
A CENTURY IN

OIL

The "Shell" Transport and Trading Company
1897 - 1997



Stephen Howarth

No other single industry has affected 20th-century civilization more rapidly or more profoundly than that of oil. The century was nearly half over when the nuclear age began and the computer revolution swept the world. Throughout the 20th century, oil has been the great enabler providing from one basic resource a rainbow range of products.

Based upon unrestricted access to company archives, *A Century in Oil* marks the 100th anniversary of The "Shell" Transport and Trading Company one of the parents of the Royal Dutch/Shell Group. By most measurements Shell is the largest oil enterprise in the world, and the largest organization of any kind in Europe. In a phenomenal industry, Shell could fairly claim to be a phenomenon in its own right – global in scope but always human in scale. *A Century in Oil* tells the frank and dramatic story of a company – daring, inventive, and sometimes controversial – whose work has touched, and continues to touch, all our daily lives.

Front Cover:

Coin recovered from the sea from the lost city of Tarentum (now Taranto) in Southern Italy and dated early 3rd Century BC
Bronze approx. 14mm.

Courtesy Trustees of The British Museum

Jacket Design by Terry Anthony

Price in the UK only

£25.00

*James H. Doolittle,
the Tokyo air-raid leader,
in 1969*



average about 14% of the total; and the fact that it could was a tribute both to Doolittle's powers of persuasion and his senior managers' faith in an untried business.

The 1930s had proved a difficult and unpredictable decade for Shell Transport and Trading – the Depression, the successful move into chemicals, the increasing politicization of oil as governments of both extremes came to power. Yet even if none of that had occurred, it would still have been a climactic time, for on 17 November 1936 Sir Henri Deterding retired. He was then a few months over 70 years old. His forty years in the oil business included twenty-nine as an executive director of Shell Transport and Trading (in modern terminology, a Group Managing Director) and thirty-six as General Manager (that is, president) of Royal



Dutch. He had been a decisive, governing influence in Shell Transport, and in almost complete charge of Royal Dutch, for more than half his life: he had become a dominant force throughout the world-wide industry, earning the respect of almost everyone who knew him, and often their affection too. Naturally, therefore, his departure engendered a considerable sense of loss; and yet it was not entirely unwelcome, for as he had grown older he had become rather an embarrassment to his colleagues.

Given all his achievements, this is an unhappy story, and one which has caused lasting distress within Shell Transport and Royal Dutch; but it is as much a part of the history as the more glorious days, and enough time has passed for it to be seen in some perspective.

Briefly, Deterding had become increasingly right-wing, bordering, some said, on the megalomaniac. His memoirs, published in 1934, were a masterpiece of vanity and egocentricity, reading as the self-portrait of an autocrat. For example, there was his talk with Mussolini – ‘a man who, regard him as you may, has shown a driving force almost unparalleled in running a country’. Deterding decided that this conversation:

proved that there were several points on which we saw eye to eye. We both agreed that the coping-stone of Education is a sense of discipline and a respect for prestige, lacking which no youth can be considered to have been properly educated at all... To people unacquainted with the Italian character his manner in public may seem at times to be a trifle theatrical, but what chiefly interested me at our meeting was that he seemed so direct. One felt that, if faced with a difficulty, he would get out his sledge-hammer and strike straight at its root.

So too would the ageing Sir Henri. When he wrote that, he was 68. Many people, as they grow older and see the world changing around them, become more conservative, with a hankering for ‘the good old days’ and a growing belief that things are not what they were. With Sir Henri the process was becoming somewhat marked. In the same text, he wrote this memorable sentence:

If I were dictator of the world – and please, Mr. Printer, set this in larger type – I WOULD SHOOT ALL IDLERS AT SIGHT.

But in a world where millions of working men and women were idle through no fault or desire of their own, Deterding’s colleagues (particularly in The Hague) were very sensitive to the public display of such sentiments, and still more so to his open admiration of what he perceived as the firm government which had recently been elected in Germany.

Back in 1914, just before the outbreak of the Great War, Britain’s Admiral Fisher had written to Winston Churchill: ‘I have just received a most patriotic letter from Deterding to say he means you shan’t want for oil or tankers in case of war – *Good Old Deterding!* How these Dutchmen

do hate the Germans!' The roots of this antipathy may be summarized as the reaction of an economically strong yet militarily weak nation towards a neighbour whose qualities were the exact opposite but whose language – the cardinal identifier of nationhood – was similar. The strength of feeling among 'these Dutchmen' was such that in 1934 (the same year as Deterding's memoirs appeared) the Netherlands Ministry of Education decreed that English translations of documents originating in Holland should henceforth use only the adjective 'Netherlands'; the use of 'Dutch' was banned, since it could too easily be confused with 'Deutsch'.

Once upon a time, seeking to tell Deterding how much he admired his financial genius, Marcus Samuel said to him: 'I am going to pay you the highest possible compliment. You ought to have been born a Jew.' There is no record of how Deterding received the intended accolade, nor is there any indication that he was particularly pro- or anti-Semitic. But he was violently anti-Communist, and after his retirement he lived neither in his native country, Holland, nor his adopted country, Britain. Instead he bought an estate in Germany, settled there with his third wife, and at his death in February 1939 was buried there too.

The new Lady Deterding was German. In a striking lack of imagination on Sir Henri's part, she was also his former secretary; and because the Nazi regime was visibly restoring order to her country's chaotic economy, she was very much in favour of it. So was Sir Henri, who saw the disciplined economic aspects of Nazism as the world's most powerful weapon against Communism. The Nazis, eager even after his death to exploit the publicly-avowed support of this world-famous individual, virtually hijacked his funeral: Field Marshal Goering, chief of the German air force, sent a wreath; so did Hitler himself; and, even Germanizing his name, the functionary who represented them said as he laid the wreaths: 'In the name and on the instructions of the Führer, I greet thee, Heinrich Deterding, the great friend of the Germans.'

To his former colleagues both in Shell Transport and Royal Dutch, these events were intensely painful and hard to come to terms with. Recalling his irrational and damaging price war in 1927 against buyers of Soviet oil, and his high-handed 'colonial' treatment of the left-wing Mexican government in 1934, some wondered privately if he might have been going mad. Probably he had not; rather, traits that he had always possessed – simplicity of outlook, clarity of goals, strength of character and forcefulness of speech – had become accentuated by old age. By then, their expression was crude and humiliating. In his youth and middle age, though, the same traits had been priceless business assets. Using them, he had rescued Shell Transport from virtually certain extinction, and had built its fortunes, together with those of Royal Dutch, to an level which simply would not have been credible when he began; so both as a friend



and an inspiring leader, his passing was genuinely mourned. At his memorial service in London, which took place at the same time as the Nazi-dominated funeral in Germany, Robert Waley Cohen – Jewish to the core – read the lesson. Walter Samuel had wanted to, but could not: he was attending the Palestine Conference, one of many contemporary efforts to win Arab approval for the establishment of a Jewish national homeland. Tainted by his late and brief association with the Nazis, Deterding left the saddest possible memory for his former colleagues, whether Jewish or Gentile, Dutch or British; but the man they all liked and admired had, in truth, died several years before.

*Sir Henri Deterding, KBE,
1866–1939*





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