

Abdication of the Liberals

William Meinhardt, chairman of the board of the Hotel Management Corporation, made his decision about Hitler on September 15, 1932. The manager of the Kaiserhof had come to Meinhardt with a complaint against the Nazis, who had been using the hotel as their Berlin headquarters for the better part of a year and were scaring away the Jewish clientele. The manager wanted permission from the board to throw Hitler and his men out. Meinhardt declined, and the Nazis stayed. Four and a half months later, on January 30, 1933, Hitler became chancellor.

Before the end of 1933, Meinhardt was on a ship to England, fleeing for his life, never to return to Germany. Why did Meinhardt, Jewish and a member of the German Democratic Party, allow the Nazis to stay in what was, in some sense, his house – a largely Jewish house, too, since the board of the Hotel Management Corporation was Jewish by a majority?

The minutes of the board meeting of September 15 are a highly mediated source, to put it mildly. Any number of persons might have tampered with the transcript; the secretary might even have done so as he or she generated it. Certain things, too, might easily have gone unsaid. But the paper trail from summer and autumn 1932, read in the context of grand hoteliers' pessimism of 1924–29 and fatalism of 1930–32, contains clues that help explain why the September 15 decision made sense to the people involved.

Why, indeed, did a group of the country's financial, industrial, and commercial elites, led by a Jewish German, cast their lot with Hitler in 1932? Several factors played into the decision, but the most important was an unshakable pessimism, born of the chaos of 1918–23 and never quite dispelled in the years of relative prosperity of 1924–29, which after 1929

hardened into fatalism – that is, absolute certainty that business would fail under present conditions. Under the influence of a contagious fatalism endemic to his milieu by 1932, Meinhardt would not have seen or understood the ramifications of his decision to let Hitler stay. It at least kept open the possibility of a different future under the next regime. The alternative, ejecting Hitler, would have brought the threat of immediate and violent retaliation by the Brownshirts.

MODEST IMPROVEMENTS

In the Weimar Republic's years of relative stability (1924–29), the period between hyperinflation and the Great Depression, the instability of social relations and economic conditions persisted but also lessened. From on high, the owners of Berlin's grand hotels continued to abide by a series of broken relationships across classes, genders, nations, industries, and political institutions. The impossibility of a return to the relative equipoise of prewar arrangements deepened hoteliers' pessimism, regardless of the improvements evident after 1923.

The first area of improvement was in labor relations. The last major strike of the era happened in March 1924, when the cooks' walkout laid up scores of hotel restaurants large and small. The conflict made national and international headlines when the Adlon served President Ebert a dinner prepared by strikebreakers.¹ But the Adlon was the exception to the new rule. In the main, Berlin's grand hoteliers wanted to be seen as cooperative partners in the negotiation of wages and conditions. Now, as at other workplaces, the workers of the properties of the Berlin Hotel Corporation formed a committee (*Betriebsrat*) that sent two delegates, the waiter Peter Saftig and the painter Gustaf Haseloff, to join the corporate board of directors. Saftig and Haseloff's first request was for a modest increase in winter bonuses. The board declined to take up the issue, recommending instead that they try again in better times.² Accordingly, Saftig and Haseloff's presence proved to be ceremonial, resulting in no appreciable material gains. Nevertheless, the rancor in labor relations of 1918–23 had passed.

In the more peaceful, prosperous years after 1924, hoteliers caught up on renovations that had been delayed since 1914. In 1925 and 1926,

¹ "German President Eats Dinner Cooked by Strikebreakers," *The New York Times*, March 18, 1924.

² Minutes of a meeting of the board of directors of the Berlin Hotel Corporation, April 28, 1924, in LAB A Rep. 225, Nr. 1046.

the Excelsior added more public rooms and expanded the lobby.³ The Coburger Hof, a large hotel near Friedrichstraße station, installed telephones in every room and increased the number of en suites.⁴ A smaller but luxurious property, the Hotel am Tiergarten in Charlottenburg, spread the benefits of a 16-million-mark renovation over its seventy rooms, each now with its own bathroom – a first for Berlin.⁵ Yet any single modification had at best a thirty-year run before it would become “completely outdated,” according to a contemporary analysis in the *Berliner Wirtschaftsberichte*.⁶

Tastes and priorities had shifted since the inception of Berlin’s grand hotels in the imperial period. More guests now prioritized a new standard of cleanliness, referred to as “hygienic,” which signaled an especially virtuous mode of domestic living. Grand hotels had always been clean in a Victorian sense: dusted, washed, polished. Clean, in the hygienic sense, demanded more – the design and selection of furnishings, fixtures, and textiles that gave dirt and dust no safe harbor. In the 1920s, Berlin’s grand hotels therefore accentuated what they had deemphasized before, the tiled bathroom. A mid-1920s promotional book for the Hotel Esplanade left the lavatory door wide open. “Elegant and comfortable, convenient and hygienic” were the “watchwords” of the day, the book declared.⁷

New bathrooms were part of an expensive program of modernization that followed the designs of ocean liners.⁸ An article for *Das Hotel* in 1925 observed that “the shipbuilding industry and the hotel industry are closely connected” through the exchange of design personnel and ideas. The ocean liner and the grand hotel designer both had to combat “the sense of confinement and crowdedness [by] deploying all possible technological and organizational means,” the article continued. Both were charged with the safety of property and people. Both had to accommodate and please a heterogeneous, transient population. Yet ship designers had pulled ahead of hotel architects when it came to marrying technology and luxury, the author conceded: “It is in the cabins of the modern steamer where H. G. Wells’s futuristic conception of the hotel room is being realized.”⁹

³ “Hotel Excelsior Berlin,” *Deutsche Bauzeitung* 63 (1929), 65.

⁴ “Hotel Coburger Hof, Berlin,” *Das Hotel*, August 14, 1925.

⁵ “Internationale Hotel-Messe,” *Das Hotel*, March 25, 1921.

⁶ “Berlin als Hotelstadt,” *Berliner Wirtschaftsberichte*, December 8, 1928.

⁷ Promotional book for the Hotel Esplanade, 1926, in HAT 96-211.

⁸ On ocean-liner design and international competition, see Anne Wealleans, *Designing Liners: A History of Interior Design Afloat* (New York: Routledge, 2006), 78.

⁹ “Das moderne Schiffshotel,” *Das Hotel*, December 18, 1925.

The article spent more words on the kitchens than on guest rooms, however, because the former offered new and appealing labor-saving, cost-cutting technologies. Patents for devices like cheese-cutting and potato-slicing machines, champagne swizzle sticks with built-in thermometers, and mechanical egg-grabbers came to light every month in a new insert to *Das Hotel* called *Technik im Hotel* (Technology in the Hotel), which advised readers on how best to find, afford, and profit from the latest inventions.¹⁰ The most important of these was the walk-in refrigerator.¹¹ Finally, wrote a professor at a hospitality trade school in Düsseldorf, “the latest technologies in refrigeration have minimized the risks that storing foodstuffs had until recently” presented.¹² Although refrigerators, refrigeration rooms, and other such technologies tended to land in spaces off limits to guests, hoteliers still found ways to publicize these latest of backroom acquisitions. A 1926 advertisement in Paris’s *Le Matin* for the Hotel Excelsior in Berlin promised “the most modern in hotel technologies,” including an electric generator of 920 horsepower and pumps capable of discharging 75,000 liters of water per hour.¹³

This new emphasis on scale and technology reflected the ascent of the American model of commercial hospitality, which underwrote a technological revolution by accessing the potential of economies of scale – a model that fascinated German hoteliers and plenty of other business leaders.¹⁴ Early in the 1920s, *Das Hotel*’s editors had begun to devote large amounts of space in almost every issue to the American hotel industry. Hoteliers’ visits to the United States received particular attention. Scarcely two years after the end of the war, two contributors to *Das Hotel* filled three pages with details of a recent trip to the United States, where they were received “with open arms” at the annual banquet of the New York Hotel Men’s Association. Having visited dozens

¹⁰ On hotels in the history of technology, see Molly W. Berger, *Hotel Dreams: Luxury, Technology, and Urban Ambition in America, 1829–1929* (Baltimore: Johns Hopkins University Press, 2011).

¹¹ “Patentbericht,” *Technik im Hotel*, March 2, 1928.

¹² Richard Glücksmann, “Die Betriebswirtschaft des Hotels,” in *Fremdenverkehr*, ed. Industrie- und Handelskammer zu Berlin (Berlin: Georg Stilke, 1929), 382.

¹³ Advertisement in *Le Matin* (Paris), December 18, 1926.

¹⁴ Charles S. Maier, “Between Taylorism and Technocracy: European Ideologies and the Vision of Industrial Productivity,” *Journal of Contemporary History* 5 (1970), 29; Mary Nolan, *Visions of Modernity: American Business and the Modernization of Germany* (New York: Oxford University Press, 1994), 58–69. See also de Grazia, *Irresistible Empire*, 97–98.

of hotels and interviewed several American hoteliers, they wrote in awe of the quantities they witnessed and heard about. There was one hotel where “two to three thousand oysters are opened per day,” a fact almost as impressive as the refrigerators on hand to keep so many bivalves alive. The highlight, however, was a meeting with E. M. Statler, whose singular vision, these German visitors insisted, made such immensity possible.¹⁵ *Das Hotel* cast Statler as a man with an original, wholly American way of doing business. He was charismatic, the “most pleasant of people,” always willing to share his experience and expertise.¹⁶ The results of his genius, *Das Hotel* reported breathlessly, were manifold: “Nearly three hundred thousand rooms a month are occupied. Three and a half million individuals stop at Statler hotels during the course of a year. What an army of pleased and comforted human beings!”¹⁷

In 1928, another new regular insert to *Das Hotel* appeared, entitled “Hotels in America” and edited by Hans Ullendorff, the liaison between the North American and German hoteliers’ associations. Ullendorff projected the modern American hotel as the model of “simplicity and clarity ... particularly in its technical and organizational aspect.” This image reflected a characteristically “American functionalism and practicality” that nonetheless allowed for elegance and ornament.¹⁸ The owners of the Esplanade, the Eden, and other grand hotels in Berlin tried to market their properties similarly, as luxurious and practical, cozy and hygienic, traditional and modern. At the same time, in their promotional materials, these Berlin hotel owners downplayed their properties’ prewar associations with aristocratic and royal personages in favor of a new association with the “modern hotel system,” a reference to Statler’s genius. Having learned from his example, the promotional materials argued, the Esplanade’s owners went further and “combined” the Americans’ lessons in “art, technology, and hygiene” to outdo the masters. The Americans had set the “pattern,” the Germans had “perfected” it.¹⁹ In reality, however, the Esplanade and its sister properties lacked the credit to make investments on the American scale.

¹⁵ “Amerikanische Reise-Eindrücke,” *Das Hotel*, March 11, 1921. On visits by Germans to American firms in the 1920s, see Nolan, *Visions of Modernity*, 18–22.

¹⁶ “E. M. Statler,” *Das Hotel*, May 4, 1928. See also Sandoval-Strausz, *Hotel*, 127–33.

¹⁷ “Statler’s Hotel Theory in Action,” *Das Hotel*, April 6, 1928. In the late 1920s, *Das Hotel* experimented with dual language editions, in English and German.

¹⁸ Gustav Leonhardt, “Das amerikanische Hotel,” *Das Hotel*, January 6, 1928.

¹⁹ Promotional book for the Hotel Esplanade, 1926.

A “shortage of capital,” according to *Das Hotel*, endemic to the German economy, limited the ability of German hoteliers to approach such American heights.²⁰

RATIONALIZATION AND COMBINATION

The difficulty in finding sources of credit animated the tendency “toward combines, mergers, and programs of corporate reorganization,” according to an economist writing in *Das Hotel*.²¹ Having already acquired the controlling interest in the Berlin Hotel Corporation in 1924, Aschinger’s Incorporated purchased a majority stake in the Hotel Management Corporation the following year.²² Then, in 1927, Aschinger’s took a step toward what its corporate officers understood as “rationalization” at the managerial level and merged its two new subsidiaries under the name of the Hotel Management Corporation, further concentrating the ownership and oversight of Berlin’s grand hotel industry.²³ Only the Adlon, Esplanade, Eden, Continental, and Excelsior hotels operated as competitors to the new Aschinger’s conglomerate. Fewer hotel corporations meant simplified negotiations with competitors in the attempt to set prices and wages. In the middle of the 1920s, such coordination paid off in the standard non-competition clauses that began to appear in managers’ contracts.²⁴ At the same time,

²⁰ Leonhardt, “Das amerikanische Hotel.”

²¹ Emil Theilacker, “Die Bedeutung der Wirtschaftswissenschaften für die Hotelindustrie,” *Das Hotel*, September 25, 1925. On Germany in international credit markets, German industry’s reliance on credit for investment, and the tendency among German corporations to consolidate, in part a function of their reliance on American credit, see Peukert, *Weimar Republic*, 122, 194, 197–98, and 251. On corporate consolidation in Europe in the 1920s, see Derek H. Aldcroft, *The European Economy, 1914–2000*, 4th ed. (London: Routledge, 2001), 30. See also Frank Costigliola, “The United States and the Reconstruction of Germany in the 1920s,” *Business History Review* 50 (1976), 477–502; Charles H. Feinstein, Peter Temin, and Gianni Toniolo, “International Economic Organization: Banking, Finance, and Trade in Europe,” and Gerd Hardach, “Banking in Germany, 1918–1939,” in *Banking, Currency, and Finance in Europe between the Wars*, ed. Charles H. Feinstein (Oxford: Clarendon, 1995), 131–50 and 269–95.

²² Audit report by Price, Waterhouse & Co., February 5, 1926, in LAB A Rep. 225, Nr. 626.

²³ Copy of the contract for a merger of the Berlin Hotel Corporation and the Hotel Management Corporation, March 28, 1927, in LAB A Rep. 225, Nr. 985; annual report of the Hotel Management Corporation of 1928/29, in LAB A Rep. 225-01, Nr. 94.

²⁴ Contract between the Hotel Management Corporation, the Hotel Adlon, and Ewald Kretschmar, January 9, 1925, in LAB A Rep. 225, Nr. 987; minutes of a meeting of the board of directors, October 3, 1924, in LAB A Rep. 225-01, Nr. 2.

the Hotel Management Corporation (Aschinger's) struck an agreement with the competition at the Esplanade, the Excelsior, the Adlon, and the Continental to set the minimum price for wine and champagne.²⁵ These developments fell under the rubric of rationalization and modernization as Berlin's grand hoteliers understood the terms. (The moves also continued a tradition of cartel capitalism in which Meinhardt was a key player.²⁶)

Rationalization and modernization could not generate demand, however, and therefore failed to support any hotel project as large as those in the United States. The real estate developer Heinrich Mendelssohn did try and persuade the chief officers of Aschinger's Incorporated and the Hotel Management Corporation that there was still a hotel shortage and thus a need for a new, giant hotel.²⁷ In November 1927, he sent plans for a property of 650 rooms, 900 beds, and 8,000 square meters of reception rooms, restaurants, and ballrooms.²⁸ Two years later, in 1929, the proposed room count for this fantasy project had ballooned to 1,200.²⁹ "When it is finished," Mendelssohn wrote, "the Excelsior might very well feel the pinch," a favorable eventuality for Aschinger's, which now owned most of the Excelsior's competition.³⁰ But even before the Wall Street crash, Mendelssohn's attempts to get the new hotel built were bound to fail. The shortage of rooms, evident in the immediate postwar period, had abated, hoteliers agreed.³¹ A full third of all rooms in grand hotels now tended to sit empty on any given night. The Association of Berlin Hoteliers took the position that the city's number of beds ought to be reduced, and the way to do that was by closing hotels.

²⁵ Hotel Management Corporation to Aschinger's Incorporated, November 30, 1927, in LAB A Rep. 225, Nr. 644.

²⁶ Andries Heerding, *The History of N. V. Philips' Gloeilampenfabrieken*, vol. 2, *A Company of Many Parts*, trans. Derek S. Jordan (Cambridge: Cambridge University Press, 1989), 331; Renate Tobies, *Iris Runge: A Life at the Crossroads of Mathematics, Science, and Industry* (Basel: Springer, 2012), 342; Robert Jones and Oliver Marriott, *Anatomy of a Merger: A History of G.E.C., A.E.I. and English Electric* (London: Cape, 1970), 32–36; Levy, *Industrial Germany*, 77–80.

²⁷ Hans Lohnert to Hans Friedmann, February 11, 1929, in LAB A Rep. 225, Nr. 920.

²⁸ Annual report of Aschinger's Incorporated for 1929, in LAB A Rep. 225, Nr. 636; "Allerlei aus aller Welt," *Das Hotel*, February 4, 1921.

²⁹ Lohnert to Friedmann, February 11, 1929.

³⁰ Heinrich Mendelssohn to Kurt Lüpschütz, September 23, 1929, in LAB A Rep. 225, Nr. 920.

³¹ Kurt Lüpschütz, "Organisation der Hotels," in Industrie- und Handelskammer zu Berlin, *Fremdenverkehr*, 412.

In 1926, Berlin's grand hoteliers were pleased to hear that the Reich government, once again, wanted to purchase the Kaiserhof. The acquisition was part of the drive to pull government offices, still spread out across the capital, into the Friedrichstadt and Tiergarten districts. This move would save the government money on "physical and human resources," and the Kaiserhof was "most suitable" on account of its location and size, from the government's perspective. From the perspective of the Berlin Hotel Corporation, with the Kaiserhof operating at a loss, selling it made sense. In a previous round of attempts to purchase the building, in 1917 and 1918, the hue and cry of the city council had forestalled the deal (see Chapter 3). This time, in 1926, to keep the hotel running, the city of Berlin offered the Berlin Hotel Corporation a mortgage at cut-rate interest.³²

The city's opposition to the latest proposal to sell the Kaiserhof had two justifications. First, the hotel provided valuable tax revenue. As a Reich government office building, it would contribute nothing. Second, the Kaiserhof, with its historical and cultural importance and its central location, anchored the surrounding palaces, government offices, department stores, shopping arcades, cafés, restaurants, and theaters. Much more imposing and impressive than any structure in the immediate vicinity, the Kaiserhof attracted thousands of moneyed visitors a week and then dispersed them, pocketbooks in hand, to the four corners of Friedrichstadt.

Still wanting to drive up prices by limiting supply, Berlin's grand hoteliers came down on the side of the Reich government and the sale. On behalf of the Association of Berlin Hoteliers, a lawyer wrote to Reich Minister of Finance Peter Reinhold in October 1926 in support of the latter's attempts to buy the Kaiserhof. "In the interest of rationalization," leaders of the association reasoned, hotels that were failing to turn a profit should close. For its part, the city was wrong to try and block the sale, and its effort to do so suggested underlying inconsistencies and hypocrisies, the association claimed. Although city council members were now decrying the loss of 300 jobs through the sale of the Kaiserhof, the very same members remained silent when their "friends" decided to close factories with workers in the thousands. At any rate, in the case of the Kaiserhof's workforce, the labor market "should have no trouble absorbing" the surplus.

In the same letter, the association then attacked another of the city's arguments against the sale of the Kaiserhof: that it would hinder the

³² Report on the sale of the Kaiserhof, October 21, 1926, in LAB A Rep. 225, Nr. 1031.

growth of the city's tourism industries. To the contrary, with so many empty rooms, the hotel scene would benefit from reducing its inventory. Finally, the association revealed where its members thought the subtext of the debate lay: in party politics. The city of Berlin, the association charged, was using the Kaiserhof issue as an opportunity to criticize the Reich minister of finance and the coalition government, which fell to the right of the government of Berlin.³³ The city wanted to cast the Reich government as anti-Berlin by drawing attention to the latter's attempt to rob Berliners of one of their greatest hotels.³⁴

Despite the association's appeals, the city ultimately won and the Kaiserhof survived – but not because the Reich minister of finance relented. Rather, the Hotel Management Corporation swooped in and purchased the Kaiserhof's parent company, the Berlin Hotel Corporation. The advantage to the Hotel Management Corporation was two-fold: First, the takeover eliminated a significant source of competition, which had put downward pressure on prices; second, the acquisition gave the buyer, with its greater portfolio of properties, a chance to direct investment into the Kaiserhof and then turn a profit, something the Berlin Hotel Corporation was too small and too beleaguered to afford.

Nonetheless, the hoteliers' outlook was gloomy. Consensus was forming between 1924 and the onset of the Great Depression that the market could not sustain the grand hotel scene any longer, at least not at its present scale. Consolidation and rationalization would only delay the inevitable collapse. This pessimism pervaded annual reports and left little room for acknowledging positive, or even ambiguous, developments in the city's luxury hospitality industry during Weimar's interval of relative stability.

THE POLITICS OF PESSIMISM

The annual reports of the Hotel Management Corporation, approved if not co-authored by Meinhardt, declared a lack of confidence in the governments of Germany, Prussia, and Berlin, even as economic

³³ See Christopher Clark, *Iron Kingdom: The Rise and Downfall of Prussia, 1600–1947* (Cambridge, MA: Belknap Press of Harvard University Press, 2006), 651; Thomas Friedrich, *Hitler's Berlin: Abused City*, trans. Stewart Spencer (New Haven: Yale University Press, 2012), 204ff.

³⁴ Report on the sale of the Kaiserhof, October 21, 1926.

and political conditions improved after 1923.³⁵ Surprisingly, the annual reports of the Hotel Management Corporation concealed the company's relatively good health in the period between 1924 and 1928. And by the end of the decade, the reports no longer served the purpose of informing shareholders and the public of the corporation's financial state; rather, these documents' principal function became to convey complaints and demands to the authorities – to lobby, not to testify. This was a curious choice.

In these reports, the directors established a consistent pattern of pessimistic argumentation that minimized consideration of what was actually going well in these years of relative stability and prosperity. But whose argumentation was this? The question has no simple answer. The reports, which always had to be approved by the chairperson of the board, in this case Meinhardt, were the product of collaboration among the managing directors of the corporation: Kurt Lüpschütz, Jakob Voremberg, and Carl Pelzer, later replaced by Heinz Kalveram. More precise information about the authorship of the annual reports is missing from the archive. Nevertheless, the content of the annual reports had to reflect the wishes of the managing directors – Lüpschütz, Voremberg, Pelzer, Kalveram – and Meinhardt, chairman of the board. The reports were in their names and bore their signatures.

Lüpschütz was a businessman in four industries: electricity, gas, entertainment, and hospitality.³⁶ By the time of the war, in which he served, Lüpschütz held the title of “*Direktor*” in the Hotel Management Corporation.³⁷ He was also the artistic director of the Central-Hotel's Wintergarten variety theater and served on the advisory board of the Association of Berlin Hoteliers.³⁸ In the 1920s, he developed a reputation for expertise in the field of commercial hospitality. A 1926 visit to the United States furnished him with information that became part of an exegesis, published in 1929 in an edited volume on the hospitality

³⁵ Peukert, *Weimar Republic*, 12–14. Cf. Rüdiger Graf, *Die Zukunft der Weimarer Republik: Krisen und Zukunftsaneignungen in Deutschland, 1918–1933* (Munich: R. Oldenbourg, 2008), 83–133.

³⁶ “Veränderungen,” *Licht und Lampe: Zeitschrift für die Beleuchtungsindustrie*, no. 15 (July 20, 1917), 485.

³⁷ Annual report of the Association of Berlin Hoteliers for 1916, in LAB A Rep. 001-02, Nr. 2080.

³⁸ “Vereinsnachrichten,” *Das Hotel*, February 2, 1917; Ruth Freydank, ed. *Theater als Geschäft: Berlin und seine Privattheater um die Jahrhundertwende* (Berlin: Hentrich, 1995), 55.

and gastronomy industries, on how to set up and run a grand hotel.³⁹ In 1931, Lüpschütz, “in accordance with his own wishes,” stepped down from the board of managers and retired.⁴⁰ Evidence of Lüpschütz’s politics has not survived, though a strand of cultural conservatism is visible in his response to the Wintergarten renovation in 1928. In a letter to the architects, whom Lüpschütz accused of a spree of vigilante redecoration, he railed against what he saw as “gratuitous modernism [*unnötige Moderne*]” more suited to a “minor cinema” than the city’s most famous variety theater. Lüpschütz demanded the immediate restoration of the traditional sconces and the banishment of anything he deemed to be “hypermodern.”⁴¹

Voremberg and Pelzer might have been less directly involved than Lüpschütz in the day-to-day business of the Hotel Management Corporation, or perhaps the demise of documents inscribed with their names has obscured their roles. In the case of Voremberg, we do know that he served as one of the three managing directors from 1925 to 1933. In that period, Aschinger’s Incorporated purchased the Hotel Management Corporation, but Voremberg continued to serve on its board until Hans Lohnert, Aschinger’s highest-ranked corporate officer, forced him out for being Jewish after the Nazis assumed power in 1933. By that time, Voremberg had worked for the Hotel Management Corporation for twenty-five years.⁴² Pelzer had also given a quarter-century to the Hotel Management Corporation by the time he was through. He served as a managing director until his death in 1928 or 1929.⁴³ Like Voremberg, Pelzer appears to have been less involved in daily operations. Both men, however, would have shared responsibility with the others for finishing the annual reports.

³⁹ Lüpschütz, “Organisation der Hotels,” 412.

⁴⁰ Annual report of the Hotel Management Corporation for 1931/32, in LAB A Rep. 225-01, Nr. 189.

⁴¹ Kurt Lüpschütz to Bielenberg & Moser, August 20, 1928, in LAB A Rep. 22, Nr. 1002.

⁴² Lohnert to the NSDAP local group leader (*Ortsgruppenleiter*) of Berlin-Dahlem, October 10, 1938, in LAB A Rep. 225-01, Nr. 59; minutes of a meeting of the Management and Personnel (Ausschusses für Direktions- und Personalangelegenheiten, previously called the Commission for Personnel), Hotel Management Corporation, November 8, 1933, in LAB A Rep. 225-01, Nr. 64; minutes of a meeting of the Commission for Personnel (Personalkommission), Hotel Management Corporation, July 15, 1933, in LAB A Rep. 225-01, Nr. 60; annual report of the Hotel Management Corporation for 1926/27, in LAB A Rep. 225, Nr. 644; annual report of the Hotel Management Corporation for 1927/28, in LAB A Rep. 225, Nr. 645; annual reports of the Hotel Management Corporation for 1928/29 and 1931/32; minutes of the meeting of the board of directors of the Hotel Management Corporation, September 15, 1932, in LAB A Rep. 225-01, Nr. 39.

⁴³ Annual report of the Hotel Management Corporation for 1928/29.

The tone of the annual report for fiscal year 1924/25 changed little from that of 1923/24, which had been a disastrous fiscal year for the hotel industry. Points of information that could have generated optimism about the near future of a German economy now blessed with a stable currency were nonetheless tempered by dark prognoses based on what Lüpschütz, Voremberg, and Pelzer characterized as the “poor general condition of the German economy.” German guests could no longer afford to patronize luxury hotels in the midst of “Germany’s impoverishment,” they lamented in the 1924/25 annual report. The report did not quite lay blame for this impoverishment, but it did acknowledge geopolitical forces at work. Foreigners were staying away, the argument went, largely on account of advertisements abroad that cast a visit to Germany in a negative light. Lüpschütz and the others were quick to blame Germany’s local governments for the bad press. Foreign visitors to Germany learned not to expect “some of the entertainments” to which they might be accustomed “on account of officials’ wrongheaded decrees – for example, the ban on dancing in hotels,” which proved to be short-lived. The more permissive atmosphere in other European municipalities meant that foreigners were more likely to choose one of those places over Berlin as a vacation destination. But the official stance against fun was not the only force to blunt Germany’s competitive edge. There was also the “tremendous [*ungeheuer*] pressure applied by taxes,” which made it “all but impossible for the German hospitality industry to compete with destinations abroad.”⁴⁴ The policies of the state and the municipal governments, more than geopolitical or other economic forces, were sinking the industry, the 1924/25 report suggested. Without some reversal, the industry would soon succumb. Yet the German economy, as well as the profits and the prospects of Berlin’s hotel industry, were actually improving. The managing directors and chairman of the board were obscuring this fact in the annual report for 1924/25 – a fact that should have been apparent to each of them in the spring of 1925 when they sat down to write or edit.

The annual report for 1926/27, penned in the summer of 1927, downplayed improvements again by freighting the good news with words of caution and complaining of the myriad ways in which the government, both in its local and national forms, was undermining the hotel industry and commerce more generally. When the directors referred to increasing

⁴⁴ Annual report of the Hotel Management Corporation for 1924/25, in LAB A Rep. 225-01, Nr. 4.

revenues and profits, they were quick to deploy qualifying phrases that had the effect of dampening any sense of optimism – for example: “The results of this most recent fiscal year [1926/27] more or less met those of the previous fiscal year [1925/26], despite ... the higher expenditure on taxes.”⁴⁵ The phrasing was slippery. A higher expenditure on taxes actually reflected, in this context, greater revenue, not a higher *rate* of taxation, but Meinhardt and his directors were comfortable leaving this fact buried in the summary of accounts that followed the introductory essay. They were still using the annual report as an opportunity to campaign against the present tax regime.

For the 1927/28 report, composed amid further improvement to business conditions, Lüpschütz, Pelzer, Voremberg, and Meinhardt, instead of acknowledging their good fortunes, attacked national, state, and local governments anew, this time for the failure to spur tourism. The city of Berlin had, their report conceded, made great efforts to increase traffic to the capital. “Large-scale events and the creation of new attractions” were supposed to have “revived tourism in Berlin.” The hotel industry, too, had done its part, Meinhardt and the others contended, but all such efforts foundered on the rocks of local, state, and national tax policies. Success could only have been possible with a “reprieve” from taxes, which were still too high to allow any business, but particularly a hotel, to turn a profit and thus give back in some way to the national economy, or so the argument went.⁴⁶ Again, the annual report became a place for railing against tax policy and, by extension, making claims that were political in suggesting how the state should and should not collect and distribute revenue for the purpose of improving national and local economic conditions. The 1927/28 report, indeed all the reports of the later 1920s, took every opportunity to argue that lowering or even eliminating corporate taxes, however crucial the proceeds were to the social and economic goals of the government, would ultimately revive the German economy and, in turn, stabilize German social relations and politics.

The annual report for fiscal year 1928/29 – approved by Meinhardt and authored by Lüpschütz, Voremberg, and Kalveram, who had replaced Pelzer, now deceased – began to register the decline in tourism that accompanied a general slowdown in the German economy after the middle of 1928. Although the number of foreign guests had

⁴⁵ Annual report of the Hotel Management Corporation for 1926/27.

⁴⁶ Annual report of the Hotel Management Corporation for 1927/28.

increased slightly, there was not enough of a surplus to compensate for the shortfall in domestic custom.⁴⁷ For all their efforts to maintain a dark outlook on the future of the business, the managing directors and Meinhardt did not foresee, when they finalized this report in the spring of 1929, that the coming autumn would bring a global economic disturbance of unprecedented intensity in modern history. The pessimism of the reports does not indicate that Meinhardt and his managing directors were able to predict or were even trying to predict the future. Rather, the expression of pessimism served, first, as justification to shareholders of several consecutive years of low dividends, and second, as an intervention in public-political discussions on taxation, state expenditure, and local and national policies related to commerce and the hotel industry in particular.

Having collapsed the political and the financial in their reports, Meinhardt and the managing directors misrepresented the state of affairs for the Hotel Management Corporation between 1924 and 1929. An independent study of the corporation, published in *Der deutsche Volkswirt* in November 1929, did indeed confirm some of the reports' negative points – the decrease in German hotel guests and the failure of government programs to boost tourism, for example. But the study also established grounds for optimism, especially with respect to the gastronomy concessions. Moreover, overall revenues had increased dramatically: 4.5 percent from 1925/26 to 1926/27, another 55.6 percent by 1927/28, and then another 29.8 percent by the summer of 1929.⁴⁸ These figures had been present in the annual reports but buried under introductory essays that did all they could to divert attention from the good news that followed.

In fact, the Hotel Management Corporation as a whole, in light of the performance of all its branches, was doing quite well by 1928. Its principal source of revenue being rents from retailers and not room fees or restaurant bills, the Hotel Management Corporation reaped a bumper crop of cash as soon as the German economy stabilized in 1924. In 1928/29, the corporation pulled in 1.1 million reichsmarks in rents, a full quarter of which came from the Central-Hotel's retail units. Yet this profitable side of the hotel business – the renting of shop space on ground

⁴⁷ Annual report of the Hotel Management Corporation for 1930/31.

⁴⁸ "Hotelbetriebs-Aktiengesellschaft (Bristol, Kaiserhof, Bellevue, Baltic, Centralhotel)," *Der Deutsche Volkswirt: Zeitschrift für Politik und Wirtschaft* 3 (November 8, 1929), 92.

floors – like other positive points, escaped mention in the annual reports. The only sign of optimism, an oblique one, was the rise in dividends for the fiscal year 1928/29, the first such increase since the war, from 7 to 9 percent. If this development engendered optimism, however, it did not come to light. Meinhardt and his managing directors persisted throughout the 1920s in downplaying the various ways in which business had improved since the tumults of 1918–23.

Why did Meinhardt and his managing directors mislead in this way? Why did they bury good news under pessimistic introductions? A look at the business reports of other hotel corporations reveals an industry-wide tendency to downplay the positive. The tone of the Berlin Hotel Corporation's annual reports, for example, before its absorption into the Hotel Management Corporation, tended to be mixed, giving several examples of improvement only to dash readers' hopes with dramatic pronouncements of decline. The business reports of Aschinger's Incorporated were likewise mixed, if more extreme in the swings between optimism and pessimism. There were the same complaints about "suffering" under the burden of taxes both from the state and the municipality and about the failure of the authorities to do enough to increase tourism. The first half of 1926, Aschinger's managing directors reported, had indeed been bad, but then conditions improved so that, by the end of the year, an "encouraging picture" had emerged – a picture that stood in stark contrast to the one rendered by the Hotel Management Corporation, Aschinger's recent acquisition. Aschinger's tentative optimism persisted well into 1927, when the managing directors drafted a particularly rosy report for the preceding year.⁴⁹ But in 1928, the government's foreign policy came into Aschinger's crosshairs: "The monstrous burden of the Dawes Plan and the duty to pay 'reparations,' which rests on all levels of society, is impeding ... the recovery of the German economy," as the annual report has it.⁵⁰

In this statement, Aschinger's managing directors made a series of political claims. First, the managing directors used scare quotes to express a rejection of the terms of the peace settlement. Then, they presented this protest under the guise of altruism: Their concern is not only for themselves but for *every* class of German. But Aschinger's managing directors were not heaping scorn on the Entente alone, which, after all, had not forced the hotel industry to pay up. In fact, the terms of the Dawes Plan

⁴⁹ Annual report of Aschinger's Incorporated for 1926, in LAB A Rep. 225, Nr. 636.

⁵⁰ Annual report of Aschinger's Incorporated for 1927, in LAB A Rep. 225, Nr. 636.

exempted hotels and related businesses.⁵¹ But the Reich government, as a means of spreading the burden of reparations more evenly across the economy, chose to extract a portion of the payments from the hotel industry.⁵² This line in Aschinger's annual report, then, worked similarly and in parallel to conservative and ultra-conservative revisionist claims that the Entente was not the only or even principal author of German suffering. It was the republic that must bear the guilt of having accepted and agreed to administer the unjust punishment.

The same report made further forays into politics with specious arguments about the effects of socialist labor policy: "The labor laws around the catering trades have become a special burden." In the same breath, however, the managing directors had to contradict themselves and admit that neither the catering nor the hotel business was going badly. "With respect to our hotels," in fact, there had been "an improvement" – "despite," of course, missing the mark of the "prewar period." Nostalgia for the old regime was a particular feature of Aschinger's reports. The managing directors instructed readers to discount any good news in the figures through comparison to the good old days:

If we find ourselves able to report a substantial expansion of the business, of openings and reopenings and also of the acquisition of two properties, then these facts are not to be taken as a sign that operations have returned to that prewar trajectory so favorable to the development of our enterprise. No, the necessary conditions for that, embedded in the way things used to be, no longer exist.⁵³

This report was a model of anti-republicanism and echoed reports from the period of hyperinflation, inflation, unrest, and revolution. But the 1927 report did something different, too. It told readers – shareholders and interested parties in industry and government – exactly how to interpret the data: to interpret it against reason.

The data pointed to good news, not bad: rates of growth near 1913 levels and a hotel industry healthier than it had been in fifteen years. The problem from the perspective of the board, the managing directors, and the shareholders was not that the state was killing the business. It was not. The problem was that the state was taking too large a cut of

⁵¹ On the Dawes Plan's exemptions, see Albrecht Ritschl, *Deutschlands Krise und Konjunktur, 1924–1934: Binnenkonjunktur, Auslandsverschuldung und Reparationsproblem zwischen Dawes-Plan und Transfersperre* (Berlin: Akademie, 2002), 196–98.

⁵² Audit report by Price, Waterhouse & Co., February 5, 1926.

⁵³ Annual report of Aschinger's Incorporated for 1927.

the proceeds. And for that, Aschinger's managing directors peppered the annual reports with anti-republican arguments, firmly asserted yet patently unsupported.

By 1927, Aschinger's was taking a harder line against the republic than was the Hotel Management Corporation. The latter had Meinhardt as its chairman, a left-liberal by affiliation. Fritz Aschinger, on the other hand, was drifting ever rightward. Nonetheless, the chairmen and managing directors of both corporations used their annual reports to protest government policy and at some points to malign the republic, its labor and fiscal policies in particular. In these cases, the tendency to see the darkest side of any development in the business – this chronic pessimism in the face of improving conditions – easily spilled over into anti-republicanism, even when, as in the case of the Hotel Management Corporation, the business was headed by a Jewish member of the German Democratic Party.

COPING WITH THE GREAT DEPRESSION

Despite their pessimism, the Great Depression took Berlin's grand hoteliers by surprise. In the aftermath of the collapse of stock prices in late October 1929, the profits of Aschinger's Incorporated dwindled. Margins fell almost to 1924 levels, and this after revenue from the first nine months of the year had appeared to guarantee an increase in annual profits. Indeed, "there is very little good to say about our hotel business," communicated the board in its annual report for 1929. It cited the *Jahresbericht der Berliner Handelskammer* (Annual Report of the Berlin Chamber of Commerce) in its declaration that "since 1923," under hyperinflationary conditions, there had been "no year as inauspicious as this."⁵⁴

The main problem, according to the board of Aschinger's Incorporated in 1930, was the steady reduction of clientele, particularly business travelers. Compounding the effects of this development, the average duration of a guest's stay had begun to slide in the last quarter of 1929.⁵⁵ Data on 1931 showed the situation to be worsening. At "every impasse" in the course of this "crisis," there was an accompanying drop in the number of business travelers. Moreover, the average nightly stay per guest continued to decrease. Tourism, especially

⁵⁴ Annual report of Aschinger's Incorporated for 1929, in LAB A Rep. 225, Nr. 637.

⁵⁵ Ibid.

international tourism, also suffered. To make matters worse, increasing political violence in Berlin in 1932 caused foreigners to stay away. Of the 2,200 steamer passengers who arrived at Bremerhaven in summer of that year, only eighty listed Berlin as a destination. Americans, “decisive” in hoteliers’ efforts to turn a profit in summer, were now scarce on the ground. By autumn 1932, foreign attendance at Berlin hotels was in free fall.⁵⁶

The figures portended disaster, said managing director Adolf Schick to the board of the Hotel Management Corporation at a meeting on July 19, 1932.⁵⁷ In the first half of 1929, the total number of foreigners at Berlin hotels had been 790,000. For the same period in 1931, that figure had dropped to 628,000. In 1932, it was 473,000. Under these circumstances, revenues plunged. Between 1931 and 1932, the hotels of Aschinger’s Incorporated – the Fürstenhof, Palast-Hotel, and Grand Hotel am Knie – brought in a full 20 percent less. For 1932, the Hotel Management Corporation, the majority stake of which belonged to Aschinger’s, lost 561,824 reichsmarks.⁵⁸ These shortfalls were happening throughout the German economy, where between 1929 and 1933 the Depression erased the gains of the period 1924 to the end of October 1929.⁵⁹ It was in the course of this swift decline that hoteliers’ long-standing pessimism turned to fatalism.

The “severe decline in consumers’ purchasing power,” as the board of Aschinger’s Incorporated observed in 1930, put extraordinary downward pressure on prices. As Berliners and other Germans could afford less and less, reported Director Schick in July 1932, the hotel industry found itself offering more services for lower prices.⁶⁰ Nevertheless, the discounts failed to increase the demand. Despite a reduction in ticket prices at the Wintergarten in 1932, performances still played to small audiences. The Hotel Management Corporation concluded that if by the end of 1932 attendance had not improved, and in particular if foreign tourists continued to stay away from Berlin and the Wintergarten, the storied performance space would have to close. The rest of the business, too, looked to be in danger of collapse as a result

⁵⁶ Minutes of a meeting of the board of directors of the Hotel Management Corporation, July 19, 1932, in LAB A Rep. 225-01, Nr. 32.

⁵⁷ *Ibid.*

⁵⁸ Annual report of Aschinger’s Incorporated for 1932, in LAB A Rep. 225, Nr. 407.

⁵⁹ Peukert, *Weimar Republic*, 12.

⁶⁰ Minutes of a meeting of the board of directors of the Hotel Management Corporation, July 19, 1932.

of Germany's quickly deflating currency. Price cuts brought the fee for a room down 20 percent over the course of 1931. By summer 1932, the price of accommodation was now only 30 percent of what it had been at the end of 1929. (Food and drink prices dropped, too, but at a slightly slower rate.) The hoteliers recognized the hand of the state in these developments as the "deflationary measures" (*Preissenkungssaktion*) of the Reich government, a blunt instrument of attack on the working class and on the reputation of the republic.⁶¹

Prices fell, cutbacks ensued, standards slipped. Hoteliers now looked to entice less elite customers. In spring 1931, the Central-Hotel collaborated with the travel agency Kempinski-Reisen and the Mitteleuropäisches Reisebüro to offer package deals for a weekend trip to Berlin (Figure 5.1). One such product promised two nights' accommodation, meals at "first-class restaurants," guided tours of the city, a visit to the pleasure palace Haus Vaterland, a show at the Wintergarten, and an excursion to Potsdam.⁶² Unlike earlier advertisements, this one emphasized price, 45.50 reichsmarks, low enough to attract the frugal traveler. With a heterogeneous clientele – tourists, business travelers, and families – the Central had always balanced its messaging between economy and luxury, but now the scale tipped in favor of cheapness.⁶³ Lüpschütz defended his decision by citing the difficulty in finding guests in summer, particularly on Sunday nights. Lüpschütz was careful to emphasize privately that these guests would get no more than what they deserved and likely even less than what they expected. "Accommodation will be as basic as possible, perhaps two or three to a room," he told Aschinger. "Should a guest have any special wishes," Lüpschütz continued, "he must of course pay extra."⁶⁴ This was not first-class treatment and reflected Lüpschütz's expectation of a high response rate among second-class travelers.⁶⁵

⁶¹ Larry Eugene Jones, "Franz von Papen, Catholic Conservatives, and the Establishment of the Third Reich, 1933–1934," *Journal of Modern History* 83 (2011), 273–74. Cf. Sidney Pollard, "German Trade Union Policy, 1929–1933, in the Light of the British Experience," in *Economic Crisis and Political Collapse: The Weimar Republic, 1924–1933*, ed. Jürgen von Krüedener (New York: Berg, 1990), 43–44; Knut Borchardt, "A Decade of Debate about Brüning's Economic Policy," in Krüedener, *Economic Crisis*, 99–151.

⁶² Kurt Lüpschütz to Fritz Aschinger (with sample advertisement), June 6, 1931, in LAB A Rep. 225, Nr. 797.

⁶³ On heterogeneity in grand hotels, see Siegfried Kracauer, "Luxushotel von unten gesehen," *Frankfurter Zeitung*, December 28, 1930; "Grand Hotel ... !" *Frankfurter Zeitung*, June 24, 1928.

⁶⁴ Lüpschütz to Aschinger, June 6, 1931.

⁶⁵ Cf. Baum, *Menschen im Hotel*, 17–20.

Kempinski-Reisen
nach



Berlin
IN VERBINDUNG MIT DEM
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MITTELEUROPAISCHES REISEBÜRO

3 Tage
45,50 RM.

einschließlich

- **Unterkunft im CENTRAL-HOTEL**
- **Verpflegung in Gaststätten ersten Ranges**
- **Stadtbesichtigungen**
- **Ausflug nach Potsdam**
- **Besuch des „HAUS VATERLAND“**
- **und des Varieté „WINTERGARTEN“**

Auskunft und Gutscheine durch:



FIGURE 5.1 Advertisement by the Hotel Management Corporation
and partners, 1932

Image credit: Landesarchiv Berlin

Higher incidences of theft in hotels prompted further associations with a lower sort of customer. As in the early 1920s, the Kaiserhof had patrons in the early 1930s sign a document stating that the hotel bore no responsibility for guests' property. The document stood up in court when Hilde Eisenreich lost her case against the Kaiserhof in 1931. She and her husband had been guests in the hotel the previous year. In the middle of their stay, they reported to the manager that 590 reichsmarks' worth in goods – a watch, a bracelet, and a ring – had gone missing from their room. After a fruitless police investigation, Eisenreich brought civil suit against the hotel, but she lost because of the document the Kaiserhof had had her sign upon check-in.⁶⁶ In addition to such waivers of responsibility, hoteliers relied on the police to investigate thoroughly and, in their reports, absolve the management of any wrongdoing such as negligence or worse. Indeed, in 1932, the officials of the Hotel Management Corporation complained that the police were not doing enough and called on the Reich finance minister to ask that the hotel business be better and more extensively policed.⁶⁷ Hotel employees should also police each other, the heads of the Hotel Management Corporation urged. An October 1931 memo to the managers of the Bristol, Kaiserhof, Central, and Baltic requested that workers be reminded to report any suspicious behavior within the ranks and that maids, in particular, should follow proper protocol by never agreeing to work alone.⁶⁸

Crime, grit, and intrigue did not necessarily repel all guests, as a new crop of visitors arrived to see firsthand the depravity of late Weimar Berlin. Some came out of concern. In March 1931, Charlie Chaplin told reporters at the Adlon that while in town he wanted to see a prison and “something of street life in the poorer quarters.”⁶⁹ A *New York Times* article by George Bernhard of the previous year had encouraged tourists to venture beyond “the Hotel Adlon” and “the palaces of the President and the government buildings” by following Wilhelmstraße northwards; if on “the historic Unter den Linden, do not stop at the former Imperial

⁶⁶ Verdict (copy), Hilde Eisenreich v. Hotel Management Corporation, October 22, 1931, District Court (Amtsgericht) of Berlin-Mitte (Abteilung 44), October 22, 1931, in LAB A Rep. 225, Nr. 797.

⁶⁷ Hotel Management Corporation to the Reich finance minister, addendum, October 27, 1931, in LAB A Rep. 225, Nr. 757.

⁶⁸ Memorandum to hotel managers Bollbuck (Bristol), Schröder (Kaiserhof), Weidner (Central-Hotel), and Wessel (Baltic), October 27, 1931, in LAB A Rep. 225, Nr. 797.

⁶⁹ “Chaplin in Berlin,” *The New York Times*, March 10, 1931.

castle but cross the Spree and wander along the eastern direction of the city." The first thing to observe, according to Bernhard, would be women, whose "silk or near-silk stockings and short skirts" barely concealed "the fact that these people belong to the working classes." In slumming, the tourist might find the real Berlin, now in an exciting "age of ferment."⁷⁰

In his *Führer durch das "lasterhafte" Berlin* (Guide to "Depraved" Berlin), Curt Moreck presented the city in similar fashion as a unit of two opposed entities: the one official, historical, and apparent, the other peripheral, dynamic, and hidden. "Berlin is a city of opposites," Moreck declared, "and it is a pleasure to discover them." A "confusing metropolis of pleasure," Berlin would confound visitors, particularly those who visited its "underworld," a "labyrinth" that could only be accessed, maneuvered, and made intelligible by a knowledgeable guide or, barring that, the guidebook Moreck was shilling. Like Bernhard of *The New York Times*, Moreck urged readers to leave Unter den Linden and Wilhelmstraße, a "mummified yesteryear" lined with "milestones of ennui," and head for the outer-lying districts to access new "experiences ..., adventures ..., and sensations."⁷¹ The guidebook and the *Times* article emphasized the proximity of Berlin's old center, the neighborhoods of Friedrichstadt and Dorotheenstadt, to the working-class districts to the east and north.

A liability for hotel corporations even before the war, this proximity became a major cause for concern after 1929, in light of high unemployment and civil unrest. At the same time, grand hoteliers of Friedrichstadt and nearby neighborhoods continued to note the westward drift of attractions and population that pitted the old center against a newer, glittering district on the other side of the Tiergarten. "The rivalry between the Center and the West has had a very real effect on our business," Kalveram reported in September 1931. More and more guests were going west for dinner, and almost as many now preferred to stay there overnight. This trend benefitted not only the Eden, the only grand hotel west of Potsdamer Platz, but also many of the smaller hotels and pensions there. Although the Hotel Management Corporation tried through its advertising materials to strike back by claiming theirs as "the *actual* center," some corporate officers sensed a looming defeat.

⁷⁰ George Bernhard, "An Age of Ferment in German Culture," *The New York Times*, August 31, 1930.

⁷¹ Curt Moreck, *Führer durch das "lasterhafte" Berlin* (Leipzig: H. Haessel, 1931), 7–10.

Exhortations to go west crept up everywhere, it seemed. Even the *Hotel-Revue*, which the Hotel Management Corporation supplied for free in all its guest rooms, urged guests to seek refined entertainments in the west. The east and parts of the center were for slumming, the book suggested. A grand hotel manager complained that the publication's tips related to the city's eastern entertainments often sent guests to "seedy pubs [*Nepplokale*]*—of a homosexual tone, even*"; in taking one of these "pleasure tours, recommended *by the hotel itself*, guests came back understandably displeased."⁷² The real and imagined decline of the old center compromised almost all of the city's grand hotels.

While the *Hotel-Revue* was responding to what some guests wanted to experience – the city's dens of iniquity – hoteliers worried that this disaster tourism contributed to the general dissipation of grand hotels' exclusive atmosphere. As prices fell, hoteliers looked for new sources of revenue among groups heretofore peripheral to its publicity efforts, such as middling businessmen and budget travelers. "Perhaps it was a mistake," wrote Paul Arpé, manager of the Fürstenhof, in his report on the New Year's celebrations for 1930/31, "to price the menu so cheaply. Some 50 percent of the night's attendees were 'first-timers.'" Not all of the guests behaved. Numbering only 105, they consumed 94 bottles of champagne that night, almost the same number of bottles drunk the previous year, when the guest list had been twice as long.⁷³

At 9:30 p.m., hotel staff wheeled out a large radio so that everyone would be able to hear President Hindenburg's 1931 New Year's address. The speech, which admonished Germans to "walk hand in hand toward the future," could not be heard in its entirety on account of what Arpé described as "political troublemaking."⁷⁴ There is no more information about what happened, but the event portended the deleterious effects of political polarization on grand hotel operations.

HITLER'S KAISERHOF

From 1926, but with increasing focus after 1929, the Nazi party directed its energies toward Berlin. Within Berlin itself, Hitler and his top aides came ever closer to the centers of power, into Friedrichstadt, replete with grand hotels. In the 1920s, Hitler's accommodation of choice had

⁷² Emphasis in the original: Heinz Kalveram to Hans Lohnert, September 17, 1931, in LAB A Rep. 225, Nr. 797.

⁷³ "Denkschrift Silvester 1931," in LAB A Rep. 225, Nr. 1156.

⁷⁴ *Ibid.*

been the Sanssouci, a mediocre hotel garni, 27 rooms, on a side street west of Potsdamer Platz, separate from the heart of Friedrichstadt.⁷⁵ The quarter still supported the city center's zone of intense commercial and political activity by harboring large railroad stations, streetcar and underground interchanges, lesser hotels, and unglamorous dining concessions and businesses. But in February 1931, fresh from a major electoral victory in September 1930, which gave the Nazi party 107 seats in the Reichstag, Hitler crossed Potsdamer Platz, swept into the Leipziger octagon, passed the Wertheim luxury department store, hung left at Wilhelmstraße, and rode into the portico of the Kaiserhof, adjacent to the chancellery.⁷⁶

As Hitler prepared his party for power, the Kaiserhof proved to be both instrumental and problematic for him. In the winter and spring of 1932, the months leading up to the presidential election in which Hitler would try and fail to unseat Hindenburg, the Kaiserhof saw more visits from him than ever before. Between January 1, 1932, and January 30, 1933, Hitler stayed at the Kaiserhof more than 100 nights, spread across almost all thirteen months.⁷⁷

Fame brought with it heightened scrutiny. On April 4, 1932, six days before the second round of the presidential election, with Hitler in the running, the liberal weekly *Die Welt am Montag* published a facsimile of one of the Nazis' recent Kaiserhof bills. The editors pointed out that the nightly cost of one of the twelve rooms that Hitler had rented was equal to "the maximum that two unemployed persons can claim for an entire week's support."⁷⁸ Hitler therefore had no right to represent a workers' party, as he claimed to do. Hitler sued the editors for libel and won. A sympathetic court called the bill a forgery after the Kaiserhof management denied its veracity and even reported to the police the theft of a ream of receipt forms.⁷⁹ The Kaiserhof bill affair,

⁷⁵ Friedrich, *Hitler's Berlin*, 28.

⁷⁶ Jelavich, *Berlin Alexanderplatz*, 157.

⁷⁷ Friedrich, *Hitler's Berlin*, 245.

⁷⁸ "So lebt Hitler!" *Die Welt am Montag*, April 4, 1932.

⁷⁹ Walter Raeke, on behalf of the NSDAP, to the Public Prosecutor's Office (Staatsanwaltschaft, Landgericht I) of Berlin, petition of May 31, 1932, in LAB A Rep. 358-01, Nr. 1092; *Die Welt am Montag* to the Berlin Police Presidium, August 10, 1932, in LAB A Rep. 358-01, Nr. 1092; Berlin Police Presidium to the Public Prosecutor's Office (Landgericht I) of Berlin, August 10, 1932, in LAB A Rep. 358-01, Nr. 1092; Public Prosecutor's Office to the District Court of Charlottenburg, August 18, 1932, in LAB A Rep. 358-01, Nr. 1092; statement by Fritz Schroeder, manager of the Kaiserhof, October 20, 1932, in LAB A Rep. 358-01, Nr. 1092.

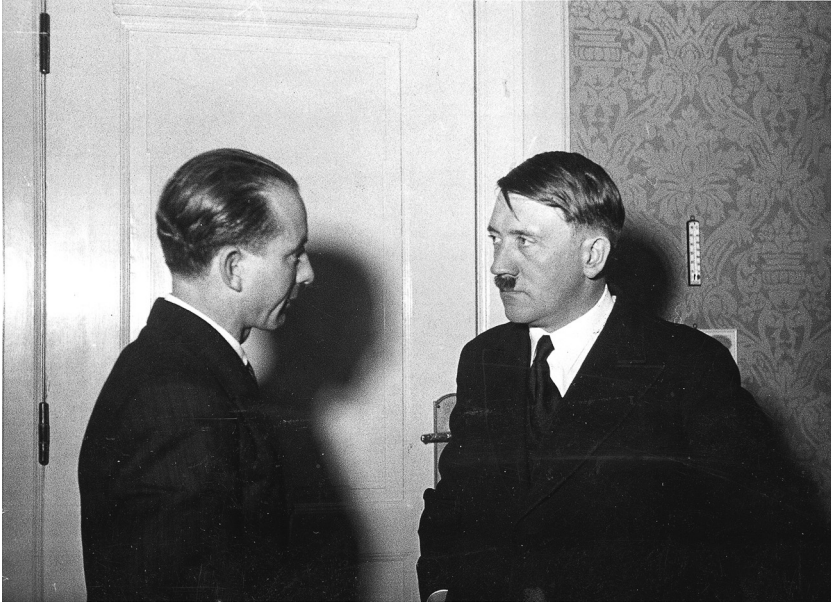


FIGURE 5.2 Otto Dietrich with Adolf Hitler in his suite
at the Kaiserhof, January 30, 1933
Image credit: Scherl/Süddeutsche Zeitung

whether or not it was a setup, lobbed a serious and familiar criticism at Hitler: hypocritical disparity between what the man said and what he and his party did.

Hitler's chief press officer, Otto Dietrich, in 1934 was still trying to spin the story to the Führer's advantage (Figure 5.2). Hitler had not chosen the Kaiserhof to pamper himself, Dietrich explained, but for three "reasons of expediency." First, the luxury and formality of the property served the political purpose of encouraging the republic's conservative elites to take Hitler seriously. Second, the location lent itself to the progression of Hitler's seizure of power. There, he was in full view of the "old chancellery building," the establishment occupants of which "laid countermines" and made other "insidious and malicious" attempts to "prevent the onrushing movement from gaining power." Proximity would help Hitler stymie their schemes. Finally, Dietrich accentuated the historical significance of the Kaiserhof. "One of Bismarck's houses," it was a symbol of unification and empire, the hotel of choice for delegates to the most important conferences and congresses of the last quarter of the nineteenth century. It thus had to be the hotel of choice for Hitler; it was his "gateway" to the

chancellery, “from which Bismarck had ruled the German Empire,” of which Hitler would “take possession ... in turn.”⁸⁰

The move to the Kaiserhof in 1931 and from the Kaiserhof to the chancellery on January 31, 1933, could be read as a script for Hitler’s relationship to the past, as he wanted Germans to understand it: History had taken him from the Hotel Sanssouci, named for the favorite of Frederick the Great’s palaces; to the Kaiserhof, named for Emperor Wilhelm I, whom Bismarck propelled into position as ruler of a new Germany; to the old chancellery, which Hitler made his own. The lineage passed from Frederick the Great to Bismarck to the Nazi assumption of power – from the First to the Second to the Third Reich.

The problem, from the perspective of the Hotel Management Corporation in 1932, was that Hitler did not belong at the Kaiserhof. His low social status aside, the bad behavior of his hangers-on, gauchely dressed in paramilitary uniforms and ignorant of the conventions of good comportment in an elite commercial establishment, indicated the Nazis’ unsuitability as guests. In scaring away much of the clientele, they were also bad for business. Meanwhile, the hotel industry overall continued to suffer.

IN THE CRISIS OF GERMAN DEMOCRACY

In despair, the managing directors of Aschinger’s Incorporated wrote to the Reich Ministry of Finance, the Prussian Ministry of Finance, and the Executive Office of Berlin for help in November 1932. Their revenues, which “in normal years stood at 30 million [reichsmarks],” were unlikely to reach even 10 million by the end of 1932. This 20-million-mark retraction was the greatest since the beginning of the Depression and, indeed, in the history of the business. From 1930 to 1931, revenues had dropped 21 percent. By the autumn of 1932, the decline since 1930 had reached 44 percent. The firm, according to its leaders, needed some form of government assistance and indeed deserved it: “the fault lies not in the failure of the leadership [of Aschinger’s], nor in organizational or financial shortcomings,” the directors argued, “but in the severe economic difficulties under which Germany and the whole world suffer.”⁸¹ With

⁸⁰ Otto Dietrich, *Mit Hitler in die Macht: Persönliche Erlebnisse mit meinem Führer* (Munich: Eher, 1934), 149–50.

⁸¹ Aschinger’s Incorporated to the Reich Ministry of Finance, the Prussian Ministry of Finance, and the Executive Office of the City of Berlin (Hauptverwaltung der Stadt Berlin), petition of November 10, 1932, in LAB A Rep. 225, Nr. 757.

“monstrous losses mounting by the day,” the letter asked, “why not just close shop?” The letter then answered its own question: because the company, not with its luxury hotels but through its low-cost café concessions, had spread “deep roots” in Berlin and proved itself “indispensable to the lower middle class [*kleinen Mittelstand*] and the workers.” The directors went on to present themselves as models of altruism, never having “wanted ... to seek help ... from public sources.” Instead, Aschinger’s management had tried to find savings in cutbacks and rationalization and would continue to do so. The salaries of the firm’s “leading figures,” for example, had “been reduced considerably.” But Aschinger’s had reached its limits, the letter argued, and would now have to apply for a concession – the mitigation of an “unbearable” tax burden.

There was no more room for savings, the letter emphasized, and no point in further rationalization and economization without “a generous settlement” on the issue of those “taxes and duties” which, having cost the corporation 20 percent more in 1931 than in 1930, “threatened to overwhelm the business” and presently, with indications of a similar increase from 1931 to 1932, eliminated any chance of “survival.” Aschinger’s directors also beseeched the addressees to call off the mess of “agencies and authorities” now “robbing [us] of [our] time” and instead assign all activities related to taxation to “a central office.” Both the level and the manner of taxation were bringing the business grief and needed correcting if Aschinger’s was “to hold itself upright” any longer.⁸²

The directors’ assessment was accurate, in part. High taxes as a response to the Depression were having terrible effects in Germany as elsewhere, especially on consumers.⁸³ Still, hoteliers would have found a more pointed argument for why the state was to blame if they had also focused on Chancellor Heinrich Brüning’s deflationary measures and the conservatives’ efforts to dismantle the republic by further ruining the economy. Ferdinand von Lüninck (German National People’s Party), a prominent anti-republican, described the strategy most succinctly: “Improvements in the existing system will never be possible through

⁸² Ibid.

⁸³ Dietmar Rothermund, *The Global Impact of the Great Depression, 1929–1939* (London: Routledge, 2003), 16–17. On taxation and the Great Depression in Germany, see Dietmar Keese, “Die volkswirtschaftliche Gesamtgrößen für das Deutsche Reich, 1925–1936,” in *Die Staats- und Wirtschaftskrise des Deutschen Reichs, 1929/1933*, eds. Werner Conze and Hans Raupach (Stuttgart: Ernst Klett, 1967), 35–37. See also Theo Balderston, “The Beginning of the Depression in Germany, 1927–1930: Investment and the Capital Market,” *Economic History Review* 36 (1983), 396–97.

reform but only through the total elimination [of the system itself], and this is only possible by letting it collapse from the weight of its own incompetence.”⁸⁴ It was an incompetence that Brüning would have to engineer with deliberately cruel policy.

As conditions worsened, hoteliers used increasingly hysterical language to describe the effects of taxation. Indeed, as in 1919–23, hotel firms blamed the state for their misfortune and seized on taxes as the means by which the fiscus was seeking to destroy free, profitable enterprise. “We have made every effort” to right the business and only failed to turn a profit on account of “our tax burden,” the Hotel Management Corporation claimed in its annual report for 1931/32.⁸⁵ This emphasis on taxes as the principal cause of the emergency – an emphasis that tended to cast the government as rapacious, anti-business, and even anti-German – obscured the other sources of strain on Berlin’s grand hotel industry. First, weaknesses within the business model itself had brought properties to their knees in the course of every crisis, large or small, in the years since 1914. Second, the government’s policy of deflation, in the German case an attempt to damage the economy further and erode confidence in the republic, had helped shrink hotels’ profits to nothing. Instead of calling on the state to end this practice, hoteliers chose almost never to acknowledge it. When they did speak up, it was only to ask for a “temporary” reprieve from the austerity, not for an end to deflation.⁸⁶ This move tended to cast the present difficulties as part of a longer history of over-taxation under coalitions of the center-left and not as a result of the newer conservative policies aimed at restricting the money supply and credit. For hotel corporations’ annual reports to have targeted deflation as well as taxes would have been to cast the leadership as saboteurs – which they were – intent on pursuing a policy that would victimize Germans and thereby drive them to turn on the republic.

While hoteliers were trying to make sense of the deepening economic crisis, they witnessed the continued rightward drift of the German electorate. In April 1932, Hindenburg won reelection to the presidency, ensuring the continued presence of anti-republicans in the chancellery. Two weeks later, the National Socialist German Workers’ Party (NSDAP, the

⁸⁴ Letter of February 4, 1930, quoted in Jones, “Franz von Papen,” 276. See also Ritschl, *Deutschlands Krise*, 131–33, 220ff.

⁸⁵ Annual report of the Hotel Management Corporation for 1931/32, in LAB A Rep. 225–01, Nr. 189.

⁸⁶ “Ein Hilfsprogramm für die deutsche Hotelwirtschaft: Entschließung des Reichsverbandes der Deutschen Hotels E.V.,” flyer, October 6, 1932, in LAB A Rep. 225, Nr. 798.

Nazis) prevailed in elections for the parliaments of Hamburg, Anhalt, Württemberg, Bavaria, and Prussia. Then, in July, Chancellor Papen, under the president's power to legislate by emergency decree, took over the government of Prussia and effectively abrogated parliamentary rule there. In the national elections eleven days later, the Nazi party won 37.3 percent of the vote and became the strongest faction in the Reichstag. Hermann Göring became its president in August. These were the political conditions under which the boards of the Hotel Management Corporation and Aschinger's Incorporated continued to labor.

The minutes of board meetings and correspondence among hoteliers in 1931 and 1932 show a high frequency of fatalist pronouncements. The reports' authors suggested that they were washing their hands of the industry and of any effort to salvage it. "Stagnation," "crisis," and "catastrophe" became the words used most frequently to describe the situation.⁸⁷ Although the reports paid scant attention to the international dimensions of the Depression, the board members of the Hotel Management Corporation were aware of conditions in hotel industries abroad. In the United States, for example, some 70 percent of hotels were out of business, bankrupt, or in receivership by the start of 1932.⁸⁸ The Depression discredited the American example, which Berlin's hoteliers had until very recently held up as the model of rational, responsible enterprise. Now there were no models, only the reality that a business as big and costly to operate as a grand hotel had finally and conclusively proved itself to be less viable than almost any other kind of business.⁸⁹ In public, Berlin's grand hoteliers implicated only the state's tax policies in the failures. In private, however, they attended to the full scope of the crisis, including the Nazi ascent.

SEPTEMBER 15, 1932

How do we begin to make sense of Meinhardt and the board's decision to let the Nazis use the Kaiserhof as their Berlin headquarters? In the absence of any further testimony from Meinhardt and the other board members, all we can do is reconstruct their perspective on events and

⁸⁷ Annual report of Aschinger's Incorporated for 1930, in LAB A Rep. 225, Nr. 636.

⁸⁸ Lisa Pfueller Davidson, "'A Service Machine': Hotel Guests and the Development of an Early-Twentieth-Century Building Type," *Perspectives in Vernacular Architecture* 10 (2005), 124–25.

⁸⁹ "Ein Hilfsprogramm für die deutsche Hotelwirtschaft: Entschließung des Reichsverbandes der Deutschen Hotels E.V.," flyer, October 6, 1932.

try to recover the context. The most important factor was the pervasive atmosphere of uncertainty, emergency, and fear in September 1932 that clouded board members' judgment to the extent that they, even the Jewish ones, invited into their own house the man who would ruin them.

On September 15, 1932, the board of the Hotel Management Corporation met at the Bristol to discuss the challenges facing the Kaiserhof and the rest of the corporation's properties. The minutes enumerate the banking crisis, the credit crisis, and the "almost total closing off of the borders" as national governments retrenched. Board members in attendance included Meinhardt as chair; Hans Lohnert; Fritz Aschinger; Wilhelm Kleemann, manager of Dresdner Bank; Eugen Landau, a diplomat and member of the boards of the Schultheiß-Patzenhofer brewing concern and two banks; and Walter Sobernheim, Landau's stepson, also a diplomat, and head of Schultheiß-Patzenhofer.⁹⁰ Managing directors Kalveram, Schick, and Voremberg were also there, as well as two employee representatives.

At the start of the meeting, Schick rose to deliver some bad news about the Kaiserhof. The hotel was experiencing the "greatest decline in sales" of all the Hotel Management Corporation's properties. The presence in the hotel of Hitler's SA (Sturmabteilung) and SS (Schutzstaffel), as well as the Stahlhelm, a right-radical paramilitary league, had led to "substantial losses." Given the Nazis' electoral successes, Schick counseled the board to expect a further influx of right-radicals, an additional resulting decline in patronage by the hotel's standard clientele, and a series of "substantial cutbacks" in service. Schick avoided mentioning specific behaviors and actions on the part of the Nazis that were causing the standard clientele to stay away. At any rate, with five of the seven board members in attendance being Jews, the disadvantages of the Nazi presence did not need elaboration.

The minutes show that a representative from the Kaiserhof's managerial staff spoke next; he is named only as Krasemann and described as a white-collar employee. Krasemann does not appear elsewhere in the corporate records and distinguishes himself here with an uncommonly accusatory tone. "Not enough is being done," he charged, despite it being common knowledge "that Hitler has been in residence in the house for

⁹⁰ Apologies came in from Hans Arnhold (banker), Karl August Harter (banker), and Heinrich von Stein (banker and diplomat). On bankers and the links between bank boards and corporate boards, see Philippe Marguerat, *Banques et grande industrie: France, Grande-Bretagne, Allemagne, 1880-1930* (Paris: Presses de Sciences Po, 2015), chapter 4.



FIGURE 5.3 At the Kaiserhof for a reception after the Reichstag elections of July 1932, from left to right: Curt von Ulrich, Edmund Heines, Heinrich Himmler, Franz Epp, Ernst Röhm, and Wolf-Heinrich von Helldorf
Image credit: Bundesarchiv, Bild 146-2000-005-23

some time, that the Stahlhelm have commandeered [*militärisch aufgezo-gen*] the Kaiserhof for use as a headquarters, that too much of the clientele has been lost ... that the whole Jewish clientele has stayed away.” The Kaiserhof and its guests were being mistreated, he claimed. And “of course, this has played a role in the decline in sales and the layoffs that come with it.”

Only at the end of the meeting, after all the Hotel Management Corporation’s other businesses had been addressed, did Meinhardt finally face the issue and make his judgment. The Nazis could stay because, for the good of the company, “our houses must remain open to all.” That included Nazis, though they were poorly behaved and bad for business. Meinhardt’s response, again: “We cannot do anything about it.” Kleemann, also Jewish, spoke next and brought Meinhardt back to reality: “I know for certain that Jewish guests no longer stay at the Kaiserhof and no longer visit the restaurant, either.” It was then that Meinhardt noted “how hard it is for the house’s restaurant director to exercise the requisite tact in face of these difficult questions.”⁹¹

⁹¹ Minutes of the meeting of the board of directors of the Hotel Management Corporation, September 15, 1932.

No one discussed it at the meeting, but some of the same board members and hoteliers had faced a similar, though lower-stakes, question back in August 1927 and came up with a similar solution at the time. For Constitution Day that year, the magistrate requested that businesses, especially prominent ones, fly the republic's black-red-gold tricolor. But when Constitution Day came around, most of the grand hotels left their flagpoles bare. The magistrate first took note and then took punitive action, calling a boycott of several grand hotels. The minister-president of Prussia followed suit and compelled state employees to join the boycott. In his decree, he rebuked the Adlon, especially, for having flown the US flag on July 4 to celebrate the American republic but not the national flag on August 11 to celebrate that of the Germans. The minister-president, the magistrate, and the mayor went about canceling their upcoming events, costing the Adlon, Esplanade, and Hotel Management Corporation valuable bookings.⁹²

The national press reported on this official and concerted "*Hotel-boycott*" in late August. The hoteliers' responses to reporters only made the situation worse. Representatives from the Hotel Management Corporation and the Association of Berlin Hoteliers told *Vorwärts*, always critical of the industry, that the hoteliers had nothing in particular against the republic. It was only out of "concern for the business" that they had come together and decided that no one was to fly the national flag on Constitution Day. In this way, the hotels would maintain their "neutral stance." Neutrality was important, the hoteliers explained, because Berlin's grand hotels accommodated "republicans and members of the right" alike. To avoid offending either side, "we decided to recommend to members of the [Association of Berlin Hoteliers] that the national flag not be flown" on Constitution Day.⁹³ The decision foreshadowed that of September 15, 1932: equivocation in face of political polarization, refusal to do anything to support the republic, and deployment of liberal arguments about openness to opposing viewpoints – and this to defend a decision rightly understood as acquiescence to the republic's enemies. The hoteliers had not supported the republic in 1927, nor would they do so in 1932. Much more serious than the 1927 decision, the 1932 decision gave Hitler free run of the house.

⁹² Kurt Lüpschütz to Fritz Aschinger, August 30, 1927, in LAB A Rep. 225, Nr. 797; "Hotelkrieg gegen Schwarzrotgold: Preußische Maßnahmen gegen die Herabsetzung der Reichsflagge," *Vorwärts*, August 26, 1927.

⁹³ Quoted in "Berliner Hotels ohne Nationalflaggen: Der Magistrat besucht sie nicht mehr," *Vorwärts*, August 24, 1927.

Meinhardt's liberalism, and that of his party more generally, was of no help against the Nazis, who were adept at using the precepts of free speech, free political association, and equal access to gain entry to liberal institutions only for the purpose of destroying them.⁹⁴ Beyond the atmosphere of pessimism discussed above, several additional factors contributed to this failure. First, Meinhardt would have feared the negative consequences of ejecting the Nazis: the alienation of pro-Nazi customers and the risk of reprisals from a Nazi party that was growing in power and popularity. Second, there was the problem of Meinhardt's responsibility to shareholders and his duty to remain impartial. As chair of the board, he was not supposed to let his own politics or Jewishness guide his decisions. Third, there was the problem of Meinhardt's liberalism. To refuse service to someone on the basis of his or her political beliefs, however odious, would have looked like an illiberal thing to do, and Meinhardt was a committed liberal. Fourth, and finally, there was his position as a member of Germany's industrial elite, whose anti-republican stance might have made democratic solutions to Germany's problems less attractive to Meinhardt in the moment. Any of these factors could have caused Meinhardt to misjudge where his own interests and the interests of the corporation lay and decide to allow the Nazis to remain at the Kaiserhof after September 15, 1932.

The dangers that the Nazis posed to Jewish businesses in 1932, as well as the dangers associated with being Jewish – and a prominent Jewish businessman at that – were manifold and apparent. As early as October 13, 1930, a Nazi mob had descended on the area around Leipziger Platz to smash plate-glass windows and otherwise vandalize Jewish-owned retail establishments, the most prominent of which was the Wertheim department store.⁹⁵ If Wertheim was vulnerable, so too was the Kaiserhof and the other properties of the Hotel Management Corporation, all located a short walk from Wertheim. The following year brought another outburst of anti-Semitic violence when members of the NSDAP attacked Jews, and people suspected of being Jews, on Rosh Hashanah.⁹⁶ Occurring in broad daylight on Kurfürstendamm, this action increased the vulnerability of

⁹⁴ See Thomas Mergel, *Parlamentarische Kultur in der Weimarer Republik: Politische Kommunikation, symbolische Politik und Öffentlichkeit im Reichstag* (Düsseldorf: Droste, 2002).

⁹⁵ Jelavich, *Berlin Alexanderplatz*, 157.

⁹⁶ Sharon Gillerman, "German Jews in the Weimar Republic," in *The Oxford Handbook of the Weimar Republic*, eds. Nadine Rossol and Benjamin Ziemann (Oxford: Oxford University Press, 2020), 575.



FIGURE 5.4 William Meinhardt, chairman of the board of the Hotel Management Corporation, 1931
Image credit: Bundesarchiv, Bild 183-2007-0307-506

even the capital's most vaunted commercial districts. The year 1932 brought still more violence into Berliners' daily lives and also into their consciousness through the daily reports in newspapers. "Squads ... in the provinces" were stopping cars and demanding to be taken to Berlin on the eve of the national election on July 31, according to the *Berliner Tageblatt*: "A great many sources lie before us that suggest that either the central leadership of the SA or its regional subgroups have issued orders that particular departments be put on alert and made ready to march [on Berlin] in the days before and after the Reichstag elections."⁹⁷ These were by all accounts frightening days. Fear may explain Meinhardt's decision to give the Nazis the run of his house.⁹⁸ After all, the Kaiserhof had been sacked once before by a roving paramilitary force, back in January 1919

⁹⁷ "S.-A.-Alarm," *Berliner Tageblatt*, July 29, 1932.

⁹⁸ Molly Loberg, *The Struggle for the Streets of Berlin: Politics, Consumption, and Urban Space, 1914-1945* (Cambridge: Cambridge University Press, 2018), 160-71.

(see Chapter 4). Given the choice between physical damage and damage to the house's reputation, Meinhardt preferred the latter.

The dynamics of his firm's managerial hierarchy might have also played some role in his decision. Meinhardt's principal responsibility was to his shareholders, and it thus fell to him to ensure that the Kaiserhof would never be exposed to danger or damage. This responsibility to shareholders further entailed balancing their entitlement to dividends with the firm's need to make regular capital investments. (The latter, if managed properly, would ensure higher dividends in the future, or so the theory went.⁹⁹) When he decided to allow the Nazis to remain at the Kaiserhof, Meinhardt would also have been considering his duty to shareholders: Which course was most likely to ensure the firm's assets and the possibility of dividends in the near future?

The amorality of other industrialists in their approach to the rise of Nazism might echo Meinhardt's. Overwhelming pessimism, which turned to fatalism during the Great Depression, eliminated any opportunity to see a way toward prosperity that did not involve a fundamental transformation of the German economy, German society, and even the German polity.¹⁰⁰ As Hitler consolidated his mass base in the years 1928–32, he appeared to be the most likely instrument of change. The fatalism that had emerged among the industrial elite caused them to prefer this change regardless of its quite apparent disadvantages.

MEINHARDT'S FALL

Some of the developments that brought Hitler to power took place inside the Kaiserhof.¹⁰¹ Throughout 1932, Hitler took meetings there with present and future collaborators, including members of the government and their advisors who made the short trip from the chancellery across the square.¹⁰² These visits increased in frequency after the September 15, 1932, board meeting in which the owners of the Kaiserhof decided that the Nazis could stay. From his headquarters in

⁹⁹ On dividends, see Franco Amatori and Andrea Colli, *Business History: Complexities and Comparisons* (New York: Routledge, 2011), 78–80.

¹⁰⁰ Theo Balderston, *The Origins and Course of the German Economic Crisis: November 1923 to May 1932* (Berlin: Haude & Spencer, 1993), 381–412.

¹⁰¹ See Larry Eugene Jones, *Hitler versus Hindenburg: The 1932 Presidential Elections and the End of the Weimar Republic* (Cambridge: Cambridge University Press, 2016).

¹⁰² Volker Ullrich, *Hitler*, vol. 1, *Ascent*, trans. Jefferson S. Chase (New York: Knopf, 2016), 263, 288, 339, 370.

the hotel, Hitler played master negotiator and statesman, even as he oversaw extralegal efforts to seize power.

To complement these backroom, backstairs negotiations, Hitler also unleashed wave after wave of violence across Germany.¹⁰³ As Berlin and other towns appeared to be descending into civil war in December 1932, Hindenburg dismissed Papen as chancellor and replaced him with Kurt von Schleicher. This last-ditch effort on Hindenburg's part to appease and defang the Nazis' mass base failed, as did Schleicher's efforts to maintain his authority over the cabinet and members of Hindenburg's entourage.

It is worth emphasizing the spatial dimension of Schleicher's difficulties – that is, the physical proximity of Hitler to power. “The choice of the Kaiserhof as my headquarters in Berlin, diagonally opposite the chancellery building,” Hitler is supposed to have said, “has already left the men there profoundly shaken.” Sitting up with their Führer in his salon “until the gray light of dawn,” Joseph Goebbels reported sometime later, “plans are hatched as if we are already in power.”¹⁰⁴

In the first weeks of 1933, intermediaries rushed between the chancellery and the Kaiserhof to set up meetings between Nazi leaders and the government.¹⁰⁵ After several such meetings at secret locations in and around Berlin, Hitler departed the area on January 23, 1933, for Frankfurt an der Oder and then traveled onward to Munich. Three days later, he was back at the Kaiserhof to consider the last stages of his party's ascent to power.¹⁰⁶ When Schleicher finally stepped down on January 28, the wheels began to turn: Papen made the successful case to Hindenburg that Hitler should be chancellor and that he, Papen, should be vice-chancellor. Two days later, shortly after 11 a.m. on January 30, Hitler made his way from the Kaiserhof to the chancellery to accept his prize.

¹⁰³ On violence in Berlin and the Nazi assumption of power, see Loberg, *Struggle for the Streets*, 186–94. See also Richard Bessel, “Political Violence and the Nazi Seizure of Power,” in *Life in the Third Reich*, ed. Richard Bessel (Oxford: Oxford University Press, 1987), 1–16; McElligott, *Rethinking the Weimar Republic*, chapter 8; Robert Gellately, *Backing Hitler: Consent and Coercion in Nazi Germany* (Oxford: Oxford University Press, 2001).

¹⁰⁴ Quoted in Friedrich, *Hitler's Berlin*, 219, 256.

¹⁰⁵ On meetings between the nationalists (German National People's Party) and NSDAP leaders, see Hermann Beck, *The Fateful Alliance: German Conservatives and Nazis in 1933 – The Machtergreifung in a New Light* (New York: Berghahn, 2008), 70–88. On meetings between industrialists and NSDAP leaders, see Gerard Braunthal, *The Federation of German Industry in Politics* (Ithaca, NY: Cornell University Press, 1965), 15ff. Cf. Henry Ashby Turner Jr., *German Big Business and the Rise of Hitler* (New York: Oxford University Press, 1985).

¹⁰⁶ Friedrich, *Hitler's Berlin*, 310.

Once in power, the Nazis unleashed further waves of terror and repression over the capital, worrying the city's grand hoteliers. On February 1, not even forty-eight hours into Hitler's chancellorship, Hindenburg agreed to dissolve the Reichstag, and the hunt for Nazism's enemies began immediately. The press, too, found itself muzzled in those early days: On February 4, an emergency decree limited freedom of speech as well as the right to free assembly. The end of the month brought further attacks on what remained of Weimar's democratic institutions. On February 27, the Reichstag building sustained heavy damage by fire; the next day, the Reichstag Fire Decree (*Reichstagsbrandverordnung*) removed many of the civil liberties guaranteed by the Weimar constitution and mandated the ruthless pursuit of leaders and members of the KPD (Communist Party of Germany), leading to the destruction of the party along with other sources of opposition. On March 8, an emergency decree ejected all KPD delegates from the national parliament.¹⁰⁷ And every day, the assaults on certain Berliners, Communists in particular, intensified.¹⁰⁸ The insurance industry even sought to capitalize on the fear evoked by this unrestrained violence, as a letter of March 1, 1933, from one insurer to the Hotel Management Corporation attests: "Current events give us cause to bring your attention to the possibility that riot insurance ... will allay your anxiety over the protection of all your tangible assets – an anxiety made worse by the fact that no one knows what tomorrow will bring."¹⁰⁹ The letter addressed pervasive unease among hoteliers, whose businesses sat at the center of the consolidation of Nazi power and terror. Of all the grand hotels, only the Eden was more than a fifteen-minute walk from the chancellery and Prinz-Albrechtstraße, headquarters of the Gestapo from May 1933.

The reach of Nazi persecution soon made its way into the hotels themselves. In May 1933, this persecution began in the form of an institution set up for the express purpose of *Gleichschaltung*, a multifaceted program of forced synchronization with the new regime. On May 18, a circular arrived at the offices of the Hotel Management Corporation

¹⁰⁷ Manfred Görtemaker, ed. *Weimar in Berlin: Porträt einer Epoche* (Berlin: BeBra, 2002), 211.

¹⁰⁸ See Richard J. Evans, *The Coming of the Third Reich* (London: Penguin, 2003), 450–56.

¹⁰⁹ Königstadt Corporation for Real Estate and Industry (Königstadt Aktien-Gesellschaft für Grundstücke und Industrie) to the Hotel Management Corporation, March 1, 1933, in LAB A Rep. 225, Nr. 975.

saddling the managing directors with a new task in the service of *Gleichschaltung*: to gather information on the political and racial background of employees.¹¹⁰ This meant the identification and promotion of Nazis and pro-Nazis, on the one hand, and the identification and elimination of Jews, on the other.¹¹¹

Two Nazis external to the corporation would join Kalveram, one of the managing directors who was neither a Nazi nor a sympathizer.¹¹² Together, they would have to distribute a survey aimed at collecting information on the political and racial makeup of the firm's employees and owners. In addition to requesting the names of anyone with a position in the NSDAP or Stahlhelm, the survey also demanded the following: the number of white-collar employees, male and female; the number of workers, male and female; the number of apprentices, male and female; and the "absolute total count of Jewish members of the firm (white-collar employees, workers, and apprentices)."¹¹³ Kalveram and the two Nazi overlords who shared with him the authority to carry out this survey had one week to supply this "absolutely essential" information, which, according to the circular, must be delivered "without delay."¹¹⁴ The survey results are lost, but another document, as curious as it is damning, about the Aryanization of the business does appear in the records of Aschinger's Incorporated, parent company to the Hotel Management Corporation since 1927. This typewritten page, which immediately followed the blank survey form for employees of the Hotel Management Corporation, lists various board members and managing directors of the Hotel Management Corporation and Aschinger's (Figure 5.5).¹¹⁵ There is no explanation for why some names appear on this list while others do not. In the list itself, however, certain patterns emerge.

¹¹⁰ On Gleichschaltung and German business, see Adam Tooze, *The Wages of Destruction: The Making and Breaking of the Nazi Economy* (London: Penguin, 2008), chapter 4.

¹¹¹ Association for the Protection of Large Retail and Related Concerns (Schutzgemeinschaft der Großbetriebe des Einzelhandels und verwandter Gruppen) to the Hotel Management Corporation, circular, May 18, 1933, in LAB A Rep. 225-01, Nr. 36.

¹¹² Notes on a meeting between Fritz Aschinger and Heinz Kalveram, May 30, 1933, in LAB A Rep. 225-01, Nr. 43; memorandum of May 26, 1933, in LAB A Rep. 225-01, Nr. 36; Max Kersten to Hans Lohnert, May 27, 1933, in LAB A Rep. 225-01, Nr. 36.

¹¹³ Emphasis in the original: Association for the Protection of Large Retail and Related Concerns to the Hotel Management Corporation, circular, May 18, 1933.

¹¹⁴ Ibid.

¹¹⁵ List of names, n.d., in LAB A Rep. 225-01, Nr. 36. In the file, the list comes between letters dated May 26, 1933, and May 27, 1933. Both letters concern the Aryanization of the boards of Aschinger's Incorporated and the Hotel Management Corporation.

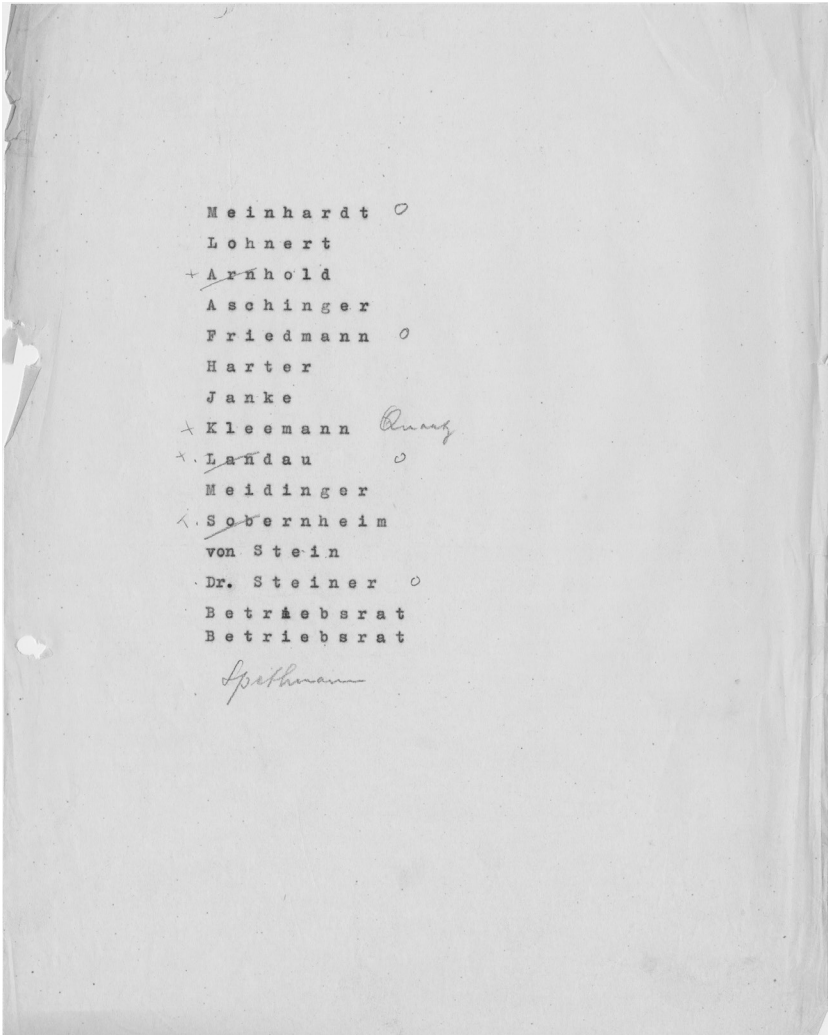


FIGURE 5.5 List of names associated with the survey of May 26, 1933
Image credit: Landesarchiv Berlin

The list features the names of all Jewish board members as well as board members whose backgrounds or names might suggest Jewish heritage. (As a successful entrepreneur from the provinces, Aschinger – who was not Jewish – fits the bill.) An unlikely candidate was added later, in pencil: Reinhold Georg Quatz, an industrialist, conservative politician, and anti-Semite who had worked closely with Hitler's important

ally Alfred Hugenberg. With one Jewish parent, Quatz likely escaped the first draft of the list because of the indirect assistance he provided to Hitler in his ascent to power.¹¹⁶ Although the precise meaning of the list's slashes, circles, Xs, and dots are lost, these markings attend only the names of Jews or men of Jewish heritage, who were thus singled out and subsequently removed from their positions.

To that end, Aschinger's chief corporate officer, Lohnert, did much of the dirty work, if his letter of October 10, 1938, to the NSDAP local group leader (*Ortsgruppenleiter*) of Berlin-Dahlem is to be believed. By 1938, a kindly worded note from Lohnert to Voremberg dated 1933 had somehow reached the hands of the authorities, who in response threatened to investigate Lohnert for sympathetic dealings with Jews. Lohnert wrote in his own defense in 1938:

I would like to point out that the correspondence with the Jewish managing director Voremberg dates from the year 1933, from a period in which the Jewish Question had begun but by no means reached a crisis point as it has in the year 1938. This must be taken into account at the very first, for in the year 1933, right about the time the letter [in question, to Voremberg] was written, the Jews were still riding high, and it was exceedingly difficult for me to throw them out, these Jewish gentlemen, who had been at the firm for more than 25 years. My difficulty dismissing the Jewish Herr Voremberg aside, the board was overwhelmingly against me, too, since the chairman [Meinhardt] as well as four [sic] additional members of the board were Jews. Even so, I wrote to two Jewish members of the board – namely, Consul-General Landau and Dr. Sobernheim – and requested that they consider the circumstances and resign.¹¹⁷

The letter misremembered events. Aryanization had not been the gradual affair Lohnert described in 1938. In fact, five years previously, it took only a few months for the Nazis to threaten Meinhardt and the others with murder. Bad press abroad about violence against Germany's Jews had incensed the top brass in Berlin, especially Göring, who summoned the leaders of the city's more assimilationist Jewish organizations to

¹¹⁶ Hermann Weiß and Paul Hoser, eds. *Die Deutschnationalen und die Zerstörung der Weimarer Republik: Aus dem Tagebuch von Reinhold Quatz, 1928–1933* (Munich: Oldenbourg, 1989), 17–21ff.; Dieter Ziegler, "'Aryanization' and the Role of the German Great Banks," in *Networks of Nazi Persecution: Bureaucracy, Business, and the Organization of the Holocaust*, eds. Gerald D. Feldman and Wolfgang Seibel (New York: Berghahn, 2006), 48–50; Beck, *Fateful Alliance*, 24–25, 90–92.

¹¹⁷ Emphasis in the original: Hans Lohnert to the local group leader of Berlin-Dahlem, October 10, 1938. In early 1933, the board contained, in addition to Meinhardt, six members of Jewish ancestry, not four.

demand that elite Jews use their influence and halt the avalanche of negative reports about the new regime in foreign newspapers.¹¹⁸ The message to transmit to the international press was not that German Jews were being mishandled – “barefaced lies,” according to one of Hitler’s spokesmen – but that the German government was tired of being flogged in the public sphere for acts that Nazi officials refused to confirm. “Unless you put a stop to these libelous accusations immediately, I shall no longer be able to vouch for the safety of German Jews.”¹¹⁹ Meinhardt lost little time and fled to London. Eventually, he would help coordinate relief efforts under the auspices of the Association of Jewish Refugees.¹²⁰

CONCLUSION

Meinhardt left no record of his impressions and preoccupations in 1932. Nonetheless, the context has provided clues. He and his fellow board members found themselves in a complicated, perilous situation, which they approached first with pessimism and then with fatalism, a result of years of difficulties, the worst of which had been the hyperinflation of 1923. Many of them blamed the republic for their woes and decided, in the end, not to defend it.

Under the conditions of 1932 – mounting anti-Semitic violence, a collapse in demand, mass unemployment – a defense of liberalism might have seemed out of reach, even to committed liberals such as Meinhardt. That commitment was weak among his colleagues, after all. It had wavered after 1914 and then broken under the hyperinflationary conditions of 1923. The period of relative stability (1924–29) did little to make amends. Instead, stabilization indicated the likely endurance of the republic, its social programs, and, especially, the taxes that paid for those programs. In their annual reports and trade publications, more and more hoteliers turned anti-republican and anti-liberal. They railed against the

¹¹⁸ For example, see Dorothy Thompson’s famous interview with Hitler at the Kaiserhof, published in the March 1932 issue of *Cosmopolitan* under the title “I Saw Hitler!” See also Deborah Cohen, *Last Call at the Hotel Imperial: The Reporters Who Took on a World at War* (New York: Random House, 2022), 139–42.

¹¹⁹ Quoted in Will Wainwright, *Reporting on Hitler: Rothay Reynolds and the British Press in Nazi Germany* (London: Biteback, 2017), 75.

¹²⁰ Tobias, *Iris Runge*, 342; Meinhardt, Wilhelm [sic], biographical entry, *Deutsche Biographie*, www.deutsche-biographie.de/pnd127299904.html, accessed July 13, 2022. On the personal ruin of progressive, liberal, and conservative elites like Meinhardt, see Noah Benzra Strote, *Lions and Lambs: Conflict in Weimar and the Creation of Post-Nazi Germany* (New Haven: Yale University Press, 2017), 12.

government and its tax regime with such zeal that when the republic needed them, even the liberal hoteliers lacked the words and the nerve to come to democracy's defense. Instead, Meinhardt equivocated over the issue of whether to favor Jews or Nazis and then chose the latter. By September 15, 1932, there was no space left in the boardroom for a full-throated condemnation of liberalism's antithesis, Nazism, or of Hitler, who should have been the Kaiserhof's least welcome guest.