
PALGRAVE STUDIES IN ECONOMIC HISTORY
The Development of the Hotel and Tourism Industry in the Twentieth Century
Comparative Perspectives from Western Europe, 1900–1970
Edited by
Carlos Larrinaga
Donatella Strangio
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Carlos Larrinaga · Donatella Strangio
Editors

The Development of the Hotel and Tourism Industry in the Twentieth Century

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CHAPTER 1

Introduction

Carlos Larrinaga and Donatella Strangio

In the shaping of a tourism system, different agents come into play, such as the tourists or clients themselves, the companies and entrepreneurs related to the sector, the government, receptive tourism and active tourism associations, etc. In other words, a large number of agents participate in the process. The first national or regional tourism systems began to form in the second half of the nineteenth century, at the beginnings

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of modern tourism, and gained weight in the early decades of the twentieth century, particularly in countries such as Switzerland, Italy or France, for example. In this book, our intention is not to focus on the tourism systems per se, but on one of their fundamental components, the hotel industry. This is because we cannot understand the tourism development of a city, region or country without its hotel supply. It is true that, initially, not all of the existing hotel supply was aimed at tourists and catered to other types of guests such as merchants, senior officials, entrepreneurs or liberal professionals. However, it is also true that, as time passed, an increasing number of hotel establishments began to serve tourists. In this respect, it could be said that from the end of the nineteenth century and beginning of the twentieth century, the hotel industry adapted to the demands and evolution of these tourists. Specifically, we are referring to a transition from elite tourism to a progressive mass tourism, which began to emerge in the 1920s and 1930s and became widespread after the Second World War.

As the hotel industry is so fundamental for tourism development, it is interesting to point out that, until very recently, few studies have analysed this sector. Fortunately, over the last few years, important academic studies have been conducted in this respect, given that, until not long ago, much of the existing research on the hotel sector in general or on a hotel in particular was carried out by amateur authors, not academics. The considerable development of tourism history from the end of the twentieth century, beginning with the pioneer studies of John Walton, among others, led some tourism researchers to explore the hotel industry. Different books, chapters, articles and international congress papers have given the study of the hotel industry in Western Europe during the twentieth century increasing prominence within tourism history studies. Taking advantage of this new reality in European historiography and the existence of a group of academics who are increasingly committed to studying the hotel industry, we have decided to elaborate this book which compiles a good number of studies with the objective of disseminating different realities that can be used to make comparisons and expounding the problems that the historian faces when studying the hotel industry in Western Europe.

Of course, one may ask why the hotel industry has suffered this delay from a research point of view compared to other industries or economic sectors. Undoubtedly, the primary reason seems to be the absence of primary sources. One of the principal problems for the historian when

contemplating a research project is the existence or not of the sources necessary to carry it out. In the case of the hotel industry, the absence of primary sources has been a serious problem. The very business structure of the sector can give us the key: until the mid-twentieth century, the vast majority of the hotel companies in Western Europe were family-run businesses, which makes it extremely difficult to access this documentation which in most cases can only be obtained on request. Only a very few were limited companies, which was the type of company that became popular in the sector after the Second World War, with the spread of mass tourism and the emergence of large hotel chains. Therefore, often the only way of obtaining information on the hotel industry is to recur to public archives, travel guides or the press. In this respect, the enormous task of digitalisation which has been undertaken in recent decades is enabling researchers to access a larger amount of information with which to reconstruct the birth and evolution of such an important sector for tourism. Undoubtedly, a good part of these achievements are reflected throughout this book. Some topics, which, as we shall see below, are addressed in several chapters of this volume.

Now focusing on the book, we should first point out that it is structured into three parts, which, while all being related to the hotel industry and tourism, have certain original features that are worth taking into account. The first section addresses the hospitality industry in the long term in which two case studies are analysed. The first, conducted by Steve Hagimont, focuses on the analysis of the expansion of the hotel industry within the development of mountain tourism: specifically in the Pyrenees from the end of the nineteenth century until the 1960s. We should not forget that, from the eighteenth century, a series of thermal establishments were created, mainly visited by the elite classes. Therefore, there was already a tradition that we call proto-tourism, which, from the end of the nineteenth century experienced an increase in its tourism and hotel supply. Hence the aim of this chapter is to identify the different types of relationship established between hotel companies and public authorities in tourism development at the resort level. Throughout the nineteenth century, private companies were the principal tourism development agents in this region, despite the fact that some municipalities in the Pyrenees were implementing different urban plans. At the beginning of the twentieth century, there was some tension arising from the appropriation of resources or the degradation of the landscape, which intensified after the First World War, requiring greater intervention from the local, municipal

and departmental authorities. In addition to summer tourism a winter sports-related tourism emerged, which increased the demand for hotels and the relationships between the private and public domains became increasingly closer although not exempt from problems. After the Second World War, however, there was a severe hotel crisis in the region, caused, mainly by the new tastes of the clientele, who, at least in the summer, preferred to visit beach resorts, which meant that many of these hotels disappeared and were converted into apartments.

The second chapter of this section focuses on the Swiss hotel industry between 1915 and 1967 and is written by Mathieu Narindal. This contribution aims to analyse the different forms of State intervention in the hospitality industry from 1915 to 1967, given that, in order to preserve the tourism sector, the government took a series of temporary legal and financial measures from 1915 onwards, eventually forming a support system known as the *Hotelhilfsaktion*. It should be remembered that a good part of the hotel establishments in Switzerland at the beginning of the twentieth century was highly dependent on loans for their financing. Therefore, with the outbreak of the First World War and the absence of tourists, the entrepreneurs of the sector began to panic. This was repeated a few years later with the Depression of the 1930s and the Second World War. The hospitality industry made up about 5% of the national GDP, so the government decided to intervene in the sector in 1915 through the *Hotelhilfsaktion*. First, the authorities protected hoteliers from creditors, allowing them to defer payments or benefit from cash transfers. Second, they prohibited the creation of new hotels or expanding existing ones. Third, through the Société fiduciaire suisse pour l'hôtellerie (SFSH), founded in 1921, the State granted loans to hotel owners who could no longer finance themselves with ordinary bank loans. After World War II, the *Hotelhilfsaktion* underwent substantial changes. In 1952, the authorities abolished restrictions on the establishment of hotels and lifted the last measures protecting hotel owners from their creditors in 1961, but it continued to provide direct loans to hotel owners in order to modernise their establishments until 1967, when the *Hotelhilfsaktion* system ended. Unlike the preceding chapter, this chapter insists, on the one hand, on the strength of the Swiss Hotel Association, which was able to involve the State in helping a sector with serious difficulties and, on the other hand, on the transition from the classic capitalism of the beginning of the twentieth century to State interventionism in the economy.

The second part of the book addresses the hospitality industry before and during the Second World War in Central and Northern Europe and has three chapters analysing three very different areas. The first, written by Cédric Humair, examines one of the aspects mentioned in the preceding chapter: the relationship existing between the Swiss hotel industry and this country's banking sector. In this respect, Swiss historiography has largely neglected the contribution of tourism to the development of the banking sector, which flourished during the Belle Epoque and became a central player in the Swiss economy in the twentieth century. Although it is true that this relationship between the banking sector and the hotel industry became evident throughout the nineteenth century, it intensified further in the years leading up to the First World War. The banking sector provided capital to the accommodation entrepreneurs, but, at the same time, it benefited from the development of tourism in the region, as this sector contributed to the banking business in different ways, taking into account that the tourists were foreign and had a high purchasing power. So, the main purpose of this chapter is to analyse the spillover effects of tourism on banking development and to highlight their importance at the beginning of the twentieth century. Therefore, it focuses on the case of the Lake Geneva region at the beginning of the twentieth century. Among the main tourist regions of Switzerland, it also had a dense banking network in Geneva, Lausanne and Vevey. However, the text also refers to the French area of the lake and the capital invested in tourism outside the Lake Geneva region.

A second chapter, written by Kevin James, analyses the hotels in Britain, 1914–1922. This was a critical period during wartime and the transition to peace. During the war years, the British government made use of its expansive wartime powers to requisition hotels for office accommodation, hospitals and other purposes. Many hotel establishments, for example, in London, were occupied by government authorities, as they were infrastructures with large capacities and often equipped with the latest technical advances. This is confirmed in the following chapter which refers to the Second World War. Only after the Great War had ended was the possibility of returning these establishments to their owners contemplated, including a compensation for this occupation. However, the process of returning them was slow, as the Government staff in London had grown a lot and all of the London hotels were not returned to their owners until 1922. A new phase began to adapt to the new circumstances marked by peace in Europe and the gradual return of

tourist flows. However, there were hotels that remained in government hands for longer, such as the Angel Hotel of Bristol (1923). This case study analyses the space that the British government still required in the years following the end of the war, the bureaucratic problems involved in obtaining the compensation owed to the owners of the hotels and the tense relations generated between the public and private sectors due to the requisitions carried out during the war.

The third chapter of this section, written by Yves-Marie Evanno and Johan Vincent, focuses on the French region of Brittany. Like all the regions bordering the Channel and the Atlantic Ocean, it was occupied by German troops. This was a hard blow for tourism in general. However, the presence of the German occupiers paradoxically constituted an opportunity for the hoteliers. The hotels responded perfectly to the requests of the winners. But, unlike during the previous war, the hotel business was maintained mainly due to requisitions. In fact, the French authorities were responsible for accommodating the occupying troops under Article 18 of the Armistice Agreement signed on 22 June 1940. So, all the establishments concerned were compensated by the French government to mitigate the financial loss of such an occupation. In general, Brittany's hotel industry then benefited from a real modernisation at a low cost, during the first phase of the war. Nevertheless, during the second phase of the war, some hotels had been destroyed by Allied bombing or during the fighting at the Liberation of France and requisitioning did not protect against damage. For example, the regions of Brest, Lorient and Saint-Nazaire were particularly hard hit by excessive bombing and hotels were not spared. But, from the start of 1945, even before the end of the fighting in France, the hotel industry was a priority for the Provisional Government of the French Republic. In this sense, the Ministry of Reconstruction and Urban Planning and the Marshall Plan identified the hotel industry as a priority for reconstruction. Therefore, in the early 1950s, the hotel industry of Brittany showed clear signs of recovery and was once again prepared for a new tourism boom preceding the mass tourism phenomenon.

Finally, the third part of the book addresses the hospitality industry before the Second World War in Mediterranean Europe and is made up of five chapters. The first, written by Annunziata Berrino, examines a case study of the Grand Hôtel du Vésuve in Naples, a city with a long tourism tradition. Between the late eighteenth and early nineteenth centuries, Naples and its surroundings had played a crucial role in the development

of the tourist phenomenon. The locations around the Gulf constituted a group of attractive resorts. In addition, foreign entrepreneurs and professionals seized the opportunity to settle in Naples and diversify their activities by investing in real estate, transportation and services. Precisely, two brothers from Belgium played a leading role in these public works: Oscar and Herman Charles De Mesnil de Volkrange. Oscar De Mesnil had a multifaceted personality and promoted the *Bagni del Chiatamone*, but also the Hôtel du Vésuve, which opened in 1882. The hotel was decorated in the style of the ruins of Pompeii, but was lacking in services and technology, and was, therefore, not a luxury establishment. After the inauguration, Oscar De Mesnil had entrusted the management of the Vésuve to the Fiorentino brothers, a family who continued to run the hotel even after the death of the Baron in 1897. From the beginning of the century, however, conflict arose between the heirs of De Mesnil and the descendants of the Firorentinos, particularly, Onorato, who was in favour of introducing major reforms in the hotel to convert it into one of the best in Europe. The problem was that it seemed that the Belgian owners no longer wanted to invest in the Vésuve. Only the outbreak of the First World War changed the situation, because Belgium was devastated, and the Belgian owners informed the Fiorentino family of their intention to sell the hotel. After lengthy negotiations, led with tenacity by Onorato Fiorentino, the sale was finalised in January 1922, and the Vesubio was transformed into a "first-class" hotel, incorporating the main technical advances of the second industrial revolution.

The second chapter, written by Carlos Larrinaga, explores the relations between hotel industry and the State in the first third of twentieth century in Spain. In this country, in the twentieth century, several regimes followed one another. In the first third of twentieth century alone there was a liberal parliamentary system, a dictatorship with a king as Head of State and a democracy under the Second Republic. This succession of regimes generated different institutional frameworks that brought about different relationship models between hotel entrepreneurs and the Administration. At the beginning of the twentieth century, the law regulating the hotel industry in Spain dated back to 1858. It established very general bases for an underdeveloped industry. Several decades went by until new legislation was passed: the Royal Circular Order of 17 March 1909 of the Ministry of the Interior in order to better protect the interests of the hotel industry in Spain. In particular, it protected both the travellers and the entrepreneurs of the sector. And together with the Royal Order

of 1909, it is also worth mentioning the creation of the Royal Commission of Tourism and Artistic Culture in 1911. This was the first public attempt to participate in tourism affairs, but its action did not satisfy the hotel sector, with which it hardly had any contact. To replace the Royal Commission, in 1928, during the dictatorship of Primo de Rivera, the National Tourism Board was created. For the first time, Spain had a genuine tourism administration, interested in all aspects of tourism, including the hotel industry which came to be represented in the General Council, a consulting body of the National Tourism Board. In fact in the same year, 1928, the Official Chamber of Hotels was created. Now, the entrepreneurs of the hotel sector were obliged to participate in this Chamber, in accordance with the corporate organisation of the economy during the dictatorship. This Chamber was an official corporation. Before its creation, the contact between the accommodation entrepreneurs and the government had been carried out through private associations, but now it was conducted through the Official Chamber of Hotels. With the advent of the Second Republic in 1931, the National Tourism Board experienced major changes and in the Regulation of 1934 the General Tourism Council disappeared. However, the Official Chamber of Hotels maintained its representation in the board of the PNT thanks to one member until 1936.

The third chapter of this part of the book, written by Víctor Heredia and Marta Luque, examines the Spanish province of Malaga, which had an enormous tourism potential during the first third of the twentieth century. In Malaga, at the beginning of the twentieth century, tourism was seen as an alternative source of wealth in light of the agrarian and industrial crisis. After the turn-of-the-century depression, initiatives arose that pursued the consolidation of an attractive offer for tourist flows with high purchasing power. From the last decades of the nineteenth century, voices began to be heard in Malaga drawing attention to the possibilities of tourism as a source of wealth. Several personalities from local society at the time defended the exploitation of Malaga's climate as an economic resource, turning the city into a winter resort that attracted wealthy tourists. Therefore, the first objective was to attract rich tourists with a desire to spend winter seasons in temperate climates. But also it was essential to improve the urban and sanitary infrastructures. With the increased tourist flow, the city's hotel offer had grown from 1900 compared to the previous era. The first hotel supply was basically located in the city centre. However, during the first third of the twentieth century,

the discovery of the beaches took place, leading to the establishment of several upscale establishments in the Caleta neighbourhood. At the beginning of the twentieth century, the waters of the Atlantic Ocean were the most demanded for health reasons, but the waters of the Mediterranean were also gradually becoming more popular. The hygienist component was disappearing and the recreational component of sea bathing emerged. From the 1920s, with the incorporation of the middle classes into the tourism phenomenon, the hotel supply in the city of Malaga and its province diversified, thanks, mostly, to the improvement made to the roads. Moreover, many of the hotel establishments were owned by foreign investors who clearly saw the possibilities of sun and beach tourism in the province of Malaga. In short, during these years, the foundations were laid for the international tourist vocation of a destination that would consolidate under the Costa del Sol brand after the Second World War.

The fourth chapter of this block, written by Donatella Strangio and Marco Teodori, also consists of a case study. Specifically, it analyses the hotel and accommodation system in Rome before the Second World War. Unlike the city of Malaga, Rome had been a tourist destination for a long time. In fact, it was one of the most important destinations in the world as it had played a fundamental role during the Grand Tour trips. The aim of this work is not to recount the measures adopted by the executive to extend, improve and modernise the means of communication and transport in the various locations. Neither is its objective to describe the introduction and creation of bodies dedicated to improving tourist services, to which nevertheless, reference will be made, but rather to focus on the receptivity of the tourist system and therefore on the hotel system, which began to become stronger immediately after the war and was implemented above all in the areas that, due to their natural and artistic beauties, most intensely exercised charm and appeal. Of these, the case study chosen is the city of Rome in the 1920s and 1940s based on new original sources.

The positive results in the foreign tourism sector cannot be ignored, attributable to the various cultural, artistic and sporting events and initiatives resonated beyond the borders. However it is extremely important to underline the development of internal tourism promoted by the fascist regime, above all to extend and consolidate the popular consensus.

Tourism activities had begun to lose their traditional characteristics, especially their elitist nature, even before the Great War and in the years immediately following its conclusion; however, it was with the advent of

fascism that a growing number of Italians were induced to experience the joys of tourism; The *Opera Nazionale Dopolavoro* (National Afterwork Club) was the main organiser of leisure and welfare programmes, promising to put free time to good profit within a festive fascist atmosphere: free time that the Fascist Saturday had somewhat lengthened. In short, it offered a multifaceted range of initiatives and did not conceal its propagandist and populist aims, which also tended to develop domestic demand.

This third part of the book closes with a fifth chapter, written by Carmelo Pellejero, about the origins of the public hotel chain "Paradores de Turismo de España". Until now, the different chapters have addressed the topic of the hotel industry from the point of view of the private sector. This chapter, however, focuses on the origins of a public hotel chain which still exists today. Thus, the objective of this chapter is to analyse its origins, which date back to the year 1926, when, under the reign of Alfonso XIII, it was considered convenient to create in those areas of special tourist interest, but where private initiative was scarce or non-existent, an offer of public tourism establishments characterised by adjusted prices, quality services and comfortable facilities, in order to increase tourist trips to Spain. It was not luxury accommodation and was created in response to several circumstances, namely: the emergence of motor tourism in Spain, the modern conception of hotels and the expansion of tourism among social groups that were considered as being elite. This series of circumstances led the Marquis of Vega Inclán, the director of the Royal Commission of Tourism and Artistic Culture, to create this type of accommodation, while also making a fortune, as the replacement of the Royal Commission with the National Tourism Board did not bring about any changes in this respect. Not even the economic crisis derived from the stock market crash of 1929, during the Second Republic, could paralyse the expansion of this public hotel chain, which, when the Civil War broke out in 1936, had 17 establishments. Although the public hotel chain "Paradores de Turismo de España" only represented 1% of the beds offered, the principal novelty resided in the creation of a public hotel chain to attempt to substitute the private initiative in places that had not been of interest.

In short, the book includes a varied collection of studies on the hotel industry in Western Europe from the beginning of the twentieth century until the 1970s, that is, before the severe economic crisis of these years. Evidently, it does not cover all of the geographical areas, but we

consider that we have compiled highly interesting material for tourism history scholars. This group of studies constitutes first-class material with which to make comparisons and establish a starting point for subsequent research. In fact, throughout the pages of this volume, we can find relevant aspects such as the hotel offer, its evolution throughout the century, its commitment in the configuration of tourist spaces, the role of the State, the impact of the war on the hotel industry and the resilience of the sector, the connections between the banking and hotel sectors and, of course, the investments made in the hotel industry. All of these aspects are particularly relevant in order to better understand how, throughout the twentieth century, a hotel supply that was increasingly related to tourism was shaped in Western Europe, as more and more people who did not form part of the elite classes began to partake in this economic and social phenomenon.

CHAPTER 2

The Hotel Industry in Mountain Tourism Development: Balancing the Profit Motive and the General Interest (Pyrenees, Late Nineteenth Century-1960s)

Steve Hagimont

This chapter examines the place of hotel activity in the urban organization of tourist resorts. These are understood as functional systems within a tourist area, combining accommodation, diversified services, entertainment and cultural, landscape or leisure attractions, all of which form a product on the destination market (Vlès 2014). These resorts are the result of interactions between a variety of players, from tourists to administrations, not to mention the environment (an object of appropriation and a source of attraction and hazards). They are embedded in networks of national and international imaginations, practices and investments. Among the infinite number of these interactions, those between public

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authorities and hotel companies are one of the determining factors in the "competitiveness" of resorts, in their ability to make the most of natural assets, which may otherwise remain no more than potential attractions or yield only an imperfect return (Botti and Peypoch 2012). Cooperation and competition between entrepreneurs, and between them and political power, must find a balance that is rarely natural: it is reflected upon, negotiated and disputed. Regulations are more or less accomplished and take variable forms depending on the era—from town-planning schemes to laws and decrees, via contractualizations between private companies and public authorities or associative and professional groupings (Manfredini 2017). Studying public/private interactions leads to questioning the governance of resorts, well studied in the French case since the so-called "mountain" law of January 9, 1985, which makes communes central actors in planning (Gerbaux 2002; Clivaz 2006; Gerbaux and George 2006; George and François 2008). In fact, this question has been raised since the very origins of tourism.

Studies have attempted to model these complex interactions between public authority and economic players (Darbellay et al. 2011; Sauthier 2017); the aim here is less ambitious. The aim is to identify the different forms of relationship established between hotel companies and public authorities in tourism development at resort level. These relationships influence the specific trajectories of tourist resorts, which are situated at the partly contingent intersection of the local and the global (Vlès and Bouneau, 2016). From thermalism to winter sports, the Pyrenees boast over two centuries of experience in staging and marketing the mountain environment. On the one hand, their specificity lies in the long-standing structuring of tourism around thermal springs which, in the wake of Bagnères-de-Bigorre, became focal points for tourist colonies that came to enjoy the Pyrenean landscapes and, more generally, a regenerating recreational, aesthetic, health and social complex (Chadefaud 1987; Briffaud 1994). Between the end of the eighteenth century and the beginning of the nineteenth century, real resorts developed—whereas in the French Alps, or in the Alps that became French in 1860, the major resorts were outside the massif, like Aix, or developed later (apart from Chamonix). On the other hand, the Pyrenees are much more peripheral than the Alps in the economic and human flows of modern and contemporary Europe. This gives the Alps, a major transnational massif, a centrality in the imaginary of the mountains and in the construction of social and national identities. The cultural presence of the Alps in Europe was renewed

by alpine skiing in the twentieth century, which made the massif an embodiment of modernity (Armiero 2013; Denning 2014; Keller 2016; Mathieu 2019; Anderson 2020). In comparison, the Pyrenees, less high and further from major urban centers, take on the image of mysterious, little-known mountains, but also secondary. This influences their lower capital investment.

Perhaps as a consequence of this lower level of interest, public investment is particularly important in the Pyrenees, to launch resorts, organize the use of water, mountain walks and the urban environment, financing not only capital works, but also preliminary studies by architects and engineers, and complex land acquisitions in areas where land ownership is highly fragmented. Local authorities literally and figuratively prepare the ground for private investment, particularly in hotels, and assume the financial risks associated with the basic infrastructure needed to attract tourists (thermal baths, town planning, roads, parks, casinos). From the second half of the eighteenth century onwards, local and provincial authorities began experimenting with phased development: roads to make the thermal and landscape resources accessible, town planning to discipline the resort area and channel real-estate speculation, and thermal baths to attract visitors, were the primary concerns of local and provincial authorities from the 1760s onwards. To carry out the work and operate the thermal baths, forms of public–private partnership were tried out, without being theorized, involving local authorities, doctors, engineers, landlords and hoteliers. This commitment by local authorities continued in the twentieth century, in parallel with the decline of the spa industry, which attracted wealthy tourists and major financial groups, and the rise of winter sports, for which the Pyrenees are not particularly well suited (Hagimont 2022). The Spanish side of the Pyrenees experienced a rather different trajectory, in particular due to the weakness of the domestic market and local public players in the nineteenth century.

Based on the overall trajectory of the Pyrenees, between success and relegation, between thermalism, mountain tourism and winter sports, marked by the omnipresence of local authorities, we will study the way in which the articulation between private hotel initiative and the will of public players influences the commodification (Frank 2012) of the desire for care and mountains, hypothesizing that forms of interdependence can be observed without there always being synergy. Our starting point is the end of the nineteenth century, when private companies took over the development of resorts in the Pyrenees. The first tensions were observed,

linked to the risk of monopolistic appropriation of resources and landscape degradation. Secondly, we'll look at how the hotel industry was destabilized by the profound changes in visitor numbers to the Pyrenees after 1918, and at the strategies developed to maintain the luxury hotel industry, whose public interest was then proclaimed. These strategies included winter sports and direct public subsidies. As a result of the substantial public investment in tourism, departmental and municipal archives are overflowing with documentation on these public–private relations: development plans, correspondence, concession contracts, litigation, petitions, etc. These documents are supplemented by guidebooks and travel reports, building rental rolls drawn up by the tax authorities, filings of articles of association, subscription lists and general meetings of limited companies, and some company archives, as in Ax. This chapter provides examples of sources that can be mobilized for a more detailed quantitative history, following a path already opened up in Switzerland (Humair and Chiarelli 2021).

Hotels and Tourism Development Before 1914: An Archaeology of Public–Private Partnerships

While the activism of public players is essential for the initial start-up, hotels are an indispensable relay because they are major venues for animation, promotion, innovation and the appropriation of certain practices, such as games and then sports (alpinism, winter sports, skiing, golf, cycling, swimming, automobiles…) (Tissot and Schneider 2018), which then benefits the entire resort. Certain hotels, such as the Princes in Eaux-Bonnes (built from 1854), became the lighthouses of the resorts, whose public baths seemed drab in comparison—although their development was the essential prerequisite for large-scale hotel investments.[1] Outside the resorts, in many isolated locations, private owners set up integrated spas and hotel establishments, creating a dense network for exploiting the Pyrenean thermal waters (290 thermal springs were counted in the massif in 1840) (Fig. 2.1).

Fig. 2.1 Map of the main places cited in the artic

The Last Third of the Nineteenth Century Saw the Emergence of the First Integrated Companies, Based on Long-Term Public–Private Partnerships

In the last third of the nineteenth century, with significant differences from place to place, companies that combined the hotel business with other activities (thermal baths and gambling) were set up and took over part of the tourist development operations. Investors became deterritorialized, as the companies set up brought together shareholders who sometimes had no local roots.

In resorts such as Bagnères-de-Bigorre, Eaux-Bonnes and Luchon, however, local authorities tried to keep control of urban development. In 1860, Luchon drew up a new town-planning scheme to accommodate the casino, an infrastructure that had become indispensable in large resorts, which concentrated concert halls, restaurants, libraries, theaters and gambling halls, tolerated in the absence of legislation before 1907 in seaside towns. The commune, which was in charge of the project, awarded the construction contract to a private company, which in fact

took a long time to form, for a period of thirty years, including the operation of the thermal baths and town-planning work. In Luchon, as elsewhere, public–private partnerships, which have been tried and tested since the turn of the century but for short contracts, are changing in scope. Through these contracts, local authorities try to make these companies assume the financial risks, by attracting local, Toulouse, Bordeaux and Parisian capital (Hagimont 2022). Success varied greatly, as in the case of the Cauterets concession company, imposed on the commune by the Hautes-Pyrénées prefect in 1865. The company took advantage of its monopoly position to develop its own thermal baths to the detriment of the conceded infrastructures, and to invest in the hotel business, thus concentrating many of the tourist spin-offs (Chadefaud 1987, 516–570). In Cauterets, as in Luchon and Bagnères-de-Bigorre, relations between the communes and these companies quickly became strained, as the latter sought to secure their profits at the expense of their commitments to resort facilities, and to pass on their occasional difficulties to the local authorities.

The shareholders involved in the flagship resorts, who came from all over France, established important links with the business world—reminiscent of what Cédric Humair and Jan Chiarelli (2021) was able to study around Lausanne. In Luchon, the Compagnie fermière des thermes et du casino took over the establishment in 1880 and invested in the hotel business. It was founded around Sophrone Sicre de Breilh, owner of a hotel and spa establishment in Ax, who had emigrated to Paris and was already involved in the creation of a hotel-casino in San-Sebastian in 1869, and various Parisian financiers. In 1884, this company merged with the prestigious Hôtel du Palais in Biarritz, formerly owned by Empress Eugénie (Laborde 2001, 146–149; Cachau 2017).[2] From time to time, companies were formed to operate the thermal baths, casinos and grand hotels of several resorts, although none reached the scale of the Compagnie Générale des Eaux Minérales et des Bains de Mer, linked to the Compagnie Fermière de Vichy, which took possession of numerous springs (including Allevard, Contrexéville, Saint-Gervais, Vichy and Spa), hotels and casinos in the early twentieth century (Penez 2004). In the Pyrenees, the greatest attempt to bring together the region's tourist heritage was that of the Société thermale des Pyrénées, in 1912. It took on the lease of the Luchon thermal baths and casino for thirty years and an annual rent of 230,000 F, plus 120,000 F in various obligations (in particular, the upkeep of the orchestra and chorus members), and 1,5 M

F in works to be devoted in the first years of the concession to the thermal baths, casino and town planning. STP also takes over the thermal baths in Bagnères-de-Bigorre and Cauterets, where it acquires the casino and the right to build hotels. Jacques Vernes, director of France's second-largest bank, Banque de l'Union Parisienne, and of Compagnie des chemins de fer du Midi, was behind the company. The company was headquartered in Paris, with a capital of 1.2 million francs. Paris held over 80% of the shares, followed by Toulouse (7%), Cauterets (3%), Marseille (2%) and shareholders scattered throughout western and northern France. The war sounded the death knell for this attempt at spa union, without the resorts having benefited from its full financial power.[3]

Varying Networks of Hotel Investors

In addition to these companies, which aim to horizontally and vertically integrate the resorts' tourism functions, outside personalities are making their mark at the helm of luxury hotels, even if ownership may remain local. Hotel chains of sorts are being formed, with many hoteliers spending summers in the Pyrenees and winters in Pau, the English Channel or the Côte d'Azur. Among many other examples, the largest hotel in the Pyrenees, the Hôtel d'Angleterre in Cauterets (350 rooms), was built between 1877 and 1878 on the initiative of Alfred Meillon, a former cook at the Tsar's court, and his wife, already hoteliers in Pau (Chadefaud 1987, 524–525). The Grand Hôtel du Casino in Luchon was opened in 1880 by M. Bourgeois, who also operated the Lille and d'Albion hotels in Paris, the Roches Noires in Trouville and the Madeleine in Cannes.[4] At the beginning of the twentieth century, a number of real-estate companies sprang up to take charge of subdivision projects and the construction of large hotels.[5] In 1913, Jean Giroix launched a hotel company to open the "Pyrénées Palace" hotel, near the casino. It was an imposing 150-room building with electricity, bathrooms and running water, art nouveau on the outside, classical on the inside, and cost one million francs. Giroix was one of the great names in French cuisine at the time. Head chef at the Hôtel des Roches Noires in Trouville, he was poached by César Ritz in 1881 to become head chef at the Grand Hôtel de Monte-Carlo. It was he who convinced Ritz to hire Auguste Escoffier in 1884. Among the subscribers to the Pyrénées Palace, architect Édouard Niermans (1859–1928) acquired 7% of the shares and took

charge of the hotel's architecture. He was one of the most famous architects of the "Belle Époque", who had a profound influence on leisure architecture in France from 1890 to 1920. He had already built or modernized the Casino de Paris, the Mogador theater, the Moulin Rouge, the Folies-Bergères and the Olympia in Paris, as well as a large number of hotels in Ostend, Monte-Carlo, Trouville, Aix-les-Bains, Biarritz and Nice, where he settled in 1909 and built the Hotel Negresco, which opened in 1912. Henri Negresco (1868–1920), a restaurateur and hotelier of Romanian origin who settled in Nice, was also chef of the Luchon casino restaurant between 1904 and 1908.[6] These examples show the networks of hotel and property developers in spa and seaside tourism, where Luchon's trajectory intersects with that of the Côte d'Azur, the English Channel, Biarritz and Pau. The Pyrenees are integrated into the investment networks of a booming leisure industry (Gigase et al. 2014).

In resorts that were still lagging behind, often due to the financial and political inability of local authorities to take appropriate action, the idea spread that salvation would come from the arrival of large limited companies, which would replace public inaction and organize the resort by developing not only thermal baths and a casino, but also a range of luxury hotels. In Ariège, this was the case in Ax: companies were created from 1863 onwards, whose shareholders were notables and bankers from a 100 km radius, claiming to replace municipal action. In fact, all they do is increase land division and conflict.[7] Such was the case in Aulus in the 1870s, where various hotel companies formed, tried to exploit the thermal spring, reputed to cure syphilis and merged in 1880 to form a company that rapidly collapsed and broke the resort's trajectory.[8] Public intervention is sorely lacking here.

Initial Environmental and Professional Concerns About the Hotel Right-of-Way

Beyond the springs and the urban space of the resorts, the economic appropriation of the surrounding natural sites appears increasingly incomplete as Swiss mountain tourism develops. However, hotel projects are encountering opposition.

Since the 1820s, the communes have controlled the provision of mountain huts and inns for tourists, taking care to retain control of the land (Hagimont 2022), before being overtaken by the Club alpin français (CAF, founded in 1873) and the Touring-club de France (TCF,

1890) at the end of the century. These tourist associations made equipping the mountains with refuges-hotels one of their main concerns. The example comes from Switzerland, where dozens of railroads and high-altitude hotels sprang up after the Rigi was built in 1871. In France, the first project dates back to 1892, with the Aix-Mont-Revard rack railway. This industrialization of panoramas and climate actually caused a stir, relayed by Le Petit Journal in 1889, for example, which mocked the conservative attitude of those opposed to mountain railroads.[9] According to a local newspaper in Luchon, concerned that Switzerland is lagging behind, the mountains are like diamonds that need to be cut and fitted out so that visitors can "easily admire their thousand reflections, and pay, of course".[10]

The argument that Chamonix is lagging behind Switzerland is a recurring one—and it was Swiss investors who set out to make up for this delay in Chamonix, starting in 1892, by building a railroad to the Mer de Glace.[11] Projects were also emerging in the Pyrenees, particularly in Luchon. Around 1888, Amiens-born engineer Charles Lormier teamed up with Luchon doctor Joachim Estradère to build the "Righi [sic] luchonnais", a 12 km, 1600 m-high cogwheel railway to the Spanish-border Entécade summit (2260 m) and a complex of hotels and playgrounds. Local reservations were expressed by hoteliers, who feared a flight to higher altitudes, and by guides, worried about a railroad that might replace their services. In the end, the project was abandoned, as Lormier failed to attract investors, despite national interest.[12] Later, the guides once again opposed a tramway project to the main attractions of the Luchonnais region, where terminus hotels would be set up. Such a project could only satisfy "the particular interests of foreign business people", while visitors to Luchon would be "mostly hostile to mechanical transport".[13] In this way, the guides defended their jobs and skills on their mountains. Chamonix guides similarly opposed the railroad to the Mer de Glace (Debarbieux 2001, 71–79). In Switzerland, too, the rise of mountain railroads and hotels provoked a resistance movement in the early twentieth century, with an anti-tourism and xenophobic tone (Humair and Narindal 2018).

The economy of nature tourism in fact generates its own contestation: to monetize desires for wild and spectacular nature, it is necessary to create infrastructures that, de facto, alter the physical, aesthetic and ecological properties of an emotional and identity-based heritage. Many mountaineers are thus caught up in confused discourses, extolling the

mountains that have "escaped the attacks of daubers, billposters, contractors and other vandals", but actively defending the construction of railroads and hotels to perfect their exploitation (Spont 1914, 259–261). Franz Schrader is one of the few to confront this common contradiction. This eminent geographer, a member of the CAF which he chaired from 1901 to 1904, and a fervent enthusiast of the Pyrenees, is the grand-cousin of Élisée Reclus—himself a critic of mountain refuges and hotels. In a conference, Schrader noted that mountaineers were preaching "the beauty of the mountains", and that crowds were flocking to the mountains and demanding infrastructure—"so here come the refuges, and the guarded refuges, and the hotels, and the trails, and the carriage roads, and the funiculars! […] Here are the banalities of down below transported up there, here is the mountain delivered to the profane crowd". In certain places, "everyone, rich and poor" should be able to "fill their souls with these delicious sensations", as at the Brévent summit near Chamonix, for example (Schrader 1898). Developments here are therefore acceptable, provided they are in harmony with the sites and discreet. "But otherwise", preaches Schrader, "most of the peaks must be protected". In any case, the Belle Epoque hotel craze in the mountains gave rise to an initial wave of protests, even before the strong and lasting wave of the 1970s.

A Public Hotel Service? Promoting and Defending the Hotel Industry in the Face of Twentieth-Century Changes in Tourism

The Inter-War Period: Spa Modernization Projects and the Perpetuation of Emergency Public Intervention

The delegation of development to the private sector continued between the wars, but a break occurred around 1930, due to the economic crisis. Limited hotel companies began to integrate the various tourist functions and take over urban development. In Ax, several local and national companies entered into contracts with the commune in response to its desire to see "the three main operating elements of the resort in the same hands […]: housing industries, thermal establishments and the casino".[14] But these companies arrived at a bad time. One of them, CIFFI, whose capital was partly from Marseille, took over the Ax casino farm, began the development of a new district and between 1928 and 1930 built the Grand Hôtel du Casino, whose opening coincided with the arrival of the

Toulouse-Barcelona trans-Pyrenean rail link via Ax, but also with the crisis (Comet 2019).

This attempt at concentration can also be seen in a large resort like Luchon. In 1925, at a time when the most affluent customers were already less present in the resort, the Compagnie fermière de Luchon (CFL), with French, Belgian and Swiss capital, obtained a 30-year concession for the thermal baths and acquired two large hotels, the Grand Hôtel de Luchon et du casino (3358 m^2 on six levels, opened in 1880 near the casino, which became the "Majestic") and the Hôtel Royal (1200 m^2, cours des Quinconces, opposite the thermal baths). In 1928, the company took possession of the casino: it concentrated some of the city's largest infrastructures, but appeared extremely unstable. While the company seemed to be racing ahead in terms of capitalization (from 1.5 to 10 million francs) and indebtedness, financial companies from Paris, such as the Amar and Danon banks, took over from Swiss hoteliers (based in Lausanne, Klosters and Paris). After Bordeaux financiers took over in 1930, the situation deteriorated with the commune. The commune had itself chosen to go into debt via the CFL to finance construction work on the vaporarium (new thermal baths exploiting steam and radioactivity) in 1929; it found itself in serious difficulty when the crisis became acute in 1931, causing the concessionaire to plunge. The concessions were finally terminated in 1932, and CFL was liquidated in 1933.[15] Delegating the town's main infrastructure to a single company has created a relationship of dependence for the municipality. The deterritorialization brought about by the appeal to extra-regional capital leaves a functionally weakened resort and a commune unable to meet its debts. A study of hotel unionism remains to be carried out to find out whether, as in Switzerland for example (Humair and Narindal 2016), hoteliers are organizing to influence local and regional planning choices.

Grand Hotels: The Disappearance of Structuring Establishments (1930s–1960s)

Luxury hotels are not simply commercial establishments. They have an important symbolic function that places a resort in a kind of "international" ranking of top tourist destinations and increases the overall value of the destination (Tissot 2007; Tessier 2012). It's their decline that seems to have led public authorities to formalize it. The 1930s were extremely difficult for the major hotels. In the Pyrenees, the crisis

accentuated the loss of the most affluent clientele, while competition from summer beach tourism and the medicalization of resorts intensified (Carribon 2001). A long decline began, lasting until the 1970s. The grand hotels were decommissioned or sold off as apartment lots. Municipalities saw this decline as a threat to tourism, and tried to maintain some of this high-end hotel heritage. To do so, they experimented with new types of contractualization after 1945, outside the legal framework. In some cases, they defended the idea that large hotels were public services, since the general prosperity of resorts depended on them (as did spas, casinos and ski lifts). In Nice, the mayor's office succeeded in thwarting the dismantling of the Hôtel Ruhl in the early 1950s. In Pau, winter capital of the Pyrenees since the mid-nineteenth century, the mayor was deeply concerned about the difficulties facing the city's most luxurious hotel, the Hôtel de France. In 1954, it was about to be sold as apartments. The hotel was vital to the casino's results (since the Hôtel de France's clientele filled the gaming rooms) and to the town's prestige. The municipality is therefore considering taking over the operation as part of a mixed-economy company, with the casino company and the Union nationale des hôteliers. There is some legal uncertainty as to whether such public intervention to run a hotel can be justified by the general interest of the business. In the end, the French government decided that it could not.[16] The hotel was eventually maintained, but some wings were sold off, before it closed its doors completely in 1974. Although the communes were unable to take a direct part in the running of the hotel, they did intervene with benefits and subsidies. In the 1960s, Luchon subsidized the modernization of the Sacaron, the resort's largest hotel, owned by the Société des chemins de fer et hôtels de montagne (CHM). In 1967, however, the CHM decided to downgrade the Sacaron and the Grand Hôtel de Superbagnères (around 600 beds in all) from four stars to three. The downgrading was justified by the loss of the hotel's affluent clientele and the desire to lower rates (regulated since 1937). The municipality of Luchon protested through its mayor, Joseph Peyrafitte—himself the owner of a 3-star hotel. The downgrading means new competition for previously lower-class hotels, which risk losing their clientele if they don't lower their prices in turn. Protests made no difference: the Grand Hôtel de Superbagnères was finally leased to Club Med in 1967 and lost its hotel status, before the Sacaron was sold as apartments a few years later.[17] This case reveals the interdependence of establishments and services within resorts, as well as the public utility of luxury hotels: they contribute to

the reputation of the resort and, for other hoteliers, help to boost visitor numbers and prices.

On the Spanish side of the Pyrenees, which had long lagged behind the French side, tourism development plans at the same time involved direct government intervention in the hotel industry. In France, Crédit Hôtelier, which was widely developed after 1945, helped to modernize hotels, but the self-financing required was very substantial. In Spain, the State took charge of the development and management of establishments that were supposed to boost the image and visitor numbers of certain regions, such as the Aran Valley. This followed the Economic Stabilization Plan of 1959, which opened up the Spanish economy to international trade, and the ambitious tourism policy pursued by the Minister of Tourism, Manuel Fraga, from 1962 onwards. As early as 1960, the Ministry of Tourism's Plan de desarrollo turístico del Pirineo envisaged the complete development of the Aran Valley for both summer and winter tourism. The impetus was there. The first concrete act in favor of summer tourism was the creation of two state-owned hotels, which were to serve as showcases for the valley and have a knock-on effect on the rest of the Aran hotel industry: the *paradores* de Vielha and Arties. In an unprecedented move in Europe, these luxury hotels were the State's contribution to the modernization of the Spanish hotel industry (Moreno Garrido 2007). Their development only really took off in the 1960s: between 1962 and 1969, under the impetus of Fraga, fifty *paradores* opened, including sixteen in 1966 alone (including the one in Vielha), thanks in part to US aid. The Vielha establishment, located near the tunnel linking the valley to the rest of Spain (itself modernized at the time) and geared toward the wealthy Spanish clientele, initially had 159 places, increased to 251 in 1976. An annex to the *parador* opened in 1966 in Arties, becoming a fully fledged *parador* in 1977 with 98 places. By the end of the 1960s, the Vielha *parador* had become one of the three most profitable *paradores* in Spain, and was already saturated during the summer months. It stimulated the creation of other luxury hotels in the valley, especially as winter sports were booming.[18] The State, through its intervention in the hotel industry, has directly boosted the valley's tourism development by orienting it toward the high-end niche aimed at its national elite. The reversal of trajectory with the neighboring resort of Luchon, which saw its last two palaces decommissioned, is striking.

Winter Sports Development: the Preponderance and Disappearance of Hotel Interests

Winter sports, in turn, fully illustrate the interdependence of public action and private initiative in the hotel industry. In Switzerland, which again serves as a benchmark, it was hoteliers who enabled the winter season to take off at the turn of the twentieth century; they built the first ice rinks and slopes, while investing in heating (Barton 2008; Tissot and Schneider 2018). In the Pyrenees, these winter sports offered one of the rare examples of private initiative before 1914. The popularity of ski resorts in France began to grow around 1910, but hoteliers were reluctant to open in winter. Welcoming skiers required heating work, the hiring of seasonal workers for an uncertain period and the eventual abandonment of a winter season elsewhere. What's more, there's no guarantee that this isn't just a fad. And snow is in short supply in the valleys. All this makes the economics of winter sports highly uncertain. With the help of the TCF, the aforementioned CHM was created in 1910 to take up the challenge of winter sports. It launched two resorts at an altitude of 1800 m, on undeveloped sites. One opened in 1912, on the Superbagnères plateau, linked to Luchon by a rack railway, equipped for winter sports and intended to accommodate a large hotel (150 rooms, inaugurated in 1922 because of the war); the other at Font-Romeu (Grand hôtel opened in 1913 not far from a new railway line). These resorts were deliberately created to exploit winter sports and had to operate all four seasons according to a model probably inspired by Crans (Switzerland). They embodied local ambitions to diversify tourism and the national expectations of the Compagnie des chemins de fer du Midi, which contributed capital and secured the venture in the eyes of other potential investors (Hagimont 2018). In the face of protests from the rural commune of Saint-Aventin, which was concerned about the new resort's land holdings, CHM's promoters explicitly claimed that their venture was in the "public interest", as it would enable "the development of the Pyrenees" by catching up with Switzerland and boosting the mountain economy.[19]

Font-Romeu and Superbagnères were the first winter sports resorts in France, and undoubtedly influenced the first Mont-d'Arbois project in Megève (1919), but they were caught up in the evolution of practices, by their experimental nature and by the fact that they were out of step with public action. In Superbagnères, real-estate development was blocked in 1911 by the village that owned the ski area (Saint-Aventin),

a conflict that only really came to an end with the transfer of the resort to an inter-municipal syndicate in 1982; in Font-Romeu, urban development was haphazard due to a lack of land control. For both sites, the ski areas proved too limited from the 1930s onwards, when downhill skiing began to develop. In fact, with a slight time lag compared to Central Europe, where alpine skiing was the object of a strong cultural, economic and educational craze (Denning 2014; Quin 2017), alpine skiing truly established itself in the French tourist landscape from the 1930s onwards. The projects are multiplying. Against a backdrop of economic crisis that is undermining summer operations, a Pyrenean model is taking shape: develop the ski area around existing hotel and commercial interests in the valley bottom village (or nearby towns, such as Pau). This is the Swiss model, with the difference that Pyrenean towns are generally at low altitude with no direct access to the slopes. The Luchon-Superbagnères pairing serves as a benchmark, despite the fact that the land blockage has limited urbanization on the plateau: the communes imagine building a ski lift from the valley floor to a snowfield with little or no urbanization. However, this model failed to find its equilibrium, as demonstrated by the failure of the Ax-les-Thermes to Le Saquet cable car, launched by the commune in 1956, whose revenues failed to cover 10% of the annual loan repayments. In 1961, the opening of the road between Luchon and Superbagnères, requested by the CHM to launch real-estate development and paid for by the local authorities, was a turning point. Henceforth, the "Pyrenean model" was abandoned, and roads to the snowfields multiplied, for projects supported by the State on condition of urbanization of high-altitude sites, which most Pyrenean resorts (except Cauterets) accepted. In this context, hotels lost their importance in favor of apartment construction, with a more immediate return on investment. Urbanization at the foot of the slopes multiplied, often without serious evaluation of the qualities of the equipped snowfields—the belief in white gold and the absence of alternative development justifying all adventures (Hagimont and Minovez 2022).

On the Spanish side, winter sports operations are also experiencing major difficulties. The Val d'Aran, on the other hand, is holding its own, in parallel with government investment in the hotel industry. The valley's exceptional snowfields attracted the attention of the authorities and major banks in Madrid and Barcelona. In 1962, they set up Telecâbles Valle de Aran SA, which later became Baqueira Beret SA, integrating the development and operation of ski lifts, property development and upmarket hotel

operations. At a time when French resorts were struggling to keep up with innovations from the Alps, Baqueira benefited from excellent topography, government support (subsidies, land grants and road improvements), sufficient financial strength and a prestigious brand image to fuel the resort's commercial success. The entire tourism economy of the upper valley is swept along with it. The public–private symbiosis is unmistakable, but tends to involve players from outside the valley (Hagimont 2022).

Conclusion

The interdependence between public and hotel development initiatives is clear, but it does not always mean symbiosis; on the contrary, it is marked by power struggles. Without the hotel industry's response to public initiative, there can be no success, but without public initiative to organize space and facilitate land appropriation, to regulate exchanges and to take responsibility for developing the main tourist resource (thermal baths, landscapes, snowfields), the hotel business becomes risky—too risky in the Pyrenees. Resort governance, most often informal, may have failed to prevent negative developments, linked to speculation by large corporations, the closure of luxury hotels (set up as services of general interest at resort level) or the promotion of winter sports.

In the second half of the twentieth century, even though family-run hotels continued to thrive, a fundamental trend in the Pyrenean tourism economy was undoubtedly the growing number of second homes. These are contributing to urban sprawl, while hotel centers are undergoing a process of reconversion, obsolescence and are becoming a cultural heritage. From the nineteenth to the twentieth centuries, and from summer to winter, the boom in tourism and real estate in general is seen by some as an intolerable alteration of our emotional, landscape and ecological heritage. This has given rise to opposition movements that have yet to be fully documented.

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CHAPTER 3

State Intervention in the Swiss Hospitality Industry: From the End of *Laissez-Faire* to the Beginnings of Neoliberalism (1915–1967)

Mathieu Narindal

During the Belle Epoque, the Swiss hospitality industry experienced unprecedented growth. Between 1894 and 1912, the number of hotels rose from nearly 1700 to over 3500 (Ritzmann-Blickenstorfer and Siegenthaler 1996, 741). These establishments, which tended to be increasingly imposing and luxurious (Tissot 1998), aimed mainly at wealthy vacationers; about 80% of their clients came from abroad (Püntener 1994, 58). While the influence of tourism on the mores of the Swiss population was controversial (Narindal 2011), its financial contribution to the country was undeniable. So, on the eve of World War I, the hospitality industry made up about 5% of the national GDP (Püntener

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1994, 56). And the Swiss hotel owners, its driving force, had established themselves as talented businessmen, pioneering capitalists whose companies, when they took the form of a palace, had an aristocratic aura (Narindal 2018). The foundations of this economic success, however, were shaky. Indeed, the extensive use of mortgages to finance ever more sophisticated infrastructures made this El Dorado "vulnerable to the slightest recession" (Tissot 1998, 290). Before the war, hoteliers were already complaining about declining profitability, with hotel associations seeking to combat price falls by setting up cartel agreements (Humair and Narindal 2016). Some even hoped that the authorities would stop the creation of new establishments. Albeit thus aware of their industry's sensitivity to the ups and downs of tourism, Belle Epoque hotel owners did not anticipate the major and long-lasting crisis into which World War I threw them.

In 1914, tourists deserted Switzerland in a hurry. Despite having no income, hoteliers had to pay their fixed costs, especially the interest on their mortgage debts. Ruin loomed over them. As a result, from 1915 onwards, the government intervened to avoid the collapse of the hospitality industry, which would be detrimental to the whole economy (Narindal 2012). Over time, the provisional aid measures, which were reactivated during the Depression of the 1930s, evolved into a long-term support system known as the *Hotelhilfsaktion* (Krapf 1955). State intervention was threefold. First, the authorities protected hoteliers from creditors, allowing them to defer payments or benefit from debt relief. Second, they prohibited creating new hotels or expanding existing ones to regulate the market. Third, through the Société fiduciaire suisse pour l'hôtellerie (SFSH), founded in 1921, the central state granted credits to hotel owners, who could no longer finance themselves with ordinary bank loans (Jaeger 1947). After World War II, the *Hotelhilfsaktion* underwent substantial changes. While Switzerland abolished restrictions on the establishment of hotels in 1952 and lifted the last measures protecting hotel owners from their creditors in 1961, it continued to provide them with direct loans so they could modernise their establishments. In 1967, however, as part of a general reorganisation of the tourism support policy, the SFSH was finally replaced by a new institution. While the principle of state support subsisted in a different form, the *Hotelhilfsaktion* was over.

The *Hotelhilfsaktion* (1915–1967) is of particular interest as an expression of the fundamental reconfiguration of the relationship between the economy and the state due to the crises of the first half of the twentieth

century. In the present contribution, part of a more extensive ongoing investigation, I outline how public support of the hospitality industry evolved, touching on certain central aspects that I intend to explore in greater depth in the future.[1]

The Swiss Hospitality Industry and World War I: The Looming Threat of Discredit

Europe's plunge into war in the summer of 1914, so predictable and yet so sudden, not only posed a military threat to Switzerland but also represented a danger to its economic and financial stability. In these troubled days, panic swept through the country. Customers wanting to withdraw their assets stormed the banks, and the population rushed to stock up on food, momentarily paralysing the banking system and bringing economic life to a standstill. All at once, many found themselves unable to meet their financial obligations. On August 5, the federal government, granted emergency powers by Parliament, issued a temporary stay of enforcement on debt proceedings to help distressed debtors (Moesch 1923). Shortly afterwards, the authorities created the Darlehenskasse der schweizerischen Eidgenossenschaft, a federal loan organisation which allowed debtors needing liquidity to exchange specific paper securities or goods for credit (Senn-Pulver 1927). In a gesture to the hospitality industry, on September 28, 1914, they also adopted an ordinance allowing mortgage debtors subject to debt collection proceedings to obtain the deferral of the foreclosure sale in exchange for a monthly payment of at least one-eighth of the amount due, the first instalment being payable immediately (Jaeger 1914, 1947; Moesch 1923). Under certain conditions, debtors could benefit from a general six-month suspension of debt collection. They would not be free to dispose of their assets and could be subject to administrative supervision.

The ordinance of September 28, the work of Federal Judge Carl Jaeger (1869–1947), did not affect the substance of the Swiss Federal Debt Collection and Bankruptcy Act but merely extended the deadlines to buy time. As for the six-month suspension of debt collection, which carried the scent of bankruptcy, it was a means of last resort. Some hoteliers had expected more. In their view, the hospitality industry, which had been hit harder than any other by the war, deserved specific aid measures. Yet, the government was unwilling to grant the industry preferential treatment so

as not to set a dangerous precedent. Interestingly, the Swiss Hotel Association, the national association of hotel employers, shared this position, explaining that the state, which had to "safeguard the overall welfare of the whole people, not the interests of individual occupation categories" ("Zur Lage", 2014), had done its best. In other words, the principle of "self-limitation" ("autolimitation", Foucault 2004, 40) underpinning classical liberalism appeared well-established in people's minds. The lack of internal organisation in the sector, which was not yet "mature" (Tissot 2014, 44), probably contributed to this initial restraint towards state intervention. Although the existence of numerous professional associations could give a misleading image of unity and of a regulated market, individual action, in fact, still largely prevailed within the industry.[2] Confident in their ability to overcome the crisis, many hoteliers saw a short war as an excellent way of eliminating competitors and cleaning up a saturated market.

Contrary to initial expectations, however, the war dragged on, showing no sign of ending any time soon. As months went by, cash-strapped hoteliers who had to pay mortgage interest started getting worried: the threat of insolvency lurked. The situation was serious: in the bourgeois business world of the long nineteenth century, bankruptcy was a mark of disgrace (Gerhardt 1972; Paulus 2009; Suter 2016). A "civic death" (Gschwend and Kradolfer 2019, 20) awaited unfortunate debtors, who were discredited for a long time, if not forever. Indeed, some Swiss cantons went so far as to strip bankrupts of their civic rights indefinitely ("Kreisschreiben", 1914). In this context, the mere acknowledgement of payment difficulties could ruin the hotelier's credit. From a purely legal standpoint, hotel owners were in an unfavourable situation, the Swiss Federal Debt Collection and Bankruptcy Act being highly protective of mortgagees (Rossel 1896; Jaeger 1935).[3] In the event of composition proceedings, secured creditors could demand the auction of the debtor's property against the will of the other creditors to recover their assets. To be sure, given the unfavourable circumstances, they would hardly press on selling the hotels, which would be a loss-making operation. Plus, since the collateral guaranteed the capital loaned, three outstanding interests, and the current interest, mortgagees could afford to wait a little before taking legal action. Nevertheless, hotel owners would sooner or later be at the mercy of potentially arbitrary decisions, risking economic failure and social downfall in the worst case.

In the Face of Adversity: A Special Treatment for the Hotel Industry?

The looming threat of bankruptcy acted as a centrifugal force, prompting market actors to organise more closely under the leadership of the Swiss Hotel Association (Narindal 2016, 2019). Hotel owners had to join forces to face their creditors and find fresh money. Some dreamed of creating a hotel bank, preferably self-financed, allowing them to borrow at favourable rates. The idea was attractive but unrealistic, with one hotelier noting sarcastically that "this ideal solidarity among hoteliers would surely make the most ardent socialist blush" ("Eine Existenzfrage der Hotelerie", 1915). The Swiss Hotel Association, therefore, had to turn to the government to open new sources of credit. In early 1915, the association called for the creation, as in France, of a "Warrant hôtelier", a provision allowing borrowing against furniture and equipment while retaining their use ("Eingabe", 1915). It also requested to postpone the payment of the mortgage obligations until the end of the war. While the authorities refused both requests, arguing that the furniture was part of the mortgaged properties and that an unconditional postponement of the debts was not an option, they indicated that they were prepared to take measures in favour of the industry (Letter from the Federal Department of Justice and Police, 1915).

Eager to preserve their investments, creditors were open to amending the law in favour of the hoteliers, their main concern being that the loans granted should continue to be secured. Federal judge Carl Jaeger, by contrast, felt that the existing provisions should be altered as little as possible. Moreover, because of the principle of equality, hotel owners should not enjoy special treatment compared to other distressed debtors ("Protokoll der Verhandlungen", 1915). In this, the magistrate had to admit defeat, as the authorities opted to limit the planned measures to the tourism industry. So, on November 2, 1915, the government allowed hoteliers to postpone the amortizations fallen due between January 1, 1914, and December 31, 1916, as well as the interest that had accrued or would accrue after January 1, 1914, as long as no more than three annual interest payments remained unpaid (Jaeger 1915, 1947). To prevent the imbalance between supply and demand from worsening, which would further endanger the capital invested in the industry, the government also restricted the construction and expansion of tourist accommodation facilities, making such projects subject to state approval. The ordinance of

November 2 left a bitter taste in the mouths of many hoteliers, who had been hoping for some financial aid. However, the Swiss Hotel Association hailed the deferral measures as a significant step ("Schutz der Hotelindustrie", 1915). Arguing that it was now up to the cantons and municipalities to get involved, the association decided to concentrate on encouraging the creation of regional credit unions, as in Graubünden.

In the years that followed, the persistence of the war-induced tourism crisis necessitated the extension of legal aid measures (Jaeger 1947). On January 5, 1917, an ordinance extended the possibility of postponement to repayments due between January 1, 1917, and December 31, 1919 (Moesch 1923, 46). Finally, on October 27, 1917, the Swiss government temporarily amended the Debt Collection and Bankruptcy Act provisions relating to the debt settlement procedure (Jaeger 1917, 1947). Blameless mortgagors experiencing financial difficulties due to the war could benefit from a five-year stay of proceedings on principal repayments and a 15-year suspension for the interests. The debtors had to pay the overdue interest in different instalments during the deferment period. The October 1917 ordinance benefited all debtors affected by the crisis, as Jaeger had intended, thereby restoring equality before the law. At the same time, it was a turning point. The fact that loaned capital not covered by the value of the mortgaged property would not be subject to interest was a first significative hitch in the rights of mortgagees. Still, the measure disappointed the hospitality industry. The state had not released any financial aid, and the benefit of the extraordinary legal dispositions remained conditional on the conclusion of a composition agreement considered infamous. The only hope was that these regulations would encourage amicable agreements between debtors and creditors.

Paying off Wartime Debts: The Implementation of the *Hotelhilfsaktion*

The war-induced tourism crisis dramatically tarnished the reputation of Swiss hotel owners. They were no longer praised for their business acumen but criticised for their poor economic judgement, as their past successes were now seen as mere fair-weather captains' accomplishments. Such a lousy reputation was not good for business. "Modern business life is based mainly on credit. Credit is money! And woe betide the businessman who does not enjoy credit!", as the *Schweizer Hotel-Revue* put it ("Vom Kreditnehmen", 1916). Elected in December 1918 to head a

Swiss Hotel Association strengthened by the crisis, Anton Bon was determined to settle wartime debts and thus restore the good name of the hospitality industry. "Every hotelier must make it his duty and honour to comply fully with all his legal obligations", he said on taking office, explaining that debtors should not use the state's aid measures to avoid paying off the overdue interests ("Protokoll der 1. Sitzung", 1919). Yet, the war's end did not mean the industry was out of the wood. The resumption of international tourist traffic remained timid, slowed down by the disorganisation prevailing in the former belligerent countries and the new administrative procedures hampering entry into Switzerland (Senn 1918; Barberini 1929). Inflation was an additional challenge. More than ever, the debt-ridden hospitality industry was thus in a precarious financial situation. And the Swiss Hotel Association was counting on further state intervention to help it recover.

The hospitality industry representatives, who called for the extension of legal support measures and the allocation of direct financial assistance, had to lobby hard to bring the authorities to the negotiating table (Narindal 2012). On December 18, 1920, the Swiss government finally extended the debt settlement facilities granted to hotel owners and the restrictions on building hotels for another five years, creating a particular composition procedure for hotels (Jaeger 1921, 1947). Urged on by the banking world, Parliament had requested that the new ordinance apply only to the hospitality industry, contrary to the draft drawn up by Carl Jaeger, who was still keen to avoid creating an exception. While the uncovered interests were part of the settlement of the unsecured creditors, the debtor could write off the covered amounts by paying three quarters in cash. He might raise the necessary funds by taking out a loan from a semi-public credit organization, the SFSH, which launched its activities in 1921 after a complicated birth process (Jaeger 1947; Narindal 2012). With a capital of 3 million francs, half of which came from the state and the other half from the hospitality industry and other stakeholders, the credit institute received a first federal subvention of five million francs in 1922, followed by a second subvention of three million francs in 1924. This fell far short of the 30 million once hoped for, but the Swiss Hotel Association had nonetheless managed to secure public financial support. To protect the public funds invested in the hotel sector, Parliament passed a controversial law maintaining the authorisation requirement for creating or extending a hotel, the so-called "clause of need" (*Bedürfnisklausel*) until the end of 1930 (Narindal 2012).[4]

From 1924 onwards, tourists began to flock back to Switzerland as the world economy recovered. Soon, the hospitalityindustry was able to dispense with the aid measures. As a result, the authorities did not extend the anti-bankruptcy provisions beyond 1925. Thanks to the 6 million francs in federal subsidies, it was possible to reduce the debt of 250 establishments by CHF 40 million ("Botschaft", 1932). In 1926, the SFSH, which in 1924 had begun distributing dividends to its shareholders (Schweizerische Hotel-Treuhangesellschaft, 1925), approved the last loan applications and prepared for liquidation (Schweizerische Hotel-Treuhangesellschaft, 1927). By 1928, overnight stays had reached pre-war levels. During summertime, hotels were full, as in the best of times. Hotel owners once again invested in their establishments to satisfy tourists' increased comfort expectations. Significantly, the Swiss Hotel Association no longer complained that prices were too low but considered regulating maximum prices to prevent abuses (Narindal 2016). It is difficult to say to what extent the clause of need benefited hoteliers. One thing is sure: the association was very attached to this regulation and obtained its extension for three years beyond 1930, albeit in a lighter form. By 1930, with the Swiss hospitality industry back to its former prosperity, the phase of state intervention seemed more likely than ever to be a brief interlude.

From the Crisis of the 1930s to World War II: The Redeployment of the *Hotelhilfsaktion*

In 1931, the Swiss hospitality industry began to feel the effects of the global economic crisis, which once again deprived it of a large proportion of its foreign clientele (Narindal 2012). Faced with a dramatic fall in tourist traffic, the Swiss Hotel Association called for a new emergency action (Petition from the Swiss Hotel Association, 1932). As a result, in September 1932, the government issued a federal decree to protect hoteliers from bankruptcy, similar to the 1920 ordinance. It postponed the repayment of debts until 1940, abolished interest on mortgages no longer covered by the property's value and allowed hoteliers to settle arrears of covered interest by paying 75% in cash or by capitalising three quarters (Jaeger 1947). The authorities tightened the rules restricting the creation of hotels. In the same year, they reactivated the SFSH. The institution, over which the state took control, received 3.5 million francs. Much to the displeasure of the hoteliers, the employees succeeded in making access

to support measures conditional on membership in a joint unemployment insurance fund. In March 1934, the government introduced a maximum interest rate of 5% for covered mortgage debts and allowed the deferment of fiscal debts. The Swiss Hotel Association, however, considered this aid for endangered businesses insufficient. In order to prevent the sector from collapsing, the hospitality industry as a whole needed to be supported. The association called for lower production prices, reduced rail fares, more significant government efforts to develop tourism, lower interest rates and a substantial increase in SFSH funding (Schweizer Hotelier-Verein 1935).

As the crisis worsened, the SFSH received a further CHF 6 million (Narindal 2012). The government also initiated an extensive revision of the legal aid scheme. Because of opposition from the banks, the hoteliers failed to obtain the introduction of a variable rate for interest on covered mortgage debts. The mortgage composition procedure adopted on June 21, 1935, set the maximum interest rate for these debts at 4.5% and prohibited lower rates from being raised. In some cases, hoteliers could settle the covered interest arrears by paying only two-thirds of them. These protective measures, which could merely slow the rate of indebtedness, seemed powerless to pull the hospitality industry out of its predicament. The federal government's policy came thus into question (Schumacher 1997). National Councilor Ricardo Rossi, for example, saw the legal protection system as "spoliation on the backs of creditors, a kind of communism" ("Protokoll der Verhandlungen", 1935). Noting that the hospitality industry no longer had any credit, the Ticino deputy would have preferred to focus on attracting tourists. In the business world, the entrepreneur Gottlieb Duttweiler, a champion of competitive capitalism, was determined to revive tourism without state support by developing low-cost package tours (Humair and Narindal 2014). Even Carl Jaeger, the architect of all the legal protections, had no illusions about the effectiveness of a system based on the "utopian" idea that "the crisis was temporary and that the visitor levels of yesteryear would return in the years to come" (Jaeger 1935). To break the deadlock, the Swiss Hotel Association began to see its salvation in monetary intervention (Narindal 2012). However, it was careful not to call openly for devaluation, which would be tantamount to declaring war on creditors.

Just as the *Hotelhilfsaktion* had reached its limits, the devaluation of the Swiss franc took place in September 1936. This measure made Switzerland affordable again for foreign tourists and led to a welcome recovery.

The time seemed ripe to cancel some of the liabilities of the hospitality industry. As early as 1937, the director of the SFSH, Franz Seiler (1887–1966), in collaboration with Carl Jaeger, started to work on the modalities of such a process(Jaeger 1947; Narindal 2022). He planned to give hoteliers a significant discount on debts exceeding the yield value of the establishments. In addition, the SFSH should be able to grant loans for renovations or furniture renewal. However, the banks and the Swiss Hotel Association opposed the bill. The banks wished to avoid the risk of other economic sectors demanding similar benefits. They wanted the state to provide the necessary funds for debt relief. As for the hotel association, it considered that all hoteliers should be able to benefit from the loans, not only those who had exhausted all their resources, as the draft envisaged. The hoteliers asked for a reduction in interest rates and the release of "a federal contribution of at least 50 million francs" ("Die Frage der Neuordnung von Hotelsanierungen" [undated]). Another sticking point was the interference of the SFSH in the affairs of the hoteliers, viewed as a form of tutelage. The differences between the SFSH and the Swiss Hotel Association, which threatened to degenerate into open conflict, slowed down the implementation of the reform and made it necessary to extend the existing provisions.

Settling the Past and Looking to the Future: The Law of September 28, 1944

The outbreak of World War II put an abrupt end to the recovery movement that the devaluation had brought about, once again placing hotel owners under threat from their creditors. According to a survey of 400 hotels conducted between May and August 1939, when the threat of war was already looming, operating revenues had fallen by more than a quarter compared with the previous year ("Protokoll", 1939). Even though many of these establishments benefited from reduced interest rates, only 60 hotels could service their loans; 155 paid only 40–50%, while 185 could not pay anything. In 300 hotels, current debts far exceeded liquid assets. An article published in the *Schweizer Hotel-Revue* in the early days of the conflict illustrates the danger facing hoteliers. It described the tragic fate of a hotelier's family who had to leave their home after the bank took it over. The review explained that the reason for this tragedy was "the first-rank mortgage", "the unrestricted queen of our credit system", which was untouchable ("Die erste

Hypothek", 1939). True, hotel owners had benefited from delays and discounts, but the concessions were minor compared to the scale of the crisis. It was unfair. While the banks suffered few losses, the hoteliers who had invested considerable sums in their establishments were now stripped of the fruits of their labour by their creditors. This "unilateral sacrifice" had to end. The Swiss Hotel Association hoped the new crisis would lead to actual debt relief measures, forcing holders of first mortgages to bear their share of the losses.

In November 1939, the government took further deferral measures in response to the new crisis in the hospitality industry (Jaeger 1947). Then, in October 1940, it extended the legal aid provisions. Hotel owners could now benefit from a variable interest rate, with the maximum interest rate set at 3.5%. The authorities also increased the discount on arrears interests. A further extension took place in December 1941. Between 1940 and 1942, the government granted 6 million subsidies to the SFSH to carry out its aid activities and 5 million credits to finance the debt relief system. At the same time, the Swiss Hotel Association, which wanted to avoid a price collapse as had happened during World War I, sought to strengthen the regulatory dimension of the *Hotelhilfsaktion* (Narindal 2016, 2022). It wanted the state to limit private room rental, which rivalled the hotel industry and asked that the association's tariffs be declared binding on all hotel companies. Let there be no mistake. The association only advocated intervention insofar as this coincided with its interests or when it could define the game's rules. While it sought to impose its price regulations on the entire industry, the Swiss Hotel Association was fighting against the price controls introduced by the state as part of the fight against inflation. In the present case, efforts at regulation proved fruitless. Limiting the supply of private accommodation clashed with the cantons, some of which did not want to deprive the mountain populations of a welcome additional income. As for the institutionalisation of cartel provisions, it was too great an infringement of the freedom of trade and industry.

In 1942, the dynamic changed. Preparing the Swiss hospitality industry for the post-war period, which would come sooner or later, was now a priority. As creditors feared losing much of their investments because of the tourism crisis, they were prepared to make sacrifices. It was the right time to obtain concessions. Thus, with slight modifications, Franz Seiler and Carl Jaeger reactivated their draft debt relief law (Jaeger 1947; Narindal 2022). Like the previous version, the text made it possible

to cancel part of the debts exceeding the yield value and allowed the SFSH to grant loans to renovate the hotels. Now, however, the initiators considered the use of public funds to finance the restructuring to be indispensable. Although the debt relief bill only partially convinced the Swiss Hotel Association, as it wanted to increase the scope of debt relief, reduce the SFSH's control and restrict assistance to companies that complied with its minimum prices, the association finally agreed. On September 28, 1944, the Parliament passed the law. The *Hotelhilfsaktion* thus reached its maximum extension ("Message", 1960). The most important innovation of the law was to allow the elimination of some of the uncovered mortgages. It also offered the possibility of deferring certain payments, benefiting from a variable interest rate and obtaining remission of unsecured debts. The following year, the government handed the SFSH a total credit of 65 million for 1945–1949 to grant loans for debt reduction and improvement. Therefore, World War II was a double-edged sword for the hospitality industry. While it plunged the sector anew into crisis, it helped to gain acceptance for the principle of a state financial contribution to its recovery.

Post-World War II Dissonances

The end of World War II did not mark the end of the *Hotelhilfsaktion*. According to the Swiss Hotel Association, of which Franz Seiler took over the presidency in 1946, the Swiss hotelier, as a "true entrepreneur", had no intention of putting his fate in the hands of the state ("Staatshilfe und Selbsthilfe", 1946). "It is through a high level of performance, relying only on his own strengths, that the hotelier wants to assert himself in the struggle for existence", noted the association. However, while downplaying the scale of public support, which consisted mainly of loans, the hoteliers admitted that it was still impossible to lift the federal aid scheme. During the immediate post-war period, the Swiss Hotel Association played a balancing act, condemning economic interventionism while defending the *Hotelhilfsaktion* against opponents of wartime emergency law. For example, the hoteliers supported the maintenance of the clause of need, which from 1948 on was only applied in tourism regions, as well as the debt relief measures. Interestingly, the law of September 1944, of which Franz Seiler had been the driving force, did not meet all expectations. By the spring of 1948, hotel owners had only used 12 of the 65

million ("Message", 1948). The protections afforded to debtors (deferment clauses or variable rates) discouraged them from reducing their debt, which would also mean higher taxes. In addition, the debt reduction procedure still had a bad reputation. When it came to renovations, both debtors and creditors took a wait-and-see attitude ("L'industrie hôtelière suisse", 1952). Complaining about the slowness of the modernisation process, the Swiss Hotel Association hoped in vain for the release of non-refundable subsidies.

In 1949, the tourism boom, which had started up again rapidly after World War II, was interrupted by a significant jolt. The wave of devaluations that swept through Europe once again undermined the competitiveness of the Swiss hospitality industry. Against this backdrop, on December 9, 1949, the government extended until the end of 1950 the legal provisions introduced by the law of September 28, 1944. In 1950, the authorities organised a conference to discuss measures to ensure the future of the hospitality industry. On this occasion, Franz Seiler argued that the hotel industry needed to recover by stimulating demand ("Zum Referat von Dr. Franz Seiler", 1950). Keen to boost private credit in a context where there was no shortage of capital, he also suggested that the state should guarantee the interest on loans for renovations, provided either by the banks or by a hotel credit institute yet to be created, with the SFSH playing more of a supervisory role. In his opinion, the state would have everything to gain from this procedure since it would reduce its financial contributions. As for the financial aid already granted, the SFSH should forego the payment of interest and focus on the repayment of loans. Finally, from a legal point of view, the president of the Swiss Hotel Association wanted the provisions undermining common law, which were scaring off potential investors, to no longer apply to new loans and to be limited to the maximum for existing loans. While Franz Seiler succeeded in getting tourism promotion campaigns off the ground, he was not able to influence the state's financial support policy for the hospitality industry. As recommended by the SFSH, the authorities maintained their loan strategy.

During the 1950s, although tourism was booming in Switzerland, the *Hotelhilfsaktion* was renewed. The objective was to help the still-fragile mountain hospitality industry and, thus, the Alpine areas left behind by economic development. However, the scope of the support system gradually decreased. In 1951, Gottlieb Duttweiler and his Alliance des Indépendants launched a referendum against the extension of provisions

restricting the opening and expansion of hotels. The campaign was, above all, symbolic, presented as a fight to re-establish the rights of the people in the face of a Parliament considered to be controlled by corporate unions ("Meister, Du darfst den Knecht nicht machen lassen!", 1951). The hospitality industry, which argued that maintaining the restrictions contributed to the "struggle of the mountain population for its existence" ("Für ein gesundes Hotelgewerbe", [undated], 6), had to concede defeat: in 1952, voters rejected the extension by 53.9%. On the financial front, between 1950 and 1953, the SFSH's overall credit allocation was reduced by 24 million. The law of June 24, 1955, which brought together the legal and financial components of the *Hotelhilfsaktion*, represented a further step towards normalisation ("Loi fédérale", 1955). The scope of application of the legal measures inherited from the 1944 law was limited to tourism regions, and the provisions relating to debt relief were abolished. On the other hand, the SFSH's ability to stimulate renovation was increased by reducing the level of security required for its renovation loans. By 1955, the federal institute had been transformed into a hotel bank, which could lend at below-market rates. Public aid was to be the driving force behind private credit, with SFSH loans complementing those of private lenders.

The Emergence of a New Support Scheme for the Hospitality Industry

In the second half of the 1950s, differences over how to support the hospitality industry intensified. The law of June 24, 1955, did not satisfy Franz Seiler, who had not given up on creating a guarantee fund on private loan interest to finance modernisation. So, the Swiss Hotel Association president sought to realise his project outside the *Hotelhilfsaktion*. Creating such a fund should prevent a "long-term state control of hotel credit", which would not contribute "to the economic recovery of the hospitality industry, the maintenance of private initiative, the strengthening of the entrepreneurial spirit and the promotion of the next generation" ("Protokoll", 1955). Supported by Otto Zipfel (1888–1966), a high-ranking civil servant who had distinguished himself as the government's delegate for job creation and economic defence, this idea led to the creation of the Coopérative suisse de cautionnement pour l'hôtellerie saisonnière (CCH) in 1956. This private-sector-funded organisation aimed to give the hospitality industry back access to the private

credit market by guaranteeing bank loans. Having difficulty raising the necessary funds, the CCH did not begin its activities until 1958, and its effectiveness remained limited. However, that same year, the idea of a hotel loan surety system gained momentum. In anticipation of the lifting of the law of June 24, 1955, scheduled for 1965, the president of the Union Bank of Switzerland, Alfred Schaefer (1905–1986), proposed transforming the SFSH into a private joint-stock company that would act as a guarantee institute (Letter from Alfred Schaefer, 1958). In his view, the state could let the new institution, into which the CCH would merge, use the public funds already committed to the hospitality industry as part of the *Hotelhilfsaktion*.

The first talks to define the future of Switzerland's support for the hospitality industry began in 1958. All parties quickly agreed on the need to lift the legal protections that hoteliers still enjoyed from their creditors, which had fallen into disuse several years earlier. They saw this "spectacular" step as a way of reassuring investors ("Ausschuss zur Prüfung der künftigen Hotelfinanzierung", 1958). Parliament approved this proposal on December 6, 1960, too quickly for the liking of Franz Seiler, who would have preferred to settle the financial aspect first. By contrast, the negotiations on the reform of the hotel credit system, hampered by personal conflicts, dragged on, necessitating a two-year extension of the law of June 24, 1955. Contrary to the advocates of the "reprivatisation" of hotel credit, the SFSH favoured an extension of the existing system, arguing that the hospitality industry could not yet do without direct loans. For the leaders of the federal institute, the project of the CCH to instore a state guaranty on bank loans, as part of a so-called "reprivatisation" of hotel credit, was both misleading and counterproductive: misleading because the state would, in reality, be just as involved, if not more so, than under the existing regime; counterproductive, because the need to take out bank loans at market rates rather than benefiting from preferential rate loans from the SFSH would slow down the process of modernising the hospitality industry, going against the objective of the aid measures ("Stellungnahme der Direktion", 1963). In practice, only the banks would benefit. Finally, in 1964, the negotiations resulted in a compromise solution involving the creation of a new credit organisation tasked primarily with guaranteeing bank loans but authorised to grant direct credit.

On July 1, 1966, Parliament approved the Federal Law on the Encouragement of Credit to the Hospitality Industry and Holiday Resorts, which

brought about the merger of the CCH and the SFSH into a public cooperative, the Société suisse de crédit hôtelier (SCH) ("Loi fédérale", 1966). With the SFSH's funds at its disposal, the new institute was to benefit for ten years from a federal guarantee covering 75% of losses on guaranteed loans, up to a maximum of CHF 100 million. At the end of these ten years, the government could demand repayment of an initial tranche of CHF 20 million. Public aid, which did not represent the slightest risk according to the government, was limited to tourist regions and allowed for renovating or replacing existing hotels. The law should give the hospitality industry the necessary stimulus to overcome past crises once and for all. While the CCH had thus succeeded in imposing an unwanted reform on the SFSH, the federal institute gained the upper hand at the time of the merger. The government appointed the president of the SFSH to head the new entity, whose headquarters, which the CCH wanted to move to Berne, remained in Zurich. The director also came from the ranks of the SFSH. In the end, only two employees from the eight-strong cooperative joined the SCH, bringing the total number of employees to around thirty. The unification of the two financial institutions in the summer of 1967 was, therefore, more of an absorption than a merger.

Conclusion

By helping the hospitality industry from 1915 onwards, the Swiss authorities broke with the laissez-faire principle of governmental self-limitation. The shift was significant. Contract law and property rights are the two pillars of capitalism (Stiefel 2008, 13). More generally, the provisions designed to manage the insolvency of economic actors, i.e. to define the conditions for their definitive exit from the market, constitute "the vanishing point of economic law" (Paulus 2000, 2189). In this respect, limiting the rights of mortgagees, as did the legal support measures, called into question capitalism's whole "economic-legal complex" ("complexe économico-juridique", Foucault 2004, 173). The *raison d'Etat* prompted the central government to intervene to preserve the enormous value invested in the sector and the jobs that depended on it and to prevent the hospitality industry's distress from endangering the banking system. In 1914, the hospitality industry was too big to fail. However, hotel owners not only won the support of the state because their industry was paying an extremely high price for the war but also because, forced to organise, they managed to make their voice heard by the authorities. In their struggle

for life, the hoteliers could count on the complaisance of their creditors, who had no interest in wishing for their ruin. By contrast, they faced resistance from the laissez-faire legal system, embodied by Carl Jaeger, who did not want to grant them preferential status. Important though they were, the hiccups in the economic-legal complex caused by World War I were meant to be temporary. In fact, in the second half of the 1920s, a return to the status quo ante seemed close at hand. Only the pivotal crisis of the 1930s cemented the *Hotelhilfsaktion*. Despite their spectacular nature, the measures taken between the outbreak of World War I and the end of World War II should not be overestimated. Direct support to the hospitality industry represented, all in all, a mere safety net, the impact of which is difficult to estimate. Indeed, the financial aid consisted primarily of loans and not subsidies. The legal debt relief measures, which were not popular with hotel owners, because they reduced their freedom and tarnished their credit, were primarily a means of forcing creditors to negotiate. As for the provisions aimed at regulating supply, a complement to financial aid, it is impossible to determine to what extent they slowed the expansion of the market.

At the end of World War II, as the outlook for tourism improved, the authorities introduced productive support for the hospitality industry, seeking to stimulate the modernisation of the sector. However, by the early 1950s, the Swiss Hotel Association, led by Franz Seiler, had begun to question the terms and conditions of the *Hotelhilfsaktion*, seeing legal measures as an obstacle to the normalisation of credit and criticising the form taken by financial aid. The case of Franz Seiler is noteworthy. During World War II, as director of the SFSH, Seiler had warmly welcomed the law on debt reduction of 1944, of which he was one of the architects. Yet, in the 1950s, having become president of the Swiss Hotel Association, he advocated a so-called "reprivatisation" of credit, condemning the system of direct loans practised by the SFSH. In supporting the principle of a guaranty system, even though it would make credit more expensive, Seiler adopted a position that is difficult to understand. Possibly fearing that the economic upturn would prompt politicians to lift the *Hotelhilfsaktion*, he may have wanted to safeguard the funds committed to the hotel industry by entrusting them to a private institution. Rivalry with his former institution, the SFSH, undoubtedly accentuated his desire to reform the credit system. Finally, this neo-liberal intellectually (Seiler 1942/1943) and personally (Solchany 2015) close to Wilhelm Röpke may have wanted to limit direct state intervention in the economy out

of ideological conviction. In reality, the contradiction is only apparent. Though increased state intervention in the hotel industry between 1914 and 1945 resulted from pressure from the sector's organised players engaged in an existential struggle, the latter remained profoundly anti-statist. During the Trente Glorieuses, when the economy was booming and the drive for growth could once again thrive, it is not surprising that the surety bond system's flexibility, which reduced the state to the role of guarantor, proved attractive. One thing is sure: the conception of the role that the state should play in the economy had changed fundamentally. The hotelier of pre-1914, who alone bore the risk associated with his business, putting his credit at stake, would no doubt have been very surprised to see the hospitality industry benefiting from public support during economic expansion. The hospitality industry's recourse to state guarantees, a formidable investment multiplier, is part of the rise in Switzerland of a conservative neo-liberalism which, in the present case, was nonetheless still powerless to dismantle the state apparatus, as shown by the episode of the merger between SFSH and CCH. A new chapter had begun in the relationship between the state and the economy.

Notes

1. I am preparing a doctoral thesis on the *Hotelhilfsaktion* under the supervision of Professor Laurent Tissot (University of Neuchâtel).
2. A short story published at that time by a hotelier in a regional newspaper is particularly revealing in this respect (Aloys Huber 1915).
3. This was a feature of nineteenth-century French insolvency law (De ruysscher 2019).
4. Liberal politicians and part of the economic actors, notably the construction industry, considered it contrary to the freedom of trade and industry.

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CHAPTER 4

Tourism, Hotel Industry and Banking Development: The Case of the Lake Geneva Region at the Beginning of the Twentieth Century

Cédric Humair

Long underestimated in relation to industry and financial sector, the importance of tourism sector to Switzerland's economic development is now better acknowledged (Püntener 1994; Humair 2011a; Tissot 2021). On the eve of the First World War (1911/1913), the added value generated by the hotel industry was almost equivalent to that of the metal and machinery industry and 60% higher than that of the prestigious Swiss watchmaking industry (Ritzmann-Blickenstorfer 1996, 866–867). Between 1900 and 1913, the hotel industry's share of gross domestic product averaged 3.5%, higher than the 2.5% of the banking sector.[1] However, these figures were just the tip of the iceberg, as tourism

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had numerous spillover effects on other economic sectors. Let's only mention the improvement in framework conditions through the construction of technical networks, the stimulation of consumption through the purchasing power imported by tourists and the orders to industry and construction resulting from the building of tourist infrastructures (Humair 2011b).

Until now, historiography has done very little to investigate another contribution made by the tourism sector to the Swiss economy, namely the impetus given to the development of the financial centre, which took off at the turn of the twentieth century (Mazbouri 2005). In fact, a genuine synergy between the development of tourism and the expansion of banking was established during the nineteenth century, and significantly strengthened during the Belle Époque. On the one hand, the banks provided, on favourable terms, the huge amount of capital necessary for the Swiss model of tourism to flourish, based on luxury and high-tech infrastructures. On the other hand, tourism stimulated banking business in different ways. Firstly, the physical presence of thousands of wealthy tourists facilitated the establishment of business relations with European elites; in the long term, the most important effect was the influx of foreign capital into Switzerland, which served as the raw material for wealth management, a niche that is still at the heart of Swiss banking today (Mazbouri et al. 2021). Secondly, the arrival of foreign tourists led to a large influx of foreign currency, which benefited the financial centre in two ways: by improving the balance of payments, which strengthened the Swiss franc, and by generating considerable foreign exchange activity. Thirdly, the tourism infrastructure offered a huge investment field for Swiss banks, generating very attractive profit rates.

The main purpose of this chapter is to analyse the spillover effects of tourism on banking development and to highlight their importance at the beginning of the twentieth century. The study will focus on one of Switzerland's six main tourist regions, the Lake Geneva region. Spanning Switzerland and France, this area was then home to four major tourism centres in Geneva, Lausanne, Vevey/Montreux and Evian-les-Bains. Geneva was also the third largest financial centre in Switzerland, behind Zurich and Basel. While Geneva's private banks have achieved international renown (Perroux 2006), those in Lausanne and Vevey are less well known. Yet they played a central role in the financing of tourism in the early twentieth century, not only at regional level, but also at national and even international level (Humair and Chiarelli 2021). The

analysis will be based on the results of a research project devoted to the development of tourism in the Lake Geneva region (Humair et al. 2014) and particularly on the Biolemano biographical database, which can be consulted on the Internet (Biolemano 2021). Including almost 1800 people active in tourism between 1852 and 1914, this computer tool has enabled a detailed and global analysis of the actors involved in the regional tourism system (Humair and Chiarelli 2023).

The contribution will be divided into four parts. The first will highlight the importance of banking issues linked to the development of tourism, as well as the massive involvement of bankers in regional tourism companies. The second part will analyse the chronological and spatial evolution of investments made by regional bankers in other Swiss and foreign tourist regions. The case of the bank Ch. Masson et Cie in Lausanne will provide an insight into the significance of this phenomenon. The third part will narrow the focus by studying the investments made in Chamonix. Between 1875 and 1914, at least four limited companies founded with Swiss capital contributed to the development of the French station. Finally, the fourth part will attempt to measure the scale of investments made outside the Lake Geneva region by analysing the quotations of exogenous tourism companies on the Lausanne stock exchange.

Regional Tourism Development and Banking Activities

By way of preamble, it is necessary to emphasize the long-standing relationship between tourism and banking in the Lake Geneva region. It dates back to at least the beginning of the nineteenth century, when the end of the Napoleonic Wars led to a large-scale return of English tourists to the Continent. The Lake Geneva region served then as a gateway to the Bernese Oberland, to Italy through the Simplon, as well as to the glaciers of Chamonix (Heafford 2006). As a hub for these flows of travellers, Geneva profited in various ways. In particular, the local bankers developed what they called the 'foreigners' trade'. The memoirs of the Hentsch family testify to the importance of this business: "In 1805, Henri Hentsch bought […] the property of Sécheron, on the Lake of Geneva […]. It was both a family property and a means of receiving noble foreigners who were or would become the bank's clients. The foreigners' trade became the main activity in Geneva of Henri Hentsch & Co" (Hentsch n.d., 36). In order to attract and retain this clientele, the bankers offered numerous

services to foreign tourists, such as renting accommodation, transferring funds and exchanging foreign currencies. They also provided them with a range of recreational activities. These relationships formed the foundation on which a wealth management business developed, which was also stimulated by tax measures that encouraged the establishment of foreign annuitants and the influx of foreign capital. As early as 1816, the canton of Geneva granted a privilege to foreigners who settled in the canton: they were exempt from wealth tax provided they did not carry out any professional activity (Guex 2022, 360). The same applied in the canton of Vaud from 1862 (Ballenegger 2023, 60–63).

At the beginning of the twentieth century, the influx of capital intensified as a result of the tourism boom and the various competitive advantages that the Lake Geneva banking centre then enjoyed. Firstly, changes in European tax laws made the region a haven for capitalists. The president of the Société pour le développement de Lausanne, the organisation responsible for promoting tourism, confirmed this status in the following terms: "Every country has the industry it can have and deserves. Our main industry consists in doing the honours of this beautiful country where people come from everywhere to live in peace, sheltered from winds, fogs and taxes, or simply to rest, at the age when one has pensions" (Société pour le développement de Lausanne 1912, 11). This fiscal attractiveness was further enhanced by the relative security of investing in a neutral country. Switzerland was seen as a haven of peace in a world preparing for war. As one financial expert noted, intense relations then developed between the banks of Lake Geneva region and foreign guests: "Lausanne […] attracts to it a crowd of rentiers, either Swiss or foreign, especially English […]. Confident in the seriousness of canton Vaud's [banking] companies, they in return encourage their loans. […] These institutions invest all their efforts in securing a devoted clientele by providing safe and advantageous investment facilities" (Mayor 1914, 63). The influx of foreign tourists stimulated another lucrative banking activity: the exchange of imported currencies. The volume of transactions is impossible to quantify, but a rough estimate can be made by calculating the sums spent by foreign tourists in the region. In 1913, they amounted to around 40 million francs per year, or 5 billion euros today[2]; most of this sum was probably exchanged in the banks of the Lake Geneva region.

In addition to wealth management and foreign currencies exchange, the development of tourism in the region also offered huge potential for

banks wishing to invest their customers' deposits.[3] Building the infrastructure needed to run a tourism system required massive investment. And indeed, in the hotel industry, around 70% of the sums committed were requested from the capital market (Egger 1935, 126–127). Between 1900 and 1914, the average annual investment in the hotel industry in Lake Geneva region was 7.6 million francs, the equivalent of today's 1.5 billion euros. In 1914, the stock of capital in the hotel industry in Geneva, Lausanne, Vevey/Montreux and Evian-les-Bains can be estimated at 175 million francs and that of the rest of the region at 45 million. If we add to this the capital invested in the transport companies dedicated to tourism, in the technical energy and communications networks and in the infrastructure used for entertainment, we probably reach a figure approaching the debt of the Swiss Confederation in 1914, i.e. 282 million francs or 35.6 billion euros today.

Obviously, the profitability of capital invested in tourism infrastructure differed from company to company. However, the average dividend paid by hotel companies in the region is a good indicator of their profitability. In the first decade of the twentieth century, the 6% paid was well above the 4% return on mortgage investments. The Société immobilière d'Ouchy, owner of the Beau-Rivage Palace, was an Eldorado for investors, paying a dividend of 30% in 1913. Between 1893 and 1913, the average stock market price of big hotel shares fluctuated between 20 and 50% above their nominal value. With a par value of 250 francs, the Société immobilière d'Ouchy share was quoted at 1436 francs in 1914. The oldest transport companies dedicated to tourism also made considerable profits. Founded in 1881, the company that ran the funicular railway between Territet (Montreux) and Glion distributed dividends of 11–16% between 1903 and 1912. The 250 francs share reached a peak of 925 francs in 1904. Victims of the proliferation of infrastructures at the turn of the century, the companies created later had more difficulty in making their investments profitable.

The interest that bankers had in tourism development was manifested in their massive presence within tourism companies and organizations (Humair and Chiarelli, 2021). This weight in the governance of the tourism system can be revealed and quantified thanks to the Biolemano biographical database.[4] Developed over the last ten years and available online, it contains information on 1766 people active in regional tourism between 1852 and 1914; the players selected either had a main

professional activity in a hotel or transport company, or held a position as director or executive in the 186 collective actors that were the subject of in-depth research; these were 75 hotel companies, 75 transport companies, 15 entertainment providers, 11 hoteliers' associations and 10 development societies (the forerunners of tourist offices).[5] Each player file contains five pages of information on family ties, educational background, professional and political activities, sociability and sources of information used. An advanced research mask makes it possible to interrogate all the fields of the file by crossing several search criteria.

Thus, it is possible to identify 238 persons who had a banking activity, i.e. 13% of all the players in the database. Of these 238 bankers, 114 were directors of a hotel limited company, representing 21% of all hotel directors (114/553). Furthermore, 20% of the directors of transport companies with a specific tourist vocation were bankers (52/259), as were 11% of the executives of development societies (37/346). It is therefore no exaggeration to say that bankers were omnipresent in the governance of the tourism system in the Lake Geneva region during the Belle Époque.

Actors, Chronology and Spatiality of Capital Exports to Other Tourist Regions

From the mid-nineteenth century onwards, bankers of the Lake Geneva region did more than merely invest in regional tourism. They also exported capital, thereby contributing to the tourism development of other regions in Switzerland and abroad. The two most common types of investment, sometimes working in synergy, were the construction of tourist railways and the building of large luxury hotels. This export of capital was often the result of collaboration with other tourism players involved in the Lake Geneva region, such as hoteliers, railway engineers and doctors.

Thanks to the Biolemano biographical database, it is possible to grasp the scale and spatiality of this trend of expansion of tourist investments. This tool enables us to identify no fewer than 32 bankers from the Lake Geneva region who sat on boards of directors of tourism companies operating outside the region. They held 59 mandates, concentrated in 30 transport and hotel companies. The graph of Fig. 4.1 shows how the 32 bankers and their 59 mandates were distributed between the different banking centres. It underlines that the centre of gravity of the export of capital was not, as expected, in Geneva, but in Lausanne: 16 bankers

from this city occupied 64% of the directorships held outside the Lake Geneva region (38 mandates). Bankers from Vevey and Montreux came next with 19% (11 mandates) and those from Geneva only third with 12% (7 mandates), despite the importance of this financial centre.

The private bank Masson, Chavannes et Cie in Lausanne, which became Ch. Masson et Cie in 1890, was an emblematic example of the importance of tourism investments in the development of numerous Lake Geneva-based establishments. Biolemano enables the identification of seven representatives of this house who held 29 seats on the boards of directors of tourist transport and hotel companies: 12 seats on the boards of enterprises in the Lake Geneva region, 11 seats on the boards of enterprises in the neighbouring regions of the cantons of Vaud and Valais and 6 seats on the boards of enterprises outside Switzerland (France, Monaco and Spain). The bank's founder, Charles Masson (1837–1895), alone held seven directorships. He was particularly active in the field of tourist railways. One of the promoters of Switzerland's first funicular railway between Lausanne and Ouchy, he later presided over the construction of cog railways in Zermatt (Viège-Zermatt), Monaco (Monte-Carlo-La

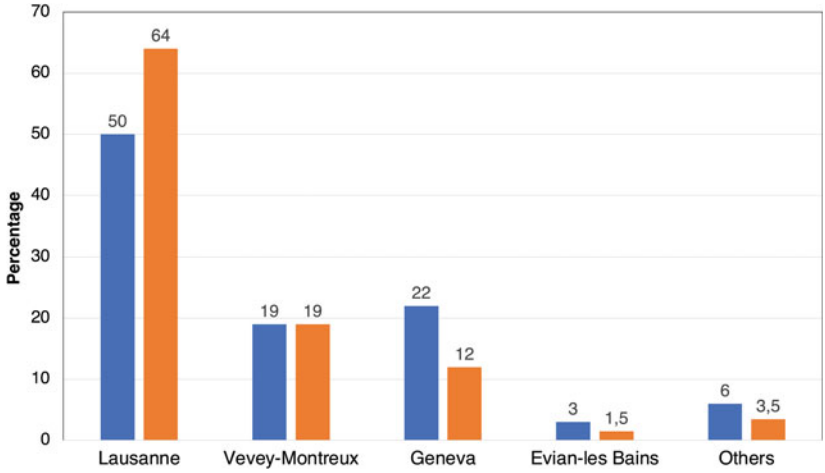

Fig. 4.1 Directorships assumed by Lake Geneva region bankers in other tourist regions: distribution (percent) of the bankers (blue) and mandates (orange) by banking place. Sample: 32 bankers holding 59 directorships in 30 tourist companies (*Source* Biolemano)

Turbie) and Barcelona (Monistrol-Monserrat); he was also the director of the Europe's first electric cog railway on Mont Salève, in the vicinity of Geneva, in France. An associate of the bank until 1890, Julien Chavannes (1841–1914) was chairman of the Société de l'Hôtel Suisse in Lausanne; his involvement in tourism continued at the service of the bank C. Carrard & Cie, which later became Chavannes & Cie (Chiarelli 2017). Charles-Emile Masson (1864–1939) joined the family bank shortly before his father's death and held six directorships; he was one of the promoters of the cog railway from Chamonix to Montenvers (France). An associate of the bank since 1895, Ferdinand Jomini (1862–1935) was the director of five hotel companies, three of which were located outside the Lake Geneva region (Château-d'Oex, Villars-Chesières and Chamonix). A limited partner of Ch. Masson et Cie from 1895, the banker and politician Henri Siber (1831–1905) was a key figure in the development of tourism in the canton of Vaud, where he was the director of four companies; in particular, he chaired the limited company that developed the Lavey-les-Bains thermal resort. In 1901, the bank became a limited partnership with shares and a supervisory board was set up. Adrien Palaz (1863–1930), Charles-Emile Masson's brother-in-law, sat on the board and became its vice-chairman. This internationally renowned electrical engineer was a promoter of numerous tramways and electric railways; in addition to the Tramways Lausannois, he was the director of the tourist railways leading to the Villars-Chesières, Leysin and Gimel stations. Another member of the supervisory board, officer-instructor Charles-Edouard de Meuron (1863–1950), held three mandates in hotel companies outside the Lake Geneva region (Lavey-les-Bains, Château-d'Oex and Chamonix).

The information provided by Biolemano makes it possible to analyse the development of tourism investment outside the Lake Geneva region in both spatial and time dimensions. The results of this exercise are summarized on the map in Fig. 4.2.[6] It covers the Lake Geneva region and the main investment areas, namely the Chablais region of the canton of Vaud, the canton of Valais, the canton of Berne and the Savoy region in France. More distant investments in Nice, Monaco and Barcelona are indicated by red arrows. Three successive waves of capital exports can be identified, all of them closely linked to the development of the transport system.

The first wave unfolded in synergy with the establishment of a standard gauge railway network in Switzerland between 1850 and 1880. In the early 1860s, the Lake Geneva rail network was gradually connected to neighbouring regions (Gigase 2014). The completion of the line between

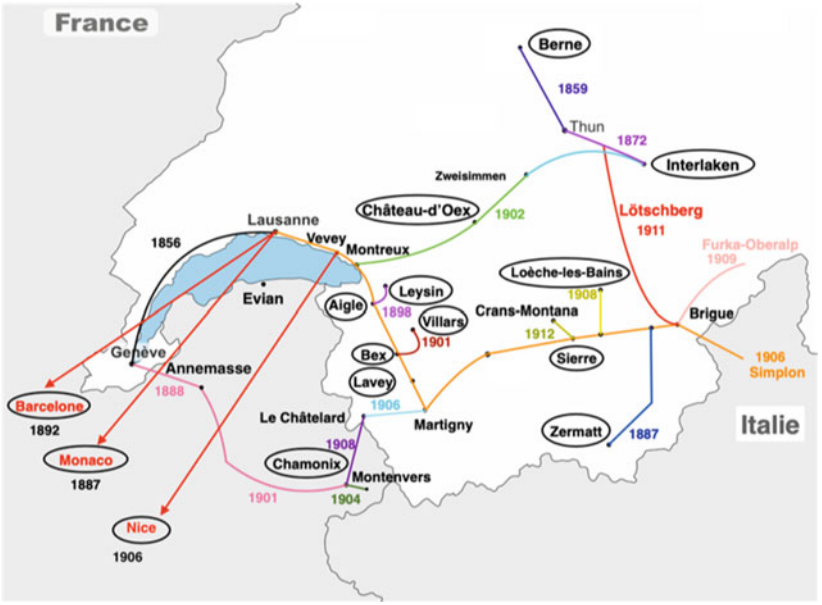

Fig. 4.2 Spatial development of tourist investments made by Lake Geneva region bankers in other tourist regions (*Source* Biolemano. Realization: Jan Chiarelli)

Lausanne and Martigny in 1861 stimulated the creation of limited companies whose aim was to develop spa resorts with luxury hotels in the Chablais region of the canton of Vaud (Bex, Lavey-les-Bains, Aigle). The emblematic banker involved in this first wave of investments was Emile Bory-Hollard (1825–1894) from Lausanne. On the one hand, he played a central role in the construction of the Lake Geneva railways by being director of six companies. In particular, he chaired the Compagnie des chemins de fer de la Suisse occidentale et du Simplon, which merged the regional network in 1881. He also invested in luxury hotels in Ouchy near Lausanne, in Chexbres and in Bex. In 1865, he was one of the promoters of the Société immobilière de Bex, which opened the Grand Hôtel des Salines in 1871.

A second wave of investment began in the late 1880s, spurred on by the new rail technologies that made it possible to penetrate the mountains. Developed in the 1870s, the cog railway and funicular railway not

only entertained tourists with excursions, but also enabled the development of altitude resorts. These infrastructures required large amounts of capital, which in most cases required the involvement of financiers. As we saw earlier, the Lausanne private banker Charles Masson played a key role in the spread of these new railway technologies. Working closely with engineers, industrialists and other financiers, especially from Basel, he set up three companies to establish railways in Zermatt (1887), Monaco (1887/refounded in 1891) and Barcelona (1891).

The third and most important wave took place in the first decade of the twentieth century, following the improvement of electric rail traction. During this period, investors frequently combined the construction of regional railways with the building of large luxury hotels. In the Vaud Alps, major investments from Lake Geneva banks enabled the development of the high-altitude resorts of Leysin and Villars-Chesières, which benefited from the blossoming of medical and sports tourism. Two electrified cog railways leading to these resorts were built, along with several first-class hotels. In addition, the electrified railway linking Montreux and the Bernese Oberland stimulated investment in Château-d'Oex, Interlaken and Bern. The completion of the Simplon (1906) and Lötschberg (1911) rail tunnels led to an increase in tourism in the Upper Valais, particularly in Sierre, Crans-Montana and Leukerbad. Finally, in 1901, the rail link to Chamonix triggered a flow of investments from Lake Geneva region to the French resort.

Marc Morel-Marcel (1843–1931), a private banker, was the emblematic figure of the third wave of capital exports (Humair and Chiarelli 2021). A lawyer and politician of national stature, he married the daughter of Sigismond Marcel, a prominent private banker in Lausanne. In 1890 he joined the family bank Hoirs Sigismond Marcel, which became Morel-Marcel, Günther & Cie in 1898, then Morel, Chavannes, Günther & Cie in 1912. As director of eight hotel companies, two tourist transport companies and three standard gauge railway companies, he became one of the most important promoters of the Lake Geneva tourism system. His strategy of combining investments in railway and hotel companies was extended to several resorts in the cantons of Vaud and Valais. He sat on a number of boards of directors in Aigle, Lavey-les-Bains, Leysin, Sierre and Zermatt.

Lake Geneva Region's Investments in the French Resort of Chamonix

Biolemano makes it possible to identify ten bankers from the Lake Geneva region who sat on the boards of four tourism companies in the Chamonix region between 1875 and 1913.[7] Two of them were based in Geneva, one in Lausanne and the fourth in the French border town of Annemasse. The cumulative capital of the four companies—known share and bond capital—amounted to a minimum of 13.5 million francs at that time, equivalent to 1.7 billion euros today.

The Société immobilière & industrielle de Chamonix was founded in Geneva in 1875 with a share capital of 1.2 million francs. This considerable investment was proportionate to the ambitious programme of the company, as defined in its articles of association (Feuille officielle suisse du commerce 1883, 862):

> 1) The purchase and operation of the hotels: Royal de l'Union, l'Union, Palais de Cristal, Impérial, Couronne, all located in Chamonix.
>
> 2) The purchase or appropriation, leasing and operation of other hotels established or to be established in Chamonix, or in other localities in France and Switzerland surrounding Chamonix.
>
> 3) The acquisition of land or buildings for the creation and establishment of a casino in Chamonix.
>
> 4) The construction of a Trinkhalle and a thermal spa in the commune of Chamonix, to use the local mineral waters, and the sale in Geneva or elsewhere of these bottled waters.
>
> 5) The establishment of any means of transport by rail or otherwise conducive to the development of the company's interests, as well as participation in any undertaking of this kind.
>
> 6) Operating and trading in ice.
>
> 7) Gas lighting for the village and hotels of Chamonix.

Actually, the intention was nothing less than to set up a global tourism system in the French resort, including hotel, transport, energy, spa and entertainment infrastructures. The mineral water business was also on the agenda, as was the ice business. However, the company soon entered a period of financial turmoil. In the 1880s, it had to deal with the successive bankruptcies of two private bankers who were the directors of the enterprise: Théodore Huth from Geneva and Eugène Mérard from Evian-les-Bains. It then turned to the Banque de Genève, which was successively

represented by two of its managers on the board of directors. In 1897, the company went into liquidation.

In 1902, the Compagnie du chemin de fer de Martigny au Châtelard (ligne du Valais à Chamonix) was founded in Geneva in the offices of the Société Franco-Suisse pour l'industrie électrique (Pacini 2008). The company's share capital was very substantial, amounting to 4 million francs in 1904, to which was soon added a bond capital of 4 million listed on the Lausanne stock exchange (Tissot et al. 1909, 42). The aim of its promoters was twofold. The representatives of finance and the electrical engineering industry were seeking to create a market that would enable them to invest capital and sell technical equipment. The second purpose of the project was tourism-related. In collaboration with the French Paris-Lyon-Méditerranée railway company (PLM), the objective was to establish a Geneva-Chamonix-Martigny-Lausanne-Geneva loop that tourists would be able to cover in a day trip.

The composition of the board of directors accurately reflected this configuration. Gustave Ador, the company's chairman, was a Geneva lawyer and politician of national stature, and a director of a number of banks and transport companies—he was a member of the Geneva committee of the PLM—as well as director of the limited company developing tourism in Evian-les-Bains. Private banker Emile Odier (Lombard, Odier & Cie) and engineer Auguste Boissonnas (Société Franco-Suisse pour l'industrie électrique) completed the Geneva representation. Three private bankers from Lausanne, heavily involved in the development of tourism, were also directors: Louis de Roguin (Charrière & Roguin), his son Emmanuel, who replaced him after his death in 1906, and Ernest Chavannes (Chavannes & Cie). Two private bankers from Bern and a private banker and a notary from Valais completed the board of directors. In 1906, five years after the PLM connected Chamonix to the French railway network, the line from Martigny to Le Châtelard was inaugurated. It was not until June 1908, when the section between Argentières and Le Châtelard was inaugurated, that the railway loop was closed. This opened up some very interesting development perspectives for Chamonix. Several Swiss investors were quick to seize the opportunity.

In 1905, the Compagnie du chemin de fer d'intérêt local de Chamonix au Montenvers was created. Its aim was to build an electrified railway line to the much-visited panorama of the Mer de glace. Although the head office was established in Annemasse and the presidency was entrusted to a French notary, the management of the company was in the hands

of Swiss financiers. Of the 13 directors in office in 1909, seven were Swiss and only six were French (Tissot et al. 1909, 94). In addition, there were three Swiss bankers on the delegation of the board of directors alongside the company's French chairman. Swiss domination was even more overwhelming when it mattered to the composition of the share capital of 1.6 million francs.[8] As the graph in Fig. 4.3 shows, 98% of the capital came from Switzerland. With 77%, the Lake Geneva region took the lion's share: 14 private bankers from Lausanne subscribed 35% of the share capital, the Union financière genevoise, a syndicate of private bankers of Geneva, acquired 31%, the two Geneva concession holders 6% and four banks of the canton of Vaud 5%. Four banks from Fribourg (8%), one from Basel (13%) and one from Lyon (2%) completed the share capital. The dominance of Lausanne and Geneva was well reflected in the composition of the board of directors. The private bankers from Lausanne, Emmanuel de Roguin (Charrière & Roguin), Robert Monneron (Tissot & Monneron) and Charles-Emile Masson (Ch. Masson & Cie), heavily involved in the development of tourism in the Lake Geneva region, were all represented on the board. Geneva also obtained three seats, held by the two concession holders—railway engineer Julien Chappuis and public works contractor Constant Burtin—and a representative of the Union financière genevoise. The last Swiss seat was held by a private banker from Fribourg. On 29 May 1909, the Gazette de Lausanne devoted an article to the inauguration of the new railway. The newspaper emphasised the attraction it represented for tourists visiting the Lake Geneva region: "Mer de glace now becomes the glacier most accessible to the tourist resorts of Lake Geneva region. […] From 1 July, this excursion can even be made conveniently in one day via Geneva and Le Fayet-St-Gervais on the outward journey and via Châtelard-Martigny on the return journey." ([w.a.], *Gazette de Lausanne* May 5, 1909, 3).

Lastly, in 1909, the Société Hôtelière Franco-Suisse de Chamonix was created by investors from Marseille and Lausanne, with its head office in Lausanne. It bought and managed the Grand-Hôtel and the Hôtel d'Angleterre, then built the Chamonix-Palace-Hôtel, which opened in 1914. The initial share capital of 500,000 francs was increased to 1,050,000 francs in 1912. The company's key figure was the director Louis Echenard, a hotelier from the canton of Vaud who had worked with César Ritz and Auguste Escoffier to establish luxury hotels in London and Paris (Savoy, Ritz and Carlton). The owner of several hotels in Marseille,

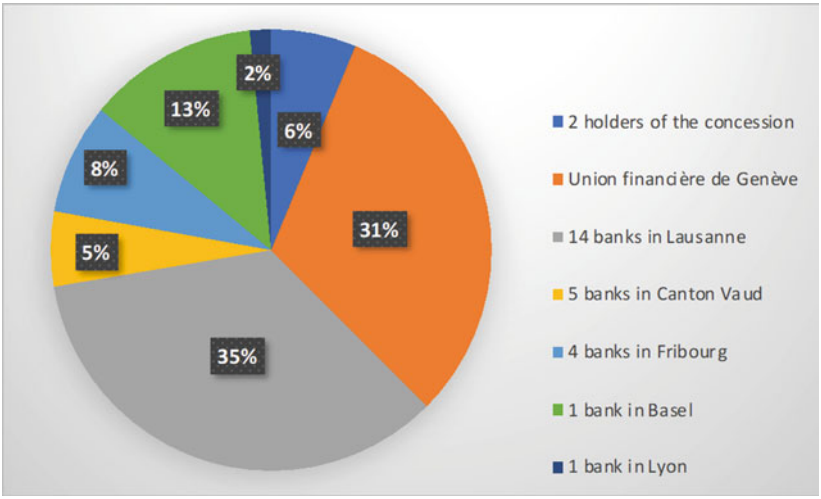

Fig. 4.3 Shareholders of the Compagnie du chemin de fer d'intérêt local de Chamonix au Montenvers in 1905 (share capital = 1,600,000 francs) (*Source* Archives nationales de France, cote 19,800,028/17 (Ministère des Travaux publics, Direction des Transports terrestres. Dossiers d'autorisation d'obligations émises pour les tramways. Seine, Savoie, Haute-Savoie, 1900–1920): *Déclaration de souscription et de versement du capital de la Société anonyme du Chemin de fer d'intérêt local de Chamonix au Montenvers (mer de Glace), 5 avril 1905*)

he also was the director of hotel companies in Lausanne and Château-d'Oex. He therefore very probably acted as an intermediary between the Lausanne and Marseille investors. The other Swiss directors of the company, Ferdinand Jomini and Charles-Edouard de Meuron, were two representatives of the Lausanne private bank Ch. Masson & Cie.

Measuring the Capital Invested in Tourism Outside the Lake Geneva Region: The Lausanne Stock Exchange

A precise calculation of the volume of capital invested in other tourist regions by Lake Geneva region bankers encounters insurmountable documentary difficulties. Indeed, the company archives needed for this exercise are either non-existent, having been destroyed, or inaccessible to

researchers, due to the banks' refusal to disclose information. However, it is possible to give an order of magnitude for the export of capital by analysing the quotations of tourism companies based outside the Lake Geneva region on the Lausanne stock exchange.

This institution was created in 1873 in response to the influx of foreign capital, mainly French, which resulted from the Franco-Prussian War of 1870–1871. Twenty of the city's banks, including sixteen private banks, took part in the foundation (Baumann 1998). The first listing already included two cornerstones of Lake Geneva region tourism at that time, the Société immobilière d'Ouchy (Beau-Rivage Palace) and the Compagnie générale de navigation sur le lac Léman. The inflow of tourism companies accelerated with the boom of the 1890s, which triggered a veritable explosion in demand for capital. The listing also opened up to companies from other Swiss and foreign tourist regions. Under the impetus of the city's private bankers, the Lausanne stock exchange emerged as an international financial centre for the tourism industry. The extent and profitability of tourism quotations were underlined by a specialist of the time: "Real estate companies and hotels occupy an increasingly prominent place; the 1912 quotation has twenty-three headings in this category; the top-ranking establishments have contracted loans of three to four million on their buildings and furniture. The public, in search of more remunerative investments than those offered by state or city funds, seems to be looking for them with increasing eagerness" (Mayor 1914, 60). Tourist railways, which proliferated at the turn of the century, also became increasingly listed. In 1913, the total capitalization of listed tourism companies amounted to 115.4 million francs—73.1 million francs in hotels and 42.3 million francs in transport—or 14.4 billion euros today (Humair and Chiarelli 2021, 11).

What proportion of this capital was invested outside the Lake Geneva region? In 1913, nineteen external tourism companies were listed on the Lausanne stock exchange (Monneron 1913). These included eleven hotel companies with a combined capital placed on the stock exchange—shares and/or bonds—of 29.1 million francs. Eight of them were located in Switzerland, in the cantons of Vaud (Bex, Lavey-les-Bains, Leysin, Villars-Chesières, St-Cergue), of Valais (Zermatt and Gletsch) and of Berne (Interlaken). Three of them were in France. Founded in 1906, the Société The Majestic Palace Hôtel, based in Vevey, was chaired by the private banker Albert Cuénod (A. Cuénod & Cie). In 1908, the company opened

a palace in Cimiez near Nice at a cost of 10.5 million francs (Chombard-Gaudin 2009, 55–59). The investments were covered by share capital of 3.4 million francs (1913), a loan of 4 million listed on the Lausanne stock exchange and a loan of 3.5 million taken out with Crédit Foncier de France. Two other hotel companies operating in France had loans of 2 and 2.5 million francs listed in Lausanne: Société des Hôtels Splendide, Royal et Excelsior (Aix-les-Bains) and Société Marseille et Riviera, which owned the Hôtel Splendide in Marseille and the Hôtel du Golf in Hyères.

In addition, eight tourist railway companies also had their shares and/or bonds listed in Lausanne, with a combined capital of 29.1 million francs. Two funicular railways and four cog railways operated in the cantons of Vaud (Leysin), of Bern (Interlaken) and of Valais (Le Châtelard, Morgins, Montana, Zermatt). There were also two cog railways operating abroad, which have already been mentioned—Chamonix-Montenvers (France) and Monistrol-Montserrat (Spain). The shares and bonds listed in Lausanne therefore represented a total capital of 50.8 million francs in 1913, or 6.3 billion euros today. This means that 44% of the tourism capital raised on the Lausanne stock exchange was allocated to the development of tourism outside the Lake Geneva region.

But these impressive figures were only the tip of the iceberg. In practice, the export of tourism capital took place through many channels other than the stock market. On the one hand, we have seen that private bankers from the Lake Geneva region were involved as directors in many companies in which it is sure they invested, although it is not possible to say to what extent. On the other hand, it is very likely that part of the export of capital was carried out through the intermediary of hoteliers-developers from the Lake Geneva region, who solicited financing from the regional banks in connection with their directorships. Biolemano enables us to identify 26 hoteliers from the Lake Geneva region who held 38 directorships in tourism companies operating outside the region. In this respect, the activity of the hotelier Alexandre Emery provides a well-documented example (Chombard-Gaudin 2009, 109–160). Established at the Hôtel du Cygne in Montreux from 1884, he became president of the company that built and opened the Montreux-Palace in 1906. His activities in the tourism sector soon extended beyond his Montreux stronghold, first in the Lake Geneva region and then in other Swiss and foreign tourist regions. He was the director of four important hotel companies in Leysin, Zermatt, Interlaken and Thun. But it was especially in France that he developed his business, being the director of four hotel companies in

Paris, four others on the Riviera and one in Aix-les-Bains. Although his presence on so many boards of directors was largely motivated by his expertise in the hotel business, his mandates were also linked to financial holdings. In 1900, he became managing director of the Compagnie immobilière de Paris and reorganized the Grand Hôtel (Tessier 2012). A list of shareholders dating from 1919 reveals that he owned 2700 of the 40,000 shares, i.e. almost 7% of the share capital.[9] It is also interesting to note that he brought several Swiss investors on his side, including the Banque de Montreux. Indeed, Alexandre Emery had close ties with the banking sector. From 1890 onwards, he was a member of the management committee of the Banque de Montreux. He also worked closely with Marc Morel-Marcel, private banker based in Lausanne, since the two promoters were jointly the directors of six tourism companies (Humair and Chiarelli 2021, 14–15).

Tourism, a Powerful Engine for the Development of the Lake Geneva Banking Sector

From the beginning of the nineteenth century, banks in Lake Geneva region took advantage of the influx of tourists to establish business relations with the wealthy classes from England, and later from all over Europe. The services offered to wealthy foreigners began with foreign currency exchange, money transfers and the rental and sale of accommodation. These services soon expanded to include wealth management, initially for annuitants and retirees who had come to live in the region, and increasingly for wealthy tourists wanting to evade their country's tax authorities. It should be noted that the authorities in the cantons of Geneva and Vaud contributed to the development of this banking niche by granting tax privileges to foreigners and respecting banking secrecy.

The development of regional tourism also provided considerable investment opportunities and attractive rates of profit. On the eve of the First World War, the capital invested in tourism infrastructure in the Lake Geneva region was roughly equivalent to the debt of the Swiss Confederation. These investments had several advantages for the banks. Firstly, they were much more profitable than public bonds. Secondly, they provided a high degree of security; placed in a neutral country that had been spared from war since 1815, they were often guaranteed by valuable buildings and land. Thirdly, they offered attractive opportunities for capital inflows from abroad and thus supported the development of wealth management.

Moreover, the Lake Geneva banks not only invested in the development of regional tourism. From the 1860s onwards, they exported tourism capital to other regions in Switzerland and abroad. Initially, they made a relatively modest investment in the development of spa tourism in the Chablais region of the canton of Vaud (Bex, Lavey-les-Bains, Aigle). But the flow of capital accelerated from 1890 onwards, and was now directed towards high-altitude regions, where medical and sports tourism was flourishing. A synergy between investment in mountain railways and luxury hotels was then developing. The preferred locations for bankers from Lake Geneva were the Vaud Alps (Leysin, Villars-Chesières, Château-d'Oex), the Upper Valais (Zermatt, Sierre, Leukerbad) and the canton of Bern (Interlaken, Bern). From the 1870s onwards, significant investments were also made abroad, particularly in Chamonix. At the turn of the century, three tourist railways were financed in Monaco, Barcelona and Chamonix. The decade before the war was marked by the financing of several luxury hotels in Chamonix, Aix-les-Bains and on the French Riviera. In 1913, the volume of capital placed on the Lausanne stock exchange by tourism companies operating outside the Lake Geneva region represented 44% of all tourism listings.

The Banque de Montreux, founded in 1868, was an emblematic example of banking development centred on tourism. A very modest local bank in its early days, it increased its share capital three times by 1911, from one to six million francs. Its turnover was multiplied by 15 between 1870 and 1913 (Bettex 1913, 334); from 1903 to 1912, the bank distributed a dividend of 7% each year; finally, the 500-franc share reached a peak of 723 francs in 1910 (Monneron 1913, 62–63).

Although pioneering, this contribution does not claim to have exhausted the very difficult question of the relationship between tourism development and banking development. Based on an approach rooted in tourism history and limited to the turn of the nineteenth and twentieth centuries, it would benefit greatly from being expanded in a number of directions. On the one hand, it would be relevant to investigate this issue in other major Swiss tourist regions, such as the Bernese Oberland, Inner Switzerland, Graubünden, Valais and Ticino, in a comparative perspective. Secondly, an analysis based on bank records, which is highly hypothetical due to the difficulty of accessing them, would shed light on many aspects that have remained in the dark; in particular, it would be useful to understand the financing of tourism companies through current accounts. Finally, it would be very interesting to extend the period analysed. As it is

the case for many issues in tourism history, the First World War probably represented a break in the pattern. From the inter-war period onwards, the relationship between tourism development and banking development probably declined in intensity in Switzerland. This could explain the lack of interest shown in the subject by both banking and tourism historians during the twentieth century.

Notes

1. It should be pointed out that part of the added value of the hotel industry did not come from tourism; however, it was only of minor importance at the beginning of the twentieth century. Moreover, the hotel industry only represented one part of the added value generated by tourism, which contributed to that of other branches of activity—transport, medical and educational institutes, entertainment industry—without it being possible to define in what proportions.
2. The purchasing power imported by foreign tourists was obtained by multiplying the number of nights spent in the region by an average daily expenditure estimated by professionals at that time (Humair et al. 2014, 342–343). The conversion into current francs (2009) was carried out using the GDP index from the Swistoval database (Swistoval 2010). The conversion into euros was carried out at the exchange rate on 20 April 2023, i.e. 1 franc = 1.02 euros; the same conversion operation into current euros is carried out several times in the rest of the text.
3. The figures in this paragraph and the next, as well as the methodology used to construct them, can be found in Humair et al. (2014, 356–366).
4. The Biolemano biographical database, which went online in summer 2021, can be consulted at the following address: https://unil.ch/hist/Biolemano; information on its development, content and use can be found on the home page and in various pdf documents available on the site.
5. The full list of collective actors taken into account by the research can be found in a document available on the Biolemano home page.
6. The map was produced by Jan Chiarelli, who also contributed to the making of Biolemano. I would like to thank him for this.

7. The information in this part of the contribution is drawn from a database devoted to tourism companies set up in the Lake Geneva region between 1852 and 1914. Developed as part of the research project mentioned above, it is not available online. Its construction required the mobilisation of a large number of sources that it is not possible to reference here in detail.
8. Steve Hagimont, whom I would like to thank, provided me with a shareholder sheet showing the composition of the share capital in 1905.
9. This information can be found in the original unpublished version of Alexandre Tessier's thesis: Le Grand Hôtel, 110 ans d'hôtellerie parisienne 1862–1872, Université François Rabelais de Tours, p. 518.

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CHAPTER 5

Demobilisation and the Postwar Hotel: Britain's Release and Retention of Requisitioned Premises, 1918–1925

Kevin J. James

The hotel is widely regarded as a citadel of hospitality—a place of shelter, safety, and sustenance. In wartime, its material and symbolic forms can change—preserving this trifecta of functions, even as they align in new ways with its wartime status as a privatised, and often highly securitised, space. Wartime can also introduce new roles for the hotel—as a strategic command centre for the prosecution of war, for instance—that reflect layered uses of its spaces, and meanings and values ascribed to them (Davidson 2018, 2006; James 2018). The hotel in war zones has attracted a great deal of interest, because of the complex ways that its functions as a place of shelter are implicated in its wartime roles.

In 'hot' and 'cold' war environments (Adalet 2018; Morrison 2016; Wharton 2001; Fregonese 2012, 2009; Craggs 2012; Kulić 2014; Langer

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2022), the 'Western hotel', (defined in terms of facets of its identity—from the origins of capital to build it, to its historical clienteles, to its architectural forms and amenities, in both Western and non-Western (especially colonial and post-colonial) settings, has been explored as a place of contested uses and meanings. In 2015 Sara Fregonese and Adam Ramadan developed an influential model for exploring the hotel in wartime, identifying six key roles that hotels have historically played: (1) as tools of soft power and state projection; (2) as 'soft' targets; (3) as part of the strategic infrastructure of conflict; (4) as shapers of press narratives of conflict; (5) as sites of emergency care and hospitality; and (6) as sites of conflict resolution. This chapter explores the last of these roles, drawing on archival material, as well as contemporary newspaper reports, and proposes a caveat to the Fregonese and Ramadan model of the postwar hotel, which expands the scope of analysis. It does not treat the hotel only as 'neutral' space that is conducive to postwar negotiations between former belligerents, on the basis of its unique material affordances and symbolisms, however critical those functions are. Instead, it argues that in the transition to peace, hotels can also continue to function as 'nerve centres' for specific bureaucratic functions that reflect new demands for space and new state roles engendered by war. Britain offers an especially intriguing country to explore the Fregonese and Ramadan model of hotels and the geopolitics of conflict because, while its hotels were enrolled in the war effort, they were not, for the most part on the 'front lines' of conflict; instead, they performed a variety of home-front functions that were critical to the Allies' prosecution of the war.

Beginning with an overview of the demand for accommodation for government staffs as an outgrowth of the new roles assumed by the peacetime state, and then taking the British state's continued occupation of the Angel Hotel in Cardiff as a case study, this chapter contends that the hotel must be treated as an extension of aspects of the state's wartime uses of such establishments—as part of a pattern of requisition, bureaucratic colonisation, and disputed terms of compensation. In this respect, the case of the Angel Hotel offers an additional set of considerations that expand the Fregonese and Ramadan model to encompass peacetime establishments which continued to be occupied by the state—a place that shaped, and was shaped by, the landscapes of war and peace.

Postwar Britain and State: New Accommodations

Throughout the First World War, British hotels and other places of commercial accommodation were enrolled within the war effort—often through the powers of requisition that permitted the state to appropriate premises for wartime uses. There were longstanding legal precedents for such actions—notably the legal obligation for householders and landlords of commercial properties to make their premises available to quarter troops. In the early twentieth century, the Liberal government intervened specifically to redraw the landscape of commercial hospitality when it reduced liquor licenses and enacted a framework for corresponding compensation that provoked considerable opposition, and augured contested requisitioning during wartime, hotly disputed terms of compensation that were adjudicated by the Defence of the Realm Compensation Commission, and also led to landmark constitutional precedent in the famous case of Attorney-General v De Keyser's Royal Hotel ([1920] UKHL 1, [1920] AC 508), which circumscribed the scope of royal prerogative by denying the state's right to determine the requirements for, and extent of, compensation after requisition. The government's argument in the case, in which it argued it had no such obligation for compensation, had rested on a right of the state to seize the insolvent hotel in 1916, and its claim that it had no corresponding legal requirement to make payments for occupancy; moreover, *ex gratis* payments could be calculated on the loss of profits (which in the case of the insolvent business, were modest). When this argument was rejected unanimously by the Law Lords, the government sought to mitigate the resulting precedent with 1920 legislation that enshrined the principle of actual loss claims (Rubin 1994). But the case nurtured political debates over the scope of the Defence of the Realm Act, when its renewal was contemplated in the wake of the war (Ganzoni 1919).

During the war, places of commercial accommodation such as De Keyser's Royal Hotel were embroiled in home-front activity in ways large and small—they were impacted by licensing restrictions; by food rationing; by the introduction of closer monitoring of guests through registration; by the surveillance enacted over alien labour; and by internment of enemy aliens, many of whom comprised elements of large hotel's often-cosmopolitan workforces (Panayi and Manz 2013; Panayi 2014). They were also requisitioned for a variety of purposes, depending on a variety of factors, including their material affordances, their locations,

and their historical functions (James and Northey, 2022). Derbyshire's resorts on Buxton and Matlock Bath supplied hotels whose spaces were requisitioned for convalescence and hospital functions, for instance—and their locations (comparatively far from the more vulnerable eastern coast, supplied an advantage for such uses). With an expanded wartime state, including many new departments created over the course of the war, and limited existing capacity in government buildings, many London hotels—especially its capacious 'grand hotels'—were requisitioned for the war effort as centres for the expanded bureaucracy associated with new and expanded departments: De Keyser's was taken over in 1916 by the Army Council, for instance, and the Hotel Metropole by the Ministry of Munitions.[1] The Hotel Cecil was requisitioned for use by the Air Ministry in 1916.[2] While many of London's most prominent hotels were requisitioned to function as headquarters, the state's reach extended far beyond the capital. In August 1918, Glasgow Corporation met to discuss the wartime requisitioning of the Adelphi by the Air Board, Armstrong's Hotel, The Kenilworth, the Windsor and Nelson's Hotel by the Admiralty, and the Balmoral Hotel by the Labour Exchange.[3] For the most part, however, these places were released to their owners at the end of the war—usually under intense pressure from their owners and managers, who were keen to benefit from civilian patronage as many pre-war tourists and other markets revived. However, the expanded British state's needs for accommodation were most acute in the British capital—and few other premises rivalled, in scale or suitability, London's cadre of requisitioned hotels, which included some of the largest and most centrally located buildings in the city.

Moreover, almost immediately upon the cessation of hostilities, the government faced strong pressure to begin the release of requisitioned property as part of the process of demobilisation.[4] But those pressures had to be weighed against the pressing need to find accommodation for new departments of government—for even as the overall levels of government personnel requiring accommodation declined from its wartime peak, the creation of new departments during and after the war, and new social and political imperatives attached to a permanently expanded state (even in midst and in the wake of Sir Eric Geddes's deep cuts [McDonald 1989; Grieves 1989]), meant that the War Cabinet was contemplating longer-term questions of government accommodation even before war's end. It engaged in numerous audits of personnel and reviews of building inventories as the War Cabinet deliberated and sought the input of a number

of ministries and senior bureaucratic advisors on how to balance keeping demands for evacuation of premises, expansion of some ministries, and the use of a variety of private and public buildings and spaces, from the British Museum to hotels to green space. During these discussions, departments sought to resist decentralisation through removal to the suburbs, and various political figures championed new bodies such as the Department of Overseas Trade, and permanently expanded demand from Departments such as the Colonial Office. In March 1919, at a meeting of the War Cabinet, the Chancellor of the Exchequer, Austen Chamberlain, noted that First Commissioner of Works Sir Alfred Mond had circulated correspondence to departments advising that a 'considerable number of buildings, requisitioned temporarily for the purposes of the War, were retained unnecessarily' and the Minister of Reconstruction and National Service, Sir Auckland Geddes, replied that he was making every effort to stimulate demobilisation, to expedite the process of release.[5] The War Cabinet resolved to have Geddes report on the 'most suitable means to expediate the demobilisation of temporary staffs' in Government departments and to evacuate requisitioned premises'.[6]

Geddes' report, presented to the War Cabinet on 19 May 1919, weighed the competing demands of government and other actors and offered several recommendations.[7] The War Cabinet considered memoranda from Geddes on departmental staffs and from Sir Alfred Mond on the wider question of government accommodation in London.[8] Mond also noted that the landmark De Keyser's Royal Hotel ruling, which circumscribed the powers associated with royal prerogative and the government's seizure of property, also placed it in a 'very weak position regarding the compulsory occupation of business premises … and most of the premises were being occupied on very slender rights'.[9] A number of other factors entered into consideration, amongst which was the status of 'dying' departments and sub-departments—for just as some departments of the state had grown in peacetime, others were deemed to have only 'wartime' requirements or purpose, such as the Ministry of National Service,[10] which were in the process of liquidation, and which might, the Minister of Reconstruction and National Service, Sir Auckland Geddes suggested, be brought under a centralised Chief Liquidator at Alexandra Palace, with additional space at King George the Fifth Hospital, currently occupied by the War Office. That suggestion was deemed impracticable by Mond, while the Permanent Under-Secretary to the Home Office, Sir Edward Troup, noted that Alexandra Palace currently houses enemy

aliens and combatant prisoners.[11] B.B. Cubitt, Assistant Secretary at the War Office, noted that plans were underway to vacate both the hospital and the Great Central Hotel by June, and instead erect temporary huts on London County Council grounds, at a cost of £5000 (a significant savings, given that £23,000 was being spent on the hotel alone).[12] The Minister of Pensions—whose department was a very significant part of the postwar landscape—Sir L. Worthington Evans, weighed in, noting that his ministry occupied a number of schools, infirmaries and other buildings, and that his Ministry and the War Office should submit a joint proposal to the War Cabinet: he was not in favour of releasing all the hospitals,[13] while the Minister of Labour noted that huts would soon be required as housing in rural districts, especially with soldiers returning home. Mond and Geddes had met with a number of business owners in Kingsway and undertaken to restore their premises, which had been housing staff from the Aircraft Production Department.[14] Geddes further remarked that holding onto requisitioned premises was having a deleterious effect on trade. He also questioned whether all government staff were required to be near the government nerve-centre at Whitehall, and invited Mond to ascertain what number for each department might be required to be in close proximity to the bureaucratic nerve-centre.[15] Signalling the extent to which some departments critical to the war effort were anticipated to be very significantly drawn down in short order, the minister of Munitions, Lord Inverforth, opined that he could move all staff out of the Hotel Metropole within 24 hours, were alternative accommodation provided: he was planning by the end of June to discharge 5000 staff, and an equal number by the end of July, leaving what he expected would be a number of staff that would not exceed 3000.[16] Geddes also enjoined the War Cabinet to pressure Dominions and Allies to release the spaces that they occupied, and to survey the range of premises of occupied as barracks by the War office.[17]

The Lord Keeper of the Privy Seal, Andrew Bonar Law, in the chair, had began the meeting by noting that 'one of the most difficult problems with which the Government was faced at the moment was the charge of extravagance, and the House of Commons was very concerned with the slow process of demobilisation of staffs and the relinquishing of requisitioned premises'; indeed without drastic action they would face pressure to appoint a select committee of the House to enquire into matters.[18] And, just as the war has resulted in the creation of new ministries and the expansion of staffs requiring accommodation, Sir Alfred Mond

noted that the five ministries created since the war required accommodation; he noted in particular that the Ministry of Supply occupied the expensive premises of the Hotel Metropole.[19] After a fulsome discussion, the War Cabinet broadly endorsed Geddes' recommendations, and requested further details of future staffing requirements from a number of government ministries and departments.[20]

At a July meeting of the war cabinet Mond offered a survey of department accommodation requirements, and enumerated that Ministries of Pensions, Labour, Supply. Ways and Communications as examples of the no less than six ministries with large staffs created since the onset of war,[21] and a substantive discussion ensued on the desirability and composition of an advisory body to offer recommendations on accommodation.[22] The postwar requirements of various departments were broadly classified into six categories, according to the prospective demands of personnel, as their roles diminished, remained stable, or expanded in the postwar environment (see Table 5.1).

Mond, in his submission, anticipated a permanent increase of 30,000 in the permanent personnel of the government staffs in London—doubling the pre-war number (which excluded the Post Office). In addition to a range of already-approved proposals, including the removal of staffs occupying hotels to King George's Hospital, he recommended the creation of semi-permanent buildings in suburban areas, and new, permanent edifices and additions to current offices.[23] When various staffs had been moved and concreted in King George Hospital, Alexandra Palace, Earl's Court, and Acton buildings, the remaining 31,900 staff would include only 3400 in hotels and clubs.[24] Mond faced a barrage of pressure from external actors in the sector—hotel proprietors amongst them—as well as colleagues in attendance at war cabinet meetings who impressed upon him the inferior character of their accommodations: at a 31 July meeting Mond contended that 'his experience was that Departments had extravagant ideas of the amount of accommodation that was necessary', earning rebukes from the Walter Long, First Lord of the Admiralty, who remarked that his own department was heavily congested, and the Minister of Ways and Communications [Transport], Sir Eric Geddes, who remarked that Mond's undertaking to move his department to houses occupied by the Shipping Controller had not come to pass, as the Ministry of Shipping grew (a point challenged by the Shipping Controller and minuted in a footnote),[25] while Geddes lamented that his new ministry could not move into St Ermin's Hotel, as the accommodation there was 'very bad and

Table 5.1 Categories of Government Departments and their Postwar Accommodation Requirements, 1919

Categories	*Examples*
Pre-war departments with stable staff numbers and sufficient accommodation for permanent needs	[a]See note at bottom of table
Pre-war departments whose staff will permanently increase as a result of the war and require permanent additional headquarters accommodation	Treasury, Admiralty, War Office, Foreign Office, Colonial Office, Paymaster-General, Office of Works, Local Government Board (now Ministry of Health), Board of Education, Inland Revenue
Pre-war ministries with scattered accommodation for whom concentrated headquarters accommodation is required	Board of Trade, Ministry of Agriculture and Fisheries, Stationery Office
Pre-war departments removed during the war from the Whitehall area to temporary premises, and who now desire to return	Board of Education, Registry of Friendly Societies, Office of Woods
New ministries formed during the war now in temporary headquarters and requiring permanent accommodation	Cabinet Secretariat, Ministry of Pensions, Ministry of Labour, Food Ministry (if to be permanent in a limited form) (The Air Ministry are being provided for in Kingsway)
New ministries being created for whom permanent accommodation will be required	Ministry of Supply, Ministry of Ways and Communications

[a]None was identified as an example of this category of department or agency in the Appendix
Source Appendix: Submission to War Cabinet on General Question of Accommodation for Government Departments in London, War Cabinet 597, Minutes of a Meeting of the War Cabinet, 22 July 1919, CAB 23/11/11, Appendix, p. 8. The report was initially submitted as 'Submission to the War Cabinet on General Question of Accommodation for Government Departments in London', 1 July 1919, TNA, CAB 24/82/98

extravagant'. Minister of Labour Sir R.S. Horne noted that St Ermin's was at present occupied by a branch of his ministry, and wished it to remain there, if a longer lease could be secured.[26] The Parliamentary Under-Secretary for the Colonies, Colonel L.S. Amery, stated that the Colonial Office was 'appallingly overcrowded', while War Cabinet member George Nicholl Barnes cautioned against the First Commissioner's recommendation for a large new building at Whitehall to accommodate at least 17,000 people, due to transport issues.[27] Despite a previous Cabinet decision to remove all but essential departments from Whitehall to the suburbs H.A.L Fisher, President of the Board of Education, argued that some of his sections had to continue to be located at Whitehall. And so the debate

continued, with Chancellor of the Exchequer Austen Chamberlain asking why the War Office had designs on a bigger building than before the war. In part, the disputes were an outgrowth of wartime and postwar bureaucratic expansions and reconfigurations: the War Office, with 2500 employees before the war, now had 12,234—a modest reduction from the 15,800 at the time of the Armistice, while the Admiralty had grown from a pre-war level of 2000 to a wartime staff of 10,000, reduced by July 1919 to 8000.[28] After extensive deliberations, each department was requested to submit details of their pre-war staff levels for London personnel, wartime maximums, current levels, what work and staff had been transferred to it during and after the war, and what numbers, and what 'drastic' staffing reductions could be achieved within both three and six months.[29] These disputes reveal the acute challenges that the government faced in identifying and acquiring space, and: (1) the balancing act that had to be struck between the competing demands of various departments; (2) the contrasts between those departments whose roles and corresponding staffs were diminishing in peacetime, with those that were remaining stable, and those that were growing in the postwar era; and (3) the government's efforts to vacate requisitioned public spaces as a priority, under pressure, and in the interests of both the economy and, where museums, parks, and other such institutions were concerned, to restore a sense of normalcy to postwar life. Hotels were critical to these discussions.

Hosting the State? Hotels in British Postwar I Landscape

The end of the conflict engendered fierce criticism of the government's continued presence in the hotel sector, as soldiers returned home, tourism resumed, and the state was urged to both vacate properties and compensate proprietors for their loss of revenue and for their restoration as commercial premises.[30] It provoked immediate debate over the release of requisitioned properties, and the War Cabinet, after discussion, proposed that in the wake of strong pressure from the trade and increasing demand for spaces, hotels would be prioritised above other premises in their return to owners. In February 1919 Sir Alfred Mond was able to report to the House of Commons, in answer to a question posed by Conservative MP Sir Edward Brotherton that although his department did not control the demobilisation of hotel staffs, the Victoria Hotel was being vacated

on 13 February 1919, and that the Hotel Cecil and Grant Hotel were shortly to be released. The process of returning establishments requisitioned in wartime followed clearly articulated criteria and was part of a hierarchy: after hotels, museums, and public institutions were prioritised for release; third priority was accorded to business premises, and then to private houses (Mond 1919). Indeed, in response to a question posed by Liberal MP Sir William Sutherland in the House of Commons on 3 June 1919, the Secretary of State for War and Air, Winston Churchill, enumerated the current status of nineteen hotels in London taken over for various purposes by various government bodies, the Canadian Red Cross, the New Zealand Headquarters, and the American Expeditionary Force Headquarters—of which six had already been vacated or released.

Even so, in the House of Commons on 18 December 1919, Lt-Col Sir Samuel Hoare (1919) asked the First Commissioner of Works, Sir Alfred Mond, in the context of a wider interrogation of the uses of public buildings, including Burton Court (in Hoare's own Chelsea constituency), and sections of the British Museum, why several hotels remained in government hands, amongst them the Metropole, York, Holborn Viaduct, St. Ermin's, Horrex's, Windsor, Howard, and Salisbury hotels. Mond replied by noting that while Government staffs in London (excluding Post Office, Naval, and Military staffs in August 1914 (the month that war broke out) numbered 18,000, the total number had grown to 100,000 in the 1918 Armistice, accommodated in a range of establishments as depicted in Table 5.2.

The number of government staff houses in such premises subsequently declined to 78,000 by December 1919, with nine hotels, eight museums and galleries, 256 business offices, 81 private houses and flats, and five clubs released. Significantly, Mond also underscored that hotels presented an interesting case, as the proprietors of a number that had been requisitioned during the war had, at the war's end, desires to enter into leases with the government, to remain as offices. Moreover, Mond reminded the House, since the war the Minister of Labour, the Pensions Ministry, the Transport Ministry, the Ministry of Supply, the Food Ministry, and Ministry of Shipping had all been established, none with a permanent home at Whitehall, and in the meantime were required to occupy 'second-rate hotels' in London (Mond 1919). By 1 March 1920, Mond replied to a question in the House that of the eighteen London hotels requisitioned for the war, ten had been released (Mond 1920). While the government accorded priority to the release of requisitioned hotels, even in the wake

Table 5.2 Accommodation of Government Staffs in London, November 1918

Type of establishment	*Number of establishments*	*Number of people accommodated*	*Percentage of total people accommodated*
Crown Buildings	34	22,000	22
Offices held on lease	55	17,000	17
Hotels	18	11,000	11
Public institutions	14	8000	8
Business offices	850	22,000	22
Private offices and flats	180	9000	9
Clubs	70	2000	2
Temporary buildings in parks and public spaces	58	9000	9

Source Mond (1919)

of its efforts to accommodate new departments, there are a few cases in which it retained a presence in, and control over, hotels long after the London hotelscape had returned to private hands: the Angel Hotel in Cardiff offers an instructive case study in the contested role of the state in the postwar sector.

The Angel Hotel: A Case Study in Requisitioning and Retention

Even as the government committed itself to the expeditious and prioritised release of hotels, the demand of state expansion to which Mond referred created a continuing imperative of accommodating ministry workers: a number of hotels, therefore, remained in government hands. In 1922, all London hotels requisitioned under DORA regulations had been released, but five remained occupied by the Ministry of Pensions: the Clifton Down Hotel in Bristol; the Angel Hotel in Cardiff; the Clarendon Hotel in Newcastle; the Millers Hotel in Portsmouth; and the Imperial Hotel in Sheffield (Gilmore 1922).

As for the terms of compensation, while De Keyser's case established a new precedent and became one of the most constitutionally significant decisions of its time related to the relationship of the state to private property, compensation was largely adjudicated by the Defence of the Realm

Losses Commission; extant records of cases which include extensive correspondence with government departments reveal the considerations that were weighed in the contests between proprietors and the state—and the extent to which compensation engendered disputes between owners and the state that had occupied hotels. The Angel Hotel in Cardiff, for which detailed archival records are extant, offers an especially rich and instructive case of how compensation was adjudicated and contested.

The Angel Hotel was centrally situated in Cardiff, opposite a park that was used for training during the war. Occupying a triangular site, it boasted 117 rooms, including staff and letting rooms.[31] The compensation claims survive of proprietor Henry John Thomas, who held the premises on a 41-year lease from 1918 (the freeholder was Lord Bute, with a barrister serving as head lessee on a 99-year term from 1881), and representatives of his estate.[32]Thomas was a seasoned figure in the trade—he had been on the board of the Great Pump Rooms Hotel in Bath, the Esplanade Hotel in Penarth, and others in Brighton and London.[33] But he was a victim in part of very bad timing.

Thomas's lease had only begun (albeit on favourable terms until six months after a war, should it break out) before it was requisitioned, initially for the use of the United States Naval Authorities to accommodate personnel engaged in ferrying coal from Cardiff to Barry Docks in France.[34] It was subsequently surrendered by them on 14 July 1919 to the Office of Works, who requisitioned the property as the regional headquarters for the Ministry of Pensions—a department whose role in postwar Britain expanded greatly. It continued to occupy the premises for several years, the Director of Lands and Accommodation being satisfied that no other buildings were available to accommodate the staff, and that the Hotel having been acquired under the DORA, and then an additional period of time with the consent of the Railway and Canal Commission.[35] Having been advised of its imminent requisitioning, and the impending arrival of some 200 naval ratings, Thomas had auctioned off almost all of the hotel's contents.[36]

On 2 May 1921, Thomas made application for compensation to the War Compensation Court. Costs for the protracted occupation of the premises, and his claim, and the response of the Crown, illuminate the contested terrain of requisitioning, retention, and restoration of such establishments. Thomas, in his claim, laid out gas, lighting, water, and other costs, rates, duties, and premiums, managers' salaries, and board and lodging, in addition to 'use and occupation of the premises in question

for this period at a rate £6000 per annum say 2 years and seven months, on the basis that occupiers pay and discharge all outgoings of whatsoever kind the rent reserved under the lease to Claimant excepted'.[37] On a minute sheet preserved with the claim is a rejoinder that '[t]he compensation now in, is based on £65,00 pa [per annum] or son, as against £2,500 per anticipated. If by any chance the higher figure should be upheld by the Court, we shd [should] practically be forced to vacate as soon as possible'.[38] The last charge, totalling £15,500, constituted the largest proportion of the total claim, and Thomas reserved rights to make further claims for costs in respect of reinstatement of the premises, including the disturbance and the loss of goodwill.

In a precis responding to Thomas's claim, the government offered a description of the premises: 'substantially built, red brick and slated, with basement, ground and three storeys on a triangular site with frontages to Castle Street and Westgate Street', with 117 rooms and basement service.[39] The Crown cast doubt on the level of trade that formed the basis of his requests. The war, for instance, had occasioned a reduction in rent, which returned to full value, including a reinstated ratable assessment, on 11 July 1920.[40]

Thomas's solicitor had represented that the accounts before Thomas's lease would not fairly reflect on the profit it would have realised under his management: Thomas's predecessor as hotelkeeper was a 'hostile outgoing tenant' who had left the staff complement depleted; soon after he took possession of local newspapers carried reports of the requisitioning; in consequence, no reliable accounts could be supplied.[41] However, Thomas declined in a subsequent interview to provide further particulars, or details related to the 'gradual occupation or acquisition by the American Naval Authorities and the similarly gradual closing down of the trading'.[42] The government, in contrast, contended that in 1907, 1908, and 1909 the hotel recorded a small profit, and was understood to be operating at a loss when acquired by Thomas.[43] As a result of that record, and of Thomas's liquidation of stock and materials, the response argued that anticipated profits should be eliminated from consideration of compensation, which would instead focus on out-of-pocket expenses incurred by Thomas, including apportioned rent of the hotel premises for which Thomas was liable. Accordingly, accounts for gas, electric lighting, water, and other services were entered into consideration, various rates, duties, and insurance premium, as was the annual £6000 claim for use and occupation of the premises which was countered

with an offer of £4421 16s 0d (if the requisition was deemed to be effective 27 August 1918) or £4341 12s 2d (if effective 14 September 1918, in recognition of the gradual pace of evacuation of the premises).[44] The Crown's position was that Thomas's higher claim was 'unsupported by trading or other information'.[45]

Thomas appeared before the War Compensation Court in July 1922, and an agreement was reached in the course of the hearing for payment to him of £68 4*s*. 1*d*. for out-of-pocket expenses, as well as £404 to his manager, leaving the question of payments that he had made to his landlord of £2000 annually. A.F. Wootten, K.C. contended that the premises were 'now full to overflowing with Government employés [sic] and officials, and it cannot be said when the Government took over these premises that they were striving particularly after economy. These premises were taken because they were in the business centre, near the banks, and in an ideal place for an office'.[46] Disputing the claim, the Crown contended that there should be no additional sums beyond loss of trade accorded to Thomas, and that the house was not worth the agreed rent. Wootten claimed that witnesses testifying on behalf of the Admiralty and First Commissioner of His Majesty's Works and Buildings had in fact shown that the Angel Hotel's 'downfall' had been due to mismanagement, and that it had been allowed to become 'dingy' and reliant on a bar trade. But, he asserted, back in the hands of Thomas, who had experience in the trade (and presumably no opportunity to effect improvements, given the brevity of his occupation) '[t]he hotel had been and could be again one of the leading hotels in Cardiff'.[47] The 'serious shortage of hotel accommodation' in Cardiff only underscored his point. Thomas had refused an offer that valued the hotel at £3600 in annual rent in 1920 and now the government was claiming that the hotel was not even worth the £2000 he paid annually in rent. In contrast, Thomas was claiming £6000. After a three-day hearing in London, the Court made a prompt award to Thomas of: (1) £472 62*s*.; (2) a sum of £3800 annually from 26 August 1918 to 24 July 1922 (against Thomas's claim of £6000 annually); (3) £26 5*s*. for insurance from 25 March 1921 until 24 June 1922, with the Crown to indemnify Thomas out of public funds from 26 August 1918 until 24 June 1922 against rates and tenant's taxes; and (4) costs of £189. Thomas was to insure the premises against 'fire risks, or, in default, to accept such risks' and allow credit of £3000 already paid to him.[48] The Secretary of State for Air was ordered to indemnify Thomas out of public funds for the period from 26 August 1918 until 24 June 1922 against

rates and tenant's taxes.[49] Both parties were allowed the right to apply again to the Court for reinstatement or for continued occupation of the hotel after 24 June 1922.

The Angel Hotel continued in government hands until 1923, when it was vacated after seven years.[50] Surveying began for a 1925 compensation claim, this time pursued by representatives of Thomas's estate, that took into account the extended period of occupation; the proprietors reportedly were planning to spend some £40,000 to outfit it as a first-class establishment. In April 1925, in the wake of the release of the hotel, Thomas's executors appeared before the War Compensation Committee in London, this time claiming approximately £20,000, including rent paid until the hotel was surrendered by the Ministry of Pensions, £7500 for dilapidations, and £9000 for 'time occupied in reinstating and restoring the business', and £2530 for reinstating furniture.[51] The Crown had agreed to some claims—such as £2832 for dilapidations,[52] but it contested others, admitting liability for around £3800.[53] Amongst the disputed claims were the costs of compensation for disturbance, and the claimants contended that they were due compensation for the period when they were, as the Western Mail reported, 're-creating the thing that had been destroyed'.[54] The Crown argued that when the premises had been vacated and released the claimants could have immediately begun such work, and would admit payment for three months' of reinstatement, whereas the claimants argued that it had remained in government hands for so long that it would take at least a year for the public to be apprised of its status as a hotel, rather than an office.[55] As for reinstatement, the furniture had been sold (the claimants claimed they had acted under pressure from the US Navy to move expeditiously), and the sum of £5481 that had been realised at the time of their disposal would now amount to £16,755—though this sum was contested by the Crown, and an auctioneer who had advised on selling rather than storing the furniture, acknowledged that at 5 percent interest, the value would stand at £7556.

The next day, the country heard testimony from the same Cardiff auctioneer that the hotel had not been used as a place of commercial accommodation since its release, and estimated that £44,000 would have been transacted in business under Thomas, had it not been requisitioned so quickly after his assumption of the lease. He also argued that the lengthy Government occupation had 'destroyed the goodwill of

the hotel'. C.F. Lowenthal represented the Crown (with the Solicitor-General in attendance in the afternoon): Lowenthal ridiculed the claim as extortionate, contending that:

> The hotel is a derelict building to this day, and it would go on in that condition for Heaven knew how long.
>
> 'They are not entitled to sixpence,' said counsel, 'after the expiration of such time as was reasonably required to ascertain the dilapidations and make them good.
>
> He turned to the claim for lost business, and submitted that when Mr. Thomas took the lease the hotel was not doing any trade of the slightest value. 'That being so,' said Mr Lowenthal, 'how is it possible, in common honesty, that anyone can justify a claim on the basis of a non-existing trade which has to be re-established?'.[56]

In the end, the court adjudged the value of the claim at £11,567—less the sum exceeding £16,000 claimed.[57] The court's adjudication credited £7000 already paid out to the claimants.[58] Thus ended a protracted case that had seen Angel Hotel pass through government hands for a variety of purposes—and then become the centre of disputes over the value of compensation. While De Keyser's Royal Hotel attracted wide interest, and had far-reaching consequences, the experience of this much smaller provincial hotel is consequential in demonstrating the wartime and postwar uses of the building, and in underscoring the contests that surrounded the requisitioning of hotels not just in London, but farther afield, where several remained in government hands even as it committed itself to returning others, especially in the metropolis, to their previous owners.

The case of the Angel Hotel points to wider themes aligned with concerns raised in the confidential Minutes of the War Cabinet and public utterances of the politicians: peacetime did not see a restoration of buildings to their former uses anymore than it witnessed Britain's return to the pre-war dispensation. Indeed, the experience of the Angel Hotel offers a lens through which to explore: (1) the expansive demands of the postwar state in new areas of bureaucratic administration, even as it diminished in others; (2) the protracted return of some buildings to the private sector; and (3) the contentious questions surrounding compensation, and the grounds for assessing lost revenue, and goodwill.

Conclusions

It was within this highly charged domestic political context—a government seeking to balance strong pressure to release hotels to the private sector after the war, while retaining premises in London initially and for a more extended period in the provinces—that the protracted and contested character of the state's release and retention of hotels occurred. The postwar state had not shrunk so much by 1919 that the government contemplated the wholesale evacuation of requisitioned premises. Instead, Minutes of the War Cabinet offer a window onto debates centring on: (1) acute demand for new buildings and spaces; (2) claims surrounding the inadequacy of much of the existing accommodation; (3) resistance to a number of proposed cost-saving initiatives such as relocation to the suburbs; and (4) the rival claims by departments to prioritisation in the erection of new premises. Hotels featured prominently in all of these debates. They became flashpoints in these disputes, given their status as prominent businesses whose 'return' to public use was a conspicuous sign of the state's commitment to normalising relationships between it and the private sector and supporting the hospitality sector's peacetime prosperity; moreover, as the government was accused of extravagance, its peacetime occupation of London's leading grand hotels—amongst the most visible buildings in the capital's skyline—engendered strong criticism. Yet, as the case of Cardiff's Angel Hotel shows, Britain's expanding state required accommodation, often for an extended period of time, outside London, as well as in the capital. The Angel Hotel's transition from requisitioned military premises to a Ministry of Pensions Office, as well as disputed compensation claims that played out in the War Compensation Court, show how it, like other hotels was embroiled in the wider discussion of the postwar bureaucratic infrastructure that transformed the landscape of Britain—including the built environments that were part of its hospitality sector.

Notes

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3. 'Glasgow Hotels. Criticisms of Government Departments', The Hotel Review - Restaurant Gazette & Catering News 10, no. 109 (August 1918), p. 235.
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5. War Cabinet 550, Minutes of a Meeting of the War Cabinet, 24 March 1919, TNA, CAB 23/9/37, p. 4.
6. War Cabinet 550, Minutes of a Meeting of the War Cabinet, 24 March 1919, TNA, CAB 23/9/37, p. 5.
7. War Cabinet 569, Minutes of a Meeting of the War Cabinet, TNA, CAB 23/10/17, 19 May 1919, pp. 2–5.
8. War Cabinet 569, Minutes of a Meeting of the War Cabinet, 19 May 1919, TNA, CAB 23/10/17, pp. 2–3.
9. War Cabinet 569, Minutes of a Meeting of the War Cabinet, 19 May 1919, TNA, CAB 23/10/17, p. 32.
10. War Cabinet 569, Minutes of a Meeting of the War Cabinet, 19 May 1919, TNA, CAB 23/10/17, p. 2.
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15. War Cabinet 569, Minutes of a Meeting of the War Cabinet, 19 May 1919, TNA, CAB 23/10/17, p. 4.
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17. War Cabinet 569, Minutes of a Meeting of the War Cabinet, 19 May 1919, TNA, CAB 23/10/17, p. 4.
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20. War Cabinet 569, Minutes of a Meeting of the War Cabinet, 19 May 1919, TNA, CAB 23/10/17, p. 5.

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22. War Cabinet 597, Minutes of a Meeting of the War Cabinet, 22 July 1919, TNA CAB 23/11/11, p. 6.
23. War Cabinet 597, Submission to War Cabinet on General Question of Accommodation for Government Departments in London, Minutes of a Meeting of the War Cabinet, 22 July 1919, TNA, CAB 23/11/11, Appendix, pp. 9–10.
24. War Cabinet 597, Submission to War Cabinet on General Question of Accommodation for Government Departments in London, 22 July 1919, TNA, CAB 23/11/11, Appendix, p. 9.
25. War Cabinet 603, Minutes of a Meeting of the War Cabinet, 31 July 1919, TNA, CAB 23/11/17, p. 3.
26. War Cabinet 603, Minutes of a Meeting of the War Cabinet, 31 July 1919, TNA, CAB 23/11/17, p. 4.
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28. War Cabinet 603, Minutes of a Meeting of the War Cabinet, 31 July 1919, TNA, CAB 23/11/17, p. 5.
29. War Cabinet 603, Minutes of a Meeting of the War Cabinet, 31 July 1919, TNA, CAB 23/11/17, p. 10.
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32. Precis, Admiralty and Office of Works, Angel Hotel, Cardiff, Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2.
33. 'Angel Hotel. Big Claim Against Crown. Cost of Restoring the Business', *Western Mail*, 7 April 1925, p. 8.
34. Precis, Admiralty and Office of Works, Angel Hotel, Cardiff, Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2, p. 1.
35. Ministry of Pensions, Regional Headquarters, Angel Hotel, Cardiff, Memoranda, TNA, WORK 12/77/2.

36. Precis, Admiralty and Office of Works, Angel Hotel, Cardiff, Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2, p. 2.
37. War Compensation Court Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2.
38. Untitled Minute Sheet, TNA, WORK 12/77/2.
39. Precis, Admiralty and Office of Works, Angel Hotel, Cardiff, Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2, p. 1.
40. Precis, Admiralty and Office of Works, Angel Hotel, Cardiff, Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2, p. 2.
41. Precis, Admiralty and Office of Works, Angel Hotel, Cardiff, Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2, pp. 5–6.
42. Precis, Admiralty and Office of Works, Angel Hotel, Cardiff, Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2, p. 6.
43. Precis, Admiralty and Office of Works, Angel Hotel, Cardiff, Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2, p. 7.
44. Precis, Admiralty and Office of Works, Angel Hotel, Cardiff, Claim of Mr. H.J. Thomas, TNA, WORK 12/77/2, pp. 13–14.
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CHAPTER 6

Brittany Hotel Industry and Second World War: Total Crisis, Global Opportunism (1940–1952)

Yves-Marie Evanno and Johan Vincent

Until recently, the scarcity of information led to the belief that the tourist industry was incompatible with the war. It had even become a historiographical weakness and an opportunity for authors to make a long ellipsis in order to avoid the subject. For the Côte d'Azur, Paul Gonnët wrote in 1993 that "the Second World War, despite the influx of refugees until

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1943, was a long and double crisis for the hotel industry: many hotels were requisitioned and the front passed through our militarily occupied region" (Gönnet 1993). For his part, Jean-Marc Lesur refers to the conflict as a before-and-after pivot, but the period is not really studied (Lesur 2005). In France, this subject is also ignored because the classification of archives changes between the modern period (1800–1940) and the contemporary period (since 1940).

Yet the hotel business held up well during the Second World War. In the 2000s, Laurent Tissot observed that the effects of the two world wars were identical in Geneva for the luxury hotel sector. There is the same abruptness in the decline in occupancy and the same medium-term adaptation to this situation (Tissot 2007). Sven Raffestin (2010) notes this slowdown in affluence, with a policy of temporary conversion to office space for some of the establishments. For others, it was the end of a model, with hotels disappearing in Switzerland, for example, as a result of requisitioning, according to Evelyne Lüthi-Graf (2006). The need for modernity sacrificed old infrastructures after the 1943–1944 survey on the technical renovation of the country's hotels and resorts. Since then, historical research has demonstrated the importance of the period for the hotel industry, and in particular the awareness of a major sector (Crivelli 2011), both economically (although in France this was already the case with the First World War, see Evanno and Vincent 2019) and socially: in Switzerland (for example, Narindal 2022; Schneider 2022); in France (Evanno and Vincent 2022); in Monaco (Abramovici 2015). In Spain, the 1940s was a difficult period for tourism, linked to the end of the Civil War and the application of the hotel ordinance of 8 April 1939 (Larrinaga 2021).

In France, unlike during the previous war, the hotel business was maintained mainly due to requisitions. The German army's military occupation had huge accommodation requirements. Whereas in 1914, the requisitioning of private homes was avoided for budgetary reasons (rather than moral or pragmatic reasons), in 1940 the occupying forces' demands left no choice. This administrative procedure leaves an invaluable trace for the historian. While hotel sources are traditionally difficult to access, because they are essentially private, the files kept in the departmental archives give us an insight into the internal workings of these establishments. They are particularly well preserved in the Morbihan department. By examining these files, we can examine the real impact of the war on hotels. To what extent did the measures taken during the war contribute to the modernisation of hotels? The requisition files make it possible to determine the

extent of the work carried out throughout the war, which helps us to understand the resumption of activity after the war.

A Small Hotel Away from Modernity at the Start of the Conflict

Since the end of the nineteenth century, the growing number of tourists has led to the development of commercial accommodation, with the rental of villas or accommodation in inns, guesthouses, campsites (from the 1920s onwards) and hotels. However, the resulting windfall had no impact on Brittany's hotel infrastructure. There was a huge disparity in comfort from one establishment to another.

In reality, the majority of establishments were "not very comfortable"—a non-pejorative term used by the French administration in September 1940.[1] The seventh and final rung was reserved for hotels with no central heating, no running water in the rooms and no bathroom on any floor. Many owners therefore relied more on the revenue generated by a restaurant or bar, and offered only extra rooms. Le Terminus, in Arzon (Morbihan), is a perfect example. It had just four rooms located above the bar-restaurant. The mayor even considered that it "is not a hotel, but rather an uncomfortable hostel with customers during the bathing season".[2] Whatever his opinion, the establishment was legally registered as a hotel.

The rudimentary nature of Morbihan's hotels was confirmed by Guillaume de Nouë, head of the prefecture's requisitioning department. Arriving from the Paris region in February 1941, he was happy to say that "in Morbihan, the hotels had rooms that were veritable dormitories".[3] Throughout the 1930s, this obvious lack of comfort penalised the customer, even if one had to be fairly cautious, given that Brittany had a well-founded reputation for being inexpensive. This did not prevent complaints that, due to the increase in demand, many shopkeepers were taking advantage of travellers' vulnerability to rent rooms that were close to insalubrious at high prices.

Aware of the problem, the government passed legislation on 7 June 1937 to coincide with the Paris International Exhibition, which gave a prominent place to tourism (Manfredini 2013). Designed to meet the expectations of international tourists, the new legislation was precise. Henceforth, in order to be approved by the French Tourist High Commissioner, the hotel must comply with certain rules, namely: display its prices precisely and, above all, respect them. In return, the establishment is listed in an official national directory and can display a sign at

the entrance, a guarantee of safety for tourists. While the law reinforced a prefectural decree that had already been in force in the department since 1934, its main aim was to improve the quality of the hotel sector.[4] To obtain approval, the hotelier or manager must comply with increasingly demanding specifications each season. In this way, the State can gradually raise the tolerance thresholds for comfort and hygiene. According to the criteria defined in 1939, the hotel must have at least one shared bathroom (or a shower if necessary) and hot and cold running water in most rooms.[5]

These new requirements had led to the withdrawal of several approvals and the incomprehension of many owners. The hotel Desnè-Dolo, in Vannes (Morbihan), was one of those rejected. It had 27 rooms with no bathroom. The only comfort it had was the installation of running water in two rooms, and even then, it was… cold. In March 1939, the owner was "astonished" by the refusal to approve his application.[6] The response from the French Tourist High Commissioner was definitive: "You will certainly agree with me and the French Hotel Management Board that this hotel does not offer the minimum level of comfort required to qualify for approval".[7] This reaction reflects the government's determination to modernise the country's hotels.

The initial results were not exactly reassuring in Morbihan. In 1940, only 23 of the 300 hotels were certified.[8] Even if the new law did not have the full effect of modernising the industry, the situation was terrible: the hotel stock was not very comfortable, and the owners seemed content with this. Why invest when the growing demand from tourists was enough to pay the owners? The 1940 season was prepared as usual, despite the "Phoney War", just like the summer seasons of the First World War. Until the beginning of May 1940, the military front on land was far away and no Breton thought that the French army would be defeated in a matter of weeks.

Adapting to a New Customer Base

It was in an uncomfortable hotel complex that the Germans settled in Brittany in mid-June 1940. The French authorities were responsible for accommodating the occupying troops under article 18 of the Armistice Agreement signed on 22 June 1940.[9] In fact, there are two types of requisition: permanent or ad hoc. They apply either to the entire hotel or just a few rooms, depending on the needs of the occupants (Evanno

2013). Whatever the case, all the establishments concerned are compensated by the French government to mitigate the financial loss of such an occupation.

Hotels were one of the occupying forces' favourite targets, both for housing officers and for the new administration. The Belle-Ile-en-Mer *Kommandantur* took up residence in the Hôtel de Bretagne in Palais, the Saint-Pierre-Quiberon *Kommandantur* in the Hôtel Penthièvre, the Dauphin in Vannes served as headquarters for the German Division Commander, and Le Terminus in Auray was transformed into a soldiers' hostel (*Soldatheim*) in the spring of 1943… German needs were considerable. In Morbihan, of the 300 establishments listed at the start of the conflict, almost 260 hotels were requisitioned during the summer of 1940. These needs were confirmed by the occupation of 275 establishments in June 1941[10] before a slight decrease. There were still 186 hotels in March 1944.[11] The choice of hotels was also better accepted by the civilian population. After the emergency accommodation phase of 1940, the authorities were concerned that heritage buildings (castles, manor houses, manor houses, abbeys, etc.) would be transformed into living quarters for the occupying forces, to the detriment of France's artistic heritage. The Secretary of State for Communications made regional prefects aware of the need to "protect hotel facilities" and asked to be informed of any changes that might be made. In some cases, when a monument is in danger of falling into ruin, it may be possible to find a new use for it, i.e. convert it into accommodation.[12]

The Germans, who had now been settled here for a long time, were encouraging hoteliers of what inevitable became their homes. As we have seen, this need was all the greater as Brittany was lagging behind in this area. In the early days of its arrival at the Grand Hôtel de Paramé (Ille-et-Vilaine), the German company asked to run the hot water service, but the boilers had been damaged by the French army's health service, according to the company that had come to restore them to working order.[13] At Le Lion d'Or, an uncomfortable hotel in Pontivy (Morbihan), professionals came in 1943 to renovate the electrical system and then repaint the woodwork, office, staircase, doors and windows.[14] A few hundred metres away, the approved hotel, Le Central, underwent much more extensive work. The owner was "required" to build an amenities room with four toilets, six urinals and a washbasin "with ice".[15] His bar also underwent some useful alterations. It was fitted with a new counter and a percolator. These significant improvements cost the owners nothing.

Many hoteliers take advantage of the complexity of the legislation to avoid paying their craftsmen. In principle, instructions provide for the French Treasury to pay for work to combat obsolescence. However, these instructions contradict each other by charging hoteliers for repairs and maintenance work related to natural wear and tear ("painting, chimney sweeping, plumbing").[16] However, most of the time, this was "obviously comfort work", in the words of Guillaume de Nouë, the head of the German requisitioning department in Morbihan.[17] The owner of the Atlantic Hôtel, in La Baule-les-Pins, contested the painting contractor's invoice because the hotel had been found to be in good condition at the time of the first requisition: while he was prepared to pay for "everything that had been found to be defective at the time of the requisition", he refuted the category assigned to his establishment, which outclassed it.[18] But the ambiguity remains. More often than not, tradesmen intervene on the direct orders of the occupants. As the work is carried out without the prior opinion of a sworn expert, it is impossible to say whether or not it is necessary. Faced with a fait accompli, the authorities had no way of enforcing the relevant provisions. It was also difficult to require citizens to pay the bills for work that they felt they have been forced to carry out. This situation was still deplored in 1944 by Fernand de Brinon, the delegate general in occupied territory:

> Experience has shown that some maintenance work carried out without any intervention from hoteliers often exceeds the scope of normal maintenance due to its lavish nature or the rate at which it is renewed [...]. In most cases, the parties concerned argue either that the work could have been carried out under less onerous conditions, or that the state of repair of their establishment in no way justifies it.[19]

Conflict is not the best option for the French authorities. In fact, the owners were regularly supported by the occupiers—their proximity to the landlord created a form of benevolence. For example, the Germans would write directly to the prefecture to support a hotel owner's request… and France would pay. Under these conditions, requisitioning was much more effective than the law of 7 June 1937 in encouraging hoteliers to modernise their establishments.

Social relations with the occupier could sometimes be difficult, however. Hotel owners were sometimes forcibly evicted from their requisitioned businesses and forced to leave within a few hours. For example,

Miss Marion evacuated her boarding house Bernadette following the German requisition, to live in the cottage Malgré Tout during the war period.[20] Pre-war accounting documents were often left behind and subsequently lost.[21]

Tastes of Luxury

For the occupier, the hotel not only became a place to live, but also served the administrative apparatus, while offering the ideal meeting place for local notables—the intimacy of the lounge, bar or restaurant conferred the discretion required for this "business sociability". Some of these establishments had already been partially converted into offices by the French army. Between November 1939 and June 1940, the Hôtel Balmoral in Dinard (Ille-et-Vilaine) was occupied by the air base services, becoming an office space with officers' bedrooms.[22] In these complicated times, Philippe Burrin has emphasised just how much "a good meal can make things easier than a discussion in the office, while avoiding the compromise of an invitation home" (Burrin 1995). These mechanisms, well known in Parisian circles, were reproduced on a local scale. Hotels have a de facto essential role in the functioning of collaboration, whether large or small.

To fulfil this function—and no doubt to compete with each other -, the hotels had to have a certain standing. To improve their interiors, officers ordered paintings, engravings, trophies and so on. As early as October 1940, the Prefect of Morbihan, Henri Piton, deplored the regular delivery of "sumptuous furnishings" to billets. Most of these items were carpets, sofas and tea tables. One unit stationed at Larmor-Plage had eleven paintings delivered, worth a total of 42,000 francs.[23] The Germans also provided hotels with board games, billiards tables and musical instruments (in particular pianos) for their comfort. This requirement even led some establishments to instal real *Kasinos*. This kind of work cost a lot of money, as partitions had to be knocked down, lighting had to be redesigned and furniture had to be bought (game wheels and mats, etc.). These expenses went beyond the strict renovation framework but were covered by the French authorities. Sometimes they were paid by the Germans, but never—to our knowledge—by the hoteliers themselves. In the event of a dispute, the Commission d'évaluation des réquisitions (requisition evaluation commission) intervened and, by default, proposed "fair" compensation. In all cases, it was the owner who benefited, at a

lower cost, from the work considered "sumptuous" by the administration[24] and which, in fact, represented an undeniable added value for the hotel.

An Unhoped-for Replacement Income

If the works benefited the hotelier, the question remains of the income needed to keep the establishment going. Compensation was provided for this, but was it enough to compensate for the absence of a commercial or tourist clientele? The French authorities soon became concerned, but not in the way they expected. In 1941, the prefect delegated to the Ministry of the Interior condemned the "excessive profits made by hoteliers".[25] This fact is difficult to dispute, as hoteliers were making substantial profits, even after the introduction in 1941 of deductions designed to limit excessive income—which, as we shall see, was not linked solely to the reimbursement of expenses (Evanno 2013). The report drawn up on 2 December 1941 by the German Requisitioning Service is unequivocal.[26] It concludes that the requisitioned establishments made substantial profits (Table 6.1).

Table 6.1 Ratio between expenditure and compensation in the different categories of hotel businesses in Morbihan (production: Y.-M. Evanno)

	Type of farm			
	Hotel requisitioned in its entirety and managed by the hotelier		*Seasonal hotel requisitioned in its entirety and managed by the hotelier*	*Seasonal hotel requisitioned in its entirety and managed by German troops*
	3 stars	*2 stars*		
Total expenditures (in francs)	525,388.70	398,664	31,862.50	9500
Amount of compensation received for the same period (in francs)	732,657.70	447,417	141,723.90	152,785
Expenditures as % of revenue	71.7%	89%	22.4%	6.2%

The a priori loss of the indemnity is more than compensated for by an exceptional and continuous rate of room occupancy. However, this was much lower before the war, mainly because of the long "off-season". The authorities did not hesitate to point the finger at the "considerable turnover" achieved by certain hoteliers.[27] The Britannia (Carnac, Morbihan) was criticised by the Prefect delegated to the Ministry of the Interior as early as February 1941.[28] According to him, the way in which compensation was calculated earned the owner ten times more than before the war.

Are these figures exaggerated? If we look at the combined turnover of the Hôtel de Bretagne and the Hôtel des Voyageurs—two establishments in Lorient (Morbihan) owned by Etienne Bouthelier[29]—we see that from 1,008,924 francs in 1939, it rose to 1,752,452 francs in 1940, 2,291,268 francs in 1941 and 1,436,872 francs in 1942 (in constant 1939 francs), with both hotels being bombed and destroyed in 1943. Provided that the profits for 1939, a year of war, reflect those of previous years—which is not certain—we can therefore assume that the requisitioning and occupation of the hotels was profitable. In any case, the fact that La Tour d'Auvergne was put up for sale by its owners, who were retiring, and was quickly bought by Eugène Bernaudin, who already owned several Parisian hotels, would tend to corroborate the impression that the business was profitable.[30] The establishment was put under management, proof of an investment strategy.

A Boon for Everyone?

Despite the above figures, the difference in treatment from one establishment to another, whether requisitioned or not, or even a victim of war damage, gave rise to different situations.

Barring a hypothetical exhaustive survey, hotel by hotel, it is difficult to know exactly what work was carried out during the war (Hellwinkel, 2019). Sources are sketchy and invoices are difficult to handle. However, we can say that not all hotels benefited from these improvements at the same rate. Logically, hotels that provided only a few rooms a month are less likely to be needed by occupants than hotels that had been requisitioned in their entirety over the long term. In addition, some hotels had been extensively transformed, such as the Hôtel des Bains et de la Plage in Pornichet, which became a surgical hospital in 1940, and whose exterior appearance and interior layout had been changed. The mayor estimated

that its value had been greatly diminished.[31] The intermittent occupation did not generate any compensation from the State, while the hotel industry in the coastal area had not admitted any customers other than military personnel since the spring of 1940.[32] Some people did not understand the situation. For example, the owner of the Hôtel du Dolmen in Carnac (Morbihan) thought he was doing good business when he applied for and obtained the de-requisition of his establishment in March 1941, to prepare for the summer season. However, on 28 April, the Prefect of Morbihan was asked by the *Feldkommandatur* to "take the necessary steps to prevent the arrival of holidaymakers and holiday camps during the bathing season".[33] Well aware of the risk of a shortage of customers, two months later he requested and obtained a full requisition of his hotel from the benevolent Lorient *Kreiskommandantur*.[34]

Furthermore, as advantageous as it was, requisitioning did not protect against damage. Respectful of their accommodation, the Germans were responsible for the same damage as normal clientele (mainly broken furniture)—the negligence of a driver damaging the gate of the Hôtel Belle-Vue in Saint-Gildas-de-Rhuys being exceptional.[35] While some post-war appraisal reports note that damage caused by the French and German occupiers was fairly rare, others mention establishments that suffered significant damage: the Hôtel Crystal in Dinard due to a lack of care on the part of the German occupiers,[36] the Hôtel des Panoramas et du Golf in Saint-Briac (Ille-et-Vilaine) due to alterations carried out both by the French, who destroyed some of the lounges, bedrooms and bathrooms to make way for an operating theatre, and by the Germans, who, because the central heating had broken down, installed stoves with pipes in the bedrooms.[37] Paradoxically, it was from the summer of 1944 onwards that the main damage was observed. The replacement of the Germans by the Americans, followed by their lasting presence in Morbihan due to the maintenance of the Lorient and Saint-Nazaire pockets, led to a new occupation of the site, this time quite disastrous. The owner of Le Tumulus in Carnac lodged a complaint on 11 May 1945 for the theft of a large quantity of decorative furniture (dolls, vases, doilies, etc.).[38] In the rush of events, the inventory of fixtures on arrival and departure was rarely carried out…

However, this damage was minimal compared with the violence of the war. The regions of Brest, Lorient and Saint-Nazaire were particularly hard hit by excessive bombing. These towns were virtually wiped

out. Hotels were not spared. In Lorient, only 2 of the 54 establishments were not destroyed by the end of the war.[39] The coastline was not spared. In Carnac, the Britannia was destroyed by an incendiary bomb in 1941. Sometimes it was the fighting during the Liberation that destroyed hotels. In Ille-et-Vilaine, bombing raids were sustained during the fighting during the Liberation, with the blast often weakening structures (joinery, roofing) and destroying glasswork. The Hotel Balmoral burnt down in Dinard in August 1944. The most emblematic case is that of Saint-Malo. The town was hit by fighting between the German and American armies between 6 and 17 August 1944. Almost 80% of the town was destroyed. Only a few establishments miraculously survived, such as the Hôtel France and the Hôtel Chateaubriand, although the latter was badly damaged. Its windows were blown out and its rooms gutted, but the structure remained standing (Paris 2019).

The Hotel Industry, a Priority Sector During the Liberation

From the start of 1945, even before the end of the fighting in France (German capitulation on 8 May), the hotel industry was a priority for the Provisional Government of the French Republic. A rapid resumption of activity was essential to attract tourists and, above all, "foreign currency".[40] According to Henry de Segogne, who was in charge of this recovery at the time, tourism would bring in almost ten times more for the State than exports from the metallurgy industry "considered to be the mainstay of the national economy".[41] As a result, few sanctions were taken against hoteliers whose establishments had been requisitioned during the war (Evanno 2016). Although their responsibility was difficult to establish, the authorities wanted them to be able to restart their business immediately. In fact, in the winter of 1944–1945, the government asked the municipal councils of the coastal towns to set aside a budget for tourist activities. Substantial funds were voted to give priority to rebuilding hotels, clearing landmines from the country's most popular beaches, updating documentation, rebuilding transport capacity (four-fifths of the SNCF's fleet had been lost) and accommodation capacity (less than half the accommodation capacity was usable), and considering new legislation on passports and visas (Ginier 1969, 143–145). For establishments that had been destroyed, the Ministry of Reconstruction and Town Planning encouraged their reconstruction or rapid reopening.

Hotel industry experts were appointed and funds were released as soon as the war was over. For example, the Hôtel de Bretagne in Lorient and the Hôtel Britannia in Carnac reopened their doors in 1951. Their work was slowed down more by a shortage of materials and labour than by a lack of political will. In fact, at the same time, the government decided to let local populations live in prefab houses (Pelaez 1995; Guetny and Billon 2018).

The American authorities shared this view. Marshall Plan officials envisioned an "Americanisation" of hotels to make them more accessible to the middle classes, by rationalising work routines, investing in new technologies and applying American commercial techniques (Endy 2005). On 11 March 1948, in the Franco-American bilateral agreement under which France signed up to the Marshall Plan, tourism appeared as a chapter of American aid, introduced by Ralph Owen Brewster, from the State of Maine, and enabling France to obtain dollars to pay for the goods that its transatlantic ally could supply. Unlike direct aid from the US government, paid for by taxpayers on a vote by Congress, this aid would be provided through free enterprise mode. The US Congress also voted to increase the value of goods purchased that Americans were allowed to bring back from abroad without paying tax (duty free): set at 100 dollars in 1947, this sum rose to 400 dollars in 1948 and then to 500 the following year. To promote tourism, the Marshall Plan administration, the Economic Cooperation Administration (ECA), set up its Travel Department Section (TDS). A small magazine, *Rapports France-États-Unis*, was published for the French to promote understanding between the two peoples (Fouché 2007).

The Travel Department Section campaigns on two recurring problems: the issue of tipping and the need to modernise French hotels, i.e. their sanitary and hygienic facilities. For Americans, it was not acceptable to have only shared bathrooms and toilets, generally on each floor, a common situation except in luxury hotels. In 1950, the French government forced three-star hotels to instal private bathrooms and toilets in 30% of their rooms if they wanted to keep their star rating. This is a question of mentality that belies the "*shared Atlantic community*": the French attach much more importance to service (valets, porters, baggage handlers, concierges, butlers, waiters and waitresses, lift attendants, etc.) than to the bathroom (Fouché 2007).

Conclusion

The continuity of hotel operations and the changes introduced by international standards were proving effective. In September 1950, the mayors of Morbihan confirmed that the majority of hoteliers had resumed their activities without difficulty.[42] They were even moving upmarket. This was the result of work carried out during the Occupation. It was also encouraged after the war by the prospect of attracting international traffic, even if the original ambition was not achieved. In fact, it was the democratisation of tourism in Europe that benefited from this hotel stimulation, by adopting alternatives to the large, standardised hotels (Battilani 2007; Vincent and Evanno 2022). All of them were brand new and now met customer requirements, in perfect time to welcome the ever-increasing number of tourists.

The ideology and direction set by the Travel Department Section was taken up by its successor, the United States International Agency (USIA), as soon as the Marshall Plan ended in 1952. The results were there for all to see. In 1953, the number of American tourists in France (410,000) exceeded the figure for 1930 (359,000), the highest ever recorded between those two dates (Fouché 2007). But Brittany escaped these tourist flows from across the Atlantic, preferring Normandy, the Basque Coast and above all the Côte d'Azur. Brittany's clientele was predominantly French, with international tourists from Western Europe, and the Benelux countries in particular. Where, after the Second World War, the predominantly family-run business began to fade in favour of hotel chains, as in Geneva (Tissot 2007, 29) and Nice, the Breton hotel industry continued to be characterised by small, modest establishments that tried to keep pace with the favourable post-war tourist boom: in the mid-2000s, the Breton hotel industry was still characterised by a high proportion of individual businesses, over 50% (INSEE Bretagne 2010).

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Notes

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CHAPTER 7

A *Grand Hôtel* Between the Liberal Age and Fascism in Italy: *Grand Hôtel du Vésuve* in Naples

Annunziata Berrino

This study reconstructs the history of the current *Grand Hotel Vesuvio*, which opened its doors in 1882 and is still one of the most prestigious hotels in the city of Naples. Its original design was an amalgam of the characteristics of mid-nineteenth-century Mediterranean tourism, dominated by scientism, antiquarianism, climatism, and romanticism with the characteristics of tourism during the second industrialization, which incorporated American influences that spread throughout Europe through the English and French experience, mediated by the city of Paris.

The analysis demonstrates how, on a cultural level, the hotel, in comparison with the standardization of modernity during the second

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industrial revolution, lost its original and specific Mediterranean characteristics, including the significant influence of the ancient world. Furthermore, it shows that the hotel industry increased its economic value in the context of the first globalization but in the subsequent phases of the First World War, dictatorship, and the global economic crisis, entered into a long and slow decline that lasted until the 1980s.

This study is based on documentation preserved in the hotel's historical archive, as well as on the most recent publications and scientific literature dedicated to grand hotels.

Introduction

It is well known that tourism emerged in the mid-nineteenth century as a series of services to facilitate travel for men and women participating in Western modernity. The most significant flows originated from economically advanced countries in the north, seeking leisure, favorable climates, otherness, as well as knowledge of their cultural and religious roots. Meanwhile, weaker but still sizeable flows from Southern Europe traveled to the more advanced northern centers in order to get a closer look at modernity.

Tourism, in fact, formed part of the expansive trend of Western modernity. In the mid-nineteenth century, when nationalism began to transcend European borders and cultural, political, and economic forces accelerated globalization, communications, transportation, and hospitality services became fundamental.

Starting from the last quarter of the nineteenth century, the second industrialization shaped a geography of tourism that extended beyond the Euro-Mediterranean space. In this process, destinations that already had a tourism function and were located along the routes of expansion were reinforced, and, in addition to their traditional role as destinations, they also became travel stops on increasingly longer routes. Railways and navigation played a strategic role during this phase and, in the European context, supported expansion on the westward Atlantic routes and the eastward Southeastern routes. At that conjuncture, Mediterranean port cities such as Barcelona, Marseille, Genoa, Naples, and Venice emerged, serving as intermodal hubs for increasingly complex and extensive transportation networks (Berneron-Couvenhes 2007).

Much European historiography tends to follow the exceptional expansion of European tourism services outside Europe (Peleggi 2012).

Certainly, culture, science, and politics continued to fuel the Western imagination of the East, primarily based on the themes of exoticism, eroticism, history, and ethnography (Eldem 2010, 12). However, recent studies also show that simultaneously, European tourist culture began to engage in an exchange with American tourist culture (Lesur 2005; Tessier 2012; Larrinaga 2021).

During the decades of the second industrial revolution and up until the First World War, the tourism system benefited, on the one hand, from European political and economic expansion and, on the other hand, from the influence and innovation coming from across the Atlantic. France and Italy, which, together with Switzerland, had contributed to the maturation of tourism in the mid-nineteenth century, actively participated in this phase of globalization (Tissot 2000, 2007; Zuelow 2016).

Italy had a long history of tourism and had developed practices and cultures that were in some cases highly original. Thus, for Italy as well, the expansive European conjuncture and the initial influences of American tourist culture constituted two positive stimuli. Tourism involved increasingly vast and diverse spaces and, following the model of industrial production and consumption processes, urgently needed to adopt the most advanced quality systems and standardization (James et al. 2017; James 2018; Zanini 2021).

The *Grand Hôtel du Vésuve* in Naples is a highly interesting case for gaining an in-depth understanding of how a hospitality structure located in a strategic point of the Euro-Mediterranean geography transitioned from the final expansive phase of the liberal era to the difficult times and the long economic crisis that began after the First World War.

Foreign Capitals in the Tourism Revival of Naples

Since 1869, following the opening of the Suez Canal, which provided direct communication between the Mediterranean Sea and the Indian Ocean, eliminating the need to circumnavigate Africa, southern European ports experienced an increase in overall traffic. In Italy, Naples, Brindisi, Catania, and Syracuse gained renewed attention, thanks, in part, to the greater liberalization introduced by the young Italian state, unified in 1861, which resolved the political and administrative fragmentation that had hindered exchanges in previous decades. The enhancement of maritime and land transportation in these cities led to an increased demand for various levels of accommodation, not only for tourism.

The case of Naples was unique. Between the late eighteenth and early nineteenth centuries, Naples and its surroundings had played a crucial role in the development of the tourism phenomenon (Berrino 2011). The locations around the Gulf constituted a source of attraction, including the Campi Flegrei, Pompeii and Herculaneum, Mount Vesuvius, Amalfi, Paestum, Sorrento, Capri, and Ischia (Quattromani 1845). Since the city was already fully developed as a tourist destination, during the second industrial revolution, it also managed to attract foreign capital. Foreign entrepreneurs and professionals seized the opportunity to settle in Naples and diversify their activities by investing in real estate, transportation, and services.

Throughout the nineteenth century, many permanent residents settled near the Royal Palace, strolling in the Royal Villa and frequenting the San Carlo Theater. They rented apartments and the first hotel structures emerged in the neighborhoods of Chiatamone, Santa Lucia, and Largo della Vittoria. These areas of Naples, which were highly frequented and sought after by foreigners, also offered essential services such as currency exchange offices, pharmacies, and reading rooms (Pemble 1987).

Since the 1820s, the demand for accommodation had exceeded the supply, resulting in adaptations and very high prices, often criticized in specialized publications (Kawamura 2017, 120). In the meantime, hygiene theories and the new urban culture had prompted the municipal administration of Naples, a vast and populous city, to consider various redevelopment projects (Alisio 1989).

After lengthy debates, a series of urban interventions were carried out in the 1870s, which also significantly benefited tourism. Through extensive reclamation and land reclamation works along the waterfront, buildable land was created, which also improved the usability of the coast for leisure activities.

Two brothers from Belgium played a leading role in these public works: Oscar (1836–1897) and Herman Charles (1837–1887) De Mesnil de Volkrange, belonging to a recently ennobled family from the French-speaking region of Wallonia. The activities of the De Mesnil brothers in Naples, although on a smaller scale, resembled the well-known projects carried out in Paris, Marseille, and Arcachon by the Pereire brothers, Jacob Emile (1800–1875), and Isac Rodrigue (1806–1880), promoters of the Société Générale de Crédit Mobilier (1852).

In Naples, the De Mesnil brothers were involved in transforming the Naples waterfront, which had previously been mainly used for fishing.

They created a long and wide road between the sea and the Royal Villa. These works provided an opportunity to develop buildable land where prestigious properties were built for the urban bourgeoisie and for tourist accommodation.

Oscar De Mesnil had a multifaceted personality and had not yet received the attention he deserved. His diplomatic career had taken him to Brazil, United Kingdom, and Egypt. He had a passion for antiquities, art, science, and technology, as well as horse racing and hunting (De Mesnil de Volkrange 1890). He was capable of developing projects in every industrial field, investing primarily in transportation. In the 1860s, he devised and implemented a river transport system for which he obtained a concession in Belgium. Upon arriving in Naples, he became involved in trams and lift systems, building elevators and funiculars to overcome the differences in height on which the city is built.

In the 1970s, after obtaining a concession from the Municipality of Naples for another coastal stretch near Chiatamone, De Mesnil also created an embankment there. On the reclaimed land, he built the Palazzo De Mesnil, a private residence facing the sea, designed, and decorated by renowned European artists (Di Benedetto 2006).

Naturally, the waterfront areas where baron De Mesnil operated were not empty (Corbin 1988). Not far from his *hôtel particulier* at Chiatamone, there was a spring of carbonated ferruginous water, known since ancient times as Lucullana. Its name referred to the villa built on that coastal stretch in the first century BC by the Roman consul Licinius Lucullus (117–56 BC).

Between 1875 and 1878, the Belgian baron decided to build a luxurious factory-style bathing establishment also facing the sea, called *Bagni del Chiatamone*. It was supplied with water from the Lucullana spring and the sea.

Oscar De Mesnil, who hailed from Wallonia, was well aware of the management difficulties faced by thermal resorts. In the 1880s, he served as a counselor in Spa and, in that role, proposed a careful analysis of the necessary services and an elaborate and advanced revitalization project for the spa town (Lebrun and De Mesnil 1888).

Between 1879 and 1880, the Belgian baron was in Naples, busy promoting his seaside bathing enterprise in Chiatamone. It was not only a hydrotherapy facility aligned with the most advanced vision of the time, but also utilized the marine resource, following the model of some Mediterranean cities such as Livorno and Venice, where some enterprises

had accelerated the transition from bathing in thermal mineral water to bathing in seawater by constructing factory-style establishments on land, similar to thermal baths, but with pools filled with seawater.

Building a luxury bathing establishment in Naples meant innovating tourism services in the city. The *Bagni* di De Mesnil had the most advanced technical facilities, and the premises were sumptuous. The terrace housed a suspended garden with a café-restaurant, offering a view of the Vesuvius landscape and the Gulf of Naples. Baron De Mesnil, who knew how to use publicity (Lebrun and De Mesnil 1888), promoted the *Bagni del Chiatamone* by seeking accreditation from scientific circles, encouraging studies and publications, and allowing free access for physicians.

In 1879, after launching the establishment, the baron announced to the press his intention to build a hotel next to the *Bagni*. In 1879, De Mesnil announced that he was ready to build a "gran caseggiato che servirà di albergo. Gli stranieri saranno trattati lautamente, ed ad un buon mercato simile a quello che si trova nella Svizzera, pur avendo oltre il necessario per curarsi, quanto mai altro occorre per la vita" (Lazzaro 1879, 247). In this case his ideas were also clear: he aimed to offer what was lacking in Naples, namely hotel services with an excellent quality-to-price ratio.

The hotel was opened in 1882 and was named *Hôtel du Vésuve*. The chosen name was significant, not only because the active and smoking volcano was visible from the room windows, but also because in 1879 the Italian State had promoted the first official celebration of the dramatic eruption of 79 AD, which had destroyed the cities of Pompeii and Herculaneum (De Carolis 2015). On that occasion, Mount Vesuvius, and in particular the archaeological site of Pompeii, regenerated interest among national and international tourists, reviving an already rich imaginary.

Meanwhile, De Mesnil's bathing establishment did not succeed. In Naples, thermal culture did not take hold, and even the practice of sea bathing, which had a long tradition, would never reach the luxury and modernity of the Lido in Venice or Livorno, Viareggio, or Rimini. By the late nineteenth century, in Naples, which was still an extraordinary destination on a European and global level, De Mesnil's advanced establishment had to compete with simple and popular wooden structures set up along the beach each season.

Tourism, especially international tourism, demanded hospitality in Naples above all else. Consequently, baron De Mesnil added four floors of rooms to the bathing establishment building.

In just a few years, the Belgian baron's hospitality establishments oriented this area of Naples toward the best national and international clientele. Tourism publications referred to it as the luxury hotel zone of Santa Lucia, and it has been recognized as such throughout the twentieth century and up to the present day.

The Early Years of the Twentieth Century: Standardization and Luxury

In 1897, after the death of De Mesnil, the ownership of the *Vésuve* passed undivided to his widow and their only four-year-old daughter and a friend and partner, Théophile Finet (1837–1910). Finet was also Belgian, the son of a laborer, born in Coulliet, and graduated in engineering in Paris. He was already a municipal counselor in Brussels and, from 1889, a senator for the Liberal Party, a staunch opponent of the conservatism of census-based institutions (Beyen 2019). At a young age, he began working as a professional and entrepreneur in the railway sector. In 1870, in Paris, he co-founded the Régie générale de chemins de fer et travaux publics together with his brother-in-law Philippe Vitali, Princes of Sant'Eusebio (1830–1909). This company operated in many countries around the Mediterranean, including the Balkans, Turkey, and Syria. In Naples, he had collaborated, among other projects, in the construction of the railway station, and it is no coincidence that the first photographic image of the newly built *Vésuve* was taken by Achille Mauri (1835–1909ca.), a specialist in railway infrastructure photography.

In Naples, Finet had promoted a metallurgical industry and personally participated, on behalf of Finet-Charles et Cie, in the Italian Industrial Enterprise of Metal Constructions, founded in 1870 and based in the nearby city of Castellammare di Stabia (*Impresa industriale* 1874; De Rosa 1968; Fatica 1984). He later withdrew from this enterprise, focusing his interests on Belgium, in Namur, where he opened a factory in 1900 to produce metal structures for railway lines. Until his death in 1910, he continued to lead a very active life, divided between politics, his profession, and his business. Although he was not often present in Naples, Finet managed the hotel through extensive correspondence, actively intervening in investment decisions.

After the inauguration, baron De Mesnil had entrusted the management of the *Vésuve* to the Fiorentino brothers, three siblings from Sorrento, who had been managing apartments and hotels in Naples and in Capri since the mid-nineteenth century (Kawamura 2017, 136). In 1898, the management passed to the next generation, namely the cousins Guido and Onorato Fiorentino, who, in 1899, entered into a new lease agreement with engineer Finet. The agreement stipulated an annual rent of 40,000 lire and a series of maintenance works in which they were required to participate.

With the passing of the baron De Mesnil, the managers in Naples began to feel the distant Belgian ownership. Misunderstandings and conflicts soon arose between the young Onorato Fiorentino and engineer Finet, because their interests and visions differed, due to the generational gap and the rapid changes in the characteristics of international tourism.

By the early twentieth century, the *Vésuve* was indeed a well-regarded hotel among international tourists. However, the attractions of Naples and the Gulf, the local culture, and the ambiance were no longer enough, because the city now formed part of a tourist system that had attained a global dimension. The West was expanding, with railways, transatlantic ships, and yachts pushing international tourism to not only adopt technological innovations but also offer luxury (Bosworth 1996).

Just a few years after its opening, the hotel had been renamed the *"Grand Hôtel" du Vésuve*.

Since the 1870s, there had been much discussion in Naples about the need for a grand hotel in the city, with explicit references made to the *Louvre* in Paris as a model of elegance, grandeur, and comfort (Kawamura 2017, 120).

The numerous updated editions of the English guidebook "The Hotels of Europe with maps and railway and steamship routes," published in London by Henry Herbert & Co., document how the *Grand Hôtel* model rapidly spread across Europe in the 1870s (Lesur 2005; Larrinaga 2018, 2021). France, Switzerland, Milan, Venice, Florence, and Rome quickly embraced this concept (The Hotels of Europe 1877). Describing the *Vésuve* as a *Grand Hôtel* had been a winning idea. However, after twenty years of activity, the hotel had only the grandeur of a Grand Hôtel but neither the services nor the luxury (Tessier 2012, 71).

Baron De Mesnil had conceived a grand Haussmann-style palace, which had succeeded thanks to its location amidst the beauty of the Gulf landscape (central yet secluded from the noise of Naples) and, above all,

due to the cultural atmosphere it provided. De Mesnil had connections in Naples with antique dealers, photographers, decorators, marquetry artists, sculptors, and painters. Furthermore, the baron had the interiors of the hotel designed and decorated in Pompeian style, so that those staying at the *Vésuve* could relive the emotions experienced when viewing the buried city of Pompeii. These decorations had been created by one of the most renowned designers active at that time within the archaeological site, Geremia Di Scanno (1839–1907), who had become one of the official designers for the administration of the Pompeii excavations and was specialized in Pompeian-style interior decoration (Beltrani 1907).

De Mesnil's choice was in line with the European fortune of Pompeian style. The common areas of *Vésuve* were not only decorated in the Pompeian style but also furnished with objects reminiscent of antiquity. An inventory of *Vésuve* from 1903 recorded the presence of classical age capitals and headless statues (Cristilli 2008; Berrino 2022) as well as a large number of bronze figurines replicating ancient statues, along with other bronze items, used for lighting purposes: Pompeian-shaped gas lamps with tritons, others shaped like snakes, and others shaped like Pompeian oil lamps. Pompeian-style planters were placed at the foot of the windows. In the dining room, two large bronze Pompeian eagles were suspended over the tables, clearly visible in nineteenth-century photographs and repeatedly described in travel guides and memoirs. These objects were produced in workshops located near *Vésuve*, catering to the wealthy tourist market.

Here are the impressions of a guest at *Vésuve*, moved by the Gulf landscape and the view of the hotel interiors:

> (…) at the bottom of the staircase, on the ground floor, we find ourselves in a very tasteful atrium, at the threshold of which we read the Pompeian inscription: Cave canem, and we have lunch in a dining room beautifully decorated with delicate Roman frescoes. Above the large table, instead of chandeliers, three large bronze eagles with spread wings hang from triple chains made of the same metal. Imperceptible gas jets run along the backs of these enormous birds; when lit in the evening, it must be truly beautiful. (Vigneron 1886, 216)

De Mesnil had thus left a hotel rich in culture, but lacking in services and technology, with only four bathrooms for 130 rooms. Therefore, until the outbreak of World War I, young Onorato Fiorentino

continuously sent proposals to Brussels to improve the functionality and accessibility of the property. He transformed some rooms into a restaurant open to the public, added a smoking room to the billiard room, installed ovens, dumbwaiters, an electric elevator, and a new heating system.

Until the first conflict, the managers strove to bring the hotel in line with the European hotel standards of those years. The Fiorentino family was made up of a large network of relatives, composed of different branches, each specializing in specific tourism services: from hotel management, which was the most prestigious and responsible profile, to administration, warehouses, kitchens, porterages, and floors. This network facilitated international mobility, alternating the employment of males in various European tourist destinations and different seasons of the year, while generally leaving the women in service roles in hotel facilities near the residence, namely in Naples, Sorrento, or Capri. In this system, males gained a very rigorous and continuously updated professional training and were well paid, thanks to employment contracts obtained in high-profile locations, including Lido di Venezia, Viareggio, and Saint Moritz.

Even the world of hotel services contributed to the standardization and integration of tourist needs, tastes, and consumption, thanks to the exceptional mobility of individuals. Recent studies have shown that the sector required a significant amount of labor, with the employment of three women for services for every seven men involved in public relations (Rohrer 2003), reversing the predominantly female employment model that characterized smaller structures.

Aware of their skills and professional capabilities acquired in the best grand hotels in Europe, the Fiorentino family wanted a modern and functional hotel. So, in the early 1900s, the conditions of *Vésuve* did not convince either the managers or the owners, as Senator Finet was also pushing for more luxurious services, meticulously described in lengthy letters written from Rome, Istanbul, and Paris.

The relations were tense, and Finet commented that since the signing of the contract in June 1903, the conversations with Fiorentino were no longer characterized by the cordiality that existed between baron De Mesnil, Senator Finet, and the old Fiorentino brothers.

The tensions essentially revolved around two interconnected issues.

Onorato Fiorentino wanted to get rid of all the Pompeian decoration, which gave the hotel a heavy and nineteenth-century style, and to set up a winter garden, the costs of which he wanted Brussels to contribute.

On the other hand, Finet wanted the winter garden to be designed with the consultation of a specialist and, above all, in line with the style of the entire hotel, whatever it may be. More specifically, Finet did not want to invest a large amount on the paintings of the dining room and the reading room, unless an agreement was reached on the style of the winter garden, because it was important for all the common areas to have the same style.

It seemed that the Belgian owners no longer wanted to invest in *Vésuve*. On the contrary, Finet was well aware of the strong competition characterizing the hotel offerings in Mediterranean destinations, which were becoming strategic points in an increasingly vast network connecting the Old Continent with the Americas on one side and the Middle and Far East on the other (Berger 2011). His models were the grand hotel in Italy, such as the *Quirinale* and especially the *Grand Hôtel* in Rome, which the Belgian senator considered the absolute best, saying: "One of the most perfect hotels in Europe, I believe."

None of those establishments had art objects in the common entrance areas, only very ordinary furniture, and most importantly, plants and flowers, while *Vésuve* was cluttered with objects and completely devoid of plants. Furthermore, Finet believed that the English and Germans judged a hotel by the quality of the ham served there: the better the ham, well cured and tender, the longer their stay would be.

These observations annoyed and hardened Onorato Fiorentino, who assured that *Vésuve* was perfectly capable of sourcing the best food supplies. The ham served at *Vésuve* was of excellent quality, coming from Styria and delivered to Naples directly from Maison I. Janik in Graz. As for plants, *Vésuve* certainly didn't have the space that the *Quirinale* had, or the vast area of its large winter garden. Finally, in his opinion, there were other elements that determined the success of a hotel, and this issue would continue to be debated at length.

Another disagreement between senator Finet and Onorato Fiorentino revolved around the quality of the wine served at *Vésuve*. Senator Finet had stayed at *Vésuve* with a friend and was served a wine, a Moselle that he did not like. Finet complained about the poor service, and Fiorentino passed on the response he received from his supplier, a certain Wolf, to whom he had relayed the criticism. According to the German supplier, it was impossible to have a wine capable of satisfying all tastes, and at that time, the most fashionable taste was the English one.

The supplier was not entirely wrong. In those years, the wine-growing region of the Moselle had made significant commercial efforts to promote its production, because the United Kingdom had offered favorable customs conditions to German producers.

To senator Finet's constant requests for improved quality in consumables, Onorato Fiorentino consistently responded by insisting on the construction of a winter garden and the lightening of the Pompeian style in the common areas. Finet temporized so as to obtain the design of interventions that were stylistically consistent with each other.

Showing remarkable audacity, between 1903 and 1905, the Fiorentino cousins filed a series of judicial notices to the owners in Brussels, claiming that the nearby *Bagni del Chiatamone* was causing significant water infiltration, which was deteriorating the Pompeian decorations and plasterwork on the walls.

In 1905, Finet requested a preliminary design in iron that was modest and without great luxury, which he wanted to show to his friend Albert Dumont (1853–1920), a renowned and famous Belgian architect who designed installations for seaside resorts, and whom the senator considered highly competent. If the project involved a metal structure, senator Finet could commit to having it manufactured in his factory in Namur.

The Belgian owners also wanted the Fiorentino family to inspect the surface area of the winter garden at the *Grand Hôtel* in Naples, to verify that the one planned for *Vésuve* was sufficient. They also wanted the heating to be included in the estimate for the winter garden, which they considered indispensable. Only after clarifying these points, would they approve the project.

Evidently, the different visions, methods, and interests clashed. Senator Finet repeatedly emphasized that before intervening, it was necessary to first define the style, perhaps in a light color, "in the Pompeian style or aesthetic style."

In short, the tenacity and presence of the young Fiorentino, along with a prolonged illness that struck senator Finet, led to the realization of the winter garden and the complete removal of the ancient Pompeian style, with the introduction of a Liberty style in common areas of *Vésuve* with classical influences.

World War I: Tourism Suffers a Prolonged Crisis

During World War I, Belgium was devastated by a prolonged and violent German occupation that lasted for four years and caused extremely high human and economic costs. Communication between Naples and Brussels was severed, and after the war, the Belgian owners informed the Fiorentino family of their intention to sell the hotel.

The Fiorentino family made every effort to complete the purchase because, during their 30 years of management, they had not only managed to build a loyal clientele but had also become the owners of all the furniture and had added fully equipped bathrooms to 32 of the rooms. After lengthy negotiations, led with tenacity by Onorato Fiorentino, the sale was finalized in January 1922 for 1 million Belgian francs, equivalent to 800,000 Italian lire.

In the 1920s, the *Vésuve*, with its 140 rooms, including 70 with bathrooms, was recognized in the international tourism landscape as a "first-class" hotel with a "splendid view." It was included in the Cook agency's circuit, which offered accommodation with full board, usually during the winter, while during the summer, it attracted Italians by offering an outdoor "dancing" venue (Bertarelli 1927; *Cook's Handbook* 1922).

Thanks to its port, Naples received a significant flow of tourists throughout the 1920s, and the year 1925, declared a Holy Year, was an exceptional year. However, European tourism trends and national economic policies were not favorable. On one hand, the peace treaties of Paris led to economic chaos that disrupted the traditional tourist flows within the Euro-Mediterranean area. On the other hand, the Italian government, which considered tourism a fragile sector, preferred to focus on strengthening heavy industry in Naples.

World War I represented a significant rupture in the evolution of high-end hotels, which shifted from an expansion phase to a prolonged crisis, exacerbated in Italy by the advent of the fascist dictatorship. International professional mobility of service staff also became more challenging, slowed down by controls, and hindered by prolonged military conscription.

Following the Wall Street crisis, while the *Vésuve* had a gross income of 181,925 lire in the first five months of 1931, which were generally the busiest for international tourism, it plummeted to just 49,703 lire in 1932.

Throughout the 1930s, Onorato Fiorentino repeatedly appealed to family values and unity to cope with the crisis, stating, "We will continue, as in the past, to fight hard to resist, in the hope that circumstances may change and allow us to overcome this difficult economic period." However, that "period" would last much longer, well beyond the dramatic Second World War.

Conclusions

The *Hôtel du Vésuve*, designed in Naples in 1880, responded to the needs of international tourism, which, until then, had relied on private accommodation or hotels located in existing buildings. Its original design reflected the specific characteristics that the nineteenth-century tourism imagination had attributed to the city of Naples: antiquity, landscapes, scientism, and romanticism.

However, after just a few years, the hotel had to conform to the fashion and functions of a *grand hôtel*, following a trend that originated in the United States and was mediated by France. The first wave of globalization demanded that *grand hôtels*, located in geopolitically strategic destinations, offer standardized luxury services. In the case of Naples, this resulted in the loss of its specific and original features. Within a generation, in the early twentieth century, Pompeian-style environments in tourism became outdated, associated with the nineteenth century. Compared to technological and industrial modernity, Naples' tourism culture failed to reinterpret and preserve antiquity as a distinctive and original characteristic.

Therefore, in the history of tourism, the years of the second industrialization and the first wave of globalization represent a lengthy phase that requires detailed analysis to be fully understood. The transformations in the stylistic and functional aspects of accommodation facilities, which were characteristic of destinations with a long tourism history, highlight the homogenizing force of technological innovation and luxury consumption. Additionally, they shed light on the role and capacity of social segments within the professional and industrial world, actively involved in the process of globalization, in disseminating, adopting, and promoting trends, practices, and skills.

This complex process was disrupted by the First World War and subsequently slowed down and hindered by the 1929 crisis and its political, economic, and social effects, as well as the subsequent Second

World War (Teodori 2007). However, it contributed to strengthening the concept of the *grand hôtel* as an international free zone (Matelly 2013; Fregonese and Ramadan 2015).

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CHAPTER 8

Relations Between Companies and the State in the First Third of the Twentieth Century. The Case of the Hotel Industry

Carlos Larrinaga

This chapter seeks to analyse the behaviour of the private sector in terms of tourism during the twentieth century, specifically, in the first third of that century. In other words, it explores the relationships that existed between companies and the State in a period in which the institutional framework was changing substantially. Perhaps this variation was more pronounced in Spain than in other countries of Western Europe, due to its historical evolution. Indeed, we must not forget that, in the first third of the twentieth century, there was a succession of several regimes in Spain: a liberal parliamentary system, a dictatorship with a king as Head of State and a democracy under the Second Republic. This generated different institutional frameworks that gave rise to different relationship models

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between private tourism agents and the Administration. In this case, this paper focuses specifically on the hotel industry.

Relations Between the Hotel Industry and the State During the Liberal Parliamentary System (1900–1923)

At the beginning of the twentieth century, during the period known as the Restoration (1876–1923), the law regulating the hotel industry in Spain dated back to the Royal Order of 27 November 1858 of the Ministry of the Interior. It established very general bases for this industry, with the requirement for all those wishing to open public inns, guesthouses, hostels, inns or similar to obtain an annually renewable licence from the surveillance and security section of the ministry. Furthermore, the owners would be obliged to keep a numbered record signed by the competent authority in which the guests were registered in alphabetical order upon their arrival, with their departure date also indicated. The entries of these records had to be communicated daily to the competent authority and were to be always at the disposal of the authorities. In all cases, the owners would prevent the guests from practising forbidden games or from carrying unauthorised weapons. These establishments had to display some type of identification of their activity on their door or balconies. The mayors and surveillance commissioners had to keep a record book in which they noted all of the inns or guesthouses within their area. Meanwhile, the provincial governors had to review, at least monthly, the records of these establishments. They were also responsible for elaborating statistics of these kinds of establishment in their province. Finally, this Royal Order indicated that those who violated these provisions would be subject to the financial penalties stipulated in the Penal Code (*Gaceta de Madrid* [Madrid Gazette] December 9, 1858, 2; Moreno 2007, 51).

In reality, this was the first measure taken to bring order to a sector, namely accommodation, which was still under-developed in Spain. As we can observe, the provisions had a fundamentally controlling nature and it was not for nothing that they were passed by the Ministry of the Interior. This sector was not particularly aimed at tourism but, rather, served the needs of those travelling for mainly professional reasons. In the last third of the nineteenth century, the development of tourism was still very young and localised in very specific areas of Spain, such as the hot springs

or the Cantabrian Coast (Walton and Smith 1994, 1996; Larrinaga 2002, 2004, 2005). In fact, the majority of the tourist guides in Spain at the end of the nineteenth century referred to an accommodation which left much to be desired (Baedeker 1898). However, it is true that a slight improvement began to be noticed in Spanish hotels in response to certain events, such as the Universal Exhibition of Barcelona in 1888 (Rosselló and Valdívia 2016) or the first investments, both foreign and Spanish, in the hotel sector (Larrinaga 2021).

Several decades went by until new legislation was passed: the Royal Circular Order of 17 March 1909 of the Ministry of the Interior (*Gaceta de Madrid* March 18, 1909, 649–651). We should remember that two years earlier, between 16 and 20 March 1907, the *Asamblea Nacional de Fondistas* (National Assembly of Innkeepers) was held, attended by entrepreneurs of the sector from the whole of Spain with the objective of joining forces and defending their interests. In this respect, this meeting was highly relevant and important decisions were taken for the sector. On the one hand, it was decided to create the *Asociación de Fondistas y Similares de España* (Association of Innkeepers and Similar of Spain) (constituted in 1908) and, on the other hand, it insisted on the need to advance in terms of legislation in order to better protect the interests of the hotel industry in Spain.

The Assembly was held within a context marked precisely by the first expansion of the hotel sector, in response to growth in tourism activity (Tena 2005, 641). This growth was still very modest but indicated the potential of this sector (Arcos 1909). One of the participants in this Assembly, the well-known jurist Francisco Lastres, then a life senator, took the initiative to urge the government to grant the necessary legal security of the hotelier profession, which, until then, had not been sufficiently protected by the law. In a Senate session of 5 February 1908, Lastres presented the request of the *Asociación de Fondistas y Similares de España* (Association of Innkeepers and Similar of Spain) for what he called the "accommodation contract". This included the respective pledges of hoteliers and guests.[1] His request did not fall on deaf ears and was raised by the Petitions Committee of the Senate and after the corresponding administrative process it materialised in the afore-mentioned Royal Circular Order of 1909.

The government was highly aware of the need to take measures in a sector which, until then, had not been sufficiently managed, insisting, in the preamble, on the need to protect both the travellers and the

entrepreneurs of the sector. This was the main objective of this Royal Order: to establish protection mechanisms for both parties in order to avoid misunderstandings, abuse, theft, etc. There was a desire to bring order to the sector across the whole of Spain, underpinned by two basic ideas: control (of workers and travellers) and surveillance (by the competent authorities). Therefore, the absence of a set of fixed rules that were the same for the whole country led to the passing of this Royal Order, which sought to provide legal security to both guests and hoteliers. The government became sensitive to the demands of the hotel industry and, particularly, the need to promote tourism.

In this way, according to the Royal Order, the opening of any accommodation business would require the authorisation of the civil governor in the provincial capitals and the mayor in other towns. To do this, it was necessary to include in the request a list indicating the number of rooms, the price per day of each of them and the prices of the food and how many articles would be sold in the establishment. In fact, these prices could not be altered without informing the government authority so as to avoid any arbitrariness in this respect. In other words, the client had to know the cost of the services hired (accommodation, meals, etc.) at all times. Hence, the prices had to be displayed in all of the rooms and the dining rooms or spaces allocated for consumption.

Furthermore, the accommodation entrepreneurs were obliged to communicate the data of all of the employees of their establishments to the authorities, including those of the people who transported the travellers and their luggage to and from the station. The Surveillance and Security Headquarters or the town halls had to issue all of these workers with a stamped document with their photograph so that they could provide their services to the accommodation establishments. Without these documents, they could not provide services to the entrepreneurs of the sector. It was, ultimately, a control measure to ensure the security of the guests in order to prevent possible theft, etc. In the same way, these requirements were extended to interpreters and guides with whom these establishments collaborated. The language and fees of these interpreters and guides had to be published in the carriages and in the rooms of the establishments. Their appointment and rates had to be communicated to the Surveillance and Security Commissioners or the town halls, and the special surveillance inspection units of the railway stations. The foreign interpreters and guides had to obtain an inscription certificate from the consulate and provincial civil government and present it at the local police

station, together with the corresponding industrial contribution receipt. For an even greater control, interpreters, guides and sales staff had to wear a cap specifying their functions and the name of the establishment. If they provided their services independently, they always had to carry their authorisation. This was also the case for drivers and coach hands who did not depend on the accommodation establishments. Moreover, when the railway companies had porters or station hands to provide services to the travellers, they were obliged to communicate their names and prices to the surveillance inspection units.

The accommodation entrepreneurs had to provide those in charge of the carriage services with a list of the name and origin of all the travellers who then handed it over to the surveillance inspection unit or the surveillance body of the station or port from where the traveller departed. Moreover, they would be governmentally responsible for any indignity or extortion caused to the travellers by their employees and any thefts or scams suffered by the travellers, regardless of their criminal or civil guilt. They would also be responsible for the non-compliance of their workers with the rules of this Royal Order. In this respect, the interpreters and guides were also governmentally responsible in all cases of scams, theft or undue charges suffered by the travellers who they accompanied, unless they proved their diligence in attempting to prevent them.

Finally, the Royal Order included a list of fines for anyone engaged in providing services to travellers who did not comply with these rules. These rules had to be printed and displayed in the most visible places of the establishments. In fact, in the eight days following the publication of these provisions, the owners of the establishments had to communicate to the authorities the names, surnames and circumstances of the people engaged in providing services to travellers and guests. Other rules applied to the bus, coach and rail companies with respect to the staff providing services to travellers and luggage transport inside the stations.

It seems as though Spanish tourism was beginning to awaken in these years. Therefore, it is not surprising that in 1910 the member of parliament Francisco Prieto Mera presented a proposal in the Congress for the promotion of tourism (Moreno 2022, 121, 221–222). It is worth noting that this lawyer had been the mayor of Málaga in 1894–1895 and that in 1896 he was one of the founders of the *Sociedad Propagandista del Clima de Málag*a (Climate Propaganda Society of Malaga), becoming its first president. The objectives of this society were to promote the climate (that is, convert this city of Andalusia into a winter destination, similarly

to Nice and other towns on the Blue Coast, or even Barcelona) and into a venue for events (Arcas and García 1980; Reina Estévez 2019; Palou and Pellejero 2020). Years later, Prieto Miera, replacing Rafael Gasset for the Liberal Party in the district of Noya (Coruña),[2] presented his proposal in the Congress in order to create *Juntas para el Fomento del Turismo* (Tourism Promotion Boards) in each province or capital, responsible for studying, approving, launching for tender and undertaking sanitation and urban improvement projects. These Boards would report to the Ministry of Development (Cal 1997, 130). This proposal did not come to fruition, although it was not long before the *Comisaría Regia de Turismo* (Royal Tourism Commission) was constituted.

In fact, together with the Royal Order of 17 March 1909, it is also worth mentioning the creation of the *Comisaría Regia de Turismo y Cultura Artística* (Royal Commission of Tourism and Artistic Culture) by way of the Royal Decree of 19 June 1911, when José Canalejas was the prime minister. If we take into account that the first initiative in this respect, the National Commission of 1905, had never met, the *Comisaría Regia*, in reality, constituted the first public attempt to participate in tourism affairs. It seems that it responded to a growing demand from the professionals of the sector for the effective involvement of the government in tourism. Its primary objective was to "promote the development of tourism and the dissemination of popular culture". Therefore, in reality, on a regulatory level, there were no noteworthy actions. It does not refer to the hotel sector, although the points of Article 2 included the facilitating of knowledge and study of Spain, ensuring, among other aspects, "the comfort of the accommodation establishments" (Moreno 2007, 74). The lack of specific measures indicates that this was more of a desideratum as, in terms of the hotel industry, the Royal Circular Order of 1909 was still in force. The actions of the *Comisaría Regia* were so focused on the figure of the Marquis of Vega Inclán that the results were very limited (Menéndez Robles 2006, 131–221). During these years, official tourism specialised in what has been called cultural tourism particularly focused on monumental or even archaeological sites with some attention on nature and sports. In this way, the commissioner promoted a series of projects for the defence and promotion of Spanish historical and artistic heritage, which included the renovation of old buildings (González Morales 2003, 93). These actions greatly limit what should be understood by tourism policies and many sectors, such as the hotel sector, were not satisfied. In this sense, the fundamental problem of the *Comisaría Regia* was its

disconnection with the tourism sector. We could say that it was more a political organisation than a tourism body (Moreno 2018, 317–318). Not only was there an absence of a tourism policy but it also hindered the private sector, given its inactivity (Villaverde 2018).

Changes in This Relationship During the Dictatorship of Primo de Rivera (1923–1931)

Given the personalist management of Vega-Inclán at the head of the *Comisaría Regia* and the little that it achieved, through the Royal Order of 25 April 1928, the *Patronato Nacional de Turismo-PNT* (National Tourism Board) was created (*Gaceta de Madrid* April 26, 1928, 484–487). To a large extent, its creation was marked by the alarming state of tourism in Spain on the eve of the Ibero-American Exhibition of Seville and the International Exhibition of Barcelona to be held in 1929. For the dictatorship of Primo de Rivera, it was essential that these two events were successful for the image of Spain. Therefore, it was necessary to attract a large number of tourists. For the first time, Spain had a genuine tourism administration, inspired by the tourism bodies of other European countries, particularly the Italian *Ente Nazionale per l'incremento delle Industria Turistica*. As a result, the PNT represented a professional model for understanding tourism management, in which all of the dimensions were addressed equally: hotels, propaganda, training of professionals, artistic and monumental catalogue, elaboration of statistics, publications or the creation of official tourist information centres (Moreno 2007, 117–119). A management and executive committee directed the PNT. A General Council was assigned to it, which played a consulting role and was made up of the members of the management and executive committee and four citizen members appointed by the prime minister; native members (General Directors of Fine Arts, Railways and Trams, Public Works and Trade, Industry and Insurance) and representative members (from Royal Heritage, General Directorate of Morocco and Colonies, Higher Railway Council, Higher Bank Council, National Circuit of Special Road Services Board, Royal Automobile Club, Sailing, Automobile and Air Transport Companies, the Hotel Industry and three members appointed by the Ministry of Public Instruction and Fine Arts). With respect to the hotel industry, the Catalan entrepreneur Luis Bosch Labrús was chosen as a member (*Gaceta de Madrid* July 20, 1928, 392).

As previously mentioned, the PNT undertook several lines of action, although this study is interested in its activity related to accommodation. From the outset, the PNT was particularly concerned about accommodation as it understood that it could represent one of the principal obstacles to tourism development ahead of the organisation of the aforementioned exhibitions. Urgent measures were needed to be taken before these exhibitions programmed for the spring of 1929. Therefore, a series of tourism plans and projects were implemented related to the hotel industry. Specifically, we can refer to the following: "Project for classifying by category the buildings used for traveller accommodation", "Study of the general characteristics that tourism hotels should have in Spain", "Study of the minimum number of hotels that should be built in Spain to favour the development of tourism in different regions" and "Regulations for the construction of hotels" (Moreno 2007, 121). This series of documents gives us a good idea of the concern of the directors of the PNT regarding how to insert a hotel model in Spain that was apt for tourism, as the majority of the existing hotels in the country did not have the appropriate conditions for this to be done (Muntanyola 1932, 177–183).

In addition to these documents, we should also examine the measures that were taken regards the hotel industry in the initial years of the PNT. Due to its relevance, we will start with the Hotel Credit, the regulations of which were approved by the Royal Order of 2 August 1929. Its objective was to stimulate and assist the creation of new hotels in towns of tourist interest. In France, a similar financial instrument had been created in 1925 and served as a reference for the Spanish case (González Morales 2003, 110). The Hotel Credit would grant loans to companies or individuals who ran a hotel with a mortgage guarantee, which was not to the liking of the many entrepreneurs in the sector who were lessors and not owners of the buildings. Moreover, the interest rate would not exceed 5% per annum, with the commitment of the owner to hand over a quarter of the rate to the PNT when the profits of their operations exceeded this annual 5%. This interest rate was not so far removed from the bank interests, so the initiative lacked boldness in this respect. The Hotel Credit had a fund of 10 million pesetas per year, an amount which was considered to be insufficient (Moreno 2007, 122; 2018, 339).

In order to determine the accommodation supply existing in Spain on the eve of the afore-mentioned exhibitions, in 1929, the PNT published the *Guía oficial de hoteles, pensiones, casas de viajeros, restaurantes, bares y garages de España*. (Official Guide of hotel, hostel, guest houses,

restaurants, bars and garages of Spain). The Royal Circular Order of 11 December 1928 (*Gaceta de Madrid* December 12, 1928, 1636–1637) established that the PNT would publish the "*Guía Oficial de Servicios de Turismo*" (Official Tourism Services Guide), indicating the maximum and minimum prices. Unlike other guides which had been published beforehand, this was more complete, including in alphabetical order the main Spanish towns or tourism destinations where these kinds of establishments could be found. In truth, the whole of the existing accommodation supply was not included, only the most presentable and recommendable for tourists (Lindoso 2022). Furthermore, with the intention of providing the most complete information possible, it also included the accommodation of the Balearic and Canary Islands. This guide did not only include the name and type of accommodation (hotel, inn, etc.) but also the number of rooms and the price. This information was fundamental for the guests, who feared that these prices could shoot up due to the exhibitions. The Royal Circular Order of 1 December 1928 authorised the increase in rates indicated in the Guide. Specifically, the increase of 100% above the normal price published in all towns in Spain during the festivals or peak periods; 50% in Seville and Barcelona due to the exhibitions and 25% in other cities with tourist attractions for the duration of the two exhibitions. Second, a Royal Order of 29 June 1929 established that, in order to increase the prices declared by the owners of the establishments, the authorisation of the General Directory of Security in Madrid would be required and that of the civil governors in the rest of the country, who would resolve these requests after receipt of a report from the provincial or local representatives of the PNT (González Morales 2003, 110).

Previously, by way of the Royal Order of 29 January 1929, the accommodation establishments had been obliged to provide a complaints book as from March of that year. This measure was aimed at controlling the quality of the accommodation in Spain in order to overcome the poor reputation that it had suffered for decades. This measure sought to protect the traveller in general and the tourist in particular. In fact, the hoteliers were obliged to display a sign in the hall and in all of the rooms of their establishments in several different languages informing of the existence of these books. The inspection of the books would be carried out by the PNT. Along the same lines, it is worth mentioning the creation, also by the PNT, in May 1929, of the "Hotel recommended by the PNT" plaque. Obtaining this label was an incentive for the entrepreneurs of the sector, as having this plaque was a guarantee for the traveller and tourist.

As the PNT was the official tourism body in Spain, this plaque represented a kind of mention of the quality of the accommodation service offered by the establishment that held it (González Morales 2003, 110–111).

From the point of view of the company, an important fact should be noted; the creation of the *Cámara Oficial Hostelera de España* (the Spanish Official Chamber of Hotels) by way of the Royal Decree of 2 November 1928 of the Ministry of Employment, Trade and Industry (*Gaceta de Madrid* November 8, 1928, 867–868), although it was soon passed over to the Ministry of National Economy (*Gaceta de Madrid* December 15, 1928, 1718). In fact, it was the Spanish Hotel Federation which, after an assembly in Barcelona, approached the government to create this body. All establishments engaged in the hotel industry, except for guesthouses, inns, taverns and Paradors, were obliged to belong to this Chamber (which was an official corporation). This is an important novelty, as membership of the business associations which had previously existed was voluntary and, as they were private entities, they did not depend on any ministry. Therefore, they lacked official status. Now, the entrepreneurs of the hotel sector were obliged to participate in this Chamber, in accordance with the corporate organisation of the economy during the dictatorship of Primo de Rivera. The objective of the Chamber was to defend and promote the interests of the hotel industry, which is why it had a voice with respect to the tax reforms that affected the industry and its services and any actions implemented by the state, provinces or municipalities for the development of tourism.[3] This Chamber was to be constituted by individual and corporate members and governed by a Board of Directors in which patrons and workers would participate equally.

The governing board of the *Cámara Oficial Hostelera de España* (the Spanish Official Chamber of Hotels) would be responsible for providing reports to the government, classifying all of the hotels into categories, forming a national census of all the hoteliers, establishing the rates of the establishments and their inspection and elaborating statistics. Furthermore, the Chamber was authorised to create professional schools of the different branches of the hotel industry, establish the hotelier warrant, create mutual societies, publish leaflets, books, etc. and organise events alone or in collaboration with other institutions. Its rules also contemplated the creation of a hotel credit bank.[4] It would obtain resources from the obligatory membership fees, the sale of leaflets, books, etc., the travel agencies that it set up and subsidies.

The *Cámara Oficial Hostelera de España* (the Spanish Official Chamber of Hotels) was a direct consequence of the *Corporación de la Industria Hotelera*[5] (Hotel Industry Corporation), created through the Royal Decree of 26 November 1926 (*Gaceta de Madrid* November 27, 1926, 1098–1106). This Royal Decree gave rise to the birth of the *Organización Nacional Corporativa* (National Corporist Organisation). According to the Minister of Employment, Eduardo Aunós, corporatism was understood as an organisation of the population into autarchic entities in which the individuals-producers were obliged to carry out the function in which they were competent to benefit the group. To do this, it was necessary to establish conciliator and arbitration bodies supported by the State. This line of labour conciliation already had a prior history and during the dictatorship of Primo de Rivera it was developed further,[6] assuming the regulating role in the socio-economic activity. Therefore, the dictatorship committed itself to establishing a corporate organisation responsible for regulating the labour conflicts and implementing social legislation through joint patron and worker committees. In this model of the economy and labour relations, the different sectors had to be grouped into corporations, including entrepreneurs and workers in order to eliminate the class struggle. This corporatist view of the economy aspired to achieve social peace and put an end to the labour conflicts, particularly strikes. Corporatism was largely a movement that responded to the two main outlooks on life: liberalism and socialism. Therefore, through the *Organización Nacional Corporativa* (National Corporist Organisation), large professional and apolitical patron and worker associations were created within the framework of a harmonious conception of labour relations (González Calleja 2005, 153–160).

With respect to the hotel industry, there was an important precedent. Through a Royal Order of 8 June 1925 of the Ministry of Employment, Trade and Industry (*Gaceta de Madrid* June 8, 1925, 1763–1764) a permanent joint committee was created in Barcelona that was independent of the hotel and café and restaurant industry. The initiative arose in the *Asociación profesional de camareros de hoteles y cafés-restaurantes* (Professional Association of Waiters of Hotels and Cafés-Restaurants) of Barcelona. It was raised with the Regional Delegate of the Ministry who convened a preparatory meeting of all the worker and patron societies of the hotel industry and similar and the non-associated workers, in order to create a joint committee. This assembly took place on 30 April 1924 and was attended by representatives from the *Asociación de Hoteleros y*

Similares (Association of Hoteliers and Similar), the *Asociación profesional de camareros* (Professional Association of Waiters), the society of waiters "*La Nueva Alianza*" and some independent workers. In this meeting the number of representatives was discussed, together with the faculties that each committee should have. That said, before it was finally constituted, the provincial delegation opted to consult the criterion of the elements forming the committee and on 4 October a new meeting was held and it was decided that this joint committee would be constituted with seven patron members and seven worker members and with jurisdiction across the whole of Catalonia. As indicated in the Royal Order, the committee was created as "an efficient means to harmonise the interests of the patrons and workers", as it would focus on the regulation and remuneration of the work of the waiters, seeking conciliation between the parties. Without a doubt, this joint committee has to be seen as a forerunner of the different joint committees that were created across Spain in the light of the *Organización Nacional Corporativa* (National Corporist Organisation).

In short, the *Cámara Oficial Hostelera* (Official Chamber of Hotels) became a body dependent on, first, the Ministry of Employment and, subsequently, that of the National Economy. Until then, the contact between the accommodation entrepreneurs and the government had been carried out through private associations but after its creation it was conducted through the *Cámara Oficial Hostelera* (Official Chamber of Hotels). Due to the triumph of corporativism, interaction with the government changed substantially. Therefore, in the same way as the socialist UGT[7] and the catholic and free trade unions (of traditionalist origin) continued to exist and to provide representatives of the workers to the organs created through the *Organización Nacional Corporativa* (National Corporist Organisation), the business associations also survived, providing representatives of the patrons in these bodies. In this way, the associations of hotels and similar continued to exist.

Hotel Industry and the State in a Democratic System: The Second Republic (1931–1936)

As a result of the proclamation of the Republic on 14 April 1931, the National Tourism Board was dissolved shortly afterwards and replaced with the *Dirección General de Turismo* (General Directorate of Tourism) through a decree of the provisional prime minister Niceto Alcalá-Zamora

(*Gaceta de Madrid* April 24, 1934, 296; PNT 1931), with Claudio Rodríguez Porrero appointed as its president. The measure corresponded to a new general regulation of the state administration. Although it could be argued that there was a need to control the cronyism and favouritism that could have prevailed in the PNT and, therefore, the desire to purge the official Spanish tourism body, it was probably the scarce economic funds of the PNT that led to this action. Its principal source of income, the compulsory insurance of travellers, had been gradually decreasing as a result of the railway crisis (*Gaceta de Madrid* December 5, 1931, 1445–1446; Moreno 2007, 125).

That said, the existence of this General Directorate of Tourism was short-lived, as the arrival of Manuel Azaña to the government leadership on 14 October 1931 generated a new change. By way of the Decree of 4 December 1931, this Directorate was eliminated (*Gaceta de Madrid* December 5, 1931, 1445–1446). Its services were then provided by the Sub-Secretariat of the Presidency of the Council of Ministers, under the immediate supervision of a civil servant who would be given the title of Secretary of the National Tourism Board. In this way, the PNT was re-established and began a new trajectory. The decree specified that its budget would form part of that of the presidency, so that it would be linked to the General State Budgets. Furthermore, it indicated that the *Consejo General de Turismo* (General Tourism Council) could be created as a consulting body. Therefore, a new stage began, in which the principal official public tourism body of Spain was highly conditioned by the economic austerity policy, being subject to the general laws of the government and the reduction in its staff, its local and international presence and its budget (Pellejero 2018, 352; 2021).

From the point of view of the hotel companies, here we should focus on the General Tourism Council. According to Article 20 of the Provisional Regulations of the PNT, approved on 12 January 1932 (*Gaceta de Madrid* January 14, 1932, 365–367), this consulting body was to begin its operations. Specifically, it would be formed by the vice-president and members of the PNT, two delegates to the courts representing Congress and the representatives appointed by the Ministry of Communications; representatives of the Higher Railway Council; of the Central Transport Board; of the Directorate Generals for Roads, Railways, Trams and road and air transports; of the National Parks Board; of the Board of National Artistic Treasure; of the Academy of Fine Arts; of the National Natural Science Museum; of the railway and sailing companies; of the

Local Boards of Initiatives and Attraction of Visitors; of the Federation of Spanish Travel Agencies; of the Association of Shipping Companies; of the *Cámara Oficial Hostelera de España* (the Spanish Official Chamber of Hotels); of the Chambers of Commerce; of the road transport companies; of the Press Association; of film producers; of entertainment companies and the Spanish Automobile Club. The secretary of the General Tourism Council would be the same as that of the PNT.

As already mentioned, the formalised collaboration between civil society and the public administrations came about 1928, with the creation of the PNT, that is, when a real tourism administration emerged in Spain. From this moment, the bases for the configuration, through the appropriate channels, of a true tourism organisation were laid. In this respect, the General Tourism Council, both that of 1928 and that of 1932, was decisive, given that it revealed that the Spanish tourism muscle in terms of its organisation, had experienced a significant reinforcement with respect to former times. In this way, the General Tourism Council of 1932 perfectly reflected the multiplication and vigour of the corporate organisations, the active and receptive tourism organisations and the transport and communications companies with interests in the tourism industry and associations of tourist service companies (Vallejo 2018, 87–88). In fact, among these business associations, for the case in hand, the *Cámara Oficial Hostelera de España* (the Spanish Official Chamber of Hotels) was particularly noteworthy.[8] As an advisory body, the PNT wished to involve the majority of the agents interested in the tourism business. This can be seen positively, observing how Spain was becoming an increasingly more important tourism country, although it was still a long way behind the leaders in the sector, such as France, Switzerland or Italy, which was also a sign of its inefficiency. The Council was too broad and, unsurprisingly, operationally weak. We know that it met for the first time in the Senate in April 1932 (Pellejero 2018, p. 354). In fact, in the Decree of January 31, 1934, modifying the Regulations of the PNT, the General Tourism Council disappeared (*Gaceta de Madrid* February 1, 1934, 810). However, the *Cámara Oficial Hostelera de España* (the Spanish Official Chamber of Hotels) maintained its representation in the Board of the PNT thanks to one member, who remained until the reform of the Board on 14 March 1936, when the number of members was reduced considerably (*Gaceta de Madrid* March 15, 1936, 2100).

That said, with the outbreak of the Civil War in July 1936, the tourism activity in Spain suffered greatly. The country was divided into two sides,

and, therefore, had two different governments. This was because in the area controlled by General Franco, a new institutional framework was put into place quickly, and after the war, it was established throughout the whole of Spain in 1939. Of course, tourism was not exempt from this reality and at the beginning of 1938 the *Servicio Nacional de Turismo* (National Tourism Department) began its trajectory (*Boletín Oficial del Estado* [Official State Gazette], January 31, 1938), operating until the end of the war and led by the journalist and lawyer Luis Bolín. Under the dictatorship of Franco, a very different stage began for Spanish tourism and for its different agents (such as the accommodation entrepreneurs), who were completely controlled by the government and had very little room for manoeuvre in their business.

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Notes

1. Diario de las sesiones de Cortes. Senado. 5 February 1908, pp. 3.144–3.145 (https://www.senado.es/cgi-bin/verdocweb?tipo_bd=IDSH&legislatura=1907-1908&pagina=3139&bis=NO&Apendice1=&Boletin1=&Apendice2=&Boletin2=143).
2. https://www.congreso.es/web/guest/historico-diputados?p_p_id=historicodiputados&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&_historicodiputados_mvcRenderCommandName=mostrarDetalle&_historicodiputados_nume=46148.
3. See the provisional regulations of the *Cámara Oficial Hostelera de España* (the Spanish Official Chamber of Hotels) approved on 20 February 1929 (*Gaceta de Madrid* February 22, 1929, 1424–1428).
4. As some of these functions coincided with those of the PNT, the activities of the two institutions had to be harmonised and coordinated for which two representatives were appointed from the PNT and the Directorate General of Supplies (*Gaceta de Madrid* March 7, 1929, 1762–1763).
5. The *Corporación de la Industria Hotelera* (Hotel Industry Corporation) was formed by two sub-groups: (a) hotels, inns and restaurants; and (b) cafés, alehouses, bars and similar. In the reorganisation of 8 March 1929, four sub-groups were formed: (a) hotels, inns and

restaurants with waiters; (b) hotels, inns and restaurants with cooks; (c) cafés, bars, alehouses and similar with waiters; and (d) cafés, bars, alehouses and similar with cooks (*Gaceta de Madrid* March 10, 1929, 1827).

6. The Royal Decree of 5 August 1922 regulated the joint committees.
7. This was not the case of the anarchist union CNT, which was banned during the dictatorship.
8. Not finding any information to the contrary, I understand that this must have been the afore-mentioned *Cámara Oficial Hostelera de España*.

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CHAPTER 9

The Hotel Offer in the Province of Malaga (Spain) Between 1900 and 1936

Víctor M. Heredia and Marta Luque

At the beginning of the twentieth century, tourism was seen as an alternative to agrarian and industrial crisis and as a new source of wealth. In Malaga, after the end-of-the-century depression, initiatives arose that pursued the consolidation of an attractive offer for tourist flows with high purchasing power, at a time when good weather and beach were beginning to be valued not only for winter tourism but also for rest stays in summer. To meet this incipient demand, a hotel plant was formed in the city of Malaga and in some coastal towns that, although still relatively modest, was shaping the international tourist vocation of a destination that would consolidate under the Costa del Sol brand after the II World War.

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Introduction

At the beginning of the twentieth century, tourism was seen as an alternative to the crisis of the traditional economic sectors (agriculture, industry) and as a new source of wealth. In Malaga, after the depression at the end of the nineteenth century, initiatives arose that sought to consolidate an attractive offer for tourist flows with high purchasing power, at a time when the good weather and the beach began to be valued not only for winter tourism but also for rest stays in summer (Pellejero-Martínez 2005, 2016). To meet this incipient demand, a hotel plant was formed in the city of Malaga and in some coastal towns that, although still relatively modest, was shaping the international tourist vocation of a destination that would be consolidated under the Costa del Sol brand after the II World War.

The slow development of tourist activity since the mid-nineteenth century, especially around coastal and inland resorts, gradually gave rise to initiatives related to the offer of accommodation. These origins of modern tourism, even understood as a practice limited to certain social classes, show that it was beginning to be conceived as a business that needed a set of elements and infrastructures (Larrinaga 2021). This is how a differentiated accommodation offer emerged, clearly oriented toward the tourist traveler. Since the twenties, the middle classes have been incorporated into the tourist phenomenon and, consequently, the hotel offer is diversifying.

The accommodation sector was attracting investment and the new hotel buildings were incorporating the technological and construction innovations with the aim of offering the best conditions of convenience and comfort to its clientele. It is what Larrinaga (2021) calls the hotel industry. The new hotels incorporated innovations and advances such as hot water, heating, individual bathrooms, electric light, elevator, or restaurant service, which made the stay of customers more comfortable. The constitution of hotel public limited companies since the beginning of the twentieth century is a clear symptom of the modernization of the sector and, above all, of an industrial conception of tourist accommodation.

Throughout the first three decades of the century, Spanish accommodations improved in quantity and quality. In addition, a network of luxury hotels was created to satisfy a demand for high purchasing power. The new hotel model met the needs of the bourgeoisie, a class that sought to

differentiate itself socially and when they traveled they wanted to enjoy the comforts they had in their habitual residence.

In Spain, many hotels for tourists were created at this time, although the accommodation offer was completed with lower-category establishments (hostels, inns) and the rental of private homes for more or less long periods. The thermal centers and coastal destinations led to the increase in the hotel offer.

The Spanish luxury hotel industry lagged behind other European countries. On the occasion of the royal wedding of King Alfonso XIII with the British princess Victoria Eugenia, it became clear that Madrid, the capital, lacked suitable hotels for a demanding clientele. Then the construction of two luxury hotels was promoted: the Ritz (1910) and the Palace (1912). Several luxury hotels had already been inaugurated in different cities of the country before, thanks especially to foreign investors: Grand Hotel Colón in Huelva (1883), Gran Hotel Taoro in Tenerife (1890), Hotel Reina Cristina in Algeciras (1901) and, the best of all, the Gran Hotel de Palma in Mallorca (1903) (Larrinaga 2019, 2021). Similar hotels were inaugurated in other tourist cities in the following years: Grand Hotel Alhambra Palace in Granada (1910), Hotel María Cristina in San Sebastián (1912), Hotel Real in Santander (1917) and in Barcelona the Hotel Majestic (1918), and the Ritz Hotel (1919). The investment cycle of the 1920s encouraged the construction of new luxury hotels: the Hotel Carlton in Bilbao, the Hotel Príncipe de Asturias in Malaga, and the Hotel Alfonso XIII in Seville.

The national hotel offer continued to be characterized by the abundance of small establishments operated on a family basis and with an average of 10–20 rooms. The *Guía oficial de hoteles, pensiones, casas de viajeros, restaurantes, bares y garages* published in 1929 by the National Tourist Board (Pellejero-Martínez 1999) registered 1200 establishments, but the lack of an official classification prevents evaluating the quality of the offer. Malaga offered 800 places, far removed from Madrid (5400), Barcelona (close to 5000), San Sebastián, Seville (both with 2300), Santander (1800) or Palma de Mallorca (more than 1000 places). Demand from the middle classes stimulated the creation of a wide range of lower-category hotels. In those years, the change of the tourist axis from the Atlantic coast to the Mediterranean coast had begun, with the sun and beach model gaining more and more strength (Pellejero-Martínez & García-Gómez 2022).

Official regulation of the hotel sector was scarce and depended mainly on municipal ordinances. A royal order of 1909 established a unified standard for public establishments for lodging travelers and provided that the opening of new hotels required administrative authorization (Pellejero-Martínez & García-Gómez 2022). Progress was also made in the organization of the sector: in 1922 the Spanish Hospitality Federation was established and in 1928 the Spanish Official Chamber of Hotels was created, in which all persons and companies dedicated to the operation of hotels and restaurants were obliged to register. That same year, the National Tourism Board was created, the official body for the management of the sector, and among its first measures were the publication of a hotel and accommodation guide and the implementation of complaint books available to guests (Pellejero-Martínez & García-Gómez 2022).

The object of our work is the development of the hotel offer aimed at the reception of tourists in a specific territorial and temporal framework: the province of Malaga, in Spain, during the first third of the twentieth century, between 1900 and 1936, the year of the Spanish Civil War beginning.

The improvement of communications, especially roads, was essential to explain the growth in the number of hotels. In the province of Malaga, the coastal road between Malaga and Gibraltar has improved remarkably since the 1860s. At the end of the 1920s, its pavement was renewed and its route improved to facilitate the transit of motor vehicles. These works helped make it an important tourist axis around which hotels sprang up that, at first, were small in size and had a very limited capacity. Bus lines were established and it became the usual route used by tourists arriving in southern Spain by sea through Gibraltar (Luque-Aranda & Heredia-Flores 2022).

The Hotel Offer of the City of Malaga at the Beginning of the Twentieth Century

From the last decades of the nineteenth century, voices began to rise in Malaga calling attention to the possibilities of tourism as a source of wealth. The example of several European cities and regions with similar characteristics was carefully observed by an important group of bourgeois who knew how to understand the value of this economic activity. Several personalities from local society at the time defended the exploitation of Malaga's climate as an economic resource, turning the city into a winter

resort that attracted wealthy tourists (Arcas-Cubero & García-Sánchez 1980).

All those who discussed the idea of turning Malaga into a tourist town agreed that the main attraction of the area lay in the climate. In this sense, there were numerous studies and publications that were in charge of publicizing the benefits of the unique climate of Malaga. For many decades there was talk that Malaga was a suitable place for the health of people suffering from lung diseases. But now it was not a question of attracting the sick in search of health, but of seducing rich tourists with the desire to spend winter seasons in temperate climates.

But there was also full agreement among all the writers on the subject that the mere disclosure of Malaga's weather conditions was not a sufficient argument to attract tourists. It was essential to improve the urban and sanitary infrastructures, eliminate the negative aspects of the city, and provide it with attractions in order to make the stay of visitors comfortable and pleasant.

These initiatives converged in the creation of the Sociedad Propagandista del Clima y Embellecimiento de Málaga, founded in 1897 at the initiative of the English consul Alexander Finn. Its objectives were: to make climate propaganda, promote urban beautification and public hygiene, and carry out festivals and cultural activities to attract foreigners. The constitution of the Sociedad Propagandista must be framed in a process that originated in other countries with a greater tourist tradition such as Switzerland, France, and Italy, where similar associations had been established for some time with identical objectives: to promote the transformation from private capital certain areas in tourist centers (Arcas-Cubero & García-Sánchez 1980).

The propagandists of the climate of Malaga hardly deal with the question of the hotel offer. In 1911, a report by the French consul in Malaga, Jacques Chaumié, praised the climatic and environmental conditions of Malaga and affirmed that the tourist development of the province would have a positive impact on the French import and export trade, by increasing the demand for quality products. But he also comments on the deficiencies that Malaga suffered, indicating that it was necessary to expand and improve the existing hotel offer, improve communications and means of transport and offer the traveler a leisure offer: museums, shows, casinos, sports activities, etc. Regarding the lodging of tourists, he wrote that, first of all, large hotels that had heating should be built on the seashore (Pellejero-Martínez 1995).

Two characteristics stand out from Malaga's tourism promotion until well into the twentieth century. In the first place, that it is confined solely to the city of Malaga, without hardly mentioning the adjacent coast. On the other hand, the promotion focuses on the idea of the city as a winter resort, looking for the tourist of the time, a wealthy individual who could take vacations at any time of the year, through the relative advantage of the Malaga climate in terms of at temperatures in the fall and winter months.

The city's hotel offer had grown in 1900 compared to the previous era. The old inns (a term that is being reserved for lower-category establishments), already classified as hotels (Alameda, Victoria, and Europa), are joined by new establishments: the Madrid, La Perla, El Siglo, Inglaterra and other hotels (Heredia-Flores 2000). Hotel businessmen will worry about offering more and better services, such as telephone, electricity, bathrooms, reading rooms, and direct communication with the railway by means of a permanent service horse-drawn carriage.

The highest quality hotel offer will be concentrated in the new Marqués de Larios Street, with the sole exception of the best hotel in the city, the Roma. Larios Street was built between 1887 and 1891 at the initiative of the Larios family, consisting of twelve buildings of the same height and style, designed by Eduardo Strachan. It was born as a result of an urban reform plan to connect the urban center with the port, and with the claim of being the main street of the city. For this, it had the best urban equipment of its time and was occupied by luxurious shops and prestigious societies, such as the Liceo and the Círculo Mercantil.

In 1890 the Gran Hotel de España was inaugurated, when Larios Street was not yet finished. It is the first building that was built expressly as a hotel in the city, or, at least, it had that use from the beginning. It soon became known as the Gran Hotel Paris, when Tomás March took over, and soon after it adopted the name of Hotel Niza, which it kept until the end of the twentieth century, when it was renamed Hotel Larios. Its advertising stated the following: "The rooms are provided with electric bells; there are Spanish and foreign newspapers; bathroom and shower room, and an excellent kitchen that makes the stay pleasant, both for commercial travelers and for families who come to spend the winter or take baths" (Muñoz-Cerisola 1894). Its owner was the Asturian Baldomero Méndez, who settled in Malaga after having been chef of the Duke of Sesto, a prominent Spanish politician.

On the same street, the New Hotel Victoria by Cristóbal Gambero was installed, which offered meticulous service and reasonable prices. This hotel was acquired around 1910 by the owner of the Niza, Baldomero Méndez, who carried out a complete renovation in the twenties and provided it with an elevator, central heating, sinks with hot and cold water in all rooms, and apartments with bathrooms. Then he reopened it as Hotel Reina Victoria and during the Second Republic his name stayed at Hotel Victoria. The Hotel Inglés, by Juan Bertacea, had a café-restaurant on the ground floor in a building of the same Larios Street. It was advertised as the only one in the city set up in the foreign style, with a dining room open all day. It changed its name to Hotel Simón when it was bought in 1906 by José Simón. This businessman also had another hotel on the same street, the Bristol, which, as a curiosity, offered the possibility of vegetarian cuisine for those who wanted it (Heredia-Flores 2000).

Another of the hotels on Larios Street was the Alhambra, which was already advertised in 1903, when it belonged to Abelardo Guillén. Years later, Trinidad Romero was listed as the owner. It had 52 rooms spread over two floors of the building, an interpreter and carriage service for all trains, as well as a well-known restaurant. Around 1920 Antonio Montañez opened the Hotel Londres. It started working on Larios Street but four years later it had already moved to Alameda.

The most prestigious hotel establishment in the city was the old Hotel Alameda, known as the Gran Hotel de Roma since it was acquired by the company Yotti and Company, owner of three hotels of the same name in Madrid, Granada, and Malaga. Advertising that was completely modern and very comfortable, and that had the following services: large lounges for families, restaurant, reading room with foreign newspapers, elevator, interpreters, and luxury cars that transported travelers from the train station to the door of the hotel.

Important people stayed at the Hotel Roma when they came to Malaga. This hotel, which was called Regina from 1907, was housed in a magnificent building from the end of the eighteenth century, between Alameda and Puerta del Mar Street. The building stands out for its monumental façade, in pink marble, and a large porticoed patio where an elevator was installed. Around 1914, a new owner took over, the Swiss Christian Heierle. It was the headquarters of the Rotary Club of Malaga since its creation in 1927.

Other hotels in operation during the first third of the twentieth century that can be mentioned are the Hotel Giralda and the Hotel Colon, which

later changed its name to Cabello Hotel. The Hotel Imperio offered French cuisine. Very close was the Hotel España, later called Oriente. The Hotel Europa, located in the Cortina del Muelle, was one of the oldest in the city. It was advertised as "the only house in this city with beautiful views of the sea and gardens" and it spoke English and French. The Hotel Suiza, later Cervantes, offered comfortable and hygienic rooms with electric lighting and bell. Very close were the Hotel Hispano Marroquí and the Hotel Cataluña, which began operating around 1915 in the Obispo Square, in front of the Cathedral. It was "set up with all modern comforts," with electric lights and bells in the rooms, hot and cold water sinks, and bathrooms. Two new hotels were opened in the Alameda: the Alameda and the Royal (Heredia-Flores 2000).

The Consolidation of the Accommodation Offer: The Great Hotels

These hotels located in the urban center responded to the traditional lodging model for business trips, administrative procedures, commerce, or personal affairs. The first hotels born with a purely tourist vocation and favoring proximity to the sea were the Hernán Cortés (later Caleta Palace) and the Príncipe de Asturias.

Around 1929, the hotels in Malaga with the largest capacity were the Príncipe de Asturias (250 beds), the Caleta Palace (150), the Regina (120), and the Reina Victoria (75). The twenty most important hotels had 1505 beds, distributed in 1051 rooms, of which only 291 had a bathroom (Heredia-Flores 2000).

During the first third of the twentieth century, the discovery of the beaches was going to take place, the prelude to mass tourism. After a first moment in which bathing in the sea was recommended for therapeutic reasons, a real revolution took place in the conception of bathing in the sea, which was to acquire a playful and sporty character. In Malaga, the interest in the beach will represent a change in its axis of gravity for the hotel industry. If until then the hotels had been located in the center of the city, in the vicinity of the Alameda and Larios Street, now several upscale establishments located in the Caleta neighborhood will appear. In other words, the new accommodation offers loses in urban centrality, but gains in environmental quality.

During the last third of the nineteenth century, La Caleta had become the best city's residential neighborhood. This modern and elegant neighborhood had been built by a company that exploited the land, dedicating it to high-quality buildings, according to the project of the engineer José María de Sancha. The new neighborhood was characterized by a clearly defined architectural typology: the small hotel or recreational chalet. These were isolated buildings surrounded by extensive gardens. Many of these small hotels were occupied by the wealthiest local bourgeois families, but others were rented or acquired by wealthy people from the interior as winter or summer residences, and some were converted into small, high-quality accommodation.

Since the end of the nineteenth century, then, this residential neighborhood has emerged as the ideal location for the highest quality hotel offer. Ramos Power (1895) cites the project of a French company to build a large casino hotel in La Caleta. In 1903, the Hotel Miramar began operating in this area. It occupied a spacious chalet and numerous social events took place in its gardens and large dining rooms. Around those same years there was a guest house called Villa Cámara, on Pries Avenue. It was offered to bathers due to its proximity to the bathing establishments located on those beaches.

The Hernán Cortés English hotel and restaurant had been in operation since the last decade of the nineteenth century, occupying the site of the old Ventorrillo de Cayetano, next to the Caleta stream. It offered its proximity to the sea, its beautiful gardens and spacious and comfortable rooms at reasonable prices. The building was very simple, rectangular in plan (Bravo-Ruiz 1997). Around 1912, the hotel businessman José Simón, of Cordoba origin, took over the management of the establishment. He owned the Hotel Simón on Larios Street (later he would have another, the Hotel Bristol) and whose brothers managed hotels in Córdoba, Seville, Almería, and Alicante.

José Simón saw the enormous possibilities that the Hernán Cortés site presented and the need to undertake a complete restructuring of the small existing facilities. But for this he needed capital, and he found it through the formation in 1918 of a limited company called Caleta Palace, with a share capital of 250,000 pesetas, which later rose to two million. Its purpose was "the purchase, construction and operation of the business of hotels for travellers and restaurants." The president of the first board of directors was the senator and merchant Félix Sáenz Calvo, who was succeeded by Juan Pérez Fajardo. Other members of the council were

Augusto Taillefer, Prosper Lamothe, and Aurelio Pau Utrera (Estatutos 1935; González-Villena 2019).

In 1919 the company acquired the Hernán Cortés and, later, his agent, José Simón, presented an expansion and reform project, prepared by the architect Fernando Guerrero Strachan, which actually meant a new construction, which was completed the following year. The resulting building was a large pavilion perpendicular to the sea, in a north–south direction, with five floors, including the basement. The ground, first and second floors were used for guest rooms. Those located on the east façade are larger and have terraces with sea views, while those facing the garden have a poorer orientation, are smaller and only have windows. The south-east corner presents a polygonal gallery as a marine viewpoint. With the new building, maximum use of light and views was obtained. It is the first hotel built as such in the city, with interior and exterior typological characteristics appropriate to the function that the building was to have (Bravo-Ruiz 1997).

If the property of the Hernán Cortés fell to the Caleta Palace society, made up of prominent members of the local bourgeoisie, the management of the establishment was in charge of José Simón until approximately 1925. The list of services he offered was extensive: telephone, hot and cold water, and sea views in all rooms; bathrooms with W.C. communicated with the rooms; bathrooms with hot and cold sea water; beach with bathroom, elevator, garden, and dining room with sea views.

The hotel's name change, definitively adopting Caleta Palace in the mid-twenties, seems to respond to a clear strategy to attract foreign tourists, especially Anglo-Saxon. Brochures were made in English, alluding to the attractions of the hotel and "sunny Spain" and insisted on its "American bar" and "fashionable tea-dances." In fact, parties and banquets were frequent in the halls and gardens of the hotel, which functioned as the neighborhood's leisure center.

The offer in the Caleta area was completed in the 1920s with the opening of two accommodations aimed at foreign guests: the Limonar Guesthouse, at the promenade bearing the same name, and the Cooper Guesthouse, which was located on the Hacienda Giró, on Mount Sancha. Both offered very well-kept surroundings, with large gardens and proximity to the sea. The Hacienda Giró had its own vehicles to rent to guests. Its owner in the thirties was the British Mr. C.H. Faber.

In the twenties is when the city began to bet decidedly on tourism as a source of wealth. If the hotel offer increases qualitatively and quantitatively with the Caleta Palace and the Príncipe de Asturias, the City Council creates a Tourism Delegation that publishes a monthly bulletin that is distributed free of charge throughout the world, and complementary leisure equipment is being created (spas, golf course) and necessary infrastructures (airport, promenade, roads), although many projects will still have to wait a long time to be completed. The Ntra. Sra. del Carmen Spa Park, Baños del Carmen, offered a complete leisure offer all year round: concerts, parties, dance floors, competitions, regattas, tennis courts, and a restaurant, the latter under the direction of the Hotel Regina.

The Hotel Príncipe de Asturias was built by a public limited company, incorporated in Madrid in 1920, with an initial capital of three million pesetas, with the main purpose of building and operating in Malaga "a first class Hotel similar in importance, organization and service to the Ritz Hotel in Madrid." The Board of Directors was chaired by the Marquis of Torrelaguna, a man very close to King Alfonso XIII, and was made up of national and local personalities such as Eduardo Dato, Joaquín Ruiz Giménez, Francisco Bergamín, Félix Sáenz and Fernando Guerrero Strachan (Estatutos 1920).

An extensive site was chosen where a sugar factory had previously been, at the beginning of La Caleta and close to the urban center, adjacent to the sea. The author of the plans was the architect and later mayor of the city Fernando Guerrero Strachan, who shortly before had designed the Hotel Caleta Palace. He took as a model the Hotel Royal in the French city of Évian-les-Bains, next to Lake Leman (Carmona-Rodríguez 2017).

The first stone was laid by the king on May 21, 1921. According to the project, the rooms would be distributed over four floors, the exterior ones being first class, and those facing the courtyard second class. On the ground floor was the pavilion of honor (destined for the accommodation of the royal family), with independent access and isolated from the rest of the building. The patio or winter garden would be covered with a glass roof; around it were arranged, among other rooms, billiards and reading rooms, a dining room for three hundred diners, and the great party room. The works took longer than expected, but it was finally inaugurated by Kings Alfonso and Victoria Eugenia on February 11, 1926, which since then has become the highest local reference for luxury and distinction (Carmona-Rodríguez 2017).

The Hotel quickly became a meeting point for Malaga's high society and personalities from the nobility, politics, and business from all over the country. Thanks to the Hotel Príncipe de Asturias, Malaga joined the small group of cities that could boast of having a royal residence. The first year the king's mother, Lady Maria Cristina, stayed, and from then on, every year Princess Beatrice of Battenberg, mother of Queen Victoria Eugenia, spent some time at the hotel, generally in February. Her presence attracted that of the other members of the royal family, since she received visits from her daughter and her grandchildren, that is, the queen, the Prince of Asturias, and the infants, who in 1927 spent two weeks in the city. After the proclamation of the Second Republic, in 1931, the hotel was renamed Miramar.

In the Hotel Príncipe de Asturias Guerrero Strachan used a Neo-Renaissance style. The decoration includes elements that reinforce the character of the exaltation of the Spanish monarchy, with special references to the Catholic Monarchs and Emperor Charles V. The main façade is made up of a projecting central pavilion and two lateral bodies that form two towers. The sea front, with large open terraces, reflects a cheerful architecture designed for leisure. Inside, next to the large square courtyard, there are details inspired by the Alhambra. The building is located in the center of a large plot, which allows it to have a front garden and another in the part that faces south.

The Offer of Tourist Hotels in the Province

The city with the most tourist attraction in the province of Malaga, together with the capital, was Ronda, located in the Serranía and which had been one of the main destinations for romantic travelers in the nineteenth century. Its proximity to Gibraltar also favored the influx of tourists of British origin. In the 1920s, hotels such as the Polo, the Progreso, and the Royal operated in the city. The Royal, opened by the Gibraltarian Augusto Berutich, soon became the reference establishment for British tourists together with the other great hotel in the city, the Reina Victoria.

The construction of this hotel is linked to the railway line project between Algeciras and Bobadilla, promoted by British businessman Sir Alexander Henderson through the Algeciras Gibraltar Railway Company, with the aim of facilitating a rail connection with Gibraltar. It was inaugurated in 1892 and had a station in Ronda. As a result of the operation of the line, two hotels were built, through another Henderson company, The

Iberian and Mediterranean Hotels Company Limited: the Reina Cristina in Algeciras, inaugurated in 1901, and the Reina Victoria in Ronda, opened in 1908, both designed by architects Stanley Hamp and Thomas Edward Collcutt. The latter had designed the Savoy Hotel in London. The accommodation in Ronda had 40 rooms and a privileged location, with large gardens and views over the surroundings of the city, with English rural-style architecture. Its promoters declared from the outset that its objective was to attract foreign tourists who came to the city by rail. The hotel was advertised in the Gibraltar newspapers and the director was British, Mr. Mark Law (Sierra de Cózar 2021).

The Hotel Reina Victoria was an important reference for the tourist attraction of the city of Ronda, hosting important personalities. Among his first clients was the Czech poet Rainer Maria Rilke. During the crisis of the 1930s, Alexander Henderson sold the Reina Cristina in Algeciras and Reina Victoria in Ronda hotels to John Shuldhan Schreiber, also British, who sold it to a group of Spanish buyers in 1946 (Sierra de Cózar 2021).

In the remaining cities of the province there were only small traditional hotels. In Antequera, for example, in 1929 the existence of the Hotel Infante and the Fonda Universal was announced. Precisely in Antequera, the construction of a roadside hostel was projected in 1930 within the network promoted by the National Tourist Board with projects by the architects Carlos Arniches and Martín Domínguez. The hostels (*albergues*) were a new type of state-promoted hotel establishment intended to provide lodging, catering, and fuel supply to travelers traveling by car on the country's main highways. The building was practically finished in 1931, but it did not come into service until 1940 (Rodríguez-Pérez & Ceresuela Puche 2015).

During the twenties, the first group of small establishments, with few rooms, scattered along the coast between Gibraltar and Malaga, appeared. These small hotels were added to the informal accommodation offer made up of the rental of houses of various sizes and characteristics to national and foreign tourists. It must be taken into account that the penetration route to the future Costa del Sol started from Gibraltar and used the coastal road that had been renovated at the end of the twenties within the National Plan for Special Pavements.

Together with the existing hotel offer in the capital, made up of modern establishments such as the Caleta Palace and the Príncipe de Asturias, complemented by other urban hotels (Regina, Niza, Simón, etc.), between the late twenties and the early thirties a series of small

accommodations located by the sea and run mostly by foreigners began to appear.

In the city of Malaga itself, the Hacienda Giró, owned by C.H. Faber, in La Caleta. In the towns on the coast there were accommodations designed for this new and growing clientele of foreign origin and high purchasing power. Apart from the traditional inns and small urban hotels designed to accommodate business travelers or occasional travelers, the offer was extremely scarce. At the end of the decade, the Hotel Castillo de Santa Clara opened its doors in Torremolinos, with a privileged location on a rocky ledge known as Punta de Torremolinos. In 1926 Santa Clara was already known as the "Castle of the English," by the British officer George Langworthy, who acquired the farm in 1905 looking for a suitable climate for the fragile health of his wife. Langworthy ceded the usufruct of the farm to his workers, who rented out some units for tourists (Shapton 2020).

The first reference to hotel activity in Santa Clara appeared in 1930 in an advertisement published in the weekly English news page of the newspaper La Unión Mercantil: "Santa Clara, Torremolinos. – English lady receives paying guests. Afternoon teas served. Tennis" (*La Unión Mercantil* June 11, 1930). It was an English lady, Margaret Horn (Mrs. Beautell) who rented the farm with a partner for hotel use. Some of the buildings on the estate were dedicated to this new activity: the old police barracks, which underwent constant improvements, were used to house the rooms, while in the main house there were, in addition to the kitchen, the common areas, reception, dining room and lounges. Some other dwellings on the estate, owned by Langworthy employees, were also given hotel use. In the following years the business was run by Nancy Beutell, Margaret's daughter, and her husband, the American architect Mark Hawker (Luque & Heredia 2021).

The Hotel Santa Clara enjoyed immediate success due to its unbeatable location, on a ledge over the sea, with magnificent views and extensive gardens. The main clientele was made up of British people who used to come from Gibraltar (Valle de Juan & Sánchez-Dehesa 2015; Valle de Juan & Beautell-González 2015). Among its attractions, it advertised direct access to the beach, tennis court, private terraces, and proximity to the road and golf course.

Romance writer Denise Robbins located her book *Shatter the Sky*, published in 1933, in Santa Clara, which she described thus:

> Santa Clara… low built, square, with a wide veranda running right round it, and a garden which looked to Karey like Paradise itself. As they drive through the gates they passed great clumps of scarlet geranium, bold, vivid red against the white walls. Two huge palm trees stood sentinel at he gates and to the left lay the Moorish garrison which dated back to 1600 and was built upon sheer rock above the sea. Terrace after white terrace, winding down to the water. Wild pink geraniums tumbling in cascades out of the walls. Green fringe of palms; blue shimmer of anchusas in the green grass between the terraces; and the little covered huts… from which one could look straight down into the sunlit sea. To the right lay the brown beach and a fishing village straggling along it. To the left in a haze of sunshine, Malaga, and beyond, a violet line of mountains and one snow-covered peak of Sierra Nevada. (Robins 1933)

Shortly after, also in Torremolinos, another hotel establishment with a clear tourist vocation arose: the Parador de Montemar, inaugurated in 1934 in La Carihuela by the businesswoman Carlota Alessandri, who had bought the Cortijo de Cucazorra there. Alessandri noticed the profitability that she could obtain from a steep terrain with difficult agricultural use, but which was crossed by the national road, enjoyed magnificent views over the sea and reached the beach of La Carihuela. Initially it had seven rooms and a clientele of British origin (Lancha 1968). In the following years, a residential area populated with chalets with gardens developed around it. The small hotel was expanded in 1945 and had a limited beach for the use of its clients, with a social club known as El Remo. The next one was the Hotel La Roca, opened in the early 1940s by Enrique Bolín Bidwell, brother of Luis Bolín, General Director of Tourism for the Franco government in those years. We will have to wait until the 1950s for the hotel capacity of Torremolinos and the entire area, the Costa del Sol, to expand significantly.

On the western coast of the province there were hardly any accommodations for this new and growing clientele with high purchasing power. In 1930, the Fonda de la Cala de los Pinos was already in operation, in Las Chapas (Marbella), a modest establishment located on the beach and at the foot of Sierra Blanca (Malaga 1935). It was directed by the German Reinhold Tschuschke, who had previously owned a restaurant in Malaga and before that had toured Europe with a show called Lilliput.

Also at the beginning of the 1930s, the British couple Owen (Maurice and Violet) inaugurated Orilla del Mar in Calahonda (Mijas), which

offered mini golf, badminton, and hot water in its facilities and was advertised as an oasis of peace among pine forests and the sea and next to the road that led to Gibraltar. The hotel had only one floor and was surrounded by cabins or bungalows (Malaga 1935).

To this small list of pioneering little hotels we must add the Hotel Miramar between the urban center of Marbella and the beach. The Miramar had a peculiarity that distinguished it from those mentioned, since it was managed by Spaniards. Specifically, by the couple formed by José de Laguno Cañas and Agustina Zuzuarregui Sotto-Clonard. In 1930 they acquired the Huerta de San Ramón, a farm located between the road and the beach with vineyards, trees, and an orchard. He had a farmhouse next to which they built a large chalet to house an already more than big family. Although the family initially planned to dedicate themselves to agricultural production, they soon decided to undertake a different business adventure: the opening of a hotel. After making the necessary reforms, the family settled in the original house in the orchard and the chalet was transformed into a small lodging with about ten or twelve rooms that was inaugurated on October 15, 1933. The equipment of the hotel with a leafy park, a tennis court and a car park. A journalist man wrote: "Marbella is still the unknown pearl. It has been a great success to promote the hotel industry and with it tourism in the small city, opening channels of progress for its magnificent tourist future" (Corresponsal 1933).

The new establishment registered as a luxury hotel and carried out an extensive advertising campaign in the British and Moroccan media, publishing a small brochure in English and French. His clientele came mainly from Gibraltar and from the most important hotels in Malaga, such as the Miramar (former Príncipe de Asturias) or the Caleta Palace. They housed groups of students from Oxford and Cambridge in the winter season. One of the attractions of the place was the restaurant, with an international menu.

All these establishments located between Torremolinos and Marbella were characterized by their small size, their almost exclusively foreign management and clientele (most of them of British origin) and a familiar treatment that offered certain comforts added to the benefits of a paradisiacal coastline with an extremely mild weather.

Conclusions

Costa del Sol stands out among the pioneering areas of the sun and beach tourism model in Spain. Although this model emerged strongly from 1960, it had a long period of conformation that began in some cases in the nineteenth century and that in any case it was defined during the first decades of the XX. Together with the improvements in communications and the creation of certain leisure and thalassotherapy infrastructures, an offer of accommodation with certain characteristics spread throughout the territory began to appear.

On the one hand, there were the urban hotels, located in the city of Malaga, aimed at a traditional clientele and which in some establishments offered a modernization of their services: Regina, Niza, Victoria. In the same city, two large hotels were opened with little difference that sought proximity to the sea as an attraction and that were oriented toward tourists with high purchasing power and even the royal family: the Caleta Palace and the Príncipe de Asturias. In Ronda, the Hotel Reina Victoria began to operate with similar characteristics.

On another level we find a series of small-sized hotels, mostly managed by foreigners, which offered tranquility and proximity to the sea: Hacienda Giró in Malaga, Santa Clara and Montemar in Torremolinos, Orilla del Mar in Mijas, and Miramar and Cala de los Pinos in Marbella. In these cases, their clientele was mostly of British origin and entered through Gibraltar. These establishments arose from 1925 and were affected by the Civil War, which marked the beginning of a break in a path that had just begun toward the center of world tourism.

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CHAPTER 10

The Hospitality Sector in Italy. Hotel Industry and Tourist Flows in Rome in the Interwar Period

Donatella Strangio and Marco Teodori

This study focuses on the evolution of the tourist accommodation sector in Italy in the interwar period, relating it to the development of tourist flows. In the first post-war period, the recovery of the Italian hotel industry was quite rapid and soon turned into a development process that lasted, with alternating phases, almost until the Second World War. This

Although this chapter is the result of a joint reflection by the authors, paragraphs 1 to 3 were written by Donatella Strangio and paragraphs 4 to 6 were written by Marco Teodori.

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development was most evident in those areas which, due to their natural or artistic beauty, had a greater capacity to attract tourists. Among these areas, one of the most significant examples is the city of Rome, which constitutes the case study that will be examined.

During these years, the hospitality sector was fed by tourist flows that were becoming more substantial and changing in composition. The weight of traditional elite tourism was gradually diminishing as other social segments began to account for a larger part of the tourist demand. At that time, it was mainly the white-collar middle classes that fed this process of change, anticipating the later massification of tourism. Moreover, domestic tourism became the largest component, at least in terms of numbers.

It is worth noting that the Fascist regime partly contributed to these changes through various initiatives that helped to bring tourism closer to many Italians who had previously been excluded from it and who, in those years, began to "experience the joys of tourism". The spread of tourism among Italians formed part of the strategies to consolidate popular consensus in a totalitarian view of the control of the leisure time of the masses, but the regime also paid attention to increasing foreign tourism, which had always been crucial in the balance of payments adjustment processes.

As a result, the Italian hotel system, including that of Rome, was faced with the need to transform and update the tourist hospitality offered in the various market segments, but, for various reasons, it was only partially able to satisfy the modernisation requirements demanded by the market.

Introduction: The Tourism of Italy with a Thousand Faces

The activities and initiatives falling within the sphere of tourism contributed to the national gross product and strengthened the regime over the twenty-one years of Fascist rule. The establishment of the ENIT, as De Maddalena writes, revealed the intentions and hopes of the governing bodies to make tourism "a cooperative factor in the national economic recovery". These hopes were realised in the first years of the institution's life also due to the devaluation of the lira which attracted many foreign tourists. In 1925, on the occasion of the jubilee year, Rome received more than 300 thousand visitors. It is therefore easy to understand how, after the 1929 crisis (which had a negative impact on tourist

flows in general, and on those towards Italy in particular), the fascist government focused more on this activity, not only in terms of economic development. In fact, it did not take long for it to recognise the importance of tourism as a propaganda and promotional vehicle; hence the need to centralise the organisation of tourist services under the direct control of the head of the executive and the public administration.

The aim of this study will not be to describe the measures adopted by the executive to extend, improve and modernise the means of communication and transport in the various locations, or the introduction and creation of bodies dedicated to improving tourist services, to which nevertheless, reference will be made, rather it will focus on the receptivity of the tourist system and therefore on the hotel system. This sector began to strengthen immediately after the war and became more prominent in all of the areas that, due to their natural and artistic beauties, most intensely exercised charm and appeal. One of these places will be our case study, namely the city of Rome in the 1920s and 1930s.

The positive results in the foreign tourism sector cannot be denied, derived from various cultural, artistic and sporting events and initiatives of considerable commitment and resonance beyond the borders. However, it is extremely important to underline the development of internal tourism promoted by the fascist regime above all to extend and consolidate the popular consensus.

Tourism activities had begun to lose their traditional characteristics (Botta 1989; Scatamacchia 1999, 281–326), especially those of an elitist nature, even before the Great War and in the years immediately following its conclusion. However, it was with the advent of fascism that a growing number of Italians "were induced to experience the joys of tourism" (De Maddalena 1985, 486; Capuzzo 2022); "The national work of the dopolavoro was the main organizer of demonstrations, tendentially mass, which promised to put free time to good profit in a festive fascist atmosphere ': free time that the' Fascist Saturday 'had somewhat lengthened'" (De Maddalena 1985, 486). In short, they constituted a multifaceted range of initiatives that did not conceal their propagandist and populist aims, which also tended to develop domestic demand.

The structural problems of hotel accommodation became the focus of Commissions which began to reflect on the situation. Even if this did not lead to tangible improvements for hoteliers, it constituted an important turning point for the State in addressing an increasingly strategic sector, despite its fragility, highlighting the role of a factor as equally important

as the demand and the ability of supply to adapt, i.e. that of socio-cultural elements, rooted in what we can define as "the culture of hospitality", or the attention to the needs of the guest (Cavalcanti 2022, 19).

The Position of Italy in the International Field

The First World War reduced international tourist exchanges to a minimum, but after the end of the conflict the international tourist movement regained its share, benefiting all of those countries that had the greatest political and economic stability, the most comfortable hotel potential and the best network of communications and roads.

Many causes influenced the resumption of tourism in Italy and its development which continued until 1926, including the Italian monetary inflationary policy brought about by the needs of the war and which continued throughout this period. The valuation of the lira compared to the strongest currencies of the time such as the pound sterling or the Swiss franc rather than the florin induced foreigners holding those currencies with high premium to go to Italy to enjoy a stay at a relatively low expense.

However, as we will see later, while the development of the movement up to 1925 can be considered as "normal", what happened after that was due to exceptional causes such as the Holy Year. A contraction in the number of foreigners who entered Italy was recorded, in fact, starting from the following year, in 1926, due to the lack of all those sources of attraction of the previous year (Table 10.1).

Table 10.1 Tourists trends and tourist balance

			Tourist Balance (millions of lire)		
Years	*Foreigns in Italy*	*Italians abroad*	*Expenditure by Foreigns in Italy*	*Expenditure by Italians abroad*	*Positive balance*
1923	910.000	338.000	2.389	395	1.994
1924	1.060.000	292.000	2.862	350	2.512
1925	1.340.000	343.000	3.595	420	3.175
1926	1.150.000	334.000	3.168	424	2.744
1927	1.070.000	286.000	2.547	335	2.212
1928	1.094.000	294.000	2.604	344	2.260

Source (ENIT 1930, 80)

One of the causes highlighted by historiography was the violent depreciation of the French franc that induced international tourist flows to prefer to stay in France. It became more expensive for the French to travel abroad and they were, therefore, deterred from a possible trip to Italy. A further cause was the anti-Italian campaign conducted in German countries aimed at limiting, at least in part, the impressive flow of German tourists (about 340,000 or 25% of the total movement) who came during the Holy Year to Italy. Moreover, the introduction in Poland of a 500 gold franc tax for the issuing of passports and the English mining strike probably kept those people who derived their wealth from the coal trade and industry at home (Paloscia 1994, 25). Again in 1927 tourism suffered, above all, from the backlash caused by the various measures that led to the revaluation of the lira: from 500 which was the average gold exchange rate in 1926 it dropped to 353 in December 1927. The revaluation of the lira, which reached 25% against the more valuable currencies such as the pound sterling, the dollar, the mark and the Swiss franc, hindered the tourist movement towards Italy as it did not lead to a decrease in the cost of tourist expenses in the Peninsula. This was combined, in some countries such as France, with a smear campaign in the press on the treatment given to tourists and the performance of its public services. The increase after these years can mainly be attributed to the celebration of the Jubilee of St. Pius XI, which attracted a considerable number of pilgrims to Italy (the Jubilee period lasted until June 1930). Other reasons for this trend are to be found in the initiatives aimed at improving the organisation of tourism activities, the intensification of propaganda carried out abroad, and rail reductions, ranging from a minimum of 30% for individual foreign travellers going to Italy to a maximum of 50% for groups, which helped to make tourist destinations more accessible.

Hotels and Hoteliers in Italy

The series of legislative measures implemented in favour of public works and improvements for the Kingdom and in particular for the city of Rome was useful. For example, the law of 8 February 1921 n. 79 authorised the expenditure of 35 million for various public works, including projects in the capital which involved the construction of a new building for the Ministry of Public Works, ten new classrooms for the Chamber of

Deputies and other services in the Palazzo Montecitorio, and the continuation of the national monument dedicated to Vittorio Emanuele III; Royal decree no. 1761, which authorised the operation of a new section of the municipal tramways of Rome from Viale Rossigni to Parioli; Royal Decree Law 26 February 1925 n. 384 authorised the construction of a bridge over the Tiber in Rome to facilitate Roman traffic and a whole series of other measures, which will not be listed here, which authorised the municipality of Rome to make variations and additions to those established for the implementation of the city master plan (Senato del Regno and Camera dei deputati 1934, 359).

We may also observe a progressive rearrangement, already in the mid-1920s, but especially since 1930, of state and provincial roads, which were increasingly being used by buses and for tourism, contributing to the gradual widening of a road circulating the city (also strengthening transversal relationships between neighbouring centres). This road network reflected the priority of the most popular directions, further accentuating the gap between the metropolis and the rest of the province.

During the 1930s, an attempt was made to favour the homogeneity of rates and services among the establishments of the same category, and a revision was made of the 1925 regulation on advertising the prices of hotel rooms and additional services, distinguishing the periods of low and high season, requiring the owners of hotels, boarding houses and inns to report the relative prices first to the prefects and then to the tourism bodies (Cavalcanti 2022, 404).

The complaints were also sent to the Tourism Federation and the Italian National Entae, from the official hotel directory, containing all the information on the structure, the services provided and the prices.

A necessary tool was developed to render the application of the series of prices for the high or low season automatic and transparent. The flat service fee was supposed to replace tips, which were banned. Prices lower than the minimum could be applied only for groups and long stays (Rdl November 23, 1936, n. 2469, in Official Gazette March 4, 1937, n. 53 converted into Law June 7, 1937, n. 1112, in Official Gazette July 20, 1937, no. 166).

The documentation shows that the hoteliers were subject to the aims of the regime starting with a reduction and advertising of rates, and also the change of name of the Italian hoteliers association (Aia) which, under penalty of dissolution, was given the new name of National federation of

hotels and tourism in the corporate context of the fascist regime. Generally speaking, the new provisions defined certain rules for the tourist market and, according to the official classification of accommodation facilities, they obliged a detailed reporting of the number of rooms and services provided. However, as it was congenital, the new discipline still left room for arbitration: the hoteliers themselves decided when the low or high season rates were applied, and they did not indicate which and how many services were included in the official price, allowing them to be considered as complementary and, therefore be charged separately, even those that were essential for every accommodation business. In fact, at least until 1935, it seems that Italian hotels were, on average, much more expensive than foreign hotels of the same type (Cavalcanti 2022, 415).

However, it must be noted that the accommodation situation in the south of the country had remained unsatisfactory. At the end of the 1930s, hygiene inspections clearly indicated that it was impossible to apply the legislation in terms of the classification of hotels, because the work necessary to adapt the establishments would have required huge investments, leading to the closure of many companies, with the opposite effects to those desired (Cavalcanti 2022, 415). Even in the major Italian cities the accommodation situation was lacking: for example, in Rome it was found to be inadequate when the city was chosen for the Universal Exposition, both in terms of quality and quantity; so much so that it compromised the image of the regime. Naples had only 29 hotels worthy of being classified as such and 26 good-level pensions while all the rest were unfit for visits (Cavalcanti 2022, 416). And yet, reasonable proposals had been made for interventions that were not excessively onerous (Gerelli 1934, 363–375).

In 1934, tourism was included in the corporate structure of the State and the Hospitality Corporation was created, which also included the Association of Italian hoteliers, by now a national fascist hotel and tourism federation (Mariotti 1933, 14). The Corporation included the hotel industry, travel agencies, public establishments, bathing establishments and spas, nursing homes with the municipality to the other corporations. It sought to connect the professional category associations and to reconcile the interests of the employer and the workers and regulate their relations through contacts with the corresponding bodies of the State, subordinating part of their interests to those of the national economy ("La Corporazione dell'Ospitalità" 1934). It was within the Corporation

that the policies to contain the crisis were elaborated, especially the project of the tourist lira (Muzzarelli 1997, 60).

"Hotel vouchers were established which could be purchased by foreigners or Italians residing abroad at authorised travel agencies, tourist offices, on transatlantic liners or border offices. They gave the right to a 30% reduction on hotel rates and similar discounts on entrance tickets to museums, galleries, archaeological sites and shows" (Muzzarelli 1997, 63). Those holders of the vouchers who were car drivers could also obtain a "fuel voucher" in proportion to the length of stay in Italy. The "tourist cheques" (Mariotti 1933, 182–183) were issued in lire against the currencies of banks, tourist organisations, travel agencies or shipping companies in Italy and abroad and were repayable in Italy in co-provision of tourist services. The promotion of national tourism consisted in applying a lower exchange rate to that fixed by the Rome Stock Exchange. The cheque allowed foreign tourism to purchase in its country and with its currency the entire package of services for the trip to Italy and the operators were obliged to accept the agreement at the prices indicated on the vouchers, without being able to demand any type of supplement, not even for the percentage of service and for taxes. About 20 different types of vouchers were issued, depending on the categories of accommodation and the type of room (with or without private facilities) which also gave the right to other benefits (Cavalcanti 2022, 422). To this and other discounts we must add the selective devaluation of the tourist lira, which was decided in March 1936. Although in this way Italy had become a very convenient destination, this was not enough to recover tourist revenues, a policy pursued by all competing countries but prevented by neo-mercantilist policies that were widespread everywhere. The Italian receptivity had to be oriented mainly to the domestic demand which persisted for a long time.

Furthermore, the General Management, in concert with the National Federation, elaborated a project for the creation of a long-term hotel credit institution to be financed with state funds and with contributions paid by the hoteliers, in proportion to the annual occupancy and to the category of the exercise, which would have given the right to confer a proportional number of shares to the new institution. Subsequently, the Committee of Ministers for Defense and Savings and for the Exercise of Credit decided to entrust the hotel credit to one of the land credit sections existing in the banks, which the 1936 law had transformed into institutions governed by public law. In 1937, therefore, the autonomous

section for the exercise of hotel and tourist credit (Sacat) was established at the Banca Nazionale del Lavoro (Guidi 2006).

Tourism and the Hotel Industry in Rome During the Interwar Period

The interwar period was an important phase in the evolution of tourist flows and the hospitality industry in Rome. This can also be seen in the frequency with which scholars, operators in the sector and Italian tourism policymakers paid attention to the subject during those years.

There were several factors that prompted reflection on Rome's role as a tourist destination, which was seen as a challenge with problematic aspects. The first of these factors was the increasingly clear perception of the changes taking place in the demand for tourism, both international and domestic. While the city of Rome was growing rapidly in terms of population and its built-up area, the volume of tourist flows was increasing, but at the same time their qualitative composition was also changing. Domestic flows now largely predominated, although international flows remained the most desirable because of their proportionately greater economic contribution, and the essential role that foreign currency receipts played in rebalancing the balance of payments.

Moreover, over the years it became increasingly evident that the typology of tourists was broadening. A large part of the demand for tourist products no longer came from the elite, but increasingly from other social groups; in particular, the white-collar middle classes became more and more important, partly foreshadowing the beginning of the massification of the tourist phenomenon from the 1950s onwards.

This process required an updating of the accommodation supply in the various market segments, but the Rome hotel sector, which together with the other hospitality-related activities played an important role in the structure of the capital's economy, was slow to take up these modernising impulses. In those years, the quality of tourist hospitality in Rome also had ideological connotations; in fact, the regime assigned a "mission" to Roman hospitality that was also political, as a further element contributing to making the capital one of the highest expressions of Fascism's achievements.

The project for a Universal Exhibition to be held in Rome in 1942, which was developed in the second half of the 1930s, made the need to transform the capital's tourist system even more urgent. This great event

was to be a severe test of the resilience of the Roman tourism system, and various initiatives were implemented to adapt the accommodation system. However, the outbreak of the Second World War prevented the Exhibition from taking place and also opened a new and difficult phase for the Roman tourism sector.

Tourist Flows in Rome (1921–1940)

Even in the interwar period, Rome was a privileged destination of national and international tourist flows. It is well known that various factors made it an extraordinarily attractive: a city of art, unique in the world for its historical, archaeological and artistic heritage; the capital of the Catholic world; the capital of the Kingdom of Italy, and therefore a political and administrative centre; a large consumer market, but also a production centre. In addition, many major events in these years contributed to attracting large flows of visitors: religious events, in particular the Ordinary Jubilee of 1925 and the Extraordinary Jubilee of 1933–1934; repeated political events promoted by the Fascist regime; cultural and even sporting events, such as the final matches of the 1934 Football World Cup (Strangio 2006; Teodori 2006).

The Institut international de statistique (1938) collected tourist statistics from the first half of the 1930s that may be useful for understanding how Rome ranked in terms of tourism compared to other large Italian cities and some European capitals (Teodori 2006, 315–320). At the beginning of the 1930s, Rome overtook Milan as the most visited city in Italy. In the years 1930–1934, the capital was the Italian city with the highest tourist flows, also thanks to the considerable number of pilgrims that came for the Jubilee of 1933–1934. Total annual arrivals in Rome averaged 636,000 (+65% compared to the previous five-year period) and overnight stays amounted to 1,962,000. Milan, which was about to be overtaken by Rome as Italy's most populous city, was in second place with 577,000 arrivals and 1,579,000 overnight stays. It was followed by Venice with 330,000 arrivals and 1,333,000 overnight stays, Naples with 360,000 arrivals and 1,056,000 overnight stays and Florence with 273,000 arrivals and 938,000 overnight stays.

The composition of the flows in terms of countries of origin suggests that each city had a different combination of attractive factors. In Milan, foreign tourists were a small minority (only 13% of arrivals and overnight

stays), while in the art cities the proportions between foreigners and Italians were very different. In Florence, Italians accounted for 65% of arrivals and 52% of overnight stays, and in Venice for 43% and 54% respectively. In Rome, on the other hand, the figures were more in between, with Italians accounting for 78% of arrivals and 72% of overnight stays.

These flows obviously had a different impact in relation to the different demographics of the destination cities. In order to get a rough idea of the economic weight of the tourism sector in the different city economies, it is possible to calculate the ratio of tourists to the present population. For the early 1930s, a first estimate can be made based on the data referring to guests staying in accommodation facilities recorded in the census of 21 April 1931 (Teodori 2006, 312–313). Florence recorded the highest percentage of tourists in relation to the total present population (1.8%), followed by Rome (1.3%), Milan (1.3%) and Venice (1.2%); for Naples, on the other hand, the percentage was much lower (0.6%).

The data published in 1938 by the Institut international de statistique also allow a comparison to be made at the European level, albeit only partial, since for France and the United Kingdom no information is given for Paris, London and other large cities. If the analysis is restricted to cities with a higher number of visitors, it may be observed that in Berlin, average tourist arrivals were much higher than in Rome (1.1 million, + 73%) but resulted in slightly higher average annual stays (2.1 million). In Munich, arrivals were slightly higher (0.7 million) and overnight stays slightly lower: 1.7 million overnight stays (-15%). Prague also recorded figures similar to those for Rome: 0.6 million arrivals and just over 2 million overnight stays. On the other hand, the number of arrivals in Vienna was lower at almost 0.5 million. Again, the different demographic sizes of the afore-mentioned cities have to be taken into account. The 1931 census counted around 1 million inhabitants in Rome, whereas the demographic size of Berlin and Vienna in those years was quite different. In 1933, the population of the German capital was more than four times that of Rome (4.2 million), and in 1934, Vienna's population was almost twice as large (1.9 million). Less different from Rome, and in both cases smaller, were the populations of Prague (less than 0.9 million) and Munich (just over 0.7 million).

Going beyond the comparative approach, it is particularly interesting to observe the evolution over time of tourist flows in Rome during the interwar period (Strangio 2006, 287–290; Teodori 2006, 306–337). The trend of arrivals, presented in Fig. 10.1[1] shows a strong growth dynamic,

albeit with an irregular rhythm and some significant dips. Until 1937, the year in which the highest value was reached, (more than one million arrivals, a figure even higher than the previous sudden peak in 1933) flows grew by more than three times compared to the early 1920s.

Apart from the uncertain trend of the early 1920s, the pause in 1928 and that of the early 1930s at the height of the Great Depression, the most striking interruption in the growth dynamic, appears to be the downturn of the two-year period 1934–1935. In reality, the data for this two-year period should be viewed less negatively, taking into account the exceptional levels reached by arrivals during the extraordinary Jubilee period that began in April 1933 and ended in April of the following year. However, the fall in the number of arrivals in 1935 must also be contemplated in the context of international tensions linked to the Italian invasion of Ethiopia in the autumn of that year and to the state of

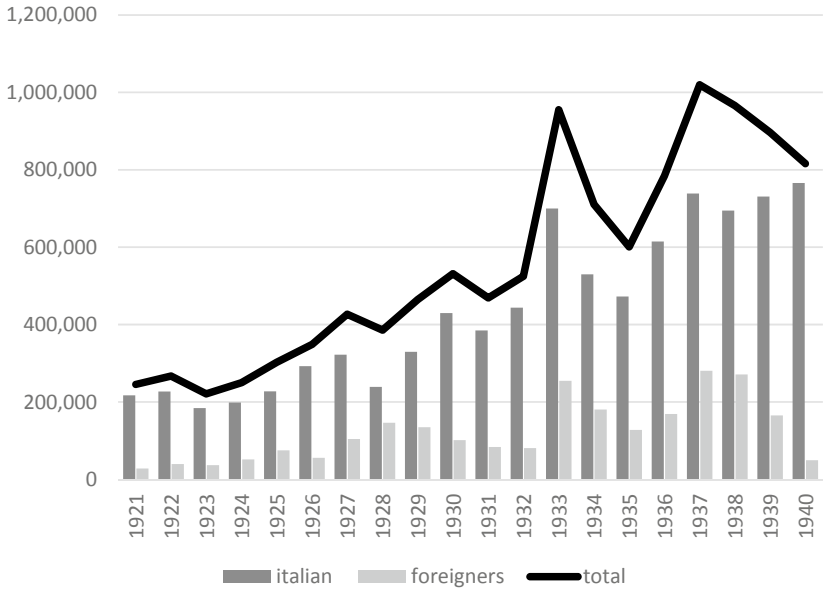

Fig. 10.1 *Tourist arrivals in Rome (1921–1940)* (*Sources* Comune di Roma - Ufficio di statistica, 1925 and 1928–1934; Governatorato di Roma – Ufficio di statistica 1934; elaborations of the author on data from Floridia 1959)

war in Italy. Nevertheless, the impact of the Ethiopian conflict was only temporary, as shown by the figures for 1936 and 1937.

At the end of the 1930s, on the other hand, although total tourist flows were still very high, a reversal of the trend seems to have taken place, also due to the approach and then outbreak of the Second World War. Arrivals by Italians remained very high and in 1940, the year Italy entered the war, they reached the highest absolute level of the entire twenty-year period under consideration; in that year they accounted for 94% of total arrivals, a good 32 percentage points more than the minimum weight recorded in 1928. Foreign flows, on the other hand, declined rapidly and returned to levels similar to those of the first half of the 1920s.

However, the data on arrivals examined so far give only a partial picture of the real impact of tourist flows on the hospitality sector in Rome and on the Italian capital's economy. From this point of view, the number of nights spent by tourists in Rome (Fig. 10.2), appears more significant.

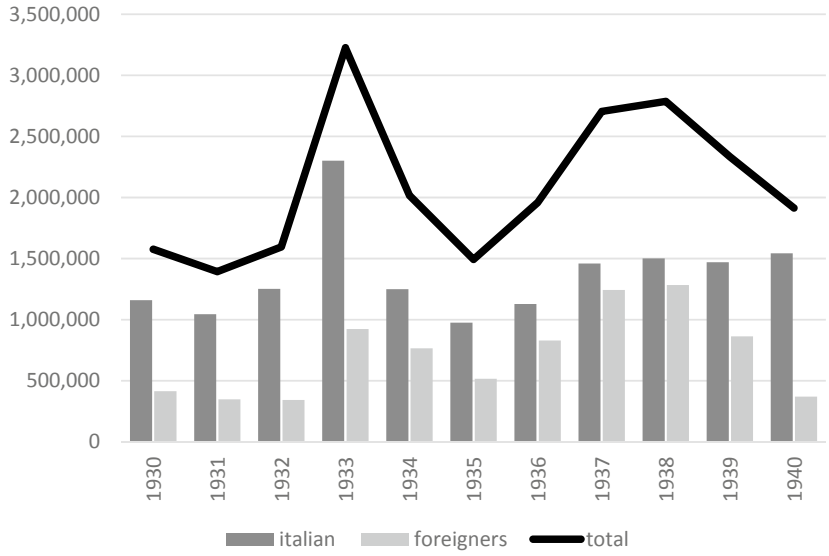

Fig. 10.2 *Overnight stays of tourists in Rome (1930–1940)* (*Sources* Comune di Roma - Ufficio di statistica 1930–1934; elaborations of the author on data from Floridia 1959)

The trend in overnight stays from 1930 to 1940 tends to follow that of arrivals, but it seems to have slowed somewhat. The peak year was 1933, the Jubilee year: over 3.2 million. The subsequent peaks in 1937 and 1938 were much lower (2.7 and 2.8 million overnight stays respectively), although in both years arrivals were higher than in 1933. This is a consequence of the fact that the overall average length of stay during the Jubilee was higher (3.4 nights) than in the other years of the decade, but also of its decline in the following years. In reality, it was the average stay of Italians that fell (it was 2.7 nights in the early 1930s and from 1935 onwards stabilised at around two nights after the Jubilee surge [3.3]), while that of foreigners rose from 4.1 nights to 5.2 in 1939 and then even to 7.4 in 1940.

It is precisely the difference in the value of the average stay that makes the contribution of Italians and foreigners to the total of overnight stays more balanced than in the case of arrivals, emphasising the importance of flows from abroad. At the beginning of the 1930s, the weight of foreign overnight stays fluctuated between a fifth and a quarter of the total, but in 1937 and 1938 they represented 46%, then fell to just under a fifth in 1940.

A final consideration should be made regarding the composition of foreign tourist flows from the point of view of their origin, which can be analysed from 1921 to 1933 (Strangio 2006, 291–294; Teodori 2006, 333–337). With a few exceptions, the available data show that a large proportion of travellers (between 55 and 66% of the total) came from four main countries or areas of origin.

Overall, the largest number of tourists came from the American continent, which, until 1928, was taken into account in tourism statistics as a whole, while for the following years the figures are divided between North America (from which around 85% of arrivals came) and Central and South America. Looking at the figures for individual years, Americans were always in first place in terms of the number of arrivals, accounting for around a fifth to a third of the total. By the early 1930s, however, North American flows seemed to be increasingly feeling the effects of the Great Depression: In 1930, with more than 29% of the total, they were still first and led the ranking until 1932, but their percentage weight gradually decreased until they lost more than ten percentage points; in 1933, they dropped to fourth place with less than 9%, a result also influenced by the denominational character of Jubilee-related flows.

The other three countries that immediately followed in terms of number of arrivals were England (9–18%), France (7–16%) and Germany (3–20%). As far as German tourists are concerned, it should be noted that their numbers rose considerably from 1924 onwards and in the following years they were almost always in second place; indeed, looking at the total number of arrivals from 1930 to 1933, the Germans were the most numerous (17.3%), followed by the North Americans (16.4%), the French (14.7%) and the British (11.8%).

The Development of the Roman Hotel Industry (1920–1945)

Having described the changes in tourist flows, we will now examine the extent to which the Roman hotel industry adapted to the evolution of demand in the years between the two wars. Figure 10.3 summarises the development of the total number of the main types of tourist accommodation in Rome (hotels of all categories, inns and guest houses) between 1920 and 1945 (Strangio 2006, 277–279; Teodori 2006, 337–362). Overall, the number of these establishments increased significantly over the period, although the trend was not uniform. From around 200 establishments in the early 1920s, the number rose to almost 300 in the late 1930s, and another substantial increase took place in the early 1940s, during the Second World War, bringing the total number of establishments to a peak of around 450 in 1943.

It is difficult to say whether all the establishments mentioned in the sources used were still in operation during the war. In any case, in anticipation of the 1942 Universal Exposition of Rome, several new establishments were opened, sometimes with state funding (Teodori 2006, 2013), and others were modernised (Teodori 2009). Certainly, during the years of conflict, the flow of people arriving at Roman tourist accommodations did not stop, even if the typology of these travellers and their motivations were very different from those in peacetime. It should also be noted that many Roman hotels and guesthouses were actually requisitioned by the Italian state in order to acquire space for the increased public functions as a result of the conflict (Teodori 2015).

More interesting than the number of accommodation establishments, however, may be the number of beds available in these Roman establishments. Estimates from the early 1930s put the number of beds at around 13,000, a figure that placed Rome at the top of the list of Italian

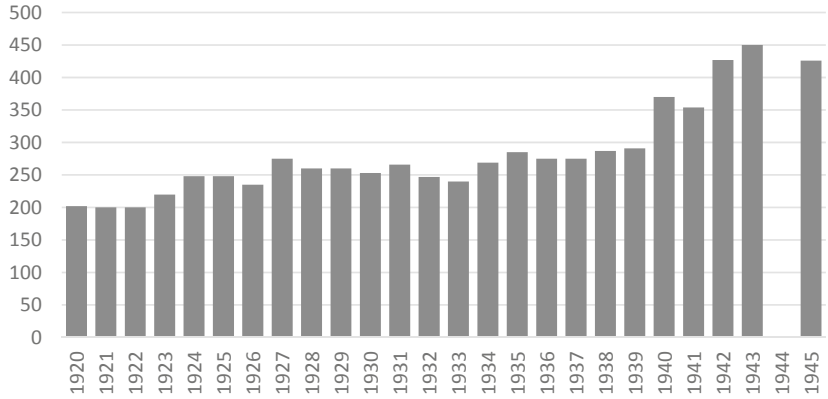

Fig. 10.3 *Accommodation establishments in Rome 1920–1945* (*Sources* Guida Monaci 1920–1943, 1945; Enit–Fnfat 1924–1940)

cities in absolute terms (Teodori 2006, 340). Other, more accurate estimates were made in the following years as the 1942 Universal Exhibition approached. At the end of 1940 there were 16,835 beds available in hotels, guesthouses and inns: 67.4% in hotels, 25.5% in guesthouses and 7.1% in inns. By the beginning of March 1942, the number of beds had risen to 17,589, with little change in the distribution of beds between the different categories of establishment (Teodori 2006, 350–353).

Overall, the number of beds available in these establishments appears to be very high, but it is sufficient to compare these estimates with the data on the number of travellers arriving in Rome and staying overnight in some years to see that the availability of beds in hotels, inns and guesthouses was totally insufficient to accommodate them all. It is therefore clear that Rome's overall accommodation capacity was also based on other types of hospitality. First, there was ecclesiastical hospitality, used for religious events, which could reach 50,000 beds in case of need (Teodori 2006, 347). Then there were the furnished rooms offered by lodging houses or in private homes. At the beginning of 1941, the number of lodging house beds was estimated at around 40,000 (Teodori 2006, 348–350). However, with the increase in the present and resident population and the severe housing shortage in Rome (Liseo and Teodori 2018), fewer and fewer of these beds were available for tourists. Although not

in the same terms as today, a kind of conflict between tourist accommodation and the availability of housing for the local population was also evident at that time.

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Notes

1. The data used to produce Fig. 1 and Fig. 2 are firstly those on tourist arrivals in the City of Rome, available from 1921 to 1934, and those on overnight stays, available from 1930 to 1934 (Comune di Roma - Ufficio di statistica 1925 and 1928–1934; Governatorato di Roma – Ufficio di statistica 1934). The publication of these data was interrupted with the beginning of the Ethiopian war, as they were considered somewhat 'sensitive', and then resumed only for a few months at the beginning of 1937. For the period 1935–1940, therefore, the data for the city of Rome were estimated on the basis of the data for the whole province, published later (Floridia 1959). The estimate was obtained by subtracting from the provincial data for each year a proportion equal to the percentage difference between the total municipal and provincial flows for the years 1930–1934, for which both types of data are available. The municipal figure for 1930 was not taken into account because it is probably incorrect, being higher than the provincial figure.

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CHAPTER 11

The Origins of the Public Hotel Chain *Paradores de Turismo de España*, 1926–1936

Carmelo Pellejero

Introduction

Today, *Paradores de Turismo de España* is a public chain that manages 98 hotel establishments, offers 6000 rooms, employs more than 4000 workers and accommodates 1.5 million guests per year. It is the leader in cultural and nature tourism and has won different advertising awards and recognitions for its creativity and communication strategy. The objective of this chapter is to analyse the origins of this unique tourist experience. To do this, we will examine the reasons why, during the aftermath of the reign of Alfonso XIII (1885–1931), in a Spain in which pleasure trips were still an incipient activity, the authorities responsible for tourism considered it appropriate to create a supply of public accommodation establishments in areas of special tourism interest to complement or replace the scarce or non-existent private initiative. We will also contemplate the introduction of the *Paradores* between 1926, when the

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construction of the first establishments began, and the beginning of the Civil War (1936). During this decade, the administrative organisation of tourism in Spain was the responsibility of the *Comisaría Regia del Turismo* (Royal Commission of Tourism) (1911–1928) and the *Patronato Nacional del Turismo* (National Tourism Board), in both its monarchic stage (1928–1931) and republican stage (1931–1936). Furthermore, the chain opened 17 establishments and laid the foundations of its long existence during these years.

The Origins of the Modern Tourism in Spain

At the end of the nineteenth century, Spain was not among the leaders in the ranking of European tourism and its clientele was predominantly national. However, it is also undeniable that throughout the century, the sector experienced significant growth and considerable diversification. It knew how to adapt to the changes in the motivations of the tourists, offering thermal and seaside spas, beaches, natural resources, excursions and leisure activities. Furthermore, in the final decades of the century, those interested in visiting Spain were better informed about the Spanish tourism activities, they were able to stay in more and better hotels, particularly in certain cities and spa resorts and visit towns in which the local governments had made significant investments in infrastructures. On the other hand, over time, tourism gradually expanded across the different groups of society. It gained an increasing presence in household consumption of the bourgeoisie, the middle class and even part of the working class. It also expanded geographically, as the leadership that certain destinations in Cantabrian Sea had enjoyed throughout the century began to be challenged by the Mediterranean, favoured, principally, by the growing preference for warm beaches in a country in which practically all of the regions and attractive tourism resources (Pellejero Martínez and García Gómez 2022).

The consolidation of Spain as an inbound tourism country took shape during the first third of the twentieth century. It followed a cyclical path, conditioned by the First World War and the Great Depression of the 1930s and also by the different political, social and economic vicissitudes experienced by the country. Until the beginning of the First World War, within a context characterised by economic well-being among a good part of the global economy and the European and North American bourgeoisie class, the Spain of Alfonso XIII experienced clear economic

growth based on an increase in private investment, the repatriation of capital from the colonies lost in 1898, the higher level of foreign investment, the remittances of Spanish emigrants and the boom in a good part of agriculture, some industrial sectors, transport and banking. However, this economic dynamism was lower than that recorded in the countries of northern Europe due, among other factors, to the insufficient public investment, the low demand of private consumption, the deficient human capital endowment, the lack of oil and the poor quality of coal (Carreras Odriozola and Tafunell Sambola 2018; Comín Comín 2005; Maluquer de Motes Bernet 2014; Prados de la Escosura 2017).

During the Great War, Spain's neutrality brought about both positive and negative effects. Thanks to the growth of exports to the warring nations, it accumulated a record surplus in its balance of payments and companies and jobs were created in different sectors. The amassed gold reserves gave it a very solid position with respect to other countries. On the other hand, inflation shot up and the real income of the majority of families decreased, despite the increase in employment and working hours. The worsening of the standard of living of the majority of the population gave rise to intense unrest among workers from 1917. The much-desired economic prosperity arrived in the 1920s, particularly after the coming to power at the end of 1923, with the backing of King Alfonso XIII, of General Miguel Primo de Rivera. During the dictatorship (1923–1930), the country was favoured by the successful hyhend of the war in Morocco, the spread of the technologies of the second industrial revolution and the favourable international economic context, which stimulated the agricultural exporting sectors and ensured foreign investment. Other positive contributions were the ambitious public investment programme, the accumulation of a large amount of savings, which were to be dedicated to investment through the intermediation of a banking system that was strengthened by it and corporatism. The latter was imported by the authorities, which reinforced the market power of the largest companies as it facilitated monopolistic practices. This fuelled the growth of basic industries and other activities (Carreras Odriozola and Tafunell Sambola 2018; Comín Comín 2002; Maluquer de Motes Bernet 2014; Prados de la Escosura 2017).

However, this economic growth model petered out after Primo de Rivera stepped down in January 1930. It is true that the economic depression prevailing after the stock market collapse of 1929 was noted only moderately in Spain as it had no foreign debt, it held a quarter of the

world's gold reserves, its banking system was not linked to the framework of the financial reconstruction of Central Europe and it did not form part of the gold standard (Carreras Odriozola and Tafunell Sambola 2018; Comín Comín 2011; Peral Guerra 2022). Therefore, it was not affected by the payment and banking crises or forced to sustain deflationary policies. However, the extreme social and political tensions prevailing after the establishment of the Second Republic in April 1931 and the reformist economic policies carried out by the democratic governments complicated the macroeconomic management, hindering a smooth overcoming of the economic depression: at the end of 1935, GDP per capita was still lower than that recorded in 1929 and 1930 (Maluquer de Motes Bernet 2014); the number of unemployed, 670.378, was much higher than that of 1931 at 389.000 (Carreras Odriozola and Tafunell Sambola 2018); and the Spanish economy was gripped by the struggles between the workers and day labourers on the one hand and landowners and industrialists on the other (González Calleja, Cobo Romero, Martínez Rus and Sánchez Pérez 2021). In fact, the military uprising that triggered the beginning of the Civil War took place a few months later.

It is logical that the industry of pleasure trips was not immune to the international and national events. Over the first three decades of the twentieth century and particularly during the second half of the 1920s, the tourism sector in Spain experienced undeniable progress. The large hotel sector and a network of public establishments emerged, the first Spanish travel agencies were established and significant progress was made in promotion and advertising, by both private and state entities. Furthermore, the development of transports enabled visitors to arrive by land, sea and, from 1919, air. Within this scenario, the authorities created, and over time reinforced, the administrative organisation of tourism. The tourists continued to be mostly national. The thermal and seaside spa resorts fell into decline. Beach, nature and religious tourism experienced a clear expansion, but the international tourist flows were still much lower than those received by Switzerland, Italy or France. The principal reasons for tourists to visit Spain were to experience the culture, the historical and artistic heritage and natural spaces (Bayón Mariné 1999; Correyero Ruiz and Cal 2008; Esteve Secall and Fuentes García 2000; Fernández Fúster 1991; Lavaur 1980; Luque Aranda and Pellejero Martínez 2019; Moreno Garrido 2007; Moreno Garrido 2022; Pellejero Martínez 1999; Pellejero Martínez and Luque Aranda, 2020; Pellejero Martínez and García Gómez

2022; Vallejo Pousada and Larrinaga Rodríguez 2018; Vallejo Pousada 2022).

However, the first half of the 1930s was not an easy time for Spanish tourism. It had to face serious international and domestic economic problems derived from the Great Depression, the social and internal governmental instability and the reduction of mostly international tourists. In 1935, the number of tourists, 170,800, was slightly lower than that recorded in the aftermath of the dictatorship of Primo de Rivera, 277,912 (Fernández Fúster 1991). The fact that the sector was never a priority for the public powers did not help either. Neither the left-wing nor right-wing governments promoted it. The most affected by the cutbacks were the tourist information offices, particularly those located abroad and the essential propaganda actions. Within a context in which such diverse regimes, such as those of Germany, the Soviet Union and the United States, among others, were committing to the industry of pleasure trips, particularly on an internal level (Baranowski 2004; Berkowitz 2001; Pack 2013; Semmens 2005), that of Spain preferred to cut the public finance allocated to this sector. This budgetary saving was justified with exemplary reasons within an adverse economic climate and by a commitment to a decentralised model of tourism promotion in which public and private, local or regional entities related to the industry of pleasure trips participated (Pellejero Martínez 2018, 2021). With respect to the Spanish tourism products, there were no major novelties. In a national scenario experiencing a certain degree of contraction, the spa resorts declined ostensibly and religious tourism particularly that linked to Holy Week in towns such as Málaga, also suffered greatly. Meanwhile, day trips and nature tourism were booming and the beach was, probably, the most demanded product. In short, there was an adverse economic context which worsened after the outbreak of the armed conflict in the summer of 1936.

Comisaría Regia de Turismo (1911–1928)

The origin of the administrative organisation of tourism in Spain dates back to 6 October 1905, when a national Commission was established to be responsible for promoting artistic and recreational trips among foreign visitors. However, it seems that it was practically inoperative. The following step came on 19 June 1911 with the creation of the *Comisaría Regia del Turismo* (Royal Commission of Tourism), responsible for

fostering the development of tourism and disseminating popular artistic culture. It was to be presided by a *Comisario Regio* who would carry out his functions voluntarily and would have eight civil servants under his orders (Pellejero Martínez 1999). The person chosen to preside it was Benigno de la Vega-Inclán y Flaquer, the Marquis of Vega-Inclán. A politician, art scholar, cultural agent, member of the *Real Academia Española de la Historia*, archaeologist, diplomat and restorer of monuments, he had a very small and irregular budget to finance the actions of the *Comisaría*, which was basically focused on promotion abroad and on enhancing, conserving and disseminating the cultural and natural heritage (Menéndez Robles 2006; Rivera Blanco 1992, 2014).

His legacy includes the restoration of the *Sinagoga del Tránsito* (Toledo) and of the *Casa-Museo de Cervantes* (Valladolid), the creation of the *Museo Romántico* (Madrid), the restoration of the gardens of the *Real Alcázar* (Sevilla) or the renovation of the *Barrio de Santa Cruz (*Sevilla). In addition, his publishing work was extensive, consisting of a series of publications about Spain in which the readers could find possible itineraries to learn about the country's geography, detailed studies of the artistic heritage of different monumental cities and catalogues of museums and descriptions of some of Spain's natural marvels. Furthermore, given the scarcity of comfortable accommodation establishments outside the large cities, Vega-Inclán proposed the construction by the State, in a similar style to the motels on the roads in California, of small hotels or *paradores* in towns of a smaller size but of tourist interest and on mountain roads and spots (Comisaría Regia del Turismo 1927; Vega-Inclán 1917, 1921, 1928).

The Government approved this proposal and on 1 August 1926 the construction work began of what would be the first state accommodation establishment: the *Parador Nacional de Gredos* (Ávila). Located 170 km from Madrid and designed, basically, for nature lovers, day-trippers and hunters, it was built on the Risquillo mountain pass, at an altitude of 1650 metres on land which, in May of the same year, the town council of Navarredonda de Gredos had ceded to the State free of charge and from where the Tormes valley could be contemplated. Initially, 50.000 pesetas of the budget for the promotion of mountaineering were allocated to the construction. This amount had to be increased with an extraordinary budget of 100.000 pesetas as the building of the *parador* required costly works, such as supplying it with water and electricity or installing a heating system sufficiently powerful to combat the freezing winter temperatures.

The works were finished in April 1927. Just one year later it opened its doors to the public. Although it was a newly built establishment, its main façade incorporated the door from a fifteenth century civil building. This first *parador*, which was reformed at the end of 1929, could accommodate around 30 guests. It had a capacity to cater between 150 and 200 people in the dining hall and the furnishings were carefully picked to create a distinct hunting ambience (Delgado and Muguruza, 1948; Pellejero Martínez 2015; Rodríguez Pérez 2014, 2018; Romero Samper 2003).

Patronato Nacional del Turismo (1928–1931)

As the *Comisaría Regia del Turismo* was poorly endowed, excessively personalised, focused almost exclusively on the cultural dimension and, therefore, incapable of efficiently addressing all of the aspects related to tourism, the authorities considered that, in light of the International Exhibition of Barcelona and the Ibero-American Exhibition of Seville to be held in 1929, it would be appropriate to replace it with a new state body that had the necessary human and economic resources to be able to address the different aspects related to the industry of pleasure trips. Therefore, the *Patronato Nacional del Turismo* (National Tourism Board) was created on 25 April 1928. It was established as a body dependent on the Presidency of the Council of Ministers and equipped with more human and economic resources than its predecessor. It was responsible for promoting the publications that disseminated knowledge about Spain, for stimulating the development of the hotel industry, providing assistance in the cases where there was particular interest in tourism, studying the means to introduce Tourism Schools to train qualified personnel, promoting and supporting the propaganda through information offices abroad and in Spain and collaborating with all of the official or citizen organisations related to the sector (Pellejero Martínez 1999).

It had two presidents until July 1930, Alberto E. de Borbón and Juan A. Güell, and a secretary general, José A. Sangróniz. In order to undertake their work, there was a management and executive Committee, formed by another nine members and an advisory Council, composed of the Committee and twenty representatives of the government and entities related to culture, the economy, transport and the hotel sector, among others. Initially, the *Patronato* was structured into three general delegations: Art, Propaganda and Travel. The first reorganisation was

undertaken on 2 and 5 July 1930. The Committee was replaced by a *Junta del Patronato,* made up of Valentín Menéndez as president, Manuel Falcó as vice-president, Vicente Castañeda as secretary general and several board members. The Council was composed of the members of the *Junta*, the general director of Services, the secretary general of the *Patronato* and 20 representatives of bodies and entities related in one way or another to tourism. The administrative organisation was divided into two levels: Central and Provincial. The first was made up of the Secretariat General, the legal advisory body and five sections: Accounting; Communication routes and Sports; Propaganda and Publications; Information, Agencies abroad and Claims; and Accommodation. The final section was the responsibility of Luis A. Peypoch (Pellejero Martínez and García Gómez 2022).

This new organisational chart was in force until the restoration of the republican regime in April 1931. Therefore, the monarchic entity was in place for three years; a short period of time, but one that was fruitful. Under its mandate, the bases of the future tourism development of Spain were established. For its financing, on 13 October 1928, the mandatory insurance of everyone travelling by rail was introduced and it was stipulated that the product or cash profit collected would be transferred annually, after obligatory deductions and payments, to the *Patronato.* Furthermore, on 27 November 1928, it was empowered to arrange a loan with the national bank for 25 million pesetas as an initial start-up fund. Its priorities were promotion and information and the increase and improvement of the Spanish hotel infrastructure. The former included trips abroad, publications, posters, conferences, photographs, the inviting of foreign professionals, the elaboration of statistics and the opening of information agencies both at home and abroad, in short, everything necessary for Spain to become more widely and better known. With respect to the hotel industry, there was a concern for the quality of the accommodation and a commitment to the construction of a network of public tourist accommodation establishments (Moreno Garrido 2010; Patronato Nacional del Turismo 1930; Pellejero Martínez 1999, 2002).

The establishment of the *Patronato* did not mean the abandonment of the idea which, in its day, had been defended by the *Comisario Regio* with respect to the desirability for Spain to have a supply of public accommodation establishments. In fact, quite the opposite was the case. The Committee deemed it necessary to create a *Junta de Paradores y Hosterías del Reino*, which would be presided by Juan A. Gamazo. Its

function would be to offer, at reasonable prices, a quality product that would contribute to stimulating the sector in areas that were attractive to tourists, but with a scarce or non-existing hotel infrastructure, so as to inspire the private hotel industry and, in short, facilitate the boom of tourism in Spain. To do this it constructed new buildings and restored and adapted castles, convents or stately homes, often abandoned, but with undeniable artistic and historical interest. In this respect, the public intervention had two functions: it expanded the Spanish accommodation supply and pushed it to improve in terms of quality and allocated part of the resources to restoring buildings of noteworthy historical and artistic value. This was very much in line with Spain's commitment to cultural and nature tourism in the early decades of the twentieth century.

In July 1928, in Mérida (Badajoz), a town with an impressive archaeological heritage from the Roman era, works began on the first *parador* housed within a historical building: the former *Convento de Jesús Nazareno*, constructed in the eighteenth century, and which, after having been used as a prison and courts, was ceded free of charge to the State by the town council, its owner, for a period of 30 years. The need for space for the rooms required the substantial modification of some areas of the building, although the church and cloister were hardly affected. However, due to different issues related to the direction of the works, the progress of the project was excessively slow. In fact, the establishment, with its 47 beds, was not opened to the public until May 1933 (Moreno Garrido and Pellejero Martínez 2015; Rodríguez Pérez 2014, 2018).

At the beginning of 1929, the foundation stone of the *Hotel Atlántico* (Cádiz) was laid. This was the only hotel per se of the public chain with which to cater to the American and European tourists disembarking in the port of the city. It was promoted by the president of the *Patronato* and was established by the company *Sociedad Gran Hotel Atlántico de Cádiz*, to which the local government ceded the land free of charge and whose shares had been subscribed at the end of 1928 by the State. It opened in November 1929, offering 168 beds. However, its problems related to its operations and non-compliance with fiscal obligations and certain deficiencies in the execution of the works led it to be adjudicated to the State in March 1931 (Administración Turística Española 1978; Moreno Garrido and Pellejero Martínez 2015; Rodríguez Pérez 2014, 2018, 2021).

The refurbishment of palaces for hotel use continued in Oropesa (Toledo). In April 1929, the local council of this town, located 50 km

from Madrid, ceded, free of charge and for 20 years, the usufruct of part of the *Palacio de los Álvarez de Toledo or Palacio Nuevo*, built in the mid-sixteenth century. Located between the Gredos mountain range and the river Tajo and surrounded by an enormous oak grove, the *parador* had eight double rooms, six of which had an ensuite bathroom and one single room, central heating, a dining room with a capacity for 30 people and a regional interior design. It was opened in March 1930 (Feduchi 1948; Moreno Garrido and Pellejero Martínez 2015; Pellejero Martínez 2015; Rodríguez Pérez 2014, 2018).

Soon afterwards, two *hosterías* were incorporated into the *Paradores* chain. They were intended to exclusively provide restaurant services, with the aim of propagating the gastronomic delights of Spain and, particularly, those of the region in which they were located. The first was in La Rábida (Huelva). In response to an initiative of the Provincial Government of Huelva and after the purchase of the land by the State, this new building was constructed, with a dining room to cater for 40 people. It was located just 100 metres from the *Convento de Santa María*, built between the fourteenth and fifteenth centuries and declared a Monument of Historical and Artistic Interest in 1856. It opened its doors to the public in May 1930, six months before the *Hostería de El Estudiante*. This required the refurbishment of the buildings adjacent to the Renaissance courtyard of the *Colegio Menor de San Jerónimo or Trilingüe* constructed in the sixteenth century and integrated into the University of Alcalá de Henares (Madrid). In this case, the owner company of the building had requested economic assistance in January 1929 for the reforms. However, in July of the same year it ceded its usufruct to the *Patronato*, free of charge and for a term of 30 years (Durán 1948; Moreno Garrido and Pellejero Martínez 2015; Rodríguez Pérez 2014, 2018, 2021).

The growing interest in being in contact with nature and the practice of mountain sports encouraged the *Patronato* to establish the *Refugio de Áliva* (Cantabria). It was a newly constructed building, located at an altitude of 1780 metres in the central part of the mountainous massif of the Picos de Europa, with 28 beds, a dining room, lounge and staff accommodation and was opened on 20 July 1930 (Administración Turística Española 1978). It had architectural features similar to the *Parador de Gredos*, both resembling the traditional mountain houses of the regions in which they were located (Moreno Garrido and Pellejero Martínez 2015; Rodríguez Pérez 2014, 2018).

The last refurbishing experiences took place in Úbeda (Jaén) and in Ciudad Rodrigo (Salamanca). In the spring of 1929, the town council of Úbeda purchased the *Palacio del Marqués de Donadío*, dating back to the end of the sixteenth century and located in a central square where it shares the space with some of the most prominent monuments of the town, such as the *Palacio Vázquez de Molina,* the *Sacra Capilla del Salvador* and the *Palacio Marqués de Mancera,* all built in the sixteenth century. Shortly afterwards, in September, the building was transferred to the State for its conversion into a hotel establishment. After being completely remodelled, the *parador*, with its remarkable façade and splendid central courtyard, opened on 10 November 1930, offering 15 rooms, five single and ten double. Furthermore, seven of the rooms had an ensuite bathroom. In Ciudad Rodrigo, the process was fairly similar. In 1929, the State, owner of the former *Castillo Enrique II de Trastámara*, a fourteenth-century fort, ceded the usufruct of part of it to the town council for its remodelling into a tourist accommodation establishment. One year later, the building became dependent on the *Patronato.* After undertaking minor reforms, it opened to the public with its 28 places at the end of April 1931 (Moreno Garrido and Pellejero Martínez 2015; Rodríguez Pérez 2014, 2018).

The fourth type of tourist establishment that the *Patronato* promoted was the *albergues de carretera* (road hostels). In November 1928, a national contest of projects to construct 12 on the main roads was launched. These establishments were designed so that motorists could find a place to rest, refresh and even repair their vehicles. In the interests of economising on the building, operating and upkeep of the establishments, it was decided to construct a single type of inn with two floors. They were to be able to cater for three cars per day, with an average capacity of four travellers each. In other words, 12 accommodation places in four double rooms and four single rooms. Furthermore, they were to have a dining room service for 30 diners, a telephone, car washing service and petrol pump, an emergency first aid kit and three independent car ports. The project chosen was that presented by Martín Domínguez and Carlos Arniches and the construction was adjudicated with a budget of 2.5 million pesetas (Arniches and Domínguez 1948; Díez-Pastor Iribas 2005, 2010; Fernández Fúster 1959; Guerrero López 2004; Moreno Garrido and Pellejero Martínez 2015; Rodríguez Pérez 2014, 2018).

After the selection and acquisition of the land through the free donation to the *Patronato* by the respective local councils, the project began.

The 12 *albergues* were to be located in Manzanares (Ciudad Real), Bailén (Jaén), Quintanar de la Orden (Toledo), Benicarló (Castellón), Aranda de Duero (Burgos), Almazán (Soria), Medinaceli (Soria), La Bañeza (León), Triste (Huesca), Antequera (Málaga), Puebla de Sanabria (Zamora) and Puerto Lumbreras (Murcia). But the removal of the *Junta de Paradores*, in the summer of 1930 slowed the process down. When the republic was established in April 1931, only the *Albergue de Manzanares* had begun operating. It had opened just one month earlier.

With respect to the operation of the public establishments, in April 1929, the *Patronato* decided that a private company would undertake this task. However, after a prior feasibility study which did not satisfy the authorities, it was decided to rule out this option. Therefore, the *Hotel Atlántico* and the *paradores* of Gredos and Úbeda were directly run by the State, while the others were leased out (Moreno Garrido 2010; Moreno Garrido and Pellejero Martínez 2015; Pellejero Martínez 2015).

Patronato Nacional del Turismo (1931–1936)

Immediately after the proclamation of the Second Republic, the *Junta del Patronato* presented its resignation. However, it continued functioning until 23 April, when Claudio Rodríguez was named general director of Tourism and the *Patronato* was replaced with the *Dirección General de Turismo*. The government of Niceto Alcalá-Zamora justified this decision, arguing that the organisation of the *Patronato* and the collection and destination of the funds related to the mandatory insurance of travellers had been deficient. Soon afterwards, on 9 May, it was announced that the workforce of the *Dirección General de Turismo* would be reduced, based on the argument that the *Patronato* had created excessive positions for its service. However, on 26 October, a little after Manuel Azaña became the president of the Government, it was decided that the sub-secretary of the Presidency of the Council of Ministers, Enrique Ramos, would assume all powers and responsibilities that had, until then, been conferred to the general director of Tourism. On 4 December, the *Dirección General* was eliminated and its services were taken over by the Sub-Secretariat of the Presidency of the Council of Ministers and the *Patronato Nacional del Turismo* was brought back. Ricardo Orueta, Rafael Calleja and Ricardo de Jaspe were appointed as vice-president, secretary and vice-secretary, respectively. Subsequently, a biennium began in which the highest public tourism body was conditioned by the government policy of economic

austerity: its workforce was reduced, the information offices that its equivalent under the monarchy had opened to the public in London, Rome, Munich, New York and Buenos Aires and many of those existing in Spain were closed and there was a slight reduction in its budget (Pellejero Martínez 2018, 2021).

After the resignation of Azaña in September 1933, there was a volatile phase until the beginning of the Civil War and in less than three years there were eight prime ministers and no less than nine presidents of the *Patronato*: Publio Suárez, Manuel Torres, Plácido Álvarez, Luis Buixareu, Guillermo Moreno, Félix Sánchez, Miguel de Cámara, Luis Fernández and Carlos Esplá. This did not bring stability to the institution. This was evident in the fact that no significant reforms were introduced in the *Patronato* and that it continued to be marked by austerity.

In the Budget Law of 1932, the loans authorised for the last three quarters of the year amounted to 5.1 million pesetas, bringing the annual budget to 6.74 million. However, after deducting the financial expenses derived from the loan for 25 million pesetas received in 1928, in reality, it only had 4.9 million available for the whole year. This was a similar level of resources to the 4.4 million in 1931 but much lower than the 8.5 and 27.6 million pesetas that it had received in 1930 and 1929, respectively.

The austerity policy was maintained for the year 1933. It is true that the allocation approved on 28 December 1932 of 7.3 million pesetas exceeded the budgeted amount of the previous year by 700,000 pesetas. However, this was the consequence of, mainly, the million pesetas allocated, for the first time, to tasks derived from the Liaising committee between the Governing Body of the Heritage of the Republic and the *Patronato*. This amount, which had been recognised by Ramos in the Lower House in November, was granted to finance a service which the Government had commissioned, namely the reconstruction and adaptation for tourists of the royal palaces of La Granja (Segovia), Riofrío (Segovia) and Aranjuez (Madrid), and, therefore, could not be considered as an increase in the budget of this organisation. In fact, in 1933, the allocation for Staff was 54% lower than in 1931, due mainly to the elimination of a large number of information offices. The amount allocated to propaganda, two million pesetas, the largest allowance, was 32% lower than that budgeted for the previous year. In short, if the financial expenses and the amount budgeted for the works related to the *Liaison committee* are not taken into account, the *Patronato* had a budget of 4.6 million pesetas for the year 1933.

In 1934 and 1935, the real budget was 4.5 and 3.8 million pesetas, respectively. In the first semester of 1936, the resources granted increased with the extension of the budget of the previous year by 1.9 million pesetas. In conclusion, the Second Republic was not very generous with tourism. The resources that the *Patronato* had at its disposal to fulfil its functions decreased slightly over time, fluctuation between 4.9 and 3.8 million pesetas per year. This amount was lower than the 8.1 million received in 1930 by its equivalent under the monarchy, thanks to the mandatory insurance. And, of course, these budgetary cuts had a considerable effect on the public chain of tourist establishments.

When the Second Republic was proclaimed, *Paradores* was undergoing a difficult period. The construction works had been paralysed in the summer of the previous year due to the lack of economic resources. As a result, the debate on the future of the public supply intensified in the upper echelons of the new republican tourism administration. In a report of 1932, it was suggested, in a similar way to the monarchic *Patronato*, that a tender should be called for a private company with Spanish capital and exclusive dedication, to undertake the operations of the public network. However, within the unfavourable economic context, the high demands discouraged any possible interested parties. The republican *Patronato* not only held onto its establishments but increased the supply. It handed over the *Hostería de La Rábida,* which began to be exploited by the Provincial Government of Huelva in 1934, it gradually took over the direct management of the network, it was able to finish the construction works and open the *Parador de Mérida* and, conditioned by the budgetary austerity, became more committed to the *albergues de carretera*, which constituted the less costly option.

In Republican Spain, in which the Accommodation section was presided by Antonio Cifuentes (1931–1934) and Enrique Cavestany (1934–1936), the establishments of Bailén, Quintanar de la Orden, Benicarló, Aranda de Duero, Almazán, Medinaceli and La Bañeza were opened. The urbanisation works in Antequera were suspended in 1932 and resumed in February 1936 and were paralysed due to the Civil War. This was also the case of those of Puebla de Sanabria and Puerto Lumbreras. The opening of these three establishments was delayed until 1940, 1945 and 1946, respectively. The project for an establishment in Triste was pretty much forgotten (Moreno Garrido and Pellejero Martínez 2015; Rodríguez Pérez 2014, 2018).

In order to finance the construction, conservation and upkeep of the buildings and facilities for which it was responsible, the *Patronato* had a quarterly budget of around 100,000 pesetas during 1933 and the first semester of 1934. However, for the following biennium, in which four establishments were opened, the quarterly assignment for extraordinary constructions and acquisitions was around 210,000 pesetas to which a further 44,000 should be added for ordinary conservation and repair works. In other words, in 1935 and the first semester of 1936, these two items absorbed almost 29% of the budget. With respect to the economic profitability of the chain, all that is known is that in the three-year period 1931–1933, those establishments directly controlled by the State, that is, all of them except the *Parador de Oropesa*, the *Hostería de Alcalá de Henares,* the *Hostería de La Rábida* and the *Refugio de Áliva*, obtained 2232, 1252 and 31,003 pesetas in profit, respectively. In this respect we can highlight the positive results obtained by the *paradores* of Gredos and Mérida, and by the *Albergue de Manzanares* (Pellejero Martínez 2015).

Of course, this growing state intervention was viewed with some concern by the private sector. In 1935, the Association of Innkeepers and Similar of Madrid requested that the *paradores* were not built in locations where they would compete with the private entrepreneurs. In the same year, José M. Albiñana, a Spanish nationalist parliamentary representative, explained to the Lower House that a good number of entrepreneurs from Burgos considered that the *albergue* recently opened in the outskirts of Aranda de Duero, as well as being unnecessary, was highly detrimental and constituted illicit competition for the provincial hotel industry. He also argued that the travellers who stayed there did not stop in Aranda, Lerma or Burgos, seriously harming the business of hotels, restaurants and shops of these towns. Therefore, he requested its closure and that the public tourist accommodation establishments were opened in places that lacked an adequate private hotel supply (Pellejero Martínez 2018, 2021).

It is probable that this concern could have been felt in certain areas, but it was undeniably exaggerated, taking into account the general characteristics of the public supply of the day. It should be remembered that they were buildings with a very high construction cost, either due to their isolation, such as the *Parador de Gredos* and the *Refugio de Áliva*, or due to the fact that the works consisted of complicated adaptations of historical or artistic buildings. Furthermore, their accommodation capacity was very low in relation to the investment required for their adaptation. On

the other hand, in the Spain in the 1930s, trips by road, although on the rise, were still very rare. Therefore, opening roadside accommodation establishments would not have been a priority for Spanish private capital (Pellejero Martínez 2015; Soriano Frade 1978).

When the Civil War broke out, *Paradores* had 17 establishments. It is undeniable that the dream of the *Comisario Regio* had come true. Both the dictatorship of Primo de Rivera and Republican Spain had committed to the idea. This was also the case of the Franco regime (1939–1975) and the democratic governments after 1977. The most dynamic phase was the Franco dictatorship. A much more generous budget and unstoppable national and international demand allowed 3.821 beds to be offered in 1972 distributed among 83 establishments (Moreno Garrido and Pellejero Martínez 2015; Pellejero Martínez 2015). Furthermore, *Paradores* inspired the Portuguese state chain *Pousadas*, which opened its first establishment in 1942 (Almeida García 2012; Pina 1988). In the period marked by the oil crisis and the recovery of democracy, the incorporations were balanced with closures, although this did not stop the capacity from reaching 7,584 beds in 1984. In 1991, the *Sociedad Estatal Paradores de Turismo de España* was created. From then, this public limited company took over the management and operation of the chain, whose ownership remained in the hands of the State through the *Dirección General de Patrimonio del Estado* (Pellejero Martínez and García Gómez 2022). At the beginning of the third decade of the twenty-first century, there were 98 *paradores* open to the public, one of which is located in Portugal, with a total of around 10,000 beds available to its clients. The business model of *Paradores* aspires to becoming the leader in the markets in which it operates through its own and differentiated management model based on profitable growth, a customer orientation, a service vocation, excellence and economic, social and environmental sustainability.

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CHAPTER 12

Conclusions

Carlos Larrinaga and Donatella Strangio

John Walton pointed out that "pursuing and practising the history of tourism also encourages us to explore the ways in which different countries and cultures interact in the creation, promotion and satisfaction of tourism demand, and the ways in which tourism has been represented and experienced by various social groups in contrasting contexts" (Walton 2007, p. 15).

The essays collected here, although not exhaustively, fill a gap in a sector, that of the hotel industry within the tourism sector, which is highly fragile (as we have witnessed during the covid-19 pandemic), but, at the same time, important for the economy and society.

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The original studies presented here offer a diverse range of aspects that focus precisely on the hotel industry. The analysis of the evolution of accommodation facilities over the time period examined reveals several elements on which to reflect in the process of the democratisation of tourism. As Patrizia Battilani has emphasised, "the transition to mass tourism was not the result of the strategies of large hotels or tour operators, but rather the consequence of a profound reworking of values and models of sociality that swept through the societies of industrialised countries and created the space for the affirmation of a new class of entrepreneurs capable of understanding the needs of new tourists" (Battilani 2007, p. 478; see also Enzensberger 1965; Poon 1993; Urry 1990; Susini 2018).

The historical events, which the various authors have referred to in their research, accompanied and contributed to the development and strengthening of the hotel offer and their analysis has incorporated further aspects for a better understanding of the construction of a development model. Indeed, the important shift over the years towards an increasingly service-based economy has led economic historians to also reflect on the service sector and, within this, on tourism activities and thus on hotels (Scatamacchia 1999, pp. 281–326; Battilani 2001; Leonardi 2003, pp. 91–104; Leonardi and Heiss 2003).

The evolution of the hotel system observed for the different regional areas has been carefully linked to the specificity of the territories and connected to events, even traumatic ones, such as wars; the history of hotels has not only been told but critically analysed in the light of important and essential elements such as the importance of institutions. Banks and credit or states and the expression of the elite classes of the historical moment analysed played an essential role in the evolution and direction of the hotel sector. Demand, supply, prices, comfort, technology and innovation, the services and quality offered, society and culture or the labour market are just some of the elements explored within the individual essays, which give us a diachronic and dynamic history of the hotel industry in Western Europe.

Of course, many aspects or geographical areas have not been included in this volume, but we believe that the reader in general and the specialist in particular will be able to find sufficient and attractive material to gain a better understanding of the history of the hotel industry in Western Europe. Most of all, it provides comparative material for future studies and analyses. From this point of view, the originality of the

studies presented undoubtedly constitutes one of the most important contributions of this volume.

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Yves-Marie Evanno and Johan Vincent

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