

The tourism economy in Spain, 1900-1939: new sources, new methodologies and new results

Rafael Vallejo Pousada

Department of Fundamentals of Economic Analysis and Economic History. Faculty of Economics and Business, University of Vigo. Campus de As Lagoas, s/n, 36210 Vigo, Spain.
E-mail:vallejo@uvigo.es

Margarita Vilar Rodríguez

Department of Economics. Faculty of Economics and Business, University of A Coruña. Campus de Elviña s/n, 15071, A Coruña, Spain. E-mail: mvilar@udc.es

Elvira Lindoso Tato

Department of Economics. Faculty of Economics and Business, University of A Coruña. Campus de Elviña s/n, 15071, A Coruña, Spain. E-mail: elviralt@udc.es

Acknowledgements

This research was supported by the Ministerio de Economía y Competitividad (Spanish Government) under the Research Project titled Historia del Turismo en Galicia. Orígenes y Desarrollo en el siglo XX, Ref. HAR2014-52023-C2-2-P

Notes on contributors

Rafael Vallejo Pousada

is Senior Lecturer of Economic History at the University of Vigo, Spain. His current research programmes examine the economic history of tourism in Spain

Margarita Vilar-Rodríguez

is Associate Professor of Economic History at the University of A Coruña, Spain. Her current research programmes examine the economic history of tourism in Spain

Elvira Lindoso-Tato

is Associate Professor of Economic History at the University of A Coruña, Spain. Her current research programmes examine the economic history of tourism in Spain

Abstract:

This paper explores the economic dimension of Spain's tourism resources during the first third of the twentieth century using new quantitative and qualitative evidence. With this aim firstly critically analyses available historical sources and use them to create a new series of tourism indicators. Secondly looks at how important tourism was to the Spanish economy in the early twentieth century, as reflected in the few known macro-magnitudes corresponding to the period 1900-1939, and quantifies the country's tourism resources using the accounting records of related economic activities. And, finally analyses and quantifies the key areas of tourism stock mentioned above. The information available has made it possible to present new series of statistics for accommodation and spa resources and tourism brokering in pre-Civil War Spain.

Key Words: Tourism, Economic History, Spain, twentieth century

Introduction

This paper explores the economic dimension of Spain's tourism resources during the first third of the twentieth century using new quantitative and qualitative evidence. In general terms, tourism resources can be described as 'assets, goods, services, resources and infrastructures ordered and structured in such a manner as to make them commercially available for use or consumption by tourists'.¹ It is, therefore, a concept that encompasses both a region's natural resources and its tourism-related businesses. Since the statistical constraints of the period in question and the need to limit the length of the article make it impossible for this study to address all the tourist activities conducted in Spain, attention will be focussed on four key types of tourism assets: hotels/hostels, spas, transport and tourism agencies and other related businesses.

Statistical sources for the study of tourism resources in Spain in the first third of the twentieth century

Tourism in Spain has a long history, dating back at least to the 1830s and 1840s and producing a number of attractions and resorts that have little by little contributed to an ever-increasing touristification of the country. During the first third of the twentieth century, tourism constituted a social phenomenon and an activity with economy boosting consequences that immediately became evident at local level in places like San Sebastián and Santander - although their potential for generating economic value added (EVA) was only officially recognized – and, more importantly, incorporated into a firm tourism policy – some time later. The first national statistical records appeared following the creation of the Patronato Nacional de Turismo (PNT – National Tourism Board) in 1928, but this organism only published statistics for the period 1929-1933. It also focussed predominantly on foreign tourism, tending to overlook internal and outbound tourism, and the data recorded cannot therefore be used to efficiently quantify the additional economic importance of tourism in terms of EVA.² The continuity of the statistics recorded was, in any case, interrupted by the Civil War.

After the conflict, in 1946, M. Fuentes Irurozqui extracted the first tourism and hotel capacity figures for Spain from the statistics office of the Sindicato Nacional de Hostelería

¹ From Segittur (Spanish state company for the management of innovation and tourism technologies).

²Further information about the Patronato in Ana Moreno, *Historia del turismo en España en el siglo XX* (Madrid: Síntesis, 2007). A more detailed critique can be found in Rafael Vallejo, Elvira Lindoso and Margarita Vilar, 'Los antecedentes del turismo de masas en España, 1900-1936', *Revista de la Historia de la Economía y de la Empresa X* (2016): 137-188.

(National Hotel Workers' Union).³ This data was much more complete than that published by the *Anuario Estadístico de España* (AEE- Spanish Statistics Yearbook) (1943), which up until 1942 only included statistics for 'foreign tourists'. It was then not until 1955 that the Instituto Nacional de Estadística (INE - National Statistics Institute) published yearly and monthly figures for foreign tourists entering and leaving Spain and the means of transport employed, and even then, 'everything to do with the geographic distribution of foreign tourists, their stay in Spain, the money they spent, etc., is missing'.⁴ The official register of overnight stays at tourism establishments did not reappear until 1966, by which time Spain was already a consolidated tourist destination or a 'country invaded by this peaceful influx [to which] it no longer reacts with indifference'.⁵

The measurement of Spain's tourism resources in the period addressed in this study is a more challenging task insofar that no general business censuses or statistical series for establishments offering accommodation, food and drink are available for the first half of the twentieth century. One source that may be able to fill this void, albeit partially, is the Registro Mercantil (Central Mercantile Register).⁶ However, the sectorial distribution of commercial companies in Spain in the first third of the twentieth century has not been detailed in any studies carried out to date. Another of the few sources that could shed light on the scale of tourism in Spain between 1900 and 1939 is the Estadística Administrativa de la Contribución Industrial y de Comercio (CIC) (Administrative Statistics for Taxes on Industry and Commerce), the three basic drawbacks here being:⁷ the exclusion of Navarre and the Basque provinces due to their retention of regional charters; the difficulty of establishing a homogeneous historical series, taking into account the long history of these statistics and the many changes introduced in them over time; and the transfer of limited liability and limited partnership companies from the CIC to the new Impuesto de Utilidades (Income and Capital Tax) from 1900 onwards. The CIC statistics consequently became less representative as more businesses in the industry and service sectors were incorporated as limited partnership

³ Manuel Fuentes Irurozqui, *Síntesis de la economía española. Geografía económica de España* (Madrid: Diana, 1946), 343-351.

⁴ José Ignacio Arrillaga, *Sistema de política turística* (Madrid: Aguilar, 1955), 27. The culture sections of Spain's *Anuarios Estadísticos* did not include a heading expressly referencing tourism until 1954. See also José Ignacio Arrillaga, *El turismo en la economía nacional* (Madrid: Editora Nacional, 1955).

⁵ Luis Fernández Fuster, *Albergues y paradores* (Madrid: Publicaciones Españolas, 1959), 4.

⁶ For the possibilities offered by the Registro Mercantil, see Vallejo, Lindoso and Vilar, 'Los antecedentes del turismo', footnotes 11 and 12.

⁷ For more information on early research carried out using this source, see Vallejo, Lindoso and Vilar, 'Los antecedentes del turismo'.

companies, especially after the First World War.⁸ This affected the hotel industry, spas and the larger providers of tourism services, although these areas represented only a small part of the overall tourism sector.

Further information about potential tourist accommodation can be obtained from other archives and documents. These sources include the *Anuarios de Sociedades Anónimas* (Annual Directories of Limited Liability Companies), published from the 1910s, which recorded the number of hotel companies, sanatoriums, spas and thermal institutions and their paid-up capital; records of the above-mentioned *Impuesto de Utilidades*; Annual Reports by Chambers of Commerce;⁹ the *Anuario Bailly-Baillièrè* or *Anuario General de España* (General Spanish Yearbook for Trade, Industry, Administration and the Judiciary), the *Anuario Industrial y Artístico* (Yearbook of Industry and Art) (1929 to 1933-1934) published by Casa Rivadeneyra, together with several excellent provincial and regional statistical yearbooks from the 1930s, such as the *Anuario General de Málaga* (1930) and similar directories for the Basque Country (1930) and the North of Spain (1932); local tourism guides and tourism promotion publications produced by regional initiative organizations like the *Sociedad de Atracción de Forasteros de Barcelona* (Association for the Attraction of Foreign Visitors, Barcelona); international tourism guides like Baedeker's *Spain and Portugal* (1901, 1908), the *Queen Book of Travel* (1914) and F. Muirhead's *Blue Guide to Southern Spain and Portugal* (1929); and, of particular interest regarding spa resources, the *Anuario Oficial de las Aguas Minerales de España* (Official Directory of Spanish Mineral Waters), the *Anales de la Sociedad Española de Hidrología Médica* (Annals of the Spanish Society of Medical Hydrology - SEHM) and the *Official Guide to Spanish spas and thermal establishments*.¹⁰

The almost total absence of statistics about the development of tourism in Spain during the first third of the twentieth century finally obliged us to seek new sources in order to draw comparisons with the situation in other countries. To this end, we compiled a historical series called the *Índice de Intensidad Mediática del Turismo* (MIIT – Media Impact Index for Tourism), based on the number of times the word 'tourism' appeared in the digital versions of newspapers *La Vanguardia* and *ABC* (including its supplement *Blanco y Negro*), in the press available for consultation in the digital newspapers and periodicals section of the Spanish

⁸ Jordi Nadal and Xavier Tafunell, 'Sant Martí de Provençals, pulmó industrial de Barcelona (1847-1992)' (Barcelona: Columna, 1992).

⁹ The Mallorca Chamber of Commerce, for example, included tourism statistics from 1930, *Memoria*, 158.

¹⁰ Luis Alonso, Margarita Vilar and Elvira Lindoso, *El agua bienhechora. El turismo termal en España 1700-1936* (Madrid: Observatorio Nacional de Termalismo, 2012).

National Library, in The New York Times and in the British Library Catalogue (Figure 1) The base-year for the MIIT was 1913.

This material was used to address several key issues.¹¹ Several tourism intensity indices were created, offering an overview of the great cycles of tourism which took place during the period in question; the weight of the tourism sector on Spain's balance of payments was measured, as was Spain's ranking as an international tourism destination around 1930; a brand new historical series was compiled showing hotel establishments and their geographical distribution; and, finally, for the first time ever, the number and location of Spain's tourism businesses and their weight in the commercial and industrial activity of the period were recorded.

An alternative statistical source: the MIIT (Media Impact Index for Tourism) and tourism cycles

The Media Impact Index for Tourism (MIIT) mentioned above made it possible to identify the point at which tourism and Spain's 'tourist industry' first began to have an impact on the printed media – and its city-dwelling readers. In the nineteenth century, the term *tourism* appeared only occasionally in Spanish newspapers: but in the early years of the twentieth century it began to be used on a more regular basis, as can be seen in *ABC* and *La Vanguardia*. The word 'tourism' first appeared in *ABC* in 1903, the same year in which Bartolomé Amengual published his famous book *La industria de los forasteros*¹² and Pablo de Alzola presented his little known report *El saneamiento de la moneda. (Informe de la Liga Vizcaína de Productores ante la Comisión Parlamentaria)*,¹³ which directly inspired the birth of the Comisión Nacional de Turismo (National Tourism Commission) in 1905. In the same year (1903) we also found for the first time the word 'tourism' in *La Vanguardia*. A year earlier, the Spanish government had passed its first piece of tax – and tourism policy – legislation aimed at promoting 'the life of tourism' in Spain: a transport tax exemption for 'all foreign circular tour tickets' for rail journeys.¹⁴

¹¹ Without claiming to be exhaustive, this paper also drew information from the balance of payments and tourism records offered by Spanish historical statistics, calculated historical GDP data from the Maddison database (<http://www.ggd.net/maddison/maddison-project/data.htm>) and sources listed in the bibliography and elsewhere in the text.

¹² Bartolomé Amengual, *La industria de los forasteros* (Palma de Mallorca: Litografía de Amengual y Muntaner, 1903).

¹³ Published in *Nuestro Tiempo* 35, 36 and 37 (1903-1904).

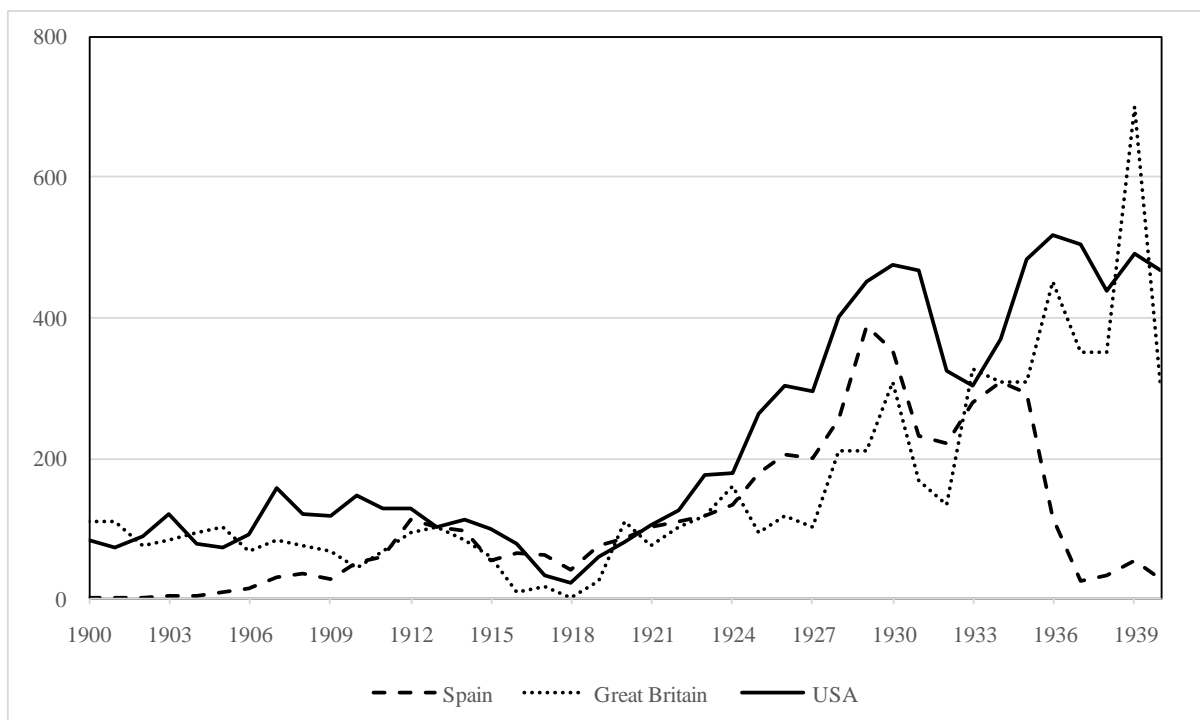
¹⁴ Further information in *La Gaceta de Madrid*, 25/02/1904 and 02/03/1904.

Coverage of tourism in the Spanish press reached its peak in the decade immediately before the outbreak of the Civil War: in the two five-year periods 1926-1930 and 1931-1935, the word 'tourism' appeared more than 800 times a year in the publications mentioned above. The specialized, or general interest, press informed its readers and encouraged them to go on pleasure trips. From the 1920s, general interest publications featured advertisements for travel agencies (Marsans, Urbis, Sommariva, Bakumar, Iberia, Cafranga, Ruiz Vernacci, and others) and for specific travel-related products (bicycles, touring vehicles, and accessories like comfortable clothing and special travel utensils).

The MIIT reflects the five great cycles of tourism referenced in contemporary accounts and historiography (Figure 1). The initial emergence of modern tourism— the birth of what was then seen as an industry worthy of administrative support - between the dawn of the century and the outbreak of the First World War was followed by a second phase of contraction which, despite showing the first signs of recovery in 1919-1920, was not fully overcome until 1924-1925. The third phase was the 'tourism boom' of 1929-1930, exemplified by the Ibero-American Exposition in Seville and the Barcelona International Exposition. These phases fully coincided with those seen at international level. As Frederick W. Ogilvie pointed out in 1933, referring to the aftermath of the recession experienced during the Great War and the immediate post-war period, 'the same general characteristics can be seen all over the world: an increase in the number of tourists up to 1929-30 and then a decline'.¹⁵ Spain also experienced the recession of 1931-1932 identified by Ogilvie (1932 in particular was a disastrous year for international tourism), together with a dynamic recovery between 1933 and 1935 characterised by regional dissimilarity. Continuing the trend that had begun in 1925, Spain's tourism initiatives and stock reached their peak during the Second Republic.

**Figure 1. Media Impact Index for Tourism in Spain, Great Britain and U.S.A., 1900-1940
(1913=100)**

¹⁵ Frederick Wolff Ogilvie, *The Tourist Movement. An Economic Study* (London: P.S. King & Son, Ltd., 1933), VIII. For the period 1921-1931, the correlation coefficients between foreign 'visitors' in Great Britain and foreign tourists in Spain (0.93), foreign 'tourists' in Great Britain and foreign tourists in Spain (0.87), and foreign tourists in Spain and our MIIT (0.89) are very high. The correlation coefficient of correlation between our MIIT and foreign tourists in Spain for the same period, 1921-1931, is equal to 1. The figures for foreign 'visitors' and 'tourists' in Great Britain are taken from Ogilvie, *The Tourist Movement*, 81-82, 88 and 92.



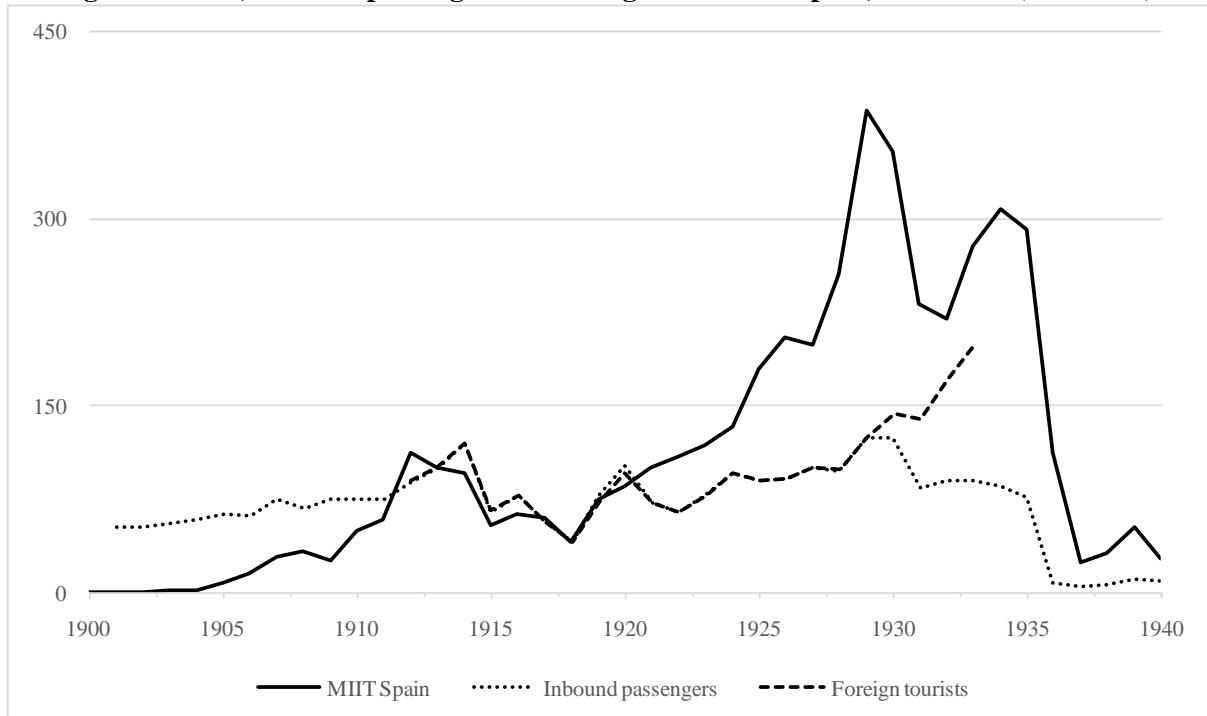
Sources: for Spain, created by authors following analysis of the term 'tourism' in archive issues of *La Vanguardia*, *ABC* and digital press held in the Spanish National Library; for Great Britain, *The British Newspaper Archive*. www.britishnewspaperarchive.co.uk; for U.S.A., *The New York Times*, 1851-1940.

This initial evolutionary phase of modern tourism in Spain was brought to an abrupt halt by the Civil War. The conflict caused the MIIT index to plummet from 1936 onwards, while at international level tourism continued to expand from 1933, peaking again in 1937 at a level considerably higher than that attained in 1929. In the United States, this was followed by moderate decline in 1938-1939. Prior to the Civil War, Spain's statistical series had run more or less parallel to British and American series. The Spanish conflict can be seen as a local precursor of the recession in tourism activity at global level brought about by the outbreak of the Second World War just three years later.

At the same time, the MIIT values were compared with the known statistics for foreign tourists and passengers arriving in Spain by sea, with 1913 as the base year (Figure 2). A high degree of correlation was found to exist with both of those series in the periods 1901-1939 and 1912-1933 (0.60 for inbound tourism and 0.72 for foreign passengers arriving by sea). The correlation was much higher when the usage intensity of the word 'tourism' in the press was compared with the real GDP series compiled by *Angus Maddison*. Here, the correlation coefficient rose to 0.96 when the MIIT values were compared with the average real GDP of the world's sixteen most industrialized countries in the first third of the twentieth

century (1900-1935) and to 0.95 when compared with the real Spanish GDP corresponding to the same period.¹⁶

Figure 2. MIIT, inbound passengers and foreign tourists in Spain, 1900-1940 (1913=100)



Sources: see Figure 1; INE, *Anuario Estadístico de España*, for 1922-1923, 51; for 1930, 47; *Anuario 1934*, 372; Antonio Tena, 'Sector exterior' in *Estadísticas Históricas de España, siglos XIX-XX*, coord. Albert Carreras and Xavier Tafunell (Bilbao: Fundación BBVA, 2005), 575-644; and Luis Fernández Fuster, *Geografía general del turismo de masas* (Madrid, Alianza, 1991), 134.

Spanish tourism in the balance of payments and Spain's ranking in world tourism around 1930

In the Spain of 1930, economic cycles were still largely determined by agricultural cycles. The prosperity or weakness of the agricultural sector was passed on to industry and trade through the fiscal multiplier effect. Agricultural performance conditioned demand for industrial goods, changes in consumption patterns and the country's purchasing power abroad. Even so, Spain's economic and social structure underwent a certain degree of modernization up to the Civil War. Industrial and services sector densities increased as entrepreneurial initiatives

¹⁶The real GDP figures for the 16 countries are taken from Angus Maddison, *Historia del desarrollo capitalista. Sus fuerzas dinámicas: una visión comparada a largo plazo* (Barcelona: Ariel, 1991), 147-150; and for Spain from Maddison, *Historical Statistics of the World Economy: 1-2008*, accessible on the AEHE (Spanish Association of Economic History) website. Once in progress, tourism is usually sensitive to fluctuations in national income, as indeed the attention dedicated to it in the press has proven to be; in the absence of any evidence to the contrary, therefore, the MIIT seems to offer a useful insight into the tourism cycle.

multiplied. Tourism benefitted from technological advances in communications and transport, from the sociological changes associated with the process of urbanization, from Spain's increased integration into the international community, and from growth in real income per capita, which rose from 1,873 dollars in 1900 to 2,711 dollars in 1935.¹⁷ Despite its serious structural problems – low educational stock, unequal distribution of property and wealth, high emigration levels due to its failure to provide employment for the active population, territorial tensions with nationalists in peripheral regions, outbreaks of social violence, etc. – Spain nevertheless remained on a path of Europeanization which, by the middle of the 1920s, had made Spain and all things Spanish more appealing in the eyes of more sophisticated Europeans and Americans. These changes undoubtedly had a positive effect on tourism. But just how important was tourism in economic terms? The answer to that question can be found in several different indicators: firstly, the weight of inbound tourism in the Spanish economy in the years for which statistics are available; secondly, Spain's ranking in international tourism in 1931-1932; and thirdly, the contribution of tourism activity to the country's productive activity as a whole, measured circumstantially using population censuses and CIC statistics for those activities that can be considered to be tourism-related.

Macroeconomic figures are generally scarce. The weight of internal and outbound tourism in the Spanish economy is unknown, but some figures are available regarding inbound tourism. Spain earned some 65 million pesetas attributable to inbound tourism in 1900.¹⁸ By 1934, that figure had risen to 142 million. The average number of tourists visiting Spain in the period 1926-1935 was 1.5 times greater than that for 1901-1910, although, according to data now available, this increase represented a growth rate lower than that of the Spanish economy as a whole. Revenue from inbound tourism represented 0.66% of the Spanish GDP in 1900, and 0.41% in 1934 (Table 1). Inbound tourism also grew, with the number of foreign tourists per head of the Spanish population doubling between 1901 and 1930, but still Spain did not manage to become a tourist country – that is to say, a leading international tourist destination in which inbound tourism was more important than both outbound tourism and, in general, tourism carried out by Spaniards either inside or outside Spain.

Table 1. Weight of inbound tourism on the Spanish economy, 1899-1934

¹⁷ USA dollars 1990; Albert Carreras and Xavier Tafunell, *Historia Económica de la España contemporánea* (Barcelona: Ariel, 2003), 476 and 478.

¹⁸ According to Tena 'Sector exterior'.

	Tourists (thousands)	Tourism expenditure (Million pesetas)	Tourism revenue (Million pesetas)	Tourism balance (Million pesetas)	Tourism revenue/Trade deficit	Tourism revenue/Imports	%Tourism revenue/Exports	Tourism revenue/GDP
1899		15.0	50.0	35.0		6.1	5.8	0.54
1900	[116.5]	19.4	64.8	45.4		7.7	6.9	0.66
1904	130.4		68.0			8.0	7.5	0.60
1912	198.7		120.0	Positive		9.6	8.6	0.93
1925-1927	213.3			-25				
1929	276.5		[c. 400]	'Maybe' positive				
1931	187.2	149.0	131.1	-17.9	25.5	4.9	6.1	0.39
1932	201.9	127.7	161.0	33.3	24.9	6.2	8.2	0.49
1933	200.3	106.9	136.3	29.4	30.4	6.0	7.4	0.43
1934	190.8	83.7	142.1	58.3	--	6.1	5.7	0.41

Source: Vallejo, Lindoso and Vilar 'Los antecedentes del turismo'.

In the early 1930s, although foreign trade figures provided some indications of its potential, tourism was far from being considered a crucial sector in Spain's model of economic development. In this regard, the tourism figures appearing in the Memorandum on Balance of Payments published by the League of Nations in the 1930s, offer some interesting – and, until recently, little known – information.¹⁹ They show that in 1931-1932 Spain's ranking on the international tourism scene was very respectable indeed as an emerging tourist country: it was the eleventh most important country for outbound tourism in 1932 and the thirteenth most import destination for inbound tourism in 1931 – despite the considerable difference in tourism revenue that existed between the highest-ranking countries and the group lower down the list, of which Spain then formed part (Tables 2 and 3). Thanks to its price levels and favourable exchange rates in comparison with other currencies, however, Spain was already gaining ground and catching up with France, where outbound tourism went into decline in the 1930s due to inflation and the relative overvaluation of the franc, and Italy, where following the stabilization of the lira in 1927, and for purely political reasons, Mussolini had chosen to maintain his country's currency at such a level of overvaluation that inbound tourism revenue fell from 2,711 million lira per year in 1926-1930 to 1,732 million lira per year in 1931-1935.

Spain's appeal in the early 1930s was exemplified by a number of regional tourist destinations. Perhaps the most outstanding of these was Mallorca, which from the end of the 1920s became one of the epicentres of international tourism and where national and foreign tourism burst onto the economic scene as a clear *terza forza* behind agriculture and industry.

¹⁹ Rafael Vallejo Pousada, 'Turismo en España durante el primer tercio del siglo XX: la conformación de un sistema turístico', *Ayer* (2018 in press).

In 1929 it was acknowledged that 'in a short space of time, the hotel industry [...] has taken a huge step forward'; in 1930 it was noted that 'the tourism trend is growing extremely significantly from one year to the next: it is arguably the most prosperous, and most profitable, industry'; while in 1935 it was openly declared that 'the main industries are shoes, fabrics and the hotel industry', and that the latter had experienced a 'powerful upsurge' due to 'the rise in tourism'.²⁰ Thanks to that year-to-year increase in tourism demand, Mallorca enjoyed a virtuous circle of growth – in this case tourism growth: higher demand led to the creation of hotels by private entrepreneurs, the new hotels were built with loans from local Mallorcan banking entities, encouraged by the good expectations of an expanding tourism cycle, and the loans were easily paid off with the profits made once the hotels opened. But this virtuous circle was interrupted by the Civil War, when hotel owners were forced to seek extensions to their loan repayment deadlines.²¹

Table 2. Tourist countries in 1931. Revenue from inbound tourism (million gold-dollars)

Countries	Millons gold-dollars	Countries	Millons gold-dollars
Canada	241.6	Czechoslovakia	17.2
France	235.2	Japan	13.5
United States	112.0	Spain	12.4
United Kingdom	78.2	China	12.3
Italy	72.8	Sweden	9.3
Switzerland	47.3	Norvege	7.5
Austria	36.6	Argentina	7.2
Belgium	34.8	Poland	6.2
Germany	31.0	Hungary	4.6
Cuba	22.2	Greece	4.5

Source: Vallejo, 'Turismo en España'.

Table 3. Tourist countries in 1932. Expenditure on outbound tourism (million gold-dollars)

Countries	Millons Gold-dollars	Countries	Millons Gold-dollars
United States	445.0	Spain	10.2
United Kingdom	69.4	Poland	10.0
Germany	30.1	Brazil	9.6
France	19.5	Italy	8.9
South African Union	17.7	Japan	8.3

²⁰ Cámara Provincial de Comercio, Industria y Navegación de Palma de Mallorca (Palma de Mallorca Chamber of Commerce, Industry and Navigation), annual reports for 1929, 1930 and 1935, VII (in each report).

²¹As such a qualified expert on Mallorcan tourism as Francisco Vidal Sureda, Government Representative for Tourism in Palma de Mallorca, explained to Director General of Tourism Luis A. Bolín on May 13, 1941, AGA (General Administrative Archives), Culture, Box 10834.

Netherlands Indies	13.3	Australia	8.1
Argentina	13.2	Sweden	7.0
Czechoslovakia	12.4	Hungary	5.7
Netherland	12.1	NewZealand	5.0
Canada	10.6	Greece	4.5

Source: See Table 2.

Spain's economic authorities valued the currency brought in by inbound tourism and its potential for balancing the Spanish economy's external deficit. In 1912, the number of foreign tourists visiting Spain – and the currency they brought with them – increased, a rise not counter balanced by a similar increase in the numbers of Spanish tourists travelling to countries like France or Portugal.²² This tendency, however was cut short by the First World War. Against a backdrop of impoverishment and economic instability in Europe, inbound tourism contracted, and pre-war levels were not regained until the mid-1920s.

The few statistics available seem to indicate that outbound tourism surpassed inbound tourism in importance at least until 1929, with Spain's wealthy classes passing more currency to other countries on their leisure trips than the amounts being brought in by foreign tourists arriving in Spain. A report by the Patronato Nacional de Turismo gave a negative balance of 25 million pesetas in tourist activity for 1925 and 1927, whereas France recorded a surplus of 1,600 million pesetas and Italy a surplus of 700 million pesetas, followed by Switzerland (200) and Austria (190).²³ The report of the Comisión del Patrón Oro (Gold Standard Committee), chaired by Flores de Lemus, made no mention of tourism-generated currency when referring to items which offset, or could potentially offset, disequilibrium in the balance of payments.²⁴ In contrast, the PNT estimated that foreign tourists had brought 400 million pesetas to Spain in 1929.²⁵ During the Second Republic, despite internal and international difficulties, things changed. Foreign, domestic and even outbound tourism began to show signs of recovery. Tourism results were positive in 1932-34, and evidence exists suggesting that this may also have been the case in 1935, although much research still needs to be done for any categorical verdict to be cast in this regard.

²² See *Gaceta de Madrid*, 16/12/1912, 821.

²³ Patronato Nacional de Turismo, *Memoria de los trabajos realizados por el Patronato Nacional de Turismo desde julio de 1928 a 31 de diciembre de 1929* (Madrid: Talleres Voluntad, 1931); Patronato Nacional de Turismo, *Memoria correspondiente a la liquidación, revisión y transformación del Patronato Nacional del Turismo, ordenada por el Gobierno provisional de la República en su Decreto de 23 de abril de 1931. Anejos de la Memoria* (Madrid: Talleres Voluntad, 1931).

²⁴ Comisión del Patrón Oro, 'Dictamen de la Comisión nombrada por Real Orden de 9 de enero de 1929, para el estudio de la implantación del Patrón Oro', *Información Comercial Española* 318 (1960), 68. For tourism currencies in Italy in this period and their 'positive' contribution to the balance of payments, see Vera Zamagni, *The Economic History of Italy 1860-1990* (Oxford: Clarendon Press, 1993), 126-127 and 266-268.

²⁵ Patronato Nacional de Turismo, *Memoria de los trabajos*.

To really understand tourism development in Spain in the first half of the twentieth century, however, it is necessary to look at tourism patterns other than those pertaining to inbound visitor flows. Advertisements by Spanish travel agencies during the Republican period reveal a significant amount of outbound tourism. They also show that internal tourism by Spaniards inside their own country was more important than outbound tourism.²⁶ A conservative breakdown of Spanish tourism for the period 1931-1934 produces some interesting figures. It is estimated that foreign tourists would have accounted for between 10 and 17% of the total, with Spanish tourists travelling inside Spain representing between 60 and 75% and outbound tourism between 11 and 19%. One specific example seems to corroborate this estimate: in the last eight months of 1927, of the 20 thousand tourists who visited Granada - a destination hugely attractive to foreigners – 16 thousand (i.e., 80%) were Spanish.²⁷

The total number of Spaniards who participated in tourism represented between 3.5% and 6.2% of Spain's population.²⁸ In Czechoslovakia, the average number of tourists in the period 1926-1930 was 2.9 million people, of whom 13.5% were foreigners, 74.3% were Czechs travelling inside their own country and 12.3% were Czechs travelling abroad. The number of people living in Czechoslovakia in 1930 was 14,726,158, so internal tourism represented around 15% of the population. Since, in that same year, the Czech GDP per capita was 2,926 dollars and the Spanish GDP per capita was 2,620 dollars,²⁹ the idea that 3-6% of the Spanish population took part in tourism activity in the early 1930s certainly does not seem unreasonable.³⁰ To a certain extent, this relative volume of Spanish tourism reflects the fact that, despite Spain's modest ranking on the international tourism scene, tourism was in fact becoming an increasingly important consideration in governmental and entrepreneurial initiatives. Middle class Spaniards had gradually been assimilating tourism activity into their lifestyles since the early years of the twentieth century, when pleasure trips and summer vacations first began to gain in popularity among certain social classes. Over time, this sociological phenomenon extended to what can justifiably be called a growing minority.³¹ Political and entrepreneurial initiatives and contemporary press reports reveal the emergence of an increasingly 'middle class' tourism in the early 1930s and the adoption of a business

²⁶*ABC Sevilla*, 15/12/1935, 20; *ABC*, 26/05/1935, 23 and *ABC Sevilla*, 08/09/1935, 22.

²⁷ Vallejo, 'Turismo en España'.

²⁸ Further information about these issues in Vallejo, Lindoso and Vilar, 'Los antecedentes del turismo'.

²⁹ Data in '1990 International Geary-Khamis dollars' from Maddison database.

³⁰*Enciclopedia Universal Europeo-Americana*, Espasa-Calpe, 1931, appendix 3, 1,208. For tourism in Czechoslovakia, see Ogilvie, *The Tourist Movement*, 152-159.

³¹ An extensive summary of testimonies carried out into these aspects can be found in Vallejo, Lindoso and Vilar 'Los antecedentes del turismo', footnote 35.

strategy aimed at promoting domestic tourism among the 'modest classes'. The process is illustrated in the products offered by tourism agents, such as the newspaper *Luz*, and in the design of tourist destinations geared specifically towards the abovementioned social groups, such as the Ciudad de Reposo y Vacaciones (City of Rest and Vacations) promoted by the Catalan architects' group GATCPAC under the auspices of the Catalonian regional government from 1932, and *Ciudad Jardín Prieto*, a development project implemented in Alicante from 1934. Spain was by no means alien to the social expansion and popularisation of tourism and leisure-related products and activities, although much research still needs to be done in this area.

Table 4. Branches of 'tourism' in Spain, 1900-1925 (in current pesetas)

		1900	1910	1925
Public shows and entertainments	N°	4,810	-	-
	Pts	968,559	-	-
Transport and leasing of horses and carriages	N°	12,935	9,408	-
	Pts	737,544	579,404	-
Cafes (1)	N°	108	76	97
	Pts	59,658	34,125	99,140
Inns, hotels, restaurants and lodgings with meals(2)	N°	258	322	484
	Pts	150,868	180,110	602,566
Bathhouses (3)	N°	347	439	623
	Pts	44,306	52,066	83,772
Spas (4)	N°	212	223	216
	Pts	53,484	47,808	145,104
Independent accommodation at spas (5)	N°	32	61	67
	Pts	3,059	4,287	9,774
Total-Branches	N°	18,702	10,529	1,487
	Pts	2,017,478	897,800	933,994
Total-CIC	N°	409,783	376,477	416,777
	Pts	42,958,608	38,547,304	100,438,726

Notes: 1925. (1) covers Tariff 1, Class 3, Heading 2 - 'Cafes of any type in which, apart from the items typically offered in this industry, food is also served'; (2) covers Tariff 1, Class 3, Heading 6 - 'Inns, hotels, restaurants and lodgings serving meals at set times'; (3) covers Tariff 2, Headings 65 to 68 and 70; (4) covers Tariff 2, Headings 71 and 71 a and b; (5) covers Tariff 2, Heading 71c. Source: CIC statistics.

Much research also needs to be carried out into the weight of tourism in Spain's economic structure at that time and this paper represents a first step in that direction. One key consideration here is to define, from a purely economic perspective, what we understand by tourism. Table 4 offers an overview of what can broadly be defined as the tourism activities carried out in Spain in the early decades of the twentieth century: hotel and restaurant industries, spas, bathhouses, public entertainment and transport. In 1928, according to the CIC tax revenue figures for that year, these different branches of 'tourism' accounted for approximately 16% of the total tax roll and 14% of all the CIC tax paid in Spain. However,

with only the five branches indicated in the table, both percentages are reduced below 1%. Clearly, all the activities involved correspond to the tertiary sector. Spain's percentage of tertiary sector assets is known to have risen from 15% in 1900 to 21.5% in 1930.³² With the statistics available, however, it is not possible to quantify exactly how much tourism development contributed to that growth. Even so, to measure the impact of tourism more accurately it would be necessary to include tourism-related employment in the transport, leisure and culture sectors of the period, which is not currently possible.

Tourism resources in Spain prior to the Civil War

The amount of physical, human and entrepreneurial capital dedicated to tourism activity augmented in Spain between 1900 and 1936 -an increase evident in the hotel sector, in the country's network of tourism companies and organizations and in the institutionalisation of its tourism policy. State involvement in tourism increased in the period 1929-1935. Moreover, the percentage of state expenditure channelled towards tourism practically matched the percentage of the GDP attributable to revenue from foreign tourism -a historically astonishing phenomenon. The Patronato Nacional de Turismo raised central government spending on direct tourism policy to 0.3% of state expenditure in 1929-1931 (around eleven million pesetas per year). This relative level of expenditure was not repeated in Spain until 1964.³³

Hotel resources: figures and regional differences: regional hotel density

To analyse how the hotel sector evolved from 1900 up to the outbreak of the Civil War we used a series of sources that have to date been employed very little when reconstructing tourism stock: the *Estadística Administrativa de la Contribución Industrial y de Comercio* (CIC), the *Anuarios Financieros y de Sociedades Anónimas* (financial and limited liability company directories) published in Bilbao and Madrid³⁴ and the *Guía de Hoteles* (Hotel Guide) published by PNT from 1929.

³² Instituto Nacional de Estadística, *Censos de población de hecho. Profesiones de los habitantes de la Península e islas adyacentes*. 1900, 1910, 1920, 1930, 1940.

³³ Rafael Vallejo, 'El turismo en España, 1950-2014: la consolidación de un líder turístico. Líneas generales de evolución y algunos temas abiertos a la investigación histórica', *XVII Reunión de Economía Mundial* (Gijón, 2015).

³⁴ *Anuario Financiero que comprende el historial de las Sociedades Anónimas de España* (Bilbao: José Marco-Gardoqui, 1914-); and *Anuario Financiero y de Sociedades Anónimas de España* (founded by Daniel Ríu) (Madrid, 1916-).

The hotel sector in the CIC statistics

The CIC heading '*Inns, hotels, restaurants, paradores and lodgings*' listed all those hotel and restaurant businesses subject to the CIC tax in Spain and initially identified in our study as corresponding to the tourist hotel sector.³⁵ This heading was retained until 1925. From 1927, hotel classification criteria changed, but the previous series can be linked up to the list of 'higher ranking' hotels, based on location and rent levels (Table 5).³⁶ The hotel sector most clearly identifiable as tourism-orientated in this period would therefore include earlier existing establishments, large hotels incorporated as limited liability companies and accommodation offered at spa resorts – either as part of the spas themselves or independently. Apart from the businesses listed above, 16 publicly-owned accommodation establishments were also inaugurated between 1928 and 1936. These were mainly roadhouses and tourist *paradores*, and included the spectacular Hotel Atlántico in Cadiz (1929) (Table 6).

Table 5. Inns, hotels, restaurants and lodgings serving meals at set times, 1900-1933. Annual variation (%)

	Establishments (taxpayers)	Payment installments (in pesetas)		Establishments (Annual Growth Rate %)	Payment installments (pts) (Annual Growth Rate %)
1900	258	150,868	1900-1910	24.8	19.4
1910	322	180,110	1910-1914	14.3	23.1
1914	368	221,643	1914-1922	4.6	92.0
1922	385	425,578	1922-1925	25.7	41.6
1925	484	602,566	1925-1929	61.2	32.6
1929	780	798,971	1929-1931	-2.2	5.7
1931	763	844,705	1931-1933	5.9	2.0
1933	808	861,239	1900-1933	213.2	470.9

Source: CIC statistics.

Table 6. Publicly-owned accommodation, 1928-1951

	Paradores	Hostels	Inn ^(a)	Mountain Refuges	Hotels
1928-1936	5	7	2	1	1
1940-1951	7	3	1	0	0
Total in 1951	12	10	2	1	1

Sources: Carmelo Pellejero, 'Antecedentes históricos del Turismo en España: de la Comisión Nacional al Ministerio de Información y Turismo, 1900-1950', in *Historia de la economía del turismo en España*, dir. Carmelo Pellejero (Madrid: Civitas, 1999), 21-76; María José Rodríguez, 'La red de alojamientos turísticos del Estado. Génesis y desarrollo (1928-1940)', in *Visite España. La memoria rescatada*, ed. VV.AA. (Madrid: Biblioteca Nacional y Museo Nacional del Romanticismo, 2014), 223-241; Ana Moreno and Carmelo Pellejero, 'La red de establecimientos turísticos del Estado (1928-1977), ¿necesidad hotelera o política turística?', *Revista de Historia Industrial* 59 (2015), 147-178. Note (a): The inn of Ayamonte was suppressed shortly after being created.

³⁵As defined by Antoni Muntanyola, *Organització turística de Catalunya* (Barcelona. Muntanyola: Arts Gràfiques L'Estampa, 1932), 178-179.

³⁶ From 1927 onwards we included, as tourist hotels, the following categories from the 'Special Section' created in CIC tariff 1 as part of the reform of 1926: S1-C1, S1-C2, S1-C3, S1-C5, S1-C7 and S1-C9.

Data for the first type of hotels, those recorded in the CIC statistics, reveal a number of interesting facts. The first is the extraordinary increase in hotel numbers in the first quarter of the twentieth century, with the 258 establishments recorded in 1900 rising to 484 in 1925 - a growth of 75%. The second is the relatively high growth rate in the number of hotels open to the public in the periods 1900-1910 and 1910-1914. The third is the seemingly low growth experienced between 1914 and 1922, reflecting the impact of the First World War and, above all, the post-war financial instability and socioeconomic crisis – labour conflict included - that afflicted the hotel sector in the early 1920s. Of particular interest is the sharp rise in the number of establishments open to the public from 1922 to 1925. In these three years, the number of hotels of this type, offering services more specifically aimed at tourists, rose by a hundred to 484, meaning that one out of every five establishments operating in 1925 had been created, refurbished or leased for use as a hotel within the preceding three years. Such striking statistics prove beyond doubt that Spanish tourism had entered a new phase of acceleration and expansion. From the early 1920s, Spain's tourist hotel sector experienced a previously unimaginable period of dynamic growth, to such an extent that this phase might justifiably be described as a kind of 'tourism boom' that continued up to the Ibero-American Exposition in Seville and the Barcelona International Exposition in 1929-1930.

Between 1925 and 1933 (the last year for which CIC statistics are available), the number of hotels aimed mainly at tourists continued to grow, the only exceptions being 1931 and 1932. Between 1925 and 1929, the number of taxpaying hotels rose by 61% and the amount of tax paid rose by 33% (Table 6). We estimate that the cumulative average variation rate for the hotel sector between 1925 and 1929 was 10%. The Second Republic proved a difficult time for tourism. Tourist activity declined in intensity in comparison with the peak level reached in 1929-1930. However, after the crisis of 1931-1932, it recovered between 1933 and 1935 and surpassed the levels achieved in 1928. The number of hotels open to the public also dropped in 1931-1932 in comparison with 1929-1930, but still remained higher than the figure for 1928, and in 1933 it rose to a historic high. The MIIT shows an upturn in references to tourism in the press in 1934 and a moderate decline in 1935, but no CIC records are available with which to gauge how the hotel sector fared over those two years. Local studies suggest that the situation varied from one region to another. In Palma de Mallorca and Ibiza, where the 'tourism industry' had taken on immense importance, the number of hotels opened in 1934-1935 decreased with respect to the historic maximum of 1933. This is somewhat paradoxical considering the fact that the number of tourists arriving in Palma de

Mallorca in 1934-1935 continued to rise,³⁷ but is explained by a decrease in the lengths of guests' stays, lower expenditure per tourist and the use of private houses as alternative accommodation.³⁸ In Cordoba, the number of taxpaying hotels did not vary but the inns increased from 48 to 58 during that period.³⁹

1934 and 1935 are generally seen as a time of growth in tourist numbers and decline in demand for hotel accommodation, with open talk of a 'hotel sector crisis'. This situation would appear to be attributable to several factors: an excessive offer of accommodation, exacerbated by a shadow market in cheap lodgings in cities like Madrid, an increase in labour costs and tax pressure, shorter stays and lower expenditure per tourist. Data for luxury hotels from Financial Yearbooks show that business profits plummeted in the years leading up to the Civil War, again indicating a paradoxical contradiction between growth in tourism and difficulties in the sector's 'industrial' area of accommodation. Probably, the informal tourist offer absorbed that demand for cheap tourism. Without a detailed analysis of how each variable involved in the tourism market behaved in this period, it is easy to draw oversimplistic conclusions. To avoid unfounded, stereotypical assumptions about the nature of tourism during the Second Republic, more research needs to be carried out. In a phase of mass tourism, it is usually in moments of crisis that an increase in the amount of tourist activity coincides with a decrease in tourist expenditure, leisure travel having become so popular that those who travel – because they want to and can afford to – are unwilling to stop; they simply seek cheaper forms of accommodation and transport, cutting back on their expenditure to make the best use of their available income. The same phenomenon is evident, on a global scale, from 1929, and Spain, as can be seen in the example of Mallorca, was no exception.

This overview of Spain's tourism resources is somewhat distorted by the absence of Navarre and, above all, the Basque Country, from the CIC statistics. To a certain extent, this shortcoming is offset by the PNT Hotel Guide of 1929,⁴⁰ in which the Basque Country, driven by the powerful hotel industry of Guipúzcoa (especially San Sebastián, the 'summer capital of

³⁷ From CIC; Bartomeu Barceló i Pons, 'El turismo en Mallorca en la época de 1925 a 1936', *Boletín de la Cámara de Comercio, Industria y Navegación* 651-652 (1966), 51; Joan Carles Cirer, *La invención del turismo de masas a Mallorca* (Palma de Mallorca: Edicions Documenta Balear, 2009); José Ramón Serra and Antoni Cardona, 'Inicios del turismo y actitudes de los residentes. El caso de Ibiza. España', *Estudios y perspectivas de turismo* 23, 1 (2014), 1-22.

³⁸ Referring to the performance of the 'hotel industry' during 1935, the Palma de Mallorca Chamber of Commerce explained that 'this sector of our industry too is going through a crisis it had managed to avoid in previous years', attributing 'the fall it has experienced, if not to the number of visitors, to the number of stays', *Memoria 1935*, VII.

³⁹ 1927-1950. *Córdoba. Contribución Industrial y de Comercio: 'Matrícula de la Contribución Industrial y de Comercio de la capital'*, Provincial Historical Archive of Cordoba.

⁴⁰ Patronato Nacional de Turismo (PNT), *Guía Oficial de Hoteles, Pensiones, Casas de Viajeros, Restaurante, Bares y Garages* (Madrid: PNT, 1929).

Spain') ranks highest.⁴¹ Then come the Balearic Islands, Cantabria, La Rioja, Valencia, Madrid, Asturias, Catalonia, Galicia and the Canary Islands, all of which surpassed the Spanish average in terms of importance. The PNT guide of 1929 and the CIC statistics for 1933 closely coincide in their indications of tourism density levels, especially regarding the Balearic Islands, Cantabria, Asturias, La Rioja, Castile and Leon, and in the notably divergent cases of Madrid, Extremadura and Castile-La Mancha. Catalonia, one of Spain's regions with the most potential for tourism development thanks to its facilities and organizations, and arguably the most promising in terms of human and entrepreneurial capital in this sector, seems under-referenced in the PNT guide, as indeed does Madrid.⁴²

But what were the reasons underlying this growth in tourism activity? Contributing factors include tourists' tastes and purely geographical considerations: the closeness of France to the northern provinces, and the port infrastructures available in cities, which facilitated direct communications with other countries. Regional income and capacity for investment were also influential elements. Indeed, it is impossible to understand the importance of Madrid, the Basque Country and Catalonia/the Balearic Islands without taking into account their regional economic development, their status as centres of financial, industrial and mercantile activity and their capacity to create capital through savings. We saw previously how in Mallorca hotel construction was financed by bank loans which were in turn stimulated by expectations of increased tourist activity and high yield rates on capital invested in this sector. As a social behaviour phenomenon, tourism depends on available income; the tourism industry relies on investment, and investment is conditioned both by the amount of national or foreign capital that is available and by expectations based on growth in travel and tourism consumption.

Big hotels and limited liability hotel companies

The first big hotels appeared in Spain in the 1880s and 1890s. Their expansion, however, was very much a twentieth century phenomenon, with luxury hotels being built throughout the country between 1900 and 1935. Inspired by the Palace-style hotels that had appeared in Europe in the middle of the nineteenth century and the Ritz hotels, dating from the 1890s, both of which had revolutionised the hotel industry, these large establishments were mainly set up as limited liability companies. They symbolized the wealthy aristocracy's ambitions to

⁴¹*La Correspondencia de España*, 29/08/1907, 2.

⁴²For further analysis of the information provided by this source, see Vallejo, Lindoso and Vilar, 'Los antecedentes del turismo', footnote 57.

emulate European-style luxury and modern social venues of social interaction, and also reflected a desire to attract a refined foreign clientele accustomed only to travelling to places with hotels in which the very highest levels of comfort were guaranteed.⁴³The *Anuarios Financieros y de Sociedades Anónimas* contain a representative sample of the hotel companies incorporated in Spain between 1900 and 1935: a total of 44 limited liability companies (Table 7).

Table 7. Companies operating hotels and sanatoriums in Spain, 1901-1935

Years	Paid-up share capital(Pesetas)	Number of companies	% Capital	% Companies	Capital/ Company
1900-1904	5,000,000	2	7.7	5.0	2,500,000
1905-1909	3,513,500	2	5.4	5.0	1,756,750
1910-1914	7,080,000	5	11.0	12.5	1,416,000
1915-1919	14,778,000	9	22.9	22.5	1,642,000
1920-1924	19,660,000	8	30.4	20.0	2,457,500
1925-1929	9,008,000	9	13.9	22.5	1,000,889
1930-1932	5,549,500	5	8.6	12.5	1,109,900
Total	64,589,000	40	100	100	1,614,725

Sources: *Anuario Financiero*, Bilbao and *Anuario Financiero*, Madrid.

The creation of limited liability hotel companies coincided with an astonishing turn-of-the-century cycle of investment, partly fed by capital returning home from Spain's last colonies in the Americas. Since the end of the 1880s, foreign capital, too, had been equally important in cities and provinces like Madrid, Huelva (Gran Hotel Colón, 1883), Málaga (Hotels La Perla, El Siglo, Inglaterra; and the Gran Hotel España, 1890),⁴⁴ Las Palmas (Hotel Santa Catalina, 1889; Hotel Metropole, 1894), Tenerife (Taoro Grand Hotel, 1890-1893) and Algeciras (Hotel María Cristina, 1901-1903).⁴⁵ Companies like El Sardinero S.A.(1901), in Santander, Fomento de San Sebastián (1902) and Hotel María Cristina (opened in 1912) in San Sebastián and Hotel Real S.A.(1917), inspired by the Hotel Ritz in Madrid (1910), went on to play leading roles in a second cycle of investment which lasted from 1908-1910 to 1914-1915 and can be considered the Belle Époque of the modern hotel industry. Geographically, the scope of their activity ranged from San Sebastián, Santander and Oviedo

⁴³ Moreno, *Historia del turismo*, 52; Ana Moreno, 'Madrid, 1912. El reto del turismo', *Historia Contemporánea* 37 (2015), 23-44; Carlos Larrinaga, 'La hotelería turística de lujo en el primer tercio del siglo XX', *Ayer* (2018, in press).

⁴⁴ Víctor Manuel Heredia, 'La arquitectura del turismo. Los orígenes de la oferta hotelera en Málaga (siglos XIX-XX)', *Jábega* 86 (2000), 3-20; Carmelo Pellejero, 'De incomparable Station d'Hiver a Costa del Sol: Málaga, 1875-1973', *Revista de la Historia de la Economía y de la Empresa* 10 (2016), 253-283.

⁴⁵ Joan Carles Cirer, 'Spain's new coastal destinations. 1883-1936: The mainstay of the development of tourism before the Second World War', *Annals of Tourism Research* 45 (2014), 18-29; Carlos Larrinaga, 'El impacto económico del turismo receptivo en España, 1900-1975', *Revista de Historia de la Economía y de la Empresa* 10 (2016), 13-22.

(Hotel Covadonga S.A.) to Málaga (Hotel Regina S.A.),⁴⁶ Madrid (the Ritz, the Palace and the Hotel Reina Victoria in El Escorial) and Barcelona (Hotel Meublé). Barcelona was subsequently the driving force behind a third cycle of investment which lasted from 1917 to 1919 and was marked by the creation of the city's own Ritz, a company founded in 1917 with politician and entrepreneur Francesc Cambó as one of its share holders. Luxury hotels were also established in Madrid, Bilbao (Hotel Carlton SA), Málaga (Caleta Palace SA and Hotel Príncipe de Asturias) and Cádiz. Málaga is a particularly interesting case in that the companies which promoted the aforementioned hotels there were incorporated in Madrid. A fourth stage of investment in limited liability hotels began in 1922 and lasted until 1930-1933, thus continuing into the Second Republic despite having attained maximum levels of investment in 1924. Between 1920 and 1935, investment in hotels extended to the provinces of Tarragona, A Coruña (Hotel Compostela, in Santiago), Zaragoza, Castellón and Vizcaya, although once again most activity was centred on San Sebastián and, above all, Barcelona and Madrid. Hotel companies were also founded in the Balearic Islands. According to the *Anuarios*, between 1901 and 1935 the provinces of Madrid and Barcelona led the national rankings for this category of hotels with 39% and 28% of total paid up capital, respectively.

In short, when the Patronato Nacional de Turismo published its *Guía oficial de hoteles, pensiones, casas de viajeros, restaurantes, bares y garajes* in 1929, Spain already possessed a hotel network of some size, with a first, dynamic network of luxury hotels exemplified by Belgian hotelier George Marquet's *Madrid Palace Hotel Company* (1910). After acquiring the *Hotel Ritz* in Madrid in 1913 and taking over the running of the *Hotel de París*, also in the Spanish capital, in 1920, this company also secured a thirty-year lease on the *Gran Hotel Continental* and, in 1929, absorbed the *Hotel Alfonso XIII* in Seville. From 1920 to 1921 - one of their most profitable two-year periods prior to 1922, when they received almost 180,000 guests - bar/restaurant revenue alone in cited above Madrid's top three hotels almost doubled the taxable earnings of the tourism sector's most representative companies as detailed in the CIC statistics for that period.⁴⁷ Nevertheless, the business results for the Palace and the Ritz differed considerably, net profits for the Palace being much higher than those of the Ritz. From 1915 to 1931, the Palace recorded annual profits of 2.5 million francs, whereas the Ritz made little more than 45 thousand pesetas per year. Moreover, in 1932-1934, the Ritz fell even further behind, returning yearly losses of almost 90,000 pesetas. In contrast, the Palace - despite experiencing a sharp drop in revenue from 1930 - made no

⁴⁶ For more information about luxury hotels, see Vallejo, Lindoso and Vilar, 'Los antecedentes del turismo'.

⁴⁷ *Anuario financiero*, 1924-1925.

losses at least up until 1933, the last year for which the *Anuario Financiero* provides statistics.

The official Hotel Guide for 1936 published by the PNT, although offering only a general overview of figures for existing hotel establishments, very effectively reflects the great progress that had been made in Spain in this area since the beginning of the century. Unlike in 1900, all of Spain’s provincial capitals and most of its cities with over twenty thousand inhabitants now had at least one quality flagship hotel. The situation had been completely transformed: there were more hotels, of higher quality, and new forms of entrepreneurial activity were emerging, such as hotel chains backed by foreign, mixed or exclusively Spanish capital.

Spas, bathhouses and seaside bathing establishments

This section merely presents some figures regarding the spa resources that existed in Spain in the first third of the twentieth century.⁴⁸ They are based on entries in the CIC statistics, the *Anuarios Financieros* and the *Annals of the Sociedad Española de Hidrología Médica* (SEHM - Spanish Society of Medical Hydrology). It should be remembered that thermal establishments, which sometimes combined therapeutic and recreational services, accounted for a large part of Spain’s accommodation resources in this period. Spas offered mineral water bathing and also, on many occasions, accommodation and restaurant services. In spa resorts, this type of accommodation was often complemented by additional lodgings, independent of the bathing establishments proper.⁴⁹ Accommodation was also offered by some establishments in seaside bathing resorts, which more than doubled in number between 1900 and 1933 (Table 8). Generally speaking, the performance of these resorts was more dynamic, in terms of tourism activity, than that of thermal spas.

Table 8. Bathhouses, seaside bathing establishments and hydrothermal spas in Spain, 1895-1933

	Bathing resorts and seaside bathing resorts	Spas	Total	Bathing resorts and seaside bathing resorts	Spas	Total
--	--	-------------	--------------	--	-------------	--------------

⁴⁸ Further information in Margarita Vilar and Elvira Lindoso, 'De la Belle Époque a la nueva era del turismo termal: los balnearios en España desde una perspectiva histórica (1874-2015)', *Ayer* (2018, in press).

⁴⁹ Comisaría Regia del Turismo y Cultura artística, *Fomento del turismo en España, hidrología nacional, desarrollo y propaganda de balnearios, estaciones de altura y sanatorios, Presidencia del Consejo de Ministros* (Madrid: Comisaría Regia del Turismo y Cultura Artística, 1917).

	Number	Number	Number	Payments (Pesetas)	Payments (Pesetas)	Payments (Pesetas)
1895	256	175	431	36,906	52,230	89,136
1900	215	210	425	37,283	53,344	90,626
1910	242	223	465	32,701	47,808	80,509
1914	261	234	495	37,806	69,487	107,293
1918	280	233	513	37,447	51,712	89,159
1924		256				
1925	623*	216	839	83,772	145,104	228,876
1928		303				
1929	488	298	786	73,130	139,849	212,979
1931	510	301	811	81,241	157,983	239,224
1933	537	312	849	95,305	152,002	247,307

*See Table 4. Source: CIC statistics.

Spa resources referenced in the CIC statistics and the annals of the SEHM.

Growth in spa resources was the most sluggish of all the tourism resources addressed in this paper, despite increases in size and in the facilities offered at the most significant establishments. In qualitative terms, spas, like hotels, improved with regard to the services they offered.⁵⁰ But an interesting issue arises when the figures from the annals of the SEHM are compared with the CIC statistics. The SEHM records the existence of 123 spa establishments at the beginning of the twentieth century, whereas the CIC shows 210 tax-paying entities in 1900 rising to 312 in 1933.⁵¹ Overall, the official numbers given in the annals of the SEHM are lower (by about 40% for the period 1900-1933) than those appearing in the tax statistics.⁵² At the same time, in the first third of the twentieth century, the number of establishments recorded by the SEHM showed a decreasing trend until the middle of the 1920s and then rose again until 1931, the last year for which figures were published in this source, although they never returned to their original level. The trend seems to be corroborated by the figures given for 'Independent inns and guesthouses in spa resorts' in the CIC statistics. This variable peaked, with 78 establishments, in 1923, but two years later it fell to 67. The fact that this decrease coincides with that of spa resorts reflects the weakening of the thermal business and the drop in the numbers of visitors using spas,⁵³ a decline that became even more evident in 1927-1928 following what proved to be a very short-lived

⁵⁰ This is evident from the accommodation quality indices for the thermal sector published by Alonso, Vilar and Lindoso, *El agua bienechora*.

⁵¹ CIC statistics and Alonso, Vilar and Lindoso, *El agua bienechora*, 170.

⁵² In the CIC statistics, 'establecimientos' (establishments) and 'contribuyentes' (taxpayers) are synonymous; for example, see the statistics for 1928, 142-143.

⁵³ Since most of this independent accommodation at spa resorts was mainly informal, i.e., not subject to any kind of official registration or to CIC taxation, these figures should be considered merely indicative.

upturn towards the end of the Primo de Rivera dictatorship – a period considered the 'silver age' of spas. In contrast, the number of spas recorded in the CIC statistics underwent a sustained increase.

What explanation lies behind this difference? One possible explanation is the existence of a dual market in thermal resorts, with very small establishments, receiving only about 200 visitors a year⁵⁴ (according to the tax statistics), not being included in the annals of the SEHM because they were not 'attended by medical staff from the *Cuerpo de Baños* (list of officially authorized hydropathists)'. These small spa businesses would have served a popular clientele, forming what appears to have been a unique, vibrant local or regional market at least up until the outbreak of the Civil War. The Ministry of the Economy statistics record a growing number of such establishments opening for business each year until 1933, regardless of temporary fluctuations. The 'lower' end of the spa business does not, therefore, seem to have experienced a crisis before the Civil War, despite the figures given by the SEHM.

Limited liability spa and mineral water companies

The 'upper' end of the business – that reflected in the annals of the SEHM – was a different matter. This area of the business, of greater importance for its quality, social impact, prestige and volume, expanded in the early years of the twentieth century. The *Anuarios Financieros* record the incorporation of 38 limited liability spa and mineral water companies between 1894 and 1934. Most of these companies combined water bottling activity with the therapeutic use of thermal and mineral/medicinal waters, but there were also dedicated bath-house and seaside bathing establishments. Eighteen of the 38 companies mentioned above were founded between 1900 and 1919, and another eighteen between 1920 and 1934 (Table 9). The most buoyant periods in terms of paid-up share capital were 1931-1934 (24% of the total capital) – principally thanks to Aguas de Mondariz de Hijos de Peinador, S.A. – and 1900-1904 (19.8% of the capital), which was also the second most important period with regard to average capital per company. This extraordinary turn-of-the-century period of investment (1899-1904) saw the appearance of a number of large companies, including Aguas y Balneario de Cestona, Aguas de Panticosa S.A., El Sardinero S.A. in Santander and A Toxa.

Table 9. Spa and mineral water companies, 1894-1934 (number and paid-up share capital)

⁵⁴The 'objective' parameter for establishing the amount of tax payable was the establishment's (estimated) number of users. The lower bracket comprised businesses receiving less than 200 visitors.

Years	Paid-up share capital (Pesetas)	Nº Companies	% Capital	% Companies	Capital/Company
1894-1899	3,738,537	2	10.2	5.3	1,869,269
1900-1904	7,256,000	4	19.8	10.5	1,814,000
1905-1909	1,488,000	3	4.1	7.9	496,000
1910-1914	2,707,500	4	7.4	10.5	676,875
1915-1919	5,819,550	7	15.9	18.4	831,364
1920-1924	3,331,500	6	9.1	15.8	555,250
1925-1929	3,471,500	6	9.5	15.8	578,583
1930-1934	8,787,500	6	24.0	15.8	1,464,583
Total	36,600,087	38	100	100	963,160

Source: *Anuario Financiero*, Bilbao y *Anuario Financiero*, Madrid.

Between 1920 and 1934, and with some notable exceptions, average investment in this type of company generally decreased in comparison with the preceding period. According to the figures shown in the *Anuario Financiero*, this decline was also seen in the sector's accumulated capital rates. The slowing up of investment rates – more pronounced in what had now become traditional spa establishments – is corroborated in the annals of the SEHM. With fewer people using the therapeutic and recreational services offered by the most prestigious spas and, more importantly, spending fewer nights and less money there, thermal establishments featured less frequently in newspapers and specialized tourism-related publications. The Media Impact Index for Spas clearly reveals this overall recession in the spa phenomenon, above all in its most prestigious, exclusive establishments, following the peak of its popularity in 1928.⁵⁵ The fortunes of the spa business contrast with the situation in tourism as a whole, which declined after 1929-1930 but experienced an upturn in 1933-1935. By the 1930s, beaches, sea bathing and other forms of leisure and tourism had definitively outstripped thermal resorts in terms of popularity, and, logically, these changing trends affected the number, type and geographical distribution of hotel establishments.⁵⁶

Other tourism companies: transport, agencies and urban development companies

Tourism resources also include transport firms, travel agencies, entities dedicated to organizing trips and – as an indication of the phenomenon's scope and capacity for innovation, resort development companies. Businesses of this type first emerged in the 1930s, mainly on Spain's Mediterranean coast - Catalonia, Mallorca, Alicante and Málaga. They were financed by both national capital, as in Catalonia, where over a dozen appeared, and by

⁵⁵ Further information in Vallejo, Lindoso and Vilar, 'Los antecedentes del turismo'.

⁵⁶ John K. Walton and Jenny Smith, 'The First Century of Beach Tourism in Spain: San Sebastián and the Playas del Norte from the 1830s to the 1930s', in *Tourism in Spain. Critical Issues*, ed. M. Barke, J. Towner and M.T. Newton (Wallingford: CAB International, 1996), 35-61.

foreign or mixed capital (for example, in the Balearic Islands), and they catered for both the wealthy and the 'modest' classes, as we saw in the case of GATCPAC's Ciudad de Reposo y Veraneo and as exemplified in numerous small garden cities in the Barcelona metropolitan area like Santa Perpetua de Mogoda, San Feliú de Llobregat, and, more strikingly, in S'Agaró, Olot and Terramar (Sitges).⁵⁷

Railway and shipping companies partially integrated tourism into their business strategies, although its relative importance is still yet to be determined.⁵⁸ Rail companies laid on 'fast special trains' for tourist routes and some, like Norte, launched annual campaigns aimed at this particular niche, offering a wide range of tickets and fares designed to help their customers 'plan their summer holidays' on Spain's northern and eastern coasts.⁵⁹ From 1913, Norte also published a *Guía Descriptiva* (Descriptive Guide) containing information about fares, timetables, spas, 'general news' and 'special bathers' services' to the northern beaches.⁶⁰

At the beginning of the twentieth century, the shipping company Trasatlántica promoted combined transport (rail, boat) journeys from the Americas and recommended leisure trips to Spanish, European and African (colonial) destinations. Its *Libro de información para pasajeros* (Passenger Information Book) was a real travel agency-style brochure, and the company even had its own representatives in different European and American destinations. Trasatlántica's chairman, the Count of Güell, was director of the Patronato Nacional de Turismo from 1928 to 1930, and took every opportunity to use his position there to favour his business interests, the use of public funds to build the Hotel Atlántico in Cadiz being one example of this influence. Another shipping company which operated in the tourism market was the Compañía Transmediterránea (1916), owned by Juan March. In 1927-1928, Transmediterránea ran luxury outbound tourism trips (Santander-Southampton and the Isle of Wight) on its elegant cruise ship the *María Cristina*. It also systematically transported tourists from South America and the United States and ran regular ferry services to the Canary Islands and Tangier. In all of Spain's ports, numerous companies

⁵⁷ Muntanyola, *Organització turística*; and Mercé Tatjer, 'En los orígenes del turismo litoral: Los baños de mar y los balnearios marítimos en Cataluña', *Scripta Nova. Revista Electrónica de geografía y Ciencias Sociales* 296, 5 (2009), 387-388.

⁵⁸ See Gaetano Cerchiello and J. Fernando Vera-Rebollo (2015): 'Steamboats and pleasure travels: success and failure of the first Spanish initiatives in the mid-nineteenth century', *Journal of Tourism History* 7, 1 (2015), 18-3; and also Gaetano Cerchiello, *La evolución de los cruceros marítimos en España. Desde sus comienzos hasta la actualidad (1848-2016)* (Valencia: Publicacions de la Universitat de València, 2017).

⁵⁹ *Caminos de Hierro del Norte de España*, 'When planning your summer holiday, bear in mind the following possible rail combinations', Ca. 1930.

⁶⁰ For limitations on research into tourism and the business strategies of rail companies, see Vallejo, Lindoso and Vilar, 'Los antecedentes del turismo', footnote 88.

acted as agents, managing foreign travellers' pleasure trips to Spain in collaboration with national and foreign shipping companies.

As businesses dedicated to leisure activities for tourists and summer holidaymakers, travel agencies and tour operators played a leading role in the development of Spanish tourism from the 1920s onwards. In 1927, 27 companies were taxed as 'Agencies demonstrably engaged in any or all of the following operations: organization of excursions, provision of travel information, purchase or provision of railway tickets, accommodation, carriages, etc.'; by 1933, this number had more than doubled to 61. However, this type of business had come into existence much earlier, albeit in the form of complementary services offered by large international providers of sea or rail transport (like Wagon-Lits) or tailor-made all-inclusive package tours (like Thomas Cook). In time, Thomas Cook & Son was absorbed by Wagon-Lits and both companies were able to exploit a niche market of some size in Spain. From 1929 to 1936, Cook's branch offices in Spain represented 4.4% of all the company's offices. By July, 1936, the company was represented in twelve cities – a presence which broadly corresponded to the geographical areas of greatest tourism potential in terms of their size, wealth and location: Algeciras, Barcelona, Bilbao, Granada, Irún, Madrid (two offices) Málaga, Palma, San Sebastián, Sevilla, Valencia and Vigo.⁶¹

Leading Spanish-owned agencies included the *Sociedad Anónima para el Fomento del Excursionismo y de la Unión Ibero Americana* (1923) and the *Compañía Nacional de Turismo* (1926).⁶² Although some travel agencies, like *Marsans* (1910), had been founded earlier, it was only after the First World War that they began to grow in number and scope of activity. The major Spanish agencies played an active role in the International Federation of Travel Agencies. Founded in 1919, this organization held three congresses in Spain between 1925 and 1934. The last, held in Palma de Mallorca in 1934, served to reinforce the prestige of the Balearic Islands as a tourist destination. In all of these events, leading roles were played by San Sebastian-born politician and travel agent Eusebio Cafranga, José Luis Marsans (ex officio chairman of the International Federation in 1928),⁶³ and Fausto Morell (*Viajes Iberia*).

Apart from those mentioned above, the other main travel agencies operating in Spain at the end of the 1920s were *Agencia Sommariva*, *Compañía Española de Viajes y Peregrinaciones*, S.A. (Madrid, 1925), *Hispania*, *International Express*, *Viajes Bakumar* (based in Málaga) and *Viajes Cafranga* (San Sebastián). Agencies very active in the early 1930s

⁶¹Vallejo, 'Turismo en España'.

⁶²*Anuario Financiero* 1927-1937.

⁶³*ABC*, 27/10/1928, 31.

included Viajes Urbis (Madrid), Viajes Iberia (Palma de Mallorca) and smaller companies like Viajes Ruiz Vernacci. In Madrid and in Spain's major port cities, offices were also opened by foreign travel companies like Thomas Cook, mentioned earlier, and the Hamburg-Amerika-Linie, a shipping line which established its general agency in Madrid and which in 1935 offered a 139-day round-the-world cruise aboard its majestic transatlantic liner *Reliance*. Sailing from Hamburg, the ship visited 34 ports in 29 countries, with tickets 'only costing' 10,100 pesetas 'including the main shore excursions'.⁶⁴ However, the Spanish Civil War resulted in non-payments, the closure of offices and political belligerence. Marsans and Cafranga collaborated with the National Movement and operated as part of nationalist tourism initiatives such as the *Rutas de Guerra* (War Routes). After the conflict, agencies like Marsans, Cafranga, Bakumar, Hispania, Iberia and Urbis stayed in business, although neither their appeal nor their results matched those of the pre-war period. The situation became even worse with the outbreak of the Second World War, when the whole international tourism market collapsed. Large international operators with business in Spain were also affected. By March, 1940, for example, Thomas Cook had closed all its offices in Spain except for three (not counting the one which remained open in Gibraltar): Madrid, Seville and Barcelona.

Conclusions: Tourism stock and the tourism system around 1936.

A country can be said to possess a tourism system when it has destinations that are identifiable or recognizable as tourist attractions, tourism agents –individual tourists, tourist associations and tourism companies or industries, and tourism organization. Without tourists – whether they be travellers, summer holidaymakers, excursionists or sightseers in the strictest sense of the word – no tourism is possible. Likewise, without companies operating in the tourism market and without tourism organization, it is impossible for a tourism system to exist. As hinted at here by statistics reflecting the central government's increased spending on tourism from 1928, Spain's tourism organization undoubtedly progressed considerably over the period in question. But this progress is perhaps more keenly perceived in Spain's business fabric and the capital it generated through its different initiatives, as expressed in the country's tourism stock and its impact on things like land use, communications, coastlines and the urban development of rural sites around spas. In Spain, the process was a long-term affair dating back at least to the 1830s and 1840s, an extended process of touristification synonymous with the laying of foundations for an emerging tourism system, which

⁶⁴'La Vuelta al Mundo', *ABC*, 10/11/1935, 21. In 1935-1936, that price was equivalent to two years' salary for a Patronato Nacional del Turismo guide, who would normally have earned 5,000 pesetas per year.

accelerated over the first four decades of the twentieth century before the Civil War. It is a phenomenon well illustrated by the advances made in terms of tourism resources and stock by the 1930s, when businesses more narrowly definable as tourism establishments (hotels, bath-houses and spas) more than doubled those which existed in 1900 (Tables 10 and 11).

Table 10. Tourism resources in Spain, 1900-1933.

	Tourist hotels	Limited liability hotel companies	Limited liability spa and mineral/medicinal water companies	Independent accommodation at spas	Publicly owned hotel establishments	Bath houses	Spas	Travel agencies	Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(1 to 8)
1900	258	2	3	32	-	215	210	-	720
1910	322	8	11	61	-	242	223	-	867
1914	368	9	13	53	-	261	234	-	885
1922	385	21	23	74	-	257	252	-	1,012
1927	-	-	-	-	-	-	-	17	-
1929	780	35	32	-	1	488	298	44	1,667
1933	808	44	40	-	18	537	312	61	1,820

Source: Vallejo, Lindoso and Vilar, 'Los antecedentes del turismo' and CIC statistics.

Table 11. Paid-up capital in limited liability hotel and spa companies, state spending on tourism, MIIT and IIBM, 1900-1935

	State spending on tourism	Limited liability hotel companies (Accumulated paid-up capital)	Limited liability spa and mineral/medicinal water companies (Accumulated paid-up capital)	Media Impact Index for Tourism. MIIT	Media Impact Index for Spas. IIBM
	% of total spending	Million pesetas	Million pesetas	1913 = 100	1913 = 100
1900	-	2.0	4.2	13	41
1910	-	15.3	14.5	49	106
1914	0.005	15.6	15.2	95	112
1922	0.005	34.6	23.1	109	109
1929	0.304	59.0	27.8	388	139
1933	0.077	64.6	36.6	279	104
% Variat.	1,440	3,130	771	2,046	154
1933/1900	15.4	32.3	8.7	21.5	2.5

Sources: see Table 11.

Notes:

1) MIIT and IIBM: 1900 = Average between 1900-1909.

2) Corporations: 1900 = Average between 1901-1909.

3) Anonymous hotel companies, capital disbursed: 1900 corresponds to 1901 and 1933 to 1932.

4) Anonymous companies of spas and mineral-medicinal waters: 1933 = 1934.

This evolution was not merely a question of quantity, but also of quality: more than three decades of qualitative, sociological change in Spaniards' travel tendencies, in the

intensity of tourism activity in the country – twenty times greater in 1930-1935 than it was in 1900-1910 according to the MIIT, and, especially, in Spain's international projection as seen through the eyes of foreign tourists and travel agencies: those responsible for creating destinations, dreams and tourism experiences, who had appreciated the appeal of Spain's cities, beaches and islands and who had engaged with their customers to promote not only cities like Santa Cruz de Tenerife, Palma de Mallorca and Málaga but also 'many other smaller towns and villages on Spain's Mediterranean coast, like Torre-Molinos, Calahonda and Marbella in Andalusia and Sitges, Caldetas, Tossa-de-Mar and S'Agaró in Catalonia'. Interestingly, this last comment, by J. Bosch, head of Pickfords Travel Service's Spanish Department in London, was made not during Spain's boom in economic development under Franco but on October 12, 1939.⁶⁵ Clearly, by then, many of Spain's key destinations had already been discovered, including the Costa Brava, the Costa del Sol and the Canary and Balearic archipelagos, and the touristification of Spain was under way. The foundations for contemporary tourism, which experienced a resurgence from 1948 onwards, were laid during the Civil War. In the spring-summer of 1939 there already existed in Spain a political-administrative organization, and a number of Spanish and foreign companies and entrepreneurs, keen to relaunch the tourism industry and recover the impetus it had shown prior to the conflict. That idea, shattered by the Second World War, proved to be a passing fancy, but those same resources, that same business and administrative experience forged in both formal and informal economic contexts, had already planted the seed that would allow Spain to become a country of tourism and tourists, one of the epicentres of world tourism. The idea is expressed well in several testimonies from 1934 and 1935; but perhaps most eloquently in the advertising campaign implemented by Pickford's Travel, in association with the Servicio Nacional de Turismo (National Tourism Service) of the newly established Francoist state, in the fateful year of 1939: *'Why not SPAIN or PORTUGAL this year? On the charming nooks of the Spanish or Portuguese Coasts, the Balearic or Canary Islands, Madeira or Morocco you can be sure of glorious sunshine and inexpensive holidays.'*

⁶⁵ AGA, Culture, Box 12034.