the Austrian People's Party (Österreichische Volkspartei—ÖVP), descended from the Christian Social Party.

The SPÖ and ÖVP have governed Austria since 1945, often together in coalition governments. The latest of these so-called grand coalitions was formed in November 1994. Until 1970 the ÖVP was generally the stronger of the two parties. In that year, however, the SPÖ was led to power by the able and extremely popular Bruno Kreisky, who remained chancellor until 1983. In 1986 another effective leader, Franz Vranitzky, took over the SPÖ and through his personal popularity has been able keep the party in power, even though the party's share of the vote has declined steadily.

However strong their political rivalry may be, both parties are committed to democracy, and they have adopted less ideological positions than did their predecessors in the interwar period. Decades of governing together have reduced the ideological differences between the two parties, and both support maintaining Austria's mixed economy and social welfare state. They have also been bound together by the elaborate patronage system of dividing between them the right to fill many positions in government agencies, in the extensive social welfare system, in the numerous bodies that make up the social partnership system, and in the large

state-owned business enterprises. Because appointments to these positions often depend more on party membership than on qualifications, there have been instances of corruption and incompetence.

As an indication of the overall success of the SPÖ and ÖVP in governing Austria in the postwar era, only in 1990 did their joint share of the vote in a national election drop below 80 percent. In fact, in many national elections their joint share had been over 90 percent. Beginning in 1986, however, their support began to fall steadily. In the national election of October 1994, they received only 62.6 percent of the vote. The decline stems in part from the slow breakup of the *Lager,* which had loyal voting habits, and the emergence of a sizable pool of "floating voters," no longer invariably tied to the SPÖ or to the ÖVP.

The decline of the large parties also stems from voter dissatisfaction with the inefficiency and corruption of traditional political practices of governing the country and the emergence of new issues in a rapidly changing economy and society. The most serious challenger to the two main parties is a right-wing populist party formed in 1956, the Freedom Party of Austria (Freiheitliche Partei Österreichs—FPÖ), descended from prewar German nationalist-liberal groups. The party had seemed doomed to extinction until a young politician, Jörg Haider, seized control of it in 1986 and through his dynamic leadership increased its share of the vote to 9.7 percent in that year's national election. The FPÖ nearly doubled its share in the national election of 1990 and won 22.5 percent of the vote in the national election of October 1994. This last victory occurred despite a split within the FPÖ in early 1993, when some of its members left to form a new party, The Liberal Forum (Das Liberale Forum). These members disagreed with Haider's position on foreigners in Austria and his departure from classic positions of European liberalism.

A superbly gifted politician, Haider has campaigned as a conservative populist, speaking out against the SPÖ-ÖVP decades-long stewardship of the country's affairs. He has exploited the anger of many voters at the pervasive cronyism and corruption of the SPÖ-ÖVP coalition and promised to end its system of patronage. Despite his clearly expressed hostility to socialism and the role of government in general, he has been able to successfully court many blue-collar SPÖ voters worried by the challenges posed to their country's small economy by a united Europe. With what many regard as demagogy, he has won votes by addressing that portion of the electorate who are concerned about the foreign presence in Austria and who fear *Überfremdung,* that is, Austria's submersion in

a flood of foreign immigrants fleeing the social and economic chaos of Eastern Europe.

Traditional politics has also been challenged by the emergence of an environmentalist movement. Widespread economic security has freed young Austrians from immediate practical concerns and has allowed them to become concerned with longer-term issues such as protection of the environment. Galvanized by the construction of a large SPÖ-sponsored nuclear power plant in 1978, citizen groups focusing on the environment were formed; shortly thereafter, several environmentalist parties were established. In 1986 environmentalists were first elected to the Nationalrat; they have increased their share of the vote in each national election since. In the national election of 1994, the largest environmentalist party, The Greens (Die Grünen), won thirteen seats.

The European trend toward unification has also altered Austrian politics. In the first half of the 1990s, Austria's possible membership in the EU was likely the issue of greatest significance for the country's future. In 1989 Austria applied for admission to the European Community (EC—see Glossary), the predecessor of the EU. An interim step before admission was the January 1994 entry into the EEA. After years of negotiations with EC officials, in which the central points were protection of the environment, foreign ownership of real estate property, and farm subsidies, the SPÖ-ÖVP government called for a June 1994 referendum about EU membership.

The referendum was hotly contested. Although 66.4 percent of the electorate voted in favor of EU membership, the outcome of the vote was uncertain until the end. In addition to the SPÖ-ÖVP coalition, The Liberal Forum also supported membership. The most eloquent spokesman for this position was the minister for foreign affairs, Alois Mock, who had conducted the difficult negotiations concerning the conditions under which Austria would join the EU. In the late 1980s, Mock had persuaded his party, the ÖVP, that it should advocate Austria's becoming part of a united Europe. The SPÖ gradually came to the same view, even though EU membership would conflict with Austria's traditional neutrality. The EU has as a long-term goal not only economic unity but also a common foreign and security policy, which would by its nature preclude neutrality. Proponents of EU membership argued that it would bring economic benefits and contribute to the nation's security in a new and rapidly changing world.

Opponents of EU membership included many Austrian intellectuals, environmentalists, and the FPÖ, which had reversed its previously positive stance. Opponents argued that membership would

bring a loss of Austrian sovereignty and that bureaucrats in Brussels would come to exert a suffocating control over the country's affairs. They feared that Austria's national identity might gradually be lost in a united Europe, given the country's small size. Haider justified his party's change of opinion by saying that it still desired European unity, but not one in which Austrian liberty was so restricted.

The overwhelming support voters gave to EU membership was a win for the coalition, but support came from many sectors of society, not just from traditional SPÖ and ÖVP voters. In fact, some members of the SPÖ and ÖVP opposed their parties' position because they feared the social and economic consequences of membership. This drop in support can be seen by comparing the two-thirds majority the two parties received in the referendum with the three-quarters majority the coalition received in the 1990 national election.

The national election of October 9, 1994, was a resounding setback for the coalition. Both parties suffered significant losses in this election, which had an 82 percent voter turnout. The SPÖ remained the largest party in the Nationalrat. However, its share of the vote fell from 42.8 percent in the 1990 election to 34.9 percent, and its number of seats in the 183-member body fell from eighty to sixty-five. The ÖVP fared nearly as badly. Its share of the vote dropped from 32.1 percent in 1990 to 27.7 percent in 1994, and its share of seats fell from sixty to fifty-two. The FPÖ continued its upward trend by increasing its share of the vote, going from 16.6 percent in 1990 to 22.5 percent in 1994, and by winning forty-two seats, compared with thirty-three seats four years earlier. The largest of the environmentalist parties, The Greens, increased its share of the vote from 4.8 percent to 7.3 percent and the number of its seats from ten to thirteen. The Liberal Forum, in its first national election, won 6.0 percent of the vote and gained eleven seats.

The election showed that the political trends that had been under way through the 1980s had continued. The SPÖ-ÖVP share of the vote continued to drop precipitously, amounting to only 62.6 percent in 1994. As a result of these losses, the SPÖ-ÖVP coalition government formed in late November 1994 with Vranitzky as chancellor will not have the two-thirds majority needed to pass some legislation.

The election was a triumph for Haider, who throughout its course had determined the issues on which the election was fought: the alleged threat of foreign immigration to the welfare of ordinary Austrians; and the incompetence and corruption of the pervasive system

of governmental, party, and economic interest organizations that the SPÖ and ÖVP coalition had devised and that supposedly was suffocating the country's social and economic life. Haider saw his victory as merely another step toward becoming chancellor in 1998. To reach this goal, he has begun transforming his party into a political movement similar to that headed by Ross Perot in the United States. Whether or not Haider achieves his goal, he is likely to remain one of Austria's foremost politicians because of his skill in raising issues that have become central concerns to voters facing the challenges of the new Europe emerging after the end of the Cold War.

The end of the Cold War and the breakup not only of the Warsaw Pact but also of some of the countries that belonged to it have ended the decades of relative stability in Central Europe. In addition, in the early 1990s Yugoslavia, Austria's neighbor to the south, also broke into a number of separate states, some of which were soon at war. Large numbers of refugees have fled to Austria and other Western countries, seeking temporary or permanent asylum. As a result of these events, Austria, once securely tucked away in one corner of Western Europe and sheltered from the East by the Iron Curtain, has come to occupy a more exposed and less secure position in Central Europe.

In the postwar era, Austria has pursued a neutral and active foreign policy. The State Treaty of 1955 ended the country's occupation by foreign troops and restored its sovereignty. As a condition for winning its independence, Austria pledged itself to permanent neutrality and promised never to join a military alliance or to allow foreign troops to be stationed on its territory. Lying between the two military alliances of the Cold War, Austria became an intermediary between the two blocs. Vienna became the home to international organizations and the site of important international meetings. An Austrian diplomat, Kurt Waldheim, was secretary general of the United Nations (1971–81), and Austrian military forces regularly participated in that organization's multinational peacekeeping missions around the world.

In the post-Cold War environment, however, Austria's active neutrality is seen by many as no longer relevant. Hence, policy makers are searching for a security policy better adapted to Austria's newly exposed position. Entry into the EU will reduce Austria's foreign policy independence and its traditional neutrality. Austria is expected to apply for observer status in the Western European Union (WEU—see Glossary) after it joins the EU and is likely to eventually become a member of this security organization. Austria's foreign policy makers contend that there is no

conflict between being a member of the WEU and maintaining the constitutional pledge of permanent neutrality, stating that it is Austria's right to interpret its neutrality. Whatever new security agreements are entered into later in the 1990s, however, Austria's policy of permanent and active neutrality, at least as it has so far been practiced, is probably nearing an end.

The likely extension of EU membership early in the next century to East European nations with free-market economies and parliamentary democracy will also reduce Austria's postwar role as an intermediary between East and West. As a result of the new Europe forming after the political and economic revolutions beginning in 1989, Austria is faced with abandoning the foreign policies that have served it so well in the postwar era. However, Austria will meet this new international environment not as a small poor nation surrounded by more powerful neighbors, as it did twice in the twentieth century after defeats in world wars, but as a prosperous and stable society and an integral part of a united Europe.

December 5, 1994 Eric Solsten

Chapter 1. Historical Setting

Coat of arms of the province of Styria

GERMANIC TRIBES WERE not the first peoples to occupy the eastern Alpine-Danubian region, but the history and culture of these tribes, especially the Bavarians and Swabians, are the foundation of Austria's modern identity. Austria thus shares in the broader history and culture of the Germanic peoples of Europe. The territories that constitute modern Austria were, for most of their history, constituent parts of the German nation and were linked to one another only insofar as they were all feudal possessions of one of the leading dynasties in Europe, the Habsburgs.

Surrounded by German, Hungarian, Slavic, Italian, and Turkish nations, the German lands of the Habsburgs became the core of their empire, reaching across German national and cultural borders. This multicultural empire was held together by the Habsburgs' dynastic claims and by the cultural and religious values of the Roman Catholic Counter-Reformation that the Habsburgs cultivated to provide a unifying identity to the region. But this cultural-religious identity was ultimately unable to compete with the rising importance of nationalism in European politics, and the nineteenth century saw growing ethnic conflict within the Habsburg Empire. The German population of the Habsburg Empire directed its nationalist aspirations toward the German nation, over which the Habsburgs had long enjoyed titular leadership. Prussia's successful bid for power in Germany in the nineteenth century—culminating in the formation in 1871 of a German empire under Prussian leadership that excluded the Habsburgs' German lands—was thus a severe political shock to the German population of the Habsburg Empire.

When the Habsburg Empire collapsed in 1918 at the end of World War I, its territories that were dominated by non-German ethnic groups established their own independent nation-states. The German-speaking lands of the empire sought to become part of the new German republic, but European fears of an enlarged Germany forced them to form an independent Austrian state. The new country's economic weakness and lack of national consciousness contributed to political instability and polarization throughout the 1920s and 1930s and facilitated the annexation (Anschluss) of Austria by Nazi Germany in 1938.

As part of Germany, Austria came under Nazi totalitarian rule and suffered military defeat in World War II. To escape this Nazi German legacy, Austrians began to seek refuge in a national identity

that emphasized their cultural and historical differences with Germans even before the end of the war. Thus, the population welcomed the 1945 decision of the victorious Allied powers to restore an independent Austria.

The bitter experience of the Anschluss and World War II enabled Austrians to overcome the extreme political polarization of the interwar years through a common commitment to parliamentary democracy and integration with the West. The close cooperation of the two major parties, the Socialist Party of Austria (Sozialistische Partei Österreichs—SPÖ) and the Austrian People's Party (Österreichische Volkspartei—ÖVP), helped Austria frustrate Soviet efforts after World War II that might have seen the country's absorption into the Soviet bloc or division into communist and noncommunist halves. The signing of the State Treaty in 1955 ended Allied occupation of Austria and any immediate danger of communist dictatorship and/or partition. But the occupation era and the continuing Cold War shaped the country's identity and self-understanding as it positioned itself as a neutral country bridging East and West.

This new Austrian cultural, political, and international identity laid the foundation for a stable democracy, a strong economy tied to the West, and neutrality between communist and democratic Europe. At the same time, however, it discouraged close examination of the role played individually and collectively by Austrians in Nazi aggression and war crimes. Revelations about the wartime record of Kurt Waldheim during the presidential election in 1985 thus initiated a painful reassessment of Austria's Nazi past. Moreover, the end of the Cold War has undercut Austria's self-appointed mission as a bridge between East and West. A redefinition of Austrian nationalism and its international role thus seems likely in the 1990s.

The Alpine-Danubian Region Before the Habsburg Dynasty

The Celtic and Roman Eras

Around 400 B.C., Celtic peoples from Western Europe settled in the eastern Alps. A Celtic state, Noricum, developed around the region's ironworks in the second century B.C. The Romans occupied Noricum without resistance in 9 B.C. and made the Danube River the effective northern frontier of their empire.

North of the Danube, various German tribes were already extending their territory. By the latter half of the second century A.D., they were making devastating incursions into Roman territories.

Nevertheless, Roman arms and diplomacy maintained relative stability until the late fourth century, when other Germanic tribes, including the Ostrogoths, Visigoths, and Vandals, were able to establish settlements in Roman territory south of the Danube. The Roman province gradually became indefensible, and much of the Christian, Romanized population evacuated the region in 488. In 493 the Ostrogoths invaded Italy, seized control of what remained of the western half of the Roman Empire, and brought the Roman era in the eastern Alps to an end.

The Early Medieval Era

Various Germanic and Slavic tribes vied for control of the eastern Alpine-Danubian region following the withdrawal and collapse of Roman authority. Among the Germanic tribes, Alemanni (later known as Swabians) and Bavarians were the most notable. The Alemanni had arrived during the Roman era and by 500 were permanently established in most of modern-day Switzerland and the Austrian province of Vorarlberg. The early history of the Bavarians is not clear, but by the mid-500s they were established alongside remnants of earlier, Romanized peoples in areas north and south of the present-day border between Austria and Germany. Both Swabians and Bavarians were subject to another Germanic tribe, the Franks, but effective Frankish control did not occur until the time of Emperor Charlemagne in the late 700s.

Slavic peoples, including Slovenes, Croats, Czechs, and Slovaks, settled in the region as subject peoples of the Avars, a nomadic tribe, and gradually absorbed their nomadic overlords. During the Carolingian era (eighth and ninth centuries), the areas of Slavic settlement, like those of the Swabians and Bavarians, became subject to the Franks.

Under Frankish patronage, Irish monks, most notably Saint Columban and Saint Gall, pioneered the Christian evangelization of the region in the seventh and eighth centuries. Their work gave rise to important monasteries whose agricultural activities on the frontiers of the Carolingian Empire helped open the region's primeval forests to wider settlement. Eventually integrated into the feudal political structure, the abbots of these monasteries vied with bishops and secular lords for religious and political influence well into the modern era. Bishoprics were established in four major Bavarian towns in the 730s. Salzburg, the only one of these to lie within modern Austria, was raised to the status of an archbishopric in 798 and was given jurisdiction over the other bishoprics. Salzburg became the center of the Christian evangelization efforts in

the Slavic territories, which were instrumental in spreading the political reach of the Carolingian Empire.

The Holy Roman Empire and the Duchy of Austria

The gradual eastward extension of the Carolingian Empire was stopped by the arrival of the Magyars—a Finno-Ugric people who form the ethnic core of the Hungarian nation—in the Danubian region in 862. Within fifty years, the Magyars had seized the Hungarian Plain, conquered Moravia and the eastern Danubian marches of the Carolingian Empire, and raided deep into Frankish territory. A reorganization of the German portion of the Carolingian Empire in the first half of the tenth century enabled the Germans to rally their forces and defeat a Magyar invasion force at the Battle of Lechfeld in 955. This new and essentially German empire became known as the Holy Roman Empire and eventually regained much of the territory lost to the Magyars. Nevertheless, the Magyars' continuing military strength and their conversion to Christianity during the reign of King Stephen (r. 997–1038) enabled Hungary to become a legitimate member of Christian Europe and check German expansion to the east.

Under the Holy Roman Empire, the territories that constitute modern Austria were a complex feudal patchwork under the sway of numerous secular and ecclesiastical lords. Most of the territories originally fell within the boundaries of the Duchy of Bavaria. Over the years, various territories were effectively detached from Bavaria, either becoming part of the newly established duchies of Carinthia (976) and Styria (1180) or, like Salzburg and Tirol, falling under the jurisdiction of powerful bishops. In the final years of the reign of Emperor Otto the Great (r. 936–73), a small margravate roughly corresponding to the present-day province of Lower Austria was formed within Bavaria. This margravate became known as Ostarrichi (literally, Eastern Realm), from which the modern name *Austria* (Österreich) ultimately derives. The Margravate of Austria was detached from Bavaria and became a separate duchy in 1156.

Between 976 and 1246, the Duchy of Austria was one of extensive feudal possessions of the Babenberg family. Through their ties of blood and marriage to two successive German imperial dynasties, the Babenbergs gradually acquired lands roughly corresponding to the modern provinces of Upper Austria, Lower Austria, Styria, and Carinthia. When the Babenberg line died out in 1246, their lands passed to the ambitious king of Bohemia, Otakar II. As king of Bohemia, Otakar was one of the small circle of "elector-princes" who were entitled to participate in the election of the Holy Roman

Emperor Maximilian I, Holy Roman Emperor from 1493 to 1519, greatly expanded Habsburg territory. Courtesy Austrian National Tourist Office, New York

Emperor. When Otakar failed to be elected emperor in 1273, he contested the election of the new emperor, Rudolf von Habsburg. The Bohemian king met his defeat and death in battle in 1278, and the former Babenberg lands passed to the Habsburgs, who added them to their already extensive lands in present-day Switzerland, southwestern Germany, and eastern France.

Rise of the Habsburg Empire

The Habsburg Dynasty in the Late Medieval Era

Although the Duchy of Austria was just one of the duchies and lands that the Habsburgs eventually acquired in the eastern Alpine-Danubian region, the Habsburgs became known as the House of Austria after the Swiss peasantry ousted them from their original family seat in Habichtsburg in the Swiss canton of Aargau in 1386. The name *Austria* subsequently became an informal way to refer to all the lands possessed by the House of Austria, even though it also remained the proper, formal name of a specific region. Thus, through the legacy of common rule by the House of Austria, the lands that constitute the modern state of Austria indirectly adopted the name of one region of the country as the formal national name in the early twentieth century.

Because the elector-princes of the Holy Roman Empire generally preferred a weak, dependent emperor, the powerful Habsburg

Dynasty only occasionally held the imperial title in the 150 years after Rudolf's death in 1291. After the election of Frederick III in 1452 (r. 1452–93), however, the dynasty came to enjoy such a dominant position among the German nobility that only one non-Habsburg was elected emperor in the remaining 354-year history of the Holy Roman Empire.

The Habsburgs' near monopoly of the imperial title, however, did not make the Habsburg Empire and the Holy Roman Empire synonymous. The Habsburg Empire was a supernational collection of territories united only through the accident of common rule by the Habsburgs, and many of the territories were not part of the Holy Roman Empire. In contrast, the Holy Roman Empire was a defined political and territorial entity that became identified with the German nation as the nation-state assumed greater importance in European politics.

Although the succession of Holy Roman Emperors from the Habsburg line gave the House of Austria great prestige in Germany and Europe, the family's real power base was the lands in its possession, that is, the Habsburg Empire. This was because the Holy Roman Empire was a loosely organized feudal state in which the power of the emperor was counterbalanced by the rights and privileges of the empire's other princes, lords, and institutions, both secular and ecclesiastical.

Habsburg power was significantly enhanced in 1453, when Emperor Frederick III confirmed a set of rights and privileges, dubiously claimed by the Habsburgs, that paralleled those of the elector-princes, in whose ranks the family did not yet sit. In addition, the lands the Habsburgs possessed in 1453 were made inheritable through both the male and the female line. Because feudal holdings usually reverted to the emperor to dispose of as he wished when the holder of the fief died, the right of inheritable succession measurably strengthened the Habsburgs. The lands they held in 1453 became known collectively as the Hereditary Lands, and—with the exception of territories possessed by the archbishops of Salzburg and Brixen—encompassed most of modern Austria and portions of Germany, France, Italy, Croatia, and Slovenia.

Territorial Expansion, Division, and Consolidation

The Habsburgs also increased their influence and power through strategic alliances ratified by marriages. Owing to premature deaths and/or childless marriages within the Burgundian and Spanish dynasties into which his grandfather, Maximilian I (r. 1493–1519), and his father had married, Emperor Charles V (r. 1519–56) inherited not only the Hereditary Lands but also the Franche-Comté

and the Netherlands (both of which were French fiefs) and Spain and its empire in the Americas.

Challenged on his western borders by France and on his eastern borders by the Turkish Ottoman Empire, Charles V divided his realm geographically in 1522 to achieve more effective rule. Retaining the western half under his direct control, he entrusted the eastern half, the Hereditary Lands, to his brother, Ferdinand (r. 1522–64). Although Ferdinand did not become Holy Roman Emperor until 1556 when Charles V abdicated, this territorial division effectively created two branches of the Habsburg Dynasty: the Spanish Habsburgs, descended through Charles V, and the Austrian Habsburgs, descended through Ferdinand (see fig. 2).

In addition to the lands he received from his brother, Ferdinand also increased his territorial reach by marrying into the Jagiellon family, the royal family of Hungary and Bohemia. When his brother-in-law, King Louis, died fighting the Turks at the Battle of Mohács in 1526, Ferdinand claimed the right of succession. Although the diets representing the nobility of Bohemia (and its dependencies of Moravia and Silesia) did not acknowledge Ferdinand's hereditary rights, they formally elected him king of Bohemia. As king of Bohemia, he also became an elector-prince of the Holy Roman Empire. In Hungary and in the subordinate Kingdom of Croatia-Slavonia-Dalmatia, however, Ferdinand faced the rival claim of a Hungarian nobleman and the reality of the Turkish conquest of the country. He was able to assert authority only over the northern and western edges of the country, which became known as Royal Hungary. His Hungarian rival became a vassal of the Turks, ruling over Transylvania in eastern Hungary. The rest of Hungary became part of the Ottoman Empire in 1603.

Although Ferdinand undertook various administrative reforms in order to centralize authority and increase his power, no meaningful integration of the Hereditary Lands and the two newly acquired kingdoms occurred. In contrast to the authority of kings of Western Europe, where feudal structures were already in decline, Ferdinand's authority continued to rest on the consent of the nobles as expressed in the local diets, which successfully resisted administrative centralization.

The Protestant Reformation in the Habsburg Lands

From the beginning of the Protestant Reformation in the 1520s, Protestant doctrines were welcomed by the people living in the areas under Habsburg domination. By the middle of the sixteenth century, most inhabitants were Protestant. Lutherans predominated in German-speaking areas, except in Tirol, where the Anabaptists

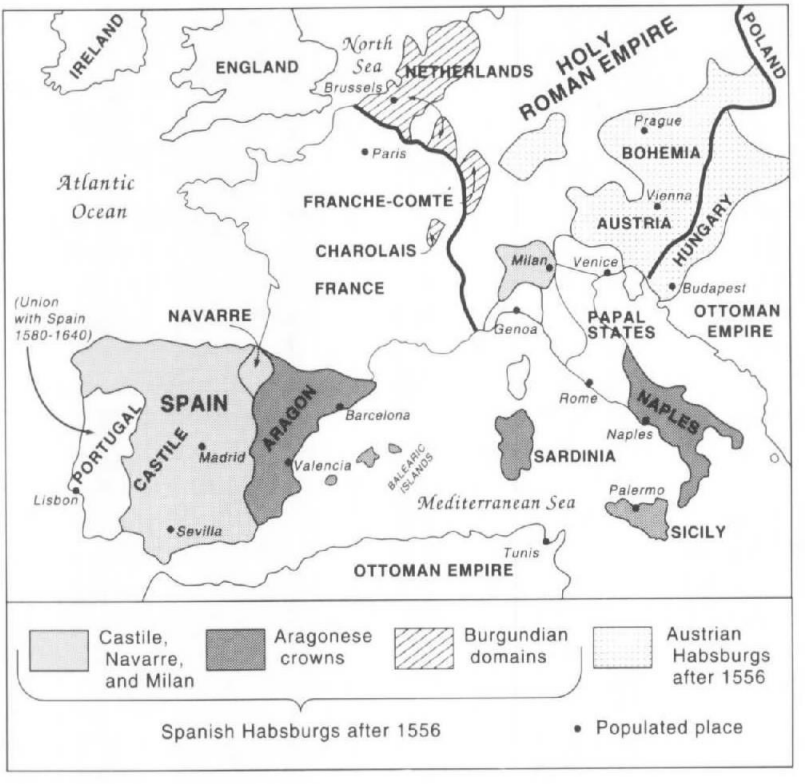


Figure 2. Europe in the Sixteenth Century

were influential. Nevertheless, the Roman Catholic Church retained the support of the Habsburg Dynasty and was able to maintain a strong presence throughout the area.

Religious violence and serious persecution were rare after the 1520s, and an uneasy coexistence and external tolerance prevailed for most of the sixteenth century. Ferdinand pressed Rome for concessions that would bridge the positions of moderate reformers and Catholics, but at the Council of Trent (1545–63), the Catholic Church chose instead a vigorous restatement of Catholic doctrine combined with internal reforms. The council thus hardened lines of division between Catholicism and Protestantism and laid the foundation for the Counter-Reformation, which the Habsburgs would pursue aggressively in the 1600s.

The Turkish Threat

After the Turkish siege of Vienna in 1529, Ferdinand recognized

that defense of the Habsburg lands required that Hungary form a bulwark against the Turks. Although Turkey's ultimate objective was the conquest of Europe, Western Europe did not see the Turks as a threat and was unwilling to aid Ferdinand in the defense of the continent's eastern borders. He thus signed a peace agreement with the Turks in 1562 that formalized the stalemated status quo in Hungary.

The Counter-Reformation and the Thirty Years' War

Division and Rebellion

Ferdinand I died in 1564, and Habsburg territories in Central Europe were divided among his three sons, with the eldest, Maximilian III (r. 1564–76), becoming Holy Roman Emperor. Although Maximilian's sympathetic policies toward the Protestants contrasted with his brothers' efforts to reestablish Catholicism as the sole religion in their lands, military policy, not religious doctrine, was to divide the dynasty in the final years of the sixteenth century and open the door to the religious wars of the seventeenth century.

Maximilian's son, Rudolf II (r. 1576–1612), succeeded his father as both king of Hungary and Holy Roman Emperor. After the Turks reopened the war in Hungary in 1593, Rudolf was blamed for the rebellion among Protestant nobles in Royal Hungary caused by his brutal conduct of the war. Backed by junior members of the dynasty, Rudolf's younger brother, Matthias (r. 1612–19), confiscated Rudolf's lands, restored order, and, after Rudolf's death, became Holy Roman Emperor. But the religious and political concessions that the two brothers had made to the nobility to win their support in this dynastic feud created new dangers for the Habsburgs.

The childless Matthias chose his cousin Ferdinand as his successor. To facilitate Ferdinand's eventual election as Holy Roman Emperor, Matthias secured his election as king of Bohemia in 1617. Before accepting Ferdinand as king, however, the Protestant nobility of Bohemia had required this strong proponent of the Catholic Counter-Reformation to confirm the religious charter granted them by Rudolf II. A dispute over the charter in 1618 triggered a rebellion by the Protestant nobles. Hopes for an arbitrated settlement were dashed when Matthias died in March 1619, and other areas under Habsburg control rebelled against Habsburg rule.

The Thirty Years' War, 1618–48

The anti-Habsburg rebellions reflected the rising tensions between Catholics and Protestants in the early 1600s. Proponents of

the Counter-Reformation, often operating under Habsburg protection, were reaping the fruits of a generation of work: monastic life was reviving, Catholic intellectual life was regaining confidence, and prominent figures were returning to the Catholic Church. As a result, Protestants were increasingly on the defensive. The German princes split into two military camps based on religious affiliation: the Evangelical Union and the Catholic League.

In August 1619, a Bohemian diet elected as king the Protestant elector-prince of the Palatinate, Frederick V, and the conclave of elector-princes elected Ferdinand II (r. 1619–37) Holy Roman Emperor. On November 8, 1620, a force combining troops from the Catholic League and the imperial army decisively defeated Frederick V's largely mercenary force at the Battle of White Mountain. Throughout the 1620s, the combined imperial and Catholic forces maintained the offensive in Germany, enabling Ferdinand to establish his authority in the Hereditary Lands, Bohemia, and Hungary.

Equating Protestantism with disloyalty, Ferdinand imposed religious restrictions throughout the Hereditary Lands. In 1627 he implemented a long-planned decree to make Bohemia a one-confession state: Protestants were given six months to convert or leave the country. In the face of a strong Hungarian nationalist movement headed by the Calvinist prince of Transylvania, however, Ferdinand could maintain his hold on Royal Hungary only by confirming guarantees of religious freedom.

Foreign intervention by Denmark, Sweden, and France kept Ferdinand from bringing the war to a conclusion through military power and also frustrated his efforts in the mid-1630s to reach a compromise with the Protestant German princes. The subsequent military campaigns of the Thirty Years' War, however, only marginally affected those portions of the Habsburg territories that are part of modern Austria.

The Peace of Westphalia

The Thirty Years' War was finally ended in 1648 by the Peace of Westphalia. The treaty guaranteed the religious and political constitution of the Holy Roman Empire, giving the German princes the sovereign right to settle the religious question in their respective territories. France also achieved its main war aim because the costly war and the concessions to the princes effectively stopped the Habsburgs from transforming the Holy Roman Empire into an absolutist state under their direction. Nonetheless, in their own lands, the Habsburgs enjoyed greater political and religious control than before the war: they had gained loyal new followers from

among the nobles by redistributing estates confiscated from rebels, and they were free to enforce religious conformity, which they did based on the model applied earlier in Bohemia.

The Baroque Era

Political and Religious Consolidation under Leopold

Reconstruction of the social, political, and economic infrastructure destroyed by the Thirty Years' War began during the reign of Ferdinand III (r. 1637–57) and continued through the reign of his son, Leopold I (r. 1658–1705). Central to the restoration of the Habsburgs' social and political base was the reestablishment of the Roman Catholic Church. But the Habsburgs did not seek to make the church an independent force within society. They found no contradiction between personal piety and use of religion as a political tool and defended and advanced their sovereign rights over and against the institutional church.

The Habsburg effort to establish religious conformity was based on the model already implemented in Bohemia. Closure of Protestant churches, expulsions, and Catholic appointments to vacated positions eliminated centers of Protestant power. Reform commissions made up of clergy and representatives of local diets appointed missionaries to Protestant areas. After a period of instruction, the populace was given a choice between conversion and emigration—an estimated 40,000 people emigrated between 1647 and 1652.

The reestablishment of Catholic intellectual life and religious orders and monasteries was a key component of Habsburg Counter-Reformation policies. The Jesuits led this effort, and their influence was broadly disseminated throughout Central European society, owing to their excellent schools, near monopoly over higher education, and emphasis on lay organizations, which provided a channel for popular devotional piety. Benedictine, Cistercian, and Augustinian monastic foundations were also revitalized through the careful management of their estates, and their schools rivaled those of the Jesuits.

Through the court's patronage of the arts and religious orders and through public celebrations, both secular and religious, the dynasty transmitted a worldview based on the values of the Counter-Reformation. These values, rather than common governmental institutions and laws, gave the Heriditary Lands a sense of unity and identity that compensated for the continued weakness of administrative bodies at the center of Habsburg rule.

The Turkish Wars and the Siege of Vienna

In 1663 rivalries between the Ottomans and the Habsburgs in Transylvania triggered renewed fighting between the Ottoman Empire and the Habsburg Empire. The Turkish threat, which included a prolonged but unsuccessful siege of Vienna in 1683, prompted Poland, Venice, and Russia to join the Habsburg Empire in repelling the Turks. In 1686 Habsburg forces moved into central Hungary and captured Buda. By 1687 the Ottoman Empire had been eliminated as a power in central Hungary. In the late 1690s, command of the imperial forces was entrusted to Prince Eugene of Savoy. Under his leadership, Habsburg forces won control of all but a small portion of Hungary by 1699.

The War of the Spanish Succession

In 1700 the death of Charles II of Spain ended the Spanish Habsburg line. Spain's steady decline throughout the seventeenth century had already led to minor armed conflicts aimed at a realignment of power among European countries, and these rivalries blossomed into the War of the Spanish Succession (1701–14). Both Leopold I and King Louis XIV of France, Charles's two nearest relatives, hoped to establish a junior branch of his own dynasty in Spain. But neither was willing to rule out the possibility that a single heir might someday inherit the lands of both the principal line and its Spanish offshoot. The strong central government and political institutions of France made the possible union of Spain and France a far greater threat to other European countries than the possible union of Spain and the Habsburg lands in Central Europe. Thus, when the dying Spanish king named as his heir Louis's son, Philip, England and a number of other European countries rallied to the Habsburg cause.

Despite early victories by the Austro-English alliance, the allies were unable to install the Austrian Archduke Charles on the Spanish throne. As the war dragged on, the alliance began to unravel, especially when, after the death of Leopold's elder son, Charles became Holy Roman Emperor in 1711. The actual unification of the Habsburg lines in Charles VI (r. 1711–40) posed a greater threat to other European powers than did the possible union of war-weakened France and Spain. Austria's allies made peace with France in 1713 and signed the Treaty of Utrecht. Because his former allies negotiated a treaty to protect their own interests, the settlement Charles received when he finally abandoned the war in 1714 was meager: the Spanish Netherlands (present-day Belgium) and various Italian territories.

The Pragmatic Sanction and the War of the Austrian Succession, 1740–48

Although the Habsburg Empire continued to expand in the east at Turkish expense, Charles VI recognized that defense of Austria's position in Europe required greater economic and political centralization to foster the development of a stronger economic base. Because he lacked a male heir, however, the continued unity of the Habsburg Empire was jeopardized. In 1713 Charles promulgated the Pragmatic Sanction to establish the legal basis for transmission of the Habsburg lands to his daughter Maria Theresa (r. 1740–80). The price extracted by local diets and rival European powers for approval of the Pragmatic Sanction, however, was abandonment of many centralizing reforms.

Nonetheless, Charles's concessions did not prevent the War of the Austrian Succession (1740–48) from breaking out on his death in 1740. Prussia occupied Bohemia's Silesian duchies that same year. Late in 1741, the elector-prince of Bavaria, Charles Albert, occupied Prague, the capital of Bohemia, with the aid of Saxon and French troops and was crowned king of Bohemia. This paved the way for his election as Holy Roman Emperor in 1742, thus breaking the Habsburgs' three-hundred-year hold on the imperial crown.

The Austrians, however, retook Prague, and Maria Theresa was crowned queen of Bohemia in the spring of 1743. Aided by a British diplomatic campaign, Austria also made important military gains in Central Europe. Thus, when Charles Albert unexpectedly died in January 1745, his son made peace with Austria and agreed to support the Habsburg candidate for emperor. This enabled Maria Theresa's husband, Franz (r. 1745–65), to be elected Holy Roman emperor in October 1745. In the west, the war with France and Spain gradually settled into a military stalemate, and negotiations finally led to the Peace of Aix-la-Chapelle in 1748.

Although Maria Theresa emerged with most of her empire intact—owing largely to the early support she received from Hungarian nobles—Austria was obliged to permanently cede Silesia, its most economically advanced territory, to Prussia. Recognizing that the costly war with France had done more to promote British colonial interests in North America than its own interests in Central Europe, Austria abandoned its partnership with Britain in favor of closer ties with France. This reversal of alliances was sealed by the marriage of Maria Theresa's youngest daughter, Marie Antoinette, to the future Louis XVI of France.

The Reforms of Maria Theresa and Joseph II

Baroque Absolutism and Enlightened Despotism

Although her husband was emperor, Maria Theresa ruled the Habsburg lands. However, when her son Joseph became Holy Roman Emperor after the death of her husband in 1765, she made her son coregent. Following Maria Theresa's death in 1780, Joseph II reigned in his own right until his death in 1790. The Counter-Reformation's political and religious goals had largely been accomplished by the time Maria Theresa came to the throne, but maintaining Austria's great-power status urgently required broad internal reform and restructuring to strengthen the central authority of the monarchy and curtail the power of the nobility.

Maria Theresa began administrative and economic reforms in 1749, drawing on mercantilist theory and examples provided by Prussian and French reforms. In addition, she undertook reforms in the social, legal, and religious spheres. During the coregency and after Maria Theresa's death, Joseph continued the reforms along the lines pursued by his mother. But mother and son had sharply different motivations. Maria Theresa was a pious Catholic empress working within the structure of a paternalistic, baroque absolutism and was unsympathetic to the Enlightenment. Joseph, in contrast, gave the reforms an ideological edge reflecting the utilitarian theories of the Enlightenment. Because his reforms were more ideologically driven and thus less flexible and pragmatic, they frequently were also less successful and disrupted the stability of the Habsburg Empire.

Although the statist religious policy that evolved in this era became known as Josephism, Joseph's policy was largely an extension of his mother's, whose piety did not exempt the church from reforms designed to strengthen state authority and power. Joseph's utilitarianism, however, contributed to two important divergences from Maria Theresa's policy: greater religious toleration and suppression of religious institutions and customs deemed contrary to utilitarian principles. The Edict of Tolerance, issued in 1781, granted Protestants almost equal status with Catholics; other decrees lifted restrictions on Jews and opened up communities, trades, and educational opportunities previously barred to them. The utilitarian principles behind religious toleration, however, also inspired Joseph to dissolve Catholic monasteries that were dedicated solely to contemplative religious life and to suppress various traditional Jewish customs he viewed as detrimental to society and a hinderance to the Germanization of the Jewish population.

Maria Theresa (r. 1740–80) reformed and united Habsburg holdings. Courtesy Embassy of Austria, Washington

The reforms created an administrative, fiscal, and judicial bureaucracy directly responsible to the monarch. As the seat of the new centralized institutions, Vienna grew from merely being the sovereign's place of residence to a true political and administrative capital. Hungary, however, was not included in these centralizing administrative reforms. In appreciation for the support Austria had received from the Hungarian nobles during the War of the Austrian Succession, Maria Theresa never extended her reforms to that kingdom.

The Strategic Impact of the Reform Era

Although the reforms improved Austrian military preparedness, they fell short of their original goal of enabling Austria to defend its interests in Europe. Hopes of regaining Silesia and partitioning Prussia were abandoned after only limited military success in the Austro-Prussian Seven Years' War (1756–63). Efforts to check Russian expansion yielded mixed results. Unable to prevent Russian and Prussian ambitions against Poland, Austria reluctantly joined them in the First Partition of Poland in 1772 and gained the province of Galicia. Five years later, Austria intervened between Russia and Turkey to prevent Russian gains at Turkish expense and in the process acquired Bukovina, a territory adjacent to Galicia and Transylvania. Because the new territories were economically backward, their acquisition served mainly to shift the

ethnic balance of the Habsburg Empire through the addition of a large Slavic population (Poles and Ruthenians), a sizable Jewish minority (which accounted for 60 percent of the empire's total Jewish population), and a lesser number of Romanians.

The ideological rigidity with which Joseph II carried out his reforms also weakened the Habsburg Dynasty by provoking social unrest and, in Hungary and Belgium, rebellion. When Joseph died in 1790, his brother, Leopold II (r. 1790–92), had to reverse many of the reforms and offer new concessions to restore order. To get Prussian support for the military action that reestablished Habsburg authority in Belgium in 1790, Leopold foreswore further Austrian territorial gains at Turkish expense. He also confirmed Hungary's right not to be absorbed into a centralized empire, but to be ruled by him as king of Hungary according to its own administration and laws. In exchange, the Hungarian nobility ended their rebellion.

The Habsburg Empire and the French Revolution

The Napoleonic Wars

What began as a retrenchment in Austria's reform program ground to a complete halt when the international crisis caused by the French Revolution engulfed Europe in a generation of war. Meeting in Potsdam in 1791, Leopold II and the king of Prussia jointly declared that the revolutionary situation in France was a common concern of all sovereigns. Although the declaration did not become the framework for European military intervention in France as its authors had hoped, it set Austria and the French Revolution on an ideological collision course. In April 1792, revolutionary France declared war on Austria.

The first war lasted for five years until Austria, abandoned by its allies, was forced to make peace on unfavorable terms. Austria renewed the war against France in 1799 and again in 1805 but was swiftly defeated both times. In the otherwise unfavorable settlement after the defeat in 1805, however, Austria did receive Salzburg, a territory formerly ruled by an archbishop, in compensation for the loss of various Italian and German possessions.

Because French domination of Germany raised the possibility that Napoleon Bonaparte or one of his subordinates could be elected Holy Roman Emperor, Leopold's son, Franz II (r. 1792–1835), took two steps to protect Habsburg interests. First, to guarantee his family's continued imperial status, he adopted a new, hereditary title, Emperor of Austria, in 1804, thus becoming Franz I of Austria. Second, to preclude completely the possibility of

Napoleon's election, in 1806 he renounced the title of Holy Roman Emperor and dissolved the Holy Roman Empire.

In the final years of the decade, the German Habsburg area was swept with anti-French nationalist fervor. Erroneously believing that similar nationalist fervor throughout Germany would produce a victory, Austria declared war on France in April 1809. In the Tirol, then under Bavarian rule, the peasants, led by Andreas Hofer, rebelled and scored surprising victories before being subdued by Napoleon's forces. Elsewhere in Germany, however, nationalist feeling had little effect. Austria's defeat was swift, and significant territorial losses followed.

In the wake of this defeat, Franz appointed a new foreign minister, Clemens von Metternich, who sought reconciliation with France. He accomplished this by arranging a marriage between Franz's daughter, Marie Louise, and Napoleon, who was eager for the prestige of marriage into one of the principal dynasties of Europe and the creation of an heir. The marriage took place in the spring of 1810 but yielded little immediate return for Austria.

In 1813 Napoleon's position began to weaken. His invasion of Russia had failed, and Britain was scoring victories in the Iberian Peninsula. Both sides of the conflict began bidding for Austria's support. In August of that year, Austria broke its alliance with France and declared war. Despite generous subsidies from Britain, the final campaigns against Napoleon in 1814 and 1815 strained Austria's financial and human resources. Thus, Austria emerged as a victor from the war but in a severely weakened state.

The Congress of Vienna

From September 1814 to June 1815, representatives of the European powers met in Vienna. Guided by Metternich, the Congress of Vienna redrew the map of Europe and laid the foundation for a long period of European peace. The Habsburg Empire emerged with boundaries both more extensive and compact than it had had for several centuries. Belgium and the Habsburg lands in southwest Germany were lost, but Austria regained all other possessions that it had held in 1792 and virtually all of those it had obtained during the long years of war, including Salzburg (see fig. 3). The Holy Roman Empire was not resurrected but was replaced with a German Confederation composed of thirty-five sovereign princes and four free cities. Austria held the permanent presidency of the confederation and probably had more real influence in Germany than it had had under the Holy Roman Empire. Austria also enjoyed the dominant position on the Italian peninsula, where it possessed the northern territories of Lombardy and Venetia.

Figure 3. Austrian Empire, 1815

The wartime allies—Austria, Britain, Russia, and Prussia—concluded the Congress of Vienna by signing the Quadruple Alliance, which pledged them to uphold the peace settlement. In a secondary document, the European monarchs agreed to conduct their policies in accordance with the Christian principles of charity, peace, and love. This "Holy Alliance," proposed by the Russian tsar, Alexander I, was of little practical import, but it gave its name to the cooperative efforts of Austria, Russia, and Prussia to maintain conservative governments in Europe.

Although Austria emerged from the Congress of Vienna as one of the great powers in Europe, throughout the nineteenth century its status and territorial integrity depended on the support of at least one of the other great powers. As long as the allies were willing to cooperate in the "Congress System" to maintain the peace, order, and stability of Europe, Austrian interests were protected. But the other great powers, which were better able to defend their

interests by force, did not always share Austria's devotion to Metternich's creation.

Austria in the Age of Metternich

International Developments, 1815–48

Clemens von Metternich was initially successful in maintaining a European consensus favorable to Austrian interests. He used the example of liberal revolutions in Spain and Naples and revolutionary activity in Germany to demonstrate the universal menace posed by liberalism and thus won Austria the support of Prussia and Russia. Britain also supported Austria because the two countries had common interests favoring a strong Austrian presence in Germany, limited French influence in Italy, and the maintenance of the Ottoman Empire to prevent Russian advances in the Balkans.

The support from the other great powers dissipated, however, in the mid- and late 1820s. Russia became more assertive in the Balkans, and British policy increasingly reflected that nation's liberal popular opinion. But Metternich was able to regain Russian and Prussian support in the early 1830s, following another round of liberal uprisings in Europe. Even Britain returned to close cooperation with the other powers to block French interests in Egypt. Nevertheless, Metternich failed to respond effectively to Prussia's formation of a German customs union in 1834. The customs union excluded Austria and promoted the economic integration of the other German states, thus facilitating German political unification under Prussian leadership later in the century.

Domestic Policies

Despite Metternich's high profile, it was the emperor's conservative outlook and hostility toward the values and ideas of the French Revolution that set the parameters for Austrian policy. This was especially true of domestic policy, which Franz I retained under his direct personal control until his death in 1835. The composition of the state council that Franz selected to rule in the name of his mentally incompetent son Ferdinand I ensured the continuance of his policies until revolution shook the foundations of Habsburg rule in 1848.

Franz's aim was to provide his subjects with good laws and material well-being. To accomplish the first, he issued a new penal code in 1803 and a new civil code in 1811. He expected that the second—material well-being—would evolve naturally with the reestablishment of peace, and he considered additional measures unnecessary. Political and cultural life was kept under careful scrutiny,

however, to prevent the spread of nationalism and liberalism. These two movements were a common threat to Franz's conservative regime because his political opponents looked to the establishment of a unified German nation-state incorporating Austria as a means for realizing the liberal reforms impossible in the framework of the Habsburg state.

Political stagnation, however, did not prevent broader socioeconomic changes in the empire. By 1843 the population had risen to 37.5 million, an increase of 40 percent from 1792. The urban population was rising quickly, and Vienna counted nearly 400,000 inhabitants. Economically, a degree of stability was reached, and the massive wartime deficits gave way to almost balanced budgets. This was made possible by cutting state expenditures to a level near actual revenues, and not by instituting fiscal reforms to increase tax revenues. Austria's ability to protect its interests abroad or carry out domestic programs thus continued to be severely restrained by lack of revenue.

The Revolution of 1848 and Neoabsolutism

Revolutionary Rise and Fall

In 1848 liberal and nationalist ideologies sparked revolutions across Europe. In late February, the proclamation of the revolutionary Second Republic in France shook conservative Austria. Popular expectations of war caused a financial panic in the Habsburg Empire that worked to the advantage of the revolutionaries. By early March, events throughout the empire were accelerating faster than the government could control them. As a symbol of conservative government, Metternich was an early casualty of the revolution. His resignation and flight in mid-March only led to greater demands. By mid-April the court had sanctioned sweeping liberal reforms passed by the Hungarian diet. In May the government was forced to announce plans for a popularly elected constituent assembly for the Habsburg lands. This assembly, the first parliament in Austrian history, opened in July 1848.

As part of the German Confederation, the German-speaking Habsburg lands were also caught up in the revolutionary events in Germany. German nationalists and liberals convened an assembly in Frankfurt in May 1848 that suspended the diet of the German Confederation and took tentative steps toward German unification. However, the close association of nationalism and liberalism in Germany belied the growing conflict between these two ideologies. Although ethnic Germans from Bohemia were participating in the Frankfurt assembly, Czech nationalists and liberals rejected

Clemens von Metternich (1773–1859) restored Habsburg power after the defeat of Napoleon. Courtesy Embassy of Austria, Washington

Bohemian participation in the German nation being born in Frankfurt. They envisioned a reconstituted Habsburg Empire in which the Slavic nations of central and southern Europe would assume equality with the German and Hungarian components of the empire and avoid absorption by either Germany or Russia. The government gave concessions that appeared to endorse this plan, and the Czechs convened an Austro-Slavic congress in Prague in June as a counterpart to the Frankfurt assembly.

As conservative political authority gave way before the revolutionary forces, two bold military commanders began to reassert control over the situation, often ignoring or contravening timid orders from the court. General Alfred Windischgrätz routed the revolutionaries from Prague and Vienna and reestablished order by military force. South of the Alps, General Joseph Radetzky reestablished Austrian control of Lombardy-Venetia by August.

Although only Hungary remained in the hands of the revolutionaries, the Austrian government began to reorganize in the fall of 1848. A team of ministers associated with constitutionalism was presented to the constituent assembly in November. The minister-president not only committed the government to popular liberties and constitutional institutions but also to the unity of the empire. To cap the reorganization, the mentally incompetent Ferdinand formally abdicated on December 2, 1848, and his eighteen-year-

old nephew was crowned Emperor Franz Joseph I (r. 1848–1916). The young emperor faced three pressing tasks: establishing effective political authority in the empire, crushing the rebellion in Hungary, and reasserting Austrian leadership in Germany.

To accomplish the first, the government promulgated a secretly prepared constitution in March 1849, thus undercutting the constituent assembly. This constitution contained guarantees of individual liberties and equality under the law, but its greatest significance lay in provisions that established a centralized government based on unitary political, legal, and economic institutions for the entire empire.

The new constitution exacerbated the revolutionary situation in Hungary. The Hungarian diet deposed the Habsburg Dynasty and declared Hungarian independence. Although Austria could have eventually restored order on its own, the need to deal simultaneously with events in Germany prompted Emperor Franz Joseph to ask for and get Russian military assistance, thus accomplishing his second objective. The rebellion was effectively, if brutally, ended by September 1849.

Austria's decision to organize itself as a unitary state also set the terms for dealing with the German nationalists and liberals sitting in Frankfurt: Austria would enter a unified Germany with all of its territories, not merely the German and Bohemian portions. This contradicted an earlier decision of the assembly, so the assembly turned from the *grossdeutsch* (large German) model of a united Germany that included Austria to the *kleindeutsch* (small German) model that excluded Austria. The assembly offered a hereditary crown of a united Germany to the Prussian king. The conditions under which the offer was made, however, caused the Prussian king to decline in early April 1849. Combined with the withdrawal of the Austrian representatives, his rejection effectively ended the Frankfurt assembly. The German Confederation was restored, and Franz Joseph's tasks were completed. However, Austria and Prussia continued to jockey for influence and leadership in Germany.

The Failure of Neoabsolutism

Initially, the new Austrian government apparently intended to implement the constitutional political structures promised in March 1849. But on December 31, 1851, Franz Joseph formally revoked the constitution, leaving in place only those provisions that established the equality of citizens before the law and the emancipation of the peasants. Popular representation was eliminated from all government institutions. In order to solidify a political base supporting neoabsolutist rule, the government also eliminated the

Josephist religious regulations that had been the source of continuing conflict with the church. In 1855 the government signed a concordat with the Vatican that recognized the institutional church as an autonomous and active participant in public life. The agreement signaled a new era of cooperation between throne and altar.

Neoabsolutism, with its aim of creating a unified, supranational state, however, ran counter to the prevailing European trend. The empire's peoples could not be isolated from the larger nationalist struggles of the German, Italian, and Slavic peoples. In Hungary active resistance to the Austrian government declined, but passive resistance grew. During the Crimean War (1853–56), the situation in Hungary made Austria vulnerable to economic and political pressure from Britain and France, the allies of Turkey against Russia. Thus, when Russia asked for Austria's support, Austria initially sought to mediate the conflict but then joined the western allies against Russia. By failing to repay Russia for its help in Hungary in 1849, Austria lost critical Russian support for its position in Germany and Italy.

France took advantage of the estrangement between Austria and Russia to set up a military confrontation between Austrian and Italian nationalist forces. This opened the door to French military intervention in support of the Italians in 1859. Because Franz Joseph was unwilling to make the concessions that were Prussia's price for assistance from the German Confederation and because he feared the French might stir up trouble in Hungary, Franz Joseph surrendered Lombardy in July 1859.

These failures did not bode well for the anticipated conflict with Prussia over German unification, so the emperor began to abandon absolutism and create a more viable political base. He experimented with various arrangements designed to attract the support of the military, the Roman Catholic Church, German liberals, Hungarians, Slavs, and Jews, who were assuming a strong presence in the economic and political life of the empire. Urgently needing to resolve the tensions with the Hungarians, the government opened secret negotiations with them in 1862. The outline of a dual monarchy was already taking shape by 1865, but negotiations were deadlocked on the eve of the war with Prussia.

Loss of Leadership in Germany

Through the early 1860s, Austria maintained hope of retaining leadership in Germany because the smaller states preferred weak Austrian leadership to Prussian domination. Nonetheless, by mid-1864 Franz Joseph realized that war was inevitable if Austrian leadership were to be preserved.

The immediate cause of the Seven Weeks' War between Austria and Prussia in 1866 was Prussia's desire to annex the Duchy of Holstein. Austria and Prussia had together fought a brief war against Denmark in 1864 to secure the predominantly German duchies of Schleswig and Holstein for Germany. Pending final decision on their future, Prussia took control of Schleswig, and Austria took control of Holstein. In April 1866, however, Prussia plotted with Italy to wage a two-front war against Austria that would enable Prussia to gain Holstein and Italy to gain Venetia. Although Austria tried to keep Italy out of the war through a last-minute offer to surrender Venetia to it, Italy joined the war with Prussia. Austria won key victories over Italy but lost the decisive Battle of Königgrätz (Hradec Králové in the present-day Czech Republic) to Prussia in July 1866 (see The Habsburg Military, ch. 5).

Defeated, Austria agreed to the dissolution of the German Confederation and accepted the formation of a Prussian-dominated North German Confederation, which became the basis of the German Empire in 1871. The south German states—Bavaria, Baden, Württemberg, and Hesse-Darmstadt—were accorded an "independent international existence" and, in theory, could have gravitated toward Austria. Nevertheless, their military and commercial ties to Prussia militated against such an outcome. The province of Venetia, Austria's last Italian possession, was transferred to Italy.

Austria-Hungary to the Early 1900s

The Founding of the Dual Monarchy

Defeat in the Seven Weeks' War demonstrated that Austria was no longer a great power. Looking to the future, Franz Joseph set three foreign policy objectives designed to restore Austrian leadership in Germany: regain great-power status; counter Prussian moves in southern Germany; and avoid going to war for the foreseeable future. Because reconciliation with Hungary was a precondition for regaining great-power status, the new foreign minister, Friedrich Ferdinand von Beust, became a strong advocate of bringing the stalemated negotiations with the Hungarians to a successful conclusion. By the spring of 1867, a compromise had been reached and was enacted into law by the Hungarian Diet.

The Compromise (Ausgleich) of 1867 divided the Habsburg Empire into two separate states with equal rights under a common ruler, hence the term "Dual Monarchy." Officially, these states were Hungary and the "Kingdoms and Lands represented in the Parliament," the latter being an awkward designation necessitated by the

lack of a historical name encompassing all non-Hungarian lands (see fig. 4). Unofficially, the western half was called either Austria or Cis-Leithania, after the Leitha River, which separated the two states. The officially accepted name of the Dual Monarchy was Austria-Hungary, also seen as the Austro-Hungarian Empire.

The two national governments and their legislatures in Vienna and Budapest shared a common government consisting of a monarch with almost unlimited powers in the conduct of foreign and military affairs, a ministry of foreign affairs, a ministry of defense and a finance ministry for diplomatic and military establishments. In the absence of a shared parliament, discussion of the empire's common affairs was conducted by parallel meetings of delegates from the two national legislatures communicating with each other through written notes. A key topic of these meetings was the common commercial policy and customs union that had to be renegotiated every ten years.

The Austrian parliament passed legislation implementing the Ausgleich in late 1867. This "December Constitution" was the product of German-speaking Liberals, who were able to dominate parliament because of a boycott by Czech delegates. The December Constitution closely followed the constitution of 1849 and placed no significant restrictions on the emperor with regard to foreign and military affairs but did add a list of fundamental rights enjoyed by Austrians. The lower house of the Austrian parliament was elected through a highly restricted franchise (about 6 percent of the male population). Seats were apportioned both by province and by curiae, that is, four socioeconomic groups representing the great landowners, towns, chambers of commerce, and peasant communities.

By building on the two dominant nationalities in the empire, German and Hungarian, dualism enabled Austria-Hungary to achieve relative financial and political stability. It did not, however, provide a framework for other nationalities, in particular the Slavs, to achieve equivalent political stature. Indeed, the Hungarian state used its power to preclude such an outcome. Hungary interpreted provisions in the Ausgleich as requiring Austria to retain its basic constitutional structure as a unitary state, so that any federalist accommodation with the Czechs would invalidate the Ausgleich and dissolve the Dual Monarchy.

Final Defeat in Germany and Reconciliation with Prussia

Because Russia was aligned with Prussia and because Britain had retreated into isolationism, Austria-Hungary turned to France as an ally in its bid to regain leadership in Germany. France wanted

Figure 4. Austria-Hungary, 1867–1918

gains in Germany at Prussia's expense and was receptive to an alliance. Open cooperation with French expansionist ambitions, however, was inconsistent with Austria-Hungary's efforts to be the leader and defender of the German nation. The success of the alliance thus depended on France's position as the defender of the south German states against Prussia—which France failed to do.

France declared war on Prussia and invaded German territory in July 1870. The south German states rallied to Prussia's side in the Franco-Prussian War, and Beust's patient effort to detach those states from Prussia lay in ruins. Austria watched helplessly as Prussia, the presumed underdog, quickly and soundly defeated France. In January 1871, Prussia founded the Second German Empire, uniting the German states without Austria.

Unable to undo what Prussian military prowess had wrought in Germany, Austria-Hungary trimmed its sails accordingly. Count

Gyula Andrássy, a Hungarian, replaced Beust as foreign minister, and the empire's foreign policy began to reflect the anti-Russian sentiments of the Hungarians. Before 1871 ended, Austria-Hungary and Germany were working toward a united foreign policy.

This diplomatic cooperation with Prussian-dominated Germany contributed to the internal political stability of Austria-Hungary. Exclusion from a united Germany was a psychological shock for German Austrians because their claim to leadership in the Habsburg Empire had rested in part on their leadership of the German nation. Cut off from Germany, they became just one of many national groups in the Habsburg Empire and constituted only slightly more than one-third of Austria's population. Had Prussia remained hostile, Austria-Hungary's German population might have been the excuse for Prussian territorial ambitions similar to those harbored by the other nation-states that surrounded Austria-Hungary. Aligned with Austria-Hungary, however, Prussia distanced itself from German nationalists in Austria-Hungary, and the annexation movement remained politically insignificant. But, because German Austrians no longer had their majority status guaranteed by participation in the larger German nation, many felt increasingly vulnerable and threatened. German Austrians thus became open to a nationalism based on ethnic fear and hostility that contrasted with the self-confident Liberal nationalism of earlier decades.

The Eastern Question

Having reconciled itself to exclusion from Germany and Italy, Austria-Hungary turned to the east, where declining Turkish power made the Balkans the focus of international rivalries. Foreign Minister Andrássy was opposed to any annexation of Balkan territories because that would have increased the empire's Slavic population. Ideally, he favored maintenance of Turkish authority in order to check the expansion of Russian influence. This option, however, was not viable. To prevent either Russia from replacing Turkey as the dominant power in the region or the already independent Balkan states (Serbia, Montenegro, Greece, and Romania) from dividing up the remaining Turkish territory, Austria-Hungary was forced to seek a partition of the Balkans with Russia.

Because Germany was aligned with both Russia and Austria-Hungary, it acted as a moderating force on Russia to prevent war between its partners in the 1870s. So successful was Germany at limiting Russian gains after the costly Russo-Turkish War (1877–78), that Russia's relations with Germany cooled considerably. With Germany's support, Austria-Hungary acquired Bosnia

and Hercegovina as part of the settlement to that war. Andrássy, however, did not directly annex Bosnia and Hercegovina but obtained the right of an Austro-Hungarian occupation, while Turkey retained sovereignty.

With relations strained between Russia and Germany, Austria-Hungary exploited Germany's need to strengthen its position against France and obtained an anti-Russian alliance. Under the resulting Dual Alliance, Austria-Hungary and Germany pledged to help defend the other against an attack by Russia. In the event of war between Germany and France, however, Austria-Hungary promised nothing more than neutrality unless Russia were also involved. As favorable as the Dual Alliance appeared, it drew Austria-Hungary into Otto von Bismarck's web of alliances and diplomatic maneuverings. Austria-Hungary thus became party to conflicts with France and Britain, countries with which it had no directly conflicting interests. The Triple Alliance signed by Germany, Italy, and Austria-Hungary in 1882, for example, mainly protected Italian and German interests against France and did nothing to resolve outstanding issues between Austria-Hungary and Italy.

Great-power tensions in the Balkans eased in the 1890s, as Africa and the colonial territories in the Far East became the focus of competition among European powers. Although Austria-Hungary was not involved in this colonial competition, Russia was. Its interests in the Far East paved the way for an accommodation with Austria-Hungary to maintain the status quo in the Balkans. In 1903, however, Serbia, a Balkan country that European powers had assigned to the Austro-Hungarian sphere of influence, launched an expansionistic program directed against Austria-Hungary. Without Russian support, however, Serbia's threat was not a major concern.

Internal Developments in Austria

The Czech boycott of the Austrian parliament enabled the German Austrian Liberals to dominate the government of Austria until the late 1870s. They used their position to block concessions to Czechs and Poles in the early days of the Dual Monarchy, and they further protected their interests in 1873 by altering the franchise law to increase the representation in parliament of their constituency—the urban, ethnically German population and assimilated Jews. The Liberals' legislative program focused on anticlerical measures, but conflict over foreign policy issues, not religious ones, caused the Liberals' fall from power in 1879. The Liberals opposed the annexation of Bosnia and Hercegovina—which was favored by the emperor—and claimed certain powers

in the conduct of foreign policy that Franz Joseph saw as an infringement on his sovereign authority.

After the fall of the Liberals, a nonparty government known as the Iron Ring was formed under Eduard Taaffe. Intended to encircle and limit the influence of the Liberals, the Iron Ring represented court interests and enjoyed broad support from clerical parties, German Austrian conservatives, Poles, and Czech representatives, who had decided to end their boycott. Backed by this comfortable parliamentary majority, the executive branch was able to operate smoothly. Although the concessions given the Czechs in return for their support were linguistic and cultural rather than political, the concessions raised sensitive issues because the expanded use of the Czech language in Bohemian public life weighed heavily on the ethnic German minority.

The major legislative initiative of the Taaffe government was the 1883 franchise reform. This measure broadened the socioeconomic base of the electorate and thus weakened the support of the Liberals while strengthening the conservatives. An even broader franchise reform was proposed in 1893 after the election of 1891, which had been conducted in an atmosphere of heightened ethnic tensions in Bohemia. The proposed reform would have given the vote to all male citizens over the age of twenty-five and thus diluted still further the middle-class urban vote that the court associated with fervid nationalism. The bill, however, was widely rejected by the conservative backers of the Iron Ring, and Taaffe resigned.

Ethnic tensions, however, did not subside, even though a modified version of the franchise legislation proposed in 1893 was ultimately enacted. With the parliament highly fragmented both nationally and politically, Minister-President Count Kasimir Badeni offered new concessions to the Czechs in 1897 to forge the majority coalition he needed to conduct customs and trade policy negotiations with the Hungarians. These concessions, which dealt with the use of the Czech language by the bureaucracy, inflamed German-speaking Austrians. Violent rioting on a near-revolutionary scale erupted not only in Bohemia but also in Vienna and Graz. The Badeni government fell. Because no effective majority could be assembled in the polarized parliament, the government increasingly used emergency provisions that allowed the emperor to enact laws when parliament was not in session.

The political stalemate in parliament was a reflection of socioeconomic changes in the empire that were heightening tensions among social classes and nationalities. Although the economic and psychological impact of the economic crash of 1873 endured for some time, Austria experienced steady industrialization and urbanization

in the late nineteenth century. By 1890 Austria stood midway between the rural societies that bordered it on the east and south and the industrially advanced societies of Western Europe.

The German-speaking middle class, including assimilated Jews, had been the first group to translate growing numerical and economic power into political leverage. Even after the 1879 fall of the Liberal government, which had represented this group's interests, the government had to consider the concerns of the German-speaking middle class in order to maintain political stability.

In contrast to that of the middle class, the positions of the aristocracy and the Roman Catholic Church weakened. Individual aristocrats played prominent roles in the government, but the bureaucracy was assuming many functions once played by the aristocracy as a whole. For the church, the 1855 concordat between the empire and the Vatican had been a high-water mark for its formal role in political life. The Liberals' anticlerical legislation and abrogation of the concordat in 1870 curtailed the church's public presence and influence. Nonetheless, popular support for the church remained strong, and a new form of Catholic political participation was beginning to take shape based on a socially progressive platform endorsed by the 1891 papal encyclical *Rerum Novarum.* This largely urban movement coalesced into the Christian Social Party (Christlichsoziale Partei—CSP). Papal support was not sufficient to win the new party the approval of the conservative Austrian bishops, who continued to work through the older clerical-oriented parties.

Initially, the CSP found strong support in Vienna and controlled the city administration at the turn of the century. Nonetheless, the party was unable to hold its desired base among industrial workers in the face of competition from the Social Democratic Workers' Party (Sozialdemokratische Arbeiterpartei—SDAP). Founded in 1889 at a unity conference of moderate and radical socialists, the SDAP adhered to a revisionist Marxist program. The SDAP became a political home for many Austrian Jews uncomfortable with the growing anti-Semitism of the German nationalist movement, the other major political current of the time.

Rising ethnic tensions made it difficult for political parties to ignore the influence of German nationalism in the closing decades of the nineteenth century. The Liberal movement faded, largely because of its resistance to becoming a specifically German party, and dissatisfied Liberals were key figures in the formation of new nationalist movements and parties. Even though the CSP and SDAP were based on political ideologies that transcended national identity, they too were obliged to make concessions in their

program to German nationalism. In the late 1890s, all German-oriented parties, with the exception of the SDAP and the Catholic People's Party, united in the German Front. The specific demands of the German Front were modest, but by calling for recognition of a special position for Germans in light of their historic role in the empire, German Austrians were on a collision course with other national groups.

The Final Years of the Empire and World War I

The Crisis over Bosnia and Hercegovina

Around 1906 the Balkans again became the focus of great-power rivalry, as Russia renewed its interest in the Balkans and became Serbia's great-power patron. A crisis erupted in 1908, when Turkey began to be reorganized as a constitutional state. Bosnia and Hercegovina, which was Turkish territory under Austro-Hungarian administration, was invited to send delegates to the new Turkish parliament. Austria-Hungary responded by formally annexing Bosnia and Hercegovina in violation of various international agreements. It quelled Turkey's objections with financial compensation. But by alienating Russia and Italy, the annexation was a costly diplomatic victory for Austria-Hungary at a time when the military alliance system of Europe was moving against it. Britain had resolved colonial rivalries with both France and Russia, paving the way for the cooperation of the three countries in the Triple Entente.

Following the crisis over Bosnia and Hercegovina, Russia encouraged the independent Balkan states to form what was intended to be an anti-Austro-Hungarian coalition. But the new coalition, called the Balkan League, was more interested in partitioning the remaining Turkish territories in the Balkans, and it defeated Turkey in the First Balkan War in 1912. The Balkan allies turned on each other in 1913 in a war over the division of the former Turkish territories. In this Second Balkan War, Serbia doubled both its territory and its population.

World War I

Austria-Hungary considered the newly enlarged and Russian-backed Serbia to be the principal threat to its security because Serbian military intelligence supported anti-Habsburg groups and activities in Bosnia and Hercegovina. Thus, when the heir to the Habsburg crown, Franz Ferdinand, and his wife were assassinated in Sarajevo by Bosnian nationalists on June 28, 1914, the presumption of Serbian complicity was strong. The idea of a preemptive

war against Serbia was not new in Vienna, and, despite the weak pretext, Germany indicated a willingness to back its ally.

On July 23, Austria-Hungary presented Serbia with an ultimatum designed to be rejected. The key demands were that Serbia suppress anti-Habsburg activities, organizations, and propaganda and that Habsburg officials be permitted to join in the Serbian investigation of the assassination. Serbia responded negatively but appeared conciliatory. Nonetheless, Austria-Hungary declared war on Serbia on July 28 without further consultations with Germany.

Russia's decision to mobilize on July 30 escalated the war beyond a regional conflict by bringing into play the system of European alliances. Because German war strategy depended on avoiding a two-front war, Germany had to defeat France before Russia could fully mobilize. Thus, Germany responded to Russia's mobilization by immediately declaring war on France and Russia. On August 4, Britain declared war on Germany. On August 6, Austria-Hungary declared war on Russia. Finally, on August 12, France and Britain declared war on Austria-Hungary.

Once the major powers were engaged, they sought to enlist the support of the smaller powers. Despite its partnership with Austria-Hungary and Germany in the Triple Alliance, Italy was not bound by that treaty to join the war, and it declared its neutrality. Germany pressed Austria-Hungary unsuccessfully to cede to Italy Austrian territories it desired, in order to win Italian support. Because the Triple Entente powers readily promised transfer of the territories in the event of victory, Italy entered the war on their side in April 1915.

Although German and Austro-Hungarian military victories in the east during the spring of 1915 overcame the military disasters that Austria-Hungary experienced early in the war, the empire's internal economic situation steadily grew more precarious. Austria-Hungary was not prepared for a long and costly war.

The death of Emperor Franz Joseph on November 21, 1916, deprived Austria-Hungary of his symbolic unifying presence. His twenty-nine-year-old grandnephew, Karl (r. 1916–18), was unprepared for his role as emperor. But by this time, the future of the monarchy no longer depended on what the emperor did; rather, its fate hinged on the outcome of the war. Despite revolutionary Russia's withdrawal from the war, military success in the east could not counter events in the west. The United States had entered the war on the side of the Allies in April 1917, and with the failure of its military offensive in the spring of 1918, Germany was no longer capable of continuing the war.

The End of the Habsburg Empire and the Birth of the Austrian Republic

The dismantling of the Habsburg Empire had not been an objective of the Allies. Following the collapse of the tsarist government in Russia, however, the Allies increasingly portrayed the war as pitting freedom and democracy against oppression and autocracy. This strategy benefited the representatives of Czech, Slovak, Hungarian, and other nationalist committees-in-exile, which skillfully played on the theme of self-determination expressed in United States president Woodrow Wilson's Fourteen Points. Austria-Hungary was unable to put forward a meaningful program of reform while still preserving the monarchy and so could not successfully resist the centrifugal forces pulling it apart. By mid-1918 the Allies began recognizing the national committees-in-exile and made plans for an independent Poland and Czechoslovakia. By October 1918, when the Austro-Hungarian government was seeking an armistice, control of the empire's constituent lands was passing to national committees, including one representing German Austrians.

On October 21, German Austrian delegates to the Austrian parliament voted to establish an Austrian state incorporating all districts inhabited by ethnic Germans. At the end of the month, the delegates established a coalition provisional government. On November 3, imperial authorities signed an armistice, bringing Austro-Hungarian participation in World War I to an official end. On November 11, Karl renounced any role in the new Austrian state, and the next day the provisional government issued a constitution for the German Austrian Republic.

The First Republic

Overview of the Political Camps

Conditioned to view themselves as the ruling elite of a supranational empire by virtue of what they regarded as their superior German culture, German Austrians (including assimilated Jews and Slavs) were the national group least prepared for a post-Habsburg state. The provisional government formed at the end of the war included representatives from three political groups: the Nationalists/Liberals, the Christian Social Party (Christlichsoziale Partei—CSP), and the Social Democratic Workers' Party (Sozialdemokratische Arbeiterpartei—SDAP). These three groups dominated political life in interwar Austria and reflected the split of Austrian society into three camps (*Lager*): pan-German nationalists, Catholics and Christian Socials, and Marxists and Social Democrats, respectively.

The parliamentary bloc represented by the Nationalists/Liberals was the smallest and most internally divided. Seventeen nationalist groups were unified in the Greater German People's Party (Grossdeutsche Volkspartei), commonly called the Nationals, which described itself as a "national-anti-Semitic, social libertarian party." The political heirs of the Liberals, the Nationals drew their support from the urban middle class and retained liberalism's strong anticlerical views. Unification (Anschluss) with Germany was the Nationals' key objective, and they were cool, if not openly hostile, toward restoration of the Habsburg Dynasty to rule in Austria. In rural Austria, another party, the Agrarian League (Landbund), endorsed a nationalist program in conjunction with a corporatist and anti-Semitic platform. Radical nationalists were few in number, and some, Adolf Hitler, for example, had emigrated to Germany. The National Socialist German Workers' Party (National-Sozialistische Deutsche Arbeiterpartei—NSDAP, or Nazi Party) represented this segment of the nationalist movement but was numerically insignificant during the 1920s.

The NSDAP originated in prewar Bohemia, where the German Workers' Party (Deutsche Arbeiterpartei) drew on a virulently racist movement headed by Georg von Schönerer to put together an anti-Semitic, anti-Slav nationalist program hostile toward capitalism, liberalism, Marxism, and clericalism. In 1918 the party changed its name to the National Socialist German Workers' Party. After World War I, the party split into two wings, one in Czechoslovakia among Sudeten Germans (German Austrians of Bohemia, Moravia, and Silesia), and one in Austria. A similar party was founded in Germany and eventually came under the leadership of Hitler. Although the Austrian party leader favored parliamentary participation and internal party democracy in contrast to Hitler's antiparliamentarianism and emphasis on the "leadership principle," the Austrian and German parties united in 1926 but maintained separate national organizations.

The original Christian Social Party (Christlichsoziale Partei—CSP) had merged with one of the rural-based clerical parties in 1907 and had become more conservative in outlook. Because the church had lost the political protection of the Habsburg Dynasty with the collapse of the monarchy in 1918, the church was increasingly reliant on the political power of the CSP to protect its interests. Nevertheless, the church hierarchy, which was distrustful of parliamentary democracy, remained cool toward the CSP.

During the 1920s and early 1930s, the CSP was dominated by Ignaz Seipel, a priest and theologian who had served in the last imperial ministry. The party was well disposed toward the Habsburg

Vienna's Karlsplatz art nouveau subway stop with baroque Karlskirche in the background
Courtesy Austrian National Tourist Office, New York

Dynasty and inclined toward its restoration under a conservative, constitutional monarchy. The CSP gave only conditional support for unification with Germany and emphasized Austria's distinct mission as a Christian German nation. In light of public opinion favoring unification, however, the party was circumspect in voicing its doubts. The CSP inherited an anti-Semitic strain from its association with the prewar nationalist movement. In addition, the close identification of Jews with both liberalism and socialism, which were the ideological foes of the CSP, made anti-Semitism an easy way to cultivate a political base.

The Social Democratic Workers' Party (Sozialdemokratische Arbeiterpartei—SDAP) endorsed a revisionist Marxist program. Although it spoke of the dictatorship of the proletariat, it sought to gain power through the ballot box, not through revolution. Karl Renner, who headed the provisional government, was the chief

spokesman for this revisionist program after the war, but leadership of the party was held by Otto Bauer, who vocally supported a more radical, left-wing position. Bauer's rhetoric helped the party outflank the Communist Party of Austria (Kommunistische Partei Österreichs—KPÖ). But because CSP leader Seipel was given to similarly strong rhetoric, the two contributed to the polarization of Austrian society. The Social Democrats (members of the SDAP), were strong supporters of unification with Germany, their fervor declining only with the rise of the Nazi regime in the early 1930s.

The Foundation of the First Republic

Although the SDAP was the smallest of the three parliamentary blocs, it received a preeminent role in the postwar provisional government because it was perceived as best able to maintain public order in the face of the revolutionary situation created by economic collapse and military defeat. With Bauer's Marxist rhetoric and the party's strong ties to organized labor, the SDAP was able to outmaneuver the KPÖ for control and direction of workers' and soldiers' councils that sprang up in imitation of the revolutionary government in Russia. The SDAP suppressed the old imperial army and founded a new military force, the Volkswehr (People's Defense), under SDAP control, to contain revolutionary agitation and guard against bourgeois counterrevolution.

When parliamentary elections were held in February 1919, the SDAP won 40.8 percent of the vote, compared with 35.9 percent for the CSP and 20.8 percent for the Nationals. As a result, the Nationals withdrew from the coalition and left a SDAP-CSP government headed by Renner to negotiate a settlement to the war and write a constitution. At the peace talks in the Paris suburb of St. Germain, however, the Allies allowed no meaningful negotiations because Austria-Hungary had surrendered unconditionally. The Allies had decided that Austria was a successor state to Austria-Hungary, so the treaty contained a war-guilt and war-reparations clause and limitations on the size of Austria's military. Although the provisional government had declared the Austrian state to be a constituent state of the German republic, the treaty barred Austria from joining Germany without the consent of the League of Nations and compelled the new state to call itself the Republic of Austria rather than the German Austrian Republic. After Austria's parliament approved these unexpectedly harsh terms, the Treaty of St. Germain was signed on September 10, 1919.

In setting the territorial boundaries of the Austrian state, sometimes referred to as the First Republic, the Allies were faced with

the basic problem of carving a nation-state out of an empire in which ethnic groups did not live within compact and distinct boundaries. Austria received the contiguous German or German-dominated territories of Upper Austria, Lower Austria, Styria, Carinthia, Tirol (north of the Brenner Pass), Salzburg, and Vorarlberg, as well as a slice of western Hungary that became the province of Burgenland. Under the empire, however, no specifically "Austrian" identity or nationalism had ever developed among these provinces. Thus, despite a common language and historical ties through the Habsburg Dynasty, pressure from the Allies was necessary to keep even these contiguous areas together.

Although geographically contiguous and ethnically German, South Tirol was transferred to Italy as promised by the Allies when Italy joined the war. The Sudeten Germans were not geographically contiguous and could not be included in the new Austrian state. As a result, the Sudeten Germans were incorporated in the new Czechoslovakia. Austria's population numbered 6.5 million, as against Czechoslovakia's 11.8 million, of whom 3.1 million were ethnic Germans.

The constitution of 1920 established a bicameral parliament, with a lower house, the Nationalrat (National Council) elected directly by universal adult suffrage, and an upper house, the Bundesrat (Federal Council) elected indirectly by the provincial assemblies (see Government Institutions, ch. 4). In accordance with the SDAP desire for a centralized state, real political power was concentrated in the Nationalrat. Significantly, however, none of the three major parties was truly committed to the state and institutions established by the constitution. The SDAP goal was an Austria united with a socialist Germany, and the party's inflammatory Marxist rhetoric caused the other parties to fear that the SDAP could not be trusted to maintain democratic institutions if it ever achieved a parliamentary majority. Although the CSP under Seipel came closest to accepting the idea of an independent Austria, it preferred a monarchy over a republic. Seipel himself voiced increasingly antidemocratic sentiments as the decade advanced. The Nationals were fundamentally opposed to the existence of an independent Austrian state and desired unification with Germany.

Political Life of the 1920s and Early 1930s

With traditional sources of food and coal located across new national borders, Austria suffered extreme economic dislocation, and the country's economic viability was in doubt. Moreover, having settled the immediate questions of the peace treaty and constitution, the SDAP and CSP found it increasingly difficult to cooperate.

Unfortunately, the October 1920 parliamentary elections did not provide the basis for a stable government. The CSP increased its share of the vote to 41.8 percent, while the SDAP declined to 36.0 percent and the Nationals to 17.2 percent. Seipel tried to form an antisocialist coalition with the Nationals, but that party was not yet prepared to set aside its own ideological differences with the CSP. Weak, neutral governments guided the country for the next two years.

In 1922 Seipel assumed the office of chancellor (prime minister). By adroitly manipulating the European political situation and accepting renewed prohibitions on union with Germany, he managed to obtain foreign loans to launch an economic stabilization plan. Although the plan stabilized the currency and set state finances on a sound course, it provided no solution to the underlying economic problems and dislocation, and it extracted a high social cost by cutting government social programs and raising taxes.

Otto Bauer, leader of the SDAP, kept the party in self-imposed isolation after the collapse of the initial SDAP-CSP coalition in the belief that the natural role for a socialist party in a bourgeois democracy was opposition. Thus, Seipel remained the key public figure in Austrian national politics throughout the 1920s, even though he did not continuously serve as chancellor. Nevertheless, the CSP was not able to win an outright majority in the Nationalrat, and the SDAP registered steady gains among voters, polling 41 percent of the vote in 1927 against 55 percent of the CSP-National coalition. Vienna, which was given the status of a province under the 1920 constitution, was the SDAP stronghold. Vienna's city government of Social Democrats purposely sought to make health and housing programs and socialist-inspired "workers'culture"of "Red Vienna"a model for the rest of Austria.

Although the CSP had secured the suppression of the SDAP-controlled Volkswehr in 1922 when a more traditional army was established, the SDAP responded by forming the Republikanischer Schutzbund (Republican Defense League). Well armed and well trained, it numbered some 80,000 members by the early 1930s. Of even greater political significance, however, were the provincial-based homeland militias, variously called the Heimwehr (Home Guard) and the Heimatschutz (Homeland Defense). Independently organized, these militias initially lacked any overarching political ideology except anti-Marxism. Until 1927 they were not an effective political force and were viewed by many, including Seipel, as a military reserve supplementing inadequate military and police forces. In the late 1920s, however, the Heimwehr gained greater ideological coherence from contact with Italian fascism. But with

the exception of the Styrian branch, the Heimwehr was unable to bridge differences with Austrian Nazis. For this reason, the Heimwehr leader, Prince Ernst Rüdiger von Starhemberg, founded a Heimwehr political wing, the Heimatbloc (Homeland Bloc), in 1930.

In the parliamentary election of 1930, the CSP experienced a severe setback, winning only sixty-six seats to the SDAP's seventy-two. The Heimatbloc picked up the seven seats lost by the CSP. Although the CSP-National coalition had broken down in the late 1920s, a new government was formed that combined the CSP with the Nationals and the peasant-based Landbund. Eager for a political success to bolster its popular support, the government began negotiations with Germany for a customs union in March 1931. When France learned of the negotiations, however, it immediately denounced the proposal as a violation of the international ban on Austrian-German unification. Under severe diplomatic pressure, Austria and Germany were forced to drop their plans, but not before France's economic retaliation had led to the collapse of Austria's largest bank, the Creditanstalt, in June 1931.

In the wake of this foreign policy and economic disaster, Seipel sought a new coalition between the CSP and the SDAP but was rebuffed. With no other alternative, Seipel resurrected the CSP-National coalition. The growing political strength of the Nazis in Germany and the worsening economic conditions marked by the rise in unemployment from about 280,000 in 1929 to nearly 600,000 in 1933, however, were effecting a political realignment in Austria. In the spring of 1932, the Austrian branch of the Nazi Party registered important gains in local elections. Although the CSP lost important segments of its constituency to the Nazis, the parties in the nationalist camp suffered greater defections, especially after Nazi triumphs in Germany in early 1933. Austrian elections were increasingly three-way contests among the CSP, the SDAP, and the Nazi Party.

The End of Constitutional Rule

In May 1932, a new cabinet was formed under the leadership of Engelbert Dollfuss, a CSP member. Dollfuss's coalition, composed of the CSP, the Landbund, and the Heimatbloc, had a one-vote majority. Both the SDAP and the Nazi Party pressed for new elections, but Dollfuss refused, fearing defeat. Instead, he sought support from fascist Italy and the Heimwehr and increasingly relied on authoritarian measures to maintain his government.

In early March 1933, parliamentary maneuvering by the SDAP, which was trying to block government action against a pro-Nazi

labor union, created a procedural crisis in the Nationalrat. Urged on by the Italian dictator, Benito Mussolini, Dollfuss exploited the confusion in the Nationalrat to end parliamentary government and began governing on the basis of a 1917 emergency law. Dollfuss outlawed the Nazi Party, the politically insignificant KPÖ, and the Republikanischer Schutzbund. All, however, continued to exist underground.

Seeking a firmer political footing than that offered by Italy and the coercive power of the police, military, and Heimwehr, Dollfuss formed the Fatherland Front (Vaterländische Front) in May 1933. The front was intended to displace the existing political parties and rally broad public support for Dollfuss's vision of a specifically Austrian nationalism closely tied to the country's Catholic identity. Dollfuss rejected union with Germany, preferring instead to see Austria resume its historical role as the Central European bulwark of Christian German culture against Nazism and communism. In September 1933, Dollfuss announced plans to organize Austria constitutionally as a Catholic, German, corporatist state.

The opportunity to put the corporatist constitution in place came after a failed socialist uprising in February 1934 triggered by a police search for Schutzbund weapons in Linz. An unsuccessful general strike followed, along with artillery attacks by the army on a Vienna housing project. Within four days, the socialist rebellion was crushed. Both the SDAP and its affiliated trade unions were banned, and key leaders were arrested or fled the country. Dollfuss's constitution was promulgated in May 1934, and the Fatherland Front became the only legal political organization. Austrian society, however, remained divided into three camps: the nationalist bloc that was associated with the Heimwehr and the bloc represented by the CSP struggled for control of the Fatherland Front; the socialist bloc fell back on passive resistance; and the nationalist bloc dominated by the Nazis boldly conspired against the state with support from Germany.

Although a variety of political labels have been applied to the Dollfuss regime, it eludes simple classification. Its ideology harked back to early religious and romantic political critiques of liberal democracy and socialism. The regime incorporated many elements of European fascism, but it lacked two features widely viewed as essential to fascism: adherence to the "leadership principle," and a mass political base. In any event, the complex corporatist structures of the 1934 constitution, in which citizens participated in society on the basis of occupation and not as individuals, were never fully implemented. And the regime's relations with the Roman Catholic Church were never as straightforward as the regime's

ideology suggested. Although the incorporation of a new concordat with the Vatican in the 1934 constitution bespoke harmony between church and state, in practice the concordat became the bulwark on which the church claimed its autonomous rights. Longstanding rivalries between church and state actually intensified as state-affiliated organizations intruded on what the church viewed as its interests in youth, family, and educational policies and organizations.

Growing German Pressure on Austria

In June 1934, Hitler and Mussolini had their first meeting. Mussolini defended his support of Dollfuss, while Hitler denied any intent to annex Austria but made clear his desire to see Austria in Germany's sphere of influence. Austrian Nazis, however, were embarked on a more radical course. They conspired to seize top government officials and force the appointment of a Nazi-dominated government.

The Dollfuss government learned of these plans before the putsch began on July 25 but did not make adequate preparations. Although the army and the Heimwehr remained loyal and the coup failed, Dollfuss was killed. Strong international indignation over the putsch forced Hitler to rein in the Austrian Nazis, but Hitler's goal remained the eventual annexation (Anschluss) of Austria.

Dollfuss was succeeded as chancellor by Kurt von Schuschnigg, another of Seipel's CSP protégés. Schuschnigg's political survival directly depended on Italian support for an independent Austria, but by 1935 Mussolini was already moving toward accommodation with Hitler and began to advise Schuschnigg to do the same. Schuschnigg was in fact prepared to make concessions to Germany, if Hitler in turn would make a clear statement recognizing Austrian independence.

Schuschnigg, however, did not understand the degree to which even moderate nationalists, whose support he needed, were already operating as fronts for Hitler and the Nazis. Thus, in the agreement signed with Germany on July 11, 1936, Hitler gave Austria essentially worthless pledges of Austrian independence and sovereignty, while Schuschnigg agreed to bring into his government members of the "National Opposition," who, unbeknownst to him, were taking their orders from Berlin.

The 1936 agreement furthered Germany's desire to isolate Austria diplomatically and encouraged other European countries to view Austrian-German relations as a purely internal affair of the German people. Bereft of external support and in no position to resist German pressure, Schuschnigg agreed to meet Hitler in

Berchtesgaden on February 12, 1938. Hitler used the meeting to intimidate the Austrians with an implicit threat of military invasion, and Schuschnigg accepted a list of demands designed to strengthen the political position of the Austrian Nazis. Although the list did not include the legalization of Austria's Nazi Party, the Nazis and their sympathizers began to come into the open.

On his return to Vienna, Schuschnigg began secret plans for one last desperate bid to preserve Austrian sovereignty: a plebiscite designed to secure a yes vote "for a free and German, independent and social, for a Christian and united Austria, for peace and work and equality of all who declare themselves for Nation and Fatherland." Representatives of the SDAP agreed to call a plebiscite in exchange for various concessions.

Hitler recognized that the plebiscite would be a new obstacle to Anschluss and a symbolic defeat for Nazi Germany, so he quickly moved against it. The German army began preparing for an invasion on March 10, and Nazi sympathizers in the Austrian cabinet demanded that the plebiscite be postponed. Schuschnigg agreed to cancel it altogether and then acceded to demands for his resignation. Nonetheless, on March 12, Hitler sent the German army into Austria.

The Anschluss and World War II

Absorption of Austria into the Third Reich

Most Austrian proponents of the Anschluss had foreseen a gradual coordination and merger of the two German states that would preserve some semblance of Austrian identity. But, influenced by the tumultuous welcome he received on his arrival, Hitler made an impromptu decision for quick and total absorption of Austria into the Third Reich.

The Anschluss violated various international agreements, but the European powers offered only perfunctory opposition. Italy had acquiesced to the invasion beforehand, and in return Hitler later agreed to allow Italy to retain the South Tirol despite his aggressive policies elsewhere to bring all German populations into the Third Reich. Britain was following a policy of appeasement in 1938 and was unwilling to risk war over Austria's independence, while France, traditionally the strongest foe of German unification, was incapable of unilateral military action.

To provide a legal facade for the Anschluss, Hitler arranged a plebiscite for April 10, 1938. The Nazis portrayed the plebiscite as a vote on pan-Germanism and claimed a 99.7 percent vote in favor of the Anschluss. Although the outcome was undoubtedly

influenced by Nazi intimidation, the Anschluss enjoyed broad popular support. Nevertheless, the positive vote reflected the Austrians' desire for change far more than it did widespread support for Hitler and Nazism. Unification offered a way out of the political turmoil of the First Republic, and ties with the larger German economy promised economic revitalization. Many Austrians probably also harbored unrealistic notions of Austria's position within the Third Reich, expecting an arrangement similar to the Dual Monarchy in which Austria and Germany would be equal partners. And the full dimensions of Nazi barbarism were not yet apparent. Underlying these factors, however, was the widespread appeal of pan-Germanism that cut across political lines. Austrians had traditionally thought of themselves as Germans, and the Austrian nationalism cultivated by Dollfuss and Schuschnigg had not taken root. Although the SDAP had moderated its long-standing support for unification when Hitler came to power in Germany, Karl Renner urged a yes vote in the Nazi-organized plebiscite. Once unification was a fact, other Socialist leaders felt that the Nazi regime was not sufficient reason to reject the fulfillment of what they viewed as a progressive goal of German nationalism.

Hitler moved quickly to suppress what little independent identity and national unity Austria had. The name *Austria* was banned, provinces were freed of central administration from Vienna, and provincial loyalty and identification were cultivated. In addition, Austrian Nazis and Nazi sympathizers who might have become effective national leaders were transferred to relatively unimportant jobs in the administration of the Third Reich or, after World War II began, were sent to administer the occupied territories. Thus, a disproportionate number of Austrians came to be in charge of the bureaucracy overseeing the implementation of the Nazis' extermination of the Jews and other peoples and groups deemed undesirable.

Nazi Economic and Social Policies

Between 1938 and mid-1940, the Nazi administration in Austria focused on stimulating the economy and relieving social distress in order to win popular support, woo the working class away from socialism, and enable Austria to contribute to the German war machine. By early 1939, the Austrian economy was recovering, and unemployment was falling rapidly.

Policies designed to speed economic efficiency and integration with Germany led to the rise of large firms and to the relocation of industry from the east to the Austria-Germany border in the west. Although these changes brought much of the Austrian economy

under the control of the Third Reich, the economy was modernized and diversified. Thus, in spite of the wartime damage done to the Austrian economy and economic infrastructure, the Anschluss years helped overcome the belief that Austria was economically inviable and laid the foundation for the mixed economy of the postwar years.

These economic advances, however, came hand-in-hand with the Nazis' political repression and barbaric racial policies, of which the Jews were the principal victims. Unification with Nazi Germany legitimized the full venting of Austria's anti-Semitic political heritage in which the pronounced Jewish presence in key areas of economic, political, and cultural life—especially in Vienna—had associated Jews with many developments in Austrian society that were opposed by the country's conservative, rural, and Catholic population.

The Jewish population of Austria—almost all of whom lived in Vienna—numbered around 220,000 in 1938. In general, Nazi anti-Semitic legislation and policies were imposed more quickly and more comprehensively in Austria than in Germany, and Austria became the testing ground for the political acceptability of policies later adopted in Germany. After allowing a wave of violent popular anti-Semitism in the weeks immediately after the Anschluss, the Nazis systematized anti-Semitic harassment. Laws and regulations were implemented to drive Jews from the economic sector, and out of Austria in general, in an orderly manner to ensure that the transition did not disrupt the economy or cause the loss of economically valuable assets. Initially, Jews were encouraged to emigrate—after they had been stripped of money and assets—and the Central Office for Jewish Emigration (Zentralamt jüdischer Auswanderung—ZjA) was set up in Vienna to streamline the emigration process. In 1938 about 80,000 Jews left Austria, legally and illegally, and ultimately some 150,000 fled. In October 1941, however, Germany's policy of encouraging emigration, already made difficult by the war, was replaced with policies to exterminate the Jews. The ZjA, which had been expanded to the occupied countries, organized the registration and transportation of Jews to death camps to implement the so-called Final Solution. About one-third of Austria's Jewish population is estimated to have died in the Holocaust. In addition to the Jews, there were other victims of murderous German nationalism. Austrian Slavic minorities, such as the Czechs, Slovaks, Slovenes, and Croats, for example, were targeted for assimilation, deportation, or extermination (see Social Minorities, ch. 2).

Repression and Compliance

In comparison with non-German minorities, the political repression suffered by German Austrians was lenient but still effective in preventing significant organized resistance. The left had already been the target of political repression before the Anschluss, but as early as March 1938, conservative political leaders associated with the Dollfuss-Schuschnigg regime were also subject to arrest and detention. Some 20,000 people were arrested in the early days of the Anschluss. Most were quickly released, but some, like Schuschnigg, were held at the Dachau concentration camp throughout the Nazi era. During the entire 1938–45 period, some 100,000 Austrians were arrested on political charges. About 34,000 of these died in prisons or concentration camps, and some 2,700 were executed.

Prior to the Anschluss plebiscite, the Nazis courted and received the support of the Roman Catholic hierarchy for annexation. After the plebiscite, the church desired to maintain loyal cooperation with what was perceived as legitimate state authority, but the Nazis were just as eager to eliminate the church's influence in society on both the institutional and the ideological level. In July 1938, the government declared the 1934 concordat void and closed Catholic education institutions, dissolved some 6,000 church-affiliated associations, and took control of the Catholic press. In August relations between the church hierarchy and the state were broken off. Although it did not see its role as supporting open resistance to the Nazi state, the Catholic Church, as the only legal entity propagating an ideology intrinsically hostile to Nazism, was a focus of opposition to the regime and was closely watched by the state. The persecution of the church over the next several years was designed to gradually wear it down by depriving it of resources and institutional unity. These measures, which evoked popular resentment, were eased in late 1941 because of the need to maintain public support of the regime during the war. Nevertheless, by detaching the church from the state, the policies had the effect of increasing the church's legitimacy and credibility and helped lay the groundwork for a more positive redefinition of the church's role in society after the war.

World War II and the Defeat of Nazi Germany

In a strict sense, Austria was not a participant in World War II because it did not formally exist when the war began with the invasion of Poland in September 1939. On an individual level, however, some 800,000 Austrians were drafted into the army (the German Wehrmacht), and another 150,000 served in the Waffen

SS, an elite Nazi military unit. Austrians were integrated into German units, and no specifically Austrian military brigades were formed.

Austrians loyally supported Germany through the early years of World War II. The early German military victories and Austria's geographic location beyond the reach of Allied bombers shielded the Austrian population from the full impact of the war. Only after the German defeat at the Battle of Stalingrad in early 1943, when the course of the war increasingly turned against Germany, did popular support for the war and for the Anschluss begin to erode.

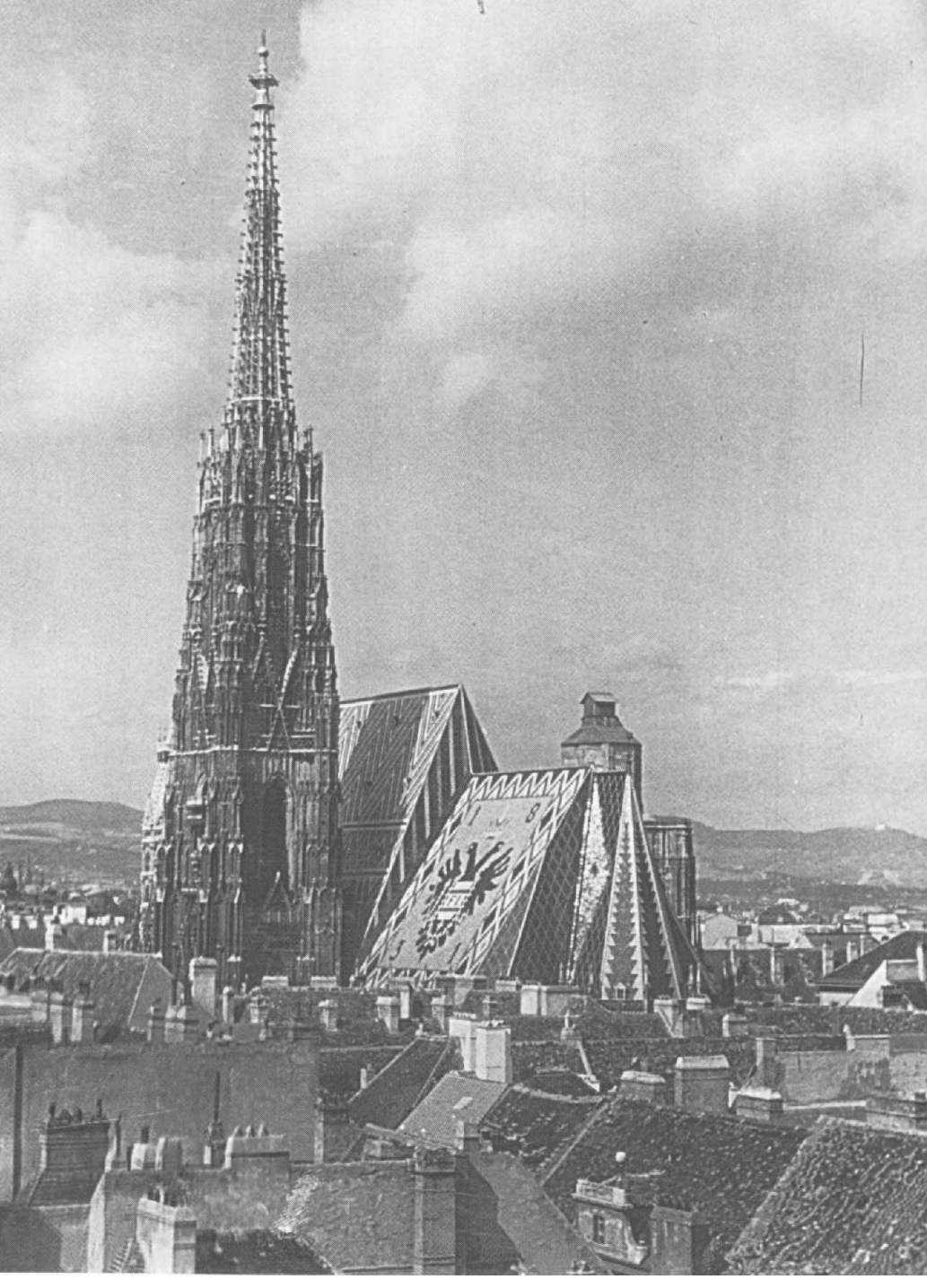
More important for Austria's future, however, was the evolution in the Allies' position on Austria. In November 1943, the foreign ministers of the Soviet Union, Britain, and the United States met and issued the Moscow Declaration. In contrast to the earlier Allied acceptance of the Anschluss, the declaration described Austria as "the first victim of Hitlerite aggression" and called for the reestablishment of an independent Austria. At the same time, however, the declaration also held Austria liable for its participation in the war, effectively giving it the status of an enemy state.

Allied advances in Italy in 1943 enabled bombers regularly to attack Austrian industrial and transportation centers. The winter of 1944–45 saw an intensification of the air campaign and steady advances toward Austria by the Soviet Union's Red Army. On March 30, 1945, the Red Army entered Austrian territory and captured Vienna on April 13. Although the Germans resisted the Soviet advances into eastern Austria, the Western Allies—the United States, Britain, and France—met minimal resistance as they advanced into the country. United States forces began entering Austria on April 30, and French and British troops soon followed. On May 8, 1945, Germany surrendered unconditionally.

Restored Independence under Allied Occupation

Foundation of the Second Republic

As the Soviet troops advanced on Vienna, they occupied the town where Socialist leader Karl Renner lived in retirement. Despite his anti-Soviet reputation, Renner was chosen by the Soviet leaders to form and head a provisional government, apparently believing the aging politician would be an easily manipulated figurehead. Renner, however, established authority based on his leadership role in the last freely elected parliament, not on the backing of the Soviet Union. Conditions did not permit the members of the old parliament to be summoned, as had been done in 1918, so Renner turned



St. Stephen's Cathedral, Vienna
Courtesy Embassy of Austria, Washington

to the leaders of the three nonfascist parties that the Soviet leaders had already allowed to become active and established a provisional city administration in Vienna in early April. The three parties consisted of the Socialist Party of Austria (Sozialistische Partei Österreichs—SPÖ), a reorganization of the SDAP; the Austrian People's Party (Österreichische Volkspartei—ÖVP), a reorganization of the CSP; and the Communist Party of Austria (Kommunistische Partei Österreichs—KPÖ).

Renner apportioned ministries in the provisional government's cabinet roughly based on the political balance of the pre-1934 era, but the nationalist bloc was excluded and Communist representation increased. The SPÖ held ten ministries; the ÖVP, nine; and the KPÖ, only three, but these included the important ministries of interior, which controlled the police, and of education. Three additional ministries were held by members without party affiliation. Because of widespread distrust of the Communists, Renner created undersecretary positions for the two other parties in the Communist-headed ministries.

On April 27, 1945, the provisional government issued a decree nullifying the Anschluss and reestablishing an independent, democratic Republic of Austria under the 1920 constitution as amended in 1929. Germany had yet to surrender, however, and the formation of a provisional government in Soviet-occupied Austria surprised the Western Allies, who had yet to enter Austria. The Western Allies feared that the provisional government was a puppet of the Soviet Union and declined to recognize it. This decision left the Renner government dependent on the Soviet Union but forced it to allow the provisional government the means to establish reasonable credibility so Western acceptance could be won. Thus, as pre-1938 political figures became active in the areas occupied by United States, British, and French troops, the Renner government was allowed to establish contact with them despite initial Soviet plans to seal off its occupation zone.

Four Power Occupation and Recognition of the Provisional Government

The four Allied powers had not agreed to any firm plans for Austria prior to the war's end, and only in early July 1945 were the borders dividing the country into four occupation zones finally set. Vienna's city center was placed under Four Power control, while the rest of the city was divided into specific occupation zones. Supreme authority in Austria was wielded by the Allied Council, in which the Four Powers were represented by their zonal

commanders. Each of the four Allies held veto power over the decisions of the council.

The Allied Council held its first meeting in early September, but the Western Allies still declined to recognize the Renner government. Soon thereafter the provisional government held a meeting in Vienna attended by representatives from parties from all the occupation zones. Unlike the situation after World War I, the provinces displayed no separatist tendencies—the experience of the Anschluss and World War II had forged an appreciation of a common Austrian identity. The provisional government was expanded to accommodate national representation, and the representatives agreed to national elections. Because of these developments, the Allied Council recognized the provisional government on October 20, 1945.

The 1945 Election and Consolidation of the Austrian Government

The first national election since 1930 was held on November 25, 1945. Nazi Party members were barred from participation. This exclusion sharply limited electoral participation by the nationalist camp, and no party was formed to represent its viewpoint. The ÖVP was thus able to monopolize the entire anti-left vote. Voters gave overwhelming support to the two democratic parties: the ÖVP received nearly 50 percent of the vote and eighty-five seats in the Nationalrat, and the SPÖ received 45 percent of the vote and seventy-six seats. The KPÖ received only 5 percent—well below its anticipated 25 percent—and four seats.

Although the ÖVP thus held an absolute majority in parliament, the government, headed by Chancellor Leopold Figl of the ÖVP, preserved the three-party coalition. The distribution of cabinet seats was adjusted, however, with the KPÖ receiving only a specially created and unimportant Ministry for Electrification. In December parliament elected Renner to the largely ceremonial position of president of the republic. With the Austrian government clearly evolving along democratic lines, the Western Allies grew more supportive, and the Soviet Union grew increasingly hostile.

In 1946, however, the Soviet Union agreed to changes in the Four Power Control Agreement that governed the relationship between the Four Powers and the Austrian government, thus weakening their influence. Originally, Austrian legislation had to be unanimously approved by the Allied Council, effectively giving each of the Allies veto power. In light of the Austrian government's democratic bent, the Western Allies favored allowing laws passed by the government to take effect unless the Allied Council unanimously rejected them. Although the Soviet Union was generally

opposed to surrendering its veto power, it hoped to extract an agreement from the Austrians that would give the Soviet Union effective control over Austrian petroleum resources and thus did not want the other Allies to be able to veto any eventual agreement. In June 1946, the Allied powers agreed to a compromise. Agreements between one of the occupying powers and Austria would not be subject to a veto. "Constitutional laws" would require the approval of the Allied Council and thus remain subject to vetoes by the individual Allies, but all other laws would take effect in thirty-one days unless rejected by the council.

The Soviet Union only realized the implications of the new Control Agreement when a dispute arose over German assets in Austria. In early July 1946, the Soviet Union confiscated German assets in its occupation zone as war reparations—mines, industrial facilities, agricultural land, and the entire Austrian oil production industry. To protect the Austrian economy from such Soviet seizures, the Austrian government nationalized German assets. The Soviet Union attempted to veto the nationalization law but was rebuffed by the other Allies, who made it clear that the Austrian government had wide latitude in determining whether a particular law was a constitutional law or not. Although the Soviet Union was able to prevent implementation of the nationalization law in its occupation zone, the 1946 Control Agreement significantly enhanced the power of the Austrian government. By 1953 more than 550 laws had been implemented over the objection of the Soviet Union.

Consolidation of Democracy

The experience of the Anschluss and Nazi rule—which for many Austrian politicians had included imprisonment at Dachau—deepened the commitment of the ÖVP and SPÖ to parliamentary democracy and Austrian statehood. The electorate remained divided into three political camps—socialist/Marxist, Catholic, and nationalist/liberal—but cooperation replaced extreme political polarization.

The SPÖ ratified the moderate social democratic and anticommunist outlook of Renner, while downplaying the legacy of Austro-Marxism associated with Otto Bauer, the party's leader after World War I. Over the objections of the left wing, the party rejected an alliance with the KPÖ, endorsed cooperation with the ÖVP, and sanctioned the rebuilding of a capitalist economy tied to the West. It also decided to seek broad support beyond its working-class base.

The ÖVP underwent a similar transformation. Many of its postwar leaders, drawn largely from people associated with the prewar CSP trade unions and peasant organizations, had developed

personal relationships with socialist leaders during their time at Dachau. After the war, they advanced a program emphasizing freedom and social welfare. Although essentially a Christian democratic party, the ÖVP sought to broaden its constituency and downplayed its confessional identification. No formal organizational ties were established with the Roman Catholic Church, and clerics were barred from running for office on the party's ticket.

Denazification posed a special problem for the emerging democratic society, often referred to as the Second Republic. Favorable Allied treatment of Austria was based in part on the premise that it was a liberated victim of Nazi aggression and not a Nazi ally. Thus, the government wanted to avoid any suggestion of collective guilt while at the same time prosecuting individual Nazis. The party and its affiliates were banned, and ex-members were required to register. Approximately 536,000 did so by September 1946. The government attempted to draw a distinction between committed Nazis and those who had joined because of economic, social, or personal coercion. Thus, the presumably more committed pre-1938 Nazis were dismissed from the civil service and a variety of other professions. Special tribunals were created to try war crimes.

Following the 1945 parliamentary election, the Allies sought more extensive denazification. In February 1947, the Figl government enacted the National Socialist Act. The law distinguished between "more implicated" persons, such as high party officials, and "less implicated" persons, such as simple party members. Individuals in both categories were subject to fines and employment restrictions, but with different levels of severity. By 1948, however, political and popular support for what was perceived as indiscriminate denazification was waning. Ex-Nazis and their families accounted for nearly one-third of the population, and both major parties feared that the stability of Austrian political and civil society would be undermined if they were not eventually reintegrated. In June 1948, the government promulgated the Amnesty Act, which restored full citizenship rights to the less implicated ex-Nazis before the 1949 election. Some 42,000 people, however, those categorized as more implicated, remained excluded from full participation in the nation's life.

Both the SPÖ and the ÖVP actively solicited the electoral support of ex-Nazis, but this new bloc of voters also enabled the formation of a successor party to the prewar parties in the nationalist-liberal camp. The SPÖ encouraged the formation of the new party, known as the League of Independents (Verband der Unabhängigen—VdU), expecting that it would split the antisocialist

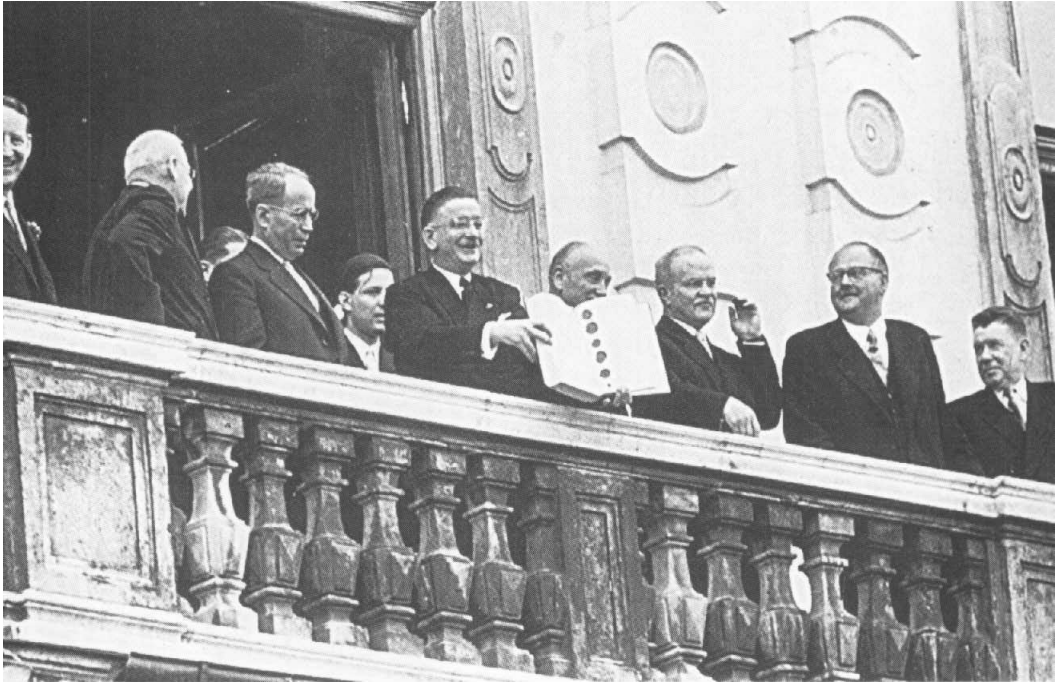
vote and thus weaken the ÖVP. In the October 1949 parliamentary election, however, the SPÖ lost nine seats, compared with the eight lost by the ÖVP. The VdU, with nearly 12 percent of the vote, won sixteen of these seventeen seats. The KPÖ, with 5 percent of the vote, increased its representation from four to five seats. Although the ÖVP thus lost its absolute majority in the Nationalrat, it was still the largest party, with seventy-seven seats and 44 percent of the vote. The SPÖ held sixty-seven seats, having won nearly 39 percent of the vote. The ÖVP and the SPÖ formed another coalition government with Figl as chancellor, continuing what was to become known as the "grand coalition."

To limit conflict between themselves, the coalition partners devised a system to divide not only cabinet ministries but also the entire range of political patronage jobs in the government and nationalized industries based upon each party's electoral strength. This proportional division of jobs, called the *Proporz* system, became an enduring feature of coalition governments.

Austria's Integration with the West

Early Soviet expectations for domination of Austria were pinned on a serious misreading of the KPÖ's electoral strength, and reality forced the Austrian Communists and their Soviet backers to turn to extraparliamentary means. With the Soviet Union occupying Austria's industrial heartland, the KPÖ hoped first to gain control of the labor movement and then to exploit popular discontent with the difficult postwar economic situation to bring mass pressure to bear on the government. As part of its overall strategy, the KPÖ sought to weaken the SPÖ by encouraging party factionalism and to undermine the cooperation between the two major parties. Similar tactics successfully brought Communists to power in neighboring East European countries in the late 1940s. But in Austria, Socialists united around Renner's social democratic approach and managed to outflank the Communists for worker support, as they had done after World War I.

In 1947 and 1948, the Soviet Union attempted to block Austria's participation in United States-sponsored aid programs, including the European Recovery Program (known as the Marshall Plan), and in the fall of 1947 the KPÖ pulled out of the coalition government over this issue. Ironically, the provisions that the Soviet Union itself had sought in the 1946 Control Agreement enabled Austria to freely sign the aid agreements and join the Organisation for European Economic Co-operation (OEEC), the body charged with planning how to use the Marshall Plan. Membership in the OEEC facilitated Austria's economic integration with



The State Treaty of 1955, which ended Austria's occupation and restored the country's sovereignty, is displayed by its signatories in Vienna. Courtesy Embassy of Austria, Washington

the West and provided the economic basis for a stable parliamentary democracy in the postwar period.

The 1955 State Treaty and Austrian Neutrality

A key objective of post-1945 Austrian governments was ending the Four Power occupation and preventing the permanent division of Austria. The Allies' greater preoccupation with Germany delayed formal treaty negotiations with Austria until January 1947. By then, however, the larger strategic issues of the Cold War overshadowed the negotiations. The Soviet Union dropped its support for Yugoslav territorial claims against Austria in 1948 when Yugoslavia broke with the Soviet Union, but new issues arose to block progress toward ending the occupation: the Berlin blockade of 1948; the founding of the North Atlantic Treaty Organization (NATO) and the division of Germany into two rival states in 1949; and the start of the Korean War in 1950.

Following Soviet leader Joseph Stalin's death in March 1953, the Austrian government, headed by the newly elected chancellor, Julius Raab, sought to break the stalemate by proposing that Austria promise not to join any military bloc. The Indian ambassador to Moscow, acting as intermediary for the Austrians, went

further and suggested permanent neutrality as the basis for a treaty. The Western Allies did not favor this proposal, and the Soviet Union continued to insist on the priority of a settlement in Germany.

In late 1954 and early 1955, however, the Western Allies and the Soviet Union feared that the other side was preparing to incorporate its respective occupation zones into its military bloc. In February the Soviet Union unexpectedly signaled its willingness to settle the Austrian question. In April a delegation composed of Raab, Figl, Adolf Schärf, and Bruno Kreisky went to Moscow. Four days of intense negotiations produced a draft treaty premised on permanent Austrian neutrality. The Western Allies only grudgingly accepted the draft for fear that it would be a model for German neutrality. They particularly objected to a proposed Four Power guarantee of Austrian neutrality, believing that it would provide an opportunity for Soviet intervention in Austria. Under strong Western opposition, the Soviet Union dropped the proposal.

On May 15, 1955, the State Treaty was signed. The treaty forbade unification with Germany or restoration of the Habsburgs and provided safeguards for Austria's Croat and Slovene minorities. Austrian neutrality and a ban on foreign military bases in Austria were later incorporated into the Austrian constitution by the Law of October 26, 1955. The 40,000 Soviet troops in Austria were withdrawn by late September. The small number of Western troops that remained were withdrawn by late October.

The Grand Coalition and the Austrian People's Party Coda, 1955–70

Foreign Policy in the Late 1950s and the 1960s

After the signing of the State Treaty, Austria's foreign policy concerns focused on three issues: South Tirol, European economic integration, and the meaning of neutrality. The status of the ethnically German province of South Tirol had been an Austrian concern ever since the province's transfer to Italy after World War I. Austria hoped that Italy's participation on the losing side of World War II might open the door to the Allied powers' awarding of the disputed territory to Austria. But the strategic interests of the Western Allies after the war forced Austria to settle for a 1946 agreement in which Italy promised South Tirol autonomous rights.

In 1948, however, Italy undercut the autonomy of the South Tiroleans by expanding the autonomous region to include the entire province of Trentino, the total population of which was two-thirds ethnically Italian. The South Tiroleans appealed to Austria for assistance. The General Assembly of the United Nations (UN)

adopted a resolution in 1960 instructing Italy and Austria to enter into negotiations on the issue. Austria's right to intervene on behalf of the South Tiroleans was thus affirmed but brought no results until 1969. In the intervening years, South Tirolean activists undertook a terrorist bombing campaign, which, Italy alleged, Austria facilitated through lax border controls. The 1969 agreement affirmed South Tirol's autonomous rights, including the use of German as the official language. The International Court of Justice in The Hague was given the right to judge disputes over implementation of the pact, and Austria waived its rights to intervene.

Although the OEEC continued to function as a coordinating body for European economic integration after the end of the Marshall Plan in 1952, six of its members sought closer economic integration. In 1957 they formed the European Economic Community (EEC—see Glossary). Because Austria's main trading partners, the Federal Republic of Germany (West Germany) and Italy, belonged to the EEC, Austria would have liked to join that organization. But provisions in the EEC agreement imposed obligations in time of war, which were viewed as inconsistent with Austrian neutrality. Further, EEC membership also raised questions regarding unification with Germany, which was forbidden by the State Treaty. Austria thus joined six other countries in a looser, strictly economic association, the European Free Trade Association (EFTA—see Glossary), established in 1960. This was not an entirely satisfactory solution, and in 1961 Austria sought limited, associated membership in the EEC.

The Soviet Union objected to Austria's association with the EEC as a violation of Austria's neutrality. Austria responded that because its neutrality was a matter of Austrian law, Austria alone had the right to judge what were or were not violations. Nonetheless, Austria proceeded cautiously to avoid needlessly provoking the Soviet Union. EEC members also questioned Austria's membership. Italy blocked Austria's application to the EEC in 1967 because of the dispute over South Tirol. French president Charles de Gaulle was cool toward Austrian membership, both because of his desire to maintain relations with the Soviet Union and because of his concern that it might strengthen West Germany's position to the detriment of that of France. Austria's persistence, the resolution of South Tirol's status, and de Gaulle's retirement, however, paved the way for an agreement between Austria and the EEC in 1972 (see Austria and European Integration, ch. 3).

When Austria adopted a policy of neutrality in 1955, its leaders made it clear that political neutrality did not mean moral neutrality.

Austrian sympathies clearly lay with the Western democracies, an attitude that was reinforced by its opposition to the Soviet invasion of Hungary in 1956 and of Czechoslovakia in 1968. Nonetheless, Austria attempted to cultivate good relations with the Soviet bloc countries, which accounted for about one-sixth of Austrian exports in the mid-1960s. Austria thus benefited when détente eased relations between East and West in the late 1960s and early 1970s. Austria's efforts to make itself a bridge between East and West—an idea the Austrians had proposed as early as 1945—however, remained a largely unfulfilled ambition.

Elections and Parties

The outcome of the four parliamentary elections between 1955 and 1970 hinged on relatively small changes in the division of the votes. The ÖVP consistently held the largest number of seats in the Nationalrat and thus leadership of the ÖVP-SPÖ coalition, the so-called grand coalition, even though in the 1959 election it polled fewer votes than the SPÖ. Prior to the 1966 election, the share of the vote received by the ÖVP fluctuated between 44 and 46 percent. By achieving an increase to 48 percent in 1966, the party was able to win eighty-five parliamentary seats, an absolute majority. Julius Raab served as chancellor between 1953 and 1961, when he was replaced by Alphons Gorbach. Gorbach brought some younger politicians into the party's leadership, where they began to press for reforms. One of these younger men, Josef Klaus, replaced Gorbach as chancellor in 1964 and headed the ÖVP government between 1966 and 1970. His rise, coming about the same time as the deaths of Raab and Figl, marked the passing of party leadership to a younger generation that had not experienced the trauma of the 1930s.

The SPÖ saw its share of the vote fluctuate between 42 and 45 percent over the course of the four elections. Although the SPÖ held the position of junior partner in the coalition, the electorate consistently gave the presidency of the republic to the SPÖ following reinstitution of direct elections for that post in 1951. Theodor Körner, who had succeeded Renner in 1951, died in office prior to the 1957 presidential election. Schärf, who had been chairman of the SPÖ since 1945, handily won the 1957 election and was reelected in 1963. When he died in 1965, he was succeeded by the Socialist mayor of Vienna, Franz Jonas.

The VdU was reorganized in 1956 as the Freedom Party of Austria (Freiheitliche Partei Österreichs—FPÖ). Its share of the vote ranged from about 5 percent to 8 percent. The party drew on a

diverse base of voters that included liberals, anticlerical conservatives, monarchists, and former Nazis.

The KPÖ was hurt by its association with the Soviet Union and by events in Eastern Europe, particularly the Soviet invasion of Hungary. The party's already small share of the vote continued to decline, from about 4.5 percent in 1956 to just over 3 percent in 1962. After 1959 the KPÖ held no seats in the Nationalrat.

Domestic Tranquillity under the Grand Coalition

The pattern of political cooperation established during the occupation years and the economic reconstruction that took place through the Marshall Plan laid the foundation for eleven years of political tranquillity and economic prosperity. In 1957 the government informally established the Parity Commission for Prices and Wages. This commission soon far exceeded its intended function of setting prices and wages and effectively established the country's basic economic policy. By bringing together the representatives of the major economic interest groups—the social partners—and requiring unanimous decisions, the commission became a powerful stabilizing force in Austrian society.

The effort of the SPÖ to broaden its electoral base helped resolve long-standing questions about the status and role of the Roman Catholic Church. The party realized that its inheritance of liberal anticlericalism and Marxist hostility toward religion stood in the way of attracting supporters who were devout Roman Catholics. As the SPÖ moved away from Marxist rhetoric, party leaders began to bridge the gulf between the SPÖ and Roman Catholics. In this eased atmosphere, the coalition partners were able to put the divisive issue of the 1934 concordat behind them. A new agreement with the Vatican was signed in 1960.

The overall effect of the ÖVP-SPÖ grand coalition and the social partnership represented by the Parity Commission, which brought together major economic groups, was to limit parliament's power. Most major economic and social decisions were made outside parliamentary channels and simply ratified by the Nationalrat, usually unanimously. Because no major policy differences were at stake, elections mainly served to determine the proportion of the patronage positions that would be accorded to the coalition partners. As the country progressed from the trauma of World War II and the occupation, members of both major parties began to express dissatisfaction with the coalition and the toleration of mismanagement and abuse of public office that the system appeared to condone. In the 1966 electoral campaign, ÖVP leader Klaus called for an end to the grand coalition. After winning an absolute

majority, however, the ÖVP proposed terms for continuing the coalition, which Kreisky and other SPÖ leaders unsuccessfully urged their party to accept. Despite the breakup of the coalition, the Klaus government introduced no significant breaks with past policy. The ÖVP's four years in office were thus a coda to the grand coalition before the long period of SPÖ domination under Kreisky began in 1970.

The Kreisky Years, 1970–83

Electoral Politics in the Kreisky Era

As the Austrian economy developed in the 1950s and 1960s, the nature of the electorate slowly shifted. The declining economic importance of agriculture and forestry undermined the rural base of the ÖVP. Further, economic growth was occurring primarily in the service sector, not in heavy industry or manufacturing, the traditional base of the SPÖ. By 1970 service-sector employees constituted just under 40 percent of the working population, and both parties sought to position themselves in the middle of the political spectrum in order to attract these voters. Under the leadership of Bruno Kreisky, the SPÖ proved more adept at redefining itself in this new era.

Kreisky's personal popularity played a large part in the success of the SPÖ, and the party capitalized on this by campaigning on slogans like "Kreisky—who else?" and "Austria needs Kreisky." Although Kreisky came from a wealthy Viennese Jewish family, he declared himself an agnostic. Kreisky had been imprisoned in the mid- and late 1930s for political activity, but the Nazi regime eventually allowed him to emigrate to Sweden, where he became acquainted with Swedish socialism and met Willy Brandt, the future leader of the German Social Democrats. Kreisky returned to Austria after the war and by the early 1950s was working in the Ministry for Foreign Affairs and becoming active in party politics.

Kreisky was deeply involved in efforts to broaden SPÖ appeal in the 1950s. As chancellor, he continued to move the party toward the political center, reaching out toward swing voters and Roman Catholic and rural constituencies. Indicative of SPÖ reconciliation with the mainstream of Austrian culture and history was campaign literature in 1979 that featured Kreisky sitting beneath a portrait of Emperor Franz Joseph. As the differences between the two major political parties lessened, the ÖVP found it difficult to enunciate a distinct political identity because Kreisky so successfully occupied the middle ground.

In the election of 1970, the SPÖ emerged as the largest party but lacked a parliamentary majority. An attempt to revive the grand coalition failed. And Kreisky could not lure the FPÖ into a coalition. But the FPÖ did agree to cooperate in passing the SPÖ budget in exchange for electoral reform. Kreisky thus formed a minority government in 1970, and another election was held under a new electoral law in October 1971.

The electoral reform raised the number of seats in the Nationalrat from 165 to 183 and increased the degree of proportionality between a party's percentage of the popular vote and its parliamentary seats, thus boosting the fortunes of small parties. The SPÖ emerged from the election with an absolute majority, winning a bare 50 percent of the vote and ninety-three seats in the enlarged Nationalrat. The ÖVP won only eighty seats and 43 percent of the vote. The FPÖ won 5.5 percent of the vote, the same as in 1970, and held ten seats.

The election of 1975 repeated the 1971 results. But in 1979, the SPÖ increased its share of the vote to 51 percent and won ninety-five seats. The ÖVP declined to just below 42 percent and won only seventy-seven seats. The FPÖ improved its performance slightly, getting 6 percent of the vote and taking eleven seats.

While the electorate had opted for a Socialist chancellor, it also continued to elect a Socialist or Socialist-backed presidential candidate throughout the Kreisky era. Six months before the 1970 parliamentary election, Jonas won reelection, defeating Kurt Waldheim. Jonas died in 1974 and was succeeded by Kreisky's foreign minister, Rudolf Kirchschläger. Although he was not a member of the SPÖ, Kirchschläger, a practicing Catholic and a political independent, was a Kreisky associate, having been brought into Kreisky's cabinet in 1970. His reelection bid was unopposed in 1980.

Domestic Issues

Kreisky's style and tone struck a chord with the Austrian electorate, and his personal popularity was enhanced by the country's economic prosperity in the 1970s. His legislative and economic program was built on the existing political consensus and ratified by the social partners. Many measures continued to pass unanimously in the Nationalrat. Employee benefits were expanded, the workweek was cut to forty hours, and legislation providing for equality for women was passed. The period of mandatory military service was cut from nine months to six months. Three issues, however, divided the country: abortion, nuclear power and environmental damage, and ethnic minority rights.

In 1973 the SPÖ passed a law over the opposition of the ÖVP and the FPÖ that legalized abortion on demand during the first trimester. Popular opposition backed by the Roman Catholic Church manifested itself in a petition drive that helped bring the issue before parliament again in the spring of 1976. The law, however, was upheld.

In the early 1970s, the international energy crisis triggered by the Organization of the Petroleum Exporting Countries (OPEC) oil cartel and the Arab oil embargo exposed Austria's vulnerability to imported energy supplies. To reduce this vulnerability, Kreisky continued the construction of a nuclear power plant at Zwentendorf, sixty kilometers from Vienna, and planned the construction of three other plants. As the Zwentendorf facility neared completion in the late 1970s, however, the public expressed growing concern about the safety of nuclear power. The SPÖ did not want to alienate the environmental movement and its bloc of voters, but it also needed to satisfy its trade union constituency, which favored the project. The issue was settled by means of a national referendum on November 5, 1978. Despite Kreisky's vigorous campaign for the plant, the electorate narrowly rejected opening the plant.

Seeking to implement provisions in the 1955 State Treaty regarding the rights of the country's Croat and Slovene minority communities, parliament enacted a law in 1972 to erect dual-language signs wherever the minority population of a locality was at least 20 percent. Such signs were placed in some 200 of the 2,900 towns and villages in Carinthia. With the support of local officials and police, however, the German-speaking population reacted violently and ripped the signs down, reflecting lingering hostility provoked by Yugoslav efforts to annex the province after World War II. In an effort to resolve the matter, the government took a census in 1976 to determine Carinthia's ethnic make-up. Because the Slovene population had declined greatly since 1914, when it accounted for 25 percent of the total populace, Slovene leaders called for a boycott of the census, and the results were not considered reliable. Dual-language signs were erected in 1977 where the local minority population was believed to be over 25 percent.

Foreign Policy

Under Kreisky's leadership, Austria sought to play an active role in international politics in the 1970s, particularly through the UN. Reflecting the acceptance of Austrian neutrality, Waldheim, the unsuccessful conservative presidential candidate in 1970, was elected UN secretary general in 1971 and reelected to that post in 1976. Austria continued to cast itself as a bridge between East and West,

and Vienna was the site for some early rounds of the Strategic Arms Limitation Talks (SALT) between the United States and the Soviet Union. Kreisky became personally involved in issues relating to the Arab-Israeli conflict. Despite general support for maintenance of Israeli security, he criticized Israel for its treatment of the Palestinians. In 1980 Austria gave de facto recognition to the Palestine Liberation Organization (PLO) by accepting an accredited agent of the PLO in Vienna. Throughout the 1970s, however, Austria was also a transit point for Jews leaving the Soviet Union for destinations in Israel and the West.

Austria established a more favorable trading relationship with the EEC in 1972, but the EEC continued to move toward still fuller economic and political integration in Western Europe. Although Kreisky pointed to the possibility of Austria's adopting legislation on its own in coordination with these developments, he stressed that Austria's neutrality would continue to prevent full membership in the EEC unless it were expanded to include all of Europe.

End of the Kreisky Era

During Kreisky's tenure as chancellor, Austria enjoyed unprecedented prosperity, but by the time the April 1983 election approached, the SPÖ had few fresh ideas with which to attract critical swing voters. Its image also suffered from various political and financial scandals (see Political Developments since 1983, ch. 4). Its proposal for a tax hike aimed at upper-income Austrians to finance job creation was countered by the ÖVP with promises of no new taxes and more careful use of existing government tax revenues. Although the ÖVP failed to unseat the SPÖ as the largest party in the Nationalrat, the ÖVP benefited from a significant shift in voter sentiment, and the SPÖ lost its majority, winning ninety seats, which was five seats fewer than in 1979. The ÖVP gained four seats for a total of eighty-one. The FPÖ won an additional seat, for a total of twelve, despite a decline in its share of the vote. Two "green" parties, the United Greens of Austria (Vereinigte Grüne Österreichs—VGÖ) and the Alternative List of Austria (Alternative Liste Österreichs—ALÖ), sought to rally voters on environmental issues. Together they took about 3.3 percent of the vote but won no parliamentary seats.

Kreisky had campaigned strongly for an absolute majority and resigned rather than lead a coalition government. His minister of education, Fred Sinowatz, became chancellor in 1983, heading an SPÖ-FPÖ coalition. Kreisky's departure marked a major turning point in Austria's postwar history, and the Sinowatz government was to be a transitional phase into the contemporary era.

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Given the scope of Austrian history and Austria's complex relationships with the other countries of Central Europe, English-language histories of Austria generally focus on particular segments of Austrian history rather than on an attempt to give equal attention to all centuries. Alexander Wigram Allen Leeper's *A History of Medieval Austria* is a key source for medieval history prior to the Habsburgs. *The Habsburg Empire, 1790–1918* by Carlile Aylmer Macartney is an excellent and inclusive treatment of the late history of the Habsburg Empire, although its level of detail and thoroughness may be more than the casual reader desires. Robert A. Kann's *A History of the Habsburg Empire, 1526–1918* is a more accessible text, focusing on broader themes rather than on the minutiae of history. Robert John Weston Evans's *The Making of the Habsburg Monarchy, 1550–1700* also takes a thematic approach but covers only a portion of the Habsburg centuries. However, it provides a useful examination of the intellectual underpinnings of the Habsburg state.

Barbara Jelavich has written two excellent books covering the post-1815 era: *The Habsburg Empire in European Affairs, 1814–1918* and *Modern Austria: Empire and Republic, 1815–1986.* Their relative brevity and conciseness make them excellent overviews.

The selection of books covering specific topics is growing steadily. Of particular interest and merit are Samuel R. Williamson, Jr.'s *Austria-Hungary and the Origins of the First World War;* Radomir Luza's two books, *Austro-German Relations in the Anschluss Era* and *The Resistance in Austria, 1938–1945;* and Alfred D. Low's *The Anschluss Movement, 1918–1938.*

For those interested in more current history, Melanie A. Sully's *A Contemporary History of Austria* focuses on the post-Kreisky era. (For further information and complete citations, see Bibliography.)