

HOW GULBENKIAN BECAME MR. FIVE-PERCENT

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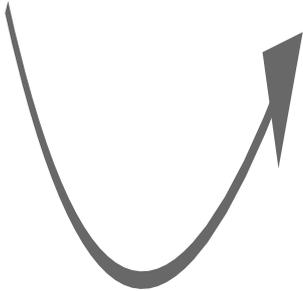
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 **John Walker**, "Horizon" Magazine

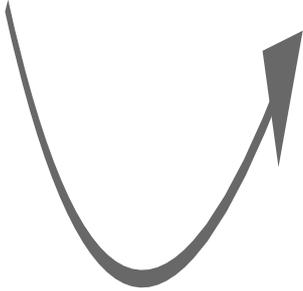
This is an abridged version of the 16-page article which appeared in "Horizon" magazine (Summer 1970). The now-defunct quarterly was a leading North American art, literature and history magazine in the '60s and the '70s. Although the world knew Calouste Gulbenkian as a giant of the global petroleum industry, there was more to the Armenian entrepreneur than petroleum exploration and merchandizing.—Editor.



The Gulbenkian Collection, the greatest in breadth and standard of quality assembled by one person in our times, has become public property. A new building has been erected in Lisbon, both as a museum and as offices for the Gulbenkian Foundation, one of the world's largest. Collection and foundation are presided over by Jose de Azeredo Perdigao, a brilliant lawyer to whom Calouste Gulbenkian entrusted the drafting of his will and whom he appointed as one of his testamentary executors. More than anyone else Perdigao is responsible for the works of art going to Lisbon. The collection is already a pilgrimage site for lovers of art and the foundation a site for petitioners for grants. Thus the genius of a little-known Armenian has restored Lisbon an elan missing since the Second World War.

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The collection includes art nouveau jewelry by Rene Lalique, ancient Greek coins, the obsidian head of Amenemhet III of Egypt, Tabriz rugs, Rembrandt's "Portrait of an Old Man" and "Pallas Athene", Fragonard's "A Fete au Rambouillet", Rubens' portrait of Helena Fourment (from Catherine the Great's collection), Paul Chabas' "September Morn" and works by Gainsborough and Maurice Quentin de La Tour.

Although Gulbenkian might not have approved the spare, modern architecture of the building, he would have loved the seventeen acres of garden surrounding it. For the contemplation of natural beauty was his greatest delight, and every day for months on end he passed hours in the parks of Lisbon, sitting on a camp chair, meditating and dictating to his secretary.

Before meeting Gulbenkian I knew that among other assets he owned 5% of all the oil in Iraq; that although he was Armenian and thus a subject of the Ottoman Empire, he had become a British citizen, while at the same time he held an Iranian diplomatic passport, and that, obsessed with privacy, he avoided interviews and photographs. He had become the most mysterious man of our era.

What charmed me about Gulbenkian was his devotion to aesthetic values. He had amassed hundreds of millions of dollars, but he seemed desperately anxious to explain to me that his vast sum of money held no basic interest for him. It was the organization he had created—the beautiful structure, the balance of interests, the harmony of economic forces—that gave him joy and

satisfaction. His masterpiece was Iraq Petroleum Company. It was as architecturally designed, as faultless in its composition, he felt, as Raphael's "The School of Athens".



His family, distinguished members of the Armenian community in Constantinople, had for many years been in the business of importing and exporting oil. As a young graduate of London University, he learned early how to deal successfully with both the international oil interests and the Turkish rulers. Indeed, it has his report on Mesopotamian oil that made Hagop Pasha, director of the Sultan Abdul Hamid II's major asset, apart from the estimated 30,000 women in his harem, was the vast reserve of petroleum. In gratitude Hagop Pasha told young Gulbenkian, "My boy, you ought to be very proud because you served the Treasury of His Majesty, and to serve His Majesty's Treasury is to serve your conscience." There was no other compensation, not even one concubine, which the sultan, one would think might have been able to spare.

But Gulbenkian was a man of infinite patience. He foresaw the revolt in 1909 that put the Young Turks in power. In 1910 he was instrumental in setting up the National Bank of Turkey, which was a British front for obtaining concessions for the exploitation of Mesopotamian oil. Through his efforts, the bank went through metamorphosis and became the Turkish Petroleum Company. The Germans got 25% interest, the British took 35%, and Gulbenkian was allowed to distribute the remaining 40%. This he did by giving 25% to the Royal Dutch Shell and by retaining 15% for himself. Drilling was postponed because of WWI. The defeated Germans lost their share to the French and the Americans. Thanks to politics, Gulbenkian's share shrank from 15% to 5%. Henceforth his nickname was Mr. Five-Per-Cent.

He was convinced that the oil resources of the Middle East extended into Saudi Arabia. For many years geologists employed by his partners insisted that he was wrong. If he was right and oil was found, he wanted to be sure he received his share. Thus in every contract he insisted on what came to be known as a "self-denying" clause. To achieve this, he had to persuade each partner in turn that the others were untrustworthy. Urged on by Gulbenkian, they made a pact, known as the Red Line Agreement that provided for mutual exploitation of all oil found within the boundaries of the Ottoman Empire. But when oil was finally found in Saudi Arabia, Gulbenkian's partners tried to deny him the benefits. In the end, by brilliantly playing one partner against another, the balance of power he had so carefully arranged won him a fair settlement, and as a consequence, many more millions of dollars.

The last time we met he told me he had finally made a will. To my surprise he told me that for tax reasons he was establishing his foundation in Portugal; but, he said, there was an important provision that would enable his trustees to remove the foundation to any other country if this proved to be advisable. He added that he would instruct his trustees about the disposition of his collection, and that Washington was very much in his mind as the final destination of his massive art collection.

We parted; he returned shortly afterward to Lisbon, fell ill, and I never saw him again.

After Gulbenkian's death no instructions about the collection were found. What did I have to show for investing years to persuade him to donate his art collection to the U.S? A generous contribution for music from the Calouste Gulbenkian Foundation and my friendship with a remarkable human being. Calouste Gulbenkian had striven all his life to make his every activity a work of art.

