The Economic Causes of Emigration from Croatia in the Period from the 1880's to the First World War

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Emigration from some parts of Croatia reached massive proportions already in the eighties of the previous century. At that time Croatia was within the Austro-Hungarian monarchy but territorially and politically it was divided into: the Banate of Croatia (Banska Hrvatska) with Slavonia, Dalmatia and Istria. During the middle of the period observed, that is in 1890, it had a population of over 3 million residents (Croatia and Slavonia 2,201,927; Dalmatia 527,426 and Istria 317,610).¹ It has been estimated that towards the end of this period, that is in 1914, (emigration almost completely stopped during the 4 war-years) emigration from Croatia reached over one half million individuals. It should be emphasised that this was a period of intensive emigration from other European countries to the »New World«, so that the emigration from our regions was a component of the European transcontinental migrations.

The prevailing opinion is that difficult economic conditions were the main causes for emigration from Croatia. In fact the causes are various and in some cases they differ between individual portions of the country. Emigration began first in Dalmatia, where it also first reached massive proportions. The Dalmatian economy in the past century developed slowly and with difficulty. The situation did not improve even after the completion of the national renaissance.² Instead, Dalmatian economy in the following period was shaken by a few crises. The causes for the slow economic development lie in the inability to move economic activities towards the accumulation of capital, necessary for the initiation of important economic flow. The lack of initial capital heavily affected Dalmatia because without

² The end of the national rebirth in Dalmatia is considered to be related to the period when the National Party (Narodna stranka) won over the autonomist Ante Bajamonti in Split in 1882.
it development of a maritime economy (ship building, ports, rail and road connections with the hinterland), as a carrier of the total economic development, was not possible. Since it was not possible to raise capital in Croatia, it had to be imported from abroad. For this it was necessary to have political power, which Dalmatia did not have. For the Monarchy, this region was only interesting from a military-strategic point of view and it tried to keep it as such.

During this period Dalmatia was a typically agricultural region. Of 527,426 residents in 1890, even 86.12 percent were involved in agriculture. In mining, crafts and trade there were 4.58 percent, 2.58 percent in intellectual professions, while the remainder composed 2.64 percent. There was a large number of farmers for the small amount of workable land, so holdings were highly fragmented. According to statistics from 1902, 61.52 percent of farmsteads were smaller than 2 hectares, 25.84 percent were 2 to 5 hectares, and only 8.86 percent were from 5 to 10 hectares. Amongst the regions in the Monarchy, Dalmatia ranked first in the percentage of farmsteads up to 2 hectares in size and last in the percentage of farmsteads larger than 10 hectares. The larger farmsteads, which could develop a capitalistic method of production, were almost insignificant. Altogether 2.69 percent of the farmsteads were of a size of 10 to 20 hectares, and farmsteads between 20 and 50 hectares were less than 1 percent of the total. But on these larger farmsteads there was no capitalistic production. The large land owners gave the land into lease to smaller holders, who paid the owner rent in kind. In this sort of relationship (tenant farming system) the owner was not particularly interested in the improvement of production. In addition, the owners of the larger farmsteads in Dalmatia had other sources of income at this time. Many of them were primarily traders, who invested the capital acquired from trade in the purchase of land, which they gave to their tenant farmers to cultivate. On these fragmented parcels the main crop were grape vines. This was especially true for the islands and the areas close to the sea. Due to a lack of plowland a self-sufficient rural economy could not develop, so the farmers satisfied their basic needs through purchases. Therefore, the state of the sale of wine was very important to them. It was therefore an opportunity and predicament for a great deal of the families in Dalmatia. In times of good harvests and sales, the wine-bearing regions achieved marked prosperity, while in periods of crisis there was an immediate threat of starvation.

Massive emigration from the Banate of Croatia and Slavonia began somewhat later, in the 1890's. Politically this period was marked by the rule of Ban Khuen Hedervary (1883-1903) whose primary economic task was to prevent the economic development (of Croatia) in the interest of the domestic (Hungarian)

Povijest, p. 319.
Ibid., p. 326.
Avery picturesque description of life in Dalmatian villages during the period of prosperity and crisis and of the emigration as a result of the latter, was given by Vice Misurac in his book Poem of the Poverty and Misfortune of the Dalmatian Farmer and Life in Western Australia (Sibenik, 1912).
Croats was especially stricken by its unfavourable financial position which was a result of the Nagodba of 1867. That is, of all of the direct and indirect taxes paid in Croatia, 45 percent remained to cover independent operations while 55 percent went for joint projects and was spent «almost exclusively on investment in Hungary and the advancement of the economic development in the interest of the Hungarian ruling class».¹ In the year 1890 the structure of the residents of the Banate of Croatia by occupations was as follows: 84.64 percent were involved in agriculture, 8.39 percent in mining, crafts and industry, 2.35 percent in trade, banking and transportation, 1.94 percent in intellectual occupations and 2.68 percent in other occupations.

Due to the lack of investment in industry the cities developed slowly. In 1910 there were 17 cities, of which only six had more than ten thousand residents. The largest were Zagreb (73,707), Osijek (28,505) and Karlovac (14,992) and amongst the cities were Petrovaradin (4,160), Senj (3,293) and Bakar (2,092). Such small cities had an adequate structure of crafts and industrial companies. In 1900, there were 38,215 in Croatia and Slavonia. This is an impressive number unless analysed. Analysis reveals that 26,320 or 68.87 percent of such «companies» did not have even a single employee. Instead the craftsmen worked with their own resources. The largest category was of «companies» employing 1 to 2 persons (9,355 «companies») and the smallest was of those (2,105) that employed over 20 workers. That year in Croatia and Slavonia, only 41,786 individuals employed had the status of workers. Amongst them there were more craftsmen (23,189) than industrial (18,597) workers. The structure of the farmsteads in the Banate of Croatia was somewhat more favourable than in Dalmatia. Here there was almost equal participation in farmsteads of 2 hectares (33.9 percent) and of 2 to 5 hectares (33.0 percent). The total number of farmsteads in the Banate of Croatia was 407,403.

Capitalism in Istria was quicker to develop and therefore the emigration from it was lower than in Dalmatia and the Banate of Croatia. Here there were marked internal migrations, where the strong industrial centres at the edges of the peninsula (Trieste, Pula and Rijeka) accepted the excess agricultural population. The Monarchy especially invested in Pula as its military harbour, which in 1900 already had 36,000 residents. Rijeka became economically stronger especially after the Nagodba of 1867. The prime mover of development was the harbour economy and there was also development in industry and crafts. Even Istria was a predominantly agricultural region. In the year 1890, 73.84 percent of its residents were involved in agriculture. The farmsteads here were also fragmented. The greatest number of farmsteads were up to 2 hectares (43.35 percent) and 2 to 5 hectares (27.80 percent).

These are only the basic indicators of the economic situation in these Croatian lands. They unequivocally point to a rise in poverty (a category which Croatia led in the Monarchy) which is, as a rule, the main stimulator of emigration. But

¹Povijest, p. 125.
²The data that follows is taken from the work mentioned in Note 1.
during the time being analysed there were many more situations which worsened the economic position of the residents and with that immediately influenced emigration.

Even if Croatia was not densely populated, it can be assessed as being agriculturally overpopulated. That is, a large portion of the land was unusable for intensive farming and that means that there were a large number of residents living on the little remaining workable land. The Banate of Croatia had sixty residents per square kilometre and that was a few percentage points lower than in Hungary, and over 30 percent less than in the Austrian portion of the Monarchy. The densest population was in the Varaždin county (županija) - twice as much as the other portions of the Banate of Croatia, while the Lika-Krbava county was the most sparsely populated. Dalmatia had an even lower population concentration, but because of a pronounced unfavourable land structure there was agricultural overpopulation here as well, especially along the seacoast and on the islands. And in fact it is from these regions that emigration was the greatest. During this time period there were very few emigrants from the Dalmatian highlands. Regions of especially strong emigration were the central Dalmatian islands, especially Brač and Hvar. These were the only political districts (kotars) in Dalmatia, which in 1910 had an absolute fall in population. Brač in the previous decade had lost 955 residents or 3.41 percent and Hvar 1,349 residents or 5.90 percent of the population. If we take into consideration the natural growth of the population in that period, then there is a resulting lack of 7,800 residents. Almost all of them emigrated because the migration from Dalmatia to other regions of the Monarchy is negligible. Dalmatia was the seventh largest region in the Monarchy and composed 4.2 percent of its territory. However, in 1910 the population represented only 2.1 percent of the total.

Due to many circumstances (no wars, improvement in nutrition, better health care etc.) Croatia marked a very intensive natural population growth during this period. In the decade from 1880 to 1890 it was 15.53 percent. It is only because of this that the emigration did not bring about an absolute fall in population. However, that is why natural growth and actual growth are inconsistent and vary from country to country dependent on the time and intensity of the emigration.

The fact that emigration from the Banate of Croatia and Slavonia in the period from 1880 to 1890 did not reach a massive scale is best displayed by the statistic that the actual population growth was greater than the natural growth by one percent. During the same period, the actual growth of the population in Dalmatia was 2.9 percent lesser than the natural growth. The last pre-war census year

9 According to a categorisation from 1913 which will be mentioned later, amongst the non-emigrating districts (kotars) were the ones of Bčkovac, Sinj, and Knin, and amongst the emigrating districts the majority were along the seacoast belt.

"Narodni list on June 30th, 1890 wrote: »Moving to America, not unknown in the Dalmatian highlands«.
(1910) shows that in Croatia and Slavonia there was a 5 percent decrease in the actual as opposed to natural growth (and this reveals that emigration here also reached a massive scale). Dalmatia during this period had a 5.4 percent lower actual growth rate as opposed to natural growth. In Istria the situation was different. Here, between 1900 and 1910 the actual growth was greater than the natural growth by 1.5 percent and this shows the trend of immigration into dynamic cities by residents from the other portions of the Monarchy.

Even though feudal relationships in Croatia and Slavonia were abolished in 1848, the results of those drastic changes in social structure were felt long after, especially in the rural areas. The peasant became the owner of feudal land and was freed of forced labour and various serf duties stipulated by feudal law, but many questions remained unanswered and new problems appeared. In that way the peasants did not receive off-homestead lands which did not belong to them by feudal law, while the rights to inn-keeping were still the privilege of the land owners who also had the use of the pastures and forests.

If peasants wanted to come into possession of the off-homestead lands or vine-yards, they had to buy it. Due to a lack of money this usually went slowly, even more so once the peasants who, from 1848 to 1853, adopted some of the mentioned rights and had to pay compensation to the owners in cash. In the next twenty years a total of twenty percent of the off-homestead land was bought. In the year 1876 a special law was introduced which concerned mandatory purchasing; the owner of the land had to pay the previous owner in cash, in half-year installments, or the estate owner received the monetary equivalent in promissory notes, and so the farmer became a debtor to the state government. Small estate holders also fared badly because the cash compensations that they received could not cover the abolished serf duties."

In that way the peasant became, overnight, a debtor of hard cash which they lacked because they were not prepared for market production. A long time would pass before the creation of the basic conditions for such an economy, such as the development of transportation and trade. The peasants farmsteads remained self-sufficient for a long time, the level of potential customers for farmers products in the country remained low. This problem was joined by taxes which the farmer had to pay and which constantly increased. A lack of public monetary institutions (for a long time there was only the First Croatian Savings founded in 1846) soon caused the thriving of usury. Due to such a situation L.I. Tkalac stated, in 1860, in his report to the Commerce and Crafts Chamber in Zagreb that «the state of agriculture, no matter how impossible it may seem, from the moment that the land was freed of the feudal load and transformed into full ownership, became generally worse than it was under the pressure of the serfdom relationships.»

The lack of money in the Croatian village, in northern Croatia as well as in Dalmatia, became chronic and was pointed out by one of the first promoters of the
emigration problem, the Member of Parliament Frano Lupis-Vukic, in his paper delivered at the second special assembly of the Co-operative Union held in Zadar in 1913, and dedicated to massive emigration, emphasising that the «main and lasting cause of emigration is the over-indebtedness of the farmers, a problem which the Agricultural Bank and the Association of Serbian Economic Co-operatives can only neutralise in a limited fashion». «The needs are great», says Lupis Vukic, «the resources limited, and therefore there is the rise of usury, beyond comparison with any country in Europe».

One of the results of such developments in the rural areas was the decay of joint households. \(^{14}\) Joint households deteriorated into many individual ones which often were so small that they could not feed the individual families and that converted the peasant into a semi-proletarian, which «forced» them either into the city (which as a rule could not accept them) or into emigration.

The deterioration of joint households caused many other negative effects. On fragmented individual farmsteads the conditions for livestock breeding became more unfavourable, \(^{15}\) and this affected agricultural production which remained without fertilisers. There was no idea of artificial fertilisers that were already being widely used in the USA and even in Europe. Some traditional activities which bloomed inside the joint household division of work such as linen weaving and the breeding of silk worms, which gave high quality raw materials from this region, were vanishing.

The number of joint farmsteads, before the deterioration of the joint household, in relation to the total number of farmsteads was large. Even in 1885 when this process was in full swing, of a total of 400,000 farmsteads in Croatia and Slavonia joint households made out 67,632. Expressed in acres: of 4.6 million of these land units, one million was in the possession of joint households. It should be mentioned that the fragmentation of peasant holdings was also influenced by the system of succession by which the fathers’ holdings were divided amongst the sons and unmarried daughters.

Primitive peasant farmsteads were very vulnerable to natural disasters, crisis in the agricultural products market (especially when, due to the stronger development of market economy, the sale of agricultural products was important), various plant diseases and everything that disturbed the centuries-old, established order in our villages. From 1857 to 1859, northern Croatia was struck by a large drought.


\(^{14}\) The problem of the joint household was covered by Dinko Tomašić in his essay «Razvitak građanskih ideologija u Hrvatskoj» (The Development of Civil Ideologies in Croatia) Savremenik 2 (Zagreb, 1936) pp. 41-51. The author also published the same essay in the book Politički razvitak Hrvata (The Political Development of the Croats; Zagreb, 1938) pp. 91-127. Tomašić gives the joint households an important place in the spiritual and political development of the Croats.

\(^{15}\) Previously there was a «slaughter» of livestock because it was the only property for which the farmer could receive money.
the likes of which had not been seen in decades. Crop failure and hunger followed. As was written in the weekly *Svjetlo* on April 3rd, 1989: »News is arriving from all sides of the suffering of the Croatian people. An awful monster, hunger, is spreading into the once fruitful and rich Slavonia. The people are starving, the people are moving«.

The arrival of large quantities of grain from the USA, Argentina and Russia into the European market caused a fall in prices of these products and induced a large European agricultural crisis which lasted from the beginning of the 1870’s to 1895. The Croatian (as well as the European) village was not in a condition to quickly react with the introduction of new products, artificial fertiliser and machinery into production, so it was hit heavily by this crisis especially because it appeared at the time when the village needed even greater amounts of cash. In addition, self-sufficiency slowly disappeared, so that the farmer was forced to buy many necessities, and during that period there were steep increases in taxes - nominally one hundred percent and actually much more.

A special problem for the Dalmatian and Istrian farm workers were diseases in the grape-vines, in other words disruptions in the wine-market. Dalmatia was affected even more because during the middle 19th century there was a dominance of the one-crop economy of grape vines. During the beginning of the second half of the 19th century, Italian vineyards were inflicted with a disease which the people called »lye« (*lug*), and that very much affected the export of Dalmatian wine into Italy resulting in high prices. In the region there was intensive clearing of new surfaces and the planting of grape vines due to this, and often olive trees were damaged so that their place would be taken by grape-vines. But the Italian vineyards quickly (with the help of sulphur) freed themselves of »lye« so the export of Croatian wine into that country subsided while the disease soon spread throughout the Dalmatian vineyards.

The crisis was overcome quite quickly but a new trend in Croatian wines immediately appeared as a consequence of the phylloxera (vine-pest) which attacked the French vineyards. The French found a solution in the mixing of their wine with lower quality Dalmatian red wine. From 1870 to 1890 the French market accepted 500,000 to 600,000 hectolitres of wine annually. But the previous situation, as with Italy, soon appeared. During the 1890’s the French renewed their vineyards and the Dalmatian and Istrian vineyards were affected by phylloxera which irregularly (»skipping« some regions) spread from the north towards the south, starting in 1894. (Phylloxera followed the shock suffered by the Dalmatian

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16 According to I. Cizmic, p. 32. Here Cizmic states that »according to statistical data, the greatest number of emigrants left Europe for America during the ‘hungry years‘«.

17 According to some estimates the actual taxes for the peasantry in northern Croatia increased by 500 percent during the agricultural crisis. That is, while the average yearly income from taxes in Croatia and Slavonia during the period 1872 to 1874 was 10,131,111 guilders - or the wheat equivalent of 725,000 metric quintals, while in 1893 to 1895 the income from taxes was 22,901,000 guilders which would be earned from the sale of 3,900,000 metric quintals of wheat. *Povijest*, pp. 128-129.
wine growing regions due to the so-called Wine Clause of 1892 - but we will deal with that problem in the context of the political causes of emigration.) The renewal of vineyards with "American vines" went slowly and was difficult because it was not properly stimulated due to the infiltration of cheaper Italian wine into the Austrian Monarchy (due to the Clause) and the fact that the price of wine fell drastically."

Even two years before the arrival of the phylloxera, the newspaper *Narodni list* of Zadar predicted its catastrophic effects: "No people have or will feel that strike so hard, as will we Dalmatians, and especially the Primorci (the Dalmatians who live along the sea coast), because we live only by the wine, and when it fails, everything will fail. Other people when they saw that this tragedy would befall them, planted all kinds of fruit wherever they could, to have something with which to buy the things they most needed everyday, and us? We are rooting out those few olive trees that we have with which we could survive disaster."

The low price and poor sales of wine lasted even for some years after the phylloxera and the end of the wine clause (annulled in 1904). The newspaper *Zadrugar* of Split in its issue of October 1908 wrote: "We are at the end of this year's vintage. The filled barrels stand in the cellars waiting for buyers, but buyers are a rare sight this year. The barren capital lies before the peasants eyes, the barrels are full, but the purse is empty, the granaries are empty and the wine is not sold, so that a man does not have anything to pay for wheat, clothes and shoes for the house folk and to settle other needs."

Roughly at the same time *Hrvatska rijec* from Sibenik painted the situation in Dalmatia in apocalyptic colours: "(...) The twenty year nightmare has drained our strength. The disease of the vine has reduced the income from our land. The naked mountains do not give sufficient pasture for the livestock. The unorganised water and mountain streams disperse the juices of the land. Swamps devour its health. Provisions (life's necessities) are all the more expensive. Our man, if he is to feed himself, has to go into debt, and he is in debt usually to the village usurer, who becomes the master of his work and holdings. In that way our little landowner only has apparent holdings, but in fact they are the slaves of the soulless usurers. The cause of emigration should therefore be searched for there where it is usually found, and that is in not-having, in non-possession, in poverty, in modern slavery. For this the government and local administration are much at fault, they have done nothing against the high interest rates. In addition, nothing has been done to help the weakened land recover, it is as if Dalmatia does not need a forest, and..."
with the disease of phylloxera the government acts like the worst miser: they come to help too late and with a tight fist. Boat building has failed etc.«

These great wine crises characterised social and economic life in Dalmatia from 1890 to the start of the First World War and were to be the direct cause of massive emigration from these regions. Knowledge of the economic causes of the massive emigration from Croatia up to the First World War is the basic assumption for an explanation of some of the emigrants’ actions in the period mentioned as well as latter periods. First, there is the relationship of the Croatian emigrant towards the Austro-Hungarian monarchy which was especially expressed through the work of emigrant societies and writing in newspapers. That is, many societies and newspapers had a pronounced anti-Austrian, Hungarian orientation. This culminated during the First World War when the emigrants founded strong political organisations who actively joined in the destruction of the Monarchy. In fact, a majority of the emigrants found the causes of massive emigration rather in the political than the economic sphere, since the economic backwardness of Croatia was explained by its inferior political position in the Austro-Hungarian Monarchy.

SAŽETAK

GOSPODARSKI UZROCI ISELJAVANJA IZ HRVATSKE OD 80.-IH GODINA 19. STOLJEĆA DO PRVOGA SVJETSKOG RATA

Iseljavanje iz Hrvatske poprima grupne značajke od osamdesetih godina 19. stoljeća. U to vrijeme on je u sastavu Austro-Ugarske Monarhije, s time daje Bansa Hrvatska sa Slavonijom u ugarskom, a Dalmacija i Istra u austrijskom dijelu države. Sredinom razdoblja koje obrađujemo, tj. 1890. godine, Hrvatska ima nešto više od tri milijuna stanovnika. Računa se da se je do 1914. godine iz Hrvatske iselilo više od pola milijuna osoba, što je zemlju dovelo na rub demografske katastrofe. Iseljenici iz Hrvatske dio su snažnog eurpokog emigracijskoga prekooceanskog vala i slijede njegove pravce prema: Sjevernoj i Južnoj Americi, Australiji, Novom Zelandu i Južnoj Africi. Prevladava mišljenje daje težak gospodarski položaj prevladavajući potisni migracijski čimbenik. S tim u svezi ističemo: a) Agrarnu prenapučenost, koja je bila zapreka pokretanju intenzivne poljoprivredne proizvodnje. Zhog toga se teško moglo prehranjivati stanovništvo koje ima snažan prirodni prirodni prirost od preko 15 posto; b) Udaranje feudalnih odnosa nije bilo do kraja provedeno jer je seljak morao otkupiti izvanselišne zemlje i vinograda koji mu po urbaru nisu pripadali. Štoviše, posebnim zakonom iz 1876. uvezan je obvezni otkup: novi vlasnik morao je bivšeg obeštećivati gotovinom do koje se u nerazvijenom tržišnom gospodarstvu teško dolazio te se po novac odlazilo u »Ameriku«; c) Modernizacija hrvatskog društva dovela je do raspadaan obiteljskih zadruge a na usitnjenim posjedima teško se mogla postići dostatna (osobito stočarska) proizvodnja. Zhog nedostatka gnojiva smanjivala se proizvodnja a izumire su i neke tradicionalne djelatnosti koje su bile karakteristične u sklopu zadružne podjele rada, poput proizvodnje platna i uzgoja dovoda svilca, koji je u našim krajevima davao veoma kvalitetnu sirovinu; i d) Nerazvijen seljački posjed bio je veoma osjetljiv na

Hrvatska riječ (6.V.1905).
elementarne nepogode, krizе na tržištu agrarnih proizvoda te razne biljne bolesti. Uvoz velikih količina žitarica iz SAD-a, Argentine i Rusije na europsko tržište, uzrokovao je pad cijena tih proizvoda i izazvao veliku europsku agrarnu krizu koja je trajala do 1895. godine. Hrvatsko selo nije bilo u stanju brzo reagirati uvođenjem novih proizvoda, umjetnoga gno­jiva i tehnike u proizvodnju, pa je teško trpjelo. Agrarna kriza dogodila se u vrijeme kada je selu gotovina bila najpotrebna: izlaskom iz autarkičnosti morale su se kupovati mnoge potrepštine koje su se donedavno proizvodile u zadrugama, a upravo u ovom razdoblju po­rasli su i porezi. Poseban problem dalmatinskom i istarskom težaku predstavljale su bolesti vinove loze, odnosno poremećaji na tržištu vina. Dalmaciju je to pogodilo to teže stoje od polovice 19. stoljeća u njezinoj poljoprivredi počela prevladavati monokultura vinove loze. Karakteristični primjeri su tzv. vinska klauzula iz 1892. godine (dio trgovačkog ugovora između Austro-Ugarske i Italije po kojem je smanjena carina na uvoz talijanskog vina) te filoksera, koja se pojavljuje na vinovoj lozi od 1894. godine. Vinska klauzula imala je i političku konotaciju jer je doživljavana kao rezultat nepovoljnoga političkog položaja Hrvatske u Monarhiji. Te velike vinske krize dat će pečat društvenom i gospodarskom Životu Dalmacije od početka devedesetih godina 19. stoljeća do Prvoga svjetskog rata i bit će izravni uzrok iseljavanja iz Hrvatske u Monarhiji. Te velike vinske krize dat će pečat društvenom i gospodarskom Životu Dalmacije od početka devedesetih godina 19. stoljeća do Prvoga svjetskog rata i bit će izravni uzrok iseljavanja iz Hrvatske u Monarhiji. Stavljajući uzroke iseljavanja više u političku nego u gospodarsku sferu (gospodarska zaostalost Hrvatske tumačena je inferiornim političkim položajem u Monarhiji), mnogi iseljenici zauzimali su negativan stav prema Austro-Ugarskoj Monarhiji, a toje osobito do­ lazilo do izražaja na stranicama iseljeničkog tiska te u radu njihovih društava.