

DOI: 10.32703/2415-7422-2024-14-1-236-253

UDC 94(477.85):338.1"18"

Oleh Strelko

State University of Infrastructure and Technologies
9, Kyrylivska Street, Kyiv, Ukraine, 04071
E-mail: olehstrelko@duit.edu.ua
<http://orcid.org/0000-0003-3173-3373>

Yuliia Berdnychenko

State University of Infrastructure and Technologies
9, Kyrylivska Street, Kyiv, Ukraine, 04071
E-mail: yb08@ukr.net
<https://orcid.org/0000-0001-7536-7155>

Bukovyna as part of the Austro-Hungarian Empire and its socio-economic development on the eve of rail way construction

Abstract. *This article examines how the socio-economic conditions in Bukovyna influenced the formation and development of the railway network in the region. It explores whether these processes aligned with the global trends of the time. Based on the analysis of scientific literature, memoirs, and archival materials, it was found that the topic of the formation and functioning of the railway network in Bukovyna had not been systematically studied. It was revealed that the Austrian authorities, by turning Bukovyna into an internal colony of the Habsburg Empire, kept the region in the position of a raw material appendage and a market for the industry of the empire's central provinces. The tariff, customs, credit, and tax systems introduced by the imperial government supported this process, acting in the interests of Austro-Hungarian capital. The development of the railway network was aimed at ensuring the economic interests of the empire, which affected the socio-economic development of Bukovyna. In particular, the construction of railways improved the transport infrastructure, leading to increased trade and higher volumes of raw material and goods transportation. However, this development had a dual nature. On one hand, it promoted economic growth and modernization of the region, but on the other hand, it intensified Bukovyna's dependence on the central provinces of the empire, limiting its economic autonomy and the development of local industry. The article also analyzes the impact of railway construction on the social aspects of life in Bukovyna. The railway became an important factor in migration, contributing to urbanization and the growth of the working class. However, at the same time, social tensions increased due to the unequal distribution of economic benefits and the intensification of local population exploitation. The conclusions of the article emphasize the need for further*



research to fully understand the impact of railway development on Bukovyna in the context of the Austro-Hungarian Empire and to compare these processes with similar developments in other parts of the world.

Keywords: *railways of Bukovina; Austro-Hungarian Empire; transport network; Habsburg dominion; Chernivtsi*

Introduction.

More than 140 years of peace established since 1848 contributed to the rapid growth in the population of Bukovyna. Representatives of different nationalities started to come from other Austrian provinces and neighboring countries and, as a result, Bukovyna became a polyethnic province consisting of 9 nations. Ukrainians and Moldovans, and then Romanians in the middle of the 19th century were the largest ethnic groups. Under the rule of Austria, which was more developed than Turkey, Bukovyna managed to create more favorable conditions for the development of agriculture, handicrafts, trade and towns. The national economy and culture developed more intensively after 1848, when the attributes of the outdated feudal era were abolished, promoting the emergence of new industries. Railways helped to connect the region with other provinces and states, domestic and foreign trade became large-scale, and so Chernivtsi and other towns were developing fast. They started to build an educational system, make changes in the social sphere and promote national cultures, contributing to the Ukrainian and Romanian national revival.

The period of Habsburg dominion (1774–1918) is a remarkable period in the history of railway construction in Bukovyna. As a separate unit of the empire, it ceased to exist with the collapse of Austria-Hungary. At different times, these 144 years were evaluated differently, from admiration and praises to the Austrian “humanitarian mission” to the general accusation of its cruel (overt or disguised) oppression. Nevertheless, it concerned not only Bukovyna, but other provinces as well. Only time can show the weighted and realistic estimates. T. M. Islamov notes: “Indeed, there was oppression. But Austria-Hungary has never been accused of mass deportations, ethnic genocide, or ethnic “cleansing”... None of the states that inherited all or part of its territory has provided national minorities with the freedom of development enjoyed by oppressed peoples” (Islamov, 1995, p. 67).

Among the complex problems of the historical past of Austro-Hungarian Empire, the matter of development and function of its railroad system is of great interest to historians. And it is not an odd thing, as the thorough study of the work of railway transport allows us to identify the fundamental laws of internal development processes of any country, to comprehensively characterize its socio-economic, military, and, in many ways, political state, etc (Agora, 2022; Gabdulina, Turkhanova, Kurmanbayeva & Abisheva, 2022, p. 843; Pylypchuk & Strelko, 2019, p. 20; Strelko & Pylypchuk, 2021, p. 261; Sinha, 2021, p. 169; Domonkos, & Schlett, 2021; Strelko & Pylypchuk, 2021, p. 23; Pylypchuk & Strelko, 2020, p. 20). The same can be said about the history

of railway transport in the vast expanses of Austro-Hungarian Empire as a whole and its separate regions, Bukovyna, for example.

Results and Discussion.

During that period, Bukovyna has undergone various changes in the state system: the Bukovyna region was governed by a military administration, there was a district administration within Galicia and a regional administration of the Duchy of Bukovyna. In general, modern European forms of administrative management, local self-government and legal procedures were gradually developing in this region, together with land and water transport.

More than 150 years have passed since the first railway lines appeared in Bukovyna. The appearance of the first lines was preceded by long negotiations on the construction of tracks, railways and railway stations (Strelko & Pylypchuk, 2021, p. 452). Local and foreign entrepreneurs were interested in improving Bukovyna's transport links, seeking to facilitate the use of raw materials from this rich region and the import of industrial goods from Austria and other European countries. It is clear that transport construction in Bukovyna accelerated the development of capitalist relations in the region's economy and at the same time became the basis for increasing colonial and imperialist oppression and looting of the population living on Bukovyna land.

In turn, the emergence of railway transport in Bukovyna in the late 19th century contributed to the rapid growth of manufacturing and agriculture, the growth of town and their populations, as well as to the involvement of new areas of the region. Of course, all this necessitated the prompt movement of people and goods: raw materials had to be transported to manufacture centers, while finished products had to be delivered to consumers. Old traditional communications and vehicles could not meet this need. I. V. Zhaloba, Chernivtsi historian, noted: "That is why the growing pace of capitalism rose the question of creating a fundamentally new mode of transport, that is, railways, these peculiar results of the most important branches of the capitalist, coal and iron industry" (Zhaloba, 1990, p. 51).

Railway construction in Bukovyna was managed by the Austrian government, primarily in order to unite the economically and politically disparate parts of the empire. At the same time, it helped to secure the interests of the Austrian bourgeoisie: the railways provided a more reliable connection between Austrian enterprises, the Bukovinian market and the sources of raw materials. The railways also best corresponded to Austria's expansionist intentions in South-Eastern Europe.

The purpose of this article is to investigate the socio-economic conditions for the formation and development of railway network in Bukovyna, and define whether this process fit into the world context.

The history of Bukovyna as part of the Austrian Empire begins with the manuscript named "The Description of Bukovyna" by Gabriel Anton von Splény von Mihálydy, the first military administrator of Bukovyna (Polek, 1893, p. 23). This

manuscript is valuable not only because it provides some historical context, but also because it provides a plan for administrative and legal reforms in the region, as well as a plan for the construction of communication routes. Surprisingly, no significant work on Bukovyna to properly analyze these issues has been published in 100 years since then. The only exception is the publication of Joseph Maximilian Ritter von Winiwarter, who considered certain aspects of the legal status of Bukovyna as part of Austria-Hungary and highlighted some problems of road construction (Ritter von Winiwarter, 1826, p. 18).

In the late 18th – early 19th century there have been significant changes in the historical destiny of Bukovinian lands conquered by Turkey as part of the Moldavian principality in 1514 (Rakovskyi, 1932, p. 1). On the one hand, Bukovyna ended up with more than 250 years of Turkish rule with its Asian barbarism, despotism and dirt. On the other hand, its territorial unity was broken, and it became part of different states (Bukovyna, 1998, p. 416).

Taking advantage of the weakening of Turkey during the Russo-Turkish War between 1768–1774 and trying to create complications for Russia, the Austrian government succeeded in signing an Austro-Hungarian Convention on July 6, 1771 through Johann Amadeus Franz de Paula Freiherr von Thugut, its envoy in Constantinople. According to this Convention, Austria undertook to achieve favorable conditions for Turkey in its peace with Russia and acquired Little Wallachia. However, after the first partition of Poland, when Eastern Galicia was ceded to Austria, Austria demanded Bukovyna from the Turks instead of Little Wallachia, stating that the upper reaches of the Prut gravitated to Galicia and these lands were formerly part of the Galician principality, and one Hungarian king was titled the “King of Galicia and Lodomeria”. In fact, the increased interest of the Habsburgs in Bukovyna was due to its favorable strategic location, since after the first partition of Poland Bukovyna formed a wedge between occupied Galicia and Transylvania (a historical region which was part of Hungary until 1918, and later belonged to southwestern Romania) (Kaindl, 1894, p. 25). In order to study the territory of Bukovyna, then occupied by the Russians, military topographic expeditions were created. At the same time, Joseph II ordered to study the history of Bukovyna, and the official Austrian historian F. Hormeier prepared a fake historical reference which substantiated the “right” of Austria to occupy this territory.

The Austrian government decided to occupy Bukovyna before the complete evacuation of Russian troops (Kaindl, 1894, p. 10). With the consent of the Russian commanders, on August 8, 1774, Joseph II ordered to occupy Bukovyna and Khotyn. Between September and October, the entire territory of Bukovyna was occupied (Baier, 1900, p. 22). On May 7, 1775, the Austro-Turkish Convention on the eternal assignment of the Port of Bukovyna (except for the Khotyn Raion) to Austria was signed. On May 12, 1779, a similar convention was signed on the demarcation of the north-eastern borders between Chernivtsi Tsinit and Khotyn Raion (Polek, 1904, p. 48). The annexed territory kept the name “Bukovyna”. In fact, its occupation ended

the Austrian seizure of western Ukraine. Most of the feudal lords, as demanded by the Austrian government, swore allegiance to the Habsburgs on October 12, 1777. Taking care of their own privileges, seeking to be equated with the Austrian and Galician nobles, the feudal elite helped the invaders to keep the population of Bukovyna in subjection.

From the first days of the Austrian occupation, Bukovyna was subordinated to the Court Military Council and the General Military Command of Galicia and Lodomeria in Lviv (Kaindl, 1908, p. 224). At that time, Bukovyna was called “Bukovyna district”, “Czernowitz Generalat”, or “Galician Border Generalat”. Since 1779, Chernivtsi has been the administrative center of Bukovyna. According to a patent dated June 18, 1786, Bukovyna was the 19th district of Eastern Galicia (in fact, Bukovyna became part of the Galician province as a political and administrative district on February 1, 1878) (Polek, 1900, p. 68). This decision was confirmed by the imperial patent dated September 29, 1790, and lasted until April 4, 1849.

Bukovyna (Chernivtsi) district was divided into four smaller districts, renamed into counties starting from September 1, 1794: Chernivtsi, Vyzhnytsia, Seretsk, Suceava and a separate Russ-Campulung (Dolhopole) county. A county consisted of 12 localities with 10 communities each. The Bukovyna district was headed by a starosta (headman) and few deputy commissioners. Between 1817 and 1848 the region was completely subordinated to the Galician province (Die Österreichsh-ungarische Monarchie 1899, p. 532). In 1832, a magistrate was established in Chernivtsi, headed by the Burgomaster (Kaindl, 1908, p. 224).

This is how Bukovyna became a new part of the Austro-Hungarian monarchy during the formation and flourishing of Austrian absolutism and, interestingly, the beginning of its decadence, which was accompanied by attempts to preserve the feudal order. This was expressed in the support of aristocratic land tenure, the preservation of the remnants of guild restrictions, state regulations, and so on. In terms of foreign policy, Austria at that time stood on the extreme right flank of the counter-revolutionary, feudal-absolutist camp.

Assessing the life of Bukovyna after its incorporation into Austria, one cannot disregard the fact that the Habsburg Empire had a higher level of socio-economic development than the Ottoman Empire. The possibility of comprehensive communication with Eastern Galicia and other Slavic peoples was also important for the Ukrainian population of Bukovyna. This circumstance played a significant role in the fight against Germanization. At the same time, we should keep in mind that Bukovyna played the role of a raw-material appendage, a “continental colony” of Austria, which had a pronounced effect on the region's economy.

The newly annexed region of Bukovyna had a territory of 10,441 square kilometers, and its population was distributed unevenly. The population density was higher between the Dniester and the Prut, and lower between the Prut and the Seret, and along the Cheremosh up to Vyzhnytsia. The population of the region numbered

75,000 people in 1775, and grew to 450,000 by the middle of the 19th century (Fischer & Zurkowski, 1899, p. 121, 194).

By the time Bukovyna annexed to Austria, the majority of the population consisted of Ukrainians, followed by Moldovans, Romanians, and others. Austrian officer Budinsky, who was sent by Emperor Joseph II to study the region and its population, noted: “Because most locals are Rusnaks, they mostly speak the Rusnak language. Only a quarter of them speaks Moldavian”. Because the Bukovinian lands had been part of Moldavia for several centuries, the vast majority of the population belonged to the Orthodox (or “Wallachian”) faith. Moreover, the local feudal lords were dominated by Moldavians, and Moldavian had been the official language, so the officials of the Military Administration of Bukovyna considered the indigenous population of the region to be “Wallachians”.

An increase in population occurred both due to natural increase and due to migration from neighboring lands (Eastern Galicia, Transylvania, Germany, refugees from Russia, etc.). At the end of the 18th century, German economic colonization of Bukovyna began. In the middle of the 19th century there were 19 German colonies (including Chernivtsi, Sadagora, Kaliczanka, etc.). The vast majority of the population lived in villages. There were very few towns with a small number of inhabitants. For example, in 1774 Chernivtsi still retained the features of the village, both in its population and its appearance. According to the census of 1776 there were 2,000 people (Kaindl, 1894, p. 10), and this amount grew up to 18,000 people by the middle of the 19th century. In the late 19th century there were two towns in the north of Bukovyna in addition to Chernivtsi: Sadagora (2,871 inhabitants) and Vyzhnytsia (4,447 inhabitants) (Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3, opys 1, nr. 5392, ark. 1–2). Chernivtsi was the center of tradesmen, craftsmen and industrial workers, as well as a small number of intellectuals. The population of Chernivtsi suburbs: Klokuchka, Kalichanka and others, was engaged in agriculture. In general, the population of the region mostly consisted of agricultural workers. The main part of agricultural land was concentrated in the Prut-Dniester interfluvium. In this area, more than 78% of the land was arable, while in the Prut-Siret interfluvium it was about 50%. The rest of the territory was occupied by forests.

In the period considered in this article, timber and other cargoes were mostly transported by water means and conventional carts. However, everyone understood the importance of land communications. New communication routes were as important for the life of the population as food.

The revolution in the Austrian Empire between 1848 and 1849 ended in defeat. Yet some of its achievements, namely, the abolition of serfdom, cancelled restrictions on the development of handicrafts, permission to buy and sell land, etc. created the conditions for the rapid development of capitalism. However, this process was uneven in different regions of the Austrian Monarchy (renamed to Austro-Hungarian Monarchy since 1867). As a rule, industries in Upper and Lower Austria developed

better. The economically backward regions became inland colonies, a kind of appendage for the developed provinces.

Northern Bukovyna was one of the most backward lands in the Austro-Hungarian Empire, and its economy in the mid-19th century was in a state of deep decline. The features of capitalism were very weak, and manifested themselves mainly in the sphere of money circulation. Suffice it to say that in 1880, for example, agriculture employed 75% of the population of the Northern Bukovyna, industry employed 11.1%, while trade and transport employed only 7.6%. In fact, the economy of Bukovyna developed under the conditions of its colonial position as part of the Habsburg Monarchy. In March 1901, the newspaper "Bukovyna" (Chernivtsi) noted that "these lands used to be and are now considered a Viennese colony" (Bukovy`na, 1901, p. 2). In addition, the Austrian capitalists sought to compensate for the absence of external colonies by increasing the exploitation of the occupied lands. For this purpose, Austrian leaders developed a system of measures for the colonial enslavement of Bukovyna land. One of them was customs legislation aimed at protecting the manufacture in the western provinces of Austria. From then on, manufacturers had the most favorable conditions for the production of goods in the backward regions of the Austrian Empire (Galicia, Bukovyna, Transcarpathia), and could sell them at exorbitant prices. In addition, the industry of Bukovyna was not competitive and could not resist the industry of the western regions of Austria. The lands of Bukovyna were artificially divided into separate administrative districts without taking into account economic and living conditions and the ethnic composition of the population. For instance, Eastern Galicia was united with Polish lands west of the San river to create the so-called "Crown Land", or the "Kingdom of Galicia and Lodomeria". From 1786 to 1854 it included Bukovyna. By 1854 Bukovyna, inhabited mainly by Ukrainians and by Romanians in the south, was separated and became a province (or the Duchy). In turn, the Duchy of Bukovyna was divided into counties. The vast majority of the Bukovinian population (up to 70% in 1910) were agricultural workers, and the number of industrial workers (11.1%) even decreased. At the same time, the trade and bureaucratic apparatus grew rapidly (Mitteilungen des statistischen, 1908, p. 49). The bureaucratic and police caste became an obedient and powerful instrument of the government in the hands of the Habsburgs.

The main part of the Bukovinian economy in this period was agriculture. Due to insufficient equipment, agriculture has changed little since the Middle Ages. In 1853, Franz von Schmik, the regional president, noted: "Ordinary peasants do not own a single piece of iron on their plows, harrows and carts" (Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3, opys 1, nr. 68, ark. 32). Similarly, we should also note the low technical level of agriculture in the region. Thus, the Commission of the Regional Sejm noted that there was "no community in Bukovyna where proper crop rotation was introduced, as the fields were fertilized every 15 years" (Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3, opys 1, nr. 68, ark. 83). Livestock was in an

abandoned state, while vegetable growing, horticulture, silkworm breeding and beekeeping did not develop at all.

Things were even worse with the tax policy. At the very beginning of the land cadastre in the late 19th century, the profitability of Bukovinian lands was significantly overestimated and the land tax increased by 54%. For comparison, note that it increased by 15% in Upper Austria, by 11% in Styria, and only by 4.5% in Lower Austria. That is why the agriculture of Bukovyna was in the worst position in comparison with other lands of the Austro-Hungarian Empire.

Without any doubt, the tax policy of the Austro-Hungarian Empire was aimed primarily at keeping Bukovyna in the position of an agrarian region. Due to this, the tax burden was constantly growing. The newspaper called “Halychanyn” noted: “The financial conditions in our region are much stricter than in other provinces of the monarchy” (Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3, opys 1, nr. 5392, ark. 1-2). This even caused an interesting paradox: small local businesses in Bukovyna and Galicia paid higher taxes than large West Austrian ones. Thus, in 1893, the Czech Savings Bank in Prague paid 6% of income tax, while the Galician Savings Bank in Lviv paid 51% (Kravets, 1998, p. 19).

The industrial tax in Bukovyna was one of the major ones. Thus, from 1891 to 1896, it increased from 101,716 to 118,437 guilders, respectively (Avstro-Vengrija, 1899, p. 269). At the brickyard in Chernivtsi, this tax increased from 142.27 kronas to 209.0 kronas within a year (from 1906 to 1907).

The productivity of the Bukovyna region was artificially inflated, especially when compiling cadastres. This caused the tax in Bukovyna to be overstated several times more than in other provinces of the empire. The court tax was also discriminatory. While Bukovyna paid 188,000 in Roman gold, Lower Austria, for example, paid 423,700, although its economy was much more developed. According to official data, from 1870 to 1896, for example, the sum of all taxes per capita in Bukovyna increased from 4 to 7–8 guilders. This tax policy undoubtedly led to the ruin of a large number of enterprises, especially small ones. This was confirmed by the newspaper “Bukovynskie Vedomosti”: “We could avoid that danger... if the purest colonial policy had not been introduced in the field of financial management” (Bukovynskie vedomosti, 1895, p. 3).

Government subsidies for the development of agriculture in Bukovyna were insignificant. Thus, in a lean year (1898) the economy of Bukovyna was to receive 500,000 gold coins, but in fact received only 50,000. For comparison, for Salzburg (Austria), which was in a much better economic position and where the damage was estimated at 411,980 zlotys, the allocated aid amounted to 150,000 zlotys. This fact speaks for itself.

Also, the economic development of Bukovyna was suppressed by customs legislation. It protected, first of all, the industry in the central provinces of Austria-Hungary. Thus, in March 1903 the newspaper “Bukovyna” pointed out that “industrial taxes are a heavy burden for us” (Bukovyna, 1905, p. 2).

At the same time, Austria-Hungary created favorable conditions for the sell of goods manufactured in the western provinces, selling them in Bukovyna at a much higher price. This was one of the peculiar methods of economic plunder of Bukovyna. Here is what the newspaper “Dilo” wrote about this in 1880: “What is the outcome? First they pay us for our raw materials, process them in their homeland and then send them back in a modified form, so that we return not only what they paid us, but also the cost of their work together will the commercial and industrial earnings ... Thus, they develop productively at our expense and exploit our region to our own detriment and to their benefit” (Dilo, 1880, p. 4). In 1896, the newspaper “Bukovyna” wrote: “Our land is rich in everything we need. But what difference does it make if, extracting raw fruits from the ground, we have to sell them cheaply, and buy expensive products from foreign factories. Strangers use us for their benefit, reducing us to poverty” (Bukovyna, 1896, p. 5).

Among the measures of colonial oppression in Bukovyna, we can distinguish the tariff policy. Its aim was to prevent the development of diversified industry and to keep Bukovyna in the position of a raw material appendage and a market for the western provinces. M. Vasylo, Deputy of the Regional Sejm, stated: “railway tariffs not only hinder the development of this industry in our region, but can even terminate its existence” (Wasilko, 1901, p. 275).

The Council of State Railways in Vienna held in the autumn of 1890 also stated that the existing tariff policy put Western Ukrainian enterprises in an unequal position in comparison with the enterprises of the central regions (Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3, opys 1, nr. 68, ark. 13–16). M.G. Kukurudziak explains: “The essence of the government's policy was to reduce tariffs for transportation of industrial goods from the western provinces to Eastern Galicia, Northern Bukovyna and Transcarpathia, and increase rail transportation from western Ukraine to the centers of the empire. Import tariffs were also higher for machinery, equipment, etc., than for enterprises in the central provinces. For example, the tariff for the transportation of a ton of coal from Duxer (now Duchstov, Czech Republic) to Vienna (600 km) was 687 kreutzers, and 1,067 kreutzers from Jaworzno (now Jaworzna, Poland) to Chernivtsi (663 km) (Kukurudziak, 1998).

At the same time, the export of raw materials (such as commercial wood) from Bukovyna to the central regions of Austria was 25% cheaper than the export of finished wood products. The Galician newspaper “Dilo” wrote: “Bread from our fields, oxen from our farms, skins of our horses, calves and sheep, rags from our regional household, pigs, salt from Wieliczka, oil from Boryslav mines – all this and many more materials are sent to the West by railways” (Dilo, 1880, p. 3).

In general, the Austro-Hungarian Empire developed just like any other European state. For example, in 1812 there were more than 200 cartels in Austria alone (excluding Hungary) (Prister, 1952, p. 448). Among them were oil cartel, machine-building, cement, sugar cartels and many others. In fact, monopolistic syndicates have taken a dominant position in the country's industry. Here is what the Chernivtsi

newspaper “Gazeta Polska” wrote about cartels in its article called “Austrian Cartels”: “The most important industries are included into cartels. Iron, steel, wool, cotton, linen, cloth, glass, paper, porcelain, enamelware, sugar, oil, cement, glue, soda, zinc, leather, wire, nails, tin, mineral fertilizers and other common goods are now in the hands of Austrian cartels” (Gazetta polska, 1901, p. 7). As a rule, cartels artificially increased prices by 20–30%. In Bukovyna, Austrian cartels impeded local industry from development. For instance, the cartels stubbornly resisted the construction of a sugar factory in the village of Zhuchka, Chernivtsi district. The only reason for the competition between the cartel and the sugar factory was profit. Constantly raising sugar prices in the middle of the country, the cartel sold it abroad for nothing.

In the early 20th century the importance of bank capital has increased in Bukovyna. Previously, banks were engaged only in granting loans and mediation in money circulation, but from then on, they began to invest their money in production (Strelko & Pylypchuk, 2021, p. 45). Austro-Hungarian, Anglo-Austrian and Viennese associations and Czech banks started to operate in Northern Bukovyna. One of the largest offices belonged to the Austro-Hungarian Bank, and amounted to 63.7 million kronas since 1907. Overall, between 1911 and 1912 there were 23 banks in Chernivtsi, including several savings banks.

In the early 20th century banks started to involve in industry. They funded industrial development, participated in the creation of industrial enterprises and actually managed them. In fact, banks subjugated the entire economy of Northern Bukovyna. As a rule, the bank capital was not of local origin, but originated from Austria, England, Germany, Hungary or Czech Republic. At the same time, Austrian capital held the first positions. M. M. Kravets notes: “This was natural. Austrian businessmen were very interested in possessing colonies. They tried to compensate for the absence of external colonies at the expense of annexed lands. Keeping Northern Bukovyna and other western Ukrainian lands in the position of backward agricultural areas to ensure the sale of goods from the western provinces and meet their needs for cheap agricultural products was the real motive of Austria and its financial circles. The Austrian government acted in favor of entrepreneurs of the ruling nation, developing a system of colonial oppression” (Kul'chickij, 1963, p. 24).

The penetration of foreign capital into Northern Bukovyna was conditioned not only by the backward position of the western Ukrainian lands, but also of the whole Austria-Hungary, which was financially dependent on foreign capital. It is known that in the early 20th century foreign investments in the Austrian economy reached 9.8 million kronas, including 4.653 million from Germany and 3.270 million from France (Oppengejm, 1920, p. 30). By 1900, the total amount of foreign capital in all sectors of the economy of Bukovyna was 41.4 million kronas, including more than 23.5 million from the Austro-Hungarian Empire (Lytvynov, 1957, p. 85). According to J. S. Hoenigsman, in 1912 the total Austro-Hungarian and foreign capital in the industry of Galicia amounted to 596.7 million kronas, or 73% of the total amount of operating capital (Khonihsman, 1971, p. 125).

M. G. Kukurudziak made the following comment on the penetration of foreign capital into Bukovyna: “Predatory use of natural resources and ruthless exploitation of workers in the region brought significant profits to Austrian and foreign capitalists. For instance, in 30 years (from 1858 to 1888) Austrian and foreign bankers financing railway construction in Galicia and Bukovyna received 54,115 thousand Roman gold of net income in the form of interest on capital and dividends. In 1897 alone, more than 56 million guilders were transferred from Bukovyna to bankers in the central provinces of the monarchy. These profits could be used to develop the production capacity in the region. The dominance of Austro-Hungarian and foreign capital played a negative role in the development of Western lands, because this development was determined not by regional needs and interests of the local population, nor even the available natural resources, but only by the interests of foreign capital (Kukurudziak, 1998, p. 39).

As we can see from the above, the industry of Bukovyna was underdeveloped in the period under study. It demonstrated the distinctive characteristics of colonial and semi-colonial countries: unilateralism, absence of heavy industry, small number of factories, primitive technologies. According to official data, in 1890 the total energy supply of industrial enterprises in Austria was 479,523 horsepower (hp), with only 1,925 hp or 0.4% in Bukovyna. Without any doubt, the backward position of the Bukovyna industry and the slow development of manufacture slowed down the process of transforming agriculture on a capitalist basis. A significant obstacle to the development of capitalism in the region was a number of feudal remnants, which, according to the local press, permeated “almost all of our cultural, economic and political life”. Landlords were one of them. In the late 19th – early 20th century, 43.5% of land in Northern Bukovyna belonged to landlords (for comparison, it was 42.1% in Galicia and 30.0% in Transcarpathia).

The development of capitalism in Northern Bukovyna was hindered by other medieval remnants like propination, the “exclusive right” of landlords to mills, and the “exclusive use of the driving force of water” within all landlord’s ownership” (Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3, opys 2, nr. 2980, ark. 5). The latter “law” forbade the construction of sawmills, mills and other water-powered enterprises without the landowner’s consent. Although the “rights” of landlords to mills and water were abolished in 1863, in fact, they existed for a long time (Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3, opys 2, nr. 194, 198).

The government policy of the Austro-Hungarian Empire aimed at inhibiting the development of Northern Bukovyna found support among local (Bukovinian) landlords. Guided by selfish class interests, the landlords did not want peasants to move to industrial work, as this could lead to a rise in wages of agricultural workers. That is why expenditures on the industry in the regional (Bukovyna) budget occupied a secondary place, and a significant part of the budget, as well as government subventions, was aimed at supporting the landlord economy. In short, the landlords were interested in maintaining existing relations and limiting the industrial development of the region.

And yet, with the development of capitalism, Bukovyna was drawn into the system of the general Austrian market. Railway construction, which was carried out for 2 main reasons, that is, strategic reason and the export of raw materials from Bukovyna, immediately connected the Bukovyna region with the northern and western provinces of Austria-Hungary, Russia, Dnieper Ukraine and Romania. In particular, the railway between Lviv and Chernivtsi was built in 1869, and then extended to the Romanian border (up to Iasi) (Strelko, Pylypchuk & Berdnychenko, 2021, p. 47). The Chernivtsi-Novoselytsia railway, built in 1884, helped to strengthen economic ties with the Russian Empire.

A network of regional (local) railways in Bukovyna began to appear in 1880–1890s (Strelko, Pylypchuk & Pylypchuk, 2022, p. 149). During that period the following local railways were built: Hlyboka-Berehomet with Karapchiv-Chudei branch (now the village of Mezhyrichchya, Storozhynets district), Berehomet-Mezhybrody (Southern Bukovyna), Nepolokivtsi-Vyzhnytsia, Luzhany-Zalishchyky, and others. The length of the railways was constantly increasing from 117 km in 1881 to 592 km in 1913.

And yet the length of the railway lines in Bukovyna was 2–3 times less than in the central regions of Austria. Only the government's desire to detain the economic development of Northern Bukovyna can explain the slow construction of railways. Besides, the initiated railway construction was carried out solely for strategic reasons or in order to make better use of the region as a supplier of cheap raw materials and a market for the highly developed western provinces. As for the interests of the region itself, it was mostly driven by the desire of the landowners of Northern Bukovyna for enrichment. The interests of the local population were not taken into account. Here is what the Chernivtsi newspaper “*Ruska Rada*” wrote: “Think of who could take advantage of the railways, if not the landlords, who could take wood and crops and sell it at a large cost? Where these railways were built, if not at the landlord's property, making the landlords collect innumerable sums? And at whose expense were those railways built, if not peasant ones, because the region gave us three million kronas in taxes, of which more than half were made by peasant sweat blood” (*Ruska rada*, 1904, p. 4).

It is clear that the interests of entrepreneurs were intertwined with the interests of state authorities. For example, the government had its own shares in the joint-stock company of 2 new local railways (Luzhany-Zalishchyky and Nepolokivtsi-Vyzhnytsia), and its representative was one of the large Bukovinian landlords (Polek, 1908, p. 76). In 1904, the income of this company amounted to 1,434,950 kronas. By 1900, the length of railways in Bukovyna was only 486.2 km. In 1910, it reached 594 km, which was only 2.5% of the total Austrian network. There were 4.5 km of railways per 100 km of land in Galicia, 4.6 in Bukovyna, less than 3.0 in Transcarpathia, while it reached 9.8 in Lower Austria, 7.4 in Upper Austria, 9.8 in Moravia and 11.4 in Bohemia.

“The delay of railway construction in Northern Bukovyna had a double impact on the local industry, which, on the one hand, suffered from the lack of railroads, and on the other hand, weakened the competitive ability to inherit them due to its backward position. Small-scale handicraft production turned out to be in a difficult situation,” noted M. M. Kravets (Kravets, 1998, p. 19). There is another opinion about the construction of railways in Bukovyna: “The export of manufactured goods from the central Austrian provinces, enforced by the emergence of railways, significantly undermined local industry and handicrafts” (Shevchenko, 1980, p. 339). The number of artisans decreased, for example, from 5,646 in 1864 to 3,330 in 1880 (Volkspress, 1910, p. 1). Unable to withstand competition, more than 20 local businesses closed in the late 19th – early 20th century (Mitteilungen des statistischen, 1896, p. 5; Mitteilungen des statistischen, 1908, p. 5, 11, 57, 71).

In the development of capitalist industry, the main place was occupied by industries whose purpose was to develop rich raw material resources with a tendency to process them in the western provinces of Austria-Hungary and abroad. At that period, the manufacture of sawn timber was the leading branch of the Bukovinian industry. For instance, in 1902 there were 117 operating sawmills in Bukovyna, which employed 2,678 people (including 2,345 workers). The development of sawn timber manufacturing in Bukovyna was conditioned by the presence of large forests. However, high transportation costs had a very negative impact on the development of industry in Northern Bukovyna. For example, transporting timber from Bukovyna to Germany by rail was more expensive than transporting roundabout – through Galati, Odesa, the Black Sea, the Dardanelles, the Mediterranean Sea, the Atlantic Ocean or Belgium. What an absurd, but this is what Austrian government did. It was only after many petitions and complaints that the government was forced to make some concessions, and the transportation of timber from Northern Bukovyna to Germany became possible by rail (Gazeta polska, 1900, p. 2). For example, transporting one car of timber from Hungary to Vienna cost 52–140 kronas cheaper than from Bukovyna.

Conclusions.

By transforming Bukovyna into an internal colony of the Habsburg Empire, the Austrian authorities kept it in the position of a raw material appendage and a market for the industry of its central provinces. The tariff, customs, credit and tax systems introduced by the imperial government supported this process, acting in the interests of Austro-Hungarian capital.

Today it is well known that, although much has been done, much more could have been done for industrial development and for solving the peasant issue (the predominance of landless peasants was absolute, causing mass emigration), as well as for raising the secondary (and, consequently, higher) education for the natives of Bukovyna if the Austrian (and local) authorities had not indulged the selfish aspirations of the ruling elite (primarily German) and local land magnates. Fearing competition and striving to have cheap labor at hand, local landlords did not meet the vital needs of

the local population and industrialists or delayed the resolution of pressing issues for years and decades. In fact, this was common for other provinces and gave rise to centrifugal forces, which, in the end, were one of the reasons for the collapse of the Austro-Hungarian Empire.

Funding.

This research received no external funding.

Conflicts of interest.

The authors declare no conflict of interest.

References

- Agora, Z. (2022). Soldiers Fear during World War I – Continuity of an emotion culture. *West Bohemian Historical Review*, 12(2), 159–175. Retrieved from http://wbhr.cz/images/issues/WBHR_2022_2.pdf
- Avstro-Vengrija [Austria-Hungary]. (1899). *Voenno-statisticheskoe obozrenie vostochnyh oblastej: Chast', 1, Galicejskaja oblast' [Military-Statistical Review of the Eastern Regions: Part 1. The Galician Region]*. Sankt-Peterburg [in Russian].
- Baier, L. E. (1900). *Funfzig Jahre Viehzucht in der Bukowina*. Czernowitz [in German].
- Bukovinskie vedomosti [Bukovinian Gazette]*. (1895, March 12). p. 3 [in Russian].
- Bukovyna [Bukovyna]*. (1901, March 14). p. 2 [in Ukrainian].
- Bukovyna [Bukovyna]*. (1896, February 24). p. 5 [in Ukrainian].
- Bukovyna [Bukovyna]*. (1905, August 3). p. 2 [in Ukrainian].
- Bukovyna: Istorychnyi narys [Bukovyna: A Historical Outline]*. (1998). Chernivtsi: Zelena Bukovyna [in Ukrainian].
- Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3 Kraiove upravlinnia Bukovyny, opys 1, nr. 5392, ark. 1–2* [in Ukrainian]
- Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3 Kraiove upravlinnia Bukovyny, opys 1, nr. 68, ark. 13–16, 32, 83* [in Ukrainian]
- Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3 Kraiove upravlinnia Bukovyny, opys 1, nr. 5392, ark. 1–2* [in Ukrainian]
- Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3 Kraiove upravlinnia Bukovyny, opys 2, nr. 2980, ark. 5* [in Ukrainian]
- Derzhavnyi arkhiv Chernivetskoi oblasti, fond 3 Kraiove upravlinnia Bukovyny, opys 2, nr. 194, 198* [in Ukrainian]
- Die Österreichsh-ungarische Monarchie im Wort und Bild*. (1899). Bukowina, Wien [in German].
- Dilo [Matter]*. (1880, July 19). p. 3–4 [in Ukrainian]

- Domonkos, E., & Schlett, A. (2021). Financial reconstruction in Central and Eastern Europe after World War I: The case of Hungary. *West Bohemian Historical Review*, 11(2), 209–234. Retrieved from http://wbhr.cz/images/issues/WBHR_2021_2.pdf
- Fischer, E., & Zurkowski, L. (1899). *Die Bukowina*. Czernowitz [in German].
- Gabdulina, A. Zh., Turkhanova, A. Zh., Kurmanbayeva, L. T., & Abisheva, Z. R. (2022). The history of the construction of railways in siberia and the steppe (kazakh) region: The contribution of the merchants to the development of the railway line in the late XIX – early XX centuries. *Bylye Gody*, 17(2), 834–843. <https://doi.org/10.13187/BG.2022.2.834>
- Gazeta polska [The Polish Newspaper]*. (1900, July 19). p. 2
- Gazeta polska [The Polish Newspaper]*. (1901, September 5). p. 7
- Islamov, T. M. (1995). Krah Avstro-Vengrii i sudby Srednej Evropy [The Collapse of Austria-Hungary and the Fate of Central Europe]. *Rossiya i sovremennyy mir – Russia and the Contemporary World*, 1, 66–69 [in Russian].
- Kaindl, R. F. (1894). *Die Erwerbung der Bukowina durch Oesterreich*. Czernowitz [in German].
- Khonihsman, Ya. S. (1971). *Pronyknennia inozemnoho kapitalu v ekonomiku Zakhidnoi Ukrainy v epokhu imperializmu (do 1918 r.) [Penetration of Foreign Capital into the Economy of Western Ukraine During the Imperialist Era (up to 1918)]*. Lviv: Lviv University Publishing House [in Ukrainian].
- Oppengejm, K. A. (1920). *Rossiya v dorozhnom otnoshenii. Opyt kratkogo istoriko-kriticheskogo obozreniya dannyh, otnosyashisya do razvitiya putej soobsheniya v Rossii i parallelno v drugih vazhnejshih stranah [Russia in Transportation Terms: A Brief Historical and Critical Review of Data Related to the Development of Communication Routes in Russia and Comparatively in Other Major Countries]*. Moscow: 3rd State Printing House. Retrieved from <https://library6.com/books/149354.pdf> [in Russian].
- Kravets, M. M. (1998). *Narysy z istorii selianstva Pivnichnoi Bukovyny na pochatku XX stolittia [Essays on the History of the Peasantry of Northern Bukovina in the Early 20th Century]*. Vinnytsia [in Ukrainian].
- Kukurudziak, M. H. (1998). Stanovyshche zakhidno-ukrainskykh zemel u skladi monarkhii Habsburhiv (druha polovyna XIX – pochatok XX st.) [The Status of Western Ukrainian Lands within the Habsburg Monarchy (Second Half of the 19th – Early 20th Century)]. *Tvorchi vershyny vchenoho: Do 60-richchia vid dnia narodzhennia profesora M. H. Kukurudziaka – Scholarly Achievements: In Honor of the 60th Anniversary of Professor M. H. Kukurudzyak*. Kamianets-Podilskyi [in Ukrainian].
- Kul'chickij, S. (1963). *Razvitie zheleznodorozhnogo transporta na Ukraine v dorevolucionnyj period [Development of Railway Transport in Ukraine During the Pre-Revolutionary Period]*. (Ph. D. dissertation). Kiev [in Russian].

- Lytvynov, V. (1957). Robitnychy i selianskyi rukh na Bukovyni pid chas pershoi rosiiskoi revoliutsii 1905–1907 rr. 50 rokiv pershoi rosiiskoi revoliutsii [Workers' and Peasants' Movement in Bukovina During the First Russian Revolution of 1905-1907]. 50 rokiv pershoi rosiiskoi revoliutsii – 50 Years Since the First Russian Revolution. Lviv [in Ukrainian].
- Mitteilungen des statistischen Landesamtes des Herzogtums Bukowina. (1908). H.13, T.2. Czernowitz [in German].
- Mitteilungen des statistischen Landesamtes des Herzogtums Bukowina. (1896). H.3. Czernowitz [in German].
- Mitteilungen des statistischen Landesamtes des Herzogtums Bukowina. (1908). H.13. Czernowitz [in German].
- Shevchenko, F. P. (1980). *Narysy z istorii Pivnichnoi Bukovyny* [Essays on the History of Northern Bukovina]. Kyiv: Naukova Dumka [in Ukrainian].
- Polek, J. (1908). *Die Bukowina zu Anfang des Jahres 1901 in alphabetischer Darstellung*. Czernowitz [in German].
- Polek, J. (1900). *Die Vereinigung der Bukowina mit Galizien in Jahre 1786*. Czernowitz [in German].
- Polek, J. (1893). *General Spleny's Deutschreibung, Heraus gegeben von Dr. Czernowitz* [in German].
- Polek, J. (1904). Weinhandel und Weinbaum in der Bukowina. Czernowitz. Pardini [in German].
- Prister, E. (1952). *Kratkaja istorija Avstrii* [A Brief History of Austria]. Moscow: Foreign Literature Publishing House [in Russian].
- Pylypchuk, O., & Strelko, O. (2019). Work in the interests of rail transport: the second Minister of Railway Transport of the Russian Empire – Volodymyr O. Bobrinskyi (1869–1871). *History of Science and Technology*, 9(1(14), 19–32. [https://doi.org/10.32703/2415-7422-2019-9-1\(14\)-19-32](https://doi.org/10.32703/2415-7422-2019-9-1(14)-19-32)
- Pylypchuk, O., & Strelko, O. (2020). Count A. P. Bobrinsky (1826–1894), the third minister-reformer of railway management in the russian empire. *Analele Universitatii Din Craiova – Seria Istorie*, 25(1), 7–20.
- Rakovskyi, I. (Ed.). (1932). *Avstro-Uhorshchyna* [Austria-Hungary]. *Ukrainska zahalna entsyklopediia – Ukrainian General Encyclopedia* (Vol. 1). Lviv-Stanislav-Kolomyia: Ridna shkola [in Ukrainian].
- Ritter von Winiwarter J. M. (1826). *Darstellung der Organsation und Verwaltung des Konigreich Galizien und Ladomerien*. Lemberg [in German].
- Ruska rada. [Ruthenian Council]*. (1904, July 15). p. 4 [in Ukrainian]
- Sinha, N. (2021). Histories of transport and communication in South Asia: A first review. *The Journal of Transport History*, 42(1), 142–169. <https://doi.org/10.1177/0022526620971461>
- Strelko, O., & Pylypchuk, O. (2021). Analysis of Klavdii Semyonovich Nemshaev's activities as the Minister of Railways of the Russian Empire. *History of Science*

- and Technology*, 11(1), 233–261. <https://doi.org/10.32703/2415-7422-2021-11-1-233-261>
- Strelko, O., & Pylypchuk, O. (2021). Apollon Konstantinovich Krivoshein: The last railway minister of the Russian Empire in the era of Emperor Alexander III. *West Bohemian Historical Review*, 11(1), 1–23. Retrieved from http://wbhr.cz/images/issues/WBHR_2021_1.pdf
- Strelko, O., Pylypchuk, O., & Berdnychenko, Yu. (2021). Creation and operation of main railways in Bukovina. *Plural.History.Culture.Society*, 9(1), 26–47. https://doi.org/10.37710/PLURAL.V9I1S_3
- Strelko, O., & Pylypchuk, O. (2021). Characteristics of unpaved roads in the late 18th century – early 19th century, and the design of the first wooden trackway as a forerunner to the Bukovyna railways. *History of Science and Technology*, 11(2), 437–452. <https://doi.org/10.32703/2415-7422-2021-11-2-437-452>
- Strelko, O., & Pylypchuk, O. (2021). Economic aspects of the creating and functioning of regional railways in Bukovyna in the second half of the 19th – early 20th centuries. *Analele Universitatii Din Craiova – Seria Istorie*, 26(2(40)), 29–45. Retrieved from http://www.istoriecraiova.ro/wp-content/uploads/2021/12/03_Intreaga-aparitie.pdf
- Strelko, O., Pylypchuk, O., & Pylypchuk, O. (2022). Study of development of regional railway system in Bukovyna. *History of Science and Technology*, 12(1), 133–149. <https://doi.org/10.32703/2415-7422-2022-12-1-133-149>
- Volkspress*. (1910, January 1). p. 1 [in German].
- Wasilko, N. (1901). *Rechenschafts-Bericht der Abgeordneten Nikolai Wassilko uber seine Thätigkeit im Reichsrathe und Landtage in den Jahren 1898 bis incl. 1900*. Czernowitz [in German].
- Zhaloba, I. (1990). Rozvytok zaliznychnoi merezhi na Bukovyni u druhii polovyni XIX – na pochatku XX st. [Development of the Railway Network in Bukovina in the Second Half of the 19th – Early 20th Century]. In *50 rokiv Vozziednannia Pivnichnoi Bukovyny i Khotynskoho povitu Bessarabii z Radianskoiu Ukrainoiu u skladi SRSR. Oblasna istoryko-kraieznavcha naukova konferentsiya «50 rokiv Vozziednannia Pivnichnoi Bukovyny i Khotynskoho povitu Bessarabii z Radianskoiu Ukrainoiu u skladi SRSR» – [Regional Historical and Local Lore Scientific Conference «50 Years of the Reunification of Northern Bukovina and Khotyn County of Bessarabia with Soviet Ukraine as part of the USSR»]* (pp. 33–35). Chernivtsi [in Ukrainian].

Олег Стрелко

Державний університет інфраструктури та технологій, Україна

Юлія Бердниченко

Державний університет інфраструктури та технологій, Україна

Буковина як частина Австро-Угорської імперії та її соціально-економічний розвиток напередодні будівництва залізниці

Анотація. Дана стаття досліджує, як соціально-економічні умови в Буковині вплинули на формування та розвиток залізничної мережі в Австро-Угорській імперії. Авторами статті досліджено, чи відповідали ці процеси світовим тенденціям того часу. На основі аналізу наукової літератури, мемуарів та архівних матеріалів виявлено, що тема формування та функціонування залізничної мережі на Буковині не була систематично досліджена. З'ясовано, що австрійська влада, перетворивши Буковину на внутрішню колонію Габсбурзької імперії, утримувала регіон в положенні сировинного додатку та ринку збуту для промисловості центральних провінцій імперії. Впроваджені урядом Габсбурзької імперії тарифні, митні, кредитні та податкові системи підтримували цей процес, діючи в інтересах Австро-Угорського капіталу. Розбудова залізничної мережі була спрямована на забезпечення економічних інтересів імперії, що вплинуло на соціально-економічний розвиток Буковини. Зокрема, будівництво залізниць сприяло поліпшенню транспортної інфраструктури, що призвело до активізації торгівлі та збільшення обсягів перевезень сировини та товарів. Однак цей розвиток мав двосторонній характер. З одного боку, він сприяв економічному зростанню та модернізації регіону, але з іншого – посилював залежність Буковини від центральних провінцій Австро-Угорської імперії, обмежуючи її економічну самостійність та розвиток місцевої промисловості. Авторами статті також проаналізовано вплив залізничного будівництва на соціальні аспекти життя населення Буковини. Встановлено, що залізниця стала важливим чинником міграції, сприяла урбанізації та зростанню чисельності робітничого класу. Однак водночас зростала соціальна напруга, пов'язана з нерівномірним розподілом економічних благ та посиленням експлуатації місцевого населення Буковини. Висновки статті підкреслюють необхідність подальших досліджень для повного розуміння впливу залізничного розвитку на Буковину в контексті Австро-Угорської імперії та порівняння з аналогічними процесами в інших частинах світу.

Ключові слова: залізниці Буковини; Австро-Угорська імперія; транспортна мережа; панування Габсбургів; Чернівці

Received 09.12.2023

Received in revised form 21.03.2024

Accepted 27.03.2024