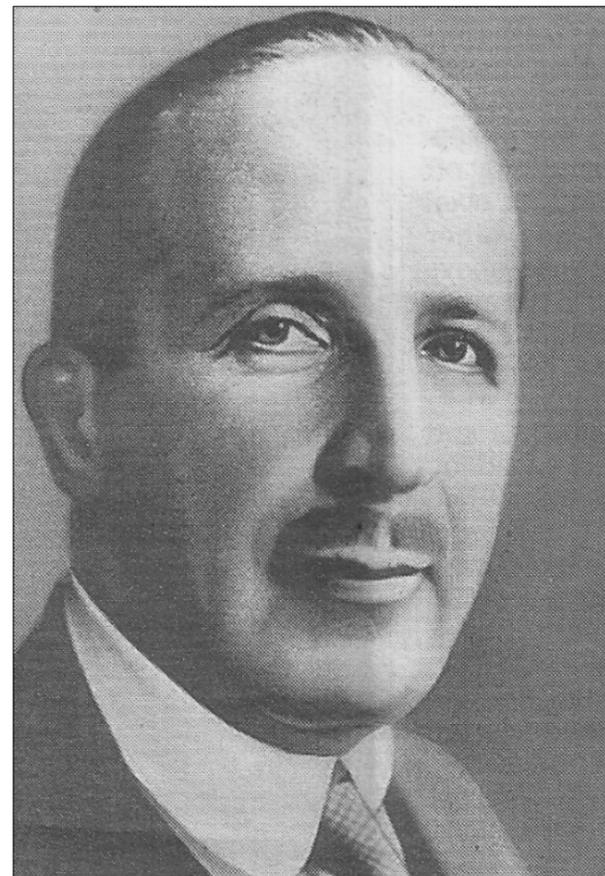


This article takes a different look at the Celanese factory in Spondon. Although not part of Chaddesden, many Chaddesden folk worked there over the years. The article first appeared in Derby Telegraph Bygones in 2014 and original text was by Paul W Morgan. Many thanks to the Bygones and Mr Morgan for this interesting insight into local history.

The Spondon Pong

Swiss chemists Henri and Camille Dreyfus made a fortune in the First World War from the manufacture of cellulose 'dope' and an ingredient of poison gas at their Spondon works. But the operation was dogged by scandal, as Paul W Morgan recounts.



Above: Henri Dreyfus
Below: Camille Dreyfus

Derby residents may well remember the noxious Spondon pong but they probably don't realise that the chemical works in the village gave rise to an even greater whiff, one of scandal. The affair wrote Derby's name in international headlines with rumours of profiteering, betrayal and, ultimately, of murder. The industrial unit that towered over Spondon had its genesis far away in Switzerland. It was there that the two chemist brothers worked for the first years of the twentieth century. They developed a method of production for cellulose acetate and in 1912 they established a factory in Basle.

Henri and Camille Dreyfus were astute businessmen and they saw the potential offered by the ability of man to fly. The Wright brothers had built the first practicable aeroplane in 1903. Others soon followed them into the air and they covered the flimsy wooden framed wings of their machines with fabric. This fabric needed tautening and cellulose acetate, soon to be known as dope, was a vital ingredient in this process.

A phenomenal proliferation meant the handful of flying machines being built rose to 3000 a year in Britain alone by 1918. The Dreyfus fortune was assured by the First World War. As the war clouds gathered over Europe, Britain had been anxious to secure its own supply of dope. With Henri and Camille being the only source, a supposedly exclusive contract was drawn up. At the same time the Government searched for a suitable British factory site. Crucially it settled on Derby and land was purchased from the local corporation.

The contract initially guaranteed at least 100 tons of cellulose acetate be produced but allowed for supplies to be imported from Basle. Production from Spondon was promised from 1915, then 1916 but it was not until 1917 (and with another injection of government cash) that the grandly titled British Cellulose and Chemical Manufacturing Company (BCCM Co) was able to deliver small amounts of dope. The company was floated with a small share capital of £4000 and the stock was only offered to the public in units of 6d.

The risks were borne by those who bought bonds with fixed rates of interest but no extra profits. Friends of Henri and Camille who had substantial holdings were given shares. The brothers thus retained majority control without

having to pay for it. On the Western Front, after Britain had followed Germany in using gas as a battlefield weapon, another insistent demand followed that for dope, poison gas, which needed acetic acid in its manufacture. Messrs Dreyfus obliged and more government money poured into Spondon for a 190-acre extension.

By the end of the war the profits for the new BCCM Co had grown astonishingly. War Office contracts alone were reckoned to be worth more than £150 million. After the war fortune continued to favour the company with the development of artificial silk. This process also needed acetic acid. However, trouble was brewing. A serious rival to the firm was Courtaulds who had started producing an alternative brand of artificial silk. The Courtaulds product, it transpired, had a serious disadvantage in that when flappers went out in the rain, their silk dresses disintegrated and were ruined. Courtaulds was determined to break the Dreyfus domination of the market and a campaign was initiated to discredit BCCM Co.

Stories began to circulate of underhand dealings. Members of Parliament were lobbied and questions were tabled. Conservative Sir Fred Banbury was moved to thunder, 'A more disreputable transaction has not been brought to the attention of the House.' A long list of disclosures caused national outrage and there were allegations that the company had played one government department off against the other; it had reneged on promises; it had illegally erected buildings; it had diverted British funds to found an American offshoot; it had issued debentures without Treasury knowledge and there were no official curbs on the operation. It transpired that one member of the advisory committee to the Ministry of Munitions even held 4350 company bonds. Worse of all, it became known that the Dreyfus brothers had been supplying dope to the German Air Force.

The subsequent inquiry was severely critical of what it called, 'The very successful manufacturing of money.' The government was very embarrassed by its own complicity but it was obviously against British interests to see the Spondon factory disgraced so a whitewash was implemented. Blame was laid on wartime administrative chaos rather than criminal intent. There was no evidence of exploitation and the Dreyfus monopoly was deemed justifiable. The company engaged the foremost King's Counsel to bring libel writs against the Daily Chronicle and the Saturday Review which had published the most damaging article. The only action taken against them was the cancellation of tax concessions and very much on the QT [?] new orders were placed and extra money was funnelled into BCCM Co.

The company went public in 1920 but the necessary funds for artificial silk failed to materialise. The situation became critical and in 1922 as Camille built up the American organisation Henri was forced to make an unexpected and crippling link with a fabulously rich Belgian financier, Alfred Lowenstein. Dreyfus got the backing that he required but in return, amongst other advantages, Lowenstein received royalties on every bolt of 'silk' produced. For the next 4 years the Dreyfus profits went straight to Lowenstein. Even worse, other companies with which Lowenstein had links began to acquire the formerly exclusive manufacturing process. Henri felt he had to fight back to salvage his empire and he eventually succeeded in forcing the financier out.

Lowenstein, not to be out manoeuvred promptly concentrated on creating an international cartel of artificial silk producers. He also acquired a stake in Courtaulds. It had cost Henri Dreyfus £500,000 to buy out Lowenstein. Facing growing commercial opposition Henri determined to ruin his erstwhile backer and so he masterminded a campaign to discredit him. Quite ignoring his own dubious deals in Spondon Henri had details publicised of secret agreements between Lowenstein and associates. In culmination there were accusations, printed in Belgian newspapers to avoid the stricter British libel laws, that investors had been defrauded. The press had another field day with Lowenstein. Just as with BCCM Co, revelation was mixed with speculation. At the height of the outcry there was an even more sensational climax, Alfred Lowenstein had suddenly disappeared from the face of the earth.

In July 1928 on a business trip to Europe Lowenstein had vanished from an aircraft flying at 4,000 feet over the English Channel. The crew maintained that he must have fallen out of the rear door which was found unsecured. No significant facts subsequently emerged to solve the mystery. Theories ranged from accident to suicide and even murder. Was Henri Dreyfus behind a grimly successful plot? It has never been proved but certainly Henri's position improved considerably with Lowenstein's removal from the arena.

Whilst Camille continued to supervise years of untroubled profits, he died in the United States of old age, Henri ran into further difficulties in Spondon. The factory was enlarged so that by the 1930's employees numbered some 8,000. Profits, however, were eaten away in expensive legal actions to protect his patents. Not until 1944 did the company pay out its first ever dividend on ordinary shares. In a final irony the company then became part of Courtaulds and by the end of that year Henri Dreyfus himself was dead. It was the end of a very controversial era.

Paul W Morgan. Derby Telegraph Bygones June 2014



See also: https://en.wikipedia.org/wiki/Henri_Dreyfus
[https://en.wikipedia.org/wiki/Camille_Dreyfus_\(chemist\)](https://en.wikipedia.org/wiki/Camille_Dreyfus_(chemist))
https://en.wikipedia.org/wiki/Alfred_Lowenstein