THE ECONOMIC POLICY OF THE HABSBURGS IN TRANSYLVANIA IN MID-NINETEENTH CENTURY. SIGNIFICANCE AND EFFECTS OF THE INTRODUCTION OF TELEGRAPH

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Abstract: This study comes to expand the consideration formulated by the author on the issue of the introduction of telegraph in Transylvania several years ago. Basically, the field of telegraphy, along with that of railways, was one of the most thoroughly regulated industries, as in the majority of cases it was exclusively supported by the State. In this context, the analysis of legislation pertaining to the field may provide examples that show the full extent of the State’s involvement in telegraphy. One can state, in the case of Transylvania too, that in a first phase, the State promoted a legislation that provided the framework for the construction and extension of telegraph lines. A second phase of state interventionism in this direction was characterized by successive measures meant to reduce tariffs and improve service quality, along with other severe measures to protect lines through heavy punishment against attempts to destroy the lines, manipulate messages improperly or disregard the secrecy of correspondence, etc. On the background outlined above, Transylvania was also connected to the telegraph network of the Habsburg Monarchy. The introduction of the telegraph in Transylvania was firstly determined by administrative necessities and, at a secondary level, by economic considerations. Therefore, examining the significance of economic policies of the Austrian State in Transylvania in the period 1850-1867, one notices that at this level, just as in the case of other indicators under study, the State acted through an interventionist policy manifested, as in the field of legislation, directly and effectively in a domain that produced concrete effects at the level of administrative and economic life, measurable at various levels.

Keywords: History of Telegraph, Transylvania, Modernization, Habsburg Monarchy

One of the most remarkable technological inventions of the nineteenth century, the telegraph, also known as “the internet of the nineteenth century,” brought about a fundamental change in the field of information circulation and distance communication. Compared to the ways in which oral, written or printed information had been used before its invention, the telegraph offered the possibility of sending information without the need of having a printed material or an
individual carrier travel in space. A second essential novelty brought by the telegraph consisted in the speed of communication – that is of transmitting information at a distance. The extension of telegraph and the inter-connection of various regions determined, first of all, the possibility of taking decisions at a distance, in real time, in economy, in politics and especially in administration. Thus, the relationship between the extension of telegraph and the unification of administration and territorial integration was quite conspicuous and significant in the states and empires that extended over a vast territory but also in the case of the German States, for instance. Under these circumstances and even more obviously than in the case of railways, the involvement of the State in the construction of telegraph lines was a priority. Moreover, the State intervened in the regulation of policies in the field of telegraphy, even in countries where telegraph lines were built and extended by private companies’ initiative, along with private railways. Basically, the field of telegraphy, along with that of railways, was one of the most thoroughly regulated industries, as in the majority of cases it was exclusively supported by the State. In this context, the analysis of legislation pertaining to the field may provide examples that show the full extent of the State’s involvement in telegraphy. One can state, in a majority of cases, that in a first phase, the State promoted a legislation that provided the framework for the construction and extension of telegraph lines. A second phase of state interventionism in this direction was characterized by successive measures meant to reduce tariffs and improve service quality, along with other severe measures to protect lines through heavy punishment against attempts to destroy the lines, manipulate messages improperly or disregard the secrecy of correspondence, etc. As in most cases telegraphy was State monopoly, the authorities were naturally concerned with assuring the priority of administrative messages over private ones.

Just like railways, telegraph networks meant significant costs for the State in terms of lines maintenance and personnel – the staff had to have the necessary competences and work accurately in delivering messages. One must also mention the situation of the regions where several languages were spoken and where functionaries had to possess the necessary linguistic skills. Sates, however, quickly adapted to these requirements firstly because the efficiency and functionality of

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5 About the role of public policies in the economy and society of the 19th century and their correlation with the norms and principles of individual liberties: James Willard Hurst, Law and the Conditions of Freedom in the 19th Century US, University of Wisconsin Press, 1964.
this type of communication could not be obtained without coordination, also at international level of policies in the field. From this point of view, it is quite significant that the telegraph contributed substantially to the harmonization and unification of state policies in the field although, in order to reach this goal, political decisions, treatises and international deals were necessary, in a diplomatic environment that was rarely quiet.

On the other hand, however, the extension of telegraph not only accelerated the transfer of information but contributed significantly to the homogenization of international economy and politics. Undoubtedly, the most visible effect occurred at the level of financial and monetary transactions; the values and exchange rates of payment instruments, of securities as well as prices lost their local character and witnessed an obvious tendency towards unification. The telegraph provided in these fields the true premises necessary for a greater transparency, firstly through the appearance of specialized publications issued regularly that reflected and pursued the mechanisms of price and tariff formation – aspects to which the telegraph contributed decisively through its capacity of transmitting information in almost real time. Although it appeared in the forties of the nineteenth century, the telegraph truly extended in Europe in the 1851-1860 decade.

The political military events triggered by the Crimean War at continental scale in Europe and especially in its central-eastern part, determined a rapid extension of networks; such extension was demanded by political-military needs and especially by the conviction of decision factors regarding the usefulness and advantages of such a means of communication under the circumstances. One witnesses therefore, in the sixth decade of the nineteenth century, the second and more substantial stage of development of the European telegraph network. That same period marked the beginning of a voluntary cooperation regarding telegraph services, including the regime of inter-connection and use of lines and of unifying tariffs.

Another important moment in the history of the telegraph was represented by the year 1865 when 20 states reunited at the Conference in Paris agreed on the international exploitation of telegraph lines: connections among major European cities, defense standards, mutual obligations between the senders and recipients of messages. At the same time, the introduction of the Morse code was decided, this latter aspect being actually the most significant step towards the true unification and internationalization of telegraph services. On the other hand, the creation of codification systems for the transmission of messages created the premises for the

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7 M. Siefert, *op. cit.*, p. 88 sqq.
protection of sensitive information and a greater confidence in the use of telegraph for political-diplomatic purposes. Moreover, the foundation of the International Telegraph Union marked the appearance of the first organization for the international coordination of technology and communication. At the same time, French and German were internationally acknowledged as the languages for the international transmission of messages and the fact that English was not granted this status is due to the fact that Great Britain and USA failed to adhere to the International Telegraph Union, the networks in those countries being operated by private companies.

On the background outlined above, Transylvania was also connected to the telegraph network of the Habsburg Monarchy. The introduction of the telegraph in Transylvania was firstly determined by administrative necessities and, at a secondary level by economic considerations. Being a peripheral province, relatively remote from the decision centers in Vienna, lacking railway connections, the easternmost province of the Habsburg Empire was difficult to integrate in the decisions of central administration that undoubtedly intended to unify, render efficient and especially to quickly impose political-administrative and economic decisions. Under these circumstances, the State obviously assumed the most important role in the extension of the telegraph network in this region, too. The plans for introducing the telegraph in Transylvania were devised immediately after 1850, the province being about to be integrated into the so-called “Eastern Network” (Ostliche Richtung), but the Crimean War was the one that contributed decisively to Vienna’s decision of introducing the telegraph in Transylvania\(^9\). At the moment when that decision was taken, the Habsburg Monarchy already had 670 miles of telegraph lines and the growth rate was quite high for the field\(^10\). In the year 1853 Timișoara/Temeswar was connected to the telegraph network and in the following year, considered as a boom year for the 1851-1860 decade in the field, the line Timișoara – Timișul de Sus was built, through Sibiu/Hermannstadt and Brașov/Kronstadt, totaling a length of 59 Austrian miles\(^11\). In the very same year were built other major lines among which Lemberg/Lvov – Cernăuți/Cernowitz having a length of 39 miles\(^12\). A new stage occurred in 1856, when the lines Püspök Ladány – Oradea/Grosswardein, Timișoara – Arad and Brașov – Cluj/Klausenburg were completed, among others. Thus, at the level of the year 1856, the total length of telegraph lines in


\(^12\) *Ibid.*
Transylvania amounted to 52.9 miles (403.46 km)\textsuperscript{13} thus connecting the important cities of the province. The second stage – that of the seventh decade of the nineteenth century – marked the connection of smaller towns and localities.

Since those very years, just as important to the Vienna administration was the connection of the imperial network to the network of neighboring states. After sustained efforts, especially in the period 1854-1857, Vienna became the core of the telegraph network that provided connectivity with virtually all provinces plus 21 stations connecting with neighboring countries\textsuperscript{14}. In 1855 Vienna as the focal point was connected by telegraph network in all directions and all its provinces and of course with neighboring countries: to the north were the links with the provinces of Czech, Moravian and resorts around Prague, north-east were connected regions in Galicia and Bukovina to the borders with Russia, south-east are interconnected by lines over which became the second big junction where the lines went to Transylvania, Arad, Timisoara, Orsova and to Serbia, south-east with other Italian provinces of Lombardy, to the west of Bavaria and other German states.

Once built with remarkable swiftness, these lines generated additional issues to deal with, important issues that had to be considered by the State, their exclusive administrator, such as: their administration and pricing policies in the field, the latter aiming at rendering the telegraph service affordable to large categories of users.

The legislation promoted by the state in the field of telegraphy pursued several important aspects such as the effective administration of lines, their protection, the control of prices, as well as measures regarding prioritization and safety in sending and receiving messages.

One of the most important aspects the State had to deal with was the organization and administration of the telegraph service. From the very beginning, at the level of the Empire, telegraph services were placed under the authority of the Ministry of Industry, Commerce and Public Works; in this sense, a General Direction for Communications was established\textsuperscript{15}. A detailed regulation was achieved in 1856 when, by the Ordination of the Ministry of Commerce and Public Works, the telegraph service was reorganized and unified at the level of the entire Monarchy\textsuperscript{16}. According to legislation, the telegraph service was declared state monopoly and the above mentioned ministry was the only institution authorized to determine and

\textsuperscript{13} \textit{Ibid.}, p. 452-454. At that time in Danube Monarchy was used „Austrian land mile“ (known as Postmeile, Landesmeile). 1 Austrian mile = 7.5859 km.

\textsuperscript{14} \textit{Ibid.}, p. 455.

\textsuperscript{15} Österreichische Staatsarchiv/Allgemeine Verwaltungsarchiv, Ministerium des Innern, Karton no. 150, no. 8315/1850. (infra: AVA, Mdl, Ktn...).

\textsuperscript{16} Allgemeines Reichs-, Gesetz- und Regierungsblatt für das Kaiserthum Österreich no. 38, 1856, Stück 152, p. 536-543 (infra: RGBl no...).
approve the location of lines and stations. Moreover, the State was the one to provide most of the materials necessary for the construction and maintenance of lines. For instance, in 1854 when the Timişoara – Sibiu line was built, the incumbent Ministry in Vienna ordered that the necessary sums be allotted from the Transylvanian fund for road building whereas poles were provided for free from State forests – thus only their processing and transportation were paid for\textsuperscript{17}.

Regarding the employees the ministry also had discretionary power in terms of functionary appointment. The administrative personnel in charge with the telegraph service was quite complex: in the highest position was a Director General, appointed by the Emperor. Subordinated to him were inspectors, commissioners, and administrators of telegraph stations\textsuperscript{18}. In order to illustrate the complexity of the telegraph service at the time, we mention that at the level of each telegraph station there were two departments: administrative and technical. According to the same regulations of 1856, the administrative department was in charge with communication with internal and external telegraph services, provided the necessary qualified personnel, and dealt with all current administrative issues.

The technical department dealt with the building, maintenance and surveillance of lines. Article 15 of the Ordinance established the types of telegraph stations, namely main ones, secondary and those of local interest. Just like the stations in Vienna, Pesta, Prague, the Timişoara or Brașov stations, for instance, were considered main stations, being therefore served by a larger number of functionaries compared with intermediary or secondary stations.

In such cases there were two superior clerks. Station administrators were given salaries ranging between 900-1,100 florins and free accommodation, whereas a main telegraphist was paid 700-800 florins/year\textsuperscript{19}, that is a quite reasonable income related to the salaries and prices of the time\textsuperscript{20}. Besides specific obligations stipulated by regulations, the administrators of telegraph stations had to deposit the proceeds in the regional pay offices whenever 500 florins accumulated in main stations or 100 florins in secondary stations. Additionally, at the end of each month, the station administrator had to submit the protocol of messages and all receipts to the Telegraph Inspectorate they belonged to\textsuperscript{21}.

\textsuperscript{17} Magyar Országos Levéltár (infra: MOL), Budapest, F 258 Militär- und Civilgovernment Statthalterei Siebenbürgen 1849-1861, Fase.93/1854, no. 6556/1002/1854, f. 35-36.
\textsuperscript{18} RGBl, no. 38, 1856, Stück 152, p. 536-543.
\textsuperscript{19} AVA, MdI, Ktn 150, no. 8965/1850.
\textsuperscript{21} RGBl, 38, 1856, p. 540.
One of the aspects of maximum importance at the time and a difficult task to accomplish was to assure the security of messages and the protection of telegraph lines. If in the first case the regulations for the safe-keeping of the secrecy of correspondence were very explicitly formulated and observed by functionaries under the threat of severe penalties, the second aspect, of the integrity of lines, was quite difficult to control, especially in isolated areas, with low population density. The 1856 law also regulated the issues of telegraph lines security that fell under the jurisdiction of the Gendarmerie and other public order institutions and also of the so-called “line surveillants”\(^{22}\). Where lines were deployed along main roads, their security was provided by road surveillance personnel, just as in the case of lines running along railways. Their safety fell under the jurisdiction of specialized railway personnel, specially appointed to deal with such issues. In order to deter actions against the integrity of the lines, severe punishment was stipulated for any attempt to destroy telegraph lines (poles, isolation, conductors, etc.). Thus, the 1852 law punished relatively minor damages with imprisonment from six months to one year, and major ones with imprisonment of up to five years\(^{23}\). Despite severe punishment, there were often cases of destruction of and damages to telegraph lines, in Transylvania too. Authorities acknowledged their existence and remarked that the surveillance of lines was difficult due to long distances, lines often running through uninhabited and inaccessible areas\(^{24}\). Undoubtedly, the severity of punishment contributed to maintaining the situation under control and to keeping lines functional making us believe that the authorities’ measures bore fruit in this respect since in the period 1859-1861 few incidents regarding the integrity of telegraph lines in Transylvania were reported\(^{25}\).

As stated before, in the Habsburg Monarchy the telegraph was a State business but despite the lack of competition in the field there was a constant preoccupation with the gradual reduction of prices. This policy belongs to the range of measures taken by the Austrian State in order to improve and extend the telegraph service, making it available to an ever larger category of users.

Indeed, if one is to have a look at the evolution of telegraph prices in Transylvania in the period 1850-1870 one notices a quite spectacular drop along with an increase of telegraph traffic.

In 1850 the telegraph service could be considered as prohibitive for the majority of population as a simple message\(^{26}\) cost between 1 and 8 florins depending

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\(^{22}\) Art. 20 of the law, in Ibid.

\(^{23}\) MOL, F 238, no. 6724, f. 51-51; RGBl, XI, 1852, p. 143-144.

\(^{24}\) MOL, F 258, Csomó 1468 Facs.56/1856, no.6417/1857; also 3883/1857; 12481/ 1858.

\(^{25}\) AVA, Mdl, Ktn 150/1849-1869, no. 2342/1861.

\(^{26}\) According to the regulations of the time, a simple message contained maximum 20 words, and since 1853 -25 words.
on the distance whereas in the same period, a simple letter cost 0.30 – 0.90 florins. The decade 1851-1860 is marked by a sustained policy of inter-connection of the telegraph service in the Austrian Monarchy to the ones in European states: thus, in 1851 no less than three treaties were concluded in this respect with Belgium, Modena, Parma; the next step was the establishment of a common telegraph space with Bavaria, Prussia and Saxony through the extension of the 1851 Treatise, thus extending at a very large level the facilities offered by telegraph services to both public authorities and individuals. In the period 1848-1856, Austria concluded no less than 19 telegraph treaties. Of course, other inter-connection treaties followed such as the one with Turkey in 1857, with Switzerland in 1852 and 1859, or with Russia in 1860, all of them concluded in the spirit of a voluntary cooperation in the field, springing mainly from the acknowledgement of the importance of advantages and efficiency this new acquisition of universal technology brought along in the middle of the nineteenth century.

Then, beginning with the end of 1858 and especially in the period 1860-1870, a series of reductions of tariffs for telegraph services followed throughout the Empire (see the table below).

<table>
<thead>
<tr>
<th>Tariff zones (Austrian miles)</th>
<th>1850</th>
<th>1858</th>
<th>1865</th>
<th>1870</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple messages 1-20 words</td>
<td>1.00</td>
<td>0.60</td>
<td>0.40</td>
<td>0.40</td>
</tr>
<tr>
<td>Simple messages 1-25 words</td>
<td>2.00</td>
<td>1.20</td>
<td>0.80</td>
<td>0.60</td>
</tr>
<tr>
<td>Simple messages 1-40 words</td>
<td>3.00</td>
<td>1.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simple messages 1-45 words</td>
<td>4.00</td>
<td>2.40</td>
<td>1.20</td>
<td>0.80</td>
</tr>
<tr>
<td>Simple messages 1-70 words</td>
<td>5.00</td>
<td>2.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simple messages 1-100 words</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


A significant reduction of tariffs was recorded in 1858 when the price for sending a simple message lowered for the first zone (1-10 miles) from 1.00 florin.

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28 RGBl, X, 1854, p. 129-130.
to 0.60 florins), and for zone II from 2 florins to 1.20 florins\textsuperscript{29}. A new reduction came into force starting with October 1, 1863 when a simple message for tariff zone I did not cost more than 0.40 florins or 0.50 florins respectively for zone II, now extended to 10-45 miles\textsuperscript{30}, therefore a reduction by 60\% compared to the previous decade. Tariff reductions continued over the period 1865-1870 through at least two more lowering measures in 1865 and 1870 when, by the ordination of the Ministry of Commerce of June 29, 1870 tariff zone I of 1-25 mile had a tariff of 0.40 florins for a simple message\textsuperscript{31}.

Analyzing their evolutions at an even more concrete level by taking the example of sending a simple message between Sibiu and Cluj (approximately 22 Austrian miles) one can get an idea of the reduction of telegraph tariffs occurring between 1850-1870. Thus, if in 1850 a simple message would have cost 2 florins (although the respective line did not exist at the time), in 1863 for the same service 0.80 florins were required and in 1870 only 0.40 florins, therefore a reduction to less than 25\% of the value of the year 1850. If we go on with our comparison, and consider the fact that in 1850 sending a simple message from Sibiu to the capital, to Vienna, under the circumstances of a distance of about 106 miles, cost no less than 6 florins, the same service in 1865 did not cost more than 1.20 florins, being therefore 5 times cheaper compared to 1850 – a quite spectacular drop no matter how we look at things\textsuperscript{32}.

The measures of the State concerning the extension and affordability of telegraph services did not concern only the regulation of internal tariffs. They also targeted international telegraph services as well as the significant extension of its public usefulness. In this sense one must understand the Ordinance of the Ministry of Commerce and Economy of October 16, 1865 stipulating that the new tariff of the Austrian-German Telegraph Convention be later applied both internally and internationally\textsuperscript{33}.

Another measure that contributed significantly to the extension of the telegraph service at the level of the entire Habsburg Monarchy was the one taken on October 17, 1869 regarding the tax exemption of messages sent in the interest of the State\textsuperscript{34}. According to the International Telegraph Treatise signed in Vienna on the twenty-first of July 1868, state messages were considered those given by the Imperial House and its members, by ministers, high officials, diplomats, consular agents, as well as the telegrams of other public services. Official messages were also considered the messages sent by the central Vienna station to internal

\textsuperscript{29} Tariffs in 1858: RGBl, XLII, Stück 186., p. 571-572.
\textsuperscript{30} Tariffs in 1863: RGBl, XXXV, 1863, p. 327.
\textsuperscript{31} RGBl, XXXIII, Stück 87, p. 182.
\textsuperscript{32} Values have been calculated according to the above quoted tariffs.
\textsuperscript{33} RGBl, XXXVII, Stück, 136., p. 380.
\textsuperscript{34} RGBl, LXVII; Stück, 159., p. 562-563.
telegraph stations, those communicating stock-exchange quotes; messages sent from the Vienna central station on Wednesday and Saturday regarding the cereal market; the messages of the lottery system meant to announce winning numbers; those of the meteorological service, according to the International Treatise of July 21 1868, including similar international services. Similarly, all emergency messages in case of natural disasters, fires, railroad accidents, etc. were free of charge\textsuperscript{35}.

These were, broadly speaking, the policies of the State regarding the telegraph in the period 1850-1870. As in other fields where state interventionism was a constant throughout the period, the transformation at market level were numerous and profound. Although it was a service belonging exclusively to the State, and authorities prioritized administrative messages over private ones, the Telegraph Service won numerous private users from its very beginnings. Revealing in this respect is the statistical data referring to Transylvania. Without attempting a quantitative annual analysis that presents little interest to this study we will refer comparatively to the level of the year 1854 and the beginning of the seventies of the nineteenth century.

The year 1854 represented the penetration of telegraph in Transylvania. In that year, the number of messages sent and received did not amount to more 5-6,000, most of them with administrative and official character, if we consider that, for instance, at the level of Sibiu, temporary capital of Transylvania in that decade, in 1854 a total number of 3,193 messages were sent/received from among which 2,344 were official ones and only 849 were private\textsuperscript{36}.

The evolution of Telegraph network and traffic (selective 1856-1877)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of telegrams</th>
</tr>
</thead>
<tbody>
<tr>
<td>1856</td>
<td>5,000-6,000…</td>
</tr>
<tr>
<td>1871</td>
<td>476,118</td>
</tr>
<tr>
<td>1872</td>
<td>513,109</td>
</tr>
<tr>
<td>1873</td>
<td>516,600</td>
</tr>
<tr>
<td>1874</td>
<td>428,249</td>
</tr>
<tr>
<td>1875</td>
<td>396,089</td>
</tr>
<tr>
<td>1876</td>
<td>440,267</td>
</tr>
<tr>
<td>1877</td>
<td>471,835</td>
</tr>
</tbody>
</table>

Sources: Tafeln… 1855, Tafel 11; Bericht, 1878, p. 374.

\textsuperscript{35} Ibid.
\textsuperscript{36} ***Ergebnisse der Privat- und Staats Corespondenz mittelst der Staats Telegraphen im Verwaltungs Jahre 1854, Wien 1855, p. 111-112.
The economic Policy of the Habsburgs in Transylvania in the mid-19th Century

Therefore, examining the significance of economic policies of the Austrian State in Transylvania in the period 1850-1867, one notices that at this level, just as in the case of other indicators under study, the State acted through an interventionist policy manifested, as in the field of legislation, directly and effectively in a domain that produced concrete effects at the level of administrative and economic life, measurable at various levels37.

<table>
<thead>
<tr>
<th>Name of the city</th>
<th>Delivered Private telegrams</th>
<th>Delivered State telegrams</th>
<th>Received Private telegrams</th>
<th>Received State telegrams</th>
<th>Number of employers in the telegraph station</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brașov/Kronstadt</td>
<td>18,514</td>
<td>346</td>
<td>17,918</td>
<td>669</td>
<td>20</td>
</tr>
<tr>
<td>Cluj/Klausenburg</td>
<td>20,130</td>
<td>475</td>
<td>21,144</td>
<td>475</td>
<td>14</td>
</tr>
<tr>
<td>Sibiu/Hermannstadt</td>
<td>12,050</td>
<td>1,821</td>
<td>16,222</td>
<td>1,399</td>
<td>8</td>
</tr>
<tr>
<td>Târgu Mureș/Neumarkt</td>
<td>9,804</td>
<td>206</td>
<td>8,787</td>
<td>297</td>
<td>3</td>
</tr>
<tr>
<td>Sighișoara/Schäßburg</td>
<td>2,951</td>
<td>95</td>
<td>2,779</td>
<td>181</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Bericht..., 1878, p. 376-377.