

The Hungarian Capital on the Rollercoaster of Time

Pest-Buda has come a long way on the rollercoaster of history to arrive at the stop of ‘today’. This study explores the highlights of this journey for the city, examining the causes and conditions of these ‘good’ periods.

1. Natural endowments

In the Carpathian Basin, the Danube Bend region, including the ‘tributary’ of the stretch of the river crowned by Gellért Hill (between today’s Margaret Island and Csepel Island), has long had and still has excellent potential for urban development; these few dozen square kilometres of land were predestined for the growth of a (large) city.¹

The geographical energies of Pest-Buda are complex:

1. The area surrounding the Danube Bend is at the heart of the Carpathian Basin, serving as its centre of gravity. While not the geometric centre, it is the hub in terms of population, economy, and governance – the geopolitical centre of gravity, as it offers optimal access to the peripheries, and its advantages in power, administration, military and trade functions are clear.
2. In a vast and nearly perfect basin like the area surrounded by the Carpathians (which is approximately 300,000 km² in extent), a *central-radius spatial structure* inevitably develops, reinforced by natural routes along river valleys that lead towards the basin’s core, and by centripetal and centrifugal forces resulting from the differing economic characteristics of mountainous regions compared to the lowlands and hills of the basin floor. These forces are also influenced by the division of labour between these areas. For such a spatial structure, only the ‘location’ of the centre of the radial structure is needed to define the location of the heart of the Kingdom of Hungary. The strategic location of the Danube Bend and its surroundings has been pivotal in establishing this area as the economic and political centre of the Carpathian Basin. This advantageous position has facilitated a centre–periphery relationship that extends beyond topographical factors, positioning the region as a key national political and economic hub.

¹ Obviously, we do not assume that ‘nature’, natural resources or geographical energies automatically create cities anywhere. However, when the society settled in a landscape or region reaches a level of development where division of labour occurs among its members or groups, geographical division of labour inevitably emerges, necessitating the creation of places for exchange – i.e. cities. Society must then select suitable locations for urban development. Pest-Buda was brought to life by social necessity, but the site of its development was also suggested by the advantages provided by ‘nature’.

3. The excellent position of Pest-Buda as a traffic hub was not merely due to its central location: throughout the history of the Carpathian Basin, great significance has been given to the Danube waterway and the inland route along the right bank of the river, which connected the Balkans, Asia Minor, and even the Levant and the central regions of Europe.²
4. In the Middle Ages, the Danube was of strategic importance. In the 18th and 19th centuries increased trade led to most of Hungary's agricultural exports being shipped via this river. This surge in trade stimulated the growth of numerous small and large grain-producing towns along its banks, in addition to Pest-Buda, including Újvidék (Novi Sad), Apatin, Baja, Dunaföldvár, Vác, Komárom, Győr, Moson and Pozsony (Pressburg, and from the 20th century, Bratislava). The unprecedented rapid growth of Pest-Buda during the late 18th and early 19th centuries, and its emergence as a national centre, would have been inconceivable without the Danube waterway, as the river facilitated traffic and enabled the purchasing of crops, thus supporting the burgeoning of the bourgeoisie. Buda was also the point where the internationally significant *route* along the Danube connected to another key international route leading from the Adriatic Sea through Zagreb, the Balaton Uplands, and the town of Fehérvár, which was crucial for maritime import-export trade, facilitating the transport of goods by sea. The route from Pest, running along the foothills of the North Central Mountains (and the Highlands), was used by traffic to Poland via the Hernád Valley and the Szepesség (Spiš) region, but it was also the most important route connecting the region with Transylvania via the Tokaj ferry crossing. Finally, the trade route from Pest along the left bank of the Danube to Moravia and Bohemia, via Nagyszombat (Trnava) on the northern edge of the Kisalföld (Little Hungarian Plain), was a particularly busy one in the Middle Ages.
5. It is also no coincidence that the turning point for routes of international importance was established at Pest-Buda. These routes had to cross the Danube if they were to connect the different parts of the country. On the Carpathian Basin section of the Danube, particularly along its north–south course from the Danube Bend to the mouth of the River Drava, there were surprisingly few suitable crossing points (as flood plains and regularly flooded islands made crossing difficult). Only at Pest-Buda, and to a lesser extent at Baja, was there a crossing point on

² According to archaeological evidence, the Danube has served as a route for the contact and migration of peoples and cultures since prehistoric times. During the Roman Empire, it was a defence line, and the fortified road along its right bank had strategic significance. After the establishment of the Hungarian state, the so-called Jerusalem Road was 'designated' to create a connection to the Holy Land, which was not only travelled by pilgrims but also by traders dealing in 'Eastern' goods. This route turned Buda into a hub of an international network.

- this north–south course of the Danube that could be used for most of the year. The narrowest section of the Danube is at the foot of Gellért Hill in Pest, where the present-day Elisabeth Bridge stands. For centuries, the *Tabán ferry crossing* was a point of distinction for the collection and distribution of traffic in the Carpathian Basin, making its surroundings ideal for the development of a settlement with national significance. The town's importance is highlighted by the fact that the Romans built a fortress on the left bank of the crossing, in the Barbaricum area, to protect it. The first post-Conquest inhabitants of Pest, the Ishmaelites (Khwarazmians, a group of Muslims), settled in the ruins of this Roman fortress.
6. All these traffic advantages were activated by an expansion of the exchange of goods due to progress in the social and geographical division of labour. Progress began in the 13th century during the Middle Ages and intensified especially from the second half of the 18th century. Increased exchange activated the so-called *trade routes*, or zones of exchange, between regions producing different types of goods. The main trade routes in the Carpathian Basin were established between the mountains and the lowlands, and along the Danube. In the Pest-Buda area and its surroundings, the four major basins of the Carpathian Basin converge: the Alföld (Great Hungarian Plain), Transdanubia, Upper Hungary and the Kisalföld (Little Hungarian Plain). Nowhere else in the Carpathian Basin are there such a large number of distinctive market lines clustering together. These zones are the most dynamic where they are intersected by transport lines and where constraints (such as mountain passes, ferry crossings and extensive traffic barriers) divert traffic. At Pest-Buda, one of the most important, if not the most important, ferry crossings in the Carpathian Basin intersects with a series of natural (and, later, constructed) routes of international importance at the junction of trade routes. These factors and conditions have created the *most energetic* point of the Carpathian Basin at Pest-Buda (*Figure 1*).
 7. Another factor in the development of Pest-Buda as a dominant (or possibly hegemonic) city with nationwide jurisdiction (extending across the Carpathian Basin prior to the Treaty of Trianon) was *the centralised nature of the Hungarian state organisation*. Unlike many European countries where regional and federalist aspirations flourished, significant autonomous provinces or federal states did not emerge in the Kingdom of Hungary, with the exception of the uniquely situated Transylvania. This was in contrast to France, often cited as an example of a centralised state in the Middle Ages, not to mention Germany, Italy, or even Austria (the Habsburg Empire), none of which existed until the second half of the 19th century. Centralised power contributed to the concentration of the economy and culture in a single centre: Pest-Buda.

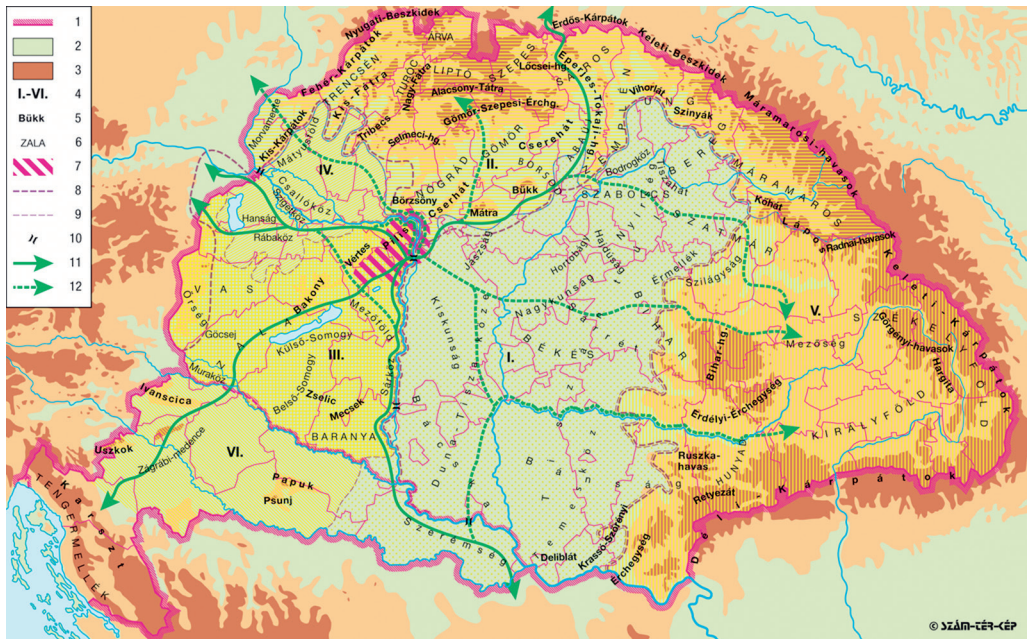


Figure 1: The position of Pest-Buda in the Carpathian Basin, and the main roads and trade routes

Source: compiled by the author

Notes: 1 = Borders of Hungary during the period of the Dual Monarchy; 2 = lowlands; 3 = high mountains; 4 = the country's major regions: I Great Hungarian Plain, II Upper Hungary, III Transdanubia, IV Little Hungarian Plain, V Transylvania, VI Croatia and Slavonia; 5 = names of geographical regions; 6 = county names; 7 = 'the centre of the country'; 8 = the most important trade lines of the Carpathian Basin; 9 = trade routes; 10 = important ferry crossings on the Danube; 11 = the most important (natural) international routes; 12 = other important routes

8. Naturally, a complete picture of the outlined scenario includes some missing attributes and 'bad luck'. Already in the middle of the medieval period, Pest-Buda's development was constrained by the Carpathian Basin and the city's isolation from the sea. After the storms of the Migration Period, Europe's consolidating economy and trade heavily relied on maritime traffic, port cities, and proximity to the sea. The 'workshop' or trading hub of medieval Europe was Northern Italy and its two metropolises, Venice and Genoa, along with Europe's most populous city, Constantinople. Later, in the early modern period, the port cities of the Atlantic Ocean became the 'flagships' (apologies for the mixed metaphor) of the world economy and trade (London, Ghent, Bruges, Ypres, Amsterdam, Hamburg, etc.), but cities like Paris and Cologne also had direct sea connections, and the Hanseatic cities owed their flourishing to their maritime ports and trade. According to Norman J. G. Pounds: "At the beginning of the 14th century, a belt stretching from

Southeast England and the Low Countries through the Rhine region to Northern Italy was the axis on which most of the great cities were situated, and the largest share of the continent's internal trade took place.”³ Pest-Buda was far from this zone of urbanisation, which undoubtedly limited its developmental opportunities.

Finally, mention should be made of the vulnerability of Hungary and Pest-Buda to external influences. Primarily, these were the Ottoman Empire's expansionist ambitions; its occupation of the central third of Hungary, which turned Pest-Buda into a Turkish fortress for one and a half centuries and removed it from the current of European urban development; and the nearly four-century-long 'dependency on Austria', which relegated Pest-Buda to a secondary role behind Vienna. Then came the Treaty of Trianon, which forced Hungary into the ranks of small states and reduced Budapest's 'sphere of influence' to one-third of its original size. Lastly, after World War II, the dependence on 'Moscow' also severed the city from the urbanisation processes of the developed world.

In the following section, we will trace the realisation of these potential advantages and limiting factors over the centuries. The figure below attempts to illustrate the changes in the urban significance of Pest-Buda over the centuries (*Figure 2*).

It is clearly seen that in the two and a half to three centuries following the Hungarian conquest, no settlement with an unequivocal urban role emerged in the area around present-day Budapest. In the Roman province of Transdanubia and between the Drava and Sava rivers, settlements were established that could be considered cities at that time (including a fort and garrison town around 40 AD, and a civilian community called Aquincum at the site of present-day Óbuda). However, the Roman cities, including Aquincum, were destroyed in the turmoil of the migrations. The approximately 400,000–450,000 Hungarians who settled in 895–896 took possession of a land without any city. During the decades and centuries following the conquest and the establishment of the state, up until the end of the 12th century, conditions were not favourable for urban development in the Carpathian Basin. The economy of the country was close to autarky, the geographical division of labour was undeveloped, and as the roles of agricultural workers and craftsmen did not separate, the latter could not concentrate in communities (cities). Without distinct craft and commercial activities, and the people who specialised in these activities, i.e. without an urban bourgeoisie and without substantial, continuous trade, 'genuine' cities could not evolve or only in very small numbers, even though certain 'central functions' appeared in the area of Pest-Buda or its surroundings during these early centuries – for instance, a royal estate centre operated in Óbuda, and a chapter served as a place of authentication.

³ POUNDS 1990: 93.

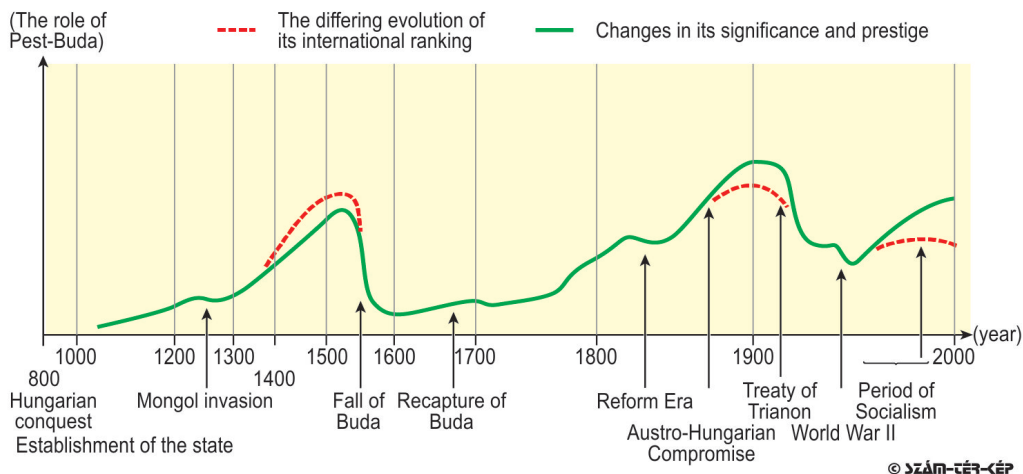


Figure 2: Changes in the urban significance of Pest-Buda over the centuries

Source: compiled by the author

2. Pest-Buda on the first crest of the wave (13th century – 1541)

It was by the 13th century that the development of the Hungarian society had reached the stage where it needed cities and could maintain them. It is a tribute to the capabilities of the rulers that they recognised this process and supported urbanisation themselves. In the structure of society and the level of production, the following changes that supported the emergence and growth of cities are noteworthy:

- The adoption of innovations from the 12th–13th century European ‘agricultural revolution’ and favourable changes in the climate of Europe doubled agricultural yields, enabling an increasing amount of goods to be brought to market. This allowed a larger proportion of the population to leave agriculture, thereby deepening the *division of labour*. The growing exchange of bulk goods – grain, wine, livestock, fish, honey, animal skins, wool, etc. – stimulated trade and enhanced the positions of communities favourably located for transport, aiding their urbanisation.
- The social division of labour also advanced with the separation of agricultural and craft activities.
- Due to external threats, particularly the fear of repeated Mongol attacks after the Mongol Invasion (1241–1242), national defence became a primary concern. The experiences of the Mongol Invasion showed that effective protection could only be provided by fortresses and cities surrounded by stone walls. Therefore, the ruler, King Béla IV, and his successors strongly supported urban development. It was during this time that the ruler relocated the remaining population of the area to Castle Hill in Buda.

At the end of the 13th century, Pest-Buda was not yet the country's hegemonic capital; the Hungarian kings did not reside permanently in Buda, but stayed more often in Óbuda or, according to medieval customs, travelled around the country with their court. From the beginning of the 14th century until the Turkish occupation (1541), Pest-Buda continued on this path of development, which then reached its full potential.

In economic terms, the fulfilment of Pest-Buda's functions marked its rise to the ranks of international trade centres and its clear and increasingly significant role as the economic hub of the country. Buda and Pest were no longer just occasional marketplaces for foreign traders, venues for bustling annual fairs, or merely points of multiplied traffic. Instead, their activities became integrated into the European economic system, with their connections becoming diverse and institutionalised. A characteristic form of this was the permanent or temporary settlement of foreign merchants in Buda, most of whom arrived with significant capital and maintained their familial and business ties with their previous residences. Most of them came from German-speaking areas, including Austrian and southern German provinces, Vienna, Nuremberg and Regensburg. During the reign of the Anjou dynasty and in the second half of the 15th century, several merchants from Northern Italy also settled in Buda. In the 15th century, modern forms of international trade, such as agencies and depots of 'multinational' companies, also appeared in Buda (e.g. the Fugger dynasty, the Welser company of Augsburg, and Florentine firms).

Buda also became the dominant centre of domestic trade. It is estimated that 70% of foreign goods entered the country through the mediation of Buda's citizens, who then distributed them to the country's trading locations. So, even in the medieval context, Pest-Buda could be referred to as the country's 'hydrocephalus', although this development was also influenced by Buda's staple rights and the associated mandatory route.

Pest-Buda increasingly possessed the essentials of contemporary urban life. In the early 16th century, there were 25 guilds operating in Buda and 11 in Pest. In the 14th and 15th centuries, Buda gradually became the country's undisputed centre of *political power* and *administration*. King Sigismund undertook large-scale constructions on the Castle Hill of Buda, and King Matthias continued it with Renaissance splendour. Sigismund had already relocated national institutions to Buda.

Buda also became the centre of the Kingdom of Hungary's *international relations*. These connections were directed partly towards the Balkans and partly towards Central Europe i.e. the German principalities, Poland, and Northern Italy. Buda was, therefore, primarily a 'metropolis' of Central Europe and occasionally of the Balkans. Despite the multifaceted international economic, political and diplomatic network, the limitations of Pest-Buda's international role, which have re-emerged repeatedly up to this day, were already recognisable then. These are:

- Buda was primarily a recipient of foreign connections: foreign companies opened agencies there, foreign merchants settled there, foreign capital arrived through their mediation, and the royal court received foreign advisors, humanist artists, and scholars; it was not the people of Buda who conquered foreign lands.

- The economic weight of Buda, the wealth of its citizens, and the volume of its ‘firms’ significantly lagged behind those of Northern Italian and Southern German cities, and even Vienna.
- In Buda, the return on capital was demonstrably lower than in the more developed regions of Europe.
- Buda, and therefore the country, primarily interacted with the western regions of Europe through intermediaries; Hungarian merchants usually only reached Vienna, but for example, cattle for slaughter, Hungary’s increasingly significant export product towards the end of the period, was often purchased by intermediary traders in Western Hungary.
- The economic ‘action radius’ of Buda extended to Central Europe: to the Austrian provinces, Bohemia and Moravia, the cities of Northern Italy, and the nearer areas of Southern Germany (*Figure 3*).



Figure 3: Buda's international relations at the end of the Middle Ages

Source: compiled by the author

Notes: 1 = territory of the Kingdom of Hungary; 2 = zone of intensive and multilateral relations; 3 = zone of medium-intensity relations; 4 = zone of special relations (power-related and political relations before the Turkish occupation; afterwards theatre of war and diplomatic activity); 5 = low-intensity but regular relations; 6 = occasional, scarce relations.

- The three cities of Buda, Pest and Óbuda – which contemporaries regarded as a single city despite its legal separation – had a population exceeding 20,000 in the 15th century; Buda had 13–14,000, and Pest nearly 10,000 residents. With this population, they could compete with Central European cities like Vienna and Prague. Meanwhile, there were cities with 80–100,000 inhabitants in Italy, and cities with 25–50,000 inhabitants in Western Europe.

The mid-15th century was the peak of Hungary's and Pest-Buda's medieval development; we can agree with the opinion of historian László Makkai, who stated that "[...] the distance between Western European and Hungarian urbanisation was the smallest in the early decades of the 15th century".⁴

3. Far from Europe

However, at the end of the 15th century, with the inexorable expansion of the Ottoman Empire, the spectre of submission to the Turks also arose. The ominous shadow became reality, and the process of catching up with the 'West' remained incomplete. The 'end' had already begun with the death of King Matthias Corvinus (1490). The weakening of royal power, the court's lack of funds, the loss of the southern defence line of the country to Turkish control, and the increasing number of Turkish incursions had already compelled a number of wealthy Buda citizens to leave the country at the turn of the 15th and 16th centuries. In September 1526, the Turks also entered Buda; and although after a two-week stay, they withdrew with plunder, the fate of Pest-Buda was sealed. The decade and a half before the city finally fell into Turkish hands had already been in agony: after the death of Louis II, the divided Hungarian estates elected *two rulers*. The supporters of the two kings repeatedly and mutually besieged and occupied Buda, and also expelled citizens who supported the opposing side. In 1541, Sultan Suleiman captured a depopulated, impoverished city stripped of its former functions and splendour. The centuries of construction work and the chance to catch up with the 'West' disappeared in just a few short decades.

Before outlining the consequences of the Turkish subjugation, it is important to emphasise that these bleak centuries were not only due to the central regions of the country becoming territories under Turkish control, nor solely due to the endless Hungarian 'internal strife'. A stealthy process was also at play, namely the regional, geopolitical, and economic realignment of Europe, with its *economic centre gradually shifting* from Northern Italy (and the Mediterranean in general) to '*Atlantic Europe*', encompassing the Netherlands, the western provinces of Germany, the Rhine region, and eventually England. From the 15th century onwards, this region assumed a leading role in the development of *early capitalism*. The disintegration of feudal relations opened up space for the spread of early forms of capitalist industry. The centre of global trade

⁴ MAKKAI 1961: 41.

shifted to the Atlantic coastal region, and to its flourishing major port cities (Antwerp, Rotterdam, Amsterdam, Bremen, Hamburg, London, etc.). The nature of international trade also changed. While previously global trade involved mainly luxury goods – expensive textiles, jewellery, ‘eastern’ spices, etc. – from the 15th–16th centuries onwards, the exchange of bulk goods took place; food and raw materials were imported to supply the rapidly growing urban population and, in return, industrial goods (primarily textiles, cloth and metal tools) were delivered to less developed regions. The rapidly increasing demand for food and raw materials in Western Europe, along with the influx of precious metals from the Americas, led to a ‘price revolution’: due to increased productivity and supply, the prices of industrial goods did not or barely rose, while the prices of food skyrocketed several times over in the 16th century. These significant price movements had a highly vigorous effect on Europe’s economy. Large areas – the Baltic Sea coast, Poland, Bohemia, Hungary, and the eastern German provinces – became involved in mass (agricultural) production and export, thereby also creating a market for Western European industrial goods. Agricultural East-Central Europe increasingly became the periphery of industrial and commercial Western Europe. These processes primarily favoured agricultural production. Due to the changed price ratios, Western European industrial goods became cheaper in Central Europe, creating very strong competition for local industry. Therefore, East-Central Europe could not transition to the modern, capitalist forms of industrial organisation and mass production. The industry in Central European cities increasingly produced for the local market (not even the national market), retreating behind the walls of guild frameworks due to growing competition. Instead of becoming the engine of capitalist production, it hindered it. Hungarian guilds also fought a desperate battle against the very beginnings of capitalist business organisation, prohibiting guild members from employing ‘outworkers’, making the conditions for guild admission more difficult, and restricting the sale of goods produced outside the guild. Jews were banned from free royal cities. The landowning nobility of Central Europe, on the other hand, exploited the agricultural boom by increasing *feudal dues*, expanding demesne lands (manorial farming), and increasing the labour required to cultivate these lands. To achieve this, it was necessary to increase feudal dependence; ultimately, all this led to the *divergence of Central Europe’s social development from the ‘path’ of Western Europe*.⁵

The processes outlined above are clearly evident in Hungary as well. The structure of Hungarian foreign trade was extremely one-sided: it almost exclusively exported agricultural and mining products (precious metals) and imported a large quantity of industrial goods. This prevented a greater increase in the number of industrialists and, ultimately, further urbanisation.

All these processes, as well as the Turkish occupation, radically changed the relationship between Pest-Buda, the communities and inhabitants of the Carpathian Basin, and Europe. From being the country’s centre and a city with a Central European influence,

⁵ BELUSZKY 2014: 172.

it became a border town of the Ottoman Empire, a garrison town, and a frontier fortress defending the entire subjugated territory. Most of the civilian population was replaced; the German-speaking citizens were expelled even before the Turkish subjugation, and in 1541, most of the Hungarian population also fled. The city's 'Christian' institutions ceased to exist, and the city itself ceased to be an autonomous entity; its buildings decayed, and its area shrank. The Christian armies made several attempts at recapturing the city, and finally, after 145 years of Turkish rule, Buda was retaken in 1686 following a devastating three-month siege. The siege, the sanctioned looting, and the indiscriminate capture of survivors turned Buda and Pest into deserted ruins.

4. In the shadows (1688–1790)

Life slowly returned to the ruins, but it could not resume where it had left off in 1541 (or 1526, or even more so the mid-15th century). This was not only due to the destruction of the buildings, the absence of the former citizenry, or the lack of urban traditions and culture that had been interrupted for 145 years, but also because the *conditions for urbanisation* in Hungary, including in Pest-Buda, *had changed* since the early 16th century.

The consolidation of Central Europe's *peripheral status* advanced during the decades of Turkish rule, and its 'lateness' turned into a form of otherness, increasingly confining this region to the role of food and raw material supplier to the West. The emergence of industrialisation was hindered by cheap Western industrial goods, and the guilds of the region, relying on their old privileges, prevented all attempts at industrial organisation and modernisation outside the guilds.

The relationship between Europe and Hungary was mediated through the Habsburg Empire; the country's – and Pest-Buda's – direct economic relations were almost exclusively limited to the hereditary lands and at most the Balkans. During the period of Turkish subjugation, the country's *political independence and integrity ceased*. Consequently, Pest-Buda's function as a capital also ceased. The empire, the imperial and royal court, and the imperial offices were headquartered in Vienna, while the Hungarian state offices and the parliament remained based in Pressburg (today's Bratislava).

If this overview aims to account for the 'peaks' of urban development, we can briefly deal with the 18th century. The twin cities slowly repopulated, primarily with foreign German and Serb settlers, but even forty years after the city's recapture, they were only small towns: in 1724, Buda had 13,840 inhabitants, and Pest had approximately 6,000. Wine production revived on the Buda slopes, and artisans arrived in the cities with the various waves of settlers; by the end of the century, about 1,000 master craftsmen were working in Pest and Buda, with 77 trades practiced in the latter. However, most of the masters worked in small workshops with at most 1 or 2 journeymen or apprentices, and there were no attempts at modern industrial organisation. There were no pathways 'out' (e.g. towards manufacturing) or 'upward' (e.g. towards the bourgeoisie) from the

craft industry. Each industry employed relatively few people, and they did not produce enough goods to enter the national market. Pest-Buda was a craft centre producing for the regional market. Artisans continued to work within the framework of guilds.

Among the resources that would fuel Pest-Buda's explosive urban development in the 19th century, *trade* – more precisely, the *exchange of goods* – was the first to appear, although until the end of the 18th century, the commerce of the twin cities operated more on the *regional* than the national market. In assessing the role of trade, we must consider that even in the 18th century, the roles of producer and distributor of goods were not always separate; consequently, the number of full-time merchants was small (in 1720, only 17 in Buda and 15 in Pest), and the localities often merely served as venues for commercial activity, with most transactions still taking place at weekly markets and fairs.

Ultimately, until the 1780s, Buda and Pest were no more than the *largest small towns in a country relegated to the periphery*.

5. Formation of the national centre (1780s–1867)

We often fall into the mistake of limiting Pest-Buda's modern 'era of success' to the period of the Dual Monarchy. However, a long journey led from the small town existence at the end of the 18th century to the metropolis with a 'limited sphere of influence' in the period of the Dual Monarchy. The twin cities began their ascent on the increasingly steep trajectory towards the 'era of success' at the end of the 18th century. By that time, the country had been *repopulated* (according to the 1784–1787 census data, the population of the lands of the Hungarian crown was approximately nine and a half million), its agriculture had been reorganised, and the modernisation of its administration had become necessary. From the end of the 18th century, it became increasingly impossible to ignore that Pest-Buda had once again become the 'centre of the country' and its traffic hub (that is, the geographic features previously mentioned had been revived).

The years around 1780 marked a significant boundary in the life of Pest-Buda. The rapid population growth (24,000 in Buda and over 13,000 in Pest in 1784) and the economic expansion (see below) laid the foundation for Joseph II's rational decision to relocate the most important government offices to Buda and Pest.⁶ As a result of this move, Pest-Buda became the *administrative centre of the country*, although not yet its political centre, a role still held by Pressburg (Bratislava) for some time. This developmental trend continued over the following decades, leading to another *structural shift* after 60–70 years of continuous growth. During these decades, alongside its national governmental and administrative role, Pest-Buda also became the centre of the country's

⁶ In 1777, the University of Nagyszombat (Trnava) moved to Buda, and then in 1784, as part of his measures to streamline state administration, the 'enlightened' Emperor Joseph II relocated the government institutions operating in Pozsony (today's Bratislava, then called Pressburg, including the Vice-Regal Council, the Chamber, the High Command, and the National Archives) to Buda.

cultural, educational, scientific, and social life, as well as the focal point of national aspirations. By the end of this period, Pest-Buda had become Hungary's recognised and almost exclusive *intellectual and political capital*, and was a city that drew the attention of the entire country, attracting writers, scholars, and the intellectual, social, and political elite of the nation, a city visited even by the 'notaries of Peleske' [*simple-minded rural advocates who viewed urban life as outsiders, with abhorrence – the Editors*] who wished to recoil in horror from sinful urban life, and a city serving as a cultural centre for national minorities such as Slovaks, Serbs, and Germans. The spectacular increase in the political and intellectual weight, significance, and achievements of the twin cities was underpinned by a rapid development in the economy – the exchange of goods, transport, industry (including manufacturing), and later the financial markets. By the end of the period, this growth had not only created the largest economic conglomeration in the country, but also the *organisation, management and decision-making centre* of a national economy in the process of *being organised into a system*, while also acting as its largest producer.

Among Pest-Buda's economic activities, *the exchange of goods* was the first to achieve national significance, despite the obstacles that remained in place at least until the 1840s and 1850s.⁷ The supply of (raw) materials (live animals, wool, rawhides, wine, tobacco) and the turnover at fairs increased exponentially. At the end of the 18th and the beginning of the 19th century, Pest hosted one of Europe's busiest wool markets. The increase in trade continued to boost the attendance of the Pest fairs while also facilitating growth in the number of local traders operating year-round,⁸ as well as their accumulation of wealth.

By the early 19th century, the main activities of Pest-Buda trade had already evolved into:

- intermediary trade in *agricultural raw materials*, gradually accompanied by certain storage and processing activities
- supplying the country with handicraft and (mainly foreign-origin) industrial products, and colonial goods – *distributive trade*
- increasing demand, driven by population growth, for the direct supply of goods to residents, with markets, weekly fairs, and chandleries (and peddlers) being the key points of supply
- the twin cities' markets along the trade route facilitated significant *interregional trade*

⁷ The conditions for the country's trade were extremely unfavourable. The feudal legal system no longer met the needs of the modernising economy: there was a lack of commercial adjudication and a legal and regulatory framework for trade; burdens included the absence of credit – Hungary's first financial institution was not established until 1840 – or its high cost, the multitude of bridge, road, and ferry tolls; and there was a lack of manufactories and factories – which could have supplied goods for trade to reach consumers, as opposed to artisans selling their own products. Additionally, there were notoriously poor road conditions, and so on.

⁸ For example, the Medardus Day Fair of 1790 recorded the arrival of 12,735 carts and about 30,000 traders.

Simultaneously with the quantitative increase in commercial activity, starting from the 1820s, the commercial activity of the twin cities was augmented by a series of elements that represented steps towards '*systematic*' trading. As a result, by the end of the period, the exchange of goods in Pest-Buda represented a 'new' quality. The most important developments included the following:

- In 1826, a new marketplace was opened on today's Erzsébet Square with nearly 600 permanent stalls (booths) for trade fairs.
- According to an 1817 decree, factories with imperial privileges could establish depots anywhere. By 1828, 99 companies maintained depots in Pest and Buda. These depots meant that the profits from trade in factory goods went to the manufacturers (and not the traders of Pest), but they increased the cities' trade volume nonetheless.
- In the 1830s and 1840s, numerous specialised shops and luxury goods stores opened in the city centre.
- Several commercial 'institutions' were established in the second quarter of the century: the Pest Civic Board of Trade established in 1827–1828, which published the first *trade newspaper* in Pest in 1828, organised a *trade training institute*, and built a *trade hall* and so on. In 1845, the Royal Privileged Wholesale Merchants' Board was established. In 1840, the National Assembly passed a series of laws regulating economic activity, including credit laws.

Before reviewing the further development of trade in Pest-Buda, let us take a look at an essential condition for trade: the *transport options*.

The greatest impact on the flow of goods in Pest was undoubtedly exerted by *the revolution in transport*. Although Pest and Buda were already the centre of Hungary's *postal road network* at the beginning of the 19th century, goods transport still faced numerous obstacles at that time: the vast majority of domestic roads were undeveloped and almost impassable for part of the year. Rivers were unregulated, and the length of navigable canals was minimal. Throughout its history, the Danube was a waterway of almost invaluable importance for Pest-Buda, but horse-drawn shipping was slow – the journey from Pest to Vienna by cargo ship could take up to four weeks, and shipments from the Lower Danube took three months to reach Vienna.

The first result of the transport revolution was the appearance of steamships in 1829 and the regularisation of steamship navigation. Cargo ships reached Vienna from Pest in three days, and passenger transport operated on a schedule. While about 100,000 'measures' (i.e. 9,370,000 litres, or approximately 7,215 tonnes) of wheat were shipped from Pest to Vienna at the beginning of the 19th century, by the mid-1840s, nearly 2 million 'measures' (approximately 144,100 tonnes) were shipped.⁹ As a result,

⁹ 1 Pest mérő [1 Pest "measure"] = 93.7 litres.

by 1847, there were already 170 (!) grain merchants registered in the city. However, the potential of steamship transport was limited by its dependence on navigable waters, thus restricting the extent of accessible areas. Regions like Transylvania, Upper Hungary, and much of Transdanubia remained barely accessible to Pest-Buda; Fiume (today's Rijeka) was unreachable, and navigation was occasionally halted (due to river icing, floods, and low water levels). To develop the national market and the nationwide commercial role of Pest, a revolution in *land freight transport* was also necessary. In Europe, steam-driven railways appeared in the early 1830s; in Hungary, railway matters surprisingly quickly gained widespread support; by Act XXV of 1836, a specific, extremely centralised railway network plan was approved, with Pest-Buda at its centre. Eight radial lines were to run from Pest-Buda towards all major regions of the country. However, up until 1848, only short sections of the national network were built, from Pest to Vác – as part of the line heading to Vienna – and the Pest–Szolnok line, as part of the lines running towards the major grain-collecting cities of the Great Hungarian Plain, such as Szeged, Temesvár (Timișoara), Arad (Oradea), Debrecen, and Békéscsaba.

In 1842, Lajos Kossuth declared that “the nation without industry is a one-armed giant”. In 1840, the National Assembly passed the ‘Law on the Legal Status of Factories’, which was a step towards industrial freedom, dismantling the obstruction of guilds. Within a decade after 1840, 60 new industrial enterprises were founded in Pest and Buda, including the first steam mill in Pest.

Although with considerable delay, the first modern banks also appeared in Pest-Buda; by 1848, three financial institutions had been established in the city. While they alleviated the credit hunger of the Pest-Buda economy, Pest had not yet fulfilled the role of the country's financial centre.

The other ‘segment’ of Pest-Buda's development into a capital city, the *process of becoming an administrative, political and intellectual centre*, continued unabated in the first half of the 19th century. Alongside its administrative and governmental role, it also assumed the function of being the national centre for political and intellectual life. The national enthusiasm of the Reform Era established in Pest and Buda the ‘institutions of the nation’ (the National Theatre, the National Museum, the National Casino, the Hungarian Academy of Sciences, the National Gallery, etc.). An increasing number of representatives of Hungarian literary and artistic life moved to Pest-Buda (previously, they had ‘sheltered’ in mansions – such as Berzsenyi, Kölcsey, Kazinczy, the Kisfaludy borthers, etc. – or in the market towns of the Great Hungarian Plain – such as Csokonai Vitéz, Katona, Arany, Fazekas, etc.). Newspapers were edited there. The national political scene increasingly shifted to Pest (even though the national assemblies still convened in Pozsony – then called Pressburg).

Due to the growth in the economy and in the administrative and cultural role of Pest-Buda, the population of the two cities began to increase rapidly from the end of the 18th century (*Table 1*).

Table 1: Population growth in Pest-Buda (combined), 1785–1869

Year	Population	As a percentage of the population in 1785
1785	47,363	100
1813	70,217	148
1826	94,140	199
1840	106,700	226
1851*	126,847	268
1857	186,945	395
1869**	215,380	455

* The so-called legal population numbered 156,506, while the population actually present, including the military, was 169,058.

** The actually present population was 180,058.

Source: FARAGÓ 1995: 381

Although all these processes were influenced by the 1848–1849 Revolution and War of Independence, it could not stop them: in fact, the bourgeois transformation (supported by the achievements of 1848) created new factors for urban development.

The removal of the *economic restrictions imposed by the feudal orders* (such as feudal property relations, the limitations on industrial development enforced by guilds, and the absence of legal conditions for a capitalist economy, etc.) created free-market conditions in economic development and its regional aspects. Consequently, free competition also became a defining factor in urban development.

- Emancipation of the serfs made *migration completely free*.
- The capitalising and modernising economy gave rise to new factors for the development of communities, such as manufacturing, modern transport, railway hubs, and, after the Austro–Hungarian Compromise of 1867, the institutions of civil administration.
- In the middle of the century, the industrial revolution, which was peaking in England and unfolding in the more developed regions of Western and Central Europe, further increased demand for foodstuffs and raw materials. A new phase of *agricultural boom* emerged, and in this context, Hungary had a particularly advantageous position.
- The customs union with Austria gave Hungarian products advantageous market positions within the Monarchy.
- The construction of the railways opened up transport opportunities for agricultural products in ever larger areas of the country, allowing an increasing number of districts to join the agricultural export trade.
- *Agricultural production techniques* and mechanisation improved, and average crop yields increased. By the turn of the century, wheat production had increased two and a half times, corn production seven times, and sugar beet production six times. *Grain exports* were already five times higher in the years around the Austro–Hungarian Compromise than the average in the years following 1849.

- Rapid economic growth was aided by the fact that by the middle of the 19th century, the ‘industrial revolution’ had created the *technical conditions* that allowed the economy to modernise rapidly and increase production by leaps and bounds (steam engines, steamships, railways, modern telecommunications, large-scale iron and steel production, factory equipment, agricultural machinery, etc.).
- The *international conditions* for the modernisation and growth of the Hungarian economy were favourable after 1848; a worldwide *boom* began around 1850. The developed countries of the world accumulated considerable *capital surpluses*, and their capital exports grew rapidly. However, Hungary’s capital imports only accelerated after the political situation stabilised following the Austro–Hungarian Compromise.

As a result of this:

- The *transport situation* in Pest-Buda (as a national transport hub) underwent a radical change with the beginning of the country’s railway network construction. While in 1850 there were 176 kilometres of railway lines in operation in the country, by 1860 this had increased to 1,605 kilometres, and by 1867 to 2,279 kilometres. The developing road network was strongly centralised, with Pest-Buda as its dominant centre (*Figure 4*). However, at the time of the Austro–Hungarian Compromise, large blank spaces still occupied most of the map of ‘modern’ transport in Hungary (see Transylvania, Upper Hungary, Croatia).
- By the end of the era, Pest-Buda had become the most significant *financial centre* in the country, though not hegemonic, as its financial activity was still only a small fraction of the total achieved by the end of the Dual Monarchy. However, up until the year of the Austro–Hungarian Compromise, the only independent bank – other than a branch or savings bank – operated in Pest.
- The *manufacturing industry* of the city (or cities) developed slowly during the two decades of absolutism, but the success story of Hungarian manufacturing had already begun with the establishment of the modern milling industry. Significant industrial operations included the shipyard in Óbuda and the foundry of Ábrahám Ganz.
- During these two decades, changes in the *commerce* of the city (cities) included further increases in trade, the continued development of the national institutional framework for commerce, and the structural transformation of trade itself. In 1851, the Pest Chamber of Commerce and Industry began operations. In 1854, Pest merchants established the Lloyd Company, and the grain warehouse it maintained was a precursor to the commodity exchange, which would later be organised as a stock and commodity exchange in 1863. According to György Szabad’s summarising observation: “The opening of the exchange marked the end of the process by which Pest became the centre of domestic commodity trade during the development of capitalist relations.”¹⁰

¹⁰ SZABAD 1987: 331.

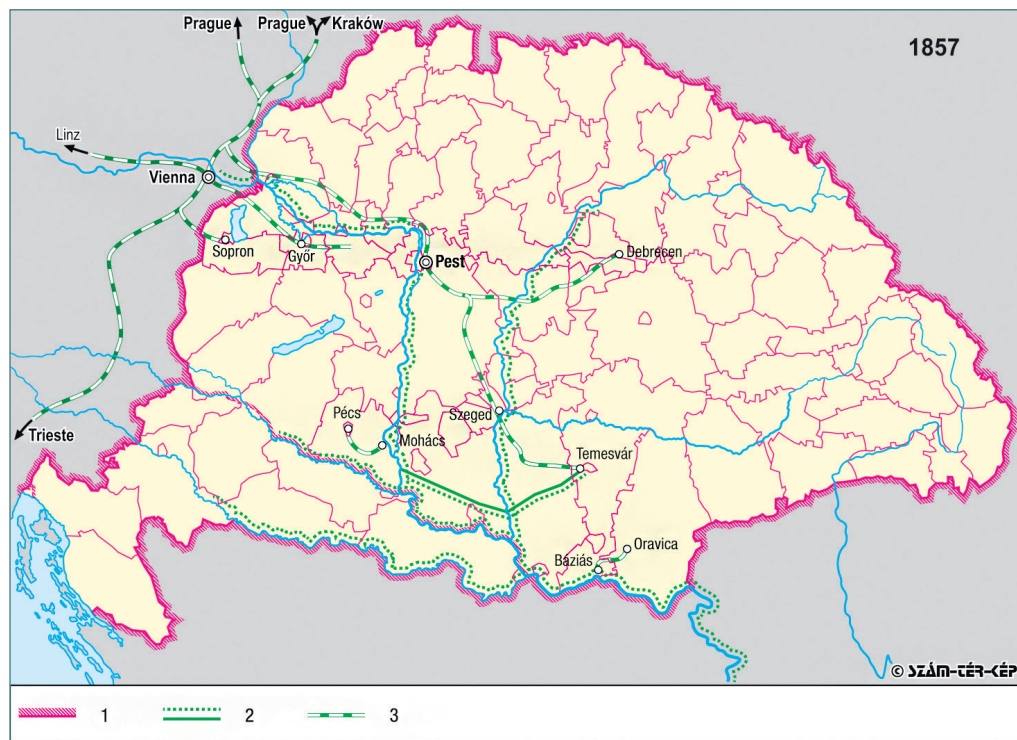


Figure 4: Hungary's railway network in 1857

Source: KOVÁCS–KATUS 1987: 225

Notes: 1 = national borders; 2 = major rivers and canals (dotted sections were navigable by steamboats); 3 = operational railway lines

6. Life on the crest of the wave – The birth of a metropolis (1867–1918)

During the years of absolutism (1849–1866), despite the unfavourable public and political conditions, Pest-Buda laid the foundations for its development into a city of international significance, drawing on the energies of bourgeois development liberated by the 1848 reforms. According to Károly Vörös, the emergence of bourgeois society brought about a “significant strengthening of the city, which [...] increasingly made Pest-Buda more suitable for organising the entire Hungarian national market in the Hungarian part of the Habsburg Empire, and thus for addressing, articulating, and supporting all the demands aimed at Hungary’s possible separation within the empire”.¹¹

The decades of the Austro–Hungarian Compromise represented a unique *period of grace* in Pest-Buda’s history. Due to a confluence of various factors, the city’s ‘natural’ advantages – such as its central location in the country, excellent transport infrastructure,

¹¹ VÖRÖS 1978: 126.

economic boom, and the opportunities provided by technological progress – *flourished, aligned with political and social intentions*, supported its ‘great and glorious’ growth, and created favourable positions in the European landscape (economic boom, abundance of money).

What were these factors?

- The restoration of state sovereignty greatly stimulated Pest-Buda’s development. This not only led to the establishment of state and administrative organisations, offices, and institutions of civic governance in Pest-Buda – including ministries, a statistical office, the meteorological service, a geological institute, public health institutions, the banknote printing house, and foreign embassies – but also enabled the development of an independent Hungarian social and economic policy. Part of this latter was to support the development of the *capital into a modern (global) city*. This aligned with the grand long-term political, geopolitical, and power-related visions of the Hungarian state leadership: by developing Budapest into a ‘co-capital’ of the Monarchy, they aimed to increase Hungary’s weight within the Austro–Hungarian Monarchy, establishing a balanced relationship between the two ‘halves’. Additionally, they intended to make Budapest a bridge-head for economic and political expansion towards the Balkans, the gateway to the Balkans, and the nearest major city in southeastern Europe capable of assuming a mediating role.

Similarly, ideas with a broader horizon guided the Hungarian state in shaping its *transport policy*. The *railway network development concept*, formulated by Imre Mikó (Minister of Transport in the government formed after the Austro–Hungarian Compromise), adopted earlier ideas to ensure Budapest’s prominent role in the Hungarian urban network, promoting its clear integration as an ‘assimilation’ centre.

The state’s *industry support laws* (of 1881, 1890 and 1899) were intended to promote the development of manufacturing – although with relatively modest amounts of investment compared to the total volume of industrial investments –, and the state also participated in the establishment of credit institutions in Hungary.

- The actual *opportunities for co-operation among various economic actors* at the macro-economic level were almost exclusively available in Budapest. This advantage was not limited to the co-operative relationships between different industries (for example, the Budapest mills, which operated as elements in the global economy and owed much of their competitiveness to the excellent quality of their products, could obtain world-class milling machinery ‘first-hand’ from Budapest’s machine ‘manufacturing industry’), but also included the intensive relationship between innovative industrial sectors and the excellent scientists at the Technical University, the connections between various economic actors and financial institutions, the relationship between the sizeable consumer market and the economy, the supply of quality labour, and so on.

The *international conditions* for the economic growth and modernisation of the country and Budapest remained favourable in the last third of the 19th century. A global economic boom began in the mid-19th century, which included an *agricultural boom* in Europe. Naturally, the economy of Hungary and Budapest both profited from this new phase of the agricultural boom. The customs union with Austria provided advantageous positions for Hungarian agricultural products within the Monarchy. The significance of this increased particularly at the end of the 19th and the beginning of the 20th century when overseas grain, Australian wool, and (due to railway construction in Russia) Russian wheat appeared in Europe en masse. As a result of railway construction, the conditions for the transport and trade of agricultural products were established throughout the country, and the products generally flowed towards Western Europe through Budapest via the railway network. In the years immediately following the Austro–Hungarian Compromise (1867–1871), grain and other plant products accounted for 37.4% of Hungary’s exports, live animals for 24.7%, and food industry products for 15.4%, meaning that the dominant portion, 77.5%, of Hungary’s exports consisted of agricultural products. This proportion had barely decreased (to 75.4%) by the beginning of the 20th century, with only the share of processed products increasing relative to raw materials. The Budapest-based food industry – milling, distilling, and brewing – was focused on agricultural products, and along with the commodity exchange operating there, were among the key factors shaping the development of the capital.

The global economic boom, the *accumulation* of excess capital in the world’s developed states, and Hungary’s increase in prestige and political stability following the 1867 Austro–Hungarian Compromise facilitated and led to the influx of foreign capital into the country: in the years following the Compromise, approximately 60% (and in the last three decades of the 19th century, roughly half) of investments in Hungary were financed by foreign capital. One indication of the interest and confidence in Hungary and Budapest was that in 1870, it took only a few weeks to secure a loan of HUF 24 million from a Franco–Austrian consortium to finance Budapest’s urban development projects. In the wake of the economic boom peaking around the time of the Austro–Hungarian Compromise and as a result of the stimulation from the political climate, company establishment soared in Hungary after 1867: 4,000 kilometres of railway lines were constructed, 170 industrial joint-stock companies were established, and over 500 financial institutions began operating between 1867 and 1873.

- Finally, it should be noted that Budapest’s position was significantly ‘enhanced’ by its *unrivalled position* at the top of the settlement hierarchy in Hungary. The city’s standing had been continuously strengthening since the late 18th century, and in the last third of the 19th century it further distanced itself from other cities and regional centres; its rate of growth also exceeded that of provincial towns and cities. While at the beginning of the bourgeois era only 1.5% of the country’s population lived in the capital, this ratio had risen to 4.8% by 1910 (and the

emergence of an agglomeration ring around Budapest had begun, although still within the city's administrative boundaries at that time). The combined number of people engaged in trade across the 12 regional centres was less than half of the number of traders in Budapest. Additionally, in terms of financial activities, Budapest on its own outstripped the leading provincial cities combined, including both regional centres and all county capitals, etc.

The evolution of Budapest's economy was determined by the following processes and their outcomes:

- *becoming a national transport hub*, enabling quick access to the entire country from the capital, and the possibility of integrating into the exchange of goods, Budapest is the *centre of the unified national market*
- *further growth in the volume of trade and exchange* in Budapest, but loss of its dominant role in the city's economy
- rapid emergence of its *financial sector*, making it a national financial centre
- the formation of the country's largest *manufacturing concentration*

Note 1: The details of railway construction during the Dual Monarchy cannot be covered here; however, it is worth noting that the railway industry, alongside financial institutions, was the fastest-growing sector of the economy, with its performance increasing by 10.5% annually between 1867 and 1890, and by 5.5% per year until 1914. Between 1867 and 1874, 585 (!) kilometres of railway were put into operation each year. It can be concluded that the Budapest-centred transport and communications network in Hungary enabled the economic integration of the country, organising it into a unified economic and social space.

Note 2: Among the aspects of urban life in Pest-Buda, the exchange of goods was the most significant before the Austro–Hungarian Compromise. According to Károly Vörös, before 1867, “[...] the leading economic (and partly already political) role of the twin cities was primarily ensured by the fact that, far surpassing all other domestic cities, they became the largest commodity market in the country”.¹² The capital retained this role even after the Austro–Hungarian Compromise; the volume of trade continued to increase rapidly, due to the following factors:

- Agricultural exports continuously grew. The quantity of agricultural products shipped abroad from Budapest increased from 6 million quintals in 1874 to 32–35 million quintals by 1910.
- A growing share of agricultural products delivered to Budapest were processed (e.g. in the meat, milling, distilling, and brewing industries). The processing of agricultural products required the involvement of trade.
- The country increasingly moved away from autarky, requiring more and more commercial goods, particularly industrial products.

Despite the impressive growth in the volume of trade, its *relative importance in the capital's economy declined*. The city's economic elite were no longer composed solely of grain, pig, and wool traders but also included bankers who surpassed

¹² Vörös 1978: 253.

them in wealth and influence, as well as wealthy industrialists. Although the forms and institutions of trade became more sophisticated, no qualitatively new features emerged in the city's commerce.

Note 3: The role of *financial institutions*, their functions, and their position in economic life had, nevertheless, changed radically. Their number, wealth, and deposit base multiplied with astonishing speed. Up until the early 1890s, the growth of financial activity was characterised by quantitative expansion, and although Budapest was the largest financial market in the country, its direct influence on the economic life of the 'countryside' was limited. After 1890, however, alongside further quantitative growth, financial institutions increasingly 'penetrated' various economic sectors and more distant regions of the country, bringing them under their control and management.

Between the 1867 Austro–Hungarian Compromise and 1873 (when a global financial crisis broke out), 23 new banks and 6 savings banks were established in Budapest in addition to the existing financial institutions. Specialised financial institutions emerged (such as land credit institutions); banks became involved in railway construction, urban development projects, and the building of factories. In the 1890s, Budapest had 17 banks, 10 savings banks, and 37 savings co-operatives. The banks in Budapest held 35% of bank deposits, provided 55.8% of mortgage loans, and controlled 66.3% of the share capital, among other things.

After 1890, financial institutions in Budapest continued to grow (their number had increased to 82 by 1905), but the change in 'development' was mainly reflected in the expansion of their scope and the nature of their activities: they acquired shares in the capital of provincial banks and established provincial branches. As a result, Budapest banks almost completely dominated the Hungarian financial market and, through it, the entire economy. For instance, in 1913, five major banks in Pest owned 47% of industrial shares.

Note 4: By the end of the era of the Dual Monarchy, Budapest also became an *industrial city*, with 44.3% of its workforce employed in industry and exactly one-quarter in manufacturing (in 1910); moreover, two out of every five industrial earners in the country were employed in Budapest. The factors contributing to the development of Budapest's major industrial concentration, by the standards of the time, included the city's emergence as a *transport hub* (allowing for the unlimited supply of all kinds of raw materials needed by industry and the distribution of manufactured goods to any region of the country or abroad), opportunities for *co-operation*, a *large market*, an adequate *intellectual background* (between 1890 and 1914, about 5,000 engineers graduated from the Budapest University of Technology, and 2,000 from foreign colleges), the skills of the available workforce, and the previously-mentioned fact that Budapest was the country's largest financial and power centre, which was not insignificant for raising financial resources and securing state orders.

7. Budapest during the era of the dual monarchy – The centre of intellectual life

As mentioned above, the national institutional system of public life was almost entirely concentrated in Budapest, except for church administration, as archbishoprics and bishoprics continued to operate in their traditional seats (Esztergom, Vác, Fehérvár, etc.). The number of institutions and scope of their responsibilities increased and expanded with the progress of the civil administration and the emergence of new needs.

It is more remarkable, yet equally understandable, that the national or even regional functions of social, scientific, cultural, and artistic life in their entirety and complexity developed only in Budapest during the era of the Dual Monarchy. In Budapest, every social class found nearly all the institutions that served their needs, from the aristocracy's club, the National Casino, to the fairground and the zoo.

During the period of the Dual Monarchy, the intellectual life of Budapest was characterised by the following:

- *Its influence was nationwide*, shaping the taste and cultural values of the country's population. The overwhelming weight and 'taste dictatorship' of Budapest's intellectual life sparked increasingly frequent anti-capital sentiments towards the end of the 19th century.
- By the end of the period, the 'action radius' of the capital's intellectual life extended far beyond the country's borders. Hungary's most outstanding artists and scholars established close connections with foreign countries, studying and creating abroad for varying lengths of time. (Just a few examples: Ferenc Liszt, Gyula Benczúr, Mihály Munkácsy, László Paál, Endre Ady.)
- In Budapest's intellectual life, *the most modern, progressive intellectual and artistic trends* took the lead. At the turn of the 20th century, a unique culture developed in the major cities of the Monarchy, primarily in Vienna, which in several areas – Art Nouveau, musical life, psychoanalysis, poetry, etc. – set the 'standard' for the world, and this trend also radiated to Budapest. Furthermore, 'Budapest' scholarship, particularly in the field of applied technical sciences, also became a world leader in solving practical problems.
- While at the beginning of the period, the language of intellectual life – just as that of the city's population – was partially German (German-language theatre, newspapers, scientific publications; typically, the entries for the Budapest urban planning competition were also written in German) and partially Hungarian, by the end of the period it was almost exclusively Hungarian. When explaining the intellectual buzz of Budapest, Vienna or Prague at the turn of the century, almost everyone attributed a distinctive role to the meeting and switching of cultures and languages, to identity change and crisis, and to the resulting 'liminal existence'.

The impact of these changes can also be seen in the population of the capital (*Table 2*).

Table 2: Population trends in Budapest, 1869–1930

Date	Population					
	Budapest before 01/01/1950	Attached to Budapest in 1950	Today's Budapest	Percentage of the 1869 census		
				Budapest before 01/01/1950	Attached to Budapest in 1950	Today's Budapest
1869	270,476	31,610	302,086	100.0	100.0	100.0
1880	355,682	47,024	402,706	131.5	148.8	133.3
1890	486,671	73,408	560,079	179.9	232.2	185.4
1900	733,358	128,076	861,434	271.1	405.2	285.2
1910	880,371	230,082	1,110,453	325.5	727.9	367.6
1920	928,996	303,030	1,232,026	343.5	958.7	407.8
1930	1,006,184	436,685	1,442,869	372.0	1,381.5	477.6

Source: FARAGÓ 1995: 388

The growth, expansion, and development of Budapest was reflected in the formation of the cityscape and urban structure (which proceeded in a systematic manner from 1870); the administrative unification of Pest, Buda, and Óbuda (1873); the appearance of suburbs and garden cities; and the rapid growth of their population (by 1910, Újpest had 56,000 residents, Pesterzsébet had 31,000, and Kispest had 30,000 residents).

Finally, the weight of the capital city within the country can be judged from the data in Table 3.

Table 3: Budapest's 'weight' in the country, 1910

Indicators	In the country	Absolute value in Budapest	Share of Budapest, %
1 Population	18,064,533	880,371	4.8
2 Current and cheque account, 1,000 crowns	636,749	559,964	87.9
3 Number of students in higher education	14,021	8,675	61.9
4 Mortgages on buildings, 1,000 crowns	1,196,376	733,373	61.3
5 Phone calls, 1,000 calls	171,951	71,396	41.5
6 Employees of industrial companies with more than 20 employees	392,939	128,358	32.7
7 Telegrams dispatched, 1,000 pieces	9,209	2,427	26.4
8 Those earning a living from trade	278,104	64,881	23.3
9 Savings deposits, 1,000 crowns	3,861,277	768,496	19.9

Source: compiled by the author

Note: Excluding Croatia and Slavonia.

Budapest's spectacular – and justified – boom was undone overnight by the peace treaties that ended World War I.

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