



UDC: 929.731 Milan Obrenović, srpski kralj  
<https://doi.org/10.22182/spt.18212018.9>  
Manuscript received: 15.09.2018.  
Accepted for publishing: 30.10.2018.  
Original scientific paper

Serbian Political  
Thought No. 2/2018,  
Year X,  
Vol. 18  
pp. 141-159

Predrag Terzić  
Institute for Political Studies, Belgrade<sup>1</sup>

## King Milan Obrenović: Among the Political Elite, the Masses and Great Powers

### Abstract

After his crowning in 1882, Milan Obrenović became the first king in modern history of Serbia. Given the level and type of Milan's participation in the government, there are three very different periods of his reign. While in the first period tripartite state governorships governed instead of the minor ruler, in the second period Milan governed by himself. The third period came only after his abdication in 1889. Although he was the former king, during one part of the reign of King Alexander, Milan played an important political role, and even can be said to have been some kind of co-ruler with his son.

**Key words:** Milan Obrenović, the Progressive Party, the People's Radical Party, Liberal Party, Russia, Austro-Hungary

### Introduction

Born in 1854 in Wallachia, in the family of a father with an immoral private and public life and a mother in these traits nothing better than her husband, the future King of Serbia in his boyhood was unable to acquire qualities that should adorn the future rulers. His father, Milos Obrenović, Jevrem's son, is described as a womanizer and gambler, a spendthrift. He died young, in 1860. The mother, a Romanian aristocrat Marija Obrenović, Katardži maiden, became the prince Cuza's mistress after the birth of Milan, so it should not be surprising that Prince Mihailo took care of his nine year old cousin Milan (Jovanović 1934a: 270-1).<sup>2</sup>

1) Research Fellow  
[predragterzic@yahoo.com](mailto:predragterzic@yahoo.com)

2) Ljubomir Kaljević in the work published under the title *Moje uspomene* (My memories) gives Marija's testimony of marital relations with her husband Miloš:

Accepting to take care of Milan's upbringing, Prince Mihailo sent him to Paris where he found a personal educator Francois Ije, the famous French philosopher. Learning and educating in the spirit, but also developing in a physical sense, Milan remains in Paris with Professor Ije only a year. i.e. up to the murder of Prince Mihailo. After Mihailo's murder, with the Milivoje Blaznavac's wholehearted commitment, Milan Obrenović for the first time comes to Serbia as the new Serbian prince. (Jovanović 1934a: 272-5, Mijatović 2008: 89). Until his coming of age, the land was managed by a tripartite governorship consisted of Jovan Ristić, Milivoje Blaznavac and Jovan Gavrilović, and since 1872 Milan Obrenović governs by himself.

While friends and supporters of Milan pointed out his intelligence, good memory, „great soul” and „open mind” (Todorović 1997: 125), others underlined his greater commitment to relaxation and physical joys rather than to affairs of the state, his carelessness in performing monarchy functions, his desire to always be in the spotlight and his lack of morality in personal life; and he was often defined as a tyrant (Jovanović 1934c: 495-9). Čedomilj Mijatović said that king Milan, although „not at all perfectly balanced, was a man of great mind, a born politician, a patriot, a man of artistic instinct with a warm and generous heart.” (Mijatović 2008: 137). On the other hand, Ljubomir Kaljević describes King Milan as impetuous and self-willed. (Kaljević 2006: 52). „The natural talent of his was disrupted by the scarcity of spiritual balance and innate, unobstructed willfulness. To those unwelcome characteristics

---

„No honeymoon has passed, and my Miloš began to lead a reveler's life. He went to the house (we lived then in his estate) for a day and stayed in Jasa or Bucharest for 15 and 20 days, leaving me alone. He was spending this time in clubs, playing cards and having fun with young women. I tried to keep him in the house, or at least hide him until we move to town, where we would be together. No, he would not listen to me. He wanted to live the way he wanted and he didn't want me to control him. When I complained about the solitude, he referred me to friends and pets and he wanted me to be alone with them, and have fun with them. He loved his immoral life so much that he was ready to sacrifice his honor, his home and his name. I have long fought and finally succumbed! I am a weak woman, like all my friends. The circumstances are my excuse, women rarely have such an excuse. Having a husband who leaves you after a few weeks, spends huge sums on gambling, serves mistresses publicly, offers you his young friends in exchange, steals valuable jewelry from closed boxes and sells them to pawnshops, owes everyone - and despite all that remain honorable woman, it is difficult and almost incomparable, especially when the woman is not ugly, but beautiful, when all her acquaintances court her and they make sure that all the husband's excesses reach her in anonymous letters, citing the names of easy women with whom he spent time, sums of money misspent in card games, the size of the debts and the names of pawnshops to which he sold my valuables.” (Kaljević 2006: 34).

we can add the inconstancy, illogicality and wantonness in the work of this strange man. If it weren't for these characteristics, king Milan, with his unusual clarity and energy, would be ranked as one of the best rulers of his time." (Ibid, 53).

Summarizing the characteristics of Milan Obrenović's misrule, Slobodan Jovanović says that his tyranny „did not exceed our ordinary measure” and that Milan could be said to be the despot rather than a tyrant (Jovanović 1934c: 499). „This reduction of the entire state policy to a person's own personality and personal skills, it is without a doubt one despotic characteristic.” (Ibid).

Milan Obrenović's independent rule lasted for 17 years. It started with the first day of his adulthood, but it ended when he was only 35. Leaving the government position too early, king Milan, however, left enough elements for the proper evaluation of the period of his rule, as well as his attitude towards the important state and national issues. His reign had multiple phases. If the form of government is used as a criterion, the rule of Milan Obrenović can be divided into two parts. In the first part, the longer one, Serbia was a principality, and Milan was a prince, and in the other part of this rule it was raised to the level of the Kingdom, and Milan became a king.<sup>3</sup> During the first six years of Milan Obrenović's rule, Serbia was still, though more formally than substantively, the autonomous province within the Ottoman Empire. After the Berlin agreement it was given the status of an internationally recognized independent state. On the other hand, with regard to the level and type of Milan's participation in government, there are three very different periods of his reign. While in the first period, the tripartite state governorship ruled instead of the minor ruler, the second period was marked by Milan's self-government. The third period comes only after his abdication. Although he was the former king, Milan played an important political role during one part of the reign of King Alexander, and even can be said to have been some kind of co-ruler with his son.

This research examines the relationship of Milan Obrenović with all three political parties of the time, the understanding and practical behavior in the field of rule of law, the spread of liberal freedoms and parliamentary rule, and the action in foreign policy.

---

3) For the proclamation of the Kingdom of Serbia, the proposal of the President of the National Assembly of Serbia to rise to the rank of Kingdom, as well as the response of Milan Obrenović see the „Srpske novine”, no. 41 of 22 February 1881

## The attitude towards political parties

Already at the very beginning of his self-rule, the prince of Milan gained a unique insight into the social and political situation in Serbia. „He felt that he could not rule the peasants, that the bureaucracy is corrupt and that there is no higher class that could carry out the state idea with the prince (larger landowners were able to become such a class, but it would take decades for that). He noticed that the bourgeoisie and independent intelligence do not exist.” (Dragnić 1989: 64-5). Without the higher class, independent intelligence and with inadequate officials, the prince found the ally to his political ventures in intelligence organized in political groups which will during his reign become political parties in the modern sense.

In the early years of self-rule, Milan Obrenović relied mainly on the former governor Jovan Ristić and the liberal group. During this period there was a big Ristić's impact on the decisions that prince brought, but the conflict arose between the two men, so the prince even showed intolerance towards Ristić. However, until 1880, only the governments of Jovan Marinović and Aćim Čumić were led by conservatives, and Jovan Ristić occupied important positions at decisive moments for the state and the nation. Thus, during this period, he twice served as Prime Minister and during the wars between Turkey and Serbia, and the Congress of Berlin, he was the minister of foreign affairs.

Similar to the future leader of the Liberal Party, Milan Obrenović was a supporter of moderate reform in internal politics, which should have been implemented gradually. Successes in the Serbian-Turkish wars, crowned with the international independence guaranteed by the decisions of the Berlin Congress, are considered to be the biggest Ristić's political successes, but also the important achievements of Milan's reign. However, although in the Congress of Berlin, in terms of realization of Serbian national and state interests, the prince and Ristić, as minister of foreign affairs, turned to the Austro-Hungarian Empire, the disagreements between the prince Milan and the liberal group occurred due to the difference in views on ways to achieve the economic relations with this neighbor. While the prince argued that the trade contract with Austro-Hungary contained the most favored nation clause without reciprocity, Ristić, seeking the reciprocity, opposed it to the extent that he was willing to enter into a customs war (Jovanović 1934b: 267-280).

Disagreement between Milan Obrenović and Ristić on this issue, meant the fall of the government. After they came down from power, the liberals in their full glory did not come back. Although Jovan Ristić

in the further period of Milan's reign formed another government, liberals never again directed the internal and foreign policy of the country as in the period from 1868 to 1880. However, the Liberal Party maintained the status of a „dynasty party”.

With the fall of the Jovan Ristić's government in 1880, young conservative group comes to power for the first time, gathered around a magazine *Videlo*. Later, from this group a Progressive Party would emerge. Piroćanac Milan became the Prime Minister. He also served as Minister of Foreign Affairs, while Milutin Garašanin led the department of Internal Affairs. Stojan Novaković took the place of the Minister of Education and Čedomilj Mijatović was the Minister of Finance (Ibid: 306-7).

Piroćanac was in the position of prime minister; however, but he did not manage to enjoy the greatest favor of the prince Milan. Prince showed his respect towards Piroćanac's Minister of Finance, Čedomilj Mijatović: „From the beginning, in this government Piroćanac showed intolerance towards Mijatović, and there was the lack of Milan's confidence in Piroćanac.” (Marković 2006: 85). Showing his distrust in Piroćanac, whom he appointed to be the Prime Minister only to attract the largest number of young conservatives, prince Milan had the greatest confidence in Mijatović but he also trusted his friend Garašanin. During the formation of the government, the prince set only one condition to Mijatović and Garašanin which consisted in giving the most favored nation clause without reciprocity to Austro-Hungary (Marković 2006: 85; Jovanović 1934b: 306-7). Accepting what Ristić opposed, the future progressives received the mandate to form the government. The reason for the fall of Ristić's government thus became the cause of the coming to power of the progressives.

Progressive governments have implemented major reforms to modernize the country. They mostly suited political attitudes of prince Milan, especially in the period of Garašanin's presidency. Slobodan Jovanović also notices Milan's agreement with the policy of the progressive government: „Only in the second half of his government, when he surrounded himself with the Progressives, he began to use his head. His ability to rule should be judged by what he did during the progressives's rule.” (Jovanović 1934c: 503). In the field of foreign policy, the government turned to the Austro-Hungarian Empire, with which it concluded a trade agreement, as well as the secret convention. Unlike the first document which was of public nature, the other, as its name suggests, was secret. The Convention was signed by Čeda Mijatović. Piroćanac and Garašanin were informed on its content only after the document

had already been signed (Jovanović 1934b: 336-7; Marković 2006: 91-2; Mijatović 2008: 288-9).

However, not all reforms of three progressive governments in the period from 1880 to 1887 were in full compliance with Milan's political beliefs. While finding allies to achieve foreign policy goals was Milan's priority, the domestic policy was put into the background for a certain period of time. Having almost the same opinion about foreign policy, prince Milan and progressives did not agree on the internal one. „Prince Milan was not fond of progressive ideas about the internal policy. However, because of the agreement with the progressives about the external policy, he let them do whatever they wanted in internal one. He hoped, however, that they will, once they have gained more experience in public affairs, get sober and abandon their liberal doctrinarism.” (Jovanović 1934b: 355).

Although he disagreed with the implementation of liberal reforms, which he considered inappropriate for the social structure of Serbia, it did not mean that Milan would prevent them. Despite the fact that he opposed them, the prince was letting their implementation in practice. Although he did not wholeheartedly support the adoption of liberal laws, the Progressives were satisfied with the fact that he did not prohibit them. Thus, in Milan Piroćanac's government, the laws on the press, the speech and associations, judges, as well as the Law on the standing army were passed.

With the forming Milutin Garašanin's government in 1884, the second stage of cooperation between Milan Obrenović and young conservative group gathered around *Videlo*. The new phase involved the new circumstances. While Milan Obrenović carried the title of Prince during the establishment of the Piroćanac's government, he was a king now and former young conservatives are progressives. The second factor concerned the changes that have occurred after the Timok Rebellion and those were caused by the radical abuses of liberal laws and other legal acts, mostly rebellion against the reforms included in the Law on the standing army. These events made the viewpoints of King Milan and progressives become more similar when it came to internal policy.

Since it lacked the popular support, the Progressive Party, which now came closer to King Milan, was no longer a „dynastic” but a royal party. United in fight against attitudes of the masses represented by the radicals, the king and progressives wanted to restrict civil and political rights and freedoms.

King Milan gradually developed his attitude towards the Radical Party. Initially, he looked at the radical champions as the young, new graduates, enthusiastic and filled with liberal ideas acquired during studies, mainly in Western universities, and he believed that they would eventually abandon

those ideas. However, not only that they did not abandon those ideas, the radicals developed and expanded them. Milan was especially opposed to the understanding that the peasants were the source of „everything good, everything great, wise, intelligent, famous and fortunate for the entire Serbia”, he also opposed the radical pandering to masses typical of the „fair-ground illusionist”, emphasizing the theory of popular sovereignty, and he was opposed to intolerance, even hatred towards officialdom which radical leaders developed in peasants (Todorović 1997: 210-3). Milan Obrenović protested against the vocabulary and the ways in which radical MPs criticized, or rather, attacked ministers including the Monarch.

The other two former political parties, the Liberal and Advanced, king Milan considered „dynastic” parties, elements of law and order. However, competing among themselves, the two parties could not find common political ground and form a government. On the opposite side there were the radicals, whom Milan considered to be the elements of disorder, a chaos Party. Radicals had popular support, which in their opinion was a necessary and sufficient condition to form a government. Unlike them, king Milan held that in order to participate in the government it was necessary to have the capacity to conduct the affairs of state, which the radical leaders did not have.

„Milan considered a radical party to be the anarchist element that undermines the basics of state’s life, an element with which you do not need to argue but fight. When the people began approaching radicals, Milan feared for „the state’s idea”; in his opinion, only a ruler could save it - and thus his authority should be reinforced. Gradually, progressives have adopted Milan’s views; they abolished their own laws on the press, speech, associations; gave up on the constitutional changes, and became the party that fought for the rulers’ prerogatives and not the inner freedom and parliamentary regime.” (Jovanović 1990a: 35).

However, it is wrong to conclude that the king sought to completely exclude radicals from political life. Completely the opposite, he worked twice on the creation of the coalition governments, in which the Progressive Party would rule with the radicals, provided that the radicals leave their political direction and methods of operation which the king considered to be dangerous for the state. Radicals would bring popular support to coalition governments, and progressives would bring the spirit of reformation and experience in managing state affairs. While the first lacked statesmanlike experience, the second did not have popular support. Together they would make a whole.

The Radicals, however, rejected that offer to form a coalition with the Progressives in the fall of 1882, as well as the possibility to make an



agreement between the two parties after the Serbo-Bulgarian war. Until then, twice attempted cooperation between the radicals and progressives remained without success, but the radicals in 1886 made an agreement with the liberals on the basis of which a coalition government of Jovan Ristić was formed the following year. Ristić's government lasted only six months, from June to the end of December.

King Milan Obrenović wanted to be the center of political decision-making, but not in the role of the monarch, but rather as a kind of political authority to which the parties serve only as advisers. „He wanted to be the ruler in the true sense of the word, that his decision is final, and that the parties serve as helpers.” (Rajić 2009: 57). It is clear that strong political parties would not be satisfied with the role of mere helpers and implementers of the king's decisions. That is why Milan preferred the parties without greater support from the people. The important thing to him was that the parties, their leaders and ministers could easily be directed towards what he thought was best. Progressive modernization course suited the king the most, though he believed that their liberalism in the initial period of government was not adjusted to the social structure of Serbia. Without a doubt, he was exceeding Milan's measure. He considered liberals to be Russophiles, unable to understand the need for progress of the country and a group of people who think that Serbia should be surrounded with the Chinese wall „and preserved from any influence of modern concepts,” but for him they still were a party loyal to the dynasty. Radicals did not lack people's support, but they lacked, according to the king's opinion, the state's discipline, just like most people (Piroćanac 2004: 112). Friends of disorder and chaos, representatives of the „alley“ party, could not be friends with Serbian king. King „Milan and the radicals were mentally, morally, socially, and politically, two opposing poles, two opposites, which can not be reconciled with anything.” (Todorović 1997: 217). The attempts of cooperation between the king and radicals were the product of necessity or attempt to remove their leaders from the streets and bring them closer to the state mechanism, rather than a tendency to accept Radical party for what it really was.

### **Attitude towards the spread of liberal freedoms, rule of law and parliamentarism**

As a supporter of reform in principle, king Milan found the largest obstacles to their implementation in the inadequate social structure, but also in the absence of state discipline of the Serbian people, „Serbian



nation has great social and familial characteristics, but it, as well as other Slavs, lacks state discipline properties that give people opportunities to form and establish their national life. With all the poetry the size of the Serbian state, Serbian nation was unable to find and adopt the right path which will lead there. Our goal and aspiration is to instill in our people the European spirit that formed and established so many strong countries. With the very properties that a Serb has today, it is not possible to secure a Serbian state. Therefore, Serbian nation should be taught the state discipline, so that not only the idea of the Serbian state but also the ways and means by which that idea may be achieved become clear and unshakeable to them.” (Piroćanac 2004: 109).

Milan Obrenović thought that in a country which in terms of social structure was rural and without the higher social class, populated with the poorly educated people, even for the European conditions of the time, it was not possible to find many allies for the implementation of reforms. However, he had to rely on someone. Although he criticized intelligence, Milan thought that „however it may be, it is up to it to conduct the affairs of the country. To rely on the mass of the people, what such a situation can bring, would mean to give up any progress because the masses would not understand it and I am totally convinced that Serbia can do nothing but to become a modern European state, or lose any *raison d'être* of its independent survival. That is why I am today inclined to make certain concessions to the demands of intelligence.” (Ibid: 112).

Having renounced cooperation with the masses in the realization of modernization, Milan did not fully rely on intelligence. Representatives of the intelligence embodied in the political party leaders, were, however, only helpers in Milan Obrenović's political ventures. He was the center of political decision-making, and political parties and their leaders were only variable assistants.

Seeking to modernize the country, king Milan treated it like a goal for which many other purposes of political action had to be sacrificed, and certain political reforms had to be restricted. He was fond of the underdeveloped political system, in which political parties, without significant social support, clashed among themselves. He was a supporter of liberal laws, but he thought they could not be applied to the Slavs, thus they should be restricted in Serbia, more or less, depending on the circumstances. He respected the rule of law only to the point to which it wasn't conflicted with the goals he promoted (Piroćanac 2004: 469). He wasn't opposed to the principle of constitutionality, but he considered the „constitutional ruler in the East to be an absurdity.” (Ibid: 469).

Liberal laws that were adopted during Milan Piroćanac's Government were too open-minded for Milan's understanding of their applicability in Serbia, and their acceptance was the price for the progressives' support for king's foreign policy. King Milan strived to limit the freedom of the press, freedom of assembly and association and other political freedoms. He spoke about that to the Prime Minister of the time, Milan Piroćanac, stressing that the existence of a liberal law on the press does not go in favor of progressives, because there is no guarantee that the next government will not abolish it: „If you could hope to take advantage of today's liberty and use it in opposition I would understand the reason you suffer unjustified attacks, but since we cannot hope, I do not understand. When you're in the government, you are letting them attack you, when in opposition, you are forbidden to attack the government. It would be better to get even.“ (Ibid: 50). Limitations of freedom of the press, freedom of assembly and association since 1884 marked a progressives' deviation from their original attitudes. While the king remained at the previous opinion, he also tightened it; the progressives have turned to the king. Thus, the policies of the king and progressives became extremely close.

While he was advocating for a specific political goal, King Milan would do anything to carry out his political will. In these endeavors, he often opposed the rule of law. By-elections in 1882 were repeated several times until the candidates that the monarch protected won. As a result of such election, there appeared a majority in the parliament which suited the king, while the opposition, thus, emphasized that some government MPs received only two votes in the elections, which was the reason they were called „dvoqlasci“ (two-votes people). On the other hand, King Milan was a great opponent of the achievement of parliamentary rule in Serbia. „He thought that Serbia does not need parliamentary regime but a strong ruler. Prince Milan placed the parliamentary thought opposite the state thought.“ (Popović 1939: 44-5). While the first was embodied in the Constitution of 1888, the second he could use reigning according to Governor's constitution. Governor's constitution was in force in the entire period of Milan's reign. It lasted as much as the constitution in the first period of its validity. The introduction of a parliamentary regime also meant the end of Milan's reign (Ibid: 45).

King Milan and the masses had different views on the future of the country. Milan Obrenović was a supporter of liberal laws, but he thought that they were not applicable in Serbia because people weren't able to cope with it, so he thought they should be limited, more or less, depending on the circumstances. His position especially strengthened

after the Timok Rebellion. Without the sympathy for the people, Milan could not expect his people to have sympathy for him: „The Serbian people did not like King Milan. They generally regarded him as a foreigner with Walachian blood; King Milan hated the people as well, from the depths of his soul.” (Piroćanac 2004: 470). Opposed but also condemned to each other, King Milan and the representatives of the people had a certain similarity. In fact, Milan’s dynasty, and representatives of the people shared the same aspirations as „Obrenovićs and radicals both wanted the dictatorship: the first wanted a dictatorship to rule, and second - a parliamentary dictatorship.” (Jovanović 1990b: 233).

### **Milan Obrenović’s work in foreign policy**

In Milan Obrenović’s orientation towards foreign policy we can clearly distinguish two periods in which he relied on different forces in international relations. In the first period Milan opted for Russia, and in the second he was close to the Austro-Hungarian Empire.

In the period before the Treaty of San Stefano, prince Milan Obrenović tied foreign policy aspirations of Serbia strongly to Russia. „Rusophilia in the external policy was for him a form of faith as conservatism was in the interior policy; these two things were mutually complemented and supported.” (Jovanović 1934b: 207-8). In the period of the Serbian-Turkish wars Serbia has entered as the liberal, pro-Russian oriented government, but also with prince who was of the same foreign policy orientation. With the support of Slavophiles during the first, and official Russia in the second war, Serbia emerged as a victorious state.

However, victories on the battlefield were not followed by political achievements that would ensure the preservation of war heritage. The treaty of San Stefano has enabled the realization of Russian interests. Since the goal of the Russian policy in the Balkans was the occupation of Constantinople, the Russian favoured large Bulgarian state under their strong influence, which would be the basis for their further foreign policy efforts (Ibid: 200-1).

Achieved in this way, the Russian political objectives in the Balkans could not suit Serbia. In its neighborhood Great Bulgaria was created, which was comprised of Eastern Rumelia, Macedonia, and the cities which Serbia won in wars with Turkey: Vranje, Pirot and Trn (Ibid: 199). Although these borders were revised by the Treaty of Berlin, the peace of San Stefano showed that Serbian and Russian interests did not match. Russian policy in the Balkans did not suit a strong Serbian state, but

strong Bulgaria. If after the Berlin agreement Serbia got internationally recognized independence and territorial expansion, under the influence of new circumstances it received the different foreign policy partner. It moved from Russia to the Austro-Hungarian Empire.

It is clear that a small country like Serbia could not pursue an independent foreign policy, and thus it was necessary to find allies to protect its interests. However, forgetting that the interests are the main motives of political actors, especially the big powers, Milan Obrenović entered the policy with lot of passion. Thus, after San Stefano, he began to feel personal animosity, even hatred towards Russia. On the other hand, Milan's association with Austro-Hungary had many similarities with previous relations with Russia. Thus, changing the patron did not mean the change in the nature of the relationship with the country to which Serbia relied on concerning foreign policy. However, the adherence to the Austro-Hungarian Empire was considerably more powerful than the previous relationship with Russia (Rajić 2004: XII).

At the Congress of Berlin, Serbia was in a very delicate position. Austro-Hungary strongly opposed the expansion of Serbia to the west and southwest (towards Bosnia, Sandzak of Novi Pazar and Macedonia), the Turks and the British prevented the expansion of the Serbian state to the present-day southern Serbia and Macedonia, and the Russians wanted provide as much territory for Bulgarians as they could in the southeast (Popov 2010: 244). The difficult situation for Serbia was nevertheless avoided, with the help and support of the Austro-Hungarian Empire, but it came with a price. The price of Austro-Hungarian aid at the Berlin Congress related to the admittance of Serbia to its economic and political sphere.

Before the Congress of Berlin, on July 8, 1878, the Ministers of Foreign Affairs of Serbia and Austro-Hungary, Ristić and Andrašić signed an economic agreement that applied to three areas: construction of railways, trade agreement and the question of Djerdap. With regard to the construction of railways, Serbia signed a contract to build a railroad between Belgrade and Nis, within the following three years, actually, two railway branches. One would lead to Pirot, i.e. to the Serbian-Bulgarian border and it would be connected to Constantinople railway, while the other would go to Vranje and the Turkish border, connecting us with the Thessaloniki Railway. Austro-Hungarians, in turn, pledged to provide a railway link in the vicinity of Belgrade, as well as to help obtain the connections using two railway branch lines, to Bulgaria and Turkey (Jovanović 1934b: 213-5).

At first, the price that Serbia paid in order to obtain Austrian aid was not excessive. It was indeed favorable even for Serbia itself. Although

the trade interests between the two sides should have been resolved in a later treaty, the basis for the formulation of such a contract was unfavorable for Serbia. The railway, which was supposed to be built in order to obtain connections with the Austrian railways and with promised help with the connection to the Bulgarian and Turkish railways, allowed the realization of Serbian trade, economic and political interests as well (Ibid: 215). As far as economy is concerned, the railway would, in accordance with the principles of economic liberalism, passing through Serbia, allow the economic merger of Western Europe and the Middle East, or allow the Serbian population to participate in the global exchange of goods. Railways at that time represented the most convenient and fastest way to transport goods also enhancing the development of different economic sectors.<sup>4</sup> In addition to the indisputable technical and economic contribution, the railway was supposed to connect the countries, to join the old parts with the new, but also to make the connection with the areas that were still under Ottoman rule. Railway thus became the building block of Serbian nation.

The first railway for passenger traffic with steam engine in Europe was built in England in 1825, and four years later in America. In France, the first railway with steam traction was built in 1831, in Belgium and Germany in 1835, in Austria and Russia in 1838, in Italy and the Netherlands in 1839 and in Switzerland in 1844. In Asia, the railways began to be built in 1853, in Australia one year after that and in Africa in 1856. Although the first attempts to build a railway line from Belgrade to Istanbul were made at the very beginning of the fifties, during the reign of Prince Aleksandar Karadjordjević, the construction began 30 years later (Milenković 1936: 11).

Railway contract concluded in April 1880 involved Serbia's commitment to build a railway between Belgrade and Nis within the following three years, as well as the railway to Vranje. Serbian officials, however, were afraid that great material resources necessary for the construction of railways would greatly aggravate the state of the public finances, so they tried and they succeeded in negotiating with the Austro-Hungary to reduce Ser-

---

4) We can see prominent economic and practical benefits of building railways in Videlo, a Progressive's Party body: „When it gets the railway, Serbia will become a cultured and educated nation; Serbian Industry, trade and handicraft will get livelier. Military forces of our country will become stronger and more powerful. As once, in France, people paid 12-15 cents per mile, today the train ride only costs 3-5 centimes, so the train ride on our railway will cost far below the actual price of transportation. While Serbian MP now spends 4-5 days traveling to Belgrade, he will need no more than 6-7 hours to do so.” „Naša željeznica od Mihaila Petrovića“, *Videlo*, no. 43, of March 29, 1881

bian obligations which arose from Ristić-Andraši contract and postpone the construction of a railway between Niš and Pirot. Thus, Piroćanac's government, which replaced Ristić's government, in February 1881 with the French society of General Union signed three contracts: a contract on the loan for the construction of railways, a contract on the construction and a contract on exploitation of the railways (Jovanović 1934b: 259, 387-392).

While the construction of railway in Serbia was in complete harmony with the classic understanding of economic liberalism, radical opposition objected to it for financial reasons, as well as the inadequate conditions of construction and exploitation. Given the large loan for construction of railway, 37 MPs demanded elections for the Grand National Assembly, believing that only it can decide on such an important issue.<sup>5</sup> Speaking about the railway convention, Nikola Pašić in the National Assembly said: „The railway is nothing more than a huge industrial machine - if it is installed that way and the invested capital is rented, the railway will be beneficial to the people; but if the invested capital cannot be rented and the people have to sell their own goods to pay that rent, then it will have harmful consequences.”<sup>6</sup>

The government emphasized that the railway promotes trade; the Radicals explained that it improves the world trade, but not trade in Serbia. For the government the railway is a modern achievement that contributes to linking the old and newly liberated parts of Serbia,<sup>7</sup> as well as the inclusion of the country in the world economy, while, quite the opposite, for the radicals it represented a massive and economically inefficient cost, but also a threat to the independent development of country. In addition to the economic and political reasons, behind the resistance to the construction of railways stood the populist pandering to popular opposition to everything that is new and modern, if such a novelty does not produce direct and immediate benefits not for the state and the nation, but for the person himself and his household.<sup>8</sup>

5) „Predlog 37 poslanika da se narodna volja u vezi sa železničkom konvencijom proveri na izborima za Narodnu skupštinu, u Narodnoj skupštini 22. maja 1880.”, in: Perović, L. (1997) *Nikola Pašić u Narodnoj skupštini, Vol. 1*. Beograd: Službeni list SRJ, pp. 437-442.

6) „Govor Nikole Pašića o železničkoj konvenciji, u Narodnoj skupštini 22. maja 1880.”, in: Perović, L. (1997) *Nikola Pašić u Narodnoj skupštini, Vol. 1*. Beograd: Službeni list SRJ, p. 451

7) In the newly liberated areas (four districts) lived 303,097 inhabitants, of whom 155,231 men and 147,866 women. Number of taxpayers was 62 471. See: „Popis ljudstva Srbije u oslobođenim krajevima u god. 1878.”, in: *Državopis Srbije, sveska XI*. Beograd, p. 55

8) After the time passed, i.e. the time they spent in power, the Radicals and Nikola Pašić, changed their obstinate opposition views on many issues. For Pašić's

While Austro-Hungary accepted to regulate Djerdap by itself, Serbia allowed it to temporarily use the river banks, during the execution of works, the trade issue between the two countries should have been regulated by special agreements. Austro-Hungarians demanded the right to unilaterally decide whether to sign a trade agreement with Serbia or a customs union, but a change was made on Serbian side and consent of both parties was a necessary condition for the conclusion of a customs union.

The trade agreement between Austria-Hungary and Serbia should first determine the nature of economic, and consequently political, relations between the two countries. Serbian side opposed the creation of a customs union, believing that the abolition of customs duties on Austro-Hungarian products would cause a complete destruction of the Serbian handicraft production. However, neither was in Austro-Hungary's interest to hurry with the signing of trade agreements, as former trade relations were in force under the provisions of the Berlin Treaty. Negotiations between Serbia and Austria-Hungary concerning trade contract were full of obstacles. Austro-Hungary considered that under the contract of 1862 made with Turkey, it already owned the most favored nation clause and it demanded most favored nation clause without reciprocity. While prince Milan accepted Austro-Hungarian conditions, Ristić, on the other hand, agreed to the most favored nation clause, but on the principle of reciprocity (Jovanović 1934b: 267-276). Ristić's refusal to agree to the Austro-Hungarian conditions cost him the position of President of the Government.

What Ristić did not want to accept, the Progressives accepted. During Milan Piroćanac's rule a trade agreement was concluded but a secret convention was made as well. In foreign policy, Serbia was entirely tied to the Austro-Hungarian Empire. In May 1881 a trade agreement was signed between Serbia and Austria-Hungary with a validity period of ten years. By its nature, this agreement „stood in the middle between ordinary trade agreement and customs alliance.” (Ibid: 325).

The benefits, characteristic to common goods traffic in the border areas, were provided for certain goods whose export was of particular interest so that the customs duties on them were very low.

---

opinion on the railway from 1902, see: „Nikola Pašić o proceduralnim pitanjima, u Senatu 23. marta 1902.“, in: Perović, L. (1997) *Nikola Pašić u Narodnoj skupštini, Vol. 2*. Beograd: Službeni list SRJ, p. 801, and for his relation to bureaucratic diaries and indirectly a new opinion on the officials's class, see: „Učešće Nikole Pašića u raspravi o Predlogu zakona o dnevnicu, podvoznini i seobini državnih činovnika i služitelja, u Narodnoj skupštini 10. januara 1892.“, Perović, L. (1997) *Nikola Pašić u Narodnoj skupštini, Vol. 2*. Beograd: Službeni list SRJ, p. 522.



These benefits did not fall within the most favored clause, so in arranging trade relations with Serbia and Austro-Hungary they could not be requested by any other state. Thus, the Austro-Hungarian got the privileged position in the export of industrial products to Serbia, and for Serbia the export of livestock and agricultural products - pigs, oxen, and prunes - was made easier. However, with veterinary convention concerning the horned animals and with the ability to limit or completely prohibit the import of pigs from Serbia, Austria-Hungary provided itself with a significant tool for economic and political influence on Serbia (Ibid: 321-9).

While the trade agreement concerned the regulation of economic relations with Austria-Hungary, the secret convention resolved the political issues between the two countries. According to the Convention held in June 1881, Serbia pledged to prevent any operation from Serbian territory aimed at the collapse of the Austro-Hungarian position in Bosnia, and in turn Austro-Hungary offered Serbia help in spreading to the south, except in the direction of Sandzak, but also the protection of Dynasty and recognition of the Serbian Kingdom when it gets declared. Serbia was not able to sign a political agreement with other countries without the approval of the Austro-Hungarian Empire, but this clause was later softened with Piroćanac's declaration with Kalaj when Serbia committed itself not to sign contracts with other countries that would disagree with the spirit and content of the secret convention, which meant that it was not necessary to communicate the text of these agreements to Austro-Hungary before their conclusion (Ibid: 333-9).

The change of foreign policy orientation of the country through its shift from Russia to Austro-Hungary demanded a political and economic association with the northern neighbor. As liberal government led by Ristić did not want to accept the economic conditions which Austro-Hungarian Empire offered to Serbia, Prince Milan turned to progressives. Progressives have accepted to hold Milan's economic and political views in foreign policy, and, on the other hand, Milan Obrenović offered a permission to progressive government to implement reforms in the country.

Realizing that the best support for the realization of Serbian national and state interests can be achieved through cooperation with Austria-Hungary, after the Berlin Congress, King subordinated the entire domestic and foreign policy to this goal. However, he kept involving too much emotion into international relations. So Milorad Ekmečić states: „The basic motive that governed all his actions was the fear of Russia.” (Ekmečić 2011: 309). This is one reason why Milan's connection to Aus-

tro-Hungary was much more solid than previous forms of cooperation with Russia. His relations with Austria-Hungary became very strong and intertwined. Milan Obrenović spoke about that to Milan Piroćanac and said: „Relying on central forces affects the program in Serbia and I as well as you went so far that path that if we wanted to come back, it would be impossible for us.” (Piroćanac 2004: 147). In his governing, Milan preferably rested on two pillars. An ally in the internal policy of Milan Obrenović was the Progressive Party, and in foreign policy- Austro-Hungarian Empire.

## Conclusion

Milan Obrenović in domestic politics was a supporter of moderate reform, which should have been implemented gradually. King Milan considered Liberal and Progressive Party to be „dynastic“ parties, elements of law and order. Opposite them stood radicals, which Milan considered to be the elements of disorder, a chaos party. Radicals had popular support, which in their opinion was a necessary but insufficient condition to form a government. Unlike them, king Milan held that for the participation in the government it was necessary to have the capacity to conduct the affairs of state, which radical leaders did not have. King Milan Obrenović wanted to be the center of political decision-making, but not in the role of the monarch, but rather as a kind of political authority to which the parties are only advisers. That is why Milan preferred the parties without greater support from the people.

King Milan supported liberal law, but he thought they couldn't be applied in Serbia, because people wouldn't be able to cope with it, thus they should be limited, more or less, depending on the circumstances. He obeyed the rule of law only to the point where it was consistent with the objectives he was promoting. Due to people's opposition to reforms, especially during the Timok Rebellion in 1883, Milan Obrenović reduced the political freedom.

In Milan Obrenović's foreign policy orientation we can clearly distinguish two periods during which he relied on different forces in international relations. In the first period, Milan opted for Russia, and in the second he turns to Austro-Hungary. Peace concluded at San Stefano in 1878 showed that the Serbian and Russian interests weren't the same. A strong Serbian state did not suit Russian policy in the Balkans, but strong Bulgaria suited the Russians. Therefore, in his foreign policy, Milan Obrenović turned to Austro-Hungary. During Milan's reign, trade agree-

ment and secret convention with Austria-Hungary were signed. While the trade agreement concerned the regulation of economic relations, the secret convention resolved the political issues between the two countries.

### **Bibliography:**

- Dragnić, A. (1989) *Razvoj parlamentarizma u Srbiji u XIX veku*. Gornji Milanovac: Dečije novine.
- „Govor Nikole Pašića o železničkoj konvenciji, u Narodnoj skupštini 22. maja 1880.”, in: Perović, L. (1997) *Nikola Pašić u Narodnoj skupštini, Vol. 1*. Beograd: Službeni list SRJ.
- Ekmečić, M. (2011) *Dugo kretanje između klanja i oranja: Istorija Srba u novom veku: (1492-1992)*. Beograd: Evro-Giunti.
- Jovanović, S. (1934a) *Vlada Milana Obrenovića, Vol 1*. Beograd: Geca Kon.
- Jovanović, S. (1934b) *Vlada Milana Obrenovića, Vol 2*. Beograd: Geca Kon.
- Jovanović, S. (1934c) *Vlada Milana Obrenovića, Vol 3*. Beograd: Geca Kon.
- Jovanović, S. (1990a) „Naše ustavno pitanje u XIX veku”, in: Slobodan Jovanović, *Političke i pravne rasprave I-III*. Beograd: Beogradski izdavačko-grafički zavod Jugoslavijapublik, Srpska književna zadruga.
- Jovanović, S. (1990b) „Dvodomni sistem”, in: Slobodan Jovanović, *Političke i pravne rasprave I-III*. Beograd: Beogradski izdavačko-grafički zavod Jugoslavijapublik, Srpska književna zadruga.
- Kaljević, Lj. (2006) *Moje uspomene*. Uzice: Istorijski arhiv Užice.
- Marković S. G. (2006) *Grof Čedomilj Mijatović: Viktorijanac među Srbima*. Beograd: Centar za publikacije Pravnog fakulteta Univerziteta u Beogradu, AIZ „Dosije”.
- Mijatović, Č. (2008) *Uspomene balkanskog diplomate*. Beograd: Radio televizija Beograd.
- Milenković, P. (1936) *Istorija građenja železnica i železnička politika kod nas (1850-1935)*. Beograd: Orao.
- „Naša željeznica od Mihaila Petrovića”, *Videlo*, no. 43, of March 29, 1881
- „Nikola Pašić o proceduralnim pitanjima, u Senatu 23. marta 1902.”, in: Perović, L. (1997) *Nikola Pašić u Narodnoj skupštini, Vol. 2*. Beograd: Službeni list SRJ.

- Perović, L. (1997) *Nikola Pašić u Narodnoj skupštini, Vol. 1*. Beograd: Službeni list SRJ.
- Perović, L. (1997) *Nikola Pašić u Narodnoj skupštini, Vol. 2*. Beograd: Službeni list SRJ.
- Piroćanac, M. (2004) *Beleške (prir. Suzana Rajić)*. Beograd: Zavod za udžbenike i nastavna sredstva.
- „Popis ljudstva Srbije u oslobođenim krajevima u god. 1878.”, in: *Državopis Srbije, sveska XI*. Beograd.
- Popov, Č. (2010) *Građanska Evropa (1770-1914). Vol. 2, Društvena i politička istorija Evrope (1871-1914)*. Beograd: Zavod za udžbenike.
- Popović, M. (1939) *Borbe za parlamentarni rezim u Srbiji*. Beograd: Politika.
- „Predlog 37 poslanika da se narodna volja u vezi sa železničkom konvencijom proveri na izborima za Narodnu skupštinu, u Narodnoj skupštini 22. maja 1880.”, in: Perović, L. (1997) *Nikola Pašić u Narodnoj skupštini, Vol. 1*. Beograd: Službeni list SRJ, pp. 437-442.
- Rajić, S. (2009) „Milan Obrenović – kralj političar”, in: *Zbornik Matice srpske za istoriju*, 79-80: pp. 43-58.
- Rajić, S. (2004) „Predgovor”, in: Milan Piroćanac, *Beleške (edit. Suzana Rajić)*. Beograd: Zavod za udžbenike i nastavna sredstva.
- „Srpske novine”, no. 41 of 22 February 1881
- Todorović, P. (1997) *Srpska stvar u Staroj Srbiji; Uspomene na kralja Milana (edit. Latinka Perović)*. Beograd: Službeni list SRJ.