

A REPLY TO STEPHEN FARBER'S REPORT ON GULF OIL IN ANGOLA

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On April 19, 1972 Stephen B. Farber, Assistant to the President at Harvard, was deputized the University's official "fact-finder" by his immediate superior, President Bok and the Fellows of the Harvard Corporation, the seven (7) man governing Board, to fly to Angola and report back from the Gulf Cabinda oil rig, thus presumably adding the "final chapter" to the "social responsibility" controversy generated by Harvard's ownership of the single largest institutional shareholding in Gulf Oil, over 680,000 shares. Simultaneously on that day, the Fellows announced their out-right rejection of the proposal (that Harvard divest those shares) emanating from a group of Black law students called the Pan African Liberation Committee (PALC). Finally the corporation also announced its decision not to support a shareholder resolution filed with Gulf by the Council for Christian Social Action, United Church of Christ, on behalf of a coalition of national church agencies within five (5) Protestant denominations requesting disclosure of noncompetitive information concerning Gulf's Angolan operations. PALC's response to what they considered to be the crass racist actions was a week-long occupation of the Administrative offices with the support of up to 200 students ended only by court order, indeed a brave act considering the consequences.

Just one year earlier, Harvard Corporation similarly rejected four (4) proposals filed with Gulf concerning Angola by the Southern Africa Task Force, United Presbyterian Church, a national interdepartmental coordinating group. Mr. Farber in his role as the Administrative officer concerned with controversial aspects of Harvard's billion-dollar portfolio, was closely connected with all these decisions.

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Last September (1971) PALC issued a formal "indictment" of Harvard's Gulf ownership in a fifteen page paper entitled: "Repression in Southern Africa". This report was subsequently endorsed by numerous prominent Black Americans, including Congressman Charles C. Diggs, senior member of the Congressional Black Caucus and Chairman of the Subcommittee on Africa of the House Foreign Affairs Committee, who publicly endorsed the report and entered it into the Congressional Record.

Debate on this issue livened considerably as the Corporation's decision-making time approached in the spring. National media attention focused on some 500 Black crosses that dotted the snow in Harvard yard, symbolizing the Angolans who have died in the cause of independence for their country. Previously, the Administration had chosen to "sit on" the PALC proposals prompting the Black students to challenge the Administration to come out and "take a stand" on Portuguese colonialism, a proposition which neither Bok nor his assistant were prepared to face for quite some weeks. With but one month to go before the final decision, Farber issued a report entitled "Gulf Oil: Issues and Options" -- an attempt to contribute an authoritative "objective" examination of the issues, and, much in the style of the Pentagon Papers, to list the various "contingencies" open to Harvard's Corporation as Farber saw them. Even to the outside observer, it was quite obvious that Farber was in total opposition to the Black students' proposals, and to anyone who bothered to read both the initial Farber report and the wording of

the statement subsequently adopted by the Corporation, Farber's influence, if not the actual penmanship was quite plainly evident.

As in the case of his previous report, Mr. Farber's latest work, "Gulf and Angola" hinges in its legitimacy on the author's repeated claim to some sort of third-party "objectivity" in this matter, or in his own words, his report "attempts to set forth the facts of Gulf's involvement in Angola as they are, rather than as the parties at issue have alleged them to be". To anyone cognizant of the "Gulf-Angola debate", Farber's claim is quite a pretentious mouthful, even more so considering his previous role in that very same debate at Harvard. Aside from the aforementioned background, I can think of at least four additional grounds on which to question Farber's assertion of "objectivity".

First, we might begin by asking exactly what is Farber's role within the Harvard Community, and why? Mr. Farber's position was created in response to pressures upon the university emanating from many sources, that Harvard should take issues of the "social responsibility" of corporations into consideration in managing Harvard's mammoth stock portfolio, which establishes the university's formal links to the outside corporate world. Specifically the University was challenged to vote its holdings in General Motors for the original proposals of Campaign GM, sponsored by the young reforming lawyers at the Project on Corporate Responsibility. Harvard's response, like that of a number of universities put on the spot, was to create a "high-level" commission. Their report (dubbed the Austin report) placed heavy emphasis on the absolute necessity of high return on

investment, though allowing for an occasional proxy vote for a change having the "symbolic effect of a great university's taking a position on a social problem."¹ Through three years of proxy fights on numerous social issues, Harvard has steadfastly refused to yield its pro-management virginity save once. Not surprisingly, the Austin report was opposed to the very idea of joining "forces with other large, tax-exempt organizations in policing the conduct of business corporations,"² something which might move Harvard from "symbolic" to "meaningful" actions. In the case of Gulf, the Austin report effectively precludes the option of most meaningful pressure on the company through resort to divestment. Rather than attempt to deal with the type of issues through representation of various constituencies within the university, the Austin report centralized them in a single Administrative post, Farber's position.

In answer to the first question then, the tone of the Austin report in the context of Harvard's non-action on corporate issues, suggests that Farber's function is not merely to evaluate social issues, (or represent Harvard's big chips in luncheons with other foundation and university social responsibility buffs.) Farber is also the administration's flak-catching buffer, neutralizing the critics of the university's investment policies. Confrontation is built into his role: hence one seriously wonders whether to expect anything significantly deviant from the mealy-mouthed statements about corporations in the past.

A second question worth posing is exactly what was the nature of the task assigned to this figure? One would assume a charge such

as: "To evaluate Gulf's role in Angola, specifically to answer the question of whether/whether not Gulf is supporting continued Portuguese rule in Africa". That might be what one might expect; it is hardly what was in fact requested. Rather the charge from Bok and the Fellows read to provide "information on Gulf's performance, the problems it faces, and opportunities for constructive new steps". (emphasis mine) From that wording, one wonders whether the Harvard Corporation (an apt title) was more interested in auditing Gulf's profit/ratio, than in squarely facing the question of Gulf's links with Portuguese colonialism, a phrase studiously absented from the charge (and Mr. Farber's report). Again, given the Corporation's implicit bias on the issues, what kinds of "facts" do we really expect from their representative?

A third pertinent question would be exactly why was Farber chosen, given the intellectual compromises that are part and parcel of his position? In fact, there are a number of African, and African-American relations experts resident at Harvard, an area of expertise for which Farber can hardly claim any credentials whatsoever. (In fact from the dearth of historical and social background on Angola given in the report, not to mention the other African colonies, one wonders whether he has read so much as one basic text on the subject!) Last spring, in conversation with Mr. Farber, he related to me his frustration at not being "invited" to participate in the trip of 16 church leaders investigating U.S. business in Southern Africa from October-November 1971. To me, the connection between Farber's desire to establish himself as an "instant authority" over a social respon-

sibility controversy, and the Harvard Corporation's authorization of an "after-the-decision" junket to the Cabinda oil rig is clear. (Interestingly enough, members of the church team were denied visas by the Portuguese in Angola to visit the Gulf facility, a problem unencountered by Farber.)

Fourth, to whom was Farber reporting? Although his report is public, and he claims, "useful" to those studying Gulf in Angola, Farber is reporting back to the Harvard Corporation and the President. The members of that Board include such business notables as: Albert Nickerson, former Chairman, Mobil Oil; Francis Burr, State St. Investment.

Farber begins his report with the remark that before the issue was raised by Black students, few people (himself included, perhaps) could even "accurately locate Angola on a map". No doubt the comment reveals more about the implicit racism and lack of concern in Harvard's studies that could systematically ignore the struggle of millions of persons in an area of the world, who are struggling against perhaps the most virulent form of racism and oppression in the world. Perhaps an investigation of the links between members of the Harvard Corporation and their corporations' activities in southern Africa might be an appropriate place to start!

Finally, one wonders with what kind of "objectivity" these men approach "Gulf's problem". If indeed honest "facts" were really what the Corporation was seeking, one wonders why they did not also send a PALC representative to keep their personal representative "honest", or at least more so. One wonders how these same men would have reacted to a report recommending Gulf's divestment, or whether

such a report could even seriously be considered a possibility.

One wonders.

Along these lines, it is interesting to note that the Harvard Crimson reporter Peter Schapiro who did accompany Farber later angrily denounced and repudiated the report.

Moving on to the content of the report, a few initial observations are in order. First, in contrast to the articles and proxy statements, etc. produced by African research groups and church agencies on Gulf-Angola, which always contain a lengthy list of footnotes and references (e.g. "Gulf Oil: Portuguese Ally in Angola", a brief by the Corporate Information Center, contains some 95 footnotes in a twenty-five page report), Farber's report contains none. The only quotes he chooses to use are occasional input from his interviews. As I expect to demonstrate, through his highly subjective account of what are the various "arguments", Mr. Farber does not indeed properly represent them "as they are".

An immediately striking feature of his report is the label he attaches to the liberation movements active in the Portuguese colonies. Farber chooses to call them "anti-Portuguese insurgent groups". To anyone even minimally cognizant of the political programs of these movements, they are not "anti-Portuguese", they are anti-colonialist and anti-imperialist; they are Angolan nationalists. Just as the Vietnamese have repeatedly explained that their fight is not against the American people, but the government that is prosecuting the war, and maintaining the Thieu dictatorship, likewise the African liberation

movements are keenly aware that their fight is not with the impoverished and suffering Portugese people, but with the colonial system and its brutalities. Terming them "insurgents" is particularly revealing of Farber's point of view, for it has become a code word in this country for "the enemy", persons to be eliminated through "counter-insurgency programs". The term purposely denies the validity of their struggle as Angolan nationalists struggling for independence in their homeland. As in Vietnam, if we can brand them "insurgents", then even the most barbaric tactics become justified--herbicides, torture, napalm, and the country must be "pacified". It is also revealing to note that Farber never once refers to the Portugese as "colonialists".

To begin with, Farber misinterprets the current situation in Portugal, ignoring the significant instances of discontent and resistance to the wars among students (P.M. Caetano recently called the universities centers of "subversion" against the wars) the frequent incidents of armed sabotage, the long history of political trials and exiles, the opposition within the church, the desertions, and the massive outflow of young workers to the rest of Europe, in large part to avoid the lengthy compulsory term in the Portugese army. Having spent "about a week in Portugal for interviews with government officials, Gulf executives and others", perhaps it is not at all surprising that Mr. Farber would be "impressed most by the "efficient " operations of the Portugese police-state. Indeed, Portugal presently has sent three times the number of soldiers per capita to Africa than the U.S. sent (per capita) at the very height of Johnson's escalation in Vietnam. Though unfooled by Caetano's claim

to "liberalization" in African policy and cognizant of the heavy burden the military exacts on the national budget (over 42%), Farber does not recognize the extent to which, as with the Vietnam war reaching out and touching the lives of many American families, so the effect of three African wars in Portugal, Europe's most impoverished state.

Second, Mr. Farber likewise misrepresents the current military situation in Angola (again his reference to the war as "an insurgent threat" is revealing) and the place of 5 million Africans who are ruled by some 400,000 Portugese. Not surprisingly, in commenting on the struggle in Guinea Bissau, where the liberation movement controls 2/3 of the country, and is in the midst of preparations for U.N. recognition as the formal government of the country, Farber says no more than "the war in Guinea Bissau has become a somewhat difficult struggle" (emphasis mine), likewise claiming that the war in Mozambique (and Angola) "poses no substantial military threat", an assertion quite at odds with the recent first-hand reports from Newsweek correspondents (see "Africa's Mini-Vietnam" November 27, 1972 pp. 46-48.). Even in Angola, where many observers agree there is perhaps the most protracted struggle, Farber's claim of a "stalemate" is misleading, for he evidences no understanding of the strategy of the liberation movements, much less even the history of the war. Even Gerald Bender, a Ford Foundation-funded researcher on Portugese Africa who has recently presented a detailed examination of the "strategic hamlet" program in Angola, first made famous in Vietnam, concludes that "Portugal and the nationalists are locked in a stale-

mate" adding "and it appears that Portugal's position will worsen rather than improve" (emphasis mine)³. In other words, the "stalemate" he sees is one involving a steadily deteriorating Portuguese position. As with the situation in Guinea Bissau and Mozambique, the initiative does not lie with Portuguese colonialism, despite the overriding Portuguese military superiority--planes, helicopters, herbicides, and other military equipment given by Portugal's NATO allies, including the U.S.

Bender notes the alienation and economic crises caused by the "aldeamentos" program forcing significant numbers (70-80%) of the African population into the strategic hamlets in the eastern region. Bender refutes the argument that Portugal has been able to provide any significant level of "social services" to "win the hearts and minds of the people"--perhaps Gulf's prime claim to legitimacy in Angola and all questions that Farber's report did not address. Rather than the "first-hand" information requested by Harvard, it is quite obvious that Farber's information in this area is "second-hand", and uninformed at that! Again, the effect of the "non-expert" is such that Farber's comments on the liberation struggle come across as qualitatively vague, unsubstantiated and even "off-the-cuff".

Likewise, his views on Portuguese "multiracism" are similarly slanted. His claim that Portuguese relations with Africans "are in fact closer than those that were developed by the Northern Europe colonial powers" is preposterous to an African colonial expert, a complete reversal of the facts and acceptance of the Portuguese "myth", that her colonies are really Portuguese "states" or "provinces". That

"myth" carries even less validity than the myth that says that the U.S. is "fighting to save democracy" in Vietnam. The less it conforms to reality, the greater the need for those threatened to believe in it.

Through various subtle clauses inter-weaved within his text, Farber has recognized the non-importance of Africans to the Portugese, the marginal role of mulattos, and the role of Portugese "education" in actually helping create the leadership ranks of the liberation movements (e.g. Edourdo Moudlané, educated in Portugal, Oberlin, Northwestern and Syracuse, then becoming the first President of Frelimo, the Mozambique liberation movement). However Mr. Farber has failed to recognize the integral relation between Portugal's new-found desire to pursue "social and economic development" and her overall military pacification strategy. One essential aspect totally ignored by Farber is the rapid and escalating settlement of Portugese in the area, which Bender points out, is an essential element in Portugal's military strategy--as clearly evidenced in the multi-million dollar Cunene dam project and the Caborra Bassa project in Mozambique, and in the coffee plantation areas of the Angola North. As was clearly stated in Portugal's announced development plans: "economic development is the best foundation for sustaining the defense effort necessary for the nation's survival"⁴--hence the vital role of corporations such as Gulf. It should also be noted, in 1969 roughly half of the Angolan "development budget" was allocated for transportation and communication, two key elements in the Portugese strategy for wider control over the African population, allowing freer travel and communication for the movements of the army.⁵

The implication of Farber's remarks on "multiracism" is that, if Portugal were able to carry social services out on a mass scale, then the continuation of Portuguese colonization would be all right, presumably the Portuguese colonies should be allowed to fly in the face of the ten year trend in Africa towards independence. Presumably, despite the history of forced labor, slavery, economic and political domination, Portugal should somehow be excused, and allowed to continue ruling 5 million Angolans from Lisbon. Thus Farber appears to implicitly accept the assumption that Portugal has a right to dominate large sections of Africa, totally discounting the issues raised by the African people through the liberation struggles, and Gulf's role, along with other Western corporations, NATO arms, trade and other agreements, such as the \$430 million AZORES pact. The point is, Portuguese colonialism could not continue without such support, of which Gulf is but a single, though very important aspect.

In his next section, Farber refers to the colonies as "states", a term that even the U.S. government does not accept as accurate or valid. In fact, this is but the latest in a long history of name changes that Portugal has initiated, the previous being that they were "Overseas Provinces". The U.N. (with the support of the U.S.) declared them "non-self-governing territories", "territories under Portuguese administration", i.e. colonies. At other points he refers to a "government" of Angola, presumably meaning the white administration, neglecting to mention that all basic powers reside in the Governor, appointed from Lisbon. Most administrative districts in Angola (including Cabin_da) and indeed the Governship itself come under

military rule, hence it is highly misleading to assume that Angola is "developing" under its own "government". Mr. Farber also likes to point out that a good portion of the tens of thousands of troops fighting for the Portuguese in Angola are Black while failing to note that the army officer corps is Portuguese and the army is completely "white" controlled--hardly reflecting the claim to "multiracism".

Perhaps the most glaring omission that stands out at this point is the total lack of opinion sought by Farber from the African people, the vast majority of persons who are the victims of Portugal's policies. Though quick to cite the opinions of numerous Portuguese officials on this system, Farber gives no picture of the brutal effects of the Portuguese effort to crush African resistance--no account of the history of African resistance to Portuguese rule, no insight into the nature of the forced labor system, the Portuguese response to the revolts in 1961, the thousands killed, and hundreds of thousands exiled. Mr. Bender's article, for example, refers to the "nervous whites" in Bié province who massacred several hundred Africans as an "object lesson" for Africans who might think of joining the liberation movements. Portuguese priests from Mozambique are presently revealing scores of incidents of the use of torture and assassination in Tête province. It becomes quite clear, by omission, exactly which tour of Angola Farber took. Though he met with leaders of the liberation movements, their opinions apparently are not pertinent to the discussion.

In his next section "notes on foreign policy" Mr. Farber's claim to brevity again "allow" him seriously incomplete and misleading statements. Farber begins with the claim that the U.N. "votes each year

to condemn Portugese colonialism". In fact, the U.N. votes on a number of concrete recommendations, such as the one adopted last year appealing to NATC states not to furnish assistance to Portugal, and calling on states to immediately work "to discourage corporate bodies from arrangements that strengthen Portugal's domination over her territories", and calls on member states and U.N. agencies to directly assist the liberation movements.⁷ Several such as FAO, have begun such practices. It is equally important to note that the U.N. strongly affirms the legitimacy of the liberation struggle. Aside from "condemning Portugal" the U.N. has overwhelmingly called for companies such as Gulf to end their support for Portugal.

On the second point he raises, the effects of the import and currency controls, there is no data on which to assess their effects to date, though Farber suggests that "their political implications could be considerable". In any case, it is certain that there is nothing which would indicate any loosening of the colonial ties between Portugal and her colonies. Farber rightly cites recent instances of U.S.-Portugal cooperation (e.g. sale of troop transports and helicopters) unfortunately he fails to deliniate their significance in directly supporting Portugal's African wars.

Farber does mention the important relations between South Africa and the Portugese claiming that success of the liberation movements might prompt "decisive action" by South Africa. Farber's claim that the Portugese have "successfully defended Caborra Bassa", however is certainly open to question, As the Newsweek article demonstrates, there is constant pressure against the transport links to the dam, Rhodesian troops have mobilized on the borders, South African "police"

are already involved in its protection, and no doubt the thousands of miles of transmission lines to the dam are highly vulnerable even if the dam is completed. The point to be taken from Farber's observation, but which he does not draw, is that the billion dollars worth of investments in strategic sections of the South African economy, and the close U.S. relations with South Africa, are not only backing for ^{the} apartheid system, but helping support the grand strategy of South Africa for protection of a network of white-minority regimes.

At this point, Farber begins his specific examination of Gulf's Cabinda operations using the method of 1) presenting an argument "by Gulf's critics"; 2) covering Gulf's response; then 3) adding "observations". In fact, though in different form, much of this material was already presented, some verbatim, in his previous paper: "Gulf: Options and Issues". It becomes rather annoying in pursuing Farber's arguments however, because of the absence of references for the charges of the mass of "critics". In his observations, it often appears that Farber is actually expressing his own opinions through the surrogate comments of ^{pers^{on}'s} he cites in his observations. Since they are related without challenge, I will assume they are open to such. Curiously, unlike his previous paper, Farber begins with the question of Gulf's "neutrality", an argument that really hinges on other arguments that he deals with last.

On this question Farber adds his first new piece of information, the appointment by Gulf of the of the former Portugese Ambassador to the U.S. (former ambassador to the U.K.) Vasco Garin in August 1971.

as chairman of the Gulf Cabinda Board. Here in the direct employ of Gulf is one of the foremost apologists and proponents of Portugal's colonial policies. Were there ever seriously any question of supposed differences between Gulf and the Portugese over the issue of Portugese colonialism, no doubt Ambassador Garin's appointment seals them. As Farber points out: "During his fifteen years in the U.S., Garin was a stout defender of conservative Portugese policies and Portugal's role in Africa". As Farber^{farther} points out, all dealings are with the Portugese Overseas Ministry, hence the value of an experienced Portugese diplomat defending the company's interests. Mr. Farber claims the price negotiations to have been "rather difficult and in some cases disappointing", though the relevance this has to Gulf's "neutrality" is rather nebulous. Of course Gulf is in an "adversary" position in price negotiations, which is hardly the point. The point, as Farber earlier demonstrates is that Gulf transferred a 20% interest to the Portugese, and by contract must appoint a Portugese citizen as chairman, and accepts appointment of a Portugese "government" director. Gulf uses a former Portugese ambassador and a former Portugese military commander, along with the expatriate President in its price negotiations. As Garin's appointment demonstrates, Portugal's hard bargaining only adds to Gulf's desire to seek a "stable and predictable" relationship (presumably with no questions asked about the colonial situation). Likewise, Portugal's bargaining (e.g. for free government access to Gulf's communications system) further illustrates how Gulf is being used to fulfill the interests of Portugese control in Angola.

The argument that Angola is just like any country, say Venezuela,

where governments change, but the contract remains, is clearly false. The argument ignores the colonial context, for if Portugal relinquished its colonies, there would be no contract. The present contract claims that Cabinda crude is Portugal's oil and not that of the Angolan people. Gulf's contract is with a foreign colonial government which has no rights to exploit Angola's resources while maintaining colonial rule by force. Mr. Farber's statement that the "stable and predictable" dealings of Gulf with the Portuguese "could be altered if the Portuguese were to leave Angola" becomes absurd, since no dealings exist about Gulf in Angola without Portugal. The claim that Gulf "remains basically supportive of Portugal's colonial policy in Africa" remains valid, and indeed is buttressed by Mr. Farber's new information. He presents no evidence to the contrary.

Finally, on this point Mr. Farber refers to the substantial advance payments made to Gulf in 1969 "that would help ease a tight budget situation in Angola" in Farber's words. He goes on to say that:

This particular arrangement has come under attack from some critics as a special favor by the company to a hard-pressed government. In fact, however, the operative factor in this negotiating situation and others seems to be the pressing of self-interest by both parties.

In the first place, for the record, the Center Brief on Gulf in particular does not simplistically declare these payments to be "special favors" nor does it deny the self-interest of both parties involved. The fact remains that Portugal needed revenue for the Angolan budget, which is inflated by rising military expenditures, and in 1970 Gulf contributed \$16 million, worth 30% of the military budget at that time, it should be noted.⁹ Gulf's payments added

the kind of added flexibility desired by Portugal to maintain colonial rule in the manner it seeks to.

In his second point, Farber begins, "Critics state that Gulf's contract stipulates allocations for construction of military barracks and payment for the defense of material property". The company denies this and Farber agrees, which is hardly difficult to do since, in the Center Brief the Gulf response is already accepted as fact. So where could such seemingly absurd changes stem from? A secret conspiracy? Hardly.

In fact the origin of these suggestions was various Portuguese legislative decrees stipulating military payments for corporations with income over a certain level.¹⁰

This was one of the items specifically requested in the disclosure resolution which Gulf bitterly fought to have removed from its proxy material, ~~opposed~~ the adoption of, but subsequently published the information for. Gulf's contract exempts the company from these otherwise ordinary payments to the Portuguese.

Farber goes on to claim: "Some critics have described the scene at Malongo as an armed citadel surrounded by eight-foot barbed wire fences and spotlights manned by an extensive security force. Others have suggested that Gulf helps train and provides uniforms for Portuguese troops, or that Gulf is obligated to maintain its own private army whose recruits are former mercenaries from the Congo". The difficulty in dealing with these "frequently heard allegations", as Farber describes them, is that he makes no reference whatsoever as to their origin.

In any case, concerning the first charge, perhaps some direct quotes from a known source might prove illuminating. Indeed they are taken from a white South African journalist "Al J. Venter, in his mission to alert the 'Western world' as to the crucial struggle being fought 'for the preservation of European civilization in Africa' by the Portuguese..." Venter, in his book The Terror Fighters, "describes some of the Gulf camps he saw as 'surrounded by eight-foot barbed wire fences and spotlights'". This is hardly a "radical" source of information, had Mr. Farber bothered to check his sources.

Perhaps we should also go directly back to the source for the explanation of the fighting in Cabinda in 1961-62. Venter credits MPLA with occupation of 90% of the enclave, and they "stopped just short of the capital, Cabinda. He goes on to describe the long battle to re-establish Portuguese control, commenting on the crucial importance of air support in the struggle and the constant use of U.S.-built planes in the battles he saw. Of Gulf itself, he says, 'Although they were obliged to suspend operations during the worst of the terrorist raids in 1961, machine gun muzzles were barely cold before they moved in again'".¹³ In other words, Gulf was hardly unaware of the war in Angola, even though most of the territory had been recolonized by the Portuguese when oil was struck. In fact they could not have carried on exploration without the direct aid of the Portuguese. Farber's diminishing comments about the ambushes still going on in the territory, and his musings over the absence of an attack on the Gulf site, reveal little more than his ignorance of the guerillas' present strategy--particularly in a long-term

struggle. His comments at this point contribute nothing to the essential arguments and the assumptions in his musing appear to be that only if the liberation movements make a direct attack, penetrating the air and troop defenses in Cabinda, will he recognize that there is indeed a colonial war in progress. After all, what are 50,000-80,000 Portuguese troops?

His comment that the contract phrase that the Portuguese authorities "shall do everything necessary to prevent third parties impeding...Gulf" is a "standard clause" refuses to recognize that Angola is not a "standard" country--it is a colony, where there is a war going on. The point is: Gulf has no rights to be making contracts with the Portuguese over "protection" from the Angolan people.

Farber's analysis is myopically restricted to Cabinda, without seriously taking into account the rest of Angola, not to mention Mozambique and Guinea Bissau. He does not mention the fact that in 1967 Cabinda was granted the largest allocation for their pacification programs, so that Angolans could live under Portuguese military rule. Gulf hires the Angolan police to handle its protection (and they are armed according to Farber, contrary to previous Gulf reports)--the link to Portuguese colonialism is clear.

In the next section, Farber describes the strategic implications of the Cabinda oil. He reinterviews the Portuguese General who was wont to emphasize the point, which he proceeded to restate. Though it has always been known that Gulf crude is for export, Farber makes perhaps his second bit of revealing new information available by

pointing out that the Portuguese "experimented" and discovered that Cabinda crude, though inefficient, could be refined for direct use in Angola, thus effectively demonstrating the original point. Contrary to earlier reports claiming no sales to Portugal itself from Gulf, the highest consumer of Cabinda crude in recent months was Portugal.¹⁴

In his next section, Farber again displays his lack of real familiarity with either the data or the arguments of the various groups challenging Gulf's Angolan investment. In recounting the "critics'" charges on tax payments to the Portuguese. Farber states their case in the past as follows: "Payments by Gulf, and to a lesser degree by other foreign concessionaires, are central to the financing of the war" (emphasis mine). While it is true that foreign concessions are essential to financing the wars, it is not true that critics have claimed other projects to be "lesser" than Gulf's, a comment revealing Farber's lack of perspective on the role of foreign economic interests in the area, the diamond, iron and other European projects.

Farber chooses to debate, whether in fact early payments were significant--a point contested by a former African State Department official, Don McHenry, in conversation with a Gulf official. McHenry claims:

"...that first well came through in 1966. At that time it came through I happened to be in Africa representing the United States in a discussion of Portugal's African territories...The Gulf issue was a major topic. It wasn't a very comfortable position..."

...when political developments were moving swiftly in the early and middle sixties, the Kennedy Administration actually thought Angola was going



to blow as early as 1961. In other words, your (Gulf's) major investment decisions were made at precisely the time when they were very much involved in a political situation...your major drilling started somewhere around 1960 or '61. The political revolt in the Portuguese Territories started around 1960...if I had been having to make the kind of investment decisions that you had to make, I would have had many, many second thoughts...At that time you had to make a decision as to whether or not you were indeed going to be politically neutral."¹³

However what is clearly evident, and glossed over by Mr. Farber is that Gulf's \$200 million invested since 1957 is now very significant, and Gulf's payments have, in his own words, "assumed considerable importance" projected at 11% of the total Angolan budget in 1972, or using his figures over 76% of the Angolan military budget. These figures have even more significance given Mr. Farber's own claims that "the dynamic elements in the payments mechanism are rising" and "Angola's share of total defense costs is also rising". Then too, as his report shows, "the foreign exchange impact of the Cabinda operations is considerable" (emphasis mine) for the Portuguese in Angola through direct payments and Gulf's expenditures, but also thereby providing indirect benefits for Portugal.

In his "observations" on what might happen in the unlikelyhood that Gulf should stop payments to the Portuguese and cease operations in Cabinda, Farber readily accepts the company's claims that someone else would immediately take over, admitting at least that whomever that might be "would be at a disadvantage in the critical area of exploration". He neglects the range of possibilities which might open up for U.S. policy in the area, nor does Farber give any consideration whatsoever to the other international pressures upon Portugal such as the recent Coffee Boycott in Holland, successfully cutting off \$21 million worth of foreign exchange for the

Portuguese, and, in all probability opening up possibilities for direct government aid to the liberation movements. Then too, increasing pressures upon Gulf and other U.S. oil companies operating in southern Africa might effectively preclude the possibility of an American company coming in, at least.

In any case, that argument flies in the face of all the literature about the social responsibility of corporations, for if social responsibility does not mean that corporations such as Gulf are themselves responsible for their own actions, then just what does it mean? The United Church of Christ response to Gulf is quick to point out that this argument "does not free Gulf from its present moral and political responsibility. Every moral injunction in our faith urges acceptance of responsibility for our own actions first. U.S. companies no less than individuals operate in the world under moral imperatives".

Interestingly, Farber argues that such a move (Gulf's withdrawal and Harvard's divestment, both) would "be symbolic rather than practical". Leaving aside the actual merits of this statement, "symbolic" action is precisely the type of action allowed and considered desirable by the Austin report, in fact it is the very stuff of a university taking a stand on a corporate issue! Gulf's withdrawal is precisely the proper move as called for, first of all by the Angolan liberation movements, and by a host of organizations including the United Nations, the Organization of African Unity, the World Council of Churches, several Protestant denominations, Africa interest groups and the Faculty of the Harvard Divinity School. Already, among others, the World Council of Churches has divested its Gulf shares, as has Columbia University, and the City of Dayton, Ohio voted not to pur-

chase Gulf products. Pressures are increasing, not decreasing in this country for an end to U.S. support for Portugal, as the 30,000 Americans supporting African Liberation Day activities in Washington last May amply demonstrated.

It is quite evident that Mr. Farber would prefer that Gulf remain in Angola, although perhaps improving a few "employment practices", upgrading Africans, etc. Unfortunately, here Farber cannot cite the charges of "Gulf's critics", for they fully recognize that "employment practices in Angola have never been the real issue",¹⁷ particularly since Gulf directly employs a grand total of some "33 negro" Angolans out of an African population of some 5 million!

Farber would really like for Harvard to "have its cake and eat it too", unfortunately his report runs into even more logical quagmires that would^{not} allow such an easy resolution of the issue. He suggested that Gulf consider limiting future investment in the territory. But presumably if Gulf's initial investment is really providing such meaningful "development" under Portuguese colonialism for Angolans, then Farber should naturally favor every penny the company pours into Angola as increasing the benefits. If his suggestion is really a serious one, then logically Farber should challenge the entire investment to date, not merely the latest round of "new money".

Likewise, his suggestion that individuals could support the efforts of a number of groups around this country involved in raising a few thousand dollars for direct support of the liberation movements is equally illogical. Those few thousand dollars, viewed against the context of Gulf's \$45 million to the Portuguese this year, and the Nixon administration's \$400 million Exim loan package to Portugal provide precisely the reasons why Americans must be involved in stopping all forms of corporate and governmental aid to

Portuguese colonialism as a concrete step in support of independence for Angola, Mozambique and Guinea Bissau.

Mr. Farber is suggesting that one should aid the struggle of the liberation movements as well as supporting Gulf's position -- a logical contradiction that leaves him supporting two sides of the war in Angola simultaneously! Supporting such a position would be analagous to investing in say, a German factory located in colonial Virginia which was paying taxes to the British, while sending a small personal contribution to aid George Washington's rag-tag revolutionary army. The concept is absurd!

In sum, the Farber report does not live up to its expectations. For it neither provides great amounts of new "first-hand" material (most of the information has long since been available from Gulf, the U.N., church, academic and other sources), nor does ^{it prove} its claims to independent "objectivity". Far from being a "final chapter" in the Gulf-Angola controversy, it is but another round contributed by an apologist for two corporations, one in Angola, the other at Harvard.

Footnote Sources

1. "Report of the Committee on University Relations with Corporate Enterprise" Cambridge, January, 1971, Page 3.
2. ibid, page 3.
3. see article by Gerald Bender in "Conemporary Politics", April, 1972.
4. Portugal, Presidencia do Concelho, III Plano do Fomento, para. 1968-73, cited in Background Information, Ohio Conf, UCC, 1970, page 20.
5. ibid
6. Bender, op. cit.
7. U.N. General Assembly Res. 2795 (XXVI).
8. "Gulf Oil: Portuguese Ally in Angola; Center Brief", Corporate Information Center, NCC, New York, March 1972, page 8.
9. Portugal, Diario de Governo, Series I 1967-70, as cited in Background Information, op. cit. page 21.
10. as cited in Background Information, op cit, page 22.
11. "Africa Today" July-August, 1970, Denver, vol 17:4, page 20.
12. ibid, page 20
13. "Africa Today", op. cit.
- 14.
15. Powers, Charles, ed. People/Profits; The Ethics of Investment. New York: CRIA, 1972, pp. 178-83.

16. "Statement by the Council for Christian Social Action of the United Church of Christ on Gulf Oil Operations in Angola" August 25, 1972, page 2.

17. ibid, page 1.

Additions and Corrections

- page 4 It should be noted that Harvard recently supplemented Mr. Farber's role by creating a university panel representing various constituencies at Harvard, following the model established at most universities in this area.
- Page 6 Mr. Burr probably should not be included along with Mr. Nickerson since his relations with corporations investing in southern Africa though evident, is indirect. It should also be noted, however, that the Board of Overseers, to which the Corporation is responsible, is liberally sprinkled with major corporation heads and directors of companies which do have direct links with southern Africa.
- page 10 "multiracism" should read multiracialism, likewise all subsequent references
- page 12 Recently it was announced that the new Governor of Angola has been appointed to replace General Vaz. He is the former mayor of Lisbon, and not a member of the military. (SOUTHERN AFRICA, December, 1972)
- page 14 UNESCO should be added to the list of UN-related organizations directly supporting the liberation movements
- page 24 the most recent Gulf figures report "54 negro" employees in Angola

