**Property, control and room for manoeuvre: Royal Dutch Shell and Nazi Germany, 1933-1945**

**Abstracts**

Nationalistic Nazi politics created huge problems for foreign multinational firms in Germany. Business during the Nazi period has been characterised as either state controlled, complacent or complicit. Yet, some cases show that local management had considerable room for manoeuvre and acted primarily with the integrity and long-term interest of the company in mind. This article questions to what extent Royal Dutch Shell controlled its assets in Nazi Germany and what its room for manoeuvre was. Although RDS lost control over its subsidiary over the course of the 1930s, the local management retained considerable room for manoeuvre well into the war.

**Keywords**: Nazi Germany; Royal Dutch Shell; political risk; foreign firms; ownership; control; autarky

„Was dabei an Erfahrungen gewonnen, an Verbesserungen erzielt wird, dient heute schon der Kriegswirtschaft, und wird morgen unserer gesamten Kundschaft zugänglich sein.“[[1]](#endnote-2)

**Introduction**

Nationalistic Nazi politics created huge problems for foreign multinational firms in Germany. When Hitler rose to power in 1933 the business community feared he would make good on the avowed NSDAP objective of nationalising Germany’s big business.[[2]](#endnote-3) After assuming power Hitler quickly recognised that nationalisation would harm his government and set out to assure large foreign-owned firms in Germany that private ownership would be honoured.[[3]](#endnote-4) Nevertheless, short of nationalisation, the state increasingly intervened in the economy to support the Nazi objectives of rearmaments and autarchy.[[4]](#endnote-5) Although the economic boom as a result of the war preparations offered great opportunities for business, the regulation and control of the economy severely restricted the conduct of business for all companies in Germany, but particularly for foreign-owned firms. Currency restrictions hampered imports of raw materials and intermediates, capital controls made it impossible to repatriate funds, and prices and resource allocations, as well as the marketing of final products were gradually regulated and controlled by the state.

Business in Nazi Germany presents a rich case of the impact of dictatorship as an extreme form of political risk on international business.[[5]](#endnote-6) The record of German big business conduct during the Nazi period suggests a role between complacency and complicity.[[6]](#endnote-7) In *Industry and Ideology* (1988) Peter Hayes concludes that IG Farben’s top management was not ideologically culpable to Nazi crimes but by focusing only on business objectives within the parameters set by the Nazi State, IG was an accessory to slave labour and the horrors of Auschwitz.[[7]](#endnote-8) Similar questions of complicity have been raised with regard to foreign multinationals. Foreign-owned businesses seem to have been at least naïve or negligent in their conduct of business in Nazi Germany.[[8]](#endnote-9) The degree of complicity of multinationals in Nazi-Germany can seem all too clear in hindsight, but at the time business leaders were making the most of worsening conditions. In addition, business decisions were most often made on the basis of prevailing business interests and generally not politically motivated, although there were foreign business leaders overtly sympathising with Nazi ideology.[[9]](#endnote-10) However, although foreign ownership was honoured by the Nazi regime, foreign control was a different matter, particularly during World War II.[[10]](#endnote-11) After the war, foreign multinationals defended themselves by stating that major decisions on production and investments in Germany had been beyond their control. Although clearly corporate control and managerial room for manoeuvre had decreased over the course of time, it was, however, not always clear who had been in control. The fact that most foreign-owned assets were not nationalised by the Nazi regime kept open the possibility of room for manoeuvre for local management. The negotiation power of large multinationals in Germany had probably been stronger than acknowledged until now. It was for instance the case with Anglo-Dutch multinational Unilever, which retained substantial room for manoeuvre well into the war.[[11]](#endnote-12)

The question of control becomes even more pertinent when considering what tools foreign-owned companies actually have to create and manage room for manoeuvre and how these tools might affect corporate control over the local business. Mark Casson and Teresa Lopes have proposed a typology of risks distinguishing between six types of risks, including political risk.[[12]](#endnote-13) Political risks derive from war or politically motivated discrimination of foreign firms, either by taxation, freezing of assets, expropriation or other forms of control or disruption. Although business firms can often do little to influence the course of political developments, they can adopt risk management strategies to deal with political risk. Casson and Lopes identify four basic risk management strategies, some of which are pre-emptive, i.e. avoidance and prevention, while others are reactive, i.e. mitigation and withdrawal.[[13]](#endnote-14) Avoidance results in non-entry. Prevention aims to address risks by allying with local partners, lobbying the government and building a local reputation, which can be called upon once risks turn into reality. Mitigation requires investments in relevant measures that allow for a rapid response to risks unfolding, such as insurance policies. Withdrawal involves investments in assets that can easily be liquidated in case the company wants to withdraw from the host economy all together.

The risk management perspective calls attention to the active policies businesses develop to deal with adverse environments and Casson and Lopes suggest a repertoire of measures that firms draw on to mitigate political risks. Chris Kobrak and Per Hansen stress that in the case of Nazi Germany businessmen were not passive observers and there are known cases where considerable room for manoeuvre existed even during the early years of the war.[[14]](#endnote-15) A range of questions is therefore still open for discussion, in particular: to what extent could parent companies retain control over their subsidiaries; how much room for manoeuver did foreign-owned companies have; and, how did this evolve in the 1930s and into the war. Short of non-entry and complete withdrawal, much of the management of political risk was done by the local management, which, embedded in its particular national environment might act in ways that did not align with parent company policies, particularly when parent-subsidiary control was already greatly reduced or made impossible. This article presents the case of Royal Dutch Shell (RDS).

Together with Standard Oil of New Jersey (SO), RDS was market leader in Germany for motor fuels, lube oils, asphalt and white oils among others. Because these were vital to the operations of the German army, RDS profited handsomely from the growing Nazi armaments expenditure after 1933. As a result, RDS’s subsidiary Rhenania-Ossag grew luxuriantly during the 1930s.[[15]](#endnote-16) Nonetheless, Nazi regulations and control became ever stricter, as the regime attempted to redirect business investments into synthetic fuels production that aimed to substitute the dependence on foreign imports of oil. Rhenania therefore not only dealt with Nazi regulations and control but also faced competition from IG Farben (IG). In the 1920s, IG developed technology to synthesise oil products from coal.[[16]](#endnote-17) Under the Nazi regime this technology became the favoured instrument of autarky, undermining the position of RDS and other foreign oil companies in Nazi Germany.[[17]](#endnote-18) From the start of World War II, moreover, German custodians controlled Rhenania’s management as well as its parent company in the Netherlands.[[18]](#endnote-19) This seems a clear-cut case of restricted control and shrinking room for manoeuvre.[[19]](#endnote-20) However, similar to the other Anglo-Dutch multinational Unilever, it is our impression that RDS and its German subsidiary had a lot to offer to the Third Reich and as a result were treated circumspectly. It is worthwhile to question this from a risk management perspective, because unable to liquidate and withdraw from Germany, Rhenania could do little else but leverage its local reputation, relations to its competitors, technological advantages for the national economy and political connections. The aim of this article is to take a closer look at how RDS’ subsidiary in Nazi Germany managed the trilemma of placating the Nazi regime, maintaining control over the business, and complying with the policies of the parent company. We therefore question to what extent RDS and Rhenania controlled their assets in Nazi Germany and what their room for manoeuvre was.

 After a short history of RDS in Germany, the second section looks at the history of the synthetic fuel technology, which became the centrepiece of the Nazi oil policy dealt with in the third section. The fourth section discusses how the Nazi oil policy resulted in declining control of RDS over Rhenania. When war broke out RDS had lost all control over its subsidiary and in section five we question to what extent the local management also lost control over Rhenania’s assets after 1940.

**Short History of Royal Dutch Shell in Germany**

RDS originated from various free-standing companies that created an oil industry in the Dutch East Indies since the 1860s.[[20]](#endnote-21) Royal Dutch attracted capital on the Dutch capital market for the development of a capital intensive oil industry in the Dutch East Indies. Nevertheless, five years before the merger with the British Shell Transport and Trading Company in 1907, the Dutch oil company also opened a refinery in Rotterdam. A year later it entered the attractive German gasoline market as it started a production unit in Düsseldorf, the Benzinwerke Rhenania. The refinery was set up just across the Dutch border on the Rhine, to refine gasoline brought by lighters from storage tanks in Rotterdam. The German gasoline cartel soon adopted Royal Dutch as its exclusive supplier and abandoned SO.[[21]](#endnote-22) By 1904 Rhenania already controlled 90 per cent of the rapidly growing German gasoline market. In effect, Royal Dutch seriously challenged SO’s dominant position on the European market and forced SO to agreements on the division of the European market.[[22]](#endnote-23)

In 1909 Rhenania had set up a factory in Reisholz near Duisburg. After the breakup of a cartel agreement with Vereinigte Benzinfabriken in 1913 it had strategically erected gasoline refineries in Hamburg and Regensburg to supply the whole German market. In the same year the Group began lube oil operations as a separate company at Monheim on the Rhine. In 1917 the gasoline refineries, the lube oil works and various separate bulk installations in Germany were combined in the Mineralölwerke Rhenania AG. During World War I the Group’s subsidiaries in Germany expanded their activities rapidly.[[23]](#endnote-24)

During the 1920s RDS became one of the leaders of the international oil industry, and it expanded exploration and production worldwide, including Germany. In 1925 the Group acquired the Stern-Sonneborn lube oils works in Hamburg (Ossag) and subsequently merged it with its German subsidiary in Düsseldorf into Rhenania-Ossag Mineralölwerke.[[24]](#endnote-25) Germany had become Royal Dutch’s second biggest market in Europe and the fourth biggest market in the world, albeit the German degree of motorization was still rather low compared to France and even Switzerland in the mid-1920s.[[25]](#endnote-26) Rhenania-Ossag’s operations consisted mainly of the manufacturing of gasoline, diesel, lube oils and asphalt. Imports of raw materials and intermediates via Rotterdam and the Rhine supplied the Western parts of Germany, Hamburg served the Northern parts, and the Southern parts were supplied via Regensburg with Romanian oil. Although plants in the Rhine area remained important the export business of lube oil boomed during the late 1920s. In 1930 Rhenania-Ossag’s headquarters were relocated from Düsseldorf to Hamburg, also to be closer to its main allies in the 1928 Achnacarry or As-Is cartel, SO and British Petroleum.[[26]](#endnote-27) By the time the Nazis rose to power, Rhenania had established a solid reputation in Germany and was perceived as a German company run by German management. Ownership of the shares of Rhenania-Ossag resided with Bataafsche Petroleum Maatschappij (The Hague), one of RDS’ three main operating companies. BPM held the shares of most of the national operating companies of the Group outside of the British Empire. However, the Group’s financing was provided by and coordinated in another operating company, Asiatic Petroleum Company (London), while the Group’s ultimate decision making resided with a committee of directors of the two holding companies, Royal Dutch and Shell Transport & Trading.[[27]](#endnote-28)

**Hydrogenation: Opportunity and Threat**

In Nazi Germany, Rhenania was not just a foreign-owned firm; it was also a company producing strategic goods, i.e. fuels and lubricants vital to the Nazi war machinery. Rhenania was therefore obviously important for the regime but it had one crucial drawback: its oil was largely imported. This did not combine well with the Nazi aim of autarky in order to wage effective war. An alternative to producing fuels from imported oil had been developed since 1913, i.e. the technology to obtain liquid hydrocarbons from brown or hard coal, the so-called hydrogenation of coal. At the time it appeared a revolutionary technology.[[28]](#endnote-29) Its invention in 1913 by the Nobel Prize winning German chemist Friedrich Bergius gained international recognition during and after the First World War.

For international oil companies, the hydrogenation process was both a threat and an opportunity. On the one hand, it could potentially harm their position on motor fuel markets. On the other, it could be used to obtain high-grade gasoline from heavy oil residues, produce lube oils or synthesise fertilizers from refinery gas or coking gas. Hydrogenation promised to be a valuable addition to the chemical endeavour of the oil companies in their search for the valorisation of by-products. As a result, foreign oil and chemical companies were interested from a very early stage. RDS, for instance, invested in Bergius’ plant already in 1923.[[29]](#endnote-30) However, RDS lost interest when progress proved slow, and sold its shares when Bergius decided to sell the plant and patents to BASF in 1925.[[30]](#endnote-31) At BASF, Carl Bosch further developed the process as an addition to the other breakthroughs of the company – the synthesis of ammonia and methanol.[[31]](#endnote-32) The decision to commit the company’s vast resources and know-how to the development of the hydrogenation process fostered new interest from both domestic and foreign firms and governments.[[32]](#endnote-33) SO, unlike RDS having no prior experience with hydrogenation, became interested after 1926 and SO moved to acquire the patent for the US in 1927.[[33]](#endnote-34) The deal between IG and SO had startled RDS greatly. RDS accordingly intensified its activities in chemicals with the establishment of chemical research laboratories and the construction of fertiliser plants in Amsterdam and California in 1928.[[34]](#endnote-35)

 IG’s approach to developing hydrogenation into a viable fuels producing technology thus forced RDS and SO to seek an understanding with IG on their respective businesses and markets, both in Germany and globally.[[35]](#endnote-36) SO moved first by further cementing its alliance with IG in 1929 in an agreement to divide the world market: IG would stay out of the oil business except in Germany, and SO agreed to refrain from entering the chemical business worldwide. Overlapping fields such as hydrogenation would be developed jointly.[[36]](#endnote-37) Anxious not to be left out, RDS wanted to join and in 1931, IG, RDS and SO came to a general agreement on the hydrogenation technology with the incorporation of the International Hydrogenation Patent Holding Company Ltd. (IHP) in which SO, IG, RDS, and ICI participated. IHP held and exploited the worldwide patents for hydrogenation and related processes from the participants, excluding Germany and the US.[[37]](#endnote-38) With the IHP deal, RDS gained access to IG’s catalytic process know-how, which was greatly valued by the Anglo-Dutch group.[[38]](#endnote-39) In Germany, the German subsidiaries of RDS and SO participated in the Deutsche Gasolin AG, which marketed the synthetic gasoline from IG’s Leuna factory.[[39]](#endnote-40) Already before the Nazi takeover, IG’s hydrogenation technology had caught Hitler’s eye and the company became the centrepiece of the Nazi’s autarky policy. Although before 1933 RDS faced little in the way of political risk, its entanglement with IG did complicate Rhenania’s position under the Nazi regime, not only because it would experience ordained competition from the German chemical giant, but also because its involvement in hydrogenation exposed it to pressure to participate in the build-up of a synthetic fuel sector.

**Nazi Autarky and Private Business**

IG had pursued synthetic fuels because it expected that its R&D ability would push down production costs in the near future. In 1927, Leuna gasoline cost 40 pfennig per litre, 20 pfennig more than imported gasoline. By 1931 the price of a litre Leuna gasoline had dropped to 23 pfennig, still higher than imported gasoline prices in 1927. However, by 1931, the oil glut that followed the economic depression and the discovery of the East Texas field in the US had decreased world market prices for gasoline to roughly 5 pfennig. Even an increase in the tariff on imported gasoline to 39 Reichsmark per ton in 1931 could not shield IG from disastrous losses incurred on the hydrogenation project that by then had cost the company an estimated 300-400 million Reichsmark. Only IG’s large financial reserves could keep the Leuna experiment running.[[40]](#endnote-41)

 The crash of 1929 and the subsequent economic depression had hit Germany especially hard – second only to the US – as it abruptly ended the few years of relative peace in which the country had tried to recover from crippling inflation and social instability in the first half of the 1920s. Germany suffered because it depended largely on world trade, which collapsed in the wake of the 1929 crisis and was exacerbated by the disparate beggar-they-neighbour monetary policies that it elicited in most countries.[[41]](#endnote-42). Evaporating international credit, rising protectionism and the collapsing gold standard strongly deteriorated Germany’s exports and industrial output.[[42]](#endnote-43) Consecutive Weimar governments introduced capital controls to counter capital flight and gold outflows, while an employment program was initiated to counter unemployment between 1930 and 1932.[[43]](#endnote-44) When Hitler rose to power in 1933, Germany was effectively off the gold standard, faced massive trade problems, dramatically reduced output, and staggering unemployment figures.

 The Nazis’ ultimate goal was Germany’s expansion (*Lebensraum*), which refocused his attention on rearmament and an autarkic economy that could support an offensive and prolonged war. Rearmament eclipsed all other economic goals and became the central tenet of Nazi economic policy from an early stage on.[[44]](#endnote-45) Autarky required the protection of German agriculture and industry and the substitution of hitherto imported goods, for which the Nazi regime intervened heavily in the production and distribution of industrial and agricultural goods.[[45]](#endnote-46) Despite the often radical economic rhetoric of the Nazi leaders, Hjalmar Schacht, Hitler’s minister of economic affairs since July 1934, attempted to persuade rather than coerce private industry to invest in import substituting projects. Nonetheless, between 1933 and 1936, the Nazi state created an extensive bureaucracy cartelising large swaths of German business and regulating imports, prices and wages.[[46]](#endnote-47) However, as the speed and volume of rearmament needed to be increased, stronger intervention was required, which followed on the appointment of Hermann Göring as plenipotentiary for the Four Year Plan and commissioner for raw materials and foreign exchange in 1936.[[47]](#endnote-48)

 In his analysis of German oil politics between 1928 and 1938, Titus Kockel concludes that the shift toward autarky dramatically changed the balance of power between the four groups of industries engaged in the oil industry.[[48]](#endnote-49) These four groups comprised of the international oil companies, domestic oil companies, the German coal and steel (*Montan*) industry, and the German chemical industry. The first group primarily imported finished products, owned small-scale refineries and large distribution and marketing networks. The second group, the domestic oil companies, were typically involved in exploration and production of domestic oil reserves. Some owned refining capacity but none disposed of extensive distribution and marketing networks. The third group consisted of the German coal mining industry and the closely connected steel industry, which were interested in the oil industry through the Benzol Verband and its ownership of a synthetic fuel technology (Fischer-Tropsch technology) that competed with IG’s hydrogenation technology. The IG formed the fourth major industrial group active in the oil industry.[[49]](#endnote-50)

 The import substitution technologies for fuels promoted by IG and the *Montan* group were both well received by the Nazis, causing a major policy shift in Germany’s oil politics.[[50]](#endnote-51) Successful lobbying by IG promoted the hydrogenation process as the answer to the military requirements, which won it the support of the Nazi regime. The decision of the Nazi regime to back IG was later explained by its management as a choice for the more advanced and cost efficient synthetic technology. Ray Stokes adds that IG managers were much better connected in the Nazi regime than their counterparts in the *Montan* group.[[51]](#endnote-52)

 Between 1933 and 1936, the Nazi state attempted to restrict import of oil products, and promoted domestic exploration and production and stimulated synthetic fuel production. Because tariffs did not suffice to protect IG’s synthetic fuel production, the state and IG signed the *Benzinvertrag* on 14 December 1933.[[52]](#endnote-53) The agreement presented IG with a guaranteed price for its synthetic fuel that included production costs, amortization, and 5 per cent return on capital. It also provided a sales arrangement, guaranteeing that the state would buy up any remaining surpluses. In return, IG promised to expand its production to 350,000 tons annually in 1936.[[53]](#endnote-54) However, these measures fell short of expectations.

 First under Schacht, and from 1936 under the Four Year Plan, the state initiated and forced industrial cooperation to plan, finance and exploit autarky programs. Schacht had tried to promote these schemes in such a way that private industry would form quasi-spontaneous joint ventures. However, his first attempt at expanding the brown coal synthetic fuel capacity by proposing the German brown coal industry to form a joint venture ran into considerable opposition. Schacht, subsequently, ventured to arrange the matter through legislation in late 1934, forcing the brown coal industry to participate in a *Pflichtgemeinschaft* or compulsory association with the aim of financing a brown coal hydrogenation enterprise. The Braunkohlen-Benzin AG (BRABAG) was incorporated in October 1934, in which participated the major German brown coal producers from both the Rhineland and Central Germany and IG. The aim was to invest in several plants with a combined capacity of 500,000 tons of gasoline annually.[[54]](#endnote-55) In terms of investments, either explicitly or implicitly coerced by the state, synthetic fuels presented the largest single autarky project in the Nazi period.[[55]](#endnote-56) During the 1930s it became clear that the Nazis were willing to forcefully redirect private industry investments and that it favoured autarky over trade, severely hampering operations of subsidiaries of multinational companies, such as Rhenania.

**Between Cooperation and Opposition: Keeping Control of Rhenania-Ossag**

From an early stage, RDS was apprehensive about the direction that economic policy under the Nazis was taking. As did many other foreign and domestic MNEs in Nazi Germany, RDS considered how to react to the new political environment. Citing Ford executive Sir Percival Perry, Wilkins phrases the challenge concisely: either struggle or adapt.[[56]](#endnote-57) In terms of risk management, RDS first pursued a strategy of prevention by attempting to make a deal with the Nazi government. Already in 1933 Royal Dutch director August Kessler expressed his concerns to Schacht. The latter, at the time still president of the Reichsbank, proved sympathetic to Kessler’s plea to strive toward a solution that would honour as much as possible the operation of the market. According to Kessler, this included maintaining international trade relations – no barter schemes, no misappropriation of import duties to finance the synthetic fuel scheme – and respecting the market shares of foreign oil companies in Germany.[[57]](#endnote-58)

 In July 1934, the German government approached RDS to inquire about a possible deal between the government and the oil companies along the lines discussed by Kessler and Schacht a year earlier. In a memorandum on this topic, Royal Dutch director J. E. F. de Kok perceived two factions amongst Germany’s policy makers with regard to the favoured path of German economic development. The first pursued an approach that attempted to realize sustainable development through international trade; the other favoured an autarkic approach by investing heavily in the hydrogenation of coal for the production of fuels. De Kok sensed that the first approach would be taken as long as oil importers agreed to postpone any cash transfer of foreign exchange for imported oil or the repatriation of profits and to increase the cash reserves held in Germany. The German government, in turn, would undertake

to limit the production of synthetic oil products to the volume at present agreed with synthetic producers, which is the only alternative for our Group to retain a major portion of the German market. (…) From all points of view therefore - such as the necessary revival of international trade, the need of maintaining our outlets and our shipping activities, and our available supplies - it is in our interest to avoid the loss of the increasing German market for our products.[[58]](#endnote-59)

However, contrary to De Kok’s hopes, German economic policymaking took a turn for the worse. Whether Kessler and De Kok were assuming that a deal with the Nazi government would be honoured and serve as a solid prevention strategy, we don’t know. With the benefit of hindsight it seems almost naïve. Hitler’s ultimate goal of territorial expansion and the autarkic program to support this military venture contradicted the terms of the deal RDS thought to have made with Schacht. To what extent RDS executives were aware of this is impossible to say. Maybe they assumed that Schacht’s relatively benign approach could soften the rough edges of Nazi rhetoric. In any case, the strategy failed, which became all too clear in 1936.

 Notwithstanding Schacht’s efforts to expand the domestic production of motor fuels, production gains remained limited. The problem was that Schacht accentuated the import substituting effect of synthetic fuel – with the aim of resuming imports after the economic situation would improve – while the armed forces aimed for a long lasting domestic fuels program. These two approaches to synthetic fuels collided violently during the founding of BRABAG. Hermann Göring, commander-in-chief of the Luftwaffe and Minister of Aviation, intervened in 1936 by proposing Hitler to put him in charge of the fuels question. Hitler decided to consent to Göring’s proposal, and in April 1936 appointed him in charge of improving the German raw materials and foreign exchange position. Göring started working in May 1936 to realise the Four Year Plan envisioned by Hitler.[[59]](#endnote-60) From then on, Göring imposed all of the measures that RDS feared and had opposed. Although the exploration and production divisions of the oil companies in Germany prospered from the German autarky measures before and during the Four-Year Plan, the synthetic fuels sector grew much stronger, to the detriment of the market share of Rhenania and other foreign-owned oil companies.[[60]](#endnote-61)

The autarkic turn in the Nazi oil policy nonetheless drove a wedge between RDS and Rhenania, in effect reducing corporate control over the subsidiary. Part of the problem was that RDS’ initial prevention strategy – a deal with the Nazi government – had completely failed, leaving RDS and Rhenania to mitigate the increasing political risks they were facing in the Third Reich. However, the failure of the prevention strategy had severely limited the options available to RDS, which is clearly illustrated by Rhenania’s involvement in the *Hydrierwerke Pölitz AG* from 1936 onwards. In 1936 and 1937, IG and Rhenania initiated discussions for a massive hydrogenation plant in Stettin-Pölitz (present day Szczecin in Poland), which would be the largest in the Reich and was to process oil residues and coal.[[61]](#endnote-62) Hydrogenation of oil residues was more attractive than coal and coal tar because the gasoline obtained from it was of higher quality and the production costs were lower. From the outset, IG wanted Rhenania and SO’s subsidiary *Deutsch-Amerikanische Petroleum Gesellschaft* (DAPG) to participate, as they would be the principal suppliers of oil residues and were sitting on large frozen cash reserves as a result of the regime’s currency restrictions. If the oil position would prove untenable later on, the plant could switch to coal completely.[[62]](#endnote-63) IG would supply the technology and the plant’s management, Rhenania and DAPG the majority of the capital and feedstock.

 The matter became a source of conflict between Rhenania and RDS, in effect reducing headquarter’s control. Rhenania wanted to go ahead with the plan but RDS objected. Already in 1936, Rhenania director Walter Kruspig outlined several reasons why a retreat from the project would harm Rhenania’s position. According to Kruspig, the autarky policy was a fact and not participating in the project would harm Rhenania’s esteem as a German company. Under the current agreement with IG, moreover, Rhenania had a proportionate share in the marketing of synthetic fuels. That share was seriously threatened by a number of newly planned synthetic fuels plants in which Rhenania had no involvement. This would dilute Rhenania’s market share. Pölitz was an opportunity to address dilution in the German market. Retreating from the project could possibly wipe out Rhenania’s market share altogether. Because the Four Year plan not only supervised the fuels market, but also the lube oil and asphalt markets, a loss of reputation could possibly harm Rhenania’s other markets as well. To Kruspig, it seemed better for Rhenania to remain involved in the hydrogenation project, even though it was economically less attractive than investing in proper oil assets and ran counter to the policy of the parent company.[[63]](#endnote-64) It appears that in the eyes of Kruspig Pölitz was the lesser evil. It was also a mitigation strategy of sorts. Faced with a state bent on autarky, Kruspig quite possibly judged the project a viable option because it potentially prevented Rhenania from facing serious future impairment by state intervention, mitigated the imminent risk of losing market share while sharing the financial risks with its major partners, SO and IG.

RDS was not at all keen on Rhenania’s participation and looked for ways to decline from the project. From its disappointing experience with hydrogenation in the 1920s and the devastating losses incurred by IG in the early 1930s, RDS had become convinced that investments in the hydrogenation of coal were a commercial folly. More importantly, RDS was particularly weary of the signal that the Pölitz project would send to other governments with an interest in state-private hydrogenation schemes.[[64]](#endnote-65) RDS had just turned down a British government request for participation in a comparable project, while other countries were contemplating the same.[[65]](#endnote-66) Contrary to Rhenania’s perception of mitigating political risk in Germany, RDS perceived Pölitz to actually increase political risks abroad. Notwithstanding its initial objection and without any clearly documented motivation, RDS reversed its position in early 1937 and granted Rhenania permission to go through with the project.

 The plant would be constructed in two phases. The initial phase was to be financed by capital provided by IG, Rhenania and DAPG to the amount of 100 million Reichsmark. It was to be divided into 27,5 million Reichsmark from Rhenania, the same amount from DAPG, 15 million from IG, and 10 million from Deutsche Gasolin AG (the marketing joint venture of IG, Rhenania and DAPG). A 20 million Reichsmark bond issue would finance the second phase.[[66]](#endnote-67) To accommodate RDS’ concerns with regard to other national governments the capital participation of Rhenania and DAPG was cloaked through banks buying and holding their shares – Delbrück Schickler and Landesbank respectively.[[67]](#endnote-68) The board of the plant was headed by Dr. Kurt Wissel. Wissel had collaborated closely with Mathias Pier, who was responsible for BASF’s research on hydrogenation and from 1938 deputy general manager of the company’s plant in Leuna.[[68]](#endnote-69) Wissel had also been advisor to SO’s hydrogenation test facility in the US between 1930 and 1936.[[69]](#endnote-70)

 By 1938, Rhenania came to regret its determination to partake in the project. Cost overruns, higher production targets, the addition of jet fuel installations in 1939 and a lacklustre response to the bond float led to a second call for capital.[[70]](#endnote-71) Rhenania objected because it had no formal obligation beyond its initial capital commitment. However, Rhenania’s luxurious cash position and an outright threat from the Economics Ministry to put Rhenania under government control made resistance futile. Rhenania provided the extra capital, but not before Royal Dutch directors arranged to bypass the board of Rhenania’s legal owner, Bataafsche Petroleum Maatschappij, and arranging for Asiatic Petroleum Company, the Group’s financial centre, to approve the additional capital outlay.[[71]](#endnote-72)

The Pölitz project seems to suggest that RDS increasingly lost control over Rhenania. In particularly during the altercations regarding the second capital call it was clear that if Rhenania did not comply RDS and the local management would lose complete control over the company. However, by then the most important decision, i.e. to take part in the project, had already been taken. Lacking the historical record to clarify RDS’s motivation of the decision, we are left to infer from what evidence is available. Hence, it is important to question how we should interpret the decision made by RDS. Jonker and Van Zanden don’t argue in favour of any interpretation.[[72]](#endnote-73) While ascribing particular importance to RDS’s fear for loss of market share in Germany, they also raise the possibility of government pressure. In addition, they also keep open the possibility of the desire of RDS to keep abreast of the hydrogenation technology and its position vis-à-vis IG and SO, its partners in the international patent sharing company IHP. The technological argument seems to have been discarded by historians because hydrogenation never became a viable commercial application for the production of motor fuels, but this is with the benefit of hindsight, which was not available to RDS and Rhenania executives at the time. The oil companies considered the technology for the hydrogenation of oil an important technological innovation. It is striking to note that after World War II RDS was quick to sign a processing contract with a hydrogenation plant in the Cologne area, *Union Rheinische Braunkohlen Kraftstoff*, which started producing high-grade gasoline for RDS in its hydrogenation facility from the late 1940s onwards. Incidentally, the former Pölitz director, Kurt Wissel, was appointed technical manager of the plant shortly after the War.[[73]](#endnote-74) Of course RDS could not foresee the future but it serves to appreciate that the technological attractions of the Pölitz project must not be overlooked.

Other authors have raised other possible motivations or circumstances that would make it more likely that Rhenania won RDS over with a business case rather than a desperate attempt to stay in control of its assets and business in Germany. Wolfgang Birkenfeld, for instance, attempted to ascertain to what extent state coercion was the main motivation for the construction of the various hydrogenation projects. He calls the Pölitz case undecided.[[74]](#endnote-75) Jonas Scherner not only doubts the argument of coercion but also argues that Pölitz, given the circumstances, presented a reasonably attractive investment opportunity.[[75]](#endnote-76)

 The Pölitz plant was in several respects an extraordinary project when compared to the other synthetic fuels plants. For IG, Pölitz was an exception. Although IG had been a driving force in the organisation of the Nazi regime’s attempts to build up a synthetic fuel industry, it declined to invest in hydrogenation plants other than under direct coercion as in the case of BRABAG. IG rather licenced its technology than actually committing its capital.[[76]](#endnote-77) Jonas Scherner explains this change of heart from the earlier discovery by SO that the hydrogenation technology could be successfully applied to convert heavy oil residues into high-grade motor fuels.[[77]](#endnote-78) Although still more costly than refined motor fuels, synthetic fuels from the hydrogenation of oil residues had turned out to be more attractive than the hydrogenation of coal.[[78]](#endnote-79) IG invested in Pölitz because it was designed to process oil residues from the outset, which promised better financial performance than the hydrogenation of (brown) coal. Whereas most hydrogenation plants were located near coalfields, the Pölitz plant was located near Stettin on the Baltic Sea, allowing the supply of oil residues by sea from for instance Mexico. Moreover, the plant’s capital outlay was shared with RDS and SO, while the construction of the plant was partly financed by a state backed loan. If the plant should have to convert to hydrogenation of coal during the war, the state had promised a guaranteed return on investment through a guaranteed sales agreement.[[79]](#endnote-80) Given the circumstances, Pölitz presented a fairly attractive investment for RDS (and SO), which stood to expand its production of fuels in Germany while investing some of its frozen cash reserves. As for the investment itself, the hydrogenation of oil made more economic sense than hydrogenating coal. Whereas investments in the latter were almost certainly doomed to fail when markets operated again, Pölitz at least promised some level of post-war viability. And in the worst case – forced hydrogenation of coal – sales would still be guaranteed and losses minimal.

 Although this article is obviously not presenting new evidence to support either of the arguments put forward in the literature, we want to point out that coercion appears not manifest in the initial decision to participate in Pölitz. The Pölitz episode shows that Rhenania’s management retained a certain measure of room for manoeuvre. Yet, the episode also suggests that state coercion became increasingly probable and steadily reduced the choices available for Rhenania. The ultimate decision, i.e. not to participate in Pölitz altogether, was probably not possible because by 1937 the Nazi state had demonstrated not to shy away from coercion. Nonetheless, up until 1937, the company seems to have had considerable leeway in negotiating the Pölitz project and promote its merits with RDS. Considering the various possible relative advantages of the project, we want to put forward the possibility of Rhenania managers acting as “sound businessmen and not politicians”, to put it as Charles Cheape did in 1988. Scherner concluded that, contrary to prevailing assumptions, state coercion was a minor factor in business decision-making to invest in synthetic fuel projects, which was to a much larger extent based on the commercial viability, the conditions offered by the Nazi state and the type of available feedstock.[[80]](#endnote-81) Such an interpretation allows for some level of agency on the part of the management, which was trying to make the most of an adverse and deteriorating environment in the long-term interest of the company. Moreover, stressing coercion obscures an understanding of business decisions in politically risky environments, which makes it particularly pertinent to interpret Rhenania’s course of action from a risk management perspective, i.e. to mitigate the imminent loss of market share and cash and to prevent the company’s exposure to future harassment from the Nazi state. What the Pölitz case illustrates first and foremost, is that Rhenania, after RDS’ failed prevention strategy earlier, was left to mitigate the increasing political risks it was facing after 1936. It was quite clear to Rhenania’s management that the Nazi state was after its technological know-how and idle cash reserves. Investing in Pölitz allowed Rhenania to find a relatively attractive investment opportunity, mitigating the risk of Nazi bureaucrats taking control over the allocation of its cash and know-how. However, that the Economics Ministry did so anyway in response to Rhenania’s refusal to provide extra capital in the second capital call showed that the mitigation strategy failed to deliver the intended result.

**War and the Struggle for Control**

Between 1933 and 1939, the operations of Rhenania became increasingly restricted by the Nazi regime. Over the course of the Pölitz project RDS had gradually lost effective control over its German subsidiary and at the outbreak of war Rhenania was placed under a German *Verwalter* (administrator), completely severing the line of command from London and The Hague to Hamburg.[[81]](#endnote-82) That is not to say, however, that Rhenania itself lost complete control. Jonker and Van Zanden stress the importance of state coercion and control, both in the case of the Pölitz plant and pertaining to Rhenania’s room for manoeuvre after the start of the war in 1939.[[82]](#endnote-83) However, a report produced at the end of the war by the office of the Reich Commissioner for the Treatment of Enemy Property (*Reichskommissar für die Behandlung feindlichen Vermögens*), painted a different picture of state control over Rhenania at the start of the war. Rather than an administrator being forced upon Rhenania’s management, it was general manager Erich Boeder, after having taken over as managing director from Walter Kruspig following his untimely death in 1939, who suggested the appointment of an “influential individual” as administrator to the board of Rhenania on the grounds of Rhenania having considerable British (enemy) influence.[[83]](#endnote-84) However, instead of assuming full control of the Rhenania management, Boeder requested the administrator work aside him, while Rhenania’s management was to retain full control of daily operations. Boeder not only suggested the appointment and tasks of an administrator, he also suggested that Secretary of State Ludwig Grauert should be appointed. Grauert was well connected in the Nazi bureaucracy. As representative of the German steel industry in the 1920s, he had been influential in securing financial support for the NSDAP before the Nazi-takeover. After joining the NSDAP in 1933, Göring personally appointed him as a high-ranking bureaucrat and subsequently Secretary of State of the Prussian Ministry of the Interior.[[84]](#endnote-85) Grauert, therefore, had a direct link to Göring, the most powerful Nazi figure controlling the organisation and distribution of oil and synthetic fuels, among many other things.

The Reich Commissioner for the Treatment of Enemy Property consented to Boeder’s requests and Grauert was appointed administrator with the obligation to grant power of attorney to Rhenania’s existing management for the conduct of day-to-day business, including the mortgaging and sale of property. Having an administrator that was on the one hand well connected to the Nazi state but on the other hand restricted in its control over the company was of vital importance to any foreign company operating in Germany. In the case of the German subsidiary of the Anglo-Persian Oil Company (present day British Petroleum), the Benzol Verband (owned by the Ruhr *Montan* industry) attempted to gain control over the company by gaining the position of administrator through the Reich Commissioner for the Treatment of Enemy Property.[[85]](#endnote-86) German companies were looking toward expanding their business through control over enemy-owned assets. Boeder’s move was an important measure to safeguard the long-term interests of the company.

 Boeder also attempted to have the administrator appointed for all of RDS’ holdings in Greater Germany. The Reich Commissioner for the Treatment of Enemy Property, however, rejected this idea because the administration of Bataafsche, the Dutch operating company owning most of RDS’ holdings in continental Europe, was based on the ordinance concerning protective administration, while Rhenania’s administrator was appointed under the ordinance concerning enemy property. The former ordinance was issued only after the occupation of the Netherlands, Belgium and France on 30 May 1940, while Boeder’s haste to appoint an administrator for Rhenania dated from January 1940, at which time only the ordinance concerning enemy property had been in place. Boeder subsequently requested to reform the basis for Rhenania’s administration by applying the protective ordinance rather than the enemy property ordinance. The request was granted in April 1941. The Reich Commissioner for the Treatment of Enemy Property also appointed Grauert administrator of all of the holdings of Bataafsche in Germany and the Protectorate. Thereafter, Grauert attempted to gain control of Bataafsche itself in hope of unifying the administration of Rhenania and Bataafsche under control of Grauert and Rhenania’s board of directors. Seyss Inquart, Reich Commissioner for the Dutch Occupied Territories, subverted this attempt and later attempts by Boeder and Grauert also stranded. According to Stephan Lindner, the German Economics Ministry interpreted Boeder’s attempts at centralising the administration of RDS’ holdings in Greater Germany as an attempt to regain control of the exploration rights of RDS in Austria after the sequestration of RDS’ assets in Austria. Although the ministry was opposed to foreign capital controlling a German oil source, action was postponed and Boeder’s proposal granted, bringing the Austrian assets of RDS under the control of Grauert and Boeder.[[86]](#endnote-87)

 The practice of the Reich Commissioner for the Treatment of Enemy Property was to find a modus operandi for controlling foreign-owned companies to the benefit of the German war economy, yet without threatening their integrity or operational capabilities. This also involved protecting them from greedy German companies seeking to pick up assets and kill competition.[[87]](#endnote-88) This careful positioning between controlling, activating and securing foreign capital probably worked in favour of local management of foreign-owned companies, as could be observed in the case of Unilever, another Anglo-Dutch multinational with huge interests and holdings in Germany. As the indispensible supplier of foodstuffs, oils, fats and soap to the German population and army, Unilever continued to negotiate room for manoeuvre well into the war.[[88]](#endnote-89)In the case of Rhenania, production and income declined significantly because of the war, but the company managed to turn a profit, at least up to 1943. Rhenania’s “pioneering work” in the production of lube oils was widely recognised and Rhenania managed to keep up production of lube oils and even double its exports in the first three years of the war.[[89]](#endnote-90) After 1943, government controls became stricter. Rhenania also suffered significant losses from Allied bombing raids in 1944 and 1945. The Hydrierwerke Pölitz AG was heavily bombed, then occupied by the Polish army, and a few years later liquidated.[[90]](#endnote-91)

**Conclusion**

The degree of complicity of multinationals in Nazi-Germany can seem all too clear in hindsight, but at the time business leaders were making the most of worsening conditions. In addition, these decisions were mostly not on a political basis but on the basis of prevailing business interests in response to mounting risks. However, to conclude that Nazi regulations and control were so overbearing that corporate control was lost and local management had no room for manoeuvre is also missing the point. Political risks come in many guises and so does the ability of local management to mitigate those risks. Therefore, to provide a more balanced account of the behaviour of foreign firms in Nazi Germany, we applied a risk management approach to the case of Royal Dutch Shell. It was our aim to show with this article that RDS’ German subsidiary Rhenania faced the dilemma of placating the Nazi regime, maintaining control over the business, and complying with the business policies of the parent company. We showed that Nazi controls became increasingly strict, weakening the degree of RDS’ control over its subsidiary and forcing Rhenania to make decisions that ran counter to RDS’ policy. However, we also showed that Rhenania managed to retain considerable room for manoeuvre, even when war broke out, by leveraging its political contacts, relations to SO and IG, local standing and technological advantages to the Nazi economy. By doing so, we argue that the primacy of the Nazi state and its overbearing control over foreign business in Nazi Germany is not entirely consistent with the experience of RDS.

 From a risk management perspective, the case of RDS highlights that when political risks arise in a developed economy, companies are hard pressed for ways to manage and offset those risks. By 1933, RDS was heavily invested in Germany and avoidance as a risk management strategy was no option. Neither was withdrawal. Even if liquidation of its assets had been possible, capital restrictions made repatriation of funds not worth considering. Facing a Nazi clamp down on the oil industry and its attempts to divert private investment into synthetic fuel projects, Rhenania had no other options than to attempt to mitigate the risks by leveraging its reputation and relations under what Casson and Lopes term risk management through prevention and mitigation. Already in 1933 did RDS attempt to come to an agreement with the Nazi government as a risk management strategy to prevent the Nazis from further deteriorating Rhenania’s market position in Germany. Although Economics Minister Schacht appeared susceptible to RDS’ pleas, the understanding was nullified when Hitler appointed Göring as plenipotentiary of the Four Year Plan in 1936. Having failed to prevent further damage to Rhenania’s market position in Nazi Germany, the RDS subsidiary was left to mitigate mounting Nazi interference, which was particularly aimed at Rhenania’s idle cash reserves and technological know-how. To mitigate the risk of the Nazi state commandeering both cash and know how, the company teamed up with IG and SO to develop Pölitz. The project was in several ways an outlier in the synthetic fuels program and had its commercial attractions, certainly considering the circumstances, with at least some promise of post-war viability. That the project boomeranged could be interpreted as naivety on the part of Rhenania, but this only strengthens the interpretation that Rhenania’s management was leveraging what resources it had to make the most of the situation while acting in the long-term interest of the company.

Nazi controls became increasingly stricter, culminating in the assumption of total control after the outbreak of war through the appointment of an administrator. Nominally, this resulted in a complete separation between parent and subsidiary and the loss of control for local management but in practice Rhenania took the initiative and demonstrated a striking ability to set the terms and conditions of the appointment of an administrator, in effect applying a preventive risk management strategy. By proposing Grauert, the company created a close link to Göring, while successfully negotiating the retention of management powers of attorney. The loss of control was therefore partial and left considerable room for manoeuvre for the local management. Moreover, the appointment of an administrator at the outbreak of war was not simply the enforcement of state control by the Reich Commissioner for the Treatment of Enemy Property over Rhenania, but a reciprocal negotiation over the integrity of RDS in Greater Germany and its integration into the war economy.

We are not arguing that Nazi state coercion played only a minor role and that RDS and Rhenania had the possibility of declining on Pölitz or not placating the Nazi regime in general. The risk of coercion was always in the background and sometimes became manifest, either in rhetoric or in a direct threat as in the case of the second capital call for Pölitz. The economic policies and interventions of the Third Reich presented foreign businesses with a decreasing set of options. All that parent companies and local management teams could do was to retain as much wiggle room as possible. Rhenania proved quite able to retain some room for manoeuvre over the course of time and acted in this respect primarily with the long-term interest of the company in mind.

Although the Pölitz plant had to be written off completely after the war because it was commandeered by the Soviets and dismantled by the Polish government, RDS’ involvement with the synthetic fuels technology was not a complete disaster. Initially slated for deconstruction, the three major hydrogenation plants in the Rhine-Ruhr area in Western Germany were reactivated in the late 1940s to help reduce the cost of the Allied occupation and assist in the reconstruction of Germany. SO, British Petroleum and RDS were all quick to establish processing deals with the three plants. These hydrogenation plants provided the oil companies with readily available refinery capacity in the region, which was a welcome addition to supplement their heavily bombed facilities in Hamburg. Rhenania’s Pölitz experience came in handy, illustrated by the appointment of Pölitz’ general manager Dr. Wissel as technical manager of the hydrogenation plant in Wesseling near Cologne shortly after the war. Moreover, this site became the nucleus of one of West Germany’s largest oil and petrochemical clusters during the 1950s and 1960s.[[91]](#endnote-92)

**Notes**

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1. . Rhenania-Ossag advertisment in *Der Ring*, March/April 1941. [↑](#endnote-ref-2)
2. . James, “Banks and Business Politics”, 46. [↑](#endnote-ref-3)
3. . Wubs, *International Business*,46. [↑](#endnote-ref-4)
4. . Ibid., 36-37. [↑](#endnote-ref-5)
5. . Kobrak and Hansen, *European Business,* passim; Nicosia and Huener, “Introduction: Business and Industry in Nazi Germany in Historiographical Context.”, 1-14. [↑](#endnote-ref-6)
6. . Nicosia and Huener, *Business and Industry*, 6-9. [↑](#endnote-ref-7)
7. . Hayes, *Industry and Ideology*, passim. [↑](#endnote-ref-8)
8. . Wilkins, “Multinationals and Dictatorship”, 23-24. Case studies on, for instance, IBM and GM have discussed the degree of parent control and complicity. Turner, *General Motors and the Nazis*, passim; Heide, “Between Parent and “Child””, 149-173; Black, *IBM and the holocaust*, passim. [↑](#endnote-ref-9)
9. . Wilkins, “Multinationals and Dictatorship”, 25; Cheape, “Not Politicians”, 444-466. Royal Dutch Shell’s Henry Deterding was a particularly salient example. Because of his enthusiasm for the Nazis he was sidelined and finally forced to resign as the company’s chairman in 1937. [↑](#endnote-ref-10)
10. . Wilkins, “Multinationals and Dictatorship”, 23-24; Wubs, *International Business*, passim. [↑](#endnote-ref-11)
11. . Wubs, *International Business*, 178-179, 181-182. [↑](#endnote-ref-12)
12. . Casson and Lopes, “Foreign direct investment in high-risk environments”, 376. [↑](#endnote-ref-13)
13. . Ibid., 380. [↑](#endnote-ref-14)
14. . Kobrak and Hansen, *European Business*, 7; Wubs, *International Business*, 178-179, 181-182; Cheape, “Not Politicians”, 444-466. [↑](#endnote-ref-15)
15. . Jonker and Van Zanden, *From Challenger*, 469. [↑](#endnote-ref-16)
16. . Lesch, *The German Chemical Industry*, 186; Karlsch and Stokes, *Faktor Öl*, 190; Plumpe, “Innovation and the Structure of the IG Farben,” in Caron, Erker and Fischer, *Innovations in the European Economy between the Wars*, 163 ff. [↑](#endnote-ref-17)
17. . Kockel, *Geologie und deutsche Ölpolitik*, 626-632. [↑](#endnote-ref-18)
18. . Howarth and Jonker, *Powering the Hydrocarbon Revolution*,22, 32. [↑](#endnote-ref-19)
19. . Jonker and Van Zanden, *From Challenger*, 469. [↑](#endnote-ref-20)
20. . Gales and Sluyterman, “Outward bound”, 67. [↑](#endnote-ref-21)
21. . Cartels were a ubiquitous phenomenon in Germany already before 1914. See for instance: Wengenroth, “Germany: Competition abroad - cooperation at home, 1870-1990”, 139-175; Webb, “Cartels and Business Cycles in Germany, 1880 to 1914”, 205–224; Pohl, *Kartelle und Kartellgesetzgebung*, passim. [↑](#endnote-ref-22)
22. . Jonker and Van Zanden, *From Challenger*, 79. [↑](#endnote-ref-23)
23. . Ibid., 185. [↑](#endnote-ref-24)
24. . Ibid., 344. [↑](#endnote-ref-25)
25. . Merki, *Der holprige Siegeszug des Automobils 1895-1930*, 39-40. [↑](#endnote-ref-26)
26. . Ibid., 464. [↑](#endnote-ref-27)
27. . Jonker and Van Zanden, *From Challenger*, 84, 90, 160; Howarth and Jonker, *Powering the Hydrocarbon Revolution*, 96-97. [↑](#endnote-ref-28)
28. . Homburg et al, “Van carbo- naar petrochemie”, 345. [↑](#endnote-ref-29)
29. . Lesch, *The German Chemical Industry*, 189. [↑](#endnote-ref-30)
30. . Karlsch and Stokes, *Faktor Öl*, 135; Jonker and Van Zanden, *From Challenger*, 359. [↑](#endnote-ref-31)
31. . Stokes, “Von der I.G. Farbenindustrie AG”, in Abelshauser, *Die BASF*, 238; Parke Hughes, “Technological momentum”, 110-112. [↑](#endnote-ref-32)
32. . Stranges, “Germany’s synthetic fuel industry, 1930-1945”, 185. [↑](#endnote-ref-33)
33. . Ibid., 186; Stokes, “Von der I.G. Farbenindustrie AG”, 239-242; Kolko, “American Business”, 721. [↑](#endnote-ref-34)
34. . Homburg, “Operating on several fronts”, 125-126. [↑](#endnote-ref-35)
35. . Homburg et al, “Van carbo- naar petrochemie”, 353. [↑](#endnote-ref-36)
36. . Kolko, “American Business”, 721. [↑](#endnote-ref-37)
37. . Karlsch and Stokes, *Faktor Öl*, 190. [↑](#endnote-ref-38)
38. . Homburg et al, “Van carbo- naar petrochemie”, 353. [↑](#endnote-ref-39)
39. . Deutsche Gasolin AG was formed when BASF took over the oil holdings after the disintegration of the Hugo Stinnes concern in 1925. Gasolin gave BASF, and subsequently IG an outlet for their synthetic gasoline. IG also sought to give Gasolin a secure source of crude oil and therefore offered Royal Dutch Shell and SO a 25 per cent stake each in Gasolin. Karlsch and Stokes, *Faktor Öl*, 139. [↑](#endnote-ref-40)
40. . Karlsch and Stokes, *Faktor Öl*, 137. [↑](#endnote-ref-41)
41. . Feinstein, Temin and Tonioli, *The World Economies between the Wars*, 93-98; Eichengreen and Temin, “The Gold Standard and the Great Depression”, 183; Eichengreen, *Golden Fetters*, 390 ff. [↑](#endnote-ref-42)
42. . Eichengreen and Temin, “The Gold Standard and the Great Depression”, 195-201; Petzina, *Autarkiepolitik im Dritten Reich*, 15-16. [↑](#endnote-ref-43)
43. . Feinstein, Temin and Tonioli, *The World Economies between the Wars*, 98-100, 109-110. [↑](#endnote-ref-44)
44. . Tooze, *The Wages of Destruction*, 658-659. [↑](#endnote-ref-45)
45. . Petzina, *Autarkiepolitik im Dritten Reich*, 20. [↑](#endnote-ref-46)
46. . Tooze, *The Wages of Destruction*, 106 ff. [↑](#endnote-ref-47)
47. . Petzina, *Autarkiepolitik im Dritten Reich*, 22-23. [↑](#endnote-ref-48)
48. . Kockel, *Geologie*, 626-632. [↑](#endnote-ref-49)
49. . Ibid., 620-624. [↑](#endnote-ref-50)
50. . Karlsch and Stokes, *Faktor Öl*, 165-166; Stokes, “The oil industry in Nazi Germany”, 265; Kockel, *Geologie*, 627. [↑](#endnote-ref-51)
51. . Stokes, “The oil industry in Nazi Germany”, 267-272. [↑](#endnote-ref-52)
52. . Scherner, *Die Logik*, 110. [↑](#endnote-ref-53)
53. . Birkenfeld, *Der synthetische Treibstoff*, 28. [↑](#endnote-ref-54)
54. . Ibid., 37-41. [↑](#endnote-ref-55)
55. . Scherner, *Die Logik*, 106. [↑](#endnote-ref-56)
56. . Wilkins, “Multinationals and Dictatorship”, 26. [↑](#endnote-ref-57)
57. . Shell Historical Archive, The Hague, 15/151, Imports to Germany 1933-1935, Report of the meeting with Schacht, Kessler to Rudeloff, 10 June 1933. [↑](#endnote-ref-58)
58. . SHA 15/151, Imports to Germany 1933-1935, Memorandum by De Kok, 30 July 1934, 3-4. [↑](#endnote-ref-59)
59. . Petzina, *Autarkiepolitik*, 36-41. [↑](#endnote-ref-60)
60. . Ibid., 264. [↑](#endnote-ref-61)
61. . Fischer-Tropsch Archiv, WWII Records of the United States Air Force, Microfilm Reel B-1870, *Petroleum Facilities of Germany 1945*, 155. http://www.fischer-tropsch.org/Tom%20Reels/Linked/B1870/B1870\_toc.htm, accessed 27 August 2015. [↑](#endnote-ref-62)
62. . Karlsch and Stokes, *Faktor Öl*, 193. [↑](#endnote-ref-63)
63. . SHA 15/302, Memorandum Kruspig to Kessler, 29 October 1936; Jonker and Van Zanden, From Challenger, 473-474. [↑](#endnote-ref-64)
64. . SHA 15/302, Telegram Van Eck to Wilkinson, 18 February 1937. [↑](#endnote-ref-65)
65. . Jonker and Van Zanden, *From Challenger*, 473. [↑](#endnote-ref-66)
66. . SHA 15/302 Werkmethoden – Hydreren, Memorandum from Van Eck, 23 March 1937. [↑](#endnote-ref-67)
67. . Jonker and Van Zanden, *From Challenger*, 534 (note 159). [↑](#endnote-ref-68)
68. . Krammer, “Technology Transfer as War Booty: The U.S. Technical Oil Mission to Europe, 1945”, 87. [↑](#endnote-ref-69)
69. . Fisher-Tropsch Archive, CIOS report nr. 12, Interrogation of Dr. Kurt Wissel, Hydrierwerke Pölitz (Stettin), June 1945, p. III, [http://www.fischer-tropsch.org/Tom%20Reels/Linked/TOM%20197/TOM%20197-0437-0432%20File %20XXXII-94%20Report%2012.pdf](http://www.fischer-tropsch.org/Tom%20Reels/Linked/TOM%20197/TOM%20197-0437-0432%20File%20XXXII-94%20Report%2012.pdf), accessed 11 May 2012; Joest, *Kraftakte*, 55. [↑](#endnote-ref-70)
70. . Jonker and Van Zanden, *From Challenger*, 474. [↑](#endnote-ref-71)
71. . Jonker and Van Zanden, *From Challenger*, 534, note 164. [↑](#endnote-ref-72)
72. . Ibid., 473. [↑](#endnote-ref-73)
73. . Boon, *Oil Pipelines,* 50-59; Joest, *Kraftakte*, 55. [↑](#endnote-ref-74)
74. . Birkenfeld, *Der synthetische Treibstoff*, 139. [↑](#endnote-ref-75)
75. . Scherner, *Die Logik*, 137. [↑](#endnote-ref-76)
76. . Ibid., 110. [↑](#endnote-ref-77)
77. . Ibid., 137. [↑](#endnote-ref-78)
78. . Lesch, *The German Chemical Industry*, 204. [↑](#endnote-ref-79)
79. . Scherner, *Die Logik*, 137. [↑](#endnote-ref-80)
80. . Scherner, *Die Logik*, 137. [↑](#endnote-ref-81)
81. . Homburg, “Managing Enemy Assets in Occupied France”, 204-206. *Verwalter* can be translated as administrator, supervisor or simply manager. The tasks of the *Verwalter* were defined in the Treatment of Enemy Assets Act of 15 January 1940. The Act granted the *Verwalter* the legal position of authority in all matters concerning the company and the powers of attorney of the company’s management were suspended for the duration of the Act. Nominally, the appointment of a *Verwalter* suspended the control of the local management over the company. [↑](#endnote-ref-82)
82. . Jonker and Van Zanden, *From Challenger*, 474. [↑](#endnote-ref-83)
83. . BA R87/6068, Rhenania-Ossag Mineralölwerke AG, Office of the Reichskommissar for the Treatment of Enemy Property, ‘Royal-Ducth-Shell-Concern (Rhenania-Ossag, Hamburg and N.V. De Bataafsche, Den Haag)’, 21 December 1945, 17-22. [↑](#endnote-ref-84)
84. . Klee, *Das Personenlexikon*,197-198. [↑](#endnote-ref-85)
85. . Lindner, *Das Reichskommissariat*,71-72. [↑](#endnote-ref-86)
86. . Ibid.,79. [↑](#endnote-ref-87)
87. . Ibid.,85. [↑](#endnote-ref-88)
88. . Wubs, *Unilever*, 178-179, 181-182. [↑](#endnote-ref-89)
89. . BA R87/6068, Rhenania-Ossag Mineralölwerke AG, Office of the Reich Commissioner for the Treatment of Enemy Property, ‘Royal-Ducth-Shell-Concern (Rhenania-Ossag, Hamburg and N.V. De Bataafsche, Den Haag)’, 21 December 1945, 45-46. [↑](#endnote-ref-90)
90. . Wubs, “A Dutch Multinational’s Miracle in Post-war Germany”, 30; Stranges, “A history of the fischer-tropsch synthesis in Germany 1926–45”, 22; Howarth and Jonker, *Powering the hydrocarbon revolution*, 70. [↑](#endnote-ref-91)
91. . Boon, *Oil Pipelines*, 103-112. [↑](#endnote-ref-92)