

The most powerful man in the world

The Life of Sir Henri Deterding

BY GLYN ROBERTS



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Photo by Wide World

SIR HENRI DETERDING

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control of the company should never pass out of native Dutch hands. Certain shares were created, at a meeting held on January 4, 1898, the owners of which would retain the real power of the company for good, and it was made certain that the owners of these shares would always be subjects of the Dutch Empire.

This setback could have only one consequence—a really vindictive price war, first in China, and then, remorselessly, in India and Malaya and wherever the Royal Dutch still had the effrontery to try to sell a few tons of oil. Kessler and Deterding prepared to meet the onslaught.

Deterding was enamored, as early as this, of a policy of rationalization of the oil industry by which producers and sellers would come to a voluntary agreement to fix prices among themselves (pretty high, of course) and to create some means of penalizing anyone who broke the agreement. Already, at just over thirty, and after only a year or two with the oil business, this obscure merchant was toying with grandiose and complex conceptions of monopoly. He claims, with pride, that “we of the Royal Dutch became probably the first oil company in the world to determine that henceforth, whenever and wherever possible, a definite system of cooperation with smaller trade rivals must be made an essential part of our general business policy; in fact, our main working plank.”

To which an unsentimental French writer adds tersely:

“In a word, a policy of parasitism, mother of misery and privations for the masses of the people,” and observes that M. Deterding scarcely tries to conceal it, even though he is accustomed to put forward his conceptions in less crude forms.

Deterding concedes that mere adoption of such a policy was not quite enough. It took a very long time for some of his competitors to see the advantage of it for them. Suspicious fellows, they appear to have asked, in effect: “What’s the idea? Where’s the catch? *You* get something out of it, sure—but do we?” In fact these competitors were so obstinate about their doubts and questions and attempts to see round the façade of his overtures that he had to abandon the idea of comprehensive

price agreements and amalgamations, at any rate for the time being.

He began then to apply another principle of business which he had worked out, one which he himself likes to call "the policy of the straight line." It was a policy of simplification to the final degree, a policy of elimination, of freezing out all stages and intermediaries not absolutely essential to the main chance, the job of getting oil from well to consumer and being paid for it. In practice, he was faced with two pressing issues—first, to cut down the delay between source and sale, and secondly, the concentration of sales, for the time being, only in those markets nearest to his oilfields. All additional expenses, such as middlemen's commissions, so he assures us, had to be frozen out if they were to continue in this fight of the fittest for survival.

The Royal Dutch had found itself, on more than one occasion, beaten by its competitors in those markets nearest to its own supplies. This he regarded as humiliating and disgraceful. So he tackled, as quickly as he could, the job of rationalizing the company's services. Impatient and irritated customers were to be assuaged. Deterding urged Kessler to find the money for the installation of huge storage tanks at every important Asiatic trading center—at Madras, Bombay, Calcutta, Bangkok, Shanghai, Hong Kong. Then customers would never have to wait, and there would be other advantages, too, in having supplies on hand at every important point. Kessler was not dismayed, though the company's balance sheet showed little enough in the way of available cash. Not only did he find the money for the tanks, but he managed to buy many brand-new oil tankers of the latest and most essential type. And he even succeeded in inducing the very cautious and wary Dutch public to invest some of its savings in the Royal Dutch, doubling the capital just at the moment when help was most essential.

Both Kessler and Deterding had ambitions for the future, expansive vistas of much larger spheres, much greater profits, possibly great power for themselves—but it is quite certain that neither had quite the idea of the creation of the great world-

in England, and rapidly began the surface anglicization which was so to change his habits and general way of life. From this stage on he became known to the world as Henri (occasionally Henry) Deterding; from now on the world regarded him, rightly or wrongly, as in every essential an Englishman.

Deterding was obsessed by his idea of "simplification" in the oil industry. He had the fanatical energy of the evangelist, the single-mindedness of a neurotic dominated by an *idée fixe*, the persuasiveness of a man possessed by a great ideal. He talked about a scheme which was to bring increased profits to shareholders in oil enterprises by driving up prices as if it was a grand humanitarian project calculated to augment the net sum of human happiness. He talked as if he meant every word he said. To him, the prosperity of the oil industry meant the prosperity of the ordinary man. He could identify himself with mankind in general to a degree rarely equaled, and, I imagine, never excelled. He measured men by the extent to which they resembled himself. His only criticism of intelligence or discrimination in others was the manner in which and the extent to which they reacted to his own personality and ideas. He gauged the prosperity of the society in which he moved by the prosperity of his own interests; no other factor weighed. Because Frederick Lane listened carefully and with obvious interest to his schemes, he was "the cleverest man I have known in all my experience"; later, when he was to meet an American rival who had to listen to the speech all over again, the American said of his friends and colleagues, "They've got a completely wrong idea of you." That American at once became "a brilliant young man." Brilliance lay in agreeing with Deterding; cleverness was likewise the faculty of detecting the advantages contained in his proposals, and acting on them.

He wasted no time. He saw no obstacle to rounding off the scheme he had worked out for simplification of the oil trade, by control of production and stabilization of prices at a nice and profitably high level. The altruistic ends he vaguely professed boiled down in practice to his conviction that much greater profits would come to every company in the business

if they would only come to terms about prices, and not, at all costs, start price wars to cut each other out. He wanted to eliminate competition. To Lane, he tells us frankly, he had said: "Only fall into line with us and your oilfields in Baku will soon be making money on a scale that will surprise you."

He now set out to catch an even bigger fish with bait of the same seductive nature. Already very pleasant advantages had come as a result of the June tie-up; the various parties to the agreement had "achieved price levels such as had never been known in international oil trading before." In short, Henri Deterding had been in the oil business for seven years in all, but he had already succeeded in forcing prices higher, on his own admission, than they had ever been known before, and regarded it as something to boast about, and something to spread.

The Americans, and by the Americans I mean, at this stage, the Standard trust, would not get in; they would not cooperate. They still thought their immense reserves of cash and oil justified them in attempts to smash the new and truculent competition provided by the Royal Dutch-Shell combination. The result was the outbreak of intermittent price wars in nearly every country of Asia—fierce and persistent and often very costly attempts to undersell their new rivals. All this was extremely painful to Deterding, who saw the whole thing as futile, wasteful and even wicked. Profits which should have been immense and stable were reduced to an infuriating level of slenderness and uncertainty.

In 1905 in particular the "throat-cutting" had been exceptionally savage and long drawn out. On this occasion, so Deterding believes, only the united front he and his colleagues had built up enabled them to survive at all. What he did, in due course, was to cross the Atlantic and to try to convert the Standard big shots to his way of thinking. Certainly he had confidence in his own conceptions.

In 1907 Deterding made the acquaintance in London of a young and extremely pushful Standard executive, then in his early twenties, but already a man of some weight in the coun-

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PLANS of the magnitude and scope of Deterding's post-war campaign need General Staffs. Sir Robert Waley Cohen and Walter Samuel, Second Lord Bearsted, have explained the distaste their concern feels for "politics." They like capitalism well enough, but capitalism isn't a question of politics; capitalism is axiomatic; it goes without saying. They don't like politics when it means argument, discussion, the advancing of facts and the analysis of policy and its consequences. But capitalism, to them, is a natural law—like gravity.

Sir Henri Deterding, on the other hand, occasionally has been heard to express an opinion on politics. His thoughts on democracy and communism we shall examine in some detail later on, the point now being that this father of a world-plan which could not possibly omit an intensive study and exploitation of politics from its orbit has not even attempted to affect, in spite of the assertions of his lieutenants, an indifference to politics. On the contrary. With the help of Sir George MacDonogh, former Chief of the British Intelligence Service, Deterding embarked on a pretty political game.

The British Intelligence Service, that extraordinary, elusive and genuinely melodramatic organization which covers the world in the service of the City and British interests, had been busy during and immediately after the Great War. In Russia in particular agents of every kind were snooping about, at first trying to prevent the Revolution, later trying to overturn it. Everyone with half a wit was enlisted in the effort. There were two important things: to disseminate information, meaning propaganda and occasionally lies; to collect intelligence, i.e., to spy. In France spying is considered contemptible, unworthy of

taking power. One of these was headed by an icy little man of immense intelligence and great ability named Hoare, Sir Samuel Hoare. Sir Samuel—"Minor Hoare" as against his cousin Major Hoare, director of British capitalism's own domestic espionage service against Labor, the Economic League—found Secret Service work extremely interesting and has written an engrossing, invaluable and little-read account of his year in Russia, *The Fourth Seal*. Sir Samuel tells us just how he was enlisted and gives us a good deal more information about how the British Intelligence Service works than one is accustomed to expect from so formidably discreet a diehard as himself. He gives us some account of the organization and wartime growth of the three branches of the Intelligence Service: the Military Intelligence under the War Office; the Naval Intelligence, under the Admiralty; and the Secret Service proper, ostensibly under the War Office, but actually serving many masters. Sir Samuel makes it perfectly clear that the colorful and much ridiculed pen pictures of the all-embracing power, activities and resources of the British Intelligence Service produced by excited French journalists are not nearly so wide of the mark as it is customary to pretend they are. Of the head of the whole caboodle, of the nameless "remarkable personage" who coordinated British secret activities all over the world, Sir Samuel, after fumbling coyly for a sentence or two, gives us this picture:

"In all respects, physical and mental, he was the very antithesis of the spy king of popular fiction. Jovial and very human, bluff and plain speaking, outwardly at least, a very simple man; who would ever have imagined that this was the chief who conducted the British 'Business of Egypt,' and employed secret agents in every corner of the world?"

Hoare also offers sketches of the heads of the other two branches of the service. Sir Reginald ("Blinker") Hall, the Admiralty genius who fooled the Germans hard and often, is already fairly well known. Not so well known is the head of the Military Intelligence department, Major-General Sir George MacDonogh, a man of importance who has a definite place in this story.

Sir George MacDonogh was and still is a very remarkable man. Outwardly the typical blustering brass-hat, he is in fact a man of extraordinary qualities, a first-class lawyer and a man with enormous knowledge of political and economic trends. Handsome and massive, he has been described as possessing a big, bluff, genial presence, all of which must have been to the good. Beneath this amiable surface a shrewd and trained brain functioned, a crisp and fanatical intelligence of intense force. A Catholic educated at Beaumont College, Sir George grew up with the preconceptions common to those molded by Jesuits. Sir Samuel Hoare looks up to this "officer of varied training and almost encyclopedic knowledge.

"On the one hand, a professional soldier of distinguished service, and a trained Staff Office of broad experience, on the other, a man of wide political knowledge, who from the early days of the crisis grasped the new fact that the struggle was not so much a war of armies as a war of nations, that the rear was often as important as the front, and that civilians could sometimes play a part in the world of Intelligence that was denied to professional officers of more restricted training. Inevitably, some measure of professional jealousy and exclusiveness existed in the General Staff. How well could it be otherwise? Regular Officers would not have been human if they had not occasionally resented the intrusion of amateurs who had passed none of the searching tests to which they themselves had been subjected. But, speaking generally, it may be said that of all the departments that underwent extensive expansion during the war none was more ready to open its doors to men of every walk of life than the General Staff, and no chief was more anxious to utilize the services of politicians, men of business and members of the civil professions than Sir George MacDonogh."

He was a splendid fellow, indeed, and his value to King George and the men behind King George was considerable.

But the war came to an end, and Sir George left the Army. There were organizations which had room for a man like this.

Shortly, the announcement was made; Major-General Sir George MacDonogh had accepted a post as "political adviser"

(the expression is that of the Conservative *Daily Telegraph*) to the Anglo-Saxon Petroleum Company. The Shell people believed in "keeping out of politics," but they liked the best men for their associated companies.

It was reported that Sir George's salary would be £4000 a year. The *Telegraph* agreed that his new position would offer excellent openings for the exercise of "his polyglot abilities," and the *Sunday Times* agreed that this was "a man of brilliant intellect and remarkably well-informed."

Deterding had enrolled in his service a man who had had unique opportunities of searching out the way in which events shaped themselves, the true balance of forces, the actual seat of power. Now if there is one thing that Secret Service men are supposed to do it is to keep their mouths shut, and if there is one other thing certain it is that sooner or later they open them. Sir George disapproved of this strongly, but did it himself. Some months before signing up with the Anglo-Saxon, he had addressed the Royal Artillery Institute of Woolwich, on November 15th, 1921, on the subject of the British Intelligence Service, which he considered had done far better work during the war than the German. Sir George, expanding his splendid torso, "thought he might claim to be its founder, at any rate, in recent times, and he received inestimable service from it during the war. The Service had one great value—to act as a test of the reticence of those connected with it, and he much regretted that many distinguished men had failed when that test was applied to them. All that he intended to say of the Secret Service was that its essence was secrecy, and the less said about it the better. . . . The British Intelligence Service was the best in the world. . . . He was its father, and he was more than proud of his children . . . he thanked them from the bottom of his heart for all they had done for the glory of the Empire and the honor of the British name." * (Hear, hear.)

Without a doubt Sir George has kept silence with notable success since that day. But a man is not paid £4,000 a year for nothing, and the reader will use his own discretion in deciding

* Report of the speech in the *London Times*.

to what extent the hand of this employee, utterly unknown to the ordinary man even in England, may be seen in the actions of Sir Henri Deterding recorded from this date onwards. An indignant French writer knows what *he* thinks: "*Ce MacDonogh est un chiappe supérieur qui a quitté le service de George V pour celui de Deterding. Il est l'un de ceux qui orchestrent internationalement la campagne systématique d'agression contre l'U.R.S.S.*"

What did Sir George do? The father of the British Intelligence Service found himself in the witness box some years later, being questioned by the Attorney General in a case concerning the Astra Romana company. In reply to a question, Sir George, acting nobly up to his own precept of discretion and reticence, said, "It is difficult for me to give a complete list of all I've done since I joined this group."

Of course, it *would* be difficult. It is also difficult for us to trace his actual deeds, for he has been tight-lipped. But we may speculate on his motives. As a good Catholic, Sir George would naturally attach some importance to what the Pope and those around the Pope had to say; and if there is anything on which the Pope is distinctly articulate, it is the awful menace of atheistic Communism. The Pope is perfectly clear, is he not, on what Catholics are to do. Has he not laid it down, in his encyclical letter to his venerable brethren dated May 15th, 1931, that "no one can be at the same time a sincere Catholic and a socialist properly so called"? Has he not said over and over again that the struggle against Marxist materialism, its "great financial resources," its "propaganda so truly diabolical," its "hatred and savage barbarity" is the one outstanding duty of all good Catholics? "The most urgent need of the present day is therefore the energetic and timely application of remedies which will effectively ward off the catastrophe that daily grows more threatening."

So said the Pope on March 19th, 1937, as Franco murdered the women and children of Spain.

Some years previously Sir Henri Deterding had the privilege of an audience with Pope Pius XI, and although he does not

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EARLY in April, 1933, an incident took place near the German border of Austria which brought to an end one of the strangest careers of post-war times. Three great Mercedes-Benz cars, the expensive type which many of the Spartan Nazis appeared to need, came into Austria from Germany. Two were filled with storm troopers; the third contained two elaborately clad "executioners." They succeeded in getting past the frontier and pulled up a few miles further on at the Plattl Inn.

They first cut the phone wires; they then surrounded the inn. The residents and staff of the inn were terrified, and kept out of their way. Two storm troopers went into a room and found the man they wanted, a large, jovial-looking German who was talking to an Army officer. One of them addressed him:

"You'll have to come with us, Bell. The political police at Munich want to talk to you."

He resisted; the "executioners" then walked into the room; firing five shots into his body, they put an end to the activities of Georg Bell. Then a shot was fired at Major Hell, Bell's companion, wounding him severely.

The Nazis then drove at a terrific speed back into Germany. At the frontier they stepped on the accelerator, and yelled out that the Munich political police took all responsibility for what had happened at the Plattl Inn as they went past. The guards' attempt to stop the car failed.

Why had the Nazis to get rid of Georg Bell? The answer is that he knew too much about a great many things the Nazis and their friends wanted hushed up.

Bell was one of those extraordinary political adventurers

with whom Central Europe teemed during the post-war decades. He had no convictions, no principles, no scruples and very few fears. And he appears to have acted as a link between various vested interests and different political movements and intrigues in Germany during the ten years previous to his death.

Deterding's activities in Germany were varied. Not only had he a big oil-retailing connection there (anyone who knows Berlin will not need to be told of the striking modernity of the immense "Shell-haus" on the banks of the Spree in old Berlin) but he was in touch with influential bankers and orthodox politicians, and was perfectly willing to contemplate Germany under the rule of those who believed in the political conception known as Fascism—i.e., the forcible suppression of criticism and opposition in the interests of the big property owners; capitalism stripped to the waist, teeth bared and every purchasable ally armed.

From about 1925 on, the intrigues of extreme reactionaries in Germany became more pronounced and more daringly adventurous. Broadly speaking, all those Germans who were not socialists of the Marxian variety consciously envisaged or subconsciously acquiesced in the idea of a Germany of the future which would have expanded either westward at the expense of Holland, Belgium, France and England or eastward at the expense of Poland, the Balkans, the Baltic countries and Russia. The big capitalists, the steelmasters and coal barons of the Ruhr, the chemical and electrical and shipping and potash magnates, the landowners, the soldiers and the politicians, were split up into two groups, each endeavoring to maneuver the political development of Europe to suit one or other of their plans. Broadly speaking, the Schlieffen Plan for the smashing attack, by every available weapon, on the Netherlands, Paris and London, was the reflection of the former of these two conceptions in the military mind. To carry out the Schlieffen Plan, many of Germany's biggest industrialists and soldiers would have liked an alliance—and not an alliance based on a previous conquest of the one by the other—with Russia, capitalist or otherwise; and it is here that the explanation is to be found

notably Fritz Thyssen's United Steelworks, had begun to hand over millions; there were other movements which, at that time, seemed a much better investment for reactionaries.

But Deterding was impressed, and the Dutch press reported that, through the agent Georg Bell, he had placed at Hitler's disposal, while the party was "still in long clothes," no less than four million guilders. This huge subsidy came at a decisive moment in the history of the growing Nazi movement. Let there be no doubt that, had it not been found, the whole racket might have collapsed and the history of Germany and of Europe might have had a different complexion. Georg Bell was continually visiting England at this time.

Early in 1930 a most extraordinary trial was held in Berlin. This was the famous but still extremely mysterious affair of the "chervonetz" or "chervontsi." Chervonetz were Russian banknotes, and two Georgians, former aristocrats, were accused, with a number of associates, of having forged an immense number of these notes for political reasons. It is not quite clear whether Soviet credit was to be impaired by flooding capitalist Europe with these notes, or whether the Caucasian Soviets were to be demoralized by the sudden influx of worthless chervonetz. At all events, the intention was to create political tension and disorder in the U.S.S.R., and particularly in the Caucasus, and this tension was to be followed up by a rising of "the sound elements" and a call to arms to all White Russians to strike at the Bolsheviki while they were wobbling. Probably the idea included a general war on the Soviets, but there is evidence of disagreement among the parties to the plot and of apathy and lack of confidence in some.

The two principals in the case were Karumidze, "the uncrowned King of Georgia," and Sadathieraschvili. Associated with them, more or less directly, were General Hoffmann, Georg Bell, and a Bavarian business man named Willi Schmidt; and accusations of complicity were made during and after the trial against the Nobel family, Sir Henri Deterding and even the German and British Governments—or, at any rate, against their irresponsible officials. The excitement of the affair, as

Caucasus, once taken, would be used to dam back Bolshevik expansion in the direction of Persia, Turkey and India. Germany's chief task was to supply military and technical leadership, troops, instructors, war material and arms. The English were to apply pressure, diplomatic and financial, on Roumania and Poland to compel them to take part in the crusade. English and German "spheres of interest" were to be established in the Ukraine and in the Caucasian states. Syndicates were to be formed for the "economic exploitation of the liberated land."

When the Judge remarked: "Economic factors such as oil wells and minerals seem to play a dominant part in the scheme," he was not giving away much.

Georg Bell was one of those who were involved in the affair. He contrived to get acquitted, and his subsequent revelations, in which he suggested that the German Government knew quite a lot about the factory for forging notes (and that it had at other times been used to forge thousand-franc notes to damage French currency), give an idea why proceedings against this man who knew so much were dropped. Bell had been in contact with Georgians, Ukrainians and every variety of German Fascist movement for years.

The trial ended in an extraordinary fashion. It was argued, fantastically, that since the notes had not been circulated, no forgery in the strict sense of the word had taken place, and then, after agreeing that "counterfeiting of Soviet currency was definitely proved," the court acquitted three of the accused and dropped the proceedings against the remaining six. The prisoners, solemnly announced the court, "were, however, actuated by unselfish political motives and entitled to be acquitted."

Believe it or not, that was the verdict. Exactly what had happened is still not clear. It is a fact that early in the proceedings the German police had asked permission to search the Berlin offices of the Royal Dutch-Shell, which were widely suspected of being in some way, probably very roundabout, the inspirers of the plan. Later on the police, obviously on instructions from higher up, became much less anxious to pursue

the matter. It was eddying out like a pool into which a heavy stone has been thrown. Plonk! Wider and wider the circles appeared. The *New York Times* reported: "Although the [German] Foreign Office and the British Embassy declare that nothing will be kept from the public, it is an open secret that the police have orders to hush up the whole matter."

It was rumored that the Georgians managed to sabotage the trial by threatening to say all they knew, and this resulted in hectic communications between London and Berlin, resulting in the hasty acquittal of Bell, Karumidze and Sadathieraschvili and the hushing up, so far as possible, of the whole affair.

Before the Nazis got to power Rosenberg made at least one visit to London, and in these matters the intermediary between him, his Nazi associates and British business circles was Georg Bell. In 1931, Bell came to London with orders signed by Roehm, the leader of the huge and growing "private army" of Brownshirt storm-troopers, whom Hitler afterwards killed. This particular secret mission was concerned with the efforts which were still being made to build up a Holy Alliance of capitalist reaction between England and Germany and against the U.S.S.R. The diehard *Morning Post* says that Bell's instructions were "the same in substance as those carried by Herr Rosenberg on his recent visit to London." He was to explain to the City that "to aid the Nazis money should be advanced them by England." The *Daily Express* Vienna correspondent reported (April 5th, 1932) that on another occasion Bell, who had at one time been employed "on work of international importance by the British Secret Service," had been refused permission to enter Britain via Harwich, and that the refusal had panicked him, knowing as he did that he had many enemies and many "friends" who would not be sorry if he ceased to live.

Rosenberg, by general consent one of the most insignificant and fifth-rate talents in politics, quite apart from his corruptness and sinister purposes, was treated as an important and influential visitor by many of the most powerful and strategically placed Conservatives in England.

Early in December, 1931, he was received at the Junior

to grab half Russia and *you* know how rich it is." He was offering them a bribe for their support now, while he and the other gangsters needed it. Was this not precisely what Rechberg had been saying in half the Tory rags of Europe for the better part of a decade? A letter from Rechberg to the Paris *L'Eclair* published on September 12th, 1925, under the title "The Bismarckian Method" offered just such a perfectly frank proposal of a joint burglary of Russia.

It is believed that on this visit Rosenberg's secretary and contact man was Georg Bell. Bell had useful connections with business and politics, and it is reported by Johannes Steel that he had attended a number of meetings of the "Ukrainian Patriots" in Paris as joint delegate of Hitler and Deterding.

During February Deterding was in the Hague, where he had, so Steel reports, asked Bell to meet him. But Bell was already in a very jittery state, owing to the part he had played in a happening not usually associated with his name—the burning of the Reichstag.

Who burnt the Reichstag? The authors of the well-documented *Brown Book of the Hitler Terror* have proved conclusively that it was done by arrangement with friends of the Nazis in order to enable them to smash all opposition in Germany, to destroy the Communist and Social Democratic Parties, to occupy all Trade Union premises and confiscate all funds. It was Georg Bell who first got in touch with the semi-cretinous Dutch homosexual, Marinus van der Lubbe, the man whom the Brownshirts used as their tool, in an endeavor to prove that he was a dangerous foreign Communist. The meeting took place either in April or in May, 1931, during van der Lubbe's first visit to Germany. Bell himself is believed to have shared van der Lubbe's psychological abnormality, and this facet of their personal characters is not without importance in grasping the significance of their political activities. It was notorious that most of the storm troop leaders round Roehm were homosexuals, and that a number of them, notably Karl Ernst, the former Berlin hotel bellhop, were promoted because they were

the ones whom, as Roehm so flagrantly put it in speaking to Sefton Delmer of the *Daily Express*, "I love the best."

On his second visit to Germany, later in 1931, van der Lubbe was introduced by Bell into the most exclusive circles of Roehm's harem. At that time Bell was very intimate with Roehm, advising him on all foreign matters; and of course Roehm was then, as always, nursing his own ambitions of ruling Germany through control of its youth. In his fantastic aim, the shackles of homosexual practices were apparently quite seriously regarded as a political asset; and, without necessarily subscribing to everything Walther Bartz says in his essay on the necessary place of homosexuality in Fascism, we must admit that Roehm's hold over his two million followers was the stronger through his advocacy of sexual ties between them.

Bell's job at that time was to act as a link between the Brown-shirts and the rival semi-militarist body, the Reichsbanner of Major Mayr. But Bell also had the job of finding boys for Roehm's harem; it is thus a fact that he had immense knowledge of the scandalous side of life in the Brown Houses whose inmates were to purify Germany and establish the Teutonic "Deutschtum" over half Europe. Bell kept a list of names of Roehm's boys, and on this list the name Marinus van der Lubbe figured. After returning to Holland, the Dutchman received many letters from Germany. Early in 1933 he went back to Germany and, reaching Berlin, contacted some of the leading Brown-shirts whom he had met at Munich.

On February 27th van der Lubbe was arrested in the burning Reichstag. It was Heines, one of the most brutal and repulsive degenerates in Roehm's circle, who had been entrusted by Goering with the actual carrying out of the fire, and he had chosen Marinus for many reasons, not least of them the young Dutchman's fear of getting into trouble for his morals, and his consequent pliability.

The evidence to prove that the Reichstag fire was a clumsy and hasty frame-up is overwhelming. Two men knew too much about it, knew exactly how, why, when, where and in whose interests the thing had been done, and could prove their charges.

One of them was Georg Bell. The other was the Nationalist (Conservative) Deputy in the Reichstag, Dr. Oberfohren.

Immediately after the Reichstag fire, a significant thing happened. The employees all over Germany of the Russian oil-selling organization, the Derop, were arrested; raids took place simultaneously on the thriving depots the company was running in various German centers. In Hamburg the head of the Derop was driven by the Nazi Secret Police to commit suicide. The Moscow *Pravda* accused Deterding of being responsible for this; his reply, needles to say, was ". . . Greatest nonsense—showing how much the Soviet fears me!" (quoted in the *Daily Telegraph* on April 3rd). The net result of this particular campaign was, however, to benefit Deterding, for the Derop found its business practically impossible to conduct under the new conditions, and finally sold its interests in Germany to a native retailing concern, the Benzologband.

Georg Bell was now on the run, and he got very little encouragement from Deterding. The suggestion, however, that Deterding had cooled off towards the Nazis, either because their failure to vamp England had made them keep up their relations with the Soviets or because he had been told off in London, is hard to substantiate; and Deterding's subsequent and recent activities in Germany point in quite the other direction.

But Bell's day was over, and men like Bell mustn't expect to find friends when they have ceased to be useful. After the hasty trip to the Hague, he got back to Germany, heard that the Brownshirts were after his blood, and dashed across the Austrian frontier.

What happened to him at the Plattl Inn has already been described. The news of his death and its manner was left unreported in the newspapers of the country over whose affairs he had exercised so marked an influence for ten years; meager reports leaving the chain of happenings unexplained appeared in French and British papers, and it was not until months later that it became possible to build up some sort of organic and coherent account of the forces which had controlled Bell's fan-

tastic life and had led to his wretched death. Gradually it became possible to extract the essential facts from the gossip and irrelevance and find out what in this man's life had had significance for his fellow Europeans.

The Nazis disliked him, it seemed, because he knew too much; because he used to sell valuable information to the Reichsbanner; because he had worked with the Communists until they had discovered that some of his "information" was worthless; because he had written articles in Gerlich's Munich magazine, the anti-Nazi *Straight Way*. It transpired that Bell had "known" of the Reichstag Fire at least fifteen minutes before it began to burn; and the *Manchester Guardian* in August said that he had actually helped to carry the inflammable material which set it ablaze.

When it was over and the public of every country in the world was laughing at the official Hitlerite accounts of its origins and its perpetrators' motives, a Nazi leader, hearing that Bell had got into Austria, is reported to have said to his men: "Bring him to me alive or dead. Hit him over the head, fling him into the car, and rush across the frontier."

But Bell resisted; so they did not bring him across the frontier.

Some of the most interesting accounts of Bell and his activities were published, as is often the case, in the newspapers whose correspondents were most likely to be his friends. The Fascist *Daily Mail's* Berlin correspondent, Rothay Reynolds, on April 5th said that Bell was "one of the most mysterious persons I have ever met," and "one of the most fantastic figures of post-war times."

"Some years ago," Reynolds goes on, "he came to see me for the first time, and brought a Georgian professor and another Georgian who were to be tried for forging chervontsi to fight Bolshevism by ruining the Russian currency. He evidently desired to excite my interest in the scheme.

"The second time he came he brought two National Socialists well known in the Party, and apparently desired to interest me in the movement, which was beginning to gain ground. . . .

"What he really stood for or for whom he was working remained a mystery. I was not surprised to hear of his fate."

Other papers referred to his jovial laugh, his tartan ties and pride in his Scots ancestry and his bulging hip pockets. ("In my game you never know when you will need it.")

The *Daily Telegraph* quoted the Vienna *Arbeiter Zeitung* which said that Bell was liaison officer between the Hitlerites and a big international magnate who had contributed much money to the Nazi cause. "Last year Dr. Bell with the Hitlerite leader Rosenberg met the magnate in London, and big credits for the Nazis followed."

It was not until several months later that an impressively constituted Legal Commission of Inquiry into the Reichstag Fire was organized in London. Some of the world's greatest lawyers supported it, including Moro-Giafferi of France, Arthur Garfield Hays of New York and the English Socialist, D. N. Pritt. The German writer Johannes Steel, who had had unique opportunities of studying from the inside the growth of the Nazi movement, its true aims and the sources of its financial and diplomatic backing, gave evidence, though his name was not used. Steel had worked as director of Germany's Economic Intelligence Service, and knew all about the Nazis and their friends. He offered to explain to this body exactly where the Fascists who controlled Germany were getting money from in England; the man whose part he wished to reveal was Sir Henri Deterding.

But the Commission had got onto the subject of Marinus van der Lubbe's homosexuality, a topic it appeared to find engrossing. Steel, desperately in earnest and infuriated at the solemn pronouncements being made all over Europe by the émigré Social Democratic leaders who had handed Germany over without a fight, begged to be given a hearing. The editor Georg Bernhard, pompous in tails and white waistcoat, suggested that, since they were guests in England, it would be impolite to reveal facts which might embarrass its Government. Meanwhile, Europe spun on to disaster.

A vote was taken, and only the Frenchmen, Moro-Giafferi

and Gaston Bergery voted in favor of letting Steel say his piece. So he was not given a hearing.

That was the end of Bell. There was still Oberfohren. He was the leader of the Nationalist Party (Hugenberg's groups, with which the Nazis made some pretense of being allied at first) in the Reichstag. Bell had spoken to him in alarm after the Reichstag affair, admitting that it was he who had arranged it and adding that he was worried and frightened about some of its consequences—i.e., the Derop business. Oberfohren repeated what he had heard from Bell in a letter, and this letter was intercepted and handed to Dalueges, head of the Secret Police. Oberfohren was a dangerous man; a Conservative with scruples, i.e., an honest believer in Conservatism by constitutional methods. He was horrified and had already begun to organize opposition to the Nazis in his own party, in the hope of ousting the Hitlerites altogether from the Government. An account written by him is one of the most convincing descriptions extant of what happened on February 27th, 1933. Early in May Dr. Oberfohren's flat in Kiel was raided, and on the following day he was murdered.

In May, 1933, Alfred Rosenberg made his last and most famous visit to London. He hoped to see as many influential Cabinet Ministers, officials and financiers as he could. But his visit was a glorious fiasco from start to finish. Even the politically illiterate British middle-classes, puzzled but disgusted by the horrors of anti-Semitic and anti-radical "discipline" which had marked the glorious German revolution, had no sympathy for him. The visit was clumsily managed and furiously attacked by every self-respecting newspaperman who could find a medium for his views.

The treatment given to Rosenberg by British journalists whom he invited to meet him is one of the gayest feathers in Fleet Street's somewhat shabby and threadbare cap.

But just what besides make a fool of himself had Rosenberg done? Quite a lot. The Prime Minister, Ramsay Macdonald, had not seen him, but it is established that, in spite of the uncertainty which still existed to Dr. Rosenberg's precise stand-

ing in the German Government, he contrived to get long conversations with a number of very important Englishmen. (Dr. Hoesch, the German Ambassador, was naturally placed in a humiliating position by the visit, but Baron Hoesch had not long to live; like Herr von Koester, his counterpart in Paris, he died suddenly soon after.) Among them were the Foreign Secretary, Sir John Simon; the permanent head of the Foreign Office, the powerful official Sir Robert Vansittart; and the Minister for War, Lord Hailsham. No account was given to the press or to the public as to what was said in these talks. Norman Davis, Roosevelt's "traveling ambassador," a great "fixer" whose years as a banker in Cuba had taught him the dynamics of government, also had about two hours with Rosenberg.

But that was not all. Rosenberg's stay covered a week-end. During that week-end the impressionable and spiritually minded regenerator of Europe showed a desire to acquaint himself with the incomparable loveliness of the English countryside; he was, said an announcement made on his behalf, engaged in seeing "rural beauty spots." Two newspapers as distant from one another politically as *Reynold's Illustrated News* and the *Evening Standard* reported that they had excellent authority for believing that Rosenberg had visited Sir Henri Deterding at Buckhurst Park, Ascot, his lavish country home within a mile or two of Windsor Castle. The former paper, the organ of the British Cooperative movement, commented: "In the light of the present European situation, this private talk between Hitler's foreign adviser and the dominant figure in European 'oil politics' is of profound interest. It supports the suggestion current in well informed political circles that the big oil interests have kept closely in touch with the Nazi Party in Germany."

The suggestion that Rosenberg had made this call, as he would be perfectly entitled to if he wished, appeared to excite some of his friends, and Dr. Thost, London correspondent of the *Völkischer Beobachter*—who later on was asked to leave the country, or rather, told to leave—offered to give a minute-

by-minute account of the party's movements during the weekend, to prove that Buckhurst Park was not included.

Back in Germany, Rosenberg at once resumed his balloon-like propensities, swelling to colossal proportions to erupt into books, articles, speeches and campaigns on the same hysterically calculated lines. When it suited the Nazis, he attacked Britain; when it suited them, he attacked Italy with equal fury, on racial grounds, of course (*Times*, August 18, 1934). Later in that year he met a soulmate from decadent, democratic America, William Randolph Hearst, at Bad Nauheim. To fifty thousand workers, dragooned into listening to their new prophets, assembled at Dortmund, he yelled early in 1936: "Nowhere have political movements been more bloodily suppressed than the liberty risings in the Caucasus or Turkestan." To another gathering, not of workers this time, in Bremen, he confided this self-evident snippet, "The German revolution was in its original character and still is today a Conservative Revolution." In October, 1936, the sympathetic *Observer* reported his constant reiteration: "Today the Soviet is a menace to civilization."

Why should Sir Henri Deterding dissociate himself from a movement which professed such "sound" views as this? Just because a few unruly party members were put up against the wall in June, 1934? Because Bell had been frightened?

Not at all. Those things were negligible. They were the necessary by-product of firm political action by a virile body of men actuated by patriotic motives and determined to ensure the proper fabric of society.

Sir Henri Deterding did *not* lay off the Nazis; he did *not* cease to praise their aims and achievements in public and in private, and he did *not* cease to assist them financially.

Towards the middle of 1936 events in his private life crowded fast on Sir Henri. Arriving at the date (in April) of his 70th birthday and of his 40th year with the Royal Dutch, he was feted and honored by colleagues and employees, but almost at once became involved in divorce proceedings.

By the middle of the year, Sir Henri had a new wife, his third; she was a German. She was his secretary and an adviser

on various matters. The first thing they did was to go into Germany, and it was settled that Sir Henri would buy a new home there—he already had one—and in due course live in the Nazi commonwealth.

The first visit was described as being of a purely private character. It soon transpired that Sir Henri's actions were no more completely private than they ever had been in the past. His commercial and political ambitions are fused with his general personality, permeating it and dominating its responses and reactions to a degree which has made real relaxation and genuine leisure activities an impossibility. Within two months of this visit an interesting and suggestive announcement was made by the official Hungarian newspaper, the *Esti Uisag*; it said that the oil magnate, Sir Henri Deterding, had made a big loan in pounds sterling to the Hapsburg family through the intermediary of a group of Austrian monarchists. A financial consortium would be set up by the widow of Prince Sixtus of Parma, and the loan would be used to persuade various Austrian papers to give favorable treatment to the notion of a Hapsburg restoration, and a proportion of it would be set aside to campaign for the same thing in the French press. Deterding's consuming interest in reaction generally was not satisfied with assisting the Nazis alone, or even with intrigues with half the Fascist and reactionary governments in the world. He was now actively assisting in the attempts at a restoration of a monarchy swept away as out of date and anti-social nearly twenty years ago; and the re-creation of a political unit blocking Nazi expansion was evidently not barred. Possibly Sir Henri had some idea of canalizing Nazi expansion, so that it should explode in an easterly direction, by building up British military and aerial power and then corking the path into the Balkans by bringing back the Austro-Hungarian Empire on a scale as large as possible. If so, he was playing a dangerous, uncertain and unwise game. But we are dealing with fanatics.

Following the announcement that he was to retire at the end of the year, Sir Henri made another visit to Berlin. The *Deutsche Allgemeine Zeitung* carried the interesting news that

the oil magnate would make his future home outside the German capital. Even more interesting was the news, carried by the London *Financial Times*, that Sir Henri had had a number of consultations with von Stauss, President of the recently merged Deutsche Bank and Disconto Gesellschaft. Exactly what had passed at these conversations it is not possible to tell, but it was merely the latest incident in a prolonged relationship between Deterding and German finance. For many years rumors had been bandied around Europe of large-scale financial loans to Germany to prop up her top-heavy and crazy financial fabric. The maintenance, at all costs, of the capitalist system in Germany has been for a decade one of the major objectives of the big financiers and industrialists of Europe and America. The Nazi "bulwark against Bolshevism" had to be kept up; in 1931 reports were denied of a Deterding loan of £30,000,000 to be made in exchange for a petroleum monopoly. In the Presidential election of 1932, in which the two leading candidates were Adolf Hitler and Paul von Hindenburg, Deterding was accused, as Edgar Ansell Mowrer testifies in his *Germany Puts the Clock Back*, of putting up a large sum of money for the Nazis on the understanding that success would give him a more favored position in the German oil market. On other occasions, figures as high as £55,000,000 were mentioned.

But after his retirement Deterding's instincts and political prejudices were able to take possession of his whole life, his whole energy and personality. Married to a German, he felt and "thought" like a true Nazi. He behaved as one who saw in the strengthening of the destructive and aggressive forces in Hitler's Third Reich the salvation of the world.

Busily hurrying back and forth from the Dutch centers to Berlin, Sir Henri, with the efficient aid of his politically sophisticated wife, began to develop a scheme which he hoped would play a big part in making Europe safe for reaction.

Sir Henri knew that Germany was on the brink of starvation, that wages were low and nutrition lower; he knew that unless every good friend of the Nazi regime was prepared to help to prop it up, it would very soon collapse in the face of

the wrath of the working people of Germany and the administrative incompetence of its heads. Food was the crux of the problem. Germany had little, and much of what she had was of poor quality and frequently made of chemicals or substitutes.

Holland, on the other hand, had a large surplus. The flat acres of grazing land and the thousands of compact and efficient Dutch barnyards turned out too much bacon, eggs and butter for the burly Hollanders themselves. Sir Henri had a grand idea. All Holland's agricultural surplus, itself at times an economic problem, should go to Germany, into the hands of the German Government, which would be that much further away from bankruptcy and the sack. Who would pay for it? Why, *he* would. It was worth it. Sir Henri had always been prepared to pay out real money to prevent Bolshevism from making another conquest in Europe. His initial contribution to this scheme was quoted as being \$5,500,000. But it was not to be a one-man campaign, not by any means. The Dutch, like the Germans, love organizing, love running campaigns, love systems. And the bogey of Bolshevism will usually make even the cautious Dutch middle-class merchant and official and professional man pay out something of his substance. The restiveness of the millions of Javanese and Sumatra natives on whom the Netherlands' wealth depended was quite alarming enough; even more serious were the pronounced Marxist leanings of huge masses of the stevedores, railwaymen, bargees and factory hands of Amsterdam and Rotterdam. And the way to fight Bolshevism, the big shots were always saying, was to make Germany strong. The bourgeoisie of Holland were to hand over a little to save a lot. That was the idea.

Thus was launched the rather complex "Western Cooperation" scheme. Its organizer was Sir Henri Deterding's estate manager in Germany, Dr. D. M. van Dijk, who looked after the land in Mecklenburg which Sir Henri had recently acquired. All the surplus agricultural produce of Holland was to go to Germany, and the Dutch themselves were to pay for it. Appeals were made to the middle classes and the rich mag-

nates of the cities to contribute generously. Offices were opened to facilitate progress in several centers.

The Nazis were doubtless delighted to receive an initial delivery of the bacon of thirty thousand pigs; and soon much more followed. One report spoke of "millions of tons" of bacon. Seven thousand railway wagons were used in the first immense delivery. The deliveries were exempted from all quota and clearing restrictions.

Dr. van Dijk went on to found an institute at Haarlem and a magazine to deal with Western Cooperation. Sir Henri Deterding and others associated with the scheme were at first a little reticent about its scope, purpose and cost. The *Daily Telegraph* reported on December 29th, 1936, that "It has been made clear that his action has nothing to do with politics." The next day the same paper announced that the scheme had been launched with the object of fighting Bolshevism. Deterding's favorite *Daily Mail* quoted from a statement he had made:

"Like many other citizens of the world, I have come to the firm conviction that Bolshevism, or whatever other name one may give to these chiefly underground destructive forces, can and must have but one result—constantly growing unemployment and misery."

In the same letter he went on to instruct all who cared to pay attention in the elements of the political situation: "The main object of the Communists is to permit as little cooperation between the nations as possible, because only then will their destructive principles succeed. They therefore started to create trouble in Spain six years ago, and the result is now daily visible. Great Britain deserves to be thanked for her policy of non-intervention, which has prevented greater trouble among the other powers in Europe. The further cooperation of these Powers will be the quickest remedy against infectious Communism."

Sir Henri then went on to analyze the world situation in relation to gold, agricultural policy, trade between Holland and Germany, and then returned once more to Bolshevism.