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## Sir Henri Deterding and Royal Dutch-Shell: Changing Control of World Oil 1900-1940. (Book Reviews).(Book Review)

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PAUL HENDRIX, Sir Henri Deterding and Royal Dutch-Shell: Changing Control of World Oil 1900-1940 (Bristol: Bristol Academic Press, 2002. Pp.viii + 278. H/back ISBN 0 9513762 8 4; [pounds sterling]45).

Paul Hendrix, who died in 1999, had three years earlier published (in Dutch) a biography of his fellow Dutch citizen, Henri Deterding, who created what became Royal Dutch-Shell and dominated European and global oil affairs from 1900 into the 1930s. Hendrix also composed a three-page entry on Deterding for the Biografisch woordenboek van Nederland Vol.2 (1985). The book under review, completed after the author's death by friends and colleagues, does not build on that informative and well-balanced article.

For example, Hendrix blames the First World War on Winston Churchill, who allegedly realised that Britain could grab the Middle East's oil by involvement in a war on the Continent. Churchill therefore induced the Foreign Secretary, the 'weak' and 'xenophobic' Sir Edward Grey, to propose secret naval treaties with both France and Russia. When these proposals were leaked to the Germans, the militarist faction in Berlin had their excuse for 'taking refuge in a preventative war' (pp.136-7).

The best parts of this volume are the initial chapters on Deterding's family background and early career. Hendrix starts helpfully by explaining that the price of world oil could best be controlled by a swing producer keeping global demand and supply in balance. From 1902 onwards Deterding strove to secure that equilibrium, partly by setting up the Asiatic, a distribution company made up of Royal Dutch, Shell--which he acquired in 1907--and certain Russian oil interests. Hendrix then describes the jolt inflicted on Deterding's grand strategy by an inconsiderable British company, Burmah, discovering huge oil reserves in Persia (now Iran) and in 1909 floating Anglo-Persian, later BP.

Hendrix has no time for the assorted bunch of-- mainly Scottish--East India merchants

who (mis)managed Burmah and its offspring, dismissing them severally with uncivil epithets. Greenway is splendidly seen off as 'brash, cocky, impudent', forever intriguing, 'a compulsive liar, unscrupulous and ruthless' (p.120), incompetent and recklessly obstinate (pp.201, 209). 209). That was the same Greenway who, much to Deterding's chagrin, as Anglo-Persian's chairman from 1914 to 1927 persuaded the British government to purchase a controlling stake in his company, which he built up into a vertically integrated oil major. Hendrix fails to acknowledge Whitehall's conviction that direct investment in oil was essential because the Royal Navy was converting its warships from coal to oil. As Britain lacked domestic supplies, it had to take steps to avoid being held to ransom.

Despite this setback to his plans, as soon as war came in 1914 Deterding generously placed all the Royal Dutch-Shell resources at the allies' disposal. Yet after 1918, according to Hendrix, the ungrateful British were the main culprits in frustrating Deterding's attempts to exclude American interests from the emerging oil bonanza in the Middle East, thereby exacerbating the problems of world oil over-production. In 1928, therefore, Deterding invited Greenway's successor, the (epithet-free) Cadman and the chairman of Esso, Teagle, to Achnacarry Castle; the absent host was plain Cameron of Lochiel, here wrongly ennobled as an earl (p.229). The secret 'As-Is' agreement effectively froze the current distribution system, set up a global price structure and encouraged co-operation to minimise transport costs.

After that triumph, Deterding seems to have become a kind of loose cannon in Europe, his wayward actions alarming not only the UK and Dutch governments but also the British directors of the Shell group, from which he refused to retire as managing director until 1936. He was clearly swayed by successive wives, the second of whom, as a White Russian, turned him into an ardent anti-Communist. In 1936 his new German wife prevailed on him to move to Germany. where (according to Hendrix's biographical entry) he became an admirer of Hitler's economic miracle. The Shell people believed him to be discussing with Berlin a plan to deliver a year's supply of oil to Germany on credit. When he died early in 1939 and his wife, against family wishes, had him buried in that country, the regime exploited the burial as a propaganda coup, and the Foreign Office in London incorrectly feared lest his Shell shares might fall into German hands. Hendrix's inadequate account of this episode scarcely justifies the claim in the blurb that he 'rejects the allegation that Deterding became pro-Nazi in later years'.

Hendrix makes no systematic attempt to portray Deterding as a person, for instance his mercurial nature, apt to fly into a temper if thwarted in any way. We are not told that he was made an honorary KBE in 1920 for his war services. As a Dutch subject he should not have been called Sir Henri, and the book's title is just plain wrong. A comprehensive and impartial treatment of his career sadly remains to be written.

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