

BP's Oil Spill is Latest Crime in a History of Plunder

Oil giant reaps huge profits from its global plunder

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In-depth Report: [THE BP OIL SLICK](#)

On April 20, an oil rig operated by BP exploded, killing 11 workers. In the immediate aftermath of the explosion, BP (formerly “British Petroleum”) announced that there was no leak from the destroyed rig. The U.S. Coast Guard validated this claim. BP contended that, in any case, a possible leak would be small, easily contained and not likely to reach land.

But in subsequent days, evidence of a massive oil spill in the Gulf of Mexico emerged, forcing BP and the U.S. government to acknowledge the catastrophe, while minimizing it as much as possible.

It is impossible to predict the level of environmental destruction and the devastation of workers’ lives along the Gulf Coast. In fact, even the amount of oil that has already been leaked—and the leak continues unabated—is difficult to establish, given that the main sources of estimates of the volume of the oil leak are BP and the U.S. government, hardly objective sources of information.

The current estimate of a flow of 5,000 barrels a day is almost certainly an underestimate, part of BP’s public relations damage control campaign. An internal memo from the National Oceanic and Atmospheric Administration considered a possibility that the rate of leakage could “become unchecked, resulting in a release volume an order of magnitude [10 times] higher than previously thought.” This would mean 50,000 barrels a day. Even BP executives told members of a congressional committee that, in their estimate of a worst-case scenario, up to 2.5 million gallons a day could spill.

As of this writing, no significant gain has been made in containing the hundreds of thousands of gallons of oil that have already polluted the Gulf of Mexico. What is known beyond a doubt is that the leakage continues at an alarming rate.

By May 4, the surface slick had covered an area of approximately 4,000 square miles, indicating a catastrophic environmental disaster, possibly of unprecedented proportions. Satellite images taken on May 5, showed the oil slick to have reached the Mississippi Delta and the Chandeleur Islands off the coast of Louisiana. It is only a matter of time before the oil slick will reach the shore of the mainland. Even before reaching shore, the oil slick has already impacted thousands of workers along the Gulf Coast, causing job losses for people relying on tourism and fishing for their livelihoods.

Who bears responsibility?

Far from being an unavoidable accident, the Gulf of Mexico disaster is the result of a

reckless drive by BP and its competitors to maximize their profits at the expense of the environment and the people whose lives will be wrecked by its destruction. BP received permission by the U.S. government to conduct extremely hazardous oil drilling a mile deep into the ocean floor. What is more, to protect its bottom line, BP actively lobbied the U.S. government to avoid having to provide real contingency plans in case of an accident, such as the one that happened. It is this ceaseless pursuit of profit that has made it possible for BP to make \$5.6 billion in profit in the first quarter of 2010 alone. BP's profits for the year 2010 are expected to total a staggering \$23 billion.

BP worked hard to thwart the possibility of the passage of a new rule to make deep-sea drilling safer. On Sept. 14, 2009, BP sent a letter to the U.S. government, stating: "While BP is supportive of companies having a system in place to reduce risks, accidents, injuries and spills, we are not supportive of the extensive prescriptive regulations as proposed in this rule." BP's safety plans for the well site states that in case of an accident, "due to the distance to shore (48 miles) and the response capabilities that would be implemented, no significant adverse impacts are expected."

A history of criminal activity

Far from being a "good corporate citizen," BP is a corporation that has made its huge profits through a history of crimes around the globe. Originally named the Anglo-Persian Oil Company, the company was founded in 1908, as the first company plundering the oil reserves of the Middle East. Anglo-Persian was renamed Anglo-Iranian Oil Company in 1935 and was subsequently renamed the British Petroleum Company in 1954.

The British government owned a majority share of the company and what little revenue was handed to the Iranian government was paid back to British and other European creditors. In 1947, for example, AIOC reported after-tax profits of £40 million, while giving Iran a mere £7 million.

The company subjected Iranian workers to deplorable working conditions, paying Iranians considerably less than foreigners. The following passage is how the director of Iran's Petroleum Institute described those conditions:

"Wages were 50 cents a day. There was no vacation pay, no sick leave, no disability compensation. The workers lived in a shanty town called Kaghazabad, or Paper city, without running water or electricity ... In winter the earth flooded and became a flat, perspiring lake. The mud in town was knee-deep, and ... when the rains subsided, clouds of nipping, small-winged flies rose from the stagnant water to fill the nostrils. ... Summer was worse. ... The heat was torrid ... sticky and unrelenting—while the wind and sandstorms shipped off the desert hot as a blower. The dwellings of Kaghazabad, cobbled from rusted oil drums hammered flat, turned into sweltering ovens. ... In every crevice hung the foul, sulfurous stench of burning oil ... in Kaghazad there was nothing—not a tea shop, not a bath, not a single tree. The tiled reflecting pool and shaded central square that were part of every Iranian town ... were missing here. The unpaved alleyways were emporiums for rats."

After centuries of Iran being a semi-colonized state under the British and Russian empires, most Iranians lived in abject poverty. Even part of the oil revenues stolen from the country could have resulted in a substantial gain in the living standards of Iranians. But, even in the

face of an intense mass struggle for oil nationalization, Anglo-Iranian refused to agree to any significant concessions. It insisted on pocketing virtually all the revenues from Iran's oil. In 1951, after the nationalization of oil by nationalist leader, Prime Minister Mohammad Mossadegh, Anglo-Iranian still refused to agree to a 50/50 profit-sharing arrangement. In other words, paying for half of the stolen oil was more than Anglo-Iranian was willing to concede.

The 1953 coup in Iran was, in large part, in response to the nationalization of oil, which had effectively deprived Anglo-Iranian of its profits from Iranian oil. After the coup, carried out by the CIA, the Shah, a U.S. puppet, denationalized the oil. Anglo-Iranian continued to make profits from Iran's oil, albeit having to relinquish its monopoly. The fact that the United States had carried out the coup necessitated that Anglo-Iranian share Iran's oil wealth with U.S. oil giants.

BP also had its hands in Iraq, as one of the key concession holders of that country's oil. The nationalization of Iraq's oil in 1972, which was the continuation of a process of the 1958 revolution in Iraq, was a blow to BP and other oil giants. The genocidal sanctions on Iraq, which cost more than a million lives, and eventually the invasion and occupation of Iraq, which continues to this day, have been carried out by imperialist powers to restore the immense profit-making opportunities of oil giants, including BP. BP has just gained virtual control of the Rumaila oil field in Iraq, possibly the second largest oil field in the world.

Struggle for justice

Capitalist corporations always cover up their crimes by blaming them on accidents, mishaps and individual errors. The capitalist government, at the service of these same corporations, does its best to conceal the magnitude of the devastation and shield the offending corporations from significant financial losses. Just after the 20th anniversary of the Exxon Valdez disaster, this is abundantly clear. Despite the media coverage of the spill, Exxon Corp. never completely cleaned up the devastated areas. The disaster was largely blamed on one drunken captain, as opposed to Exxon's consistent safety violations and its refusal to prepare and fund cleanup equipment to contain leaks caused by possible accidents.

It took nearly 20 years for the 30,000 native people of Alaska, whose lives have been devastated by the Exxon Valdez disaster, to get any compensation. And even then, the Supreme Court reduced the amount that Exxon had to pay by 90 percent, from \$5 billion to only \$500 million. "What more can a corporation do?" said Chief Justice John Roberts, justifying the decision.

The Obama administration has claimed that it will make BP pay for this disaster. But in the absence of a mass movement, BP will pay only minimally. The people, particularly those directly impacted by this disaster, cannot afford to wait for 20 years of litigation and then finally get paid a pittance for the life-altering consequences of this disaster. And, with a giant oil company on one side and poor and working people on the other, it is clear whose side the government will be on in any litigation.

The only just solution to this disaster is to seize the assets of BP, a criminal corporation that will do anything to maximize its profits, and pay the victims of the disaster directly. BP's assets could be used to pay for lost pay of the workers, rebuild the economies of affected areas, completely and extensively clean the Gulf of Mexico and the affected shorelines and restore the health and vibrancy of wildlife in the sea and on the shores. This is the only way

the damage can truly be repaired and justice served. But as history has shown time and again, it is only through struggle that justice can be achieved.

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