



Cinema on the Eve of the Cold War: International, National, and Local Interests in Turkey and the Motion Picture Admission Tax

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This article explores Turkey's national cinema policy's legal, economic, and geopolitical foundations during and after World War II. Focusing on the 1948 Municipal Revenues Law, which introduced differentiated admission taxes for domestic and foreign films, the study examines how this fiscal tool functioned as economic regulation and a mechanism of cultural protectionism. Drawing on archival records, parliamentary debates, diplomatic correspondence, and trade data, the article traces how Turkish cinema gained institutional ground against Hollywood's dominance and Egyptian melodrama's popularity. The analysis reveals how taxation policies, sectoral mobilisation, international agreements, and cultural diplomacy converged to open space for domestic film production. Situating Turkish cinema within broader Cold War dynamics and cultural imperialism debates, the article argues that national cinema policy was shaped at the intersection of internal industrial agency and external political pressures, challenging conventional accounts of postwar cultural development.

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INTRODUCTION: NATIONAL CINEMA POLICIES AND TURKEY-SPECIFIC CHALLENGES

The only reason terrible films are being made worldwide today is that cinema is in the hands of big capitalists. All the flaws of contemporary films stem from this capitalist mentality (...) These films are as dangerous as a sophist spreading religious propaganda, a sorcerer practising witchcraft, or a spy disseminating propaganda for a foreign state. The solution is quite simple, and I summarise it in three points: 1) Stricter control over the cultural aspects of films entering Turkey, 2) Banning films that



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propagate or even subtly incorporate themes of the church, occultism, or militarism, 3) Subsidising domestic films that align with the ideals of the regime and modern cultural values (Baltacıoğlu 1937, 2).

İsmail Hakkı Baltacıoğlu, one of the leading ideologues of the early Republican period, published his article—which included the above-given epigraph—in 1937 after watching *Chandu on the Magic Island* (Ray Taylor, 1935). This film had been screened in Istanbul cinemas for an extended period. Except for a handful of locally made films—the last of which was produced in 1935 and continued to be shown despite their increasingly worn-out copies—foreign productions entirely dominated Turkish cinemas. The preservation and development of national cinemas have been central concerns for many countries, each shaped by specific historical and economic conditions. The Turkish case presents peculiar conditions under which the national cinema developed in a particular way, reflecting its characteristics. In Turkey, the issue of national cinema has been closely linked to broader cultural policies and the dynamics of film production and distribution. Intellectuals¹ and policymakers of the time considered this dominance, particularly of Hollywood films, contrary to the ideals and cultural policies of the newly established nation-state. Many advocated for strict regulation and outright bans, citing the need to protect children and young audiences from foreign cultural influences. The *Regulation for the Control of Motion Pictures* enacted in 1932 was already in place. However, two new comprehensive legal frameworks replaced it in 1939: the *Regulations on the Control of Films and Film Scripts* and the *Regulations on the Control of Educational and Technical Films*.

Nevertheless, these regulations alone failed to fully address the issue, as the challenge was cultural and economic. In European countries such as Germany, Britain, and France, the dominance of Hollywood prompted economic countermeasures as early as the mid-1920s, including import quotas and restrictions on film screenings to protect national cinemas. In contrast, Turkey's national film industry had mainly remained underdeveloped, and its expansion had never been a governmental priority. As a result, implementing economic measures similar to those in Europe was not a feasible strategy. Although periodic adjustments

¹ During the early Republican period, particularly after 1930, concerns about cinema's "harmful" effects on children and youth were frequently discussed in newspapers and magazines and in addition to daily newspapers such as *Akşam*, *Tan*, and *Cumhuriyet*, where writers like Şevket Rado, Sabiha Zekeriya, and Peyami Safa voiced their criticisms, intellectuals such as İsmail Hakkı Baltacıoğlu and Hüsametdin Bozok contributed to the debate through periodicals like *Yeni Adam* and *Resimli Uyanış*. Two prominent works from this period are particularly notable for their emphasis on protecting children and young people from cinema's influence. In *Türkiye'de Sinema ve Tesirleri* ("Cinema and Its Effects in Turkey", 1933), Hilmi A. Malik asserted that "it is inevitable that Turkish children and youth, constantly exposed to foreign films, will fall under their continuous and varied influence" (Malik 1933, 43, our translation). Similarly, Osman Şevki Uludağ, in *Çocuklar Gençler Filmler* ("Children, Youth, Films", 1943), argued that cinema had become increasingly vulgar and dangerous. In his view, "the enemies of society cunningly exploit cinema," (3, our translation) protecting children and young people from it was essential.

to customs tariffs and import quotas were made to address trade imbalances, these measures were primarily economic rather than cultural. They were never explicitly designed to foster or protect domestic film production.²

In contrast, in response to the shifting global landscape after World War II, European countries continually adapted their state interventions, integrating taxation policies, tariffs, censorship mechanisms, and local regulations to support their national cinemas. Institutions such as *L'Union Générale Cinématographique* and the *Centre national de la cinématographie* in France, and the *National Film Finance Corporation* in Britain, played pivotal roles in developing policies that both safeguarded domestic industries and facilitated strategic partnerships with Hollywood studios (Guback 1969; Elsaesser 2005; Steinhart 2019). Despite the absence of a comprehensive national cinema policy in Turkey, a single legislative measure—the *Municipal Revenues Law No. 5237*, enacted in 1948—was a crucial factor in shaping the industry. This law inadvertently facilitated the growth of Turkish cinema by granting local governments the authority to impose differentiated motion picture admission tax rates on domestic and foreign films. It provided a protective barrier against Hollywood's overwhelming dominance.

Given this contextual background, this study examines the political, economic, and institutional dynamics that enabled Turkish cinema to emerge as a counterforce to Hollywood during the early Cold War era. Focusing on the critical transition years during and after World War II, the research investigates how legal, fiscal, and diplomatic transformations reshaped the national film industry under mounting international pressures. The study unfolds across three inter-related dimensions: (a) the sectoral organization and advocacy efforts within Turkey's nascent national cinema field; (b) the restructuring of intergovernmental financial relations and the introduction of the *1948 Municipal Revenues Law*, which authorised differentiated taxation on domestic and foreign films; and (c) the evolving framework of Turkish-American relations, including tensions surrounding the *Reciprocal Trade Agreement* and cultural diplomacy efforts mediated through institutions such as the United States Information Services (USIS), a branch of the United States Information Agency (USIA). By integrating archival records with a contextual analysis of legal policies, trade dynamics, and institutional actors, the study offers a critical account of how cinema became a site of cultural negotiation and resistance. It positions Turkey's experience not merely as a domestic reform but as part of a broader global struggle over symbolic capital, cultural sovereignty, and media power in the early Cold War.

2 Turkey did not implement a state-backed policy for national cinema development, unlike its European counterparts, until the 2000s. Aside from censorship and regulatory oversight, the state exhibited little institutional involvement in the film industry. It was not until 1977 that Turkey established its first official institution dedicated to cinema—the General Directorate of Fine Arts—Cinema Department of the Ministry of Culture. Although a limited number of film productions received state support in the late 1980s—when the national cinema had collapsed—systematic financial assistance for domestic cinema only began in 2005.

THEORETICAL FRAMEWORK AND SOURCES

This study draws upon key concepts from cultural studies, political economy, and international communication to frame the development of Turkish national cinema within the broader geopolitical tensions of the early Cold War period. Central to this framework is the notion of cultural imperialism, which explains how the global dissemination of U.S. cultural products—especially Hollywood films—served not merely economic aims but also strategic ideological purposes (Jarvie 1992; Elwood and Kroes 1994). During the post-war years, Hollywood's global dominance was reinforced through both market mechanisms and state diplomacy, often embedded within bilateral trade agreements and foreign aid programmes such as the Marshall Plan (Fattor 2014; Jarvie 1990). In this sense, cinema became a tool of soft power (Fattor 2014), projecting American values and narratives onto international audiences. As Nye's (2005) concept suggests, the appeal of U.S. culture abroad facilitated influence without coercion, consolidating hegemonic narratives through seemingly benign entertainment. Based on its industrial scale and global distribution networks, Hollywood's market superiority was further strengthened by structural imbalances in media trade, where peripheral markets such as Turkey had limited capacity to develop autonomous cinematic infrastructures (Hoskins and Mirus 1988; Flibbert 2007). Additionally, Erdogan and Kaya (2002) provide a valuable empirical lens into how institutional mechanisms—such as USIS and the Turkish Censorship Board—mediated the circulation and exhibition of Hollywood films in Turkey. Their work demonstrates that cultural imperialism operated not only through macroeconomic forces and foreign policy channels but also through localised administrative and institutional apparatuses controlling access, visibility, and symbolic legitimacy. This institutional mediation reinforces the broader theoretical assertion that post-war cultural hegemony was enacted through state-led initiatives, international alliances, and domestic bureaucratic compliance, often legitimised as routine governance.

Various nations pursued protective strategies to preserve cultural sovereignty in response to these asymmetries. While countries like France or Britain established national film boards and subsidies (Guback 1969; Miskell 2014), Turkey's more indirect strategy took the form of differentiated taxation, exemplified by the 1948 motion picture admission tax. This fiscal intervention created a regulatory shield for domestic productions and reduced the market share of imported films, especially from Hollywood and Egypt. Framing this development through what Crane (2014) describes as a cultural policy response to globalisation, the article situates the Turkish case as a form of localised resistance to the encroachment of transnational cultural capital. The tension between American cultural hegemony and local film producers reflects what Nowell-Smith and Ricci (1998) interpret as a struggle for national identity within the global entertainment economy. Turkey's experience demonstrates how a seemingly marginal fiscal policy became a pivot around which issues of economic autonomy, ideological contestation, and media sovereignty converged. In line with

Bakker's (2008) analysis of the international film industry's emergence, the Turkish case also exemplifies how late-developing cinemas sought to reclaim agency in a marketplace structurally biased against them. By integrating these theoretical lenses, this article contributes to broader debates on how peripheral media systems negotiated Cold War-era pressures and reshaped their cultural trajectories amid competing forces of globalization and local assertion.

To conduct this study, data were compiled from multiple archival sources: The Presidency of the Republic of Turkey Directorate of State Archives containing correspondence between the Turkish Ministry of Foreign Affairs and the U.S. State Department on cinema, records of the U.S. State Department's communication with the U.S. Embassy and Consulates in Turkey, reports issued by the U.S. Bureau of Foreign and Domestic Commerce, Turkish-American trade agreements, legal regulations on municipal revenues in Turkey, minutes of the Turkish parliamentary plenaries, statutes, reports, and communications of cinema-related associations active in Turkey since 1930, and archives of national and local newspapers. The collected data were organised chronologically and analysed contextually. Using multiple sources enhanced the data triangulation, ensuring a more comprehensive period assessment. Furthermore, this multi-source approach facilitated the identification of relationships and conflicts between national and international agents within the cinema sector of the time. It allowed for further insight into the period's political background.

THE DEVELOPMENT OF NATIONAL CINEMA AND FILM IMPORTATION IN TURKEY: A HISTORICAL OVERVIEW (1900S–1940S)

In the first half of the twentieth century, Turkish cinema operated within an import-oriented structure rooted in the country's semi-peripheral integration into global capitalism and the deindustrialisation of the late Ottoman period (Pamuk 1988; Pamuk & Williamson 2011). Early cinema practices mirrored this dependency: foreign films, mainly from the West, dominated local exhibition circuits, while domestic production remained marginal (Işığın 2003). Despite nationalization policies that replaced non-Muslim merchants with Turkish entrepreneurs, major companies like Kemâl Film and İpek Film focused primarily on distribution and importation (Akçura 2004). The transition to sound films in the early 1930s boosted cinema-going, as low literacy rates—only 8% in the late 1920s and 19% by 1939 (Turkish Statistical Institute 2012, 18–21)—had previously restricted access to subtitled films. Initiatives like the Turkish Hearts (*Türk Ocakları*) and the People's Houses (*Halkevleri*) expanded access to cinema, aligning it with Republican modernization efforts. Still, Hollywood's dominance remained intact. A 1943 report by the U.S. Consulate in İzmir noted that "American films are far ahead on the list of imported films into Turkey" (Johnson 1943). Box office records confirm this, with U.S. productions constituting over 70% of screenings in Istanbul during the war years (Berktaş 2010, 127–28). A

1941 article in *Bugün* described Turkey as “the only country in the Balkans and the Middle East that remained illuminated at night,” a striking image that underscored the resilience of public leisure culture—especially cinema—despite wartime constraints (*Bugün* 1941, 3, our translation).

This imbalance sparked some of the earliest lobbying efforts in the sector. In 1931, film importers and theatre owners formed a delegation to petition the government for lower customs taxes and increased import quotas (*Milliyet* 1931, 3). That same decade saw ongoing disputes with the Istanbul Municipality over taxes and levies on cinema tickets, including allocations to institutions like the Hospice Centre (*Darülaceze*) and the Turkish Aeronautical Association (*Türk Hava Kurumu*) (*Milliyet* 1930, 7). Cinema operators challenged these levies as unlawful, resulting in punitive measures such as shortened operating hours or full closures. In response, the Turkey Filmmakers and Theatre Owners Association (*Türkiye Sinemacılar ve Filmciler Birliği*) was established in 1932 under Kemâl Seden's leadership, aiming to mediate conflicts, lobby for the sector, and coordinate professional standards. Despite its short lifespan, this initiative marked a critical moment of sectoral mobilization. Throughout the 1930s, film importers and cinema owners organised informally to defend their interests, reinforcing the centrality of import-based business models in the Turkish film economy.

Paradoxically, the war also created structural opportunities for domestic production. With European film flows interrupted, alternative sources like Egypt entered the Turkish market. Egyptian melodramas rapidly gained popularity due to linguistic and cultural familiarity, particularly among audiences who struggled with reading subtitles (Mingant 2022; Gürata 2004).³ Despite periodic state-imposed bans, these films' widespread appeal—amplified by dubbing and localised musical adaptations—spurred a new wave of national filmmaking. Directors such as Faruk Kenç and Baha Gelenbevi responded with films that adapted melodramatic forms to Turkish themes and audiences. The popularity of *Dertli Pınar* (Faruk Kenç, 1943) exemplified this shift. In parallel, new production and distribution companies such as Özen Film and Erman Film emerged, often building

3 Although Egyptian films enjoyed wide popularity among audiences—particularly in Anatolia—they were the subject of sustained criticism by Turkish film writers and intellectuals of the period. For instance, Nijat Özön argued that these films “played a major role in degrading the audience's cinematic taste and causing cultural regression” (Özön 2013, 128, our translation, 1968, 277, our translation). Hüseyin Hulki, writing in *Türksözü* in 1943, harshly denounced the musical and moral content of Egyptian melodramas, stating that “the melodies, filled with the spirit of rowdy nightclubs, and the scripts, composed entirely of backward themes of love and betrayal, raise not aesthetic but ethical concerns” (Hulki 1943, 2, our translation). More direct rejections of Arab-themed cinema appeared in popular press articles, such as Yusuf Ziya Ortaç's striking satire in *Akbaba* (October 10, 1946): “There are no longer madrasas or tekkes or palaces. However, every tavern plays Oriental music, and every cinema shows an Arab film. Anatolia is intoxicated by these fez-wearing, veiled, yâ lelli-singing films. This is our new enemy: the cinema screen is more powerful than the reed pen of the fatalist poet” (Quoted in Cantek 2004, our translation). In this cultural context, Egyptian films were not merely seen as foreign products but as symbolic threats to the Republican project of modernization and national identity formation.

on their earlier experience in film importation. By the late 1940s, companies increased by 30–40%, marking a significant industrial expansion. Genre diversification accelerated, with a growing focus on domestically produced dramas, melodramas, historical epics, and rural narratives. This period represents the critical groundwork for the institutional consolidation of Turkey's national cinema in the post-war era, as domestic producers occupied a more central role in shaping the cultural content and industrial infrastructure of Turkish film.

THE SECTOR GETTING ORGANISED

In the aftermath of World War II, the domestic film industry in Turkey underwent a period of institutional mobilization. On November 1, 1946, eleven local production companies established the Domestic Filmmakers Association (*Yerli Film Yapanlar Cemiyeti*) under the leadership of director-producer Faruk Kenç. Most of these companies had been founded during the war, and the association departed from earlier sectoral initiatives dominated by importers and theatre owners. Merely weeks later, on November 27, 1946, another group—primarily concerned with film importation and cinema operations—formed the Cinema and Filmmakers Organization (*Sinemacılar ve Filmciler Cemiyeti*) under Cemil İpekçi's presidency. Although some members overlapped, the associations diverged in focus: the former prioritised local production, the latter distribution and exhibition.

This distinction became particularly clear in the Domestic Filmmakers Association's efforts to establish a national cinema agenda. The association organised solidarity events, launched a national film competition in 1947–48, and published a founding manifesto titled *Purposes and Objectives of Our Association* (Yerli Film Yapanlar Cemiyeti 1946). Acknowledging the poor quality and limited output of earlier domestic productions, the manifesto attributed this weakness to the lack of state support. Framing cinema as a national cause and a strategic medium “more powerful than newspapers or books” (2, our translation) in shaping public opinion, the association advocated for targeted state intervention.

Two key policy proposals stood out. First, the association highlighted the lower cost of imported films relative to Turkish productions and called for tax exemptions to reduce local production expenses. While Hollywood dominated in quantity, Egyptian and Turkish films maintained longer runs, often remaining in circulation until worn out. As U.S. diplomatic reports observed, Hollywood titles typically played only for a few days, whereas Egyptian and Turkish films, though fewer, drew repeat audiences. From this perspective, the association viewed Egyptian films not merely as alternatives to Hollywood but as direct and more pressing competition. Second, it called for the reduction of the 75% ticket tax on domestic films to 20%, arguing that this would make national productions financially viable for all cinemas. Such reforms would help build Turkish cinema and ensure that “Near Eastern films, which had flooded the country, would no longer be preferred” (Yerli Film Yapanlar Cemiyeti 1946, 4, our translation).

MUNICIPALITIES AUTHORISED FOR ADMISSION TAX

While the Domestic Filmmakers Association publicly advocated for tax reform, the Turkish National Assembly was already reviewing a draft bill to overhaul municipal finances. Submitted by the Cabinet in December 1945, the proposed *Law on Municipal Revenues* aimed to expand local fiscal capacity. Legislators argued that although municipalities were responsible for increasing urban services, their income from the central government had declined. A key example was the motion picture admission tax, which, since the enactment of Law No. 423 in 1924, had included multiple deductions for public institutions such as the Hospice Centre, the Turkish Aeronautical, and wartime family support. Over time, the central government increased its share of cinema-related taxes, leaving municipalities with just 8% of the revenue by 1945, down from an even 50% share in 1924. Taxes and deductions now absorbed up to 75% of ticket prices, significantly constraining local budgets.

After over two years in commission, the revised bill was brought before Parliament on June 3, 1948. The new framework authorised municipalities to collect up to 70% in admission taxes on foreign films, with 10% allocated to the Hospice Centre and 10% to tuberculosis prevention efforts, while retaining the remaining 50% as municipal revenue. In contrast, domestic films would be subject to a maximum tax rate of 25%. Supporters within the ruling Republican People's Party (CHP) contended that this change would increase municipal income by 60% and reduce their dependence on central transfers for decades. Critics in the Democratic Party, such as Salamon Adato, warned that cinema—viewed by many as an affordable necessity—would become a luxury. CHP MP Cenap Aksu, meanwhile, welcomed the lower rate for domestic films as cultural protectionism. However, he warned that it might restrict access to “the masterpieces of cinema, which has become a world-class institution of decency and public education” (TBMM 1948). Despite these objections, the bill passed as Law No. 5237 three weeks later, with the differential tax rates intact.

The Istanbul Municipality promptly enacted the law at maximum rates, triggering divergent responses from industry groups. The Domestic Filmmakers Association welcomed the preferential treatment of domestic films, seeing it as a long-awaited policy shift.⁴ In contrast, the Cinema and Filmmakers Organization, dominated by importers and exhibitors, denounced the reform. It warned that screening foreign films under such high taxation had become financially unviable, placing cinemas at risk of closure due to a lack of audience interest

⁴ Five years after the tax reform, the association's report published in 1953 criticised certain municipalities for taxing all films at the same rate, disregarding the law designed to incentivize domestic productions. In addition to calling for strict adherence to the law, the association advocated for a screen quota regulation requiring at least one-quarter of the films exhibited in major cities such as Istanbul, Ankara, İzmir, and Adana to be domestic productions (Karadoğan 2019, 131–37).

in “low-quality local productions.” The organisation demanded that the foreign film admission tax be lowered to 10–20% to ensure sustainability (*Yeni Sabah* 1949, 1, our translation).

TURKISH-AMERICAN RELATIONS AND DIPLOMACY OVER ADMISSION TAX

The Istanbul Municipality’s differentiated admission tax on imported films quickly escalated into a diplomatic dispute. U.S. officials, unprepared for such regulatory intervention, expressed concern over its implications for Hollywood’s presence in Turkey. According to a report by Zissi Hadji Savva (1948) from the U.S. Consulate General in Istanbul⁵—published during the parliamentary debates—the total volume of film imports to Turkey in 1947 reached 11,732 kilograms (approximately 250 feature films), valued at 170,427 USD. American films accounted for over 80% of imports by weight and 70% by value. In the first half of 1948, U.S. films still made up 73% of the imported film stock. Hadji Savva reported that “there are no quota or contingent measures in effect in Turkey that might reduce or prevent the distribution of United States motion pictures,” noting that no such restrictions were considered at the time (1948, 605).

The controversy unfolded against Turkey’s broader alignment with U.S. foreign policy interests. Around the same time, the Turkish-American Reciprocal Trade Agreement—signed initially in 1939—was revised, coinciding with Turkey’s receipt of Marshall Aid. In October 1948, the U.S. Consulate General in Istanbul sent a formal letter to the U.S. Embassy in Ankara, arguing that the new tax violated Article 4 of the agreement. This article stipulated that imported goods from either country would not be subject to internal taxes higher than those of similar domestic products. Citing this clause, the Embassy urged the U.S. State Department to initiate diplomatic action.

By February 1949, the State Department had contacted Fatin Rüştü Zorlu, then Director General of Economic and Commercial Affairs at the Turkish Ministry of Foreign Affairs. Zorlu acknowledged the issue but offered no resolution. Meanwhile, the Motion Picture Association of America intensified pressure through formal appeals to the State Department, emphasising the growing threat to U.S. commercial interests. In the spring of 1949, a coalition of European-based representatives from major Hollywood studios—including Columbia, Metro-Goldwyn-Mayer, Paramount, RKO Radio, Twentieth Century Fox, United Artists, Universal International, and Warner Bros.—joined the negotiations. Gerald M. Mayer, representing this commission, wrote to the State Department, highlighting that only 20 films had been produced in Turkey in 1948. However,

5 The predominance of Hollywood films in Istanbul cinemas and the close ties between film importers—all Cinema and Filmmakers Organization members—and the U.S. Consulate likely explain why the initial correspondence on this matter originated in Istanbul.

cinemas increasingly preferred these due to their tax advantage. He warned that this policy posed an escalating threat to Hollywood's market position.

In August 1949, Zorlu finally conveyed Turkey's formal stance to the U.S. Foreign Office. He denied that the admission tax constituted a breach of the trade agreement, stating that there were no restrictions on the import or exhibition of Hollywood films. Zorlu emphasised that the tax revenues—approximately 1,000,000 TL annually (roughly 357,000 USD)—were retained entirely by the Istanbul Municipality and not the central government. Consequently, the municipality had no intention of lowering the tax. At the same time, increasing the 25% tax on domestic films was ruled out, as it would provoke significant backlash from Turkey's growing film industry (U.S. Department of State, 1945–49). State Department records indicate that the issue remained unresolved by 1949, highlighting the enduring tensions between national cultural policy and transnational commercial diplomacy.

THE IMPACT OF THE ADMISSION TAX ON TURKISH CINEMA AND AFTERMATH

This strategic tax reform catalysed a boom in national cinema, marking the beginning of what is now recognised as the golden age of Turkish cinema. During the first half of the 1940s, amidst the constraints of World War II, film production in Turkey remained modest, with only 73 films produced throughout the decade. However, despite the limitations of the war, the 1940s saw the emergence of cinema as a primary site of public leisure and sociability in urban and rural areas. The rise in literacy rates—up from 8% in the late 1920s to 19% by 1939—enhanced audiences' engagement with cinema, while the transition to sound film further facilitated accessibility, particularly for low-literate communities. At the same time, Republican institutions such as the People's Houses and their rural counterparts, the People's Rooms (*Halkodaları*), institutionalised cinema as a pedagogical and modernising tool, deploying travelling cinema units to remote parts of the country. Parallel to this, the USIS and the British Council introduced newsreels, educational, and propaganda films to Turkish audiences, inadvertently cultivating a nationwide familiarity with cinematic form—even in villages where electricity had only recently arrived via Marshall Aid infrastructure projects.

A significant turning point occurred in 1948 when new motion picture admission tax regulations under the *Law on Municipal Revenues* provided financial incentives for domestic film production. This development did not occur in isolation. A generation of Turkish filmmakers—some of whom, like Faruk Kenç and Turgut Demirağ, had studied abroad—could now adapt globally popular melodramatic forms to local audiences. Moreover, Egyptian melodramas, which had gained popularity during the war, began to face state censorship and market restrictions, prompting film importers to shift toward domestic production. As a result, the legislative reform aligned with an emerging cinematic infrastructure and a growing appetite for culturally proximate narratives. Film production

increased significantly, and within two years, the number of new feature films equalled the total produced since 1896, reaching 37. The 1950s marked a period of rapid growth, with 540 films produced and 126 new production houses established. Genre diversification accelerated, and the structures of distribution and exhibition solidified. The 1960s, long considered the golden age of Turkish cinema, witnessed dramatic expansion—1,710 films were produced, and 224 new production houses opened. Annual production peaked after 1965, culminating in 231 films in 1969 and 399 in 1972. However, from 1974 onwards, production began to decline due to the spread of television broadcasting nationwide.

By the late 1970s, this downturn was exacerbated by economic instability, political unrest, and the 1980 military coup. Annual output fell to 124 films in 1977, and only 68 were made in 1980 (Scognamillo 2001, 2002). The 1980 military coup introduced *Municipal Revenues Law No. 2464*, centralising control over tax rates and imposing fixed admission taxes—20% for domestic and 50% for foreign films. Although there was a brief revival in 1986–87, structural challenges such as the videocassette market and mounting production costs led to a renewed decline. By the decade's end, neoliberal economic reforms enabled transnational distributors to enter the Turkish market without local partners, while the admission tax became standardised across all films. In response to the crisis, the state introduced direct subsidies for local productions, initiating a new phase in Turkish film policy.

CONCLUSION

This study aimed to analyse the political and economic conditions that shaped the institutionalization of Turkish national cinema in the early Cold War era, focusing on the period between 1946 and 1950, when the film sector was restructured through a set of pivotal regulations and the conflicting yet entangled interests of various industry stakeholders. By revisiting this critical juncture through the lens of cultural imperialism and soft power, the study situates the emergence of national cinema in Turkey within a broader struggle over cultural sovereignty in an asymmetrical global media landscape. Rather than viewing the period's regulatory developments as isolated domestic phenomena, the study interprets them as embedded responses to transnational pressures—particularly the dominance of Hollywood and Egyptian imports. Drawing on archival documents, legal texts, parliamentary records, materials from cinema-related associations, and contemporary press sources, the research traces how power relations between local, national, and international actors were renegotiated as cinema became a key cultural and ideological contestation domain.

This research has shown that the Law on Municipal Revenues and the revised admission tax had far-reaching implications that extended beyond the economic sphere into the cultural and symbolic domains. While the differentiated tax was formally justified as a fiscal tool, it functioned as an instrument of cultural protectionism, aiming to reduce the symbolic and market dominance of foreign

films—especially Egyptian melodramas and American studio productions. From the cultural policy perspective, the tax can be interpreted as a form of localised resistance to global media flows, echoing the strategic use of regulation in other national contexts where film was seen as a vehicle of soft power. The Turkish case reveals that even a seemingly technical fiscal instrument could be a cultural countermeasure—reshaping audience tastes, market demand, and national production strategies when cinema was widely recognised as a site of ideological influence. Criticisms voiced by contemporary film writers, who associated Egyptian melodramas with cultural and moral decline, further legitimised the tax policy as a defensive cultural measure. Moreover, the findings highlight the internal conflicts within Turkey’s evolving film sector, particularly between groups that supported the continued importation of foreign films and those advocating for local production. This intra-sectoral contest mirrored broader tensions between global cultural capital and domestic agency. The ascendancy of the Domestic Filmmakers Association and the decline in imported Egyptian films suggest that the national cinema movement not only gained institutional ground but also successfully challenged Hollywood’s market hegemony. These developments signal a strategic reorientation of the Turkish film sector toward national priorities driven by economic self-interest and cultural assertion.

The international dimensions of this shift were equally significant. As Turkey received Marshall Aid and revised its Reciprocal Trade Agreement with the United States, implementing the differentiated admission tax quickly escalated into a diplomatic dispute—revealing how cultural regulation could provoke geopolitical tensions. The reactions of U.S. diplomats and Hollywood industry representatives underscored the extent to which American cinema was integrated into the United States foreign policy apparatus. At the same time, institutional interventions such as those by USIS extended the reach of U.S. cultural diplomacy through curated film libraries, public screenings, and propaganda efforts. These initiatives amplified the symbolic capital of Hollywood in Turkish urban life. Meanwhile, the Turkish Censorship Board, particularly in the late 1940s, demonstrated increasing leniency toward American productions while tightening restrictions on Egyptian and some domestic films. Working in tandem with the differentiated tax, these actors helped reshape cinematic circulation along ideological lines. As Erdogan and Kaya (2002) argue, such mechanisms were part of a broader soft power strategy, wherein cinema was a vehicle of transnational influence shaped by overt diplomacy and covert persuasion. The Turkish case thus reveals that film policy during the early Cold War was co-produced by domestic authorities and international agencies, operating not only within economic logic but also within deeper struggles over narrative sovereignty and cultural value.

Finally, the involvement of the Istanbul Municipality and the Turkish National Assembly in the cinema taxation debate points to the role of local governance in shaping cultural policy. The new Law on Municipal Revenues empowered municipalities financially and ideologically, allowing them to influence the cultural content available to their constituents. While specific to Turkey, this local regulatory autonomy resonates with a broader pattern observed in peripheral

markets where national and subnational actors deployed policy tools to assert cultural agency. Ultimately, this study shows that cinema policy—far from being a peripheral or technical concern—operated as a nexus of national identity, global diplomacy, and cultural resistance in the early Cold War period.

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