

Haugwitz, Kaunitz, and the Structure of Government in Austria under Maria Theresia, 1745 to 1761

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Article abstract

On analyse ici la nature des différends qui opposèrent les deux plus importants ministres de l'impératrice Marie Thérèse, le comte Friedrich Wilhelm Haugwitz et le prince Wenzel Anton Kaunitz. Ce faisant, on remet également en question la thèse généralement acceptée selon laquelle Kaunitz, ministre des affaires extérieures, commença à s'intéresser aux affaires intérieures et aux nouvelles structures administratives mises en place par Haugwitz quand ses mesures diplomatiques s'avèrent inefficaces lors de la guerre de Sept Ans.

Cet article affirme plutôt que Kaunitz agissait en raison d'un principe, celui de la primauté des affaires intérieures ou domestiques, et que, de plus, il avait toujours été préoccupé par les problèmes domestiques de la monarchie. Les différends entre Haugwitz et Kaunitz en ce qui concerne les réformes intérieures se manifestèrent, de fait, dès 1747 et étaient issus d'une conception différente du gouvernement. Haugwitz s'inscrivait dans la tradition prévalant en Europe centrale et il avait consciemment modelé son programme de réformes sur l'exemple prussien alors que Kaunitz, imbu des Lumières, préconisait une conception plus moderne de l'état où l'administration bureaucratique centrale doit céder le pas à la séparation des pouvoirs. Au fond, bien que ces deux hommes furent tous deux de fervents protagonistes de l'absolutisme, ils s'opposèrent aux niveaux de la fin et des moyens. Les préoccupations de Haugwitz demeurèrent toujours axées sur l'aspect économique alors que celles de Kaunitz se voulaient plus éminemment sociales.

*Haugwitz, Kaunitz, and the Structure of Government in Austria under Maria Theresia, 1745 to 1761**

FRANZ A.J. SZABO

Recent trends in the analysis of eighteenth-century monarchical government have tended to modify the traditional view that the emergence of enlightened absolutism was simply a stage in the evolution of the modern state, and have come to regard it more as a response to specific social and economic crises.¹ This perception proves particularly valuable in analyzing the creation of the modern unitary Habsburg state in central Europe during the reign of Empress Maria Theresia (1740-1780). In fending off the rapacious Nymphenburg alliance which threatened the very existence of the monarchy in 1740-41, cementing the integral unity and furthering the strength of the diverse lands of the House of Habsburg became perforce the central policy of the Empress. Of course, the policy itself was little more, as Prince Eugene often observed, than the logical outgrowth of the attainment of great power status in the late seventeenth and early eighteenth centuries. Indeed, it was theoretically posited by the famous Pragmatic Sanction of 1713. However, it enjoyed little practical success before 1748. In fact, it was lack of success in implementing any thorough socio-economic reforms that in no small measure contributed not only to the crisis of 1740-41, but to a whole era of crises from 1733 to 1748.²

While Maria Theresia was determined in her resolve to carry out this task, the entire problem, as a pioneering study has demonstrated recently, was that the Habsburg monarchs were by no means "absolute" in the Western sense of the word and could not implement any thorough socio-economic reforms without introducing sweeping structural changes—changes that were blocked at every turn by an aristocratic oligarchy of some two hundred families that monopolized real political power in the monarchy.³ The critical nature of the crisis of 1740-41, and the separation for the first time in over three hundred years of the crown of the Holy Roman Empire from those of the individual lands of the House of Habsburg, however, liberated the

*Research for this paper was made possible by grants from the Social Sciences and Humanities Research Council of Canada and Bishop's University.

1 Helen P. Liebel, "Enlightened Despotism, and the Crisis of Society in Germany", *Enlightenment Essays*, 1 (1970), pp. 151-68. An expanded version of this article has appeared in German under the title "Der aufgeklärte Absolutismus und die Gesellschaftskrise in Deutschland im 18. Jahrhundert", Walter Hubatsch, ed., *Absolutismus* (Darmstadt, 1973), pp. 488-544.

2 Ernst Wangermann, *The Austrian Achievement, 1700-1800* (London, 1973), pp. 9-60.

3 Jean Berenger, *Finances et Absolutisme autrichien dans la seconde moitié du XVIIeme siècle*, two volumes, (Paris, 1975).

Empress from policies that were the antiquated baggage of the Imperial dignity and gave her a somewhat freer hand at home than her predecessors. As soon as the principal danger had passed with the signing of a separate peace with Prussia in 1745, the Empress herself confessed that she "suddenly changed [her] whole outlook", and focused primarily on domestic affairs.⁴ It was thus from this juncture that Maria Theresia embarked on a programme of imposing requisite structural reforms that really established modern absolutism for the first time in the Habsburg Monarchy.

Upon her accession Maria Theresia recognized that she lacked all the requirements for the introduction of a reform programme: personal political experience, military power, financial resources, and, above all, trustworthy advisers.⁵ She also recognized that rectifying this last deficiency was a prerequisite for remedying the others and went so far as to assert that the selection of good advisers was "the most important task" of a monarch.⁶ By and large she was fortunate in her own choices; her judgment proved particularly sound in the selection of the two most prominent ministers of her reign, each of whom was specifically chosen by the Empress herself despite propounding distinct minority opinions. These two men were Count Friedrich Wilhelm Haugwitz (1700-1765), and Count (later Prince) Wenzel Anton Kaunitz (1711-1794). Haugwitz and Kaunitz were, in turn, the principal agents of the sweeping administrative reforms undertaken by Maria Theresia, which introduced the requisite structural changes that were a precondition of further socio-economic development. But the two remained violently at odds with each other over the means by which the goal of modern absolutism should be reached. It has been generally accepted that the differences between Haugwitz and Kaunitz reflected a simple personal rivalry and that Kaunitz, who had been appointed foreign minister in 1753, only "entered" domestic politics, the poor cousin of foreign policy, because he sought a scapegoat when his diplomatic calculations failed to win the Seven Years' War, finding it in the recently introduced Haugwitzian administrative structure.⁷ In fact, the differences between Haugwitz and Kaunitz were much more deep-seated. Beginning from entirely different premises, in the final analysis they reflected differences not only over means but ends as well.

4 Joseph Kallbrunner, ed., *Kaiserin Maria Theresias Politisches Testament* (Munich, 1952), pp. 50-1.

5 *Ibid.*, pp. 26-7.

6 *Ibid.*, p. 107.

7 This is the thesis of Friedrich Walter, who completely dominates the literature on the administrative reforms of Maria Theresia. Walter wrote the appropriate volume of Heinrich Kretschmayr, ed., *Die österreichische Zentralverwaltung*, (henceforth cited as *ÖZV*): Part II: *Von der Vereinigung der österreichischen und böhmischen Hofkanzlei bis zur Einrichtung der Ministerialverfassung 1749-1848*, Volume 1, Section 1: *Die Geschichte der österreichischen Zentralverwaltung in der Zeit Maria Theresias (1740-1780)* (Vienna, 1938), and also edited the corresponding volumes of documents. Volume II (1925) covers the years 1740 to 1760 and Volume III (1934) the years 1760 to 1780. The remainder of the literature by Walter on the subject repeats, in many cases verbatim, the arguments made here. These works include "Die ideellen Grundlagen der österreichischen Staatsreform von 1749", *Zeitschrift für öffentliches Recht*, XVII (1937), pp. 195-205; "Preussen und die österreichische Erneuerung von 1749", *Mitteilungen des Instituts für österreichische Geschichtsforschung*,

Haugwitz, the son of a Saxon general whose estates were in Silesia, entered Austrian service by joining the Silesian provincial government in 1725. His industrious concern with every detail of his task soon brought him to the attention of Emperor Charles VI, who commissioned him to draft a reform plan for the taxation system of Silesia. He was in the process of doing so when Charles died and the province was invaded by Frederick II of Prussia. Haugwitz moved to Vienna despite the fact that all his estates were in Prussian occupied territory. Though penniless, he soon made such an impression on Maria Theresa that in 1742 he was made head of the provincial administration of the fragment of Silesia left Austria. His first major recommendations for wholesale reform were presented at the close of the subsequent year while he was in the capital for consultative talks. These famous proposals, or *Notata*, laid out the essentials of Haugwitz's policies, which remained substantially unaltered in the subsequent twenty years.⁸

In the view of Haugwitz, the inability of Silesia to mount any concerted resistance against the invasion of Frederick was the responsibility of the Silesian Provincial Estates. Charged with the collection of taxes and the financing of the requisite military forces, the Estates had failed miserably in its task. Through financial mismanagement and a taxation system whose cadastral estimates were dishonest, unreliable, and unjust, the Estates had ruthlessly exploited its position for the self-interest of its members, saddling the province with debts and leaving it defenceless before an

(henceforth cited as *MIÖG*), LI (1937), pp. 415-29; *Die Theresianische Staatsreform von 1749* (Vienna, 1958): 'Kaunitz' Eintritt in die innere Politik. Ein Beitrag zur Geschichte der österreichischen innenpolitik in den Jahren 1760/61', *MIÖG*, XLVI (1932), pp. 37-79; 'Der letzte grosse Versuch einer Verwaltungsreform unter Maria Theresia, 1764/65', *MIÖG*, XLVII (1933), pp. 426-69; and *Die Paladine der Kaiserin: Ein Maria-Theresien-Buch* (Vienna, 1959). Other literature lacks the detail of Walter, and is of interest primarily for the different perspectives of the same problem that are offered. The monumental Alfred Ritter von Arneht, *Geschichte Maria Theresias*, ten volumes, (Vienna, 1863-1879) is patchy on administrative reform, but remains a veritable goldmine of sources. On the reform of 1749, see Vol. IV, pp. 1-37. Also still valuable is Ignaz Beidtel, *Geschichte der österreichischen Staatsverwaltung 1740-1848*, two volumes, (Innsbruck, 1896-1898). For the reign of Maria Theresa see Vol. I, pp. 1-190. Two very brief articles by Joseph Kallbrunner, 'Zur Neuordnung österreichs unter Maria Theresia: F. W. Haugwitz und die Reform von 1749', *Österreich*, (1918/19), pp. 115-30; and 'Zur Geschichte der österreichischen Zentralverwaltung im 18. Jahrhundert', *Vierteljahrschrift für Sozial und Wirtschaftsgeschichte*, XXXIII (1940), pp. 188-94, are also interesting. Of the more modern surveys, the most stimulating is Hans Hausherr, *Verwaltungseinheit und Ressorttrennung vom Ende des 17. bis zum Beginn des 19. Jahrhunderts* (Berlin, 1953), pp. 54-120. Others such as Otto Stolz, *Grundriss der österreichischen Verfassungs- und Verwaltungsgeschichte* (Innsbruck, 1951), or Wilhelm Brauneder and Friedrich Lachmeyer, *Österreichische Verfassungsgeschichte: Einführung in Entwicklung und Struktur* (Vienna, 1976), are too general to be of much use. Regrettably, since the time of Walter, most relevant archival material has been lost, first to the *Justizpalast* fire of 1927 and then to the ravages of World War II. Even surviving materials are currently undergoing restoration and are unavailable to scholars.

8 No major biography of Haugwitz exists, and most of the Haugwitz papers seem to have been lost. For brief biographical sketches see Walter, *Paladine*, pp. 24-39; and Constant von Wurzbach, *Biographisches Lexikon des Kaiserthums Oesterreich*, sixty volumes, (Vienna, 1856-1891), VIII, pp. 68-9.

aggressor. For this reason, Haugwitz believed that the central government itself should take over the collection of taxes and the recruiting and equipping of troops. To carry out this task, a specific royal bureaucracy was to be set up and, because Haugwitz believed that such an administrative structure designed to look after the economic interests of the crown would by itself be too weak, he insisted that it also be given full political administrative powers. "In truth", Haugwitz asserted, "political and financial administration are so integrally connected, that especially those who govern the lands must be fully persuaded of this. If these two functions are not united and do not work properly together, then all is in vain." Finally, to oversee the activities of this new crown bureaucracy, a special central department "for the political and financial administration of Silesia" (in the Chancellery jargon of the day, "*pro politicis et camerilibus*") should be set up in Vienna.⁹

Although Haugwitz's education had been unimpressive and although he was certainly no sophisticated theorist, his *Notata* do reflect some of the ideas of the late seventeenth- and early eighteenth-century Austrian Cameralists. What is more, it is clear that Haugwitz had read and was especially impressed by the group's most ardent apologist for absolutism, Wilhelm von Schröder, to whose work, *Fürstliche Schatz- und Rentkammer*, he often made explicit reference.¹⁰ Unlike other Cameralists such as Johann Joachim Becher and Philipp Wilhelm von Hörnigk, Schröder's antagonism towards provincial Estates was uncompromising and his defence of the princely prerogative most outspoken. He insisted that the only reliable recourse of a prince was to a standing army and a full treasury, administered by a loyal bureaucracy and overseen by a central directing collegium.¹¹ Despite the political radicalism of men such as Schröder, their innate social and economic conservatism and their narrow fiscalist vision of government has not escaped the attention of astute observers.¹² Haugwitz, too, reflected this aspect rather well when he insisted that "[aristocratic] privileges and liberties are to be held sacred, and it is precisely for this reason that abuses of them are not to be tolerated."¹³ Nor is there any doubt that purely fiscal considerations dominated his thinking. The *Notata* had insisted that "a well arranged financial administration is the soul of the state", and the unification of it with the political administration meant nothing less than the subordination of the latter to the imperatives of the former.

If the ideological roots of Haugwitz's reform proposals are to be found in a particularly Hobbsian brand of Cameralism, he found practical confirmation of his

9 *ÖZV*, II/2, pp. 130-52.

10 Walter, "Die ideellen Grundlagen", pp. 195-205; Cf. *ÖZV*, I/1/i, pp. 99-111.

11 On Schröder see Heinrich von Srbik, "Wilhelm von Schröder. Ein Beitrag zur Geschichte der Staatswissenschaften", *Sitzungsberichte der kaiserlichen Akademie der Wissenschaften, philosophisch-historische Klasse*, CLXIV (1910), pp. 1-161. Still the standard work on the Cameralists in general is Louise Sommer, *Die österreichischen Kameralisten in dogmenschichtlicher Darstellung*, two volumes, (Vienna, 1920-1925). On Schröder in particular, see Vol. II, pp. 79-123.

12 Hubert C. Johnson, "The Concept of Bureaucracy in Cameralism", *Political Science Quarterly*, LXXIX (1964), pp. 378-402.

13 *ÖZV*, II/2, p. 202.

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ideas in the administrative system of Prussia as he understood it. The maximum concentration of power apparently afforded by the Prussian Directory seemed to him to guarantee the efficiency the Austrian administration lacked. After the Prussian conquest of Silesia, moreover, Haugwitz noted with exasperation that Frederick II seemed easily able to extract over 50 per cent more revenue from that province than it had yielded under Austrian rule. Indeed, so impressed was he with the Prussian financial administration there that he earnestly recommended to Maria Theresa that, after the then still anticipated reconquest of the province, Prussian structures should be taken over unaltered.¹⁴ This proved to be an effective argument. Later, the Empress was to express considerable moral indignation that Frederick was able to support his entire army for a full year on Silesian revenues, while previously they had barely been able to support two Habsburg cavalry regiments.¹⁵ Therefore, it was not surprising that the Haugwitz proposals found quick acceptance with her and that the decree commissioning Haugwitz to undertake his proposed reform was issued on 12 March 1744. The Estates of Silesia thus suddenly found itself deprived of all responsibilities for the financial and political administration of the province. The only remnant of real political power that it retained was the traditional monopoly over the local judicial administration—a prerogative the Estates was urged to discharge “with all the more prompt zeal.”¹⁶ Here too, Haugwitz’s social conservatism stands revealed. As Kallbrunner has observed, leaving judicial administration in the hands of the Estates resulted in a functional separation of powers. This separation, however, was merely the result, not the goal of the reform. There was no real attempt to improve the administration of justice, but merely to strengthen the revenue collecting mechanism of the state.¹⁷

Haugwitz’s reforms proved so successful in Silesia that they soon became the model for other areas. While the new Silesian financial and political administration did not find a corresponding central department in the capital, this next step was achieved when Haugwitz was sent to Carinthia and Carniola in January, 1747, to remedy an even more dismal case of Estates financial mismanagement and corruption. While the resistance of the Estates here was tenacious and the crown had to resort to the imposition of the desired measures by royal fiat, the success of Haugwitz was complete. By 1748 the new provincial administration as well as a special new department in Vienna for Carinthian and Carniolan matters were in operation.¹⁸ By this time, moreover, Haugwitz had already won the support of the Empress for an universal application of his plan in the Austrian and Bohemian lands.¹⁹ In mid-June, 1747, he had been ordered to meet with representatives from the War Ministry to

14 *Ibid.*, pp. 144-52. Cf. Walter, “Preussen”, pp. 415-29.

15 Kallbrunner, *Testament*, p. 77.

16 *ÖZV*, II/1/i, pp. 115-6.

17 Kallbrunner, “Zur Neuordnung”, pp. 121-6. Cf. *ÖZV*, II/1/i, pp. 116, 181.

18 *ÖZV*, II/2, pp. 152-69; II/1/i, pp. 117-26.

19 The Kingdom of Hungary could not be included because of explicit arrangements made with the Hungarian Diet. This was also true for Tirol and, of course, the Duchy of Milan and the Austrian Netherlands. Cf. I. Nagy, “Die ungarische Kammer und die Wiener zentrale Finanzverwaltung, 1686-1848”, *Acta Historica Academiae Scientiarum Hungaricae*, XXII (1976), pp. 291-327.

determine the size of the planned new state-financed military establishment and to ascertain the funds necessary to maintain it. In the ensuing discussions, a standing army of 108,000 men was settled upon at an estimated annual cost of fourteen million Gulden.²⁰ This sum was clearly more than simple efficient fiscal management of all Austro-Bohemian lands could render. Haugwitz accordingly posited fourteen fundamental principles upon which the universal system had to be based. The most revolutionary of these was the taxation of seigneurial lands:

As it is self-evident that the resources of the peasants do not suffice without the addition of the seigneurial land, which is normally exempt from taxation, to defray the cost of the defence required for the security of the crown and of the privileges of the Estates, both God-pleasing justice and natural equity demand that the nobility should contribute to this necessary defence in proportion to the full extent of their resources.²¹

Significantly, this taxation was justified with the argument that, without an adequate force to protect the crown, "it is impossible to protect and defend the [aristocratic] privileges that are dependent on it."²² Furthermore, while "God-pleasing justice and natural equity" demanded the taxation of seigneurial land, the rate was much lower than for peasant holdings.²³

The final decision on the adoption of the Haugwitz system for all Austrian and Bohemian lands came with the famous crown council meeting of 29 January 1748.²⁴ Thereafter, Haugwitz began a series of negotiations with the Estates of the various provinces, concluding a recess of different duration with each of them whereby the central government took over the collection and administration of taxes. Once this was accomplished, the Estates were also deprived of most of their political administrative duties and found themselves reduced simply to judicial administration. An entirely new, crown-directed administrative structure came into existence which included an intendancy for each of the provinces (*Länderdeputation*) overlooking a crown-appointed local administration (*Kreisamt*). The reform culminated in the establishment of a central ministry or directory to head this new provincial administrative structure—the so-called *Directorium in publicis et cameralibus*—with Haugwitz as its president. The old Austrian and Bohemian Chancelleries were abolished and their former judicial functions, which was all that was left to them after the *Directorum* had appropriated

20 *ÖZV*, II/2, pp. 181-88. Also quoted in full in Adolf Beer, "Die Staatsschulden und die Ordnung des Staatshaushaltes unter Maria Theresia", *Archiv für österreichische Geschichte*, (henceforth cited as *AÖG*), LXXXII (1895), pp. 88-93. Haugwitz's memo is undated; Walter places it around December, 1747, or January, 1748. Beer accepts the date later added by a chancellery clerk, 20 July 1747. This later date seems to be correct, since some discussion obviously ensued and Haugwitz then received instructions to begin the implementation of the universal plan with Bohemia on 18 November 1747. Cf. Beer, "Staatsschulden", p. 95.

21 "Sechster Grund-Satz".

22 "Fünffter Grund-Satz".

23 Eugen Guglia, *Maria Theresia: Ihr Leben und ihre Regierung*, two volumes, (Munich, 1917), II, p. 10. Cf. Wangermann, *Austrian Achievement*, pp. 60-3.

24 The minutes of this vital conference have been published in full by Walter. *ÖZV*, II/2, pp. 195-206.

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their other powers, were reshaped into another new ministry, the supreme judiciary (*Oberste Justizstelle*). In theory, a conference to coordinate the activities of the various ministries, the so-called *Conferenz in internis*, was also established, but in fact this was a chimeral office created mainly to retire honourably the former Bohemian Chancellor, Count Friedrich Harrach. Indeed, when Harrach unexpectedly died at the age of fifty-three in June, 1749, he was not replaced and the *Conferenz in internis* withered away. The real supreme minister in domestic affairs was Haugwitz; this reality became increasingly obvious in the following years as the *Directorium* began to eat away at the competences of the other ministries and departments of the central government. By 1755, for example, it had taken over so many of the duties of the treasury (*Hofkammer*) that Haugwitz was able to suggest the latter be abolished altogether. The department of trade and commerce (*Universalcommerzdirectorium*) was absorbed in 1753, and the department of mines and minerals (*Münz- und Bergkolleg*), the commissariat for military spending (*Generalkriegskommissariat*), and the department of invalid veterans (*Invalidenhofkommission*) followed suit in 1757. In addition, the *Directorium* created a number of new subsidiary departments such as a police commission (*Polizeihofkommission*) in 1749 and a commission in charge of poor relief (*Stiftungshofkommission*) in 1751. In short, with the exception of the ministries of Justice, War (*Hof-kriegsstrat*), and Foreign Affairs (*Staatskanzlei*), Haugwitz's directory ran virtually all other governmental business in Austria and Bohemia.²⁵

While Walter has lauded Haugwitz's animating principle of a maximum concentration of powers, he has admitted that the *Directorium* became overburdened and bogged down in detail. This development he viewed with considerable regret, since he saw in the overburdening of the directory the main pretext which Kaunitz, in his analysis a proponent of *Primat der Aussenpolitik*, and one ignorant of and indifferent to domestic problems, was able to exploit in 1760 when he required a scapegoat to explain both Austria's lack of success in the Seven Years' War and the failure of his own "infallible political algebra."²⁶ In fact there were two distinct and separate problems with the Haugwitz system; the rather haphazard accumulation of more and more competences by the directory was only the second of these. Initially, the primary focus of Kaunitz's critique was not the overburdening of the directory. Indeed, the *Directorium* was still expanding its administrative powers when an even more vital problem had already become obvious. This problem was whether or not fourteen million Gulden sufficed to maintain a military establishment of 108,000 men and whether, despite the recesses concluded with all the Estates, such a sum could actually be collected. It was this second problem that first concerned Kaunitz and it was only because of it that he became increasingly persuaded that the cumbersome *Directorium* had to be dismantled.

Kaunitz, the son of the governor of Moravia, was only eleven years the junior of Haugwitz, but intellectually he belonged to an entirely different generation. In comparison with his peers, his education had been so thorough and modern as to be justly described as "revolutionary". He was imbued with the early German

25 *Ibid.*, II/1/i, pp. 148-248.

26 *Ibid.*, pp. 254-64. Cf. Walter, "Eintritt", pp. 37-42; and *Paladine*, pp. 40-59.

Enlightenment during several strenuous semesters at the University of Leipzig in 1731-32 and was infected by the Anglomania that swept French intellectual circles in the early 1730s during his cavalier tour through France in 1733. Kaunitz entered the diplomatic service in 1741. After some experience in Italy, he was made authorized minister in the Austrian Netherlands in 1743. Vacating this post after the French conquest of Brussels, he was appointed principal Austrian delegate to the peace conference at Aix-la-Chapelle in 1748. Subsequently, at a vital State Conference meeting of April, 1749, he defended the proposition that Prussia, not France, was Austria's natural enemy and he recommended a concomitant change in foreign policy. After a brief stay as Habsburg ambassador in Paris, he returned to Vienna early in 1753 and was made head of the foreign ministry, an office he retained for almost forty years.²⁷

Kaunitz's foreign policy never operated in a vacuum and, far from being a proponent of the primacy of foreign policy, he was later explicitly to summarize his approach as precisely the reverse.²⁸ Between his return from Aix-la-Chapelle and his departure for Paris, his opinions expressed in meetings of the crown council soon earned him a reputation as a disciple of the new domestic reforms.²⁹ However, even then it was clear that Kaunitz had his reservations about the Haugwitz system for, on the death of Count Friedrich Harrach, Count Johann Joseph Khevenhüller-Metsch, a bitter opponent of Haugwitz, recommended Kaunitz as Harrach's successor in the

27 There is also no major biography of Kaunitz in any language. The only over-all analysis available remains the hostile, brief, and inaccurate Georg Küntzel, *Fürst Kaunitz-Rittberg als Staatsman* (Frankfurt a/M, 1923). Alexander Novotny, *Staatskanzler Kaunitz als Geistige Persönlichkeit* (Vienna, 1947), is, as the title indicates, a study in intellectual history. A sampling of memoranda by Kaunitz is available in Adolf Beer, ed., "Denkschriften des Fürsten Kaunitz", *AÖG*, XLVIII (1872), pp. 1-158. The career of Kaunitz until his assumption of the foreign office in 1753 has, however, been exceedingly well-served. The most outstanding work in this respect is Grete Klingenstein, *Der Aufstieg des Hauses Kaunitz* (Göttingen, 1975). The earlier Alfred Ritter von Arneth, "Biographie des Fürsten Kaunitz: Ein Fragment", *AÖG*, LXXXVIII (1900), pp. 1-201, contains a number of errors and should be read only in conjunction with Klingenstein. On Kaunitz's early diplomatic career, see William J. McGill, "The Political Education of Wenzel Anton von Kaunitz-Rittberg", (Ph.D. dissertation, Harvard University, 1961), some of whose findings have been published in the following: "The Roots of Policy: Kaunitz in Italy and the Netherlands, 1742-1746", *Central European History*, I (1968), pp. 131-49; "Wenzel Anton von Kaunitz-Rittberg and the Conference of Aix-la-Chapelle, 1748", *Duquesne Review*, XIV (1969), pp. 154-67; and "The Roots of Policy: Kaunitz in Vienna and Versailles, 1749-1753", *Journal of Modern History*, XLIII (1971), pp. 228-44. For an over-all reassessment, see my "Staatskanzler Fürst Kaunitz und die Aufklärungspolitik Österreichs", Walter Koschatzky, ed., *Maria Theresia und Ihre Zeit* (Salzburg, 1979), pp. 40-5.

28 Haus- Hof- und Staatsarchiv, Vienna (henceforth referred to as HHStA), Kabinettsarchiv: Kaunitz-Voten, Karton 6, No. 1857 of 1794, Kaunitz *Staatsrat votum*, n.d. (June 1794). Cf. Franz A.J. Szabo, "Prince Kaunitz and the Balance of Power", *International History Review*, I (1979), pp. 400-1.

29 Arneth, "Biographie", p. 154.

Conferenz in internis.³⁰ Maria Theresa's reply that Kaunitz had "never wanted to enter into these domestic details" did not mean that he had no interest in domestic problems. The Empress had no intention of replacing Harrach with anyone but, since Khevenhüller chose to see the presidency of the *Conferenz* as a sort of prime ministership,³¹ he had to be persuaded that "the loss of Harrach [was] irreparable", and that Kaunitz was not a suitable alternative.³²

That Maria Theresa looked to Kaunitz for advice, not on routine domestic business from day to day, but on over-all policy directions, became clear almost immediately after his return from Paris in 1753. It was Kaunitz, for example, who recommended that a bitter two-year debate over legislation to curtail the wealth of monasteries be brought to a conclusion by an extraordinary meeting of the crown council,³³ a council which during these years virtually never met to discuss domestic problems at all.³⁴ However, one problem that becomes evident from later correspondence is the extent to which this consultation was done orally and in strictest secrecy. For this reason it is difficult to ascertain to what degree Kaunitz was involved with or had prior knowledge of the first great critique hurled at the Haugwitz system by the Vice-Chancellor of the *Directorium*, Johann Christoph Freiherr von Bartenstein. Before Kaunitz took over the *Staatskanzlei*, Bartenstein had been the strong man in the foreign office, dominating the nominal minister, Count Corfiz Uhlfeld. With the arrival of Kaunitz, both Uhlfeld and Bartenstein were removed to other offices,³⁵ but while the former was quickly retired to an honorific post, it would seem the latter continued to work in the *Staatskanzlei* occasionally.³⁶ On 4 November 1753 Bartenstein drafted his first great memorandum on the Haugwitz system in which he expressed doubts that the reform could realize its objectives and in which he indicated a readiness to make further recommendations should the Empress wish to pursue the matter.³⁷ The answer to this was clearly positive, for three weeks later a second memorandum followed with a series of recommendations designed to limit the apparent harshness of the Haugwitz tax collecting process.³⁸ Curiously, Bartenstein's

30 Rudolf Graf von Khevenhüller-Metsch and Hanns Schlitter, eds., *Aus der Zeit Maria Theresias: Tagebuch des Fürsten Johann Joseph Khevenhüller-Metsch, Kaiserlicher Obersthofmeister*, eight volumes, (Vienna, 1907-1972), II, p. 543.

31 *Ibid.*, p. 326.

32 *Ibid.*, pp. 543-4.

33 HHSStA, Staatskanzlei: Vorträge 73/B/1, Kaunitz to Maria Theresa, 2 November 1753. Cf. Franz A.J. Szabo, "Intorno alle origini del giuseppinismo: motivi economico-sociali e aspetti ideologici", *Società e Storia*, IV (1979), pp. 163-7.

34 HHSStA, Staatskanzlei: Vorträge, Kartons 71-80. Konferenz Protokolle und Extrakte. These minutes kept by Emperor Francis I are extremely brief, and in most cases make note of little more than the agenda and the attendance.

35 On the intrigues surrounding Kaunitz's appointment, see Grete Klingenstein, "Kaunitz kontra Bartenstein: Zur Geschichte der österreichischen Staatskanzlei, 1749-1753", Heinrich Fichtenau and Erich Zöllner, eds., *Beiträge zur neuen Geschichte Österreichs* (Vienna, 1974).

36 Until 1756 Bartenstein seems to have handled most of the business arising from relations with Rome. HHSStA, Staatskanzlei: Vorträge, Kartons 72 to 78, *passim*.

37 *Ibid.*, 73/B/53-9, Bartenstein to Maria Theresa, 4 November 1753.

38 *Ibid.*, 73/B/82-5, Bartenstein to Maria Theresa 28 November 1753. On Bartenstein's critique in general, *ÖZV*, II/1/i, pp. 256-9.

drafts of both memoranda are not to be found among the Bartenstein papers, but in the foreign office files.

Whether Kaunitz was involved with Bartenstein's initiative or not remains open to question, but Bartenstein had obviously succeeded in sowing enough seeds of doubt about Haugwitz's plan for the Empress to look quietly into the matter herself. At this stage it is clear that she turned to Kaunitz. All this was done in strictest secrecy, but by the fall of 1754 the discussions began to involve a third party, the Empress' personal secretary, Ignaz Koch. During his French embassy, Kaunitz had carried on a secret correspondence with the Empress through Koch over the heads of Uhlfeld and Bartenstein. In this, all really important matters were discussed, including the conditions on which Kaunitz would take over the foreign office.³⁹ Now Maria Theresia again availed herself of this channel. Koch was told to investigate the matter carefully during the summer and fall of 1754 and, in November, he produced a report showing that in the event of war the cost of a strictly defensive campaign would exceed by 26 million Gulden in the first two years the sum that Haugwitz had allowed for and that army recruitment goals would be undershot by 21,500 men.⁴⁰ This report was then forwarded to Kaunitz.

In order to maintain strict secrecy, Kaunitz took the precaution of responding in his own hand.⁴¹ "No matter how unpleasant the picture itself may be", he noted, Koch's analyses were essentially accurate. However, he by no means regarded the situation as "desperate" and was convinced that appropriate remedies could be found. To work these out, Kaunitz suggested that "Koch be ordered to meet with me in strictest secrecy to help work out a general plan on the best and simplest way to solve the problem." The Empress consented with the words:

I know that nothing would please him [Koch] more than to meet with you, and it would also please me very much. The only reason he has not come to see you more often on the matter is his concern not to waste too much of your time. In fact, he has often asked me to meet with you at any moment that is convenient to you.⁴²

It is difficult to determine how long these secret discussions with Koch lasted. Kaunitz was extremely busy at this time reorganizing the *Staatskanzlei* and relocating the ministry to its new quarters on the *Ballhausplatz*,⁴³ but sometime within the subsequent eighteen months it was decided that in the event of a war extraordinary fiscal measures would have to supplement the Haugwitz system. In working out a

39 Hanns Schlitter, ed., *Correspondence secrète entre le Comte A.W. Kaunitz-Rietberg et le Baron Ignaz de Koch, 1750-1752* (Paris, 1899).

40 HHSa, Staatskanzlei: Vorträge 75/B/147-52, Koch memorandum, n.d. (November 1754).

41 The reports of Kaunitz are seldom in his own hand. He resorted to this only in the most vital and confidential matters. In this instance Kaunitz took the additional precaution of labelling his report "secret".

42 HHSa, Staatskanzlei: Vorträge, 75/B/146, 153, Kaunitz to Maria Theresia, 13 November 1754, including imperial resolution.

43 Grete Klingenstein, "Institutionelle Aspekte der österreichischen Aussenpolitik im 18. Jahrhundert", *Diplomatie und Aussenpolitik: Elf Beiträge zu ihrer Geschichte* (Vienna, 1977), pp. 86-90.

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detailed plan based not on Prussian but on English and French precedents, Kaunitz turned to his own most trusted economic adviser, Count Ludwig von Zinzendorf.

Zinzendorf, a nephew of the famous pietist of the same name, was born in Nüremberg in 1721. He converted to Catholicism in 1739 and soon thereafter entered Austrian service. He attended university at Leipzig during 1746-47 and subsequently undertook a European tour to study economics. In 1749 the Princess Eszterhazy introduced him to Kaunitz and secured him a post in the ambassador-to-be's retinue. Zinzendorf soon impressed his new master with his aptitude for economic problems and was consequently given a free hand to make a thorough study of English and French literature on the subject. Two aspects of economics particularly interested him: public credit and banking schemes and new methods in bookkeeping. Upon his return to Vienna in 1753, therefore, Zinzendorf did not stay in the service of Kaunitz, though he wished to. Instead, Kaunitz arranged that he should receive the post of a privy councillor in the *Directorium's* department of trade and commerce. His fertile mind soon turned out a series of reform proposals which rapidly alienated his conservative department head, Count Rudolph Chotek. When Zinzendorf had the temerity to go over Chotek's head to present his ideas on public credit to Emperor Francis himself, tensions grew to the point where the young privy councillor had to take a temporary leave from his department. Kaunitz came to his rescue with a special diplomatic mission to Russia early in 1755 and, by February of that year, Zinzendorf had left Vienna.⁴⁴

It is impossible to say whether Kaunitz commissioned Zinzendorf to draw up a financial plan to supplement the Haugwitz system late in 1754 and for this reason secured him a relatively unimportant diplomatic mission, or whether Zinzendorf was only asked to draw up a detailed proposal after his return from Russia at the end of 1755. In any case, early in July, 1756, he had fulfilled his task and was ready to present his plan to Kaunitz. Due to the diplomatic crisis that was soon to result in the Seven Years' War, the submission was delayed for a few weeks. But on 24 July it was sent to Kaunitz and, on 11 August, Zinzendorf had a lengthy personal conference with him to explain the details of the proposal.⁴⁵ In essence, Zinzendorf believed that rather than impose extraordinary new taxes to finance the war, the state ought to tap public credit by issuing interest-bearing government bonds whose premium certificates would be accepted as currency by all official revenue offices in the country.⁴⁶ Kaunitz was immediately won for the scheme and began a tenacious campaign to have it officially adopted. It was five years before he finally succeeded and, in the process, his confidence in the entire apparatus of financial and political administration was eroded as well.

With the threatening war crisis, Kaunitz received a new platform which should

44 Gaston von Pettenegg, ed., *Ludwig und Karl, Grafen und Herren von Zinzendorf: Ihre Selbstbiographien* (Vienna, 1879), pp. 46-63.

45 *Ibid.*, pp. 67-8.

46 But for minor shifts of focus, the Zinzendorf plan remained substantially unaltered in the subsequent years. The version that Zinzendorf eventually was to publish in July, 1759, is discussed in Beer, "Staatsschulden", pp. 7-9. The complete original draft for this is to be found in HHStA, Staatskanzlei: Vorträge 84/B/104-55.

have facilitated the introduction of the Zinzendorf proposal, but which in the event only intensified his frustration and highlighted all the more dramatically the need to restructure the entire Haugwitzian administrative mechanism. This platform was the war cabinet which Maria Theresia instituted in July, 1756, to ensure proper coordination among all her ministries during the crisis.⁴⁷ Kaunitz was made chairman of this cabinet which met weekly in the *Staatskanzlei* and which initially consisted of Kaunitz, Haugwitz, Field-Marshal Reinhard Wilhelm von Neipperg representing the war ministry, and the head of the commissariat for military spending, Count Franz Ludwig von Salburg.⁴⁸ The membership of the cabinet was to experience some minor personnel changes and to expand to include other ministers and department heads, but the experiment of a conference of *ex-officio* ministers proved increasingly cumbersome, so that over the years the cabinet met less frequently and involved itself in less day-to-day detail.⁴⁹ As chairman, however, Kaunitz assumed an enormous burden. Besides drawing up the agendas and processing all the paper work of the cabinet through his own ministry, he was responsible for co-ordinating the directives to all commanding generals and civilian political attachés in the field, both foreign as well as Austrian.⁵⁰

The Zinzendorf plans were first aired verbally with Haugwitz and Chotek in August and September, 1756, but met with such a cool response that Zinzendorf was convinced his career in government was over and begged Kaunitz to be allowed to enter the diplomatic service instead. Kaunitz, however, persuaded him to stay in Vienna, making him the editor of the official court circular which was published by the *Staatskanzlei*, until a suitable post could be found for him. This was not long in coming, for on 15 February 1757 he was made the vice-president of the department of mines and minerals. From this position Zinzendorf began a publicity campaign designed to draw attention to his expertise. He wrote a history of the Vienna City-Bank, followed this up with a comparative history of all European banks, and finally translated the publications of John Law.⁵¹ In the meantime, despite the negative response of Haugwitz and Chotek, Kaunitz had persuaded the Empress to submit the Zinzendorf plan to a special commission for closer examination. By October the commission had completed its report and Maria Theresia in turn sent it to Kaunitz for comment. The commission believed that in order to overcome expected public reluctance to accept the bonds, the initial issue should be for five rather than for the twelve million Gulden Zinzendorf had suggested. It also recommended that the requisite two hundred thousand Gulden sinking fund needed to pay off premiums be raised by a combination of a lottery and a forced loan from the Provincial Estates, beginning with the Estates of Lower Austria. Kaunitz seconded these recommendations, adding that it might be best to farm out the presupposed exchange to a private firm. He reiterated that the plan would go a long way to meet the financial needs of the

47 *Ibid.*, 78/D/127, Maria Theresia to Kaunitz, 6 July 1756. Walter makes no mention of this cabinet.

48 *Ibid.*, 78/D/133-40, Protocol of first meeting of cabinet, 8 July 1756.

49 *Ibid.*, Kartons 78 to 87, *passim*, Konferenz Protokolle.

50 HHStA, Sonstige Sammlungen: Kriegsakten, Fasz. 411 to 434.

51 Pettenegg, *Zinzendorf*, pp. 69-72.

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state, would not drain funds from the country, and, most important of all, would provide a number of benefits to investors. He was careful to point out that the Zinzendorf proposal was in no way similar to the notorious system of Law and expressed the hope that it would be adopted quickly.⁵²

Accordingly, the matter was brought before the Estates of Lower Austria, where the idea seemed to win acceptance on principle, but where the project itself was frustrated by the refusal of the Vienna City-Bank to accept the bonds or their premium certificates as currency at its tills.⁵³ In response to this failure, Zinzendorf set to work refashioning his proposal. In the new proposal the bonds would still have to be accepted as cash, but would be issued by the Vienna City-Bank instead of a specifically constituted exchange and would not be redeemable for a period of three years.⁵⁴ Even before the revised plan could be submitted to the Empress, Chotek, who had in the meantime been made head of the *Hofkammer* and chairman of the Vienna City-Bank,⁵⁵ anticipated a renewed attempt to push the project through. He warned the Empress that, if the bank accepted these notes in lieu of cash, its capital reserves would quickly be depleted and the whole bank would collapse.⁵⁶ When he heard of Zinzendorf's revisions, his opposition remained equally adamant that the idea was "impractical" and "harmful". This sort of scheme, he was convinced, would destroy the public's confidence in the bank and, hence, undermine the one reliable creditor the state had during the war.⁵⁷ Kaunitz made every effort to allay Chotek's fears, and insisted that the whole matter be considered by a conference of ministers before it was rejected.⁵⁸ The Empress, however, remained sceptical and was clearly affected by Chotek's vision of the collapse of the whole bank.⁵⁹ Again the Zinzendorf proposals came to naught.

In the meantime, the war had already begun to make heavy demands on Austrian finances and it did not take long for Koch's dire predictions to come true. All told, the war cost the state 260 million Gulden, 167 million of which was borrowed from

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- 52 HHStA, Staatskanzlei: Vorträge 81/D/22-9, Kaunitz to Maria Theresia, 14 October 1757.
- 53 *Ibid.*, 82/B/143-6, Chotek to Maria Theresia, 6 March 1758. Cf. Pettenegg, *Zinzendorf*, p. 73.
- 54 HHStA, Staatskanzlei: Vorträge 84/B/104-55, Zinzendorf project, n.d. (1758).
- 55 The Vienna City-Bank, founded in 1706, was in theory a private concern. It had been the only financial institution which had been able to capture public confidence, and it was regarded vital not to upset this confidence with overt government interference. But since the Bank looked after the state credit, its board took instructions from a state committee (*Ministerialbancodeputation*). The head of the committee was simultaneously chairman of the Bank's board, and for most of the eighteenth century, this same person was also head of the *Hofkammer*. See H. Ignaz Bidermann, "Die Wiener Stadt-bank: Ihre Entstehung, ihre Eintheilung und Wirksamkeit, ihre Schicksale", *AÖG*, XX (1858), pp. 341-445; and Friedrich Mensi, *Die Finanzen Österreichs von 1701 bis 1740* (Vienna, 1890). Cf. *ÖZV* II/1/i, pp. 39-43, 206-11, 249-53.
- 56 HHStA, Staatskanzlei: Vorträge 82/B/143-6, Chotek to Maria Theresia, 6 March 1758.
- 57 *Ibid.*, 82/B/155-69, Chotek to Maria Theresia, 6 April 1758.
- 58 *Ibid.*, 82/B/93-100, Kaunitz to Maria Theresia, 19 March 1758.
- 59 *Ibid.*, 82/B/46, Maria Theresia's resolution on Kaunitz report of 9 March 1758.

foreign and domestic sources.⁶⁰ However, the Haugwitz system did not generate sufficient revenue to cover the remaining 93 million, compelling a resort to other expedients to cover the expenses. The *Directorium*'s first suggestion, early in 1757, was to impose an extraordinary inheritance tax on certain classes of distant heirs. Kaunitz noted that, while the imposition of such a tax was undesirable, it might very well become unavoidable, but he cautioned that a thorough investigation needed to be undertaken to ensure that in the long run the tax would not do more harm than good.⁶¹ Haugwitz, whose priorities were fiscal not social, did not appreciate what he perceived to be undue interference in *Directorium* business by Kaunitz. He wrote his friend, Field-Marshal Leopold von Daun, that Kaunitz in his arrogance was trying to "run everything",⁶² a sentiment which Daun completely shared with regard to Kaunitz's domination of military matters.⁶³ Kaunitz, for his part, was convinced that Haugwitz simply would not be able to meet the war costs,⁶⁴ and noted with barely veiled sarcasm:

It does not require much reflection or any profound insight to invent all kinds of ways and means of squeezing money out of our subjects. He who wishes to do so in a manner both reasonable and beneficial to the monarch and the state, however, must first, or at least at the same time, devote an equal measure of zeal to increasing the subjects' wealth so that they might bear this additional burden.⁶⁵

The rift between Haugwitz and Kaunitz soon deepened. The *Directorium* reconsidered the inheritance tax scheme but, instead of circumscribing it more, the directory now proposed to extend it to close relatives as well. Kaunitz reacted with unprecedented indignation, regarding the new proposal as an excessive infringement on the rights of private property. He suggested that "wisdom demands of a legislator that human liberty be not unduly circumscribed", and that the tax was immoral as well as impracticable.⁶⁶ However, the findings of a special commission on the subject did not agree. Kaunitz made one more effort. He posited the thesis that "a state should seek to avoid changes of the kind that could open the way to the imposition of such heavy blows and exploitations of the poor and simple subjects",⁶⁷ but his suggestions were to no avail. Indeed, shortly thereafter the *Directorium* proposed the imposition of three new extraordinary taxes which Kaunitz labelled "dangerous" and "unjust", and which he was convinced the poorer people would simply not be able to pay.⁶⁸

The bitter debates over the imposition of extraordinary taxes revealed the strains to which the war had subjected the *Directorium*; these were reflected in structural problems as well. The practice of setting up special *ad hoc* commissions to deal with a host of different issues soon mired the directory down in paperwork. The incorporation

60 Beer, "Staatsschulden", pp. 116-24.

61 HHSStA, Staatskanzlei: Vorträge 81/A/22-3, Kaunitz to Maria Theresia, 12 July 1757.

62 Arneth, *Maria Theresia*, V, pp. 221-2.

63 *Ibid.*, VI, p. 246; VII, p. 1.

64 HHSStA, Staatskanzlei: Vorträge 81/B/52-3, Kaunitz to Maria Theresia, 15 August 1757.

65 *Ibid.*, 81/D/22-9, Kaunitz to Maria Theresia, 14 October 1757.

66 *Ibid.*, 81/C/154-69, Kaunitz to Maria Theresia, 14 December 1757.

67 *Ibid.*, 82/B/37-40, Kaunitz to Maria Theresia, 5 March 1758.

68 *Ibid.*, 83/A/106-7, Kaunitz to Maria Theresia, 19 August 1758.

of the commissariat for military spending into the *Directorium* in 1757 led to a bookkeeper's nightmare during the Seven Years' War. A preoccupation with these problems in turn occasioned chaos and disorder in other departments, particularly that of mines and minerals. Finally, the continued existence of the *Hofkammer*⁶⁹ led to ministerial squabbles between it and the ministry of Haugwitz. The *Hofkammer*, which remained responsible for the collection of taxes from Hungary even after having been relieved of a similar responsibility for Austria and Bohemia, was hamstrung by the prerogatives of the Hungarian Diet and could extract little more than half a million Gulden from Hungary for the entire war effort. If this angered Haugwitz, Chotek in turn could point to the inefficient running of the department of mines and minerals and suggest that if the department were transferred to the *Hofkammer* the fiscal performance of his ministry would improve. Not surprisingly, therefore, a year and a half after the mines department had been absorbed by the *Directorium*, it was separated from it again and given over to the *Hofkammer*.⁷⁰

It was in the context of all these developments—the rapid deterioration of the war cabinet, the failure of the Zinzendorf proposal, the increasing imposition of extraordinary taxes, and the apparently haphazard shifting back and forth of government departments in the face of administrative chaos—that Kaunitz formulated his first plan for the overhaul of the administration in August, 1758. To his mind, the principal failing of the government seemed to be the lack of coordination of the different parts of the administrative apparatus with the whole. Without going into detail, he suggested there were defects in “the essential characteristics” of the *Directorium* and these were not remedied because no body existed whose task it was to foster the interests of the monarchy as a whole. To fill this void he suggested the establishment of a permanent *Conferenz in internis* made up of councillors, who were not simultaneously ministers, to advise the monarch in all important affairs of state.⁷¹ Clearly this suggestion implied that decisions had been made all too hastily in the past without exploring fully the options available and that as a result excellent recommendations had been swept aside while inadvisable ones had been adopted. Kaunitz, with his Enlightenment faith in the dialectics of debate, believed a crown advisory council would be the answer to this problem. To some extent the idea was based on the concrete example of the French *conseil d'état* but, even more significantly, it mirrored the political philosophy of the *philosophes* who felt they could impart “enlightenment” to an absolute monarch precisely through such an advisory body.⁷²

69 Walter (*ÖZV*, II/1/i, p. 209) has condemned Maria Theresa's continued adherence to the *Hofkammer* as “illogical”, while Hausherr (*Verwaltungseinheit*, p. 74) has praised it as a conscious attempt to maintain a counter-weight to the *Directorium* and hence as a classic example of Montesquieu's “separation of powers”. Since the *Hofkammer* collected taxes in Hungary and elsewhere where the Haugwitz system could not be introduced, however, its maintenance would appear to be little more than a self-evident necessity. Cf. Nagy, “Die ungarische Kammer”, pp. 291-327.

70 *ÖZV*, II/1/i, pp. 206-48.

71 HHStA, Kabinettsarchiv: Staatsrat Präsidium I/A/3-16, Kaunitz to Maria Theresa, 6 August 1758. Quoted in part in *ÖZV*, II/3, pp. 1-2.

72 Gerald Oppenheimer, “Nation, Société, Loi, Représentation: Political Language and the Philosophes”, (Ph.D. dissertation, University of Chicago, 1976).

For the moment, however, Kaunitz's plan fell on deaf ears. With no advisory council to press the issue, Kaunitz took it upon himself to make another attempt to introduce the Zinzendorf plan. In July, 1759, Zinzendorf published his scheme⁷³ and shortly thereafter Kaunitz, in a general discussion on war finances, wrote Maria Theresia that, as the state would be short of funds for the upcoming campaign and as virtually all foreign and domestic credit was exhausted, nothing else remained but to resort to the Zinzendorf suggestions.⁷⁴ Again the plea was unsuccessful. Then came the battle of Kunersdorf and a successful termination of the war seemed within reach. Though the victory was not fully exploited, operations in the next twelve months, highlighted by the capture of Finck at Maxen, the destruction of Fouquet's corps at Landshut, and the conquest of Glatz, still seemed to promise an end to the conflict. Given the extent to which resources had been strained, Kaunitz was convinced it was the decisive campaign.⁷⁵ The defeats of Liegnitz and Torgau in the fall of 1760 dramatically changed the situation. Serious consideration was given to ending the war, but by the end of the year Kaunitz had decided to recommend a continuation of hostilities. He felt the diplomatic situation was too unique to be abandoned until its bankruptcy was absolutely certain. The indispensable prerequisite, however, was dramatic action to meet the financial crisis.⁷⁶ It was for this reason that a special commission was set up under Chotek to draw up a whole new financial system.⁷⁷ The commission met on 14 December 1760, but in the meantime Kaunitz had scored a singular success in another area.

It was no doubt in the aftermath of the defeats at Liegnitz and Torgau that discussions concerning a revival of the *Conferenz in internis* were renewed. Surviving documents⁷⁸ indicate considerable verbal discussion of this matter before Kaunitz was specifically ordered to submit his opinion in writing. But it was his report of 9 December 1760 that triggered the actual changes. Not unlike those of August, 1758, Kaunitz's recommendations aimed at the creation of a permanent consultative council, called the *Staatsrat*, to analyze and debate whatever reforms might be recommended before they were adopted or rejected.⁷⁹ Not surprisingly, once the council had been established, Kaunitz wished it to adopt certain fundamental principles as premises for all further debate. By no means self-evident platitudes, as Walter suggests,⁸⁰ the principles posited the notion that reforms furthering agriculture, industry, and commerce, and enriching society as a whole, must precede and dictate the character of revenue collection.⁸¹ It was, in brief, precisely the reverse premise from which

73 Petteg, *Zinzendorf*, p. 73; Beer, "Staatsschulden", p. 7.

74 HHStA, Staatskanzlei: Vorträge 84/E/112-7, Kaunitz to Maria Theresia, 24 July 1759.

75 Franz-Lorenz von Thadden, *Feldmarschall Daun: Maria Theresias grösster Feldherr* (Vienna, 1967), pp. 418-9.

76 HHStA, Staatskanzlei: Vorträge 87/C/19-30, Kaunitz to Maria Theresia, n.d. (December 1760).

77 *ÖZV*, II/1/j, p. 291.

78 HHStA, Kabinettsarchiv: Staatsrat Präsidium 1/A/17-24.

79 *Ibid.*, 1/A/25-69; Staatskanzlei: Vorträge 87/C/46-55, Kaunitz to Maria Theresia, 9 December 1760. Published in part in *ÖZV*, II/3, pp. 3-10.

80 Walter, "Eintritt", p. 52.

81 "Ohnmassgeblichstes darfürhalten über die frage: auf was für grundregeln das ganze systema des staats und der innerlichen verfassung zu bauen seye", 30 January 1761. Published in full in *Ibid.*, pp. 74-9.

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Haugwitz had proceeded. The acceptance of these principles was the key to the great shift in government policies that Kaunitz had effected, from the narrow fiscal focus of Haugwitz to the broader social one of which he was a proponent. If, as Wangermann has pointed out, it was not until after the Seven Years' War that the Austrian government was able to pursue "a coherent legislative programme designed to raise the general level of the monarchy's economic performance",⁸² the accomplishment was in no small measure due to the *Staatsrat*. It became the only point of departure for policies devoted to the entire state and provided an indispensable check to ministerial particularism.⁸³ Further, since it was a forum in which all proposed measures were subject to the dialectic of debate, it could make all options clear to the monarch and its consensus would in a wider sense reflect a consensus of the entire society.

While it is not possible to trace here the full dimensions of Kaunitz's new social focus, a reversal of government policy was felt almost immediately when Chotek's finance commission submitted its recommendations in January, 1761. The suggestion to meet the government payroll by printing paper money met with the qualified approval of Kaunitz. He saw it as a last resort after other sources of credit had been exhausted. In this context he could therefore revive the Zinzendorf plan and ask that it be circulated through the *Staatsrat*.⁸⁴ In the meantime Zinzendorf could be asked his opinion of the paper money scheme. Though Zinzendorf in fact endorsed this proposal, a letter of the Empress to him in April makes clear that after a thorough examination the *Staatsrat* had recommended giving priority to his original idea. In the final analysis, it was necessary to have recourse to both expedients before the war was out, but Zinzendorf—and with him Kaunitz—now finally enjoyed the success for which they had worked since before the outbreak of the war.⁸⁵

There remained the problem of the *Directorium* which to Kaunitz had repeatedly demonstrated that, in its concern to guarantee the revenues of the crown, it had neglected the government's social responsibilities. At heart, the disagreement between Haugwitz and Kaunitz over the administrative structure of the Habsburg Monarchy was simple. Haugwitz believed that, if the financial administration did not have control of the political one as well, it would be too weak to function properly in the face of expected resistance by the Provincial Estates. Kaunitz believed, as he later put it, that the financial and political administrative organs of the state were doomed to be "Rome and Carthage"⁸⁶ and that, if they were harnessed together, the latter would be forced to bend to the imperatives of the former, thus almost inevitably retarding the growth of the economy as a whole. For this reason he called the *Directorium* a "monstrous institution" which united administrative organs that ought by nature not to be united and which ran counter to "the fundamental principle that no state within a

82 Wangermann, *Austrian Achievement*, p. 68.

83 Konrad Schünemann, "Die Wirtschaftspolitik Josephs II. in der Zeit seiner Mitregentschaft", *MIÖG*, XLVII (1933), pp. 15-6.

84 HHStA, Kabinettsarchiv: Kaunitz Nachlass 1/A/126-7, Kaunitz to Maria Theresia, early February 1761.

85 Beer, "Staatsschulden", pp. 9-17.

86 Beer, "Denkschriften", pp. 141-2.

state is to be tolerated."⁸⁷ As Johnson has noted, the separation of finance from other functions of government was an absolute prerequisite for the development from pre-industrial, old regime forms of bureaucracy to modern forms,⁸⁸ and Kaunitz understood this perfectly. If he could also persuade the Empress that this was indeed the case, then the dismantling of the *Directorium* would simply be the logical consequence of the fundamental principles set out as premises for the *Staatsrat*.

By the end of 1761 this too was accomplished. The central administration was divided into separate political and economic ministries. Although the pre-1749 name of *Hofkanzlei* was revived for the former, it retained in essence all the characteristics of the political administration of the *Directorium*. The Bohemian crown lands remained integrated with the German hereditary provinces and the provincial and local bureaucracy remained centralist-oriented crown-appointees. In addition, the head of the provincial administration, now renamed *Gubernium*, was also forced on the Provincial Estates as *capo*. Finally, in a more conscious and deliberate attempt at a separation of powers, justice, the last area of Estates competence, was transferred to the *Gubernium* while retaining a separate ministry in Vienna, thus not only totally eliminating all formal organs of Estates power, but setting a crown watchdog over them as well. In the area of economic administration, a generic sub-division resulted in the creation of three new ministries. The administration of taxes, revenues from crown lands, mintage, mining, customs, and excise was left to the *Hofkammer*. National debt and credit operations were handled by a special new ministry called the *Generalkasse*. Finally a Court of Audit, *Rechenkammer*, with the explicit right to prior audit, was established as the monarch's principal organ of control and supervision in all financial matters.⁸⁹

Haugwitz was neither silenced nor persuaded by these reforms. His particular distaste for the *Rechenkammer*,⁹⁰ which had been placed in the charge of Zinzendorf, was especially revealing. The notion that the monarch's revenue collecting process should be subject to audit procedures—especially prior audit—could only serve to weaken the financial administration in particular and the crown's prerogatives in general. The social conservatism implicit in this conviction remained as firm as ever, for it completely failed to understand Kaunitz's point that fiscal demands must be tailored to the requirements of the economy. In the final years of his life, Haugwitz did succeed in reversing some of the innovations of 1761, particularly the integration of the *Generalkasse* into the *Hofkammer*,⁹¹ but on the whole Kaunitz's administrative structure remained unaltered in its essentials until the death of Maria Theresia.⁹²

The disagreements between Haugwitz and Kaunitz did not spring from a mere personal rivalry. Kaunitz lauded the accomplishments and personal integrity and zeal

87 *ÖZV*, II/3, pp. 101-21. In Walter's view this separation of the financial and political administration was the equivalent of "throwing the baby out with the bath water", and its only excuse was an overburdened Directory (*Theresianische Staatsreform*, p. 68).

88 Hubert C. Johnson, *Frederick the Great and his Officials* (New Haven & London, 1975), p. 278.

89 *ÖZV*, II/1/i, pp. 306-65.

90 *Ibid.*, pp. 372-3. For the views of Kaunitz and Zinzendorf, see pp. 378, 404.

91 *Ibid.*, pp. 366-421. Cf. Walter, "Letzter Versuch", pp. 426-69.

92 *ÖZV*, II/1/i, pp. 422-97.

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of Haugwitz⁹³ and Haugwitz, in the final attempt to push through his type of administration in May, 1765, nominated Kaunitz as the only person capable of holding the office of supreme chancellor.⁹⁴ The source of the disagreement was the fact that the two ministers looked at absolutism from a completely different standpoint. Haugwitz, the pupil of Schröder, was impressed by the Prussian example and simply tried to make monarchical absolutism a reality in the face of oligarchic particularism. For Kaunitz, the highly educated and eager pupil of the Western Enlightenment who liked to call himself a "philosophe",⁹⁵ absolutism was merely the most efficient means to a broader social end. Not impressed with the Prussian model, his conception of absolutism was hedged about with safeguards. He realized that, if the absolute state recognized no independent spheres of dominion besides itself, the line between absolute and arbitrary government was a thin one. The evolution of what Rosenberg has called an "irresponsible central executive"⁹⁶ could overturn the eudaemonist ends for which it existed in the first place. As Hintze has observed, the *Staatsrat* was the principal safeguard that made the evolution of Prussian-style autoocracy impossible in Austria.⁹⁷ Under the circumstances, a clash between Haugwitz and Kaunitz was inevitable, for their views brought into collision the form of absolutism inspired by Louis XIV and "enlightened absolutism" as defined by the intellectuals of the eighteenth century.

93 Beer, "Denkschriften", pp. 119-20.

94 *ÖZV*, II/1/i, p. 401.

95 HHStA, Staatskanzlei; Wissenschaft und Kunst I/1/3, Kaunitz to de Silva, 29 March 1769.

96 Hans Rosenberg, *Bureaucracy, Aristocracy and Autocracy: The Prussian Experience, 1660-1815* (Boston, 1958), p. 22.

97 Otto Hintze, "Der österreichische und der preussische Beamtenstaat im 17. und 18. Jahrhundert: Eine vergleichende Betrachtung", *Staat und Verfassung: Gesammelte Abhandlungen zur allgemeinen Verfassungsgeschichte*, second edition, Gerhard Oestreichs, ed., (Göttingen, 1962), p. 345.

Résumé

On analyse ici la nature des différends qui opposèrent les deux plus importants ministres de l'impératrice Marie Thérèse, le comte Friedrich Wilhelm Haugwitz et le prince Wenzel Anton Kaunitz. Ce faisant, on remet également en question la thèse généralement acceptée selon laquelle Kaunitz, ministre des affaires extérieures, commença à s'intéresser aux affaires intérieures et aux nouvelles structures administratives mises en place par Haugwitz quand ses mesures diplomatiques s'avèrent inefficaces lors de la guerre de Sept Ans.

Cet article affirme plutôt que Kaunitz agissait en raison d'un principe, celui de la primauté des affaires intérieures ou domestiques, et que, de plus, il avait toujours été préoccupé par les problèmes domestiques de la monarchie. Les différends entre Haugwitz et Kaunitz en ce qui concerne les réformes intérieures se manifestèrent, de fait, dès 1747 et étaient issus d'une conception différente du gouvernement. Haugwitz

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s'inscrivait dans la tradition prévalant en Europe centrale et il avait consciemment modelé son programme de réformes sur l'exemple prussien alors que Kaunitz, imbu des Lumières, préconisait une conception plus moderne de l'état où l'administration bureaucratique centrale doit céder le pas à la séparation des pouvoirs. Au fond, bien que ces deux hommes furent tous deux de fervents protagonistes de l'absolutisme, ils s'opposèrent aux niveaux de la fin et des moyens. Les préoccupations de Haugwitz demeurèrent toujours axées sur l'aspect économique alors que celles de Kaunitz se voulaient plus éminemment sociales.