

Albert Ballin and Hapag

# Born in Hamburg, at home in the world







Albert Ballin is regarded as having been a visionary, an innovator and Germany's first top manager.

As its director-general, he turned the Hamburg-Amerikanische Packetfahrt-Actien-Gesellschaft (Hapag) into the biggest liner shipping company in the world. His amazing career started in a small emigration agency in the Port of Hamburg.



# Ballin's world



*A section of "Die Reede von Hamburg", a painting by Robert Mols from around 1880 (on loan from the historical museum of the City of Antwerp to Hapag-Lloyd AG)*



Albert Ballin was born into an old Jewish family in 1857, as the youngest and last of 13 children. His father, Joseph Ballin (actually Samuel Joel Ballin), had immigrated from Denmark to Hamburg, where he had co-founded the Morris & Co. emigration agency in 1852. Like other independent “passage agents”, he induced would-be emigrants to sign up for transatlantic passage from Great Britain to America and then organised their transit.

Albert Ballin grew up in the immediate vicinity of the port. The agency and living quarters were in the same house, and the ships were only a stone’s throw away. These impressions influenced Ballin, who joined his father’s business at the age of 15. When his father died in 1874, Ballin took over as head of the firm. This marked the beginning of one of the most remarkable business careers in German history.

The times were ripe for big changes. When the German nation-state was founded in 1871, a rapid economic upswing – fuelled by a budding industrial sector and technological advances – set in. This was accompanied by strong growth in foreign trade, from which the largest German shipping companies – Hapag and North German Lloyd – greatly benefitted. The so-called “first globalisation”, which lasted until the outbreak of the First World War, forged increasingly stronger and closer economic ties across the world and on all levels.



*Albert Ballin as a young man, by Wilhelm Graupenstein, 1882*

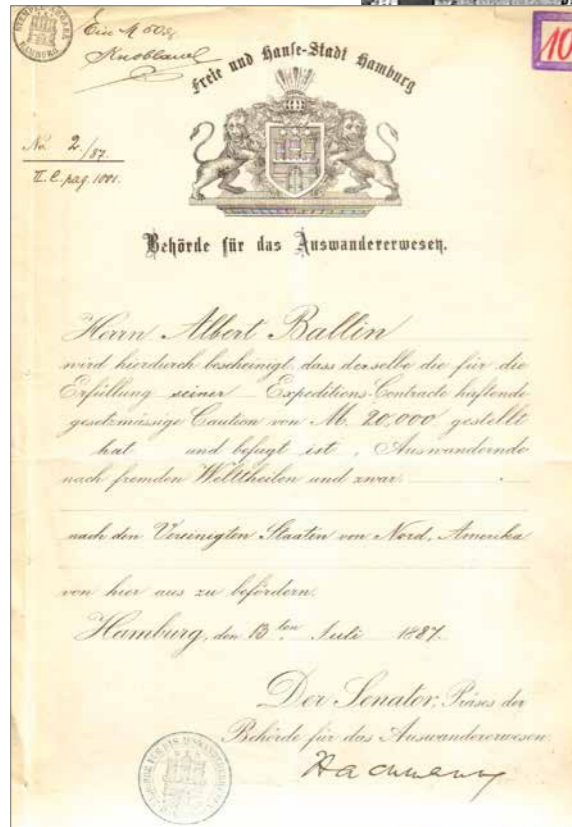


**In 1910, Ballin wrote to a friend: “I don’t think you and I were ever young. That would entail being carefree – and in that respect, we’re both severely burdened.”**



*The Proclamation of the German Empire, by Anton Alexander von Werner, 1885*





Licence for Albert Ballin to transport emigrants to the United States, 1887 · Hapag's administrative building on Deichstrasse in Hamburg

Together with his business partner, Hamburg shipowner Edward Carr, the enterprising Albert Ballin stirred up the emigration business. His idea: Carr should have his ships completely converted, from classic steamers with first- and second-cabin classes and steerage to ships that only offered steerage, so as to be able to transport even more passengers.

Steerage was the least expensive way for emigrants to make the crossing. It was crowded and loud, and there were limits on how much luggage you could bring along. While converting the vessels meant higher margins for Carr and Ballin, it also made emigration more affordable for many people.

The new concept was very successful and quickly led to direct competition with Hapag. And since the long-established Hapag had a hard time keeping up with the low prices offered by Ballin and Carr, a no-holds-barred fare war broke out.



**The fare war between Ballin/Carr and Hapag grew fiercer over time, but Hapag couldn't manage to force its much smaller competitor out of the market or into a hostile takeover. Legend has it that Ballin waged this war in a very emotional way. In fact, according to one anecdote, he would regularly paste his company's posters to what was then the Hapag office building on Deichstrasse at night.**

By 1882, Ballin had reached a point where he could afford to acquire Hamburg civil rights. At the time, only a few of the city's residents could afford this privilege, as it required them to pay regular taxes as well as a fee for acquiring the certificate as a citizen.

The battle between David and Goliath ended in 1886 with an understanding: Hapag's passage department also worked for the former competitor. At the same time, on 31 May 1886, Ballin became the head of this department and put his entrepreneurial skills at the service of Hapag from then on.



# Germany's first top manager



*Carl Laeisz and Albert Ballin on board the sailing ship "Potosi" of the shipping company F. Laeisz, ca. 1900*

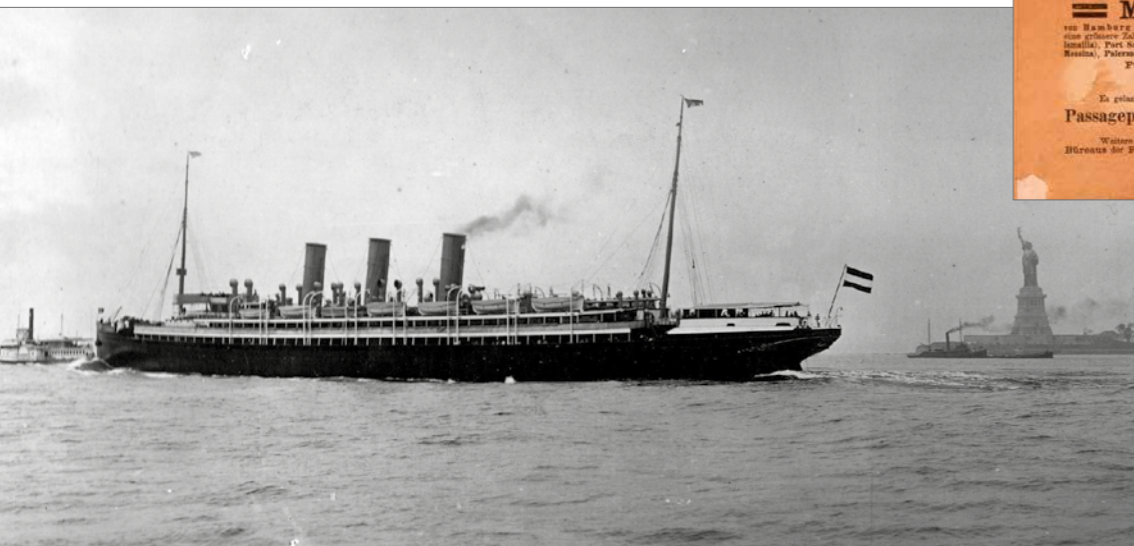


Ballin immediately set about driving Hapag forward with new ideas. He found his most important mentor and supporter in Carl Laeisz, a shipowner and Hapag shareholder. Thanks to his endorsement, Ballin was promoted to the Executive Board after only two years.

At 31 years old, Ballin wasn't just the youngest member of the board; he was also Germany's first top manager. At the time, employing salaried board members with no ownership stake in the company was revolutionary. Another thing that made Ballin stand out was his zeal: logging 16 hours a day on all seven days of the week, he worked nearly as much as he possibly could. The highlight of his career came in 1899, when he was appointed director-general – a position that was specifically tailored for him and hadn't existed at Hapag before.



**Bernhard Huldermann, Ballin's former secretary and biographer, referring to the company Hamburg-Amerikanische Packetfahrt-Aktien-Gesellschaft (Hapag): "He is the 'Packetfahrt', and the 'Packetfahrt' is him."**



The "Augusta Victoria" departing New York

## THE INNOVATOR

In the winter months, there was less demand for crossings on the North Atlantic. Many ocean liners, such as the "Augusta Victoria", would then simply stand idle in ports for extended periods of time – but continue to incur running costs. Ballin took action in 1891 and deployed the luxury steamship in the Mediterranean for the first time, for what would be a "pleasure cruise". The idea of the modern cruise was born, and a new lucrative line of business was opened. In 1901, the "Prinzessin Victoria Luise" set sail as the first ship in the world built specifically for cruises.

However, Hapag's core business and main focus continued to be on emigrants, whose numbers were increasing year after year and who, in the 1880s, were mainly coming from Eastern European countries. An unusually hot summer, low water levels and catastrophic hygiene conditions, especially in the poorer districts of Hamburg, triggered a cholera outbreak in August 1892, which resulted in more than 8,000 deaths. It was the last major outbreak of this disease in Germany. This prompted the introduction of new hygiene regulations and stricter medical checks, particularly for emigrants. Ballin went one step further and designed the "emigrant buildings" that would open in December 1901 on Veddel island in the River Elbe.

Covering over 50,000 square metres, the site was spacious and included dormitories, a Christian church, a synagogue and two large kitchens, one for preparing kosher food.



**"Without steerage passengers, I would be bankrupt in a matter of weeks."**



The church building on the grounds of Hapag's emigrant halls, Hamburg



The cholera epidemic had revealed just how vulnerable the business of transporting passengers was to crises, so Ballin shifted Hapag's focus to transporting cargo. Beginning in 1893, orders were placed for steamships that could carry numerous passengers and a lot of cargo. Since they were large and designed to operate at low speeds, they were economical – unlike the fast steamers that enhanced Hapag's reputation but resulted in high fuel expenses. For example, the "Deutschland", which was put into service in 1900, won the "Blue Riband" for the fastest crossing from Europe to New York. But it would remain an exception. Ballin focused on economic efficiency above all. It was only with the massive ships of the "Imperator" class – Hapag's answer to the "Titanic" series of Britain's White Star Line – that Ballin and Hapag went back to fast steamers.

Ballin was a businessman through and through. He paid attention to the smallest details – and he could fly into a rage if his expectations were not met. He personally ensured that new innovative techniques were used. One expression of this was his embrace of aviation. Starting in 1910, Hapag exclusively sold the tickets for Zeppelin airships and, in 1917, it co-founded the Deutsche Luft-Reederei, a predecessor of Deutsche Lufthansa, Germany's flagship airline.

Ballin also handed over to Hapag a company that operated seaside resort services, which he had privately launched in 1889. But offering passages and cruises was no longer enough for the growing company. With the acquisition of Berlin-based "Carl Stangen's Reisebureau", Germany's oldest and largest travel agency, Hapag developed into a major tourism provider.

## IMAGE-FOSTERING AND COMMUNICATION

Ballin also placed fresh emphasis on the shipping company's outward appearance. At his urging, an administrative building designed by Martin Haller, one of the most famous master builders in Hamburg, was built in 1889/90 on Dovenfleth Street, right near the port's massive warehouse district. As the company rapidly grew, Haller built a second building for Hapag alongside the Inner Alster Lake. Expanded by Fritz Höger in 1913, this building continues to serve as the headquarters of Hapag-Lloyd AG to this day.

With the establishment of the "Literary Bureau" at the end of the 19th century, the company had a seminal innovation: a communications department. Concentrating on the media and public was atypical for companies at that time, as were the personal ties that Ballin fostered with journalists.



Meeting of the North Atlantic Steamship Lines Association with Albert Ballin and Heinrich Wiegand, 1902



Hapag's administrative building on Dovenfleth Street, Hamburg



When Ballin was indignantly informed by a local employee shortly after the turn of the century that a poster of the record-breaking steamer "Deutschland" had been hung up in the bathroom of an upscale restaurant in Düsseldorf, he replied: "That's the way it should be, of course, as now everyone will get a chance to see it."



## AIMING FOR BALANCE

Hapag's main competitor was the Bremen-based shipping company North German Lloyd (Norddeutscher Lloyd; NDL). Since its founding in 1857, the two companies had already worked together on various occasions. But when Heinrich Wiegand was appointed director of NDL in 1892 – also as a salaried manager – the will to cooperate was particularly pronounced on both sides. They understood each other well and realized that they could achieve more in an “amicable special-purpose association”, as Ballin put it. The increase in agreements among shipping companies offering conveyance of steerage passengers to balance out their interests was mainly due to Ballin's efforts. In 1892, he had a hand in launching the “North Atlantic Steamship Lines Association”, which aimed to avoid the ruinous price wars among these carriers.

Albert Ballin was farsighted and bold, though he was often also accused of taking too many risks. Nevertheless, he led the company to unprecedented size and fortified it against crises by opening up new trade lanes and areas of business. Ballin literally breathed life into the Hanseatic saying “Mein Feld ist die Welt” – or, as Shakespeare put it, “The World's My Oyster” – which he adopted as Hapag's motto.

Beginning at the end of the 19th century, Hapag was the largest shipping company in the world. Between 1885 and 1914, the fleet grew from 23 to 194 vessels, the total tonnage from 55,000 to over 1,300,000 GRT, the total value of Hapag shares from 15 million to 180 million marks – figures that impressively underline the impacts that Ballin had on the company and its success.



**Ballin about himself and Wiegand, the director of NDL: “It cannot be claimed that our relationship was always a smooth one. It would otherwise have become boring. But up to now, Wiegand and I have always known how to re-establish amicable relations between the two companies following the occasional thunderstorms.”**



Albert Ballin with Hapag directors, 1907

Albert Ballin and Heinrich Wiegand, 1902 · Hapag advertising poster, ca. 1900



# Networker, diplomat and friend



*Kaiser Wilhelm II and Albert Ballin before the christening of the fast steamer "Imperator", 1912*



## BALLIN'S PRIVATE LIFE

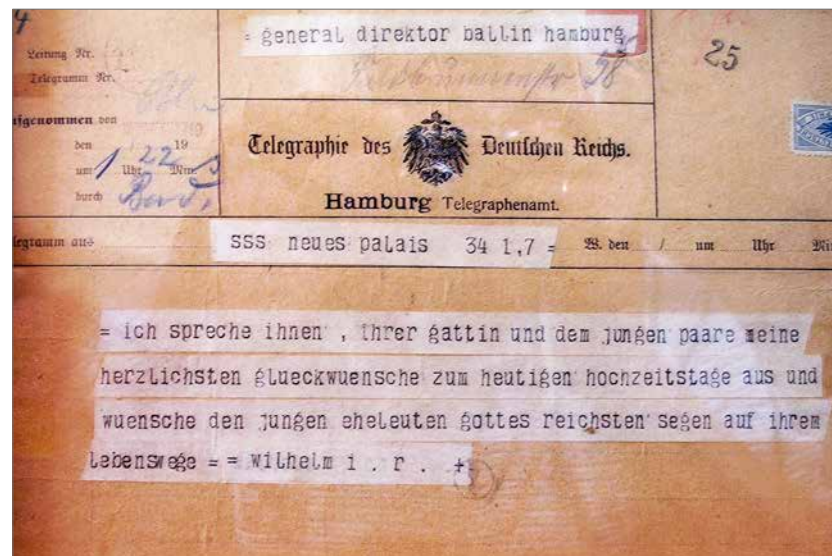
Marianne Rauert, daughter of a Christian cloth merchant in Hamburg, had been Albert Ballin's wife since 1883, when they were married according to Protestant rites. Although he wasn't a very religious person, Ballin did not conceal that fact that he was Jewish. In 1893, the couple adopted a 1-year-old girl named Irmgard.

Ballin was known for his charm and empathetic manner. He made friends easily and cultivated these relationships over years. His social circle included well-known figures from the nobility, military, business world and press. His ties also stretched across borders, particularly to England. Ballin was also known to organise get-togethers for his varied acquaintances at his home.



House rules for Ballin's summer residence in Hamfelde, a village east of Hamburg:

"We kindly request that our esteemed guests not allow themselves to be limited in their movements and dispositions by any considerations for us. By refraining from constantly attending to them with motherly care and supervision, we endeavour to make our friends feel at home as much as possible during their stay in our home. What can be so off-putting about German hospitality is the expectation that one remain together the whole day long and be "nice" to each other. We do not expect our honoured guests to act "nicely" towards us, nor do we expect them to spend any more time in our company than they wish to. We kindly ask you to feel free to use the automobiles, carriages, riding horses and rowing boats (on a first-come, first-served basis). We ask you to decide for yourself the time for your first breakfast and to give the servants all related instructions. The second breakfast is usually taken together at 1 o'clock. Afternoon tea is at 4 o'clock. Dinner is towards 7 o'clock. A bell will be rung once 15 minutes before the second breakfast and dinner, and a second time as soon as it has been served."



A telegram from Emperor Wilhelm II congratulating Albert Ballin on the wedding of his daughter, Irmgard, 1910

Ballin's summer residence in Hamfelde, a village east of Hamburg · Salon in Ballin's urban villa on Feldbrunnenstrasse, Hamburg · Emperor Wilhelm II pays a visit to Albert Ballin, 1914





Launch of the fast steamer "Imperator", 1912

### A SPECIAL FRIENDSHIP

Ballin's position at the helm of Germany's most important shipping company brought him into contact with Emperor Wilhelm II. Despite their unequal status, they were able to forge a friendly relationship of trust. Their first encounter came in 1891 in the North Sea port city of Cuxhaven, where the Kaiser had come to inspect the "Augusta Victoria".

But it would still be a few years before their ties became stronger. Beginning in 1905, the emperor annually attended a "fork breakfast" – comparable to a brunch or second breakfast – held in Ballin's house, which broke with the Hohenzollern tradition of not visiting the homes of private individuals. Until the war broke out in 1914, Ballin and the Kaiser saw each other at least every two months and corresponded frequently.

The two shared a passion for the sea and shipping. The highlight of their friendship was when the emperor served as the patron of the magnificent christening ceremony held for the steamer "Imperator", which was held in Hamburg in 1912. Wilhelm II himself had chosen the name for this ship – the largest in the world – thereby signalling his worldview and maritime ambitions one year before the outbreak of the First World War.



**Telegram from Emperor Wilhelm II while on holiday in 1911: "The Hamburg-American Line steamer "Cincinnati" with Captain Schülke, just left Bergen's harbour by steaming around the "Hohenzollern" yacht, which was lying at anchor. [...] I have expressed my admiration and appreciation to the captain by signalling 'Bravo, splendid manoeuvre'.**

**With this excellent manoeuvre, Captain Schülke has put the reputation of the Hamburg-American Line in the brightest light among all the spectators [...]. It gives me great pleasure to share this with you."**



## DURING THE WAR

After the war broke out in September 1914, there was a noticeable deterioration of relations between the two, as Ballin did not hide his opposition to the war and its instigators. Although he put no direct blame on Wilhelm II for the war, the emperor no longer visited Ballin and the two no longer had private conversations.

In the tense situation following the assassination of Archduke Franz Ferdinand in Sarajevo, Ballin had used all his diplomatic channels to facilitate understanding between Great Britain and the German Reich. He met with British Foreign Secretary Sir Edward Grey, Minister of War Lord Richard Burdon Haldane and First Lord of the Admiralty Winston Churchill. Although they continued to make only vague statements, they gave Ballin the impression that Great Britain did not want to go to war. Full of hope, he reported to the imperial government, which ordered the invasion of Belgium shortly thereafter. And then Great Britain, in turn, declared war on the Reich.

This caused Ballin to fear that his report might have reinforced the German government's intentions. He was tortured by this thought until his death. Already during his lifetime, Albert Ballin's rejection of the war had led him to be called a pacifist, which was a term of abuse at the time. But, by all means, his judgments about military conflicts were also influenced by the business risks and opportunities they involved. In this case, his verdict was unambiguous:

"I wish people had listened if anything to the leading men of the shipping companies," Ballin wrote, "as I consider it a great mistake that so little attention has been paid to experienced businessmen during this war, the stupidest the world has ever seen."

Ballin's rejection of the war earned him the hostility and insults of German nationalists and anti-Semites. Shortly before the war ended, Ballin was depressed about the economic situation and worn down by the many attacks against his person. During the war, a large part of Hapag's workforce had marched to the front, and its vessels had either been sunk or confiscated. Feeling hopeless and in despair about the huge amount of suffering the war had entailed, Ballin had reached the limit of his strength.



**Ballin's godson Eric Warburg:** "In the autumn of 1918, shortly before the end of the war, when I was on holiday in Hamburg for one day, my father [Max Warburg] and Ballin were walking along the Alsterdamm, today's Ballindamm, as they usually did. And when Ballin saw me standing there in uniform, he burst into tears because he knew that practically everything had already been lost, and because he feared that those with my year of birth [1900] would be the last to be sacrificed."



Meeting for diplomatic exploratory talks in London; from left: Sir Ernest Cassel, Albert Ballin, Sir Cassel's son Felix, Max Warburg



# Death and remembrance



*The "Albert Ballin" surrounded by drift ice in the Port of Hamburg*



Given their hopeless situation in the war and following a series of hunger riots, the sailors on the Reich's warships resisted their orders. They didn't want to die in a meaningless battle against the British merely to preserve the honour of the navy brass. In November 1918, thousands of sailors, soldiers and workers in the northern port city of Kiel demanded peace and bread.

The revolution then quickly spread to other cities in the German Empire. A council of workers and soldiers also took over government power in the nearby city of Hamburg and seized parts of Hapag's headquarters building on the Inner Alster Lake – now known as the Ballin House – on 8 November 1918.

In the late afternoon, the revolutionaries expelled Albert Ballin from the building under threat of violence. He hurried immediately to his villa on Feldbrunnenstrasse, where his wife was staying, as revolutionaries had already tried to enter the house.

Ballin sent his wife and daughter to the country house in Hamfelde, but stayed behind in the house on Feldbrunnenstrasse with two companions. There he took a large dose of sedatives. To this day, it remains unclear whether Ballin had meant to kill himself. He had already taken these medications regularly even before the war.

He collapsed due to severe pain and was taken to the nearest clinic. His close friend Max Warburg was also informed of what happened and rushed over. But the doctors couldn't do anything to help Ballin, as the medication had already caused gastric bleeding. Albert Ballin died on 9 November 1918 at 1:15 p.m. – just a few minutes before the Social Democratic politician Philipp Scheidemann proclaimed what would later be called the Weimar Republic.



**Ballin's funeral was held on 13 November 1918 at the Ohlsdorf Cemetery in Hamburg. In the obituary he wrote for his friend, Max Warburg said: "Albert Ballin was a force of nature. Powerful was the will in him, and powerful and great was his penetrating mind, and warm and strong beat his heart. He was an ingenious businessman, endowed with an almost prophetic power and great imagination. He was more an artist than a calculator, more a painter than a draughtsman. The wealth of qualities that he was given along the path of his life also created many conflicts in him, which he fought through honestly."**



Ballin's city villa on Feldbrunnenstrasse, Hamburg · Ballin's study · Last resting place of Albert Ballin and his family in the Ohlsdorf Cemetery, Hamburg





The Ballin Quay in the HHLA Container Terminal Altenwerder, Hamburg

The period following Ballin's death and the end of the First World War was a difficult one for Hapag. Wilhelm Cuno accepted the challenge of turning the surviving employees and the little that remained of the fleet back into a successful shipping company. While doing so, he always kept alive the memory of Albert Ballin as a symbol of a golden age for the company.

To form a tie to this glorious era, the company's first new passenger ship of the postwar period was christened the "Albert Ballin" in 1923. A new building in the Kontorhaus District, designed by architects Hans and Oskar Gerson in 1924, was also named after Albert Ballin in honour of his services to the city of Hamburg. But when the National Socialists seized power in 1933, Albert Ballin was completely erased from the culture of remembrance on account of his Jewish origins. When Hapag celebrated its 90th anniversary in 1937, the "Albert Ballin" was already called the "Hansa". A year later, the Ballin House was renamed the Messberghof.

After the Nazi dictatorship ended and Hapag had once again lost its entire fleet, the successful era and the illustrious director-general were once again remembered. As early as 1947, the city of Hamburg changed the name of the "Alsterdamm", the street running along the Inner Alster Lake in front of the company's headquarters building, to the "Ballindamm".

When Hapag-Lloyd AG, which was formed from the merger of Hapag and North German Lloyd in 1970, celebrated its 150th anniversary, the building was renamed the "Ballin House".

Since then, other institutions and places have also given themselves names with reference to Ballin: the "Ballinka" quay at the Container Terminal Altenwerder (2002), the "Albert-Ballin-Platz" square in Cuxhaven in front of the historic Hapag Halls (2007), and the "Ballin-Stadt" museum on the site of the emigrant halls commissioned by Ballin on the Elbe River island of Veddel (2007).

The memory of "Germany's first top manager" is vivid, and his work persists. Even today, Ballin continues to be a symbol of entrepreneurial acumen, a keen sense of responsibility and foresight.



Stamp issued in 1957 by the German Federal Post Office to commemorate the 100th birthday of Albert Ballin





*The Ballin House on the Ballindamm, Hamburg*