

**ZAHAROFF: HIGH PRIEST OF WAR**

# ZAHAROFF

High Priest of War

By

GUILES DAVENPORT

With Illustrations



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## FOREWORD

**R**EVERSING the conventions, Sir Basil Zaharoff is already a legend. Ordinarily mortals must die to achieve the aureole and usually they are a long time dead before the fact and fancy have merged sufficiently to form a fool-proof legend: yet Zaharoff, with all modesty and dignity, accomplished the task before he had reached the half-century mark. That was thirty-four years ago. Not even the most critical of historians will deny that thirty-four years is a long time in the life of a gun-maker.

I expect that the pacifists and those who make money in the anti-war business will seize upon this book and claim it as their own. At least it is worth a good wager that they will use its facts and implications as arguments for pacifism. Partly because of this possibility and partly because I enjoy

a paradoxical state of mind, I wish to make it plain that I am not a pacifist. Furthermore, I would cheerfully engage in another war if it would end the business of making war for profit. My particular objection to the Zaharoffs is based upon the incredible cruelty of their political programs which stand *vis-à-vis* their martial aims but always in a shadow.

Yet wars will continue to be made and some of them will have ample excuse. Political and social alignments are already established in the modern world, each carrying high upon their banners their diverse dogmas, which make conflict inevitable since every major political premise must depend upon force to sustain and expand itself: and if they do not employ force for sustenance and expansion, they must use it for defense. The pacifists complicate such a situation no less than the militarists since it seems one of their principal characteristics to preach disarmament in one country while lauding militarism in another.

Zaharoff and all his crowd are bound to profit by such a condition, and until the issues involved are resolved there can be no rational excuse for disarming below the danger point. In the meantime, we would do well to arm ourselves. Until the Zaharoffs and that gang of international bandits who intend to profit by the world's disorder are exorcised by a thorough thrashing, we are always in danger of assault.

## FOREWORD

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The apocalyptic peace is one thing: the menace of a program of world violence ultimating in a new type of political domination is another.

G. D.

June, 1934

THE YEARS 1849-1877

## PROLOGUE

*My deeds are not of the lion, but of the fox.*

GUIDO DE MONTEFALTRO.

**I**T has been said of this man that the gravestones of a million men shall be his monument — their dying groans his epitaph.

It is not to be expected, therefore, that as the principal in a tale of intrigue, malodorous scheming and connivance, chicane and unsavoury mystery, he will always be sweet to the nostrils of those who prefer their heroes lily-white.

As a tale for a calm evening, void of the need for anything but entertainment, this history is not recommended, while as a record of an unhappy and contentious epoch, of gargantuan deeds done in darkness, of bloodshed and falling crowns, and of wars and their secret germination, it may offer something worth the pondering. In his story there is strong meat for the philosopher, the gossip, the politician and simple citizen, the lover of his fellows

and the curiosity-chaser. Perhaps by token of these facts alone, the story of this man should concern those interested in the phenomena of this awesome and sometimes soul-stirring age and curious about the personalities and factors which contribute to its mysteries and menaces.

Consider first: we know little enough of our man; at least so little that we shall not pretend that this is biography in the best sense of the word. Considering him, we contemplate a composite photograph of several men, their diverse features always in shadow, men resembling each other in unusual ways and at wayward points, sometimes even in their disparities. He is too complex and too full of paradox, too much compounded of the strange essences of genius, for the conventions of ordinary biography.

Writing about him would be a much happier and simpler task if it were not for one simple problem — Who is he?

Some say he is a Greek and others, pure Russian, and others that his father was a high-born Russian Army Officer and his mother a Turkish woman. Another version has it that he was born in the slums of White Chapel, London, and still another that he first saw light in Moscow, and still another that his infant cries first disturbed the quiet of a suburb of Mouchliou, Constantinople. Many believe him a mixture of Greek and Russian and not a few that he is the son of an Albanian chief. It is even said that he is the offspring of an obscure Anatolian Jew.

But which of these breeds is his, is the secret of the man himself. And he does not share his secrets.

There exists even greater variance in the countless versions of his origin and early life. The only point upon which there seems to be agreement is that, as a child, he knew poverty: though there be those who whisper that he was educated at Oxford — or was it Eton?

Sum him up, then, in all these contradictions and embody their synthesis in one man. Give this man tragedy, color, drama.

Give him wealth and power incalculable. Give him the gift of silence, the habit of certain dignity, a deep knowledge of the weakness of ambitious men. Add ruthlessness, a feel for intrigue, and finally, romance.

Give him citizenship in old nations, lands of patriots and lovers of the soil, and of sophisticated people. Confer upon him the honors of a Great Empire; give him the favor of half the kings of the earth as a patent of their need of him and of his peculiar talent for their service, and give him the hatred of the rest for his power to smash their crowns into dust.

Give him the love of noblewomen.

Give him bloodshed and wars.

We give you the Master Gambler and Prince of Blood and Steel, alleged criminal, maker and un-maker of kings, bailiff and flouter of premiers, war-maker and arch-conspirator, author of Machiavellian



plots, maker and binder of the wounds of war, master of polyglot, prime minister in the courts of intrigue, billionaire, fabricant of the tools of war, empiricist, opportunist extraordinary and quintessential realist — a man no one knows. He is Basil Zaharoff, citizen of the French Republic and Knight of the British Empire.

## CHAPTER I

# SYMPHONY IN SHADOW

**I**NSEPARABLE from any picture of Sir Basil Zaharoff, K.B.E., which may be painted from the enchantingly lurid pigments of his life is that simple necessity, a primary factor in the appraisal of a man by his fellows, of knowing who he is, something of his blood and his roots. Here lies a strange difficulty — the refusal of the subject to supply an answer to these questions or any others, personal or impersonal. As a result one knows too little about these certain and important matters and even that little is bathed in the same dark aura which hangs over his entire life.

Regarding Basil Zaharoff as a Greek implies one set of more or less stereotyped conclusions; as an Anatolian Greek, a poor and abused expatriate, another. To interpret the intellectual and spiritual processes of a Russian aristocrat, one is forced to

evolve a quite different formula than that applicable to his antithesis — the harassed Russian-Jew. The son of an Albanian chief is certainly unlike the son of an Athenian politician or the son of an Anatolian farmer. It is imperative, therefore, if one is to judge the man at all — and the sketchiest of biographies is a judgment of a sort — that one should begin with the problem of what Zaharoff is, racially and ethnologically.

Separating as best we can the various legends about his origin, all of which bear strange and unexplained resemblances to each other, one may arrive at a conclusion and call it reasonable. If complete justice is not the result, the subject himself is at fault. Being a marked man, a man of prodigious and impressive affairs, he has had ample opportunity to see to it that the public, whose purse has fed his coffers and which shed freely its blood in the doing of it, knew a few important facts about him. In truth, one should be much more concerned with what the man has done than with what blood sweeps through his veins.

The questions asked about Zaharoff by Europeans of the past decade have not been the sort habitual to the idly curious. More often than not they have been of querulous and critical tinge — the sort the afflicted sometimes ask of their afflictors. But to them all he has maintained utter silence. Only a few men pretend to intimacy with him, but these same "friends" are unable to answer even the sim-

plest and most harmless of queries about him. To such questions as concern the acquisition of his riches, details of his early life, and the high lights of his career — the kind the world's magnificoes are usually avid to answer, after touching up the picture somewhat, — he has remained a Sphinx. This failure to take the public into his confidence or even to throw it a sop, has bred two results — suspicion and an aggravation of the curiosity about him and his doings: suspicion, because it is the instinct of man when deprived of that morsel of information or gossip which he considers rightfully his, immediately to assume that the subject of his conjecture has something to conceal: curiosity, because the world loves most generously such intimate details, real or imaginary, as figure in the personal histories of its intriguing figures.

Naturally, therefore, though Zaharoff has been a ranking figure in industrial and political Europe for the better part of fifty years, once mass curiosity about him was aroused, its initial percussion was not upon his deeds but upon the mystery of his personality. Any conclusions regarding what he had become were returned for answer to the question of where he had come from. So successful had he been in keeping within the shadows that years of his life passed, tremendous years in the lives of all men, before he was suddenly recognized as a figure of challenging proportions and subtle fascination.

This day did not come until his active career was

near its end and he had settled down to hoped-for years of peace and continued anonymity. That he was not allowed to do so was probably inevitable. Certainly it was unwelcome to him and unexpected.

Sometimes out of the most inane perplexity of an individual flows a tiny current which in time becomes a torrent; out of the plaintive wail of a disgruntled politician a flood of inquiry and the overthrow of a state. Thus it was, shortly after the World War, when a French politician, questing with the avidity of one whose profession sometimes demands that he uncover the sins of others in order to better conceal his own, asked a question about Zaharoff. The question had to do with certain events then taking place in Asia Minor — matters in which Zaharoff seemed to have an unwonted place. That his concern was shared by the British Government lent added excuse for sounding the tally-ho. The perturbed French Deputy referred to the “arrangement” between the party in power across the channel and *Citoyen* Zaharoff, as the “*système* Zaharoff.” He did not trouble to define the term, yet the manner of its use rang like a tocsin of alarm.

Simultaneously, through one of the paradoxes of politics by which the laity are kept in a more or less constant state of confusion, a member of the British Parliament was expressing his fear that “this mysterious knight, Zaharoff” seemed to have altogether too much influence over the British Near East policy — the same policy which had excited his

French colleague whose fears were inspired by a quite different impulse.

It was these two queries, coördinating by what seemed an accident, which focussed the attention of the Continent upon Zaharoff and hinted at the fact that the *système* Zaharoff, long-suspected, but never labelled, was far from being only another political scare-head. Behind their implication was a long moribund conviction that this mysterious *système* which had seemed to function on the fringes of every conflict for the past half-century, was an infinitely more dangerous and ambitious entity than any one would have believed before the World War came along to render the soil of the masses fertile for such suspicions.

Propounded less, perhaps, through genuine fear than through the motives which are a stamp of political resentments, they broke down the conspiracy of silence in higher political circles. They were the first shots fired in a barrage of speculation and innuendo directed at this individual whose efficient system, it was alleged, had been able to drag war-sick England into another war even to the outrage of the land of its own adopted citizenship.

And yet neither implication nor question were answered unless one is to interpret the complete collapse of the British cabinet and of the campaign in Asia Minor. But while the little politicians and their public waited, a light was breaking. The first ray was illuminating. It disclosed that no one ap-

peared to know anything whatever about Zaharoff beyond the fact that he had been knighted for services to the Empire during the World War, and that he was, in some quite indeterminate way, connected with the English munitions firm of Vickers, Ltd.

The curious, with all the enthusiasm of the unenlightened in search of a new cause, responded with a chagrined shower of gossip and rumor which even went so far as to allege that the reason for Sir Basil's secrecy was that he had committed some very terrible crime of an unmentioned date at some unstated place. Murder was given the preference, though how the accusers came to choose an isolated killing to lay at the feet of one who had profited so much by the endorsed killings of nations, was not explained.

Immediately and naturally the question came back to the mystery of Zaharoff's origin. Hitherto, it had been generally assumed that he was a Greek who had become a French citizen in 1913. This widely accepted version, which bore the stamp of approval of the French Government, was promptly subjected to attack. That it was not given the fullest credence may be accepted, perhaps, as a measure of the depths of the incredible resentment directed against him, resentment which cannot be entirely explained by his refusal to satisfy the popular curiosity concerning himself. From all parts of Europe and the Near East emanated rumors. A politician in Greece, looking askance at the possibility that this incredible

individual might be a fellow countryman, expressed his dismay by saying, "But no, he cannot be a Greek. He does not speak with the Greek accent." He preferred to believe that Zaharoff was a Russian, in fact he might even venture to say — but, surely one might call attention to his name — the Russian finial?

Zaharoff himself did and said nothing whatever to calm the outraged tongues. If anything, he seemed to withdraw even more deeply into the protection of his dark background. He temporarily discontinued his gifts to charity, let it be known that he had sold out his major interests, and sought the comfort of the Mediterranean sun.

Then, as if inspired by the need of making some reply, from Athens, in 1925, was issued a pronouncement. It came from the sanctum of that ancient and ultra-respectable dean of Grecian politics, ex-Prime Minister Etienne Skouloudis, one of the few men known to have been a one-time intimate of Zaharoff, and one of the many political victims of the Zaharoff-directed campaign of the Allies to bring Greece into the World War.

Ostensibly speaking for himself only, Skouloudis said to a German journalist that he wished, for once and for all, to lay in the dust the foul gossip about his old friend Zaharoff.

The statement, after relating certain alleged facts, turned to the implication that in the generally unhappy nature of these "facts" might be found an



explanation of Zaharoff's Sphinx-like nature, his hatred of society and his fear that these dark passages in his early life might be exposed to light.

In presenting, in this manner, his friend's brief, Skouloudis deferred to the psychologist as well as the historian and the gossip. The resulting piece of biography seemed, on its face, fully explanatory. One might easily be over-impressed by its frankness were it not for Zaharoff's reputation as a master propagandist who had, in the past and in other matters, found the truth an amenable weapon to his politics; and as one who was suspected, on occasion, of having "persuaded" more than one public man to his own way of thought and action.

Yet if one believes, as many do, that something quite different than the Skouloudis version is the truth, one can at least admire Zaharoff's cleverness in permitting a most unhappy phase of his private life to fall into the hands of the public while concealing something worse. If Skouloudis' story is the truth, then little further explanation is necessary unless one wishes to dally with the spectacle of a very powerful man allowing his mind and soul to be twisted by an unhappy memory of an undeserved humiliation. If it is not the truth then it is a marvel of casuistry and Sir Basil's enemies are justified in calling it "sublime deceit" and a mere choice of strategies.

According to Skouloudis, Zaharoff was born Zacharie Basileos Zacharias, in the little town of

Mughla in Asia Minor, on October 6, 1849. Mughla is near the present Turkish capital of Angora and at no time in its history has its population been more than two thousand. At one time the Zacharoffs had gone by the name of Zacharias — *He is mindful of God and attentive to His commands.*

The Greeks in Asia Minor were not a happy lot beneath the not-always benign sway of the Ottoman under which several generations of the Zachariases had lived. At one time the Zacharias clan had made their home in the Tatavla district in Constantinople. Such an environment reproduced its own qualities in its residents. The Greek of Tatavla must, perforce, be a sychopantic, fearful and harassed tradesman or simple artisan, trained in all the subtle political vices of a subject people; or an even slyer rebel, bred to feeding the fires of revolt. In the days of the Zachariases the Tatavla district held all the elements of unpleasantness. Since the ancient days of the Hellenic empire, its peoples had been subjected to the rough handling of their Turkish overlords. After one such incident in 1821, the Zachariases fled Tatavla and hid in Odessa. Russia was traditionally friendly to the Greeks and from time to time something happened to accentuate this dislike by a timely revival of their own and equally traditional dislike for the Moslem — a factor which Zaharoff used to his own advantage many years later.

The first thing the clan Zacharias did upon reaching Russian soil was to Russianize their name. The result was "Zacharoff", later, with the coming of age and fame to Zacharias Basileos, or Zacharie Basile, Third, becoming "Zaharoff."

As "Zacharoff", the Zachariases returned to Tatavla when the spasm of Turkish rage had subsided, and from thence they went to Mughla where the son was born.

Mughla has decayed for centuries in the dead dust of the ancient Hellenic culture. Its tobacco farms have never done more than add a pittance to its olive crops, and its bandits, walking arsenals, made life only a little less miserable for the Zacharoffs than it had been in Tatavla. The Mughlans lived in mud houses behind glassless windows, on streets never lighted. They were hopeless and without ambition. All Anatolia seethed with unrest and plots.

Such was the atmosphere into which Zacharias Basileos Zacharoff was born. Yet the Zacharoffs prospered. Zacharoff, Senior, a small merchant, even managed to get together enough money for travel, and twice the little family, the son, the three daughters, Zoe, Charikleia, and Sebastie, saw Paris and London.

After these brief glimpses of the outer world, Mughla grew too small, too unprogressive for the rising Zacharoff fortunes. More or less secure in their adopted name, they moved back to Constanti-

nople, and the Tatavla saw them again. According to Skouloudis, young Basileos found plenty of excuse for complaint even in this newer and broader environment. He had ambitions, and the prospect of becoming just another seller of goods or fabricant of materials upon the Galata Exchange did not please him. Nor was he enamoured of the prospect of marriage into an expatriate family, with nothing better in store than some of the minor rewards which befall one under the unbenevolent overlordship of an unfriendly nation.

Yet he was given that education proper to the ends of a respected family — or perhaps we should say families, because the Zacharoffs had moved in with their in-laws, the Antoniadis.

Basileos would have received no more than the fundamentals of a formal education, however, had it not been for a certain rich Greek, Iphistidi by name, who, taking a liking to the young nephew of his friend Antoniadi, sent him to a private school in Constantinople. Basileos rapidly completed his schooling. We are led to believe, and can easily do so, that he was singularly ambitious and desirous of getting at grips with the world.

Then his father lost his small fortune through careless investments, and it befell his only son to assume the task of supporting the family. This was excellent preparatory training, though Tatavla offered little enough in the way of opportunity to a man of experience, and still less to an untried youth

just out of school. But Basileos was not too proud. He took every opportunity to make money. Nothing was menial to his tireless hands and active brain. At one time, according to Skouloudis, he was even a fireman. Even at this period his restlessness, a characteristic which became more pronounced in later life, was apparent.

It is difficult to see into the substance of those early days in Tatavla beyond what is implied in the mere statement that young Zaharoff was ambitious and active. Whatever may be said of him as he was then can only be told in the half-light of forgotten or obscure events and clouded sequences.

Asia Minor was behind him. The brief visits to the Continent and particularly to England; the contact with more worldly youths, Greek and Turk alike, in the school to which Iphistidi had sent him; the stories which came to his ears from the lips of sailors down in the harbor; all were portents and directions. Where Mughla had been the orbit of his extreme youth, now, within the Antoniadi household and in the streets of Tatavla, he got his first scent of a new and larger world. That world lay across the straits to the North.

Constantinople must do for a beginning, however. He looked it over with the eye of the man of business and marked his stock upon its shelves and computed his share of its assets. Of awareness of the beauty of life in "The Gate of Delight" he gave no sign, not then, nor in later years. The ex-

quisite blue of the Sea of Marmora, the pearl-gray Island of the Princes, the mist-draped feet of the Anatolian hills were as nothing to his practical spirit. The extended mass of Constantinople, studded with minarets and mosques, and the red-roofed houses in their green tree banks, represented so many counting-houses and storerooms so far as he was concerned.

And there was the Galata itself and its cobblestone streets over which tireless oxen dragged their heavy carts; Armenian priests in dusty gowns and chimney-pot hats and their Greek colleagues in brimless top-hats, and throngs of *hadjas*; Kalmucks from the Northeast, traders, veiled women, petty courtesans, and above all those places where money changed hands and goods were given and taken in return, and where fresh new goods came in from the East and West and North and South. These were Life! It was upon them that young Basileos Zacharoff thought and hoped and counted. To him they added up to Opportunity. From their spectacle he dug the raw material which he was to use as his own in a time to come.

Particularly in the moment was the matter of languages and dialects, all the patois of the Near East. There was French and German and Russian to be learned, and plenty of teachers for each. There were English sailors from Northampton and the Clyde, and Italian, as a matter of course; even Magyar, that warm sweet tongue of the North; and

Spanish for that day when lands even farther west than Spain were to be reckoned in his schemes of power. And though young Basile certainly did not dream of that Spanish noblewoman who was to become his wife, he developed the gift of tongues and the shrewdness of the Levantine trader, without which she and her hand would never have been achieved. So it was not surprising that a place should be found for him in Galata where billets occurred less often than men to properly fill them.

He went to another uncle, Sevastopoulos, a clothing merchant on the Galata Exchange. Uncle Sevastopoulos needed a bright young hand and nephew Basileos was the very ticket. When, a half-century later, Etienne Skouloudis came to discuss this relationship between Zaharoff and this uncle, he spoke of it as a partnership. But sufficient for the moment that for over two years the association prospered exceedingly and Uncle Sevastopoulos seems to have been pleased with his new assistant.

We have Skouloudis also to thank for what testimony is available concerning the breaking up of this peaceful and practical affiliation. It appears that young Basile finally became restless and dissatisfied with the manner in which his uncle upheld his end of the agreement. He charged that Uncle Sevastopoulos promised him a share of the profits and then refused to pay them. Zacharoff, ever practical, promptly helped himself to what he considered a

fair division of the cash on hand and betook himself to London where he was arrested by his uncle's order.

Skouloudis went into great detail in discussing this unpleasant incident.

It is not unnatural, in the light of this affair, that in all the tales since told of Zacharoff, a "criminal" episode should appear in one form or another. However, Skouloudis does not omit the romantic note in his story. Beyond his statement and a much-discussed newspaper item from London, which, strangely, seems unavailable, there is nothing known. One persistent rumor — probably the foundation for the heralded "murder" charge, — has it that young Zacharoff escaped from his London prison by shooting the prison guard who attempted to halt him. But of this there is certainly no atom of truth.

In any case, Skouloudis' assurance disposes of the details of Zacharoff's imprisonment in London. He states that Zacharoff was held for months before his trial and entered Old Bailey despairing of hope because he had been unable to find the contract between himself and Uncle Sevastopoulos which would clear him of any charge more serious than of taking what rightfully belonged to him. While passing along the cold corridors of Old Bailey on the way to his trial, the warden threw his cloak over his shoulders — a cloak which had been hidden away in his trunk. In its pocket Zacharoff found the contract! Entering the court room he allowed



Uncle Sevastopoulous, who had come from Constantinople to give testimony, to take the stand. Young Zacharoff stood mute until his indignant relative was about to reply to the Crown Attorney's question concerning the contract, whereupon he rose to his feet, waving the contract and shouting, "Stop him! Don't let him testify! He will be committing perjury."

The perfect climax!

Uncle Sevastopoulos returned to Constantinople to hide his shame and Basile Zacharoff was free.

This, says Skouloudis, was the criminal episode which marked the life of Sir Basil Zaharoff.

It is all very romantic and colorful and should have, in the eyes of all right-minded men, painted Zaharoff as a victim rather than a villain. Certain phases of the pretty tale seem typical of Zaharoff. When he felt he had been tricked he took the law into his own hands. That his uncle had been away at the time was an item to be mentioned only if necessary but not stressed. That Zacharoff may have doubted the decision of a Turkish court is understandable. Or, perhaps, there was that craving to see London again to be considered. In the latter case he was certain his uncle would interfere. So he had fled.

The result of the trial was not as complete as he might have wished, however. For time, at least, he was more or less under a shadow in London, and his dreams of conquest there must be abandoned.

He came out of Old Bailey with a few lonely pounds, confronted by the problem of making a new beginning. Constantinople was definitely closed to him, as there was always a chance that his uncle might pursue his efforts for revenge in another country. He was not yet assured enough of himself to make an essay at Paris. Greece alone offered a haven. There, at least, he would be on more or less familiar ground, and what virtues there might be in his citizenship were to be counted as assets. He had never been to Athens. That city, lately freed from Moslem rule, was beginning to assume a new importance. Basileos Zacharoff turned his face toward the East.

As has been said, the Skouloudis "version" was not received throughout Europe as the truth, though Skouloudis himself was not blamed for, nor specifically accused of, willfully disseminating an untruth. He was a victim of his old friend, Zaharoff, who had persuaded him to issue this species of "sublime deceit" for his own purpose — this represented the reaction in higher circles and especially among the newspapers of the Continent.

What, then, was the truth? And why this elaborate tale unless it was an attempt to explain Zaharoff's mystery and hatred of the limelight? Finally, does this experience, in the light of that new and popular science which examines a man's motives, his joys, sorrows, loves, hates and adventures, and in them seeks to explain his subsequent behavior,

account for the strange paradoxes of Zaharoff's career?

In the first place, the affair of Uncle Sevastopoulos was not, in the strict sense of the phrase, a criminal episode. Unpleasant, yes, but what did it prove? Nothing except that an older man, a responsible man of business, had taken shameful advantage of a youth, and a blood relative at that. Surely this could not account for, nor intelligently explain a man such as Zaharoff declaring war on society and turning his back forever upon his fellows. Was it so trivial a thing as this unhappy little incident, of such nature as might befall any young and ambitious man, that made Zaharoff what he is? The reaction about Europe was in the negative. And curiosity began to manifest itself in the best tradition of an age that produced canned psychiatry and the tabloid newspaper out of the same psychic womb.

And by no means the least of the many interested in this Zaharoff were those men of science, the modern historians of the psyche, to whom psychology and psychiatry had lately been added as tools of an ancient trade. These gentlemen were overjoyed at the prospect of having another soul to dissect. Enthusiastic over this new scientific proposition, they were shortly explaining how and why Abraham Lincoln was a *schizoid*, Napoleon, Henry VIII and Nietzsche different but only slightly less attractive *ists* and *oids*, and that here was a man who, out of a

single youthful scandal, had evolved, by psychiatric progression, to earn the title of "The Most Dangerous Mysterious Man in the World." Here, indeed, was a phenomenon.

Zaharoff's Olympian status had, until now, combined with his genius for maintaining anonymity to protect him from such undignified assaults. The Continent, knowing of him only vaguely as a war-maker and profiteer, had accepted him as they had the planets and other more pleasant manifestations of the Cosmic scene, less as a personality than as a symbol, until the Skouloudis story came along to tag him as real. It became easy, once this apologia reached the public, to think of this ominous figure who had risen out of the Near Eastern murk, and by gargantuan cunning and profoundly secret efforts achieved such power and dignity as to be able to sponsor war and international rapine as a matter of simple business policy, as another Metternich or Machiavelli motivated by sardonic hate and Mephistophelian diablerie; a combination of Haroun-Al-Raschid, Genghis Khan and Napoleon. But, when seeking in the version of Skouloudis for a measure by which to interpret what Zaharoff had become in the light of what had happened to make him so, Europe was frankly amazed that his behavioristic roots should have fed upon so ridiculous an affair as the "case of Uncle Sevastopoulos." As a basis for the scientific interpretation, the effect of that Old Bailey incident was not half so imposing as, for

example, the effect of Siberia upon Lenin or of the death of Ann Rutledge upon Lincoln.

However, there was the proof, said the credulous. This poor, ambitious and impressionable youth, his name besmirched and his honor betrayed by one whom he had loved and served: was it any wonder that he became anti-social? But this was not all. Certain Greek newspapers were to round out the climax to the story told by Skouloudis.

Young Zaharoff went to Athens. (Of this much one may be sure.)

But here, again, as occurs consistently throughout the history of Zaharoff, one encounters conflict. One authority on his life, Charles Merz, relates that young Zaharoff did *not* go to Athens but to Cyprus instead, and carrying a British passport issued to Z. Z. Williamson. His objective, according to Merz, was to sell military supplies to the English General (later Viscount) Wolseley: and that from Cyprus he went back to Constantinople where he shortly became enmeshed in a lawsuit in which the "papers" suddenly disappeared. Obviously, this is another angle on the "affair of Uncle Sevastopoulos", but this time the "papers" alter their rôle somewhat.

We may be sure that there was little of the Oriental capacity for fatalistic acceptance of facts in the Basileos Zacharoff who came to Athens after the "affair of Uncle Sevastopoulos."

Society in the Grecian capital was, during the last

quarter of the nineteenth century, a compact, self-contained and jealous unit which smugly, and with reason, approved of the standards set by the more glamorous society of London and Paris. Surely it must have seemed an impregnable fortress to a poor, unfortunate young Greek lately in disgrace in London.

Yet something must have happened to his acquired apprehensions during that flight, for when he appeared in Athens he came as a conqueror. He proposed that Athens should accept him as a friend, and if she snubs him, she makes an enemy.

Perhaps it was this somewhat presumptuous but courageous mien which brought him to Etienne Skouloudis. Zaharoff was highly personable and more than ordinarily intelligent. He knew, in those days, how to make friends and he knew that friends would be necessary to the future he planned. He was introduced to Etienne Skouloudis just far enough in advance of the gossip which followed him from London to cement the friendship and win the support of the young statesman-writer.

Skouloudis prided himself upon his liberality and patriotism. He was finely educated, tolerant and high-spirited. Like Zaharoff, his roots were in Asia Minor.

Both had lived in Constantinople; Zaharoff obscurely, Skouloudis, a prominent personality in the Greek section. The Skouloudis salon was the first as well as the last, for many years, in Athens, to

open to Zaharoff. There was but five years difference between the ages of the two, but Skouloudis, the elder, possessed everything which his new friend did not in the way of prestige, reputation and social standing. Zaharoff was twenty-seven, Skouloudis thirty-two, when they met.

While Zaharoff was occupied with the affairs of Uncle Sevastopoulos' little business, Skouloudis had been attracting fame as a writer in the leading newspaper of Athens, the *Ora*, under the wing of the famous statesman, Trikupis.

There was something striking in the intimacy between Zaharoff and his new friend — and their mutual interest was spontaneous. Skouloudis, the patriot, was attracted by the distinguished appearance, intelligence, and confident air of the younger man, and saw in him a fellow countryman who would undoubtedly go far in national affairs. He encouraged Zaharoff in many ways, and the latter must have been struck by the relative merits of his friend's situation as compared with his own. Certainly the contrast between the Skouloudis salon, with its warm and friendly atmosphere, the free play of fine minds and patriotic spirits, and Zaharoff's own burden of a past, with fear and shame for companions, must have outraged his soul while at the same time stimulating his hunger for respect and "respectability." True, he showed little consciousness of abasement. He was proud, and his fine, long jaw, square at the tip, which was, with his

carriage, his most striking characteristic, was carried high. Skouloudis was proud of his protégé.

But this pleasant hiatus in his career was not to last. The sinister ebb from London soon penetrated to the ears of Skouloudis, who suffered the embarrassment of seeing his new intimate snubbed by their mutual acquaintances.

It would be a libel upon the amiable Skouloudis to say that he was angered when he learned that Zaharoff had lately been a prisoner of the stern English law, charged with a petty embezzlement. This is the opposite of the truth.

Skouloudis was not a snob and if he sought anything at all, it was the privilege of seeing Zaharoff establish his innocence. The latter realized that he could only hold his own by facing the issue at once. He had had a difficult time since coming to Athens. He had been unable to find profitable employment and this, added to the new fear of losing his social recognition, was a spur to action. His manner of dealing with the emergency was characteristic. He took the bit in his teeth and proceeded to call on Skouloudis.

There are two ways in which a man can approach another — his temporary judge — under such circumstances. One, to beg, appealing to friendship, morality and tolerance; to ask to be spared condemnation. This is not the manner of the proud and resourceful man. Zaharoff chose the opposite. He told Skouloudis that it had come to him that



people were saying he had been tricked by his friend — Zaharoff. He, Basileos Zaharoff, did not, therefore, propose that his friend Skouloudis should suffer for false slander. This put the onus upon Skouloudis and that kind gentleman did not have the heart to betray such loyalty. Any doubt that might have existed in his mind was put to flight by Zaharoff's bold approach; for surely such could not be the manner of a guilty man.

Substantiating his claim of innocence, Zaharoff produced a tiny squib from a London newspaper, setting forth the bare details of his brief appearance in court — and argued his case.

In forcible, convincing language he presented his version of the incident — the story which Skouloudis was to relate to the German writer fifty years later. And there the matter rested; and out of the renewed intimacy of that moment was born a friendship which was to see both through many strange and eventful days.

Skouloudis handled his friend's case by simply denying the entire incident, and took great pains to counsel him upon his future conduct. He warned him that Athens would not forget the affair however well he himself might argue in his behalf. He advised Zaharoff to remain in the city only long enough to offset the impression that he was afraid to do so, and then to take himself off for a period of reconstruction in a more friendly atmosphere.

Zaharoff wisely did not ask for financial aid, though affairs were not by any means easy for him.

Two months later he left for England — leaving behind him the seed of another sordid affair.

This time it was a woman.

The lady in question had been the enamoured of a young Athenian journalist, Xenos by name, — that is, until young Zaharoff came along; whereupon she had committed her affections to the young stranger from London.

Xenos was a proud and over-weening individual with a long record of feminine conquests, and the ease with which Zaharoff diverted his latest flame to his own purposes, angered him to such a frenzy that on several occasions he had tried to force an open quarrel upon his rival. The latter, however, the conquest once established and his own sense of power gratified, turned his back upon both Xenos and the disputed lady and forgot the matter.

The ire of Xenos was intensified by his rival's cheap appraisal of victory and in revenge he became one of the most assiduous in spreading the gossip of the London episode. With Zaharoff's departure from Athens one might have expected Xenos to drop the issue. But it rankled and he sought a way to rebuke his erstwhile rival for once and for all.

His access to the composing-rooms of the *Mikra Ephimeris*, the social sheet of Athens, helped him perfect his plot.

Zaharoff had been gone from Athens for several months upon one of the many "mysterious" journeys which figure in his life, when the front page of the *Mikra* carried one day a half-column story signed by Stephanos Xenos. The item told of the death, while attempting to escape from the infamous prison of Garbola, near Athens, of the late member of the Skouloudis salon, Basileos Zaharoff, there imprisoned for an indcribed crime. One of the many variations of this spectacular incident, which has been current for several years, is that Zaharoff bought a corpse, after his escape from prison — in Athens *this* time — shot it full of lead to mutilate it, and leaving it outside the prison walls to throw his pursuers off the scent, fled to Paris where he arrived with five francs in his pocket, a permanently soured outlook on life and a bad case of paranoia. Which complications led him shortly to a small job with Krupp in Germany — O significant event! — and back again with his savings to raid the Paris Bourse and ride to fortune on Rio Ginto.

To say that Xenos' attempt at revenge was unchivalrous is hardly an exaggeration, and the avidity with which the gossips seized upon and carried the tale proved that Athens had not forgotten the lurid London affair, and regarded this latest development as quite natural in the career of such a charlatan. Those who had once inclined a friendly ear to Skouloudis' loyal support of Zaharoff were the first to rebuke him, and the "I told you so" clan rose

in full chorus. Poor Skouloudis, for the moment, was sadly taken aback.

He was in despair and almost upon the verge of announcing publicly his humiliation, when friends of Zaharoff in Constantinople, hearing of the incident, wrote to ask if it were the truth.

Skouloudis called in the police and within a very short time the body of the unfortunate "criminal" — one actually *had* been shot — was exhumed. It was not that of Zaharoff; and that, for all practical purposes, was more than satisfactory.

It was not difficult for Skouloudis to trace the responsibility for the canard. The *Mikra Ephimeris* was only too glad to disclaim its responsibility and to identify the real villain. Then Skouloudis confronted the badly frightened Xenos, and had little difficulty in getting the details of the whole plot. The matter was dropped in so far as Athens society was concerned, while the victim of this second cruel blow, this time innocent beyond question, went quietly about his affairs throughout the storm. But soon the tale reached him and he rushed posthaste back to Athens.

His newly established virtue, suffering as it had, from the undeserved lashes of a malignant fate, cried out for a public witness. He issued a warning of dire punishment against the man who had impugned it.

Skouloudis, inclined toward diplomacy, counselled peace and begged Zaharoff to allow the issue to re-

main dead. But Zaharoff was adamant. He was going to punish the slanderer. It was one of the rare instances in his career when one hears of him betraying the emotional distemper of the average man. Nor was this hard to understand. He had already paid what he considered an outrageous price for what, at its worst, could only be called an error of judgment, and it was never the way of Basileos Zaharoff to pay too much for anything. He had been washed clean of evil intent in the affair of Uncle Sevastopoulos and his one besetting fear, until now, had been that any discussion of his tarnished honor might be reopened. But this was different. And so, overpowering the arguments of Skouloudis by the sheer spectacle of his rage, he forced him to disclose the presence of his old rival, Xenos, as the author of the affair.

He rushed to punish Xenos with his bare hands, and met a ludicrous climax. Xenos, as frightened as Zaharoff was angry, attempted to flee retribution. Zaharoff caught him as he was leaving his house. Xenos babbled a hastily trumped-up version of the affair and claimed innocence. Zaharoff accepted it as a minor triumph; but it must have been Dead Sea fruit in his mouth. In the first place, no one in Athens, with the possible exception of Skouloudis, had the slightest interest in the incident any longer. That a man should abandon his affairs to rush pell-mell across the Continent for a school-boy revenge — as it now appeared to Zaharoff himself — was

not pleasant for one who felt that to be made ridiculous was as shameful as being caught in a crime.

There was little in this incident to cause one to recognize the Zaharoff of later years, when a sense of personal dignity, singleness of purpose, and unshakeable poise were the primary facets in a brilliant conformation.

But Zaharoff learned his lessons rapidly. His anger cooled when he realized that if the story of this low-comedy attempt at revenge got out, all Athens would ring with laughter. Perhaps, too, he saw that as a marked object of mingled speculation and ridicule with a tarnished record, the less he indulged the temptation toward grand gestures, the better.

He had done none too well during his last stay; in fact he had had considerable difficulty in raising enough cash to take him back to Athens to punish Xenos. He believed, now that the new-found virtue of being right in a second assault upon his good name was hot within him, that he could more easily make a new start in Athens. At least there was no chance of returning to London. And so that dream receded into the background — temporarily.

He fell back into a period of ill-luck, scattered jobs and scanty income, during which Skouloudis continued his friendship apparently without offering financial assistance.

Everything the fiction writer could ask for appears in the history of Basileos Zaharoff up to this,

juncture. It has plot, drama, comedy, pathos, tragedy, suspense and color. But is it true?

Zaharoff the victim, the abused. This is the man Skouloudis would have us recognize as Zaharoff. Zaharoff the courageous, the winning, the impetuous, but always the unlucky. Zaharoff the poor, if not impoverished, a man of unusual natural advantages in the way of personality, a capacity for making friends as well as enemies, and willingness to work; with certain disadvantages in the way of temperament, misfortune and early environment.

One is expected, perforce, using these materials as guideposts, to follow this Basileos Zaharoff along the road which Fate led him, to a point where we can rationally accept him as Sir Basil Zaharoff, the man of mystery and incredible poise, the anathematized enemy of mankind and one whose hatred of society played no small part in his rise to riches and power. Does one find his end consistent with his beginnings?

Before we are committed to judgment, there are certain points to be reconciled.

It is a maxim of copy-book psychiatry that the history of every man will show him the more or less consistent product of his environment and experience, his sufferings and conquests. But Zaharoff has never been the sort to use his misfortunes as pleas of extenuating circumstances. Nevertheless, his apologists, of whom Skouloudis was among the first, appear to have done this. They have tacitly

asked the world to admit that origin in an unfriendly land, and a boyish escapade, and an embarrassing but blameless tilt with the law are a sufficient explanation for devoting oneself to a career of stimulating war for personal profit, the encouraging of men and nations to armed conquest and slaughter, and the endorsement of the basest means by which these ends are achieved.

We are asked to believe that the damage done youthful pride by undeserved persecution, slander and punishment, provide the motivating impulse for a life-long misanthropy, sullen secrecy and soul-less pragmatism in dealing with one's fellows.

The dilemma may be complicated or clarified and, in any case, made more interesting by certain further considerations.

We leave young Basileos Zaharoff in Athens — on the brink of a third great adventure — and in the interim occupied with the selling of steamship tickets, clerking, guiding tourists and interpreting.

This Basileos Zaharoff, out of Mughla and Tatavla, can take care of himself. He has been inured by suffering and is ready for what may come. We will concern ourselves with another Zaharoff, a citizen of Odessa, near the Black Sea.



## CHAPTER II

### UNCERTAIN ADVENTURE

THE Zaharoffs of Odessa were Jews. They were humble, hard-working and orthodox, we are assured, but with no special distinction beyond this. They shared, however, a certain advantage with their co-religionists of Odessa, due to their residence in that bustling city by the Black Sea, for during the first half of the last century Judaism in Odessa was proud. It could hold up its head.

To be a Jew anywhere else in Russia was a guaranty that something unpleasant would happen sooner or later, while the Jews in Odessa, most of whom had come thence from other parts of the Empire, had gone for the most part unmolested for over fifty years. As a result, many of them had done themselves exceedingly well, and the colony as a whole had much to its credit. It was their enterprise, combined with the Greek's mutual interest in profit-

making that had promoted a thriving and prosperous port city out of a scraggy fishing village.

But the Zaharoffs of Odessa were not among those who prospered. At the time we make their acquaintance they had done nothing more spectacular than keeping the door open to a little odds-and-ends shop. They numbered a father, mother, and the son, Basileos; and beyond keeping healthfully alive and being left alone no ambitions afflicted them.

Then things began to change. Like many similar changes in Russia, this one, which had not yet in any direct way, touched the Zaharoffs, was brought about by the exigences of military service. The Russian-Jewish youth was traditionally opposed to serving under arms, so much so that their efforts to evade the required service took them to extreme lengths. Many mutilated themselves, others fled, some escaping. Many were brought back and flogged.

In 1850, the Tsar issued an edict that for every missing recruit of Jewish blood, three of the minimum age of twenty should be drafted; and because of the constant stream of reports citing tax-evasion by the Jews, especially in and about Odessa, that for every delinquency of two thousand rubles, an additional Jewish recruit was to be drafted into the army.

This meant the end of happy days for the Odessa Jews, and while having no direct effect upon the Zaharoff affairs or fortunes, its results supply elements somewhat comparable to the events previously

related in the lives of the Zaharoffs of Constantinople.

Soon after the Tsar's edict, the Greeks, trusting to the conditioned paternalism of the Russians, began to harass their erstwhile confrères. This eventuated in open warfare and in time, a pogrom or two. Thus, in these two versions of Zaharoff's life, we must deal with this same enervating influence — racial persecution. This is but one of the strange similarities in all the versions of his early life.

The younger generation of Jews was the first to rebel against the Russian and the Greek. Seeing their parents grow poorer and poorer, with only a select few of their number growing proportionately richer, the racial tension increasing in the meantime, they turned to agitation and active resentment. Some of them even became openly anti-Semitic, and others began to dally with the embers which, nearly a century later, burst into revolutionary flames. There seemed excuse enough for either.

The Russian-Jew had, for years, fought the implacable threat of blind bureaucratic force. He had pitted against stupidity and unreason his own refined craft and cunning, whetted and sharpened by abuse and consuming fear. He learned to despise not only his enemies but even his co-religionists in other lands. To quote the words of one: "When the Russian-Jew walks abroad he feels that he is walking among enemies who would stone him if they dared." And another: "He (the Russian-

Jew), recognizes no mercy, no love, outside human fellowship, but deep within him burns a mystic light. Probe deep and you will not find solid self-sufficiency but aspiration and instability."

"Aspiration and instability." Significant words when applied to a man such as we are considering. The owner of such conflicting tempers is usually a visionary, inclined to cruelty, defiance and contempt. He is the understandable product of the knout and Siberia. He is an inevitable participant in that horror at Kronstadt in 1917 when a barge load of Russian aristocrats, rumored to have been Jew-haters, were drowned to the accompaniment of Bolshevik insult and laughter. He is the man who watered and tended the roots of anarchy and watched it flower into Communism and revolution — a revolution which, more than any other inspired by class-hatred, accomplished the most sweeping revenge against class.

Until the triumph of Communism, the overthrow of Tsarism, old habit kept the Russian-Jew out of the people's way. He asked only to be left to himself. He was a slave who feared to speak. When he was silent he thought, "When I get money and power I shall show them what I think of their contempt."

And out of these festerings and fevers of centuries, they, these Russian-Jews, distilled a superior craft in all their dealings, a broader and more interpretive cruelty, to be evoked promptly at the proper

time; and a measureless ambition which resembled unbridled autocracy in that it did not count the cost of the blood of other men when an end was to be gained.

Zaharoff, for the moment, is being considered as one of these thwarted, unhappy, powerful and conquering people. He is being treated as part of a new psychological picture; a picture tinted with the colors of blood unlike that which ever flowed in the veins of a Greek.

Testimony as to this version comes from a considerable number of people. They are residents of Europe and the Near East, cosmopolitans all. Many of them are highly placed — journalists, bankers, soldiers and a few politicians. With the possible exception of the latter group, none of them may be said to have an axe to grind, with Sir Basil Zaharoff, K.B.E., or with Basileos Zaharoff, be he Greek or Russian-Jew.

So far as one can judge there is no reason to believe that any of them ever owed him money, nor are they acquainted with each other. Their stories are available for any one with even a mediocre talent for reportorial technique. One may meet one of them at a bank counter in the Levant, on the Blue Train from Monaco, or in an ultra-Tory London salon. In one respect they are in absolute accord — they will relate, with all conviction and sincerity, that this man, the mysterious millionaire knight, Sir Basil Zaharoff, is the son of the Zaharoffs of Odessa.

However much one may be inclined to doubt this version, or to put it down as another of the legends which pervade the atmosphere surrounding any important man, the mere fact that a substantial number of people presumed to be of average veracity, unknown to each other and bound by no mutual ties, and without personal animus or excuse for so doing, should report their separate stories, coinciding even to the smallest details, is amazing enough.

For the purposes of the reporter and biographer, what they have to say is worth listening to if for no other reason than that it is consistent; but to find that such a disclosure, touching the life of so imposing a personality has not been given public currency is a phenomenon difficult for an American to understand. That it has not become better known can only be explained by the fact that so many tales are told of Zaharoff that one more is not of consuming interest.

There is the further fact that the news-organs of Europe entertain no theory, such as exists in American journalism, that an informed public opinion, in its unique relationship to the progress of a people, should be a governing principle in news dissemination. The percentage of newspapers on the Continent and in the British Isles which may be described as "independent" in the American sense of the term, is so low as to be virtually negligible. And that any one of them might take the position that the personality and illuminating historical detail of a

personage like Zaharoff, however great his influence upon the lives of a people, should be (in an American sense) amenable to a legitimate curiosity and public judgment, would constitute a form of *lèse majesté* from which their scrupulous journalistic souls recoil in horror.

It is in this perhaps unwise reticence, as well as in Zaharoff's own views on the subject of his privacy combined with his determined and successful efforts to maintain it, that we must look for an answer to the relative apathy of Europe on the subject of the mystery of his personality and career. He would have long since been "exposed" by the newspapers of his country if he had been an American.

This version of his life properly begins with the drafting of Basileos Zaharoff into the Imperial Russian Army. We may safely assume that he did not welcome this unpleasant necessity. In addition to the fact that he was a despised Jew, and was perhaps somewhat tainted by the radicalism which had been burning in the young Jewish breasts for many years, he had additional cause to deplore it, for he had just married — a young Jewess, from his native city.

He had been in uniform but a few months when a son was born to his wife, a child, we are told, he has not seen to this day.

And here comes another of the strange parallels which so confuse and enchant the reporter on the trail of the various Zaharoff legends; another crim-

inal episode, this time one infinitely more unpleasant than the affair of Uncle Sevastopoulos, is recorded. He is accused of theft. In conscientiously examining the relationship between cause and effect in the life of Zaharoff, this tragedy undoubtedly serves as a more satisfactory explanation than the fiasco in Old Bailey and the anti-climactic bit of melodrama in Athens which followed that incident.

What it was that young Zaharoff, soldier of the Tsar, stole from his superior officer, we are not told. It seems to have been of little value, but the Romanoffs, with their usual fine generosity in such matters, promptly sentenced the unhappy youth to a term of years in Siberia. At this time he was nearly twenty-three years of age.

According to the Russian law, his wife became automatically divorced from him upon his exile into Siberia. One is told that he wrote her, sending money, and that he laid plans for their joint future upon the expiration of his sentence. But one knows nothing of her response, nor even if she made a response; and if one is to credit the balance of the story, it would seem that she made none.

From that hour until one next hears of him in Constantinople, a hiatus of several years, he might have been buried for all any one seems to know.

Siberia might well have been a tomb in those days. It was a horror never exaggerated. Certainly it was not a place for scrupulous beginnings.

The next glimpse we are afforded of him is in



Constantinople, "even then a rich man", to use the term by which he was described. This was in the year of 1876, shortly before war broke out in the Balkans, eventually bringing Russia on to the scene, and laying the foundation for Zaharoff's career as a munitions magnate.

In the meantime, his ex-wife had left Odessa for England. She had given up any expectation of Zaharoff's return, and after a short stay in London, remarried. Her second husband was also a Jew, and the owner of a modest shoe business.

While Basileos Zaharoff of Athens and Constantinople was carving out the foundations of his career as a munitions dealer in the Near East, appearing in England at intervals but always without ostentation, his son was being educated by his stepfather to take a place in the business of making and selling shoes.

The next four decades in the lives of the Zaharoffs, father and son, were eventful, especially where the former was concerned. While his father was forgetting Odessa and Siberia in the construction and administration of the affairs of his industrial-political empire, Zaharoff *filis* was working hard. In time he married and had a family of nine sons and daughters. His business grew, and in 1910 he was able to sell out and retire.

In 1912, one is informed, the younger Zaharoff (he had retained his father's name), saw, for the first time, the name of Basil Zaharoff in a news-

paper. He promptly investigated and, upon learning that this Zaharoff was connected with the munitions firm of Vickers & Company, and although generally supposed to be a Greek, he was assured that he had at last found his father.

From all one learns of the methods of Zaharoff, Junior, in his efforts to force recognition by his illustrious sire, we are forced to conclude that he had little of the latter's talent for diplomacy.

Zaharoff  *fils*, secure in his honesty and the belief that he would be welcomed, sent his name to the wily munitions magnate. To his amazement, his card was returned by a secretary with the announcement that M. Zaharoff would not see him.

The picture of a rich man bedeviled with demands for an accounting of his past is by no means unusual. Such an eventuality might trouble the dreams of many a man less important and imposing than Basil Zaharoff. But there is more to the story and it reads strangely.

Zaharoff, Junior, took his case to his lawyers, who, whether through ineptness or other reasons, badly muddled the waters. The younger Zaharoff is said to have been of the opinion that his wily parent "reached" the attorneys—a by-no-means unprecedented accusation in the life of Basil Zaharoff. In any case, all that Zaharoff, Junior, got out of it was the knowledge that his father intended, if necessary, to formally repudiate him and the relationship, and that his puny fortune and the justice

of his claim were no match for the older man's millions backed by his determination to be considered a Greek and not a Jew.

Zaharoff *filis* was discouraged. His mother had died several years ago, still in ignorance of what had become of the young husband who had been shipped off to Siberia by the Tsar. Without her testimony, and hampered by the lack of funds, he could hope to do little against his father's wealth and prestige.

At this juncture, according to our informants, an unusual move was made. The younger Zaharoff received a call from Scotland Yard. Upon arriving there he was taken into the office of a high official where he was cross-examined closely upon the subject of his claims against the munitions magnate. Perplexed and awed by the ponderous might of Scotland Yard, he told his story haltingly. It was received with marked respect, and, after he had finished, he was presented with an important conclusion. He was told that Scotland Yard, the English Government, in fact, was prepared to back his claims, but *not* while Zaharoff, Senior, was alive.

"He is too important to be attacked now," the police officials are reported to have told him. They then proceeded to outline their reasons for pledging their conditional support.

This dénouement is said to have taken place in 1920, eight years after the younger Zaharoff had

made his great discovery; eight years which had seen his eminent sire knighted by King George, and become the subject of mystified speculation from all sides and one of the richest men in the world. No wonder it was decided that "he was too powerful to be attacked."

In considering this strange state of affairs, we are reminded of several factors which counselled the wisdom of delay, other than Sir Basil's imposing stature. The first and most important was the question of the latter's immense estate.

Since 1913 Sir Basil had been a French citizen. Thus the disposition of his post-mortem affairs must become an international issue, especially as, in 1925, he had married a Spanish wife, herself the mother of titled daughters. Under the French law, seventy-five percent of Zaharoff's fortune would go to his blood heirs in case the latter succeeded in establishing their claims. The nine grandchildren, though prosperous in a moderate degree, could hardly be left out of consideration. And finally, there was the English law and its enthusiastic interest in heavy death-duties.

Of course there was the question of proof. How did Scotland Yard know that Sir Basil was a Russian-Jew and not a Greek? How would this contention look to the French, whose records showed him a Greek? What of the collateral heirs, the noble daughters of Lady Zaharoff, and the lone

Antoniadi, grandson of the Greek Antoniadi of Constantinople, mentioned in the first and popular version, and himself a French citizen?

At this point speculation takes up a new trail, and a sensational one it is. The plot thickens almost to the point of coagulation.

Zaharoff had, through Etienne Skouloudis, allowed it to be made a matter of public knowledge that he was born in Mughla of Greek parents. That this is but a self-created legend explainable by some in-explainable inner urge is the contention of many; and, if this second version is to be credited, by the British Government as well.

If he were born a Greek in Asia Minor there must be some record of his birth, and the same theory applies to the possibility that he was born a Jew in Odessa. Nor may it be forgotten that the popular version of his early life mentions that the Zaharoffs of Mughla had been in Odessa at one time; nor that both versions refer to Zaharoff's presence in Constantinople in the '70's.

The question of his birth record was not, so far as is known, looked into, until 1912 and 1913, when his citizenship was being examined by several interested governments, and his refusal to clear up the matter with his own lips, regarded as unusually significant, became the object of open discussion. It was then, one is told, that both England and France began to look into the matter.

One will not be too harshly mocked to-day in cer-

tain quarters, particularly in England, if one intimates that Zaharoff at one time had the French Service Sûreté in his pocket. In this connection one comes across still another surprising development.

In 1913, the French are said to have sent a secret service operative to Mughla to report on Zaharoff's statements as to his birth. The operative chosen for the detail, was a little pock-marked and ugly Russian-Jew by the name of Nadel.

Nadel's career had been unusual. He, too, was born in Odessa, and had been one of the few young Jews to elude successfully the Tsar's police by fleeing from the compulsory service act. He came to Paris. For a time he ignobly occupied himself with the guiding of Russian tourists through the vice districts of the City of Light. He became a pimp, and from pimping, graduated to the status of police-spy, or stool-pigeon. A few years later he became a member of the ultra-respectable and efficient Service Sûreté.

From all we know of Detective Nadel, he was a success at his job. Like many of his race, he showed a distinct talent for keeping a close mouth, and was the owner of a highly trained scent for spying.

It was about this time that Basileos (now Basil) Zaharoff took up his residence in Paris. As if inevitably, he and Nadel were drawn together.

Zaharoff apparently marked his obscure compatriot as a man who would serve him well, and, if not always under his direct eye, in a position of a cer-

tain strategic worth. Nadel seems to have been held in high official regard as well, for he is said to have been one of the crew of the ship that carried President Poincaré to Russia in the summer of 1914. The evader of the Tsar's wrath returning to and leaving his homeland under the ægis of the president of another country! It smells like fantasy, and all the more so when one learns that, upon his return to France, this ubiquitous draft-evader spy displayed with pride a gift — a watch containing the portrait of none other than the Tsar himself and given by the Imperial hand.

One inclined to be cynical about such affairs could easily deduce from this amusing *contretemps* that Nadel was in the pay of both France and Russia, maintaining a slightly fettered allegiance to one while granted immunity by the other. And it was not long before people were saying that Nadel owed a professional obligation to a third source — Basil Zaharoff.

This was Nadel who was selected to go to Asia Minor to investigate Zaharoff's statement regarding his birth. He brought back the "proof", and after reporting to the Quai d'Orsay, called upon his master.

The story of the trail followed by the British Secret Service presents the other side of the picture. Their quest ended in Odessa, and it is now said that, safe in the archives of Scotland Yard, reposes an amazing document. It is a photostatic copy of the

birth certificate of one Basileos Zaharoff. It is made out in Yiddish. Furthermore, one is informed, the certificate is substantiated by the sworn statement of the rabbi who officiated at the baptism, who, at the time of the investigation, was still alive in Odessa at the age of ninety-one.

Nadel continued as a member of the Service Sûreté until after the World War, when he was retired on pension. His services were immediately taken over by the Frères Blanc, administrators of Monte Carlo, where his memory for faces, especially those of law-breakers, was an invaluable asset. A few years later Monte Carlo was bought by Zaharoff, and if there ever had been any question about whether Nadel was on Sir Basil's payroll, it no longer existed in the minds of those who profess to accept as true this version of Zaharoff's life.

The finale of Nadel's life was written in tragedy soon after he was employed at Monte Carlo. One day he was found dead, a suicide by shooting, in his rooms opposite the Casino. The publicity-hating Monacans let it be known to a limited circle that Agent Nadel had hanged himself in grief at the loss of twenty-five thousand francs at the gaming-tables — his initial venture at a forbidden sport.

Nadel's love of money must have been profound that he should kill himself for a paltry twenty-five thousand francs, for he left an estate of cash, bonds and insurance totalling well over a million francs. This fortune inspired no comment.



The highest pay an agent of the Service Sûreté may receive is slightly over two thousand dollars a year.

Now to consider this intriguing new problem.

In order to judge Zaharoff in the light of this history of fact or legend, one must give due regard to diverse threads of circumstance and conditions which do not touch the lives of one man in a million. In the first place he has earned, especially late in life, many enemies. These enemies are, in some instances, both bitter and powerful; and that they may be none too scrupulous in expressing their enmity and are undoubtedly sustained in their attacks by Zaharoff's fabled reticence, seems obvious.

His enemies were not limited to the masses which he directly did not reach, and who have been, after all, but pawns in his games. Many of those who had reason most to fear and hate him were Ministers, Premiers and even a King or two — men of enormous influence, and not unable nor unwilling, perhaps, to use any tool at hand in their own defense. Some of them traced their enmity from direct contact with Zaharoff and his *système*.

Zaharoff had the power of turning the strength of others and of their positions into weaknesses. He also knew how to inflict intolerable humiliation. On his own behalf he had long known that he had plenty of cause to fear. It was not entirely because of his background and position, to which the

protection of anonymity was a necessity, that he was in danger.

One does not need to believe that he feared assassination, at least until his declining years, when degree by degree he came to epitomize all that arouses the resentment of the social and political malcontent. If a Rathenau could be struck down, why not himself, whose part in the upheaval which unsettled the minds of men and nations was perhaps much more worthy of condemnation?

Zaharoff's friends, Venizelos and Clemenceau, both were wounded by the bullets of the offended masses, and there had been many times in European history when the mere rumor that he dined off gold plate in the house on Avenue Hoche in Paris, would have been cause enough for murder. People have a way of demanding justice for one thing and inflicting the penalty for another. As the Profiteer Incarnate he was a legitimate mark for resentment by any one of the millions affected by his acts.

It is the possibility of these perils that have given his reticence the appearance of something more than an incarnate whim. His anonymity has afforded him protection against other things — matters more to be feared than a bullet. A bullet might bring an apothecotic reward of a sort, while the other thing would be worse than death to a proud and aloof man.

If it became known that instead of a Greek he was one of that oft-times despised race, the Russian-

Jew. If it were bruited about, that instead of a trivial conflict with the law in Old Bailey upon an unjust and unsustained accusation, he had actually committed a theft and been an exile. If it were known that he had a son whom he had never seen and could not recognize without uncovering these interminable and embarrassing circumstances. These constitute comprehensible and logical arguments for taking the blackest of veils.

To the psychologist and the true historian they supply the perfect motivation for his mystery, and a reasonable explanation for his disdain of his fellows. They leave him a pitiful figure from whom pity must be withheld for the reason that he would not accept it nor understand why it was given.

One leaves him in Constantinople, a city which recurs constantly, with Odessa and Athens, in the numerous versions of his life and its interpretations.

He is in Constantinople, "already a rich man", one is told. How had he become rich when, only a short time before, he had been poverty-stricken? He is still a youth, and worse, a late prisoner of the Tsar, isolated in the most desolate of all the earth's prisons, a land where money, as such, was not known, and where his only companions were guards and fellow prisoners. How had he been able to acquire "riches" under such circumstances?

There were few chances for a scrupulous man to pick up anything of value in Siberia in the best

of times, and during the late nineteenth century one would be tempted to regard it as an impossibility unless one considers methods outside the law.

Siberia was not another Alaska where the criminal's pick might as easily turn up gold as the honest miner's. But there was banditry, and every one knows about the bandits of Siberia and their incredible wickedness. Rich travelers passed through and many of them never came out. It is at this point that the proponents of this version are vague. However, the implication supplies one with an explanation: Basileos Zaharoff, prisoner of the Tsar, became a bandit, and when he had acquired enough loot, retired to civilization to start a respectable business — the business of encouraging banditry on an international scale with nations as the victims.

One must take each of the foregoing versions, fact or falsehood, as unique within themselves. As in the Skouloudis version, one sees in them a definite association between Zaharoff's enigmatic and tragic past, and the mystery of his present.

His subtleties and secrecy alike have served to screen both past and present. The extra-legal activities of the armament salesman, the negotiator of secret pacts and buyer of governments have as much need of mystery as a life lived frankly and flagrantly outside the law.

From the first time one hears of Zaharoff one

realizes that a capacity for intrigue was his first characteristic. This is an incentive alike to curiosity and suspicion. One can comprehend that the dual arguments of his past and his contemporary career are sufficient to accentuate his sensitiveness to persecution. One can also readily and reasonably admit that for a clever man to concoct from a fascinating but somewhat embarrassing *mélange* of romantic facts, a legend which becomes a mute plea for understanding, is the instinctive procedure of the sensitive.

Perhaps it is not necessary for one to choose between these two legends, for there will be added a third version of his life. In some respects their essence is identical. Most important of all, each resembles the others in its implications.

This third version, an incredibly romantic thing even when compared to the two previously dealt with, is, nevertheless, worthy of consideration. Like the other two, it purports not only to explain the mystery of Zaharoff's origin, but treats with an entirely different (but no more palatable) angle on the "criminal" episode which is believed to have blighted his life.

This story also has its roots in Russia.

The ecclesiastical advisor and court favorite of the Romanoffs in the late '80's was a certain tall, handsome young Bishop of the Russian Orthodox Church. His name was Anthony, and he was the

owner of a twinkling eye, a handsome blond beard and an amazing charm for the ladies. Especially did Bishop Anthony receive the favor of the Tsarina. Then suddenly, and for some unexplained cause, Her Imperial Majesty's interest began to wane, and Anthony, well aware of the implications of royal disfavor, was forced to cast about him for means to regain it.

The cosmopolitan Bishop had many friends, among them one with certain capacities for intrigue and an apparent knowledge of the varying formulas established by connoisseurs in dealing with feminine caprice. It was he, another mysterious individual, who came to the rescue. He reminded Anthony of the time-honored maneuver especially recommended for such emergencies—the princely gift. The Tsarina was a lover of fine jewels but not by any means an expert upon them. Anthony's Mephistophelian friend suggested that he offer to give Her Majesty the choicest relic in the Bishop's monastery—a magnificently large and perfect emerald. Anthony demurred, not fancying the notion of stealing the sacred relic from an icon—not even to bolster his wavering political fortunes. His friend reminded him that this was not necessary because the Tsarina would not know the difference between the genuine stone and a cleverly constructed duplicate; and furthermore, he, himself, the Bishop's good friend, would undertake the task of providing the false emerald.

Anthony accepted the idea with delight, and Her Majesty soon found herself the owner of a worthy addition to the crown jewels; and was again able to smile upon her spiritual advisor.

Unfortunately the ambitious Bishop had many enemies within the court circle and among them was an acknowledged expert on fine stones. No sooner had this connoisseur seen the famous emerald than he denounced it as a fake. Anthony was forced to flee. He went to Constantinople, taking the original emerald with him. There he disposed of it for a large price and changed his name.

The name he chose in Constantinople was Vasileos Zaharoff.

His erstwhile advisor was suspected as an accomplice to the plot and was sent to prison, while Vasileos Zaharoff, *alias* Bishop Anthony, now a highly esteemed resident of Constantinople, invested his illegal gains wisely, and became a banker, shipping magnate, and dealer in arms.

Four years later his friend was released from prison and came to the United States where he became a citizen. Occupied with the making of a living in New York City, he forgot his old intimate, Bishop Anthony, and for years believed that the latter had been done away with by the ubiquitous police of the Tsar.

Then — this was in 1906 — Vasileos Zaharoff came to the United States. One morning his yacht appeared in the harbor of New York, and a strik-

ingly handsome and imposing man, sporting a short mustache and a dignified gray goatee, debarked with a secretary.

For a day or two he visited the financial lords of Wall Street and then took himself off to Washington to call upon President Roosevelt. He presented credentials from the French Government as agent extraordinary for the Panama Canal negotiations. A short time later he returned to New York, where, with his letters of introduction, he met such diverse financial, social and literary lights as Andrew Carnegie, W. E. D. Stokes, John Bigelow, Hudson Maxim, "Sheriff Bob" Chanler, and Mark Twain.

With Twain, he discussed Russia and Russian literature; with Bigelow, international politics. Later he let it be known, however, that the most important of these many contacts to him were Carnegie and Maxim because of their mutual interest in the munitions industry.

In the latter connection, he said he was financed by the Rothschilds, while privately he let it be known that, due to some undescribed power over the Russian Empress, the dynastic funds of the Romanoffs in various parts of the world were his for the using. He also permitted it to be known that he was buying munitions, averring that he needed them in connection with certain secret Balkan treaties which he had negotiated.

He found still another use for his diplomatic and quasi-Ambassadorial status. Maxim Gorki



had just arrived in the United States to treat the natives to a literary and moral sensation. The lambent genius had brought with him a lady, frankly admitted to be other than his wife — an offense peculiarly repugnant to the pure American spirit. In the battle that ensued, Vasileos Zaharoff did his best to save the Russian author from being expelled forthwith.

While all this was going on, his old friend and advisor in the episode of the emerald, was going about his business, unaware that Vasileos Zaharoff, the international financier, was actually Bishop Anthony. It so happened that this friend, himself a man of parts, an old intimate of Gorki, Tchekhoff, and Rimski-Korsakov, as well as notables of the Romanoff court, was in the confidence of Maxim, Bigelow and Mark Twain. To them he had told of the affair of Bishop Anthony and hinted at his fear that if the Russian police ever succeeded in tracing a more definite connection than they already suspected in that unfortunate affair of the emerald, they would attempt to have him extradited.

Then one evening Vasileos Zaharoff heard the name of his old friend casually mentioned. Concealing his excitement, he asked a question or two, hinting that he had known him at one time, and suggesting that he would like to see him again. The cue was caught.

A message was relayed to the friend to the effect that Vasileos Zaharoff would like him to dine upon

the Zaharoff yacht. Suspecting a plot, the former demurred, but finally, with a pistol in his pocket and a friend at his elbow, was conveyed to the yacht of Vasileos Zaharoff.

Imagine his shock when he discovered that instead of a member of the Tsarist police he was greeted by the friendly hand of his old friend Bishop Anthony. They sat down to a joyous reunion repast, during which the worthy ex-Bishop, vastly amused at his friend's perplexity, regaled him with the tale of his escape and his subsequent entry into the world of finance and politics. Before leaving he promised to take up with none other than President Roosevelt himself the question of securing his friend against extradition by the Tsar. And so the old cronies said good-bye, never to see each other again. Vasileos Zaharoff sailed away the next morning, to reappear, according to other and more substantial evidence, twenty-six years later, to call in his usual secretive manner upon another President.

This mysterious friend of Vasileos Zaharoff, *alias* Bishop Anthony, (mysterious only because he too must, for obvious reasons, remain anonymous) is to-day a citizen of the United States and resident of New York City. Years after the affair of the emerald, he regained the favor of his homeland, and during the World War represented Russia in the United States as the head of an important committee. In 1932 certain official evidence was disclosed

indicating that he had been for years a paid spy and propagandist of the *système* so long associated with Zaharoff, and was also suspected of being in the pay of Soviet Russia. The Sir Basil Zaharoff of munitions fame, the British Knight and French citizen is, according to the accomplice in the affair of Bishop Anthony's emerald, an exact but slightly aged duplicate of the long-missing Bishop Anthony.

In 1927, Anthony's friend returned to Russia for the first time since his departure nearly forty years before. He asked the Communist Bureau of Information for the facts in the history of the erring Bishop. To his amazement they told him that Anthony had been poisoned years before.

A pretty mess all around! It might be a mere hodge-podge of mingled fact and fancy were it not for this startling chain of evidence, tenuous though it be. Can a man be deceived by an imposter, however clever the latter may be at juggling dates and memories, after twenty-five years? Perhaps, but the odds are against it. And there is the question of identity. Is the tall, handsome, gray-mustached and goateed Sir Basil Zaharoff of London and Paris, the Vasileos Zaharoff of Constantinople, *alias* Bishop Anthony? The Zaharoff of Paris and the Zaharoff of Constantinople answer the same physical description to an amazing degree of accuracy, which, however, is not surprising when it is known that "Zaharoff" himself has been seen simultaneously in several places widely isolated from each

other. He is alleged to have at least two doubles, whose sole duties are to appear in public that official and unofficial eyes may attest that he is in Monte Carlo or London when the real Zaharoff is in Washington or elsewhere.

And what of the private business in munitions which Vasileos Zaharoff of Constantinople claimed to have negotiated in the United States with Carnegie and Maxim? And what further is one to believe when one learns the undeniable fact that not far from the time when these alleged transactions took place, the man known as Basil Zaharoff became the European partner of Hudson Maxim, after outwitting him on the latter's first essay into the markets of Europe?

There is something to be said for this last version. It is interesting because of the salient resemblances to the other two: the "criminal" episode, which appears in every story of Zaharoff's life, the mention of Constantinople, the parallel of munitions and Balkan plots, and the conspiracy of time which places them all within the same cycle.

Yet the ridiculous affair of Uncle Sevastopoulos, the *opéra-bouffe* performance in Athens, and the Garbola scandal, and even the presence of a "family" and relatives — the Zaharoffs and Antoniadis of Athens and Constantinople — are vouched for by people living at that time.

All these are "pure inventions", say Zaharoff's associates.

One asks these questions of the proper authorities in Greece and Constantinople and always receives the same answer — a blank stare and the words, "It is all quite *possible*."

The specific indictment of Zaharoff's enemies is that the second version is the truth, and that the other two are concoctions of Sir Basil's efficient propaganda machine which has furnished plenty of evidence of its capacity for putting up smoke-screens.

But whatever the truth, none of them smell too sweetly. They are like a macabre but artistic stage setting which keeps changing before the eye; and their effect is much the same — they distract the mind and aid in the creation of an illusion essential to a successful play.

Yet whatever one's opinion of their factual worth and their value as evidence, it cannot be denied that they are in perfect harmony with certain known facts concerning Sir Basil Zaharoff himself. They combine to supply him with a background of singular fidelity to these facts; they will certainly be used in any appraisal of him which the future may venture. Their charm abides in their mystery.

In the final analysis and despite his private feelings in the issue, and however great his desire to be left alone with his secrets, he will not be judged entirely by things seen and understood — by such appurtenances to a career as bank-balances, dividends, decorations and directorates.

From the first time one hears of Zaharoff, and without concern with his blood and his past, or whether he be Greek, Jew, or Russian, culprit or innocent victim, one realizes that he is marked for strange things. Everything that he is to become amplifies this belief. All one needs to know, therefore, for the purpose of considering what is to come, is that he has some excuse for maintaining a legend of secrecy other than the peculiar demands of a business which functions best behind closed doors.

One is almost glad that at last — now that one may observe him in Athens, close upon the scent of business and utilizing the war in the Near East as a springboard to wealth and power — he steps out of darkness into comparative light.

Now one may see him as a familiar figure — a pragmatic young manhandler with an eye for profit.

## THE YEARS 1877-1900

### CHAPTER III

## CHANGE AND OCCASION

**B**ASILEOS ZACHAROFF is in Athens and none too happy about it. He has been in trouble and there seems no immediate way to get away from its effects. It is the year 1877, late in the autumn, and all the Near East, where the political complexion is seldom halcyon, is even more feverish than usual.

Earlier in the year the Russian bear, torpid with long inertia, had shaken itself and, crossing the borders of Turkey-in-Asia, took up the cause of the beleaguered Balkan states against the Turk.

The project, it was said, had received the direct endorsement of God. Additional point was given the Almighty's approval of so drastic a step by the fact that Tsar Alexander had shortly before allowed himself to be nominated "The Liberator";



and a liberator without something to liberate is a pitiful thing indeed.

The Balkan revolt against Ottoman rule offered the best possible excuse for a *coup d'état* that the ambitious Tsar could hope for. He could hardly be expected to neglect the possibility of extending the power of the Empire to the South, though the pitiful plight of the Slav under the Turkish heel more fully justified the inclusion of the Almighty in the program.<sup>48</sup> It also helped to round out the picture of constituent benefits being painted by conscientious members of the Duma as an argument for involving the hapless *mujsik* in the proceedings.

England alone of all the Powers felt that Turkey was being underrated by her opponents. Opinion in St. Petersburg was a compound of contempt and patronage. Touched by that spirit of prophecy which history has taught men to recognize as a feature of the politician's credo, a member of the Duma said of the war, "There may be a few skirmishes, an insignificant siege and possibly considerable action, but the result of none of these can be doubtful."

But the "few skirmishes" turned out to be a series of embarrassing military *contretemps*, and the "insignificant siege" which ultimately ensued, demanded the presence in the field of Russia's best generals and challenged all her resources. Incidentally, and important to the forward-looking Zaharoff who, of course, had no physical part in the pro-

ceedings, the situation offered a combination of political and military interests which was to mean much in his future.

In the winter of 1877 the knees of the Turk at last began to sag. The war settled down to a bitter siege and the situation was full of far-reaching and unhappy implications for all Europe. Serbia had asked for an armistice and sat back to await developments. Bulgaria, Roumania, Bosnia and Herzegovina were still in the lines under Russian command; their rebellion having thus far progressed satisfactorily, they asked little but the privilege of staying in the background while their big Russian brother ran the show. They were content in the anticipation of benefits which must follow the fall of the Turk.

Of all the Balkan states, Greece alone had remained on the fence. The sum total of her outward interest in the war was represented by a few hundred ragged and poorly equipped troops doing sentinel-go on the Northern border while the politicians and militarists in Athens watched with intense interest the progress of affairs. A Russian victory, and a Russian victory so far as Greece was concerned might as well be no victory at all if it did not mean the return of the Greek provinces under Turkish control, appeared the only possible outcome. But the Greek leaders were unhappy. They saw no possible way to achieve the results which they had told themselves were necessary unless they had an

army; and to this plea, the citizenry had been adamant in refusal.

The Athenian politicians argued, quite properly no doubt, that even if the defeat of the Turk should conclusively settle the points at issue between Turkey and Russia and the Balkan states, it might still leave the Sick Man of Europe with sufficient energy in his battered carcass to whip the Greek army, the more easily to make good his Balkan losses with a large slice of Grecian cake. This was the possibility upon which the politicians had argued long and vainly. Possibly the Greek civilians had so long played the rôle of a whipped dog, that the capacity for putting up a fight, or even to visualize the virtues of one, had been lost. In any case they seemed utterly devoid of initiative and every day matters were getting nearer a conclusion. In the meanwhile there was nothing for the politicians to do but await the outcome, praying that Greece would not suffer too much from a Russian victory.

The Turk capitulated in December, 1877.

Serbia promptly announced that the armistice was suspended and hostilities renewed. She did not propose to be left in the position where her late Allies, led by Russia, should be able to say, "You needn't expect to share in the fruits of a victory won without your help." Athens became excited overnight and there was a vigorous rebirth of the nationalistic spirit so long quiescent. The Greek leaders cast about for an excuse to enter the ranks

of those already snarling about the carcass of the beaten Ottoman. One was readily uncovered; and Athens turned to the reports of the few harmless Turkish bullets which had whistled over Thessaly as an argument for the exaction of tribute. Then, as if Providence had suddenly become interested in the cause of Hellas, there came rumors of an incipient revolt in Crete. The Athenian sabre-rattlers had the final argument they had long awaited.

They discovered, however, that they had reckoned without a number of factors beside the previous unconcern of the people. England suddenly stepped into the picture. A peremptory note from Disraeli to King George of Greece and the militarists put their hands in their pockets and assumed a nonchalant air. Disraeli's concern was real. His Near East policy was simple — that England must control the line of communications to the Indian Ocean from Gibraltar to Tangier; and especially were any demands from Greece looking toward a merger of their own and Russian interests in the Mediterranean area, to be promptly squelched. As long as someone must, manifestly, occupy Constantinople, now that the war was over, Disraeli preferred an unhappy Turk licking his wounds to the combination of an ambitious Russian bear and a hungry Greek.

There was an additional deterrent to the Greek plan for a show of force — their inability to get guns — a factor in which the Powers had long failed to take a proper interest.

Thus for the moment it seemed that the Grecian military program was scuttled on the ways. This was actually very near the truth in so far as official Greece was concerned.

At this juncture — not by any means the first of its peculiar kind in modern history — we observe a particular presage — the ominous spectacle of an important branch of the national interests passing into the hands of an anonymous and unofficial few. It was with these that the affairs of young Basileos Zacharoff were concerned.

Oh, for a prophet! But there was nothing prophetic in the utterances of the day on that particular situation.

Zaharoff's part in the issue was not the sort of an arrangement of which the public and the news editors might be expected to know; and in Greece the newspapers for years had reflected the national inertia with such fidelity as to give point to the theory that seers develop most often after rather than before an emergency.

After months of worry Zaharoff at last had a job. He was now Representative in the Near East, of the arms firm of Nordenfelt & Company of England — a uniquely imposing title in a place where the conventional name of an arms salesman had been "filibuster." Overnight he became a popular figure in Athens. And well he might. They needed his talents and his guns.

Despite the fact that Greece was now loudly an-

ticipating Clausewitz by averring that war was an instrument of national policy, and that the patriots in Constitution Square were sputtering their indignation at not being allowed to develop an imposing military force at once, the question of where to get their guns figured more largely in their inability to put through their program, than was the implied threat of Disraeli that he wanted no Greek interference with affairs in the Near East.

Had munitions achieved their present stature as Big Business, the Greek leaders would have had no trouble. But under the circumstances even those who protested most loudly the need of guns could offer no intelligent program for getting them. In that part of the world, the acquisition of arms by a state unable to produce its own, had long been a smuggler's game, and one in which a fair proportion of the Balkan citizenry was engaged. It had been their habit to buy the finished product in the more "civilized" centers and from thence, by devious means, to get them into the hands of all who had the price to pay. As a result no Balkan army — and the Greek no less so — had for years been little better than a loosely organized and individually equipped gang of bandits.

Yet it seems apparent that none of the myriads of self-seeking individuals who would have enjoyed taking a hand in Greece's dilemma, realized what young Zaharoff manifestly knew — that here, at last, was a heaven-sent opportunity to elevate the

business of selling guns to a respectable stature. He also appears to have grasped the fact that the day was not far off when the arms salesman would be a permanent part of the fixtures of every War Office.

The emergency had the result of giving him immediate and much needed prestige. There was, of course, the matter of profit to make it additionally interesting.

Zaharoff had got this new job quite by chance. It was the most important of the many favors his friend Etienne Skouloudis had been able to throw his way.

At the time when Athens was just beginning to suffer the birth pangs of a new national vision, a Swedish sea-captain dropped anchor of his ship into the waters of Piræus. For several months he had been a part-time representative of the little munitions firm of Nordenfelt & Company, and, incidentally, a friend of the catholic Skouloudis.

Perhaps it was mere chance that he should choose this moment to decide to retire to his native land. Perhaps he feared he could not do justice to his employers in the emergency which the war had brought. At any rate, he seems to have been aware that his successor should be a man of talent and resource. It was to Skouloudis that he turned for advice.

Skouloudis immediately thought of his friend Zacharoff. He recommended him for the job; in the details of which he seems to have been most scrupu-

lous. Years afterward, he told that he had confided to the Swedish sailor that Zaharoff had been involved "in considerable unpleasantness", adding that he was, none the less, the possessor of "peculiar and exceptional qualifications" for the handling of the delicate details of purveying guns into a country where they were, for the moment, almost of the nature of contraband.

After brief negotiations, Zacharoff was given his contract. The basis of remuneration was the equivalent of twenty-five dollars a week and commissions.

The man on the ground floor gets the business. This Americanism, Zacharoff promptly appropriated.

The program of the Greek militarists was at last getting under way, and their hope of profiting by the discomfiture of Turkey seemed in a fair way of being realized. They found a ready audience in Parliament, and the people were beginning to react to the flood of martial propaganda.

The publicity program endorsing the regeneration of the Greek army took for its leading tenet the return of the expatriates in Asia Minor to the Greek fold. Those "lost colonies", whose members had seemed hitherto to be faring very well, suddenly found themselves advertised as suffering according to the best tradition of expatriates. They responded accordingly, the public vibrating sympathetically at their cries of distress. The slogan



"Win Back Asia Minor" resounded through all Hellas. There was, of course, some talk of the cost. But who dared count the cost, especially when even the least patriotic of Greeks was forced to admit that the recovery of Asia Minor revived the roseate dream of ancient Hellenic glories? And, furthermore, had not Russia and her Balkan allies already paid the bulk of the bill?

It was thus obvious that Greece must have a hand in the consolidation of the victory. This demanded a modern and expensive army, it being a dogma of diplomacy that a nation must arm itself before demanding the least of its rights, else suffer the penalty of being granted no more rights than their stronger brothers are willing to allow them.

Zaharoff, sponsored by his friend Skouloudis, found the doors of the War Office wide open. They welcomed him.

He was twenty-eight and handsome. His firm could deliver the goods, with the jealous might of England behind their delivery, thanks to the fortunate accident which located Nordenfelt on British soil.

The forlorn youth who had lately been subjected to the jeers of society found his new status a pleasant thing. He was now a business man under a legitimate contract authorizing him to combine profitable commercial enterprise with patriotic endeavor. He was compelling and persuasive and now, and for the first time in his life, could afford

to be arrogant. He moved about, never cooling his heels for a nervous interval, as befitted one who, crushed and slandered, had risen to meet an emergency created for the special purpose of his self-justification. It was the ultimate triumph.

It was probable that then, during those first exciting, profitable and expansive days, Basileos Zacharoff determined that he would best serve himself if he turned the anonymity into a talent which society had made necessary. He also dreamed a dream — an eminently pragmatic vision which was to herald a new day in the munitions industry and carry him to a place of unprecedented power. To the rest of the world it became a nightmare.

It was this new factor, a policy to all appearances yet uncharted, but which he saw dimly, that has since come to dominate the *weltpolitik*. To coin a phrase, it might have been called The Brotherhood of Arms and Politics, a fateful union which gave birth to the "*système Zaharoff*", which was to alarm the French politicians many years later.

Within a few months the Greek army was increased by a hundred percent and in her waters floated the world's first practical submarine — the Nordenfelt *chef d'œuvre*. Zaharoff's commission under his contract amounted to several millions. For the first time in history, and especially where the suddenly self-conscious Near East was concerned, the arms business was Big Business. Incidentally it gave the politicians a chance to learn

that affiliation with the munitions industry was a good thing for the purse as well as the portfolio.

Zaharoff's authority was absolute and he had a virgin field for his experiments. While disposing of shiploads of guns, shell, fuses, and ammunition, he was expanding his original privileges where the politicians were concerned, into that cohesive organization with which he was ultimately to dominate the munitions field in Europe and Asia.

On the face of it, the infant idea which became the *système* Zaharoff might seem difficult of analysis. Actually it was quite simple. It was a definite, flexible, contractual, whatever-you-will, but always friendly and practical relationship between the Party in Power and the munitions manufacturer. It was the job of the latter to sell guns, the prerogative of the former to buy them. Each helped the other to simplify the transaction. The results were mutually profitable.

It was essential that the interests of both politician and arms dealer should dovetail and harmonize, and eventually Zaharoff saw to it that competition was either absorbed or driven out. Propaganda, he soon learned, must be an important factor in the success of the Brotherhood. The munitions dealer should exercise all popular commercial usages for market development, especially by fomenting international disputes — which would be reflected by increased war budgets, stimulating border "incidents" and inciting martial display whenever possible.

These became a definite and integral part of the policy of the *système*. From this foundation were developed sub-organizations for the purpose of extolling, justifying, explaining and encouraging through the press, the school, the government, and the intellectual classes, the business of making war.

Zaharoff did not find the situation in Greece all profit and little work. He had some competition from Germany, Spain, France and Italy, as well as from England. Filibustering went on, though the government finally took a stand against it. But Zaharoff was nothing if not hard to dislodge or distract.

One of his principal problems and an excellent field for experiment, lay in the obstinacy of a small group of stubborn idiots calling themselves lovers of peace, who questioned the wisdom of Greece's arming more strongly for peace than it had ever been able to do for war. But they did not complicate Zaharoff's program beyond his ability to control. He showed a marked flair for the absorption of a few tried and true and necessary political dogmas, and his expense account was generous. The Greek "lovers of peace" soon found themselves squelched, mobbed by "patriots", or deported.

Until Zaharoff entered this field, the arms industry had made no pretense of coördinated operation. It had no voice and no central organization *per se*. As a factor in politics it was represented by the symbol zero. A nation planning war got

its guns where it could, and the man whose job it was to supply them had no unusual standing in court.

Though not of imposing stature nor of long existence, the firm of Nordenfelt & Company was quick to learn that armaments — ever considerate of man's inherent instinct toward self-destruction — must create their own demand. Even though the emergency into which Zaharoff projected himself took place long before nations had come to regard the purchase of munitions as much of an obligation to an essential industry as a patriotic responsibility, there were a few people who insisted upon denying the wisdom of such a policy. These misguided folk could only be put in their places by strenuous means, and of these means Zaharoff's propaganda took command. He allowed the politicians to do the bulk of the missionary work in disposing of such obstacles.

During Zaharoff's early days in the arms business, the chauvinists and muck-rakers, and not the patriots, dictated the fixing of military budgets. History has proved the principal characteristic of such a policy to be its indifference to the fate of the common man.

Then, as now, the "specious texts" of statesmen, as John Knox described these potent and noisy political effusions, supplied the key to the national vaults. The essential profit accruing to those whose business it was to supply weapons for men to destroy themselves, was even less difficult to trace at that

time than it is to-day: ever a strange and terrible process which always leaves a few the richer and the masses poorer. But despite this trend, the evils of which were obvious to many thinking men, there appeared few signs of outward alarm on the part of the victimized. Like their descendants of a later day, they chose to pursue vague and formless chimeras rather than the Krupps and Zaharoffs.

And so, urged on by the sabre-rattlings of ten nations — England with six million pounds sterling “for precautionary purposes”, Austria with sixty million gulden added to an already large war budget — these and similar manifestations of the martial spirit appeared all over Europe in step to the propagandic tune.

Only poor fatuous Greece was the loser in this brilliant display of military pyrotechnics; and meanwhile Zaharoff, whose hand had been in the pie from the day it was placed before him, rode up like a rocket.

Supplying the ironic touch was the humiliation suffered by Greece at the moment of her almost hysterical joy at the honor of owning the world's first submarine, when her distinguished young patriot, Zaharoff, signed a contract with Turkey for the next two submarines to be built by Nordenfelt. The race was on, and if any one reckoned that Zaharoff's love for Greece was going to keep him from selling submarines to its worst enemy, they did not know that practical young man.

It was about this time that Zaharoff began to lay his plans to go to England and get acquainted with his principals. He had an idea to sell — a program which was to revolutionize the relationship between State and arms industry.

## CHAPTER IV

### WAR FOR PROFIT

**P**OSSIBLY it is worth while to devote some space to a picture of conditions in the field of armaments as it was before and after the entrance of Basil Zaharoff upon the scene. Some of the usual stipulations of biography must be ignored in order to do this.

Zaharoff's personality and motivations must constantly intrude upon what might properly be treated as a purely academic proposition. He fathered an idea which evolved through a mere personal program to become a permanent industrial-political policy. Under his hand it blossomed and expanded, until he and a few kindred souls have come to synthesize that particular branch of an evil system, the effect of whose function has been to bring mankind to his knees by killing it off and impoverishing its human components by war. The bloody history of



the past half-century cannot be administered a dose of subjective honesty and leave this malefic *système* out of consideration.

The opportunity which came through the chance intervention of a friend to the foot-loose and discouraged young Basileos Zacharoff in Athens, may not be put down as a mere gesture of Fate.

The opportunity existed, as did the man, but it was not entirely an accident that the two should meet with such perfect accord. The picture of a persecuted youth, hardened and soul-seared by life and buffeted by the society for which he might once have had respect, seizing upon the peculiar ailments of that society which encouraged its own destruction, and turning it to the dual purposes of revenge and personal profit, is something which the philosopher alone is qualified to explain. Nevertheless, this phenomenon seems not only credible but even natural, when viewed in the light of the history of other strange and powerful men — men who attract to themselves the powerful and secret influences whose private aims contradict their openly beneficent pledges for the good of mankind.

The element of his success with which men usually concern themselves in appraising Zaharoff is his wealth — his “reward”, as a man of business. Next they consider his honors, his title, his decorations. That he should be immensely rich occasions no surprise, and that he should have been honored with certain distinctions by the nations whose affairs

he "blessed", is benignly smiled upon, without apparent thought of the implication of the true nature and intent of the "blessings."

They, the people, intrigued by his stature, wealth, and fascination, will eventually be asked to consider the proposition that these honors and wealth are actually rewards of mystic treacheries against themselves — and that they represent treachery none the less because they seem to be sanctified by the specious argument of "good business and patriotism."

But Basil Zaharoff is no metaphysician. From his early days we know him as an ardent practitioner in the subterranean strategies by which men foment war for profit.

Zaharoff dealt with hard facts, with men and money, and he knew a great deal about how to exploit and to participate in the malign processes of hidden governments, to which secrecy and the will to power are native and familiar.

Zaharoff had no capacity for self-deception and his energy was miraculous. Even at the age when most men would have sought the fireside, he had a way of disappearing from Paris to appear in London the same day, and in Athens while people believed him still in London. There is evidence, as late as the winter of 1932, that he employed his two doubles to make his footsteps the more difficult to trace. There was no place for softness of spirit in his cosmos, and he made friends only for their

ability to serve him, dropping them when he had drained them.

With his single-purposed determination to squeeze every last ounce of profit from the bickering of nations, his ability to anticipate dissension and to create it, his talent for organizing inharmony and encouraging political malfeasance of that particular sort which is too often called "patriotism", his enthusiasm for work kept apace. Had his loneliness and bitterness inspired him with a dream of mass revenge — such as his enemies accuse him of planning — he could have chosen no means more effective than these; for in the end, they mean destruction to society, and its preparation for the domination of the most ruthless dictatorship the world has ever known.

It has been denied that his influence was as great as legends have it. This, despite the fact that the lowliest citizen of Europe knows, or can easily discover with slight effort, that Zaharoff is one of the few private citizens of contemporary history who has carried the natural *motif* of man's destiny — self aggrandizement — to the ultimate end of "making" war.

His so-called *système*, never completely, and certainly not publicly, analyzed, has been laughed off as a chimera of post-war imagination, loaned a nebulous horror by the natural secrecy of its operation.

What is this *système* Zaharoff? What is its form and purpose?

First, it does not, as it appears, stand alone. The most casual inspection of it must disclose the fact that however tempting one's desire to think of it as a one-man organization, it is not so. Actually it is but one tentacle of an anomalous structure without parallel in modern history, the presence of which only now is becoming an object of more or less open conjecture. Regarded in this light, Zaharoff appears less as an individual genius than as the perfect tool, the consummate manipulator of a particular department of international activity by which nations are forced, through war, to kneel to domination. His task has been to sow the seed. Depressions, strikes, blockade, revolution, starvation and destruction are essential corollaries to the harvest.

Therefore, the *système* Zaharoff is a misnomer, if it is intended to describe an autonomous political-industrial manifestation. It means but one phase of a malefic function which uses war, revolution, starvation, propaganda, education and political manipulation to force nations into servitude. None the less, one essential part of the *système* is Zaharoff's brain-child, the fruit of his genius. It deserves more than a word.

While considering the arms industry in Europe as a conventional instrument of the state in an emergency, the military-political parties had not, until Zaharoff entered the field, reckoned with it as an active entity capable of maneuvers of infinite

guile and power in peace as well as in war. They did not regard it as something to be placated, used, and respected, nor even as particularly profitable.

It was not until the Balkan-Turko-Russian War, previously referred to, that there was seen any evidence of active political interest in the possibilities of a working liaison between the munitions-dealers and the State. A sporadic intimacy blossomed forth from time to time, as a matter of course, but a living, vital and comprehensive affiliation had not yet appeared. The *système* Zaharoff changed that. Which statement refers to the world in general and not exclusively to Europe and Asia.

Previous to his régime, when there were munitions contracts to be let and favors to be granted, often enough they were given to foreign industries. Alfred Krupp (Senior) once complained that Germany was giving contracts for war materials to Armstrong of England, without so much as giving him a chance to bid, an evil, which in this enlightened day, would bring decisive response from the politicians in a trice.

It was not until Zaharoff, working alone, as had been his habit up to date, single-handed led the Greek politicians through a series of militaristic gestures, cunningly sensing their hunger for a place in the Near Eastern sun, that this liaison between the munitions manufacturer and the State began to develop. Lack of vision alone could be sole excuse for such deplorable inertia, of which a twentieth-

century industrialist-politician, with his canny nose for powder smoke, would be heartily ashamed.

The first result of Zaharoff's *coup* in Greece was a radical change in the relations between diplomacy and the arms industry throughout Europe. The first expression of the new viewpoint was an admission that the private arms manufacturer might become a factor in politics.

A self-styled "altruistic internationalist", Zaharoff had little trouble in adapting himself and his conscience to the new procedures. He could justify the subsidizing of a politician by the simple method of walking into the War Office at that precise moment when the war clouds were at their lowest and their darkness most ominous. Later he acquired considerable facility in the manufacturing of his own war clouds. A smart business man could hardly do less.

The simple Greek citizen in the year 1877, like his brothers in other lands to-day, was ignorant of the implications of this new policy. It is only since the World War that its evils have been questioned. In the original instance — the Greek case — Zaharoff seemed to figure only as the choice of Fate. In so far as he was concerned he can be blamed for nothing worse than taking advantage of a ready-made situation. Commencing as just another Near Eastern war, he had only to stay close upon its heels, giving it a stimulating nip now and then, to profit handsomely and without too much ef-

fort. There was little idealism, if no actual stigma, attached to that particular affair; and after all Zaharoff was hardly one to fret himself with ethical considerations when talking to a man who wanted to buy a gun.

The ultimate consumer, the Greek peasant, was the ultimate sufferer. The workings of the political organism of which he was the minutest element, were too complex for him to understand, and too powerful for him to control. The sweetest tasting propaganda was brewed for his special benefit; nor did he awaken until a glittering array of specious texts had been implanted in his consciousness already "reconciled" to humanitarian and national interests. By this time, Mr. Simple Citizen was on the battlefield with a gun in his hand, and in his unsuspecting heart the silly notion that he was a patriot.

Zaharoff has lived long enough to witness a few of the reactions of the private citizen to the outrage worked upon him by those whose business and profit are in war. He and his well-concealed confrères are now privileged to ponder the possibilities of becoming subject to mass revenge. He sees a certain misdirected, but none the less enthusiastic determination, on the part of the people to legislate him and his cohorts into limbo. He has heard his *système* denounced as a fibrous growth which must be amputated from the political and social organism. But even this development is not of an unmixed virtue, the nature of man being what it is.



*Cartoon from "Fantasio", November 1, 1922.*

BASIL ZAHAROFF

Oh, for love of Greece, let yourselves be aroused!



His *système* might conceivably supply the means for its own destruction were it not that the demagogues have already seized upon it for their own uses. The professional manufacturers of specious texts, without whose thunder no war could successfully germinate, instead of using its evils for exemplary purposes, are already maneuvering them into excuses for further conflict. Zaharoff could always count upon these ebullient creatures to supply an excuse for a martial program. So as a warning, this is undoubtedly wasted.

At the time Zaharoff entered the employ of Nordenfelt, the latter was of no imposing stature as a manufacturer of arms. Zaharoff's salary of twenty-five dollars a week was in scale with his employer's operations at that time. What Nordenfelt was to become is due to Zaharoff, his first sales representative of vision. Like many a technically expert man, the Swedish engineer was an able producer, but utterly unlearned in the mysteries of marketing his products. The works of his genius required a companion genius to dispose of them in profitable quantities.

Nordenfelt had come to England from Sweden in his late teens. At the time he hired Zaharoff he was nearing middle age. His inventions, of which there were five of major importance in the arms field, including a light and effective field-gun, had not yet received a just appraisal at the hands of experts. He was becoming inured to the prospect of medi-

ocrity, when the influx of new business from the Near East convinced him that the new member of his sales force was possessed of interesting possibilities.

With the payment of Zaharoff's first commission, which ran into six figures, the little firm of Nordenfelt & Company rose to major stature on the Continent, and though Nordenfelt himself could hardly have been aware of it, he had fixed the aims and focussed the ambitions of one who was soon to elevate the arms business beyond anything he himself had ever dreamed.

The affairs in the Near East coincided with a number of other disquieting manifestations on the map of the Continent. The immense increase in armament production taking place from one end of Europe to the other, a wholesale release of war-making energies, the tensing of political nerves and extension of intrigue, a new impulse to martial fevers inspired by Russia's victory — and not entirely deadened by the war between France and Germany, these marked the beginning of an era to which the World War was an inevitable climax. It was an epoch ready-made for a man of Zaharoff's stripe.

It saw a press, subsidized morally if not financially by war makers. It witnessed the almost complete atrophying of certain wise and humanely pacific influences which, from the beginning of the eighteenth-century, had been slowly but powerfully getting under way.

It is too much to believe, of course, that Zaharoff, single-handed and alone, even though aided by a fortuitous combination of events and portents, could have brought about this metamorphosis. The world, plainly, was ready for him as he was ready for the world. But, in the light of later events, it is evident that a fair share of the responsibility may be placed upon his shoulders without injustice. The tinder was laid and the spark already applied, when he appeared upon the scene. While the flame was but a spark, this mysterious and ambitious product of a megalomaniac age applied the full power of his ardent lungs to the keeping of its vigorous blast.

The student of mass psychology, studying the plethora of material the last fifteen years has provided, cannot but see the connection between those backstage activities in the Balkan area in the '80's and the circumstances which eventuated in the World War. Running through this tapestry of events can be seen the threads of the Zaharoffs and their ilk. The threads are red.

Before leaving for England Zaharoff devoted himself to a thorough canvass of the possibilities in the Balkans and Near East. He placed generous contracts on every hand. Though it took Greece a little time to recognize the elemental justice in his selling submarines to their mortal enemy across the Marmora, they eventually forgave him and signed a contract for the outfitting of a new army. Zaha-

roff's profits therefrom were tremendous, even for that day.

As if in response to the challenge of these new symptoms, a small but impressive series of resentful blasts were heard in various parts of Europe. Especially were a group of unimportant German publicists alarmed by the prospect of an armament race.

The first shot fired was against certain working arrangements believed to involve the Krupps of Germany with the great English firms of Vickers, Ltd., and Armstrong & Company. The slowness of Russia to appreciate the services of Krupp, who, inspired by the Bismarckian political doctrine, had come to assume that all munitions business to the East was their own, threw the latter to the West and into the hands of a traditional enemy of Germany. Such was this suddenly and miraculously discovered need for mutual understanding and coöperative marketing.

Throughout the world many such seemingly paradoxical relationships were being established. Refused the friendly support of their own governments — this was the conventional excuse — the munitions makers of one country carried their treasures to their neighbors. These neighbors, though by diplomatic dogma declared potential enemies, thus came to be beneficiaries of a policy which brought about a tragic series of *dénouements* — as recent history bears record.

This singular state of affairs first became public

in the Russian-Japanese War in which Japan was financed by an American bank for certain promised but never-fulfilled concessions, while Japanese guns, bought through the Queen Mother of Russia, Maria Feodorovna, Princess Dagmar of Denmark, were turned against the children of her adopted land. During the same war, England sold arms to both sides without discrimination. The year 1914 saw the arms trade dominated by four dynasties—Vickers-Armstrong, Schneider-Creusot, Krupp and Stumm, and Putiloff. Hardly a one was not represented on the directorates of the others. From 1914 on, Vickers-Armstrong, through the interlocking system, kept up relations with the German firm of Loewe & Company. Early in 1914, Bulgaria, soon to be at war with France, bought guns of Schneider-Creusot with money France itself had loaned, while at the same time Turkey, with funds also borrowed from France, bought a large consignment of guns from Krupp and Skoda.

The results were starkly tragic. In the World War, Russian and British soldiers were slain by the thousands by guns supplied Austria and Turkey by Russia and England; Austrian infantrymen were slaughtered by Russian guns, which, a few months before, had been put in repair in Austrian factories; German soldiers at Vaux were enmeshed in barbed-wire which a German firm had exported to France via Switzerland a few months previous to Verdun. And at Skagerrak, sights were drawn upon Ger-

man battleships by British officers using instruments which, only a few weeks before, had reached England from Germany herself by way of Holland.

According to the *Documents Politiques* (Paris 1926) several noble German ladies, notably Countess Plessen-Crousten, had a hand in financing the manufacture of torpedoes for the Allies.

When the battle of the Marne was at its height, and the German troops crying for ammunition, German firms were selling as much as two hundred and fifty thousand tons of steel a month to the Allies, according to one military attaché in Berlin.

In 1919, a British battleship was sunk in the Dardanelles by a Turkish mine which had originated, from primer to explosive content, in England. One may find sardonic amusement in the fact that profits of the sale of this British mine were practically exempt from taxes on the grounds that mine-manufacturing was an essential industry. The question — essential to whom, Briton or Turk — was not asked.

In the Greek-Turko fiasco in 1921-1922, the Greek army financed by Zaharoff, and backed politically by Lloyd George, fought a Turk armed with French guns and munitions, the whole tragic affair the outcome of official permission of the Peace Conference sitting at Versailles.

And several years later when French troops found themselves embarrassed by the spirited resistance of Abd-el-Krim, no small part of their chagrin was due

to the fact that the Riffs were fighting with French rifles, artillery, ammunition and airplanes.

A few newspapers on the Continent, observing this trend of affairs previous to the World War, denounced reciprocal arrangements between potential enemies, as a species of double-dealing; and were in turn denounced by the politicians as *provocateurs*.

For three decades and in manifold guises, but never with the apparent endorsement of their separate allegiances, such munitions agents as Zaharoff, the Krupps and Stumms, Schneider-Creusot, and the Russian Raffalovich, heaped their withes on the pyre which eventually came close to consuming Europe and civilization. They used every resource, from the open subsidy of politicians and the press, to the legitimate channels of commerce, to further their ends.

These international combines included fiscal relationships too numerous to cite. An example is that of the French bankers, Perier et Cie, and Turkey. Under the promise of a contract for the construction of a tramway line between Jerusalem and Bethlehem, Perier et Cie subscribed the funds for the building of the pre-war Turkey navy. During the World War these financial bonds were cut only when the difficulties of maintaining them became insurmountable.

When, during the summer of 1914, Poincaré was in Russia feeling the Muscovite pulse, Krupp and Schneider-Creusot were making No-Competition

agreements on the grounds that there was more than enough business for all. This pact operated to hamper the German firm of Ehrhardt, which was not a part of the combine.

It will appear, as one follows Zaharoff's footsteps, that each phase of these various unique relationships eventually became part of his industrial empire, or within its sphere of influence.

As citations they are used to sustain the premise that they and their works represent the theories of the *système* Zaharoff made articulate; and thus they become to a great degree essential to a complete picture of the man himself.

As one of the directors of a chain of camarillas which circulated through a dozen Ministries for forty years, he may be held in a degree responsible for such ethical monstrosities.



## EXPANSION AND PROGRESSION

SOON after the introduction of the submarine, the rapid-fire field-gun and numerous small but important details of construction tending to increase the efficiency of arms manufacture, the deadliest of all military weapons, the machine-gun, was invented.

Various, but not especially efficient models were being completed in several parts of the world; and the World's War Offices, inflamed to a white heat by the excitement over this revolutionary weapon, awaited its demonstrations anxiously. The principal competitors in the *mitrailleuse* field were the Gatling, Gardner and Nordenfelt guns, with the two latter somewhat the superior to the Gatling in performance.

Then came Hiram Maxim, an American, with a gun of his own manufacture. It turned out to be

infinitely superior, not only in firing capacity but in ease of handling, to any that had ever been seen in Europe. Maxim took the gun to England where it promptly captivated the British experts. From there he went to France and later to Switzerland, and in more than one instance demonstrated the superiority of his gun over those of his competitors.

Albert Vickers, directing head of Vickers, Ltd., the largest English arms firm, was so enthusiastic over the Maxim gun that he accompanied the American inventor throughout a large part of his tour, and used every effort to persuade him to make an agreement for European manufacture and distribution. But Maxim, flushed with enthusiasm at his reception, hesitated.

He was looking for a final and conclusive opportunity to prove the marvels of his invention, and to dispose of any possibility of competition from his European rivals.

Then he heard it rumored that the Nordenfelt gun had been unofficially chosen by the Austrian government. If this were true, Maxim had lost a chance at one of the richest contracts then available in the world. He sped to Vienna.

Zaharoff had gone to London a short time previous. There he was received with all the honors that Nordenfelt & Company were able to bestow upon him, and was given the privilege of turning some of his commissions into stock in the company. It was then that he heard of the famous new American

machine-gun which was the sensation of every European War Office that had seen it.

Certain other matters which he had just completed to the satisfaction of Nordenfelt, contributed to an assurance of his capacity to deal with any situation that might crop up; and so he asked Nordenfelt for permission to go out to capture the American Maxim, or to drive its inventor out of the European market.

Maxim and Zaharoff arrived in Vienna at the same time, the former with an excited entourage, and Zaharoff so modestly that he might have come, done his work, and gone before any one knew of his presence.

Maxim's audience had been prepared for him. In his usual outspoken fashion he told the Austrian staff that their choice of machine-gun — the Nordenfelt — was much inferior to his own in every way. He argued that the Nordenfelt gun was clumsy and difficult to handle except under the best of conditions. The Maxim gun needed but one man to load and fire, while the Swedish engineer's gun required a crew of at least three, and, under some conditions, was even then too clumsy to be efficient.

The principal witnesses to Maxim's demonstration in Vienna, were His Royal Highness, the Archduke William, and the Chief of Staff of the Imperial Army. Using English ammunition which he had brought with him, especially calibrated for his use, the American gave a remarkable showing, under

what he later described as being the worst possible conditions for such a test. It was extremely hot.

The demonstration over, the Archduke warmly congratulated Maxim with the words, "It is indeed the first. It is the most dreadful instrument of war I've ever seen or imagined."

Maxim thanked him for his praise, and the Archduke went on (to quote Maxim's own words): "And now I wish to tell you of my experience. Yesterday afternoon the agent for the other gun company (this was Zaharoff, of course), called on me. He told me that the weather was very hot and advised me strongly not to go thirty miles into the country and expose myself for nothing. He told me that the Maxim gun never had been known to work and that I would be disappointed. Now I come out here and see it fired without the least hitch, throwing every other gun completely into the shade. So you see how much I believe what I hear."

All this was very comforting to Maxim. He had not known that such a man as Zaharoff existed, nor did he discover the identity of the mysterious agent in question for some time. He was aware of his presence, however, for rumors began to come to him of the "plots" which were being set afoot against himself and his gun. Maxim remarked years later, "The other agent was on hand like a sore thumb."

Maxim's innocence was understandable. He had never come across anything even remotely like the competition which Basil Zaharoff was contemplat-

ing for him. He remained in Vienna, placidly awaiting the final tests, which, he was assured, would mean nothing but a formality.

Unfortunately he trusted overmuch in the good will of the Austrian experts. A few days later, when he discovered that there was no ammunition available in Austria suitable for his gun, he asked permission to return to England where he had set up a small shop. There he proposed to work out designs for a gun which would use the standard Austrian cartridge. Permission was granted; but foolishly, he left his demonstration gun in Vienna, safe, he naturally supposed it, in the Government arsenal.

Two weeks elapsed and he returned to Vienna with a new store of ammunition. He fired a few rounds with the usual ease. The gun suddenly stopped — jammed.

Maxim hurried away to the arsenal where he tore the gun apart. He found that the side plates that carried the spring mechanism — the heart of the gun — had apparently been elongated by the shock of the explosions, the result being that the right hand plate was longer than the left. He examined the piece closely — it had never jammed before — and discovered that a section of a dovetail by which the side-plate was fastened to the barrel had been milled off and a loose piece riveted on. It had been blackened in order to make it difficult for any one but an expert to see the defect.

It was the work of an artist at sabotage. It was Maxim's second taste of the kind of warfare privately indulged in by his European competitors. That the rival agent who had tried to mislead the Archduke had had a hand in this sample of trickery, Maxim did not know. But he was suspicious.

He sent the disabled gun back to England where it was repaired. From then on he took no chances with it.

He went back to Vienna for the final trials. Zaharoff was again on the job, undiscouraged and ready for a *coup*.

This time Maxim was prepared to give an even more encouraging and satisfactory performance. He brought with him a gun chambered for the Austrian ammunition.

Emperor Franz Joseph himself was present, but the public, as well as several competing machine-gun agents, were excluded from the firing-tests, which were held in the arsenal courtyard.

A group of hangers-on, including several newspapermen, loitered outside the high gates. Zaharoff was among them. He let it be known that he was in the munitions "game" himself, and thus able to offer professional counsel regarding the doings inside the gates.

Maxim put his gun through its paces; and, as a diplomatic gesture to the Emperor, completed the test by limning the initials "F.J." on a small target, greatly to His Majesty's delight.

Watching the performance through the gates, the reporters were much intrigued, and plied their expert and willing informant with questions about the gun. Such items were good for a headline in the Austrian newspapers any day.

"It is the Nordenfelt machine-gun!" Zaharoff informed them.

The Viennese newspapers that evening carried a story of the remarkable showing the Nordenfelt machine-gun had made that afternoon in His Majesty's presence. One comic paper carried a none-too-subtle cartoon on its front page. It showed Maxim seated behind a machine-gun shaped like a coffin, firing the initials of the Emperor into a target while Death stood behind him holding a crown over his head.

Maxim was fearfully shocked when he discovered that he had been tricked again. He entered the War Office the next morning with the determination to force the issue into the open. But all the satisfaction that he got, for the time being, was the privilege of hearing repeated an interesting dialogue which had taken place in the War Office after the tests the day previous.

His ubiquitous rival had been awaiting the ordnance experts upon their return from the demonstration. Obviously this man Zaharoff, whose name and connections Maxim did not yet know — possibly because the Austrian staff maintained a chivalrous silence upon the subject of dubious commer-

cial practices — was not a man to be daunted. He had, Maxim was told, professed a great interest in the American and his gun, and informed the Austrian officers that he, Zaharoff, knew a great deal about him.

“Do you know who and what this Maxim is?” he asked.

Upon being told that they only knew that the American had convinced them that no living man could equal him as a designer of machine-guns — which Zaharoff readily admitted — Zaharoff continued: “Maxim is probably the greatest living mechanician. By trade he is a philosophical instrument maker. (These are Maxim’s own words. He appears not to have resented this unique appellation.) He is the only man on earth who can take one of those guns of his and make it work. Everything about that Maxim gun must be of the utmost accuracy. One-hundredth part of a millimetre here or there and it will not work. Suppose now, you want a quantity of those guns, where are you going to get them? Maxim goes to his shop and actually makes the guns with his own hands and of course the supply is limited. Then again, even if you could get them, do you expect that you could get an army of philosophical Boston instrument makers to work them?”

But despite so persuasive an argument, added to the well-known dislike of the military man for the



philosopher, even though he be at the same time an instrument maker, Maxim got an order for one hundred and sixty guns, and for good measure took away with him an order to design a long-range field gun.

He continued his triumphant tour of Europe, winning new friends for his gun in every War Office. William II at Potsdam was among those tremendously impressed, as was the Tsar. Maxim saw the latter only after much difficulty, but finally sold him a large order.

Returning to England — where Zaharoff had returned to lick his wounds and evolve a new scheme for doing in the American, Maxim met Li Hung Chang, the Chinese ambassador, to whom he gave a special demonstration. The canny Chinaman, though impressed by the military possibilities of the gun, was taken aback at its cost of operation, and regretfully dodged the order blank.

The Shah of Persia naïvely suggested that it would be nice if Mr. Maxim would give him a gun or two; but Maxim evaded the hint by saying that the guns belonged to his company and not himself.

At last convinced that, for once, the tactics which had served him so efficiently upon other occasions would avail nothing with Maxim, Zaharoff did something somewhat unusual to his previous routine. He called upon Maxim and frankly stated his belief that they would do well to form a partnership. Maxim capitulated.

Years afterward, in telling the story of his adventure, he did not once disclose anything which would indicate that he suspected the persuasive representative of Nordenfelt of being that mysterious agent who had caused him so much trouble in Vienna. Possibly he never knew.

Out of this meeting came the Maxim-Nordenfelt partnership. By the terms of the agreement, Maxim was to supply the patents, and Nordenfelt the working capital and organization, with Zaharoff, as usual, covering all of Europe and Asia as sales-agent. An approximate value of one million pounds sterling was put on Maxim's interests, and the contract was signed.

It was not the first time in history that a brilliant competitor has been gobbled up by a rival whose ace in the hole is a better knowledge of the "backstairs" methods of doing business. Maxim's possibilities in the European arms field had proven themselves limited by the sort of competition an expert like Zaharoff could supply.

A million pounds was cheap enough for a weapon like the Maxim machine-gun. Zaharoff sold enough of them the first year to prove that. With his usual aplomb he placed orders wherever they were to be had. Some went to the Boers, who were at last ready to break with England. It was the Maxim-Nordenfelt machine-gun which took such heavy toll of British lives in the Transvaal, and became known as the "Boer's most annoying weapon."

This was just another sample of the operation of a system which permitted the whole world to become an open market for guns.

From the very first day of his acquaintanceship with Maxim, Zaharoff had realized that sooner or later the Maxim-Nordenfelt partnership would break up on the rocks of temperament. Though his original loyalty was Nordenfelt's due, Zaharoff felt that he himself could operate with greater efficiency and profit with Maxim as a partner. In 1890 the break came, and Nordenfelt sold out and left England. Zaharoff and Maxim formed the backbone of the new firm. They saw an auspicious augury in the times.

Conflicts were breaking out on all sides. United States and Spain, with the former, incidentally, still using the antiquated Gatling gun, Zaharoff not yet having entered the American market: Japan and Russia: Turkey and Greece again: China and Japan. Zaharoff was early on the scene of every war. He was making money faster than he could spend it, and as several European capitals could testify, he was more generous than ever with his expense account. He turned his profits into shares in the firm, and by the end of the nineteenth century was already a very rich man, with no signs of a depression in the bloody business by which he made his riches.

Other amalgamations were taking place within the

munitions industry. Skoda in Austria had absorbed several of its leading rivals, as had Schneider in France, Krupp in Germany, and Putiloff in Russia.

In so far as their methods were concerned and their aims, the directorships of many of these institutions might well have been made up of citizens of a single country. Even in the remote instances when the directorates were not interlocking they were sprinkled throughout with "dummies", and the secrets of one were the secrets of all. They were getting ready for Armageddon. Their *raison d'être* had been finally and permanently established and war alone could keep them alive. And so it became a matter of common policy to keep war in the foreground of every national policy.

So ended the nineteenth century.

## THE YEARS 1900-1914

## CHAPTER VI

### ROMANCE

THERE were a few sentimental interludes in Zaharoff's life, but not many of them seem to have had the excuse of the famous Xenos affair — of being a more or less honest expression of the youthful desire of conquest.

He used women when they were necessary for his political purposes. No European court could have functioned for a day without its quota of feminine *intriguers*. But they were never important to Basil Zaharoff. There was but one romance in his life. It started when he was a little short of thirty, and when success was just beginning. Like the tales of his birth, there are several illuminating versions of how he met and fell in love. The first is probably the true one.

It happened on the train from Athens to Paris. Zaharoff was on his way to meet the Nordenfelts

for the first time. It was then that he saw the seventeen-year-old and sloe-eyed Maria del Pilar Antonia Angela Patrocino Simona de Muquiro y Berute, Duquesa de Marquena y Villefranca de los Caballeros, exactly one year wedded to her aristocratic Castilian husband of nearly twice her age.

The Duchess was traveling with her duenna, and her destination was Paris. For a handsome young adventurer who carried the patents of venturesomeness and courage an introduction was not hard to arrange. The most popular alternate account of his romance lays the story on the grand staircase of a hotel in Madrid, and has it that Zaharoff rescued the lovely young Duchess from her husband who was throttling her! Which, when one hears that the Duke died in an institution for the insane many years later, almost induces one to believe it.

In any case, it appears to have been love at first sight, and the only episode of its kind of which Zaharoff ever spoke to those near him; apparently finding in it a reason for an understandable sentimentality. Which was something he was careful to omit in any other association.

Perhaps his emotions were rendered the more intense by the saddening knowledge that he could hope for nothing more than the love of the little Duchess. For she was a Catholic and, of course, would not think of divorce. Nevertheless Zaharoff conjured out of the experience a hope and a dream —

a duad of sentiments vital enough to live for fifty years.

Until he met the great love, he had shown a strong inclination for the sybaritic life. A youth of his environment seldom did otherwise. Women amused him and diverted him, but gave him little inspiration; yet, one may be assured, he was never unaware of their practical contribution to his business. In the case of the charmer of Athens, a triumph over the arrogant Xenos seemed to mean more to him than the conquest of the disputed lady.

During a sweet interlude after the fateful encounter, Zaharoff put all thoughts of his London business from his mind. He left the train in Paris and stayed close by his love until she returned to Spain. Before she left she promised him her aid at the Spanish Court. It is too much to expect that Zaharoff should neglect to do business even at a time like this.

The presence of love in his life had an effect manifest upon Zaharoff from that day. He kept all knowledge of the affair to himself, though years later he referred to it as the high point in his life. A sentimental interpretation of the romance would have mortally offended him, but in his future relations he was possessed of an aura, which, with his aloofness, enhanced his charm and caused his compatriots to envy his ability to influence the distaff side of more than one Court.

Psychologically, the experience undoubtedly af-



fecting him powerfully. His pride had suffered and he had known public disgrace. He was the subject of malicious whispers, the tenor of which inferred that he was not fit for good society. First, money and success were to be his, and then love. His ambition needed no more whips than these. Love was the key to two doors — of influence and emotion; and so his aspiration became two-peaked — the hand of the little Duchess and the throne of financial power.

He was alive to the virtue of seizing opportunity in whatever guise it might appear. Leaving the lovely lady behind, and, hot upon the trail of an even greater passion — success — he went on to England. From thenceforth he considered Spain among his legitimate industrial fiefs.

When Alfonso's dreams of extending his influence to the West were halted by the United States, it was Zaharoff's guns and ammunition that were directed against the American soldiers and sailors.

## CHAPTER VII

### GROWTH

**I**N the year 1897 the firm of Vickers, Ltd., one of the oldest and most substantial units in England's industrial fabric, completed negotiations with Zaharoff and Maxim for the purchase of the Maxim Guns and Ammunition Company.

The sum of 1,353,334 pounds sterling was paid to the partners, a proportion of the price in Vickers' shares and the balance in cash. Maxim was already considering the virtues of British citizenship while Zaharoff was dividing his political allegiance over the widest possible field.

The Maxim hegemony extended to the United States where Hudson, the brother of Hiram Maxim, was keeping pace with numerous inventions for military use.

The firm of Vickers was born in 1790, though the name of Vickers was not associated with it until

nearly thirty-five years later. George Naylor was its founder, and in 1829 it became Naylor, Hutchinson, Vickers & Company. In 1867 it became Vickers, Son & Company, with a capital of £150,000 to be increased four years later to £500,000. In 1892 the company bought out Beardmore & Company, and five years later the Naval Construction and Armaments Company of Barrow, for the sum of 425,000 pounds. At the same time they acquired the Naval Works on Walney Island.

Thus, since the early part of the eighteenth century, Vickers had been leaders in the iron industry, but it was not until later in the century that they took a ranking part in the manufacture of munitions. This was inaugurated through an intimate and mutually beneficial association with Alfred Krupp in Germany — a precursor of a long series of like arrangements which were to influence European life and politics.

Through an exchange of visits between the two families, the Vickers and Krupps had come to dominate the technical end of arms manufacture in the European and Asian fields. Krupp, years before, had realized and demonstrated in a modest fashion, the possibilities of a foreign market for munitions. That amiable Khedive of Egypt, who, from 1856 to 1859 bought great quantities of Krupp field-guns, was his first important customer. A few years later Belgian and Russian ordnance began to appear with the Krupp trademark, and in 1866 the

Belgian artillery was completely equipped with Krupp guns. A half-century later Krupp cannons firing Krupp shells with the lanyards pulled by Belgian gunners took a heavy toll of Krupp's countrymen at Liege and Namur.

It was not, however, until shortly after the Civil War in the United States that Vickers began to take an interest in military affairs, and then only through the selling of raw steel to gun manufacturers. A few years later they began to fabricate armour-plate and gun-barrels and by the end of the nineteenth-century, simultaneous with Zaharoff's association with them, they were the world's leading makers of guns.

With the purchase of Maxim's interests and patents, and a heavy increase in working capital, Vickers began a period of intense activity. The deal which eliminated Maxim as a factor in arms competition on the Continent, definitely increased the influence and power of Zaharoff as the leading expert in that essential department of the business — marketing.

First the Spanish-American War and then the Boer War engrossed his attention. England was given a taste of what was to occur on a larger and bloodier scale in the World War when it was discovered that the Boer was using English guns and ammunition with telling effect during most of the war.

The British politicians, that is, a few of them, and

notably a young Welsh barrister, David Lloyd George by name, professed a violent alarm that such a condition should exist; and certain legislation was tentatively advanced in the hope of putting a stop to the evil practice of selling death-dealing weapons to all and sundry. The effort was smothered not to be revived until after the World War, by which time Lloyd George had changed his opinions considerably.

Zaharoff's business of selling arms took on a new impetus, and Vickers' profit from the Boer War enabled them to absorb several smaller companies, principally the Wolsely Tool and Motor Works, and the Electric & Ordnance Company.

The tremendous and spontaneous-appearing increase in naval programs throughout Europe which was ushered in with the twentieth-century was the beginning of an undreamed-of period of prosperity for the Vickers and their cohorts. Military armaments promptly took their cue and production went forward with terrific speed.

The political affiliations which Zaharoff had visualized and put to use, were especially manifest in England's munitions industry. As late as 1915 the list of public men and politicians of England, numbering many avowed leaders of the people as well as members of the House of Lords and Commons who held munitions shares, was most imposing.

In the House of Lords were Lord Abernathy, Lord Balfour, Lord Curzon, Earl of Denbigh, Marquess of Graham, Lord Glenconner, Earl Gray (first

War Premier), Lord Kinnaird (one-time President of the British Y.M.C.A.), Lord Huddleton, Lord Pirie, and Lord Ribblesdale.

In the House of Commons: Sir J. Compton Rickett, Lord Claude Hamilton, Rt. Hon. C. E. Hoolburne, Sir J. B. Lonsdale, Rt. Hon. Lewis Harcourt, Sir Alfred Mond, Mr. Godfrey Palmer, Rt. Hon. Stuart Wortley, and the Rt. Hon. Alexander Ure. Even the church endorsed the merit and glamour of war by its ownership of war-stocks. Holders included the Bishops of Chester, Newcastle, Hexham and Newport and the Gloomy One of St. Pauls — Dean Inge. The names of Army officers and heads of Government Departments also dotted the stockholders lists.

At one time an Armstrong director, Sir Tennyson d'Eyncourt, was chief technical advisor to the Admiralty. Lord Southborough, also an Armstrong director, was from 1913 to 1917, Civil Lord of Admiralty. Lord Sydenham and Lord Ottley, both Armstrong directors, were secretaries on Committee of Imperial Defense, controlling military affairs of the Empire. General Lyttleton, whose brother was an Armstrong director, was once Chief of General Staff. Eight members of the National Service League were stockholders or directors of British arms firms. Four stockholders in Russian and Italian munitions works were on council of English Navy League.

In France, this brotherly atmosphere between

politics and arms was only slightly less apparent. Schneider-Creusot had some of its directors appointed to the Ministry of the Marine and privately employed Admirals Besson, Lacaze, Banona and a brother of George Clemenceau. Years later Clemenceau himself was said to have been on Schneider's payroll. But this is to be doubted.

For a long period in Germany the armour-plate king, von Stumm, ruled in the Foreign Office, where several of his relatives, Counsellor of Legation von Stumm and Counsellor von Schubert held important Stumm chairs. One of the Stumm directors was the French Legation Secretary, Waldner.

As for Russia, every Romanoff, every court attaché, had a finger in the munitions pie.

The munitions industry itself was not long in discovering the worth of such associations. The difference between a frank cash bribe of a Balkan bandit chief by a gun salesman for the purpose of stimulating an "incident", and a peace-preaching Christian Bishop taking a profit out of a war-stimulating industry while extolling the love of mankind was not, in those expansive days, the subject of undue comment. In England Ramsey MacDonald and Philip Snowden, with a limited few such idealists, were making themselves unpopular by their blasts against the obvious incongruity of political and ecclesiastical affiliations within the arms industry.

Snowden, always a vigorous dissident where an

inclination to exploit the public was apparent, was especially aware of the evil of such tendencies. Long before the World War, he told England the resounding but unpleasant truth that whether it be an Austrian, German or British ship to sink in battle, the directors and stockholders of the munitions firms could be counted upon to applaud. "They will throw their hats in the air and cry — 'More Ships! More Profits! More Dividends!'" To this the *Arms and Explosives Journal*, organ of the arms industry, wailed, "Some people never will understand business."

In so far as this situation in England was concerned, Basil Zaharoff, apparently had, or used, little influence. There was little need in the tight little isle for his peculiar talents, anyway; things there functioned well enough without him; and besides it was not there that wars originated. At least it was not there that the first shots were fired. The situation suited him perfectly.

The open endorsement of the political-armament affiliations served to lend tone to his particular activities and to give them a background. They lent his affairs a stability impossible under a more idealistic and less forward-looking control.

Nevertheless, and despite the fact that the practice of linking the statesman with the munitions industry was rapidly spreading over Europe and Asia, from time to time something would happen to embarrass an ambitious military program and to give



point to the criticism directed against the industry and its liberal attitude toward all countries. Among these was the famous Possehl case.

Possehl was a Senator from Lubeck in Germany. He had inherited from his father a small iron business. In a few years he added to his holdings several foreign industries as well as certain valuable Norwegian and Swedish coal and iron mines. By 1906 it was said that he had attained complete control over the steel and iron industries of the North countries and that he had purchased horseshoe and scythe factories in Russia and was even established in South America and the Far East. Then came the World War.

At once Possehl's factories everywhere began to supply Russian factories with raw material for gun-making in great quantities. Possehl, confronted with an admittedly difficult commercial problem and torn between loyalty for Germany and his business interests, finally cast his affections with the latter.

He decided neither to halt his manufacturing in the North countries nor his deliveries to Russia, the enemy. In fact, he did everything possible to stimulate them.

Sooner or later some one's shoe was bound to pinch. The Possehl case was finally brought to the attention of the military authorities, who, in time of war, were counted upon to appear nothing if not virtuous and patriotic in the handling of such

matters. Yet Possehl was tried and acquitted of intent to injure his homeland.

The comment of the court is illuminating, and effectively scotched for a time any effort to shed an ethical light on such matters. To cite the decision of the German Supreme Court:

“After the outbreak of the war, Possehl was faced with the question of keeping his factories going as well as could be done, avoiding deliveries to the Russian Government and so preventing confiscation of his property, or closing down the factories with immediate confiscation as the result. If he decided on the former course, although as he recognized a certain quantity of steel would inevitably go to Russia to be used for war purposes, still this would not abet Russia as much as if, by completely shutting down his factories, he would allow Russia to take them over and put them entirely at the service of her military needs. It cannot be held, therefore, that Possehl gave aid of his own will and through his business, to a foreign power at war with Germany.”

A judgment beyond argument, and one which was the inevitable fruit of established commercial practices.

Soon after the Possehl trial a prominent German writer, Dr. Eric Wallrath, said:

“Unfortunately we cannot prevent our enemies from getting their finest battleships and cheapest

armour-plate, as well as their heaviest artillery from us, their enemy."

Thus the system of which Zaharoff was a protagonist, found politics, society and the courts forced to grant it endorsement. A natural assumption might be derived from this, that so long as the destiny of nations demands periodic wars, the means for the waging of them should be allowed all possible latitude in order that the inevitable dirty business might be accomplished as speedily as possible. Therein was the essence of the Formula.

The foregoing are specific examples of the philosophy which made Zaharoff's comings and goings throughout Europe and Asia so eminently successful. He was functioning, as sales-director for Vickers and its numerous subsidiaries under conditions in peculiar harmony with his own aims and talents — which had developed within a field where only ambition or its lack could limit his strategies or bring about failure.

He was forceful, emphatic and persuasive in his attitude toward the needs of a client — whether the client wanted a battleship or a carload of machine-guns.

As time went forward, he found the popular state of mind a support. A subsidized press endorsed the programs which must inevitably increase the volume of his business. A pronounced re-animation of the war spirit encouraged by inconscient jingo politicians gave him constant and practical

encouragement, and every once in a while he was able to do something practical in return.

His movements were recorded with accuracy only on the order books of Vickers, Ltd. A Grand Duke and his lady, a disgruntled and irritable Balkan princeling or bandit, a Spaniard dreaming of a military glory for which his life had long since unfitted him; these were his puppets. But most efficient and dependable of all were the newspapers.

Lieblicht once read a letter in the Reichstag disclosing the fact that the Deutsche Waffen & Munitions-fabriken instructed its Paris agents to secure publication in a certain specified French newspaper recommending doubling the number of machine-guns in the French army; which statement quite naturally resulted in the stimulation of German military business. The result was an increase in the number of machine-gun units in the German army in that very year — 1908.

Let there be an obscure reference, however unsupported, to an increase in the number of infantry regiments in the Austrian army, and there was a prompt response in a corresponding or greater increase in the Russian infantry. The splash of a new battleship keel off the ways into the Clyde was heard in Potsdam and the politicians of England and Germany alike were, as Snowden had said, in the front rank of the applauding.

Admirals and Generals spent long hours on their feet in order to bewilder and exalt the Navy Leagues

and patriotic clubs with statistical proof that the whole world was about to rise up and smite them into oblivion. Against such a disaster there was but one defense — More Guns!

In Germany, Admiral Tirpitz organized the Navy League. He saw it subsidized and become friendly with the press, the pulpit and the patriot. He persuaded Krupp to buy two newspapers, and from France, Krupp's agents fed these papers with stories of French arms increases. The resulting stories were thrown at the feet of a horrified German taxpayer, who could hardly do less than support a campaign of "defense" against the imminent "danger."

Zaharoff was finding the Balkans and Near East a fertile and profitable field for his activities. He was familiar with the problems, the tongues and the ambitions of that troublous area. No great imagination was needed to develop it. One needed only a generous expense allowance.

A handful of *dinars*, discreetly slipped into the hands of an ambitious but not too scrupulous Serb, were often as effective in stimulating a profitable border "incident" as the creation of a new cavalry division in Germany was in throwing a scare into the House of Commons or the French Chamber of Deputies.

A number of Zaharoff's contracts were arranged on a credit basis and he was rapidly becoming a banker as well as an arms salesman in order to meet

the demands of this phase of his business. Often he had arranged a credit and made delivery before a whisper of the issue responsible for an increase in an arms budget was heard. The usual result, in such cases, was a brief diplomatic skirmish, sometimes a burst of firing across an obscure point of a national border and a prompt increase in the contents of a dozen national arsenals. The Balkans seethed with new enthusiasm and a score of minor wars were incipient or in process during his first active years in that harassed land.

International comity nor sanity were impossible in such an atmosphere.

Jingoism became a profession and the printers and slogan-makers flourished and grew fat. There was much talk of the Yellow Peril, of Russian Greed, British Perfidy and French Vengeance. Headline writers and military editors worked feverishly.

In Germany, Krupp now controlled a number of daily papers, among them the *Rheinische Westfaelische Zeitung*, and in Berlin, the *Taegliche Rundschau* and the *Neuste Nachrichten*. Zaharoff and his aides (he had several of his own training now) were almost as well known in editorial offices as they were in the Chancellories.

The press, the propagandists, the arms manufacturer, and the politician nightly went to bed together and for the first time in history their harmony was complete. The artificially stimulated taxpayer-patriot, narcotized into the semblance of a

jingo, got his leg pulled daily, along with that of his pacifist neighbor.

It was hardly a subtle system of which Basil Zaharoff was the sombre synthesis.

In 1901 a far-reaching step had been taken within the arms industry. The Harvey United Steel Company Ltd., of Great Britain was founded. On its first appearance, its portent went virtually unnoticed. Its capitalization, eighteen thousand shares at ten pounds each, was insufficient to make it an important financial event. But its list of directors and its unwritten and obscure program presented a picture which, in the present more or less enlightened and war-sick day, would probably arouse a tornado of protest.

The directorate included two Germans, one Freidrich Alfred Krupp himself; five English, including Albert Vickers, who was chosen to head the board; three French, including one of the board of the munitions firm of Schneider-Creusot, and an Italian. The Bethlehem Steel Company, sitting for the United States, held over four thousand shares. Its directorate also represented Chas. Cammell & Company, Ltd., of England; Dillenger Steel Company, of Germany; Chatillon Steel Company and St. Charmant Steel Company, of France, and closely allied were the Nobel Dynamite Trust and the Chilworth Gunpowder Company.

It was hardly a coincidence that this followed close upon the signing of the portentous German

Naval Bill and a series of Tirpitzian thunders of "More Guns and Thicker Armour."

There appeared some minor signs of resentment at the appearance of this ethical monstrosity upon the international scene. An anonymous English writer became lyrically excited over what he called "Universal Allied Kruppism", and a few isolated editors emitted plaintive cries against this ominous tendency to organize for further armament. Most of the bogeys of the time were tagged "Krupp"; which fact was undoubtedly due to the ineptness of the latter's publicity which boasted frankly of the German aims, while Krupp's confrères in other countries limited themselves to simple and touching appeals to patriotism upon such occasions when they were criticized. While many others shared the game with Krupp, it was the latter's misfortune to get the name.

In 1902 it was written in England, "No doubt political influence will soon set to work to bring about a resumption of operations that will lead to an increased efficiency in our Navy and a prosperous future for British manufacturers of ordnance." The absolute ultimate in negative criticism. So much for the unofficial press.

For the more biased instruments of publicity, we cite *Arms and Explosives*, organ of the munitions industry in England, writing apropos of a fitful spurt of venom from an anti-Kruppist upon the occasion of the death of Alfred Krupp in 1900.



"It is a pity," says *Arms and Explosives*, "that his own countrymen feel justified in condemning a man who has done so much for Germany." Upon the death of Lord Armstrong of Vickers-Armstrong, this same magazine had to defend the position of the munitions industry from attacks upon a man denied the love of his countrymen merely because he had sold rifles from the Amazon to the plains of China.

Zaharoff was finding, as time went on and the arms business began to include other things than plotting excuses for budgetary increases and breathing fire, that he did not know as much about high finance as he could use to advantage. He made friends with Sir Vincent Caillard — author, musician, negotiator of loans, financier and intimate of Joseph Chamberlain. And for a time Caillard directed the expanding financial programs which Zaharoff's business made necessary.

Then came the Russian-Japanese War, and from it Zaharoff profited doubly; first, through having sold machine-guns to both sides, and second, from the resulting stimulus in Russia of her military activities. Having been taught a bitter lesson in unpreparedness by the Little Yellow Man, Russia did not intend to be caught napping again.

Just before this profitable venture Vickers had paid a twenty per cent dividend and rounded out their past accomplishments by acquiring all the rights to the new Holland submarine. During the same year they had also acquired a large block of stock in the

Chelworth Powder Company, the Ally United Carbide Company and the Nitrogen Products, Ltd., and, with Armstrong, had bought control of the Whitworth munitions plant at Ferrol, Spain. Thus they had, by the end of a dead epoch which blasted Russia's illusions of power and marked the first wave in the tide that was to sweep up from the Far East, succeeded in gathering under a single roof, virtually every essential to the conduct of a modern war. Vickers, Zaharoff *et al.* were ready for the glorious day.

Russia believed in state ownership of munitions-plants. Her Putiloff works, later to figure in a highly-scented scandal, was her only plant of magnitude. The administration of Putiloff found itself, early in the century, at odds with the Imperial Court because of certain political causes. These "causes" — rumors of dissension within the factory between certain loyal workers and others not so loyal — are familiar to the student of contemporary events. Some of the Putiloff workers were suspected of revolutionary aims, and the Government, ever alert for such manifestations, was quite ready to embarrass the Putiloff directorate in case the latter should try to justify or defend them. The result was strange.

The Tsar sent out a manifesto asking all friendly nations to take a hand in solving the problem. This unprecedented and mysterious maneuver served to bring the munitions people into the Russian field

with shouts of joy. One might almost have thought them personally interested in those "revolutionary" workmen who forced Russia to so unusual a step.

Zaharoff was the first to answer the Tsar's appeal. He acted on behalf of both England and France, justifying the privilege by the fact that since 1907 he had owned a block of stock in the French gun firm of Schneider-Creusot. The unhappy Tsar, none too well advised in the best of times and confronted with his perennial problem of keeping down these "mysteriously" fomented internal dissensions with a military which was continually getting out of hand, had, with his usual naïveté, taken a step in the direction of a new liaison which other states had long since taken less openly. It left Russia in a most perilous position. The imputed potential enemy of every European country, she thus proposed to give them all an active hand in the control of that program most essential to her security — this on the plea that she needed help against an internal and not an external enemy. No wonder that certain of Russia's enlightened professed profound horror.

First on the ground, fortified with countless friends at Court, and by far the most familiar of all European munitions agents with the Russian scene, Zaharoff immediately became identified with the Putiloff project. This affiliation, under the open endorsement of Schneider-Creusot, began with a substantial loan in cash. Schneider-Creusot also

supplied experts and gun designs, though the latter were said to be of highly doubtful value. Rapidly consolidating his advantages, Zaharoff promptly secured for Vickers the contract for the erecting at St. Petersburg a new munitions plant, called the Nievsk Zavod; this simultaneous with the conclusion of the Putiloff deal for Schneider-Creusot. Years previous he had secured an order for two battleships for the Black Sea Fleet, and about the same time Beardmore and Augustin Normand had built naval dockyards and a gun factory at Reval.

The reorganization of the Putiloff plant was completed in 1910, and when it was completed, it was discovered that Zaharoff and his friends owned shares worth a million pounds. As if to emphasize the polyglot nature of arms-control, it came to light about the same time, that with the French bank, the Société Générale, John Brown, and Armstrong of England had acquired control of the Franco-Belgian Arms Company of St. Petersburg. Krupp also had his hand in several Russian pies and was looking for more.

When the tangle was unsnarled it became apparent that Basil Zaharoff had carried away the bulk of the honors. An effective climax to his campaign was his contract for the construction of the Zarazyn Arsenal on the Volga.

Originally an all-Russian venture, the Zarazyn project, while well capitalized, found itself without either the ability or technical facilities necessary

to administer an institution of its size. It was quite natural, therefore, that Zaharoff should be given this white elephant to train. He had within a few years completed the Putiloff deal and the taking over the Franco-Belgian Company, rounding off his performance by taking a hand in the contract to build new dockyards and the gun factory at Reval, and by effecting a *rapprochement* between the Franco-Russian Company, a turbine factory, and the St. Petersburg Iron Works, when the Zarazyn project came up.

The works were to be of immense importance to Russia's new defense scheme and of interest to the world in general. It was the most ambitious of its kind ever attempted in Russia, and Germany regarded it — not having an investment herself therein — as a direct threat against what they had considered — until Zaharoff came along — their exclusive territory.

Under the terms of his contract, Zaharoff was given complete responsibility for the construction and equipment of this plant. The agreement further stipulated that Vickers-Zaharoff was to furnish expert counsel for a period of fifteen years, with patents, new designs and the latest improvements in ordnance manufacture.

Once the Zarazyn deal was completed, Zaharoff went toward the Orient. As early as 1900, Vickers and Armstrong had bought the famous Meutoran Armour-Plate Factories in Japan, which, during the

war with Russia had paid them generous dividends. They had also established a working agreement with Kabushiki Kuaisha Nihon Seiko-Sha (The Japanese Steel Works), owned largely by the famous Mitsui group, and thus could be said to be rooted firmly in the Orient. Zaharoff spent but little time in the field, and after completing two mergers of little importance, returned to a familiar ground — Austria. There he acquired, on his own behalf, a small steel plant, the Tschen Company, the Beranbuton Gun Factory and several unimportant munitions properties. He also bought some stock in the Skoda plant, the largest in Austria.

A short time later Vickers and Armstrong organized the Spanish Drydock Naval Construction Works at Ferrol and encouraged the fatuous Portuguese with a dream of becoming a naval power by combining with several other British firms to found the Portuguese Ship-Building Company.

Zaharoff, in the meanwhile, spent some time in Turkey where he was conducting negotiations which resulted in a contract for the building of the battleship *Reshidah*. Ever since his earliest days he had held a warm spot in his heart for Turkey, though time was to come when his business made friendliness impolitic, as in 1914 when he was obliged, as spokesman for Vickers and Armstrong, to refuse the Ottoman Government financial aid for the building of the Imperial Ottoman Arsenal and Naval Construction Company. Vickers may have had a notion

that a better use for money would shortly appear.

The infinity of combinations within the munitions industry continued throughout Europe. Both Schneider-Creusot of France and Erhard, a German firm, built plants in Italy, at Milan and Spezzia. The Vickers-Terni Company, a British-Italian combine, erected a plant at Spezzia. Armstrong-Puzoli and Ansaldo-Armstrong built plants at Genoa.

Most of these affiliations, it will be observed, took place within a group of which Zaharoff was the administrative head if not the actual inspiration and directing genius. With few exceptions it appears that his judgment dictated the points at which contacts would be made. Undoubtedly his policy, or, more accurately, the policy of the *système*, was not his work. Too many factors were involved, the propaganda which would keep his plants running profitably for example, to justify one in assuming that Zaharoff alone had the direction of such a system.

Forced somewhat to feel his way in the earlier days of his career, he had proceeded on the assumption that any plant capable of building war material must be absorbed into a parent organization. But this policy soon demonstrated its weakness and he abandoned the idea, to concentrate upon larger and more easily directed combines, and to the maintaining of his political machinery.

According to Erzberger, the German, the smaller companies then took a leaf from Zaharoff's book

and proceeded to organize on their own. These firms were located mainly in Germany, Belgium and Austria. According to the terms of their operating agreement they concerned themselves more with standardization of design in the machine-gun and small-arms field, and with the development of a mutual marketing system, than with bigger contracts, which, in fact, were already well in the hands of Zaharoff and his friends.

Like their more imposing twin, this infant consortium divided the world much as it saw fit — though they limited themselves to those portions more or less neglected by the former — China, Japan and Abyssinia. In one sense of the word they were further advanced in technic than the Vickers-Krupp-Schneider-Creusot-Zaharoff octopus; they fixed a price scale, and more than that, set a fee of fifteen francs per weapon for the purpose of providing a fund for bribery, propaganda and other “necessary” expenses traditionally a part of every right thinking gun-manufacturer’s budget.

Then — a few months before the shooting at Sarajevo which set fire to the European powder-magazine — the Putiloff scandal broke.

It was not said, except by one or two French newspapers who immediately retracted the inference, that Basil Zaharoff had anything to do with this spectacular episode. However, it must be remembered that it was not until the World War that he became well enough known to be selected as a



*deus ex machina* of anything very important, and the term "well-known" is a misnomer under any circumstances when applied to Zaharoff. As a matter of fact, in 1913, probably not a hundred people of Paris's inner circle knew that he existed — but what a howl France set up when they saw a practical proof of his *système* in operation.

"The affair Putiloff" held within itself some of the concentrated essence of scaremongery which had been so sedulously disseminated throughout Europe for fifty years, and which inevitably comes to mind when one analyzes the reasons for the World War.

The first hint of it broke in the *Écho de Paris* in a wire story said to have originated in St. Petersburg.

The story:

"The rumor that the Putiloff Munitions Works in St. Petersburg have been bought by Krupp has been confirmed. If correct, this piece of news should arouse the highest excitement in France. For, as is well known, Russia has adopted French types of guns and ammunition for her artillery. Hitherto, the largest part of this material used in the Putiloff works was manufactured with the co-operation of French personnel sent to Russia."

The gullible French public swallowed the story whole. Within twenty-four hours it had assumed the status of a *cause célèbre* — something to be mentioned only in a class with the Dreyfus case of hateful memory.

These mistaken fears were inspired not only by the fear that the purchase by a German firm of a Russian munitions plant meant possible war, but by the belief that the secrets of French gun-making would be delivered into the hands of the Kaiser.

Those simple but not always understood practices of "altruistic internationalism", by which Zaharoff had explained to the Greeks the sale of submarines to Turkey, had already given away such secrets of arms manufacture as actually existed, were not elucidated for the benefit of the ignorant masses. Nor when the Quai d'Orsay, in a discreet announcement, admitted that such was the case, and that France had no reason to fear the exposure of her "secrets", was it believed by the outraged populace.

The facts of the matter were that both Italy and Bulgaria had been receiving quantities of the famous 75mm gun for months, and the "secret" of its construction had long been known throughout the world. Therefore, the danger of losing the plans was nothing but a smoke screen to hide the efforts of those interested in the old game of stimulating the French fears.

Clearly, the Putiloff scandal had been dragged from the same Pandora box as many another similar bogey. The truth had nothing to do with either the 75mm gun or Krupp's alleged purchase of Putiloff. The facts were that the minority Putiloff directorate, suddenly alarmed at the influence of the Vickers-Zaharoff cartels throughout Europe,

and, indeed, upon their very doorstep; doubting the loyalty of the section of the Court which was more interested in Zaharoff's Zarazyn project than in Putiloff's problems; and doubting its own ability to retain Court favor in the face of the many influences adverse to them, thus used the rumored sale to frighten the Imperial Court into a more friendly state of mind.

The result was an entirely unlooked-for excitement in France — taking a strongly anti-Russian and anti-German trend, and surprisingly also, the effect of driving Putiloff into the combined hands of Vickers-Armstrong, Schneider-Creusot, Krupp and the German firms of Blohm and Voss, stockholders all. All of which bestowed little credit upon the perspicacity of any one but the intrigued majority of non-Russian stockholders.

Specific credit for the story as it appeared in the *Écho de Paris* is due to the Russian Privy Chancellor, Raffalowich, himself little more than a glorified munitions dealer, and War Minister Suchomlinoff. It was hinted that these worthy gentlemen owed their inspiration to their intimate, Zaharoff.

Naturally, the world became a little curious as to the intimate history of the Putiloff affairs. It was soon uncovered that, in 1910, the Putiloff directorate had pooled their own and subsidiary interests under the joint direction of the Union Parisienne Banque (later to figure in another interesting alignment), which subscribed twenty-five million francs

to the project, and Schneider-Creusot, who furnished the plans for the 75mm gun. It was plain that the reason for this apparently dangerous alignment of forces, inimical to the countries concerned, was the political and commercial "squeezing" process intended to serve the dual purpose of forcing all parties concerned to new and violent interest in their military budgets, and to alarm the laity into supporting more vigorous military programs. For these ends, nothing was better than a good fright and only the most worn bogeys were used.

That there was no particular connection between Krupp and Putiloff, beyond that already established by the popularized affiliate interests already discussed, did not matter. The very complexity of such arrangements are calculated to deceive all but the most alert — and the alert are not always the most articulate. The French people did not know that Krupp took no real interest in the manufacture of anything but heavy guns, and that it was this rather limited phase of the Putiloff program which had already been conceded to Krupp by the omniscient munitions hierarchy. They did not know that the interests of Schneider-Creusot and Putiloff only coincided with the French 75mm, and that if the Germans were thus made privy to French secrets, their mutuality of interest implied that the latter were themselves privy to German secrets.

The substance of truth in the whole affair disclosed one important fact — that private French,

German and English arms firms were partners with Russia in the munitions business.

The net result of the Putiloff scandal was the same in Petrograd, Paris, London and Berlin. The public of each country received an unnecessary scare, the effect of which was that the humblest citizen of France, Russia, England and Germany joined their voices with their capitalist citizens in howling for an enlarged "defense" program. The munitions hierarchy said nothing. They were too busy to talk.

A few days after the first shock had passed, however, the Paris newspapers published a series of highly technical articles setting out the superiority of French guns and small arms, with the result that a back-fire was started. In the confusion that ensued, both the Reichstag and the Chamber of French Deputies joined the Duma in passing without argument a heavy increase in all military appropriations. After all, if the other fellow's gun was as good as your own and he owned your secrets and you owned his — as the Putiloff publicity seemed to imply — the only way to combat him was to build two guns to his one.

The patriotic editors of Russia, Germany, France and Belgium alike went into fits of hysterical flag-waving at this amazing discovery.

Not one of them appeared to possess an inkling that the whole episode was just a bit of groundwork for the tragic days which were to come.

Though no one openly accused them of complicity, Vickers announced that *they*, at least, had had no hand whatever in the mess. They indicated that such matters were beneath their practices. They soon found themselves very busy filling orders. In France, Schneider-Creusot, now that the truth was out, immediately advanced Putiloff further capital. French investors bought new blocks of Russian bonds, to date unredeemed, and the merry whirl went on with new impetus.

Vickers increased its capital stock by twenty-five percent and prepared to tackle the rush of business.

## CHAPTER VIII

### REWARDS

**O**NE day early in the twentieth-century, a generous mood took possession of Alfred Krupp. Forthwith, he cast about him in search of an opportunity to do a good deed. Finally he discovered one. He would, he announced, bestow a gift upon the tiny Republic of Andorra. This gift took the form of one of the biggest and proudest of all Krupp cannons. Its range was tremendous.

Andorra, proud at this august appreciation and gratification of their unspoken desire, reflected happily upon the impulse which prompted the bestowal of so imposing a gift. They easily came to believe that Alfred Krupp had chosen this means to indicate to the world at large that Andorra, with its one hundred and ninety-one square miles of territory and five thousand happy and untaxed citizens, was an

equal partner in that great family of nations to which big guns were not unusual possessions.

And, as Donor Krupp pointed out in his presentation address, the ownership of the great cannon must perforce give the Andorrans a certain sense of security, it being a well-established fact that a nation armed is a nation free from fear. It is probably unfortunate that one's sense of proportion should insist upon manifesting itself at this juncture: for Andorra, of all the world's peoples, is undoubtedly the most peaceful and the least harassed by the fears which obsess its larger brothers. Its dreads are in ratio to its size.

The Andorran technical experts looked the great gun over after it had been mounted in the square of their capitol. They debated the possibilities of a test shot. To their horror their experiments disclosed a startling fact. They could not fire the cannon without sending its missile into a neighboring country — thus effecting with a single blast a formal declaration of war. The range of Herr Krupp's gun was so great and the topography of Andorra such that this Guarantee of Peace was rendered useless. It could not be used, even for practice, without causing war. An amusing but thought-provoking paradox!

The muzzle of the gun was plugged, its breach welded shut, and the monstrous thing, emasculate and virginal of sin, was left to stand as a symbol of something — no one would attempt to say what —



perhaps of Peace, perhaps of War. No sardonic philosopher rose to dub it.

The rewards of Sir Basil Zaharoff for his quarter-century of activity left no such room for speculation as the use of Krupp's gift to Andorra. Zaharoff had accomplished much. He had put into operation a system effective under any kind of political organism in the world; he had built an immense industrial empire and eliminated competition by driving it out, absorbing it or combining forces with it. No possibility for extending his influence had escaped his ambitions. He had erected factories for making guns in Canada, Spain, Italy, Japan and in every Balkan state. Not a shot could be fired in anger across any frontier in the world that it did not reverberate to the tune of profit for himself.

Great and Glorious the Guarantees of Peace!

In 1913, his name was presented as successor to Albert Vickers as Chairman of the Board of the French Vickers Company, Le Nickel, with headquarters in Paris. In France, Zaharoff had already become more or less well-known as a director of the Société Française des Torpilles Whitehead and as administrateur-délégué de la Société Vickers et Maxim.

He had spent much time in Paris during his busy years before the World War. But not all of it had been given to his munitions business. He was fashioning a new wall to the ramparts of his career,

and in the doing of it he was obliged to consider certain factors which meant much to the actual function of his affairs.

As he traveled about the Continent, he had long since discovered that he could not hope to function unmolested by unpleasant gossip unless he could find a way to silence loose tongues. The resentment which he had learned and indulged toward the public ever since those lurid days in Athens, and the unhappy affair in Old Bailey, he carried into all his future contacts. Anonymity had become necessary to him, psychologically and professionally. He knew by long practice exactly what steps to take to accomplish his desires.

In 1910 he bought a large block of stock in a prosperous newspaper, *Le Excelsior*. His agent in the transaction was a certain bland individual by the name of Pierre Lafitte, the organizer of several newspapers and magazines including *Le Excelsior* itself, and *Femina*. Lafitte became the Paris head of Zaharoff's propaganda bureau.

Zaharoff began to give generously and often to certain charities, always refusing to comment upon his motives. He denied himself to interviewers, even those who might be regarded as friendly, and, unlike most prominent men, appeared to do away with the usual official spokesman. For some reason, many of his most generous gestures were criticized by the rival press, a fact which can be partially explained by their suspicion of the manner in which his catholic munitions business was conducted, and,

partially, by the inferences of his extreme secrecy. On one occasion his name was openly mentioned in the House of Deputies as being a rival of the firm of Schneider-Creusot — the implications being that Zaharoff was in France for no good purpose. Though nothing came of it, the incident supplied amusing but understandable evidence of the ignorance of the average Frenchman of the actual working of the *système* Zaharoff.

However, it soon began to appear that he was not entirely unappreciated. The War and Navy Ministries well knew who and what *Citoyen* Zaharoff was, even if the Deputies did not. In 1908, the Minister of the Navy proposed him for the Rosette of the Legion of Honor, and five years later, when he became a citizen, he was elevated to the status of Officer of the Legion, upon the recommendation of the Minister of Public Affairs. This last award was in appreciation of his gift of a Chair of Aviation to the University of the Sorbonne.

On the last day of July 1914, his adopted country again honored him — this time with the highest award within the powers of the President of the Republic. He became a Commander of the Legion of Honor.

A few days later came the shot at Sarajevo — a preface to an ordeal and an accomplishment in which Basil Zaharoff had a large and profitable part.

What ensued was something for which only Moloch could bestow a fitting decoration.

This much had long been anticipated and since echoed many times by a few European writers, who, along with other less articulate of the critics of Zaharoff and his associates, have for several years regarded the World War as a repercussion, if not an actual outcome, of the aims and ambitions of Zaharoff and a group of war-makers as obscure as himself, and of whom the anathematized Hohenzollerns, *et al.*, were but dupes. Sometimes this secret camarilla, in which names of world-known appear side by side with figures so little known as to seem almost like ghosts, the Rothschilds juxtaposed with Zaharoffs, the Wilhelms and Northcliffes, the manipulators and the demagogues,<sup>1</sup> has been given a name. Sometimes the name is the Profiteer, the War Lord, or the more mysterious and intriguing Hidden Hand; and of only one thing may one be reasonably sure — that the little group of Hohenzollerns and Hapsburgs who paid the penalty were among the least guilty so far as actual complicity is concerned.

For certainly the World War was the perfect flower of that thing which has been called the *système* Zaharoff — a malefic function which endorsed any evil, however great, against a people so long as profit to itself was a concomitant.

When the blow fell Zaharoff promptly cast all his talents upon the side of the Allies. A time was to come when his motives were to be questioned, but

there is no doubt that he considered that his loyalties rested with the countries which signed the most generous of his many pay checks.

England, France, Russia, Italy, Austria, Germany — all contributed to his purse; and as the gold clinked into his till and the blood of the hapless soldiers of each of his separate tools of the *système* soaked into the earth, his *système* thought only a little less of the immediate hour than of that time which might come when it would be anathematized. Its specious texts kept the flags flying and the guns athunder, never forgetting that when the hour of inevitable reaction arrived, the adored *système* must still be in good repute, as secret as ever and as powerful, not something which a long suffering and outraged world could outlaw.

Its propagandic function continued and is working to-day. As recently as 1932 there has been a persistent and determined effort within certain political circles in England and France to deny all blame to either Zaharoff or this mysterious *système* for doing more than a "pardonable" share in making the World War a reasonable development of a policy which considers nothing less than the enchaining of the world, with destruction the alternative.

Sir Frederick Borden, Minister of Militia under the Laurier Government of Canada, was in London several years before the World War. He was royally fêted by the directors of Vickers. Concluding a formal dinner one evening, he was surprised to

hear an unnamed Vickers' director use these words, "Business is bad. But how it could be otherwise with a man like Campbell-Bannerman in office? Why, we haven't had a war in seven years!"

That same evening Sir Frederick heard variations of the same complaint from several Vickers men, who were as one, agreed that "Campbell-Bannerman was constantly upsetting their plans with talk of disarmament."

Surely disarmament could have held little appeal to Zaharoff and his associates if they are to be judged by such expressions of opinion.

**THE YEARS 1914-1920**

## CHAPTER IX

### MANEUVERS

**A**N accurate estimate of the profits paid those dedicated to the cause of destruction will never be published; their income from war cannot be approximated except in ratio to the amount of blood spilled by those whom they exploited.

Like chips in the mill race — now that Armageddon had come — the nations were tossed about, their inchoate dreams of power accentuated and their passions whipped into a state of super-excitation, artificially inspired by that lurid offspring of the Will-to-Power-Propaganda. The part played in maintaining symphonies of hate accompanying all wars, by those agents assuming the right to speak for and to interpret the public will in such crises, has been dealt with extensively, but not always honestly or comprehensively.



Philip Gibbs once said — this was before he was knighted — that the press of Europe was entirely subsidized by the War Party before, during and after the World War. He modified his indictment in so far as it might be applied to the American press — an error of degree only. The unavoidable inference is that the press of the world has been administered for a considerable number of years by knaves and fools in about equal proportions. This deduction will be borne out by any one who can recall the editorial pages of the World's newspapers between 1914 and 1918.

The picture presented is graphic proof of the power of mass-hypnotism as a premise of mass-exploitation.

Long before 1914, the knaves were grinding their diligent axes with all the enthusiasm of unscrupulous and semi-secret private enterprise with its hand in the public pocket, the public body theirs for the asking, a dreamed of world-power for an inspiration. Off-stage, the deluded fools cheered frantically the cause created and breathed into being to justify their exploitation. Only a handful of the illuminated dared to so much as whisper of ways to discipline the exploiters. The fools lacked the discernment to see that a Cause had existed for decades and that it would never change so long as the voice of privilege is louder than the voice of the people. It is even to be doubted that they would have found the courage to attack the real evil had

they uncovered it, so effective had been the propaganda and so fevered the mind of the mass.

Of the two, possibly the knaves were to be preferred by the cynical observer of the human scene. Closely knit, functioning like a perfect machine, secured by long preparation and absolute secrecy in their control of every instrument on the political switchboard, they conceded only such gestures to the puzzled and frightened victims as would temper their restlessness. They were magnificently led, these knaves; the fools, magnificently deluded.

The effectiveness of pre-war and war-time propaganda was exceeded only by the lack of an effective counter-propaganda. The exploited mass was deprived of even the right to set up a counter-offensive, and the admirable technic by which opposition hands were tied and mouths gagged are excellent evidence of the power and ruthlessness of the administrators of conflict. Against the dogma that one who criticizes is guilty of treason there could be no organized defense.

The substance of every manifesto issued for months before the war by the European press was that peace could only be endorsed by invertebrates. Using a censored press, one of the sturdiest weapons in the arsenal of the war-lords, the professional keepers of the public conscience could always be counted upon to prevent democracy from getting successfully on to the scent of treachery.

Zaharoff's personal power may be measured by

the lately uncovered evidence that, in 1917, he was consulted in Paris by a group of Allied leaders as to the advisability of taking up negotiations for peace.

Apparently only moderately considerate of the implications of this striking situation, in writing of the discussion which ensued at this meeting, Lord Bertie, British Ambassador to France, wrote: "Basil Zaharoff is all for continuing the war *jusqu'au bout*; a lame peace would cause squabbles between the Allies."

Why was Zaharoff, who owned munitions stocks on both sides of the zones — in Germany as well as in England, France, and Italy, consulted as to whether his business interests should be sacrificed to the interests of the nations who were not only paying him a profit, but shedding their blood while doing so? Was a lame peace expected to please one whose principal function in life had been in the direction of discouraging peace of any sort? Naturally, such questions were not asked.

Why was Zaharoff consulted at all? There is an answer to this question and this answer does not rest upon mere opinion for authority, nor does it trust to the lurid pictures of the romantic for explanation. Witness again the stock-holders list of the pre-1916 British munitions companies. The link between the politician and the war profiteer is easily traceable therein.

It is quite possible that some of these gentlemen,

at least, may be numbered among the deluded rather than among the knaves. Certain of them have, since the World War, become ardent advocates of peace, though it is not known whether they have disposed of their arms holdings while undergoing this redemptory process.

In analyzing this peculiar state of affairs, one must consider also that there were times when peculiar and sometimes exceedingly intimate private obligations and considerations made it wise, if not actually necessary, for a prominent politician or public figure to trail with the herd. It is a fortunate public man, hell-bent upon the road to success, who is not forced at times to commit himself to men and causes offensive to his better instincts.

The shield of quiet but ubiquitous and omnipotent protection which the conspirators for world-power have always kept thrown over each other and their tools, has always been a force against which a million of their victims, loosely thrown together and without organized voice, could hardly be expected to overcome. And such documentary ghosts as might bring indictments against them have little success in gaining the public eye. Those extant, are, in fact, too few, too hesitant, and too inconclusive.

One's final judgment on the subject of this relationship between the official State and the industrialist-capitalist-war maker will be established upon a sum of material, moral and political evidence.

It is not impossible that racial elements may force their way into these considerations as, in fact, they already are, — now that the revolutionary factions throughout the world appear to be aligning themselves within certain ethnic limits. Only a miracle will bring indictments against those who guide and control the chicaneries which have led and are still leading toward holocausts. They will, if at all, be brought by those who have suffered at their hands, and, as in the past, when exploited majorities rise against their afflictors, will also bring much shedding of innocent blood into their revenge.

In a strictly legal sense such judgments will, when they come, seem biased. They will be biased of course, for history points that whenever such judgments are brought against those who have committed a crime against mankind, the defendants find themselves denied the right to be judged by a jury of their peers.

This may be true justice, for there are many who believe that the fact that an autocratic minority can build up incredible wealth for its individual members, while attaining international political control by such a social, ethical and moral anomaly as war, implies that it deserves nothing better than to be tried by a court composed of all who suffered at its hands.

A court with commercial and industrial affiliations, and one whose lexicon substitutes Tariff and Control for the Law and the Prophets, is unfit for the duty of trying a system which has drenched the

world in blood for hundreds of years. And no political organism of to-day deserves the privilege of sitting in judgment, it being an unfortuate stamp of the trade that too many of them have their price and they have been too oft bought.

An untouched jury cannot be found to try this system. Every man who shed a drop of blood, every mother who lost a son, every peasant whose wife bowed her back to the plow while he himself huddled in a muddy trench awaiting death, every child whose life may any day be placed in forfeit by those whose profession it is to encourage war, will sit upon the jury. It is this risk which the war makers must take — having left all other risks to their jurors.

No power on earth could have prevented Basil Zaharoff from making money by the war. Had he elected to stand still, the outcome would none the less have enriched him beyond any average concept of wealth.

With the outbreak of hostilities every manufacturing unit on the face of the earth capable of adapting its machinery to war needs prepared to celebrate the gala day. From the Pacific Coast of North America where countless trees were leveled to provide ships to carry guns, ammunition, food and supplies to embattled Europe, to little side-street shops in Balkan towns where fifty shell-fuses a

day represented a production schedule, a twenty-four hour daily routine went into effect.

From an executive status in a world-wide industrial organization, Zaharoff became, what is popularly described in America, as an "under-cover" man. With his intimacy in a score of chancellories, his knowledge of tongues and intrigues, and of the infinite number of obscure channels by which his knowledge and connections might be put to use, he became much more essential to the Allied cause than a mere munitions salesman. The industry needed no salesman in those glorious days.

Zaharoff's unmistakable hand began to be seen in every Allied capital as well as in certain of the neutral centers. A Richelieu or a Metternich would have been a tyro at the facile game which he played, and no score of uninformed men were capable of the aggregate slyness necessary to control the myriad tentacles of his intrigues.

Essentially the direction of his system appeared to have been vested in himself. Thus the traditions of the man have it, and, it must be confessed, there is much to justify the theory. Yet this deduction shows a suspicious weakness. The nature of everything Zaharoff did and had done was such that at this hour of its supreme test, the outbreak of the World War, he knew that its future, as its present, must not be dependent upon the caprice of hysterical governments or even of the outcome of the war itself. Whatever was to become of the nations in-

volved or their corporate entities, the machine which led them to Armageddon must continue to operate. And to make this certain, a machine, old, wise, and powerful, alone could suffice.

With the skill which had been developed and tested for years and which would have sent the most expert plotter into paroxysms of envy, he began to pull taut the threads of his operations. Politicians and generals willingly placed themselves under his command, because he held the strongest combination of cards in the deck. In England, where his best friend was Lloyd George, then Minister of Munitions, his status as a friend of the British Empire was unquestioned. This relationship was to continue until a day when the Welshman was to be overthrown — partially, at least, on the grounds that his “suspicious” intimacy with an alien arch-contriver had been misguided.

As a citizen of France, Zaharoff's services were counted on a par with an Army Air Corps. For himself, like most adventurers, he showed no distaste for a dignified display of patriotism so long as it was expedient to manifest it. But it was not until Greece suddenly appeared as essential to the Allied strategy that the full glory of his genius was displayed. It was then that he directed his particular interest toward the Near East.

Greece was his proper field, no doubt. Politics, industry, the progress of the war and the dreams of his future — all were involved in Greece and in



her decision where and how to involve herself. To the British politicians, concerned less perhaps with the Western Front and more with the extension of the control in the Near East — with India in the background — the little kingdom on the Marmora, with its strategic domination of the straits — took on a new aspect. This aspect, in the phase which concerned Britain's Near East ambitions, at least, ran contrary to the concerns of France. But it was in just such a paradoxical situation that Zaharoff shone best. Committed by a score of obligations to every country in Europe, and even by citizenship to two, and owing a great moral bond to a third, he could, with some consistency disclaim a particular bond to any. He chose, however, to appear as the Guardian of Great Britain's special interests, and Greece's specific future, in the Near East. Both England and France were agreed upon one point. Greece must be brought to see the Allied viewpoint — the singular virtue of putting herself in their hands.

France, occupied with the hope of distracting the enemy away from her soil, was only a little less anxious than Great Britain to send an army, preferably Greek, out of Greece to the North. The interests of all, combined to make Zaharoff the unofficial administrator of the Allied policy in the Hellenes.

Omnipotent but invisible, all-persuasive but intangible, ubiquitous and impervious to everything



SIR BASIL ZAHAROFF

Installation, New Knights of the Bath, Westminster Abbey,  
May 21, 1924

but speculation of the indiscreet, he and his cartel of master-schemers went their way, carrying the colossal secrets of an empirical dream — a dream which even the Allies themselves did not suspect at the time.

Outwardly Zaharoff's motivations for taking such an interest in Greek affairs at the expense of his more intimate professional affairs, seemed easy to understand. They appeared to reflect his love for Greece — though, naturally, none could cavil that the glory of Greece might be inseparable from profit for himself and the evolution of his policies. An ardent patriot to some, the protagonist of a beautiful nationalistic sentiment to others, a shadowy influence, a mere genius of industrial and political strength to those closest to him, he moved confidently and self-contained into an area of confusion unmatched in history. Literally, the fate of a new Empire, Zaharoff's own, was at stake. But he alone knew all that this could mean. He kept his secret.

Behind him he had his *système*. In every country it boasted its creatures, social, economic, political, legal and military, ceaselessly devoted to the interests of the *système*. That few of the instruments knew the master's identity, but only that each unit contained a synthetic germ of the parent, was not important except to the *système* itself, which functioned through the media of agency, espionage and propaganda. It carried governments in its

pockets, no ruler was free from its dictates. Every man who walked into "No Man's Land" was the victim of something which he could not have fought had he known of it.

At no time was Zaharoff's campaign to bring Greece into the war on the side of the Allies susceptible to the same analytic standards which must be applied to the motives of his patron-governments. The mistake of thinking that either England or France knew all he contemplated should not be made, unless one is to assume a hideously illicit pact with certain of their leaders. His program appeared to be everything it was not. Seeming to flatter the Greek citizen by the inference that the might of his arm was essential to the peace of the world, *i.e.*, the Allied cause, the policy which Zaharoff followed, the conventional prerogative of a "patriot", considered the common man a legitimate sacrifice whose only ante-mortem privilege was to be allowed the ghostly satisfaction of having died for an ideal — the State and the Future. He could not know that the Future was an indissoluble part of the profit which Zaharoff and the *système* was to gain by his sacrifice, nor that his noble sacrifice might even include the State. The machine which was to slay him had already set up every defense against his disillusionment. The machine could be counted upon, too, to see to it that those pallbearers of the battlefield, the historians, did not indulge any whimsies as to the value of such nobility.

As for England and France, they were content. Their affairs, they were assured, would be safe in Zaharoff's hands.

Zaharoff remained in Europe for some time, for more than eighteen months, in fact, until his program was completed and the stage was set. The essence of it was the usual. It was that of insidious fermentation, a process which had worked in peace and war, in revolution and civil wars, the familiar necromancy of that evil freemasonry which had five hundred years of bloody experience behind it. Its success was certain. It had never failed, and now, with the deliberate adoption of war policies by industrialist-statesmen behind it to lend it open as well as secret sanction, none could stand against it.

The alternative for Greece was a knave's paradise of unprofitable conflict substituted for a peace unhappy and insecure, but peace none the less. They were promised much, but not that out of a chaotic peace would come greater evil to themselves with disaster only barely avoided.

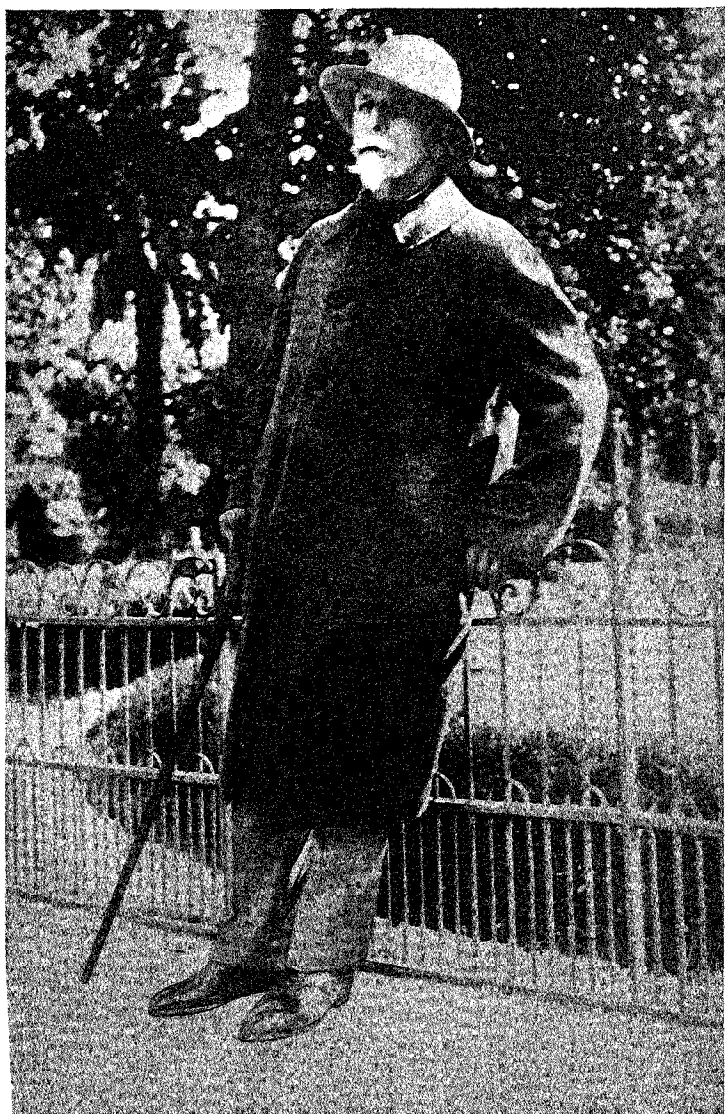
Zaharoff's interest in Greece, therefore, may be said to have been both vivid and unacademic. Never during the long years before the war had he neglected to maintain an intimate and personal contact with the Balkan chancellories. Especially vigilant in his own and Vickers' interests had he been in the Near East subsequent to 1910, and certainly, of all the unofficial Allies. he was by far the most

able man to deal with the difficulties peculiar to that troubled area.

As an intimate of Venizelos, whose government he had aided with guns and money in the Turkish and Bulgarian troubles of 1911 and 1912, he rightly expected the sympathies of the Greek Prime Minister to favor his own and the Allied cause.

Venizelos, after the founding of the Balkan League, a political alliance which had long been of consuming interest to Zaharoff, had been called — simultaneously — a Bernhardi and a pacifist. He was neither. He was a politician, and one exceedingly well aware of drifts and trends in private and public thought. And consumed with ambition.

Early in 1914, as the Germans entered Compiegne, and just before the first battle of the Marne, Venizelos sent the Allies his assurances of good will and support. This offer was later to have considerable bearing upon the quality of trust manifested him by France and England. Had he proffered aid at a time when the German cause was less bright and the Allied causes correspondingly darker, his act might have been taken for the mere expediency of an opportunistic politician. But coming as it did when the Allied hopes were fast falling, it stamped Venizelos as an undeniably loyal friend. Looking at it from the viewpoint of the critics of the Venizelos-Zaharoff campaign after the war, one must, of course, view it somewhat sceptically. Such plans as developed later seemed, in the light of Zaharoff's



SIR BASIL ZAHAROFF  
Citizen of France, Resident of Monaco

intense interest in placing Greece upon the side of the Allies to imply, to the suspicious and even the curious historian, a long-time understanding between himself and Zaharoff as to what the end of the war would mean to their own ambitions.

Venizelos' pledge to the Allies was the first shot fired in his private war with King Constantine, his chief — a war fought with ammunitions supplied by the Allies, led by Zaharoff, and in which poor Tino was to pass through a phantasmagoria of ignominy and defeat, exile, return to power, defeat on the battlefield, and again at home, and a final exile, to end with obscure death.

Few Greek nationals were pro-German when the war started. Despite this, Constantine, the Kaiser's brother-in-law, was extremely popular. No sooner had conflict become imminent than an affectionate and reassuring correspondence began between Constantine and the Kaiser. Tino's wife, Queen Sophie, almost daily reminded her royal brother of the Greek's to the Central Powers. She denounced as scoundrels all opposition and neutral tendencies as traitorous. Wilhelm in turn was dispatching a *mélange* of vague threats and benign promises of reward to his Greek relatives to influence them to join him. The Kaiser did not then realize that he would some day find that making Tino an honorary Field-Marshal was hardly a sufficient bond to force Greece to help to declare war to help him.



Within the Greek cabinet, sentiment was strongly pro-Ally with the exception of that of Streit, Minister of Foreign Affairs, who was of Bavarian ancestry and in Constantine's confidence at all times. Streit became a pro-German power in Athens, and from the first worked secretly to overthrow Venizelos.

The King and Queen and Dr. Streit represented the forces against which Venizelos and Zaharoff pitted their combined and unusual capacities. As always, the issue was promptly befogged in order that the back-stairs plotting might not be too obvious.

Their cue abode in the fact that all Greece united upon one point — their hatred of the German ally, Bulgaria. Of this fact Venizelos made much. From thence forward no mention of the despised German was made without linking him to the hated Bulgar. Nor were the Greeks allowed to forget that in case of a pinch they could find little excuse for not taking sides against Turkey so long as half of the Greek race was under Moslem rule.

These advantages, of supreme political value, would seem to have been all upon the side of the Allies. The Allies-Zaharoff-Venizelos combine was off with a head start to see whether they, or Germany, were to have the privilege of crucifying the Greeks.

Greece's position was not enviable, but its harassed neutrality presented no problem to Zaharoff.

He dropped into step with Venizelos without a hitch, not forgetting to remind him that he had contributed more than two millions of dollars a year from his own purse during the Bulgarian and Turkish wars, which fact weighed heavily in the question of Venizelos' loyalty when compared with the Kaiser's loan of only forty million francs.

It is not an exaggeration to say the fate of the Allied cause in the Near East and in Greece particularly, rested, during 1915 and 1916, more in Zaharoff's hands than in the hands of Venizelos. The latter was bound in a certain measure by a necessity for pretense of loyalty to his King, to say nothing of being handicapped by lack of funds, military equipment and complete understanding of what might be behind the Allies' somewhat vague assurances of support.

Greece was not, in fact, regarded as particularly important by the Allied leaders, in so far as her ability to furnish armed support or opposition was concerned. Militarily she was exhausted and not convincingly able under the best conditions. Her value lay, therefore, in her strategic position and her relationship to the area of conflict. Her neutrality, perforce, was to serve another purpose — of supplying the theatre for the under-cover operations of both the Allies and Central Powers. As was Switzerland.

Overnight she was flooded with an army of paid spies.

The elements figuring in Venizelos' original pledge of support to the Allies were so mixed as to add to the general confusion. The pledge became an immediate source of conflict between the Prime Minister and his sovereign, Constantine claiming that Venizelos had made the pledge unknown to him and without his permission — something extremely difficult to believe.

The knowledge that a German victory would mean a Bulgarian hegemony in the Balkans and the driving out of the Greeks in Thrace, Asia Minor and Constantinople, had a powerful effect upon the Greek impulse favorable to the Allies: a factor certainly not ignored by Venizelos, who was nothing if not adept at turning patriotic impulses to political ends. There were other considerations, as well, which made pro-Ally sympathies reasonable, for Lord Grey was promised, even before the Turks declared war, that the British Navy would not permit Turkish warships to operate in the Dardanelles if Greece would join the Entente. Furthermore, he gave official sanction to Greek troops to occupy Northern Epirus without prejudice to any other interests she might have elsewhere or at a later time. He also pledged certain important concessions in Asia Minor. All of these factors were to have much to do with Venizelos' determinations and with subsequent tragic events. They should have, barring unforeseen events, made Zaharoff's tasks easier.

Adding to the effect of these important conces-

sions to the future, the Greeks were obsessed with the conviction that their granting meant that the Allies appreciated the fundamental justice of their own long-acknowledged claims, and were prepared, for return favors, to support them. By objecting to such a program, Constantine placed himself, in the opinion of many, in the position of a seeming traitor to the interests and ideals of his people. Conversely, Venizelos, as chief of Constantine's opponents, was able to assume, in the best dramatic sense, the pose of a high-minded patriot.

At the time Venizelos pledged his support to the Allies he had nothing very practical to the conduct of the war in mind. The Greek army, as in the days when Zaharoff had first come into contact with it, was in pitiful shape, due largely to the fact that they had already loaned their entire stock of artillery ammunition to the Serbs. This the French promised to remedy with a new stock of the most modern shells. With no plants of their own of sufficient capacity with which to equip themselves, this was a welcome offer to the Greeks. But not many French rifles replaced the antiquated Mannlichers and decrepit howitzers with which they had fought the Turk and Bulgar several years before. The new equipment of the Greek army bore the Vickers trademark. Basil Zaharoff had again managed to mix good business with highly-scented politics.

If Zaharoff was "retained" by any of the Allies it

is doubtful if he himself could have told to which, England or France, he owed his preference. Actually he was the chief unofficial representative of them all, considering, always, his private job of selling guns and more guns and looking to a future of conflict and ever increasing military budgets. It was natural, therefore, that before long he should become deeply engrossed with the pro-Ally propaganda. He was able to demonstrate, before long, that the pen was indeed mightier than the sword.

Compared with other official and unofficial supporters of the Allies upon the scene, his part in Greece's war-time history was unique and prophetic when viewed in the light of his part in its destiny of years before when he was only a fledgling arms salesman. Again the destinies of the nation were passing into unofficial and anonymous hands.

Opposing the Allied propaganda machine, a singularly inept organism for a time, was a redoubtable German, Baron von Schenck. von Schenck had at his disposal a superlatively efficient and active organization of secret-service specialists and propagandists. He lacked only a steady and dependable supply of cash. But as he was singularly adept at disseminating his propaganda as well as in spying, he was none the less able to give ample proof of his capacities in a short time. In truth, he severely strained the resources of the Zaharist-Venizelist shock-army during the earlier stages of the fight.

Not all the Allied influence and pressure, even

with Venizelos the actual head of the government, was able to quiet the impression that despite her sentimental and political interest in the Allied cause, Greece would eventually turn to Germany. Credit should not be given the influence of Constantine and Sophie, however encouraging their attitude to the Kaiser, for the world-wide prevalence of this belief. To von Schenck should go the honors which were not long to continue once Zaharoff got his own machine into action.

Constantine was as diplomatic and unequivocal as possible where the question of open support was concerned. His policy wisely did not go beyond the merest hint of the possibility that the country might ever join the Central Powers through overt action. It confined itself strictly to the path of open neutrality, which undoubtedly represented the King's private judgment. Neutrality was, however, almost as offensive to the Kaiser as active and open opposition would have been.

The Germans thus managed during the first year of the war to more than hold their ground in Athens. This was made the easier for them by Allied ineptness. Time after time when the Greeks might have been won over by a diplomatic move, the Allies fell into military disaster or diplomatic error, and the good work was undone.

During 1914 and most of 1915, Zaharoff's visits to Athens were largely of a business nature. The situation was much as it had been thirty-five years

before when he first began to sell munitions — war on every side, with Greece insecurely perched upon the fence never knowing at what moment she might be forced to jump in one direction or the other. Likewise, as had been the case after the Russian-Turkish War, the army was in none too good condition. The wars of 1911-12 had shaken its morale and sapped its strength; the military leaders were in the air and the ranks knew not what to expect. Worse, they did not have the equipment to fight if they should be called upon to do so, and again, as in the case of the Russian-Balkan War, to consolidate or to protect such gains as might fall to them. If ever a situation seemed to justify a policy of preparedness as a tenet of political dogma, Greece's situation was it.

France had kept her promise to repay them for the ammunition loaned the Serb by sending a ship-load of shells — which did not fit Greek guns! And, as though to add insult to injury, munitions bought in the United States were commandeered upon the high seas, against all rules of international law, and their cargoes taken over by the Allies, who very kindly paid the Greeks for allowing them to do so. Zaharoff found this fortunate interference excellent for his business.

As Greece had never had, even in the best of times, enough of either guns or ammunition, the situation was full of pleasing possibilities to the swarm of munitions agents that flooded the war-office. Both

Allies and Central Powers benefitted by this lack, with Vickers far in the lead.

But the influence and power of Baron von Schenck continued to grow despite all efforts to restrain him. By the summer of 1915 it became apparent that the Allies had no man on the ground capable of beating the doughty Baron at his own game. It was then that Zaharoff, his private affairs well in hand, began to take an active interest in the question of Greece's policy toward the war.

He had much to undo before any campaign could hope to operate against the von Schenck machine. A vicious war of plot and counter-plot began.

Clever though he was, von Schenck owed less of his success in Greece to his own ability than to the wild exaggerations and incredible stupidities of the Allied propaganda bureau, whose head was a French naval officer, Captain de Roquefeuil. For some time after Zaharoff took over command — with his usual obliquity — he allowed de Roquefeuil to continue as nominal head of the Allied secret forces. A great change shortly became apparent.

The struggle between Venizelos and King Constantine was becoming more bitter. Constantine drew first blood by depriving his Prime Minister of his majority in the Congress and forcing him from the Premiership.

It was this unfortunate setback which caused Zaharoff to cast off all restraint and enter actively into the free-for-all mêlée. During the holidays of



1915 he went into conference with Briand in Paris. The purport of their deliberations, which shortly became apparent, was how to get Constantine out and Venizelos back in. The latter, after his dethronement, had fled the mainland and opened revolutionary headquarters in Crete. On December 23, 1915, Briand telegraphed Minister Guillemain in Athens, that he had received from Romanos, Greek Ambassador to Paris, the outline of Venizelos' plans against King Constantine. That Venizelos, now openly revolutionary, should thus communicate his plots through the King's own agent, involving him, as well, in what the most liberal-minded must call disloyalty, showed conclusively how far the pro-Ally forces had succeeded in undermining the royal authority.

The Venizelos-Zaharoff program, Briand assured Ambassador Guillemain, met with the approval of France. He added, furthermore, that the Quai d'Orsay would aid the Venizelists with cash in the sum of three hundred and fifty thousand francs. In a second telegram, dated the 28th, Briand informed Guillemain that Zaharoff was adding a personal pledge of several million francs to the support of the revolution.

However one might seek to justify such a procedure on the grounds of patriotism, one cannot help seeing in this edifying spectacle of private and official coöperation in the overthrow of a sovereign government, a parallel in the acts of Count Dumba

and von Bernstorff which brought about a rupture between the Central Powers and the United States.

Guillemin replied that Venizelos accepted "with delight" on "behalf of Greece." The Greek public, of course, was not aware of this interesting proceeding.

But even so powerful a coalition between the specious texts of statesmen and the machinations of private interests, still lacked sufficient power to inspire in the unhappy Constantine and the lovers of neutrality with admiration for the transcendental Allied virtues. So further interference was planned.

On the 31st, Venizelos, over the signature of Henri Turot (of whom more later), wired the Quai d'Orsay from his voluntary exile: "Let no corn into Greece except by driblets and let no money in at all." He then proceeded to offer to "raise a terrible revolution in Athens and to shatter the King."

Here was an application of the *ystème* with a vengeance. If plotting fails, if bribery fails, if propaganda fails, then embargo and starvation will surely work. The "patriotic" combination of Venizelos and Zaharoff seemed not at all abashed at the possibility of inflicting suffering upon the Greek nation in order to persuade them of the benignity of the Allied definition of patriotism and the unusual wisdom of their revolutionary leaders.

Two months after the dispatch of these telegrams, at Zaharoff's instigation, the *Agence Radio* or

*Agence Turot*, as it became better known, was founded in Athens. Henri Turot, its directing head, was supposed to be an expert propagandist. Before being sent to Athens he had been a successful publisher in Paris and a member of the House of Deputies.

The *Agence Turot* at once inaugurated a powerful but promiscuous barrage of Allied propaganda. The "news" which was belched forth from this ambitious publicity medium perturbed the poor harassed Greek as it deceived certain of the more poorly informed Allies, to say nothing of the virtually ignorant neutrals. With beautiful inconsistency it spewed forth tales of handsome Allied victories, only to follow them up with a steady flow of pleas, prayers and threats intended to force Greece from her neutrality. The Greeks quite naturally asked the question, if the Allies are winning the war why this frantic effort to bring us into it? The *Agence Turot* did not answer the question.

The *Agence Turot* was more than a mere news accumulating and releasing unit. According to Demidov, Russian minister to Athens, and strongly pro-Ally, who sent a perplexed report to Moscow: "They are spending unimaginable sums. They are buying up newspapers; they are subsidizing special editions; they have even gone so far as to form a telegraphic agency which is trying, by means of wildly imaginative news, to influence opinion in favor of the Allies."

When a politically romantic Russian is thus stirred by the indiscretions of a friendly power, one can believe that there was reason.

The favorable reception of a fair proportion of the fervid assurances of Entente triumphs by the *Agence Turot* by the Allied press, and, it must be admitted, by the supposedly neutral American, was a foregone conclusion. Such was their drugged state of mind that anything favorable to their own ecstatic dreams was credible. And once started upon a diet of sensationalism there was nothing to do but to continue it. But with Constantine still on the throne and von Schenck, hampered though he was by lack of funds, still fighting valiantly to keep German virtues in the forefront, and the King as stubborn as ever, Greece still persisted in remaining a doubtful entity.

A violent anti-Greek press campaign was then started in France. This was an example of the time-honored "back-fire" principle so efficiently used in the Putiloff and other celebrated cases. The easily aroused French did not find it difficult to become angry by what was called the "injustice" of Greek recalcitrance. A century before, French troops under Admiral Pavier, had defended the Acropolis against the invading Turk, and had supplied food and ammunition to the beleaguered Greeks. And thus was Greece showing its ingratitude! Horrible! The heated imagination of de Roquefeuil had already convinced the French populace that the

Greeks were actually pro-German: and here was proof of it.

The truth was that de Roquefeuil had done the Entente cause much unwitting damage. Some of his pseudographics defied reason, and most of them defied honesty and the fundamentals of news-psychology; so it is not entirely surprising that both the sadly distraught Greeks, and the hopeful Allies and the ignorant neutrals were confused. He accused Greece of refueling and revictualing German submarines in the harbor at Athens — an inspiration entirely of his own imagination as was later attested by the French Admiralty itself. Someone's money, the *Agence Turot's* (?), paid the mob that attacked the French Legation in 1916, a move intended to exasperate the Allied cabinets into consenting to the occupation of Greece. This it failed to accomplish, but neither did it help poor Constantine.

According to Admiral d'Artugue du Fournet, de Roquefeuil "concocted scandals, made secret arrests, maintained private and political police. He collected twenty-five thousand memoranda covering every important person in Greece; he established a depot of explosives in the annex of the French School in Athens and lodged ammunition in a waterlogged hulk in the harbor at Piræus, and last but not least, became intimate in plottings with none other than von Schenck himself."

Had it all not been so outrageous and so pitiful, so illuminating an example of the manner in which "law-abiding and covenant-making" nations permit private citizens to trespass upon the rights of an other and weaker nation, the story of de Roquefeuil's brief day as propagandist-in-chief in Greece would appear *opéra-bouffe*.

Greece submitted because she could not help herself. She could not be expected, however, to listen, while tears of wrath poured down her face, to that specious argument of the angry father whipping his son, "This hurts me more than it does you," as the Allied counsellors and Venizelos asked them to do. The immeasurable self-righteousness of certain "arguments" intended to force Greece into a tight corner, were typical of the operation of the *système* Zaharoff in strictly commercial as well as political fields. This manifested all the smugness of an English diplomat explaining to a backward people the singular virtue of allowing their country to be violated by the British Lion.

As a matter of simple truth, Greece had little or no choice in how she should finally decide. She had only to admit that the friendship of the maritime powers controlling the Straits and the Marmora were necessary to her welfare: this as a preface to bringing her into the war. She could not be expected to be aware of the fact that bringing her into the war was less for the benefit of the Allies themselves in

their conduct of the war, than a step to the unfolding of a larger dream and a more spectacular accomplishment of a Napoleonic individual.

The inept propagandist, de Roquefeuil, was finally ousted upon the recommendation of Admiral du Fournet — a worthy deed. It steadied the boat somewhat. At least the proceedings, thenceforth, showed greater dignity and finesse. But it was a long time before the Allied press learned how badly they had been duped. And when they did learn they were amused rather than angered. Some of de Roquefeuil's *petits annonces* were indeed reason enough for laughter.

One Paris paper had carried a merry tale of a certain "diabolical device", seen in operation at Phalerum, a bathing beach near Athens: "A subterranean and sub-aqueous machine which enabled enemy submarines to refuel in broad daylight, 500 metres from shore, by means of a pipeline." To complete the romantic touch the creator of this legend told of how Queen Sophie used to serve tea to her guests (pro-German) at Phalerum while they watched the German submarines drinking in their fuel a few hundred yards away.

The French Admiralty had the good sense to add a note of indignation to their denial of this particular canard.

Others of the French press had quoted, at regular intervals, lists of Venizelos's most powerful political

opponents as organizers of the oil and refueling depots dotting the Greek coast "in which the German U-boats go in and out as if they were their own."

None of this sort of trash appeared after Zaharoff took over personal command. His more delicate and efficient hand appeared only after it became plain that de Roquefeuil had outlived his usefulness.

This orgy of imaginative expenditure sooner or later was bound to offend even the nostrils of the pro-Venizelists and their newspapers in Athens. In order that the Allied program for Greece might be better interpreted — since all else had failed — Zaharoff decided to establish his own publishing house.

The result was the *Eleftheros Typos*.

This new journal promptly confounded the Allies and the Quai d'Orsay in particular (who considering themselves more in Zaharoff's confidence than others for some reason) by a series of modest but dynamite-loaded editorials favoring the cause of the Central Powers! The smoke-screen again! Zaharoff was not quite ready for Greece to take up arms, and his wondrous strategy thus served the purpose of exciting everyone the more until the right time should come. He was ever adept at accomplishing his ends by reversing the usual procedure.

There was another reason for this unexpected *volte face*. It shortly appeared when he announced, with unusual frankness for him, that he proposed



buying out the pro-Constantine paper, the *Embros*. The amazing policy of the *Eleftheros Typos* had, however, given the leading Venizelist paper, the *Patris*, a terrible shock which led to an amusing *dénouement*. The directors of the *Patris*, as soon as they heard of the proposed acquisition of the *Embros*, hastily betook themselves to the French Legation. There they threatened to change sides overnight unless the funds destined for the *Embros* were diverted to the *Patris* instead.

As the editorials of the *Patris* had for months been cited by the Allied press abroad as the undoubted voice of Greece, the *Patris* owners obviously thought that paying a large price over to a rival journal, however needful the new support might be to the Allied cause, constituted base treachery; and the exquisite sensibilities of the *Patris* directorate could not permit treachery to flourish so long as any power could stop it. And stop it they would, even if they had to go over to the enemy.

Over the name of Turot, the French Legation wired the Quai d'Orsay on April 23, 1916: ". . . the Venizelist papers are very much disturbed at the acquisition of other papers. They will need to be pacified with two hundred thousand to three hundred thousand francs." The papers referred to were the *Kirix* and the *Patris*. The result was that the *Embros* project sulked and died and the *Eleftheros Typos* suffered a return to reason and hastened back into the pro-Ally fold.

Turot wrote a report on the matter a few days later. He stated: "The *Embros* business has been checked by the threats of the Venizelist journals which are enterprises of extortion. They have threatened to attack the Allies if they buy the *Embros*."

Such private enterprises of Venizelos and Zaharoff as this, which came to the surface in this highly colored piece of chicane, confused the diplomatic objectives of the French and British Legations as much as any other single manifestation of the Mumbo-Jumbo in Greece. Sincere as they were in their hope of taking a mortgage on Venizelos for immediate and future considerations, they could hardly be expected to comprehend that the Venizelos-Zaharoff combine, which had its eyes upon something infinitely more important than Greek support of the Allies, would manipulate their private interests against patriotic and official considerations and come near to winning.

The Allied dovescotes fluttered excitedly during this intriguing campaign, while, throughout, Zaharoff found himself aided in every possible way by the frank support of every Ally. The government within a government which had been perfected many years before the war, provided for him as no proud state provided for its Field-Marschals. He journeyed from Athens to London and back again on a British battleship placed at his command. He maneuvered with a facility and secrecy incredible

even to a trained agent, and that because of his manifest importance to a wider scheme than could even be circumscribed within the interests of all the Allied Powers together.

His moves were known, in the main, only to his own spies. When he had a message to deliver, he dictated it to one of his secretaries who in turn transcribed it into script — Zaharoff despised typewriters — and it was signed by his own hand to be delivered by one of his own and not by a government agent.

The propaganda of the Central Powers and the Entente alike, had the effect of whipping the politicians back at headquarters into frenzied efforts — the Allies to the stimulating of Venizelos and his cohorts into action: Germany to the encouragement of poor battered Constantine to stand fast in the steadily deepening mire of his neutrality. Long since it had become plain that Tino could not hope to force the country into taking up arms for the Central Powers.

A series of puppet ministries were set up and toppled over. Finally Etienne Skouloudis, Zaharoff's old friend, now eighty years of age, was prevailed upon to take the Premiership. It was his first in more than three-score years of active political life.

The veteran statesman succeeded Premier Zaimis, who, next to Venizelos, was the ablest politician in Greece. Within a few days after assuming the

chair of the new government, he was denounced in the Allied press as pro-German.

The truth was that Skouloudis was more rigidly neutral than any one in Greece except Constantine. But, as he plainly could not endorse Venizelos and his revolutionary policy without slapping the King in the face, and being possessed of an exalted sense of patriotic obligation, the old statesman naturally refused to accept the categorical imperative. Therefore, in seeking to explain him, the Allies found it simpler to call him pro-German than to indulge in an analysis of his neutrality.

The old gentleman soon discovered that he had stepped into a sea of trouble. First he was badgered by the British and French Legations with demands to force von Schenck to cease his "extra-political" activities. To this Skouloudis replied that when von Schenck violated his status as a German citizen upon Greek soil, then and then only would he be dealt with. Well aware that the French, in particular, were as offensive, if not more so, than the Germans in treading upon Greek toes in the scramble for favor, the Prime Minister quite reasonably hoped that an opportunity might arise whereby he could restrain both sides without unjust discrimination. He was always the optimist.

However, matters got worse rather than better, and finally the over-stimulated Allies irked Skouloudis to such a point that he was forced to enter a series of dignified but pointed objections. He wired

his legations in London and Paris in March, 1916: "I must draw attention to certain acts on the part of the British and French military and naval authorities which give the impression that they are obstinately trying to influence public opinion against the régime . . ."

Several other protests in a similar vein were entered from time to time. All were of little avail. The Allies, informed by the ever active *Agence Turot* that Skouloudis was pro-German, came to feel that it would be good strategy to pretend to accede to his demands for restraint only until such time as they might be able to oust him from the Premiership.

A sequence of unfortunate events, culminating in the surrender of the frontier post of Fort Roupel without firing a shot, to Bulgarian troops led by German and Austrian officers, furnished the cap to the climax. The surrender of Roupel was hardly less significant to the Allies in a military sense than in the political, because it endangered the Allied troops at Saloniki. It aroused a new furore of enmity against Tino among Greeks, which had not been previously manifest. But even such a portentous incident, bringing, as it did, belligerent troops upon the soil which they themselves were determined to command, still did not force the Allies' hands. They were, perhaps, learning the lesson of not being too precipitate, for they waited from May, when Roupel was surrendered, until August, before forcing

Skouloudis out. A tendency toward moderation on the part of England was credited with the delay.

It was not until Lord Grey learned through Turot that anti-British demonstrations were being held in Athens, that he came over to the active policy of the French. The story of the anti-British riots was, like many similar alarms, nothing but an invention and none too original at that.

Commenting upon this particular incident Grey said, in an official dispatch, "Constantine is afraid of the Central Powers. We must make him afraid of us." Which exalting threat was not, of course, difficult to put into action, for the Allies still held back the fire of their one big gun. It was blockade — the cruelest and most uncivilized weapon that can be brought against a nation.

Everything had led to a point where blockade was necessary if the Allies were ever to win over the Greek. After the Roupel incident, Minister Guillemin wired Paris: "Count no longer on Greece. If we need the Greek army for our offensive only Venizelos will give it to us. But that statesman can only return to power through a civil and military revolution, especially a military one, and this will not succeed without our support."

Nothing could have been more frank.

Every weapon outlawed by decency and humanitarianism had been used to force the unhappy Greeks from their thoroughly reasonable and democratic right of choosing the interests which best harmon-

ized with their national, physical and financial interests. And now — the blockade.

Thus, by official fiat, the two-year-old Allied policy came out into the open from the shadows in which it had been slinking.

On August 31, the following demands were made upon Greece by all the Entente:

Control of posts and telegraphs.

Expulsion of von Schenck and his staff.

Surrender of enemy ships interned at Eleusis and Piraeus.

It was the beginning of the end. Living between the German Scylla and the Entente Charybdis, was too much for Constantine. He held out until June 12 of the next year and on that day abdicated. He fled the country two days later.

Prince George was named regent, and a series of impotent governments followed the downfall of Skouloudis. The latter could not have failed to remember the part played in forcing him from office by the man whom he had counted as more than friend and who had played no small part in his rise to power, wealth and influence. Such is the character of some men that he was able to give Zaharoff his tacit and unspoken forgiveness.

Unhappy Constantine was the principal loser in this uninspiring campaign of chicane and trickery. Every species of intrigue, even the threat of physical peril and possible death, had been invoked against him, as long afterward it became known that Turot

and de Roquefeuil had even conspired to kidnap him and the Queen. This plot, Turot himself embodied in an official report.

And now — Success. Forceful and full of resource had been these custodians of Allied interests. De Roquefeuil concocting tales which only an insane man could believe and carrying his plots even to the enemy; Zaharoff sending money and wiring instructions to a revolutionary party and diligently seeding the soil for a crop he hoped later to reap, propagandizing, directing plots and counter-plots; faked anti-Ally riots; threats of starvation and bloodshed . . . it was fiction-smelling stuff, and grows more nauseating as its extent is known. The truth was slow in getting to the outside world and when it did, none cared too much.

The facts about the anti-French riot emerged from the welter of gossip some time later when an editorial comment by the *Temps* in Paris stated: "The agents of Baron von Schenck, recruited from every grade of Athenian population, felt powerless to counterbalance the effect of the Venizelos campaign. It was, therefore, decided to put an end to it by violence . . ." After which Henri Turot, a few days later, blandly supplied the sequel in his wire report to the Quai d'Orsay, which read: "The recent demonstrations in Athens did not cost us much . . . only 10,000 francs."

And the fire in Tatoi Forest. Constantine was spending the warm days of July, 1916, in the Sum-



mer Palace in the heart of Tatoi, when three fires broke out. They started simultaneously and equidistant from each other. He and the Queen just escaped with their lives and every one agreed that it was very mysterious. Whether the adjective referred to the King's escape or to the fire itself, no one pointed out.

Despite every effort, Greece had held out against terrific pressure for a year — an eternal tribute to their capacity for maintaining a stand for principle. In the end, it was with signs of revolt everywhere apparent, the whole nation atremble with fear of the unknown, and the first gnawings of hunger that Zaharoff's campaign was brought to an end satisfactory to himself, his associates and to the Allies. Greece was left to Venizelos, Zaharoff, Briand and Lloyd George. Its rape was complete.

On September 27, Greece formally declared war upon the Central Powers.

Her first step, taken in conjunction with Allied troops, was the reduction of Bulgaria to impotence. Strangely, the Greek people did not rejoice as one might have expected.

Basil Zaharoff and his *système* may take credit for this dubious victory, but the world gives the honors to Venizelos. The "Bismarck of Hellas", as his partisans now dubbed Venizelos, well knew that his associate wanted no outward demonstrations of gratitude for his part in the accomplishment.

Zaharoff's reward — that part of which he had not already taken in cash profits from his business operations — was already arranged for.

Were the Greeks aware of the part played in their downfall by this patriotic individual who claimed blood kinship with them as an argument for his unusual enthusiasm for their "welfare"? It is probable that many of them were. But so omnipotent was the influence of that secret camarilla which had directed his efforts for many years, that only the bravest or most foolhardy of men ever did more than hint at its evil influence. One somewhat indiscreet writer for an unimportant Athens journal seemed, however, to be aware of what was going on even though he dared not risk more than a suggestion of it. He wrote: "A group of Greek (?) profiteers established in London and Paris and closely bound by the tie of lucrative war trade to these two countries (England and France), met recently. They arrogated to themselves the title of representatives of all Greek colonies and communities in the world and in the name of their material interests — which had exceedingly little to do with Greece — made a show of patriotic emotion and sent a virtual command to the Greek Government to enter the war at once on the side of the Allies."

It was this same group of altruistic internationalists who were responsible for the denunciation of Greece before the French people and Government, thus demonstrating their complete willingness to use

the most unpatriotic methods in order to stimulate anti-Greek resentment outside Greece, the better to force her to her knees.

A logical deduction from what one now understands about the method of the *ystème*, as demonstrated in dragging Greece into the war, and without considering its undeniably definite and traceable part in initiating the World War itself, is that the machinery for pacification, expressing the voice of democracy, has not yet been built to defeat the machinery of war, when war is so profitable to a few. More particularly since the world crisis has reanimated the long dormant suspicion that wars are encouraged for reasons even greater than that of profit is this true.

## THE YEARS 1920-1925

## CHAPTER X

### PRESTIGE AND ITS USES

**T**HROUGHOUT the campaign in Greece, Zaharoff's professional affairs did not lack for attention.

The Vickers plants in England at Sheffield, Erity, Crayford, Harrow and Ipswich, and their subsidiary units in friendly lands had worked overtime throughout the war. Vickers machine-guns often fired as many as sixty thousand rounds daily apiece on the Western Front. Every bullet fired meant profit for Zaharoff and the group of internationalistic war-lords surrounding him.

It is not difficult to understand why, with business so flourishing, Zaharoff had felt that the war should continue *jusqu'au bout*.

His personal prestige grew apace and nowhere was he feared more than in Germany. Even Krupp, though said to be still conscious of certain advantages rising out of his long previous association

with the mysterious "altruistic internationalist", but dismayed at the eminently reasonable possibility that the Allies might win the war and that Zaharoff would contrive thereby to "win" the Krupp factories, allowed it to be known publicly that they dreaded his power. This was evidence enough that the juggernaut upon which they had once ridden so amiably together was traveling too fast for the comfort of at least one of the passengers.

It was also rumored that Potsdam had placed a heavy price upon Zaharoff's head. Certainly the Germans gave particular attention to his comings and goings. It was said that more than once they were close upon his heels, and that once, when the Uhlans surrounded his château at Pontoise, Zaharoff escaped through the back door as the Germans entered the front.

His escape in the summer of 1917 when crossing the English Channel in a neutral vessel was even narrower. The ship was boarded by a U-boat commander who claimed to have received wireless information that the Man Behind the Allied Guns was aboard. The captain found the name of Basil Zaharoff on the ship's register, and, rushing to his cabin, dragged a man from under the berth. Trussing him up with his head in a sack like a chicken, they hustled him into the submarine. A few minutes later, the Captain of the neutral ship was amazed to see Zaharoff leaning on the rail, placidly smoking a cigarette.

"I thought they got you," he said.

"Oh, no," replied Zaharoff calmly. "I was in my locker when they entered my cabin. But I'm afraid I've lost an invaluable and very efficient secretary." And amazingly loyal, too! One must not forget that this was not an ordinary phenomenon. It was not difficult to remain loyal to a system which had its own peculiar way of dealing with disloyalty. It was such incidents as this which have embossed the skeleton of Zaharoff's career for many years until it is extremely difficult to separate fact from legend.

Anonymity, in Zaharoff's case, seemed to possess faults as well as virtues. Anything that could not be explained by the usual rational processes or which defied the imagination of a bureau chief, was sure to be eventually laid at Zaharoff's feet.

The difficulty attached to any discussion of the many mysterious events which cluster about his war-time career lies in the fact that the most incredible tale associated with his name might well be true. For example—the story of the sinking of three British battleships in September, 1914, an incident of which the famous Lieutenant Weddington was the hero.

According to the facts developed over a period of years, in which the records of secret trials and the testimony of former German officers figure, the information regarding the sailing of the British vessels from England was transmitted to the Wilhelmstrasse via Holland by a woman spy of French

origin. This lady — not the scintillant Mata Hari — was suspected by the Germans of being equally loyal to several countries other than Germany. Despite the immense value of her services to the Fatherland, she was kept under surveillance and allowed to live as much as she pleased in Germany. It was observed that she preferred to take up her abode in those parts where the largest munitions plants or war industries were located.

Some time before a new type of airplane had been developed in Germany. The profoundest mystery surrounded its construction. Finally the mystery plane was brought to the front and sent over the lines. It disappeared and the pilot was never heard of again. A second plane disappeared in exactly the same manner. The ever suspicious German Secret Service got busy. They discovered that the pilots of both planes, engaged not only for their flying ability but for their patriotism, had, previous to their flights and all through the test period, been associating with certain slightly tainted companions and that, though poor, had spent their last few weeks in luxury. No official hand appeared in connection with these suspicious associates. And again Zaharoff's name was mentioned at the Wilhelmstrasse as their possible sponsor.

A non-commissioned member of the Wilhelmstrasse finally succeeded in trapping the suspected woman — by the time-honored means of making love to her. He succeeded in arranging a tête-à-



tête, and after certain of the usual preludes to seduction had inspired her guest to feign sleep, she attempted to raffle his pockets. He promptly arrested her and in her belongings, sufficient evidence was found to cause her to be placed immediately on trial. She was sentenced in Cologne to a long term and is supposed to have died in prison.

Assured thereby that their erstwhile employee might have betrayed certain German as well as Allied secrets, the Wilhelmstrasse began a back-track upon the lady's trail. To their amazement they discovered that it was not England or France by whom she was employed but certain anonymous private individuals who were known to have access to Sir Basil Zaharoff. It was then that the first suspicion got abroad that Armament Capital might have functioned with its own Secret Service exactly as did the Powers themselves.

Out of such services as Zaharoff was able to render the Allied Governments, the latter turned into what, to the unsophisticated eye, seem reasonable and thrifty political bargains. A title and immunity to pursue one's affairs in one's own way have sufficed in greater and ever lesser services than those rendered the British Empire and her Allies, by Sir Basil Zaharoff. One is amazed upon examination of some of the secret pages of history to find that at one time or another and not less so to-day, many of the European Governments appear as nothing more or less than ancillary functions of an im-

mensely powerful and mysterious system, whose true program is seldom hinted at, never openly announced, and which, now that civilization itself is threatened, is only beginning to be suspected. Zaharoff's functions as head of this International's War Department, supplies excellent evidence of the power of what can no longer be called his *système*. In return for whatever favors he and his associates bestowed upon any government, they received unparalleled support, and often, signal honors. This support was no less apparent in its positive aspects — as when military budgets were under discussion, than in its negative — when the finger of suspicion pointed at certain extra-national affairs.

By being equally essential to a punitive expedition, a revolution or the threat of one, an actual war or, by one of those uninspiring political paradoxes which demand that a gun expert be consulted before a disarmament conference can be held, to demilitarization as well, the Zaharoff *système* found it easy to extend its control into all other departments of national life and to use the political machinery which guarantees them complete immunity to clear the way for them.

Zaharoff never lost his intimate interest in extra-political considerations. He made, over a period of years, many costly and generous gifts to England, France and Russia. These beneficences appeared to be entirely separate from his more professional transactions which were usually limited to loaning

gold for martial uses, subsidizing military propaganda, and the like.

He gave a quarter of a million francs to a war hospital at Biarritz, founded chairs of aviation at St. Petersburg, the Sorbonne and at Oxford at the cost of twenty-five thousand pounds apiece, and he established, in 1922, the Prix Balzac (as well he might, considering his own Balzacian eminence), now one of the most genuinely prized of all France's literary encomia. He built a half-million dollar radio station in Venice and erected expensive and dignified legations for Greece in a half-dozen capitals. He donated two hundred thousand francs to Count Clary, head of the National Committee on Sports for France, to finance the participation of French athletes in the Olympic games at Antwerp.

He financed the Inter-parliamentary Commission at Paris and was always willing to sign a check for the hospitalization of wounded soldiers. There was some talk, in this connection, that he was a poseur, which seemed to originate in a certain vague but genuine resentment against the theory that a man who had profited so magnificently through supplying the means by which men are mangled, should expect to exonerate himself of culpability by paying for their rehabilitation. Even if this resentment were actual, Zaharoff was not the first man who has tried to expiate the inexpiable with the aid of a full purse.

But Sir Basil Zaharoff, with his red *boutonnière*,

his gray mustache and goatee neatly trimmed, serene and handsome in his habitual semi-formal dress, continued to make his bland appearance at the best homes in England and France and in half the chancelleries of Europe. Menneffee, the French writer, asserts that whenever King Fuad of Egypt visits Paris, he makes his home in Zaharoff's Avenue Hoche mansion, and that even King George and Queen Mary have tea with him from time to time.

He was never interviewed and never sat for a photograph and despite the fact that many people claimed to have seen him from time to time, the story that his two doubles often represented him, helped to increase both the curiosity and resentment directed at him.

Once when he was a guest of Lloyd George at Chequers, a charity concert was given. Among those present was Dame Nellie Melba, who was auctioneering a book of photographs of celebrities, among them King George and Woodrow Wilson. The bidding stopped at two hundred and fifty pounds, but Mme. Melba held out for a thousand. She tried to stimulate interest by singing two songs for fifty pounds each, but even this proved futile. Zaharoff thereupon drew out his check book and made up the difference of six hundred and fifty pounds. When Elizabeth Asquith became engaged to Prince Bibesco, Zaharoff sent her a box of white lilacs with a check for one thousand pounds attached.

One day in the summer of 1919, he walked through

the French Zoölogical Gardens. The animals housed therein were contributing their share of suffering for the war. They were underfed and mangy, the walls and floors of the cages were cracking, and the famous lion, "Whiskey", mascot of the Lafayette Esquadrille, was in bad shape with rheumatism. The monkeys were suffering even worse than the more hardy animals. It was in front of their cage that Zaharoff stopped an attendant and severely upbraided him for their neglect.

The attendant informed him that the Zoo Director, Professor Mangin, was the man to be taken to task. Mangin was called. He had no idea of the identity of his critic and did not relish being scolded for something for which he was not personally at fault. He replied curtly that he did not have the half-million francs necessary to administer the Gardens, and made as if to leave. Zaharoff called him back, wrote out a check for two hundred and fifty thousand francs, handed it to the astonished director and departed without a word. Mangin smiled with amusement at the gesture of the "crank" and when he returned to his office, carelessly tossed the check aside. He explained later that the signature was indecipherable, and that the whole circumstance led him to believe that it was "monkey-money", the French term for fool's gold.

It was not until months later that he came across the check again, hidden in an accumulation of papers, and sent it to the Minister of Public Works as a part

of routine, that the identity of the mysterious stranger was disclosed.

Such altruism and self-abnegation are not, it must be admitted, one of Zaharoff's characteristics. He gave a million francs to the Paris poor in 1919, but that, with the donation to the Zoo, were the only ones he indulged in without the accompaniment of a salvo of dignified press-agentry. His much advertised "Save the Franc" campaign shortly after the war, was excellent business and better propaganda.

He could always be reached in behalf of a worthy charity and some of his benefactions, notably those to war hospitals in France, a children's clinic in Athens, and to refugee funds in several countries, deserve the highest praise for their intent, whatever might be said of the methods which made his generosity possible.

One illuminating story is told of his attitude toward a certain type of charity. Shortly after the war when England was more popular with the fleeing Russian Royalists than France, their spectacular young leader, Prince Felix Youssopoff, slayer of Rasputin, was organizing a benefit ball. Arrangements were made for him to meet the eminent financier, Zaharoff. The latter, whose post-war years showed a considerable tempering of his one-time contempt for certain royalty, expressed a polite interest in the project and told Youssopoff to send him a ticket for a box, adding that he would mail him

a check for the fund. Youssopoff made a bet with a friend that the check would not be for less than a thousand pounds.

Two days later came a letter to Youssopoff from the Carlton Club, Zaharoff's London headquarters. It contained a check for one hundred pounds and the following note: "I regret that I must be in Paris on the occasion of the ball and shall not want this ticket. However, I am enclosing my check for 100 pounds for the benefit of the Royalist Refugee Fund." And a postscript: "If you will note the present rate of exchange of the pound sterling and the franc, you will see that this donation is most generous."

Youssopoff rallied from the shock and paid his bet. He also returned the check with a word of sympathy for Sir Basil's impoverished state, and added his postscript: "Having noted the present rate of the Russian exchange, I observe that your donation is worth exactly one million rubles. I do not, therefore, feel that we can accept so generous a gift."

## CHAPTER XI

### DREAM OF AN EMPIRE

THE end of the war saw a few the richer for it.

The man who insisted the war be continued *jusqu' au bout* was one of the few and probably the richest.

The countenance of the very universe itself, as it looked upon the desolation, seemed creased with pain and fear. The blood-sated were not the last of the millions to turn to their leaders for a solution of the apparently insoluble problems left by the conflict, and for some promise of future guidance. There seemed reason to hope. The idealists were now to have their day, and that special malefice which had brought about disaster was to be punished. Miraculously the dead were to become the seed of a new brotherhood among whom war would be impossible.

The initial result of the brief hour of revulsion



was exactly nothing. In fact, not a fortnight had passed after the Armistice, when a new infinity of combinations appeared on the red horizon. As usual, the public was not aware of their ominous presence, engrossed as it was with the new and pacifistic keynote of politics.

There was as little actual pacifism behind the scenes as ever, and though certain military oligarchies were admitted to have received their quietus, the ancient and powerful secret financial oligarchies, of which the military were but tools, continued to function unhampered. Theirs had been the war, theirs would be the peace.

A series of sterile parleys, which followed the invocation of peace, taking up in too rapid succession every outgrowth of the master inharmony, overlooked but one important factor — the need for a searching examination into first causes. Thus it was possible for a certain measure of harmony to pervade the stately deliberations before the strain of concealing latent hopes of power became too much, and quarrels that had once been frontier-less came into the open. Long somnolent grievances poured in from all directions, and the hate-mongers became as noisy as they had been in 1914.

A score of battleships might be scuttled and sent to the bottom of the sea, but the international "patriots" continued to play their dubious game, setting up an entirely new set of chimeræ for the purpose of keeping democracy off the scent.

Perhaps it was only during these first few weeks after the Peace Conference went into session that there was a chance that their evil game might be forever scotched; but if the notion that this might be done ever came to those responsible for the administration of peace and re-ordering of the world, there was no evidence of it. Moloch left the international round-table in good standing and with all his credentials in order, even though he had been formally snubbed.

The cessation of war in Western Europe only accentuated the wars and incipient wars that sprang up in the Near East and in Asia. In the Dantzig Corridor, Poland, Lithuania, Ukraine, Archangel, Russia and all through the Near East, fires were burning, and the clever manipulators of sedition furnished the confused statesmen with material for new knaveries in order to create further dissensions in the name of permanent peace. Germs of revolt filled the air and the final overthrow of the Romanoffs inspired the world's malcontents to spasms of joy.

The Allied betrayals in the Balkan area precipitated certain immediate consequences. The raid of d'Annunzio on Fiume, the Greek landing at Smyrna, with the Turkish insurrection ensuing; Bela Kun spilling blood and diabolism in Vienna; an aroused Poland trying out the new-lit fires of Nationalism and Bolshevism; these were spontaneous-appearing but natural results of the misgovernment of an

effete and discredited but still triumphant statecraft.

The conditions imposed upon Germany at Versailles were bringing about their first repercussions in the ranks of the unhappy defeated. German territory was sacrificed upon the altar of revenge, and Upper Silesia was demanded by the now independent state of Poland. The German people, as a whole, protested but were instantly overruled, and in the end the new government had to be content with the privilege of a referendum in which the population of Upper Silesia could decide whether or not they wished to remain with the Fatherland or cast their lot with a new and ambitious Poland.

While the initial conferences on the referendum were taking place, Korfanty, a rabid Polish nationalist, formed a band of sympathizers and entered into Upper Silesia, spilling blood and terror.

The helpless Silesians begged for aid, and the government issued a call for volunteers to rescue them. War veterans, over-aged men, and school boys rushed to the call. In France, a new army to go to the rescue of Poland against the new German Eastern Army was being formed under the Polish General Haller, and his army was to cross Poland to fight Germany herself. Or, as the Germans put it, to help the bandit, Korfanty. A more presumptuous and cruel thing could hardly be imagined.

While this was going on a new "German" munitions firm known as "Rubinoff, Inc." was formed in

Germany. The Chairman of the Board of this new organization was Gustav Streseman, later to become Germany's leading apostle of peace and conciliation. Rubinoff, Inc. promptly proceeded to buy as much of the discarded German arms and munitions as possible and ship them to Poland. On the board of Rubinoff, Inc., which consisted largely of German-Jews, were several gentlemen of pronounced French sympathies.

The new German Army of the East now consisted of forty thousand volunteers. Within a short time they succeeded in driving out Korfanty and his terrorists, though at heavy loss to themselves. It had now become apparent, even to the most careless observer, that Poland was less concerned with the acquisition of mere territory than with the fact that that territory held much of what was once industrial Germany, and was rich in iron and steel and other essentials to a military program. France had now cast her lot heartily with Poland, and nine months after the formation of the little German Army which had entered Silesia, it became apparent that she could not hold out against the forces combined against her.

The international capitalists, who had not forgotten for a moment their own possibilities in the dispute, began to pull strings. It were better — from their point of view — that matters be held up until the victory might be more equally divided than would be possible if Poland alone were to rescue the bait.

The French Government threatened to occupy all of Germany if the latter's troops were not instantly recalled. At several points in Upper Silesia, French troops were actually fighting German troops openly, despite the fact that the two governments were supposed to be living in a state of formalized peace.

Approximately ten months later Germany gave in and declared outlaws their defenders in the East. This peculiar manifestation of peace was not, of course, an isolated example of the terrible confusion which prevailed, nor were German hearts and pride alone in their perplexed suffering.

There was nothing irrational about the disappointment of Greece at the Allied defection, whatever may be said for Polish, German, Italian and Balkan contentions with which we are not concerned.

Greece had been promised much. The favors allowed them in return for permitting themselves to be choked into submission were many, and the Greeks considered them rightfully their due. Now there appeared a disposition to evade the debt. Venizelos openly, and Zaharoff considerably less so, found themselves in the embarrassing position of being joint endorsers of a bad check.

One's good opinion of the Greek populace for their brave stand against exploitation, suffers somewhat by their behavior during this period, though at the same time one is bound to admit that their conduct was based almost entirely upon their desire for stability and the right to work out their own

problems in accordance with promises made them by the Allies.

Through the able maneuvering of Venizelos at the Peace Conference, they came at last to a place where they seemed about to realize certain of their ambitions. They were granted territory to within eighteen miles of Constantinople and, for a fleeting hour, were buoyed up by the assurance that in time the Protecting Powers would redeem the balance of their pledges. None the less, they did not regard this hope sufficiently to prevent a relentless pushing of Venizelos to account for his stewardship.

Especially active in this campaign — the new nationalism — were the habitual malcontents and the Royalists.

Venizelos responded by presenting a steady stream of bills to the Allied leaders. They were marked "Overdue — Please Remit."

Venizelos's position was not an enviable one. Sooner or later he was bound to realize that in the interim between the incurrence of the debts and settlement day the creditors had formed new partnerships and taken on new loyalties. The dead horse in the Near East was not an inspiring or pleasant sight for the idealists and demagogues at Versailles to confront. Nor were they pleased at being constantly reminded that it must be paid for. They became touchy and querulous on the subject, and Venizelos, his grip fast slipping, found himself facing the need of a special strategy to save the

remnants of his hopes. It was a critical period in his political fortunes, and a none the less critical one in Zaharoff's less open affairs.

May, 1919, saw Venizelos in Paris. With tears in his eyes he presented the Turkish Proclamation of Massacre to the Council of Three—the Four having been diminished by Sonino's departure (the result of a collision between the Italian demands in the Fiume-Trieste matter and the Wilson idealism). After a brief and perplexed interlude, the Council gave Venizelos the begrudged right to temporarily occupy Smyrna.

In June the Greeks started operations against Kemal Pasha.

It marked the beginning of the end of the public career of Lloyd George, and the dying convulsion of the empirical dream of his friend, Zaharoff.

In England, the Greek offensive soon became identified as Lloyd George's own personal war, with Zaharoff, as usual, not appearing in the picture. The project became none the more popular when it became apparent that the support of France was beginning a conscious drift toward Turkey. Though Lloyd George had said, in the December following the Armistice: "We are not fighting to deprive Turkey of its capital or of the rich and renowned lands of Asia Minor, but only to internationalize the passage between the Mediterranean and the Black Sea." A brief interval of time disclosed that it was no part of Kemal Pasha's plan to deny the in-

ternationalization of the passage. This inevitable disclosure had the effect of negating Lloyd George's further arguments for support, and, in the end, added considerable weight to the various factors which made his Ministry untenable.

Had he chosen that moment to make a graceful retreat from his stand, he might have left the Prime Ministry under his own power, having wrought from it all the glory any public man can ask. But whatever his reasons for standing by his guns — something many are glad to impute to his obligations to Zaharoff and the *système* — it must be said that among them did not appear the possibility of a Greek defeat. Looking closely into the program, it looked as if the little Welshman was exercising the too-often invoked political dogma of, "Anything is all right — granted that it works all right."

Zaharoff's position throughout the affair with Turkey ran a gamut of its usual opaqueness to relative and quite surprising transparency. During the shameless campaign in Greece in 1916, he had managed, through the exercise of his consummate genius, to maintain his pseudonymity to such an extent that while the Greeks were openly damning the Allies as responsible for all their woes, they were regarding Zaharoff, the very god of the Allied machine, as their true friend and a patriot. And such he might have turned out to be if the blue prints of Near Eastern diplomacy had not been changed overnight: one result of which was to bring



him nearer public condemnation than he had ever been before.

It appeared, almost at once, that Italy and France would turn openly Turcophile if Lloyd George pushed the Ottoman too hard. Nor was England inclined to be patient under the prospect of becoming involved in another war.

The Lloyd George policy became the subject of open attack in Parliament. More and more was his name mentioned in association with that of Zaharoff, as the highly doubtful political merit of the Greek campaign became daily more evident. Yet, with their usual obliquity of vision, the politicians did not show any inclination to look beyond surface evidence in their efforts to uncover chicanery.

For a long time they completely missed or ignored the fact that, instead of perhaps justifiable determination on Britain's part to straighten out the Near East tangle, from the standpoint of her own peculiar interests, the project was nothing more or less than a monstrous and inhuman land-grab of a scope without parallel in modern history. That such might be the case was not so much as hinted for months, and only when it was already doomed to failure did any one appear to appreciate that it was a personal and not a national venture.

As a matter of fact, there seemed little reason for such suspicions, especially when Alexander, Tino's son, was on the throne and Venizelos, Zaharoff's old crony, out of favor with the monarchists, there

seemed little excuse for associating Zaharoff with the campaign.

Actually the line-up was exactly as it had been in 1916 — Venizelos *had* to have the situation in hand before Zaharoff could hope to accomplish much. Ergo, Alexander, like his father Constantine, must go.

During the first weeks of this new war, the principal result, in so far as England was concerned, was a fervent outpouring of vain and vapid discussion about Britain's destiny in the Near and Far East, which in the past had usually taken care of its own justification.

The embarrassing implications which linked Lloyd George with the colorful and mysterious ambitions of the munitions king, later to be brought into the open, were discussed in whispers, if at all.

After all it is possible that Lloyd George may not have known the truth, incredible as this may seem. But it is certain that Zaharoff and Venizelos, those two ardent patriots, fully grasped the potentialities behind and beyond a permission to occupy Smyrna. Of this, there is no doubt.

The world, harassed and fearful at the prospect of this new storm, could not be expected to understand that, instead of an unpleasant but necessary step toward the protection of the route to India, or an extension of the Greek hegemony at the expense of a beaten Turk, the true motive was something infinitely less worthy than either. There was no

one to venture the opinion that by virtue of Lloyd George's endorsement, Venizelos's "patriotic" pleas, and the weakness of Kemal Pasha's army, the personal demesne of Sir Basil Zaharoff was to be extended.

None the less, Zaharoff's position became considerably more precarious as it became plain that the Allies were not going to be patient with the mysterious nature of the campaign. Though he had ably ministered their affairs throughout the war and especially during the difficult days in Greece, he no longer held his quasi-official status in their councils. The new game in Asia Minor demanded that he return to his old system of private intrigue, which, as usual, had the singular virtue of leaving the blame upon other shoulders in case of failure. Also, as usual, he played his hand close to his chest.

Venizelos, Lloyd George, King Constantine, and the Greek army were the *deus ex machina* in his campaign of imperialism. When Zaharoff's name appeared at all, he was lauded for his unselfishness and patriotism. Eventually, only he and Venizelos escaped without opprobrium.

The Protecting Powers, in allowing Smyrna to be occupied, had imposed definite restrictions upon the Greeks in the hope of keeping down bloodshed and to avoid attracting too much attention to the scheme itself. But shots were fired and Greek and Turkish blood was shed. The world shuddered, and for a time it seemed that the whole plan would be

wrecked upon the rocks of international resentment.

Zaharoff went quietly to work.

He opened his coffers and the Greek Army found itself equipped with the best of guns and ammunition. Its morale rose and it began to be quietly noised about Athens that Citizen Zaharoff's patriotism was responsible for these blessings. The dream of a Greek revival had touched his heart-strings, it was said—a phenomenon which had never before appeared in his life. It was further said that the occupation of Anatolia, with its eventual return to the Greek flag, was his precise ambition, all of which pleased Athenian ears. He allowed it to become known that he was not concerned with the acquisition of territory, either for himself or for any of his numerous loyalties, and that the sum total of his ambitions would be expressed in the welfare of Greece.

It all sounded very nice, indeed, and Zaharoff enjoyed something close to temporary apotheosis—a reward which the strangest exigencies of the gun-selling business had never evoked. It was a beautiful gamble and one guaranteed to stir the bosom of a patriot—if one did not look too closely at it.

But Greece betrayed him . . . as if to justify Wells's theory that there is as much danger of conflict and disaster in decay as in excess of energy. For certainly it was not excess of energy that sent Greece into war with Turkey.

Despite their preoccupation with other matters, the Allies could not entirely ignore developments in Anatolia. The first to act was France. She joined Italy in strenuous but not entirely frank objections, continuing, the meanwhile, to sell munitions to Turkey. Italy regarded herself as amply justified in complaining, taking the stand that the rights granted Greece at Smyrna were a direct affront to themselves, in view of the Council's refusal to grant them the same privilege in Fiume. A second conference in Paris to consider the modification of the Sevres Treaty struck several snags, and the Greek Assembly refused point-blank to accept any revision. The conference made the alternative suggestion that Greece be allowed to retain Thrace and Smyrna, but the Turks balked at this, forcing Briand to dicker with them for certain other concessions to be sponsored by France if they would accept the altered terms. Zaharoff and his friends had to work fast to head off these new complications.

While the Conference was in session, the Kalageropoulos Government, temporarily in power, attacked the Turks and won a succession of battles. This *dénouement* so impressed the Allies that they decreed that Greece should receive Smyrna and a mandate over a good portion of Anatolia. It began to look as Zaharoff would get his empire without too much trouble.

But the ironic fate which had pursued Greece for

so many years decided that it was time for another joke. The victim was the second son of Constantine, the youthful King Alexander, who now occupied the throne. The instrument was a monkey.

Alexander was walking in the Forest of Tatoi, accompanied by his hunting dogs, one morning in October, 1920. The monkey, a pet, dropped from a tree as the King passed beneath, scattered the dogs as they attacked, and bit the King several times severely. Within a few hours, the unfortunate Alexander showed signs of acute blood poisoning. He succumbed on the 25th, and above the funeral dirge rose the vapors of a new and incredibly preposterous scandal. The monkey, whose bite had killed the King, was, it was said, a tool of the anti-Monarchist-Venizelist clique, driven mad by injections of "Venizeline", concocted in the laboratory of Zaharoff, the evil political chemist. It was the absolute ultimate in hysteria, and indicated, if nothing else, that the Greek monarchist propagandists might have taken lessons from de Roquefeuil.

It is certain that no animal ever more successfully intervened in the affairs of state than the monkey in the Forest of Tatoi.

Paul, younger brother of Alexander, was the first considered for the succession. He disdained the throne. The second son of Albert of Belgium, was next mentioned, but his name was dropped after the diffidence of his distinguished parent became known. Paul's refusal turned out to be a smart political

gesture in that it aroused the already excited populace to a renewed faith in the magic name of Constantine.

All through the last half of 1920, the Greek military victory, which now seemed secure, was in the forefront of every political possibility, and the cause of mingled consternation and delight in the Conference. The delay of the latter's decision as to what should be done, produced marked discord in Athens. The turmoil in Greece intensified.

The sentimentality of the Greeks where the name of Constantine was concerned had much to do with the confusion which took place after Alexander's death. According to popular superstition, Constantine had a right to expect more than the conventional affection of his people. To them he was the incarnation of his namesake, the Byzantine Basileus, Constantine Paleologus, who was slain by the Turks in 1453, and who, it was said, was cast into a deep sleep to await the call of his people to free them from slavery. Unfortunately for their program, Tino's opponents had no such colorful warrant for asking the loyalty of Venizelos, unless one considers the Talmudic threat of the fate which befalls the nation which ill-treats the Jew.

At this juncture, as if to make matters worse for his enemies and better for Tino, the army was unexpectedly defeated in a short and bloody battle. Kalageropoulos resigned and was succeeded by the veteran Gounaris, and the royalists were inspired

to a rally. By the end of November, Constantine had his baggage packed and waiting in the corridors of his hotel in Lucerne. Besspatted gentry and bejeweled ladies awaited audience with the man who had been King and was to be King again.

During October, Greece had wavered in the political balance. The choice was frankly between the republic and the continuance of the monarchy. Zaharoff, alone, seems to have been secure in either camp, for it was his money and his guns which were to conquer Anatolia. His name was suggested alternately as President and King: unofficially, of course. He dismissed both proffers almost as soon as they were mentioned, but before his refusal became known, an unsubstantiated rumor was heard that he might consider the presidency if Greece would establish a republic on the basis of the French constitution. But nothing came of it. Zaharoff's ambitions were not measured by elective offices or even thrones.

One can only speculate as to his real reason for carrying his modesty to such a point. It is not hard to believe that that secret, which he had so zealously guarded throughout his career, forced him to realize that he must leave certain forms of preferment out of consideration. He could not expect to attain official eminence of any sort without risking unwelcome conjecture, open attacks, and the possible exposure of the unpleasant chapters of his life. His enemies would have liked nothing better



than to have him declare himself an open target. As a private citizen he owned rights and prerogatives not the property of a public man. That the dreaded loss of these imposed the "Thus far and no farther" upon him is a reasonable assumption. Moreover he had power — more than that of King or President. He could make Kings and Presidents. He had proved this once and was soon to prove it again.

A third candidate for the throne next appeared. His blood was the bluest of the blue and he, too, disappeared after a brief and comet-like passage across the political firmament. He was Prince Sixte de Bourbon-Parma, restless upon his cumbersome *pied à terre*, the Château of Chambord, and not unwilling to exchange his wearisome fief for a crown.

Sixte was discreet but not particularly far-seeing. He knew that he stood no chance of attaining his desire without the endorsement of Greece's dictator, Zaharoff.

Not daring to approach him directly or unsupported, he sought out Edmund Blanc, related to the Bourbons through marriage into the Radziwell family, a member of which, allegedly, was later to cross Zaharoff's path and regret it. Blanc refused his good offices on the grounds that he had less influence with Zaharoff than his brother Camille, the latter being Sir Basil's neighbor in Monte Carlo and his partner in the Société des Bains de Mer, in

which Prince Radziwell was a leading stockholder.

The canny Camille was ready and willing to further Prince Sixte's plans — with a certain condition. The condition specified, and to which Sixte readily agreed, was that Blanc was to be granted a franchise upon Sixte's accession to the throne, to establish a gambling palace in the very shadow of the Acropolis. Blanc carried the appeal to Zaharoff.

"One Monte Carlo is enough for the world," said Zaharoff bluntly. "And as for Prince Sixte, he is better off where he is — in Faubourg St. Germain."

And so died Prince Sixte's splendid hope at the word of one whose power and contempt were royal enough even if his blood was not.

It happened, apparently by accident, that while Zaharoff was averring that one Monte Carlo was enough for the world, one of his representatives in Paris dropped the announcement that Sir Basil himself had organized a French syndicate for the purpose of launching another gambling palace on the Island of Corfu, a share of the profits from which were to be paid into the Greek Refugee Fund. Zaharoff, as usual, said nothing.

In the meantime, Venizelos, busy with his revolutionary program, counted his cause as strong as ever if not actually near accomplishment. It was a serious error, culminating when he asked the Greeks to choose between himself and Constantine.

The reply was a resounding "Constantine!"

A lull, and Premier Gounaris ordered the offen-

sive against Kemal to be resumed. He apparently interpreted the result of the plebiscite as an endorsement of the King's military reputation, which, in fact it was in a great measure, and a pledge of support to the continuation of the campaign.

France protested that she would use force, if necessary, to forestall the return of Constantine, a matter in which Zaharoff, unlike a few years before, had no particular feeling. He did not care who led the troops so long as the Turks were defeated and his concessions remained securely nailed down.

If Venizelos was surprised at the result of the test of his popularity, the word *illy* suits the state of mind with which the Protecting Powers viewed it. Though they realized that a measure of an excuse for Venizelos's defeat was due to his vagueness on the subject of the nation's ultimate policy, they could not explain this sudden and overwhelming gesture of affection for Constantine. They had succeeded in 1916 in convincing the people that they hated the King, and now were in that perplexed state of mind of one who has deceived others for so long that he finally believes his own lies. Furthermore, they had been led by Venizelos, who still knew a lot about publicity, to expect something quite different. These repercussions were only the first of many which were to follow the Zaharoff propaganda trail.

Matters progressed from bad to worse all over the Continent, and Europe was becoming as sadly unsettled as Greece had been. Venizelos and Lloyd

George were constantly together in Paris, San Remo and the Spa. On occasions Zaharoff joined them, the apparent tenor of his counsel being: "Let them have Constantine if they want him. He'll rake our chestnuts from the fire and when he is finished, we'll dethrone him. We did it once and we can do it again."

For the most part he remained ostentatiously aloof, content with the knowledge that between the political talents and Venizelos and Lloyd George and the military genius of Constantine, his affairs would be safe.

Already he was scheming for that day, once Constantine had whipped the Turks, when the plots of 1916 would be re-invoked and Venizelos restored. He knew, of course, that he could not count upon Constantine to permit his private ambitions full sway.

December, 1920, saw the closing engagement of the second Venizelos-Constantine war, with Constantine this time the victor. On the 2nd, the Powers informed the Greek Government that the King's return would be regarded as a ratification of his anti-Ally acts (most imaginary) during the World War. They furthermore decreed that Greece could not have both the King and Allied cash. Being privately assured that Zaharoff would continue to be their banker, and anxious to see Constantine at the head of their troops, this dictum was ignored by the Greeks.

Venizelos, regretting his complacency in the plebiscite, retired to the background for a time. His friends in London, Paris and Athens, kept up the fight for him, however.

Constantine was welcomed in Athens in a frenzy of delight, and the dismayed Allies were obliged to content themselves with forbidding the return of their ancient enemy, Streit, the Germanophile ex-Prime Minister. The royal relatives, including "The Dollar Princess", the ex-Mrs. Leeds, widow of the American tin-plate king who was now married to Prince Christopher, were on hand to greet His Majesty.

Before sailing, Constantine gave an illuminating interview in which he described Lloyd George by the paradoxical term of "my most unfriendly enemy." Harking back to war times, apropos of the revival of the tale of his anti-Entente plots, he said that he had given his royal brother-in-law, the Kaiser, his pledge to support "only to keep him quiet."

Constantine was ever an optimist.

Venizelos fled Athens before his sovereign's arrival and again opened revolutionary headquarters in Crete.

Simultaneous with Constantine's return, Lloyd George, whose goal for the internationalization of the Straits could never be realized, he said, under any one but Venizelos, begged Parliament not to permit the result of the Greek plebiscite to upset Eng-

land's Near East policy. For a time, England had kept silent on Constantine's return to power, but allowed this condition to obtain only long enough for France to have time to support their own objections to Constantine.

Constantine addressed the Greek Assembly on January 5th. His distraught air belied the optimism of his words. That his policy in Turkey was to all practical purposes, the policy of Venizelos was his pronouncement. Whether he suspected that, to all practical purposes, the policy of Venizelos was identical with the policy of Zaharoff, and that in the final analysis, both were inimical to himself, one can only guess.

His first official act was an attempt to placate the Allies by offering Admiral Kelly, head of the British Naval Mission, a decoration, which the Admiral refused on the grounds that his government did not recognize the monarchy. During the interim between the holidays and spring, most of the Allied legations in Athens were emptied and when Constantine renewed the offensive against the Turks a few weeks later, he knew full well that he was playing a lone hand.

To his amazement and delight, however, he shortly discovered that his principal ally was none other than his erstwhile enemy, Zaharoff, whose shipment of arms and ammunition from England kept the troops well supplied.

The European press for the most part spontane-

ously agreed that Venizelos had been shabbily treated, and editorially wiped its hands of Grecian affairs, when they did not openly express the hope that the Turk would give the Greek a good thrashing. Italy giggled gleefully at Constantine's *coup* and the Allies' chagrin. The Fiume-Trieste incident still rankled and they knew very well that Venizelos's imperialism, so much more vigorous than Constantine's, would constitute a direct challenge to their own if allowed to blossom. The most tolerant criticism abroad, however, inferred that Constantine had much for which to be thankful. Not everyone's misfortunes were so generously rewarded as Tino's seemed to be.

The King opened the campaign with a powerful and successful attack upon Kemal, winning two battles in rapid succession while his fleet bombarded Ineboli on the Black Sea. Then he met catastrophic defeat at the Sakkaria River, and overnight the political atmosphere in Greece underwent another reversal.

Zaharoff, sickened at the prospect of a tremendous financial loss, despaired of his bargain with Constantine and began, for the second time, to plot the overthrow of the monarchy to which the return of Venizelos was a natural concomitant.

To the eye, Zaharoff's interest in Greece suffered a marked decline. Secretly, he worked on the theory that the only way to realize upon his tremendous investment was the re-destruction of the monarchy.

The attitude of England, after passing through several indeterminate phases, had become finally quite openly Turcophile, all of which was in harmony with the declarations of France and Italy. The latter was always concerned, however, with keeping Venizelos's hands tied.

Lloyd George was having unusual difficulty keeping taut the two strings to his political bow. The first — Britain's traditional policy in the Straits was, for the first time since Disraeli's day, taking on the aspect of an unwelcome responsibility; the other was a matter which has never been fully explained and which, one may well believe, caused him no end of private concern.

In the matter of the Dardanelles, one had only to mention the magic word "India" and every tendency toward revolt was modified, if not actually halted. The route to the Far East must be protected at all times and it mattered little to the average Englishman whether a Greek or a Turk had to be dealt with so long as this end was achieved. This was explanation enough for England's sudden swing toward Kemal, once it became doubtful that Constantine would win.

The other matter — which concerned Zaharoff and the "secret" reason behind Lloyd George's anxiety to place Anatolia in "safe" hands, was less amenable to close inspection. The Prime Minister was to know some unpleasant moments when he was called upon to explain Zaharoff.



It was exactly the sort of a situation in which many politicians subservient to the *système* had found themselves close to in times past. Having little respect for the breed, Zaharoff gave them his loyalty only so long as they served his ends. When they ceased to be necessary or showed an inclination to get out of hand, he dropped them. Sometimes forcibly. This was what was in store for Lloyd George.

Nevertheless, the new developments caused Zaharoff to become unusually disturbed. Never very patient and not given overmuch to philosophical resignation, he became more testy than ever with the new turn of affairs.

At the moment there seemed little for any one to do. There was little use in pushing Venizelos harder than usual with the war going against Tino. Better strategy said, "Let Constantine finish with hanging himself. Give him more rope."

Then came a second crisis which failed by inches of spiking Zaharoff's guns at once. Gounaris somehow managed, despite the pro-Turk power in England, to persuade Downing Street to let him raise a war loan of fifteen million pounds in London. A few weeks previously this step would not have aroused Zaharoff to action. He cared little whether Constantine or Venizelos won the victory in Anatolia, as he had his plans for Venizelos regardless of the outcome.

But now something had to be done before Tino

affected a *coup* which would certainly, barring a miracle, assure the success of the monarchy. This meant that in order to protect his own plans, Zaharoff would be obliged to re-fight the battles of 1916 all over again, with the additional difficulty which must inevitably ensue should Constantine return a hero.

The Quai d'Orsay was persuaded to drop a hint to London on the subject of the Gounaris loan: the miracle happened — Constantine suffered another defeat. Permission to raise the loan was withdrawn.

By this time it looked as if the Turk might consolidate his victory by driving the Greek troops out of Asia Minor. All of which added to Zaharoff's concern. Simultaneous with these developments, he became the object of open attacks in Parliament. He saw his dream of serving Greece and of erecting his own empire on the smouldering ruins of Asia Minor fade rapidly away.

His presence at the First Near East Conference in Paris in 1921, and his numerous visits to Downing Street had gone, for the most part, unremarked. But his conspicuous absence from the second Conference, combined with the fact that he was no longer, by some, at least, considered sacrosanct and to be spoken of only in whispers — that he was actively behind the Anatolian campaign — served to make him the object of open and unpleasant discussion. Lloyd George's wavering policy was be-

ing openly treated in the press, and in the Quai d'Orsay questions were being asked.

A miniature storm broke in Parliament in November, 1921, when Aubrey Herbert asked Austin Chamberlain if Zaharoff had approached the British Government with the offer of a loan — antedating Lloyd George's commitments to the Anatolian campaign — and if the loan were intended to give Zaharoff control of the railways in Asia Minor. "Furthermore," asked Herbert, "is the advice of this millionaire knight on Near East questions being asked?"

Chamberlain replied in the negative to the first two parts of the questions and ignored the third. The unavoidable inference was that Zaharoff *was* involved to some degree in what was described as the advancement of a traditional policy.

A few days later, apropos of Sir Basil's titles, Herbert again demanded an explanation. Why were they granted? In return for money Zaharoff had loaned England? These questions passed unanswered. Then, for a brief interval, a truce.

In the meantime Turkish heads were becoming swollen with military success. They were asking for their reward. Shaken down into a semblance of order, the outcome indicated that the only details of the situation which had not undergone a reversal were the aims of Constantine, Kemal Pasha and Zaharoff. The situation was now a three-sided tug-of-war. Each knew exactly what he wanted and

when he wanted it and what things must be done before he would get it. As for Constantine and Kemal, it was a fight between drugged peacocks — both on their last legs — yet clamoring for victory and its fruits. And Zaharoff, more than ever, resembled the lone wolf.

Tino's demands had already been set before the Conference by Venizelos months before. He wanted Asia Minor. Kemal's notion of a proper reward was that every debt promised Greece at Turkey's expense should be abrogated. Secure in his new arrogance, he reasonably contended that no one had the right to pledge anything in behalf of Turkey but himself. Germany might be supine but the new Turk was not.

Zaharoff, become an empiricist, with the dreams of a resurgent patriot and capitalist combined; Venizelos, outside the Pale for a time, but sure of his own deserts and content with his secret assurance; Kemal determined and cool and while sure of himself, not able to do very much about it: it all made as pretty a mess as Europe had seen since the war. It smelled of the decay of dying nations and the politics of a less civilized time. It was full of recriminations, long-dead hatreds revived to stink, lies, confusion, and incredible unease.

Zaharoff's plans for his private empire, after the brief hint at public exposure, seemed more full of mysterious implications than ever. The glare of publicity seemed to frighten the politicians as much

as it did Zaharoff. The talk in Parliament and the press about his being involved in the negotiations between Venizelos and Lloyd George had started something which could not be easily stopped.

Downing Street finally announced that not only did they not know what Zaharoff was about but actually knew nothing of his whereabouts. This was not surprising in view of Sir Basil's facility at getting about.

An article, attributed to Lord Beaverbrook, appeared in the *Sunday Express* in October, 1922. It stated that Zaharoff was coming to London to demand that his influence be used in Great Britain's Near East affairs. It was admitted also, said the writer, that Zaharoff was part owner of a prominent Coalition newspaper.

The *Daily Mail*, commenting upon the article, said that the paper referred to "must be the one which had so warmly supported the Government's 'New War' policy." They added that the paper in question would be well advised to find a reply to Beaverbrook's statement.

The Coalition *Daily Chronicle*, accepting the categorical imperative, answered that the statement probably referred to themselves and stated that Zaharoff did not hold an interest in the paper and certainly did not influence its policy.

Beaverbrook, who had sat in the Coalition Cabinet as Minister of Information, could be expected to know a great deal that others did not about the

back-stage affairs of the Continent. His paper was openly anti-Zaharoff, once going so far as to say, "This man's interference with Britain's affairs must come to an immediate stop!"

And upon another occasion, an article, said to have been written by Beaverbrook, or at his inspiration, stated that he (Zaharoff) "can hardly estimate his own wealth because it so permeates the financial arteries of Europe that every move of the political nervous system rests on his fortunes." The article closed, ". . . And in the wake of the war this mysterious figure moves over the tortured areas of Europe."

Though it cannot be doubted that every European editor of first rank was fully aware that these astounding statements contained the full truth, no single echo of Beaverbrook's stentorian shout was heard. Probably no greater testimony of Zaharoff's power can be found than in this instance when all of Europe's organs of publicity received the challenge to expose him and ignored it.

To one who knows Zaharoff's way of conducting many of his affairs and particularly his propaganda, the "admission" that he had no interest in and did not control a news organ, is worth little. It was an echo of such gossip as had been heard for years to the effect that Zaharoff never "directly" influenced anything. Time after time he was alleged to have "control" over *this* newspaper and *that* industry, or

that he was "behind" *this* cartel or *that* political maneuver. What percentage of such allegations are true, none exactly knows but Zaharoff himself. His "intimates" have always been only a little less ignorant than total strangers concerning such matters.

As in Greece in 1916, and countless times before that, he played his cards from both sides of the table, sending out "news" and propaganda, often in contradiction to each other, setting up a semblance of opposition within their own system, in much the manner by which secret revolutionary societies disseminate their information. There is reason to believe that in the case of the Coalition publicity organ, not even the hirelings who propounded his platforms and furthered his ends were aware of the identity of the one who pulled the strings.

But the foghorns in Parliament and the Chamber of Deputies did not cease their clamor about Sir Basil's ostensible part in the troubles in Asia Minor. Walter Guinness, Minister-to-be of Agriculture in Stanley Baldwin's cabinet, ex-soldier and Near East expert, was particularly bothersome in his curiosity. In the summer of 1920, he had directed some pointed interrogations at the Prime Ministry. Who was this man who controls Britain's policy in the Near East — a policy with which the whole world was at variance? What is the relationship between the

Prime Minister and Zaharoff? Who is ultimately responsible, he demanded, for this policy — Lloyd George or Sir Basil Zaharoff?

Lloyd George offered no satisfactory reply. Beyond repeating that Zaharoff had not been in Downing Street in a long time, a statement supplemented by a confirmation from Zaharoff himself in his *first* public utterance in a lifetime, he was silent.

As an answer this hardly did credit to the Welshman's known agility at evading unpleasant questions. Unfortunately no one asked if it were necessary for Zaharoff to appear at Downing Street in order to make his influence felt.

The disparity between the Near East aims of England and France — barring, of course, the tradition which always found Turkey and Greece opposing each other — could only be explained by the fact that Zaharoff's interests in Asia Minor were given some authority from England which overpowered her inherent desire to keep Turkey and Greece friendly to herself in order to simplify the task of protecting the Straits. Such was the general interpretation of the results of Guinness's catechization of the Prime Minister.

Strange to say, except for these few minor storms, this dynamite-loaded situation caused little comment. France seemed even less interested than England in the mystery of "Who is behind all this?" Senator de Jouvenal, however, went so far as to drop a sly hint that Zaharoff's quondam enemy, Clemen-



ceau, had been, through his family, bought off by Zaharoff and thus persuaded to relative silence. To the surprise of everyone the Old Tiger had nothing to say.

Everything pointed to the fact that the harmonious relations in the Near East between England and France were being jeopardized to a dangerous point by this one man — this individual to whom, for his various benefactions France owed a debt of gratitude (paid by the honors available), — but who now seemed to place the welfare of his adopted land, as well as the country which gave him his professional start, beneath his own private ambitions.

Prophetically stirred, de Jouvenal warned France that Zaharoff was a Napoleon with Mohammedan sympathies attempting to arouse the entire Orient against a weakened Europe. This interpretation did much to change the impression, once seriously advanced, that Sir Basil was nothing worse than an unusually modest Haroun-Al-Raschid, benevolent but shy. At the same time, as de Jouvenal sounded his blast, an ex-Major General of the Russian Army, Spiridovich lecturing in England, referred to Zaharoff as a "Judeo-Mongol who has opened immense credits in London to supply the Near and Far East with arms with which to attack Europe and destroy Western civilization."

Again these hints of a malefic purpose, backed by a secret organization! Such statements were not heard often in the open, and when they were

discussed, their authors were accused of "scaremongery" and of being *provocateurs* who hide their ignorance by talk of the Hidden Hand and the World Plot. Yet there they were — available to everyone, but only for a brief day. They stopped as soon as they started, leaving the definite conviction that, by whatever name it was called, the *système* Zaharoff could always evoke an ominous atmosphere.

Then France took action. She concluded a separate peace with Turkey and, acting upon the advice of Marshal Lyautey, withdrew her troops from Asia Minor. This precipitated an open break with Lloyd George, who had counted upon a massacre of several French soldiers by the Turks to bring France actively to his viewpoint.

Then ensued a second series of attacks in Parliament by Aubrey Herbert and Lieutenant-Colonel Guinness, upon Lloyd George. In March, 1922, Herbert twice asked Lloyd George if the counsel of Zaharoff had been responsible for permission being given the Greeks to occupy Smyrna. Lloyd George did not answer. In July, Herbert repeated the question, and the Prime Minister replied that he had not so much as discussed the matter of Smyrna with Zaharoff. But Herbert did not, for some reason, ask if Zaharoff's mouthpiece in the plea was Venizelos.

A few days previous, Herbert had asked Austin Chamberlain if Zaharoff had been financially rewarded for his advice and aid on Near Eastern questions. To this Chamberlain replied, "I do not

understand the question. I beg he will state it in plain language."

"I have been driven to put the question in this form because it is the only way in which I can draw attention to the sinister influence of this great multi-millionaire," said Herbert.

The issue was dropped at this point at the plea of T. P. O'Connor, long a Zaharoff partisan, on the grounds that the latter's patriotic services entitled him to exemption from such unpleasant inferences.

A Conservative, Lord Percy, treated the issue with the sarcastic remark that as long as England plainly had no Near East policy, neither Zaharoff nor any one else could very well be an advisor on the subject.

Lloyd George, meanwhile, was trying frantically to patch up his differences with France, who had properly rebuked him for suspicious associations by turning completely and openly Turcophile.

Constantine, with the troops in Anatolia, was finding it hard going. Defeat befell him, and his military star, the hope of the Greek nation, seemed on the wane.

There is every reason to believe that, at this juncture, Constantine was much more concerned with the "influences" backing him than with the elements of the purely military situation. All he could build upon for future strategy was the hope that he would be given continued public and private support, within Greece, at least, to enable him to whip Kemal.

He believed that the prospect of victory would be enough to win Zaharoff over completely to his side. Such was his naïveté. That Zaharoff might act upon the theory that Constantine and a monarchy were better suited to his private ambitions than Venizelos and a republic was, of course, ridiculous. But Constantine cannot be accused of complete blindness. For there seemed to be a definite connection between his final offensive — which everyone else had abandoned as folly — and the familiar “last stand” of political drama. So despite the protests of the Powers he again set his troops amove.

They met with disaster. Kemal Pasha, backed morally and physically by France, and encouraged by the growing unwillingness of England to move in either direction, soundly thrashed the Greek troops, fought a second bloody battle at Smyrna, and forced a gory retreat.

Constantine's dream was ended. Time, the interplay of politics, unexpected weakness where he had a right to hope for strength, the forcing by the English of Lloyd George to welsh upon his bet, were too much for him. And with the death of his greatest dream, passed Zaharoff's chance to retrieve his twenty-million-dollar investment, and the last hope of salvaging his invaluable concessions.

The retreating Greeks left behind them as they fled, guns stamped “Vickers.” The advancing Turks bore weapons marked “Schneider-Creusot.”

Skouloudis flashes into the picture again for a

brief instant, but his attempt to form a new government failed and he retired, broken and worn. His countrymen again turned coat and Constantine was forced again to flee. He was supplanted by a vigorous revolutionary committee whose first step was to condemn the aids of the exiled king of death. A storm of protest forced a withdrawal of a portion of the execution orders. The vision of a new Greek empire died with this last vigorous effort to revive the fading nationalism of a tired people.

In time an agreement was reached. It was not spectacularly generous to any one involved, and the Turks objected mightily to the delay given the Greek troops to evacuate Smyrna, and to the allotment of Thrace to the defeated enemy. The decision in regard to the Straits, which, it was decided, were to be administered by an international body, met with less objection.

Not the least important of the political results following the tragic campaign was the loss of English prestige in the Near East and the rise of the French. Specifically, it sounded the death-knell for Lloyd George. The British press renewed its demands that Zaharoff be kept out of Downing Street, apparently not taking Lloyd George's word for it that he had never been in Downing Street. The Welshman's capacity for truth-telling was openly treated with contempt, and the General Election removed every last doubt he might have enter-

tained on the subject of his popularity with the British people.

The issue was dropped. At one time it had held all the elements of a scandal on the grand scale; but England is always jealous of the repute of her public men, even of those political figures whom she condemns to limbo. And so was content that it should be forgotten.

Of all those involved in the affair, Venizelos suffered the least. In truth, as matters turned out, he benefitted. His aims, nationalistic and patriotic to the eye, had possessed the virtue of appealing to an innate hunger of his people.

It was fortunate indeed for him that the Greeks had deluded themselves with the idea that Constantine was the only man who could win back Anatolia, and still more fortunate that Zaharoff had never seriously considered permanent affiliation with Constantine.

Venizelos' insistence upon collecting the Greek bill from the Allies, his fortunate release from the task of doing the actual collecting, these with Zaharoff's sometimes wavering but usually consistent support, and his shrewd propaganda, had served him well.

And now it was all over, and no one knew whether he, Venizelos, really wanted his much talked-of republic. He had long been a hater of monarchies, though remaining essentially a dictator himself. Yet such was the temper of the people that he was

obliged to give lip service to an only slightly less despised democracy.

Zaharoff did not take defeat gracefully. Privately, he anathematized the name of Greece, and never again manifested his one-time interest in its affairs. His project had failed, but not through any fault of his own. Whoever may question his motives, it is certain that no business man will do so, for while his investment in the Anatolian campaign was great, he did not forget for a moment his other affairs nor were they allowed to suffer. Though he wrote twenty million dollars in red ink upon his books, other and less risky affairs were already under way.

**THE YEARS 1925-1934**



## CHAPTER XII

### THE NEW PANORAMA

**I**N our occupation with the Near Eastern scene we have neglected important developments in other directions. Following the trail of Zaharoff is a difficult task at best and never more so than in the years following the World War. Despite the fact that he had at last become something of a public figure, the vast extent and incredible variety of his interests, combined with that dark mantle of secrecy which the *ystème* maintained over every detail of his life, makes it impossible to connect in proper sequence all the links of the great chain which was his to administer.

He was distracted by many things during the years from 1919 to 1922 while his Near Eastern campaign was being fought on the plains of Anatolia. The Balkans were afire and Roumania was hanging on the edge of the abyss. Hungary was in the hands

of the diabolic Bela Kun, and Russia was beginning an experiment which made impossible such private manipulations as those best suited to a Zaharist. New wars were brewing and the munitions business needed constant attention. New political alignments were to be coördinated, new endeavors to be explored, and new fields for exploitation were being opened on every hand.

As a more or less essential part of the plan for the Balkan Alliance, born in 1912, to lapse with the outbreak of the war, Austria's welfare and good behavior became important to Zaharoff's desire to revive the bloc. He took it upon himself to deal with Bela Kun. As usual, he took a circuitous route to his end.

Success for Kun meant the death of the Balkan Alliance, and the eventual Bolshevisation of the Near East. This meant certain doom to Zaharoff's Ionian Empire, then in the early months of gestation. Though this was a dream never to be realized, Zaharoff in 1919, was full of hope for its success. Therefore, Bela Kun must be dealt with.

Roumania's unhappy situation provided an entering wedge. She was in dire need of money and of an army to control her acquisitions of territory: a poor cat indeed which has neither excuse for loaning her paw, nor the wit to ask for a tid-bit as a reward for the singeing of it.

Zaharoff had Versailles to thank, too, for this opportunity. The Conference had been utterly

taken aback at the turn of affairs in Vienna. They were unable to act, and yet virtually forbade Hungary's neighbors to act. Though they possessed ample forces with which to deal with Bela Kun, they lacked the diplomatic capacity to do so without reopening an entire area to destruction and combat. They were fortunate in having an individual with experience, ingenuity, and above all, the resources by which to take the problem off their already overburdened hands.

Bela Kun had been shrewd enough to realize that it was excellent strategy to defy the Allies when they were in no position to take up the gauntlet. But he reckoned with the Master of the Unseen Armies.

Zaharoff made a trip to Bucharest. He completed his financial transactions quietly and gave the word of command. The immediate result was the advance of the new and efficient Roumanian army, a few weeks before illy equipped and shaken in morale.

Simultaneously, a mysterious subsidy reached that hitherto loyal Communist, Boehm, head of Kun's army, and Boehm took the field against his chief. In a few days it was all over and Bela Kun had fled. Boehm's services were dispensed with, and his place taken by the stolid Jules Peidl. Publicly, credit for the overturn was given in every direction but the proper one.

Zaharoff did not trouble Roumania at the moment for an accounting. Not even his erstwhile

chiefs in London and Paris knew exactly what had happened. Overnight a plague had been wiped out, and they were too busy and fretted by other matters to worry their heads over the means by which it was accomplished.

Not until several years later did Zaharoff enter Roumania again. When he did, it was to present his bill. He had protected himself by taking a mortgage on the state railroads and customs, so had little cause to worry about collection.

Many tales were whispered about his visits to Bucharest, and the gossips who had been so sated with colorful anecdotes about Queen Marie, found it easy to see a connection between the startling ease by which Zaharoff affected his transactions in Bucharest and her renowned talent for diplomatic flattery.

## CHAPTER XIII

### POST-MORTEM OF A VISION

**B**Y the end of 1922, Zaharoff had had enough and too much of the monarchical governments of Greece. It had seemed, nevertheless, good strategy to keep his hand in the game until Venizelos was returned to power. Explanations of his intense interest in the campaign did not begin to reach the world until the damage was done, and it was too late to do anything about it.

From the autumn of 1922 until the spring of 1923, Zaharoff had maintained a steady flow of munitions into the Near East. His propaganda did not cease, but whether he was responsible for the alarming rumors that reached Paris and London from time to time, one can only guess, keeping in mind that brilliant campaign in Athens in 1916.

The gossip that the Turks had increased their allowance of eight thousand gendarmes in Eastern

Thrace to thirty thousand, giving them a preponderance of man power over the Allies, that Kemal Pasha had definitely declared a policy of "Turkey for the Turks", all had a reminiscent strain sufficiently strong to cause one to wonder if it were not another cry of "Wolf!"

But whatever the facts, Zaharoff definitely tried to translate them into good business for himself. With little difficulty he had persuaded the Jugoslavs, Roumania and Greece to place large new munitions orders with Vickers on the time-honored credit basis. In January, 1923, he ordered shipped to Saloniki one hundred and fifty thousand rifles, and at the same time the French turned over to Jugoslavia, Roumania and Poland munitions worth three hundred million francs. Always the trade in munitions must be kept up. Zaharoff's policy in the Near East called for a gun in the hand of every man able to carry one.

While criticism of Greece's determination to hold Smyrna grew, and it became plain that if she continued to hold to her policy, the support of the Protecting Powers of her various aims, none too enthusiastic at best, would be withdrawn, if not actively opposed, Zaharoff took several steps to organize his one-man hegemony in such a manner that he would be protected no matter what happened.

His first move had been to establish in Smyrna the New Ionic Bank, with a capital of two million pounds sterling. The institution was to be a bank

of issue, and immediate plans to circulate paper based on the pound sterling were set afoot. It was also contemplated that the bank would loan money to the autonomous Ionian Province to continue the war against the Turk.

Simultaneously, Zaharoff had set out to acquire control of the Aiden Railroad, thus giving the new "Empire" two essential factors to success — a railroad and a bank.

His Ionian Bank was generally understood to be an offspring of his Banque de Seine, the quasi-official nucleus of his fiscal organization. One of the first alliances established by the new bank was with the Société Française des Docks et Ateliers de Construction Navales, which in turn absorbed the mammoth Société Ottomane des Docks et Ateliers du Haut Bosphore.

Vickers' money, as well as Zaharoff's own and much private capital had been used to finance these transactions. The project might have succeeded had Greece been more fortunate in her martial endeavors. Even after the loss of the war, Zaharoff's investments in Smyrna were administered as those of a British subject, and such losses as he bore were written off against the financing of the Greek campaign.

In October, 1922, the Ionian Bank announced the purchase of the Constantinople branch of the Guaranty Trust Company of New York, which had suffered considerable losses due to the political upset

after the World War. The transaction was confirmed by New York.

Zaharoff had not embarked upon these extensions without considering his own welfare. He had protected himself, he thought, by demanding of Greece all of her anticipated, but alas, never realized, banking and railroad concessions in Asia Minor. The Aiden Railroad was to be the key to the Anatolian rail system, and the Ionian Bank the administrative control of the banking system.

Part and parcel of his dream to revive the glories of the ancient Greek Empire, was Zaharoff's plan to revive the 1912 Balkan Alliance on a tentative basis of the 1920 status quo, persuading Bulgaria, Jugo-Slavia and Roumania to acquiesce by loaning them much-needed funds.

Zaharoff himself, heading a group of Greek financiers, made the offer of fifteen million pounds to Serbia and Roumania. Bulgaria alone was recalcitrant. She was promised an outlet to the sea over the Ægean Railroad to Dede Agatch, and the hint was dropped that in case she assented to the Alliance, the other members, Greece, Jugo-Slavia and Roumania, would allow her to rebuild her regular army reduced to virtual nullity by the Treaty of Neuilly. But the Bulgars did not trust any one concerned and the plan fell through. A compromise pact, however, with Jugo-Slavia and Roumania as principals, the former agreeing to a hands-off policy on Saloniki, which had been long a part of her



interest in the outcome of the Greek-Turk war, was consummated.

Unfortunately for Zaharoff's plans, the resulting failure to erect a barrier to the North had considerable effect upon his more ambitious dreams for Anatolia. It is probable that if the Balkan Alliance had gone through as he planned it, his success in the larger scheme would have been a foregone conclusion, despite the Allied objections. And the greatest private endeavor in modern history would have been a *fait accompli*.

Handicapped as they were, by delayed convalescence from the war and lack of political coördination, the plans of England and France in the Near East, and even of Italy, where Mussolini had just come into power, would have suffered a severe setback if Zaharoff's grandiose scheme had gone through as he planned it.

He had come within an ace of wrecking the same damage upon the plans of Europe that the feral monkey in the Forest of Tatoi did upon the hopes of the Greek monarchists.

In 1923, Mussolini had the opportunity of crossing swords with Zaharoff. He lost. The Corfu incident, which came close to becoming a *cause célèbre* as a sample of diplomatic high-jacking, had given Il Duce an excuse for demanding of Greece the preposterous (for Greece) ransom of two million, five hundred thousand dollars. He expected thereby, to accomplish two things: to increase the

dignity of the Fascist party at home and abroad, and to embarrass Greece as much as possible — the latter constituting a definite threat against Italian plans for the East. Both motives, though appearing to be otherwise, had something more behind them than a mere impulse to rattle the sabre, for the Fascist Dictator hoped to force Greece to allow him a hand in the development of the important Saloniki-Ghevgely Railroad which was being developed at that time.

The situation did not please Zaharoff, who could always be trusted to have a card up his sleeve for such an emergency. Mussolini made his demand for payment of the reparations, little expecting to get it, and assured that, in case of Greece's failure to pay, he could easily enforce his demands. To his surprise, the case was paid him immediately through the Swiss Federal Bank. Zaharoff himself had deposited it there.

It was a severe blow to Mussolini and twice a triumph for Zaharoff, who had not only accomplished a *coup* of the sort always pleasing to himself because it humiliated a politico-statesman, but had won a commercial victory which injured Italy all the more as the Saloniki-Ghevgely project supplanted the important overland route to Egypt and the East then traversing Italy.

Zaharoff's genius for making men kneel in the dust was seemingly sometimes overworked, yet no European statesman ever openly challenged him to

battle and won. He had the capacity of inflicting the ultimate indignity in such instances by merely turning his back and not so much as deigning to witness his enemy's degradation.

This is hardly delicacy; it is, rather, the epitomic *noblesse oblige* offered the world's actual rulers by its pseudo rulers.

But this victory, the news of which was rapidly spread about the Continent, did not serve to make Zaharoff any the more popular. It was, in fact, the occasion for unfavorable comment even by France, who had little reason to regret Italy's humiliation. In the French Senate, Zaharoff was unfavorably compared by de Jouvenal with another "man of mystery" — Franklin-Bouillon, whose superhuman efforts to establish harmony in the Near East were in such marked contrast to the efforts to continue it, for his own purposes, of Zaharoff, "the Napoleon of Mohammedan sympathies."

There is no doubt, for a long time, Zaharoff believed that his dream of an empire stood a fair chance of being realized. No one was more surprised than he when it failed. The failure was due to himself to a far greater extent than he or anyone else realized, for in this one instance — the most important of all his ventures — he had worked almost entirely alone.

Unlike the conspicuously powerful, successful and intricate industrial-political empire which he administered for the *système* — itself, for once, little

interested in an important project — were able to supply. He had forgotten one thing, which error discloses the greatest flaw in such a system as his — that while people may be deceived into lending themselves to causes which would be repugnant to them if their true nature were disclosed, they will, by the exercise of an unanalyzable force which might be denominated as spiritual, nullify any program which calls for their overthrow: unless, of course, their fibre has been destroyed by sheer inertia. Thus were ancient Rome and Greece destroyed, the actual overthrow being left to others whose theories were as proportionately ready for articulation as their own had become flaccid by over-sophistication.

Zaharoff's dream of founding a new empire with the tools of a decadent people burst at the resistance of a people whose strongest weapon was a new spiritual force. There also appeared other flaws in his campaign.

Simultaneous with his plans for the larger program, he had contrived means for maintaining the structure when it was completed; but this, so far as one can see, was only for the tenure of his own life or term of activity. Once he decided to play a lone hand, his courage and self-belief had not allowed for defeat. He apparently did not see that the essential weakness of the entire program was that it depended for its success upon time, a single genius, and a single pair of hands — to say nothing of a modicum of luck.

In his schemes for a new Ionian Empire, there is no evidence that he put into practice the rules which the veriest of political tyros, in a similar position, would at once have adopted. He did not reckon with the years which must pass before a people can consolidate and achieve social, political and fiscal homogeneity. And he ignored that essential element of a proper dynastic program — the extension of his own personality and influence. He built for his brief hour, which is a sufficient picture of the man.

Though his dream was a pitiful failure, it was, despite its many flaws, a magnificent adventure. It was the adventure of a soldier, rather than the founder of a strong political unit. His secrecy, his unwillingness to consult people, and his inherent distrust of their right to know what was to be done with themselves, wrecked his greatest campaign. He was essentially a monarchist, an autocrat, committed to the use of the tools of a democracy.

Neither the conventions or morality of wrecking two peoples in order to further his own ends had meant anything resembling obstacles to him. He simply did not reckon with them, and, for that reason, the moralist might say that Fate deserted him. It is certain that in this campaign, the fortunate conjunctions of Fate and Opportunity, Power and Circumstance, so apparent in his past ventures, were missing. Or, more accurately, they left him at the halfway station.

His resource, however, was equal to the necessity of sparing his name if not his purse. He could see almost anything in a fog that blinded other men. His intuitive sense alone must have told him that the open but paradoxical endorsement of Kemal Pasha by France and Bolsheviki Russia, the recurrence of attacks upon the mysterious "new" Near East policy from all sides, the inherent weakness of his support, were presages of defeat. Under other circumstances he might have fought on tirelessly and won. But he had left the *système* out of consideration this time, and naturally it had used its omnipotent and secret influence against him.

After it was over, one had reason to feel that his star was on the wane. There was reason enough for this belief.

He was getting old and tired and his financial losses were tremendous. They were the first of any consequence in his career, and so, when he had had time to erase the last of his footprints, he withdrew. The Alexandrian Empire of which he had dreamed and plotted, faded into the dust of its ancient ruins, a romantic travesty on reality.

Just before the second fall of Constantine and the final collapse of the monarchy, Zaharoff had completed the last of his numerous transactions in Roumania with a loan of three million pounds. He had taken a mortgage on her railways in return, and at the same time, was allowed to acquire control of the Resitza Steel Works, Roumania's leading arms firm. Queen Marie, thoroughly aware not only of

the extreme need of the country, but of the possibilities of his influence in Greece, was careful to treat Zaharoff with the choicest of her distinguished attentions. She had nothing less in mind than that her son-in-law, Prince George, should be elevated to the Greek throne.

Zaharoff's support was necessary to this step. Then Constantine collapsed, and Zaharoff ceased to care very much whether the monarchy lived or died. The result was that George succeeded to the throne of his father, and Venizelos' ambition to return to power was pushed still further into the background.

Though his dream had faded, Zaharoff was still uncrowned King of the Hellenes. When Venizelos came to him to beg his continued influence, Zaharoff sententiously told him that, as a true patriot, Venizelos, could best serve Greece by keeping quiet awhile. The justification of his desertion of his old comrade by the argument that now was not the time to consider another overthrow of the monarchy seemed reasonable. At least, Venizelos was forced to pretend that it was.

If Venizelos owed Zaharoff any debt at all, he paid it then, by slamming the door and returning to fight for the favor of the Greek people in his own way, with none of the qualifications which a continued association with Zaharoff would have entailed.

In time he succeeded.

## CHAPTER XIV

### CLOSING SCENES

THE Zaharoff industrial dynasty was not seriously impaired by the debacle which had overtaken the private adventure in imperialism of its head. Sir Basil was nearing the three-quarter mark of a century when he chose to abandon his penultimate dream. His hair and his goatee were snow-white, his tall, erect figure showed a pathetic curve at the shoulders, and his habitually rapid walk was slowing. His enemies hoped he was ready for retirement; his friends did not know.

The break with Venizelos and the fall of Lloyd George marked the last of his formal contact with the world of active politics. But his vision and astuteness in business were not in the least diminished. There were new worlds to conquer.

Besides his major interests, which still lay with Vickers, its numerous subsidiaries, and the muni-



tions business in general, we have already mentioned the various offshoots in the Bosphorus of the Banque de Seine. Zaharoff did not believe that the victory of Kemal Pasha and the rise of the New Turk with his frank avowal of sympathy for Communism meant that his losses in the Greek-Turk war could not be recuperated in part by such holdings as the Ionian Bank, the Société Française des Docks et Ateliers de Constructions Navales, and its Ottoman subsidiary. On the contrary, the best assurance of their continued welfare lay in the continuation of the welfare, but not necessarily of the peace, of the Turk. Strangely, peace followed.

For a time they got on fairly well, not profiting much, but not, at least, losing ground. But a new and more concentrated program, hitherto undisclosed, meant, as its first premise, the withdrawal of much of the life-blood of his Near East holdings. One by one they disappeared, their fall involving some of his European holdings.

One of those most affected was his parent fiscal unit, the Banque de Seine, largely because he had used it to finance all of his Near Eastern ventures. For several months he administered various forms of artificial respiration in his efforts, combined with those of his leading stockholders, the Mavrogodortos, leading Greek banking family, were able to instill life in its quiescent body. In 1925, with the aid of a new group of capitalists, largely French, the Banque de Seine transferred its holdings to the

Société Parisienne de Banque, and control passed from Zaharoff's hands.

The effect of two such catastrophic blows would have wrecked a weaker structure than Zaharoff's. Which statement is not intended to imply that he stood by any means alone. The *système* had reached one of the periodic climaxes of power at the Peace Conference at Versailles, when it virtually dictated the remodeling of the European world, and played its lead cards for the accomplishment of their ultimate aim — World domination. It had not, for policy's sake, lent its support to Zaharoff's Anatolian campaign, but, why it had not, one can only guess. It may be that it feared the Napoleonic tendencies which that campaign betrayed. Or it may only have been a question of policy. The *système*, being both omnipresent and omnipotent in world politics, undoubtedly had little patience with the gesture of independence which Zaharoff's plan seemed to be. But he was both too able and too important to be thrown out of the councils because of that. And so Zaharoff, neither weakened in prestige nor in particular need of money, came back into the fold and new campaigns got under way.

He was still a very rich man. His reserve in call loans to every solvent country in Europe alone ran into millions. He owned large properties in Greece and in several other countries, particularly France, as well as investments throughout the world. It was rumored but not substantiated that he owned

mines, railroads and banks in South America, concentrated for the most part in Chile, the value of which totalled many millions. One writer even announced to a slightly bored European audience, that Zaharoff had been positively identified as President of a Latin-American Republic, under another name, of course. It was also said that he owned the Tabac d'Orient et d'Outremer, the tobacco monopoly of the East, a Turkish mining company, the Balia Karaidin, and grain elevators in the Near East.

His munitions holdings were only decreased by the loss of his relatively small investments in Russia. His Vickers' holdings alone, though reduced in value, would have made him a very rich man. Vickers was still placing large orders.

The two new interests which engrossed his attention soon became identified with his name. They were Oil and Steel. Since 1911, when he had first cast an eye upon the fields of Baku and Roumania, he had steadily added to his oil holdings, but important as they had become, they were still neglected by the post-war pressure of the munitions business. At one time during the war he was mentioned as one of the principle share-holders in that stormy petrel of the oil industry, the Anglo-Persian Company, control of which at that time was nominally in the hands of the British Admiralty.

After the war, through Pearson's company, the Anglo-Persian succeeded in getting important concessions in the French Protectorate of Algeria, and,

in 1920, by the San Remo pact, the British, in return for being given a mandate over the oil-producing region of Mosul, recognized the French mandate over Damascus, although they had promised this territory to Emir Feisal in return for his war services. This caused considerable unpleasantness for awhile and eventually involved fighting between the French and the Druses, led by Feisal. However, Zaharoff did not lose much by this, as the Druses were armed with Vickers guns.

Many and loud were the protests in France when the news got out that a British oil company had secured rights in a French protectorate. It was a situation demanding commercial and not diplomatic talents for solution. The British generously conceded the rights of the French in the *impasse*, and turned over a majority stock to a new company, Le Société d'Études, de Recherches, et d'Exploitation des Pétroles en Algerie, retaining for themselves only a nominal interest.

An interesting feature of this move developed when it became known that three of the five Frenchmen on the board of the new company were, or had been, associated with Zaharoff in other industrial activities. Zaharoff was thus more or less in a position, were one to quibble about it, of having played England and France against each other again for his own benefit. Which is one of the many virtues of being a true internationalist.

The principal fiscal agency in this *coup* was the

dying Banque de Seine, which, through its ownership of a shipping company specializing in oil transport, it expanded into the Société des Huiles de Pétrole and merged with the semi-State-owned Anglo-Persian Company. The control of this latter company came, thus, largely into Zaharoff's hands.

The combination grew and flourished until a second reorganization took place, when it became known as the Société Générale des Huiles, which in turn absorbed several smaller French companies, notably the Compagnie Occidentale des Produits du Pétrole and the refineries of Paix et Cie.

The result of this maneuvering was to inject a British policy, through the overwhelming influence of the parent Anglo-Persian Company, into the very heart of the French oil interests.

As a situation it was fraught with almost as much danger to peace as some of the arms combinations and the scaremongery of the munitions Lords in times past. It furnished inspiration for scores of books and pamphlets about the next war which was to be fought over oil.

With their peculiar Zaharoff stamp of policies and principles, never considerate of national interests when personal interests were at stake, it is not surprising that such maneuvers threw a fright into those who hoped for a few years of peace and harmony.

Zaharoff was still munitions king. Now he was

very close to becoming, if he was not already so, head of all the European oil cartels. Nor was this all. He was rapidly gaining control of steel. There might be little outward excuse for exercising one's prophetic faculties about the matter, but the people who had already seen the results of the application of the Zaharoff *système* upon the world's peace, could hardly be blamed for being alarmed at this new source of peril.

Zaharoff's investments in Vickers were, in the meantime, in none too healthy a state. The reasons were many and complicated.

The end of the World War saw a complete regrouping of all international munitions alignments, and its interdependence of credit-built financing was thrown badly awry. Schneider-Creusot and Vickers-Armstrong had indirectly destroyed their old friend and rival, Krupp, who had been forbidden to manufacture war materials. Stumm passed into the hands of a French group.

According to German authority, the new oil cartel, directed by Zaharoff, was only the refuge of the munitions kings who feared that the impulse of peace, in its world-wide effort to overthrow competitive armaments, would break them. This same authority stated that as the head of the Anglo-Russian Oil Company, Zaharoff was responsible for the organization of the world-renowned Royal Dutch Shell Company, which sponsored a new naval rivalry between England and the United States, with the latter as the enemy and objective.

This deduction is not too far-fetched but there is no outward evidence available at this day to justify the conclusion that Zaharoff was behind the famous Shell-Standard war which reached into the Near East a few years ago, and came near bringing Britain and America to blows.

However, it is certain that he did direct the founding in Poland of the Société Polonaise de Matériel de Guerre, a project in which Vickers and Schneider-Creusot again joined forces. For once, euphony and truth had met in the title of this new factor in the Continental alignment of political and defense forces. In 1924, Vickers sold Japan one hundred and forty thousand machine-guns and was said to have placed a large contract in Serbia.

The policy of encirclement inaugurated by France, and in which Czecho-Slovakia and Poland were important elements, was not always observed by Zaharoff, for it began to be rumored that he had joined hands in a new agreement with Krupp and Thyssen in order to protect Europe against the Soviet Republic.

In Czecho-Slovakia, Schneider-Creusot took over the old Skoda works, and, as has been shown, Zaharoff was already firmly seated in Roumania. It was reported as late as 1928, that he was planning new munitions plants in Lithuania and Latvia, both danger spots.

The usual concomitants of political support accompanied these various moves. France loaned capital for defense purposes in several directions, and a free

exchange of military counsel went with the erection of every new factory and the advance of capital.

In Germany, there was every evidence that even if Krupp had been forbidden to make anything more dangerous than agricultural machinery, Krupp capital was still available for military and naval projects. The building of the new German "vest-pocket" cruiser, a remarkable advance in naval design, was sponsored by the ex-Chancellor Dr. Luther, a member of the Krupp board of directors.

These various activities would seem to indicate the arms business was as virile as ever. Undoubtedly it was, except for Vickers, whose troubles were due, not so much to lack of orders, but to over-organization.

During the war Zaharoff had owned as much as sixty-seven per cent of Vickers stock. The profits of the company during the four years reached the figure of two hundred and twenty million dollars, multiplying the capital of the company by three. At the same time, according to Poiry, the French writer, Schneider-Creusot made profits of over three hundred million francs.

Though Zaharoff was careful to recommend to the minority shareholders of Vickers that they take their dividends in stock, he seems to have been aware that it would not be good business for the Armistice to find him with too much in his own name.

The war ended and simultaneously world-wide movements for the reduction of armaments began to



spring up. The inevitable result was the decline of munitions stocks the world over.

Zaharoff's cash losses in the decline were negligible, due to the fact that he had long since been unloading. The Vickers establishment began as early as 1920 to show the effects of the pressure. In 1919 the company had shown a fair profit, but after the Washington Conference which promised to dissipate the hopes of private interests to continue their treasury-looting "For the Defense", arms stocks on every exchange started to fall.

The British Government, still loyal to Vickers, was able to stay the crash somewhat, though unable to help out with subsidiaries.

Zaharoff remained, for a time, the dominant figure in the company operations, but as he saw the war-time structure nearing collapse, he began to lay plans for expansion in all directions. By increasing its capital holdings to twenty-six million pounds, three-quarters of which was set aside for the purchase of new enterprise, Vickers hoped to forestall the collapse which must follow the moment his markets in the Near East had exhausted themselves.

Their first acquisitions were the British Westinghouse Company, the Metropolitan Waggon and Finance Company, and, with Schneider-Creusot, the aforementioned Société Polonaise de Matériel de Guerre. The purchase of lumber and ship-building interests south of the troubled Dantzig Corridor on

the Vistula River, indicated a hope that threatening trouble in that area would bring new life into the parent unit. Mines in Spain were added to the works at Ferrol, and the Terni Company in Italy was revised to meet peace-time demands.

Vickers carried their program of regeneration into the North American field through the consolidation, in the United States, of all Vickers interests in Canada and America under the name of the Vickers and Combustion Engineering Company.

It was not long before it became apparent that Vickers had over-reached itself. Supervision of its multifarious activities, stretching from Japan to the United States, and into the Near East, and representing virtually every branch of industry, became almost an impossibility. Though it was a day of mass mergers, the conspiracies of peace denied aid to those whose capacities lay more in the direction of conflict. By 1925 it became apparent that Zaharoff's pet was on the verge of collapse.

Vickers wrote off heavy losses in that year and in 1926 set about a second reorganization. Armstrong & Company, having found themselves in much the same condition and without the resources of Vickers, were forced to ask for a moratorium. Vickers came to their rescue, and a short time later the two were merged under the name of Vickers-Armstrong, Ltd., with a bulk of the capital in Vickers' hands. The two had so long been associated as one in the minds of the public, that it was a surprise to many that

theirs had only been a community of interest and not a more specific intimacy.

This victory was rightly credited to Zaharoff. On October 14, 1927, he retired with the heartfelt eulogiums of his associates and employees.

The end of a half-century actively connected with the greatest munitions machine the world has ever known, saw his winnings by war considerably reduced by the vicissitudes of peace.

But he was not finished — not by any manner of means. There were still wars to be fought.

## CHAPTER XV

### VARIATIONS

**W**HY Zaharoff bought Monte Carlo, no one knows. Perhaps gambling with nations, statesmen and humble citizens as dice, was so much to his taste that, with old age and retirement near, he wanted a toy to play with, as Bismarck played "soldier" with his grandchildren. In any case, it turned out to be good business.

Until the war, Monte Carlo had not only done exceedingly well, but it had made an invaluable name for itself. Then came hard times, and Prince-Louis had been hard pressed to find money. Zaharoff had come to his rescue, and with time had become principal owner. This was in 1922.

He paid only two hundred and fifty francs apiece for some twenty-three hundred shares in the Société des Bains de Mer, enough to enable him to seat himself and a few straw men on the board.

His hand was none the less firm whether he was governing a gambler's paradise or arranging a war. With the young and sybaritic Prince Louis of Monaco pushed into the background, complaining that a million a year was not enough to enable him to maintain his palace and position "on a proper scale", the new chief began to make plans for an increased profit on his new investment.

His first order to René Leon, successor to Camille Blanc, was to double the minimum on all stakes. The new schedule was: ten francs at roulette and forty francs at *Trente-et-quarante*. Zaharoff's idea was that if the Casino made a profit on five and twenty franc bets, the profits would be doubled if the bets were doubled. The first day's business proved him right, and the Paris newspapers dubbed him "First Croupier of Monte Carlo."

That he should have been attracted by the business in his late years was wholly natural. He liked the Mediterranean sun and he liked the business. A gambler always, he preferred his winnings where he could sit upon them.

Though the control of Monte Carlo had for years been in the hands of the royal family of Monaco, its administration had been in the more democratic but hardly less aristocratic hands of the Blancs, descendants of the founder of the *Société Anonyme des Bains de Mer et du Cercle des Etrangers de Monaco*. On its directorate were many ancient and glamorous names, including that

of Prince Radziwell, descendent of an original stockholder.

The Blancs were replaced by Zaharoff's own men, and the atmosphere of the place changed from that of an ultra-sophisticated and effete society and gaming rendezvous, to a business establishment, the principal characteristic of which was order and discipline. Employees were discharged right and left, the overhead trimmed to the lowest possible point, and those who came there to enjoy the sights and the sun, playing at the Casino only as often as it seemed necessary to maintain a reputation as a *cosmopolitaine*, found the air strangely cool, though none the less invigorating when they wished to patronize the tables.

The result was that Zaharoff and the Casino both made money, so much that in 1925, the gambling privileges paid a dividend of more than one hundred per cent.

Grateful as were his stockholders and the Monagasques for this profitable dispensation, Zaharoff did not escape inharmony. Some of it was revealingly amusing and some of it mysterious and bitter.

His first detractor was Sylvian Fabie, editor of an impudent little Monacan weekly, *Tout Va* — "Everything Goes." Like a querulous pup yapping at the heels of an aged but still imposing wolfhound, *Tout Va* emitted a series of intriguing but ineffectual barks at Zaharoff, charging him with administering the affairs of Monaco with a despotic

hand, and asserting that the world would be better off if the Casino were pushed into the sea. To his immense chagrin, Fabie, as one of the few men with sufficient temerity to level his popgun at so imposing a target, was completely ignored.

More serious was the rumored quarrel, cause unknown, between Zaharoff and Prince Radziwell, who held, next to Zaharoff himself, majority stock in the *Société*. As always, Zaharoff was able to keep the news of this dispute out of the public prints, but was not able to prevent it from following the usual course of malicious or unpleasant gossip. The reason generally attributed as the cause was that the Prince resented Zaharoff's dictatorial manner in administering his control. Knowing the latter's lack of respect for the "nobility", it is not surprising that he should clash with so outstanding a representative of the noble tradition as a Radziwell. Later this quarrel was to be the subject of a more serious charge.

Mennefee, the French writer hereinbefore quoted, states that the situation which enabled Zaharoff to attain control over the gambling privileges of Monte Carlo were quite different than generally represented — and, as might be expected, as mysterious as ever. "For reasons as mysterious," says Mennefee, "as his own personality — perhaps for himself, perhaps to further British policy, perhaps even to set up for a person particularly dear to him a sort of entailed estate — Zaharoff saw the possi-

bility of becoming secret master of . . . Monaco . . . and obtained, on July 17, 1918, from Clemenceau, Premier and Minister of Foreign Affairs, a secret treaty which disengaged the principality from the rights of sovereignty which France had exercised there . . . and made it an entirely independent and separate State." And so Zaharoff got his "Empire" after all! In 1921, the French Senate made a frightful fuss over the affair, from which Zaharoff was not to escape unscathed. It may have been then that the idea, later advanced, that Zaharoff had a great deal to do with England's Secret Service, originated.

In any case, the affair had Zaharoff's indubitable stamp.

Under an agreement, made in 1918, under the pressure of war-time necessity, Prince Louis had been forced by the Government to accede to a radical agreement whereby all French laws, taxes, customs and administrative forms would prevail in the Principality, to take effect in 1922. Louis was thus reduced to the status of a Prefect, and Monaco to that of a Department of France. At the time the French animosity against Zaharoff reached its height through the Near East controversy, the Monagasques, driven by fear that his unpopularity with the Quai d'Orsay would cause the gambling privileges to be rescinded, rose in protest. Zaharoff's old friendships in England and even in Italy were summoned, and, after a brief flurry, he was



able to retire from the field with the honors still in his hands. Monte Carlo was allowed to retain her time-honored institutional privileges.

The administration, despite these differences, and accompanied by the minuscular thunderings of the ebullient *Tout Va*, continued on its prosperous way. The post-war world was full of feverish spirits whose narcotic against the monstrous disillusionment of living was taken at the gambling table. If they lost, the benevolent Casino was always glad to ship them home. If they found no philosophy by which to ease the woes of a flattened purse, there was always the rope, the gun or the cliff, with the same benevolent overlordship to wink at their desperation. It was thus natural that the "suicide" of ex-detective Nadel should not have caused much comment.

In 1925, Zaharoff sold his stock in the Société des Bains de Mer, retaining only the Hôtel de Paris, which burned in 1929.

In September, 1924, he had married his first and only love, the widowed Madame Maria del Pilar Antonia Angela Patrocino Simona de Muquiro y Berute, Duquesa de Marquena y Villefrance de los Caballeros, in the Mairie of the little town of Aronville, near Château Balincourt, Zaharoff's favorite residence. Eighteen months later she died, still in her sixties.

It was taken for granted that Zaharoff would retire, and those who saw him — he still refused to

open his lips — found it easy to believe that he was broken-hearted. Rumors that he was sick, dying, or even dead, began to be heard in various parts of the world.

He had reason enough to retire, of course, but he did not do so, though he withdrew from various boards. His affairs were secure. The Japhets in London, the Rothschilds in Paris, the Imperial Ottoman Bank, and other institutions, housed enough of his gold to enable him to match fortunes with Ford and Rockefeller. Though nearly eighty years of age, his fire had not abated.

Virtually every honor available to a nation or a monarch had been bestowed upon him. His counsel was still needed, as he was again to demonstrate a few years later. He was still not popular, it must be confessed. Even though King George had made him the recipient of the Grand Cross of the Order of the British Empire, giving him his title. Greece had given the Grand Cross of the Order of the Saviour, and he was an Honorary Doctor of Laws of Oxford University. His benefactions had covered hospitals and higher education, but none of them subsidized a study of the causes of war as did the benefactions of his spiritual brothers, Nobel and Carnegie. His dearest award was that which the land of his adoption had given him — the Grand Cross of the Legion of Honor.

A quiet life, with peace for a companion, was not the sort of thing amenable to his taste.

CHAPTER XVI

WITH THE EBB

G OSSIP concerning Zaharoff and the mystery of his origin and career does not die. On the contrary it grows, both in quantity and the quality of its illumination. Incredible tales are told of him and perhaps would not be accepted so readily were it not for the fact that so many of them are so closely involved with known fact as to make them reasonable if not exactly true.

It was supposed, after the war, that his interest in munitions and oil represented the sum total of his immediate concerns. Those who watched his career were not surprised, however, to find his name mentioned in connection with the new infinity of cartels and rings which began to spring up from time to time, producing a galaxy of colorful figures and romantic and mysterious implications.

If his munitions interests had been polyglot, and

his financial organizations, such as the Banque de Seine, with its directorate of Russians, French, German and English, were representative of his methods of doing business, why should he not be connected with such figures as Stinnes and Lowenstein, and other Machiavellis of post-war times? If his Banque Commerciale de la Mediterranee should have spawned a half-dozen offsprings, why should not his Munitions Ring evolve naturally into a new Iron Ring encompassing all Europe, and his Oil Cartel, with its Société Navale de l'Quest, its Anglo-Mexican Oil Transport Company, the Société Générale des Huiles et Pétrole and its numerous progeny, become the monster Association Pétroliere as mysterious as it was powerful? All these portents were as full of strange and awesome implications as of interest to the Europe of the past twelve years. It is not surprising, then, that certain things said about the formation and purpose of these giant octopi should refer to some exceedingly unpleasant details.

In 1925-26 Zaharoff and the Steel Cartel had set about the process, very secretly, of organizing the metal industries of Belgium and France, Luxembourg and Germany into a homogeneous whole. The model was along the lines of the pre-war Munitions Ring but much more comprehensive. It included other industries than metal; the hydro-electric, chemical and artificial-silk industries particularly.

For a time, the English leaders in these industries

had nothing to do with their Continental brothers, whether by intent or unwillingness. A terrific economic war resulted. Its effects were none the less serious because they received so little publicity. It developed into a war that made trench-fighting look mild by comparison.

The final line-up showed the Franco-Belgian-Luxembourgeois group pitted against the British-Vickers-Zaharoff combine. The head of the Belgian hydro-electric and artificial-silk group was one of the most spectacular and curious figures of contemporary history. His name was Alfred Lowenstein, and, unlike Zaharoff, he was distinguished by his open campaign for personal publicity, the gorgeousness of his retinue and the frankness of his appeal for public support. Associated with him were the Prince Radziwell who had clashed with Zaharoff at Monte Carlo, and M. Mayrich, an eminent metallurgist of Luxembourg. Radziwell had boasted openly that it was he who had forced Zaharoff out of the Société des Bains de Mer, which move, until Radziwell started talking, had been regarded as voluntary on the part of Zaharoff. Lowenstein, who had grouped his interests under the title of Tubize, was in a death struggle for Continental control of the artificial-silk business with one of Zaharoff's intimate friends, Dreyfus Clavell, director of the British artificial-silk industry. Tragedy ended the war.

All three — Lowenstein, Mayrich and Radziwell

died violent deaths, two of them exceedingly mysterious, within a few months of each other. The story of Lowenstein's end is best known. He took off from Belgium to England in his own plane, piloted by an English pilot. Somewhere over the English Channel he disappeared, leaving the other passengers of the plane and the pilot completely mystified. For weeks the world screamed with headlines and several official investigations were obliged to confess themselves mystified. Lowenstein's brother openly charged that Lowenstein's enemies in the industrial war had had him murdered and that the man who fell (or jumped) from the plane was not Lowenstein at all. His charges were ignored and when, some time later, the body of a man, evidently long in the water, was found on the French seacoast, the mystery was dropped.

M. Mayrich met his death in a more "normal" fashion — in an automobile accident on a lonely road.

Prince Radziwell died from an injection of poison, and a woman whose name was withheld, but who was said to be familiar in police and political circles, was accused. The motive went unnamed and the same aura of secrecy pervaded the case that distinguished the deaths of his confrères. The woman was arrested, released through what was described as "political influence", re-arrested and released the second time. Later, she was arrested a third time when she attempted suicide. She was declared insane and

at present is recuperating in a Saint Lazaire sanatorium.

No European newspaper dared more than discuss the "news" angle of these various deaths, and none of them referred to the association of their principals in a bitter industrial behind-the-scenes warfare. Naturally, Zaharoff's name did not appear anywhere.

Then, in January, 1932, a writer calling himself Xavier de Haute-cloque, writing in *La Crapouillet*, a Paris topical weekly, under the title of "Secrets of the British Secret Service", and making no attempt to hide his hatred of the British and particularly of Sir Basil Zaharoff, deliberately linked the British Empire and Zaharoff in the "murders" of Radziwell, Lowenstein and Mayrich. De Haute-cloque went even further; he said, "Men who have devoted their lives to this provoking enigma believe that the English spy-system has always had a deputy or loyal representative in Europe. Lately this rôle has been attributed to Sir Basil Zaharoff."

Sir Basil Zaharoff, a French citizen, a representative of the British Secret Service on the Continent! It was as if all of Zaharoff's mystery, all of his awesome secrecy, his immense power and his ruthlessness, had been combined with his vaunting ambitions into a tale as lurid as anything a mystery writer had ever put down.

And this is the man of whom it is said that instead of being a Greek, as the French records attest,

he is actually a Russian-Jew in the eyes of the British Secret Service. This is the man who is said by some to be the long-missing Russian Bishop Anthony, a fugitive from justice who built his fortune in munitions and banking on his proceeds from his biggest *coup*.

It will not seem unreasonable to the reader, whether he accepts or denies these various versions of who Zaharoff is, or who may suspect one of romancing about his singular capacities, that no sooner had *La Crapouillet*, containing this latest tale about him, appeared on the streets of Paris than it was confiscated by the police. Nor will he be surprised to learn that, when an American journal translated and published the lurid story, its foreign editions were seized on European news stands by London and Paris plainclothes men, and the offending article cut from it.

Nor has the mystery of Zaharoff been in any way cleared up by recent developments in the United States.

Early in February, 1932, a rumor reached New York and Washington that he had arrived on a private yacht, the *Corsair* in the Potomac River in Washington, and that, surrounded by a guard of secret-service men, he had called upon President Hoover.

This tale was investigated by scores of newspaper men. As one, they reported that the story had no foundation, and that the yacht *Corsair*, which, the



rumor said, was the one belonging to J. P. Morgan, had not been out of New York harbor in several months. Morgan's office formally denied that the *Corsair* had been used. Lloyd's Registry shows only one other yacht by the same name, registered by a Scottish ship-building company.

Nevertheless, one Eastern newspaper and a fledgling New York journal specializing in scandal reported the story in full. The last-named publication, after giving a brief résumé of Zaharoff's life and career, closed by inferring some mysterious purpose behind the visit of the Munitions King to the President of the United States. The final paragraph: "All of Hoover's foreign diplomacy has world peace as a background. His campaign, his years as Chief Magistrate of the Nation, have been avowedly devoted to extending the olive branch over all nations of the earth. Mr. Zaharoff is interested only in war." A few days later he chartered — through an aide — a large transport plane and took off for an unnamed destination — whispered to be Mexico. This was not confirmed.

The old familiar ring! Mystery! Secret moves and secret purposes!

Two press services relayed the report to their foreign correspondents in Europe, who received the reports: *simultaneously* from one, that Sir Basil had been seen in the Hôtel de Paris in Monaco at the time he was supposed to be visiting President Hoover; from the other, that he had been seen in London.

In so far as the public prints were concerned the story ended there. The White House entered no published denial that Sir Basil had visited the President; the press said nothing about his two alleged doubles.

A week later, there was an aftermath and a highly interesting one. It did not appear in the news. An intimate of the President was asked for his private opinion on the mysterious "visit". This friend had been in Washington at the time of the alleged visit. He contented himself with the comment, "President Hoover meant nothing but good for the American people by inviting Zaharoff to call upon him. What was more natural, with the World Disarmament Conference impending, than that the President should want the advice of the world's leading munitions agent?"

Why not indeed? One remembers the words of Lord Bertie in 1917: "Sir Basil is all for the war continuing *jusqu' au bout*."

Whatever one is to believe, this latest mystery at least possesses the virtue of being eminently credible — since its central figure seems determined to maintain his reputation as the most mysterious man in the world.

## CHAPTER XVII

### POSTLUDE

THE problem such as Sir Basil Zaharoff presents needs time to give it perspective; the shadow of a living man is seldom as fascinating as his ghost, and by some metaphysical necromancy, not as illuminating.

There may be—in fact, there often is—a methodic perversity about the appearance and disappearance of the motives of a ghost; and in this sense certainly there is about this strange man much that is both ghostly and perverse.

The reason for his mystery may have been an accident—his apologists and his enemies alike seem to agree upon that. But his philosophy, which is difficult to denominate without recourse to malicious-seeming superlatives, was no accident. It reflects something with which all ages are familiar, yet there is much about it not familiar to the Anglo-Saxon,

or, perhaps one may say, the Aryan. To them this capacity for intrigue — the great Roman inheritance, when combined with the silent ruthlessness of the Levantine, is horrible and beyond comprehension. The Anglo-Saxon organizes for pleasure, for social expression, for sport, and for the more or less naïve exploitation of his limited and generally idealistic fields. He seldom organizes for evil or to use combined force for the confusion and disorganization of mankind. Not even the philosophy of the munitions maker, as Shaw's Mr. Undershaft, of the firm of Undershaft and Lazarus, expresses it, is completely comprehensible to him. Said Undershaft of the philosophy of the munitions dealer: "To give arms to all men who offer an honest price for them, without respect to persons or principles; to autocrat and republican, to Nihilist and Tsar, to Capitalist and Socialist, to Protestant and Catholic, to burglar and policeman, to black man and white man and yellow man, to all sorts and conditions, all nationalities, all faiths, all follies, all causes and all crimes."

But there is even more than this intensely pragmatic credo in Zaharoff's life. It is easy to think of his *système* as being the creation of a single genius, yet it is a mistake to do so, for in every step of his career we find him protected, his comings and goings and his plots and counterplots harmonized beyond the capacity of a lone individual, however capable, to accomplish. It is therefore essential, in

appraising him, to think of the *système* credited to him as being the creation not only of many men but of many years, of ancient and cruel philosophies, of men familiar with the weaknesses of individual men, of nations and of races, of the susceptibility of politics and politicians, and of consummate genius for organization and loyalty to a central ideal, however unworthy.

The implications of every question about Zaharoff and the *système* cannot be limited by what we know of familiar heroes nor of classic villains.

The problem is removed, by reason of these certain peculiar differentia from the familiar products of civilization, from the realms of conventional speculation and reasoning into the rarefied regions of the mystery of the human soul and its deepest secrets.

## EPILOGUE

IN the season he returns to Monte Carlo for the sun. A wheelchair and a servant suffice for his needs. When in Paris he drives himself about on tours of inspection in his electric cabriolet. Balincourt he seldom sees except for a few weeks in the spring. The house on Rue Hoche is his *pied à terre*, his roses his sole delight. He seldom leaves them. He sees no one but a few old intimates, except when the need of counsel brings them to him who can still serve to carry on his dynasty decrees.

Once in a great while, his step-daughters pay him a short duty call, but no one expects these gestures to moderate his aloneness. He will not talk of Greece and does not hesitate to let it be known that his heart is in France.

There is about him a tragic loneliness. This loneliness is one of his not-so-dark complexities. It is

something outside his control — the control of the inertness which has lately come upon him, his new passivity, the defense and plea of his stubborn silence. He has told that he has written fifty-three volumes of memoirs in his own fine script, and that they are to be destroyed before his death. This is Sir Zacharie Basil Zaharoff.

He has both the mob and the organized to thank for what he has and what he is. Often enough he hired both, but they are off his payroll now, though one cannot believe they are completely out of his ken.

There are many matters about him which history must settle — and it is quite possible that history will find the way blocked as the multiples of the curious and serious minded have found the way blocked.

But there is a private judgment which says that even if a man may conquer in the exact ratio of his suffering, this by no means proves that he is happy in the degree of his conquest.

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