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Avstrijski pomorski razvoj v Vzhodni Aziji 1869–1914*

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Austrian Maritime Development in East Asia: 1869–1914

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The article describes how Trieste developed its maritime power in the Orient during the late Habsburg Empire. Austrian Lloyd had invested in the building of the Suez Canal and opened up its shipping lines to India, China and Japan. Before the opening of the Suez Canal, Pasquale Revoltella drafted a plan for the Far Eastern lines. But the actual extension of these lines proved to be quite slow: India (1869), Hong Kong (1880), Shanghai (1892) and Kobe (1893) which Lloyd regarded as an important achievement. In 1912, Austrian Lloyd finally inaugurated the high-speed »Eilinie« line between Trieste and Shanghai. Coffee and cassia were two important goods in this line. Trieste was able to attract coffee imports not only from South Asia, but also from Singapore and Philippines. Cassia, from South China, offers another example of Trieste competition with Hamburg. Trieste-Kotor (Cattaro, in Montenegro) and Trieste-Bombay were the two most profitable lines. But in East Asia, Lloyd's performance was not successful and (most probably) more Austrian products arrived in China via Hamburg. This failure was due to various internal problems and the stagnation of Trieste.

Author's Abstract

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Ključne besede: Avstrijski Lloyd, Vzhodna Azija

Članek prikazuje, kako je Trst v zadnjih desetletjih pred prvo svetovno vojno razširil pomorsko trgovino proti Vzhodu. Avstrijski Lloyd je investirjal v gradnjo sueškega prekopa in odprl ladjarske povezave z Indijo, Kitajsko in Japonsko. Načrt za pomorske linije z daljnim Vzhodom je že pred odprtjem sueškega prekopa zasnoval Pasquale Revoltella. Toda širjenje ladjarskih linij je potekalo počasi. Zveza z Indijo je bila vzpostavljena leta 1869, s Hong Kongom 1880, s Šangajem 1892 in s Kobe 1893, v Lloyd pa so vse ocenjevali za pomemben dosežek. Leta 1912 je Avstrijski Lloyd končno vzpostavil hitro »ekspresno« linijo med Trstom in Šangajem. Kava in kitajski cimetovec sta bila pomembna tovara na tej liniji. Trst je pritegnil uvozne transporte kave ne le iz južne Azije, temveč tudi iz Singapure in Filipinov. Kitajski cimetovec je bil drug tovar, pri prevozu katerega je Trst tekmoval s Hamburgom. Najbolj dobičkonosni tržaški ladjarski liniji sta bili Trst-Kotor in Trst-Bombay. Linije v vzhodno Azijo pa niso bile uspešne, saj je na Kitajsko (po vsej verjetnosti) več avstrijskih izdelkov prispelo preko Hamburga kot preko Trsta. Neuspeh linij na daljni Vzhod je bil posledica raznih notranjih problemov v avstrijskem Lloyd in stagnacije Trsta.

Avtorski izvleček

»Austrian Lloyd steam navigation

Postal service

Steamer departures from Trieste

From April 19 to April 25, 1869.

For Alexandria, Saturday the 24th, at Midnight, via Corfu.

This line connects with ships from Sue z bound for Aden, Madras, Calcutta, Penang, Singapore, Hong Kong, Shanghai, Yokohama and Australia.«¹

* I would like to express my deep gratitude to Prof. Dr. Peter Vodopivec. It would be impossible for me to have finished this paper and my doctorate dissertation without his most helpful instructions. In addition, thanks go to the Archivio di Stato Trieste and the Bibliothek, Wirtschaftskammer, Wien for their useful assistances.

¹ *L'osservatore Triestino*, April 17, 1869.

As the above advertisement indicates, Austrian Lloyd extended its line to Asia before the opening of the Suez Canal. Austria was, therefore, not absent from the Asian market and, in fact, had decided to develop this trade with high expectations. In order to revive traffic in its major seaport, Trieste, Austrian Lloyd had invested in the building of the Suez Canal and initiated its lines to India, China and Japan. However, Austria's high hopes for its East Asian trade ultimately met with delusion. This paper, which is based on a chapter of my dissertation, describes how Austria developed its maritime power in the Orient and is divided into four sections: coastal activities; the trans-oceanic service; the internal problems of Trieste and, finally, a comparison with the German and Norwegian models of East Asian trade.

The principle sources for this research were the Austrian consuls' report, *L'osservatore Triestino*, specialised economic journals from the period (*Volkswirtschaftliche Wochenschrift* and *Österreichisch Monatsschrift für den Orient*) and the *China Imperial Maritime Customs Returns of Trade and Trade Report at the Treaty Ports (Maritime Customs Returns)*². From these voluminous sources, written in different languages and published in different locations, I try to provide a clear picture of this complex and fascinating chapter in modern economic and maritime history, with reference also to trade in the Indian sub-continent.

Coastal Activities

The Chinese Maritime Customs Office divided trade into two categories: foreign trade, carried out by trans-oceanic steamers, and coastal trade, which was confined to coastal and inland waters.

The East Asian waters were open to both numerous major western maritime companies and Chinese junks. »Coastal Trade« was defined³ as trade conducted among the open treaty ports⁴ by foreign-built vessels along the coast and along China's main river, the Yangtze. With the establishment of new treaty ports along the West River, this waterway was also opened to traffic. In Manchuria, Russian ships were authorized to navigate on the Amur, Ussuri and part of the Sungari Rivers from 1858. In China proper (i.e. exclusive of frontier areas such as Xinjiang□□, Manchuria and Tibet), the process to open inland waterways began in 1870.⁵ After the Sino-Japanese War (1894), the upper Yangtze River in Sichuan□□ was opened to western vessels.⁶ In 1898, the 1862 regulations governing the navigation of the Yangtze were revised, and new regulations for the navigation of other inland waterways were adopted. In the same year, the right of navigating China's inland waterways was granted to all vessels, Chinese or foreign, which were registered for trade among the treaty ports.⁷

In order to register a western vessel in China, the company had to first register with its own consulate in China. The ship could then sail under its flag and under the protection of that

² They were first printed by the Statistical Department of the Inspectorate General of Customs in Shanghai, and reprinted by the Second Historical Archive in Nanjing (□□□□□□□□), Beijing, Jinghua, 2001.

³ This definition can be found in any Customs yearbook — *China Imperial Maritime Customs Returns of Trade and Trade Report at the Treaty*.

⁴ The Qing Dynasty permitted foreign trade and, later on, foreign factories only in the open, treaty ports located along the coast and Yangtze River.

⁵ Albert Feuerwerker, »Economic Trends in the Late Ch'ing Empire, 1870–1911« in *The Cambridge History of China*, Vol. 11, Late Ch'ing 1800–1911, part 2, 1–69.

⁶ Fan, Baichuan, *The Rise of Chinese Steamer Navigation* (Chengdu: Sichuan renmin publisher, 1985) (□□□: □□□□□□□□□□□□□□□□□□□□□□), 317.

⁷ See, Chong Su, *The foreign trade of China*. (New York: AMS Press, 1970), 217.

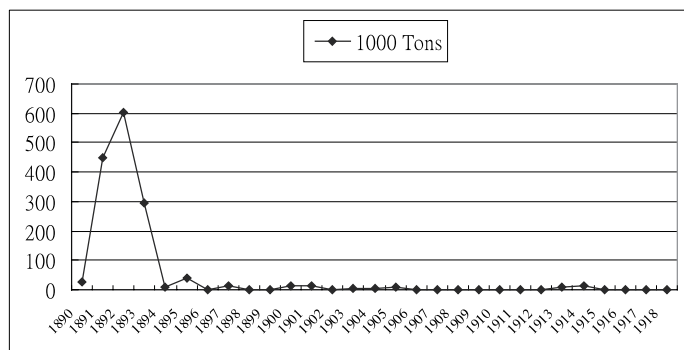
consulate.⁸ However, from the 1860's onwards, many so-called »western vessels« were actually managed by Chinese merchants who would employ a single foreigner in their company or lease the vessel under the name of a western firm. They could thus gain high profits from the inland trade in China, while at the same time obtaining protection⁹, an important consideration given the pirate-junks which infested Chinese coastal waters, especially in the area of Hong Kong. Besides, cargos transported in these vessels were insurable by foreign insurance.¹⁰

Another reason Chinese vessels preferred to sail under a foreign flag was tax. Western vessels had to pay full duty (5% of cargo value) to the international customs of the loading port, and half duty (2.5% of cargo value) to the unloading port when trafficking in inland China or along the coast. Products with a half-duty document were *likin*-free when traveling in China, while Chinese vessels would pay import and export duties to customs, and Chinese merchants had to pay *likin* repeatedly for the same products when they were transported by Chinese vessels within the country.¹¹

Specially designed ships were required for coastal navigation: vessels had to be smaller in order to enter the smaller ports, with side doors for the loading and unloading of goods. The coastal trade was therefore usually carried out by small steamers or sailing vessels. Lloyd's ships, which were generally of 2,000 tons or more and 4 meters tall, were not suitable for Chinese coastal navigation. They also lacked a between decks, which was the sleeping area for Chinese coolies. Due to the special requirements of coastal navigation in East Asia, Germany, Norway and Denmark, all built vessels for use only in this region, with very successful results for developing their trade.¹²

But what was the dimension of Austrian coastal trade in China? If we consult the Chinese Customs annual reports for the period, we find the following statistics (Hong Kong, being British, was not included):

Table 1: Austrian Coastal Trade in China: 1890–1918



Source: *China Imperial Maritime Customs Returns of Trade and Trade Report at the Treaty Ports*

⁸ Fan, Baichuan, 203.

⁹ Ibid.

¹⁰ B. Box, *Ocean Shipping in the Evolution of Hong Kong*, Dept. Of Geography Research Paper No. 72, University of Chicago, 1961, 19.

¹¹ Cai Weizhou, *The Short History of Chinese Maritime Customs* (Beijing: Zhongguo zhanwang publisher, 1989), 302 (□□□, □□□□□□□□□□□□□□□□).

¹² Nikolaus Post, »Hongkong«, Bericht über das Jahr 1902, B IV. [The annual consuls' reports referred to in this paper are those selected and published by the Austrian Commercial Museum (Handelsmuseum) in Vienna.]

The Chinese Customs figures were calculated based on the nationality of the vessels. Thus, all imports into China by Austrian Lloyd or other Austrian ships were considered Austrian products, regardless of whether they originated from Trieste or Colombo. During this period, Chinese customs was under British supervision and most historians consider their data and statistics to be quite reliable.

The high totals of the first three years (1891–93) can be explained by the presence of a Hungarian firm in Wuhu (□□), which owned a ship of 193.59 tons that made 9 voyages each year, traveling along the Yangtze River and calling at the four treaty ports of Chinkiang (□□), Wuhu, Jiujiang (□□) and Hankou (□□). When it traveled upstream, it carried mostly foreign products, such as yarn, towels, metals, needles, brass buttons, cement, and matches, with only a small quantity of southern Chinese products, such as fans, seaweed, fish, sugar, etc.¹³ Only one Austrian river steamer, *Changon*, belonged to this class and regularly sailed to and fro between Shanghai and Hankow with Chinese and foreign products.¹⁴ In 1893, *Changon* changed its nationality and came under the protection of Great Britain.¹⁵

Due to the Sino-Japanese War (1894), most of the Chinese coasters were sold and recommenced trading under another flag. Many of them became German ... Similarly, the Austrian flag was represented by 2 steamers,¹⁶ a possible reason for the rising figure of 1895.

Austrian Lloyd did not abandon coastal navigation in Asia completely. In 1903, a new itinerary (Bombay–Penang–Singapore–Hong Kong–Shanghai) for China was established, after being examined and approved by the Commerce Ministry. The purpose of this line was to enhance Lloyd's maritime service and add more lines to Bombay. All goods could now be sent directly to Bombay.¹⁷ Austrian Lloyd sometimes hired Hungarian or Dalmatian vessels to service this coastal route. For example, in 1907, *Istok*, a chartered ship belonging to Unione Ragusea (Giovanni Racich & Cons. or Dubrovniška Unija), was leased by Lloyd and traveled between Bombay and Hong Kong five times in one year.¹⁸ A report for the *Istok* indicates that it docked in Hong Kong twice, in October and December, with 1,454 and 1,032 tons of cargo respectively. On its return voyages to Bombay, it carried 920 and 793 tons. This was obviously less tonnage than in the third quarter of 1907.¹⁹ However, it is not known how long the *Istok* continued on the Bombay–Hong Kong route.

The Austrian consuls found this short itinerary unsatisfactory when compared with the German network. It was evident that Austria Lloyd's freight capacity was insufficient to meet the demand, and German ships continued to transport Austrian goods. At the turn of the 20th Century, Nikolaus Post, the Austrian Consul in Hong Kong, suggested that Austrian Lloyd undertake a major restructuring of its export business for Austria by adding some appropriate stops on the Chinese coast, beginning at Canton (□□), via Hong Kong, Amoy, Fuzhou (□□) and Shanghai, to Chingdao (□□), Zhifu (Yantai□□), Tianjin (□□), Niuzhuang (□□), Dalian (□□) and Chemulpo (Jenchuan □□, in South Korea). After supplementing these coastal lines, Austrian Lloyd would be able to play a more significant role, not only for the home country, but also for the areas of northern Italy, southern Germany and the Balkans.²⁰

¹³ Joseph Haas, »Shanghai. Wirtschaftliche Lage von China im Jahre 1890.« NIHV (Nachrichten über Industrie, Handel und Verkehr aus Statistischen Department im k.k. Handelsministerium) 43, 1891, 803.

¹⁴ Joseph Haas, »Shanghai. Wirtschaftliche Verhältnisse im Jahre 1891.« NIHV 47, 1892, 383.

¹⁵ Joseph Haas, »Shanghai. Handel von China im Jahre 1894, mit besonderer Rücksicht auf Shanghai.« NIHV 59, 1895, 922.

¹⁶ P. H. S. Montgomery, »Tientsin«, *Maritime Customs Returns* (1894), 22–69.

¹⁷ *L'osservatore Triestino*, December 13, 1902, Sat N284-I »Direct line between Trieste and Shanghai.«

¹⁸ Erwin Ritter von Zach, »Hongkong«, Bericht über das Jahr 1907, B IV.

¹⁹ ÖMO (Österreichisch Monatsschrift für den Orient), 1908:3, 34–35, »Wirtschaftliche Verhältnisse in Hongkong.«

²⁰ Nikolaus Post, »Hongkong«, Bericht über das Jahr 1904, B IV.

Tramp Service²¹

Dalmatian steamers and sailing vessels were quite active on the Asian seas and even sailed up rivers (in fact, the *Istok* was a Dalmatian vessel) as tramp service. The story of another Dalmatian steamer from Lussinpiccolo (Mali Lošinj), the *Elena*, owned by the Cosulich Company, is also quite interesting. This 761 ton vessel left Hamburg on Feb. 1, 1891, and after loading the remainder of its cargo in Odessa, called at Port Said and other coal stations before finally arriving in Nagasaki (Japan). From there it sailed north to Pugachev (Nikolaevsk), located at the mouth of the Amur River, where it delivered European goods, then traveled along the Siberian coast, carrying ballast to Dui, on the island of Sakhalin, and from there transporting coal to Alexandrowski (in Sakhalin) and Vladivostok. From July 30 to December 12, 1892, it was chartered by a Chinese freight forwarder in Hiogo (Japan) for 4,500 dollars monthly, for 4 ½ months, during which time it navigated in this area.²² The *Elena* finally sailed home in 1893.²³ In 1896, the *Elena* would return to Asia, sailing the route from Vladivostok, Kobe, Shanghai, Guangzhou to Niuzhuang under a profitable monthly charter. Compared with other countries, the operating costs for this kind of ship were low,²⁴ and sometimes it generated a good profit. The *Anna* was another steamer of the same company. Under charter to a German firm in Vladivostok, it transported machinery, salt and other goods from Hamburg to Vladivostok, and then plied the area between Sakhalin and Port Arthur. According to the captain, who was a member of the Cosulich family, the *Anna* earned a considerable profit, leading the owner of the firm to charter 2 more ships in East Asia.²⁵

Among Hungarian maritime companies, the firm Orient operated extensively in this area. In 1909, its steamer, *Siam*, sailed with a full load of coal from Moji (Japan) to Hong Kong, where it unloaded and returned to Soerabaja.²⁶ The *Siam* had first appeared on Asian seas in 1895.²⁷ At the beginning of 1905, two Hungarian ships owned by Orient transported coal from Hong Kong to Vladivostok.²⁸

There is additional evidence of activities by Dalmatian ships in Southeast Asian seas. A Hungarian steamer, *Borneo*, transported petroleum as ballast from Batum to Rangoon in 1904.²⁹ In 1906, another Hungarian steamer, the *Kobe*, of 4,568 tons, carried coal from Moji to Hong Kong and Rangoon.³⁰ In 1907, the Croatian ship, *Korana*, (which belonged to Navigazione Libera) transported cement from Novorossisk (on the Black Sea coast) by way of Hongkong and Shanghai to Moji.³¹ On October 19, 1913, the Hungarian steamer, *Plitvice*, owned by the Ungaro-Croata Company in Fiume (Reka), arrived in Hong Kong, where it seemed to have no specific business, and then moved on to Dalian.³²

²¹ The tramp or charter service is performed by thousands of cargo vessels that operate without fixed sailing schedules, and without definite routes or ports-of-call. Tramps are at times chartered by regular lines to operate in the line service. Grover G. Huebner, *Ocean Steamship Traffic Management*, (New York, Appleton & Co., 1920), 11–12.

²² Joseph Haas, »Shanghai. Wirtschaftliche Verhältnisse im Jahre 1891.« NIHV 47, 1892, 383.

²³ Joseph Haas, »Shanghai. Handel von China im Jahre 1894, mit besonderer Rücksicht auf Shanghai.« NIHV 59, 1895, 922.

²⁴ *Volkswirtschaftliche Wochenschrift*, 1896:25, 10–14, Josef Ritter von Haas, »Ueber den Handel China.«

²⁵ *ÖMO*: 1900:5, 49–58, N. Post, »Handels- und Geschäftsverhältnisse in Ostasien.«

²⁶ *ÖMO*, 1909:1, 8, »Wirtschaftliche Verhältnisse in Südchina.«

²⁷ Joseph Haas, »Shanghai. Handel von China im Jahre 1895.« NIHV 62, 1896, 863–878.

²⁸ Nikolaus Post, »Hongkong«, Bericht über das Jahr 1905, B IV.

²⁹ Emil Edler von Hirsch, »Shanghai«, Bericht über das Jahr 1904, B III.

³⁰ Bela Szentirmay von Darvasto, »Hongkong«, Bericht über das Jahr 1906, B IV.

³¹ Erwin Ritter von Zach, »Hongkong«, Bericht über das Jahr 1907, B III 2..

³² Stanislaus Ritter von Milkowski, »Hongkong«. Handelsbericht für das Jahr 1913.

In 1901, Emil Hirsch, the Consul of Shanghai, wrote the foreign ministry in Vienna a report on what he had observed on a journey to Vladivostok. Three Austrian vessels had arrived in this port in 1899, and eight in 1900. Austrian ships originating from Trieste or Dalmatia, operated throughout East Asian waters, resulting in better returns during this period. It should be noted that most captains in this area spoke German, English, and Russian. Negotiations were thus very difficult for those Dalmatian captains, which impacted negatively on their profits.³³ According to the description of Hirsch, successful tramp steamer operations depended entirely on an experienced captain, which is verified in the following research.

»Not only must the tramp shipmaster be a good seaman and navigator, but must possess excellent business judgment; must be familiar with conditions he is likely to meet at various ports; must be acquainted with various forms of charter parties and be able to properly tender his vessel to charters; must familiarize himself with the various conditions relating to carriage, care, and business connected with cargo; and be especially capable of protecting his owner's interest with regard to his vessel's liability for claims by cargo interests. In addition, he needs to be familiar with foreign exchange in accepting payment for freight, drawing funds for advances to his crew, and other money transactions.«³⁴

We can also find occasional references to Austrian sailing ships which crossed the Pacific Ocean. In 1887, one full-rigged Austrian ship, the *Leonora* (1,418 tons), sailed from New York to Shanghai, and then carried coal twice from Nagasaki to Fuzhou.³⁵ Another Austrian sailing vessel of 1,263 tons sailed from New York to Shanghai with a cargo of petroleum valued at 49,875 Hk. Tls.³⁶

Tramp ships were usually chartered to transport full cargoes of heavy, bulky commodities and were therefore of great importance in the ore, coal, grain, nitrate, phosphate, lumber, clay, building material, chalk, sugar and iron, and steel trades, where the shipment of large cargoes was the common practice.³⁷ Though the profitability of this trade depended greatly on luck, Dalmatian ships operating in East Asia frequently carried these commodities, which was one small part of the prosperous tramp service in the whole world. The Norwegians, who were very successful at this trade and accumulated considerable wealth, will be discussed in greater detail below.

Trans-oceanic Service

Maritime Policy

In 1864, before the opening of the Suez Canal, Pasquale Revoltella drafted a plan for the Far Eastern lines. His project included four Asian lines:

1. The main line, from Trieste to Shanghai – once monthly.
2. A line to Bombay and Calcutta – twice monthly.
3. A (lateral) line from Calcutta to Galle (Sri Lanka) – once monthly.
4. A (lateral) line from Singapore to Java – once monthly.³⁸

³³ HHStA, Gesandtschaft Peking 077, Manchuria. Vladivostok, 18 Sept. 1901.

³⁴ Steward R. Bross, *Ocean Shipping*, (Cambridge, Cornell Maritime Press, 1956), 87.

³⁵ Joseph Haas, »Shanghai. Der Handel Chinas mit dem Ausland.« NIHV 34, 1887, 839.

³⁶ Joseph Haas, »Shanghai. Handel von China im Jahre 1885.« NIHV 34, 1887, 78.

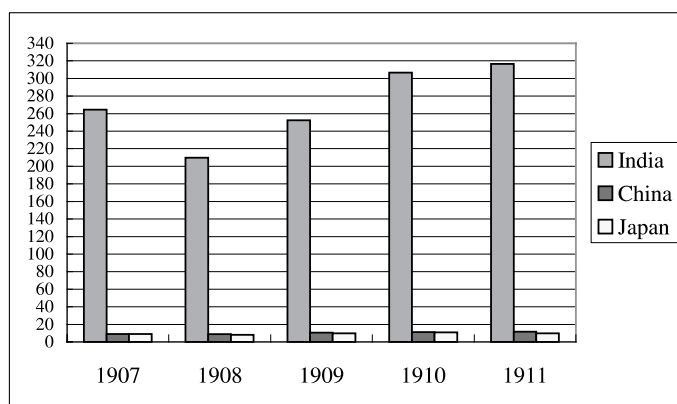
³⁷ Grover G. Huebner, *Ocean Steamship Traffic Management*, (New York, Appleton & Co., 1920), 11.

³⁸ ÖMO, 1877:2, 1–27, »Zur Ausdehnung der Lloydfahrten nach dem Osten Asiens.« A similar plan can be found in *Fünfundsiebzig Jahre österreichischer Lloyd, 1836–1911* (Trieste: Österreichischer Lloyd, 1911), 30. Four lines are projected in this plan: 1. a line to Indian, China, and Japan; 2. a line from Singapore to Australia; 3. a line between Shanghai and Hong Kong; 4. a line between Aden and Mauritius.

This is the plan which Lloyd would basically follow in developing its oriental traffic.

For Austrian Lloyd, and for Austria, India was the most important area in its oriental policy after the Levant, and after the opening of the Suez Canal, Austrian Lloyd would sail to India regularly. In 1870, Austrian Lloyd outfitted a sufficient number of vessels for opening the Indian market.³⁹ The India line would prove to be a 'golden' line for Lloyd; especially after 1894, the Trieste-Kotor (Cattaro, in Montenegro) and Trieste-Bombay express passenger lines were the two most profitable lines.⁴⁰ On the Trieste-Bombay line, Indian cotton, oriental coffee and hides constituted the three major items, and became essential components of Trieste's oriental trade.⁴¹ When Nikolaus Post suggested that Lloyd's ships sail from Aden to Colombo directly, thereby bypassing Bombay and shortening the voyage,⁴² Lloyd refused to act upon this recommendation, although it did modify its route slightly. The following table shows why China and Japan were less profitable than India. In Lloyd's plotting of maritime routes, every Indo-Chinese line had to include Bombay or Colombo. Basically, ships sailed for India and China (and later Japan) once monthly.⁴³ The India route was: Trieste, Port Said, Suez, Aden, Colombo and Calcutta. The Indo-Chinese line departed from Trieste, and called at Brindisi, Port Said, Suez, Aden, Bombay, Colombo, Penang, Singapore and Hong Kong. The two lines thus overlapped at many points. However, Lloyd's ships still entered Indian ports at least four or five times monthly, as they had done before the new line was added.

Table 2: Austrian Trade Totals with India, China and Japan (in millions of crowns)⁴⁴



³⁹ *L'osservatore Triestino*, 1872 February 29 N184.

»The number of steam vessels built by Austrian Lloyd increased last year at a far greater pace than ever before. There can no longer be any doubt that steam navigation has triumphed over the old sailing ship. The new line to India through the Suez Canal has created a special fleet of steam vessels, which has given excellent results in their voyages to China. Although the Canal has been open for only two years now, there has already been fierce competition among the different companies. «

⁴⁰ Dieter Winkler, Georg Pawlik, *Die Dampfschiffahrtsgesellschaft Österreichischer Lloyd: 1836–1918*. (Graz: Herbert Weishaupt, 1986) 39.

⁴¹ *Volkswirtschaftliche Wochenschrift*, 1885:3, »Verkehrsergebnisse auf den vertragsmaessigen Linien des O-U Lloyd nach Indien und Ostasien fuer das Jahr 1884.«, 387–390.

⁴² *ÖMO*, 1900:2, 13–22, Nikolaus Post, »Handels- und Geschäftsverhältnisse in Ostasien.«

⁴³ Each month, Austrian Lloyd would announce its navigation program for the following month in the newspaper *L'osservatore Triestino*, with information on dates, times, captains and routes.

⁴⁴ Herausgegeben vom Handelsstatistischen Dienste des k.k. Handelsministeriums, *Statistische Übersichten betreffend den auswärtigen Handel der wichtigsten Staaten in den Jahren 1907–1911*. (Wien: Aus der k.k. Hof- und Staatsdruckerei, 1914). These figures include both export and import.

The above table includes the import and export amounts for each year. In opening the line to Bombay, Lloyd had become an international shipping company and had the opportunity to take over other areas of East Asian shipping. The Trieste-Bombay line was extended to Colombo and Singapore for this reason in 1879.⁴⁵

To Hong Kong (1880)⁴⁶

While the early 1870's were good years for Lloyd,⁴⁷ its expansion progressed quite slowly: after the India line opened in 1870, 10 years would pass before the line was extended to Hong Kong, and then another decade before the extensions to Shanghai and Kobe.

Due to its strategic location, Hong Kong was more important than Shanghai, and it functioned as the commercial and maritime hub for a vast area which included South China, Tonking (Vietnam), Java, the Philippines, North China, Manchuria, Korea, Japan, Vladivostok and the Amur area.⁴⁸ In 1906, its annual trans-shipments totaled 35 million tons, as compared to Trieste's 1.3 million tons in the same year. The majority of this total was transit transportation, but in terms of local trade, Hong Kong was second only to Shanghai.⁴⁹

Lloyd had intended to extend a line to Hong Kong as early as 1874, when it felt the need for a direct link to Eastern India, with a further extension to China if possible.⁵⁰ As a first step, in 1879 Lloyd extended its line to Singapore, with the Lloyd-owned *Ettore* dropping anchor in that port for the first time in February. With the appearance of the first Austrian Lloyd ship in Singapore, Austria hoped to finally secure a position in East Asian trade.⁵¹

However, without a government subsidy, the new line proved difficult to maintain. In 1882, after two trial voyages to Brazil and La Plata (near Buenos Aires), Lloyd had been forced to abandon a regular South American line because of the lack of subsidies,⁵² and even for its India line, Lloyd complained that the subsidy was inadequate.⁵³ The Austrian government, with the participation of Hungary, had granted a ten-year subsidy in 1877. However, Lloyd seems to have inaugurated its Hong Kong line without a subsidy for the first year, and in 1881 there were 9 voyages to Hong Kong via Bombay, at 6-week intervals, with three voyages being added to Calcutta, in order to guarantee the importation of jute via Trieste. For these additional voyages, which totaled seven thousand nautical miles, Lloyd received no subsidy, meaning they were entirely at the company's risk.⁵⁴ This expansion seems to have been made possible, at least in part, thanks to the profitable 1870's.

⁴⁵ Dieter Winkler, Georg Pawlik, 27.

⁴⁶ For a short description of Lloyd's development in East Asia between 1880 and 1912, please refer to Chinyun Lee, »Obchod mezi Cinou a českými zememi koncem rakouskeho císařství« (translated by Lucie Olivová) *Studia Orientalia Slovaca*, 2005:4, 65–92.

⁴⁷ *Volkswirtschaftliche Wochenschrift*, 1911:56, 212–215, »75 Jahre Österreichischer Lloyd (1837–1911)«

⁴⁸ Nikolaus Post, »Hongkong«, Bericht über das Jahr 1904, B IV.

⁴⁹ Hugo Schwer, »China von einst und jetzt« in *Exportberichte der niederösterreichischen Handels- und Gewerbekammer*, 15 (1907), 1–18.

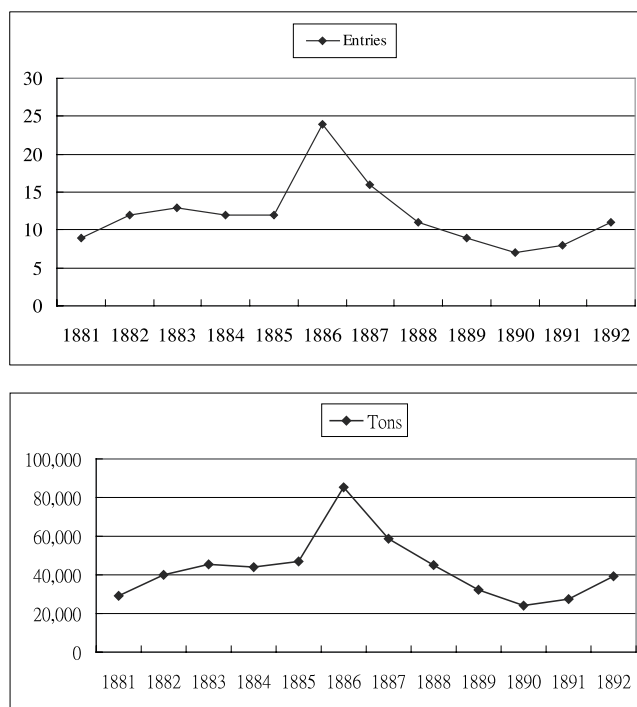
⁵⁰ *Die Dampfschiffahrt-Gesellschaft des Oesterreichisch-Ungarischen Lloyd von ihrem Entstehen bis auf unsere Tage (1836–1886)*. (Trieste: Buchdruckerei des Oesterr.-Ungar. Lloyd, 1886.), 76.

⁵¹ »Bangkok, Handels- und Schifffahrtsverhältnisse im Jahre 1879.« NIHV 19, 1880, 223.

⁵² *Die Dampfschiffahrt-Gesellschaft des Oesterreichisch-Ungarischen Lloyd von ihrem Entstehen bis auf unsere Tage (1836–1886)*. (Trieste: Buchdruckerei des Oesterr.-Ungar. Lloyd, 1886.), 94. At the start of the 20th Century, Lloyd sailed to four continents, including the line via Gibraltar to Buenos Aires and La Plata, which had been attempted 20 years before.

⁵³ (*L'osservatore Triestino*, November 30, 1877, N274 »Trieste and the Suez Canal«. This report was written by A. Tercig, a Captain with Austrian Lloyd.)

⁵⁴ *Il Lloyd Triestino 1836–1936: Contributo alla Storia Italiana della Navigazione Marittima*. Verona: IX 1939 Anno XVI, Nelle Officine Grafiche A. Mondadoi. Ristampa Anastatica 1986, Bottega d'Erasmus Torino, 354.

Table 3: Navigation Records – Trieste-Hong Kong⁵⁵

Given this situation, Lloyd's freight rate was not cheap: in 1883 the freight rate from Hong Kong to London varied between 33s. – 60s. (about 5.94 to 10.61 Hk. Tls.) per ton, while Austrian Lloyd's rate from Hong Kong to Trieste was 12 Mexican dollars (about 7.84 Hk. Tls.) per ton.⁵⁶

Lloyd's expansion did not neglect central and northern China, and Japan. Although Hong Kong still represented the terminal point of the Indo-Chinese line, Lloyd contracted with a British company, Oriental and Peninsular, for transportation to and from a flourishing Shanghai. In the event of missed connections, the merchandise was loaded onto the coastal ships of Siemssen & Co., a German company (□□, Chanchen).⁵⁷ This arrangement functioned well and in 1882 the cargo from Trieste to Shanghai totaled about 800 cases, while the export from Shanghai to different Italian ports (Trieste, Venice, Naples, Livorno, Ancona) increased to more than 350 cases.⁵⁸

A similar agreement was concluded in 1881 with the Japanese shipping company, Mitsu Bishi (□□), for the transfer of merchandise from Lloyd's steamships in Hong Kong to the ports of Yokohama, Kobe, Nagasaki and Vladivostok.⁵⁹

⁵⁵ The source for these figures is the archive of the Chamber of Commerce of Trieste (*Statistica: della navigazione e del commercio marittimo nei porti austriaci*, Trieste, Ufficio statistico della Camera di Commercio e Industria.). The data is limited to the period 1881–1892; after 1892, the amounts become quite small when compared to the Chinese data. We can also note that in 1892 the number of ships and their tonnage is virtually the same in both tables (3 and 4), confirming the data's validity.

⁵⁶ Joseph Haas, »Shanghai. Wirthschaftliche Verhältnisse von China im Jahre 1883.« NIHV 30, 1885, 92.

⁵⁷ Ibid, p.91.

⁵⁸ *Il Lloyd Triestino 1836–1936*, 354.

⁵⁹ Ibid.

In 1882, the Indo-Chinese line made 12 voyages. In 1886, the service was increased to 24 voyages, while the line to Calcutta was also doubled, from 6 to 12 times annually. In this same year, the Lloyd fleet consisted of 86 ships, for a total of 124,341 tons. During this period, the company was already studying ways to extend the Hong Kong line to Shanghai and probably to Japan. From 1884 to 1887, Lloyd made five voyages to Shanghai, but was unable to establish a regular line until 1891.⁶⁰

In addition to the increase in voyages, some other changes were also made on the Indo-Chinese line:

1. All departures from Trieste to Bombay and Hong Kong were shifted from the 1st of the month to the 5th of the same month;
2. The second departure for Hong Kong would be on the 22nd of the month and these ships would not call at Bombay when outbound;
3. The connection with Calcutta would be maintained by a lateral line Colombo-Calcutta, calling at Madras; this line would connect with ships on the Trieste-Hong Kong line, in both directions, in Colombo.⁶¹

However, this monthly double-voyage, which had been planned since 1885, was only begun in 1900 and would only continue for 1 ½ years (See Table 4).

In fact, the 1880's were not particularly favorable for Lloyd, with 1886 marking the beginning of a general depression among shipping companies that would last for several years, with a particularly negative impact on Austrian Lloyd. Despite these difficulties, Lloyd still managed to establish a number of extensions. In 1889, the situation became so critical that stockholders vociferously demanded either the company's liquidation or the sale of the shipyard. In this difficult situation, even with the government subsidy, which had terminated in 1888, Lloyd was unable to break even, let alone make a profit, while Hungary also withdrew its investment in Lloyd in order to develop the national maritime company, Adria.⁶² Lloyd's expansion thus occurred during a difficult financial period and the company celebrated its 50th anniversary (1886) with its Indian services exceeding the allotted mileage for state financing by 243,000 miles.⁶³ (Table 3 shows the decline in traffic which occurred in the period 1889–1891.)

Lloyd's ships generally took 40–50 days to reach Hong Kong, with a return voyage of 2 months, and stops at Rangoon, Calcutta, and Fiume. Due to the length of the voyage, these ships not only transported passengers but also many goods. However, some goods spoiled or deteriorated when passing through the tropics. In Hong Kong, merchants frequently employed ships of Norddeutscher Lloyd or the Hamburg-America Line to transport goods to Port Said or Naples, where they would be transferred onto the ships of Austrian Lloyd for the voyage to Trieste,⁶⁴ indicating that Austrian Lloyd had a greater influence in the area from Port Said to Trieste.

To Shanghai (1892) and Kobe (1893)

In 1891, with great difficulty and after strong opposition in parliament, Lloyd renewed its contract with the government.⁶⁵ In 1892, Lloyd opened its Trieste-Shanghai line, and soon

⁶⁰ Ibid.

⁶¹ *L'osservatore Triestino*, November 26, 1885 N270.

⁶² *Volkswirtschaftliche Wochenschrift*, 1912:57, »Oesterreichischer Lloyd« 322–326.

⁶³ Dieter Winkler, Georg Pawlik, 39.

⁶⁴ Nikolaus Post, »Hongkong«, Bericht der k.u.k. österr.-ung. Konsularämter über das Jahr 1902, B IV. Bela Szentirmai von Darvasto, »Hongkong«, Bericht der k.u.k. österr.-ung. Konsularämter über das Jahr 1906, B IV.

⁶⁵ *Volkswirtschaftliche Wochenschrift*, 1912:57, »Oesterreichischer Lloyd« 322–326.

Table 4: Chinese Trade with Austria, 1884–1918

Year	Tonnage Inward		Values	Tonnage Outward		Values	Total Tonnage	Total Values
	No. of Entries	Total Tonnage of Entries	Foreign Imports (Hk. Tls.)	No. of Clearances	Total Tonnage of Clearances	Foreign Exports (Hk. Tls.)		
1884	1	622	19,977	1	622	–	1,244	19,977
1885	1	1,263	49,875	1	1,263	–	2,526	49,875
1886	2	2,836	70,798	2	2,836	542	5,672	71,340
1887	1	922	14,028	1	922	–	1,844	14,028
1888	–	–	–	–	–	–	–	–
1889	–	–	–	–	–	–	–	–
1890	–	–	–	–	–	–	–	–
1891	4	3,044	19,881	4	3,044	41,276	6,088	61,157
1892	10	19,237	1,442,299	10	19,237	201,927	38,474	1,644,226
1893	12	28,537	1,676,494	12	28,537	432,473	57,074	2,108,967
1894	10	25,764	2,064,708	10	25,764	671,218	51,528	2,735,926
1895	13	32,526	1,984,796	13	32,526	712,714	65,052	2,697,510
1896	12	29,686	2,123,564	12	29,686	178,666	59,372	2,302,230
1897	12	26,968	1,921,669	13	28,680	626,471	55,648	2,548,140
1898	8	22,468	898,283	8	22,468	171,949	44,937	1,070,232
1899	9	20,974	1,824,141	8	19,784	259,895	40,758	2,084,036
1900	17	31,997	1,372,645	18	33,831	198,305	65,828	1,570,950
1901	32	51,774	4,221,951	29	46,913	564,267	98,687	4,786,218
1902	15	27,044	2,411,681	15	26,113	478,004	53,157	2,889,685
1903	22	46,993	2,215,873	22	49,533	473,942	96,528	2,689,815
1904	25	77,601	5,093,959	24	74,672	1,076,694	15,2273	6,170,653
1905	24	91,212	3,286,941	26	97,851	763,873	189,063	4,050,814
1906	22	85,082	4,281,169	22	85,082	824,000	170,164	5,105,169
1907	25	98,782	4,537,258	25	98,782	1,175,324	197,564	5,712,582
1908	27	102,512	3,213,645	27	102,512	1,706,137	205,024	4,919,791
1909	24	94,296	3,856,792	24	94,296	2,787,581	188,592	6,644,373
1910	26	99,049	5,215,739	26	99,049	2,036,799	198,098	7,252,538
1911	24	96,412	4,027,283	24	96,412	2,276,466	192,824	6,303,749
1912	37	127,871	6,231,568	36	126,107	2,877,827	253,978	9,109,395
1913	39	135,167	6,979,491	42	142,901	3,065,363	278,068	10,044,854
1914	25	86,462	4,673,025	22	76,195	2,366,825	162,657	7,039,850
1915	–	–	86,886	–	–	–	–	86,886
1916	–	–	29,298	–	–	–	–	29,298
1917	–	–	1,256	–	–	–	–	1,256
1918	–	–	–	–	–	–	–	–

extended it to Japan. The extension to Shanghai and Kobe was an important event for Lloyd during the 1890's. However, freight charges on the Trieste-Shanghai line were exorbitant. For example, the loading charge for matches from Trieste to Hong Kong was 11 gulden, while to Shanghai it was 17 gulden for only 3 or 4 days more.⁶⁶

⁶⁶ Ibid, 1889:12, 363–368, Josef Ritter von Haas, »China.«

The following table⁶⁷ shows the tonnage and number of Austrian ships arriving in China. Although based primarily on Austrian Lloyd's records (though without the figures for Lloyd's Indo-Chinese Hong Kong line, which was initiated in 1880), it includes the figures for the other Adriatic companies. Clearly, without the Lloyd figures for Hong Kong, this table provides only an incomplete view of the period 1880–1918.

In 1893, Lloyd extended the Indo-Chinese line to Japan (first to Kobe, then to Yokohama),⁶⁸ and it would be henceforth known as the Indo-China-Japan line, the Trieste-Kobe line, or the Far East line, which Lloyd announced in 1892.⁶⁹ In February, 1893, the steamship *Gisella* (Captain Nikolich) from Shanghai arrived in the bay of Kobe. It was the first time that Lloyd's blue flag had flown in Japanese waters, and on August 30 a second Lloyd's steamship the *Melpomene*, (Captain C. Bellen) dropped anchor in the port of Yokohama.⁷⁰

Lloyd was very pleased with this achievement. The Company directors announced this new extension at the general stockholders meeting in 1893, touting it as the most important development of the year⁷¹ and predicting that Lloyd's business situation would now »improve steadily«.⁷²

Japan's economic power continued to increase throughout the 1890's and its total trade before the Sino-Japanese War would almost equal China's (See Table 2). Based on their favorable expectations for Japanese trade, Lloyd modified its Indo-Chinese line. In 1898 and 1899, every other month Lloyd's ships stopped at Shanghai only on the outward journey and sailed for Yokohama or Kobe directly from Hong Kong on the remaining voyages. This resulted in a reduction in trade between Austria and China.⁷³ (See Table 4) But in 1900, the Trieste-Shanghai line once again became a monthly line and after 1904 voyages doubled to twice monthly. Beginning in 1899, Chinese foreign trade showed very good results, with import/export totals increasing from 368 million Hk. Tls. (1898) to 460 million Hk. Tls (1899), and 529 million Hk. Tls. (1902), with a one-year decline of 370 million Hk. Tls. registered in 1900 because of the Boxer Riots.⁷⁴ However, it is not certain that change in the Lloyd's schedule was due to this upswing in Chinese foreign trade.

Things were definitely looking up for Lloyd. After deducting its deficit, it was able to show a profit of 281 thousand florins in 1893, making it possible to distribute a modest dividend, and in 1898 the net profit was a half million florins. Lloyd also continued to renew its fleet, investing more than 15 million florins to build nine new steamers. In fact, between 1892 and 1899, it added 15 steamships to its fleet; almost all were of large tonnage, with the *Trieste* and the *Silesia* over 5000 tons, while the *Wurmbrand* was equipped with a double propeller. Seven additional units were under construction in 1899, and older vessels were also being upgraded by renovating engines, installing electric lights, etc.⁷⁵

⁶⁷ This table is compiled based on the Chinese Customs annual report: *China Imperial Maritime Customs Returns of Trade and Trade Report at the Treaty Ports*. The Hong Kong figures are excluded, for the same reason as above.

⁶⁸ *L'osservatore Triestino*, Jan 28, 1893 N23.

On February 21, at 4pm, the steamship *Maria Valeria*, under the command of Capt. A. Mittis, will sail for India, China and Japan, calling at P. Said, Suez, Aden, Bombay, Colombo, Penang, Singapore, Hong Kong, Shanghai and Kobe.

⁶⁹ *Ibid*, Nov 26, 1892 N270, »Important changes in Lloyd's service« »The Lloyd will extend its service to Japan on January 1, 1893. Four voyages from Trieste to Shanghai will be extended to Kobe. The main cargo from Japan will be rice.«

⁷⁰ A. Mondadori, *Il Lloyd Triestino*, 372

⁷¹ *L'osservatore Triestino*, March 16 1893, N111, »Austrian Lloyd.«

⁷² *Ibid*, April 7 1893, N79, »Austrian Lloyd.«

⁷³ *ÖMO*, 1900:2, 13–22, Nikolaus Post, »Handels- und Geschäftsverhältnisse in Ostasien.«

⁷⁴ Liangling Hsiao, *China's Foreign Trade Statistics, 1864–1949* (Harvard Univ. Press, 1974), 23, Table 1.

⁷⁵ *Il Lloyd Triestino 1836–1936*, 372.

The total annual mileage of the fleet was also increasing year by year, with over 1,987,000 miles in 1898, the highest total since Lloyd's founding, and with free navigation accounting for more than 300,000 of these miles. The fleet's increased activity was reflected in the average mileage of each ship, which increased from 22,480 miles in 1891 to 28,814 miles in 1898 (28.17%). The increase in merchandise was even more significant, jumping from 5,742,000 quintals in 1891 to almost 9 ½ million quintals in 1898 (65.18%) – the highest total ever in Lloyd's 60-year existence.⁷⁶

The Eillinie (1912)

The opening of the 'Eillinie' line would signal a major advance in Lloyd's oriental policy. For years it had been under great pressure to speed up its transportation and in 1910, with net profits of 2.8 million crowns, an improvement in this direction was finally possible.⁷⁷ In 1912, Austrian Lloyd finally inaugurated the high-speed (30 days to Hong Kong) »Eillinie« line between Trieste and Shanghai. For the remainder of its history, Lloyd would keep two lines to China: the Eillinie (Trieste-Shanghai line), and the Warenlinie (Trieste-Kobe). Less urgent products could still be transported on the Trieste-Kobe, which took at least 50 days to Hong Kong.⁷⁸ Eillinie's route was: Trieste, Port Said, Aden, Colombo, Penang, Singapore, Hong Kong, and Shanghai. During the tea harvest season, the ships also called at Fuzhou on the return trip to Trieste.⁷⁹ The Eillinie used three 14-knot steamers, the *Bohemia*, *Koerber*, and *Africa*, which made the one-way, 30-day voyage possible.⁸⁰ In 1914, Lloyd launched the *Hungary*, a ship of 10,000 tons, 4,600 horsepower, and 13.5 knots, for use on the Trieste-Shanghai and Trieste-Bombay lines,⁸¹ which was Eillinie, as well. But Lloyd complained that in 1912 it had made 78 extra voyages, for a total of 582,016 nautical miles, without any state subsidies. Lloyd had to absorb this burden, including the Suez Canal tolls, to the amount of 1.2 million crowns.⁸² The 'Eillinie' did not receive a subsidy from the Government, but the Warenlinie did.⁸³

After the opening of the Eillinie, Austrian Lloyd finally appeared to have sufficient services. However, in terms of the direct traffic between Hong Kong and Austria, totals actually decreased. While the Eillinie doubled freight frequency, the freight amount from Trieste and Fiume to Hong Kong remained nearly the same (6,710 tons in 1911; 6,650 in 1912). This was due in part to the Chinese Revolution, which decreased the cinnamon yield, but also to a drop in demand in Italy and the Balkans, which influenced the export of cinnamon from Hong Kong.⁸⁴ In 1913, the export from Hong Kong was the best ever, thanks to high demand in Europe and America. The Austrian consul in Hong Kong could state with satisfaction that, with these two lines, Austrian Lloyd seemed to have improved its transport of both goods and passengers.⁸⁵

⁷⁶ Ibid.

⁷⁷ *L'osservatore Triestino*, 29 March, 1910.

⁷⁸ Konrad Ritter von Wiser. »Hongkong, Handelsbericht über das Jahr 1910«.

⁷⁹ Franz Winkler. »Hongkong, Handelsbericht über das Jahr 1911.«

⁸⁰ *Volkswirtschaftliche Wochenschrift*, 1912:57, 322–326, »Oesterreichischer Lloyd«.

⁸¹ Ibid, 1914:61, 91–92, »Der neue Lloydampfer, *Hungary*«.

⁸² *Volkswirtschaftliche Wochenschrift*, 1914:61, 265–267, »Österreichischer Lloyd«.

⁸³ Ibid, 1914:61, 132–137, »Die wirtschaftliche Entwicklung Chinas vom Gesichtspunkte der österreichischen Industrie«.

⁸⁴ Konrad Ritter von Wiser, Hongkong, Handelsbericht für das Jahr 1912.

⁸⁵ Stanislaus Ritter von Milkowski, Hongkong, Handelsbericht für das Jahr 1913.

For Shanghai, there was an increase of 61,154 tons, as Table 4 shows, in the same period (1911–12) thanks to the Eillinie. And in 1913, the total tonnage rose to 278,068 (Table 4). In terms of value, in 1912 the amount jumped to 9.1 million Hk. Tls (coastal trade included), for an increase of 3 millions Hk. Tls., and in 1913, it exceeded 10 million Hk. Tls. All this traffic was via Trieste.⁸⁶ If we compare 1892 with 1913, the total tonnage increased 7.2 times, and the total value 6.1 times.

In the years immediately preceding WWI, Austrian Lloyd seems to have known its finest hour:

»The commerce for India has been favourable for imports almost all year long. The stability of the political situation in China [after the Republican Revolution] will hopefully lead to a more profitable year for Austrian Lloyd. Traffic with Japan has also been satisfactory.«⁸⁷

The last five years of Austrian Lloyd's existence as a company saw a promising recovery and upswing, especially in 1910. The total reserves exceeded 12 million crowns, and the company fleet included 73 steamers, 78 light craft, 13 tugboats (remorqueure), 1 pontoon, 2 water tankers (Wasserzisternboote) and 2 petroleum tankers (Petroleumzisternboote).⁸⁸

However, despite these figures, the Eillinie was clearly inaugurated at a very inauspicious moment, coming as it did on the heels of the Republican revolution and just a few years before WWI. In fact, on July 30, 1914, the *Africa* (Eillinie) would be the last ship to depart Trieste under the Austrian Monarchy.

The start of WWI inevitably had a profound impact on Lloyd. Three of Lloyd's ships moored in Shanghai, the *Bohemia*, *China*, and *Silesia*, were confiscated by the Chinese government,⁸⁹ which apparently had the intention of selling them. After WWI, Trieste was annexed by Italy and Lloyd became an Italian company. This gave rise to a complicated diplomatic affair involving Italy, Austria, and China, which was not resolved until 1925, when Italy agreed to refund 33 months of the Boxer Indemnity from China in exchange for the three vessels.⁹⁰

Lloyd suffered serious losses during the War, and nine of its ships that were at sea at the outbreak of hostilities were unable to return to Trieste. »By the end of War, Austrian Lloyd had ceased to exist ... On November 28, 1918, the members of the Board of Directors resigned because of the change in the political situation. An Italian government commissioner was appointed as a provisional director.«⁹¹ The history of Austrian Lloyd was now officially over.

The Re-exportation of Chinese Goods in Trieste

What benefits did Trieste derive from oriental trade? While, generally speaking, Trieste could not compete with Hamburg; for certain commodities, such as coffee, the Adriatic port was a very influential transit center. »Trieste enjoyed an enviable reputation as the distribution center of coffee in central Europe, the Near East, and North Africa. Commercial processing of coffee at Trieste, such as testing and packaging, provided employment for several thousand people before 1914. Also the Trieste stock exchange was engaged in coffee futures trading

⁸⁶ Karl Bernauer, Shanghai, Jahresbericht für das Jahr 1912.

⁸⁷ *L'osservatore Triestino*, January 4, 1914 N83.

⁸⁸ *Volkswirtschaftliche Wochenschrift*, 1912:57, 322–326, »Oesterreichischer Lloyd«.

⁸⁹ *Volkswirtschaftliche Wochenschrift*, 1916:66, 9, »Österreichischer Lloyd«.

⁹⁰ Diplomatic Archives, (the Institute of Modern History, Academia Sinica), 03–06–038–01□□□□□, □□10.6/12.10 (1921–1923) »China, Silesia and Bohemia be referred to adjudication by international arbitration.«

⁹¹ Dieter Winkler, Georg Pawlik, 84.

until the 1920's.⁹² In this context, Trieste was able to attract coffee imports not only from South Asia, but also from Singapore⁹³ and Philippines.

During the late 19th Century, Trieste surpassed Hamburg in the importation of three articles from India: jute, hides and mother-of-pearl.⁹⁴ In 1884, 6,794 tons of jute from East India and Calcutta were imported to Trieste, but only 34 tons to Hamburg, 2,309 tons of hides arrived in Trieste from China and India, against the 4.2 tons to Hamburg, and the astonishing quantity of 240 tons of mother-of-pearl from Japan and Arabia as opposed to 24 tons in the German port.⁹⁵

Cassia provides another example of Trieste's dominant position in terms of Chinese imports. Southern and Central Europe had a special interest in cassia, which had generally replaced the more expensive cinnamon (Zimt) from Ceylon.⁹⁶ Cassia was mostly loaded in Huangpu (Whampoa, 黄浦), near Guangzhou. Most cassia was grown and harvested in Luodingzhou (罗定州) or Wuzhou (梧州), and transported along the West River to Canton. Steamers carrying tea usually rejected cassia because its strong smell might effect on the flavor of the tea.⁹⁷

When Lloyd's regular line was completed, Trieste replaced Hamburg as the cassia center of continental Europe. In Canton, the export figures for Chinese cassia from 1881 to 1884 were: 750, 6,500, 11,815 and 5,825 piculs (to Trieste), and 14,706, 2,000, 260, and 7,541 (to Hamburg). These are not absolute figures because cassia was shipped to Hong Kong to avoid the high freight costs of river steamers and the slightly higher export duties.⁹⁸ This trend continued until the 20th century. The amount of cassia entering Europe totaled 18,499 boxes, of which 10,750 boxes were transported to Trieste by Austrian Lloyd steamers. A substantial portion of this trade was also sent to Port Said by Norddeutscher Lloyd and then transferred onto ships bound for other ports.⁹⁹ Austrian Lloyd also imported cinnamon into Austria in steadily increasing quantities. However, other essential goods arrived indirectly, and were more expensive in Trieste than in London or in the northern European ports.¹⁰⁰

Austrian Lloyd's influence also extended to the Black Sea, although the majority of Russo-Chinese trade passed overland. In 1885, one source indicates that Lloyd carried 25 bales of hides to Ancona, 10 to both Naples and Odessa.¹⁰¹ Austrian Lloyd frequently transported cassia, cassia oil, anise and rattan to the Russian Levant ports.¹⁰² According to Post, it also transported

⁹² Dušan Mihelić, *The Political Element in the Port Geography of Trieste*, (Chicago: Dept. of Geography, Research Paper No.20, 1969), 32.

⁹³ *L'osservatore Triestino*, January 2, 1883, Tue N1 »Singapore and Austria-Hungary«.

According to official data, Austro-Hungarian exports to Singapore increased from \$54,000 in 1880 to \$218,000 in 1881. The main reason for this growth was the regular communications with Trieste, which was mainly in the hands of Austrian Lloyd. Lloyd also managed to transport some Swiss manufactured goods, which had previously gone via Marseilles. The Singapore merchants would have increased their imports with Lloyd if it had only shortened its sailing time, while Austrian exports would certainly have been greater if Austrian manufacturers had taken the trouble to study the consumption patterns of the Malaysians. Singapore's exports to Austria-Hungary were about \$250,000 in 1880 and increased to \$450,000 the following year. Trieste was a good market for coffee from Singapore, which was imported in great quantities at relatively low prices.

⁹⁴ Austrians made buttons of mother-of-pearl shells, which was famous in Bohemia and Vienna.

⁹⁵ *Volkswirtschaftliche Wochenschrift*, 1885:3, 387–390, »Verkehrsergebnisse auf den vertragsmässigen Linien des Ö-U Lloyd nach Indien und Ostasien für das Jahr 1884.«

⁹⁶ According to the *British Encyclopedia*, cassia bark has a more pungent, less delicate flavor and is thicker than cinnamon bark. In addition to China, Vietnam and Indonesia also produced it.

⁹⁷ *ÖMO*, 1877:5, 35, »China als Productions- und Handelsgebiet.«

⁹⁸ F. E. Woodruff, »Canton«, *Maritime Customs Returns*, 1882, 332; 1884, 333–334.

⁹⁹ Nikolaus Post, »Hongkong«, Bericht über das Jahr 1903, B IV.

¹⁰⁰ Franz Winkler, »Hongkong«, Handelsbericht über das Jahr 1911.

¹⁰¹ Joseph Haas, »Shanghai. Handel von China im Jahre 1885.« *NIHV* 34, 1887, 75–95.

¹⁰² See footnote 100.

Chinese medicinal products from Hong Kong to the Levant or the Black Sea. Russia began to develop its own maritime traffic in order to claim its share of this trade and the annual report of the Austrian consul for 1902 indicates that the competition of Russian steamers was having a serious effect upon Lloyd. The Russian company, which enjoyed a considerable subsidy, was practically the exclusive carrier for the Russian government and transported goods and materials to Port Arthur and Vladivostok. On the return trip to Europe, its steamers transported Chinese products as ballast from Hong Kong at a very low freight rate.¹⁰³

From 1905 to 1910, Shanghai extended its exports via Lloyd's Indo-Chinese Line to Russia, Rumania, Turkey, Greece, Italy, and Croatia, through the following ports: Ayvalik (or Aivaly, in Turkish Asia), Alexandretta (Turkey), Alexandria, Ancona (Italy), Batum (on the Black Sea), Beirut, Catania (Sicily), Chios (Turkish island in Asia Minor), Fiume, Galati (or Galatz, in Rumania), Istanbul, Küstendja, Mytilene (island of Lesbos), Novorssik (on the Russian Black Sea coast), Odessa, Palermo (Sicily), Pola (Istria), Port-Said, Rhodes, Skalanova, Izmir (Smyrna, in Turkey), Tripolis (Greece), and Venice. Between 1905–1910, exports increased more than eightfold, from 3,050 tons to 24,550 tons.¹⁰⁴

Internal Problems and Stagnation in Trieste

Based on our description thus far, Lloyd appears as very slow to change or adapt to new conditions. There are a number of reasons for this: as an old, large company, Lloyd had its own complicated hierarchy. Moreover, having accepted the government subsidy, it was subject to political influence and control. Coon's comments on this phenomenon are enlightening: the company's services as the »worst and most irregular in the existence of any regular steamship line.«¹⁰⁵

In addition to its internal problems, the system of overseas agents also caused some difficulties. Before Lloyd arrived in East Asia, it already had its designated agents in China. From 1863 to 1876, W. Pustau & Co., a well-known German company, acted as Lloyd's agents for both Hong Kong and Shanghai.¹⁰⁶ But after 1876, their agents began to change continuously. Every year Lloyd listed their agents in their maritime annual. From 1887, their agents were Russell & Co. in Shanghai and O. Bachrach in Hong Kong,¹⁰⁷ followed by Siemssen & Co. and Gilman & Co in 1892. In 1899, Lloyd added three agents: in Fuzhou, Hankou and Tianjin.¹⁰⁸ However, none of these agents were from an Austrian company, while the Lloyd's agents in China were under Bombay's control. Post persuaded Lloyd to make the East Asian service independent of Bombay, and establish a chief-inspectorate in Hong Kong in order to provide a direct link between China and Trieste.¹⁰⁹

However, the company's agents proved to be incompetent, and this seriously harmed Lloyd's reputation. Goods were either detained in Trieste, or disappeared, due to errors in Bombay or Hong Kong when they were transferred. Spoilage and problems of unreliability caused Austrian

¹⁰³ Nikolaus Post, »Hongkong«, Bericht über das Jahr 1902, B IV.

¹⁰⁴ Karl Bernauer, »Shanghai«, Jahresbericht für das Jahr 1910.

¹⁰⁵ Coons, Ronald E., *Steamships, Statesmen, and Bureaucrats: Austrian Policy towards the Steam Navigation Company of the Austrian Lloyd, 1836–1848*. (Franz Steiner Verlag GmbH, 1975), 182–183.

¹⁰⁶ *Annuario Marittimo compilato dal Lloyd Austriaco* (1863–1876).

¹⁰⁷ Ibid, Nel 1887, 126.

¹⁰⁸ Ibid, Nel 1899, 136–137.

¹⁰⁹ *Volkswirtschaftliche Wochenschrift*, 1903:40, 330–340, »China und der österreichische Export.«

manufacturers to echo their foreign counterparts and include an additional condition in their orders: »Nicht mit österreichischen Lloyd!« (‘Don’t ship with Austrian Lloyd’).¹¹⁰

Another recommendation was that Lloyd set up agents in Germany for the transport of Austrian products and Austrian cargoes. Establishing special agents in Munich and Leipzig, which were the main assembly stations between the Orient and Southern Europe, including southern Germany, Austria, Switzerland and Italy, would have been a very effective way for Austrian Lloyd to utilize the German system in order to carry Austrian goods. These two cities offered considerable advantages due to the prompt off-loading of goods in closed wagons, which shortened delivery times.¹¹¹ But it seems this suggestion was never acted upon as no agents are listed for Lloyd in these two cities in 1901.¹¹²

Historians generally agree that Trieste did not reap the benefits as it had originally hoped for from the opening of the Suez Canal. As Max Fletcher so aptly puts it, the Canal had been »cut by French energy and Egyptian money for British advantage.«¹¹³ And the real winner in economic and geopolitical terms was Great Britain. Not only Austria, but all of the Mediterranean countries did not achieve anything like the prosperity of Great Britain and, later, Germany.

»The situation was little different for the other countries of the Mediterranean. Although liberally subsidized, the steamer lines of Italy, Austria-Hungary, Russia and Spain were unable more than to hold their own against Great Britain in the over-all traffic of the Suez Canal. When the British share of the canal traffic began to decline toward the end of the century, it was not the countries of the Mediterranean that picked up the share of the traffic that Great Britain lost, as might have been expected. Instead, it was the increasing flow of German steamers through the canal that gained what Britain lost. The British flag accounted for 62 per cent of the total gross tonnage passing through the canal in 1910; the German flag for 16 per cent. The traffic through the canal was a reasonably good criterion of the distribution of the world’s tonnage among various nationalities, and Germany’s increasing share of the canal traffic was an indication of her sudden arrival as a major maritime nation. French shipping during the same year amounted to 5 per cent of the total, Dutch shipping 5 per cent, and Austro-Hungarian 4 per cent.«¹¹⁴

The gradual supremacy of the Atlantic over the Mediterranean is a trend in European history and Trieste was unable to escape this destiny. If we examine Steindorfer’s research on this issue, we can obtain a more nuanced understanding of the historical factors involved. According to Steindorfer, Trieste had enjoyed a very healthy growth in the first half of the 19th Century (1815–50), but after the Crimean War (1854–56) it entered into a long period of stagnation which lasted for nearly 40 years.¹¹⁵

This stagnation was reflected in many areas in Trieste. Firstly, Trieste’s maritime activities shrank to a relatively small and local geographic area, and were carried out mostly in the Adriatic, along the coasts of Istria, Dalmatia, Albania and Italy. Only occasionally did this trade extend to the Far East and the Americas. In 1871, there were 7.7 million tons registered through customs, for a value of 180 million gulden; in 1880, tonnage climbed to 11.8 million

¹¹⁰ Arthur von Rosthorn, *Die österreichische Industrie und der chinesische Markt*. (Wien, im Selbstverlage des Verbandes, 1902), 5–6.

¹¹¹ *ÖMO*, 1880:1, 1–5, Carl v. Scherzer, »Zur Hebung unseres Verkehrs mit Ostasien.«

¹¹² *Annuario Marittimo compilato dal Lloyd Austriaco* (1901), 142–144.

¹¹³ Fletcher, Max E. »The Suez Canal and World Shipping, 1869–1914« *The Journal of Economic History*, 18:4(1958), pp. 556–579.

¹¹⁴ *Ibid.* Based on data compiled from the Supplement to Worms & Coy’s Suez Canal Weekly Shipping List (London, 1911)

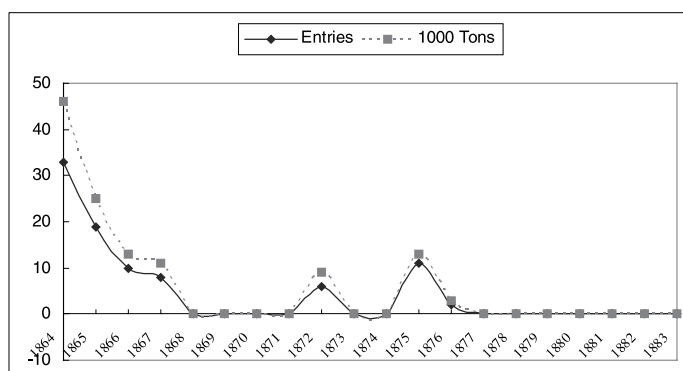
¹¹⁵ Reinhold Steindorfer, »Die Entwicklung Triests zum Welthandelshafen und seine Wirtschaftsgeschichtlichen Bindungen an Österreich« (ungedr. Karl-Franzens-Universität. Diss., Graz 1949), 101 & 112.

tons, but value fell to 170 million gulden. This unfavorable economic situation was common to the entire Mediterranean.¹¹⁶

Trieste's shrinking maritime trade was also reflected with respect to China. As the following table shows, after 1867 – just before the opening of the Suez Canal – Austrian maritime traffic to China suddenly decreased drastically.

A second fact for this stagnation was that shipbuilding and maritime companies remained essentially static. Trieste, which had once played a leading role in European shipbuilding (sailing ships) and the founding of maritime companies, was replaced by England, Europe's leading producer of steamships. Lloyd expanded its fleet at a very slow rate and did not have enough vessels to maintain its numerous lines and permit Trieste to compete in world trade. In 1856, Lloyd's fleet numbered 60 ships, 72 ships in 1875, and 86 ships in 1891.

Table 5: Austrian Shipping to China: 1864–1883¹¹⁷



The devious railway, Südbahn, and belated Tauernbahn, both connecting with the hinterland, decreased the competence of Trieste. The Südbahn, built in 1857, runs through Ljubljana and Graz to Vienna. However, before the Südbahn became operative, Hamburg had already established a railway to Vienna, and was therefore able to move the products of Vienna's hinterland (Bohemia) northward at the same cost as Trieste.¹¹⁸ The Südbahn was directed towards Nabresina, and Trieste obtained a spur-line to connect with this trunk line. For decades, it was the only railway link between Trieste and its hinterland. The Alps proved to be a daunting obstacle to overcome, and the Tauernbahn was not finished until 1909. Even Fiume had a better rail connection with the interior than Trieste. The lack of a rapid connection between Trieste and its hinterland was the main factor for its economic decline during this period.¹¹⁹ The process leading up to the actual construction of the Tauernbahn was quite tortuous:

»The debate on exactly what route the second railway from Trieste to Austrian North and Germany should follow, which lasted for over three decades, produced an abundance of different suggestions, plans and ideas which divided the Triestine public and businessmen, and the merchants and profiteers of the port's hinterland. As so often occurred in the Monarchy, the national conflicts also complicated railway policy. Both [the Austrian and Hungarian] governments

¹¹⁶ Steindorfer, 115–120.

¹¹⁷ This table is edited from Haas and Grunzel's data, which is originally based on Chinese Maritime Customs. Joseph Haas, »Shanghai. Verhältnisse von China im Jahre 1880.« NIHV 23, 1882, 602–648. Joseph Grunzel, *Die kommerzielle Entwicklung Chinas in den letzten 25 Jahren*. (Leipzig: Wilhelm Friedrich, 1891), 44–50.

¹¹⁸ Dušan Mihelc, 27.

¹¹⁹ Steindorfer, 133–137.

used railway freight rates to further domestic policy, often at the expense of the other partner. They competed with each other to direct export and import traffic to and from the ports of Trieste (Austria) and Fiume (Hungary).¹²⁰

The Tauernbahn was typical of the Austrian decision-making process, which tended to be extremely circumspect, prolix and indecisive.

Finally, there was also the human factor, or the fact that merchants in Trieste were not active or dynamic enough either. Revotella had already made this criticism in 1864, stating that it was difficult to find merchants in Trieste as powerful and expert in their activity as their counterparts in Holland and England. In order to emerge from stagnation, Trieste required either a major initiative by Lloyd or something that could rouse its businessmen from their lethargy.¹²¹ This situation did not change during the latter half of the century, and very few Triestine merchants went to China during this period. As contemporary consular reports confirmed, an Austrian (Vienna) merchant or industrialist could occasionally be met with in China, but a Triestine merchant was virtually unknown.¹²² And in 1905, the Austrian Consul, Post, would lament that his countrymen were unable to seize the opportunities that awaited them because they lacked entrepreneurship.¹²³

As another example of this inability to keep pace with changing conditions, the Suez Canal not only accelerated the replacement of sailing vessels by steamers but also the upgrading of port infrastructure and harbors in order to accommodate the new vessels. »The canal gave a great impetus to the building of large, fast, economic steamships, thereby directly turning the steamship into a general cargo carrier in the important Eastern trade, indirectly in all other trades.«¹²⁴ This transformation took some time, »because many shipyards at the end of 1869 were still equipped to construct only sailing vessels. But the extent of the shift in just a few years was remarkable.«¹²⁵ This transition occurred between 1870–1880, while even »the total tonnage of Britain's steam fleet did not surpass the tonnage of her sailing fleet until 1883.«¹²⁶ Trieste required more time to complete this transition – until 1890, and this phase coincided with its period of stagnation.

The Austrian government did make some efforts to modernize the old port. From 1868 to 1914, the government completed 3 piers and began to construct the new free port (Punto Franco Nuovo), which would finally give Trieste modern port facilities.¹²⁷ In 1891, the government virtually abolished the »free port« by drastically restricting this privilege to a few warehouses. At the same time, it gained control of both Austrian Lloyd and the Trieste shipyards through the use of subsidies. It also initiated a program of developing port-oriented industries (such as an oil refinery and steel factories) in order to compensate Trieste for the loss of its »free port« status in 1891.¹²⁸ Trieste ultimately regained its position in the shipbuilding industry, and from Montefalcone to the Bay of Cattaro (Kotor) on the Adriatic coast, there were many Austrian ports and shipyards for both naval and merchant ships.¹²⁹ China ordered vessels from both the Stabilimento Tecnico Triestino and the Monfalcone shipyards. In the final years of the Empire, Trieste succeeded in making a greater contribution to Austro-Chinese trade.

¹²⁰ Peter Vodopivec, »Karl Ludwig von Bruck, Trst in Slovenci«, in *Prispevki za novejšo zgodovino*, XL:1 (2000), 49–62.

¹²¹ *ÖMO*, 1882:10, 145–149, »Trieste.«

¹²² *ÖMO*, 1900:2, 13–22, Nikolaus Post, »Handels- und Geschäftsverhältnisse in Ostasien.«

¹²³ Nikolaus Post, Hongkong, Bericht über das Jahr 1905, B IV.

¹²⁴ Fletcher, Max E.

¹²⁵ *Ibid.*

¹²⁶ *Ibid.*

¹²⁷ Dušan Mihelic, 14.

¹²⁸ *Ibid.*, 44.

¹²⁹ Jiří Novák, Warships for China, HPM 5/May1999, 15–16.

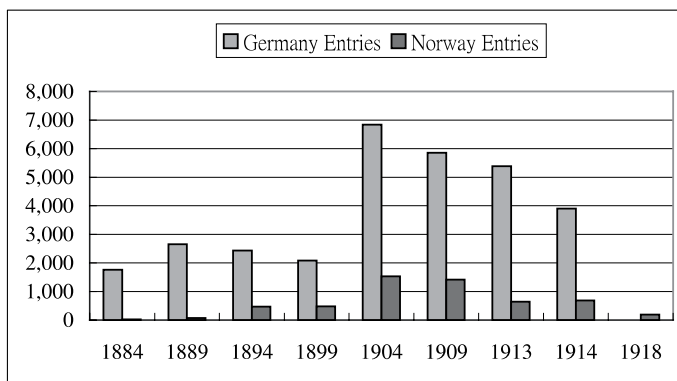
Austria practiced a protectionist freight rate. Under the Austrian schedule, called the Adriatic Tariff, it was cheaper to ship merchandise either way between any point within the Austro-Hungarian Empire and the port of Trieste, than through any foreign port. For example, before WWI, the freight rate for a standard carload (ten metric tons) of cotton from Trieste to Vienna was 973 crowns, but under the special rate of the Adriatic Tariff Schedule, it was only 200 crowns. Likewise, the regular rate of a carload of glass from Prague to Trieste was 1,336 crowns, but only 195 crowns under the Adriatic Tariff. The intended effects of the preferential schedule were reinforced by reduced import duties on selected articles, such as coffee.¹³⁰ However, it remains unclear exactly when the Adriatic Tariff became effective. As Rosthorn confirms, at the turn of the century transportation costs via the Südbahn and Lloyd were far higher than via Hamburg and Bremen.¹³¹

In fact, when compared with the German lines, Lloyd's charges were much less competitive. In 1896, quality glass products from Bremen or Hamburg to Hong Kong paid 16 Mg, while from Trieste to Hong Kong the charge was 12 gold gulden (about 24 Mg), or 50% more. The high freight rates meant that low-priced Austrian goods were simply excluded from the Chinese market.¹³²

Germany and Norway

The Austrian consul reports indicate that after the Sino-Japanese War (1894), Austria reduced its coastal fleet while Norway, Great Britain and Germany successfully took advantage of the growing transportation market. Norway, in particular, increased its share enormously, from 2,300 to 430,000 tons.¹³³ Germany and Norway represented two different models of maritime development in the latter half of the 19th and early 20th Centuries. As Table 6 indicates, they both performed well in the Chinese coastal trade.

Table 6: German and Norwegian Foreign and Coastal Trade in China¹³⁴



¹³⁰ Dušan Mihelić, 72–73.

¹³¹ Arthur von Rosthorn, *Die österreichische Industrie und der chinesische Markt*. (Wien, im Selbstverlage des Verbandes, 1902), 5–6.

¹³² *Volkswirtschaftliche Wochenschrift*, 1896:25, 36–39, »Bericht des Herrn E. Einaigl über Hongkong«.

¹³³ Norbert Schmucker, »Shanghai. Wirtschaftliche Verhältnisse von China im Jahre 1896.« NIHV 65, 1897

¹³⁴ This Table is collected from *China, the Maritime Customs: Decennial Reports 1882–1891; 1892–1901; 1902–1911; 1912–1921*. (Shanghai: Inspectorate General of Customs 1883–1933.)

The decline in Norway's totals after 1909 is probably related to the fact that, in 1905, Sweden and Norway became two independent countries, influencing statistic figures in Chinese Customs.

Germany enhanced its maritime power quickly and effectively, using modern technology and well-organized cartels. In support of its new colonial status and *weltpolitik*, the German government generously subsidized their national lines to Africa, East Asia and Australia, as well as the local lateral lines, while also providing other incentives. From 1890 onwards, for example, German goods exported via state railways were charged the same freight rate regardless of the distance they were being shipped. This policy, which was proposed by the Deutsche-Levant line, permitted Hamburg to effectively outflank Trieste and sell southern German goods in the Levant. A second important factor was the German canal network, which was the best in Europe before WWI. Equipped with modern locks and tracking facilities, it channeled goods to the main ports of Hamburg, Bremen, Stettin, and Lubeck, and offered cheap, quick water transportation. Finally, the improved port facilities, modern iron and steelworks, and metalworking industries and shipyards greatly increased the capacity and productiveness of German ports.¹³⁵

Norddeutscher Lloyd (founded in 1857, and based in Bremen), Hamburg-American Line (founded in 1847, based in Hamburg), and Rickmers & Co. were Lloyd's main competitors. In 1896, Rickmers started a monthly service from Bremen to East Asia, in direct competition with Austrian Lloyd.¹³⁶ Norddeutscher Lloyd made 26 voyages annually to East Asia. Every two weeks their steamers left Hamburg and Bremen for Rotterdam, Antwerp, Southampton, Gibraltar, Genoa, Neapel, Port Said, Suez, Aden, Colombo, Penang, Singapore, Hong Kong, Shanghai, Nagasaki, Kobe and Yokohama. On the return voyage, they stopped in Fuzhou to load tea for the European – and Austrian – market. The voyage from Hamburg to Hong Kong was 55 days, and from Genoa to Hong Kong, 30 days. The 12 ships employed in Norddeutscher Lloyd's East Asian trade ranged from 5,026 to 10,911 tons, from 3,800 to 9,000 H.P. In Hong Kong they connected with the Australian line.¹³⁷

However, the long-distance trans-oceanic lines were not the only factor influencing the total amount of goods moving through Customs, for coastal transportation was also very important.

By 1885, the Germans had already assembled a formidable fleet in Shanghai, which consisted of the following vessels:

1. *Hever* (387 tons): Shanghai-Nagasaki (Japan)-Korean ports.
2. *Wismar* (555 tons) and *Siberien* (367 tons): Shanghai-Formosa (Taiwan).
3. *Welle* (393 tons) and *Velox* (753 tons): Shanghai-Japan.
4. *Clara* (675 tons) and *China* (1275 tons): Shanghai-Amoy-Swato.
5. *Nierstein* (730 tons): Shanghai-Fuzhou.¹³⁸

By 1901, Norddeutscher Lloyd had also established a very comprehensive East Asian network centered in Hong Kong, with lines to Vladivostok, Bangkok, and Sidney.¹³⁹ When German goods came to Hong Kong or Shanghai, they were promptly transferred to other lesser ports by means of this coastal maritime network.

¹³⁵ *DOYITU KAIUNN NO KAKO GENNZAI OYOBI SHOURAI* 日清通商手続 東京, 4–10. (The author and publisher are unknown.)

¹³⁶ Gerog-Ludwig von Heise, *Beiträge zu den Wirtschaftsbeziehungen zwischen Österreich und China (1860–1914)* (ungedr. Phil. Diss., Wien 1999), 206.

¹³⁷ Nikolaus Post, *Hongkong, Bericht über das Jahr 1905*, B IV.

¹³⁸ Joseph Haas, »Shanghai. Handel von China im Jahre 1885.« *NIHV* 34, 1887, 75–95.

¹³⁹ Nikolaus Post, »Hongkong«, *Bericht über das Jahr 1901*, B IV.

With the high cost of rail transportation and the lower frequency of Austrian Lloyd's shipping traffic from Trieste, the cheaper and easier sea route diverted Bohemian products to Hamburg. This meant that many Austrian industrial products, especially from the area of Bohemia, preferred the cheaper route via the Elbe to Hamburg, where they were exported in German holds. And although Austrian Lloyd's ships began arriving in Hong Kong on a monthly basis after 1881, and in Japan after 1893, with a slight increase in the direct trade between Austria and Hong Kong being registered in 1899, most trade continued to pass through Hamburg as before.¹⁴⁰

This situation did not change even after Lloyd's new expansion. Despite the Austrian government's efforts to discourage traffic via the North German ports by setting lower rates, exports from Trieste's hinterland via Hamburg and Bremen continued to be more economical than through Trieste.¹⁴¹

Like Germany, Norway also performed very well in East Asia. In fact, the Japanese had a saying that you could not enter a port in the world without seeing the Norwegian flag. While German maritime development received strong backing from their business and commercial interests, despite their lack of strong commercial relations with China and the absence of concessions on the mainland Norway also succeeded in establishing a good maritime trade on the Chinese coast. Their success was due to a different model, which was based on sailing ships, a more traditional organization and very competitive ship-captains.

From 1850 to 1880, Norway built up its maritime industry at an incredible rate, until it was second only to Great Britain and Germany. During this period, its sailing fleet jumped from 288,000 net tons to 1,500,000 tons, and the number of seamen more than tripled, from just under 19,000 to 62,000 in 1878. Norway was not an industrial country and its shipping mostly served other countries. By 1872, 80% of its freight earnings came from the international carrying trade. However, the Norwegian conversion from sailing ships to steamers proceeded very slowly, and in 1876 steamships represented only 3% of its total tonnage. Around 1890, the sailing fleet reach its peak level of 1,503,000 tons net, and not until 1907 did steam tonnage exceed that of sailing ships (814,000 tons vs. 751,000 tons).¹⁴²

Like the Croatian tramp steamers, the Norwegians left business dealings entirely in the hands of the ship captain. He negotiated contracts independently of his home base, picking up cargoes wherever they could be found. The company structure was loose, with a separate company being established for each ship contracted, in keeping with the haphazard, amateurish operational methods typical of newcomers. The Norwegians' main assets were the low wages for crew and officers, the poor fare for both, and the traditional technology that their sailing ships represented. English and American ships could not compete with the Norwegians on the same routes, and gradually had to withdraw from the competition: initially, from the long-haul routes, involving bulky and durable goods, then the short-haul routes, involving perishables, such as fruit from the West-Indies to the US. Although they also bought steamships, the Norwegians continued to reap profits on this type of tonnage well into 1880s, since their variable operating costs were much lower than that of their competitors.¹⁴³

The Austrian model can be situated between the German and Norwegian models. While the Austrian government followed the German approach of protective tariffs, port construction, railway freight, subsidies and concessions (which Austria finally obtained in China in 1902),

¹⁴⁰ Maximilian Kutschera, »Hongkong.« NIHV 71, 1899, 257–258.

¹⁴¹ Arthur von Rosthorn, *Die österreichische Industrie und der chinesische Markt*. (Wien, im Selbstverlage des Verbandes, 1902), 5–6.

¹⁴² Fritz Hodne, »Growth in a Dual Economy – The Norwegian Experience 1814–1914,« in Karl Gunnar Person ed., *The Economic Development of Denmark and Norway since 1870* (Aldershot: Edward Elgar Pub. 1993), 45–74

¹⁴³ Ibid.

it was unable to achieve the same degree of success, for this approach was alien to Austria's much more gradual, constant and leisurely concept of economic growth.¹⁴⁴

However, if Austria had paid more attention to the Norwegian model, it might have had better success. An important equivalent to the Norwegian formula for success was to be found in Dalmatian maritime expertise. If Austrian Lloyd had collaborated more extensively with Dalmatian vessels, it might have been able to set up its own coastal transportation network in East Asia. This model was also suited to Austrian conditions, for Austria was rich in capital, and a network of this kind would have provided an important outlet for investment, and significant opportunities for employment.

P o v z e t e k

Avstrijski pomorski razvoj v Vzhodni Aziji 1869–1914

Chinyun Lee

Članek prikazuje, kako je Trst v zadnjih desetletjih pred prvo svetovno vojno razširil pomorsko trgovino proti Vzhodu. Avstrijski Lloyd je investiral v gradnjo sueškega prekopa in odprl ladjarske povezave z Indijo, Kitajsko in Japonsko. Načrt za pomo rske linije z daljnim Vzhodom je že pred odprtjem sueškega prekopa zasnoval Pasquale Revoltella. Toda širjenje ladjarskih linij je potekalo počasi. Zveza z Indijo je bila vzpostavljena leta 1869, s Hong Kongom 1880, s Šangajem 1892 in s Kobe 1893, v Lloyd pa so vse ocenjevali za pomemben dosežek. Leta 1912 je Avstrijski Lloyd končno vzpostavil hitro (»ekspresno«) linijo med Trstom in Šangajem. Kava in kitajski cimetovec sta bila pomembna tovara na tej liniji. Trst je pritegnil uvozne transporte kave ne le iz južne Azije, temveč tudi iz Singapura in Filipinov. Kitajski cimetovec je bil drug tovor, pri prevozu katerega je Trst tekmoval s Hamburgom. Najbolj dobičkonosni tržaški ladjarski liniji sta bili Trst-Kotor in Trst-Bombay. Linije v vzhodno Azijo pa niso bile uspešne, saj je na Kitajsko (po vsej verjetnosti) več avstrijskih izdelkov prispelo preko Hamburga kot preko Trsta. Neuspeh linij na daljni Vzhod je bil posledica raznih notranjih problemov v avstrijskem Lloyd in stagnacije Trsta.

¹⁴⁴ Mathias, Peter and Sidney Pollard, *The Cambridge Economic History of Europe VIII The Industrial Economies: the Development of Economic and Social Policies* (Cambridge University press. 1989), 829.

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