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978-0-521-25951-4 - British Petroleum and Global Oil 1950–1975: The Challenge of Nationalism

James Bamberg

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Dramatic narrative, arresting analysis and original research are combined in this history of one of the world's biggest oil businesses between 1950 and 1975. Assessing BP's comparative performance, the book focuses on how BP responded politically, economically and culturally to the rise of new competitors, the decline of Britain's imperial power, and the determination of nation states to assert national sovereignty over the vital commodity, oil.

Climaxing with the OPEC crisis which shook the world in the 1970s, the book – authorised by BP with uniquely unrestricted access to its records – has wide appeal and relevance, especially for those interested in big business, globalisation and nationalism, international affairs, OPEC, the Middle East and oil.

JAMES BAMBERG is an authority on the history of the world oil industry. Author of *The History of The British Petroleum Company: Volume II, The Anglo-Iranian Years, 1928–1954*, he has for some years been the official historian of BP. He is also a visiting fellow at the Centre for International Business History in the Economics Department, University of Reading, and a research associate at the Faculty of History, University of Cambridge.

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Preface

This book is the sequel to two earlier volumes on the history of BP. The first, written by R. W. Ferrier, was *The History of The British Petroleum Company: Volume I, The Developing Years, 1901–1932* (Cambridge University Press, 1982); the second, which I wrote, was *The History of The British Petroleum Company: Volume II, The Anglo-Iranian Years, 1928–1954* (Cambridge University Press, 1994).

Breaking with precedent, I avoided calling this book Volume 3 because I did not want to imply that it was best approached by reading the earlier volumes first. People with different interests should, I felt, be able to approach this book from whatever angle suited them, and via whatever literature they chose, undeterred by the thought that they had first to undergo a specific initiation process. The book, therefore, has a free-standing title and can be read either on its own, or as a sequel to the earlier volumes.

A large cast of people contributed to the book in diverse ways and are owed more recognition and thanks than these acknowledgements can convey. They include several researchers, who dug deeply into rich veins of state records, corporate archives and personal papers, sifting out and helping to analyse the most valuable material. Depending on individual circumstances, they worked part time or full time, short term or long term, on a variety of assignments. I would particularly like to thank Frances Bostock for her work at the Public Record Office; Valerie Johnson for her research on management cultures, marketing, photographs and maps (drawn by Malcolm Barnes, cartographer); Christine Shaw for her contribution to the chapter on nutrition and Jenny Ward for delving into the relations between the oil companies and OPEC. They and I were helped by archivists, librarians and others at institutions too numerous to be acknowledged individually. Special thanks are, however, due to the staff of the BP Archive.

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Preface

While the primary sources are rich, this book also draws on the published work of many authors in many fields and countries. The extent of their contributions is apparent in the notes and references that follow the text, and they are listed in the bibliography.

Still others have contributed, not with the written word, but by allowing me to call upon their memories, or by making suggestions on those parts of the text covering matters in which they were involved, or of which they have special knowledge. A list of those who have helped in these ways would be too long to include here, and they are therefore shown under interviews in the select bibliography.

I would like to thank, in addition, the members, past and present, of the BP History Committee, who read successive drafts of the book and offered welcome comment and advice. They were Rodney Chase, Professor Donald Coleman, Dr Chris Gibson-Smith, Lord Greenhill of Harrow, Professor Geoffrey Jones, Professor Peter Mathias, Professor Paul Stevens and Lord Wright of Richmond.

These people, and others unmentioned, have helped to make the book better than it otherwise might have been. BP has funded this book, but I alone am responsible for any errors, and for all interpretations and judgments.

Abbreviations

ADMA	Abu Dhabi Marine Areas Ltd
AGIP	Azienda Generale Italiana Petroli
AIOC	Anglo-Iranian Oil Company
Aramco	Arabian American Oil Company
ARCO	Atlantic Richfield Company
BHC	British Hydrocarbon Chemicals
bpd	barrels per day
BPX	BP Exploration
BRP	Bureau de Recherches de Pétrole
CDPD	Central Developmental Planning Department
CENTO	Central Treaty Organisation
CESP	Central European Supply Programme
CFP	Compagnie Française des Pétroles
CIVO	Centraal Instituut voor Voedingsonderzoek
Conoco	Continental Oil Company
CSS	Consiglio Superiore della Sanita
DCL	Distillers Company Limited
DEA	Deutsche Erdöl AG
DEUCE	Digital Electronic Universal Calculating Engine
DUMA	Dubai Marine Areas Ltd
ENI	Ente Nazionale Idrocarburi
ERAP	Entreprise de Recherches et d'Activités Pétrolières
ERSP	European Refineries Supply Programme
FNCB	First National City Bank
FPSC	Foreign Petroleum Supply Committee
GRAM	Group Resource Allocation Model
ICI	Imperial Chemical Industries

ICT	International Computers and Tabulators
IMR	Integrated Marketing and Refining
INOC	Iraq National Oil Company
IOP	Iranian Oil Participants
IPC	Iraq Petroleum Company
ISS	Istituto Superiore della Sanita
JPDC	Japan Petroleum Development Corporation
KOC	Kuwait Oil Company
LAM	Local Area Model
LP	Linear Programming
MEEC	Middle East Emergency Committee
MSG	Manpower Study Group
NIOC	National Iranian Oil Company
NPRI	Net Profits Royalty Interest
OEEC	Organisation for European Economic Co-operation
OELAC	Oil Emergency London Advisory Committee
OPEC	Organisation of Petroleum Exporting Countries
OPEG	OEEC Petroleum Emergency Group
OR	Operational Research
ORDG	Operational Research Directing Group
ORPDG	Operational Research Policy Directing Group
OSAC	Oil Supply Advisory Committee
p.	pence
PCD	Petroleum Chemical Developments
ppm	parts per million
S&D	Supply and Development
SFPBP	Société Française des Pétroles BP
SGHP	Société Générale des Huiles de Pétrole
SLIM	Simplified Linear Integrated Model
SMBP	Shell-Mex and BP
Socal	Standard Oil Company of California
Socony	Standard Oil Company of New York
Sohio	Standard Oil Company of Ohio
Standard Oil (NJ)	Standard Oil Company (New Jersey)
Tapline	Trans-Arabian Pipeline
TAPS	Trans Alaska Pipeline System
TNO	Technische Nederland Organisatie
TRC	Texas Railroad Commission
UAE	United Arab Emirates
UAR	United Arab Republic

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UGP	Union Générale des Pétroles
UK	United Kingdom
UN	United Nations
UOP	Universal Oil Products
US	United States
VLCC	Very Large Crude Carrier

A note on the text

COUNTRY NAMES

Some of the country names used in the period covered by this book have gone out of use, and others will no doubt follow. To preserve historical context, the country names that appear in this book are generally those which were current at the time of the events described, with later names following in parentheses. For example, Rhodesia, which adopted the name Zimbabwe in 1980, is shown as Rhodesia (Zimbabwe).

Although the retrospective use of modern names is generally avoided, an exception is made in the case of Persia, which adopted the name Iran in 1935. This country is mentioned frequently in the text, sometimes in historical generalisations which cut across the change of name in 1935. The name Iran has therefore generally been used throughout the text, except in quotations, in which the original wording is unchanged.

COMPANY NAMES: THE OIL MAJORS

Three of the majors – Royal Dutch-Shell, Socal and Gulf Oil – held to the same names throughout the period covered by this book. The other four adopted new names: Anglo-Iranian became British Petroleum in 1954; Socony-Vacuum became Socony Mobil in 1955, and changed again to Mobil in 1966; the Texas Company became Texaco in 1959; and Standard Oil (NJ) became Exxon in 1972.

For the most part, these changes are reflected in the text, which (as with the country names) uses names that were current in their historical context. An exception is made in the case of British Petroleum, which until 1954 was called first Anglo-Persian, then Anglo-Iranian. To avoid the confusion that might be caused by frequent switching between these names, ‘the Company’ is generally used for the period up to 1954, and thereafter BP.