

**Sammelrez: J. L. van Zanden u.a. (Hrsg.):  
A History of Royal Dutch Shell**

van Zanden, Jan Luiten; Jonker, Joost ; Howarth, Stephen; Sluyterman, Keetie (Hrsg.): *A History of Royal Dutch Shell. Vol. 1: From Challenger to Joint Industry Leader, 1890-1939: A History of Royal Dutch Shell*. New York: Oxford University Press 2007. ISBN: 978-0-19-929878-5; 566 S.

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Weighing nine kilograms (20 lbs.) and consisting of more than 1,800 pages, this four-volume „History of Royal Dutch Shell“ literally stands as a monument to oil. Published to commemorate the centennial anniversary of the 1907 combination between Royal Dutch Petroleum and Shell Transport and Trading Company, the sheer physical magnitude of the production is matched by its scholarly achievement. Under sponsorship by Royal Dutch Shell, a team of four historians associated with Utrecht University have compiled and interpreted an exhaustive amount of documentation – archival, photographic, and moving picture – to give us perhaps the most comprehensive and balanced account

possible of one of the towering giants in the petroleum industry. This is a rare achievement during an age (especially in the United States) when sponsored efforts to examine an organization’s history, „warts and all,“ tend to get compromised or killed.<sup>1</sup>

Simply clutching and reading this production is challenging. It is not made to curl up with in an easy chair or to rest on your bedside table. The narrative is dense with analytical sophistication and heavy with discussions about the intricacies of corporate finance and organization. The three main volumes include more than 1,000 brilliant photos, maps, and illustrations, some of which unfold into four-page panoramic displays. Each volume is accompanied by its own DVD, complete with a documentary video, historical films („Pearls from the Archives“), and a slide show of photographic images. This series is an imposing presence for both scholars and average readers.

Royal Dutch Shell is a sprawling industrial empire with a rich and varied history. Already by 1935, the „Group,“ as it was commonly known, employed 180,000 people worldwide. It was formed through a famous alliance in 1907, in which Royal Dutch Petroleum, led by the brilliant but autocratic Henri Deterding, united its interests with Marcus Samuel’s Shell Transport and Trading Company. „From Opposite Ends Toward a Common Purpose,“ according to the first chapter of volume one, Royal Dutch Petroleum claimed a 60:40 advantage in the alliance and control over management, but the combined entity always presented itself as British, adopting the Shell brand and logo for its worldwide products and operations. Both Royal Dutch and Shell became holding companies for the three basic operating companies: N.V. De Bataafsche Petroleum Maatschappij, the Anglo-Saxon Petroleum Company, and the Asiatic Petroleum Company. Each of these companies and their subsidiaries was a legal entity, together loosely comprising the Royal Dutch/Shell Group, even though the Group itself did not exist in law anywhere in the world.

<sup>1</sup> Joseph A. Pratt, Warts and All? An Elusive Balance in Contracted Corporate Histories about Energy and Environment, in: *The Public Historian* 26 (2000), p. 19-36.

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Writing a history of such a vast industrial enterprise forces a choice between, as the authors put it, „top-level“ versus „local-level“ decision-making. In the business history tradition of Alfred Chandler, they chose the former, looking at „strategy, and the structure that followed from it; and on long-term performance“ (p. 6). Five themes emerge from this research agenda and are sustained throughout the three volumes: operational spread, internal organization, competition and performance, innovation, and the role of politics. At times, one wishes for greater attention to how top-level decision-making played out at the national and local levels, or to the ways in which the Group was constituted from the bottom-up as opposed to top down. But it would hardly be fair to claim that this project is limited in scope. Besides, ground-level accounts of the Group’s operations in various countries, such as the United States, can be found in other book-length studies.<sup>2</sup>

The early history of Royal Dutch and Shell also has been told many times before, most recently in a sponsored study of Shell Transport and Trading by Stephen Howarth, the co-author of volume two<sup>3</sup>, and most extensively by Frederik Carel Gerretson’s classic four-volume „History of the Royal Dutch,“ which, believe it or not, only covers the period before World War I.<sup>4</sup> The first volume in the new series draws on Gerretson plus many other original sources gained from unrestricted access to the Shell Archives in London and The Hague. Bringing the narrative forward to the eve of the Second World War, Joost Jonker and Jan Luiten van Zanden document the fascinating tensions and accommodations between the two very different corporate and national cultures embodied by Shell and Royal Dutch. They cover the Group’s crucial contributions to the Allied caused during the First World War, the Group’s use of access to British finance and the British empire to undertake an ambitious global expansion in the 1920s, and the big push into research and chemicals during the tumultuous decade of the 1930s. The authors are also very forthright about the frictions that emerged within the Group as Deterding pushed a new strategy „emphasizing product quality over volume

and stable profitability over growth“ (Vol. 1, p. 414) and as he developed sympathies with Nazi Germany prior to his retirement in 1936 and death in 1939.

Volume two takes readers through the trauma of World War II, when the Group suffered dislocation, reduced production, and the loss of manufacturing and tanker capacity. Out of the devastation and hardship, however, rose a new management and organizational structure that eased many of the tensions between British and Dutch managers. Under the leadership of John Loudon, „the most influential of the Group’s leaders in the two decades following the war“ (Vol. 2, p. 106), the Group embarked on a decentralized expansion, permitting national operating companies to grow and flourish in their distinct cultural and political environments. Working again from the wide range of materials from the Shell archives, Howarth and Jonker reveal for the first time the full complexity of the Group’s managerial and financial relationship with its increasingly vital but partially owned operations in the United States, which has long been opaque to outside observers. They also analyze the key shift in the Group’s E&P focus from Indonesia to the Western Hemisphere. The final chapters of this volume examine the struggles of the Group, as a „crude short“ organization, to shift E&P resources to offshore operations and non-OPEC countries and to build up formidable downstream and petrochemical businesses.

Volume three, by Keetie Sluyterman, covers the Group’s efforts to remain competitive during the turbulent years that began with the OPEC embargo of 1973. It provides a unique and invaluable perspective on this critical era from inside an oil major. Like its rivals, the Group found its share in crude oil reduced by the nationalizations of the 1970s, forcing it to search in more inhospitable en-

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<sup>2</sup> See, for example, Kendall Beaton, *An Enterprise in Oil: A History of Shell in the United States*, New York 1957; and Tyler Priest, *The Offshore Imperative: Shell Oil’s Search for Petroleum in Postwar America*, College Station, TX 2007.

<sup>3</sup> Stephen Howarth, *A Century in Oil. The „Shell“ Transport and Trading Company 1897-1997*, London 1997.

<sup>4</sup> Frederik Carel Gerretson, *History of the Royal Dutch*, 4 vols., Leiden 1953-1957.

vironments, such as the North Sea, and experiment with ill-fated strategies of diversification into metals, coal, and nuclear energy. Through the 1980s and 1990s, the Group was slower than its competitors in adapting to low prices and structurally low profits. Meanwhile, its long-polished reputation suffered as a result of its controversial presence in South Africa, protests against the sinking of the Brent Spar, an oil storage installation in the North Sea, and concerns about its environmental and human rights transgressions in Nigeria.<sup>5</sup> In the mid-1990s, the Group initiated a long and painful process of restructuring, slashing costs and personnel, divesting from the chemical business, and reorganizing its various functions on a more centralized and global basis.

The Group's dramatically improved performance, however, was overshadowed by a scandal in 2004 over oil and gas reserves accounting that led to the resignation of three senior executives. In order to regain the trust of the financial markets, the Group overhauled its governance structure and formally merged Royal Dutch and Shell into Royal Dutch Shell PLC, which was, as the final chapter describes it, „The Merger of 1907 Taken to its Logical Conclusion.“ One does not have to accept this teleology to admire Sluyterman's measured and insightful interpretation of the corporate dramas playing out around her as she worked on the perilous task of bringing the history closer to the present.

In the short space of this review, it is impossible to do justice to all the treasures contained in „A History of Royal Dutch Shell.“ It will most likely be treated as an encyclopedia, a sourcebook consulted by anyone writing about the history of oil and energy. But for those who have the endurance to wade through all the volumes in the series, it will open up new vistas on the broader history of the twentieth century.

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<sup>5</sup>For books detailing these concerns and offering a more critical perspective on Shell environmental and human rights record than presented in this official corporate history, see Ian Cummins / John Beasant, *Shell Shock: The Secrets and Spin of an Oil Giant*, London 2005; Jack Doyle, *Riding the Dragon: Royal Dutch Shell & the Fossil Fire*, Boston 2002; Steve Lerner, *Diamond: A Struggle for Environmental Justice in Louisiana's Chemical Corridor*, Cambridge, MA 2005; Ike Okonta / Oronto Douglas, *Where Vultures Feast: Shell, Human Rights, and Oil*, London 2003; Daniel A. Omoweh, *Shell Petroleum Development Company, the State and Underdevelopment of Nigeria's Niger Delta: A Study in Environmental Degradation*, Trenton NJ 2005.