

# WikiLeaks documents show Shell Oil domination of Nigeria

**Patrick Martin**  
**10 December 2010**

Secret diplomatic cables from the US Embassy in Nigeria demonstrate the death-grip that Shell Oil maintains on the most populous African country, and the role of the US State Department as the servant of the giant oil monopoly.

One cable recounts the visit to the embassy by Shell's executive vice-president for Africa, Ann Pickard, on October 13, 2009, for a meeting with US ambassador Robin Sanders, to discuss the status of the Petroleum Industry Bill then being considered by the Nigerian national assembly. The bill would legalize international joint ventures, further opening the nominally state-owned oil industry to foreign capital.

Pickard discussed the company's strategy for manipulating the legislature, warning that the Nigerian Senate "will pass a bad bill," but adding, "we aren't worried," although "we need to move quickly." The company expected to have its way in the lower house, she explained: "We are working with the House and the House appears to want to work with us."

Asked by Sanders if the industry was united in its approach—i.e., if US-owned companies had differences with Shell, which is British-Dutch owned—Pickard replied that there was "total alignment with the international oil companies at every level." The ambassador told her that the US, British, Dutch and French embassies had made a joint call on the managing director of the Nigerian National Petroleum Corporation, Dr. Mohammed Barkindo, in support of the plan for joint ventures.

Pickard then told the ambassador about China's new interest in bidding on oil blocks in Nigeria, explaining that "Shell had received a copy of the letter that Special Advisor to the President on Petroleum Matters Dr. Emmanuel Egbogah had sent to the Chinese which said that their offer for oil exploration blocks was not good enough."

Shell had "good sources" on Nigeria's talks with both China and Russia, because the government of Nigeria "had forgotten that Shell had seconded people to all the relevant ministries and that Shell consequently had access to everything that was being done in those ministries."

This discussion demonstrates the real relationship between the nominally independent country and the multinational oil company, whose annual gross revenues are comparable to Nigeria's GDP. The country is sovereign in name only, while

Shell, in partnership with other oil giants and US and British imperialism, has the final say on all key decisions.

The discussions between Pickard and the US ambassador went well beyond immediate oil interests. They discussed internal Nigerian politics, including the most recent amnesty offer by the central government to separatist militants in the Niger Delta, the main oil-producing region. Pickard said the situation would remain quiet until the end of the year, but would get "out-of-hand" when state elections began in the New Year.

According to the cable, "She expressed particular concern about Bayelsa State, home to Shell's 500,000 barrel-per-day capacity Bonny field." She said that Israeli security experts had been deployed in Bayelsa state, but not in the Delta, and there had been "a big drop in kidnapping" as a result.

At an earlier meeting, on September 18, 2008, Pickard discussed with a US embassy official the aftermath of a violent attack on a Shell facility. According to the cable sent by consul-general Donna Blair, Pickard asked what the US government knew about any interest in Nigeria on the part of the Russian oil monopoly Gazprom, as well the possible shipment of surface-to-air missiles to militant groups in the Niger Delta.

The oil company executive and the embassy official engaged in a detailed discussion of the new military tactics employed by the militants, who attacked from the land rather than from the water, as in previous incidents, and also the political response by the Nigerian authorities. Pickard complained that the Rivers State governor "lacked the connections among Rivers State militant leaders to successfully co-opt them as the governors in Delta and Bayelsa states have done with militants in their states."

In relation to Gazprom, Pickard said that "contacts in the British government" had told her that Nigeria had promised the Russian company "access to 17 trillion cubic feet of natural gas." This would require taking concessions currently assigned to other companies, and she assumed Shell would be the "prime target."

The Shell vice president also told the US consul that the oil company had "intelligence" about the shipment of surface-to-air missiles, but was unsure of its reliability. The cable continues: "When asked what aviation security steps Shell was

taking, Pickard said Shell helicopters generally fly above the effective range of the small and medium caliber weapons used by militants."

At another meeting on January 27, 2009, Pickard complained about the level of corruption in the Nigerian government, saying that oil buyers had to pay large bribes to the managing director of the NNPC, the government's chief economic adviser and even the first lady, Turai Yar'Adua. "Pickard also reported an instance of the Attorney General Aondoakaa allegedly soliciting a \$20 million bribe to sign a document," the cable reads.

The immediate reason for this visit was an attack by militants on a tanker loading at the Shell platform in Bonny, the 15th such attack on an oil company in the first month of 2009, part of a general breakdown of security in the country.

According to the cable, "The Ambassador asked what Shell's thoughts were on any potential for a coup. Pickard answered that there is little intellectual capital to plan and execute a coup and Shell sees little potential for one."

The two then discussed the precarious state of health of President Yar'Adua. He was to die the next year, and has been succeeded by Vice President Goodluck Jonathan.

Another embassy cable notes unconfirmed reports of bribery, smuggling and other forms of corruption linked to Yar'Adua's wife, who had purchased a \$10 million house in central London. One contact told embassy officials that while Yar'Adua was not taking bribes himself, "his wife siphoned off millions in public funds for private use."

The cable reported an interview with a Yar'Adua crony, Dahiru Mangal, who had just been named a special adviser to the president. According to the cable, "Yar'Adua instructed Mangal to cease any illicit activity if Mangal wished to enjoy official recognition by the President. The contact implied this may connote, *inter alia*, that Yar'Adua desires to maintain at least the appearance of respect for rule of law, and thus, does not want any of his close advisors openly involved in suspect activity."

The most recent cable from Nigeria released by WikiLeaks describes a meeting February 26, 2010 between Ambassador Sanders and Goodluck Jonathan, then the acting president. The meeting was triggered by the sudden and unexpected return of Yar'Adua to Nigeria from Saudi Arabia, where he had been near death at a medical facility.

Jonathan gave the US representative a complete account of his political plans to force Yar'Adua's resignation, become interim president, dissolve the cabinet and hold new elections. He described his consultations with former presidents and military rulers over how to convince Yar'Adua to step down.

The ambassador encouraged the acting president to go ahead with these plans despite the danger of regional tensions or a north-south split within the country's ruling elite, since Yar'Adua, a northerner, would be replaced by a southerner, Jonathan.

The acting president then agreed to allow the United States and Britain to provide "technical assistance" for the proposed election in 2011—in other words, the transition would be supervised by the former colonial master and the new neo-colonial boss.

To underscore the actual power relationship, Ambassador Sanders demanded assurances that the current head of the election commission would be removed, and Jonathan pledged to "have him out as soon as next month."

Overall, the cables from Nigeria give a picture of the relations between Shell, the US embassy and the Nigerian government that could hardly be done justice by a John LeCarré novel or a Hollywood spy film.

The above account summarizes only a half dozen of the numerous cables released by WikiLeaks on Wednesday evening. Among the other revelations, which deserve considerable further analysis:

- The US government is paying considerable attention to the deteriorating relationship between President Mauricio Funes of El Salvador, and the nationalist FMLN, which backed Funes in the presidential election and controls a majority in the national legislature. Funes is regarded (in February 2010) as a bulwark against the growth of influence of Venezuelan President Hugo Chavez in the Central American country. Funes has placed pro-American figures in charge of economic policy and the military, and seeks to align his foreign policy with Brazil rather than Venezuela.

- International oil companies are exerting considerable pressure on Venezuela and have succeeded in damaging the country's economic prospects, according to US embassy cables sent in the past year. Chevron and the Italian firm ENI were among the firms named. The US ambassador reported that actual oil production was barely 2.3 million barrels a day, well below the official claim of 3.3 million.

- US officials exerted heavy pressure on Germany in 2007 not to press charges against CIA operatives who kidnapped a German citizen of Lebanese descent, Khaled el-Masri, took him to a US prison in Afghanistan and tortured him. El-Masri was eventually released, with US sources claiming it was a case of mistaken identity. US Deputy Chief of Mission John Koenig warned German officials to "weigh carefully at every step of the way the implications for relations with the US" if they pushed forward in the el-Masri case.



To contact the WSWS and the Socialist Equality Party visit:

**wsws.org/contact**