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## Book Reviews

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# Book Reviews

Here you will find information about interesting books on the immigration experience, genealogical manuals, books on Swedish customs, and much more. We welcome contacts with SAG readers, suggestions on books to review perhaps. If you want to review a book yourself, please contact the Book Review Editor, Dennis L. Johnson, at <1\_viking@verizon.net> or Dennis Johnson, 174 Stauffer Road, Bucktown Crossing, Pottstown, PA 19465, so he knows what you are working on.

## A great financier

**The Match King**, Ivar Kreuger, *the Financial Genius Behind a Century of Wall Street Scandals*, by Frank Partnoy, 2009, Perseus Books Group, New York, NY: Can be bought from Amazon.com, \$17.99 (hardcover) \$10.85 (softcover) plus shipping.

Few people in the U.S. today recall the name of Ivar Kreuger, the Swede known as “The Match King,” whose name was known to almost all in the 1920’s. Some of us seniors may have a dim memory of his name, but he is largely unknown to younger people today. Yet he had greater influence on the financial markets in the first decades of the 20<sup>th</sup> century than almost any other person. From a modest start, Ivar Kreuger built up a vast empire based initially on the manufacture of safety matches, but eventually extending to the control of hundreds of corporations and properties in Europe and the U.S. By 1929 he was claimed to be the “third richest man in the world.” In current dollars, his fortune probably exceeded that of some of the top-ranking wealthy people today such as Ingvar Kamprad of IKEA, Bill Gates of Microsoft, Warren Buffet, and others. It all ended with the collapse of his empire, and his suicide, in 1932.

Ivar Kreuger was born in Kalmar, Sweden, in 1880, the eldest son of an owner of several match factories in that city. He had five younger siblings, four sisters and a brother, Torsten. He was very bright in school

and graduated at age 16. He then studied at the Royal Institute of Technology in Stockholm, graduating with combined master’s degrees in mechanical and civil engineering in 1904. Soon after graduating he traveled abroad and worked as an engineer in the U.S., Mexico, South Africa, and other countries, but spent most of his time in the U.S. He worked for several engineering companies and became acquainted with a patented concrete/steel reinforcement system, invented by Julius Kahn. By 1907 he had obtained the rights to introduce the system in Sweden and Germany, and returned to Sweden. A cousin, Henrik Kreuger, was an expert in reinforced concrete construction, and Ivar and Henrik formed the construction firm of Kreuger and Toll, with engineer Paul Toll. A similar firm was formed in Germany with Anders Jordahl, a colleague from his time in America.

Within a few years, this new system became accepted and the firm worked on several large contracts including the construction of the Olympic Stadium in 1912, the foundation work for the new Stockholm Town Hall, 1913, and the department store *Nordiska Kompaniet* (NK) in 1914. Ivar Kreuger appeared to be the salesman, with cousin Henrik doing the engineering. These early successes led to Ivar beginning to focus on new companies and corporations, rather than construction. Kreuger and Toll, run by Paul Toll, remained the construction company, and a new company, Kreuger and Toll Holdings, was formed in 1917 with Ivar as the general manager and shareholder. Swedish banker Oscar Rydbeck became a close associate

and assisted Kreuger and Toll until the crash in 1932.

Meanwhile, the Kreuger family’s match factories ran into financial problems. Ivar and banker Rydbeck turned these factories into a stock corporation to raise capital. This new corporation became the base for the growth of the reorganization of the entire Swedish match industry as Kreuger acquired several other small match companies and soon merged with the largest match company in Sweden to form Swedish Match in 1917. By so doing and adding several match companies in Norway and Finland, Kreuger became a major competitor to large manufactures in other regions. By negotiating monopoly agreements with other countries in return for loans, Swedish Match then became the world’s largest match manufacturer. A U.S. affiliate was set up, and this group eventually came to control almost three-quarters of the world production of matches. This company became the prototype for many large international corporations which were to follow, many continuing until today.

After the First World War, Kreuger gained control of the forest industry and acquired majority shares in L. M. Ericsson Telephone, Boliden Mining, SKF Ball Bearings, and banks in Sweden, Germany, and France. By 1925-30, Kreuger organized loans to many of the struggling nations in Europe to speed up their reconstruction, in return for certain monopoly agreements to produce, sell, or distribute matches in the country. These loans were from capital raised by both Swedish and American banks. He developed novel ways of financing these loans, in-



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cluding non-voting shares, participating debentures, and other new types of investments. In the “roaring twenties,” investors were drawn to Kreuger’s record of high returns on shares and his carefully cultivated reputation for genius. By 1931, about 200 companies were controlled by Kreuger. By 1928, he had built a new building in Stockholm to house his ventures, called the “Match Palace,” (*Tändstickapalatset*) at 15 Västra Trädgårdsgatan, one of the most advanced buildings of its time with air conditioning, a modern telephone system, fine artwork and decoration, and other features.

At his peak success, Ivar Kreuger viewed himself as a prince of finance. His empire included some 200 companies, valuable real estate in Sweden, the U.S., and other countries, and he was financier and counselor to world leaders including President Hoover in the U.S. He had taken on the lifestyle of the rich and famous, with residences in five countries, at least three vacation homes in Sweden, motor yachts and plush hotel

suites, and he hobnobbed with the world’s famous personalities of the day. He claimed to be the discoverer of a young shopgirl in Stockholm, Greta Gustafson, whose career he assisted in becoming the famous recluse, Greta Garbo, and enjoyed the company of Hollywood stars and producers of the day. Yet he remained very private in his personal life, with few people knowing much about his activities. He moved frequently and maintained an aura of mystery to deflect questions about his empire and enhance his reputation.

Portnoy’s book describes in fascinating detail over 14 chapters the

amazing origin and growth of the Kreuger empire, from his birth in 1880 to his death at a still youthful 52 years of age in 1932, presumably by his own hand, when the collapse of his empire was certain. Exhaustive research is evident in the many records the author has reviewed, places he has visited, and persons he has interviewed, all recorded in a lengthy bibliography and endnotes. Kreuger was a genius at seizing the opportunities that were presented to him and turning them into tremendous growth. There was little regulation of investments at that time, and he was able to play fast and



Ivar Kreuger.

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loose with accounting methods; financial reporting and audits were cursory if they existed at all. He managed to compartmentalize all his associates and companies such that no one but Kreuger himself really knew what was going on in the big picture. He carefully built a reputation for detailed knowledge and an aura of success that led others who should have known better to invest heavily in his ventures with little or no questioning.

Kreuger's house of cards survived even when others began to fail in the crash of 1929. By virtue of his reputation and force of will, all continued as long as he was able to maintain growth and dividends, and continue to borrow money to meet his obligations. In the end, failure to obtain some \$11,000,000 to repay a loan, and the revelation that some Italian bonds he held were forgeries, triggered his final collapse. He knew it was coming and had bought a pistol in the final days, which he used on himself in his hotel room in Paris before the crucial meeting. Claims that he was murdered have continued to the present day and his brother Torsten wrote a book making this claim, but the matter has never been finally resolved. Certainly there would have been many with adequate motive, as the collapse became evident. The autopsy was cursory, and Kreuger's body was interred within a few days.

It is evident from this book that Ivar Kreuger was a brilliant and creative man, highly skilled in the art of negotiation, picking subordinates to suit his needs, and highly ambitious to succeed in all his undertakings. A major fault, however, was



*The "Match Palace" (Tändstickspalatset), designed by architect Ivar Tengbom.*

his lack of integrity in conveying with honesty his complex transactions, and his willingness to conceal or mask his activities from all inquiries. There is no mention anywhere in the book of any influence on Ivar of religious faith or practice. Perhaps if he had, he would not have been nearly as successful for as long as he was. His entire life and death brings to mind the well-known Biblical quo-

tation, "for what shall it profit a man, if he shall gain the whole world, and lose his own soul?" (Mark 8:36)

The author in his final chapter, 'Coda,' ponders the question of the legacy of Ivar Kreuger. Many wrote him off as a common crook, others said he did not cheat more than others, he just did it better. Some, most notably his countrymen in Sweden, saw him as a national hero

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## Swedish recipes

whose success was undermined by his competitors and his enemies. Some continue to pursue conspiracy theories, or the fact that he had concocted an elaborate escape plan and was not dead, but was in hiding. The author has concluded that the truth lies somewhere between that of financial genius and scoundrel, hero and villain, builder and destroyer. In the mid-thirties, many hearings were held in the U.S. and in Sweden to get at the truth. These resulted in legislation regulating the investment business in both countries and elsewhere. With the recovery from the worldwide Great Depression, many investors found there was some value left in their holdings, to as much as fifty per cent, and many of his corporations survive today as healthy, viable companies.

This book is particularly timely in the light of today's rather shaky recovery from the current world recession, the most severe since the great one of the 1930's. Kreuger's life brings to mind the Enron scandal of the 1990's, the more recent Ponzi scheme of Bernard Madoff, and other financial bubbles. In 1984, Ivar Kreuger made the top five list of financial scandals published by the *Financial Times*, ranking just behind the South Seas Bubble and the Mississippi Scheme of John Law. This book should be required reading for all students of finance and government, and for the public at large. Still, but for luck and circumstance, this larger than life figure could have as easily become simply another immigrant engineer to the U.S., living in Chicago as another penniless Swede seeking a job and survival in America.

Dennis L. Johnson

**A Swedish Kitchen, *Recipes and Reminiscences***, by Judith Pierce Rosenberg, 2004, Hippocrene Books, Inc., New York, NY, 207 pages, Ill., Amazon.com \$16.47 plus shipping.

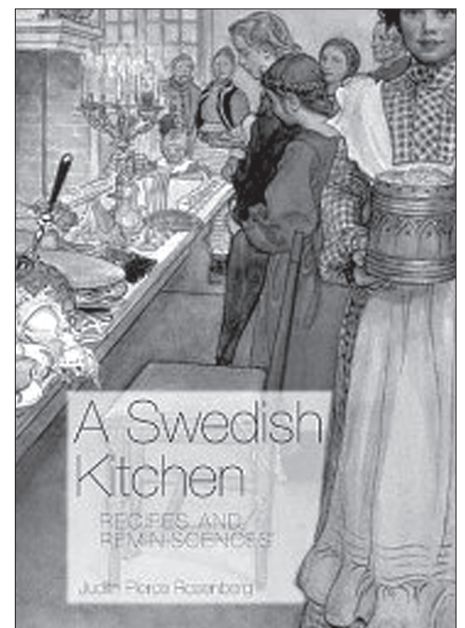
Not just a book of Swedish recipes, this book holds a great deal more. The last half of the book does contain cooking recipes for about eighty well-known and not so well-known Swedish recipes, ranging from appetizers to desserts, all organized by category. Of even greater interest is the first half of the book, a collection of brief essays about the history, origins, and customs which have resulted in the various dishes and traditional foods. Foods which are familiar to all Swedes, and to many Swedish Americans.

The author, Judith Pierce Rosenberg, is a free lance writer, teacher, and mother of two grown children. She divides her time between living in California and in Stockholm. She is an American, born in Wichita, Kansas, who met her Swedish husband in a commune in San Francisco in 1976, both age 19. They soon traveled to Sweden and she became captivated by the country and by Swedish life and customs. Presently, they have a home in the Stockholm archipelago as well as in Silicon Valley, California. She has been a student of Swedish cooking for over 15 years, and has assembled this book with the help of friends in Sweden and through travel to many locations in her adopted nation.

Swedish Americans will enjoy trying dishes from this collection of recipes and comparing them with

those they may have inherited from their own Swedish parents or grandparents. The author freely admits that the recipes she has collected vary from one province or part of Sweden to another, and even include a few touches of her own. Visiting many restaurants and talking to many Swedish friends and cooks was also an important part of her culinary education. She mentions that one of her first tasks, in order to try some of these new recipes, was to buy a set of metric measuring cups and spoons. Fortunately, she has converted all the recipes back to U.S. measures in the book.

The cook in your household will no doubt enjoy experimenting with some of these recipes for everything from breads to desserts. For me, who already has a good cook in my own house, the more interesting part of the book was the first half and the many historical traditions and customs to be found among these foods. You will learn more than you knew before about cloudbberries, crayfish, Lapland food, the bread and butter table, the Christmas *Smörgåsbord*,





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## Smiths galore!

and even the Nobel Banquet. Not even *lutfisk* is ignored, nor is blood sausage, and *Julskinka* (Christmas Ham). Your curiosity will be satisfied about why every IKEA store in the U.S. and elsewhere has certain foods in its food shop, and why your grandfather enjoyed eating certain foods that your children will not touch, even if bribed with large silver coins or chocolate.

I was especially intrigued by the author's account of a trip to Visby, Gotland, and her description of the town, which I have not yet visited. The high point of this visit was the enjoyment of a medieval feast, available only during the brief summer tourist season, at a restaurant named *Medeltidskrogen Clematis*. The food served was an "affluent medieval platter," which began with

a wood bowl filled with sliced apple and sausage, chunks of cheese, smoked mutton, shelled hazelnuts, and candied rose petals. Another wooden dish brought one of the main courses, lamb cutlets, spareribs, and chopped cabbage braised in honey, the entire meal eaten with one's hands. The event was topped off with a performance of breathing fire, a spectacular show. This repast would certainly have brought to mind Viking days of a thousand years ago.

Not being Swedish born, I cannot vouch for the accuracy of all the recipes or the traditions described in her book, but to this Swedish American they certainly appear to be plausible and well-researched by Judith Rosenberg. Most households interested in the history of Swedish foods and stories about Swedish culinary traditions will find this volume both a useful recipe book and a very interesting book to read.

Dennis L. Johnson

*Svenska Smedsläkter 2*, published by the Smiths' Genealogical Society (*Föreningen för Svenska Smedsläkter*), 2009, 358 pages softcover. Price 260 SEK + postage. Contact Ulf Berggren at <ulfbulfb@yahoo.se> (in Swedish)

This book contains family genealogies for the following smith's families: *Aldrin, Bruska, Göthberg, Hammar, Hane, Lang, Lindberg, Lodén, Lundström, Lybeck, Lögdqvist, Nordahl, Palm, Ringel, Spångberg, Ståhle, Sverkström, Taberman, Tjernlund, Vieweg, Wahlquist, Wård, and Öhman*. Mostly the articles start with the oldest known direct ancestor and then follow the family members up to about 1800. The society has used this time limit, as it is much easier to follow people after 1800, and also there are fewer individuals to research in the 1700s.

## New and Noteworthy

(short notes on interesting books and articles)

In the recent issue of the *Swedish-American Historical Quarterly* (January 2010) there was an interesting article by Marion T. Marzolf about "The Swedish Presence in Twentieth-Century American weaving." In the article she tells about the decline of American home weaving during the industrialization period, and how small cottage industries later were started in, for instance, the Appalachian mountains as a way for the women in these poor areas to make some extra money. This was partly based on the influence from Swedish immigrant women, who continued home weaving from tradition, which also was strong in Sweden during the Arts and Crafts era in the late 1800s and early 1900s. The weaving schools sent students to Sweden to learn more about weaving techniques from *Handarbetets Vänner* and other well-known institutions.

In this issue is also told the story about the "Scandinavian Department of the Salvation Army in the U.S.," by Milton E. Nelson.

*Family Tree Magazine* (already dated July 2010 (!)), has, as usual, a number of useful articles for genealogists, but not particularly geared towards the Swedish ones (which is not to be expected.) In this issue we can learn much more to get the best out of Facebook and other "social media". I hope you have noted that SAG now has its own page on Facebook? Most of the people on Facebook are younger ones, and that can be very helpful when you are trying to fill out your database with the younger generation.

Soap making might not sound like an interesting topic in genealogy, but actually the article on this subject in the July *Family Tree Magazine* is quite fascinating. You will read about the ways that soap making was handled in Old England, where the tax people required the soap maker to have padlocks on his pans, and a taxman had to be present at each boiling. It seems obvious that the soap became very expensive, and people made do with what they could produce themselves from tallow, birch ashes and more.