OIL GIANT’S EX-CHAIRMAN TO BE QUIZZED BY AMERICAN LAWYERS IN FIGHT FOR VICTIMS OF NIGERIAN BLOODBATH

Shell chief ‘had a private army’

From Graeme Beaton in NEW YORK

FORMER Shell chairman Sir Philip Watts helped to organise and pay for a virtual private army in the oil-rich delta of Nigeria, according to legal documents seen by Financial Mail.

American lawyers representing 50,000 Ogoni people, including the family of executed activist Ken Saro-Wiwa, are due to question Watts in London this month as part of a class action started in the US in September 2002.

The lawsuit claims that Shell ‘engaged in militarised commerce in a conspiracy with the former military government of Nigeria.’ Watts ran the oil giant’s Nigerian SDPC subsidiary between 1991 and 1994.

The action alleges that the Ogonis suffered human rights abuses at the hands of the Nigerian government.

Watts thanks the inspector-general of police for his cooperation ‘in helping to preserve the security of our operation’ and requests 1,000 ‘spy police’.

In another, Watts pledges ‘complete cooperation, accommodation and welfare support’ for the police assigned to Shell.

It is recognised that in these current troubled times, it may not be easy to release the number of resources required to adequately protect SDPC’s facilities, he writes.

‘However, we must emphasise that SDPC produces more than 50 per cent of Nigeria’s oil which has consequential major impact on the country’s economy.’

Jennifer Green, a lawyer for the New York-based Centre for Constitutional Rights that has taken up the Ogonis’ cause, wants to establish what Watts knew and when. ‘We argue Shell’s actions worsened the situation,’ she said.

Shell denies the allegations, arguing that it was the job of the Nigerian government, not them, to uphold human rights in the Niger delta.

Spokesman Simon Baer said the company had no choice but to accept the ‘spy police’ because it was illegal in Nigeria to hire private security. This is the only means to protect your people and operations from criminals, who are often well armed and dangerous, he said. However, it was decided not to equip them with semi-automatic weapons.

The US lawsuit is the latest headache for Watts and Shell. He resigned after admitting Shell had overstated its proven oil reserves by a fifth—a large proportion of which relates to Nigeria.

It emerged last week that Shell’s management was warned by its own planners years ago about future production levels. UK and US regulators are investigating whether shareholders should have been told sooner.

Now the drug giants follow trail to India

By Andrew Leach

biggest attractions was the huge pool of potential patients.

One of the hardest tasks in clinical trials is recruiting the patients to take part, and if this can be improved, development can be speeded up, he said.

The size of India’s population and the prevalence of certain diseases make the country an attractive location for drug companies.

Glaucol India recently formed an alliance with Ranbaxy, India’s biggest drugs company, to research and develop drug therapies.

Jean-Pierre Garnier, chief executive of GSK, said that research and development budgets went much further in India than in America or Europe because of lower costs.

The Association of the British Pharmaceutical Industry said India had clear attractions for Western companies.

Spokesman Richard Ley said: ‘India is more than likely to emerge as a centre of trials.

‘The country is very attractive for research into diseases such as tuberculosis, which is common there.’

Astrazeneca has a centre in Bangalore, where more than 100 scientists work on medicines for the developing world.

Last year it opened a new facility there to find new treatments for TB, which is diagnosed in two million people a year in India and more than eight million worldwide.

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