

# The most powerful man in the world

*The Life of Sir Henri Deterding*

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£10,000,000. This money would have gone to industrial equipment for the building up of Soviet Russia, a good deal of it, probably, on oilfield material. And it would have given the U.S.S.R. vast prestige; no such credit had been won before, and the consequence of such a striking coup in the land of very conservative bankers would have made available many more credits in other countries.

Deterding watched all this with horrified anxiety and desperate alarm. Now was a moment of truly historic urgency.

On April 27th a letter appeared in the *Times* over his signature, in which the oil man's thoughts on Free Trade and "sound business principles" wandered a little absentmindedly over two paragraphs before suddenly, electrifyingly, crystalizing into this perfectly plain demand:

" . . . Is it not high time that this country should cease running after bankrupts with credit offers, whom they can force to buy for cash, and start offering large credits to its own folks and friends [Australia]? At present banks are refusing to pay A1 documentary bills on Australia, thus stopping exports to that country. Surely, there is less chance of losing on £30,000,000 credit to Australia than on £3,000,000 credit to Russia (credit insurance companies could give facts) and besides, why should we assist confirmed enemies and refuse assistance to life-long friends? . . ."

On May 12th, 1927, British police and plain-clothes men entered the offices of "Arcos," the Soviet state trading organization in the City, and searched premises and employees. They did this for an hour before consenting to produce their warrant. They controlled the building for five days; they drilled holes in strong rooms and safe boxes; they read everything; they took a few things away without informing the Soviet officials what they were; they searched women, including two, the wives of MM. Rosengolz and Shannin, who had diplomatic passports entitling them to immunity; they ignored legitimate protests; they read documents which by every rule and convention of international diplomatic practice were immune.

The Arcos Raid, so far as serious results were concerned, was

refer to its own long campaign to explain to the public what happened to money spent on Russian oil, and praised Sir Henri's recent action in denouncing those who handled it.

Sir Henri had indeed launched one of his affecting and indignant appeals to common decency and the spirit of cricket and honest trading. The purchase of Russian oil, he had said, meaning the remark for Standard Oil, was "against the interests of humanity and trade honesty." To this cloud-borne sentiment, Standard had tersely retorted that Sir Henri could deny, if he liked, that only the previous September he had been negotiating in London with the Soviet authorities for the purchase of the whole of their exportable oil and oil products; and that, in January, he had offered to buy all the Naphtha Syndicate's products stored in Russia on condition it promised not to sell oil to "any other company"—i.e., Standard. The *Daily Herald*, the most radical daily in Great Britain at that time, published this information on July 29th, the day before Sir Henri's eruption in the *Mail*.

There Deterding opened on a rousing tone, a virile call to order: "My reasons for refusing to handle Soviet petrol are precisely those which have prompted the *Daily Mail* to take the wonderful stand it has. I refuse, as a man who believes in the good order of established society, to have anything to do with petrol which is in the hands of twelve unprincipled cut-throats whose hands are stained with the blood of their victims. These assassins are outside the pale of all decent civilized trading and are as unscrupulous in their methods of trading as in their seizure of power."

The real point of the campaign was deftly slipped in thus: "Every company is affected, the Standard Oil Company no less than my own." He referred to a contract for Soviet oil made by "a big firm with extensive interests in the Mediterranean." The plain fact was that the Soviets were using the oil to bring about "the bankruptcy of honest trading companies." Nothing would persuade him to handle the oil, and anyone who did handle it was "doing himself and the existing order of society a grave injury."

power in Europe. The politics of savage reaction came to the fore; the average man listened in despair to cranks and charlatans and, in time, did what they recommended.

The support of Fascist movements became one of Sir Henri's principal concerns. The slump had hit capitalism hard in every continent, and tens of millions of hitherto unthinking working people were now for the first time questioning some of the basic assumptions upon which they were trying to live. All this was extremely serious to a man like Sir Henri Deterding, who consciously regarded himself (as indeed he was) as one of the fine flowers of the capitalist system. During the later twenties and the thirties Sir Henri became something of a public figure whose pronouncements on anything relating to business, industry and economics—and then on health, success and the good life generally—were eagerly snapped up by editors and tossed to their dazed and gaping middle-class readers.

Apart from the ceaseless tirade against the "Bolshies" and the heavy, moralizing references to honest trading, Sir Henri spread himself somewhat on every complex fiscal and economic topic of the day. Smashing, highly simplified generalizations on Gold, on Income Tax, Death Duties, Tariffs and Free Trade appeared in Conservative papers in most western countries; letters, articles, interviews, contributions to symposia, speeches. He made a point of publicizing himself as a hearty, frank, clean-living, straight-shooting (hard-hitting; perhaps, but what would you?) he-man, the average Rotarian blown out a hundredfold, a thousand back-slapping go-getters rendered down into one ectoplasmic, kinetic Netherlander. He could brag, as he neared his retirement, that "today, the average man in the street no longer derides big business as he used to do, because he now has the sense to see that only big financial corporations can shoulder the burden and risks of running the more colossal of our basic industries."

Deterding's opinions on economic problems have an importance deriving from the objective fact that their progenitor is a powerful international financier whose influence over many industries, stock exchanges, newspapers and men is extremely