

Introduction

Before taking the chancellery in January 1933, Adolf Hitler had no formal headquarters in the German capital. On earlier campaign trips, he had opted for the Hotel Sanssouci, a middling concession near Potsdamer Platz. But in February 1931, electoral successes mounting, he transferred to a suite at a grand hotel, the Kaiserhof, that overlooked the chancellery – his goal – across the square. The hotel became Hitler's Berlin home. It swarmed with his hangers-on, who changed the face of the clientele almost overnight. The Jewish custom evaporated; business suffered. By the fall of 1932, the board of the Kaiserhof's parent company would need to decide whom to favor: Hitler and his men or Jews and other anti-Nazis.

A member of the hotel's managerial staff raised this issue in person with the corporate board of directors on September 15, 1932: "Hitler has been in residence at the Kaiserhof for some time," he said, and "the Stahlhelm have commandeered the house for use as a headquarters." As a result, "too much of the clientele has been lost," because "the whole Jewish clientele has stayed away." Profits, and the Kaiserhof itself, would have to be "won back" – and soon, he warned.

The board pushed discussion of the problem to the meeting's end, when, finally, the chairman, William Meinhardt, a leading industrialist, weighed in: "As a hotel company, we must remain neutral on matters of religion and politics. Our houses must remain open to all. Surely the situation as it has developed is no fun for any of the interested parties, but we, the directors, cannot do anything about it."¹ Next spoke Wilhelm

¹ Minutes of the meeting of the board of directors of the Hotel Management Corporation (Hotelbetriebs-Aktiengesellschaft), September 15, 1932, in Landesarchiv Berlin (hereafter LAB) A Rep. 225-01, Nr. 39.

Kleemann, member of the parent company's board, managing director of Dresdner Bank, and head of the Jewish Community of Berlin.² "I know for certain," he said, "that Jewish guests no longer stay at the Kaiserhof and no longer visit the restaurant, either." In response, Meinhardt conceded, "I know how hard it is for the house's restaurant manager to exercise the requisite tact in face of these difficult questions."³ Most remarkable about this preemptive capitulation to the Nazis is that Meinhardt himself was Jewish, and so were most of the board members in attendance. Here was a group of Jews in 1932 grappling with whether to evict Hitler.

These men were also industrialists, financiers, and liberals – National Liberals before World War I and members of the Weimar coalition parties thereafter. Meinhardt, a member of the German Democratic Party (Deutsche Demokratische Partei), had been born to Jewish parents in Schwedt, a small city on the Oder River, in 1872.⁴ In 1914, he became managing director of one of the world's great manufacturers of metal filaments for incandescent lamps, a concern he transformed, in 1919, into the new conglomerate OSRAM, which dominated the German market in light bulbs. As chairman of OSRAM's board and architect of the legal maneuvers that allowed his monopoly to form and flourish, Meinhardt, through speeches and the publication of two books, became a "recognized authority on the subject of the electrical industry," according to a study published in Britain in 1935.⁵ Yet it would be in his capacity as chairman of the board of the Kaiserhof's parent company, the Hotel Management Corporation (Hotelbetriebs-Aktiengesellschaft), that Meinhardt came face-to-face with the Nazi menace.

Meinhardt's interlocutor at the September 15 meeting, Kleemann, was himself one of Germany's most prominent financiers. Other Jewish board members present included Eugen Landau, a diplomat and board member of the Schultheiß-Patzenhofer brewing concern as well as of two banks,

² Christoph Kreutzmüller, "An den Bruchlinien der Volkswirtschaft: Jüdische Gewerbebetriebe in Berlin, 1918 bis 1933," in *Was war deutsches Judentum, 1870–1933*, ed. Christina von Braun (Berlin: De Gruyter Oldenbourg, 2015), 245.

³ Minutes of the meeting of the board of directors of the Hotel Management Corporation, September 15, 1932.

⁴ Brigitte Heidenhain, *Juden in Schwedt: Ihr Leben in der Stadt von 1672 bis 1942 und ihr Friedhof* (Potsdam: Universitätsverlag Potsdam, 2010), 153.

⁵ William Meinhardt, *Kartellfragen: Gesammelte Reden und Aufsätze* (Berlin: OSRAM, 1929); *Entwicklung und Aufbau der Glühlampenindustrie* (Berlin: C. Heymann, 1932); Hermann Levy, *Industrial Germany: A Study of Its Monopoly Organizations and Their Control by the State* (Cambridge: Cambridge University Press, 1935), 77.

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and Walter Sobernheim, Landau's stepson, also a diplomat and director of Schultheiß-Patzenhofer.⁶ Sobernheim, Landau, Kleemann, and Meinhardt were industrial and financial elites first, and hoteliers second, with liberal-democratic affiliations and tendencies.⁷

The term "liberal" here connotes three political orientations at once. The first is party-political and places these hoteliers as businessmen in the National Liberal tradition. Still intent on lowering taxes, freeing trade, and defanging labor unions, they had come around to a more democratic liberalism by the 1920s.⁸ Second, with their manifold forays into civic altruism, these hoteliers expounded a liberal urbanism characteristic of European bourgeoisies.⁹ Third, like their British counterparts,

⁶ Minutes of the meeting of the board of directors of the Hotel Management Corporation, September 15, 1932.

⁷ See Arndt Kremer, *Deutsche Juden – deutsche Sprache: Jüdische und judenfeindliche Sprachkonzepte und -konflikte, 1893–1933* (Berlin: De Gruyter, 2012), 164.

⁸ On German liberalism and its relationship to the democratic impulse, see Margaret Lavinia Anderson, *Practicing Democracy: Elections and Political Culture in Imperial Germany* (Princeton: Princeton University Press, 2000), 141; Robert Arsenschek, *Der Kampf um die Wahlfreiheit im Kaiserreich: Zur parlamentarischen Wahlprüfung und politischen Realität der Reichstagswahlen, 1871–1914* (Düsseldorf: Droste, 2003), 256; Hartwin Spenkuch, *Das Preußische Herrenhaus: Adel und Bürgertum in der Ersten Kammer des Landtages, 1854–1918* (Düsseldorf: Droste, 1998); Michael B. Gross, *The War against Catholicism: Liberalism and the Anti-Catholic Imagination in Nineteenth-Century Germany* (Ann Arbor: University of Michigan Press, 2004), 173; Rudy Koshar, *German Travel Cultures* (Oxford: Berg, 2000), 204. On interwar liberalism in Germany, see Jens Hacke, *Liberale Demokratie in schwierigen Zeiten: Weimar und die Gegenwart* (Hamburg: Europäische Verlagsanstalt, 2021); *Existenzkrise der Demokratie: Zur politischen Theorie des Liberalismus in der Zwischenkriegszeit* (Berlin: Suhrkamp, 2018).

⁹ Hartmut Pogge von Strandmann, "The Liberal Power Monopoly in the Cities of Imperial Germany," in *Elections, Mass Politics, and Social Change in Modern Germany: New Perspectives*, eds. Larry Eugene Jones and James Retallack (Cambridge: Cambridge University Press, 1993), 93–118; Despina Stratigakos, *A Women's Berlin: Building the Modern City* (New Haven: Yale University Press, 2008), 137–67; Brian Ladd, *Urban Planning and Civic Order in Germany, 1860–1914* (Cambridge, MA: Harvard University Press, 1990), 139; Friedrich Lenger, "Bürgertum, Stadt und Gemeinde zwischen Frühneuzeit und Moderne," *Neue Politische Literatur* 40 (1995), 14; Sylvia Schraut, "Burghers and Other Townspeople: Social Inequality, Civic Welfare and Municipal Tasks during Nineteenth-Century Urbanization," in *Towards an Urban Nation: Germany since 1780*, ed. Friedrich Lenger (Oxford: Berg, 2002), 164; Andrew Lees, *Cities, Sin, and Social Reform in Imperial Germany* (Ann Arbor: University of Michigan Press, 2002), 49–50; Andrew Lees and Lynn Hollen Lees, *Cities and the Making of Modern Europe, 1750–1914* (Cambridge: Cambridge University Press, 2007), 131; Andrew Lees, "Between Anxiety and Admiration: Views of British Cities in Germany, 1835–1914," *Urban History* 36 (2009), 42–44; Jan Palmowski, *Urban Liberalism in Imperial Germany: Frankfurt am Main, 1866–1914* (Oxford: Oxford University Press, 1999),

Berlin's grand hoteliers used regulation, infrastructure, and technologies of surveillance to maintain a balance between freedom and order in the metropolis.¹⁰ In Germany, none of these liberalisms survived the Weimar period. The economic chaos of 1919–23 instilled in their adherents an incorrigible pessimism which, at the advent of the next crisis, in 1929, became a precondition for conservative elites to sabotage the economy and dismantle liberal republican institutions from within. This they did with impunity as the liberals looked on.

From the vantage of grand hotels, this book reveals the decision-making processes behind the failure of German liberalism in the 1920s and early 1930s and explains why businessmen, industrialists, and financiers let the institutions of Weimar culture, society, and politics collapse around them. As early as the winter of 1930/31, a fatalism seized the very liberals who would have resisted the forces arrayed against the Weimar Republic.¹¹ On September 15, 1932, the liberal board members of Berlin's principal hotel corporation chose, to the detriment of their business, to let Hitler stay. The ultimate task of this book will be to connect this decision to the experience

36, 254; Claus Bernet, "The 'Hobrecht Plan' (1862) and Berlin's Urban Structure," *Urban History* 31 (2004), 419; Jürgen Kocka, "The European Pattern and the German Case," in *Bourgeois Society in Nineteenth-Century Europe*, eds. Jürgen Kocka and Allan Mitchell (Oxford: Berg, 1993), 17–19; Thomas Adam, *Philanthropy, Civil Society, and the State in German History, 1815–1989* (Rochester, NY: Camden House, 2016), 124ff; Simone Lässig, "Bürgerlichkeit, Patronage, and Communal Liberalism in Germany, 1871–1914," in *Philanthropy, Patronage, and Civil Society: Experiences from Germany, Great Britain, and North America*, ed. Thomas Adam (Bloomington, IN: Indiana University Press, 2004), 198–218.

¹⁰ Chris Otter, "Making Liberalism Durable: Vision and Civility in the Late Victorian City," *Social History* 27 (2002), 1; Patrick Joyce, *The Rule of Freedom: Liberalism and the Modern City* (London: Verso, 2003), 3, 121; Mary Poovey, *Making a Social Body: British Cultural Formation, 1830–1864* (Cambridge, MA: Harvard University Press, 1991); Elaine Hadley, *Living Liberalism: Practical Citizenship in Mid-Victorian Britain* (Chicago: University of Chicago Press, 2010), 23; Katie Hindmarch-Watson, *Serving a Wired World: London's Telecommunications Workers and the Making of an Information Capital* (Berkeley: University of California Press, 2020), 3–4; Asa Briggs, "The Language of 'Class' in Early Nineteenth-Century England," in *Literature and Western Civilization: The Modern World*, vol. 2, *Realities*, eds. David Daiches and Anthony Thorlby (London: Aldus, 1972), 11; Leif Jerram, "Bureaucratic Passions and the Colonies of Modernity: An Urban Elite, City Frontiers, and the Rural Other in Germany, 1890–1920," *Urban History* 34 (2007), 390–92; Reuben Rose-Redwood and Anton Tantner, "Introduction: Governmentality, House Numbering, and the Spatial History of the Modern City," *Urban History* 39 (2012), 607.

¹¹ See Peter Jelavich, *Berlin Alexanderplatz: Radio, Film, and the Death of Weimar Culture* (Berkeley: University of California Press, 2006), xii.

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of dislocation in the interwar period. What was the logic that made acquiescence seem like the best option by 1932?

To answer this question, historians of Weimar Germany generally focus on the beginning and end of the republic. If it had not been doomed from the very start, then it was done in by the Great Depression. This book offers a different emphasis. The economic chaos of 1919–23 so discredited the republic that a representative sample of industrial and financial elites – in this case, the grand hoteliers of Berlin – made arguments in private and public that moved ever closer to the language and perspectives of the anti-republican right. The hoteliers' pessimism regarding the republic reached a crescendo in the hyperinflation of 1923 and reverberated down to Hitler's transfer, on January 30, 1933, from the Kaiserhof to the chancellery.

This history explains in material terms the increasing rightward list of German politics before 1933, by matching the ebb and flow of these hoteliers' pessimism to certain quotidian difficulties in the management of Berlin's grand hotels. Instead of pinning down these quotidian difficulties, I let them issue and recede in the text of this book, just as they do in the sources, just as they did for the hoteliers. In the prewar period, managers and owners worried most about hierarchies, trying to keep workers in place and control guests' experiences according to distinctions of gender, class, and nationality. At other intervals, such as 1918–22, labor relations took priority. In 1924–29, the focus shifted to taxes. Each of these areas of concern helped shape hoteliers' conception of the political – that is, what the state should do to stabilize the social and economic order. But complaints about policy quickly turned into indictments of the republic itself.¹² After 1923, Berlin's grand hoteliers heaped scorn on Germany's new democracy, blaming it for every threat to profitability.

This book uses traditional sources in business history to answer questions about politics, society, and culture.¹³ What do ways of running

¹² Cf. Eric D. Weitz, *Weimar Germany: Promise and Tragedy* (Princeton: Princeton University Press, 2007), 365–68.

¹³ This approach draws on Michel Crozier and Eberhard Friedberg, *L'acteur et le système: Les contraintes de l'action collective* (Paris: Seuil, 1977); Gary Bruce, *Through the Lion Gate: A History of the Berlin Zoo* (New York: Oxford University Press, 2017); Pamela E. Swett, S. Jonathan Wiesen, and Jonathan R. Zatlin, eds. *Selling Modernity: Advertising in Twentieth-Century Germany* (Durham, NC: Duke University Press, 2007); Timothy Alborn, *Regulated Lives: Life Insurance and British Society, 1800–1914* (Toronto: University of Toronto Press, 2009), especially chapter 3; Robert Proctor, "Constructing the Retail Monument: The Parisian Department Store and Its Property, 1855–1914," *Urban History* 33 (2006), 393–410.

a business tell us about shifting relationships of power? Where in the accounts, reports, minutes, and correspondence do we see signs of political and cultural continuity and change? For answers, I read some of the sources against the grain to extrapolate the leadership's strategies of social control. I also look for more explicit indications of political leanings. Berlin's grand hoteliers in the interwar period tended, in spite of the evidence, to blame most of their difficulties on workers and taxes. In doing so, owners and managers deflected attention from the sum of their mistakes: the failure to helm such large, complex enterprises over the choppy waters of an increasingly competitive and increasingly global economy. They thereby also obfuscated their record of disadvantageous borrowing and poor accounting.¹⁴ While this sorry tableau reaches a vanishing point on September 15, 1932, it spans seven decades of German history, starting in the 1870s, when the Kaiserhof opened as Berlin's first grand hotel.¹⁵

The book's five chapters offer several overlapping episodes in chronological order: equipoise, exploitation, and heterogeneity in the imperial period (Chapters 1 and 2), the shortages and violent confrontations of World War I and its aftermath (Chapters 3 and 4), and finally the tumults of the 1920s and early 1930s (Chapters 4 and 5). Throughout, building on Habbo Knoch's cultural history of grand hotels in New York, London, and Berlin, I foreground the business model and its dependence on modes of economic domination.¹⁶

The dark view of affairs that led Meinhardt to accommodate Hitler had taken form in years of difficulties resulting from weaknesses in the grand hotel business model and hotel workers' newfound power to challenge it. World War I, defeat, and revolution exposed social and cultural cleavages that hoteliers had succeeded in concealing and managing during the old regime. After the war, Berlin's grand hotels became crucibles of conflict.¹⁷ Hundreds of workers, their exploitation crucial to the

¹⁴ See Jeffrey R. Fear, *Organizing Control: August Thyssen and the Construction of German Corporate Management* (Cambridge, MA: Harvard University Press, 2005), 591.

¹⁵ On the "vanishing point" concept, see Helmut Walser Smith, *The Continuities of German History: Nation, Religion, and Race across the Long Nineteenth Century* (Cambridge: Cambridge University Press, 2008), 13–17.

¹⁶ Habbo Knoch, *Grandhotels: Luxusräume und Gesellschaftswandel in New York, London und Berlin um 1900* (Göttingen: Wallstein, 2016), chapter 4, especially 233–46; cf. A. K. Sandoval-Strausz, *Hotel: An American History* (New Haven: Yale University Press, 2007).

¹⁷ Cf. Paul Lerner, *The Consuming Temple: Jews, Department Stores, and the Consumer Revolution in Germany, 1880–1940* (Ithaca, NY: Cornell University Press, 2015), 18.

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survival of the enterprise, refused to submit. As international hostilities continued past the peace treaties of 1919, guests, too, became restive. They seethed with resentments and, in some cases, even assaulted one another in dining rooms. With animosities out in the open, hoteliers saw no way back to the prewar state of *equipoise*.¹⁸

They were initially ambivalent about the republic and its capacity to reconcile Germans with each other and with the rest of the world. After the hyperinflation of 1923, however, that ambivalence tipped into antipathy, and Berlin's many hoteliers finally turned against the republic for good. Many of them branded the republic a failing, dangerous experiment and did not waver in their judgment, not even in the relatively stable period from 1924 to 1929. After the onset of the Great Depression in 1929, pessimism about the republic slipped into fatalism – the sense that the republic might or even should fail hardened into the certainty that it was a lost cause, indefensible at the very best. Recall Meinhardt's words on September 15, 1932: "Surely the situation, as it has developed, is no fun for any of the interested parties, but we, the directors, cannot do anything about it."

Rather than a comprehensive history, this book is a case study in the failure of liberalism and its institutions in pre-Nazi Germany. Responding to the economic chaos of 1919–23, the grand hoteliers of Berlin – a representative sample of economic elites – subscribed to, and even made, arguments in the public sphere that moved ever closer to the language and perspectives of the anti-republican right. In 1932 this case study and the grander historical narrative converge. Some of the infamous "back-room negotiations" that brought Hitler to power took place not only in back rooms but also in a corner suite at the Hotel Kaiserhof. Its owners, Meinhardt especially, kept that suite available all the way to Hitler's assumption of power on January 30, 1933. No match for the fascists, these businessmen failed themselves, their industry, and the republic.

¹⁸ On "*equipoise*," in the historiography of Victorian Britain, see Martin Hewitt, ed. *An Age of Equipoise? Reassessing Mid-Victorian Britain* (London: Routledge, 2000); W. L. Burn, *The Age of Equipoise: A Study of the Mid-Victorian Generation* (New York: W. W. Norton, 1964).

I

Hospitality Incorporated

Berlin's grand hoteliers of 1932 had not created the business model they were using. They inherited it, the culmination of more than a century of experience in Europe and the United States. There, the world's first grand hotels emerged in the first half of the nineteenth century as part of the transportation revolution underway since the eighteenth century, when technological and infrastructural improvements increased travel and tourism in Europe. Hotels first emerged to answer the demand from a new traveling public for new standards. Largely middle class, this roving customer base insisted on greater privacy and cleanliness than older hostels had provided. Hoteliers responded by modernizing and standardizing commercial hospitality across vast distances. Contributing to the ascendancy of the burgeoning middle classes, hotels as sites of bourgeois sociability and business became reflections of bourgeois values.¹

The extension of rail networks in the mid-nineteenth century concentrated this traffic in cities, especially those at the nexus of regional, national, and international lines, such as Berlin. There, as in London, Paris, and Vienna, grand hotels arose to accommodate the influx. The urban grand hotels of the later nineteenth century shared six features.² First, an urban grand hotel had to have rooms numbering in the hundreds so that an economy of scale could, at least theoretically, pay for public spaces on ground floors. Second, these varied, large, and sumptuous public spaces had to outshine competitor hotels and even the finest

¹ Habbo Knoch, *Grandhotels: Luxusräume und Gesellschaftswandel in New York, London und Berlin um 1900* (Göttingen: Wallstein, 2016), 15, 23, 281ff.

² For the fullest definition of the grand hotel, see Knoch, *Grandhotels*, 15–19.

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houses to the extent that locals and travelers would opt to meet there rather than in private spaces. Third, rates had to be higher than at most hostels to ensure an elite clientele. Fourth, advanced technologies such as elevators, gas lighting, and radiator heating had to be available. Fifth, service must be thick on the ground so that elite guests missed none of the comforts of home. Sixth and finally, fine food, wine, spirits, and other beverages needed to be provided in-house to ensure self-sufficiency and to increase revenue. In short, the grand hotel had to be able to fulfill a guest's every need and at a cost that still promised profits. That meant establishing economies of scale, putting a price on all services and products, and finding opportunities for vertical integration – for example, buying and running wine import and export businesses to control prices and capture extra profits.

Although the Prussian capital waited longer than Paris and London for such a hotel, the rapid industrialization and expansion of Berlin prepared the way for the sudden emergence of grand hotels after 1871. From the early nineteenth century, Berlin's urban area reached farther and farther north, toward a new district of factories and workers' housing, and west and southwest, toward inland port facilities and new rail depots. Amid the thoroughfares between the new infrastructure in the southwest and the old city center in the northeast, Berlin's first grand hotel, the Kaiserhof, went up in 1875. Its home, the intermediate district of Friedrichstadt, now supplanted the old city as the center for commerce, entertainment, and administration, especially after the unification of Germany and the elevation of Berlin to the status of imperial capital in 1871.

An influx of indemnity payments from France after its defeat in the Franco-Prussian War (1870–71) and the liberalization of the laws of incorporation resulted in the foundation of thousands of limited liability joint-stock companies, including the Berlin Hotel Corporation (Berliner Hôtel-Gesellschaft). Its board, through the sale of shares, was able to raise enough capital to build the Kaiserhof. Still under construction, it became a model of modern hotel organization when Eduard Guyer, Europe's foremost expert on commercial hospitality, included an exegesis on the blueprints in his 1874 *Hotelwesen der Gegenwart* (Hotel Industry of Today), an instant classic in business literature.³

Guyer's study of the building, especially its cellars, and his further prescriptions on staffing and management, indicates the Kaiserhof and other

³ Eduard Guyer, *Das Hotelwesen der Gegenwart* (Zurich: Orell Füssli, 1874).

grand hotels' status as liberal institutions par excellence. The Kaiserhof system – that is, the hotel's infrastructure and technologies, its organizational hierarchies, and the established models of guest-staff relations – mirrored the liberal order of the day and reflected its central irony:⁴ The free movement and association of the minority upstairs depended on the economic domination and political subjugation of the majority downstairs.

With the emergence of a dozen or so additional grand hotels in Berlin, a professionalized upper class of corporate officers and on-site supervisors dominated the field of hotel management. From on high, and with huge, poorly remunerated workforces in their thrall, these professional hoteliers still struggled to turn a profit. In turn, the hotels' corporate boards of directors established a pattern of blaming the state and the workers for the shortfalls, rather than any inherent weaknesses in a business model that stipulated two or even three staff members per customer. The labor requirement hobbled grand hotels from the start and became their core weakness. Even a modest increase in wages would bring the enterprise to its knees. In all its fragility, the grand hotel as a liberal institution, much like the era's liberal constitutions, disenfranchised the majority for the material benefit and prestige of the minority.

EARLY GRAND HOTELS

In the eighteenth century, *hôtel* meant an aristocratic residence within the walls of the city of Paris. Such a townhouse served as a nobleman and noblewoman's home away from home, with room for guests and all the luxuries of a principal seat in the country.⁵ Nineteenth-century usage of the word *hôtel* retained associations with elite, urban hospitality but added a commercial tinge and went beyond the French context. By the mid-nineteenth century, the word “*hôtel*,” retaining its circumflex accent even outside France into the twentieth century, meant a commercial establishment that rented individual guest rooms for a price and provided most

⁴ Cf. Heinrich Hartmann, *Organisation und Geschäft: Unternehmensorganisation in Frankreich und Deutschland, 1890–1914* (Göttingen: Vandenhoeck & Ruprecht, 2010), 256–70; Marcel Stoetzler, *The State, the Nation, and the Jews: Liberalism and the Antisemitism Dispute in Bismarck's Germany* (Lincoln: University of Nebraska Press, 2008), 9. On the central “emptiness” of National Liberalism in Germany, see James J. Sheehan, *German Liberalism in the Nineteenth Century* (Chicago: University of Chicago Press, 1978), 272–73.

⁵ Norbert Elias, *The Court Society*, trans. Edmund Jephcott (Oxford: Blackwell, 1983), 78.