

THE ENGELHARD EXPERIENCE



MY NEW LIFE in the Engelhard arena was just beginning, and it was perhaps even more fascinating and exciting than I had believed it to be from my previous external vantage point. I moved into a luxurious and quietly elegant office suite in French House, Fox Street, which was a far cry from my grubby utilitarian quarters at Moshal Gevisser in Market Street. I had an office staff of some 15 people and a fleet of long sleek American cars and chauffeurs in the basement. Responsibilities, apart from SAFI/Acme, were the wide-spread and expanding Engelhard investments in South Africa, control of their two South African homes – the “Courthouse” beautifully run by Doris Trace, and “Mbulwa”, managed by Audrey and David Hull, a magnificent country home perched on a mountain overlooking Sabie, in the planning and building of which I had been closely involved.

The Engelhard family itself came once or twice a year, but in addition there was a constant stream of visitors – business, political and social connections from the U.S.A., and representatives of deposed European royalty important for the social and business entrée that they provided. This involved both Hedda and me in a fairly constant programme of entertainment, which reached frantic levels when the Engelhards themselves were in town. There were always formal dinners which became the apex of Johannesburg social life, luncheons, and visits to the forests and Kruger Park.

New York, where I stayed at the Engelhard apartment in the Waldorf Towers; Far Hills in New Jersey (the Engelhard home “Cragwood”); Pamplémousse, the retreat at Boca Grande in Florida; the summer home at Dark Harbour in Maine; the flat at the Grosvenor Hotel in London; the apartment in Rome; the fishing lodge in Quebec; the second floor of the Dolder Grand Hotel in Zurich; these all became familiar territory to me, and occasionally to Hedda when we were able to make arrangements for her to join me. This was all so far removed from our normal South African life-style that it had a “through-the-looking-glass” fairy tale

quality. It was not just the sumptuousness of the surroundings, the walls hung with Monet, Degas, Picasso, Modigliani, Chagall, the tables casually littered with Faberge and Giacometti; it was also the people who, if not friends, became well-known acquaintances. President and Ladybird Johnson were close family friends, as was Senator Mansfield, the Senate Majority leader. The Duke and Duchess of Windsor were frequent house guests. Jackie Kennedy's mother was a Court House visitor. Famous actors, singers, society figures, politicians, foreign dignitaries, if not part of my everyday life, were at least no longer a surprise.

Impressions abound. President Johnson was a gruff bully of a man. Ladybird was all but ignored, and his sexual adventures were open. Senator Mansfield was a delightful true gentleman. He must have been a superb ambassador to Japan. The Duke, always impeccably dressed, was not bright; the Duchess awful. I was often placed next to her at dinner. If one did not bleat "Your Royal Highness" at short intervals (a title to which she was not entitled) you were likely to be ignored. Teddy Kennedy was entranced by his own looks. Vanderbilts, Dillons, Rockefellers, Paleys; all joined my exotic list of acquaintances. I was getting used to this life!

Visits to America were thus both fascinating and stressful. There was glamour, interest, excitement. There was also the mounting irritation of an unrequited list of urgent business matters requiring decision which were approached either haphazardly, or in fragments, or not at all. What could have been done in one session stretched over days and sometimes weeks of parties, dinners, travels to Florida, to Maine, to Canada, even sometimes a quick trip on Charlie's private jet to the Derby or Ascot in England! This was all lovely for the courtiers such as Paddy McDonnell and Ian McPherson, but it was becoming increasingly irritating for a fairly normal and conscientious executive such as I.

The background to this needs some explanation. The origin of Charlie's approach lies I believe in the common desire of very wealthy and famous people to be amused, to have courtiers round them, to have a court jester. Charlie was certainly prey to this desire. In addition, and sadly, he was beginning to show signs of the deterioration in his health, and of his self-neglect that led fairly rapidly to his early and unnecessary death at the ridiculous age of 53 in 1970.

The roots of this lay deep in his psyche, of which I have my own diagnosis. On the physical side, this once slim, attractive USAF pilot, was now becoming almost grotesquely obese. He had a bad hip which could easily have been treated, but he had a pathological fear of hospitals and



Charlie Engelhard, circa 1965



*Ready for the Derby and another
Nijinsky win, London 1968*

fell into the hands of quacks in Switzerland. I knew them, and suspected them from the start. He soon became dependent on strong painkillers and allied drugs, and on their suppliers, and their advice. Simultaneously he had all the signs of a severe diabetic, including, towards the end often falling into a coma, but refused accepted treatment. His physical condition was ugly and acutely uncomfortable. He lost the will to live.

He never re-captured his *joie*, his spirit, his drive. At 53, he should have been at the peak of wealth, of connections, of career. He was a close and intimate friend of the most influential leaders, politicians, business-men world-wide, immensely respected. He was the most successful racing figure in the world. His death was tragic and unnecessary.

So startling was it that there were rumours about the cause. This resulted in one of the most bizarre situations in which I have ever been involved.

At the time of Charles' death, President Nixon reigned supreme in Washington, but as we now know, was paranoid about real and imagined enemies. He was apparently desperate to get any evidence of peculiar goings-on in the Democrat camp (*vidé* Watergate) and Charlie was a leading Democrat and fund raiser and a close friend of Lyndon Johnson. I was asked to join an Hungarian Countess for a drink one evening. She said that she was a confidante of John Mitchell (the Attorney-General) and his wife Martha and had asked to meet me at Mitchell's request. President Nixon would like to meet me to discuss Charlie's untimely death, his interests, etc. Although he could not insist on my accepting as I was not American, my availability would be greatly appreciated. If I agreed, would I be close to a telephone for the next 48 hours and be available to be flown by Government helicopter to the White House at short notice? I said that I had no knowledge of anything untoward but could not refuse a presidential request, and would be available. Immediately on my return to the Waldorf, I telephoned Charlie's lawyer, Ed Beimfohr, for advice. He believed that I really had little option but to agree. In the event, I heard nothing further from the Countess, the Mitchells, or the President!

Charlie's death had very far-reaching effects on my immediate and long-term future. I had lost a good friend, a mentor, an employer, and my unique window on a new world was beginning to close. It was presaged by a discussion with both Charlie and Jane at the Quebec fishing lodge sometime in 1968. Charlie had some premonition of an early death. He said that he knew that I was concerned about my future in South Africa, and that partly to ensure that, and partly because he regarded me as a good friend who had his and his family's interests at heart, he would like to appoint me as one of his three world-wide executors, together with Jane and his lawyer Ed Beimfohr. Jane was part of this discussion which had

her full approval. I of course accepted, but thought no more about it, particularly as it is not unusual for wills to be frequently changed.

However, one afternoon in Johannesburg, there was a call from Ed to say that Charlie had died in Florida, that I was indeed one of his executors, and that I should get to New York as quickly as possible, not only for the funeral, but because there was an enormous load of work to be initiated and dealt with.

Charlie had been a Commissioner of the New York Port Authority, and Sava and I received red carpet treatment on arrival, avoiding all of the usual customs and immigration formalities and being provided with helicopter transport to Manhattan.

The funeral was scheduled for the next morning in New Jersey. It was predictably very sad, very crowded, and very Catholic (Charlie having converted shortly before his death at Jane's urging), attended by a host of church, political and social dignitaries, together with his friends and colleagues in business and horse-racing from around the world.

I have a confused memory of the religious service, the interment and the wake at "Cragwood". There was incredulity among the American key executives and close friends when they discovered that I was one of the three executors, with Ed Beimfohr and Jane, and early indications of manoeuvring for position and influence. From being a relatively minor player in a remote country, I had suddenly and unexpectedly been elevated to a position of power and influence.

In retrospect I was painfully naïve, and quite unprepared for what lay ahead, and in particular for the strange dichotomous personality that was Jane Engelhard. Charlie, in a moment of rare candour about his wife, had warned me not to misread current friendliness and apparent affection, and to be ready for a rapid and uncomfortable change because she was manipulative and firmly believed that anyone who was too influential should be cut down. It was soon very apparent, to my considerable bewilderment, that I was the prime target.

She achieved this in a number of ways, most of which I was too inexperienced to counter. She soon let it be known that she believed Charlie to have been deranged when he appointed me, and that this was counter to her wishes (despite the fact that she had been part of the threesome that had agreed it); she set me up by asking me to do certain things and to take certain actions which she then criticised as evidence of my ineptness; and most importantly she incorrectly reported executor's discussions to the redoubtable Andre Meyer of Lazards (the financial adviser) which turned him from friend to enemy.

In South Africa, she asked her old enemy Gordon Richdale and the

auditor and bank Chairman Arthur Aiken, both of whom were very susceptible to wealth and feminine flattery, to join a committee with me to oversee the S.A. affairs – in effect a watchdog committee. I had also made an error in my understanding of the charitable trust set up under Charlie's will. It was of course a legitimate tax avoidance vehicle but these trusts are also used widely for social purposes. I discovered this when, to the horror of the Engelhard clan, I vetoed a request for \$250 000 for a new show-ring and stables for a ladies college which already had, I established, one such facility which was eminently satisfactory.

I had ultimately to decide whether to challenge some of the actions or whether temporarily to go along with them. The heirs to the Engelhard estate were Jane and her five daughters. The third executor, Ed Beimfohr, was a lawyer who, whilst a good friend, had no reason to challenge Jane who was a major client with powerful connections. About 18 months later I therefore decided to resign my positions as executor and trustee as soon as the bulk of the estate had been finalised, wound up, and the bulk of the assets turned into cash and liquid investments. The Engelhard clan was eager to get their hands on the proceeds. They were not in any way interested in the business or the racing establishments that had been carefully built up by Charlie.

The next year was a mix of sadness at having to break down everything that Charlie had built up, of excitement, and extreme irritations, combined with occasional unpleasantness, although relationships with the Engelhards were now on a superficially courteous and friendly basis.

For irritation value there was the "Courthouse" which was still being used by itinerant Americans and by the Engelhards. There was also "Mbulwa" and "Ntoma", the game farm which David Hull and I had purchased for the Engelhards as an undeveloped area in the Klaserie reserve. We planned and built the roads and the camp which Charlie sadly never saw. It is somewhat more luxurious today, as an Oppenheimer family retreat, but not much changed. Quietly grazing at Turffontein were the Engelhard racehorses under George Azzie and his son. On the fringe were numerous Engelhard investments and a substantial office at French House. Running all of this was interspersed with frequent visits to America, by almost constant and voluminous messages from Ed Beimfohr and finally a royal progress to Africa by all of the Engelhard clan which was a disaster. The daughters, led by Annette, were grumpy and unhappy and patently uncomfortable with their S.A. interests which were becoming increasingly politically incorrect in the U.S.A. (It was at about this time that Harvard refused to name a library, donated by the

Engelhard, in honour of Charlie. Kissinger intervened and finally a small plaque was installed, I believe close to the men's room!) Jane collapsed with a suspected heart attack, complete with private nurses, private wards, cardiologists, alarms, etc., etc. Nothing was ever diagnosed, and there is a strong suspicion that it was in search of additional attention. To her considerable surprise the Engelhard aura had tarnished since Charlie's death.

From the U.S. base, Ed and I moved to dispose of ownership of shoe factories, various industries and share holdings, and we moved to sell off the racing stable world-wide whilst temporarily retaining the breeding operations in Kentucky and elsewhere. Assets had to be valued, and these were considerable. The art collection itself was worth a great fortune.

A worrying aspect of the bloodstock and racing establishment was that the racing operations, world-wide, were losing some \$2 million annually, but were temporarily essential to prove the bloodstock operation which was just starting to produce the progeny of such great racing names as Nijinsky.

In American inheritance law, there is a clause which states that heirs may hold executors personally responsible for imprudence. There is no definition of that word but all of the expert advice that we sought said very clearly and painfully that losing \$2 million a year on horse-racing was decidedly imprudent regardless of the possible justification! Our concern was that four of the Engelhard daughters were not yet married, and the possibility of a greedy future lawyer husband was not remote! We sought insurance, and were laughed at! Ed and I conferred anxiously and finally decided to risk a challenge whilst we quietly went about selling off the racing assets, eventually followed by the bloodstock.

This was not to be a simple exercise. The racing fraternity seem to have split personalities. Some of the most famous names in racing and finance, with impeccable reputations in their non-racing spheres, become suspect horse-traders as soon as a deal is mooted. We were suddenly made aware of a myriad of private arrangements that Charlie was supposed to have made, of promises, of trades of progeny and services. Vincent O'Brien, the legendary Irish trainer, whom I visited in Ireland, recalled that Charlie had promised to build a home for indigent Irish jockeys; Azzie had been promised a house at Summerfield.

We were fairly ruthless about most of this, but in South Africa, a particularly difficult situation arose. Charlie owned a champion horse, Elevation. Some of his racing friends contacted me urgently and confidentially to say that they each had a right of first refusal because of their close friendship. I sought advice and included Elevation in the

auction of the racing stables. He fetched just three times the highest private offer from the friends!

The sale of "Courthouse" followed. The only offer I received was for R500 000 from John Heinrich. In retrospect, R500 000 for 25 acres was ridiculous, but there was no other interest. Irvine and I thought about buying it as a combined office and home for one of us, but were concerned about a business licence being refused – a bit silly in the light of the subsequent occupation by Rembrandt!

"Ntoma" was offered to Harry Oppenheimer who refused it. It was sold to the Webb family who some years later did sell it to the Oppenheims at a very large profit. It remains to this day a favourite Oppenheimer family retreat. Finally, SAFI/Acme itself was sold to Anglo American. Jane, advised by Andre Meyer, and encouraged by her daughters, had done a deal with Harry Oppenheimer for the estate to be paid out in dollars at a price, which whilst slightly higher than the quoted market price, was very low compared with the rand value of the assets. However, the Engelhards wanted to get out of South Africa as it was becoming an increasing embarrassment to them in their political and academic lives. I thought seriously of opposing the deal which was certainly neither in my interests nor that of the minority shareholders. I would however probably have been outvoted two-to-one and decided to acquiesce. It did however leave a sad and bitter taste as one of Charlie's major reasons for appointing me as an executor was to ensure that I had control of my own destiny in South Africa. Soon after all of this, I decided to resign as an Executor and Trustee. The basis of the decision was that I had no stomach for an ongoing close relationship with the family, whose finances I would have partly to control. A meeting was arranged in Paris with Beimfohr, and Kiko Bemberg (Jane's decent brother-in-law). A proper pay-out, based on Executors' Fees, was amicably negotiated.

Jane died in 2005.

Thus ended a fascinating chapter and a new brief but intense period ensued – that of a senior manager in the Anglo American establishment. Before that however, was a parallel interlude with Max Wilson, a colourful entrepreneur whom I had known for many years. Max had grown up in Johannesburg under difficult family circumstances, had proved to be an over-sophisticated business man at an early age, and was imprisoned for embezzlement of trust funds at 19. He served his time with the legendary Milne and Erleigh and always referred to this period as his university years. He was released after three years, and became the first person in S.A. judicial history to be totally legally rehabilitated after having repaid all of the embezzled funds and having proved to a tribunal of three judges

that he was truly reformed.

Max, with my old Pilgrim's Rest friend, Chone Dredzen, had pioneered the Overseas Visitors Club, a phenomenally successful organisation that welcomed young colonials to its rabbit-warren of accommodation in the Earls Court area of London. He produced money-making ideas at a great rate, but was often unable to manage them into profitable practice. One of these was to establish in South Africa a holiday savings scheme that provided very cheap travel. This was guaranteed by Barclays Bank and promised to be most successful. A second scheme was the charter of the full Cunard North Atlantic fleet (the Empress of Britain, Empress of Canada, etc.), to run a cruising operation to South American ports from Cape Town. The scheme went ahead with David Gevisser as Chairman. It did not prosper, largely because of poor administration, but it was an exciting period and a welcome part-time diversion from wholesaling and timber, including a cruise to South America in the owner's suite.