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Filling up with Shell oil did not have to be a problem, even for one of the white-gloved stylish 'bright young things' of the 1920s.



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THESE MEN USE SHELL



RACING MOTORISTS

R. GUYATT

YOU CAN BE SURE OF SHELL

THESE MEN USE SHELL



SIGHTSEERS

C. MOZLEY

YOU CAN BE SURE OF SHELL

With 36 per cent of the total, North America took by far the largest amount, followed by Europe with 31 per cent. Central-South America and Asia-Pacific came joint third, the former figure flat-tered by the large sales from the Curaçao complex which were of course consumed outside the region. Africa and the Middle East together accounted for some 8 per cent of sales.

The figures for the individual countries show considerable differences, underlining the degree to which marketing remained fragmented, attuned to very different patterns of demand. With over 3 million tons annually, the UK was the Group's single biggest market after the United States, which topped the list. The singular importance of the British market comes out well when looking at France and Germany, in third and fourth place, both with just over 1 million tons. Even so sales had boomed in France; the Group had sold only 227,000 tons there in 1926. Marketing in Scandinavia had similar striking differences between countries; at 420,000 tons,

sales in Sweden were nearly three times as high as those in Norway, Denmark, or Finland. As for Asia-Pacific, the Group now sold slightly more oil in Australia than it did in the Dutch East Indies though, given its dominance of this latter market, revenues were probably higher there.

Of course the volume of products sold gives no more than a tantalizing glimpse of deeper differences in market structure. That these could be considerable is clearly brought out by a comparison between sales during 1935 and 1936 in Germany and in France, which took roughly similar volumes from the Group. As a result of the French government's long-standing policy favouring indigenous refining, the Group refineries at Petit-Couronne near Rouen and Pauillac near Bordeaux nearly covered its market position, so sales to France consisted of almost 90 per cent by volume of crude, mostly from Iraq. By contrast, crude made up only half of the supplies to Germany by volume, intermediates such as lube oil distillates from Curaçao and finished products such as gasoline making up the other half. As related in Chapters 3 and 6, lube oil manufacturing was a speciality of Rhenania Ossag and this enabled the company to earn foreign currency by re-exporting part of its production, notably to the UK. Consequently the overall unit returns for Germany were rather higher than those for France, but this was compensated by the French operating company Jupiter generating higher profits than Rhenania-Ossag. In both cases profits were kept low by high depreciations, those in Germany notably high during the late 1930s as a consequence of the policy to build hidden financial reserves from profits which could not be repatriated under the foreign exchange moratorium. The individual products sold in each country differed to such a degree that Asiatic managers considered it impossible to use the c.i.f. cost of supplies made by the Group to determine which country was the better market.⁸¹

The volume of crude shipped into Germany and especially into France points to an interesting aspect of manufacturing policy. Supplies to France consisted of 89 per cent of crude oil; for Germany the figure was 50 per cent. Officially, the Group preferred to refine near source as much as possible and for that reason





Deterding with his third wife, the German-born Charlotte Knaack, whose admiration for the Nazis coincided with and probably strengthened his own views.

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harangued Group directors with his opinions on these subjects in the same way as he did with his currency convictions.²¹⁰ Now his infatuation with Nazi Germany made it appear that he was going native there. When in September 1935 Agnew again heard of Deterding promising Group supplies to Hitler, he asked the British government's Petroleum Department to have the Foreign Office establish whether it was true, so he could take appropriate action.²¹¹ Deterding's temper helped to further undermine board-room trust. A few months previously, in April, he had created a terrific row when he felt that the decision to order three steamers for Anglo-Saxon from German yards had not been carried through with sufficient speed and diligence.²¹² Exactly a year later Deterding blew his top again, now over an administrative matter, the volume of correspondence between London and Rhenania-Ossag, though there may have been a prior board confrontation over the continuous rumours about his various promises to German officials.²¹³ These conflicts brought to an end Deterding's career as Group CEO. By June 1936 he had effectively retired and gone to live in Germany.²¹⁴

Did he choose to go, or did the other directors force him? There is no evidence either way, but it was probably a bit of both.²¹⁵ Giving up was not Deterding's style and, despite his de facto retirement, he continued to meddle in Group affairs throughout the summer. On the other hand, he had recently fallen in love with a young German woman, Charlotte Knaack, whom he wished to marry after divorcing his wife, life-changing events which may well have induced him to step down. Moreover, given his record of announced retirements, Group directors will have had little difficulty in persuading him that it would now indeed be wise to do so. There were grand festivities planned for July to mark his seventieth birthday and his fortieth year in the service of Royal Dutch, so he would have a final, festive scene before bowing out. Deterding attended board meetings of Shell Transport and Anglo-Saxon for the last time in May, but it was only in September that chairman Loudon informed the Royal Dutch board of Deterding's wish to relinquish his position as from 31 December.