

Change



AT ABOUT THIS TIME Charles Engelhard, an American who had inherited a flourishing precious metal refining business from his German immigrant father, arrived in South Africa, the world's largest gold and platinum producer. He was quickly adopted and seduced by Gordon Richdale and Johannesburg society and made a considerable additional S.A. fortune by the stratagem of manufacturing solid gold ashtrays and exporting them to the East in a somewhat blatant evasion of the prohibition of bullion export regulations. I have little doubt that this was with the collusion of highly placed Nationalist politicians. Anyone who believes that corruption today is worse than it has ever been was either not involved in those years or has a very short memory. It was generally accepted practice.

Engelhard was introduced by Richdale to the Kruger Park and the surrounding area, including the Eastern Escarpment where the forests were situated. He succumbed and used part of his S.A. profits to buy a minority share in a newly formed public company, S.A. Forest Investments Ltd., which by then had absorbed Acme to become a truly integrated forest industry, majority owned by Rand Mines, with Moshal Gevisser as a minority partner, responsible for the management of the sawmills.

Engelhard, with the active assistance of Richdale who was never slow to seek self-advancement, soon replaced Rand Mines as the majority shareholder, with the Moshal Gevisser involvement continuing unchanged. As a sidelight, it is interesting to note that Richdale soon became Chief Executive of the worldwide Engelhard interests, and moved to the U.S.A. As an inducement he was given a share of the Engelhard equity. This marriage lasted less than 18 months, as it rapidly became apparent that Richdale's haughty British management style and different values were anathema to the Engelhard executives. He had to be bought out and returned to South Africa. The buy-out was in the millions, a great fortune in those years.

Engelhard had also introduced his wife Jane to South Africa, and both of them were delighted with this country where they had immediately been accepted by society, and by the Afrikaner political elite. Although they

were certainly part of American East coast society, they were swimming there in a large and well-populated sea. In South Africa, they were quickly supreme – second only in social worth and adulation to the unassailable Oppenheimers.

Engelhard of course met both Moshal and Sternberg, and quickly formed a rapport with Sol. He greatly respected his judgement and honesty but was vastly irritated by his caution and frugality which was totally opposed to his own risk taking and free-spending largesse. Other than on an intellectual plane, there was very little in common between this larger-than-life German-American character and the careful, conservative S.A. Jewish businessman.

I was soon introduced as the heir apparent to Sol, and very happily Charlie and I took to one another despite a ten year age gap. He had by then acquired the Courthouse in Sandton and regularly brought his wife Jane and his five daughters – Annette, Sophie, Susan, Charlotte and Charlene – to South Africa. I became a family intimate to the growing concern of Fritz Fuerst, the Engelhard local manager, and his wife Olga, who were obsessively jealous of their relationship with the Engelhard family, and began, presciently, to see some ominous writing on the wall.

At this stage Charlie, whilst limping slightly from a hip ailment, was active, slim and great fun. He was of course adored by Johannesburg society, not least because of his free-spending generosity and lavish hospitality both in Johannesburg and when his new South African friends visited America. He had also become a racing enthusiast through his friendship with Oppenheimer, Gallo and Mosenthal, and rapidly became the leading S.A. owner, which whetted his appetite for similar activities in America and England. When he died, some 15 years later, he owned the world's largest racing stable with over 250 horses in training worldwide, and was acknowledged as a top bloodline expert.

This of course brought him into contact with the local racing set resulting in an association with Sava Panitza-Yablansky, a Bulgarian émigré who had married a South African war widow and who became a company executive heavily involved in the racing and social activities.

Charlie's astuteness, easy personality, and great wealth and style all combined in his making an indelible mark in all of the spheres in which he became active – business, social, racing, conservation. This latter interest, in which I fully participated, involved repeated visits to the Kruger Park, which he loved. These were not normal visits. Each was a major caravanserai – long, sleek imported Chryslers for the family and friends with more normal vehicles for the overflow, another vehicle for food, wines, delicacies.

He loved these outings, particularly if something went wrong which it did on one occasion when I took a wrong turn and, for the night, we camped in the inside and outside of a ranger's house. Kruger Park rules were regularly flouted in almost every respect because of Charlie's reputation and his donation of the Engelhard Dam, on the Olifants River, to the Park. We were always royally welcomed, usually by the Park Director, and carefully led to examples of the "Big Five" which I suspect were herded for us.

Pleasure was sometimes marred by Charlie's habit of holding important business discussions whenever the mood took him. This could be just as well round a late-night campfire or whilst watching a herd of elephant. Mental agility in his colleagues was an absolute necessity.

The Engelhard family was not easy. Jane was a glamorous continental figure, always superbly coiffed and dressed. She had a strange background. Her father was a Brazilian diplomat and her mother an Irishwoman. Jane had been married in France to a German-Jewish banker who had committed suicide under unexplained circumstances in Paris on the eve of the Nazi occupation. She and her infant daughter Annette (subsequently adopted by Charlie) fled and somehow landed in New York, where she founded and successfully operated a costume jewellery manufacturing business. She met Charlie, recently demobilised as an Air Force pilot instructor, and they married over strong opposition from his parents. It was not easy for a powerful Protestant German couple to accept a devout Catholic widow and her half-Jewish child. It was not at all what they had wanted for their only son. Jane was imperious, ruthless and somewhat frightening. I soon discovered that she destroyed anyone who was in her way, or even out of favour. If you wanted to be "in" with the Engelhards you made very sure that you did not cross her. She was however a full partner. She was a superb hostess and party organiser, an avid collector of things and people, a very acceptable socialite, and very ornamental. They were an effective couple.

The Engelhard connection both seduced and captivated me. Whilst my background had certainly never been deprived in any way, it was totally remote from the way of life, the contacts, the experiences, the people, the opportunities, and the introduction to a new world that it offered. I embraced it eagerly, strongly encouraged by these opportunities as an alternative to increasing problems concerning my relationship with Sol and the family company.

I was a director of Moshal Gevisser and joint M.D. of Acme Timber. I was at the time one of a trio of young executives in the Group and was particularly close to my cousin Irvine Brittan who was running the

Brittan-Boustred building materials company in Johannesburg in which Moshal Gevisser held a major share. The other was a young accountant, Martin Sternberg, son of Colin, who was a large shareholder and my co-M.D. of Acme. Irvine had a brilliant and innovative financial brain, Martin was keen and shrewd, and I – some years older – was a proven business administrator. We gently approached Sol with the thought that the time had come for us to take over the reins, if not completely, then at least on day to day matters.

Sol's reply was, in retrospect, predictable. He was at 70 healthy, vigorous and mentally fully alert and active. At my present age of 79 I can very well understand his reaction! He brusquely rejected the suggestion and told us to wait our turn. None of us were prepared to do that and all sought escape routes from the mundane grind in which we appeared to have been trapped, and in which – contrary to what was assumed by the outside world – we would neither earn very much nor accumulate much capital. We would always be “comfortable” and “respected”. I certainly did not want that; Irvine lived in Johannesburg and was chafing at the controls on him; Martin, albeit a happy Durban resident (which he remained until his recent death) was hungry and eager to prove himself.

Charlie Engelhard had been talking to me for some time about taking over from Fritz Fuerst the position of Chief Executive of his South African interests (excluding the share trading company ASAIC which was run by Ian McPherson). This would involve being CEO of S.A. Forest Investments and its subsidiary Acme Timbers, as well as heading Engelhard Enterprises of S.A. which had numerous fingers in many diversified pies. The offer included 100 000 SAFI shares, a directorship (and fees) in Engelhard International of New Jersey, and a 10 per cent free ride in any new venture in S.A. which I brought into the fold. In addition there was a company house in the Courthouse “compound”. There would be no objection to my remaining a non-executive director of Moshal Gevisser, but of course there could be no executive involvement, or any question of my succeeding Sol.

Under the circumstances of this offer of international excitement and glamour, and wealth beyond my parochial imaginings, plus the lure that in my professional forester capacity I would be in control of S.A.'s largest integrated forest industry, I took very little time to decide. Sol did not take it well and felt both betrayed and humiliated. He had no natural heir in the family as none of the three other Gevisser boys – Julius, Leslie, Bernard – seemed capable of taking the top job. I was the apostate, and treated as such by the community, there being few secrets in that closed society.

Sol, now without an heir, determined to sell the business which he did some time later to Natie Kirsch at a price somewhat below its true value. Kirsch stripped it and made a considerable fortune. Irvine went on his own to found and make a great success of Boumat, and Martin did very well in a number of ventures in Durban. It is sad to think not only about what the three of us might have achieved, but also that close on our heels was another family echelon of John and Brian Moshal, both of whom have been phenomenally successful. John and his sons are superbly innovative and today own and operate an international gaming software conglomerate that is reputedly almost beyond price. Brian, an accountant by profession, has built from scratch a unique importing, wholesaling, and retailing group. However, there are no personal regrets, other than the hurt and disappointment that I caused Sol. He had been very good to me.

These events unfortunately widened the rift between Leslie and me and also caused an unbridgeable chasm between him and Sol. They had in any event always cordially disliked one another, and Sol was a strong believer in formal education qualifications, which Leslie totally lacked.

The background to this rift between Sol and Leslie was that Sol had fixed a price with Kirsch, subject to approval by the Moshal, Gevisser and Sternberg families who together held control. The price was low, although at the then-market level. I took the view that the business was in essence and history Sol's, and that, as I was a major part of the reasons for the sale, I did not wish to contest or argue it. All of the others except Leslie did the same, albeit with varying degrees of unhappiness. Leslie held on, the sale went through, the share price rose, Leslie sold and made at least twice per share what the rest of us had received. I certainly bore him no grudge for this and in fact rather envied him. Sadly, his triumph was short-lived. He was persuaded into investing it all, at higher than market interest rates, and the promise of a ground floor entry into a public company to be formed, with a crooked financial scam called Seardel. He and many of Durban's Jewish community lost all of their capital. This unhappy episode also caused a major breach between Leslie and me. He was looking after Janie's affairs and had invested her free capital in Seardel with his own. I had been uneasy about the company for some time and forced him to remove Janie's investment just a few days before the collapse. He subsequently was on the verge of bankruptcy because he had unwisely issued unlimited personal guarantees to cover investments that he had solicited from his friends. I offered to pay all of his household accounts and offered to lend him a substantial capital sum.

On advice from my friend and lawyer, Pat Raphaely in Johannesburg, I asked him to sign an agreement accepting a notional interest rate, the idea being that in the event of his imminent insolvency the loan would not be classed as a gift and land up in the hands of his creditors. He never did understand or accept that the idea of interest was notional and that it and the capital would never have been called. The rift that this caused with him, his wife and children remains latent to this day although he and I became reconciled long before he died. From my side, my warm and affectionate feelings for him never faltered.

Leslie did not deserve what life had handed to him. He had experienced a rotten war, and had returned to a middle-management position in a family business autocratically run by an uncle who disliked him. He was a loyal and hard worker, warm, gregarious, and much liked. In another environment he would have been a useful and trusted executive rather than in the “grace and favour” position which he occupied.