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The Story of Success – Istanbul

Between the East and the West

The Istanbul Hilton bore many colloquial names, the press called it 'Conrad's Palace', Hilton's employees called it 'Little America' and the people of Istanbul called it 'The Ship'. Irrespective of the name, there is no doubt that the hotel changed the social scene of 1950s' Istanbul and opened its oriental door to the West.

Most visitors to Istanbul these days arrive at one of the city's international airports, but it is still quite easy to imagine that one gets off the Orient Express and is suddenly transported to the oriental world of bright colours, a myriad of smells, the buzz of the Grand Bazar and the sound of muezzins calling for the evening prayer. When you arrive at the Sirkeci Station, you find yourself just a step away from the Eminönü harbour where local men wait for their daily catch on the Galata bridge. You can stop for a minute to taste grilled fish sandwiches served directly from the fishing boat. Head north, up narrow cobbled streets, leaving the monumental Galata tower on your left, and reach Taksim Square where local socialites meet for coffee and a slice of pistachio baklava. You can also accept a shopkeeper's invitation for a quick glass of çay – he won't charge you a penny, it is merely a local way of saying "hello, you are welcome". One can easily imagine going back in time, men wearing their finest suits and ladies showing off expensive pearls and fashionably tailored hats. You can hear İlham Gencer playing piano in one of many fancy coffee houses. Men are busy competing in a round of Okey while ladies catch up with daily gossip. The time moves slowly here, the air is hot and sticky, people hide from the sun in the shade of Judas trees. Leaving the Republic Monument behind you, head into Cumhuriyet

Street. Passing lush Gezi Park and the offices of many international airlines and shipping companies shaded by the alley of trees, and look to your right. There it is, the majestic Hilton Hotel, symbol of modernity, comfort and globalization. This is Conrad's Palace in Istanbul.



Exhibit 3.1: View of the Istanbul Hilton from Democracy Park (picture by the author)

Today the view across Bosphorus will not be nearly the same as in 1950 when Conrad stepped off the plane, en-route his European tour searching for locations for his hotels. Having opened the first international hotel in Puerto Rico in 1949, Conrad was committed to spreading the light and warmth of hospitality further afield. His mission felt particularly relevant in the years of the Cold War which endangered Europe and was slowly reaching the shores of the United States. When Conrad landed by the Bosphorus, he found the city on the border between Europe and Asia significantly lacking adequate accommodation provision. Back then, the city had only six luxury hotels¹ and another 6 first-class properties². It was estimated that the entire city could offer 290 high-standard rooms which would satisfy travelers from Europe or America³. This number was far below sufficient for the

1 These were: Park Hotel, Konak Hotel, Tarabya Hotel, Pera Palace, Deniz Park Palace and Splendid Palace.

2 These included: Continental Hotel, Bristol Hotel, Londra Hotel, Oz Ipek Palace, Cinar Hotel and Akasya Hotel.

3 *The New York Times*, Turkey to Build Luxury Hotel, 8th April 1951.

city that could attract both leisure tourists and business travellers, and the situation was so dire that some tourists arriving on cruise ships preferred to spend the night on board instead of in one of the city's hotels.

It appears that developing a Hilton hotel in town was in the interests of both the American and Turkish governments. Obviously, President Eisenhower's administration saw Turkey as a strategically positioned ally. In the speech delivered at the opening of the hotel, Conrad enforced this position by saying:

“Turkey's determined resistance to totalitarian tactics won the respect and assistance of America. Our response, beginning with the Truman Doctrine of 1947 and continuing with Eisenhower's present administration, has been continuously enthusiastic. The North Atlantic Treaty Organization welcomed Turkey in 1952. [...] Turkish leadership grows in stature every day. What it has done, in the past thirty-two years, to strengthen powerful ties with South-eastern Europe and the Western powers is proof positive of Turkish leadership. At the same time, Turkey is the link...the bridge...between the West and other vast areas of the old Ottoman Empire”⁴.

According to Conrad's biographer, Whitney Bolton (1954: 127), it was very natural for Conrad to want to work with a country of such qualities:

“This kind of situation appeals to Hilton. He has profound respect for free nations which intend to remain free. His abounding love for the United States encompasses smaller, newer nations striving for the same great results and he believes in his duty to contribute his share toward these achievements in whatever amount possible”.

Building a hotel which served as a strong symbol of American culture and western values was of particular significance for a relatively young government of Turkey, which had been brought to life only less than 30 years before by the revolutionary and charismatic Mustafa Kemal Atatürk. Therefore, when Hilton announced his visit to Istanbul, Fevzi Lutfi Karaosmanoglu (Minister of Internal Affairs) and Nazif Bolkukbasi (Protocol Manager of the Governorship of Istanbul) personally accompanied the Hilton Committee

4 Hilton, C., *The City of the Bosphorus*, speech delivered at the inauguration of the Istanbul Hilton, 10th June 1955.

on this visit (Altun, 2010). From the American end, Conrad was confident that the Ministry of Foreign Affairs and the Ministry of Commerce wanted to make a contribution to the US Foreign Aid programme by establishing Hilton hotels in strategically placed cities in Europe (Hilton, 1957). Consequently, on 9th August 1951 The Turkish Foreign Ministry and Hilton Hotels International signed the final agreement for the development of this ground-breaking project. The *New York Times* immediately announced that the hotel was to be completed by 1953 to celebrate the 500th anniversary of the conquest of Constantinople by the Turks (Whyte, 1951). Unfortunately, this date proved to be unrealistic and the hotel opened two years later.

The Hilton hotel was, by no means, the only American investment on the Turkish soil, as by this time American money was increasingly being poured into Europe. The previous chapter discussed the role that the Marshall Plan played in the rejuvenation of the European economy in the post-war years, as well as consequences of Spain not being eligible for these funds. In Turkey, a large part of assistance from the Marshall Plan was allocated to agriculture, mechanization, the treatment of the underground sources, modernization of businesses, investments related to energy sources, main road construction, improvement of transportation, and only the remaining part was used to occasionally supply consumer goods (Koc and Koc, 2017). Loans offered to the private sector were spent on a wide range of investments from swamp drainage to hotel construction, but these were rare. Tören's research leaves no doubt as to the fact that the American funds were not charity; the US was to benefit from the scheme as much as Europe would:

“Marshall Plan appeared as a factor that forms a basis of the dynamic of internationalization of the productive capital. This mission undertaken required plan to be built so as to accelerate process of capital accumulation for Western European countries—in a way to create a demand in investment goods produced in the USA—and also create a safe zone for the direct investments of the USA capital by means of deepening (again) the whole of capitalist affairs in these countries. In other words, Marshall Plan was built with a purpose to accelerate the process of capital accumulation in Western European countries as well as it created opportunities to utilize capital of the USA... Capital issued through Marshall Plan opened the way to export of goods” (Tören, 2006: 210-211).