

Reply to New York address

Lee

H.C.S.A.



GULF IN COLONIAL ANGÓLA -- AN UPDATE

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1974 - energy crisis, "NO GAS", inflation, shortage, conspiracy, plot, oil magnates, Nixon, shutdowns, lay offs, monopolies, recession - the words loom from the front pages and resound as the newscasters warn, remind, explain and dissect the new realities for Americans. For the last several centuries, various states and their institutions, primarily European in origin or influence, have controlled the vast natural resources of the entire world for the benefit of their own populations. The sophistication, technological skill and complex forging of political-military and economic means to maintain this control goes largely unnoticed by its mass beneficiaries, the citizens of the "West." The "energy crisis," whatever its real causes - which may be actually only peripherally related to the acts of oil-producing Third World nations - is uniquely important for its impact on people in the West. It has hopefully meant that we cannot always reap the bounty of the earth's resources without thinking! The crisis has also tangibly shown people something about the world economic system including the power of multinational corporate giants. And more people can understand now that those people to whom the world's resources belong have ideas, rights and claims of their own. When you can't get gas without a two-hour wait, you get angry, and hopefully you think - maybe about greedy oil companies, maybe about government corporate collusion, maybe about the people who never had their own petroleum, their own cars, their own gas lines.

Picking away at these questions and issues, and talking about their implications have been numerous scholars, international development planners and multinational institutions, such as church bodies. This year one focus on corporate responsibility has been the oil companies.

ENERGY CRISIS RESOLUTION - THE GULF BOOM

The Center for Social Action of the United Church of Christ has joined with other churches to present Gulf Oil Corporation with two stockholder resolutions, both of which aim at evoking key facts about the company and its operations. The first resolution emerges from the current energy crisis and asks the basic unanswered questions about Gulf's petroleum reserves, its refining capacity and plans, its home heating and gas inventories, profits (broken down by source), crude oil imports etc. The resolution tries to find out the unknown behind the energy crisis. Gulf, for example, has launched an expensive public relations campaign calling for an end to "finger pointing," stating that it provides 150 reports per month to the U.S. Bureau of Mines and to other federal, state and local agencies. "To find energy, find facts - not fault" reads the Gulf advertisement.¹ This is what the CSA resolution aims to do.

In recent financial statements Gulf management has revealed that the company's 1973 operating earnings were up 79 per cent over those of 1972, with the bulk coming from its overseas operations.² Gulf sales in 1973 were 29 per cent higher than the year before, totalling \$9.9 billion.³ Formerly Gulf had been in such tight financial and management straits that in early 1973 it wrote off some \$250 million by closing down some markets so as to

prevent a \$39 million operating loss for 1972.⁴ And the company had included in its 1972 final quarter report, much to the dismay of some accountants, the dollar devaluation which reduced profits by some \$25 million.⁵

The world's oil picture has changed over the last decade and so has Gulf's role. As the fourth largest oil company, Gulf was previously most dependent upon its Kuwait crude (nearly two-thirds dependency in 1966).⁶ By 1973 Gulf only received one third of its supplies from Kuwait.⁷ This lessening dependence upon a single Middle Eastern source is counterbalanced by its increased interest in Africa and the Americas. For example 12 per cent of Gulf's production is from Nigeria and 8 per cent from Angola.⁸ This has meant that the company could ride out the Arab boycott of late 1973-1974 somewhat easier than other companies. These recent events have reversed Gulf's formerly worrisome financial decline over the period of 1969 through 1972.

1973 was Gulf's year. Forbes magazine of November 1, 1972 stressed that the only way for Gulf to pull itself out of its crisis was to put more money into exploration and stop plowing profits into plants and equipment. 1974 will show Gulf heeding this advice, such as its recent withdrawal from the purchase of Ringling Bros. But in another sense Gulf's economic recovery also came at a time when the well-known ramifications from Watergate hit a number of big U.S. companies. Vice President of Gulf, Claude C. Wild admitted to transferring \$100,000 in Gulf funds to the Committee to Re-Elect the President, and has recently resigned.⁹

Thus Gulf, as one of the highest profit makers of the 1973 oil scene, and as a company which has had to plan for diversification in terms of oil supplies because of its severe fiscal problems, is key to understanding the entire international oil complex.

ANOTHER LOOK AT GULF IN ANGOLA

The second CSA resolution looks to a specific example of Gulf's operations in a foreign country, and calls upon the company to disclose various aspects of information about its role in Angola, a large West African colony of Portugal. For at least five years the United Church of Christ on a national and local level has been involved with a number of other organizations in examining Gulf's role in this colony. In 1973 a resolution was submitted to the stockholders asking for specific data on Cabinda Gulf. Cabinda is an Angolan enclave between Congo-Brazzaville and Zaire (the former Republic of the Congo); it is administered as part of Portuguese Angola. Through its publications, correspondence and other public relations means, Gulf has defended its role there, denying any complicity in the colonial situation and stressing its positive economic and social function. The general theme of past protests against Gulf has been that Gulf, as the largest U.S. investor in Portuguese Africa, has through its oil strike in 1966 and production beginning in 1968, become in very real ways an ally of colonial Portugal.¹⁰ These protests have burgeoned into continued stockholder actions, a nation-wide boycott of Gulf products (with international spin-offs), and local actions. The Portuguese government is not only functioning as a 19th century "mother country," but is using brutal military means and 160,000 troops to prevent the people of its colonies from freely choosing their own

future. The wars for independence led by freedom fighters in Angola, and in Portugal's other colonies of Mozambique and Guinea-Bissau have been fought for more than ten years, and objectively Portugal could not continue to try to control its colonies without massive inputs of foreign aid.

Gulf Payments Escalate

Groups including the CSA have stated that Gulf symbolizes by its very presence in Angola an American institution which supports Portuguese colonialism, no matter what the attitudes of its management or the company's philosophy about the neutrality of exploring for and pumping oil. Gulf must have a cordial relationship with Portugal. It provides the Angolan (read Portuguese) government with significant material rewards (taxes, royalties, rents) which in 1972 amounted to some \$61 million based on Gulf's production rate of 127,000 barrels per day. In 1972 it has been calculated that Gulf's payments were approximately 75 per cent of the Angolan provincial military budget, or 15 per cent of total ordinary revenue.¹¹ In 1973 Gulf payments to the Portuguese were an unprecedented \$90.9 million with a tremendous increase in the income taxes on mounting production. The payments amount to some 20 million more than the Angolan military budget estimate for the same year.¹² Through 1972 Gulf's capital investment in Cabinda was \$209 million and its cumulative payments to Portugal through 1973, a total of \$175.3 million.¹³ A local Angolan paper estimated that payments by Gulf and other oil companies would amount to 30 per cent of the province's ordinary revenue in 1974.¹⁴ In 1972 the exports from Gulf Cabinda brought in \$150 million in foreign exchange to Angola or about one quarter of the colony's total earnings.¹⁵ The massive increase in production along with the 1973 dollar devaluation led to Gulf and Portugal working out a new contract "which will considerably ease the foreign currency situation" in Angola providing the colony with increased buying power.¹⁶

The rise in Gulf production from 30,000 bbpd (barrels per day) in 1969 to about 144,000 bbpd by 1973 means not only that Portugal's revenue and foreign exchange have grown, but also that Gulf's stake in Angola has grown proportionately. Of course it is not the largest African area of Gulf production (for example Nigerian Gulf produces 2 million bbpd),¹⁷ but in view of the uncertain political climate there and in its largest producer, Kuwait, Gulf seems to realize the importance of a reliable ally. Portugal, although demanding rather significant increases in payments, has at least been predictable. By law there must be a 20 per cent Portuguese government stock interest in Cabinda Gulf and the Board Chairman must be Portuguese. There must be an 85 per cent vote on such matters as the farming out of concessions but Portuguese involvement does not relate to daily company operations.¹⁸ The latest Gulf Cabinda Chairman is a conservative politician, Vasco Garin, who was appointed in 1971 after service for the government as Portuguese Ambassador to the U.N. and to the U.S. He is obviously a key person to have on Gulf's side both for his inside knowledge and his diplomatic clout.¹⁹

Growing Liberation Struggle in Cabinda

Like any other producer, Cabinda Gulf has its oil rigs (where a recent visitor, Elizabeth Jackman, reported there are separate dining rooms for white and black workers),²⁰ tank farm, pipe lines, docking facilities, a gathering station and off-shore well heads. According to normal contractual relations security is a part of Gulf's needs and the company apparently contracts with the Angolan police. Angolan nationalists, who are officially recognized by the Organization of African Unity, the U.N. General Assembly and the World Council of Churches, led by the Popular Movement for the Liberation of

Angola (MPLA) have operated in Cabinda at various points during the early days (1961-64) and recently attacks were made in October, 1973 at Miconje, some 70 miles from Gulf's onshore facilities.²¹ MPLA was reported to have destroyed a Portuguese patrol in late February, 1974, and in early March the Portuguese hurriedly sent in reinforcements. It was also reported that another liberation movement, the National Front for the Liberation of Angola (FNLA), based in Zaire, was considering military activity in the Cabinda enclave at that time.²²

Cabinda has been the focus for intensified guerilla activity by MPLA, and in response to that, the Portuguese have developed a special plan for the region called the Calabube plan with "priority . . . given to transport and communications to facilitate military penetration and occupation" ²³ Also connected with military expansion is the fact that land has been transferred to the armed forces in several areas of Angola include a region of Cabinda.²⁴ These Portuguese strategies follow on the heels of the creation of Cabinda under military administration in 1970.²⁵

It has been reported that for security reasons there is a large region around the Gulf tank farm at Malongo which is declared off limits by the security police after dark and the police then "have every right to shoot first and ask questions later" as reported by a production superintendent.²⁶

Thus Gulf in sum plays an important role, in terms of its economic contribution, and because the presence of any large U.S. company in the midst of a country involved in drastic political and social upheaval gives the U.S. and its corporate ally a stake in influencing how change will occur there. Witness ITT and Chile. This is the history.

Gulf Fights its Critics

Gulf has battled its critics putting forth theories and statistics essentially claiming that both Portugal and Gulf want positive social change in Angola. In 1973 Gulf actually employed only 116 Blacks in Cabinda.²⁷ An MPLA spokesman has stated that inflation in the Cabinda enclave has skyrocketed, with astronomical food and housing prices undermining the Gulf illusion of real economic development. Gulf payments of course do aid the Portuguese concept of "development" which is closely linked with military strategy such as better transportation and communication. Gulf has offices and facilities in the Angola capital of Luanda and has given the Angolan government use of a communications system it established between there and Cabinda.²⁸

It has greatly intensified its propoganda in certain sectors of the American community especially among Blacks where it has used a Black public relations firm and hired Blacks for the sole purpose of communicating Gulf's image to that community. Gulf boycott efforts have been spearheaded by a Black group, the Pan African Liberation Committee, thus the Gulf reaction. It has meant giving grants or free services to black groups (\$50,000 to the Southern Christian Leadership Conference), an offer of a free trip to Angola for members of the Black National Newspaper Publishers Association,²⁹ and a Gulf visit to Black Caucus leader Congressman Rangel.³⁰ Probably no other company has received such attention in terms of a single overseas operation.

THE NEW 1973 CONTEXT OF GULF IN ANGOLA

In 1973, in crept the "energy crisis." Suddenly some of the earlier predictions of the past appeared true. Gulf, with its relatively small Cabinda operation compared to its massive Kuwait interests, became embroiled in a situation with the coming together of various factors including the Arab oil boycott of the U.S., the American use of the mid-Atlantic Portuguese Azores as a stopping off point to airlift military supplies to Israel; the subsequent Arab boycott of Portugal and other countries in Southern Africa; and indications of increased potential or production in the Cabinda fields themselves. The CSA has filed a resolution which tries to probe Gulf's new relationship with these developments. It is also proposed with the understanding that Angola itself, as the most wealthy of Portugal's colonies with resources of iron, oil and coffee, is Portugal's crown jewel in Africa. For this reason, and because of its location next to not only beleaguered Southern Africa but also to the center of the entire continent in Zaire, means that what Gulf does in Cabinda has ever widening implications.

Gulf Production: Expansion and Secrecy?

The resolution first asks Gulf for information about its Cabinda production, estimated reserves and potential new fields and plans to exploit them. This query stems from an important revelation based on oil maps which show that Gulf has refused to reveal several new potential fields off-shore in Cabinda where oil has been found. The details are complicated for the non-petroleum expert, but Arslan Humbarci, who worked for the past seven years with the Italian State oil company (ENI) and has spent many years in Africa, has reported that there are six new unacknowledged well-field areas.³¹

Humbaraci contends that Gulf's secrecy about its new Cabinda finds goes beyond normal company policy and is founded on the Portuguese colonial situation, the fear of more protests and the delicate Gulf relations with neighboring Zaire where the company has also discovered exploitable oil (see below). Others think that both Gulf and Portugal would want to reveal the increased potential. Gulf Cabinda exports have jumped from 62 tons in 1968 to 4.7 million tons in 1971 to 6.8 million tons in 1972 to Gulf's own figure of 7.13 million tons production in 1973 (or from 127,000 bbpd to 144,000 bbpd).³² Gulf loudly denied Humbaraci's claim with explanations that it had only three "modest fields" with the last one being discovered in 1971.³³ Gulf called Humbaraci's assertions "erroneous, irresponsible and without any basis in fact" ³⁴ Gulf said in its reply that it had 120 producing wells. Now Platt's Oilgram shows that the last four wells drilled in Cabinda were productive with a total production capacity of 40-41,000 bbpd or 2 million tons per year.³⁵ As yet it is unclear as to whether these new wells will add to Gulf's overall production or will simply replace dried wells, which in the Cabinda geological situation is not totally unlikely as wells near the surface often lose pressure and run dry. Gulf had in the mid-1960's predicted that Cabinda would be a huge producer, but it has had its share of difficulties. Gulf explanation is obviously needed.

Oil Rush in Angola

Whatever the true figures, Angola, or more accurately the entire west coast of Africa from the oil-rich Nigerian nation to Namibia is a-glitter

with oil companies' activities. For Cabinda itself, Gulf continues to have rigs drilling.³⁶ It plans a deep water harbor construction for large tankers and bids were submitted by November, 1973.³⁷ The Petrangol oil refinery at Luanda (to date the only one in Angola) is under huge expansion plans to initially increase its capacity to refine one million tons per year to two million by 1976.³⁸ A new refinery is planned by SACOR (a Portuguese-French refinery firm) at Lobito to deal with up to two million tons per year.³⁹ Angola has besides the production of Cabinda Gulf in 1973 of 7.13 million tons, the production of the Belgian-Portuguese Pentrangol, the South African-French-Portuguese Angol and Petrangol-Angol-Texaco groups which function in Angola proper which amounted to 606,000 tons in 1972.⁴⁰ It is expected that by 1974 there will be much greater production by the non-Cabinda firms, up to 1.2 million tons, which with the expected 7.5 million from Cabinda Gulf will total nearly 9 million tons of petroleum from Angola in 1974.⁴¹ Angola itself only consumes some 1.5 million tons per year, and because it refines an excess of fuel oil and butane gas, it needs to still import gasoline, diesel fuel and kerosene.⁴²

The fact that Angola is a very potentially rich oil producer is evidenced in a number of new concessions granted recently, including a farm-out contract by Petrangol to three companies including a Spanish subsidiary of Gulf Oil, Iberian Oil.⁴³ This means that Gulf's stake in Angolan petroleum is widening. /The company did give up its on-shore Cabinda concessions in 1973./ Exxon has just received a concession and some 10-20 other U.S. firms are in the bidding.⁴⁴ This kind of flurry for concessions gives this part of Africa from Ghana to Namibia what Humbaraci calls the "Libyan configuration."

The Petrangol-Angol group (including Texaco-Total (French)) plan to invest \$75 million in 1974.⁴⁵ The Angola Department of Geology and Mines plans to spend \$68 million on research and development of petroleum, including the country's sedimentary reserves.⁴⁶ In late 1973 a new type of oil-drilling rig constructed on a ship came into the Angolan waters under contract to Angol-Total, and other similar new rigs are expected to be used in Angola and Zaire in the near future.⁴⁷

All of this activity points to the increasing importance of oil for Angola. As the Standard Bank Review commented, "because of developments in the middle East considerable interest is expected to be shown in the regions of Angola where oil is known to exist but where concessions have not yet been granted"48

Where Does Cabinda Oil Go?

This plus the renewed commitment of existing firms, expansion plans and so forth simply builds on the phenomenal growth of oil production in Angola in the past decade. Then enter the new set of political and economic factors placing Gulf's Cabinda production in a different political perspective. The real question becomes where Cabinda oil is used. For example Portugal itself consumes about 6 million - 6.5 million tons of oil per year which was all imported in the past from Iraq in the main and other middle eastern sources with about 10-11 per cent coming from Cabinda.⁴⁹ Other Southern African block countries such as South Africa, landlocked Rhodesia and "Portuguese" Mozambique

have not discovered oil, in spite of herculean efforts there and off-shore in Portugal itself. According to Gulf's contract with Portugal (and it must be remembered that Portugal controls 20 per cent of the Cabinda Gulf's board), Portugal normally has the preference right to purchase 37½ per cent of Cabinda crude and to take in kind royalty payments worth 12.5 per cent, bringing the "normal" amount Portugal can get of the production to 50 per cent. Beyond that it states that "the Government has reserved the right to purchase their needs for domestic consumption as well as the right to take all production in the event of war or national emergency."⁵⁰ Finally, not only does Portugal have the right to all of the Cabinda oil, the Portuguese Minister for the "Overseas Territories" has spoken of the contractual clause which commits Gulf to supply Portugal "with oil from other sources to compensate for any technical difficulties that may arise from refining Cabinda high-wax crude."⁵¹ That contract was confirmed by Gulf officials to reporters for Africa News because it appears that the Portuguese were not sure as to whether their own refineries in Europe could deal with the wax removal process needed to use Cabinda crude.⁵² A Gulf spokesman has said that Portugal has "exercised that right /to Cabinda crude/. But they do it by trading Cabinda crude for Iranian crude with our other customers, because Cabinda crude has a high waxy content that cannot be refined in the refineries there"⁵³ Iran is not participating in the Arab boycott. Relevant to local use of the crude it is known that the Angolan Petrangol refinery in Luanda was given a test run in 1972 to refine the oil and 80,790 tons was refined there although called "costly and inefficient."⁵⁴

In November, 1973 the Arab countries announced an oil boycott of Portugal after Portuguese help to U.S. - Israel relations. Continuing new stories indicate that Gulf is bailing Portugal out, perfectly feasible under contract agreements. Foreign Minister Rui Patricio stated that Angolan oil would fill Portugal's needs in Europe and Africa, confirmed also by Angola's Provincial Secretary for Economic Affairs.⁵⁵ Looking at the sale of Cabinda crude in 1972, one finds that the following countries received the oil: 2.3 million tons to Canada which is in fact used by the U.S.;⁵⁶ 1.9 million tons to the U.S. and Trinidad-Tobago; 1.3 million tons to Japan; 484,000 tons to Portugal (including 80,790 tons refined in Luanda); 259,000 to Spain; and 67,000 to Denmark.⁵⁷ Figures for 1973 are not totally available but it appears that the U.S. and Canada remained the largest importers with only a slight "direct" U.S. increase. However, by the end of the year Portugal's consumption of Cabinda crude rose dramatically and for January, 1973 it reached one-third of the output. In December, of the 4.8 million barrels exported, four shiploads went to Portugal, four loads to the U.S., three to Canada and one to Japan;⁵⁸ and in January, of the 4.6 million barrels, five shiploads went to Portugal, four to the U.S., two to Canada and one to Japan.⁵⁹ It seems obvious then that Portugal is now able to utilize the Cabinda crude, whether through modifying the refinery or through mixing it with other lighter crude. Of the major importers the Government of Trinidad and Tobago decided to end all its Angolan oil transactions in line with the policy of the Organization of African Unity. Texaco had refined Cabinda crude there which ended in mid-1973, and further transactions ended in late November.⁶⁰

It appears that the initial Arab embargo created fuel shortages and price rises with some rationing and economic repercussions especially in the tourist sector in Portugal and Mozambique.⁶¹ But with the increased Cabinda imports and

perhaps the fact that Portugal might still be receiving Middle Eastern (Iranian) oil in exchange for Cabinda oil eases that pressure tremendously.

Gulf Cabinda and Southern Africa

Even if Portugal does not directly import the Cabinda crude "the military efforts in Africa require huge quantities of petroleum."⁶² Thus the further use of Cabinda crude in Southern Africa is significant. Following a Council of Ministers of the OAU meeting from November 19-20 in Addis Ababa, the Council appealed to the Arab countries to boycott not only Portugal but also South Africa and Rhodesia. The Arab ministers agreed to this at the Algiers meeting in late November, much in reaction not only to African reprisals against the white and colonial regimes of Southern Africa and the solidarity shown by African states in most breaking diplomatic relations with Israel, but also because Portugal allowed the U.S. military to utilize the Azores to rescue Israel. Gulf, it appears, has worked to undermine this Arab policy. Two news stories, via the Portuguese press service, report that Gulf is exporting Cabinda oil to a Mozambique refinery run by SONAREP (a subsidiary of SACOR) near Lourenco Marques, and has actually signed a contract to supply the refineries' needs.⁶³ Mozambique needs 11,000 bbpd and had formerly gotten most from Iraq.⁶⁴ Gulf aid would unquestionably assist Portugal's war efforts in Mozambique. The SONAREP refinery has the capacity to refine 50,000 bbpd with plans to expand it and build a new refinery at Nacala where Shell, BP, Caltex and Mobil have some interest. The Mozambique SONAREP refinery has sold at least a third of its production to South Africa in 1972 and of course is well known as a supplier of fuel to Rhodesia which has been placed under United Nations sanctions. The Guardian reported that SONAREP gives Rhodesia 6,000 bbpd of its needed 17,000 bbpd, the rest coming from South Africa. Gulf's involvement in this contract could in fact be breaking the international embargo against the sale of oil to Rhodesia. A Gulf spokesman stated that the Gulf-SONAREP contract falls under Portugal's option to Cabinda crude and involves an exchange of it for Iranian oil.⁶⁵

South Africa itself is a highly industrialized state which because of fears of sanction and a desire for economic self-sufficiency has stored massive amounts of fuel for the last several decades and used alternate fuel sources (coal, coal to oil, etc.). It does import one quarter of its needs from the Middle East but 30 per cent of this from Iran.⁶⁶ But if the pinch got tighter Cabinda crude could help out South Africa. South Africa has a 25 per cent interest in Angol of Angola and no doubt other interests in Mozambique.⁶⁷ And South Africa's oil needs are growing.⁶⁸ The CSA resolution which asks about Cabinda exports attempts to probe this whole situation to better understand how the company relates to these complicated political and economic issues. It is important to note that increased sales either to Portugal, Mozambique or other Southern African countries eventually means decreasing Cabinda crude for the U.S., Canada and Japan.⁶⁹

Gulf and U.S. - Middle East Politics: The Azores

The final link in this story is the way in which Gulf Oil has functioned vis-a-vis the energy crisis, the Middle East war and the U.S. government. It was reported in the Financial Times of London that Gulf officials were seen in Lisbon around the time when the U.S. was negotiating with the Caetano

government over the U.S. using the Azores base.⁷⁰ (See Appendix)

It has been speculated that part of the direct U.S. concessions to Portugal was the promise to provide oil if Portugal was too greatly affected by the boycott. This would make sense given the Gulf contract with Portugal, but also involves the entire issue of U.S. policy toward Portugal. If Gulf was closely linked with aiding Portugal as part of American political support the Gulf-Portugal link has even deeper meaning. The reason for the U.S. promise revolves around U.S. policy toward Portugal and use of the Azores Islands. Since World War II the U.S. Air Force has occupied the tiny island of Terceira and used the base at Lajes. From 1961 through 1971 there was no formal agreement between the two countries in part because U.S. anti-colonial policy had alienated Portugal. In December 1971 President Nixon altered this former stand-offish policy and signed an unprecedented agreement to give to Portugal in exchange for use of base some \$436 million (involving food aid, Exim bank credit, educational aid, the loan of a hydrographic ship, surplus non-military equipment drawing rights, etc.). The agreement, retroactive to 1969, was up for renegotiation in February, 1974 with a six month grace period.⁷¹

Before the Middle East War it appeared that neither party to the Azores agreement was completely happy with it, and some speculated that the U.S. might give up the base.⁷² But on October 14 a new understanding was reached which went beyond the normal non-wartime use of Lajes. It became key to the 8,000-ton airlift of war goods to Israel which went through the Azores for refueling from October 15 through 25.⁷³ Huge transport planes such as the controversial C-5 Galaxy carried massive amounts of equipment (even M-60 tanks) via the island in a billion dollar airlift.⁷⁴ The Portuguese island base became crucial because no other European ally of the U.S., even Spain, Turkey or Greece, would allow the United States use of its facilities for this purpose for fear of Arab retaliation or because of anti-American sentiment.⁷⁵ Portugal's helping hand to U.S. foreign policy enactment enmeshes all parties involved.

American Aid to Portuguese Colonial Policy

What does Portugal expect in return for its aid to the U.S.? The Christian Science Monitor of October 20 reported that the deal required "a massive bit of U.S. diplomatic arm twisting" in Lisbon.⁷⁶ Some of the elements reported in the arm twisting include a relaxation on a number of levels of U.S. opposition to Portuguese policy in Africa and perhaps demands for more money and equipment. For example, the Portuguese Ambassador to the U.S., Joao Hall Thermido placed pressure on Senate liberals, including John Tunney of California and Teddy Kennedy, to castrate an amendment to the Foreign Assistance Act. This amendment would have codified a former Executive Order and placed definite limits on arms going to Portugal for use in Africa requiring that the President also report on "gray area" goods (such as herbicides, aircraft, helicopters, light planes - all of which the U.S. has sold to Portugal in greater quantity under the Nixon administration as well. The final bill which emerged from the Conference Committee was extremely different from that which had passed both houses. It cited Portugal by name, and removed the Congressional statement opposing U.S. involvement in Portugal wars. The bill now only requires the

President to report in general on any non-African nation's use of U.S. economic or military assistance in Africa. It sets up no mechanism to stop such aid. As Portugal defines its colonies in non-colonial terms it can weasel out of the act.⁷⁷ U.S. military aid to Portugal has increased from \$1 million in 1971 to \$7.5 million in 1972; economic aid from \$17.1 million to \$30.4 million during the same time span.⁷⁸ This pattern, with the good liberals torn between dislike for Portuguese colonialism and concern for Israel's military might, seems to have forgotten about 15 million Africans.

Following this line it has also been reported that United States government position at the U.N. is such that this country has moved from fence-sitting to become the vanguard of opposition to the efforts of the newly created Republic of Guinea-Bissau to obtain admission to the world body.⁷⁹ The Republic announced its birth on September 24, 1973 after ten years of anti-Portuguese war led by the PAIGC (African Party for the Independence of Guinea and Cape Verde) and the liberation of some two-thirds of the small country from Portuguese control. The Republic is now recognized by 74 countries, and in 1974 there is the probability that it will apply for U.N. membership. It requires a positive Security Council vote so that a U.S. vote would be key to Portugal's wishes there. Diplomatically some think the U.S. might abstain, but this is all the more unlikely given the wider Portuguese policy of defending the Cape Verde Islands as strategic for Western security and North-South Atlantic defense systems.⁸⁰

Finally the last part of the bargain between the U.S. and Portugal is said to be an increase in cash loans and the provision of specialized military equipment capable of detracting the new Russian-made heat seeking missiles being used by the freedom forces in Portuguese Africa with much success against Portuguese aircraft.

The public nature of U.S. policy toward Portugal has been vague. During one of Secretary of State Kissinger's world jaunts, he stayed in Lisbon for 24 hours and spoke with the Portuguese Prime Minister, Foreign Minister and President.⁸¹ Portugal was cited as a "good and reliable friend"⁸² and in another report it was said that the US has indicated that it has a "special obligation" to Lisbon, but denying that it has actually received a request for arms.⁸³ Secretary of State Kissinger spoke favorably about the future of U.S. Portuguese relations. He said, "When visiting this country, that is known for its navigators that explored the world with physical and moral courage, I would like to say that so far as the United States is concerned, our journey together is not finished."⁸⁴ The importance of the Azores, as proven by the Mid-East conflict, certainly strengthens Portugal's hand, and in fact fits into the new "low profile" Nixon policy of decreasing the number of installations and troops abroad but raising the necessity for quick mobility for equipment and troops in times of crisis. The Azores has proven a kingpin to that strategy.⁸⁵ Other factors in the relationship between Portugal and the U.S. includes the new U.S. policy in the Indian Ocean where the U.S. plans a new installation initially at the British island of Diego Garcia. It has been reported that Portugal has offered or hinted at the possible use of Mozambique's Nacala port as an alternative.⁸⁶ The new Indian Ocean strategy is thus part of U.S.-Portuguese and U.S. - Southern African policy.

So Gulf Cabinda is part of a much wider question of U.S. - Portuguese - Southern African policy. Gulf's stake in Angola is aided by positive U.S. relations with Portugal. As Gulf's interests have grown, so too has U.S. aid to Lisbon and its strategic relation as well.

Gulf and Zaire

The picture gets more complicated as Gulf Oil and U.S. policy go beyond Cabinda oil in Africa. One of the most unclear situations is the status of Gulf Oil's interest off-shore in Zaire where it has to date spent \$25 million and plans to expend another \$30-35 million before oil production begins in mid-1974 - 1975.⁸⁷ Production will begin at 25,000 bbpd, similar to the nearby early rate of Cabinda which is twice the needs of Zaire itself.⁸⁸ A Zairean spokesman has mentioned up to 80,000 bbpd.⁸⁹ Gulf reported in its annual reports drilling in 1971 and 1972. In November, 1973 Arslan Humbaraci, who reported the increased secret Cabinda potential, also stated that Gulf's Zaire off-shore oil production from two wells, where the concession is 50 per cent held with a Japanese firm and SOLIZA, would be piped through Cabinda to Gulf storage facilities there and that Gulf Oil officials had discussed this with Mobutu Sese Seke, the enigmatic President of Zaire. The economic rationale for such a joint use of Gulf facilities is not only mentioned by Humbaraci but also by Harvard envoy Stephen Farber in his report.⁹⁰ Such a maneuver, if accepted by Mobutu, would be direct collusion with the Portuguese. It is said that the stories actually snuffed out the plan which would have been not only politically embarrassing for Zaire, but even more hypocritical given the new Mobutu look of strongly supporting African liberation.

The real Mobutu role in Zaire, a vastly rich country which has had close military, economic and political links with the U.S. for a decade is uncertain. It is key particularly in relation to Angolan liberation establishments because to date Mobutu has denied access to its long border to one of the most effective movements, the MPLA. Some say that Mobutu would like a "negotiated" peace between the Portuguese and his particular favorite movement, the National Front for the Liberation of Angola (FNLA). The result would be some sort of "neo-colonial" regime in Angola and an undermining of the strong and more progressive MPLA. Another line suggests that Gulf Oil and Mobutu would in fact be willing to annex oil- and gold-rich Cabinda to Zaire as part of the deal to consolidate Gulf oil interests and get rid of the nagging Portuguese problem.⁹¹ In recent days Zaire has nationalized some distribution of oil but Gulf was not touched nor were other exploring firms.⁹² With Gulf having such interests it means it has a political stake in both countries. How Gulf will play the role in this delicate arena is uncertain.

CONCLUSION

Gulf Oil, 1973, 1974. With the Middle East war, the "energy crisis," the U.S. use of the Azores for flights to Israel, the new "low profile" of the Nixon administration, the increasing dependence of oil companies on foreign supplies - it is important that Gulf reply to ongoing questions about its Angolan operations. There are many unknown factors -- what will the Arab states do to enforce an arms embargo if it continues against Portugal, what pressure will they place on the U.S. or via Kuwait on Gulf to stop supplying Portugal with oil? What will oil-wealthy Nigeria do given that one third of its exports come to the U.S.? The obvious effect of increased Cabinda production on Gulf links with Portugal and the entire Southern Africa sphere is obvious. The difficulty in obtaining information about these developments means that concerned persons must watchdog Gulf, the government, its own Congress. Not to do so, makes all the more serious the support which U.S. institutions give to anarchistic colonialism and white supremacist rule in Africa today.

Footnotes

- ¹New York Times, Feb. 7, 1974.
- ²Ibid., Feb. 13, 1974
- ³Ibid., Feb. 17, 1974
- ⁴Forbes, Nov. 1, 1972.
- ⁵Wall Street Journal, Feb. 22, 1973.
- ⁶Ibid.
- ⁷New York Times, Feb. 13, 1974
- ⁸Ibid.; information from William Cox, Public Relations Officer, Gulf Oil Corporation, March, 1974.
- ⁹Wall Street Journal, Nov. 15, 1973.
- ¹⁰See bibliography on Gulf in Angola in Appendix.
- ¹¹United Nations A/9023 (Part III), Oct. 11, 1973, reprinted in Objective Justice, Vol. 6, No. 1, p. 38.
- ¹²Information from William Cox, op.cit.
- ¹³Letter from William Cox, April 4, 1973; information from William Cox, March, 1974.
- ¹⁴Provincia de Angola, Jan. 4, 1974.
- ¹⁵African Development, Nov., 1974
- ¹⁶Standard Bank Review, London, Sept., 1973
- ¹⁷West Africa, Sept. 24, 1973
- ¹⁸Gulf Oil Corporation, Orange Disk, May-June, 1972.
- ¹⁹Steven Farber, "Gulf and Angola," Harvard Gazette, Oct. 6, 1972.
- ²⁰Elizabeth Jackman, report of visit to Cabinda, summer, 1973.
- ²¹Observer, London, Nov. 25, 1974.
- ²²Guardian, London, March 6, 1974.

- ²³United Nations A/AC.109/L.918, Feb., 1974, p. 8.
- ²⁴Ibid., p. 10.
- ²⁵Ibid., p. 27.
- ²⁶International Herald Tribune, Aug. 7, 1973.
- ²⁷Information from William Cox, March, 1974.
- ²⁸Farber, op.cit.
- ²⁹Muhammed Speaks, Feb. 8, 1974.
- ³⁰New York Times, Feb. 13, 1974.
- ³¹Observer, London, Nov. 25, 1973. The fields/wells cited are numbered offshore 95-3, 96-E2, 120-2X, 121-2X, plus two on-shore producers 37-1-X, 01-6-4. On-shore areas were cited by Gulf as "non-commercial" (information from William Cox, March, 1974) but the company has not fully replied to other cite locations mentioned by Humbaraci.
- ³²African Development, Nov., 1973; Report from Portuguese Africa, Angola, Jan. 18, 1974.
- ³³Gulf letter to the Observer, Nov. 29, 1973.
- ³⁴Press Release, Gulf Oil Corporation, Pittsburgh, Nov. 26, 1973.
- ³⁵Platt's Oilgram, London, Vol. 52, No. 1, Jan. 2, 1973.
- ³⁶Report from Portuguese Africa, op.cit.
- ³⁷Platt's Oilgram, op.cit.; African Development, Nov., 1973.
- ³⁸Standard Book Review, Sept., 1973; Star, Johannesburg, Nov. 17, 1973.
- ³⁹Report from Portuguese Africa, Nov. 9, 1973.
- ⁴⁰Petroleum Press Service, Sept., 1973.
- ⁴¹Star, op.cit.; Report from Portuguese Africa, Oct. 26, 1973.
- ⁴²Report from Portuguese Africa, Nov. 9, 1973; United Nations, op.cit., Oct., 11, 1973.
- ⁴³Platt's Oilgram, Feb. 11, 1974; Report from Portuguese Africa, Feb. 1, 1974.
- ⁴⁴Wall Street Journal, March 7, 1974; MPLA, "Statement on Oil Policy in Africa," Feb. 12, 1974.
- ⁴⁵Marches Tropicaux et Mediterreans, Paris, Nov. 9, 1973.

- 46 Report from Portuguese Africa, Oct. 26, 1973.
- 47 Marches Tropicaux et Mediterreans, Nov. 16, 1973.
- 48 Standard Bank Review, Nov., 1973.
- 49 Afrique Asie, Paris, Nov. 26 - Dec. 9, 1973; Financial Times, London, Nov. 28, 1973.
- 50 Statement from the Portuguese Ministry for the Overseas Territories on Cabinda Gulf Oil, Report from Portuguese Africa, Oct. 26, 1973; Orange Disk, op.cit., Southern Africa, New York, Jan., 1974.
- 51 Report from Portuguese Africa, Oct. 26, 1973.
- 52 Journal of Commerce, New York, Nov. 1, 1973.
- 53 Information from William Cox, March, 1974.
- 54 Farber, op.cit.
- 55 Report from Portuguese Africa, Nov. 16, 1973.
- 56 Information from William Cox, March, 1974. Also see bibliography, Appendix.
- 57 Diario de Noticias, Lisbon, Feb. 17, 1973.
- 58 Report from Portuguese Africa, Jan. 18, 1974.
- 59 Report from Portuguese Africa, Feb. 15, 1974.
- 60 Speech by Prime Minister Eric Williams: Message to U.N. Secretary General, Nov. 28, 1973, quoted in Objective Justice, vol. 6, no. 1, Jan.-March, 1974, Anti-Apartheid News, London, Feb., 1974.
- 61 Guardian, London, Nov. 30, 1973.
- 62 Guardian, London, March 6, 1974.
- 63 Guardian, London, Dec. 13, 1973; Star, Nov. 24, 1973.
- 64 Ibid. Guardian.
- 65 Information from William Cox, March, 1974.
- 66 Anti-Apartheid News, Feb., 1974.
- 67 Rand Daily Mail, Johannesburg, Dec. 1, 1973.
- 68 Financial Mail, Johannesburg, March 5, 1971.
- 69 African Update, New York, Jan. - Feb. 1974, Star, Nov. 24, 1973.

- ⁷⁰Financial Times, Dec. 18, 1973.
- ⁷¹Washington Star News, Nov. 15, 1974.
- ⁷²New York Times, Nov. 11, 1973; Financial Times, Nov. 28, 1973.
- ⁷³Guardian, London, Oct. 29, 1973.
- ⁷⁴Daily American, Jan. 1, 1974.
- ⁷⁵New York Times, Oct. 25, 1973.
- ⁷⁶Christian Science Monitor, Oct. 20, 1973.
- ⁷⁷Southern Africa, Feb., 1974.
- ⁷⁸Christian Science Monitor, op.cit.
- ⁷⁹Guardian, London, Oct. 29, 1973; Financial Times, London, Nov. 28, 1973.
- ⁸⁰New York Times, Nov. 11, 1973.
- ⁸¹Times, London, Dec. 19, 1973.
- ⁸²Baltimore Sun, Dec. 21, 1973.
- ⁸³Afro-American, Washington, Dec. 1, 1973; Washington Star News, Nov. 1r, 1973.
- ⁸⁴Guardian, London, Dec. 18, 1973.
- ⁸⁵Daily American, Jan. 13, 1974.
- ⁸⁶Washington Star News, Jan. 26, 1974; Afrique-Asie, Jan.7, 1974.
- ⁸⁷Gulf Oilmanac, Jan. 1974; Agence France Presse, Dec. 10, 1973.
- ⁸⁸Gulf Oilmanac, Ibid.
- ⁸⁹African Development, Jan., 1974.
- ⁹⁰Farber, op.cit.
- ⁹¹See Humbaraci's articles in Observer, London, Nov. 25, 1973; Jornal d'Europe, Brussels, Dec. 11-17, 1973.
- ⁹²Wall Street Journal, Jan. 16, 1974.

SHAREHOLDER PROPOSAL NO. 10

"WHEREAS THE energy crisis is a matter of deep and growing public concern;

"WHEREAS the role of the oil industry is central to a meaningful solution to America's energy problems;

"WHEREAS our corporation's profits have increased 90% over last year;

"WHEREAS it is the right of a stockholder to have access to basic information about the corporation's business.

"THEREFORE, BE IT RESOLVED that the shareholders request the Board of Directors to provide a full written report to shareholders within four months of the date of the 1974 meeting on basic information concerning the corporation and the energy crisis. This information shall include the following:

1. Detailed summary of all (domestic and international) underground petroleum reserves, broken down by country and including a description of the corporation's rights to such reserves (i.e., ownership of mineral rights, leased concessions, etc.)
2. A breakdown of corporate profits for 1973 indicating the following:
 - a. Contribution of each phase of the company's operations to the profit picture including the contribution of (1) exploration and production; (2) refining; (3) distribution and sales.
 - b. The contribution of foreign operations to overall corporate profits broken down by country.
 - c. The amount of the foreign tax credits claimed during 1973 by the corporation broken down on a country-by-country basis.
3. A listing of refining capacity broken down by country and including a description of current plans for expanded refinery capacity or new refineries during 1974, 1975 and 1976.
4. A detailed description and listing of all joint ventures with other corporations in refining, distribution (including pipelines) and exploration during 1973.
5. A listing of inventories of home heating oil and gasoline for each month between September 1971 and March 1974.
6. A listing of crude oil imports for each month between September 1971 and March 1974 as well as the source country.
7. A listing and description of all investments in alternative energy sources including:
 - a. A description of all research and development projects on alternative energy sources.
 - b. A description of the corporation's rights (through ownership, leases, etc.) to coal and uranium resources both in the United States of America and abroad.
8. A statement of percentage of refining capacity utilized during each month between September 1971 and March 1974."

Shareholder's Statement •

"The effects of the shortages of gasoline, diesel and jet fuel, and home heating oil are being felt by most citizens of the United States and many others around the world. Economic dislocation, cold homes, offices, schools and factories, pressure for elimination of environmental protection regulations, and a "hard-sell" for nuclear power as a promising alternative, are some results of the current oil shortages.

"In recent months many have claimed that the crude oil shortage is a hoax and that oil companies are holding products in storage until prices rise and/or independent dealers are squeezed out of the market. The federal government seems unable or unwilling to provide any data that will prove or disprove this contention.

"Gulf should disclose the data requested in the above resolution so that shareholders and the general public can know the essential facts in this matter."

Management's Statement •

Management's position is that material financial and other information affecting the Corporation's business and the shareholders' interests should be made public, and efforts are continuously being made to

do this through the filing of reports, preparing the Annual Report and Interim Reports, publishing articles in THE ORANGE DISC and issuing press releases.

Much of the data requested in this Proposal and a great deal more information is being supplied by the Corporation to a number of Federal Government agencies and Congressional committees attempting to find solutions to the nation's energy shortage. In the Corporation's Annual Report to Shareholders for the year 1973, disclosures of important financial information have been made, including certain portions of the data requested in this Proposal. The financial statements have been prepared in the form and detail required by the Securities and Exchange Commission and, accordingly, the Annual Report is incorporated in the filing of S.E.C. Form 10-K which is subject to public inspection. However, the Management of your Corporation believes disclosure of all the information requested by this Proposal, other than that required by duly authorized governmental bodies after giving assurance of confidentiality, would be detrimental to the best interests of the shareholders.

Management's Recommendation • Your Board recommends that you vote AGAINST Shareholder Resolution No. 10.

SHAREHOLDER PROPOSAL NO. 11

“WHEREAS recent press reports indicate that Gulf has made major new oil discoveries offshore Angola but Gulf has supplied no information about this discovery;

“WHEREAS such discoveries bring greater involvement by our corporation in the racial and colonial politics of Southern Africa;

“THEREFORE BE IT RESOLVED that the shareholders request the Board of Directors to publish in the Orange Disc magazine the following information concerning recent developments pertaining to Gulf's Angolan operation:

1. A statement of Gulf's present output in Cabinda and an estimate of Gulf's Cabinda reserves.
2. A listing of new potential fields off Cabinda and a statement of present plans to exploit these new fields.
3. A listing of petroleum shipments Gulf made in 1972 and 1973 from Cabinda including shipments to Angola, Mozambique, Portugal, Rhodesia, and South Africa.
4. A summary of any revisions, formal or informal, in the contract between Gulf and Portugal concerning Gulf's oil rights in Cabinda.
5. A summary of Gulf's policy on the Organization of African Unity initiated petroleum boycott against Portugal and South Africa.”

Shareholder's Statement •

“Statement of the security holder

“The Angolan operations of our company have become a major issue of international controversy. Gulf thus faces a growing boycott in the USA and abroad, and criticism from university, black community, and Church circles.

“The Organization of African Unity which comprises all independent African states, supports the present oil boycott against South Africa and Portugal. Press reports indicate that petroleum from Gulf's Angolan operations is being used to supply the needs of Portugal, Angola, and Mozambique thus undercutting the boycott.

“The name of our company may therefore be harmed by this criticism in Africa, Europe, and the U.S.A.

“Gulf is considered by many to be a major supporter of Portugal as it wages colonial wars against African nationalists fighting for independence. It is therefore essential that information concerning a major new discovery, if one has been made, should be revealed since such a discovery has great economic significance and could have serious political repercussions for Gulf.”

Management's Statement •

When the London OBSERVER erroneously reported that Gulf had made an important oil discovery in Angola, Management quickly and thoroughly corrected the report, announcing that Gulf had no significant discoveries there last year. Again, Management categorically denies that it has made any new major oil discoveries in or offshore Angola. Certainly it has not discovered any new oilfield comparable to Kuwait.

Management has, for the past four years, made public a considerable amount of information about the Corporation's exploration and production company in Angola. This information has been presented before church and college organizations, forums on international affairs, a Congressional hearing, to representatives and leaders of Civil Rights groups, in response to inquiries from journalists and individuals, during several annual meetings of shareholders and in several issues of THE ORANGE DISC magazine sent to shareholders.

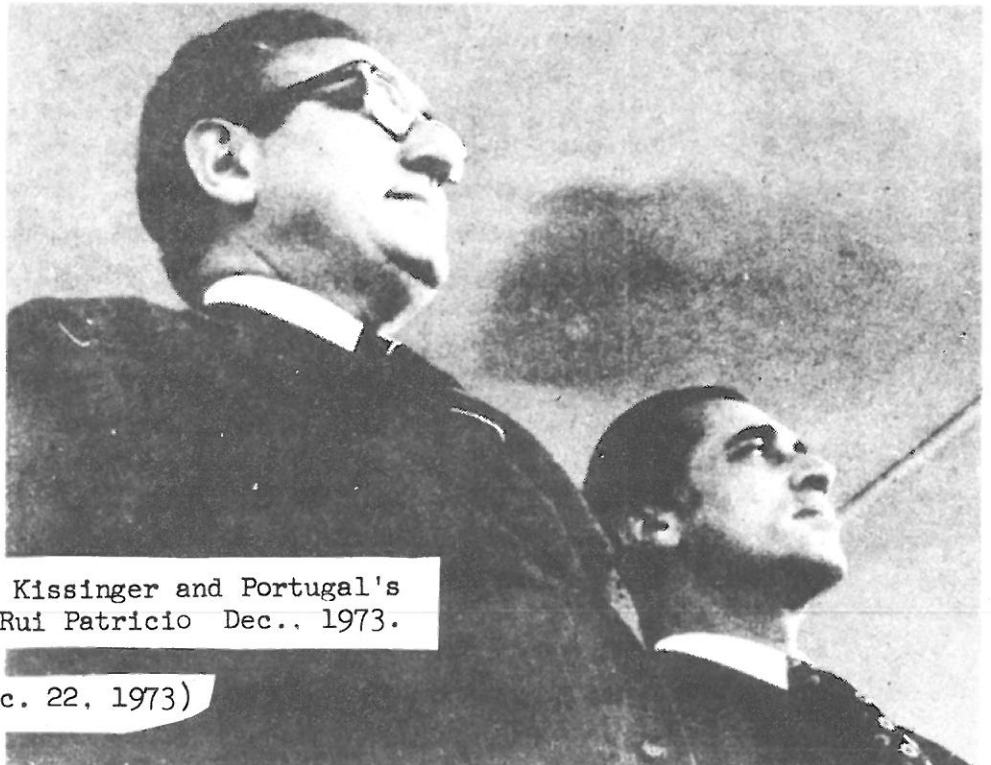
Management's Recommendation • Your Board recommends that you vote AGAINST Shareholder Resolution No. 11.

APPENDIX II: GULF, the U.S. and PORTUGAL

From "An airlift deal with Lisbon" by Bruce Loudon, Financial Times, U.K., Nov. 28, 1973

That is well in excess of the 6.5m. tons of crude and refined products which Portugal uses each year, but until now Angolan oil has supplied only about 10 per cent. of Metropolitan Portugal's needs. The Cabinda oil is high in wax content and low in sulphur, and unsuitable for the Lisbon refinery. Most of it goes to the U.S. and Canada. In times of war Portugal may pre-empt all of the Cabinda output, and what is clear is that about the time of the beginning of the Middle East crisis Gulf executives were in Lisbon. They left after a few days with smiles reported all around.

Informed speculation is that as part of the Azores airlift deal the Cabinda oil is taken by the U.S. in direct exchange for crude that is more suitable for Lisbon's refinery needs. (This is already, to some extent, a requirement of the standing agreement between Gulf and the Portuguese Government.) Hence Lisbon's confidence despite the reported threat of a "total trade boycott" by Arab countries.



Secretary of State Kissinger and Portugal's Foreign Minister, Rui Patricio Dec., 1973.

(Expresso, Dec. 22, 1973)

APPENDIX III: MPLA STATEMENT ON ANGOLAN OIL

From a liberation movement statement on oil policy in Angola, Dar-es-Salaam, Feb. 12, 1974

I-The MPLA (Popular Movement for the Liberation of Angola) denounces the activities of all oil companies which, directly or under any form of combination of association with portuguese and south-african interests, pilfer the oil and gas of Angola thanks to a colonial regime.

This Angolan oil is not only used against MPLA fighters, but it is also, since the current "oil crisis" sent to Mozambique to combat FRELIMO fighters and to South-Africa and Rhodesia to reinforce minority racist regimes.

II-The MPLA hereby states that with the inevitable independence of Angola all these companies which operate off-shore or inland will be chased from our national territory and all their equipment and assets seized.

III-This warning is addressed not only to companies already operating in Angola but equally to such companies which intend to operate in Angola as long as colonial rule will permit.

The MPLA is in possession of all the "combination of association" details of all these companies and further notes after study of documents concerned that the rush to pilfer Angolan oil and gas is such that companies request, and portuguese colonial authorities grant, concessions which encroach on the other.

IV-The MPLA states that the dangers and risks of war to which will be submitted the foreign personnel working for these companies in Angola will be of the sole responsibility of said companies.

V-The MPLA is contacting friendly countries and organisations for the training of its oil industry cadres for Angola.

APPENDIX IV: UN STATEMENT ON OIL EXPLOITATION IN ANGOLA

From United Nations report on Angolan Petroleum exploitation, General Assembly report A/9023 (Part III), p. 12, 11 Oct. 1973.

The increased production of crude petroleum in Angola is one of the most outstanding illustrations of the effort by the Portuguese Government to speed up its process of colonial exploitation of the Territory. Crude petroleum production in Angola increased from 537,000 tons in 1967 to over 6.5 million tons in 1972. This accelerated pattern of exploitation worsens colonial conditions in the Territory in at least three ways: (a) it depletes the Territory of an energy source which, as indicated above, is greatly important for its future economic development; (b) it provides the Portuguese authorities in the Territory with increased revenues which it badly needs to support its repressive activities against the liberation movements; and (c) it attracts more foreign economic interests to join those already operating there, thus accelerating even further the process of depletion of the Territory's natural resources.

APPENDIX V: GULF FIGURES ON PAYMENTS TO PORTUGAL; EMPLOYMENT; AND ANGOLAN BUDGET

A. PAYMENTS TO ANGOLAN (PORTUGUESE) GOVERNMENT in 1973

| | <u>1973</u> | <u>total thru/ 1973</u> |
|--------------------|---------------------|-------------------------|
| Income Taxes | \$68,512,868 | \$113,401,471 |
| Royalties | \$21,972.696 | \$51,954,102 |
| Rental Fees | \$ 394.796 | \$6,056,854 |
| Port. Mining Fund | \$37,189 | \$1,096.568 |
| Concession Renewal | ----- | \$2,886,244 |
| TOTAL | <u>\$90,917.549</u> | <u>\$175.395,239</u> |

B. GULF EMPLOYMENT AT CABINDA (as of Jan. 1, 1974)

White: 203 (55.7%)
 Black: 161 (44.2%) or 45 mestizo (mulatto), 116 African
 Expatriate: 38 (9.5%)

C. MILITARY EXPENDITURES BY ANGOLAN GOVERNMENT, 1972-1974

| | planned | actual |
|------|----------------|----------------|
| 1972 | \$32.5 million | \$60.5 million |
| 1973 | \$59.7 million | n.a. |
| 1974 | \$68.7 million | n.a. |

GULF CONTRADICTIONS????

At the Gulf annual meeting in 1972, Gulf executive vice-president E. B. Walker said, "We can prove that these funds - Gulf's payments of royalty in taxes to the Portuguese Angolan government - are going to the betterment of the people because as the Gulf money has gone into the government, the military budget has stayed level while budgets for education, and social welfare have skyrocketed."

VI. SHORT BIBLIOGRAPHY ON GULF OIL IN ANGOLA

- GULF OIL, PORTUGUESE ALLY IN ANGOLA, Interfaith Committee on Corporate Responsibility, 475 Riverside Drive, NYC 10027 \$1.00
- WHY WE PROTEST GULF OIL IN ANGOLA, American Committee on Africa, 164 Madison Ave., NYC 10016 June, 1973, 15 cents.
- REPORT OF PAN AFRICAN LIBERATION COMMITTEE, P.O. Box 514, Brookline, Mass., 02147 (other info. on Gulf Boycott, etc.)
- GULF BOYCOTT COALITION bulletins, Box 123, D.V. Station, Dayton, Ohio 45406 (resource materials etc.)
- SOME IMPLICATIONS OF THE ARAB OIL EMBARGO AGAINST PORTUGAL, Committee for Freedom in Mozambique, Angola, and Guine, 12-13 Little Newport St. London, WC 2 7JJ, England
- LARCENY BY PROXY: GULF OIL (Canada) LTD. AND ANGOLA, Toronto Committee for the Liberation of Portugal's African Colonies, c/o UCC, 121 Webster Road, and Avenue Road, Toronto, Ontario.

