

Lugano: tourism, hotels and local capital

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For Lugano the railway opened a new industry. The Gotthard tunnel marked, in the words of the Historical Dictionary of Switzerland, the beginning of the great conquest of the Swiss Alps by tourism, and it brought the Italian lakes within a day's travel of northern Europe.¹ Between 1888 and 1914 the number of hotels in Switzerland doubled from about 1,700 to more than 3,500, forty funiculars and thirteen rack railways were built, and the share of hotel construction in total Swiss investment rose from 4.3 per cent in 1880 to 11.9 per cent in 1905. Lugano took a large share of this growth. Its mild climate, the lake and the view from the San Salvatore and the Monte Brè attracted German, British and Swiss guests in spring and autumn, and the town built a promenade, villas and hotels along the lake shore.

The hotels required capital, and their financing created the first close links between tourism and local banking. The Splendide Royal, today the last palace hotel in Ticino, was inaugurated in 1887, five years after the opening of the Gotthard, by Riccardo Fedele of Bellinzona, who had managed hotels on Lake Como and worked in Paris and Nice.² The funicular to the San Salvatore, opened on 27 March 1890, was the project of the Lugano lawyer Antonio Battaglini, who had obtained a federal concession in December 1885. When the company ran into financing difficulties, the Banca della Svizzera Italiana subscribed a substantial block of shares, and its director Giacomo Blankart became the first chairman of the funicular company, a post he held from 1888 to 1925.³ The episode shows in miniature how the railway, tourism and the new Lugano banks were connected. The banks financed the hotels and mountain railways that the Gotthard traffic made profitable, and they took equity stakes and board seats in these enterprises. That model of mixed banking, with its concentration of risk in a single sector and a single region, contributed to the crisis of 1914 that Chapter C.IV examines.

1 Emigration, remittances and the railway

The railway did not end emigration from Ticino. It changed its routes and made it cheaper. Overseas emigration had begun in the 1850s with the gold rushes in California and Australia. In the early 1850s the Valle Maggia lost more than 14 per cent of its population, with 846 departures for Australia and more than 200 for California. From 1850 until the Second World War about 30,000 peasants from the Sopraceneri left for California and almost 12,000 emigrants from the Sottoceneri for Latin America.⁴ Emigration peaked in the decade from 1880 to 1890, the first decade of the Gotthard railway, with nearly 9,000 emigrants, compared with 4,227 in the decade from 1850 to 1859. It fell to just over 4,000 in the 1890s and to about 600 a year between 1900 and the First World War.

The emigrants sent home "substantial capital".⁵ Their remittances, transmitted through banks, postal orders and agents, financed houses, land and family businesses in the valleys, and the savings that returning emigrants brought home flowed into the deposits of the new Ticinese banks (Chapter A.III on the earlier remittance economy and Chapter C.IV on the banks). The railway accelerated these flows because it reduced the time and cost of travel to the ports and of the transfer of money and documents. In this sense the Gotthard made possible the first modern deposit base of the Ticino banking sector, consisting of the savings of a population that lived partly abroad.

Essentials. The opening of the Gotthard railway transformed Ticino's economy in three places. Bellinzona became the railway's operating centre south of the Alps, with workshops employing 757 workers by 1909 and a population that more than doubled between 1880 and 1910. Chiasso became the customs and forwarding station for the traffic with Italy, a function from which its later banking business grew. Lugano developed a tourist industry with hotels and mountain railways, financed in part by the new local banks, such as the Banca della Svizzera Italiana, which took shares in the San Salvatore funicular. Emigration continued and peaked in the 1880s, and its remittances formed an early deposit base of Ticinese banking.

2 Notes

1. HLS, art. "Turismo" (Laurent Tissot, Italian translation Geneviève Bernard Poncioni), <https://hls-dhs-dss.ch/it/articles/014070/2014-02-25/>, also for the figures of 1880 to 1914. ↩
2. Claude Baumann, "Splendide Royal: l'ultimo Palace Hotel rimasto in Ticino", finews.ch, 4 February 2022,

<https://www.finews.ch/ticino/49902-splendide-royal-ultimo-palace-hotel-rimasto-ticino-lugano-perfect-weekend-finewsticino>. ↩

3. Funicolare Monte San Salvatore SA, Storia (leaflet, 2025), <https://www.montesansalvatore.ch/wp-content/uploads/2025/03/2025-FSS-prospetto-A5-Storia-ITA.pdf>. ↩
4. Cheda (as above), for the Valle Maggia, the destinations and the emigration figures by decade. ↩
5. Cheda (as above): "cospicui capitali". ↩

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