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The Story of Dreaming – Conrad

The entrepreneur from San Antonio

Conrad Hilton¹ is often associated with Texas, however, he was actually born and raised in San Antonio, New Mexico, an area near the Rio Grande, surrounded by vast high deserts and stark mountains. He was born on Christmas Day, 1887, second of nine children and, being the firstborn son, he was expected to quickly learn business skills from his father in hope that he could take over the family shop business when he grew up. Conrad discusses his childhood and early years of his career in much detail in his autobiography *Be My Guest* (Hilton, 1957) and states there that it was in his family home he learnt two values which would guide his whole life: work and faith.

Conrad's father, August Halvorsen Hilton known as Gus, an immigrant from Norway, was an entrepreneur who opened the first dry goods store in San Antonio, and who taught his children to help in the business from their early years. Conrad's relationship with his father was not exactly always easy as his father was very demanding and strict. We will see throughout the pages of this book, that Conrad took much from his father in the way he treated his own sons and employees. Always strict but fair, he would demand hard work but would also offer support when people needed that. Conrad's mother, Mary Genevieve, an American of German descent from Iowa, was a very religious person. She instilled in her son a deep devotion to the Catholic faith and belief in the power of prayer, which would have immense effect on Conrad's whole life and career.

1 Conrad Hilton is referred to as 'Conrad' from this point onwards in order to distinguish between the company name and the founder.

The store and the family house were located just by the main train line and so the family business performed exceptionally well until 1907, when an unexpected national financial crisis, also called Bankers' Panic, wiped out Gus' finances. The Hiltons were forced to find an alternative source of income and so Gus decided to follow his oldest son's idea; they would run a family hotel, renting out rooms in their own house. Mary Hilton and Conrad's four sisters would deal with kitchen duties while men (Gus, Conrad and his two brothers) would handle baggage and other heavy-duty responsibilities. Service was reliable and the price charged very reasonable so rather quickly the message spread that the Hilton's was the place to stay when passing through San Antonio. This would be the first hotel management experience for Conrad, though he did not expect at the time that hotel-keeping would become his lifetime career, one that would make his name famous worldwide.

Conrad attempted a few different career paths before becoming a fully-fledged hotelier. One conclusion which emerges from Conrad's autobiography is that he did not quite mind the business he would be in, most importantly he wanted to become independent from his ever-controlling father. The first opportunity came in 1911 when New Mexico became a state and offered new political opportunities. Conrad served two years in the Lower House of New Mexico First State's Legislation in Santa Fe, but he soon found the world of politics too slow and frustrating (Taraborrelli, 2014) and therefore decided to return to his hometown. For a couple of years, he then served as a band manager and agent to his sister's musical band, but to Conrad's disappointment, this business hardly broke even. Having failed in the entertainment business he turned to the world of finance and, against his father's advice, decided to establish the first bank in San Antonio (Hilton, 1957). The local economy soon proved Gus right, San Antonio was too small to sustain a bank and Hilton was forced to close it after a year of operation. These failures were extremely challenging to Conrad; he had dreams and he had faith, but it seemed like, time and again, he was getting nowhere. On top of these disappointments, he had to face his father and admit that he could not make it by himself. As Taraborrelli (2014:18) aptly put it, "Failing was bad enough, but failing in front of his critical father was much worse".

When America entered the First World War in 1917 Conrad, having completed Army Officer Training School as second lieutenant, travelled

to Europe where he served in France. His superiors quickly realised that Conrad had excellent entrepreneurial talents as well as experience in dry goods business and assigned him to the Quartermaster Corps stationed in Paris. Instead of fighting on the front-line, Conrad explored famous cafes and cabarets of Paris brushing up his social and dancing skills. It was in Paris where he realised that, away from New Mexico, there was a big wide world to be conquered out there. He was enjoying his bachelor's lifestyle in Paris when he suddenly received news of his father's premature death. Ironically, Gus Hilton had become the victim of his own success, he was then the owner of the first automobile in San Antonio and was killed in the first car accident in town when his automobile failed negotiating a turn. Despite years of animosity, the death of Conrad's father was a great sorrow for him, especially because of the fact that he did not manage to make it back from France before his father's burial.

Conrad was now free to take over the family business and run it the way he wanted to. By that time, however, he had seen too much of the world to feel content with what San Antonio had to offer. He knew he had to leave his hometown and explore opportunities further out and even his recently widowed mother encouraged him to do so. She said: "You'll have to find your own frontier, Connie. If you want to launch big ships, you have to go where the water is deep" (Hilton, 1957: 102). Conrad, encouraged by these words, travelled to Texas, state where 'black gold' made millionaires overnight. When unprecedented in size reserves of petroleum were discovered in Beaumont, Texas quickly became one of the leading oil producing states and the US overtook the Russian Empire as the top producer of petroleum. This period had a transformative effect on Texas and Conrad wanted a piece of that action. He had learnt that there was a bank up for sale in a small town called Cisco and convinced himself that investing in one of the businesses serving the oil industry could become as profitable as oil-digging itself. Having received blessing from his still grieving mother, Conrad pinned all his life savings to the lining of his coat and set off to Texas ready to meet his fortune. When he arrived in Cisco, a small town thriving with the oil industry, he found that the owner of the bank suddenly raised the price, making the purchase completely out of Conrad's reach. Disappointed, he returned to a small hotel where he tried getting a bed for the night, pondering his next move. Waiting for a room to become available, he realised that the owner of this hotel was desperate

to sell it and try his luck in the oil industry. The Mobley was a 40-room flophouse which, despite its dilapidated appearances, was fully booked for all by-the-hour shifts (the Mobley rented beds in three eight-hour shifts). Conrad saw enormous potential in this property and on the spot made a life-changing decision, he would become a hotelier. With financial help from his mother Mary, a few friends and a bank loan, Conrad purchased his first hotel, The Mobley in Cisco, Texas. Right away he sent a telegram to his mother saying: "Frontier found. Water deep down here. Launched first ship in Cisco". Surprised telegrapher must have thought that Conrad had lost his mind when he commented: "Mister, you sure you know what you're saying? There's never been a boat in Cisco. I've lived here all my life. There ain't even any water" (Hilton, 1957: 111). Yes, Conrad knew exactly what he was saying. Over the years he would buy numerous other hotels in Texas, and in 1925 he would open the first hotel to bear his name, the Dallas Hilton.

From rags to riches

Conrad's career as a hotelier shot up rapidly, despite some very difficult moments. One of the most troubling ones was the death of his early business partner and close friend, Major Jay C. Powers, who was shot in the Dallas Waldorf by a former business associate, D.E. Soderman (Hilton, 1957). With the help from his family and associates, Conrad managed to pick himself up and carry on working on his own. That same year he also found the woman whom he believed would be the love of his life, Mary Barron, whom he married without delay. They were only married for four years when Conrad was to experience one of the greatest challenges of his professional life, the Great Depression. Only 19 days after the announcement of Conrad's next \$1,750,000 investment in Pioneer Plaza, the stock market crashed.

For thousands of businessmen and ordinary workers the years of Depression were literally the end of the world but for Conrad, despite the fact that he lost all but one of his hotels, this was the time when he proved himself as a trustworthy and honest businessman. Conrad attributed his extraordinary luck to the power of God when he later recalled these difficult years in his autobiography: "I myself am incapable of pulling a single rabbit out of a hat. Yet, throughout the Depression, when I desperately needed a rabbit one seemed to appear" (Hilton, 1957: 150). One such rabbit appeared when Conrad's bellboy, Eddie Fowler, offered to lend Conrad all his