The Habsburg Empire

- The Habsburg domains were primarily dynastic, absolutist, and agrarian.
- Their response to the revolutions of 1848 had been to reassert absolutism.
- During the 1850s, Emperor Francis Joseph’s ministers attempted to impose a centralized administration.
  - Amounted to a military and bureaucratic regime dominated by German speaking Austrians
  - The Vienna government abolished internal tariffs.
  - Hungary was divided into military districts.
  - Nationalistic groups received no rewards for their loyalty.
- Austria refused to support Russia, which meant that Czar Alexander II could no longer help support Habsburg rule in Hungary.
- The Austrian defeat in 1859 confirmed the need of a new domestic policy.
- A new government was under way for seven years.

Formation of the Dual Monarchy

- Francis Joseph issued the October Diploma
  - Created a federation among the states and provinces.
  - Local diets would dominate the land classes and a single imperial parliament.
  - Rejected by the Magyar nobility
- The February Patent was issued shortly after in 1861.
  - An entirely different form of government than the Previous October Diploma
  - Established a bicameral parliament, or Reichsrat
  - The Magyars again refused to cooperate and sent no delegates to the legislature.
  - The February Patent remained in power for six years
    - Ministers were responsible to the emperor, not the Reichsrat
    - Armies could be levied and taxes rose without the consent of the parliament.
    - Emperor could rule by decree
- Secret negotiations between the emperor and the Magyars eventually resulted in the exclusion of Austria from German affairs.
- The Ausgleich, or Comprise, of 1867, transformed the Habsburg Empire into a dual monarchy. Also known as Austria-Hungary.
Austria and Hungary remained almost entirely different states except for their common monarchy, army, and foreign relations.
They only shared ministers of foreign affairs, defense, and finance.
Separate Parliaments still remained, however the met annually to discuss mutual interests. Every ten years their trade relationship was renegotiated.
This reconciled the Magyars to Habsburg rule.

Unrest of Nationalities

- Many groups such as the Czechs, the Ruthenians, the Romanians, and the Croatians, opposed the Compromise of 1867.
  - They believed the compromise had allowed the Austrians and Magyars to dominate over other nationalities within the empire.
- The Czechs favored a triple parliament.
  - Franz Joseph was willing to accept this offer, but Magyars vetoed it.
- By 1897, Franz Joseph gave the Czechs and Germans equality of language.
  - Opposed by the Germans.
- By 1914, constitutionalism was a dead letter in Austria. It flourished in Hungary, however, but only because the Magyars relentlessly exercised political supremacy over all national groups except for the Croatians.
- The various unrests within the Habsburg Empire caused internal political difficulties, and became a major source of political instability.
- The Croatians and the Poles wanted an independent state in union with their fellow nations who lived outside the empire. Other national groups saw themselves as potentially linked to Russia, Romania, Serbia, Italy, or a Slavic state.
- Out of these Balkan tensions emerged the First World War.
- The Austro Germans often hated the non-German national groups, and many of them were anti-Semites.
- After the First World War, the Habsburg monarchy and the Ottoman Empire would disappear. The results of these problems would soon lead towards World War II.