

Recollections of a Would-Be King

There's not another story like it in the entire history of the world's match industry. It reads like a contemporary mini-series. It has everything: a dashing young hero, an unknown's rise to the top of a colossal business empire, scandal, tragedy, and death. But, it's not a mini-series. This drama was real; the tragedy was staggering; and the hero, as heroes often are, was something less than heroic.

Ivar Kreuger was born in Sweden, in 1880, but his story really starts with his education, for if he had been born a farmer's son and never attended school, things would have been much different, indeed. Instead, as Fate would have it, he obtained a very good education and eventually enrolled as a student at a university in Stockholm. He worked very hard and applied himself with zeal. Eventually, he became an engineer, and, when his studies were done and he was ready to make his mark on the world, he participated in a number of construction enterprises not only in Sweden, but in the United States, as well.

In 1923, with visions of creating a worldwide match monopoly, he created the Swedish International Match Corporation. He became the match baron of, first, Sweden, then Scandinavia, and then Europe. But, World War I had shown the world the burgeoning power of American industrialism. Kreuger knew he would have to corner the American market, as well.

He set his talents to work in that direction, and, as usual, they didn't fail him. By 1928, his International Match Corp. had taken over the Federal Match Co. as a subsidiary and owned a third of Diamond Match Company's stock by 1930. With an enveloping movement that would have made Hannibal, himself, smile with envy, he quickly took over all or part of some twenty other American match companies. It didn't look as if anything could stop him.

But the best laid plans of mice and men sometimes go awry, and Ivar Kreuger's huge maze of international finances found itself in the middle of

the Great Depression...and in the middle of a lot of trouble. With the American stock market crash of 1929, money became scarce, banks failed, businesses disappeared, unemployment soared, the work of lifetimes of effort ceased to exist...and creditors began to take a closer look at the ledgers!

Kreuger had obtained much of his financing from U.S. creditors, and they now wanted an accounting. What they found, in large part, was speculation and fraudulent business practices. Kreuger had over-extended himself on a colossal scale. Loans were recalled, securities demanded; all eyes focused on the man who had, such a short time before, been seen as a financial wizard.

Faced with scandal, failure and an endless series of trials, Ivar Kreuger committed suicide in 1932. His entire empire crumbled. Partly as a result of his activities, more stringent laws were enacted in the U.S. to regulate corporation directors and accounting. And so, Ivar Kreuger is relegated by history to the rolls of notable hucksters. But, whereas a number of his biographers might tend to describe his driving force as nothing more than monumental greed, I think there was something more to it than that.

I knew such a man in my younger days, a "wheeler-dealer" we used to call him. Although I didn't approve of his particular life style, or many of his activities...still, to watch him work was truly awe-inspiring. He was a mass of energy, always alive with schemes and plans, never at a loss for the right words, and able to circumvent his own personal shortcomings by choosing the right people to be around him. He had the ability to make spur-of-the-moment decisions; he wasn't afraid to alter his goals in mid-stream and strike out in new directions. Superficially, the goal was usually money, but the drive...the drive was a need for constant achievement. Perhaps that's why, in retrospect, I take a somewhat kinder view of this would-by king. There was something about that "wheeler-dealer" to admire, and I imagine Ivar Kreuger was much the same.