

Roads to business.
Transport infrastructures and development of the business of
tourism.

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Introduction

In 2006, approximately 850 million tourist arrivals took place on a global level. In comparison, the total number of tourist arrivals to Norway from abroad exceeded 7 million the same year. Among these, there were about 4 million overnight visitors. In addition a substantial number of domestic tourist travels took place. Tourists spent totally NOK 87 billion in 2005, of which foreign tourists spent approximately 30 %. In 2006 there were 12900 firms engaged in the tourist business with an annual turnover of NOK 78 billion. In 2007 foreign tourists stayed overnight 8,3 million times. Germans comprised the largest group of foreign tourists this year, representing 20 % of the overnight visitors. The tourist business sector makes up just about 4 % of

the Norwegian GDP and roughly 7 % of the total employment force.¹ In 2005, approximately 40 % of total tourist consumption was related to transport services. Hence, already at the outset we can establish that contemporary tourism is a transport intensive business. Furthermore, today's tourism is characterised by mass tourism, but heavy segmentation is at the same time a central feature.

In this perspective, the paper looks at the emerging tourism-industry, which developed considerably in Norway during the 19th century, attempting to answer what were the main causes propelling this development. In particular, the paper explores the relationship between evolving transport infrastructures on the one hand and the evolving new business opportunities and industries like tourist business on the other. Thus, a principal research question might be phrased like this: did the development of transport infrastructures in Norway stimulate the growth of tourism industry, and vice-versa?

Definitions and perspectives

Tourism and in particular, the business of tourism has been the object for increasing scholarly interest recent years. The field of 'tourism studies' has expanded substantially the last couples of decades. This subject is clearly a cross-disciplinary endeavour, but dominated by business economics, particularly marketing, sociology, and anthropology. Most of these studies have so far been inherently a-historical, including the use of 'histories' – often constructed, but occasionally semi-authentic or sometimes authentic. However, there is also an increasing interest in serious historical research focusing on tourism. These studies are dominated by approaches based on 'the cultural turn' and the "new culture history".² Economic- and business historical studies of tourism and particularly of *the business of tourism* are still in its infancy. But a growing stock of research-based literature employing this perspective can also be observed.³ Why historians of economic development and business have avoided this subject until now is probably a result of a traditional focus on production, technology, trade, and business organization in economic and business history and less on themes related to consumption, the service industries etc.

¹ Source: Statistics Norway: <http://www.ssb.no/reiseliv/>, accessed 25 July 2008

² See e.g. Walton, J.K., ed. (2005)

³ E.g. Scranton & Davidson (2007)

However, in order to have a more comprehensive understanding of tourism industry, there is a need for more economic- and business historical studies on tourism and the business of tourism. The tourist industry is today a fast growing and dynamic industry. Tourism and business related to it has developed gradually, following a sequential path. Thus, tourism has a history, and the development of tourism can only be conceived of in a comprehensive way as a sequential process over time and embedded in social, economic, institutional and cultural environment. Hence, the business of tourism has varied across national and regional borders. Another important argument for historical research on the business of tourism is the need to fill the large gap of historical knowledge in the prevailing tourism studies.

For analytical purposes, we need definition of tourism. Given its gradual and sequential character, this definition should be derived from a historical perspective. A working definition could thus be like this: Tourism is a type of travel activity connected with leisure and experience. Moreover, tourism entails travelling to destinations that are not a regular place of residence or place of employment, and the duration of stay is short- to- medium. Tourism has thus to be separated from immigration, business travels, scientific expeditions or travels for transit. Several additional consequences can be derived from this definition. By attaching tourism with leisure, the proposed definition entails crucial historical prerequisites:

- Leisure time opposed to working time
- Changing patterns of consumption implying
- Means of transportation capable to move people from their homes to places of attraction, allowing a comfortable and pleasant travel.

Tourism is costly and requires access to economic resources and spare time. Consequently, the extent and type of tourist activities depend on level of income. Since the income level and distribution of wealth have changed over time and place, tourism has also changed likewise. Hence, tourism has a history.

To establish a chronology is an important tool, when we are going to analyse a long-term historical process. Chronologically, the development of tourism as well as the industry can be divided into four phases. Before the Industrial Revolution, and thus before the development of modern transport infrastructures, there has been described travel activities, practices and behaviour that bear a resemblance to how we

understand tourism today. For example, it has been claimed in current literature that tourism was widespread in classical antiquity, taking a shape and structure almost like today's tourism.⁴

This claim is obviously an anachronistic contention, typical for much of the tourist studies. For instance it is asserted that the Roman network of roads allowed people "...to travel as much as 100 miles a day, using relays of horses furnished from rest posts five or six miles apart."⁵ Although the Romans developed an impressive road-system, it was not possible to transport people that fast and in large numbers, mainly because vehicle technology and animal harnessing was still primitive. Average travel speeds were no better than walking. If we stipulate a day's effective travelling time to 8 hours, this meant a maximum travel distance a day of 25 miles – that is ¼ of the claimed distance. Neither was the provision of services commercialized to the extent that characterizes modern tourism. The long period up until the industrial revolution could be described as a phase of **proto-tourism**. Some distinctive tourist services existed, but long-distance travels, others than for military purposes, were either for business reasons, pilgrim journeys or aristocratic travels. The aristocratic "grand tour" of Europe, which emerged during the 17th century, was mainly for educational reasons, although elements of leisure and experience also had its place.

Modern tourism had its infancy at the end of the 18th century, concurrently with the outset of the industrial revolution. However, the breakthrough of the modern tourist industry occurred around the middle of the 19th century and expanded during the second half of that century until the WW1. Wars are very disadvantageous to tourism. The Balkan-wars of the 1990s show this clearly. There are several other examples. We can thus limit the phase of modern tourism to the period from roughly 1800 to 1914. Modern tourism, following the industrial revolution, was rooted in the development of steam power, railroads, modern road-construction (macadam, new bridge-building technology etc.) and maintenance, improved vehicles and finally the introduction of automobiles during the last decade of the 19th century. Furthermore, the emergence and development of the telegraph networks and telephone later on, became important drivers of the international market for tourist services.

⁴ Lomine (2005)

⁵ Lomine (2005), op. cit. p. 84

Modern tourism was still a distinctive *elite tourism*. However, an affluent upper-middle class took an increasing preponderant position compared with the aristocracy. Another important feature of evolving modern tourism was the innovation and creation of a new structure of accommodation and service organisation like hotels, tour operators, travel agencies, tourist guides and traveller's cheques. Most likely traveler's cheques were first issued in London during the 1770s. Thomas Cook was the originator of the circular note, the forerunner of the traveller's cheque, in 1874. In its present form American Express introduced the traveller's cheque in 1891.⁶

Mass tourism makes up a third phase of tourism development. This phase is characterized by a massive widening of access to tourist consumption, now including increasing groups of lower middle class and workers. This development is linked to Fordist mass production and the welfare state. Particularly, after WW II economic growth and steadily increased purchasing power among the workers, combined with paid vacations and increased leisure time, augmented mass tourism. Cars becoming an affordable durable consumer good for the working people, first in the USA and subsequently in Western Europe, were also an important element in this process. The innovation of charter flights and hence falling costs on air transport was an important innovation and stimulus to the development of mass tourism and growth in the business of tourism.

From around 1980 it is possible to identify a turning point and the onset of a new phase in tourism. Mass tourism continues, but destinations visited by tourists from the Western world located in Asia, parts of the Middle East, Latin America etc. increases in numbers. Simultaneously, the number of Asian participants in the international tourism market enlarges considerably. This opening out of access to tourism consumption signifies the beginning of a phase we might label **global tourism**. A crucial part of this development is the rapid expansion experienced by Aviation as the world economy has grown, the Aviation industry has been de-regulated and prices has dropped. Passenger traffic – expressed as revenue passenger kilometres – has grown between 1960 and 2000 at nearly 9 % per year, 2,4 times the average world GDP growth rate.⁷ This expansion and drop in relative prices boosted

⁶ http://www.competition-commission.gov.uk/rep_pub/reports/1995/361thomas.htm#full (accessed 07.20.08)

⁷ IPCC (1999)

global mass tourism. In turn this has stimulated segmentation of tourism products to meet the demand from elite tourist segment, fleeing from mass destinations to exotic sites.

The evolving industry of modern tourism best can be understood in a perspective of globalisation, not exclusively in a national framework. There are different reasons for this. Important phases of the process of evolving tourism and tourism industry have taken place during the two periods of globalization, the first being the period between the middle of the 19th century, especially from the 1870s, and 1914. The period from around 1980 until to day is the second phase of globalization. Our attention in this paper, however, is confined to the ‘first globalization’.

The technologies of the first and second industrial revolutions – including new means of transport and communication – were diffused. International investments and trade soared and migration, especially from Europe to the USA peaked. The impact from this process was global:

”By 1914, there was hardly a village or town anywhere on the globe whose prices were not influenced by distant foreign markets, whose infrastructure was not financed by foreign capital, whose engineering, manufacturing, and even business skills were not imported from abroad, or whose labor markets were not influenced by the absence of those who had emigrated or by the presence of strangers who had immigrated”.⁸

The implications for tourism and the business of tourism were vital, as already have been argued. The process of globalization can in economic terms be defined as global integration in three markets: the capital market, the market for manufactured goods - and services and the labor market. However, globalization was not limited to economic integration, also cultural exchanges intensified, mainly caused by the revolution in transport and communications.

I have distinguished modern tourism, which set off from the early 1800s, from earlier travels, even when they had an element of leisure. A major feature of this divide is the commercialization of leisure travels and the hospitality industry. The activities and practices carried out by a tourist traveller are not performed in isolation. The tourist(s) must be transported, accommodated, fed, entertained etc. by non-tourists – activities that in the modern society form the tourist industry. A feature of

⁸ O’ Rourke og Williamson (2000): s. 2

modern tourism is that leisure travel became a commodity to be sold in the market place for cash during the second half of the 19th century. This process even comprised the commodification of place like panoramic views, beaches and rivers for angling, just to mention a few examples. The emergence of modern tourism was linked with modern industrial development and its impact on technology of transportation, income, free time and consumption patterns.

The timing of the occurrence of modern tourism is even supported by the etymology of the words 'tourist' and 'tourism', which are words of English coinage from around 1800. In Sweden, the word 'turist' was used for the first time in printed matter in 1821, and the first known discussion of the notion in Swedish media was in the newspaper *Aftonbladet* in 1840.⁹ In Norway, the notion 'turist' was in common use from the middle of the 19th century, signifying a person that travels for leisure in order to view exotic landscapes, historic places, churches, art etc. The Norwegian author, Henrik Wergeland, used the word in his book *Hassel nødder*, written 1831-45. In his *Mémoires d'un touriste* (1838) Stendhal uses the English loanword 'tourist(e)' to signify somebody travelling for leisure and fun.

However, our claim that the prerequisite for tourism is modern industrial development and capitalism has been challenged. For instance the historian Janet F. Davidson challenges, "...the idea that capitalist mass production leads to the growth of tourism", and argues that 'tourism' in 'the communist' Cuba and Soviet Union gives evidence for her view.¹⁰ This argument is rather weak. First of all, travels for recreation and experiences could, to a rather limited extent, be bought on a market for tourism and hospitality services in these countries. Rather, such travelling activities were to a great extent rewards for political and ideological 'correctness' and for those who paid lip service to the regime. These travels and visits were usually distributed through political committees, organized sport or state controlled trade unions. Secondly, countries like Cuba were of course not totally separated from the capitalist world markets. These countries had to earn foreign exchange in order to be able to import goods they needed but weren't capable to produce themselves. Among the few products and services they could offer internationally were tourist services. Thus, the so-called 'communist countries' were dependent on international, capitalist markets.

⁹ Blom and Nilsson (2005)

¹⁰ Davidson in Scranton & Davidson (2007: 242)

In this perspective, the notion 'communist' or 'socialist' tourism becomes rather useless ones.

The industrializing process and modernizing of the economy

In 1814 Norway was separated from Denmark after more than 400 years. Norway had in reality been a Danish province from 1536 to 1814. The Danish King had for different reasons sided with France during the Napoleon wars, hence associated with the losing party. According to the Kiel-treaty of January 1814 Denmark was forced to pass over Norway to Sweden as compensation for Sweden's loss of Finland to Russia in 1809. However, Norway declared independence and adopted a Constitution. After a short war during the summer of 1814, Norway accepted to join a personal union with Sweden. This implied that Norway had kept its independence and Constitution, whilst having a common King with Sweden. Norway remained in personal union with Sweden until 1905. Based on the constitution, Norwegian elites managed to establish a legislature, Stortinget, a national bank and a government as well as other national institutions.

By 1814, Norway was a poor country located at the northern periphery of Europe. In 1815 a vast majority of the Norwegian population, counting 885431 persons, had their income from agriculture, forestry and fishing. However, the 1840s marked a watershed in the economic modernisation of Norway, as the country took the first steps leading to industrialization, three-quarters of a century after Britain. The Capital city Christiania, later re-named Oslo, emerged as the first industrial centre in Norway. The traditional businesses in Christiania, comprising mainly import and export of merchandise and staple goods, also expanded from the 1840s. Exports of timber were the major trade of the city. Shipping, connected to the timber trade, and to the imports of grain and different kinds of consumer goods, was also important.

The first wave of Norwegian industrialization took place during the 1840s and 1850s in and around Christiania. Then followed a phase 1860-75, characterized by both export-led growth as well as growth of export substituting industries, especially in cotton spinning and textile industry. The mechanical engineering industry also developed substantially this period. Whilst the export-led industry was dominated by sawmills along the largest rivers in the eastern parts of Norway, the import-substituting firms were mainly located in and around the capital city of Norway, Christiania. Two-thirds of the workers engaged in the Norwegian manufacturing

industry in 1900 were occupied in factories in and around Christiania. From the late 1860s, but particularly after 1870, a relatively large paper and pulp industry evolved in Norway. Even a capital equipment industry that produced machinery for the paper and pulp industry evolved. During the period 1875-1900, which can be termed the years of industrial breakthrough, a growing manufacturing industry, making use of hydroelectric power also expanded rapidly. So did the construction of hydroelectric power plants, and a large-scale electrochemical and electrometallurgical industry emerged 1900-20. Big business firms like Norsk Hydro and Elkem came forward and expanded substantially during this fourth phase of Norwegian industrial growth. Also a food-processing industry like the production of margarine and the canning industry developed.

Even the fisheries, being one of the old traditional Norwegian industries, expanded and modernised considerably during the 'long' 19th century we are covering in this paper. Modernization of agriculture accelerated from the middle of the 19th century, and involved a transformation from subsistence farming to production for the market. Enhanced productivity in agriculture unleashed workers to other, often-new high-productive industries like the manufacturing industries. People moved to cities and the process of urbanization gathered speed. Whilst scarcely 9 % of the population lived in densely populated areas in 1800, this share was 24 % in 1875 and close to 36 % in 1900. Consequently, a decreasing number of Norwegians produced their own food, which in turn boosted the sales market for agricultural products.

A liberal market economy evolved in Norway during the 19th century. The 1814 constitution laid down the institutional foundation for this. The emerging liberal business system made it easier for entrepreneurs to be economic successful.¹¹ Import and export was facilitated with gradually lower tariffs. By the early 1870s, Norway had adopted a system of almost complete free trade. An Industry act of 1839, being further opened by amendments in 1866 and 1874, liberalized all sorts of crafts. Guilds were dissolved and disappeared and the legislation helped the new industry to get the skilled services they needed. The gradual liberalization of retail trade started in 1842 and was completed by 1868, followed by liberalization of the wholesale trade in 1882. This made it easier for industry to sell its products all over the country. The sawmill industry had been dependent on a royal privilege since 1688. In 1860,

¹¹ Thue (2008) in Fellman et al. eds. (2008)

however, the last sawmill privileges were finally removed, after having been dismantled gradually from the 1840s. Thus, the economy was thoroughly modernized, commercialized and liberalized and developed into a full-blown market economy.

Rapidly increasing numbers of relations and exchanges that had earlier been outside what Marx called *the cash nexus* were now subjugated it. Underpinning this development was the rapid monetization of the economy, from the 1820s and especially from the 1840s when a sector of private commercial banks started to develop alongside with an increasing network of savings banks.

In the first decades of industrialization there were few regulations on work conditions, and no labour unions striving for shorter working hours or higher wages. But soon, the modernization of the economy was even manifested in social unrest and upheavals and the appearance of an organized working class. However, real wages increased substantially from the end of the 1860s up until WW1, except for the years of crisis between 1875 and the early 1880s. Typically, the immigration to the USA peaked in the early 1880s.

Shipping is an ancient, traditional trade in Norway. During the 1840s, the liberalization of international trade and repeal of the British Navigation Act in 1849, paved the way for Norwegian ships to compete for cargo assignments in international trade. Thus, Norwegian shipping was not confined to transport attached to Norwegian import or export. With new markets opening up, transport of timber between other countries like for example Canada and Britain became the foremost source of revenue for Norwegian ships.¹²

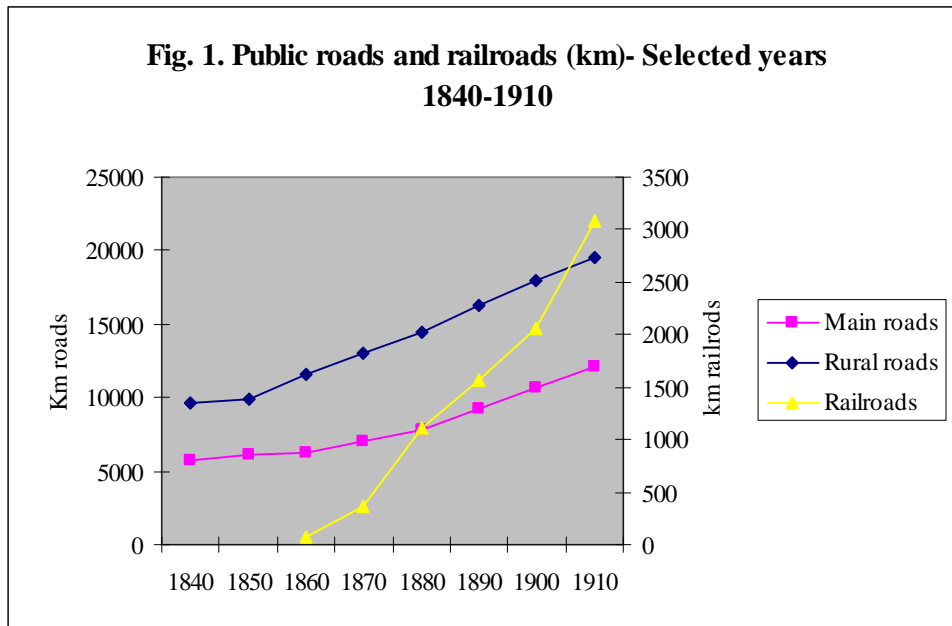
One decisive prerequisite for economic modernization and industrialisation during the 19th century was the development of modern economic institutions, which were underpinning economic growth and modernization and promoted the evolving liberal business system. Another decisive prerequisite for growth was the creation of modern infrastructures such as the telegraph and later on the telephone, road construction, railway lines and steam ship lines along the long Norwegian costal line, just to mention some of the most important new communication systems. From the 1880s, even networks for distribution of electricity were built.

The revolution in communications

¹² Ibid.

The main means of transportation in Norway was traditionally water transport along the coast. Even today, more than 50 % of the domestic transport work carried out to move goods is by the way of water transport. Through most of the 17th century, it was only the roads from Christiania to Drammen and further on to the cities Kongsberg and Larvik that were drivable all the way by horse and cart. The road from Christiania to Trondheim (located in mid-Norway) through the long northbound valley from Lillehammer (Gudbrandsdalen) wasn't drivable all the way by two-wheel horse carts until 1788-89. It wasn't until 1804 that the road from Christiania to Bergen at the West Coast could be driven continuously. Until the 1830s, long parts of the road from Christiania to Stavanger (in the south western part of Norway) were undrivable trails, where people during the summer season could only move by walking or riding a horse. According to his travelogue a merchant used 16 days to travel to Trondheim in 1723. Hundred years later the travel time was reduced to 8 days.

Between 1800 and the middle of the 1840s, very little was done to improve and expand the public roads network in Norway. From the 1850s, however, Norway experienced a revolution in communications, manifested in a thoroughgoing modernisation of the economic-technical infrastructure. This development was a part of the larger process of economic and institutional modernisation that took part during the second half of the 19th century. New, modern roads and bridges were built, telegraph lines were stretched out, and the first railroad was opened in 1854. Steam ships started to sail routes along the coast to convey people and cargo, and the postal services was modernised and expanded. In the other end of the century occurred telephones and automobiles.



Source: Statistics Norway 1978, tables 212,217

The figure above demonstrates the expansion of the network of public roads as well as the railroad network from the middle of the 1850s. More important than the expansion of the road network, however, was the introduction of new technology and building methods in road construction, as well as new institutions and organisations.

The old roads in Norway were rather broad, but awfully steep and hilly. The ascent quotient was often 1:5 or even steeper sometimes. The pavement of those roads was weak or almost non-existing. Hence, the drainage was poor and the surface became often exceedingly muddy, especially during spring and rain periods.

The public road administration was fragmented with little economic resources and almost non-existing technical competence. However, a new law on road administration was enacted in 1824. According to this law, the road administration was located to the counties under the responsibility of the county governor (amtmanden). Whilst the county governors were responsible for the road administration within the county's geographical area, the central government was in charge of roads to the neighbouring countries as well as roads during mountainous areas with low population density. The 1824 law classified the roads into *main roads* and *rural roads* respectively, and the main resource for both the construction of new roads as well as road maintenance was the peasant's drudgery. This mandatory roadwork was thus a sort of road tax imposed on each farmer, who could carry out the

work himself or send his employees. The technical competence in the counties, however, was very poor. The county governor's administration had a part-time employed Road Inspector, usually a military officer. On the governor's behalf, the Road-inspector and the local bailiff organised and administered the farmers' mandatory roadwork. This type of mandatory road work in construction of new roads was, however, abandoned in 1882 but continued in road maintenance.

The financing of roads was in the hands of the king and government. The farmers provided the money used for road purposes by tax on land. In 1837 a radical democratization process was completed in Norway. According to new legislation, the municipalities and the counties was led by steering committees elected by the people. Furthermore, all use of tax money had to be endorsed by those elected bodies. In 1851, a new road act was enacted after years of squabble between the king and the central government on the one hand and the parliament, the Storting on the other. Now, the central government finance and control of road construction was brought under the Parliaments authority. Hence, main roads could not be built without a Parliamentary grant, and rural roads could not be built without a grant from the county council or the municipalities' elected steering committees. The road legislation of 1851 also decided that the cities had to pay 20 % of the costs incurred by building highways, whilst the farmers had to pay the rest by the way of a road-tax according to the size of the farm.

In 1846 a new Ministry of the Interior was set up, under the leadership of Fredrik Stang, who was a liberal and active modernizer. Stang, who later was appointed prime minister of the Norwegian government, was part of a network of liberal modernizers, especially interested in developing communications. This group of people consisted of university professors and politicians. A major field of interest for Stang was the creation and development of modern communication- and transport infrastructures. One of his first steps as Minister of the Interior was to attach a military engineer and expert on road building, H. Finne, to the Ministry as its' technical consultant. In 1852, Christian W. Bergh followed Finne in this position. Bergh was also a military engineer and road builder. Bergh developed this position to a separate central road administration that was established as an independent directorate under the Ministry in 1864. Bergh was appointed this administration's first director.

Bergh introduced new methods in road building, and a new type of roads, the so-called *chausée* roads. These roads was a modern type of high-ways constructed with a layer of coarse, crushed stone at the bottom and a layer of macadam, with a binding material on top mixed with macadam and rolled to a hard surface. Moreover, the road surface was build a little higher in the middle than on the roadside in order to drain the water away, and ditches was digged out along both sides of the road for the same purpose. Modern *chausée* roads were built with as gentle slopes as possible. The first one to be built according to these principles was the so-called Ljabru *Chausée*, a new highway southwards out of Christiania, which was built from 1848 to 1850. Christian W. Bergh constructed the road, and he carried out calculations suggesting that the maximum ascent quotient should be 1:20. He also calculated that 100 horses were able to carry the same weight as 450 horses did on the old and much steeper road.

Entrepreneurship "...is about emergence and creative organising of resources according to opportunity...."¹³ Furthermore, entrepreneurship should not be confined to the private sector, but also includes innovative activities and practices in governmental organisations etc. From this point of view, Bergh was evidently an entrepreneur, actively building new organisations, in case a modern and technical competent Public Road Administration and by being one of the leading figures in promoting a veritable paradigm shift in road construction. Underpinning Bergh's entrepreneurial activity was an ideology emphasising that a well developed system of communications "... is one of the main conditions for the intellectual as well as the economy's development, hence the wellbeing of the people."¹⁴ Because of this, Bergh argued, heavy investments in "railroads and other means of communication" are socially useful and reaps high socio-economic yield. Such large investments in communication networks and modern means of transportation were a feature of "civilized nations".¹⁵

The expansion of roads from the middle of the 1850s and through the 19th century is demonstrated in figure 2. Bergh and his successor, Hans H. Krag, who was appointed director and head of the Public Road Administration from January 1874, after Bergh's death in the summer 1873, led this development. Krag was also a

¹³ Casson et al. 2006: p. xxx

¹⁴ Bergh (1854: 78)

¹⁵ Ibid.

military engineer, educated at the Military Academy. He joined the public road administration in 1852 and was appointed to office manager and Bergh's deputy in 1866.

As already has been mentioned, the first railroad in Norway was opened in 1854. This line from Christiania to Eidsvoll was 42 miles long, and the main motive behind the construction and operation of this line was to convey timber to Christiania, to be shipped to international markets from there. In combination with steamship lines on Norway's largest inland lake, Mjøsa, this first railway line revolutionized inland communications in south-eastern Norway. This route even became an important travel route for tourist going from Oslo to the inland areas, and also further northwards from Lillehammer to Trondheim. Between 1862 and 1865, the railway line from Christiania to Kongsvinger and the Swedish border was completed, and extended to Arvika and then connected to the Swedish railroad network in 1871. In 1879, the line from Christiania to Kornsjø and the Swedish border was completed, which connected Christiania with Gothenburg by rail. By 1877, it was possible to travel by train from Oslo to Trondheim through the long eastern valley, Østerdalen.

Whilst the railroad system developed, roads got an increasing role as a commuter network for horse transport of goods and people to the railroad stations. Simultaneously, however, a network of roads emerged that was linking up the major areas and cities in Norway south of Trondheim.

In his proposal to the Ministry of the Interior for that year's state budget, Krag proposed a plan for continued road building. He was aware of the problems this plan was facing due to a shrinking budget during the difficult 1880s, and suggested that his plan for new roads should be financed by loans floated by the state in the private capital market. Because of conservatism, this idea wasn't realised. The main part of the road project recommended by Krag was to be carried out in the Western part of the country and in Northern Norway. A central part of his plan was to build new roads to cross the mountains dividing western from eastern Norway, and thus improve the connections between those two parts of the country. The road through Haukeli (1880-96), the Geiranger road (1885) and the road passing Strynefjell were completed under Krag's leadership. Even in the almost road less northern Norway, some progress occurred in road building, although a substantial expansion in the northern areas didn't take place in those areas until introduction of cars after the turn of the century.

The birth and development of a modern tourism industry in Norway

From the end of 18th century, a growing number of pioneers of tourism visited Norway. They were attracted by the country's wild nature. A lot of them belonged to the English aristocracy, coming to Norway to climb mountains, fish salmon and hunt reindeers. It was, however, the eastern part of the country and its long south –north going valleys that attracted most tourists during the early phases of tourism until 1880, not tourists to view the western part of the country, its mountains and fjords. The main road through Gudbrandsdalen was the foremost tourist route. The traditional Norwegian system for inland travel by horse was based on a system based on relays of horses furnished from rest posts three to six miles apart. In the 1840s, there were between 45 and 50 rest posts or stations called 'skysstasjoner' serving the route between Christiania and Trondheim. During the early 1860s vehicles and people coming to the rest posts were registered and counted. During the summer 1858 4035 two wheeled carriols and 709 four wheeled wagons passed Lillehammer on its way northwards, most of them carrying tourists, almost 3000 persons.¹⁶ A lot of those tourists intended to go all the way to Trondheim, crossing the huge mountain plateau of Dovre.

In 1906, the number of tourist visiting Norway during the summer season was 34 000. A sample from this population consisting of 2308 men and 964 women contains data making it possible to calculate distribution on social categories.¹⁷ Around 30 % of the tourists were woman, of whom the large majority was classified as house wives as well as woman of own means. Another substantial group of the female tourists this year had occupations or positions that we might classify as "lower middle-class". One third of the male tourists can be classified as belonging to upper middle-class, having occupations like medical doctors, professors, barristers, upper strata civil servants, officers etc. Around 8 % of the men were lower middle-class, whilst 20 % were businessmen, owners of firms etc. Only 1 % of the sample was workers. Compared to what we know about the tourists of the 1830s-1840s, the tourists coming to Norway at the turn of the century were still clearly elite, economic and/or culturally. However, we can observe an unmistakable trend during the last

¹⁶ Kraft (2001)

¹⁷ Welle-Strand (1978: 22)

couple of decades of the 19th century and up until the WW1 of an increasing portion of middle-class tourists.

Christiania didn't have hotels until the 1830s when the two hotels named Hotel du Nord and Clausens Hotel was established. Thereafter a hotel named Hotel Victoria was set up in 1854. Grand Hotel in Christiania was established in 1874. Trondheim got its first hotel in the 1840s (Hotel d'Angleterre), whilst the first hotel of modern type in Bergen came around 1850 (Hotel Scandinavie). Before this, visitors and tourists had to depend on private hospitality and accommodation at guesthouses and Inns connected to the rest post stations. During the period 1870-1900, roughly 300 hotels and sanatoriums were built; several of them offering health tourism. A new style of hotel architecture emerged, hotels built in the so-called "dragon style" an "Swiss style".¹⁸

In addition to hotels and sanatoriums, a growing number of guides, drivers etc. were engaged in assisting and transporting tourists. A substantial part of the tourists, especially from Britain, came to Norway for climbing mountains, to fish salmon and trout in Norwegian streams or to hunt reindeers and dear in mountains and hills in the western part of the country or moose in eastern Norway. From the 1870s, an increasing portion of the tourists was simply attracted to view the Norwegian nature as well as its 'exotic' inhabitants.

The mountainous areas were considered as wild, frightful and "ugly" in wide circles among the elite. This viewpoint prevailed until the early 1820s-30s. However, a change in attitude emerged from the middle of the 19th century. One of the important factors that played a role in this change was the national romantic ideas that occurred in this period, and especially spread by the painters of the Norwegian national romanticism like Adolph Tidemand (1814-1876), Hans Gude (1825-1903) and J. C. Dahl (1788-1857) who expressed a romantic view of Norwegian nature. Mountains, large water falls and traditional farms became attractions. So did the fjords of the western part of Norway, an area that increased its share of the growing stream of foreign tourists. What really stimulated growth in the number of tourists travelling along the Norwegian coast was the setting up of a steamer tourist route from Bergen to the North Cape in 1877.

¹⁸ Frankel and Lund (1986)

In 1873, Thomas Cook arranged a group tour to North Cape with the Travel Bureau Bennet. The Englishman Thomas Bennet started a business in Christiania in 1850, renting out carriages. He offered his customers 25 different routes. In 1859 he published a “Handbook for Norwegian Travellers” and his business developed into a Travel Agency, which even to day is one of the main Norwegian travel agencies.

This growing tourism business was enhanced by technological progress in communications, both the modernisation of the postal services and the spread of the telegraph network. Telegraph lines and stations first spread all over the country and connected with Sweden. In 1868 was the Norwegian telegraph network connected with the Danish network by a submarine cable from the southern city of Arendal to the northern point of Jutland. In 1869, a submarine cable from Egersund in southwest to Petersburg in Scotland connected the Norwegian with the British telegraph network.

The substantial influx of tourists during the second half of the 19th century thus stimulated the business of tourism in Norway. The Norwegian professor in history and geography, dr. Yngvar Nielsen, calculated the income from tourism during the summer 1886, to sum up to 5 million NOK. This corresponds to 208 million 2007-NOK, or 1,3 billion NOK in 2006, relative to GDP. Hence, tourism had already become an important Norwegian business sector by 1886.¹⁹

Promoters of the tourism business

Private entrepreneurs built up a growing number of businesses connected to tourism. Besides, entrepreneurs were active in the public sector promoting tourism. One of those was Hans Krag, who was director of the Norwegian Public Road Administration during the period 1874-1903. In 1863 he had a grant to visit Switzerland in order to study road building and tourism in that country. In his report, he argues that the building of a good transport network has been given high priority.²⁰ Similarly, there is a substantial public support for the development of tourism. Krag emphasises that Norway should pursue the same policy and he argues that the Norwegian nature is an attractive pull factor for tourism. He especially points out the importance of new steamer lines across the North Sea from Holland and England, which could bring

¹⁹ Nielsen, Y. (1887)

²⁰ Parliamentary minutes, 1865-66. Document No. 70: Artillerikaptein H. Krag's Rapport om hans reise gjennom Schweiz 1863.

tourists to Norway cheaper than to Switzerland. Among the attractions, he mentions the fjords, the mountains, the fishing streams, glaciers, and the mid-night sun. He followed up this vision thoroughly, first of all by building roads like the already mentioned Haukeli, Geiranger and Strynefjell roads. From the 1890s and until his death in 1907, he was a pioneer in promoting the automobile as a modern means of transportation, very useful for the purpose of transporting people, hereunder tourists. He also was active in organising tourism as one of the founders of the Norwegian Tourist Association (Den Norske Turistforening) in 1868 and “Forening for reiselivet i Norge” (Association for the tourist business in Norway) in 1903. This is only some aspects of the various areas of tourism and tourism business Krag was engaged in.

Conclusion

This paper has been arguing that that the emergence of modern tourism and its further development best can be analysed as a process occurring during the first era of globalization. At the core of modern tourism is the transformation of leisure travels to become a commodity to be sold in the market place for cash, a transformation that occurred during the second half of the 19th century alongside with the growth of industrial capitalism. Moreover, the technologies of in particular the first industrial revolution and the revolutions in transport infrastructures like the railway, the building of a modern road network, and innovations in communications like the telegraph, were important prerequisites for the growth of tourism business. Several push as well as pull factors developed. Increased income and a growing middle class in a setting with trade liberalization created an international market for tourist services. Like in many other countries, Norwegian entrepreneurs grabbed the opportunity of building businesses connected to tourism. In the Norwegian case, the paper demonstrates how the development of these infrastructure systems made the emergence and development of the tourist business possible, resulting in the creation of a modern hospitality industry, the building of new hotels. However, cultural factors were also important, for example the spread of romanticism in literature and art in Europe as well as in Norway. Among other things this development was paving the way for a new attitude towards nature, making Norwegian nature a large attraction to foreign visitors seeking leisure and experiences. The ability to build a modern transport- and communication system as well as a new hospitality industry were pull

factors that made it possible for a growing Norwegian tourist industry to attract customers in an international market for tourist services.

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