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By far Britain's largest company, with around 1500 subsidiaries (1) and a market capitalisation of little less than £10,000,000,000 (£9,482 million to be exact) (2), BP also has the world's greatest secure oil reserves (3) and is generally acknowledged to be "the best company in the world at finding oil" (4).

Thanks to its recent policy of closing refineries and pursuing the more profitable end of the oil market, BP has now become the world's biggest "spot" trader in both crude oil and its products (5). In 1981 it was the western world's 8th largest company with a total revenue of US\$52,229 million (6) - although it rated only 41st among the "most multinational" companies (7).

Its American subsidiary Sohio is the largest oil producer in the USA (8) and has been essential to the parent's growth and profitability (in 1982, for example, it provided no less than 78% of BP group profits, and 60% the following year) (9).

Incorporated in 1909 as the Anglo-Persian Oil Co (name changed to Anglo-Iranian Oil in 1935 and to British Petroleum in 1954), BP was half bought-out by the British government at the start of World War 1 to ensure oil supplies for the Royal Navy. BP remained a "crude oil" company until after World War 2, when it began looking for new sources of oil (notably in Nigeria) and establishing refineries in Europe. In 1965 it became the first company to strike oil in the North Sea. Four years later it discovered oil on the Alaskan North Slope. Possession of crude supplies in the USA, and its purchase of Arco's marketing and refining assets in 16 States, gave the company "leverage to make a major entry to the USA" (10). Its US assets were merged with those of Sohio giving it an immediate 25% stake, and - in 1978 - control (of 53%). The following year BP won no less than nine of twenty bids (worth more than US\$ 100 million) for oil exploration and production contracts in Alaska's Beaufort Sea. Although these were won with the co-operation of four Alaskan native corporations (11), the company's stake in the Prudhoe Bay field and its participation in the 800-mile Trans-Alaska Pipeline (12) have given rise to alarm and opposition among many native and environmental groups in North America (12) (see Arco for further information).

Diversification into other resources started in the mid-'70s, primarily into coal. By 1980 it had become one of the world's ten biggest private producers of the black stuff, thanks to holdings in the USA, Australia, Canada and South Africa (along with CFP/Total it held a third interest in both the Ermelo mine and the Trans-Natal Coal Corp of South Africa) (10).

That year, too, BP's top management decided on a major restructuring of the corporation, not so much to reduce its dependence on oil in the post-OPEC, post-Shah period as to give its other tentacles room to spread. It then set up four principal subsidiaries: BP Oil International, BP Exploration, BP Chemicals International and BP Minerals International (13). (The last named effectively took over the interests of Selection Trust in 1982.) In 1981, to finance this new rationalisation, BP launched the biggest rights issue ever recorded to that date in Britain: L600 million (14).

By the time the company stepped into the 'eighties under its new chairman, Peter

Walters (15), its diversification strategy was paying some dividends: it could boast of making dog food in the Netherlands, broiling chickens in Belgium (Pingo Oven-Ready), fish farming in Norway and developing computer software in the USA (16). However, its backbone remains oil and, to a lesser extent, the mineral interests it acquired at the beginning of this decade. On the eve of further reprivatization of the company in 1983 - when half a billion pounds was raised through the sale of 7% of the government's holding in the company ("... BP is the quick cash that no Chancellor can resist") (17) - BP remained a corporation "whose fortunes rest on oil and gas. Diversification into coal and minerals ... should dilute this dependence, but are not likely to prove major profit-earners until the 1990s" (17).

A year later - after the company failed to strike oil in the South China Sea (18) and its Mukluk oil field in Alaska (the most expensive oil well ever drilled) (19) proved as dry as dead bones (20) the company still relied on North America and the North Sea for its biggest turnovers (21). But Alaska had ceased to be "the jewel in BP's American crown" (22). The 80% of its profits still accruing from "upstream" activities were now to be made in "a range of discoveries and not just two [oil] fields" (21).

BP's move into minerals in the late 1970s was spectacular by any yardstick. Through its acquisition of a majority interest in Sohio by 1978 and control of Selection Trust two years later, BP's mineral interests made the corporation "one of the bigger mining enterprises in the world" (10).

BP's involvement with Sohio began in 1970 when the British company started drilling for oil on Alaska's North Slope and secured a stockholding in the American major. By the early 1980s Sohio held more than half the entire reserves of the main reservoir of Prudhoe Bay, comprising more than 25% of the USA's proved stocks of crude oil (10). Although Sohio's mining interests were relatively small, by the turn of the decade it had "so much money it doesn't know how to spend it" (23). So when Kennecott copper (still reeling from the expropriation of its Chilean assets in 1971 and from low copper prices, but holding 20% of all US copper reserves) looked like providing an avenue into large scale mining, Sohio snapped it up: since the acquisition took place long after BP had secured its majority stake in Sohio, the decision was naturally as much BP's as its American partner's.

The take-over of Selection Trust at roughly the same time fitted in impeccably with BP's newfound modes and strategies. This was a "group whose style the men from Britannic House [BP headquarters in London] must clearly appreciate" (24). Not one of the top-ranking mining houses, it nonetheless had "an uncanny knack of finding natural resources all over the world . . . the number of its finds is almost unequalled" (24).

Indeed, the Seltrust portfolio must have looked extremely impressive, especially that of the 75%-held Australian subsidiary, Seltrust Holdings Ltd (technically now owned by BP's 100% subsidiary Auselex Investment Holding (Pty) Ltd). There was a 47% beneficial interest in the Agnew nickel mine in Australia (later 60%) (73) and the Teutonic Bore copper, zinc and silver deposit; a 50% interest in a Nevada, USA, gold mine (Occidental Minerals holding the other 50%) and a majority (64%) stake in Les Mines Selbaie, a copper, zinc, silver and gold project in Quebec, Canada. What with diamond mines in Namibia, a 34% holding in the Unisel gold mine of South Africa and various other stakes in Africa and North America, Seltrust gave BP a mineralogical foothold in three continents. It also helped defray some of BP Minerals' fixed costs (10).

Yet Seltrust was an "overpriced" acquisition, and three years later "benefits [had] yet to be seen at the bottom line" (5) despite its 5% in the very promising Mt Newman iron ore project in Western Australia (25) and the extremely promising Temore gold prospect in New South Wales (26, 27) held by Seltrust as to 56.25% (28).

By the beginning of 1983, Seltrust Holdings was proving something of a plugged nickel (29): net loss by the end of the year was A\$ 10.6 million, exploration was reduced, and no profit foreseen in 1984 (30). In April 1984, new ways were mooted to correct the situation (31). The move followed the announced sale of Selco, Seltrust's Canadian subsidiary, to BP Resources Canada, thus helping to satisfy Canadian regulations on national ownership of national resources (32).

BP's plan was to take over completely Seltrust Holdings' non-gold interests and its debt burden, while setting up a new company to acquire its important gold diggings. Fur began to fly when Australian minority shareholders in Seltrust were offered what looked like a derisory amount for their interest in the Australian subsidiary (33). BP's reputation as a "good citizen" was tarnished in the fray (34) and it was forced to up its offer, as well as abandoning plans for the new company, Paragon, and more modestly - if unimaginatively - launching Newco. As of the time of writing this entry, it looked as if a Perth businessman, Laurie Connell, would end up with the lion's share of Newco (35) and as if BP's down-under reputation would remain distinctly under-down for some time to come.

Meanwhile, BP's other mineral interests in the former colony continue to be held by BP Australia - or, rather, BP Minerals Australia, which was set up in 1983 (36). The interests include the Stuart Shelf prospect - a copper, zinc and silver project at Benambra in Victoria, which was reporting high copper values in the late '70s (37) - and, above all, the Olympic Dam/Roxby Downs uranium mine. All three projects are conducted with WMC.

It was the Olympic Dam deal with WMC (51%) which finally launched BP into both Australian minerals and uranium mining on a major scale. (A uranium lode at Coppermine in Canada's Northwest Territories has remained in abeyance (38), although BP's explorations for uranium in the high arctic continue to be of concern, especially to the Inuit and MicMaq nations) (39). BP, along with other oil majors, was ready to move into uranium areas on Aboriginal land in Australia's Northern Territory in the late '80s, but was stopped by the moratorium imposed on exploration in 1980 (40).)

BP's major contribution to the development of Roxby Downs has been the A\$50 million it shelled out in 1979 for the feasibility study that has caused so much controversy, particularly as it affects the Kokatha people on whose land this unprecedented mineral deposit is situated (41). Just what BP would get out of the arrangement with WMC was not that clear - and it has become increasingly likely that BP will severely limit any future expenditure as the mine proceeds. In what the Financial Times ingenuously called "an elegant arrangement from Western Mining's point of view", BP could be liable for a final expenditure of A\$110 million or more (41). The company can hardly be said (unlike its Australian partner) to view uranium mining as a moral obligation, or the Olympic Dam deposit as absolutely crucial to British nuclear power. In a briefing paper on western European energy supplies published in late 1984, BP anticipated a "considerable" expansion of western nuclear power, but, while claiming the EEC region possessed only 6% of assured supplies, estimated that outside sources offered "considerable security" (42).

In view of the opposition which its share in Australian uranium has evoked from the antinuclear movement - including two major blockades, international Aboriginal protest, and boycotts of its service stations on both sides of the globe - it may well be reconsidering its future obligations to WMC.

In 1983 BP became the first non-Swedish company to get exploration and mining rights in that country when the Swedish government approved an application by BP to join LKAB in exploration of the south central part of the country between Falun and Derebro: BP Minerals would get 25% of any of the recovered ore (so far uranium has not been mentioned as a possible reward) (43).

BP bought out troubled Dome of Canada's oil interests in 1982 (44) and two years later was on the point of bidding for Johnson Matthey, the precious metals and chemicals company partly owned by Anglo-American, a company with the sole refining rights to the world's largest platinum mine - Rustenberg in South Africa (45).

The company is also one of the major deep sea consortia. Although its participation in the Kennecott consortium is only 12%, Sohio's is 40% (46).

The company's ventures in "new" types of energy production have been fairly limited compared with, for example, Exxon or Arco. In 1980 it joined CRA and BHP in a JV to develop the Rundle oil shale deposits in Queensland, Australia (47), but later withdrew, as did other big companies (48). In 1984, Sohio Shale also pulled out of the huge (US\$2.5 billion) Paraho-Ute oil shale project in NE Utah, USA (49).

BP Solar Systems announced in 1983 that it would build Britain's largest solar power plant at Marchwood, Hants, putting up half the money itself and getting the other 50% from the EEC; BP has also agreed to assess the solar power potential for Britain, on behalf of the EEC's energy and research development programme (50).

Its approach to other new technologies has also been fairly cautious. Although shelling out more than L2 million in the early '80s to back "revolutionary" new scientific research (51), it abandoned its early ventures into single cell protein proliferation ("biomass") in the 1970s (52), and years later still found no buyer for the biotechnological process it had developed (53). Apart from the mounting and sustained opposition to BP's participation in Roxby Downs, the company has aroused most ire for its operations in support of apartheid, for the potentially disastrous ecological implications of its oil drilling and transportation in the Beaufort Sea, and for its trespass on beauty spots back home. BP has had more than 20 South African subsidiaries, including three mining companies (1). One of these, Unisel (now owned and managed by Gencor) is a moderate producer of gold (25). Another mine, Middelburg, in which BP had a share, started coal production in 1985; in the early '80s a telex leaked from BP's London HQ showed that the company had been attempting to get round various European part-embargos on South African coal by disguising its origins (54).

When BP took over Seltrust in 1980, the Anti-Apartheid Movement announced a "major international campaign" against the deal on the grounds that as well as deepening British involvement in South Africa (specifically with purchase of Charter Consolidated's 26% interest in the company), it gave Anglo-American an entree into North Sea oil, thus violating the oil sanctions imposed on South Africa since 1973 (55).

BP's Seltrust holding also gave it a major slice of the Tsumeb copper mine in Namibia,

as well as - through the South West African Selection Trust (Pty) Ltd - a stake in other base metals in the occupied territory (56).

It's also important to note here that BP was among several oil majors which supplied oil to the Smith regime in Rhodesia through its South African subsidiaries, in gross violation of UN sanctions, during the 1970s (57, 74).

Much closer to home soil, BP's plans to expand its Wytch Farm oil field in Dorset by plumbing the depths of Poole Harbour (58) met with tremendous opposition from environmental and nature conservation groups because of the potential threat to wildlife and holiday-making. After Friends of the Earth, the National Trust ("we will fight to the last ditch" - or dytch?), the Nature Conservancy Council et al waded in against BP (59), the plans were dropped (60).

Surprisingly, BP's other controversial operations haven't roused half as much opposition: perhaps because there are no known endangered reptiles in Rondonia, Brazil, where BP had extensive plans to mine gold (61). Or because there are no well-tramped beauty spots in East Kalimantan (formerly Borneo) where the company is now mining coal in one of the last extensive areas of primary tropical forest in the world (62). Or because the company took ecological advice before plundering the Atabian pine plantations of Fiji, despite the opposition of a large part of the population to multinational appropriation of a key resource (6).

Potentially the most devastating of the company's recent involvements stems from its participation in the Great Carajas project, which has been criticised around the world for its impact on indigenous peoples, fauna, flora and the Amazon rainforest (63).

As part of its "continuing strategy of diversification" (64), BP formed BP Mineracao in 1980 to explore for gold, copper, zinc and lead in Brazil. A year later BP bought half of Brascan's 99% holding in Brascan Recursos Naturais, the Brazilian tin mining and smelting group, Brazil's second largest tin producer. This gave the company entree to Rondonia (65). A few months later BP announced that it would spend US\$40 million in Brazil on oil and mineral exploration - about a tenth of its world-wide total -and would be prepared to participate in the Grand Carajas project, "the world's largest untapped [mineral] deposits" (66).

In 1983, BP Mineracao laid out its Brazilian blueprint for the following three years: it would spend US\$100 million developing gold deposits south-east of Porto Velho in Rondonia; put US\$25 million into cassiterite mining in Rondonia and Amazonas; and tap other minerals in several other states, including Mato Grosso (a major tribal region), Minas Gerais and Goias. No less than 60 geologists have been employed by BP in Brazil, and more than 600 mining permits at one time were held across this huge land (43).

If we pass briefly over some of the other dubious activities of BP in the past few years - for example, its attempt ("scuppered" by the West German government) to dump 7500 tons of toxic waste in the sea (67) and its participation in an alleged chemicals price fixing cartel along with Shell and ICI (68, 69) - perhaps its most objectionable home-based activity is the work of wholly owned Scicon. Bought by BP in 1981, this high technology subsidiary was the subject of a spy scandal in 1983 when, according to the FBI, its work on the US intercontinental ballistic missile programme was photocopied by an employee and promptly despatched to Moscow (70).

Scicon supplies expertise to both banking and industry, but a third of its turnover in Britain comes from military contracts. The highly classified US subsidiary Systems Control Inc, based in Silicon Valley, California, depends for no less than three-quarters of its work on offence contracts; it also provides on-site support for the US Air Force, information on military transportation and "battle management" (71).

No doubt Scicon, as one of BP's major new enterprises, conforms to chairman Walters's view of the multinational being "... an effective force for good in other societies because it [can] help remove social practices which obstruct progress". The claim was made by BP's chair in an address given in 1983, arranged by the Christian Association of Business Executives to hear Britain's most powerful executive justifying "the morality of wealth creation". Free enterprise is the "most effective instrument available to man in his efforts to reduce poverty", noted Mr Walters; one consequence of the "moral snobbishness of some who denigrate those who make money is that millions may now be needlessly hungry and suffer from political oppression ... because of a refusal to take advantage of the most effective means of promoting development and creating wealth" (72).

In 1987, BP took over the remainder of Sohio which it did not own, and could at last bring the US subsidiary "under orders", after some drastically bad investment decisions during the 1970s. The merger puts BP in third place among the world order of oil companies (only Exxon and Royal Dutch/Shell now being bigger), and made BP "a truly international company" (75). It presaged aggressive exploration to extend oil holdings on the Alaskan North Slope and pressure on the US Congress to open up the Arctic National Wildlife Reserve for exploration (75).

Starting in 1987, the Kuwait Investment Office (KIO) began building up a stake in BP (76), which raised alarms in the English establishment. The Monopolies and Mergers Commission investigated, but could find nothing untoward, and within several months, the KIO had built up a nearly f 1 billion stake - amounting to 22% of the company's share capital (77). Although the KIO did not ask for a seat on BP's board, it nonetheless in theory holds sufficient shares to attempt a block on any major motion put to BP's shareholders. Ironically, much of the money used by the KIO to invest in BP had itself come from BP in the days before its huge assets in Kuwait were nationalised (78).

In early 1988, BP had not only built up its BP Gold subsidiary into the second biggest holder of gold reserves in the US (second only to Newmont) (79) but "snatched" the majority in Britain's largest independent oil producer, Britoil, by taking over the stake held by Arco (80).

Finally, in 1989, after a couple of years of secret negotiations, BP announced that it was selling off the majority of its minerals assets to RTZ (see RTZ). As it entered the new decade, BP retained control of its Canadian gold assets and (perhaps surprisingly) its share in the Kaltim Prima coal mine in Indonesian Kalimantan (see CRA). Despite a willingness to shed its 49% share of Roxby Downs to RTZ, legal action taken by Western Mining Corporation (WMC) prevented this happening, so BP continues to cause alarm to Aboriginal people, and environmentalists at large (see WMC).

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