THE PORT OF TRIESTE AND ITS RAILWAY CONNECTIONS IN THE HABSBURG MONARCHY: ECONOMIC CHANGE AND INFRASTRUCTURE PROBLEMS, 1850-1918

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Before the Railway

The rise of Trieste as Austria’s most important port began in the early 18th century within the framework of a mercantilist policy pursued by the Habsburg dynasty. Already Emperor Leopold I. (1640-1705) had tried to stimulate the ports on the Adriatic Sea and to direct trade flows between Austria and the Mediterranean countries to the Habsburg ports. But all attempts had failed due to Venice’s still prevailing dominance in the Adriatic Sea. Now things had changed: Austria now was a great power after having pushed back the Ottomans and strengthened its position in the Mediterranean by acquiring, as a result of the Spanish war of succession, the Kingdom of Naples and Sardinia (later Sicily) whereas Venice lost its Peloponnesse territories to the Ottomans. Therefore, in 1717, though without any real impact on trade for a time being, shipping in the Adriatic Sea was declared free by Emperor Charles VI. Additionally, a trade company was founded in order to stimulate Austrian trade with the Mediterranean countries, using Trieste as its home base. Two years later, Trieste and Fiume (Rijeka), the only ports on Austria’s then very short Adriatic coast-line and the nearest to the heart of the Empire, were declared free ports, though, for instance, it was argued that the port of Trieste was not suitable for big ships because the water in the port was too shallow.1

The main disadvantage of both ports, however, was their weak transport communications to the hinterland, to Inner-Austria and Vienna. The topographical obstacles indeed were manifold: contrary to Marseille or Hamburg but maybe similar to Genoa, Trieste (and also Fiume) did not have a navigable river nearby which opened up the hinterland and could be used for shipping goods at low costs. The watershed between the Black Sea and the Adriatic runs in the immediate vicinity of the Adriatic coast and no important river offers direct communication from the centre of Eastern Central Europe to the Mediterranean. Both the Danube and the Elbe as Austria’s most important internal waterways were far away and directed long-distance transport to the east and the north. Moreover, immediately behind Trieste, the Karst mountains rose and constituted a great barrier to all kind of communications, and even when one had

overcome the Karst, transport conditions did not get better because the large marshes around Laibach (Ljubljana) lay before, and then the Alps.\(^2\)

Many customs made road transport rather expensive. In order to offer better communications to and from Trieste, goods transported between Silesia, Moravia and Bohemia as the most industrialised parts of the Habsburg Empire on one hand and Trieste on the other were not liable to transit customs any more from 1730/31 onwards because investigations had shown that Austrian overseas trade mostly ran via the Netherlands and Hamburg. Then, in the 1760s Inner-Austria and the port cities were given special customs regulations. Only in 1775 a single customs territory was introduced for nearly the entire Empire.\(^3\)

Good communications to Central Europe, but especially to Vienna as the political centre and to Silesia, Moravia and Bohemia therefore have always been crucial to Trieste and the development of its port. Consequently, Charles VI’s mercantilist policy also consisted in building new commercial roads radiating from Vienna during the 1720s. One of them passed the Semmering Mountains and provided a shorter and more direct communication with Trieste. Regular transport services for both goods and passengers were installed between Vienna and Trieste from 1730 onwards.\(^4\) However, another large project to improve transport between Vienna and the sea was a failure: a shipping canal conceived to link Vienna with Trieste was started in 1797 but only reached Wiener Neustadt, about fifty kilometres south of the capital, due to financial problems. Nevertheless, this failure was an immediate cause for thinking about technical alternatives to building waterways: already in 1796 the engineer who was commissioned to build the canal had proposed to replace the commercial road over the Semmering by a so-called waggonway, a horse-drawn railway.\(^5\)

The Railway arrived late in Trieste

In 1837 the first steam railway in Austria was inaugurated between Vienna and a small village in the north of the capital, this being the first part of a future major railway line connecting Vienna with the highly industrialised area of northern Moravia and Silesia where also very important coal mines lay. Right from the beginning there were plenty of plans to connect Austria’s most important port by railway with the heart of the Empire, among others by Arch Duke Johann of Styria and the Austrian railway pioneer Franz Riepl.\(^6\)

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\(^3\) BRUCKMÜLLER, Triest und Österreich, p. 305 -308.


\(^5\) Else Valerie RIEBE, Der Wiener Neustädter Schiffskanal, Vienna 1936; HELMEDACH, Verkehrswesen, 94.

In this first phase of railway building in Austria the central State did not intervene. The task of planning, financing and building railways was thus entirely left to private initiative. Soon the government realized that this had many disadvantages. So when the economic crisis of 1841 led to a break-down of privately financed railway building the State took over again this task. The same year the first comprehensive governmental railway building programme was published. According to this programme a network of important railway lines radiating from Vienna to Prague and Dresden, to Trieste and to Bavaria and yet another from Venice to Milan and the Lake of Como should be built by the State in the years to come.\(^7\) It was however allowed to rent out the service of these railways to private entrepreneurs.\(^8\)

In the following years priority was given to the northern lines whereas the southern line to Trieste which had already been started by a private company only knew a slow progress for various reasons. In 1842 this line ended in Gloggnitz just in front of the Semmering Mountain. In spite of the fact that at that time there were no sufficiently powerful locomotives available the most difficult part of the mountainous Semmering area was simply left out and works were continued in the south.\(^9\) In 1844 Graz was reached, in 1849 Laibach (Ljubljana).

Only in 1854 the mountain railway over the Semmering could be accomplished and finally in 1857 works on the last part of the Südbahn between Laibach and Trieste could be finished.

The terminal station (Südbahnhof) was built between 1850 and 1857 in the north of the city of Trieste, just between the hills and the sea where there was not much space in between, the site having been chosen by the Government, though the works were directed and executed by the Südbahn Company. Its building required taking down a part of the hills in order to level the ground for the station, but the material gained was also used to obtain a plain area right along the coast. As an existing old hospital had to be preserved, a covered railway viaduct was built. In order to create a station square and a connection to the city, the Panfilli shipyard was expropriated and many lots changed their owners.\(^10\)

Trieste’s future seemed to be brilliant when the Südbahn was inaugurated in 1857 and the opening of the Suez Canal seemed to be even more promising. Trieste and its port, in spite of the unfavourable conditions of transport mentioned above, knew a remarkable rise and a dynamic development during the period of the Vormärz though the port and its trade proved to be very dependent on international economic trends.


Gradually imports by sea began to prevail over exports. Insurance companies like the Assicurazioni Generali (1831) and Riunione Adriatica di Sicurtà (1838) were founded, as well as the Austrian Steam Navigation Company Österreichischer Lloyd (1836) and the shipyard San Marco (1839/40) to cite just the most important business enterprises of this period. But already in the late 1830s this economic spurt slowly came to an end. The Südbahn arrived very late, maybe too late for Trieste and its port, the delay being also due to the hesitating policy of the Austrian Government, unsure whether to give priority to Venice or to Trieste as the State’s main port. In the meantime, Trieste’s competitors already had access to the railway network since a decade or longer: Antwerp since 1836, Hamburg since 1842, Venice (Mestre) since 1846, Le Havre and Bremen since 1847, Marseille since 1848 (until Paris since 1857) and Genoa since 1853. This meant that in an international comparison Trieste only had taken a belated step towards reducing its backwardness in relation to its competitors and towards keeping again pace with them. In fact, already the contemporaries of the mid-19th century complained that “by rail Vienna was earlier connected to foreign ports than to the Austrian ones” and Hamburg could be reached from Vienna by rail since 1851, at a time when transport in Trieste still relied upon the horse cart - and it was often thought that this late arrival of the railway was much to Trieste’s detriment. In fact, it proved easier, faster and cheaper to transport goods from Vienna or Bohemia by railway to Hamburg than to Trieste even if the distance between the former and Vienna was twice that between the latter and the capital. In Trieste, merchants held the railway company responsible for this unfavourable development, criticizing above all the lack of rolling stock and the badly managed entrainment of goods. In consequence, they claimed a reduction of freight rates in order to counter growing competition from the North Sea ports because the Südbahn’s rates were indeed very high compared to those asked for by German railway companies to the North Sea and, later, by Hungarian railways to Fiume (see below).

In fact, the impact of the Südbahn on trade and commerce in the port of Trieste was disappointingly little. Even if Trieste and its port now disposed of a modern transport connection to its hinterland, Trieste’s catchment area had not been enlarged. The new line did not really make Trieste more attractive for shipping goods from Vienna or Bohemia and the freight rates kept being too high. Furthermore, as the State was near bankruptcy in the late 1850s it was forced to sell nearly all railway lines at rock-bottom prices. The Vienna-Trieste line was sold to a privately owned railway company (later called Südbahn Company) dominated by French share-holders which soon had to raise the freight rates.

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Terminal station of the Südbahn in Trieste (Südbahnhof), around 1905

Since 1861, a railway connected Trieste with Hungary and thus made it possible to export Hungarian agricultural products via Trieste. Indeed, Trieste became the port of exportation for those products, the more because Hungary during the 1860s saw several record grain harvests whereas Western Europe, especially France, at the same time suffered from crop failures. It seemed as if a balance between Austrian agriculture and Western European industry would establish, with Trieste as the centre of trade and exchange. Neither the port of Trieste nor the Südbahn railway company, however, were prepared to cope with high quantities of grain when in 1861 for the first time a big amount of Hungarian grain was to be shipped via Trieste. There was not enough rolling stock to transport the grain and the ware-houses in the port were too small to store it so that the ships had to wait for several days until they could load the grain. In the following years, some of these capacity problems could be resolved but nevertheless it continued to be difficult for both the railway, the port and local traders to manage the fluctuations inherent in the agricultural market. In general, however, Trieste was able to raise again its share in Austria’s overall foreign trade due to the new railway to Hungary.

Soon Trieste had to suffer two setbacks: in August 1867 the Brennerbahn railway was opened and offered a railway connection between the Bavarian and Northern Italian networks. This was a great advantage for Venice because Switzerland, Southern Germany and Western Austria (Upper Austria, Salzburg, Tyrol) now were within Venice’s reach. It therefore became more and more crucial for Trieste to get a second railway line towards the north, to Carinthia, Styria and Upper Austria, that should be independently operated from the predominant Südbahn Company.

15 HAUSBRANDT, Welthafen, 197.
In 1865 a new company obtained the concession to build such a railway from the Danube to Villach in Carinthia and further to the Adriatic (Kronprinz Rudolf-Bahn) and within five years it was largely finished. The missing link between Villach and Tarvis was opened only three years later. But it was not of great use to Trieste as it did not run directly to the coast but only to Laibach (Ljubljana) where there was a connection to the Südbahn. In spite of the fact that the new Kronprinz Rudolf-Bahn was only single-track this was indeed a big step forward as there finally was a shorter connection to Inner Austria. But on the other hand Trieste was still dependent on the Südbahn. The last part between Laibach and Trieste had to be used paying a fee to the Südbahn for using its tracks so that the aims of both the Trieste Municipality and the Trieste Chamber of Commerce were not fully achieved.

The second setback was the opening of a short railway line in 1873 by the Südbahn Company that offered railway access to the city and port of Fiume (Rijeka). This meant that Trieste lost its leading position in the trade with Hungarian agricultural products because Fiume was nearer to Hungary and more easily accessible than Trieste since in 1873 there was yet another railway line opened in October 1873 running from Karlstadt to Fiume. Competition between the railway companies operating these two lines to Fiume led to even lower freight rates whereas Trieste remained largely dependent on the Südbahn with its high rates. Moreover, the political background was of crucial importance: since 1867 when the Habsburg Monarchy was reshaped by the so-called Ausgleich between Austria and Hungary, creating two more or less independent States (Cisleithania = Austria and Transleithania = Hungary), Fiume was the only important harbour of the Kingdom of Hungary. The Hungarian Government followed a nationalistic policy and engaged very much in stimulating trade to and from Fiume and in fostering its “national” port as much as possible, for example by introducing special freight rates to and from Fiume. This policy had considerable impact on the port of Trieste because Fiume was successful in obtaining an ever growing share in foreign trade, partly to Trieste’s detriment, though of course in absolute figures Trieste kept being the most important harbour. Hungary’s nationalistic policy was, by the way, also reflected by the decision to found a Hungarian steam shipping company of its own, the Adria, and by the division of tasks and areas serviced, in 1891, between the Austrian Lloyd (Österreichischer Lloyd) based in Trieste and the former.

Furthermore, the opening of the Suez Canal in 1869, so much and long awaited by the Trieste merchants, did by far not have the strong positive impact as expected. It had been expected that Trieste because of its geographic position would be able to profit much from the Suez Canal and would establish itself as a central point of exchange and trade between Europe and Asia, especially India, being in a way an extension to newly installed sea routes, among others by the Österreichischer Lloyd.

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18 Giuseppe LO GIUDICE, L’Austria, Trieste ed il Canale di Suez, Catania 1981, pp. 68-170. – Wilhelm TREUE, Das österreichisch-mitteldeutsche und das norddeutsche staats- und privatwirtschaftliche
With the loss of the Kingdom of Lombardy-Venetia in 1859/66 to unified Italy, Trieste’s geographical position changed: it now lay near the border and had to orientate even more towards Central Europe. One of the routes much discussed and thoroughly studied as a part of an additional railway line from the Adriatic to Austria and especially to Vienna (that from Udine to Tarvis, called Pontebbana) now became less interesting because it now lay on Italian territory. In contrary, the second route discussed, the Predil route, now seemed to be more attractive because of strategic reasons, running parallel to the Italian-Austrian border.

All these developments and setbacks made the question of an additional railway route connecting Trieste with Austria and Southern Germany even more urgent. The opening, in 1887, of a secondary railway line closing the gap to the Istrian railway was not of great help. Only at the turn of the century the debate over which route to prefer for an additional railway connection to the north independent from the Südbahn which had lasted over 40 years finally came to an end. In 1901 Prime Minister Ernest Koerber, in an effort to prevent the empire from disintegration by proposing a large infrastructure building program (Koerber-Plan), managed to get accepted by the Reichsrat the building of four Alpine railway lines and of several internal waterways. Three of these railway lines to be built were conceived to be part of a long additional trans-alpine connection between Salzburg and Trieste: the Tauernbahn (Salzburg-Carinthia), the Karawankenbahn (Carinthia-Carnia) and the Wocheinerbahn. With this decision the State tried to take into account all lobbies and points of view: those of the Chambers of Commerce and Municipalities involved as well as financial, strategic and economic considerations. In spite of many problems due to the difficult terrain, all of these railways were surprisingly fast built until 1906. Only the Tauernbahn took three years longer to be completed.

The terminal station of the State Railways which operated these new lines was built in the south of the city, in the quarter of San Andrea where the new port was being built and the Lloyd had its shipyards and workshops. In order to facilitate traffic between the two terminal stations and the nearby dock areas, a railway line known as the Rivabahn was built along the waterfront in 1887.

19 Roman SANDGRUBER, Ökonomie und Politik. Österreichische Wirtschaftsgeschichte vom Mittelalter bis zur Gegenwart, Vienna 1995, pp. 306-308
Terminal station of the State Railways (Staatsbahnhof) in Trieste, around 1910

So, on the eve of the First World War, Trieste finally disposed, after nearly half a century of lobbying, debating and studying various routes, of a second, independent railway connection of importance to the north and north-east. However, recent research has shown that the high expectations were not fulfilled. Even if transit traffic from Germany to Trieste knew a remarkable rise right from the opening of the railway and traffic from the Austrian countries rose as well, Trieste could hardly enlarge its catchment area to Germany. In the opposite direction the new railway nearly had any impact on trade and transport. Trieste, with this new connection, did not get a competitive advantage in relation to the North Sea ports but only had made up for a disadvantage that had hindered its competitiveness for nearly half a century.

This, of course, raises the question whether Trieste really had that great importance for the Habsburg Monarchy as always emphasized. It was this very supposed importance which served as a justification for claiming better transport conditions. During the period 1860-69, Trieste had a share in the overall freight transport of the ports of Trieste, Venice, Fiume, Genoa, Marseille, Bremen and Hamburg of 11.52 %, but during the period 1890-99 its share fell to only 6.06 % whereas Hamburg had risen its share from 20 to 34 %21. Ulf Hausbrandt, after having thoroughly analysed traffic flows during this period, comes to the conclusion that the port of Trieste only partly can be called a trading centre of more than regional importance.22

20 Franz HEIDERICH, Triest und die Tauernbahn, Berlin 1912, p. 37.
22 HAUSBRANDT, Welthafen, 206.
The Port and its infrastructure

The far-reaching changes of the 19th century in the transport sector had an enormous impact on port infrastructures. Above all, the use of larger and larger steam vessels and the ever increasing quantities of goods traded made it necessary to adapt the port, the docks and its equipment again and again to changing requirements. In Trieste, too, the port equipment of the mid-nineteenth century largely did not meet any more modern requirements because it partly dated from the times of Emperor Charles VI. Since the middle of the 19th century various proposals to modernize the port and its infrastructure were brought forward but they all failed either because of a lack of money or because people and institutions involved in this question could not agree on how to do modernize.

When in 1857 the Südbahn was inaugurated, local newspapers again stressed that the port urgently needed to be modernized because goods arriving by sea were handled in a very time-consuming, ponderous and thus expensive way as they were loaded and reloaded several times on land and sea. In other European ports, at the same time, goods were directly reloaded from the ship to the warehouse or to the railway wagon by means of cranes which was by far more practical, faster and cheaper. Moreover, there were no warehouses to properly store the goods immediately at the Südbahnhof railway station but only private warehouses scattered in the more densely built-up areas where trade had had its centre for centuries.

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Terminal station of the *Südbahn* in Trieste (*Südbahnhof*), and the northern free port being built, 1870

The main problem was the fact that there was nearly no free space in the vicinity of the railway station for enlarging the whole area. This was the first time people thought of moving the station to Muggia, in the south of Trieste, and to build there a new port capable of coping with increasing quantities of freight expected by the opening of the Suez Canal. Other proposals intended to enlarge the existing railway and port area by throwing up a nearby area possessed by an old hospital. But, in general, there was a lack of detailed plans until a special commission consisting of representatives of the City Council, the Government, the Stock Exchange, the *Südbahn* Railway Company, the *Österreichischer Lloyd* and others was set up in 1862 and more detailed proposals were worked out as the result of a competition.

The most prominent proposal was presented by the *Südbahn* Railway Company dominated by French capital, the plan being worked out by the French engineer and director of the Paris-Lyon-Méditerranée, Paulin Talabot, who recently had modernized the port of Marseille. He simply transferred his plans worked out for Marseille to Trieste. But the commission was not in favour of this project as its members were reluctant to the idea of granting so important a project to a “foreign” (i.e. French) business enterprise. Consequently, nothing happened at all during the following years even if the insufficiencies of the port became more and more evident and noticeable. The number of vessels that could not use the quays any more because the water was too shallow increased and made it necessary to reload the goods to smaller ships which made the whole process of loading longer and more expensive.

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Terminal station of the *Südbahn* in Trieste (*Südbahnhof*), warehouses, and the northern free port after completion, 1893

Only in 1867 a decision was taken: the Austrian Ministries of Finance and Commerce for a lump sum commissioned the *Südbahn* Railway Company with the modernization and redesign of the port, the State giving a part of the gained thrown-up area as a present to the Company in order to provide space for the enlargement of the railway area and granting other advantages (e.g. tax exemptions). On the other hand, the Company was allowed to raise its freight tariffs from then on only with governmental permission and, moreover, it had to renounce of its privilege to build a railway connection between the *Kaiserin Elisabeth Westbahn* (Vienna – Linz – Salzburg), Carinthia and the sea.

Table: Ships arrived in Trieste, 1850-1913

<table>
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<tr>
<th>Year</th>
<th>Tonnage</th>
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<tbody>
<tr>
<td>1850</td>
<td>641.394</td>
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<td>1860</td>
<td>717.296</td>
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<td>960.103</td>
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<td>1880</td>
<td>1.111.931</td>
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<td>1890</td>
<td>1.471.464</td>
</tr>
<tr>
<td>1900</td>
<td>2.158.624</td>
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<tr>
<td>1913</td>
<td>5.480.074</td>
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</tbody>
</table>

Source: HAUSBRANDT, Welthafen, p. 276.

Works started in 1868, but the time schedule proved impossible to be kept because of the difficult conditions of the ground, leading to delays and changes of the building
plans. Finally, in 1874, two new warehouses for grain and goods were accomplished and in the following year the breakwater and the first of three harbour basins were finished. The Railway station itself was also rebuilt, at a lower level and nearer to the sea. Now, for the first time, it was possible to load goods directly from the ship to the railway. However, modern cranes already in use in other sea ports were still missing. In 1883, all works were finished, with a delay of ten years. The “Porto nuovo”, sheltered from the sea by a breakwater, had three basins, one of them conceived as future paraffin port, and new warehouses (Magazzini generali) jointly run by the Municipality and the Chamber of Commerce. Trieste now finally offered up-to-date port facilities, with a delay of nearly twenty years!

Only some years later, another enlargement seemed to be necessary: sufficient space for a marshalling yard was urgently needed in order to make loading easier, a timber-yard was missing, and in San Sabba, in the bay of Muggia south of Trieste, an new paraffin port according to safety regulations was to be built. Besides these technical arguments, a strong impetus came from the fact that Trieste’s privilege as a free port which was valid for the whole city was to be abolished and restricted to the port only. Both the Municipality and the Chamber of Commerce sought to be compensated for that loss by claiming, among others, new railway lines to Austria and the establishment of a new “punto franco”. Indeed, in 1887 a law passed Parliament that provided the enlargement of Trieste’s docks at the expense of the State. The “Porto nuovo” in the north of the city which had only recently been modernized now was to become the new free port (punto franco, also called Porto vecchio) whereas in the south of Trieste, in the bay of Muggia, a new even bigger port (the new “Porto nuovo” or Franz Joseph Hafen) was to be built in the vicinity of the Terminal station of the State Railways (Staatsbahnhof) and the Lloyd Arsenal. The Magazzini generali were taken over by the State and the high storage fees significantly decreased.

Even before the turn of the century plans had to be modified due to the fast growing quantities of goods shipped, handled and stored in the port. The port was extremely overloaded since the economic upturn of the second half of the 1890s. Works first made very slow progress and only in 1909 the first quays were put into service. In the following year the new port was inaugurated even if until the outbreak of war only a part of all measures taken to remedy all the shortcomings could be realized due to financial restrictions, overwhelming bureaucracy and the lack of comprehensive long-term planning for port development.

Conclusions

The Austrian State had engaged for over 200 years in modernizing its most important port on the Adriatic Sea and in fostering trade in the city of Trieste. It did not only care for railway connections to Trieste’s hinterland and to Vienna but also spent a lot of money on port infrastructure and on the Österreichischer Lloyd steam navigation companies which as heavily subsidized. Trieste therefore has sometimes been characterized by historians as the “subsidized city”. The city of Trieste grew from a little port town to Austria-Hungary’s forth largest city, counting 235.000 inhabitants, in 1913.
In the long run, Trieste and its port knew a remarkable rise and saw its “golden age” during the years just before the outbreak of the First World War when finally all railway connections claimed by local lobbies for decades had been realized and the port infrastructure fundamentally modernized and enlarged. At that time, Trieste offered really modern equipments for intermodal sea-rail transport. Nevertheless, all these improvements made during the 19th century came very late or even too late in comparison with competing ports. By these efforts, Trieste could catch up a great deal but it could hardly ever compete with the North Sea ports and kept being a port of just regional importance and was by no means a “world port”.
Trieste around 1888
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