

**THE MAJOR CHARACTERISTICS
OF THE GENERAL DEVELOPMENT
OF THE TOURISM INDUSTRY
IN HUNGARY BETWEEN THE TWO WORLD WARS –
THE CHALLENGES OF REORGANISING
AND REPOSITIONING TOURISM**

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In 1920 the Treaty of Trianon concluding WWI caused the Hungarian Kingdom to lose not only two-thirds of its area and population, but the country's most important tourism destinations as well. This is the reason why the "domestic values" of the country were valorised in the following period in terms of tourism. Both the remaining tourism supply and the demand had to face significant changes; for instance, the paying guest system was introduced in Hungary at the time in question. Some new investments were made from 1922 onwards in these destinations, such as the establishment of holiday camps and hotels, but the development of tourism was primarily supported through government regulations and the creation of national and regional tourism authorities. Due to these investments and innovations the interwar period became a flourishing era for domestic tourism.

Keywords: Hungary, tourism, interwar period, reorganising, repositioning

Introduction

At the end of WWI Hungary (formerly part of the Austro-Hungarian Monarchy) as a defeated country signed the Treaty of Trianon. Two-thirds of the country's former territory was annexed to neighbouring countries and the decisive part of domestic tourism destinations became separated and allocated outside of the new borders (Figure 1).



Figure 1: The disintegration of Hungary after the Treaty of Trianon, 1920

Original source: Budapest, 1930? M. Kir. Központi Stat. Hiv. térképészet. Ny.: Pesti könyvnyomda. (Dr. Falk Zsigmond) (Budapest, 1930? Hungarian Royal Central Statistical Office cartography)

Source: <https://maps.hungaricana.hu/hu/HTITerkeptar/33401/view/?bbox=-152%2C-3118%2C7154%2C-47>

In this situation, the remaining tourism destinations had to be stepped up in order to develop domestic tourism. During the interwar period we can also clearly detect an intention to increase the number of international visitors, which is explained by the ability of tourism to attract various foreign currencies to the na-

tional economy. The period of the major railway constructions had already come to an end, but there were still significant opportunities in the exploitation of river and lake shipping, as well as aviation (for civilian use) (Gundel, E. 1937).

The aim of this paper is to analyse the positions and the opportunities of the Hungarian tourism industry between the two world wars, with a special emphasis on both the already established national system of tourism management and the new domestic destinations and attractions.

Literature and methodology

Research on the topic of this paper is primarily based on the elaboration of secondary sources. During their desk research the authors reviewed relevant contemporary sources, as well as additional works published subsequently. Due to this framework, the publications of contemporary authors (statisticians and tourism experts such as Bangha, G. 1941; Bársony, O. 1929, 1933; Fellner, F. 1930; Gál, L. 1941; Gundel, E. 1937; Kallós, I. 1934; Lóczy, L. 1920.; Marton, B. 1940; Pöltzel, J. 1941; Tausz, B. 1942; Várszeghy, J. 1928a, b, c; Veress, G. 1941; Bud, J. 1943) provided a significant amount of material for the paper. Two other authors, József Kanyar and János Tihanyi, publishing in the 1980s, and discussing the tourism industry of the interwar period in Hungary, will also be highlighted (Kanyar, J. 1983; Tihanyi, J. 1983, 1986, 1988a). An exploration and analysis of related contemporary governmental regulations was also undertaken during the writing of the present paper.

Taking into consideration the content of the relevant literature reviewed, the authors intended to characterise the development of the Hungarian tourism industry between the two world wars through a comparative analysis of the guest flow statistics and through the creation and application of new indicators. Special attention was paid to extending attention to the political and social reasons and incentives for the economic booms and recessions of the period.

During the research, the authors had to face several problems presented by the statistical system of the period in question, since the database of the Hungarian Royal Statistical Office was not always reliable. As a contemporary author, Lajos Lóczy, points out in 1920: “The statistics representing the visits, however, provide non-reliable numbers. At one place one and two-day visits are registered as permanent guests for the spas, whereas at other places, families spending a longer time during their holidays do not report all of their family members, in order to spare the medical fees. In Keszthely, the number of visitors is not even registered. The data published in the *Hungarian Balneological Bulletin* and in the journal *Balaton* do not fully match” (Lóczy, L. 1920: 185, translated by the authors).

This phenomenon was also encountered with regard to the spas of the country, which often provided only incomplete and inaccurate data sources. A possible reason for this state of affairs was that the statistical authorities could only lean on secondary sources, mainly from police records, which did not originally serve statistical objectives (Thirring, G. 1929).

Besides inaccurate methods of measuring, we have to highlight another problem with the examination of statistical data. The number of guests was recorded by the Hungarian Royal Statistical Office in two categories: permanent and temporary guests. Statistical yearbooks published the turnover at places of accommodations around Lake Balaton (still one of the most significant tourist destinations in Hungary). However, until 1945 they did not provide data about the number of guest nights or the mean length of stay.

By 'permanent guests' the statistical office meant visitors who spent at least one week at the destination, while a temporary guest was someone spending at least one overnight. But the statistical yearbooks did not include whether the permanent guests spent one week at the destination or more, or whether the temporary guests spent only one night or several days at a particular place (Lóczy, L. 1920). Thus, guest nights and mean length of stay cannot be precisely determined, but based on the existing database we can calculate the minimum values (the lowest possible figure), allowing the authors to carry out a reliable guest flow analysis. Based on these considerations, the authors devised two new indicators in order to be able to survey more accurately the tourism flow of the interwar period between the two World Wars.

The first such measure is called the minimum number of guest nights, indicating the number lower than which the number of nights spent by the visitors cannot possibly be. This indicator is the sum of the sevenfold value of the number of the permanent guests and the number of temporary guests (number of permanent guests multiplied by 7 plus number of temporary guests).

The second indicator, minimum length of stay, is a mean value, the quotient of the minimum number of guest nights and the number of the guests (minimum number of guest nights per the number of the guests).

Results

The re-establishment of the organisation and management network of tourism in Hungary between 1920 and 1939

In the interwar period, until 1948, administrative organisation of tourism on a national level was carried out by the Ministry of Trade and Transport and, within that, under the management of the Tourism Section¹.

Due to war casualties, the new political environment resulting from changed relations with the neighbouring countries and the introduction of passports and visas, tourism and especially international tourism fell back significantly (Bencsik, P. 2007). Certain improvements took place nevertheless, especially in the field of tourism management. In 1916, the Budapest Bureau of Tourism² was established, a decisive institution for the tourist trade between the two World Wars (Tausz, B. 1942). Since the country was under international control and it had to face an economic crisis as well, the sector could not develop further until economic stability could be attained once more. In the first half of the 1920s, due to the extremely unfavourable relations with the neighbouring countries associated with the new borders, there was hardly any international inbound tourist flow, despite the fact that Hungary was one of the cheapest destinations in Europe (Tihanyi, J. 1986). As a result, at the beginning of this period, due to the isolationist policy of the newly established states (e.g., Czechoslovakia and Romania), there was no chance of improving international relations and, along with it, international tourism.

After the negotiations with the League of Nations, Hungarian foreign policy could not achieve spectacular successes, so Hungarian political leaders and the public accorded particularly great importance to the Italian-Hungarian negotiations. Due to the treaty of friendship signed with Italy in 1927, Hungary established cooperation with a triumphant power, which was – to a certain extent – overrated by the Hungarian media of the time (Gergely, J. – Pritz, P. 1998).

In the report of the Hungarian Royal Government it was stated as fact that “due to the peace treaty, except for the spas of Budapest and Lake Balaton, we lost all the considerable medical spas” (Statistical Yearbook 1919–1922: 225, translated by the authors). The optimal tourism utilisation of the new supply capacities was regulated by the government by reorganising tourism management and by a gradual development process of the complete branch.

As a first step, the government intended to guarantee the legal framework for the development of tourism. In 1928 Prime Ministerial Decree No. 2580/1928 established the Hungarian National Tourism Committee³, the first national organisation for tourism development and management (Gál, L. 1941). In 1929, the ‘Spa Act’ was passed (1929. évi XVI. tc.), followed two years later by the Prime Ministerial Decree on the development of tourism (2820/1931.) and a decree on the establishment of the National Hungarian Tourism Council (6720/1931). In 1934, a Decree by the Minister of Trade introduced the National Hungarian Tourism Training Course and Travel Guide Examination⁴ (5800/1934 Ministry of Trade). Later, in 1936, a Prime Ministerial Decree covered “further regulation of matters related to tourism” (11001/1936 P.M.).

We also need to mention that efforts to organise and develop tourism had already begun before World War I. In 1902, a Company for Tourism and Travel⁵

was established, with twenty branch offices in Budapest and forty in the countryside. Thus this network can fairly be considered a national tourism management network (Veress, G. 1941). In 1918 Sándor Wekerle founded the National Tourism Office⁶ which, sadly, did not exist for long. The Budapest Bureau of Tourism⁷ by contrast, functioned continuously throughout the period; indeed, it remained the only official national tourism organisation right until 1928 (Bángha, G. 1941).

Although in the 1920s the development of international and domestic tourism concentrated on the capital, the government also pushed the establishment, development and expansion of spas and accommodation capacities around Lake Balaton. This was the first time that the slogan “Budapest, the spa capital” first came to be propagated. In 1922, the Budapest Spa Capital Association⁸ was formed, with Dr. Ferenc József, the acknowledged professional and political insider, elected as its president in 1925.

In 1925 two important tourism-related acts were carried out. One was the publication of the “Passport Supplement”, listing tourist attractions in Budapest and the countryside, which was also the first great propaganda prospectus. The other was a major simplification of the check-in, check-out paperwork procedure in hotels. The significance of this latter measure is better understood when we add that earlier these check-in and check-out documents consisted of 56 questions each, while the new ones included only 26 (Tausz, B. 1942: 14).

The Association for the Stakeholders of Hungarian Tourism⁹ was established as the first national tourism committee in 1925, soon to be followed by the foundation of the Hungarian Royal Balaton Management Committee¹⁰ in 1927 (Pöltzel, J. 1941).

In 1929, under the presidency of Gyula Pekár, some committed MPs intended to promote the case for tourism within the Board of Tourism of Members of the Hungarian Parliament¹¹. One of the first results of their efforts was hosting a delegation of Italian MPs in the Hungarian capital in 1929 (A magyar idegenforgalom évkönyve [Annals of Hungarian Tourism] 1935). As for a further step in organisational development, the Budapest Central Medical and Resort Committee¹² was established in 1934. The most important state management organisation of the time, the Hungarian National Tourism Bureau,¹³ was established in 1935, completing the architecture of the Hungarian tourism management system.

Marketing and propaganda of tourism in the interwar period

The 1920s were characterised by total economic and political isolation without any tourism-related marketing or propaganda campaigns, but as relations im-

proved over the 1930's the Hungarian state began to promote inbound tourism through intense efforts at both organisation and propaganda activities with the intention of invigorating domestic tourism. The tasks of the Hungarian National Bureau of Tourism included the coordination and development of domestic and international tourism, the related construction projects, propaganda (including nationalistic approaches), as well as training and education.

In order to enhance international tourism, the bureau established representative offices in Europe and in America, together with domestic offices in the recently reclaimed areas of Hungary.

Marketing techniques included traditional tools such as posters and brochures, as well as new initiatives like film screening, travelling exhibitions, photo contests or contests for traditional folk costumes throughout the country (Ablonczy, B. 2008). A prominent marketing expert of the era, István Hallóssy, director of the Budapest International Fair, pointed out in a lecture that the main objective of tourism propaganda was the "creation of a travelling cheer culture". He proposed a "Hungarian national tourism propaganda" based on natural endowments, traditional costumes and local fauna. He also named eleven regions which should play a privileged role in the country's tourist propaganda: the Danube Bend, the Bakony and Vértes Mountains, Lake Balaton, Csallóköz (traditional historical-geographical region along the River Danube), Western Hungary, the Mecsek and Ormánság region (a traditional historical-geographical region along the River Drava), the Sárköz (traditional historical-geographical region in Tolna county), the Great Plains region, the Cserhát, Mátra and Bükk Mountains, Transcarpathia and the Rozsnyó-Krasznahorka-Aggtelek Karst area (Ablonczy, B. 2008).

One of the challenges of tourism marketing, naturally, was to attract domestic visitors to Hungary's tourist destinations. The methods already mentioned were supplemented by radio programmes and commercials, newspaper articles and also specialised periodicals such as the *Travel*¹⁴ magazine established in 1932. People could read slogans on official note papers like "Let's spend our holidays at home!" and domestic tourism was propagated in clubs and women's organisations (Jusztin, M. 2006).

The players in the field of tourism marketing included both business-oriented and non-profit entities. The most important profit-oriented firms were the travel bureaux (such as IBUSZ – Tourism, Acquisition, Travel and Transport Company¹⁵; Cook; American Express), representatives of the hotel industry, and the Hungarian State Railway Company¹⁶. The traditional Hungarian travel company, TATTC, handled information management, travel organisation, ticketing, luggage transport, accommodation marketing, catering establishments, passport and visa supply, brochures, vehicle renting and later with films and advertisements.

The most important non-profit companies in tourism marketing were the already mentioned state-owned organisations and on the local level the city tourism offices and the different civilian organisations.

O. Bársony, prominent general manager of the IBUSZ, distinguished between two categories of tourism propaganda: direct and the indirect tools (O. Bársony, 1936; M. Juszti, 2012). Under the heading of direct marketing he identified events including congresses, international meetings, study tours for tourism professionals and journalists, cultural and sports events, fairs and exhibitions. He also classified the calendars distributed as free gifts as indirect marketing tools. Direct instruments included tools such as prospectuses, leaflets, posters, illuminated advertisements, circulars, press, photo, radio and film.

It was easier to reach potential domestic visitors with these marketing tools, but some of them, such as radio broadcasts, image films and study tours, focused on the international market segments. Another prominent example of the role of the press was the periodical “Budapester Fremdezeitung”, established in 1928 and published three languages in order to inform foreign visitors arriving in Budapest in German, English and French (Juszti, M. 2012).

*Repositioning and improving the supply-side of tourism in Hungary
in the era in question*

In terms of tourism development in the context of the newly defined national borders, stepping up the profile of spas and water resorts around Lake Balaton seemed to be the most important priority both for the government and the demand side of tourism. In parallel with the continuous increase of tourist flow, domestic accommodation, catering and other service sectors related to tourism could not fully keep up the pace, which led to the introduction of the so-called “paying guest” system (Bársony, O. 1933: 9). The government intended to broaden and establish the accommodation and service capacities by large-scale developments in order to provide an attractive alternative against foreign holidays for masses of domestic tourists. In order to help boost the domestic tourism sector, the national railway company (MÁV – Hungarian State Railways) launched cheap rail connections from the greater Hungarian towns and cities to reach Lake Balaton more easily for an increasing proportion of domestic travellers (Kudar, L. 2003).

A move which received a negative response was that in 1923 a portion of the loan from the League of Nations was spent by the government on building a hotel in Lillafüred (Palace Hotel) instead of using it exclusively to re-establish the country’s financial stability.

Meanwhile, Balatonkenese – one of the most important destinations at Lake Balaton in the last decades of the 19th century, along with Keszthely – once again became a focus of development: in 1922, a new camp site was established there. The intention to broaden the accommodation and the tourism capacities is well illustrated by the change in the number of spa resorts in Figure 2.

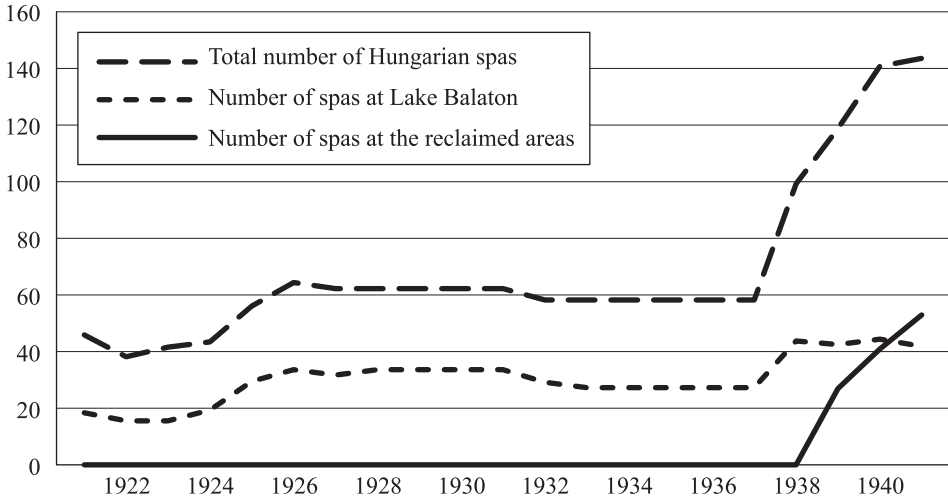


Figure 2. The change in the number of bathing resorts in Hungary between 1921 and 1941 with special attention to Lake Balaton and the reclaimed areas

Source: Based on the volumes of the Statistical Yearbook (Statistikai Évkönyv) between 1921 and 1941, edited by the authors

Between the two World Wars, the number of bathing resorts at Lake Balaton changed from 16 to 44, which means a rapid growth in the analysed era. In 1921 only 46 bathing resorts were registered in Hungary with a 41% share at Lake Balaton (19 locations), while in 1925 out of the 57 registered bathing resorts a 53% share of locations were found in the region of the greatest lake of Hungary (30 locations). The bathing resorts of Lake Balaton made up nearly 50% of all such resorts in Hungary, a ratio that was to change due to the reclamation of a number of areas from Czechoslovakia, Romania and Serbia (1938-1941)¹⁷. (Figure 3, 4.).

In 1941 and '42 bathing resorts at Lake Balaton made up only 29% of the country's 145 registered spa locations. The importance of the resorts at the lake is characterised by changes in the guest flow between the two World Wars (Figure 5.).

In this era, by far the most significant resorts at Lake Balaton were Keszthely, Balatonfüred and Siófok (Kanyar, J. 1983) and indeed they remain the most significant and attractive destinations to this day. In the period analysed, the role

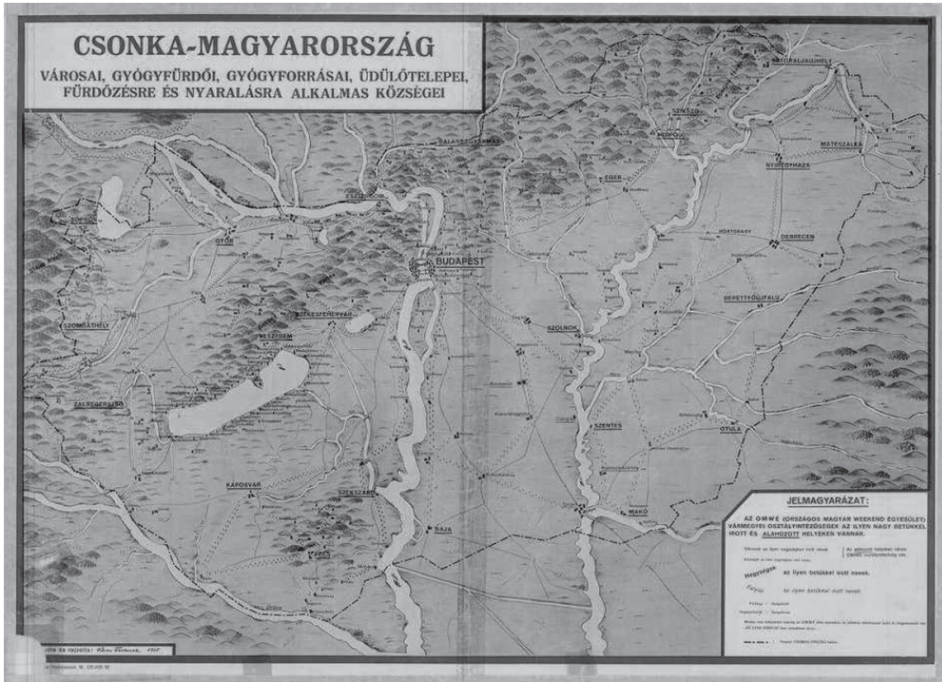


Figure 3: The towns, medical spas, medical springs, holiday resorts and locations suitable for bathing and holiday-making, 1935

Original source: Budapest. 1935. M. Kir. Állami Térképészet (Budapest, 1935, Hungarian Royal State Cartography)

Source: <https://maps.hungaricana.hu/hu/HTITterkeptar/34092/>

of Lake Balaton in terms of tourism and spa resorts is indisputable: in 1921, 49% of the guest flow of Hungarian bathing resorts was realised at Lake Balaton, amounting to 67% in 1924, 50% in 1925, 61% in 1930, 72.5% in 1935, and 36.6% in 1941 (in 1941 this ratio was smaller because of the inclusion of the reclaimed areas in the calculation).

Evidently, the significance of the bathing resorts at Lake Balaton was at its peak in the first half of the 1930s. Until 1937, the increase in guest flow was continuous, reaching 239,284 visitors that year (Statiztikai Évkönyv, 1937). Afterwards, the number of guests at Lake Balaton decreased significantly, especially in 1940 (Statiztikai Évkönyv 1941), probably as a result of the pre-war and war-time circumstances. The spas of the territories which were given back to Hungary in these years could have been significant competitors in the long run for the bathing resorts at Lake Balaton and could have kept domestic tourists within the country. However, after 1945 Hungary was to lose these areas again.



Figure 4. The spatial allocation of the reclaimed areas indicated with the contemporary map of 'The state of the road network of Hungary'. Effective 1st July 1941 to 30th September 1941
 Original source: Budapest, 1941. M. Kir. Keresk. és Közlek. Min. Ny.: Klósz György és fia. (Budapest, 1941, Hungarian Royal Trade and Transport Ministry, György Klósz and son)
 Source: <https://maps.hungaricana.hu/hu/HTITerkepar/33901/?list=eyJxZWVyeSI6ICJTWk-89KG1hZ3lhcm9yc3pedTAwZTFnIDE5NDEpIn0>

Altogether, the most important tourist destinations were the capital and Lake Balaton. The mountains played an important role in the development of rural and active tourism and the previously mentioned guest paying system in the Mátra, Mecsek, Bakony, Kőszegi and Bükk Mountains. Further priority destinations were the Danube bend to the north of Budapest, and the Great Plains region with the Hortobágy and Bugac. Towns with a rich cultural and architectural heritage also came to play a part in tourism (Esztergom, Kecskemét, Mezőkövesd, Makó, Szeged, Pécs, Debrecen, Tokaj, Szentes, Keszthely, and Sopron) together with villages with rich folk traditions especially in the Mecsek region, the Zala Hills, the Bakony Mountains and the Northern Hungarian Mountains. Predictably, the offer of rural tourism destinations proved especially tempting for townspeople (Jusztin, M. 2006, Kollega Tarsoly, I. et al (eds.), 2000) (Figure 3.)

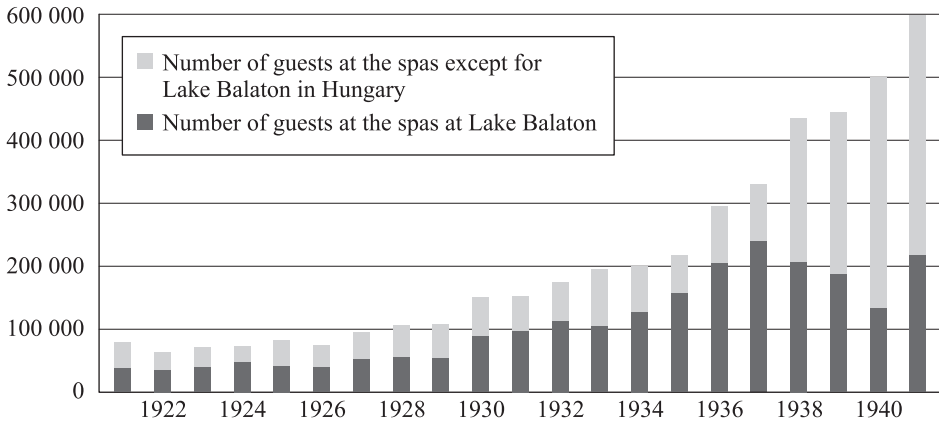


Figure 5. Changes in guest flow at Hungarian spas between 1921 and 1941, indicating the ratio of bathing resorts at Lake Balaton

Source: Based on the volumes of the Statistical Yearbook (Statiztikai Évkönyv) between 1921 and 1941, edited by the authors

The role of infrastructural and transport development

Tourism experts of the period agreed that in order to invigorate the sector, the supply-side of tourism needed to be stepped up in the country both in the general and the specific sense. They also realised that Hungary's accommodation structure was not adequate to welcome either international or domestic tourists, and that the transport system was also badly in need of further development as the presence of adequate transport infrastructure was a fundamental condition for the development of tourism (Abonyiné Palotás, J. 2007).

Due to major territorial losses, after 1920 the Hungarian railway network lost most of its circular routes which once connected the large regional hubs, and only the radial network remained with a special focus on the capital, Budapest. Despite of this phenomenon, the railway remained the most important means of transport in the era, also serving the needs of mass tourism. In fact, the Tourism Department of the Hungarian Royal State Railways¹⁸ was accorded a considerable role in boosting tourism (*A magyar idegenforgalom évkönyve* 1936).

Parallel with the international development schemes, the use of automobiles also gained increasing ground in this era, resulting in significant changes in road transportation and establishing a claim to the development of road infrastructure first focusing on the connection between Budapest and Vienna and then between Budapest and the rural areas of the country. While the number of cars increased significantly in Hungary in this period, a great proportion of the remaining 16,836

km public road network was in hardly appropriate conditions. The number of the vehicles reached 17,921 in 1927, of which only 8,155 were private cars, 372 buses and 1,104 car rentals (Várszeghy, J. 1928c). In this period the bus also joined the competition with the car and the train.

The bus became a competitor to the train primarily on the short and medium distances. Its obvious advantage over trains was that contrary to fixed track modes of transport its route could be modified almost any time; it was also cheaper, with its speed was just slightly under that of the train. This is the reason why in the interwar period railway companies aimed to organise the bus services of their own, creating a competition for themselves, thus hoping to forestall the danger of being badly affected by the possible appearance of outside competitors (Gundel, E. 1937).

The Treaty of Trianon proclaimed all the waterways of Hungary to be international routes, so the Hungarian authorities could not disclose data concerning freight and public transport until 1927. The public transport of Lake Balaton was 53,717 passengers in 1926 and by 1927 it grew to 141,259. The number of watercraft grew from 260 to 676, showing the growing popularity of water sports as well (Várszeghy, J. 1928b: 508). New, faster modes of transport included cars, electrified railways, airplanes and zeppelins (Bársony, O. 1929). Hungary could not take advantage of all of these new inventions and technologies, however its air transport became more and more significant, indeed, between the two world wars civil aviation came to provide a new potential for tourism (Gundel, E. 1937: 93).

According to the Treaty of Trianon, all airplanes, engines and appliances and materials related to aviation had to be delivered to the Military Monitoring Committee¹⁹, this way the further development of commercial civil aviation was beset with extreme difficulties. After the treaty was promulgated, Hungary was banned from all activities related to aviation for 6 months. This prohibition, lasting until 22nd January 1922, was in fact maintained by the Military Monitoring Committee even until November. Matters were further complicated by the fact that criteria for the civil airplanes were not yet determined (Várszeghy, J. 1928a). In spite of all these negative circumstances, aviation embarked on a track of rapid development from 1922 both as regards the number of the flights and that of passengers (Table 1).

Meanwhile, in 1924, international travel bureaux began to include Budapest in their itineraries. Also, as a consequence of the development of air travel the Tourism Section of the Hungarian Foreign Affairs Association²⁰ was created in 1925, which was followed by the formation of the Danube Association²¹ in 1926 (Tihanyi, J. 1983).

Naturally, the development and increase of civil aviation had a positive impact on international tourism, but sightseeing flights and local flights also strength-

ened domestic tourism. In 1927, nearly half of (196) local flights were sightseeing tours, constituting 85% of the passengers of this category (951 persons). The Budapest-Siófok flight, which existed on a temporary basis in 1923, is especially remarkable in this respect, since this was the first flight transporting tourists from Budapest to Lake Balaton (Table 1).

Table 1.
The development of Hungarian aviation between 1922 and 1927

Year	Number of enterprises	Flights		Number of passengers	Weight of all consignments
		Number	Length (km)		
I. Scheduled flights					
<i>a) Budapest – Vienna</i>					
1922	1	469	¹⁾	334	¹⁾
1923	3	²⁾ 794	¹⁾	²⁾ 1.267	¹⁾
1924	3	1219	292.560	2.531	¹⁾
1925	3	1214	302.995	1.992	124.989
1926	3	1361	310.009	2.250	135.524
1927	3	1529	365.978	3.303	201.546
<i>b) Budapest – Belgrade</i>					
1922	1	³⁾ 58	¹⁾	³⁾ 23	¹⁾
1923	1	456	¹⁾	322	¹⁾
Year	Number of enterprises	Flights		Number of passengers	Weight of all consignments
		Number	Length (km)		
1925	1	475	155.318	360	50.264
1926	1	575	180.512	431	74.660
1927	1	700	228.652	458	116.966
<i>c) Budapest – Graz</i>					
1926	1	18	5.650	37	45
1927	2	384	129.430	372	4.115
I. Total					
1922	1	527	79.100	357	2.648
1923	3	1250	169.000	1.589	35.489
1924	3	1658	413.090	2.837	110.637
1925	3	1689	458.313	2.352	175.253
1926	4	1954	496.171	2.718	210.229
1927	4	2613	724.060	4.133	322.627
II. Occasional flights					
1922	-	3	-	4	-
1923	-	43	-	187	-
1924	-	54	-	119	-
1925	-	⁴⁾ 404	-	⁴⁾ 657	-
1926	-	30	-	54	-
1927	-	115	-	165	-

Table 1. (cont.)

Year	Number of enterprises	Flights		Number of passengers	Weight of all consignments
		Number	Length (km)		
III. Sightseeing flights and local flights					
1922		36	-	-	-
1923	-	682	-	2.248	-
1924	-	346	-	1.136	-
1925	-	360	-	1.078	-
1926	-	277	-	343	-
1927	-	⁵⁾ 405	-	1.108	-

¹⁾ No details of flights routes available.

²⁾ Of this amount, 7 flights with 32 passengers should be added to the temporary Budapest-Siófok route.

³⁾ Of this amount, 57 flights with 20 passengers flew only to Arad.

⁴⁾ Domestic charter flights included.

⁵⁾ In 1927 there were 196 sightseeing flights with a total of 951 passengers.

Source: Based on Várszeghy, J. 1928a p. 87. edited by Törzsök, A.

Still, there were numerous obstacles affecting aerial transport, including price, frequent accidents, distance between airports and the cities and the maximised weight of the baggage, so ultimately, speed remained the only truly decisive advantage of air transport. In 1937, Gundel stated that air travel “possesses none of the significance in tourism that is generally accredited to it” (Gundel, E. 1937: 92 – translated by the authors).

Changes in the balance of payment and the supply range in the tourist sector

Hungarian economic experts of the time were aware that on the active side of the balance of payments the revenues from tourism played a highly important role, but, at the same time, the spending of outbound tourism from Hungary burdened the passive side of the scale (Szigeti, Gy. 1925). In 1929, while the neighbouring countries all boasted a positive balance of payments in their tourist sector, Hungary’s balance showed a deficit of 5.9 million gold dollars. In Europe, the only countries with a deficit of international tourism greater than that of Hungary were Sweden and Germany (8 and 28.6 million gold dollars) (Magyar Statisztikai Szemle 2/1938).

Over the 1930s, the improvement achieved in foreign relations and the recovering of financial stability made a positive impact on the development of the economy and, along with it, on tourism. Hungary achieved total independence as the Military Monitoring Committee left the country on 31st March, 1927. Its

opportunities and development were no longer influenced by any dynastic or imperial intentions. As a positive impact on tourism, the Hungarian capital and Lake Balaton attracted visitors more easily by being disengaged from direct competitors such as Vienna or the spas of the former Austro-Hungarian Empire.

In the 1930s the country experienced a continuous increase in German orientation, for instance in 1933 11% of all the foreign visitors were German. Important milestones for the further development of tourism – at the same time putting Hungary on the map of international tourism – were the 1937 International Spa Congress held in Budapest, the 1938 Eucharistic World Congress, the congresses of the Great National Travel and Tourism Bureaus and the Federation for Private Travel Agencies attracting a great number of international visitors to the capital (Tihanyi, J. 1983).

International tourism, although bringing an increasing number of international visitors to Hungary, showed a deficit even in the 1930s. According to the data published by Frigyes Fellner, in 1930 the Hungarian citizens spent 32.9 million pengő (the Hungarian currency of the time) abroad, while altogether only 26.1 million pengő were spent in Hungary by the inbound visitors (Fellner F. 1930). Hungarians with a sufficient discretionary income were likely to spend their holidays abroad, keeping the negative balance of payment of tourism persistent throughout the 1930s. The majority of the outbound visitors from Hungary yearned “not for luxury but the calmness of bourgeois comfort” which “could not be found everywhere in Hungary” at that time (Bársony, O. 1933: 9).

A considerable part of these travellers were Hungarians who used to travel to the traditional tourist destinations of the Hungarian Kingdom before WWI and preserved their holiday travel habits to the same areas but counted as outbound tourists after 1920. These destinations were the Tatra Mountains (Czechoslovakia), the medical spas (Czechoslovakia, Romania) and of course many travellers were simply visiting their families, relatives and friends (Jusztin, M. 2006).

Besides the afore-mentioned traditional destinations the most popular countries for Hungarian tourists were Austria, Italy and the Czech Republic. Nearly 10 times more Hungarians travelled to the famous Austrian spas, mountain resorts and cities like Vienna, than Austrians travelling to Hungary. Italy, again, attracted Hungarians because of its mountains and its cultural heritage, and the Czech Republic because of its world-famous spas.

Keményfi, J. and Vezér, I. (1938) published compelling data from 1927 and 1937 about the ratio of guest nights in Budapest (Table 2.). This dataset clearly shows the effects of isolation in the 1920s when the majority of the visitors of Budapest were domestic and the consolidation of the 1930s with the neighbouring countries, when foreign visitors reached 57%.

Table 2.
The distribution of the visitors of Budapest by sending area based on the ratio
of guest nights

Year	Domestic visitors	Visitors from the former Hungarian areas	Foreign visitors
1927	56%	15%	29%
1937	28%	15%	57%

Source: Based on Keményffi, J. and Vezér, I. (1938) Jusztin, M. 2006

The Hungarian tourism sector reached its peak in 1937 when 380 000 foreign visitors arrived in the country, most of them German and Austrian tourists. In the same year 220 000 Hungarians travelled abroad and one million inhabitants participated in domestic tourism (Kollega Tarsoly, I. et al (eds.), 2000).

The response of tourism planning to changes in the tourism sector

In order to change this situation and strengthen the domestic tourism of the country several proposals and plans were published in the period between the two world wars. Béla Marton strongly intended to involve masses of people in tourism as part of the “leisure movements” and “workers’ holidays”. Involving the working class in tourism was seen as a proof of an increased quality of life. This relied on the three basic conditions for tourism: free time, disposable income and motivation (Gyuricza, L. 2008: 23). Béla Marton believed there were 60 days that could be well exploited by tourism covering 52 Sundays and 8 holidays. In 1940, “workers’ holidays” were established in two locations, Balatonaliga and Hévízszentandrás, with the organisation of the National Labour Centre²². The workers who went on holidays were accommodated in rooms with two or three beds and were provided three meals per day for a sum of 28 to 47.6 pengő, depending on the accommodation and the date of the holidays (Marton, B. 1940: 15).

In 1933 Oszkár Bársony elaborated and published an action plan with 10 priorities, leaning strongly on ethnic Hungarians on the far side of the new borders, in order to increase domestic tourism. As a first element he intended to make a reliable nation-side survey of the extent and quality of the accommodation structure and the tourism services of the country published in brochures. Further, he intended to establish an institution granting loans to enterprises interested in tourism and worked out a tax moratorium for hotels and boarding houses at holiday resorts. As regards rail travel, based on the French example, he proposed the introduction of cheap family tickets and proposed to organise incentive meetings for Hungarian and cross-border Hungarian physicians, covering all their costs, to drive home the advantages of the medical spas of the country. He also proposed

to increase the number of days available to local officials for holidays by 3-4 days in order to enhance domestic tourism, if they could prove that they spent their holidays in Hungary. But primarily, he hoped to restore the dynamism of domestic tourism industry through the creation and propagation of an adequate accommodation structure and the improved standards of the accompanying tourist services (Bársony, O. 1933).

In 1934 István Kallós proposed that a central, government-led organisation for tourism should be set up either in the tourism bureau or in any other offices in order to wield executive power in decisions related to tourism and spa issues (Kallós, I. 1934: 10). Between the two world wars economists and tourism professionals understood the importance of tourism and its positive impact on the economy and the balance of payments, and urged the country to prepare for the period after the war, since tourism was becoming a mass phenomenon posing new challenges to state and society alike (Bud, J. 1943: 15).

Conclusions

The development of Hungarian tourism during the nearly two decades of the interwar period is exceptional in the history of the country's tourism, since the economic, social and political significance of this branch increased continuously throughout the period here analysed. One reason was better utilisation of existing capacities along with the establishment of new facilities, mainly as regards infrastructural developments on the supply side. This phenomenon was coupled with the change of lifestyle in Europe, with the need for leisure and recreation growing constantly for ever wider sections of society. In addition, the appearance of mass tourism had a decisive effect on travel habits and tourism services as well.

At the beginning of the period, due to the Trianon Treaty, the most important tourist destinations of the former Hungarian Kingdom became separated from the mother country, and thus the remaining domestic facilities immediately gained in value, especially in the eyes of domestic tourism. However, the country's accommodation and service capacities proved inadequate to match the potential domestic demand. That is the reason why the so-called "paying guest" system was introduced in this period. In 1922, a "tent camp site" was established in Balatonkenese, next the Palota Szálló (Palace Hotel) was built in Lillafüred, which still enjoys an excellent reputation among the country's hotels. The reaction of the government in this period to the lack of tourist accommodation was to establish the paying guest system and the camping sites, which was also partly a reaction to the tourism trends of the period.

The balance of payment of international tourism showed a massive deficit. The restrictions imposed by the Military Monitoring Committee and country's isolation

due to its foreign policy set back the strengthening of international inbound tourism even though Hungary was one the cheapest countries in Europe at the time.

In order to compensate for the loss of traditional spas cut off by the new borders, Keszthely, the largest town around Lake Balaton achieved a privileged role especially at the beginning of this era. Domestic tourism was improved and extended under state regulation and by dedicated management institutions at significant national destinations such as Lake Balaton. The European political crisis also made its impact on Hungary's tourism industry, and so international inbound tourism fell back between the two World Wars and was influenced mainly by the dominant German relations.

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Regulations

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Notes

- 1 Turizmus Szakosztály
- 2 Budapest Székesfőváros Idegenforgalmi Hivatala
- 3 Országos Magyar Idegenforgalmi Tanács
- 4 Országos Magyar Idegenforgalmi Tanfolyam, Idegenvezetői Vizsga
- 5 Idegenforgalmi és Utazási Vállalat
- 6 Országos Idegenforgalmi Iroda
- 7 Budapest Székesfőváros Idegenforgalmi Hivatala
- 8 Budapest Fürdőváros Egyesület
- 9 Magyar Idegenforgalmi Érdekeltségek Szövetsége
- 10 Magyar Királyi Balatoni Intéző Bizottság
- 11 Magyar Országgyűlés Tagjainak Idegenforgalmi Testülete
- 12 Budapesti Központi Gyógy- és Üdülőhelyi Bizottság
- 13 Országos Magyar Idegenforgalmi Hivatal
- 14 Utazás
- 15 IBUSZ (Idegenforgalmi, Beszerzési, Utazási és Szállítási Vállalat)
- 16 Magyar Államvasutak
- 17 In the interwar period, Hungary saw the possibility for territorial revision after the Anschluss (1938). Led by German and Italian negotiating partners in the 1st Vienna Decision in 1938, Hungary claimed back part of its former territories from Czechoslovakia. Four months later, the Hungarian army occupied Transcarpathia. The 2nd Vienna Decision in 1940 gave back areas from Transylvania to Hungary. In 1941 the Vojvodina region was reclaimed by the Hungarian army from Serbia. Due to the territorial revisions Hungary re-annexed areas with an ethnic Hungarian majority (Romsics I. 2010). (Figure 4.).
- 18 Magyar Királyi Államvasutak Idegenforgalmi Osztálya
- 19 Katonai Ellenőrző Bizottság
- 20 Magyar Külügyi Társaság Idegenforgalmi Szakosztály
- 21 Duna Szövetség
- 22 Nemzeti Munkaközpont

