

# HENRI DETERDING DIES IN ST. MORITZ

One of World's Leading Oil Men, Former Director General of Royal Dutch Co.

BEGAN AS CLERK IN BANK

Entered Petroleum Field in Far East—Was Knighted by British in 1920

Special Cable to THE NEW YORK TIMES.

ST. MORITZ, Switzerland, Feb. 4.

—Sir Henri Deterding, one of the world's leading oil men, died of a blood clot on the brain here today at the age of 72. He was former director general of the Royal Dutch Petroleum Company.

Once Reported "Dead" in Error.

A veil of mystery that had shrouded the past of Sir Henri Deterding for many years, in the course of which he amassed a fortune estimated as high as \$200,000,000, was dissipated when, in 1934, he published his autobiography under the title "An International Oilman." It is true that he never courted publicity, but, on the other hand, he had not sought secrecy.

He shared the experience of certain other men, such as Mark Twain and General Umberto Nobile, of reading his own obituary, for on June 27, 1924, he learned from a dispatch from The Hague to The London Daily Mail that he had died suddenly in The Netherlands. The headlines were big, but the biographical material extremely meager. It transpired that a brother, F. L. Deterding, had died while watching a film depicting the activities of the Royal Dutch Petroleum Company.

In his memoirs Sir Henri deplored the reports of his being a sort of superman of a great international industry.

"Because I stand at the head of a large group of oil companies operating in nearly every known country," he wrote, "there is a tendency to write me down as a very complex mortal. I have even been classed as a wizard and one of the mystery men of the age. Never was misjudgment more misleading and grotesque.

"I would rather be classed among the also-rans, for who ever heard of a wizard or mystery man staying the course in a race? In most branches of business, and especially in oil, wizardry never pays."

Sir Henri Wilhelm August Deterding, who was created an honorary K. B. E. (Knight of the British Empire) in 1920, was born in Amsterdam on April 19, 1866, a son of Jakob Philip Deterding, who was a master mariner.

First Job Was in Bank

After attending the Hoogere Burgerschool of his native city he began to work in a bank, where, he recalled, "I could see no prospect of promotion ahead—indeed, I felt that, almost unnecessarily, I was being kept a bit down."

He was 16 years old when he became a clerk and youngest employee of the Twentsche Bank on July 1, 1882. His chief was a disciplinarian who appeared to think that he could not get the best out of a man until he had dragged out the worst in him. Young Deterding earned something like \$1.20 a week.

"Paid monthly," he wrote many years later, "it seemed quite a lot. Drudgery? There was plenty of it. What would the bank clerk of today say to working as I and my fellow-clerks did so often until midnight and even later?" And there was no overtime pay.

He remembered chiefly "how mighty good tasted the couple of herrings and glass of beer on which, for a few cents, we each used to be regaled in the office from a small all-night café after working nearly all 'round the clock."

The bank work led to nothing, and, what with long hours and very little pay, young Deterding resolved to make a clean break. So he decided, like many other young men, to seek his fortune in the colonies and went out to the East Indies in the employ of The Netherlands Trading Society. On his arrival at Medan he was informed that the bookkeeping at Deli, a remote branch, had become distinctly indifferent, and he was requested to go there to put things straight.

His First Success

He found a set of books so hopelessly muddled that he was puzzled where to begin and where to end in reducing chaos to order. Every balance was incorrect.

The young bookkeeper tore his hair and took long walks to cudgel his wits. Eventually he found the way out. He checked back every single entry and installed a new set of books. It took him four months to do it, and then his salary was increased by 75 per cent.

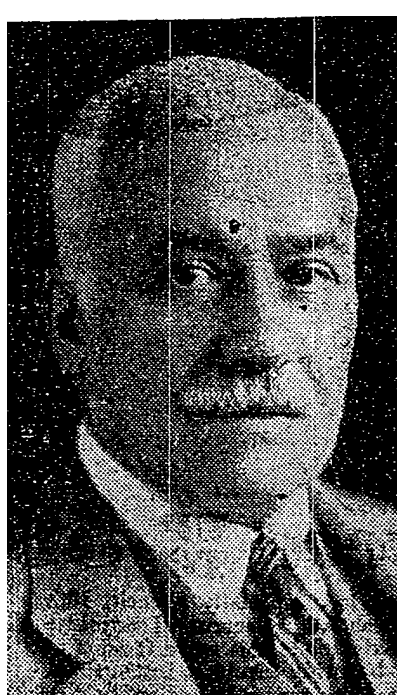
"A ridiculously simple solution," wrote Sir Henri, "perhaps. But the wise man never lets go of a problem which it is his duty to solve until he has analyzed it through and through, and knows in his heart that it cannot be solved. Then, if he can't cut the dead wood away from it, he cuts the whole thing forever clean out of his life."

After Deli, he was appointed agent at Medan. But after a period there and later at Penang, where he learned many new things about trading and banking, he went to J. B. A. Kessler, the managing director of the Royal Dutch Oil Company, and reminded him of an offer of employment made several times, and was engaged forthwith.

From those early days when he wore pongee suits and argued with compradores dated his success which culminated in his heading a group of oil companies with wells gushing in the East Indies, India, South America, Mexico, the United States and elsewhere.

Sir Henri joined the Royal Dutch Petroleum Company for the Working of Petroleum Wells in The Netherlands East Indies—to give it its correct title—on May 15, 1896. The company had been founded in 1890 with a capital of about \$500,000. Young Deterding proceeded to Pankelan Brandon, the only oil field of consequence owned by the Royal Dutch, where a pipe line had been laid through the heart of the jungle to a lonely spot in northern Sumatra.

At that time the oil produced contained from 43 to 50 per cent



Times Wide World  
SIR HENRI DETERDING

of kerosene. This alone was salable. The remainder, which would today produce gasoline, benzine, fuel oil, lubricating oil, &c., was then treated as waste.

The beginnings were difficult financially and otherwise. A fierce price-cutting was prevalent, and Sir Henri, in his memoirs, described this as follows:

"You may call it a refined form of throat-cutting, a stranglehold, a dog fight or by any more appropriate or opprobrious name you like, but competition is most certainly not the name to give to trade rivalry so misguided that a trader's only chance of survival—and a very remote chance—depends on just how low he can cut prices. You cannot compete with a man, nor he with you, if all the while you are both bent on squeezing each other to death."

War With Standard Oil

The real price-cutting war began with the Standard Oil Company. This hurdle was to some extent overcome by persuading all the other smaller companies in the same dilemma to combine as a unit.

Distribution was one of the major problems, and although the Far East was "around the corner" from Sumatra, there were other and better equipped concerns that could deliver more rapidly. Sir Henri was responsible for the installation of huge storage tanks at Shanghai, Hong Kong, Calcutta, Madras, Bombay and Bangkok for the facilitation of delivery. In this manner he laid the keystone of what is now reflected in the Royal Dutch-Shell policy everywhere.

Other improvements had to be made. The old-time, picturesque American oil drillers who had drifted to the Far East from Pennsylvania were replaced by trained geologists, chemists and engineers. One of the greatest achievements was the laying of the Iraq pipe line to the Mediterranean, a distance of more than 1,000 miles.

When Kessler died in 1900, Sir Henri became managing director of the Royal Dutch, and he at once continued the expansion of the company by effecting mergers and amalgamations. In 1903 occurred the merger between the Royal Dutch, the Paris Rothschild's Russian oil fields and the British Shell company. From that combine sprang the Asiatic Petroleum Company, a formidable competitor to the Standard Oil interests in the Far East.

There was determined opposition by the United States interests.

"Prices," wrote Sir Henri, "shot up and down unceasingly and about as senselessly as a monkey on a stick. There was waste of duplication and the folly of fluctuating prices."

The war became so ruinous that pourparlers were started. Sir Henri met Walter C. Teagle of the Standard Oil Company, and the two became firm friends. The "throat-cutting" was topped in 1907, but broke out with renewed vigor in 1910. While Mr. Teagle realized the situation, there were other Standard Oil officials who did not.

"I can imagine no more effective way of wrecking an industry," wrote Sir Henri, "than to get it embroiled in a rate war."

Interests in This Country

The ramifications of the Royal Dutch spread eventually through Rumania, Russia, Egypt, the United States, Mexico, Venezuela and Argentina. The Royal Dutch made its first sales in this country with two cargoes of oil. In 1908 a survey was made of the Oklahoma oil fields, and in 1912 the S'Gravenhage Association, Ltd., was formed, which resulted in the Roxana Company. This later developed into the Shell Union, comprising all the United States interests. The Californian Oilfields, Ltd., was purchased in 1913, and five years later the Royal Dutch had a firm footing in Mexico.

Communism in Russia destroyed all the efforts that had been put into the oil industry there by Sir Henri. The oil financier was one of the most execrated men in Russia, and his effigy was burned in public places. It was to be expected that Sir Henri was one of the most bitter opponents of Communism.

Sir Henri asserted he had a "nose for oil," a sort of sixth sense in locating rich fields. This was proved in Egypt and later in Venezuela, now one of the most important oil-producing fields in the world.

In 1930 the Soviet Government placed Sir Henri among those "criminals" who fomented an international plot to overthrow the Kremlin government. Others included Raymond Poincaré, Aristide Briand and Colonel Lawrence of Arabia. Sir Henri replied that the charges were made to cloak the failure of the Five-Year Plan.

Sir Henri saw President Roosevelt in August, 1934, and discussed bimetalism at Washington.

In 1937, at the age of 71, Sir Henri retired from the director generalship of a group of 200 companies with 40,000 employees. In 1936 Sir Henri presented 10,000 guilders' worth of Netherlands cattle and farm products to the German Government, explaining that he did so as a contribution to the fight against Bolshevism.

He married three times. His first wife, who died in 1916, was Louise Catherine, daughter of A. D. Neubronner, Consul General for Siam and agent for the Perak Government at Penang. His second wife was Lydia Pavlovna Bagratouni, daughter of General Paul Koudayarov of Tashkent, Turkestan.

She obtained a divorce at The Hague in May, 1936, and a fortnight later he married Charlotte Mina Knaack, a German, the ceremony taking place in the Mayor's office at The Hague.

Surviving also are two sons and a daughter by his first wife and two daughters by his second.