APPROVAL

Name: Violeta Manojlovic

Degree: Master of Arts (History)


Examinining Committee:

Chair: Dr. J. I. Little

Dr. Richard K. Debo
Senior Supervisor
Professor of History

Dr. Martin Kitchen
Professor of History

Dr. Lenard Cohen
External Examiner
Professor of Political Science
Simon Fraser University

Date Approved: November 13, 1997
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Author:

(signature) ________________________________

(name) Violeta Mangjlovic

(date) December 11, 1997
ABSTRACT

The Bosnian Crisis of 1908 was a crucial turning point in European diplomacy that produced many of the conditions that contributed to World War I. Although this juncture has been examined extensively, the role of the smaller states, Serbia in particular, has not been studied as closely as that of the great powers. This is significant because Serbia was a major participant. Austria’s motives in annexing Bosnia-Herzegovina cannot be understood without assessing Vienna’s relations with Serbia. Consequently, the aim of this thesis is to respond to this shortcoming and analyze Serbian policy in depth.

The most common and misleading assumption made by historians when discussing the Serbian perspective is that nationalism was the determining factor of the government’s reaction to the annexation. According to this assumption, Serbia opposed Austria’s action because it thwarted its ambition of becoming the “Piedmont of the South Slavs” and of unifying all Serbian lands into a Greater Serbia. Though nationalism influenced the responses of many Serbians, it is my contention that the Serbian government’s primary concern was to protect Serbia’s political stability and territorial integrity. The annexation threatened both because it could have provoked a civil conflict in Serbia or even war with Austria, if that was what Vienna had in mind.

Throughout the crisis Serbian government policy was formulated by its foreign minister Milovan Milovanovich. Rather than intransigent rejection of annexation as demanded by the nationalists, this policy sought compensation in the form of additional
territory and economic concessions for Serbia. Although the government was unable to
win concessions from the great powers, it did succeed in stabilizing Serbian politics, and
Serbia survived the crisis. As a result, the Serbian government was able to deny
Aehrenthal’s claims that Vienna had achieved a total victory, and that Serbia had been
forced back into the role of a client state. In fact, the government considered that Serbia
was in a much stronger position internationally than it had been before the crisis because
of its newly formed friendships with Russia and Great Britain. These friendships had
been essential to the peaceful resolution of this crisis, but they would prove even more
useful in Serbia’s future conflicts with the Hapsburg Monarchy.

The conclusions presented in this thesis are the result of intensive research of
primary and secondary Serbian sources. I have used the collection of diplomatic
correspondence of the Serbian Foreign Ministry as well as the personal memos of the
Serbian Foreign Minister, Milovan Milovanovich. These documents, and the Minutes of
the Serbian National Assembly, are located in the Serbian National Archives (Arhiv
Srbije) and the Serbian Academy of Arts and Sciences (Akademija Nauka i Umetnosti).
In addition, Serbian newspapers proved to be another vital source of information; they
were found in the Belgrade City Library and in the Serbian Academy of Arts and
Sciences. And, finally, I utilized a great number of Serbian monographs and articles to
supplement, and provide a point of comparison to my findings in the primary sources.
Мислећи на вас, Мами и Тати
ваша ћерка Виолета.
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This thesis would have been impossible without the assistance of many individuals from many different locales. From Simon Fraser I would first like to thank Professor Edward Ingram for encouraging me to enter Graduate School and for his help in defining my topic. Next I would like to acknowledge Professor Richard Debo who assumed more responsibility on my committee when asked, and who without complaint took on the task of reading those very long first drafts of the thesis. Without his assistance, I could not have finished. As well I would like to thank Professor Martin Kitchen for his many assurances, and Mary Anne Pope, the Graduate secretary, for guiding me through the final steps of the thesis. From Belgrade I would like to thank Professor Milan St. Protich from the Institute of Balkan Studies for his special insights, and Professor Dragoljub Zivojinovic at the University of Belgrade for improving my basic knowledge of Serbian History. But above all, I must express my appreciation of Professor Mihaljo Vojvodic who went out of his way to help me find sources, and personally handled all of the details necessary for me to work in the National Archives.

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Introduction

Serbian Foreign Policy in the Bosnian Crisis of 1908

The subject of this thesis is Serbia’s role in the Bosnian Crisis of 1908. The Bosnian Crisis began on October 6, 1908, with Austria-Hungary’s announcement that it intended formally to annex the two Ottoman provinces of Bosnia and Herzegovina, provinces that had been occupied and administered by the Dual Monarchy since 1878. With the notable exception of Germany, international reaction to the Austrian action was negative. Significantly, the great powers: England, France, Italy and Russia, did not dispute Austria’s right to acquire the two provinces, rather they disapproved of the means by which Austria carried out the annexation. Vienna altered the terms of the Treaty of Berlin unilaterally, without having first obtained the consent of the other signatories. Yet, however irritated the great powers were with Aehrenthal’s behaviour, it paled in comparison to the hostility expressed by Serbia, which was so great that the powers feared that without their mediation war could have erupted between the two parties.

Serbia’s hostility to the annexation was caused by two factors. Firstly, Serbian nationalists believed that Greater Serbia could not be achieved without Bosnia and Herzegovina. Jovan Cvijic, a renowned Serbian anthropologist underlined their importance in the following:

From the forgoing it is plain that Bosnia and Herzegovina, by the worth of the nation, by their central position in the ethnographical mass of the Serbo-Croat race, by the advantageous mixture of Orthodox and Catholics, hold the key of the Serb Problem. Without them there can be no Great Serb state.
While nationalism greatly influenced the response of the public to the Austrian act, it was not the primary determinant of Serbian foreign policy mainly because it was recognized that Greater Serbia had never been a feasible objective even prior to the annexations. Instead, official Serbia’s hostility was due to a second motive; fear that Austria-Hungary was about to attack Serbia proper. Belgrade was only too aware of the fact that Austria was furious about the Serbian government’s recent success in asserting its independence vis à vis Vienna, but what was not known was how far would Austria go to bring Serbia back into line. Was the annexation of Bosnia the prelude to the Austrian invasion of Serbia? In addition, the government was also worried about what repercussions the annexation would have on Serbia’s unstable domestic politics. Public outrage would most likely cause the fall of the Velimirovich cabinet, but an even greater concern, was that this discontent, if harnessed by dissatisfied nationalist elements within the military, could quite possibly lead to civil war.

The Serbian government was clearly in a very precarious position during the annexation crisis. Serbia’s continued existence and integrity depended upon its leadership articulating a policy that would successfully contain not only the “real” threats from outside of Serbia but also the “potential” threats from within Serbia. This already difficult task was complicated by the fact that the Serbian leadership was divided as how to proceed. The Foreign Minister, Milovan Milovanovich, argued that Serbian vital interests would be best served by accepting the fait accompli, and by focusing its attention on gaining the Sanjak of Novi Pazar as compensation whereas the President of the Serbian Radical Party, Nikola Pashich, refused to consider recognizing the Dual Monarchy’s action and asserted that if
Serbia could not convince the great powers to arrange a conference at which the annexation would be nullified, then Serbia had no option but to prepare for war and attempt to liberate Bosnia on its own. This intra-elite debate was in one sense meaningless because the Foreign Minister had the power to determine foreign policy, but in another sense it was significant because it further contributed to Serbia's domestic instability.

Despite considerable effort made on Milovanovich's part, the diplomatic environment was not conducive to success. While the great powers were dismayed with Austria-Hungary's heavy handed diplomacy, no one, including Russia, was prepared to use force to pressure Vienna either to grant Serbia territorial compensations or to attend a great power congress. Milovanovich had hoped to achieve his aims without it coming to that, but once St. Petersburg had capitulated, he realized that Serbia was diplomatically isolated and incapable of maintaining further resistance to Austria. Therefore, on March 31, 1909, Serbia recognized the annexation, promised Austria to suppress all anti-Hapsburg and Pan-Serbian propaganda, and agreed to disband Narodna Odbrana (National Defense) and other Serb militia groups.

Although Milovanovich did not achieve his publicly stated objective of obtaining territory, his diplomacy was successful in other areas. It was significant that he obtained even "limited" great power assistance for Serbia's cause. Due to the influence of pan-slavism, it was perhaps not so unexpected that Russia supported Serbia's and Montenegro's demand for compensation, but he also improved relations with Britain so much so that Sir Edward Grey refused to consent to the annexation while the Serbo-Austrian conflict was still
unresolved. These newly formed friendships perhaps had not proved that productive with regards to the present crisis, but the Foreign Minister knew they would in the future. In addition, Milovanovich’s policy deserves credit for having guided Serbia through the crisis without provoking war with Austria or civil war because there were moments when either of the two scenarios appeared to be all too possible.

In short, although the Bosnian crisis appeared to give Vienna and the Dual Alliance a complete diplomatic victory over the entente powers and Serbia, the small state, in fact, emerged from the crisis in a stronger diplomatic position than before. Its connections with Britain and in particular with Russia, allowed Serbia not only to ignore its promise to Austria to disband Narodna Odbrana, but also to open secret talks with Bulgaria regarding the possibility of forming the second Balkan League.

Serbia and the Bosnian Crisis in Historiography

The Bosnian Crisis marked a crucial turning point in European diplomacy. Briefly, many of the underlying factors that contributed to the Great War were either directly produced by the Bosnian Crisis such as Russo-Serbo cooperation, or further reinforced such as Austro-Russian hostility and suspicion of German expansionism, and it is due to this fact that there is proliferation of texts currently available that discuss and analyze the Bosnian Crisis, ranging from those which were written immediately after 1918 to the present.
The most common characteristic of the literature, and its basic weakness as well is that it has the tendency to focus on the role of the great powers at the expense of the smaller states who were also involved in the crisis like Bulgaria, Montenegro and Serbia. Granted, this does not mean that the literature has totally ignored discussing their views, but it certainly paid them less attention, and in comparison it is far less easy to answer the basic questions of how they behaved either before, during and after the annexation crisis. The reason why this needs to be addressed is that without doing so our understanding of the total picture will not be complete, especially with regards to Serbia, who was one of the crucial actors in the crisis. After all, Austria-Hungary’s decision to annex Bosnia-Herzegovina only makes sense in the context of the dynamic of Austro-Serbian relations. Austria’s foreign minister, Aehrenthal, himself acknowledged that one of the main motives for the annexation of Bosnia was to show the Belgrade Government that its irredentist pretensions would not be tolerated, and that Vienna would not allow Greater Serbia to be created.5

Serbian historiography, as expected, does focus on examining the Serbian role in the crisis, and therefore is of much more use for this thesis. But it as well has some drawbacks, and interestingly they are some of the same ones shared by its English language counterparts. To explain, while there are countless English language reference works in which the Bosnian crisis is summarized in a few pages or in a chapter as part of a discussion of the broader question of the origins of the Great War, there is only one monograph, Bernadotte Schmitt’s, The Annexation of Bosnia, written in 1937, solely concerned with the Bosnian Crisis. Likewise, the Serbian sources tend to analyze the Bosnian Crisis in relation to the Balkan
Wars, World War I and in particular to the formation of the first Yugoslavia. In fact, there is not even one monograph in Serbian devoted exclusively to the Bosnian Crisis. The explanation usually offered for this peculiarity is that Serbian scholars simply were not interested in thoroughly researching what they perceived to be a Serbian foreign policy failure. Thus, insofar as Serbian sources themselves are more detailed than the English language texts, even they have many gaps and have not answered every question that needs to be answered.

The classic English Language account of the Bosnian Crisis is Bernadotte Schmitt’s *The Annexation of Bosnia*. Schmitt’s work is principally concerned with determining how was the annexation crisis ultimately resolved given both the clumsy and confrontational diplomacy of the two Foreign Ministers responsible for the crisis, Aehrenthal of Austria and Izvolsky of Russia, and the provocative sabre rattling of Serbia. What he concludes is that war was averted due to the combination of two factors: 1) the strength of the Austro-German Dual Alliance and 2) the excellence of British diplomacy. The first factor, he argues, played a partial role in maintaining the peace, because the Dual Alliance by providing Austria with the unconditional support of the most powerful state on the continent gave Austria the necessary leverage to force Russia and Serbia to abandon their demands both for the great power conference and for territorial and economic compensations. In other words, Russia and Serbia capitulated, and ruled out war with Austria because of the fear that war with Austria would also mean war with Germany, and hence certain defeat. The second factor, British diplomacy, was however, even more important in Schmitt’s opinion,
in containing the crisis as it was directly responsible for resolving the Austro-Serbian dispute, which was considered the most dangerous of the disputes in the Bosnian Crisis.

Why British diplomacy was so crucial he explains was that it deterred both Serbia’s and Austria-Hungary’s governments from extremism. When Serbia’s Foreign Minister, Milovan Milovanovich, visited London at the beginning of the annexation crisis, Foreign Secretary Grey warned him that England would withdraw its diplomatic support of Serbia and leave the small state isolated if its government pursued a policy that provoked a military conflict with Austria-Hungary. With regards to Austria-Hungary, Grey informed Austria that not only would Britain refuse to recognize the annexation as long as the Austro-Serbian question remained unsettled, but also that Great Britain would withhold its approval of the fait accompli indefinitely if Austria invaded Serbia. Although the threat to withhold recognition was not a very powerful deterrent, it did send Austria-Hungary the message that there would be negative consequences to aggression. Moreover, that one gesture demonstrated that Great Britain was more involved in the negotiations than even Russia, Serbia’s self proclaimed advisor; after all, Russia officially recognized the Annexation of Bosnia on the 22 of March 1909 while the Austro-Serbian question was still open.

The Annexation of Bosnia as is typical of the English language historiography is great power centred and depicts the crisis as a struggle between the great powers and the two great power partnerships, the Dual Alliance and the Triple Entente. While Schmitt considers that Serbia played a crucial role in the Bosnian crisis, as Austria-Hungary’s adversary, his discussion of the Serbian perspective is otherwise superficial and incomplete. This point can
be illustrated by his discussion of Belgrade’s official policy. In his text, he asserted repeatedly that the aim of Serbian diplomacy was to persuade Russia and Britain to force the Dual Monarchy into conceding territorial compensations to them, (preferably territory from the north of the Sanjak of Novi Pazar as it would give Serbia and Montenegro a common frontier.)

The problem with this assessment is that he presumed that there was only one option considered for official policy. Granted, the Foreign Minister, Milovan Milovanovich and his circle pushed for compensation, but since compensation required the recognition of the annexation, the more nationalist factions within the Serbian government, parliament and military, advocated other courses of action, including the demand for Bosnia’s autonomy, or war against Austria-Hungary. This is a significant omission by him because there were well known occasions during the crisis when it appeared that Milovanovich had abandoned his original policy and had made concessions to his rivals.

A much more detailed account of Serbia’s involvement in the Bosnian Crisis is provided by Albertini’s *The Origins of the War of 1914*, arguably because he had access to sources unavailable to Schmitt. In particular, he uses Momcilo Nincic’s *La Crise Bosnie*, which was published in 1937, the same year as Schmitt’s text. He utilized this text so extensively as the source for Serbia’s policy in part because it was virtually the only western text written at the time that had examined the Serbian perspective, but also due to the fact that Nincic’s examination was considered more thorough and credible than others given his status as a prominent Serbian Radical Politician. This meant that Nincic was more inclined to be interested in discussing what was Serbia’s role in the crisis than other historians, and that he
would, as an insider, have the advantage of better understanding the crucial issues and personalities in Serbian politics. Finally, as Foreign Minister he was assured of far easier access to Serbian documents than western historians.\textsuperscript{13}

The most significant improvement and difference between Albertini's and Schmitt's works is that Albertini, unlike Schmitt, appreciated the complexity of Serbian politics and its relation to foreign policy. He recognized that the Serbian government and parliament, from the onset of the crisis were divided into two rival camps, led by Milovanovich and Pashich, each advocating that their own option become the basis of Serbian foreign policy and the official response to the annexation.\textsuperscript{14} He further added that although the Milovanovich circle prevailed and succeeded in having its views adopted as the official policy, the rivalry between the two groups continued for the duration of the crisis, and Pashich circle did not stop trying to generate Russian support for its demand that Bosnia must be autonomous.\textsuperscript{15}

The only area in which Albertini's discussion of Serbia's role in the crisis falls somewhat short is in detail. While he summarized the major events, he did not explore them deeply or omitted some important questions altogether. For instance, Albertini does not explain how the Milovanovich faction prevailed especially since their rivals had strong public support. It is important to know how this happened as it is doubtful that the pragmatists won their victory without some conflict. However, this omission does not detract from the overall quality of Albertini's work. It would have been impossible for him to discuss every facet of the Bosnian Crisis when his monograph was concerned with the broader question of the origins of the great war.
Schmitt and Albertini’s works are among the few English language texts that examined the Bosnian crisis from the perspective of all of the great powers. Usually historians analyze the Bosnian Crisis from the point of view of one particular great power, and logically these types of works were less important to my research since they devoted even less attention to Serbia than Schmitt and Albertini. Nonetheless, one work written by Barbara Jelavich, Russia’s Balkan Entanglements, should be mentioned as it provides an excellent overview of Russia’s near eastern policy from 1804-1914, and describes Russia’s sometimes friendly and turbulent relationships with the successor Balkan states, including Serbia.

Jelavich like Albertini, saw the Bosnian Crisis as a turning point contributing to the origins of the war. It is her thesis that Russia’s refusal to abandon Serbia during the evolution and intensification of the July Crisis of 1914 can only be understood in reference to the events which occurred six years earlier during the Bosnian Crisis. She argues that due to the diplomatic defeat Russia had experienced in 1909, the autocracy feared that if it did not support Serbia, and stand up to the Dual Alliance, its status as a Great Power and its very existence would be in danger of being destroyed.

Serbian literature naturally focuses on Serbia’s role in the crisis. One of the best summaries of Serbian policy is found in Dimitrije Popovich’s, The Struggle for National Unification, which was written in 1938. Although Popovich’s work, as indicated by the title, is primarily concerned with explaining the events which led to the formation of the first Yugoslavia in 1918, it fills in many of the gaps and answers questions with regards to motive
and diplomacy not answered or even considered by English language sources. He argues that two factors influenced Serbia's negative reaction to the annexation of Bosnia; nationalism and parochialism. On the one hand, Serbian nationalists among the public, press, military and parliament were extremely disappointed by the official loss of Bosnia-Herzegovina as it meant that the goal of Serbian unity had become even more unlikely. Milovanovich, during his visit to Great Britain at the beginning of the crisis, voiced this sentiment to Charles Harding, Foreign Affairs Undersecretary, saying that the Austrians, "with the annexation of Bosnia have succeeding in destroying all the hopes of the Serbian people." Although he sees nationalism as a powerful influence, he also believes the Serbian government's response to the annexation was dictated by parochialism.

According to Popovich, before the crisis the Serbian government was acutely concerned about its geopolitical position in the Balkans and its related ability to defend itself. He described the situation thus; "all of her neighbours were either unreliable allies" as in the case of Bulgaria, Romania and even Montenegro, or "reliable enemies" as were Austria-Hungary and the Ottoman Empire. Austria's annexation of Bosnia intensified the government's concerns because it was just not known whether the annexation foreshadowed something much worse like an Austrian invasion of Serbia. As the Serbian government viewed the Austrian annexation as a threat to its existence, it decided that the primary aim of its foreign policy had to be the protection of Serbia proper. Popovich is careful to point out that this did not mean that Serbia was unconcerned about its co-nationals in Bosnia, (as Milovanovich's quote illustrates), but instead that the Foreign Minister decided to save what
was still salvageable, namely Serbia itself. Austrian occupation of Bosnia in 1878 placed it out of Serbia’s reach then; the annexation was just another reminder of that fact.

After considering options, Milovanovich decided that Serbian interests would be best protected by a policy that focused on acquiring territorial and economic compensation from Austria, in exchange for official Serbian approval of the annexation, and on improving relations with the other great powers. Territorial compensation would help guarantee Serbian security as it would limit the number of fronts from which Austria could attack Serbia. Another benefit to having common frontier with Montenegro, which would be the case if Serbia received territory from that region, is that would increase the capacity of both states to defend themselves, and also foreshadow their future unification. With regards to the second aspect of his policy, Milovanovich believed that building good relations with other great powers, most notably Russia and Great Britain, was crucial because support would help Serbia attain compensations and as well it might deter any potential Austrian aggression.

Interestingly, Milovanovich’s policy has sparked a huge debate in Serbian historiography as to whether it was the morally appropriate response to the annexation. Among those historians who defend his choices are Popovich and his contemporary, Ilija Prizich, who wrote *Serbia's Foreign Policy: from 1804-1914.*

Prizich, like Popovich, argues that Milovanovich’s policy of compensation was the best option given Serbia’s domestic and international status at the beginning of the crisis. In his view, it would have been pointless and irresponsible for Serbia to declare war against Austria-Hungary in an attempt to liberate Bosnia because firstly it was obvious that the
Serbian military was incapable winning and secondly because it would not have the
diplomatic support of any of the great powers if it did so. For Prizich this second point was
not a matter of debate but fact. 25 Throughout the crisis, Milovanovich was told both directly
and indirectly by his great power colleagues that they accepted that Bosnia was a part of the
Austrian Empire. They did not disapprove of the annexation as much as they did of the
methods employed by Austria-Hungary to carry it out. In addition, these same powers did
not even consider that Serbia was entitled to claim it was affected by the Bosnian question
since it was not one of the signatories of the Treaty of Berlin. In this environment, if it was
difficult for Milovanovich to even get an audience to listen to his concerns about Bosnia, it
was absurd to think he or any one could have compelled the Powers, and in particular gun-
shy Russia, to go to war against Austria-Hungary. 26 Thus, Prizich concludes if Milovanovich
had pursued an aggressive policy it most likely would have ended in Serbia being defeated or
maybe even occupied by Vienna.

A representative example of the other side of the debate is provided by Dimitrije
Djordjevic's biography of the Serbian Foreign Minister, Milovan Milovanovic, which was
written in 1962. 27 Like the others, Djordjevic acknowledges that the diplomatic
environment was not conducive for a Serbian success, but where he differs is in how he
believes Milovanovich should have responded to the situation. In short, he maintains that it
would have been better for Milovanovich to have adopted a more nationalist inspired policy
such as the one advocated by Pashich, and focused on demanding Bosnian autonomy,
because at least that course of action would have preserved his credibility in the parliament
and with the public. But instead, his policy of compensation had not only failed to produce the desired results: i.e. Serbia was not rewarded by either economic or territorial compensations, but he had also compromised Serbia’s dignity.

There are two weaknesses two Djordjevic’s argument. Firstly, it is not fair to blame the Foreign Minister for having failed to win compensations for Serbia because that was beyond his control once Russia had taken back its support, and secondly the option he identifies that he could have considered as an alternative was just not realistic. By the last stage of the crisis Milovanovich was threatened by Austria-Hungary that Serbia would be invaded if its government withheld recognition of the annexation, so how in all conscience could he have done so? Moreover, the other source of pressure to recognize the annexation originated from the Russian Foreign Minister who warned him that Serbia would be blamed for any war, and would be denied Russian support if its government defied Austria-Hungary’s request.

Consequently, though he is correct to assert that Milovanovich’s policy of compensation did not owe any thing to pan-Serbian nationalism, it is inappropriate for Djordjevich to describe that as a flaw. The Foreign Minister’s policy of compensation did not provoke a war that Serbia was incapable of fighting, and furthermore, that very policy must be judged as being superior to any approach that might have. If Serbia were to be annexed by Austria-Hungary as the result of an Austria-Serbian war, how would that have furthered the Serbian nationalist cause? By his actions it is apparent that Milovanovich knew that it would not, and it is probable that so did his adversary Pashich. After all, one of the
most curious events of the whole crisis is that Pashich, even though he apparently disagreed with Milovanovich’s official policy, never used his influence to remove Milovanovich from office during the crisis, which he very easily could have done.

The discussion of how Serbian historians have viewed Milovanovich’s policy takes us directly to another point that should be raised regarding the Serbian sources. Though, as stated earlier, Serbian literature does provide a more informative account of Serbia’s role in the Bosnian crisis, it unfortunately as a rule tends to be overly partisan.

Using the example above, from the beginning Serbian historians make it clear where their allegiances lie and whether they are supporters of the Milovanovich or Pashich approach. The limitation of this type of scholarship is that Serbian scholars overly praise one position, and then condemn the other. The result of which is neither position is scrutinized sufficiently. One of the best example of this can be found in Popovich’s work. Popovich, throughout his text, frequently asserts that Milovanovich was “right” and “on the right track” in terms of the foreign policy he selected for Serbia whereas Pashich was just “wrong”. Pashich’s policy was wrong, he explains, because it was both too confrontational, and that it presumed that Russia could be forced to assist Serbia in that war, even when Izvolsky warned Pashich that this would not happen. The drawback of Popovich’s description is that once he explains why Pashich was “wrong”, he fails to examine his policy in depth. He does not for instance consider the possibility that Pashich did not really intend to go to war with Austria, but rather threatened to do so in order to provide Serbia with some bargaining leverage. Moreover, he does not ask why Pashich did
not dismiss Milovanovich if he disagreed with his policy so passionately? The fact that Pashich did not suggests that perhaps the two men agreed as to how the Serbian government needed to respond during the crisis. This idea might have been so disturbing to Popovich that he could not even contemplate it!

This tendency of Serbian literature is not entirely a weakness. After all, it guarantees that the reader will be entertained. As well the other notable benefit of this tendency to be judgmental is that it sparks debate, and provides an opportunity to accept, modify or even reject these historians' premises, which is most important for the simple reason that it shows that there is ample justification for further research on this topic.

A Reconsideration of Serbia and the Bosnian Crisis

The aim of this thesis is to respond to the deficiencies of the existing English language historiography, and through the extensive use of Serbian primary and secondary sources, to clarify Serbia’s role in the Bosnian crisis. It is my intention that the discussion of Serbia’s perspective not only be more factual and detailed than that offered by other historians but I also wish to reconsider the following basic questions: Why did the Serbian government oppose the annexation? How was Serbia’s official response to the annexation formulated? What were the objectives of Serbian foreign policy? Was it successful? What were the repercussions of the annexation crisis for Serbia?
The answers given will place less emphasis on Serbian nationalism as motivating the Serbian government to the annexation of Bosnia. Instead, it will be argued that the Serbian government’s actions preceding, during, and following the crisis, were primarily determined by its concern for the protection of the integrity and stability of Serbia proper. In short, Serbian politicians were first and foremost statesmen committed to creating a strong Serbia and to assuring the continued dominance of their leadership vis à vis other groups competing for power such as the military and the monarchy. In this light, the annexation of Bosnia was alarming to the Serbian government because it posed two major threats, to Serbia’s vital interests: the first was invasion by Austria-Hungary, and the second was civil war, triggered by public outrage over the loss of the Serbian territories.

Consequently, the task that faced the Serbian government during the Bosnian crisis, and in particular the Foreign Minister, was to articulate a strategy that would successfully contain both threats to Serbia’s security. This was complicated because the policy formulated on the one hand had to prove to the Serbian public that its government was doing the most to protest against the Austrian action, which would help preserve domestic order, but on the other hand did not supply Austria-Hungary with any cause to invade Serbia.\(^{30}\)

In his opinion, the best solution to this problem was the policy of compensation. He was reasonably confident that demanding compensation for Serbia would not provoke a military response from Vienna because he had been able to secure Russian diplomatic support for his policy when he met Izvolsky in Carlsbad in September of 1908. Furthermore, he hoped to appease public opinion by showing how Serbia would benefit from territorial and
economic compensation. He argued that territory from the Sanjak/Bosnian border would improve Serbia's capacity to defend itself against Austria, as well as provide Serbia and Montenegro with a common border, thus giving Serbia better access to a sea port and international markets.

Although Milovanovich's policy had little support among politicians or the press, he retained his position as Foreign Minister for the duration of the crisis even when Serbia's minority government fell and was replaced in February 1909 by a new coalition. If his rivals, in particular Nikola Pashich, the leader of the Serbian Radical Party, despised his concessionist diplomacy why did they not remove him from office? After all, Pashich was perfectly able to do so. The reason Pashich did not was that he was just as concerned with preserving Serbia's stability as was Milovanovich. This view happens to contradict the standard argument that Pashich and Milovanovich were diametrically opposed to one another. Pashich's actions, or lack of them, illustrate that he must have realized that if he forced Milovanovich to either change his approach or resign, not only would it have encouraged Austria's hawks and increased the likelihood of war but it also would have contributed to domestic unrest.

This paper will also offer a different interpretation of the results of Milovanovich's policy. His policy has been usually assessed as having failed because he was forced to capitulate and recognize the annexation of Bosnia without having obtained any of the compensations for which he asked. In one sense, however, Milovanovich's policy must be seen as successful because Serbia survived the crisis and escaped without war. This was no
small achievement as Serbian security had been endangered by the potential threat of internal and external conflict. Furthermore, credit needs to be given to Milovanovich for having established important contacts with Russia primarily and secondly with Britain while he was attempting to generate support for his policy. Arguably, these contacts not only helped to deter Austrian aggression, but they also would prove invaluable for Serbian foreign policy in the near future.

In conclusion, this paper presents a new approach to discussing Serbia’s involvement in the Bosnian Crisis. It will be argued that the primary concern of the Serbian government during the crisis was the protection of Serbia proper. The consequence of this view of Serbia’s priorities, is that the standards for judging the official policy change. Of interest is not only whether Serbia was compensated, which was the apparent objective of Milovanovich’s policy, but also to determine if the government managed to contain the threats to Serbia’s integrity and independence. As has been previously stated, the second part was realized even though the first was not, which leads me to ask the question whether compensation was ever the “actual” aim of Milovanovich’s diplomacy during the crisis. In other words, did he really believe that the Great Powers would compel Austria to agree to Serbia’s demands? The following chapters will be organized in a manner that enables me to consider this question properly and all of the others that have been raised.
Chapter One

Instability and Crisis: Serbia’s Domestic and Foreign Policy from 1903-1908

The brutal assassination of the King and Queen of Serbia, Alexander and Draga Obrenovich, in the middle of the night of June 12, 1903, marked a crucial turning point in the history of the modern Serbian state. As a result of the coup d’etat, Serbia’s political system was transformed in a matter of days from a repressive autocracy into a democratic constitutional monarchy. The new king, Petar Karadjordjevich, in the telegram he sent from Geneva on June 16, 1903, swore “to defend and protect national and individual liberty, the constitution, the law and the rights of the Serbian people and parliament.”

Although Serbia had become a parliamentary democracy, bitter and debilitating political conflict continued. From the first day of the democratic period, the nation’s domestic stability was undermined by ongoing power struggles between the government and military, between the government and the Court, between the government and parliament, between the political parties vying for control of the parliament, and even by the power struggles between factions of individual political parties. Similarly, Serbia’s foreign policy and international relations were plagued by crisis after crisis. The country’s relations with the great powers, ranged from bad to worse, and those with its Balkan neighbours also left a great deal to be desired.

The challenge of having to continuously deal with both internal and external strife made it extremely difficult for any Serbian government to function normally. Moreover, it is within this context that the government had to deal with the problems arising from the
annexation of Bosnia. One of the main reasons why the Serbian government was so concerned about the impact the annexation of Bosnia would have on Serbia’s stability was that Serbia had already been shaken by earlier crises. The Bosnian crisis, in other words, did not create new problems but exacerbated existing ones; i.e. the precarious position of the civilian government and Serbia’s relations with Austria. To be sure, this most recent crisis was more serious than the others, but the fact that it had been preceded reinforced the government’s fears.

The Serbian Radical Party, *Srpska Radikalna Stranka*

The Serbian Radical party was not directly involved in the coup d’état of 1903, but it was one of the groups that benefited the most from the overthrow of the Obrenovich dynasty. As the most popular political party within Serbia by far, it has been estimated that by 1903 as much as 80% of Serbia’s population either supported or belonged to the Serbian Radicals, the transformation of Serbia into a parliamentary democracy meant that the Radicals would dominate the parliament, and that they would continually form the government and run Serbia.³²

The Radical Party was formally founded in 1880 by Pera Todorovich and Nikola Pashich.³³ From the beginning, it was the vehicle of expression for both Serbia’s democratic and nationalist movements. Led by young, affluent, western educated, and ambitious Serbian intellectuals, the party sought to modernize the Serbian state through political action.³⁴ The Radicals demanded that Serbia’s political system be transformed into a parliamentary
democracy, and that democratic reforms such as universal suffrage and freedom of the press be guaranteed. Next, the Radicals argued that the aim of Serbia's foreign policy must be to unite all of Serbian territories in a Greater Serbia. In 1894, Milovan Milovanovich, in a paper outlined the party's views, "Serbia cannot simply abandon the interests of Serbdom. From the Serbian standpoint, there is no difference between the Serbian State interests and the interests of other Serbs...Cut off from other Serbian lands, Serbia by itself means nothing and has no reason to exist at all." 35

After the Radical Party won the national elections that were held on 21 September 1903 in a landslide, (they took 141 of the 160 seats), its leadership finally had the opportunity it had been waiting for to realize all aspects of its party program. 36 Perhaps the most important plank of the platform had been fulfilled by the Skupshtina's ratification of the 1888 Constitution on June 17, which ensured universal suffrage and bestowed the parliament with full legislative authority. 37 However, there were other issues related to domestic development such as need to industrialize, and the whole question of foreign policy that had not yet been addressed. The debate that ensued regarding where and when to deal with these issues would divide the Radical party into three separate factions; 1) the Independents, 2) the Court Radicals and 3) the Pashich Group.

The Independent Radicals, the left wing of the Radical Party, were first organized in 1901, under the leadership of Ljuba Zivkovich and Ljuba Stojanovich, (the latter would become the editor of the faction's newspaper Odjek, The Echo,) to protest the party leadership's opportunistic acceptance of King Alexander's quasi-democratic constitution. The Independents were the self appointed conscience of the Radical Party, the "True
Radicals”, and were committed to realizing all of the goals articulated in the original Radical Party Platform of 1881. Thus, when the Radicals came to power in 1903 the Independents stressed that the government must focus on foreign policy along with domestic policy. In particular, they advocated that the Serbian government immediately sever ties with Austria-Hungary, and prepare a plan for the creation of Greater Serbia.

At the other end of the spectrum were the Court Radicals. The most prominent representative of this faction was Milovan Milovanovich, who was the party’s most renowned scholar. Schooled in Paris, he was a lawyer, a professor and author, and had written both the 1888 constitution and the controversial 1901 constitution. George Clemenceau said of him sometime during the aftermath of the Bosnian Crisis, “I do not know of any other European statesman of his calibre”. Whether or not Clemenceau’s praise was sincere, it helps to understand the way in which Milovanovich perceived himself; he proclaimed himself to be both a Serbian patriot and a European politician.

Milovanovich’s long-term political aim was to elevate Serbia to the standards of western European states. Creating Greater Serbia was less important than creating a strong and modern Serbia proper. Milovanovich also differed from the other Radicals in that he was willing to put aside his personal or ideological preferences and cooperate with any individual, group or even state, including the Dual Monarchy, in order to achieve his long term political objectives. This was why he was prepared to serve in King Alexander’s government. However, insofar as Milovanovich was in favour of reform, he was by nature very cautious, and thought it should be introduced gradually. In his view, overly ambitious plans to develop the Serbian economy would only saddle the country with debt, and in
contrast to the Independents he was strongly opposed to any action that would alienate Austria and provoke a conflict for which Serbia was not prepared.

The third faction and most influential faction of the Radical Party was the Pashich Group. It was led by the party’s president Nikola Pashich, and by his two loyal partners Stojan Protich and Lazar Pachu. This faction was more prudent than the Independents but more aggressive than the Court Radicals. Pashich intended to implement both aspects of the Radical Party Program, but gave priority to domestic policy. It would be foolish to embark on an expansionist foreign policy before democracy and the position of the Radicals were even secure in Serbia. Since it was the largest faction, the Pashich group was usually able to determine how the government would be run, but sometimes in questions of foreign policy they had to yield to Milovanovich whose ability as a diplomat was highly regarded.

Serbia’s Domestic Politics: 1903-1908

Very early into its role as a democratic state, there were indications that Serbia’s domestic situation would continue to be as unstable as it had been during the Obrenovich regime. And ironically, the first sign of trouble came from within the Serbian military, which had been one of the forces responsible for the June coup d’etat.

At the beginning of August 1903, military officers from the garrison in Nish, Serbia’s second largest city, began to organize a protest, under the direction of a young Captain, Milan Novakovich, who had been in Paris at the time of the coup. While acknowledging that the King had governed poorly, the Novakovich group declared the conspirators had gone too far
by betraying their oath of loyalty to the King. They demanded in a petition, signed by 68 officers, that all those that had participated in the conspiracy be discharged from service, “either they take off their tunics, or we take off ours.”

The government in Belgrade was understandably alarmed by this development because it owed its position to the conspirators. Hence Dragutin Dimitrijevich (Apis), one of the conspirator officers, was elected to go to Nish to contain the situation before it could turn into a counter-revolution. There he arrested 27 of the officers who had signed the petition. They were quickly convicted by the Nish court, and received sentences ranging from 4 months to 2 years, and Novakovich, as the instigator, was sentenced to the full two years.

From prison Novakovich continued to protest, but neither the government nor the King ever officially responded to his criticisms even though many Serbian politicians agreed with his views. They realized that great powers’ concerns about the conspirators possessing so much influence in Serbian politics would have a detrimental impact for Serbia’s foreign relations. Konstantin Dumba, Austria-Hungary’s envoy to Belgrade furiously berated Pashich when he had heard that certain military officers had convinced King Petar to hold a Royal Ball for the evening of June 12, 1904, the anniversary of the coup; “this festivity, if it takes place would be a party thrown by cannibal’s.” In addition, with regards to domestic politics, the government recognized that its authority, and parliamentary democracy in Serbia would be vulnerable as long as the military considered it was entitled to special privileges for having carried out the coup. Complicating the matter was that since the military enjoyed the King’s support, the government had to figure out how to isolate the conspirators and re-establish control over the military without insulting the monarch in the process. The problem
was finally solved in 1906 when 6 of the most notorious of the conspirators agreed to be retired from the army.47

The other hindrance to Serbia’s domestic stability was the struggle waged in the Serbian parliament over the question of who would form the government. Superficially, this seemed odd because in the election of September 21, 1903, the Radical Party won 141 of the 160 seats. In normal circumstances this would have provided the Radicals with a mandate to form the government, but it did not in this instance due to the fractures within the party. Consequently, a better way to break down the September election results is this; the Pashich/Court Radical faction won 76 seats whereas their rivals, the Independents, won 65 seats. The Pashich group had more seats but it was not enough to form a majority government on their own, and obviously neither could the Independents, so for there to be a Radical Government at all, the two factions would have to cooperate.

The Radicals were willing to work out a solution with the Independents, but the Independent leadership recognized that they could exact a high price for their cooperation and they did. They eventually decided that they would support the main faction of the party only on the condition that Nikola Pashich, the Radical President, promised not to enter the government.48 This was obviously an extreme demand for the Independents to issue, but it was not unexpected. Though Pashich was extremely popular with the Serbian public at large, he was despised by the young nationalists in the party who accused him of being an opportunist who had willfully betrayed Radical ideology in order to advance his career. There were of course many other Radicals that were far more pragmatic or “opportunistic” than Pashich, but this point did not seem to matter to the Independents.
Pashich, backed in a corner, had no choice but to agree to the Independents' terms, and on October 4, 1903, the mixed Radical/Independent government, with Radical Sava Grujich named as Prime Minister, was formed. But not surprisingly, this cabinet, like the many that would follow, was doomed to a short life as it had been formed under duress, and more importantly because no progress had been made regarding the problem of Radical/Independent conflict. In this case, the cabinet became paralyzed in January of 1904 over a disagreement as to how it should respond to the fact that Austria-Hungary and Russia had forbidden their representatives from attending all diplomatic functions in Serbia as a means to protest the prominent role of the conspirators in domestic politics. After much discussion, it was decided to reshuffle the cabinet, and at this point Nikola Pashich, presumably thinking he had sacrificed enough for intra-party relations, entered the government as the Minister of Foreign Affairs.

Quite understandably, the Independents were furious and were of the opinion that they were no longer obliged to back the coalition. The Radicals, however, justified their actions by citing the fact that it resolved the immediate issue it was intending to address. Shortly thereafter Austria-Hungary and Russia re-established normal relations with Belgrade because both were confident that this new government would be better equipped to deal with the conspirator question. Moreover, they would not apologize for having helped Pashich become the Foreign Minister because they felt he was entitled to such a post.

This disagreement soon degenerated into a full blown quarrel, and put all other issues like domestic reform on the back burner. Instead, the mission of the Independents was to oust Pashich from power whereas the Radicals were committed to keeping him in office.
This power struggle continued for several months, but was finally won by the Pashich Radicals on November 27, when they formed a homogenous Radical government, with Pashich as the Prime Minister to replace the Grujich cabinet that had fallen due to a vote of non-confidence.\[44\]

This was the final straw for the Independents, and they left the Radicals to form their own separate party.\[55\] The schism was of crucial importance because henceforth the arguments between them became even more fierce, and damaging for Serbia’s political stability.

The Independents maintained that since their party had won almost as many seats as the Radicals, they deserved to be represented in the government. The Radicals, refusing to acknowledge that their demands were legitimate, preferred to try to govern without them even though they lacked the majority in parliament necessary to conduct any kind of business.

The Independents retaliated to having been frozen out of power by embarking on a campaign to cause the fall of the Pashich government. To this end they employed any tactic, even assuming the contrary position to issues they would have otherwise supported. What this meant of course was that they were willing to put aside their political beliefs whenever it was expedient, which was rather ironic because the Independents had always bitterly condemned the Radicals for such behaviour.

From his first day as Prime Minister, the focus of Pashich’s government was to diminish Austro-Hungarian influence in Serbia.\[56\] To do so, Pashich argued, Serbia must cultivate closer relations with other great powers, notably Russia, because it would allow
Serbia to counter Austria's political interference. Pashich believed the government should sponsor programs designed to modernize and diversify Serbia's economy as that would reduce the country's reliance on the Dual Monarchy's manufactured goods.

Modernizing Serbia's economy was of course going to be extremely expensive, so the government decided to seek a loan for 110 million Francs from the National Bank of France. The loan was intended to pay for a wide variety of weapons, (mainly guns and cannons), from the French firm Schneider-Creusot, and to fund the construction of badly needed railways within Serbia's interior. This was only the first step however.

The Serbian constitution required the government to obtain parliament's approval for such a loan. As the Radicals did not have a majority, they would need the support of all other parties as well, namely the Independents and Nationalists. Pashich anticipated that the Independents would use the opportunity to vote against him, as would the Nationalist party, the most conservative of the three parties, which favoured the continued purchase of weapons from the Austrian firm Skoda. Given these circumstances, he concluded the only recourse was for new elections, which would hopefully give the Radicals the necessary mandate to approve the loan.

When a new session of parliament failed three times to elect a Speaker, Pashich, on 22 May asked King Peter for permission to call new elections. Unfortunately, Pashich's gamble backfired because although the King agreed that the situation needed to be addressed, he wanted to put together a replacement government before he called for new elections. He repeatedly asked the Radicals to consider entering a Coalition Government with the
Independents, but they adamantly refused, stating that they preferred that the elections take place first. Frustrated by their obstinacy, King Petar did the unprecedented, and formed a homogenous Independent government; i.e. comprised only of Independent politicians, on May 29, 1905, which had Ljuba Stojanovich as the Prime Minister.

Once in power the Independents found it to be just as difficult to introduce their policies. Like the Radicals, the priority of this cabinet was to secure a loan to finance their projects. However, rather than deal with the French, the Independent Minister of Finance, Milan Markovich, negotiated a loan from Austria-Hungary, and the Union Bank of Vienna. If there had been any doubt that younger Independents become as adept practitioners of Realpolitik as the old guard Radicals, it was put to rest by this action, as the former group had always labeled themselves as committed Austrophobes!

Predictably, when they attempted to secure approval of the loan from the parliament, they failed because the Radicals voted against it. In response Stojanovich stepped down as Prime Minister on 13 March 1906, and Sava Grujich replaced him. It was hoped initially that the new cabinet would be better received by the parliament as Grujich had been a Radical. But this was soon shown not to be the case because not only was the Grujich government unable to deal with the loan question, but it also was confronted with a diplomatic crisis with Britain regarding the persistent problem of the conspirators, causing the cabinet to resign in April 1906.

To break the stalemate national elections were held on June 24, 1906. Although this tactic had been attempted without success on two previous occasions, this time it worked. The Radical Party won a majority of the seats in the Skupshtina; they won 91 seats and the
Independents won 47, which was sufficient to empower them to govern without the cooperation of any other party.68

This election marked a significant turning point and brought to a close three years of debilitating arguing which had crippled all attempts to implement reforms in Serbia. As a result, Serbia’s domestic politics became more stable. This did not mean that the strife between the two parties was eliminated altogether, but rather that it became somewhat less frequent and disruptive. To illustrate, despite being continuously criticized by the opposition, Pashich’s government had a lifespan of over two years, which was longer than any previous administration since the coup d’état. And finally, it is interesting to note that the timing of this improvement was most fortunate because it happened at the moment when Serbia’s international relations became more complicated and turbulent.

**Serbia’s International Relations from 1903-1908**

Although the Radical Party identified the creation of Greater Serbia as a major foreign policy aim, the party leadership recognized that since greater Serbia would require the dismantling of two multinational empires, there was very little chance that this would take place in the immediate future.69 Instead, it took as its immediate goal the assertion of political and economic independence from Austria-Hungary, which considered Serbia to be within its sphere of influence. To do this, Serbia would have to improve relations with Russia and Britain, because that would provide leverage to counter Austrian interference, and build stronger ties with her immediate neighbours.
When Pashich became Foreign Minister in January 1904, he went to work on both fronts. The first was not promising; Russia was preoccupied with the war with Japan, and Britain was even more distant as the Foreign Secretary, Sir Edward Grey, had severed formal diplomatic relations to protest the prominence of the conspirators in Serbia’s government and military. In the second area, however, Pashich made significant headway. During February of 1904, he agreed with Montenegro that both states would advocate the Murztek Reform Program for Macedonia, and would hold future talks regarding the possibility of forming a defensive alliance. But his real achievement came on 12 April 1904, when after months of discussions, Serbia and Bulgaria signed two treaties, one economic and another political. The economic treaty provided for the reduction and or elimination of tariffs between the two states, and in the political treaty, they pledged to form a common policy concerning Macedonia, in that they promised to respect the status quo and the sovereignty of the Ottoman Empire, and they also established a defensive alliance, agreeing to provide military assistance if the other were attacked.

In Pashich’s opinion, the military alliance with Bulgaria was especially valuable because he feared Vienna would use unrest in Macedonia as a pretext to send additional military forces to the region. This would leave Serbia surrounded by the Austria-Hungarian Empire on three sides, and provide a stepping stone for further expansion towards Salonika, and the Straits. He knew that Serbia on its own could not deter the Dual Monarchy from any of its policies, but a united front with Bulgaria just might.

The difficulty for the Radical leader was that during the time he negotiated the alliance with Bulgaria, he was also in the process of arranging a new economic treaty with
Austria, as the existing one was set to expire on March 1, 1906. Fearing that word of the Serbo-Bulgarian discussions would jeopardize the negotiations, Pashich asked Sofia to keep the alliance a secret until the new trade treaty was signed. Unfortunately, in December 1905 the Bulgarian government for unknown reasons presented both treaties to its parliament for ratification. As feared, Vienna was furious that Serbia had acted against the terms of the Convention of 1881, and demanded that Serbia renounce the treaties with Bulgaria as a condition of the renewal of the economic treaty with them. This heavy handed ultimatum placed the government in an extremely awkward position. On the one hand, the Independent Stojanovich cabinet, preferred to cut off all ties with Vienna in favour of Russia, but on the other they understood that Serbia’s economy was dependent on the Austrian market. In 1905 Austria-Hungary accounted for over 90% of all Serbian exports and 60% of her imports. Besides which, Serbia had to contend with the fact that the Dual Monarchy was already displeased with the Serbian government for having turned to France to secure a loan and to buy weapons.

In the end, the Stojanovich government tried to reach a compromise with the Dual Monarchy. They offered to seek a loan from the Union Bank of Vienna, and added that they might consider abandoning the treaties with Bulgaria on the condition that they first obtained a favourable commercial treaty with Austria-Hungary. But Austria’s Foreign Minister, Goluchowsky, rejected these overtures as insufficient, and on the 22 of January, informed the Serbian minister in Vienna that the trade talks were to be halted, and that the Dual Monarchy’s border would be closed to all Serbian livestock (pigs and cattle), which was by far Serbia’s most important export, out of concern about communicable disease.
Recognizing this was a power play, the Serbian government retaliated by closing its border to Austrian goods, (mainly sugar and alcohol), and by doing so opened the first stage of the trade war between Austria-Hungary and Serbia, also known as the Pig War.

Significantly, most Radical and Independent politicians supported the stance of the Stojanovich government. They viewed Austria’s demands as an infringement of Serbia’s sovereignty that must be resisted. On February 2, 1906, Pashich in a speech to the Serbian parliament declared that the government must defy Austria’s demands simply because no self-respecting government would allow another country to interfere in its domestic politics to such an extent. He concluded by adding, “members of parliament, remember that while Serbia may be weaker and smaller than Austria-Hungary, our dignity and self respect is not any less than that of the Dual Monarchy’s or of any state.”

Perhaps, the only dissenting voice during this crisis was that of Milovanovich who was still posted in Rome. He saw no value in either destroying Serbia’s good relationship with Austria or abandoning an extremely beneficial commercial convention for one with Bulgaria, especially since it was doubtful that there would be a high volume of trade with a country that had an agricultural economy like Serbia’s. He also warned that it was very risky for Serbia to adopt a confrontational policy and antagonize Austria while it was without allies. After all, the treaty with Bulgaria had never been ratified and Russia was still recovering from its war with Japan and not interested in Balkan politics. So he advised that it would be wiser for the Serbian government to agree to Austria-Hungary’s conditions, sign the economic treaty, and in return ask Vienna to support the Serbian government’s efforts to gain more influence in Macedonia at Bulgaria’s expense.
Though the Serbian government did not respond to Milovanovich, it was pressured by the Serbian public, unhappy about the soaring prices of industrial goods, to abandon the customs union with Bulgaria and reopen the border to Austrian products on 23 February 1906, only one month after the trade embargo had begun. This gesture managed to appease the public for only a brief while however. The Austrians agreed to re-open the trade talks, but they refused to lift the ban on Serbian livestock. The Skupshtina, not surprisingly, was furious that Stojanovich had conceded without having obtained anything in return and resolved it would no longer back the government. Thus, on March 14, he resigned was replaced by Sava Grujich.

Two days later a verbal accord with the Austrians was reached, whereby both states agreed to grant each other most favoured nation status. This appeared a promising start, but then Vienna told the Serbian legation that before Serbia could obtain a commercial treaty, it would have to agree to purchase all guns, cannons, and military supplies from the Austrian firm Skoda. The Grujich government rejected this demand and resigned. It was replaced on March 30, by a new cabinet led by Nikola Pashich.

During Pashich’s term, the dispute with Austria intensified. In the summer of 1906, in order to demonstrate good faith, Pashich offered to purchase a limited selection of weapons from Skoda, worth 26 million Francs. But Austria-Hungary still insisted that Serbia buy all of its weapons from them, and imposed a general tariff rate on all Serbian goods. Learning from their experience from the first embargo in February, the government determined that to secure public support it would be necessary to create new markets to replace the loss of Austria’s so that the negative impact of the trade war would be lessened.
As well, the government decided to resolve the loan and guns question once and for all. On November 7, guns and cannons were purchased from Schneider-Creusot, and in the following week another loan was negotiated for 95 million francs from the French National Bank. Both were approved without much difficulty by the Serbian parliament on December 25, 1906, and none of this did anything to improve relations with Austria-Hungary.

In the midst of this turmoil, there was one bright spot in Serbia's foreign affairs. After three years of conflict, Serbia's relations with England were finally repaired. Significantly, the Serbian government had never disputed England's argument that the conspirators should be punished. Where they differed was over procedure. In discussing the issue with Britain, Milovanovich explained that the Serbian government could not arrest the officers for regicide when the Serbian parliament had already pardoned their actions; it would be both unconstitutional and could also provoke popular revolt. The British finally agreed to a compromise, and on June 11, 1906, (the third anniversary of the assassinations), Serbia retired six officers that were identified as the most culpable by the British government for the regicides. In return, the British recognized the Serbian government. Yet, while Serbia was extremely pleased about having resolved this dispute, its relevance was limited; the first occasion that the government would find the improved relations with Britain beneficial was during the Bosnian Crisis.

Meanwhile, Serbia's struggles with Austria took a very interesting turn when it became apparent the efforts made by the Serbian government to find new clients for its goods were paying off. Although Austria's market share dropped from 90% to 45% in 1906, the figure for Serbia's exports was very similar to the year before. Ironically, the increase in
business with Germany (Austria’s loyal ally) was largely responsible for Serbia’s success in weathering the trade war. This was a huge blow for the Austrian Foreign Minister, who resigned in disgrace on October 24, 1906.

His replacement, Alois “Lexa” Aehrenthal was as committed to defending the Dual Monarchy’s economic and geopolitical interests in both Serbia and the Balkans, but he was more creative in his approach to politics. Recent events had shown him that the Dual Monarchy’s policy needed revision. He said, “Our policy of making Serbia economically and politically dependent and treating her as a negligible quality has foundered.” Since previous attempts to punish Serbia had backfired, Aehrenthal’s approach was to woo the small state with concessions instead, and in March 1907, he informed Belgrade that he was prepared to re-open trade talks if Serbia still wanted. Shortly thereafter Pashich accepted Aehrenthal’s offer and agreed to meet with him in Vienna on May 12, 1907. This change of mind while stabilizing Serbia’s foreign relations, re-ignited the party warfare between the Radicals and the Independents in the parliament. As soon as Pashich announced he was going to meet with Aehrenthal, the Independent newspaper, Odjek, launched bitter attacks on his character and accused him of being a “professional swindler”, of “fostering intrigues” and of having “treasonously conspired against the country”. Fortunately, by this stage of his career, Pashich had become very adept at both ignoring and defending himself against criticism, and on March 14, 1908, after several months of discussions, he concluded a new economic treaty with Austria-Hungary.

Three days later, on March 17, he addressed the Skupshtina in an attempt to justify his actions:
gentleman, I have always stated that the foreign policy of our political party and the country as a whole can be summed up by this one slogan “the Balkans for the Balkan people” which means that no power must be allowed to expand any further in this region... But gentleman at the same time the circumstances mitigating and influencing foreign policy are always changing. There are times when it is possible to carry out an active foreign policy, but there are also times when it is not possible to carry out an active foreign policy... And today I can tell you that the mood of the powers in Europe is that peace in the Balkans must be maintained.90

Yet regardless of his assurances to parliament, Pashich had doubts whether Vienna could be trusted. In January 1908, while Serbia and Austria-Hungary were fully immersed in trade talks, the Radical was caught completely off guard by Austria-Hungary’s announcement that it had asked the Ottoman Empire for permission to build a railway through the Sanjak of Novi Pazar to the port city of Salonika. That move seemed to confirm the worst Serbian fears about Austro-Hungarian expansionism. Although these fears might have been groundless, at the least the proposed railway would have provided a further lever with which to pressure Serbia.91 Concerns notwithstanding, Pashich, ever the practical politician, did not consider revoking the economic treaty to protest Vienna’s actions, but instead, he appealed to the Porte for permission to construct a railroad of its own, linking Serbia to Romania and Montenegro. Obviously the reason why he identified this route was that it would provide Serbia with the ever important access to the Adriatic via the Montenegrin seaport of Bar. 92

To his credit, Pashich generated Italian, French and Russian support for his railroad idea, but it did nothing to help him with the conflict with the Independents who remained adamant that they would not endorse the commercial treaty with Austria. Consequently, on
March 30, 1908, the Pashich government resigned, and arranged for elections to be held on the 31 of May.  

Since these elections gave the Radical Party a majority of seats, they chose to form another government under Pashich. When parliament re-opened however, the Independents remained determined to block the economic treaty. As a result, on June 18, 1908, Pashich and his ministers resigned en masse once more. By this point, Serbian parliamentary democracy had degenerated into a full blown tragi-comedy, and the politicians were at a loss at what to do. Finally after one month of chaos, the King brokered a truce between the Radicals and the Independents, enabling him to create a new government on July 20, (Pera Velimirovich was named as the Prime Minister and Milovan Milovanovich became the Foreign Minister.) The Independents promised to join forces with the Radical party to pass the yearly budget and approve the Austrian economic treaty (which would be in effect until March 31, 1909). The Radicals, in return, agreed to form a coalition government with the Independents, granting them three portfolios within the cabinet.

Although the new coalition government approved the economic treaty with Austria, it did not lead to a significant improvement in Austria-Serbian relations. This was in part due to the fact that the Serbian public and parliament disliked the terms of the economic treaty. In their opinion, the quota assigned for Serbian livestock was far too low, and should not have been accepted by the government representatives. But more importantly, the Serbian government continued to worry about the lengths to which Austria-Hungary was prepared to go to re-establish its hegemony over the Balkans, and whether Serbia would be able to protect itself against these measures.
To be sure, the government was reasonably satisfied with how it had countered the Austrian railway project. By June 1908, Serbia arranged the financing for its Adriatic line and managed to foster closer relations with the Russians in the process, but the question disturbing the Serbian government was whether they would be able to do the same in the event that Austria-Hungary decided to employ more drastic tactics, which appeared likely. Moreover, there was also concern about how or if the revolution in the Ottoman Empire on July 24, would alter Austrian policy. Milovanovich, in particular, suspected that the events in the Porte would have negative consequences for Austro-Serbian relations, although even he did not yet know to what extent he would be proven correct.
Chapter Two

The Calm Before the Crisis: Milovanovich’s Meetings with Izvolsky and the Making of Serbia’s Official Policy

On July 20, 1908, Milovan Milovanovich, gave up his post as Serbia’s minister plenipotentiary to Rome to become Minister of Foreign Affairs in the new Radical/Independent coalition government. He would hold the position of Foreign Minister until his death in 1912, and in this short period he established the foundations for Serbia’s stunning political successes in the Balkan Wars and World War One.

After the parliament ratified the economic treaty with Austria-Hungary, Milovanovich’s first priority was to assess recent events that had taken place in the Ottoman Empire. On July 24, 1908, the Committee of Union of Progress forced the Sultan to reinstate the Constitution of 1876 and proclaim the Ottoman Empire a constitutional monarchy. In his view, this event would have crucial importance for Austro-Serbian relations. Ever since Vienna had announced its plans to build the Sanjak Railway, he had suspicions that the Dual Monarchy might be considering to make its occupation of Bosnia-Herzegovina permanent, and also to expand its territory deeper into the Balkans. He feared the coup d’état would just strengthen Vienna’s resolve because the new regime in Turkey might insist that its sovereignty be restored in full in the two provinces. Consequently, Milovanovich decided that as soon as parliament closed for its summer break he would travel to Vienna and Carlsbad to meet with Aehrenthal and Izvolsky, the Foreign Ministers of Austria-Hungary and Russia respectively, for the purpose of obtaining information.
Though the Serbian minister intended to visit both of his colleagues, he expected to learn more from Izvolsky than Aehrenthal. After all, it would have been quite preposterous for Vienna to disclose to Serbia the action they were considering to re-assert its authority over its formerly obedient client state, especially since many groups in Austria were extremely hostile to Serbia. The Austro-Hungarian chief of Staff, General Conrad von Hőtzendorf, for example, had begun to call Serbia “a dangerous nest of vipers”. Insofar as Milovanovich hoped that Izvolsky might have heard whether Austria-Hungary was planning to annex Bosnia, he had no clue about the extent to which the Russian minister was entangled in the whole affair.

Izvolsky and Aehrenthal

At the beginning of 1908, the usually civil relations between Russia and Austria-Hungary had been disrupted by Vienna’s announcement that it intended to build the Sanjak Railway. Izvolsky objected because Aehrenthal had acted without consulting St. Petersburg and thereby violated the convention the two powers had signed in 1897. Although his irritation was genuine, Izvolsky seized on the incident to attempt to forge a new agreement with Austria-Hungary.

For the duration of his appointment as Foreign Minister, Izvolsky’s singular objective was to restore Russia’s prestige after its humiliating defeat in its war with Japan in 1905. In his opinion, the key to this problem was for Russia to pursue a more active policy in the
near east. He endorsed Serbia’s Adriatic Railway Project for exactly this reason, but it was not all that he intended to do. He was convinced that only an ambitious, daring and above all successful policy would be able return Russia to its former glory, and he had determined to guarantee his policy’s success he must involve Austria-Hungary.

Hence, on 2 July 1908 Izvolsky sent Aehrenthal a secret memorandum in which he proposed that the two of them meet to discuss the questions of Bosnia and the Straits. He explained that Russia would agree to Austria-Hungary’s annexation of Bosnia, Herzegovina and the Sanjak of Novi Pazar, if the Dual Monarchy supported Russia’s efforts to open the Straits (the Bosporous and the Dardanelles) to Russian warships. It was not his intent that they solve these questions bilaterally, rather he thought that it would be easier for both states to realize their goals if they presented a united front to the other great powers:

We continue to be of the opinion that the question of changing the state of things laid down in Article 25 of the treaty of Berlin, i.e. the annexation of Bosnia-Herzegovina and the Sanjak of Novi Pazar is eminently a European concern and not of a nature to be settled by a separate understanding between Russia and Austria-Hungary...However, in view of the extreme importance to our two countries of seeing the above mentioned questions settled in accordance with their mutual interests, the Imperial Government would be prepared to enter into the discussion of them in a friendly spirit of reciprocity

The Russian minister was confident that Austria-Hungary would be interested in his offer because he was of the opinion that the Dual Monarchy was in as sorry state as Russia. In this case, he was right. Aehrenthal was intrigued, and had been toying with the idea of annexing Bosnia-Herzegovina since December of 1907, believing that this could benefit the Hapsburg Empire in two ways. First, the incorporation of Bosnia into the Empire would
place it out of reach of the irredentists in Serbia, and thereby render a sharp blow to the pan-Serb nationalist and Yugoslav movements. Significantly, some hawks in the Austrian army wanted the government to still go further and annex Serbia as well as Bosnia because that would completely destroy the possibility of a greater Slav state being created at the Dual Monarchy’s expense. Conrad, on April 17, 1908, in a personal memo declared, “the solution to the Jugoslav problem is to be found only in Serbia and by a bold course, the ultimate aim of which would be the annexation of Serbia.” Aehrenthal did not share this view, however, feeling Vienna could achieve its aim simply by limiting the directions in which the small state could expand. And second, Aehrenthal, like Izvolsky, believed that the annexations would produce a needed diplomatic success and help boost the prestige of the Dual Monarchy among the great powers.

Despite his interest, Aehrenthal did not give a detailed reply to Izvolsky until August 27. Then, he stated that while Austria-Hungary remained committed to preserving the status quo in the near east, future circumstances might force her to annex Bosnia-Herzegovina. Clearly, he was referring was the recent revolution in Turkey. He added that if this was the case, Austria as a gesture of good faith would withdraw its troops from the Sanjak of Novi Pazar. This was a cleverly crafted reply because Aehrenthal implied that Russia and the other great powers would be compensated by Austria’s self sacrificing offer to return the Sanjak to the Ottoman Empire. While saying he was open to discussing the straits question, he did not tie the two issues together in the manner that Izvolsky had. This would become a point of contention between the two men during the crisis.
Aehrenthal contacted Izvolsky a second time on 6 September 1908 while the latter was in Carlsbad for his annual visit, inquiring if he wanted to meet him in person. Izvolsky replied that he did, and agreed to go to Buchlau, the Moravian estate of the Austrian envoy to St. Petersburg, Count Berchtold, on September 15 and 16.\textsuperscript{10}

\textbf{Milovanovich goes to take his cure}

Milovanovich knew that as Izvolsky was in Carlsbad taking his cure at the springs, in the company of many other European dignitaries incidentally, it would be best for him to attempt to speak with him there.\textsuperscript{11} After arriving in nearby Marienbad, the Serbian minister sent a note and asked to have a private appointment with Izvolsky. The Russian readily agreed, and the two ministers met on September 4, 1908.

Although this was their first meeting, the two men found conversation easy. Izvolsky expressed his pleasure in seeing Milovanovich, and told him that Russia was extremely concerned about the welfare of Serbia and the other Slavic states in the Balkans, (namely Montenegro and Bulgaria), and considered these states to be children of Russia. He explained, however, that Serbia did not need to worry that Russia would use this relationship to justify their intervening in Balkan politics, or in changing the status quo in its favour. He emphatically declared, “Russia does not seek, nor would accept any concessions”, meaning territory, “in the Balkans, even if the great powers offered these concessions to Russia on a silver platter!”\textsuperscript{12} This, he emphasized, was in contrast to Austria-Hungary, which in his
opinion, did have expansionist aspirations as had been shown by its Sanjak Railway Project. This comment gave Milovanovich the perfect lead in to voice his own concern about the rumours that Austria-Hungary was preparing to annex Bosnia-Herzegovina.

The Russian Foreign Minister responded to his inquiries frankly, telling him that he was certain that not only Baron Aehrenthal would pronounce the annexation of the two provinces before the end of the year, but also that the great powers would not be prepared to do anything to overturn the annexation. Naturally, “Russia will protest against the action for having compromised the Treaty of Berlin, and we will be assisted by Great Britain, France and Italy, but do not let these protests mislead you; the fait accompli will remain a fait accompli!” Moreover, while he expected that a great power congress meet to discuss the question, it would be for appearances sake only; it was understood that all the great powers would consent to the annexation.

Izvolsky tried to soften the impact of his announcement to Milovanovich by showing that Serbia could act to protect itself against the worst consequences of the annexation. He advised Serbia and the other Balkan states to form a defensive alliance, and also that the Serbian government demand territorial compensation from Austria-Hungary. “Russia will support Serbia’s policy to its best ability”, he vowed, and even went so far as to imply that he could guarantee that Serbia would be rewarded with compensations by the great powers when the Congress was held. The only state that would oppose compensating Serbia was Austria-Hungary, but Izvolsky, according to Milovanovich’s notes, seemed confident that he could convince Aehrenthal to capitulate on this matter; “When I asked Izvolsky whether he
would argue to secure compensations for Serbia and Montenegro during his meeting with Aehrenthal, he assured me that most certainly he would.” Milovanovich replied by telling him that while he was disappointed that it would be impossible to prevent the annexation, he would be prepared to look at compensation as a policy option; “If some one asked me directly what I will do, I would tell them that I believe that granting Serbia compensation would be the best way to resolve the dispute between Austria and Serbia.”  

Milovanovich then warned Izvolsky that his reaction would not be typical, and that other Serbs would not reconcile themselves to the losing Bosnia so easily. In his view, “the annexation of Bosnia will deliver a crushing blow to Serbdom,” and it will shatter the public’s hope that a Greater Serbian state can be realized. Therefore, the only way that compensation would be able to console and pacify the Serbian public, (that would first and foremost demand revenge against the Dual Monarchy), would be if the compensation awarded to Serbia was significant, such as the Sanjak of Novi Pazar, which was considered to be as valued of a “Serbian” territory as Bosnia-Herzegovina. The Sanjak would also be desirable, in the opinion of nationalists, for the reason that it would provide Serbia a border with Montenegro, and therefore allow for the possibility of their future unification. 

Izvolsky had to disappoint him immediately saying that the Sanjak was untouchable. None of the great powers would agree to hand Serbia a territory that the Austrians had just returned to the Ottoman Empire as a gesture of good faith. Thus, Milovanovich, needed to think of different territory to demand, which he could not do at that moment, so he and
Izvolsky agreed that they would meet after he had taken some time to consider the question thoroughly.

The Foreign Minister spent the next three days holed up in his hotel room in Marienbad, with no one or nothing to assist him but a map of the Balkans. Although he had always declared that he wanted the responsibility to determine foreign policy on his own, he discovered that the reality of having so much responsibility was not so pleasant. His very political career, and the stability of Serbia, depended on him being able to articulate a policy that on the one hand would satisfy the public, parliament and military that the government was doing its best to protest the annexation, but on the other that would not be so provocative as to lead to a war with Austria. This was clearly a difficult problem, but when he saw Izvolsky the second time on September 8, Milovanovich was fairly confident that he had found a solution.

The proposal he presented to Izvolsky compromised two sections. In the first, Milovanovich justified compensation for Serbia. He did so knowing powers other than Russia would not readily accept Serbia’s claim that its interests were violated by the annexation since it was not one of the signatories of the Treaty of Berlin. He argued compensation was necessary because the annexation would dangerously undermine the stability of both Serbia and the Balkans as a whole:

The Annexation of Bosnia and Herzegovina will be considered as a monumental catastrophe for Serbia and for the Serbian people everywhere because it will destroy their most precious aspirations for national unity. It is impossible to predict all of the negative consequences of that one act, as who knows how people who have been so disappointed and are so desperate will
behave. To be sure, no one can guarantee that internal and external calm can be preserved.¹¹⁷

In the second section of his proposal, he outlined how he thought Serbia should be compensated, remarking that these “were the only combination of demands that would enable the government to realize our objectives”. First:

Austria-Hungary must remove its garrisons from the Sanjak of Novi Pazar, give up all of the privileges it had been awarded regarding that region from the Treaty of Berlin, and agree to remain uninvolved in its internal politics, especially if Serbia, Montenegro and the Ottomans reach an understanding between themselves regarding its status.¹¹⁸

Second, Austria-Hungary had to concede to Serbia and Montenegro the strip territory from the south-west section of Bosnia-Herzegovina that borders the Sanjak of Novi Pazar. He felt this was the most important point of his program because it fulfilled the criteria he had established during his first visit with Izvolsky. It provided Serbia and Montenegro with a common border, which would appeal to the nationalists, and it created a barrier between Austria-Hungary and Turkey, thereby increasing Serbia’s ability to defend itself, and perhaps might block Austria’s attempt to expand towards Salonika. Third, Austria-Hungary would accept the abrogation of article 29 of the Treaty of Berlin, and, “agree that Montenegro will no longer be required to observe the terms which restricted that state’s use of its own ports and railway lines”. And finally, “Austria-Hungary will agree to having the borders it shares with Serbia along the Danube, Sava and Drina rivers regulated and monitored by an objective third party.” ¹¹⁹
The Foreign Minister showed these points to Izvolsky without knowing what kind of reaction he would receive, but to Milovanovich’s relief, the Russian endorsed the suggested program in total. He was doubly pleased when Izvolsky told him he intended to meet Aehrenthal in Moravia the following week. Milovanovich, replied by saying that he wanted that Izvolsky “tell Aehrenthal everything we discussed during our meetings…and make it known to him that the position of the Serbian government is that any differences it has with Austria can be resolved peacefully, without force, and by respecting the legality of the Treaty of Berlin”. Izvolsky assured him that he would, and with that Milovanovich made plans to return to Belgrade.

On his trip home, Milovanovich spent a few days in the Austrian capital, and asked to speak with Aehrenthal in person. They met on September 14, and had a civil but superficial conversation, with neither man saying anything of real interest. Aehrenthal said, “Austria-Hungary [would] continue to be as well disposed to Serbia as it had been since the Treaty of Berlin”, but hinted that he was displeased that the Serbian public was permitted to express anti-Austrian sentiments. Milovanovich assured him that that he understood this position, and vowed that he would seek to guarantee that Serbia’s behaviour remained correct towards Austria-Hungary. He also told Aehrenthal that he had met with Izvolsky the previous week, and they had discussed this issue along with the question of the how important it was to “respect and protect existing international treaties.” Clearly, he was trying to goad the Austrian into admitting that he was intending to modify the terms of a treaty himself in the not so distant future. But Aehrenthal did not react, and instead
expressed he was pleased that his two peers had gotten along so well. In his personal notes, Milovanovich had scribbled “it looks like that at least for now Austria-Hungary will neither admit or deny to us that it is planning to annex Bosnia-Herzegovina”.123

Back in Belgrade, Milovanovich’s “Damage Control”

The Serbian Foreign Minister returned to Belgrade with decidedly mixed feelings. On the one hand, Milovanovich dreaded that the Dual Monarchy’s actions would dangerously undermine Serbia’s stability, but on the other, he was pleased with the efforts he had made during his meetings with Izvolsky to prepare the state for the impending crisis.124 He had not only worked out most of the details for the official response of the Serbian government to the annexations, by writing his policy of compensation, but he had also forged a useful friendship with Russia. Given that these two states had not had close relations since 1878, this was not a minor achievement.

The Serbian minister favoured a policy of compensation because he felt it was the best option available to him. He knew that he needed to express some form of protest regarding the annexation, or he would provoke the anger of the Serbian nationalists and create a domestic situation ripe for revolution. But at the same time, he was aware that he could not make excessive demands of Austria-Hungary because that might give the Dual Monarchy justification to invade Serbia, which certainly would not be in Serbia’s interests considering that it most likely would lose any war with the great power. In short, the policy
of compensation was a compromise, giving the Serbian government with the possible means to counteract both the internal and external dangers to Serbian stability.

In Milovanovich's view, the main danger to domestic stability would be the reaction of the Serbian nationalists once the news of the annexation was made public. He knew that the nationalists would demand that the government use everything to overturn the annexation, including declaring war on Austria-Hungary. His fear, and it was not unfounded given the country's recent history, was that these groups would act to overthrow the government if it refused to listen to their demands. The minister hoped to avert this problem and bring them over to his position by demonstrating firstly, that there was no chance that the annexation would be reversed given apathy of the great powers and secondly, by appealing to their practical side and showing them how Serbia would benefit politically and economically from territorial compensation. If Serbia gained a strip of territory along the Sanjak of Novi Pazar it would provide Serbia and Montenegro with a common border, and improve the likelihood of the two states uniting in the future as well as give Serbia better access to seaports and international markets.

In addition, with regards to the question of external threats, Milovanovich thought compensation would be of some use also, although this figured less in his planning. He considered that Serbia could better defend itself if it was compensated with territory from the Sanjak because it give them a buffer zone that would inhibit further expansion by the Dual Monarchy, and at the same time permit Serbia and Montenegro to combine their forces, and thereby increase the strength of their respective armies. Yet even if this point had some
validity, the fact remained that if Vienna chose to attack Serbia, or encroach deeper into the
Balkans, there were other routes available aside from the Bosnian corridor.

The other notable consequence of Milovanovich’s meetings with Izvolsky was the
creation of the partnership between Serbia and Russia. It is arguable that the foreign minister
considered it to be the more important consequence of those meetings! Why? To begin with,
Milovanovich knew that Russian support would give Serbia the opportunity to present its
demands for compensation to the great powers. This probably would not have happened
otherwise, and as well it greatly improved the policy’s chances of success. Furthermore, he
thought that Russian cooperation would help restrain Serbian nationalists, in particular the
Independent Party who had been the most vocal advocates of Serbia developing closer ties
with the Slavic great power. If Russia made it clear that there was no question of reversing
the annexation, the Independents would have to accept the policy of compensation and
support his actions. In other words, Milovanovich believed quite correctly that his
association with Izvolsky would help him protect both his own career and domestic stability.

The final benefit of the friendship with Russia for Milovanovich was that it was a
deterrent to Austrian aggression. To be sure, he continued to have fears that Serbia would be
attacked by Austria-Hungary, but was hopeful that Vienna would be less inclined to pursue
that course with Serbia having the diplomatic backing of Russia. Arguably, it was for this
reason that in the notes that he had scribbled to himself on October 4, hypothesizing the
potential negative consequences of the annexation, the one scenario he omitted mentioning
was a war between Austria and Serbia.
Policy definition was only the beginning of his work. The Serbian minister had many other preparations to complete before the annexations were announced. One was to establish tighter controls on the Serbian press. In particular, he aimed to reduce, or better yet, eliminate the anti-Austrian attacks penned daily by overly enthusiastic Serbian journalists. Aehrenthal had urged him in Vienna to do something about the Belgrade newspapers, but this was a coincidence and not a motive for the Serbian Minister’s actions. Milovanovich wanted to tone down the Austria-phobism of the Belgrade press because it would make it easier for him to portray Serbia as the innocent victim of Austrian aggression when the Dual Monarchy announced the annexations.

In addition, he had to inform the Serbian government what he had learned from his two visits with Izvolsky. At the end of September, Milovanovich arranged a meeting with the King, the Heir Apparent (Prince George), the Government, and members of the Radical Party. With every one gathered, Milovanovich announced that Izvolsky had confirmed that the Dual Monarchy would annex Bosnia-Herzegovina that year to commemorate the 60 year anniversary of Emperor Franz Joseph’s reign.

How much more Milovanovich said to those at the meeting is not known. Serbian historian, Dimitrije Djordjevich, is of the opinion that Milovanovich did not reveal anything else to the individuals present, and especially did not tell them that he had a plan to deal with the crisis because it would not have been in his best interest to do so. If word of his deal with Izvolsky reached the conspirators within the army, it would not only have exposed him to their criticism, but also would interfere with his efforts to get Serbia ready for the crisis.
Indeed given the political climate in Serbia, there were many other worse things that could have happened. Furthermore, Djordjevich explains, Milovanovich wanted to avoid debate because it could have forced him to modify or abandon the policy he believed to be the best option available to protect Serbia’s interests. Finally he kept silent because he did not trust the press to remain calm, and was fearful that Vienna would use such behaviour as justification to act against Serbia.

Granted it is evident there were reasons why Milovanovich may not have wanted to discuss his plans with any one, but that does not prove conclusively that he did not, and it is puzzling that Djordjevich insisted on this point anyway. It is just as possible to make a case for the argument that he shared some of the details of his plan to his colleagues.

The best place to begin defending this position is simply to realize how unlikely it would have been that Milovanovich could have reported that the annexation would soon occur, and have left it at that. Every one attending the meeting would have thought that Serbia would be vitally affected by the Austrian action, and therefore would have wanted to have discussed policy. It is only logical to make this assumption. Further evidence is given by a fact provided coincidentally enough by Djordjevich. He noted that Milovanovich, when he returned to Serbia, contacted General Stepa Stepanovich, the Minister of Defense, asking him to report on the status of the Serbian army and whether it would be able to conduct a war. Stepanovich responded negatively. He estimated that the military would be able to arm and supply at most forty thousand soldiers, and would only be able to fight for 15 days. This is interesting because by this time Milovanovich had already ruled out the possibility of
going to war with Austria-Hungary. So if he did not obtain this information for himself, then it must mean that he did so to convince others, most likely government and maybe his own political party, that war was not a feasible policy option.

Another detail that indicates that some discussion must have taken place is that Milovanovich’s policy was adopted as the official Serbian policy. It is just not plausible that Milovanovich would have been able to choose the policy, especially since it one was both controversial and hated, without having the prior consent of his government and political party. After all, though he was a powerful minister, he was not a dictator by any stretch of the imagination. The one other possible explanation is that the government gave the Foreign Minister carte blanche, uncaring to know his policy because no one else wanted to lead Serbia through such a dangerous crisis. If Milovanovich succeeded, then the government could share the success, but if he failed, then the failure would be his alone.

Admittedly all of this is speculation, but it allows us to answer the most vital questions regarding Milovanovich’s activities in the month before the annexation. While his personal files answer most questions, concerning the origin and development of his policy, they do not offer any explanation of how he managed to have his policy become the basis for Serbian diplomacy during the crisis? Since there is not concrete evidence, circumstantial evidence must be relied on instead. In my opinion, the circumstantial evidence simply does not support Djordjevich’s view that Milovanovich was a puppet master who pulled all of the strings. Instead, it suggests that he shared his information, and had some form of support
from the right number of influential Serbian politicians although how much information he shared or how much support he received cannot yet be specified.

Even if all of the details of this secret meeting are not known, it is certain that Milovanovich apprised every one that the Izvolsky expected that the annexations would be announced in December, thus giving both him and government a few more months of breathing room before the crisis. Aehrenthal, however, had no intention of waiting that long; there was no reason to since he had already secured the support of his government and Russia for his plans. So on October 6, 1908, he proclaimed the annexation of Bosnia and Herzegovina by the Dual Monarchy, and on the following day Bulgaria declared its independence and unification with Eastern Rumelia. Naturally, Milovanovich was surprised by the timing of this announcement, and not to mention dismayed that his policy would be put in practice so soon, but he was far less surprised and far less dismayed than Izvolsky who had thought that Aehrenthal would wait for him to win support from the other powers for his request to change the straits convention before he annexed the provinces.
Chapter Three

The Bosnian Crisis Part One: October 6, to February 24, 1909,
The Consolidation of Domestic Stability

The news that Austria-Hungary had formally proclaimed the annexation of Bosnia became public knowledge in Belgrade sometimes during the morning of October 6, 1908. In response, the Independent Party printed a special edition of its newspaper, Odjek, and called for the whole city to participate in an anti-Austrian rally to be held that afternoon in front of the National Theatre. Despite the lack of prior notice, over 20,000 people attended. The demonstration was opened with an impassioned speech made by the Independent leader Ljuba Davidovich:

Brothers, welcome, as you know we Serbs are facing difficult circumstances these days. In all of the territories inhabited by us, the Serbian race is suffering, oppressed and subjugated... The loss of Bosnia will be disastrous for us all, (in that it will deliver a fatal blow to our dream of forming a south Slavic state.) Thus, we must fight against it, against the action, until just one of us remains... We will struggle until we are victorious, but if we are defeated, we will be defeated knowing that we gave our greatest effort, and that we have the respect not only of all Serbs but also of the whole Slavic race.

His call to arms was wildly applauded by the audience, who towards the end of his address began chanting "Long live Bosnia, Down with Austria!" And this was only the beginning, the speeches that followed were even more inflammatory.

Meanwhile, the Foreign Minister spent the day in conferences with the cabinet planning how to prepare the country for the forthcoming crisis. His first step was to recall the Skupshtina for an emergency session on October 10, 1908. Then, he and the Minister of
War, called up 20,000 reservists, which approximately doubled the size of the army.\textsuperscript{137} Although Milovanovich remained opposed to fighting a war with Austria, he considered it only prudent for the Serbian army to be ready to defend Serbia if Austria acted first.\textsuperscript{138} He reiterated this sentiment in a memorandum sent on October 11, to Serbia's envoys at London, Paris, St. Petersburg, Rome, Berlin and Vienna, requesting that they reassure each of their counterparts that calling up the reserves did not signify intent to incite a conflict with Vienna, but was rather a standard procedure to assist the government in protecting its vital interests and domestic stability for the duration of the crisis.\textsuperscript{139}

In addition, Milovanovich finalized Serbia's foreign policy for the crisis. He believed that the faster he reacted the more likely he would be successful. Hence, on October 7, merely one day after the pronouncement by Vienna, the Foreign Minister sent a circular note to all of the great powers, explaining the position the government took on.\textsuperscript{140} He first declared, "Serbia cannot find complete satisfaction unless the status of Bosnia and Herzegovina created by the Treaty of Berlin is wholly restored". He then added that if the powers decided that this was impossible, he asked for "compensation that would provide guarantees for the preservation of the independent life of its state and the Serbian people in general."\textsuperscript{141}

At Vienna Aehrenthal refused to accept the Serbian note. The Serbian government, he said, had no legal right to protest the annexation. He even went so far as to counter Milovanovich's note by releasing one of his own on the same day.\textsuperscript{142} His note expressed
alarm about the provocative protests taking place in the Serbian capital, and requested that his fellow foreign ministers to advise Belgrade to remain calm and correct.143

The initial reaction to Milovanovich’s circular in Serbia was not positive either. On October 7, a second demonstration was held in front of the national theatre, once again attended by over 20,000 people. While continuing to chant “long live Bosnia, down with Austria”, the crowd demanded that the government resign; “the government must pack its bags and go home!”144 The prevailing mood of those at the rally was disbelief and betrayal. The Belgrade public had mistakenly assumed, as a result of an impromptu meeting that had taken place between Prime Minister Velimirovich and the organizers of the protest, that the Serbian government would respond to the annexation with force. Milovanovich instead had declared to the world that he was willing to sell Bosnia for the best offer like a “flea market vendor”.145

The crowd became increasingly agitated and soon moved to the Foreign Ministry where they resumed yelling out expletives against the minister and hurled rocks at his window. Milovanovich met with some of the protesters in an attempt to defuse the riot, but it was futile, and the police was called in shortly thereafter and turned on the crowd with bayonets.146

The reviews of the Serbian press to official policy were scarcely better. The Radical Party’s newspaper, Samouprava, on October 8 published a short article condemning the circular note.147 According to the article, the government’s policy was unsatisfactory because it failed to consider the position of the Serbs in Bosnia. Appealing to the great powers to
restore Article 25 was insufficient because it would leave the Bosnian Serbs under the occupation of the Dual Monarchy, and asking for compensation was nothing short of shameful because it gave the impression that Serbia proper was not concerned about the plight of its co-nationals. The article concluded by asserting that the good reputation of the Serbian government among all Serbs depended on its adopting a new nationalist inspired policy that aimed both to abolish article 25 and grant Bosnia autonomy.\textsuperscript{148}

Although the protest of October 7, had become violent, Milovanovich was more concerned about the reaction of Serbia’s partisan press. Serbia’s recent history had taught the minister that the primary cause of Serbia’s domestic instability was inter-elite rivalry and conflict, or in other words conflict among the groups and institutions that comprised the Serbian state, meaning the monarchy, the government, the military, and the parliament. Therefore, the expression of hostility to his policy was significant because it revealed there was division among the elite, and that the potential for domestic conflict existed. This was a most serious problem because it could interfere with the government’s attempt to conduct business during the crisis as well as render it even more vulnerable to the Dual Monarchy. The minister feared Vienna would view internal disorder as an invitation to invade Serbia. Thus, to avoid these hazards it was apparent to him that he needed to broker a deal that would establish inter-elite unity.
A Provisional United Front, Milovanovich’s Deal with the Parliament

There were four main institutions from which Milovanovich needed to secure support for his policy; the monarchy, the government, the military and parliament. The first two did not present any problem. King Peter was a long time ally of Milovanovich and he had even sponsored his bid to become Foreign Minister. In addition, Milovanovich was able to compel the government to back his policy because he was the most powerful minister in the cabinet; i.e. its de facto Prime Minister.\(^{149}\)

In terms of the military, a number of factors rendered it far more cooperative than he might have otherwise expected. To begin with, the Minister of Defense, General Stepa Stepanovich, in September, had agreed with Milovanovich’s assertion that Serbia was incapable of fighting a war with the Dual Monarchy. Also important was the fact that many of the most militant members of the Serbian officer corps had been weeded out of the army in the previous two years. In May of 1906, six high ranking officers were retired for their involvement in the regicide of the King and Queen. And in 1907, another large group of officers were expelled from the army for their attempt to coordinate another counter-conspiracy at the garrison in Kragujevac.\(^{150}\) Although the conspirator and counter-conspirator officers were bitter rivals of each other, both groups promoted the pan-Serbian agenda, and with out question would have urgently clamoured for war to be declared against the Dual Monarchy. So it was certainly helpful to Milovanovich that these officers were not in the army, or in a good position to organize a movement against the government. He did
know this fact himself, which was why he worked behind the scenes to block attempts made by members of parliament to pardon the counter-conspirators and return them to active service while the crisis was in full swing.\textsuperscript{151}

Thus, the Serbian Parliament was the only institution remaining to pose serious difficulty to Milovanovich. Members of parliament were angry not merely because Milovanovich had sent the circular note of October 7, without consulting them. They also objected to the content of the note and the policy of compensation as a whole. Milovanovich was within his rights to determine foreign policy, but parliamentary support was essential to continue in office and to prevent the government from collapsing, especially since certain Members of Parliament had already hinted that they might cause this to happen. During the combined anti-government/anti-Austrian protest on October 8, the Radical member of parliament, Ljubomir Jovanovich, promised those in attendance that he would make sure that the government would be held accountable for the stance it chose to take to the annexation.\textsuperscript{152}

Milovanovich chose to confront his opponents directly. When parliament met on 11 October 1908, he rejected the accusations that he had betrayed the Serbian Nationalist cause, and countered by arguing that they were greater traitors because they did not comprehend the gravity of the crisis, and were willing to pursue a policy that would destroy the country.\textsuperscript{153}

"If the Serbia government adopts your point of view and embarks on such a perilous adventure at this time, and provokes war with Austria-Hungary," he declared, "it would be suicide for us all!"\textsuperscript{154} This was not speculation but a certainty, he continued, because the
army had neither the men nor arms to sustain a war against the Dual Monarchy, and not to mention the allies or the international support that was also essential.

The Russian foreign minister, he explained, had already reconciled himself to the annexation of Bosnia, pronouncing “the fait accompli [would] remain a fait accompli,” and had ruled out using force to protest the act. Moreover, he had even warned Serbia that his government would be extremely displeased if it responded in that manner, and would not intervene on Serbia’s behalf if its foolishness provoked a war. So clearly, Russia would not play the same role for Serbia as France had for Piedmont in 1859.

Given these internal and external factors, Milovanovich contended that his policy was the only option that made sense. It would both enable the government to protest the annexation, without putting the country in excessive danger, and further the nationalist cause, albeit indirectly. Territory from the Sanjak-Bosnian border, (from the area of Pomilje), would give Serbia a common border with Montenegro and facilitate their future unification. Moreover, he stressed, if Bosnia retained its status as occupied by the Dual Monarchy, Serbia would have the prospect to incorporate the two provinces when its military was capable of completing such a task. Finally and most importantly, he pointed out, the benefit of his policy of compensation was that it had been suggested by Russia. If the Serbian government wanted to collaborate with Russia during this crisis, which he knew was the wish of all Serbian nationalist politicians, advocating Izvolsky’s policy was the one sure way to make it possible.
All of his arguments proved to be very persuasive. Following this speech, the parliament passed a vote of confidence in the Serbian government: 54 Radicals, including Nikola Pashich, voted against the government, whereas 105 Members of Parliament voted in favour; (they were the remaining 30 Radicals, 48 Independents, 7 Progressives and 20 Liberals).

*Truba*, on October 14, attributed Milovanovich’s victory to the fact that the Members of Parliament believed his assurances that he had done all that he could to try to save Bosnia. Perhaps this was one factor involved, but it was not the only one. It is possible to argue that they supported Milovanovich because they shared his concern for Serbia’s integrity and stability. Even Nikola Pashich, who had urged immediate mobilization, was not an advocate of an Austria-Serbian war per se. He had raised the subject because he thought that threatening war would give Serbia a lever with which to pressure the great powers to challenge the annexation by Vienna. This was why Pashich after voting against the foreign minister, did an about face and actively worked with him for the duration of the crisis. It has been suggested as well that the Independents supported the Foreign Minister at this juncture just to defeat Pashich’s group, which considering the rivalry of two parties is certainly plausible!

The new found solidarity between the government and parliament was revealed to the public the next day on October 12. After parliament approved an extraordinary war credit of 16 million dinars, Stojan Ribarac, the Leader of the Liberal/Nationalist Party read out the resolution that the parliament adopted during the closed session:
The parliament of Serbia is committed to adopting every measure necessary in order to protect the rights of Serbia and of their co-nationals during this crisis which has resulted from this illegal and violent act. Furthermore, the parliament vows that it will support all of the decisions the Royal government makes regarding this question, and that it has complete confidence in the government, and knows that it will energetically and tirelessly defend Serbia’s vital interests.

This endorsement gave Milovanovich the necessary support, but it came at a price. He had to promise that in the future he would no longer determine policy unilaterally, and would involve the political parties in his decision making process.

The first manifestation of this collaboration was the second circular note that Milovanovich transmitted to the great powers on October 15, 1908. It was apparent that the minister had consulted the parliament while composing the note for the simple reason that he expressed concern for the status of the Bosnian Serbs whereas he had not even mentioned them previously; (in fact the points he made regarding this question sounded remarkably similar to those stated in Pashich’s article in Samouprava from October 7). The note opened with him stating:

The Serbian government is of the opinion that if the great powers determine that the annexation of Bosnia cannot be nullified, then it insists that at the very least Bosnia be granted autonomy and self government within the Austrian Empire so that its inhabitants can be given the opportunity to develop and express their national consciousness freely and without fear of reprisals.

The remainder of the note simply elaborated his previous position. Although collaborating with Pashich, he had not been forced to abandon his original policy. He repeated his contention that the Serbian government considered its vital interests, and nationalists
aspirations, had been harmed by the annexation, and for those reasons it was entitled to economic and political compensation. He demanded from Austria-Hungary:

1) a rectification of territory in the favour of Serbia and Montenegro from southeastern Bosnia-Herzegovina, in particular from the regions of Pomilja and Huma
2) a promise to respect any future deal negotiated between Serbia, Montenegro and the Ottoman Empire regarding the division of the Sanjak of Novi Pazar.
3) to abolish article 29 of the Treaty of Berlin, which constrains Montenegrin sovereignty on the Adriatic littoral. Furthermore, Vienna must allow Serbia to have unrestricted access to Montenegro’s ports and will not oppose the construction of a railway for this purpose.
4) that it agree to permit an objective party determine the exact border between Serbia and the Dual Monarchy along the Sava and Danube rivers; i.e. which bank of the rivers mark the border.  

The other concession made by Milovanovich was that he agreed the public could continue to hold demonstrations against the Dual Monarchy. This was hardly a sacrifice as he recognized continued demonstrations were useful. Not only did they boost the prestige of the government in the public’s eye, but they might convince the great powers that Serbia’s interests had been violated by the annexation, and thus strengthen the case for compensation. The one danger was that the demonstrations might provoke Vienna to the point of war. As a consequence, Milovanovich insisted the public’s activities be strictly monitored.

The government’s relationship with the Serbian nationalist organization, Narodna Odbrana (National Defense), exercised this control. Narodna Odbrana was formed in Belgrade on October 23, 1908, by the Serbian General Bozo Jankovich, to promote unity amongst all Serbs, and to defend Serbia’s national interests during the annexation crisis. It
was not a large organization, (in a few months it signed up 5000 members, belonging to 223 chapters from Bosnia and Serbia), but it was large enough to cause trouble if it chose to incite war with Austria-Hungary. Instead of banning it, the government coopted its members to work for the state as a quasi governmental body, which tempered the organization in the process. For the duration of the crisis, Narodna Odbrana provided the Serbian people with an outlet to express their discontent with the annexation, and performed many valuable services for the state. Its members initiated contact between the Serbs of Bosnia and Serbia, and compiled valuable strategic information. The Bosnian chapters of Narodna Odbrana, for instance, spied for the Serbian military, and sent it detailed notes of Austrian troop movements along the Austro-Serbian border.

The final drawback of Milovanovich's deal with the parliament was that it was temporary. He had not resolved government/parliament relations, but rather had secured the parliament's backing on the condition that his diplomacy produced results. Thus, in order to maintain his agreement he had to demonstrate that he could realize the objectives articulated in his policy of compensation for Serbia, and he had to do this soon.

Milovanovich believed the best method to build support for his policy was to organize diplomatic missions, led by major Serbian politicians, to each of the great power capitals. Milovanovich decided he would travel to the Western European capitals, while Stojan Novakovich, the leader of the Progressive Party, would be sent to Constantinople, and Pashich the leader of the Radical Party, was assigned to St. Petersburg.
He picked Novakovich and Pashich primarily because they were the most suited for the duty. Stojan Novakovich had served as the Serbian envoy to Constantinople for many years, whereas Pashich was by far the most well known Serbian politician in Russia, and had many useful contacts there. The choice of Pashich had the added advantage of providing an opportunity to send the heir apparent, Prince George, with him.

Prince George had become a serious problem. On October 11, he made an inflammatory speech, in front of a Belgrade crowd of 10,000, in which he declared his eagerness to go to war over the annexation, "I am extremely proud to be a soldier, and I would be proud to be the one who leads you, the Serbian people, in this our desperate struggle for life and death, for our nation and our honour" Naturally, Milovanovich could not tolerate such outbursts, it undermined his authority and policy. But rather than admonish the Prince, and risk souring his relations with the King, he asked him to accompany Pashich as an advisor, which turned out to be a solution liked by every one except perhaps the Radical leader himself who had to baby-sit the unstable royal!

The Foreign Minister left Serbia on October 17, 1908, and stopped first at Berlin after being advised that Izvolsky would be there for a few days, resting for his return to Russia. This was most fortunate because Milovanovich would be able to speak with Schoen, Germany’s Foreign Secretary, as well with Izvolsky again.

The meeting with Schoen, took place on the evening of October 21, 1908. Although their conversation was civil, the German Secretary made it clear that Germany’s obligation was to back its ally. This did not discourage Milovanovich because he had predicted
Berlin would react this way. He had much higher expectations for his meeting with Izvolsky, which occurred three days later on October 24.

He soon discovered that the Russian's demeanour had changed drastically from what it was in Carlsbad. Izvolsky informed him that although he had not abandoned the idea for a conference, he was not certain when or if it would take place. While Russia's entente partner's were in favour of a conference, (Izvolsky had discussed the matter with the British Foreign Secretary, Sir Edward Grey, on October 9), Germany and the Dual Monarchy would agree to attend only after the Austria-Turkish dispute was resolved, and given the slow pace of negotiations it appeared that it would take considerable time.

The other problem for Serbia, Izvolsky explained, was that his allies were primarily concerned with how Turkey's interests had been violated by the annexation. Grey thought that the Serbian demand for territorial compensation was a much less important issue, and had only grudgingly added it as the seventh point of the suggested agenda for the conference the two of them had worked out in London. He even insisted that the phrase "territorial advantages for Serbia and Montenegro" be changed to "advantages for Serbia and so on". Of course, Grey's position was certainly more encouraging than Bülow's, the German Chancellor, who was emphatic that neither Germany nor Austria-Hungary would allow the Serbian question even to be mentioned at any conference.

Hence, Izvolsky continued, that since the conference was in doubt, perhaps it would be best for the Serbian government to withdraw its demand for compensation altogether, and
be satisfied that the Sanjak of Novi Pazar had been returned to the Ottoman Empire. This at least held the hope for Serbian expansion sometimes in the future.¹⁷⁴

This was not what Milovanovich had wanted to hear. Although it is doubtful if he ever fully believed Izvolsky’s assurances that Russia, in its weakened state, could obtain compensation for Serbia, he had won the vote of confidence in parliament by telling its members that Russia would do every thing in its power to help them. Moreover, the Serbian minister needed Russia to mediate for Serbia. He did not want to negotiate with Aehrenthal alone, without any diplomatic support from a great power, but this now appeared possible. Thus, in order to bring Izvolsky back on side, Milovanovich warned him that Serbia was teetering on the brink of revolution, and the only asset the government had was Russia’s diplomatic support, and Izvolsky’s word that Serbia would be given the opportunity to express its grievances at a great power conference.

The Serbian minister’s manipulation was effective, and Izvolsky recanted, promising him that he would continue to seek compensation for Serbia. Milovanovich did not place much faith in that promise any way. While he was leaving the room, Izvolsky vowed to him that regardless of whatever happened, Russia to show its support of Serbia, would refuse to recognize the annexation.¹⁷⁵ This lukewarm assurance from his his closest ally did not inspire him with confidence, but before giving up, he chose to resume his mission to determine the views of the other ministers.

Milovanovich next went to London, where he was greeted warmly by the Foreign Secretary, Sir Edward Grey. Grey emphasized that Britain was outraged that Austria-
Hungary had violated the Treaty of Berlin, and pledged that his government would “support Serbia’s claim for territorial compensation for as long as Russia does”, showing that he was much more receptive to the compensation idea than he had been during his conversations with Izvolsky on October 9. However, he explained, Serbia needed to understand that British assistance could only be expressed in certain forms. His country’s primary concern was to preserve European peace, which meant that Britain would not use force to compel Vienna to renounce the annexation, to attend a great power conference, or especially to grant Serbia compensation. He advised Milovanovich to take the same point of view, and do everything to keep the country calm. The Serbian minister assured him that he would, but asked what he thought about Izvolsky’s suggestion of keeping the question open in the event that diplomacy did not compel Vienna to agree to a conference. Grey rejected this point blank as irresponsible and dangerous, claiming that it would only serve to antagonize the Dual Monarchy.

While it was disappointing that Britain refused to guarantee a conference would take place, Milovanovich was encouraged by the diplomatic support Grey had promised to Serbia. British friendship in any form improved the chances for his policy’s success. But even more importantly it provided Serbia with invaluable protection against any potential aggression from its disgruntled neighbour because it would give the Austrian hawks reason to think twice before invading Serbia.

If London was a major success, in comparison, the Serbian minister found his trips to Paris and Rome less productive. He met with the French Foreign Minister, Pichon, on
November 2, and while the latter expressed “sympathy for Serbia’s position”, he made it very clear that France would not use coercion against Austria-Hungary so that Serbia could be granted territory. Unlike Britain and Russia, the French were not even very keen to give diplomatic support on the issue; instead he proposed that Serbia should be content with economic compensations, perhaps a railway link to the Adriatic.178

Similarly, Milovanovich was unable to achieve anything substantial in Rome. The Italian Foreign Minister Tittoni, on November 9, told him that Italy supported Serbia and would protest the Austrian action. He further suggested that Italy and Russia would be able to persuade England to conduct a naval demonstration in the Adriatic to pressure Vienna to attend the conference.179 Unfortunately, Tittoni spoke without consulting the other parties beforehand, and on November 15, the Russian envoy to Italy, informed him that Tittoni had been mistaken, and that Russia and Britain in no circumstances would use gun boat diplomacy.180

Novakovich’s mission also ended in failure. He had left for Constantinople at the end of October, with instructions that he was to initiate negotiations for a Serbo-Turkish political alliance. In Milovanovich’s opinion, such an alliance was desirable for Serbia because by associating itself with the party most injured by the Austrian action, Serbia might be able to raise its profile and improve its case for compensation among the great powers.181 There was, however, one major drawback to his plan. While it was obvious what Serbia would gain by an alliance, it was not clear what the Ottoman Empire would gain from it. The Ottomans did not need a political treaty to generate sympathy for their situation; they already had it. The
British had announced at the beginning of the crisis that they would not recognize the annexation until reparations had been made to the Ottoman Empire. Consequently, the talks with the Turkish Foreign Ministry went no where. Novakovich was initially reluctant to admit his lack of progress, but by the middle of November he sent word he had learned that the Ottomans and Austrians were attempting to hammer out a convention, which meant that it was highly unlikely the Porte had any further interest in Serbia’s conference idea.¹⁸²

Pashich’s mission to Russia had also run into difficulties. Milovanovich had sent Pashich to St. Petersburg for the purpose of protecting the Serbo-Russian entente. While Izvolsky assured him that Russia would continue to give Serbia diplomatic support, and do everything it could to resolve its dispute with Vienna, he openly admitted that Russia could not guarantee anything else. On November 6, he said that he had spoken to Aehrenthal about the conference, but that he was not certain if anything would result from it. Moreover, he also denied to Pashich that he had promised to withhold recognition of the annexation as a kind of expression of solidarity with Serbia.¹⁸³ Twelve days later, he repeated this statement again, “The Russian government cannot ahead of time declare that it will not recognize the annexation... and if Tsar Nicholas told you this it means that he did so without considering the potential negative consequences of that action for us and European peace.”¹⁸⁴

The foreign minister was somewhat disappointed by Pashich’s lacklustre results. Izvolsky’s about face regarding the question of recognition provided him with more evidence of the limits of Russia’s support for Serbia, and the lack of choices available for his policy. But, he was not surprised as Grey had already made it clear that Izvolsky’s idea was not an
option. There was, however, one consequence of Pashich’s mission to Russia for which Milovanovich was grateful. It was that Pashich moderated his political stance, and realized that it was not feasible for the Serbian government to either plan or discuss war given Russia’s opposition to it. In a telegram he forwarded to the Serbian government on October 30, he reported:

Izvolsky admonished me that Serbia must behave peacefully and must not do anything that would provoke Austria-Hungary because war with the great power would be suicidal, especially since Russia cannot and will not in any circumstances be dragged into war over the Bosnian question. ¹⁸⁵

Pashich even revealed his modified views to the Serbian press in an interview he had on November 9, with Pravda. He commented that there was hope that the crisis could be resolved peacefully, but only if a great power conference was held and that Bosnia’s autonomy was assured. ¹⁸⁶

The reason why this change mattered to Milovanovich was that it meant that the Radical leader, while not abandoning his original policy in total (in that he continued to demand autonomy for Bosnia), acknowledged and accepted Milovanovich’s premise that the question needed to be resolved using diplomacy. As a result, the prospect for continued cooperation between the government and parliament was improved, as Pashich was the natural choice to lead any opposition movement, and Milovanovich’s job was more secure also for the aforementioned reason. Finally, Pashich’s comments are noteworthy because they contradict claims standardly made by historians that he was much more extreme than Milovanovich, and was a constant advocate of war. ¹⁸⁷
The three envoys returned to Serbia in the middle of December. The Foreign Minister judged that the missions had been moderately successful. He was pleased that he had raised the profile of the Serbian question, and had convinced some of the great powers that Serbia had legitimate interests in Bosnia. But at the same time, he was disappointed that his official policy, i.e. the policy of compensation, had stalled due to a complication he had not anticipated. He had obtained great power consent of compensation for Serbia in principle but it did not mean anything, and would not mean anything unless it was endorsed officially at an international congress about Bosnia, and unfortunately it was apparent that the prognosis for the conference was not good. Simply put, Austria-Hungary’s and Germany’s desire to avoid attending was far greater than the desire of Serbia’s supporters to compel the reluctant parties to participate, especially if it required that they use force to do so.

While none of this was his fault, Milovanovich still returned to Serbia empty handed. He had received neither compensations nor guarantees that he would secure it in the near future. The consequence of which was that his agreement with the parliament would collapse. Thus, he was back where he began, facing the same issues he had on October 7. He was concerned about his job security, the reaction of the parliament to his diplomacy, and the measures that needed to be implemented to preserve domestic stability during the crisis.
The Formation of the Grand Four Party Coalition

Soon after he returned to Serbia, Milovanovich learned how quickly his relationship with parliament had degenerated due to the lack of progress during his diplomatic mission abroad. On December 25, Samouprava printed a summary of the discussion at the Radical Party’s meeting of the previous night. Its main focus had been the Serbian government’s policy towards Bosnia:

It is this party’s opinion that the Serbian race has been brutalized by the unlawful violation of the Treaty of Berlin and for that Europe is to blame. Merely decades ago, Europe assisted both the Germans and Italians to forge their own nation states, but today, it has now done the unconscionable and permitted the enslavement of the two million Bosnian Serbs... But, we as a party vow that we will not stand idly by while Dual Monarchy attempts to voraciously devour all of the territories inhabited by Serbs and... we will never forgive the amoral individuals among us who are willing to collaborate with that power, Austria-Hungary, and would sell Bosnia and its people."189

This article convinced Milovanovich that he should delay meeting with the both his party and parliament until he had decided to respond to their criticisms, and in particular to the implicit threat of removal from office if he did not modify his official policy. He put this off until January 2, 1909.

During the daily question period, Milovanovich was presented a note written by Stojan Protich, Ljubomir Stojanovich and Stojan Novakovich, which requested that he report to parliament what he had accomplished on his mission and answer three particular questions:
Firstly honourable minister, what have you done to familiarize the great powers with the Serbian National Program?...Secondly, has the government done everything possible to convince the great powers that it is the will of Bosnians to have their own autonomous state, under the suzerainty of the Ottoman Empire?...And finally has the government gotten assurances that Serbia will be permitted to attend the great power conference? 190

These questions naturally made him uneasy because he had not addressed the first two on his mission; he had exclusively concentrated on obtaining compensations for Serbia. But rather than admitting this, and further undermine his relations with the parliament, he evaded answering the questions directly. He did not lie openly, but omitted certain details and added others. In other words, he spun an account which he knew would appeal to his audience.

Milovanovich opened his speech with the ringing declaration that the way to resolve the Bosnian crisis was for “all of Europe to endorse the basic principle that the Balkans must be governed by the Balkan people”. He continued:

It is not only that the Serbian National Program, meaning its adherence to the previously mentioned heuristic, demands that Bosnia and Herzegovina be emancipated...but it is also that the Independence of Serbia and Montenegro is dependent on the status of Bosnia-Herzegovina.

And concluded:

By seizing Bosnia and Herzegovina, by blocking us from the Adriatic, and especially by preventing us from forging more intimate relations with Montenegro, and interfering with our attempts to unite, Austria-Hungary has fated that one day in the near or distant future that the Serbia, and all of Serbdom, will fight it in a struggle for life and death.191

The minister’s speech was remarkable. In the period of a few minutes he had told the parliament everything it had wanted to hear. He had stated that like them his primary
objective was to overturn the annexation. Moreover, he had also alluded to pan-Serbian thought by commenting that he considered that Serbia’s and Bosnia’s vital interests to be intertwined and inseparable. And last but certainly not least, he had declared that he was an advocate of action, and that he was positive that Bosnia’s and Serbia’s dispute with the Dual Monarchy would be eventually settled on the battle field. Had Milovanovich only stated that he would pursue a policy of autonomy rather than his original policy of compensation, this speech would still been of consequence. But he had gone much further, and had appropriated the rhetoric of the likes of Stojan Protich and the Socialist Trisha Katslerovich who were among the most vocal advocates of war.192

Parliament, however, did not examine the motives for his rapid about face. After he had finished speaking, he was given a standing ovation, and the following day Pashich read out a statement, affirming that the Skupshtina had confidence in the minister, and had accepted his assurances that he would pursue a foreign policy loyal to Serbia’s national interests. The Radical Leader then asked Milovanovich if he would endorse the note, which he did, and thus the minister emerged unscathed from his second struggle with his rivals in parliament.193

Yet almost as quickly as the new and improved nationalist Milovanovich appeared, he once again vanished. Despite having promised parliament, that he would change his behaviour and his foreign policy, he did not. He did not even pretend. On January 5, merely three days after he had spoken in the Skupshtina, the minister was confronted by the Austrian envoy to Belgrade, Count Forgach, who told him that Vienna was outraged by his speech,
and was particularly insulted by his charge that the Dual Monarchy had "enslaved" the Bosnian Serbs. The minister replied apologetically that he must have been misquoted, and that the neither he nor the Serbian government held that opinion of its neighbour. Nor did he forward Pashich's resolution to the Great Powers as he had promised. Both Izvolsky and Grey had warned him that it would be interpreted as a provocation on Serbia's part. Instead, he sent a note to the great powers on February 10, based not on the Pashich resolution, but repeated his plea of October 15, for autonomy for Bosnia and compensation for Serbia.

Parliament never reprimanded Milovanovich for failure to keep his promises because a larger problem, a cabinet crisis, soon engulfed the dissatisfaction with the foreign minister. This crisis was financial in origin. Though a majority of parliament demanded a milant foreign policy and increased military expenditures, it proved reluctant to appropriate the money to pay for it.

On December 8, the Finance Minister, Glavinich, appealed to the parliament to approve a new budget and a special credit of 10 million dinars requested by the Minister of Defense, Stepa Stepanovich. The parliament assured him that it would begin the approval process, but it did not do any real work on either the budget or the war credit until the end of February 1909, leaving the Serbian government without sufficient money to cover its operating costs for this period. Parliamentary inertia especially frustrated Stepanovich who needed the money to buy arms for the military. He was concerned that the Austrian army had steadily increased the number of troops along the border with Serbia. As a stop gap measure,
he looked into the possibility of purchasing rifles from a local manufacturer, but he was harshly attacked by the parliament for having attempted to spend money without consulting them. Of course he had not acted independently. He had urgently requested funds in December; he just had not received anything. As a result, he resigned on December 29, and General Mihajlo Zivkovich was appointed as his replacement on 4 January 1909. Stepanovich was not the only member of cabinet that had lost patience with the parliament however.

On January 4, the government met, and concluded that it could no longer continue to work in these conditions. They had intended to resign that day, but the King asked them to wait until a new cabinet could be formed, arguing that it was too dangerous for Serbia to be left without a government while the Bosnian question remained open. Consequently, the government remained in office while initiating negotiations for the creation of a new cabinet.

These talks involved all four major parties, the Radicals, the Independents, the Liberals and the Progressives, and sought to include more high profile politicians that the previous Velimirovich cabinet. Members of parliament from all of the parties had been unhappy that none of its leaders or high profile politicians, with the exception of Milovanovich, had been appointed as ministers. The Radical Party, in particular, was furious that Pashich had been kept out of the government by the Independents. Therefore, during these talks each party aimed to include its leader in the new government. The difficulty for the negotiators was that the Independent party remained adamant that Pashich must be kept
out of the government whereas the Radicals were just as emphatic that he must be included. To be sure, a new government could be formed without the involvement of the Independents, but it would not be a stable one. And like wise, any government that excluded the Radicals would be doomed to collapse.

While this difference of opinion obviously hindered the progress of the talks, they proved of great value to Milovanovich, and helped him cement his position as Foreign Minister. The Independent party decided that it would support him in order to block any attempt by Pashich to enter the cabinet as Foreign Minister. In other words, they backed him because he was not Pashich! Furthermore, the Liberal and Progressive Parties, liked Milovanovich because of his conservatism; they were both right of centre parties, and they believed that Milovanovich’s presence would help temper the new government.

It so happened that their support was not needed because Pashich himself wished to have Milovanovich stay on as foreign minister. He did so not for friendship, or respect for his ability, but rather for his own interests. It suited him to have Milovanovich assume the burden of determining foreign policy because it meant that he would be held accountable for any failures, and by this point, he was certain that any policy would fail given the diplomatic environment. The Radical leader said as much in a personal letter he wrote to Milovanovich on January 21. While telling him that he was of the opinion that the Serbian government would have a better chance of having a successful foreign policy if it presented a maximum demand to the great powers; such as the one insisting Bosnia be granted independence, he would defer to Milovanovich’s judgment;
Dear Milovan... if you decide that my suggestions are not helpful, then just continue to work according to your own perceptions; after all, no one knows more than you do about how to deal with the pressure of having so much responsibility in such difficult circumstances.

Thus, with this letter, it was clear that Milovanovich would retain his position as foreign minister when the change of government occurred.

After two months of negotiations, the four parties finally worked out a settlement. As arranged, the Velimirovich government resigned, and on 24 February 1909 the King swore in the new cabinet. It became known as the Grand Coalition because it was comprised of the leaders of all 4 parties. Stojan Novakovich, the leader of the Progressives, became Prime Minister. Stojan Ribarac, the leader of the Liberals, was appointed as Minister of Justice. Ljubomir Stojanovich, the leader of the Independent Party, was named Minister of the Interior. And lastly, Nikola Pashich accepted the position of Minister of Public Works.

This government had been formed in the hope that it would be able address the problems that had crippled its predecessor; i.e. inter party conflict and the deadlock between the parliament and government, and it did that most effectively. The presence of so many party leaders in the government not only appeased the members of parliament, who had previously complained that the Velimirovich government was weak as it did not have any prominent politicians, but it also endowed the government with the authority necessary to manage the parliament. After all, the parties in parliament were not likely to criticize the government, if the government was composed of its respective leaders.

In sum, the formation of Grand Coalition was of crucial importance to both Serbia’s domestic and foreign politics. The new cabinet was able to conduct day to day business, and
get back to mundane but essential matters like approving budgets. Even more importantly, it restored unity between Serbia’s elite, in this case the parliament and government, and thereby signified the consolidation of domestic stability. Moreover, with regards to Serbia’s foreign policy, the new cabinet was beneficial because Milovanovich was confident for the first time since the annexation had been announced, that he had the full support of both the government and parliament, and that the two bodies were committed to working together. He no longer had to worry about the security of his position or about domestic order, but instead could devote all of his attention to getting Serbia safely through the crisis. This was very fortunate timing as the international crisis was about to resume as Austria-Hungary and Turkey had finally finished their negotiations and would announce the result on February 26.²⁰²
Chapter Four

The Bosnian Crisis Part Two: February 26, to March 31, The Resolution of the Austro-Serbian Conflict

The Austrian decision to annex Bosnia-Herzegovina took several months to generate a crisis able to threaten European peace. Vienna had reacted very negatively to both the bellicose reaction of the Serbian public, and Milovanovich’s diplomacy. But while Vienna would have liked to deal with Serbia, it first had to negotiate with the Ottoman Empire. Vienna had been told by the other signatories of the Treaty of Berlin that they would validate the annexation only after Austria secured Ottoman agreement.203 As a result, Serbia’s confrontation with the Dual Monarchy had been put on hold. There were incidents between the two parties, but they increased in frequency as Austria and the Ottoman Empire neared agreement in early 1909.

The main point of contention between Austria and Serbia in the first half of the crisis centred around the question of the status of their respective militaries. Despite having been told by the other great powers that Austria-Hungary did not have any aggressive intent towards Serbia, Milovanovich was never completely reassured. What bothered him was the ease with which Vienna could attack Serbia. From its base in Semlin, (which was the city located directly across from Belgrade on the other side of the Sava River), the Austrian army could seize the Serbian capital without warning.204 In light of this situation, it was determined that Serbia’s best if not only means of protection was to scrupulously observe all Austrian activity along the border as it would at least give the government advance notice,
and the Serbian military applied itself vigorously to this task, noting every transgression by Austrian forces.

Throughout October and November, the Serbian government received very alarming information. Military intelligence operating from Bosnia communicated that the Austrian army had dispatched over 8000 soldiers along the length of the Drina river, from Bjelina to Zvornik, the border between Serbia and Bosnia, for the purpose of transporting cannon and artillery, as well as digging trenches. Then a few weeks later, another report elaborated that the troops around Zvornik had been observed conducting war games. Perhaps even more serious was the information coming from the government’s sources in Srem, the Austro-Hungarian province immediately north of Serbia. In mid November, the army communicated rumours that Austro-Hungarian army had stockpiled floating rafts and buoys in Semlin, implying that the army was planning a river crossing.

The concern of the Serbian government can be seen in the message sent on November 18, 1908, by Prime Minister Velimirovich, (acting on Milovanovich’s behalf), asking the great powers “suggest to Vienna, in a spirit of friendship” to modify its behaviour regarding Serbia. This request fell on deaf ears because none of the powers shared Serbia’s view that these actions could be considered threatening! On November 16, the British government had received assurances from the Austrian envoy to Britain, Count Mensdorf, that “his government would take no action against Serbia unless they were attacked”. Izvolsky told Pashich on November 19, that even if there were hawks in Austria clamouring for war, peace could be maintained as long as “Serbia avoided making any provocations” and was firm that,
"Serbia must withdraw its troops from the border and let the great powers deal with the problem."\textsuperscript{210}

When Milovanovich returned to Serbia he transmitted a revised circular in early December, but he was not any more successful than Velimirovich. Germany made it clear it would not apply any pressure to Vienna, and even the Entente Powers were cool to the minister’s initiative.\textsuperscript{211} Pichon, France’s foreign minister, informed the Serbian envoy that “those few isolated incidents do not prove that Austria-Hungary is planning to attack Serbia."\textsuperscript{212} Izvolsky, likewise, said he had not yet formulated an opinion, and would let Serbia know after he had considered things seriously.\textsuperscript{213} Lastly, the British themselves, were also of the opinion that there were “not sufficient grounds to make representations at Vienna."\textsuperscript{214} Without question, this reaction disappointed Milovanovich, but he appreciated the assurance given him by Foreign Secretary Grey that regardless of its position on this issue Britain remained committed to supporting Russia’s efforts to assist Montenegro and Serbia during the crisis.\textsuperscript{215}

This declaration from Britain was of more value than even Milovanovich was aware as Austrian policy regarding Serbia was about to become more aggressive. Though Aehrenthal had consistently maintained that he desired to resolve the annexation crisis peacefully, his patience had been tried by Milovanovich’s most recent initiative, and by Serbia’s presumption that it could dictate how great powers should behave. These feelings were revealed in a letter sent to Germany’s Chancellor Bülow on December 8:

Our policy is guided by the wish to not create conflict with Serbia. We shall persevere in this attitude also in the immediate future and believe that by doing so, we serve the general need for peace. However, we do not intend to prolong indefinitely our policy of patience. If in the course of the next two
months the behaviour of Serbia gives us fresh reasons for serious complaint, then the moment shall come at which we shall take a definite decision.216

As a consequence, Aehrenthal added, he thought that it would be prudent for the Dual Alliance to have a contingency plan, suggesting to Bülow that General Conrad and his German counterpart, General von Moltke, correspond with each other to determine how they would combine their military plans in the event that war resulted from the Austria-Serbian dispute.217 To his great satisfaction, Bülow, a few days later approved this idea and arranged for von Moltke to contact Conrad.218

In the meantime, events in Serbia further aroused Austrian hostility and complicated the Austria-Serbian dispute. On January 2, 1909, Milovanovich made his notorious address to the Serbian parliament, in which he prophesized that Serbia and Austria-Hungary would one day fight each other in a struggle for life and death. The Austrian envoy to Belgrade, Count Forgach, perceived correctly that this speech had been crafted for the domestic audience, and did not mean that Milovanovich had transformed into a warmonger, but his reaction was the exception.219

In the days that followed, the Austrian press was in an uproar. Simich, the Serbian envoy, reported that the Viennese newspapers were urging that the government reprimand Milovanovich, and send additional forces to Bosnia to increase its military presence.220 The Austrian paper, Armee-Zeitung, which was closely affiliated to the Austrian Chief of Staff, demanded much more. On January 7, it called for the government to declare war on Serbia:

Serbia drives us: the Prime Minister’s (in fact the Foreign Minister) speech needs no further commentary. A jaw like his asks for the answering fist and any officer of the Imperial and Royal Army would be ashamed of the sword he wears, if the state he serves submitted to such provocation without protest... We have formally taken possession of Bosnia which has long been
ours. Under the stress of circumstances we shall now lay hand on Serbia and by under our protection, give that sorely tried land the chances of beginning a new life under our protectorate and of growing mature for the Pan-Serb idea for a Greater Serbia under the Hapsburg sceptre.²²¹

Likewise, the Austrian government, was offended by Milovanovich’s grandstanding. Yet even if the Austrian minister might have liked to respond militarily, the timing for that action was wrong as Vienna was still negotiating with the Porte. So instead, he sent a circular to the great powers on January 5, insisting they pressure the Serbian minister to recant his statements and make an official apology. Milovanovich did not wish to submit because he knew he would be criticized by the nationalists in the parliament for having broken the promises made them three days earlier, but he had no choice. Austria’s wrath was more fearsome than the parliament’s, and at least the showdown with the nationalists was put off as the Skupshtina was then closed for Christmas and New Year. Thus, two days later, he sent an apology to Aehrenthal, which was accepted as satisfactory, and with this relations between Austria and Serbia settled down temporarily.

The Rising Tension

In January of 1909, after months of tedious negotiations, there was a breakthrough in the Austro-Ottoman talks and the two parties hammered out a protocol regarding the revision of the Treaty of Berlin. According to its terms, Austria-Hungary would pay the Porte 2,500,000 Pounds and the Ottoman Empire would consent to the abrogation of article 25.²²² Progress in these talks had two important consequences for the Bosnian crisis. First, it became more and more unlikely that the proposed great power conference would take place.
Aehrenthal, who had always opposed the idea, made it clear that he thought it redundant for the powers to meet when Turkey, the most affected party, had already given its consent to the abolition of article 25.\textsuperscript{223} Secondly, it meant that Austria-Hungary would soon be able to turn its attention to other matters, especially its dispute with Serbia.\textsuperscript{224}

Despite not knowing of the discussions between Generals Conrad and Moltke, the government of Russia, Britain and Serbia realized that once the Austria-Turkish Convention was signed, the risk of violence multiplied tenfold. As a result, Britain and Russia resolved to attempt to reduce tension between Serbia and Austria-Hungary while there was still time. Yet knowing \textit{what} needed to be done, was different from knowing \textit{how} it would be done. This task was further complicated by the fact the both Izvolsky and Grey were still reluctant to discuss this topic with Aehrenthal, meaning that all their initial efforts focused on Serbia.

On January 19, Grujich, Serbia’s envoy to London, informed Milovanovich that Harding, the British Undersecretary of Foreign Affairs, had told him that the Austro-Turkish convention was close to signature, and advised Serbia to be ready to endorse it quickly.\textsuperscript{225} The following day, Milovanovich received the same message from Russia, but expressed more bluntly. Izvolsky warned that if the Serbian government did not conduct itself correctly, it “would lose the sympathy and support of its great power friends”, and be forced deal with Austria on its own.\textsuperscript{226}

Milovanovich did not find it difficult to heed this advise as he and Serbia’s leading politicians had already realized that concessions would have to be made to Vienna. In fact, this was one of the main reasons why the government and parliament were in the process of negotiating the formation of a new four party coalition government more centrist and
conservative than its predecessor. It was hoped that this cabinet led by Stojan Novakovich, the Liberal Party leader and respected moderate as Prime Minister, would reassure Serbia’s friends and Vienna that the small state was reasonable and willing to negotiate a mutually satisfactory end to their dispute.

Yet neither the Serbian effort, nor those of Britain and Russia, could effect any substantive improvement of Austria-Serbian relations because they had failed to address the main source of Austrian hostility towards Serbia. While annoyed with Milovanovich’s grandstanding, the Austrian government viewed Serbian policy as the most serious provocation to them. Consequently, the only way sure way to satisfy Austria-Hungary and defuse the crisis would be for Milovanovich to abandon his demand for territorial concessions as well as his policy of compensation. He and his advisors may not have wished to acknowledge this fact in December, but they would soon be forced to.

On February 13, Nicolson, the British ambassador in Russia, reported that Izvolsky had received distressing news that Austria would shortly present an ultimatum to Serbia, ordering Belgrade to give up its claims to compensation. If Serbia did not comply, Izvolsky explained, Vienna would consider that it had cause to launch a “punitive military expedition” against the small state. Nicolson questioned if Izvolsky’s source was reliable, but assured the Russian that Grey would be notified immediately, and that his government would work jointly with Russia to determine how to proceed.

A week later Milovanovich learned of these rumours from his representative in Vienna, Simich. This report was far worse than that from Izvolsky. Simich communicated that he had spoken with the Russian military attaché, who said that the situation was
desperate, and that the Austrian government was planning an imminent attack on Serbia; “he thinks that Vienna might move against us as early as March 1 by the new calendar...and advises us that it would be wise to seek guarantees from the other great powers for Serbia’s territorial integrity.”230 The next day he reported a talk with the French ambassador who was only marginally more optimistic. He does not “believe that the Austrian government will launch a military action against us as soon it has been suggested,” (mainly for the reason that the Austria-Turkish convention had not yet been signed), “although he also concedes that the situation is critical.”231

In light of these developments, Britain and Russia agreed it was time to talk directly to Vienna. On February 18, Grey drafted a note, voicing his concern about Vienna’s supposed preparations, and offering the services of the British and the other entente powers to help defuse the tension:

We will do our best at Belgrade, as we have done before successfully, to remove cause for complaint, for we are most anxious for reasons given above, to avert by every means in our power the contingency of seeing Austria compelled to take active measures against Serbia.232

For the action to work, Grey believed it would be necessary to have German support. But on February 21, Chancellor Bülow informed Grey that Germany felt it was outrageous for the great powers to ask any thing of Vienna when Belgrade’s provocative behaviour was to blame for the escalation of the crisis.233 The only way, he elaborated, that Germany would participate in a joint diplomatic action would be if it was directed solely at Belgrade, and demanded that Serbia’s government henceforth act properly towards the Dual Monarchy. 234 Grey agreed to Bülow’s terms without hesitation because he believed that Germany’s involvement was essential to restrain Vienna. However, he did not know if Russia would
think Germany’s participation was worth putting pressure on Serbia, so on February 27, he sent Izvolsky a note questioning him on the issue.

Though not directly involved in these exchanges, the Serbian government was quite aware of what was occurring behind the scenes. Simich, on 22 of February, informed Milovanovich that the French attaché had warned him that Serbia could be facing war unless it changed its official policy immediately.\textsuperscript{235} It was apparent that the Serbian minister took this warning seriously as he released a short and revealing statement to the press the next day; “it is my opinion that the crisis will not, nor cannot last much longer as Serbia is already in such a precarious position that any further delay would be ruinous for our nation.”\textsuperscript{236}

Izvolsky sent him more detailed information by way of Grujich on February 27, the day after the Austro-Turkish convention was signed. Grujich reported:

Although the Russian government and the great powers have not yet completed preparing the joint démarche for Serbia, Izvolsky strongly suggests that certain measures be implemented now. Namely, we must abandon the position of demanding territorial compensation, as well it is just no longer feasible for us to seek autonomy for Bosnia.\textsuperscript{237}

In addition, the Russian message strongly stressed that the Serbian gesture, a.k.a. capitulation, must be made \textit{publicly} in order to have the desired effect of appeasing Vienna. Milovanovich, he explained, must send a circular note to each of the great powers, in which he would renounce Serbia’s policy, promise that the government would henceforth refrain from provoking Vienna, and declare that it would respect the decision the great powers reach to resolve the crisis. In sum, the Russian minister asked that Serbia be willing to step aside and “leave her fate in the hands of the great powers”.\textsuperscript{238}
To Izvolsky’s and Grey’s relief, Milovanovich agreed to begin work on this type of circular. His acceptance of their advise was in part due to the fact that he did not want to risk losing the great powers diplomatic support as it was Serbia’s best means of protection against Austro-Hungarian aggression, and he was told openly that if he ignored their counsels this would indeed happen. In addition, the other contributing factor was that he had already realized his policy had to change.

On February 21, (the same day when Milovanovich received Simich’s first warning), he scribbled some notes to himself under the heading, “Our Demands Boiled Down to the Minimum”, in which he considered what other than territory Serbia could seek as compensation from Austria-Hungary. He concluded that he could withdraw from his original position if the Austrian government met three conditions. He asked first that Vienna declare to Serbia, Montenegro and Turkey that it would not expand southwards into the Sanjak; second that Serbia be allowed to construct a railway through the Sanjak to Montenegro, (that could be used for both economic and military purposes), and third; “if at all possible we would like to compel Austria-Hungary to negotiate a convention that provides for mutual and simultaneous demilitarization.”

The Climax: The Austro-Serbian Conflict Comes to a Head

One week after the Izvolsky note was sent, the Austrian government finally sent its long anticipated ultimatum. On March 5, Forgach met with Milovanovich person and
warned him that Austria-Hungary would not renew the Austria-Serbian commercial treaty, (which was scheduled to lapse on 31 March 1909), unless Serbia reversed its policy:

The Imperial and Royal Government would like to hope that Serbia, yielding to the advise of the Great Powers, will change her attitude with respect to Bosnia Herzegovina, and will at the same time express her well considered intention to resume relations of good neighbourliness with Austria-Hungary. The Imperial and Royal government is only waiting for a communication in this sense to open new negotiations with the Royal government concerning the commercial relations and the transit between the Monarchy and the Kingdom of Serbia.  

For the most part this was what Milovanovich had expected. His one concern was the issue of bilateral negotiations between Serbia and Austria-Hungary. The note made it very clear that Vienna expected Serbia to make a statement of good intentions to Austria alone, and Forgach had also explained that Aehrenthal intended the ensuing economic talks to be bilateral as well.  

In the interim, the Serbian minister finished the declaration that Izvolsky had suggested, and transmitted it to the great power capitals on March 10. It was prefaced with this statement; “in conformity to the friendly counsel of the Imperial Government of Russia, the Serbian government has the honor of communicating the aforementioned declaration.”

The main body of the text followed:

Serbia considers that from a legal point of view her situation with respect to Austria-Hungary has remained normal since the annexation of Bosnia-Herzegovina, and maintains that it has no intention whatever of provoking a war against the neighbouring monarchy, and in no sense desires to modify the legal relations with that power, while continuing to fulfill, on a
basis of reciprocity, her obligations of good neighbourliness... though having put forward the view that the questions of Bosnia Herzegovina is a European question and that it appertains to the powers signatory of the Treaty of Berlin, Serbia trusting in their wisdom and sense of justice, leaves her cause in their hands, without reservation, and without in consequence claiming from Austria-Hungary any compensation whether territorial, political or economic.²⁴⁵

Though this circular marked a major change in the Serbian government’s official policy, reaction was mixed. Russia approved of the note largely, because Milovanovich had written it in collaboration with the Russian attaché in Belgrade, Sergeyev.²⁴⁶ Similarly, Foreign Secretary Grey told Grujich on March 11, that he perceived it was significant step towards ensuring peace.²⁴⁷ However, for the party most involved, Austria-Hungary, the note did not go far enough.

Aehrenthal had two complaints regarding its content, which he conveyed to Milovanovich on March 12.²⁴⁸ First, he did not like that the note was addressed to the great powers, rather than Austria in particular. He had made it clear in his ultimatum that he wanted Serbia to make its declarations to Vienna alone. Second, he judged the note insufficient because it did not make any reference to Serbia recognizing the Austria-Turkish protocol. By doing this, Aehrenthal argued, it appeared as though the Serbian government was making a feeble attempt to keep the Bosnian question open, (which of course was exactly why Milovanovich had avoided mentioning the February 26 accord.) The Austrian minister ended his message by stating that Serbia should forward a proper response to him as soon as possible.²⁴⁹ The Austrian government backed up its suggestion by increasing the number of Austro-Hungarian battalions in Dalmatia and Bosnia to war strength.²⁵⁰
Milovanovich did not need any such incentive to take Aehrenthal's words seriously, but unfortunately a familiar feature of domestic politics, inter-party strife, had re-emerged to impede his movements. It had taken the Foreign Minister over a week to respond to Izvolsky's initiative because his fellow Radicals, Nikola Pashich and Stojan Protich, objected to the idea of reversing Serbia's policy. This was ironic as both had verbally abused Milovanovich for territorial rectifications, but for them that was a lesser evil than capitulation. The Serbian minister was able to overcome their opposition, thanks to the support of the Independents, and released the circular on the 10, but the arguing resumed as soon as it was made public that it had been rejected by Austria-Hungary.

Pashich and Protich, in response, demanded that Milovanovich adopt a much firmer stance when he drafted the second reply to the ultimatum. In fact, there is evidence that Milovanovich based his reply largely on a letter written to him by Protich also on March 10, who was at the time the Finance Minister. In the letter, Protich urged him to resist pressure by Vienna to link the trade treaty with the Bosnian crisis, and in addition, he wanted him to insist to Aehrenthal that "it is the Austrian government's responsibility and duty to ratify the treaty with Serbia that has been legally arranged".

The second circular was forwarded to the Ballhausplatz a few days later on March 15. Its difference from the first note was immediately apparent. It opened by insisting that relations between the two states were normal and that there were no grounds for Vienna to refuse to renew the trade treaty:

The Royal Government is therefore of the opinion that it would be most in conformity with the material interests of the two parties and with the bonds created by the treaty signed last year, which has already been given force of law in Serbia, if the governments of the Monarchy were to submit this
treaty of commerce for the approval of the parliaments of Vienna and Budapest... The acceptance of this treaty by the parliaments would at the same time furnish the most certain means of avoiding any interruption of treaty relations. Its rejection by the parliaments would serve to fix a definite point of departure for negotiations for a new treaty.

Then Milovanovich suggested that should Austria-Hungary be unable to ratify its commercial treaty with Serbia by March 31, the deadline for a new treaty be extended until the end of December of that year. 253

Not surprisingly, the great powers jointly perceived this note as disrespectful. According to Popovich, Izvolsky was extremely irate,254 and Grujich reported that Harding pronounced the Serbian response neither clever nor satisfactory.255 Last but not least, the Austrian government considered the action as yet another unwarranted provocation. Forgach wrote to Aehrenthal that it was his opinion that the “Serbian note [was] near enough to being the most insolent response its government could have given us!”256

The Serbian government’s ill considered action had dangerous consequences. On receiving the note, Aehrenthal informed Forgach that he would wait until Austria’s military measures were completed before replying to Milovanovich. 257 Although there was not direct contact between the two governments, the Serbian minister learned of Aehrenthal’s preparations via the other great powers. On March 18, Bogichevich, the Serbian envoy to Berlin, notified him that he had met with his fellow envoys from Britain and France, (Goshen and Cambon) who had bluntly stated that the situation was critical, and that it was going to be extremely difficult to negotiate with Vienna.258 Both said Aehrenthal would only accept an apology on the condition that Serbia recognized the annexation of Bosnia, and agree to reduce the army to the size it was prior to the commencement of the crisis. If Serbia
complied, Britain and France in return would continue mediation on Serbia’s behalf, and would find a formula that would allow for a multilateral solution of the whole question.

Milovanovich responded to the suggestions in the telegram on March 19. In a statement released to the Serbian and European press, he pledged that the Serbian government from this point on would leave the solution of the Bosnian question to the Great Powers. He remarked, “we have repeatedly said that we seek nothing from Austria-Hungary, and view the Bosnian question as a matter of concern for only the signatories of the Treaty of Berlin.” Moreover, he added, despite comments to the contrary, “Serbia does not have any power to influence or interfere with the great powers decisions regarding the Bosnian question, nor would want to.” Two days later, the Serbian minister re-affirmed this message, vowing that his primary objective was to end the crisis; “I realized, (from my briefing from the British and French governments) that if Serbia persisted in its previous policy, we would be held responsible by all of the great powers if a war resulted, and we would also lose any chance we might have had to obtain even economic compensations."

While Milovanovich returned to an internationally defensible position, his British colleague contemplated how to resolve the Austro-Serbian dispute. He had two options; either to organize a great power conference at which Serbia’s capitulation would be presented to all of the powers, or instead assume the responsibility of writing a reply for Serbia, which would eliminate the danger of another unacceptable note. Grey took the second course because he doubted Austria-Hungary would agree to attend a congress, and he sent Aehrenthal an example of the kind of response he hoped would satisfy Vienna.
Aehrenthal promptly communicated to Grey that he had no objections to this procedure in principle, but explained that his acceptance of any note was contingent on Serbia making some reference to disarmament. The British minister was very encouraged by this reply as it showed him that Aehrenthal preferred to settle the dispute through diplomatic rather than military means, but also because he knew the Serbian government would comply with its terms. Milovanovich’s latest statements made it clear that he was willing to make concessions, and in addition Grey knew that the Serbian minister would fall into line to maintain good relations with Britain and to avoid bilateral negotiations with Austria-Hungary.

Thanks to Grey’s initiative, the prospects for ending the crisis were much improved. The one task that remained was for the parties to formulate a note acceptable for everyone. This process would not have taken much time if it had not been delayed by Germany. From the beginning of the crisis, it had been German policy to let Aehrenthal make all of the decisions. However, about the middle of March, the German government decided to assume a more active role, presumably to bring the crisis to a speedy conclusion and cement the diplomatic victory for the Dual Alliance.

The German government thought Russian diplomatic support of Serbia to be the main impediment to a settlement favourable to Austria. If Belgrade was deprived of this assistance, Serbia would have no option but to capitulate and recognize the Austria-Turkish convention. Thus, on March 21, Bülow, without consulting Aehrenthal, directed Pourtales, his representative in St. Petersburg, to deliver the following order to Izvolsky:

We must be certain that Russia will return an affirmative answer to the Austrian note and declare, unreservedly, her agreement to the abrogation of
article 25. Your excellency will make clear to M. Izvolsky that we expect a definite answer: Yes or No; any evasive, involved, or vague answer would have to be regarded by us as a refusal. We would then withdraw and let things fall on their course; the responsibility for all further eventualities would fall entirely on M. Izvolsky.  

Bülow demanded that either Izvolsky formally recognize the annexation of Bosnia, or Germany would release to the public documents from the Izvolsky/Aehrenthal meetings in Buchlau. This would be highly embarrassing for the foreign minister as he had not bothered to disclose details of his secret arrangement with his Austrian counterpart to most of the Russian government.

The Russians were backed in a corner. On March 13, Izvolsky and the Russian government had concluded that Russia could not conduct a war at this time over the Bosnian crisis, and though Bülow was not threatening war as of yet, if the crisis was prolonged it could come to that. In fact, Izvolsky had already begun to withdraw his government from the crisis. It was not a coincidence that the Russian envoy to France did not participate in the briefing that Kambon and Goshen conducted for Bogichevich on March 18. Moreover, Izvolsky had the added incentive to protect his career, which certainly would be compromised if the documents were published and his machinations were brought to light. Consequently, on the 23 of the month, the Russian minister replied to Pourtales that Russia would give its formal assent to the abrogation of article 25 if asked to do so, and the following day the news of Russia's capitulation reached the public.

The German Chancellor was so buoyed by his success that he sent a note to London, Paris, and Rome, asking if they would endorse Austrian policy in the same way as Russia. Aehrenthal had first been annoyed with Bülow for having acted unilaterally but he changed
his mind when Izvolsky capitulated, and on March 27, he issued a similar demand to Britain, threatening that he would break off their discussions about Serbia if Grey did not consent to the annexation. Needless to say, this development alarmed Milovanovich. If the powers, particularly Britain, did comply, it would mean that Serbia would face the prospect of bilateral negotiations with Austria, which was his worst fear. He was so worried that on March 26, he telegraphed Bülow, asking him to urge Aehrenthal to be reasonable and take no action that would do irreparable damage to relations with Serbia. Not surprisingly, Bülow did not respond; he had after all enthusiastically supported the idea of Conrad and Moltke coordinating their military plans.

On the bright side, Milovanovich now learned that Grey would stand by his earlier promises. The British minister was extremely unhappy that Izvolsky had collapsed under pressure without having consulted the other members of the entente, and was adamant that the Dual Alliance would not have another victory like that at his expense. According to Grujich, Harding told him on March 26, his government had been sent an ultimatum by Germany, but “[had] rejected it, replying that any recognition of the annexation was contingent and must be preceded by the peaceful resolution of the Austria-Serbian dispute.” Harding also reassured him that Grey would continue to mediate between Belgrade and Vienna, and was working on the text that would be presented to Serbia. That same day Grey communicated to Aehrenthal that the ultimatum had changed British policy; “After Serbia has written in the note the terms agreed and Austria has accepted it as satisfactory, we shall prepare to assent without reserves to the abrogation of Article 25 of the
Treaty of Berlin. With this answer, the onus fell back onto Aehrenthal and he was obliged to decide if he actually wanted to take military action against Serbia.

It did not take Aehrenthal long at all to admit that he did not wish to resort to force. He had wanted his policy produce a diplomatic triumph at Serbia’s expense, which would not only humiliate the small state, but also relegate it to its status as an Austrian client state once more. This objective could be realized without war, and it would certainly be less costly, so on March 28, after visiting with the Emperor, the Austrian minister pronounced that he preferred to have a peaceful solution to the crisis.

The German government accepted Austria’s decision to work with Britain without complaint, and let its ally take the lead in determining their joint policy. This news was, to say the least, welcomed in Belgrade. On March 29, Bogichevich telegraphed Milovanovich that Foreign Secretary Schoen “considers that the threat of war has been eliminated”. He further elaborated that the German officials claimed that they had this impression largely because of Prince George’s abdication on the previous day.

Briefly, the Crown Prince, on March 28, had renounced his claim to the throne due to a scandal surrounding the death of his manservant on two weeks earlier. Though the servant, Stevan Kolakovich, reported to police his own clumsiness had caused his accident, after he died in hospital, (the autopsy revealed he had died of internal hemorrhaging,) rumours spread through Belgrade that Prince George had pushed him down the stairs in a fit of rage. When he heard of the rumours, the Prince went to the government, informing them he intended to abdicate. Despite the fact that he was innocent of the accusations, the government was only too happy to accept his decision. The Prince was not popular among any of the politicians,
and his public outbursts denouncing Vienna during the crisis had placed Serbian government in an extremely awkward position, and the nation’s security at risk as the Austrians had warned many times that they would answer these provocations with force if they did not cease. Also the other benefit to the government from the abdication was that it would provide a means of diverting public attention from their own actions in the next few days. They hoped that if the public was preoccupied with the news of Prince George, it might not notice that the government was preparing to capitulate to Austria-Hungary.

With the great powers and Serbia in agreement, all that remained was to work out the final details. Accordingly on March 30, the Russian, English, French, Italian and German Ambassadors presented the Serbian government with the note that had been drafted jointly by Vienna and London. As per arrangement Milovanovich and the government accepted it in full, read it the next day to the parliament, and then forwarded it to Aehrenthal.

The Serbian reply began as follows:

Serbia recognizes that her rights have not been affected by the fait accompli brought about it Bosnia-Herzegovina and that she will consequently comply with such decision that the powers shall take with article 25 of the treaty of Berlin...Serbia undertakes from this time to abandon the attitude of protest and opposition which she has maintained towards the annexation since last autumn, and in addition undertakes to change the direction of her present policy towards Austria-Hungary in order to live henceforth on terms of good neighbourliness with the latter.

The note also promised disarmament as Vienna had demanded:

Serbia will reduce her army to its strength in the spring of 1908 in respect of its organization, distribution and effectives. She will disarm and dismiss the volunteers and bands and will prevent the formation of new irregular units on her territory.
It concluded with Aehrenthal’s promise that Austria would not harm Serbia’s independence, free development, security or territorial integrity.  

Forgach in response informed Milovanovich that Aehrenthal considered that relations between the two state had been normalized, and invited the Serbian government to enter in negotiations with Vienna for a new commercial treaty, thus signifying the close of the Austria-Serbian conflict. Perhaps most interesting of all was how quietly and quickly the news of the capitulation disappeared from the public eye. Unlike the first days of the crisis, there were neither public demonstrations, nor attempts to storm the foreign ministry. The parliament and political parties were surprisingly placid, and the Serbian press treated the matter as casually as any other. This change can be attributed to a number of reasons. Arguably, the Serbian public had become tired of the whole business and was preoccupied with its own individual concerns, and as well the sensational details of Prince George’s abdication competed with the story of the annexation for space in Belgrade’s newspapers. But the most important factor was that Milovanovich and government had successfully impressed upon the parliament that Serbia was in grave danger and that intra-elite unity was necessary to survive the crisis. In other words, the parliament stepped aside and allowed the government to capitulate to the Dual Monarchy without complaint or debate in the interest of Serbian security.
Though Milovanovich and the Serbian government were disappointed that the Bosnian crisis had been concluded without the great power conference having been convened, the diplomatic victory of the Dual Alliance was taken much better by the Serbian elite than might have been expected. This can be attributed to the fact that the Serbian foreign minister was genuinely satisfied that he had done his best to protect Serbia’s vital interests given the difficult circumstances. A memo he wrote on April 5 confirms this was his state of mind.

In it he had jotted down his thoughts regarding the efficacy of his foreign policy, grouping them together under the caption, "Where I failed and where I succeeded."280 According to his notes, his policy had experienced two glaring failures. The first was that he was unable to win any sort of compensation for Serbia either territorial or economic though he did state [he “was] never totally confident or convinced that it would be possible that our country would be awarded a rectification of territory.” Of course the question that begs asking is did he think this even while he had been in Carlsbad with Izvolsky, which is certainly likely given his political experience and knowledge of international relations, or did his say so only to absolve himself of responsibility for a failed policy? In my view, the most likely answer is that it was a combination of both factors. The second failure he identified was that Serbia had been pressured to recognize the annexation, and could not keep the question open, which he had hoped to do in the event that the first demand was not realized.
Significantly, Milovanovich believed much of his policy had been successful. His first accomplishment was that he had raised the profile of Serbia in Europe, and had been able to explain Serbia’s most immediate political concerns to the all of the great power ministers, albeit some were more sympathetic than others. This was a noteworthy accomplishment in his view because the great powers did not initially believe Serbia was entitled to participate in the Bosnian question as it was not one of the signatories of the treaty of Berlin. Next, Milovanovich credited his policy for securing the diplomatic assistance from Russia and Britain, which he thought was primarily responsible for deterring the Dual Monarchy from using force against Belgrade and resolving the crisis peacefully. He stated; “through our diplomacy, we were able to make the great powers realize how threatened and endangered Serbia was by Austria-Hungary.” The other major success for the minister was that the government maintained domestic order in Serbia and neutralized the sabre rattling of nationalist groups; “I was able to make it known in Serbia that in these circumstances we must avoid war at all costs, and explained that conflict now would not be in the interests of any of the Balkan states nor for the South Slavic people on the whole.”

The final favourable by-product of Serbia’s diplomacy that he mentions is that Serbia and Montenegro repaired their rocky relationship to such a degree that “our concerns have been adopted by Montenegro as their own.” Unlike the other points he made this is the one in the whole memo whose accuracy is doubtful. To be sure, relations between Belgrade and Cetinje had improved but it is not true that Montenegro had adopted Serbia’s foreign policy because if Prince Nikola had, he would have done more to support Milovanovich in March as opposed to spending his time debating with Aehrenthal about which clauses of article 29
were to be removed. Undoubtedly the foreign minister would have been more aware of this than any one, which leaves us to assume that he had put this spin on the events for the benefit of pan-Serbian nationalists in parliament.

This memo is of crucial importance for our understanding of Serbia's role in the Bosnian crisis because Milovanovich himself explains the motivations and aims of his foreign policy. The document reveals that though territorial compensation was one of his demands, (he had consistently maintained that Serbia was entitled to compensation due to its obvious relationship to the Bosnian question), it was not the most important aspect of his diplomacy. Rather his primary political concern had been to formulate and conduct a policy that would be able to protect Serbia's vital interests from the two major threats he perceived were posed to the small state as a result of the crisis; domestic disorder, and an Austria-Serbian conflict. It is for this reason that he dropped his request for territory for Serbia when asked by the great powers, realizing that if he persisted he might be responsible for pushing the Dual Monarchy too far, and moreover, it also explains why he was adamant during the last stage of the crisis that Serbia must have some form of diplomatic support from the other great powers, hence his surprising appeal to Bülow on March 26.

By recognizing how and why Milovanovich chose his approach, it is much easier to understand the responses of the Serbian government in the immediate aftermath of the crisis. Since Milovanovich achieved the primary aim of his policy, and conflict was avoided with the help of Russia and Britain, the Serbian government could deny that Austria-Hungary had achieved a complete victory as Aehrenthal proudly claimed, or that relations between the two states had returned to normal. 284 On the contrary, for the Serbian government the crisis
served as a warning bell. If there were any doubts that Vienna desired to re-establish its position as Serbia’s patron they had been now dispelled, and though the Serbian elite was fractured, no one ever wanted to be Austrian clients again.

Consequently, soon after the end of the Bosnian crisis, the Serbian government reaffirmed its commitment to policies designed to strengthen their country to ensure that never Vienna would never again achieve a diplomatic triumph so easily. Most important among these were an enormous loan from France to buy arms and supplies for the military, a successful effort to draw closer to Russia, and the opening of talks aiming at the conclusion of a political and economic pact with Bulgaria. The latter was the first step to forming the second Balkan League.

Finally the measure that best sums up the state of Austria-Serbian relations post Bosnian crisis was one not taken! When Belgrade capitulated on 31 March 1908, Serbia was required to “disarm and disband her volunteers and bands”. Although the Serbian government agreed without protest, within a month their pledge had become a dead letter. On May 5, 1909, Milovanovich received a confidential report sent to him via the Ministry of War written by the leadership committee of Narodna Odbrana. The report contained confidential information regarding Austrian troop movements. It clearly testifies to the continued existence of Narodna Odbrana and those activities that it was expressly forbidden by the Austro-Serbian settlement. It also testifies that both the government and military knew of and probably endorsed its presence!
Conclusion

Final Remarks on Serbia and the Bosnian Crisis

The Bosnian Crisis of 1908 played an important role in the origins of the Great War and remains historically significant to this day. Although examined extensively, the role of the smaller states, Serbia in particular, has been studied less closely than that of the great powers. As a consequence, much written about that role is either incomplete or incorrect. This is significant because the causes and effects of the crisis cannot be properly evaluated without understanding the dynamic of Austro-Serbian relations. Therefore, the aim of this thesis is to address this deficiency and re-examine how Serbia became involved in, responded to, and was influenced by the crisis.

The most common and misleading assumption made by historians, both Western and Serbian alike, is that nationalism was the primary factor determining the behaviour of the Serbian government to the events in Bosnia. This interpretation assumes that Serbia protested Austria-Hungary’s annexation of the provinces because it thwarted the Serbian government’s ambition of becoming the Piedmont of the South Slavs and of unifying all Serbian lands into a Greater Serbia. Correspondingly, it also maintains that as a result of its nationalist convictions, the priority of the Serbian government was to nullify the annexation and restore Bosnia to its previous status as an Ottoman province, using any means necessary even war with Austria-Hungary.

There are number of reasons why historians have made this assumption. Serbian nationalist ideology was fully developed at the time of the annexation crisis, and both the
Radical and Independent Parties, (the parties that comprised the Velimirovich coalition government), had stated in their respective political platforms that the creation of Greater Serbia was the foreign policy goal towards which the small state should be striving. So it is easy to see why it might be believed that the government, espousing this rhetoric, would pursue a nationalist course. Moreover, the language expressed by the public and individual politicians in rallies and in the press at the onset of the crisis was most definitely nationalist sounding. The final reason for this bias is that some Serbian sources, from which western texts have borrowed through Nincic, have chosen to discuss the Bosnian crisis in this manner because of its importance to the formation of the first Yugoslavia, (Kingdom of the Serbs, Croats and Slovenes). However, while nationalism existed, and was one of the influences shaping unofficial and official reaction to the annexation, it is overly simplistic to argue that it was the only or main determinant of the government’s actions during the crisis, and especially that it was so compelling that it would push the government to risk a suicidal war with its much larger and more powerful neighbour.

This study shows that the Serbian government’s actions in the crisis were primarily motivated by its concern to protect Serbia proper and her vital interests. Within this framework, the reason why the government opposed the annexation was because it feared that the Austrian act posed a dangerous threat to Serbia’s political stability and territorial integrity. With regards to the first point, the government, acknowledging the already shaky state of domestic politics, was worried that negative public reaction to the annexation would further undermine order and produce two possible outcomes; it could either cause the fall of another cabinet, or more seriously if it was harnessed by other dissatisfied groups in Serbia,
such as the military, it could lead to another coup d’État. In terms of the second issue, Serbia’s leadership knew that Vienna was unhappy with Belgrade’s recent escape from Austria’s tutelage, and was thus apprehensive the Dual Monarchy in order to restore its dominance considered its action in Bosnia to be a prelude to one in Serbia; i.e. that Vienna intended to attack and annex Serbia next.

The individual that was primarily responsible for Serbia’s diplomacy was the Serbian Foreign Minister, Milovan Milovanovich. As a result of access to his personal files, it was learned that the minister made his foreign policy decisions much earlier than was previously thought to be the case. On September 4, and 8, he had two crucial meetings with Izvolsky, the Russian foreign minister, in Carlsbad. On 4 September, responding to his inquiry Izvolsky told him point blank that Austria-Hungary intended to annex Bosnia-Herzegovina soon, and that the Great Powers would not stand in the way of the fait accompli. Furthermore, he also advised Milovanovich that in light of this reality, it would be best for Serbia to accept the loss of Bosnia and identify concessions, both territorial and economic, that Serbia could seek from Austria-Hungary as compensation.

Significantly, Milovanovich trusted Izvolsky’s assessment of the situation, and reconciled himself to the fact that Bosnia would be annexed. He did not make a concerted effort to pressure his Russian colleague to stop Vienna. Instead, at their second meeting, he submitted a list of 4 concessions that he wanted Serbia to receive in exchange for consenting to the annexation. They were; 1) a promise of non-intervention from Vienna in the Sanjak region, 2) territory to be conceded to Serbia and Montenegro from south-western Bosnia, 3) the abolition of article 29 which regarded Montenegro, 4) and an improvement of the
regulation of the Austro-Serbian border along the Danube, Sava and Drina rivers. Izvolsky agreed these proposals were reasonable, and promised Milovanovich that he would do his best to secure them for Serbia.

Milovanovich endorsed Izvolsky’s suggestion to formulate a policy based on compensation so easily in part because he was pragmatic but also because he genuinely believed it would protect Serbia’s national interests. In his view, the *Policy of Compensation*, in addition to providing Serbia with concessions from which it would benefit, was also to have been a means of countering the two dangers that the annexation of Bosnia posed to Serbia. Firstly, the act of seeking compensation would prove to the Serbian public that the government was doing its best to oppose Austria, and thereby help to preserve domestic order. And secondly, the Foreign Minister favoured this policy because he hoped that it would contribute to winning the diplomatic support of Russia and the other great powers, which was necessary if Serbia was to deter Austrian aggression.

By having formulated his policy in advance, Milovanovich for the most part was prepared when Vienna declared the annexation of Bosnia on October 6, 1908. What remained was for him to have his policy adopted by the Serbian government as the basis for its official response, and then actually obtain the desired compensation and counteract all threats to Serbian security.

In order to assure that his policy was adopted, Milovanovich needed to obtain the consent of the parliament. Though he had the power to determine foreign policy as the foreign minister, he could not hold his position without the Skupshtina’s backing. Moreover, domestic stability would most probably be undermined as a result of inter-elite squabbling.
The problem for Milovanovich was that it was evident by the negative reaction to the circular note of October 7, that the cooperation of parliament would be extremely difficult to secure. But while it was difficult it was not impossible.

On October 11, which in retrospect was one of the defining moments of the crisis for Serbia, he addressed his colleagues in parliament and won of vote of confidence. He convinced them that his approach was the best course to follow considering that the country did not have the either the means to fight a war against the Dual Monarchy, or the diplomatic backing of the great powers, including Russia, for that action. The reason why this was so significant was that it illustrated that parliament also was concerned with protecting Serbian national interests. There was one notable drawback to Milovanovich’s success. He had only secured temporary support from parliament for his policy, which was contingent upon his getting concrete assurances that there would be a great power congress where Serbia would be awarded both economic and territorial concessions.

Unfortunately, Milovanovich was unable to either confirm compensations or that a congress would be held while he was on his diplomatic mission, and as a result he had to justify his actions to parliament a second time on 2 January 1909. But even if his critics wanted him to modify his policy to emphasize Bosnia, there was not a movement to remove him from his position as there was in the first showdown with the Skupshtina. By this stage of the crisis, politicians in parliament knew that given the diplomatic environment it was almost certain that any and every policy Serbia adopted would fail, so no wanted to be the one to replace him. Consequently, once Milovanovich promised to modify his policy to reflect Serbia’s nationalist feelings, and do more for Bosnia, his problems with parliament
largely ceased. This did not wipe away all of the issues undermining Serbia’s domestic stability however. In December of 1908 the old problem of Radical/Independent squabbling about the membership of the government led to another cabinet crisis halting all government business, but this contentious issue was finally resolved by the creation of the Grand (Four Party) Coalition on February 24, 1909.

The successful resolution of the Serbian internal political struggle allowed the new government to deal very effectively with the final stages of the international crisis. In mid February, Aehrenthal let it be known that his patience with Serbia was at an end, and he would use military force if the Serbian government did not renounce its previous position with regards to Austria Hungary. Milovanovich knew that Serbia would not be rewarded any compensations, so he was willing to drop his demands as Aehrenthal demanded. But although he was prepared to make some concessions in the interest of peace, he was not yet willing to abandon his position completely. He still hoped Serbia could verbally reverse its policy towards the Dual Monarchy without formally having to recognize the annexation, or to implement full disarmament.

This did not satisfy Aehrenthal. On March 12, Vienna issued an ultimatum threatening war if all Austrian demands were not met. To give weight to their threat, they increased the numbers of battalions in Bosnia and Dalmatia to war strength. This escalated the crisis, but Milovanovich and the Serbian government did not yet back down because they hoped that Russia and Great Britain would be able to persuade Vienna to moderate its ultimatum. However, when the Russian government on March 22, 1909, formally declared that it would consent to the abrogation of article 25 of the Treaty of Berlin, Milovanovich and
the rest of the four party coalition, Pashich included, admitted that it Serbia could no longer resist any of Vienna’s demands without provoking a military exchange it did not need nor desire. Consequently, on March 31, Serbia capitulated and agreed to recognize the annexation, thereby ending the six month crisis.

The final question asked in the thesis was how did the Serbian government itself view its experiences in the Bosnian crisis, and handle that it had failed to receive the compensation that was the publicly stated goal of its official foreign policy? This was answered by referring to a document written by the Foreign Minister in early April. The notes revealed that despite his lack of tangible rewards, Milovanovich was satisfied with his efforts during the crisis. It is my contention that he had this view because he did not, as has been repeated numerous times in this thesis, consider that compensation was the one goal of his foreign policy. Just as relevant to him were the objectives of containing the threats posed to Serbia’s internal and external stability as a result of the annexation. Consequently, since Serbia’s diplomacy handled both problems, and built very productive working relationships with Russia and Great Britain in the process where previously there had been little communication, he was able to make some positive remarks about the events of the previous six months. In fact, one can go so far to argue, (and perhaps even Milovanovich himself did), that as a result of these developments Serbia emerged from the Bosnian crisis in a far stronger international position than it was before the annexation.

It is crucial to understand this point because it both challenges the standard notion disseminated by historiography that Serbian policy was a failure by showing how the policy’s author and the government perceived the crisis, and as well establishes the context of the
events that would take place thereafter in the history of Serbia and the Balkans. The single most valuable lesson that the Serbian government had learned from its experiences were that its concerns about Austria-Hungary were well founded and that the great power continued to consider that Serbia was its rightful sphere of influence. Therefore, shortly after the crisis’s resolution the Serbian government began taking steps to ensure that it would not again be so vulnerable to an Austrian power play. A huge loan was obtained from France, the military was strengthened and modernized, and at the same time Milovanovich worked on improving relations with the other Balkan states. And suffice to say this led to the Balkan wars, which unlike the annexation of Bosnia, fundamentally altered the balance of power in the Balkans forever.
Endnotes

Introduction

The Congress of Berlin, which was attended by Germany, Austria-Hungary, Russia, Great Britain, France, Italy, and the Ottoman Empire, was held from June 13, to July 13, 1878, for the purpose of negotiating a peace settlement between the Ottoman Empire, Russia, Serbia, Montenegro and Bulgaria, all of whom had fought recent wars with the Porte. According to article 25 of the Treaty, Austria-Hungary was given the right to temporarily occupy and administer Bosnia and Herzegovina and maintain garrisons within the Sanjak of Novi Pazar. See Norman Rich, *Great Power Diplomacy, 1814-1914*. (New York: McGraw-Hill, Inc., 1992), pp. 226-228.


There is half an exception to this pattern which should be mentioned; that its Momcilo Nincic’s, *La Crise Bosniaque*, (Paris: A Costas, 1937), which was a monograph written and published in “french” by the former Yugoslavian Foreign Minister. The text was never previously available in Serbian and only now is in the process of being translated.


Schmitt, p. 176.

Schmitt, p. 65.

The best illustration of this point is the notorious speech Milovanovich made to the Serbian parliament on January 2, 1909, which was without question an attempt to mollify his nationalist opponents by appropriating their policy and rhetoric.

I am not exaggerating the importance of Nincic’s work for Albertini. In every passage where Serbian policy is discussed, Nincic is cited as the main or only source.

Nincic was not one the key diplomats determining policy during the Bosnian Crisis, but he had by that time already become an active member of the Serbian Radical Party, which was Serbia’s Ruling Party as well as the party to which both Milovanovich and Pashich belonged, and he would later become the Minister of Foreign Affairs of Yugoslavia. This information is provided in Vladimir Corovic, *Odnosi Izmedu Srbije i Austro-Ugarske u 20om Veku*, *Relations Between Serbia and Austria-Hungary in the 20th Century*. (Beograd: Biblioteka Grada Beograda, Novo Izdavanje, 1992), p. 857.
In terms of this last point it is unknown to what extent Nincic had access to Serbian archives because while he mentioned diplomatic correspondences, he did not provide any references. It is my impression, however, that he utilized some documents since certain ones in my possession appear to be similar or identical to those he mentioned.


Albertini, pp. 246-248.

Lawrence Lafore’s _The Long Fuse_, albeit shorter, is another inclusive text that was utilized for this thesis.

F. R. Bridge’s, _From Sadowa to Sarajevo: The Foreign Policy of Austria-Hungary, 1866-1914_, (London and Boston: Routledge and Kegan Paul, 1972), is the best text dealing with Austrian Foreign Policy from before, including and after the Bosnian Crisis. Also useful is Williamson’s _Austria-Hungary and the Origins of the First World War_, (New York: St. Martin’s Press, 1991).

Although Nincic’s work in this case is also the exception as he detailed the actions of all the powers and Serbia during the crisis.

It must be stated that the majority of Serbian works that discuss the Bosnian Crisis were written in the interwar period, meaning that it is impossible to talk in terms of classic and recent works. Milan Protich, a Professor of History at the Serbian Academy of Arts and Sciences, explained to me that the reason for this is that Serbian historians in the post war Communist Yugoslavia were openly discouraged from examining topics from Serbia’s nationalist-democratic stage of development like the annexation crisis, and in fact even today are still uneasy about studying them, preferring to reprint the classics by Nincic and Corovic instead.

In Dimitrije Popovic, _Borba za Narodno Ujedinjenje, 1908-1914, (Struggle for National Unification)_). (Beograd: Izdavacko i Knizarsko Preduzece: 1938), p. 34. Harding reportedly replied to this outburst that it was only Serbian illusions that had been destroyed by the annexation. Also, p. 34.

In Popovic, pp. 34-35.


Incidentally, western historians like Schmitt for instance have also criticized Milovanovich’s policy, but the difference is that they consider that the Foreign Minister’s policy of compensation as having been maximalist, excessive and nationalistically motivated, which is ironic as Serbian scholars accuse him of the opposite.

This text was written in 1939 as a part of series of texts on selected topics in Serbian history.

Ilija Prizic, _Spoljasnja Politika Srbije, 1804-1914, (Serbia’s Foreign Policy)_. (Beograd: Politika, 1939), pp. 142-143.

Prizic, pp. 142-144.

The text as it covers the Foreign Minister’s whole life and political career, has only one chapter on the annexation crisis. Dimitrije Djordjevic, _Miloan Milovanovic, _ (Beograd: Prosveta, 1962).

Popovic, _Borba za Narodno Ujedinjenje, _ pp. 40-49.
Djordjevich, for instance, implied that Milovanovich’s policy and even his ability as a Foreign Minister were questionable because of the fact that he was a renowned slob and glutton. In his text he included a story about the foreign minister that claimed that on one occasion he disrupted the session of parliament to go to the window and see whether the fish monger on the street below had any of his favourite trout to sell him!

Popovic, Borba za Narodno Ujedinjenje, pp. 34-36.

Chapter One

He made this comment in the telegram he sent from Geneva on June 16, 1903, to the provisional cabinet, in which he accepted their invitation to come to Belgrade. Cited in Milivoje Popovich, Borba za Parlamentarni Rezim u Srbiji, (Struggle for Parliamentarianism in Serbia). (Beograd: Politika, 1939), pp. 86-87.

Milivoje Popovic, p. 90

The Party’s President Nikola Pashich, for instance, was the epitome of the Radical Leader, he was the son of a wealthy family in South Eastern Serbia, and was educated as an engineer in Zurich. In Alex N. Dragnich, Serbia Nikola Pashich and Yugoslavia, (New Brunswick: Rutgers University Press, 1974), pp. 11-12.


Milivoje Popovic, p. 93.

Milivoje Popovic, pp. 85-88.

Zivan Mitrovic, pp. 96-97.

Protic, Radikali u Srbiji, pp. 171-172.


Protic, Radikali u Srbiji, p. 171.

Milovanovich’s patriotism makes sense if we look at the Serbian method for articulating it. Serbians have a general word for a Serbian male, that is Srbin. This refers to all people of Serbian ethnicity, but a Serbian male from Serbia proper is called a Srbianac. The existence of separate terms reflects the parochialism of Serbians because while they do call themselves Serbs they further define and identify themselves in terms of subcategories determined by the specific region from which they originate.

In 1901 he held the position of Minister of law and in 1902 the position of Minister of Finance. In Protic, Radikali u Srbiji, p. 173.

In Kazimirovic, pp. 8-9.

Colonel Apis would later rise to infamy as the founder of Ujedinjenje ili Smrt (Unity or Death) other wise known as the Black Hand, which was the organization that murdered the Archduke Franz Ferdinand. In Michael B. Petrovich. A History of Modern Serbia, 1804-1918. 2 Vols. (New York : Harcourt Brace and Jovanovic, 1976). In Volume 2, pp. 608-610.
This was made possible due to the pressure from the British government, who had maintained it would not acknowledge the new government while the main conspirators were in the government and military.

Kazimirovic, p. 10.

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Kazimirovic, p. 10.

Kazimirovic, p. 16.

Ibid.

Milivoje Popovic, p. 93.

Petrovich, pp. 538-539.


Petrovich, p. 539.

Kazimirovic, pp. 15-17.

Milivoje Popovic, p. 95.

Stankovic, pp. 92-96.

Pashich’s views on foreign policy will be discussed later in the chapter.


Milivoje Popovic, p. 95.

Milivoje Popovic, p. 98.


Kazimirovic, p. 46.

The Independents, if we recall had 11 fewer seats in the parliament, so constitutionally speaking this was not legal. In Djordjevic, “Parlamentarna Kriza u Srbiji 1905”, pp. 167-168.

Milivoje Popovic, p. 99.

The Independents rationalized this situation by saying that the elections, which were held that summer on July 10/23, 1905, gave them 81 seats to the 55 won by the Radicals, and therefore also the mandate to form the government. In Mitrovic, p. 103.

Prizic, p. 136-137.


Prizic, p. 133.


The reason why Vienna would have opposed Pashich’s actions was that a secret political convention had been in existence between the two states since 1881. According to its terms, Serbia was not allowed to negotiate any treaties with other countries without obtaining Austrian approval. This convention gave Austria control of Serbia’s foreign policy, and
signified that Serbia was an Austrian dependency, but in return Serbia was given many important economic concessions, such as loans, a guaranteed market for its livestock and even technology, as Austrian firms built the railroad in Serbia that connected Belgrade to both Vienna and Constantinople (The Orient Express), which was necessary for Serbia’s industrial development. Although this secret convention had been signed by the Obrenovich monarchs, the Dual Monarchy was of the opinion that it was still in effect whereas the Radical government was not, which was why relations between the two states were so tense. In Petrovich, pp. 412-415.


Petrovich, pp. 551.

Kazimirovic, p. 68.

Djordjevic, Milovan Milovanovic, pp. 76-77.

Petrovich, p. 553.

Kazimirovic, p. 70.

Albertini, p. 191.

Prizic, pp. 136-137.

Djordjevic, Milovan Milovanovic, pp. 74-75.

The names of all of the officers are listed in Milivoje Popovic, p. 102.

Petrovich, p. 551.

Kazimirovic, p. 71.

Djordjevic, Milovan Milovanovic, pp. 74-75.

That Pashich agreed to go to Vienna is worth noting because it represented a complete transformation of his previous policy. It even reveals the Radical Party’s leader moderation, which is a trait that many historians do not credit him with possessing.

The speech was made on March 3/16, 1908 in the LXX regular sitting of the Skupshtina. In Stenografske Beleske Narodne Skupshtine, (Minutes of the Serbian Parliament), Knjiga 4, (Book Four), (Beograd: Drzavna Stamparija Kraljevine Srbije, 1908), p. 28.

Prizic, p.140.

Petrovich, p.555.

Kazimirovic, p.91.

The Radicals won 84 in comparison the the Independents’ 48 seats. In Mitrovic, p. 103

Milivoje Popovic, p. 106.

Chapter Two

One sign that Austria was raising the stakes in its struggle with Serbia was its arrest of 53 Serbian politicians in Zagreb during August of 1908, who were accused of plotting with the Serbian government in Belgrade to overthrow the monarchy. In Schmitt, p. 11.

98 Milivoje Popovic, p. 106.


100 Djordjevic, “Milovanovic i Izvolski u Karlsbadu”, p. 541.

101 Lafore, p. 152.

102 Albertini, p. 195.

103 According to the convention, the two powers pledged firstly to work together to maintain the status quo in the near east, or in other words, to protect the position of the Ottoman Empire, and secondly agreed to act in concert with each other in the event it became necessary to modify the aforementioned status quo the region in any way. In Rich, p. 335.

104 Lafore, pp. 151-152.

105 Izvolsky attributed Russia’s loss to Japan to the fact that its Black Sea fleet had not been allowed to pass through the straits.

106 Albertini, p. 195.

107 Albertini, p. 194.

108 Schmitt, pp. 4-6.


110 Albertini, p. 206.


112 Arhiv Srbije, (The Serbian National Archive), in Belgrade has a large collection of Milovanovich’s personal papers and documents that span his whole political career. They were compiled by Milovanovich himself supposedly for the purpose of an autobiography that he was intending to write, and includes all sorts of information about himself like his wedding certificate for example. The collection is entitled simply Hartije Milovana Milovanovica, (Milovanovic’s Personal Papers),and is organized in 32 separate koverta (files). The thirty second and last koverat is the largest by far and the one from which I extracted most of my documents. This citation. Arhiv Srbije, Hartije Milovana Milovanovica, Koverat # 32, August 22/ September 4, pp. 107-120. The citations that follow will be henceforth shortened as AS, HMM,…

113 AS, HMM, Koverat # 32, August 22/ September 4, pp. 107-120.

114 Ibid.

115 Ibid.

116 Ibid.

117 AS, HMM, Koverat #32, August 26/ September 8, pp. 121-127.

118 Ibid.
This fourth point was included because Serbia and Austria-Hungary had a long standing argument over the question of which state possessed the islands in these rivers. This was related to the fact they did not agree where the border between the two states was located.

It is interesting to note by the way that while they were adversaries during the Bosnian crisis, Aehrenthal and Milovanovich respected each other quite a great deal. Aehrenthal, for instance, often described Milovanovich as a “skilled and rational diplomat”, which perhaps does not seem like great praise, but it should be remarked that Aehrenthal and Izvolsky both referred to Pashich as being the old and despicable conspirator.” In Dimitrije Popovic, pp. 47-48.

AS, HMM, Koverat #32, pp. 95-97.

Djordjevic, his biographer, sarcastically remarked that Milovanovich was so pleased with himself that he had delusions that he was as wise as Solomon! In Milovan Milovanovic, p. 92.

As it happened, this only deterred certain politicians. Nikola Pashich, for instance during his mission to St. Petersburg realized that Bosnia was a lost cause. But his counterpart in the Radical Party, Stojan Protich, continued to believe that Serbia could pressure Russia into doing more to protest the annexation, including going to war. In Dimitrije Popovich, pp. 40-41.

He did, however, see the potential for conflicts between Bulgaria and the Ottoman Empire, and even between Bulgaria and Serbia. AS, HMM, Koverat #32, pp. 143-145.

While he was in Carlsbad, Milovanovic had sent word to the Prime Minister to tell him that he had extremely important news, but it does not appear that he provided specific details. In Djordjevic, “Milovanovic i Izvolski u Karlsbadu”, p. 545.

Djordjevic’s text is being repeatedly cited because it is the only one that mentions this meeting specifically, which is symptomatic of the problem of there not being enough Serbian secondary sources with the Bosnian Crisis.

For his part, after he met with his colleagues, Milovanovich assumed a rather low profile, and preoccupied himself with plotting out scenarios. In particular, he pondered whether Serbia should prepare for a situation in which Bulgaria, emboldened by an alliance with Austria-Hungary, made advances towards Macedonia. Of course, he was only guessing that an alliance between the two states may have existed. In AS, HMM, Koverat #32, pp. 143-145.

The Serbian government first heard of the decision on October 5, by way of Russia. Charykov, the acting foreign minister, told the Serbian envoy, Dimitrije Popovich, that the annexation would be announced the following day. In Vladimir Corovic, Odnosi Izmedu Srbije... , p. 215.
Chapter Three

135 Odjeck, (Echo), September 24/ October 7, 1908.
136 Ibid.
137 Stepananovich called the revervists in stages, and when he was completed, there were 120,000 soldiers in the army in total. In Nincic, La Crise Bosniaque, Vol. 1, p. 380.
138 In Arhiv Srbije, (The Serbian National Archives) which is located in Belgrade, all of the documents, telegrams, internal memos, circular notes relating to the Bosnian crisis have been compiled in a collection entitled, "Bosankso Pitanje 1908-1909", (the Bosnian Question). Thus, to access this information, it is necessary to find Bosankso Pitanje in the Archivist's manifest. The collection is subdivided into two large folders; B 35 and P 6, each of which are comprised of three smaller files. B 35 has files 1-3, whereas P 6 has files 8-10.
139 Arhiv Srbije, Belgrade, Bosankso Pitanje, B35, File #1, Milovanovich's Circular Note, September 28/ October 11. The above shall be henceforth abbreviated as AS-BP: ...
140 Corovic, Odnosi..., p. 229.
141 The content of the note was printed in the Radical Newspaper, Samouprava, (Self-government), September 25/ October 8, 1908.
142 AS-BP: B35, File #1. Telegram from Simich, (the Serbian envoy to Vienna), to Milovanovich, September 27/ October 10.
143 Corovic, pg. 231.
144 In Truba (The Trumphet), September 25/ October 8.
145 Stojan Protich, through the crisis, repeatedly referred to Milovanovich as a flea market vendor. In Djordjevic, Milovan Milovanovic, p. 100.
146 Truba, September 25/ October 8.
147 Samouprava, September 25/ October 8.
148 Despite being unsigned, this article is generally believed to have been written by Nikola Pashich as the arguments put forth are identical to those he would reiterate on many other occasions.
149 Djordjevic, Milovan Milovanovic, p. 97.
150 Captain Milan Novakovich, the organizer of the attempt in Nish in 1903, did not participate in this second attempt because he died in prison in 1907 due to suspicious circumstances while serving his sentence. In Istorija Srpskoga Naroda, p. 161.
152 In Pravda, (Truth), September 26/ October 8,
153 An emergency session was held on September 27/October 10, but it was uneventful except for the fact that the representatives agreed to cut short the summer break and re-open the parliament on the following day.
154 Milovanovich's speech was paraphrased by Trish Kaclerovich, Socialist Representative on October 3/17. This excerpt was used as there is no record of the September 28, session which discussed the Bosnian Crisis because it was held behind closed doors. See excerpt in Stenografske Beleske Narodne Skupstine, Knjiga 1, p. 17.

Istoriia Srpskoga Naroda, Knjiga 6, p. 169.

Kazimirovic, p. 105.


Stenografske Beleske Narodne Skupstine, Knjiga 1, September 29/ October 12, p. 12.

Corovic, Odnosi Izmedu Austrije i Srbije, p. 24.


Ibid.


Corovic, Odnosi …, pp. 584-585.

It is generally argued that Narodna Odbrana was a nationalist paramilitary organization, but in my opinion this description is not apt for the Narodna Odbrana of the Bosnian Crisis. It is appropriate only after it was reconfigured as Unity or Death (Ujedinjenje ili Smrt), a.k.a. the Black Hand, which was the group that assassinated Archduke Franz Ferdinand in 1914.

Dimitrije Popovic, pp. 42-43.

Pravda, September 29/ October 12, 1908.

Prince George, as an aside, renounced his claim to the throne on March 29, 1909, after he was accused of fatally injuring one of his servants. Originally one of the questions I wished to consider in this thesis was whether the Prince was pressured to step down not only due to the scandal but also because of his well known pan-Serbian beliefs. Unfortunately I could not answer this since I was unable to find any documents, official or otherwise, that referred to the terms of the abdication.

AS-BP: B35, File #1, Telegram from Milovanovich to the Ministry of Foreign Affairs in Serbia, October 9/22, 1908.

Schmitt, p. 68.

Schmitt, p. 58.

Djordjevic, Milovan Milovanovic, p. 111.

AS-BP: B35, File #2, Telegram from Milovanovich in Berlin for Pashich in St. Petersburg, October 13/27, 1908.

AS-BP: B35, File #2 Telegram from Milovanovich in London to the Ministry of Foreign Affairs in Serbia, October 18/31, 1908.

Ibid.

AS-BP: B35, File #1, Telegram from Milovanovich in Paris to Serbia’s Foreign Ministry, October 21/ November 2, 1908.

The naval demonstration suggestion is referred to in AS-BP, B35, File #2, Telegram from Milovanovich in Rome to Serbia’s Foreign Ministry, October 29/November 11.
Chapter Four

204 Djordjevic, Milovan Milovanovic, p. 103.
208 Ibid.

British Documents. Telegram from Grey to Carnegie, November 16, 1908, No. 450.
211 Schmitt, pp. 75-76.
214 British Documents, Telegram from Grey to Bertie, December 4, 1909, No. 474.
215 British Documents, Telegram from Grey to Cartwright, December 14, 1908, No. 485.
217 Schmitt, p. 94.
218 A recent text written by Graydon A. Tunstall, Planning for War Against Russia and Serbia, (Boulder Colorado, Columbia University Press, 1995), describes in detail the Conrad/ Moltke correspondences and their war plans.
219 Schmitt, p. 145.
221 Cited in Albertini, pp. 263-265.
222 Milovanovich learned that the Porte had agreed on this amount for Bosnia on December 30/ January 12, 1909. In AS-BP: B 35, File # 3, Telegram from Nenadovich, Serbian envoy to Constantinople, to Milovanovich, December 30/January 12, 1909.
223 Albertini, pp. 265-267.
224 Dimitrije Popovic, p. 56.
225 AS-BP: P 6, File #8, Telegram from Grujich to Milovanovich, January 6/ 19, 1909.
226 AS-BP: P 6, File #8, Telegram from Popovich to Milovanovich, January 7/ 20, 1909.
227 Incidentally, the fact that the ultimatum was being prepared in February showed that Aehrenthal was a man of his word. He told Bulow in December that he would give Serbia two months to improve her behaviour before acting, which he did!
228 British Documents, Telegram from Nicolson to Grey, February 13, 1909, No 567.
229 Interestingly, Izvolsky’s source was so reliable that the Russian minister was informed of Vienna’s latest machinations before Germany was. Aehrenthal sent Bulow a letter detailing his plans for Serbia on February 20, a week later! In Nincic, La Crise Bosniaque, Volume 2, pp. 52-54.
230 AS-BP: P 6, File # 8, Telegram from Simich to Milovanovich, February 8/ 21, 1909.
231 AS-BP: P 6, File # 8, Telegram from Simich to Milovanovich, February 9/ 22, 1909.
Grey sent the draft of the proposed note to Sir Francis Cartwright, the successor to Goshen as Ambassador to Vienna. In *British Documents, Telegram* from Grey to Cartwright, February 19, No 585. Grey further discussed the draft with Bertie, ambassador to France, and Nicolson, ambassador to Russia. See *British Documents*, Bertie to Grey, February 18, No 578. And *British Documents*, Nicolson to Grey, February 18, No 581.


On February 24, Bulow approached Kambon, asking that France participate in a demarche at Belgrade, and that they pressure Russia to do the same. In Corovic, p. 280.


Milovanovich’s quote is cited from *Pravda*, February 10/23, 1909.


The February 27, telegram is discussed in detail in Popovic, *Borba za Narodno Ujedinjenje*, pp. 56-57. Furthermore, the British government heard of Izvolsky’s advise on March 3, 1909. *British Documents, Telegram* from Nicolson to Grey, March 3, 1909, No. 644.


Popovic, p. 58.


Schmitt, pp. 174-175.

The Foreign Minister informed the Serbian newspaper *Samouprava* on February 23/ March 8, 1909, that he had been given this note, and would be discussing its contents with the government.

AS-BP, P 6, File #9, *Circular Note* Prepared by the Minister of Foreign Affairs, February 25/ March 10, 1909.

Corovic, pp. 293-294.


Corovic, pp. 297-299.


The Milovanovich/Pashich squabble is referred to in *Pravda*, March 8/ 21, 1909.

AS-BP: P 6, File #9, *Confidential Memo* # 63 from Protich to Milovanovich, February 25, March 10, 1909.

The Serbian reply to the ultimatum of March 10, was printed in full the same day it was transmitted in *Pravda*, March 2/15, 1909.


Schmitt, p. 183.

AS-BP: P 6, File #9, *Telegram* from Bogichevich to Milovanovich, March 5/18, 1909.
259 Samouprava, March 6/19, 1909.
261 Schmitt, pp. 183-185.
262 Ibid.
263 Corovic, Odnosi ..., p. 281 and pp. 308-309.
265 Schmitt, pp. 188-189.
266 Albertini, p. 289.
267 Corovic, Odnosi ..., pp. 313-314.
268 AS-BP: P 6, File # 9, Telegram from Grujich to Milovanovich, March 14/27, 1909.
269 Albertini, p. 290.
270 Albertini, pp. 290-291.
271 The Serbian press published that Aehrenthal had ruled out war on March 29, 1909. See Pravda, March 16/29, 1909.
272 AS-BP: P 6, File # 9, Telegram from Bogichevich to Milovanovich, March 16/29, 1909.
273 Pravda, March 18/31, 1909.
274 In Istorija Srpskoga Naroda, Knjiga 6, p. 171.
275 Although texts claim that Prince George abdicated voluntarily, it does seem likely that he would have been pressured at least in part to do so by the Serbian government. Especially since there are so many reasons why they would have wanted him to renounce his position. Unfortunately, there is very little information regarding his abdication, so it is impossible to do anything but speculate.
277 At five in the afternoon of the 29, Milovanovich met with the cabinet, and it was unanimously decided to endorse the British formula and present it to the Parliament. Yet significantly, this presentation was to be done as a fait accompli; debate on the matter would not be permitted out of concern for Austrian reaction. Milovanovich discussed the meeting in his own notes. In AS, HMM, Koverat # 32. Notes, March 16/29, pp. 95-96. This was why the parliamentary session of March 18/31, lasted from 12:00 to 12:15, a mere 15 minutes. In Beleske Narodne Skupstine, Knjiga 3, March 18/31, 1909, pp. 1409-1410.
281 Ibid.
282 Ibid.
283 Ibid.
285 The closer relationship between Serbia and Russia was signified and facilitated by the arrival of Nicholas Hartwig, the new Panslavist envoy, to Belgrade in the latter half of 1909.
286 Prizic, pg. 146.
Conclusion


See Djordjevic, “The Influence of the Italian Risorgimento on Serbian Policy During the 1908-1909 Annexation Crisis”.

Albertini, pp. 222-223.
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