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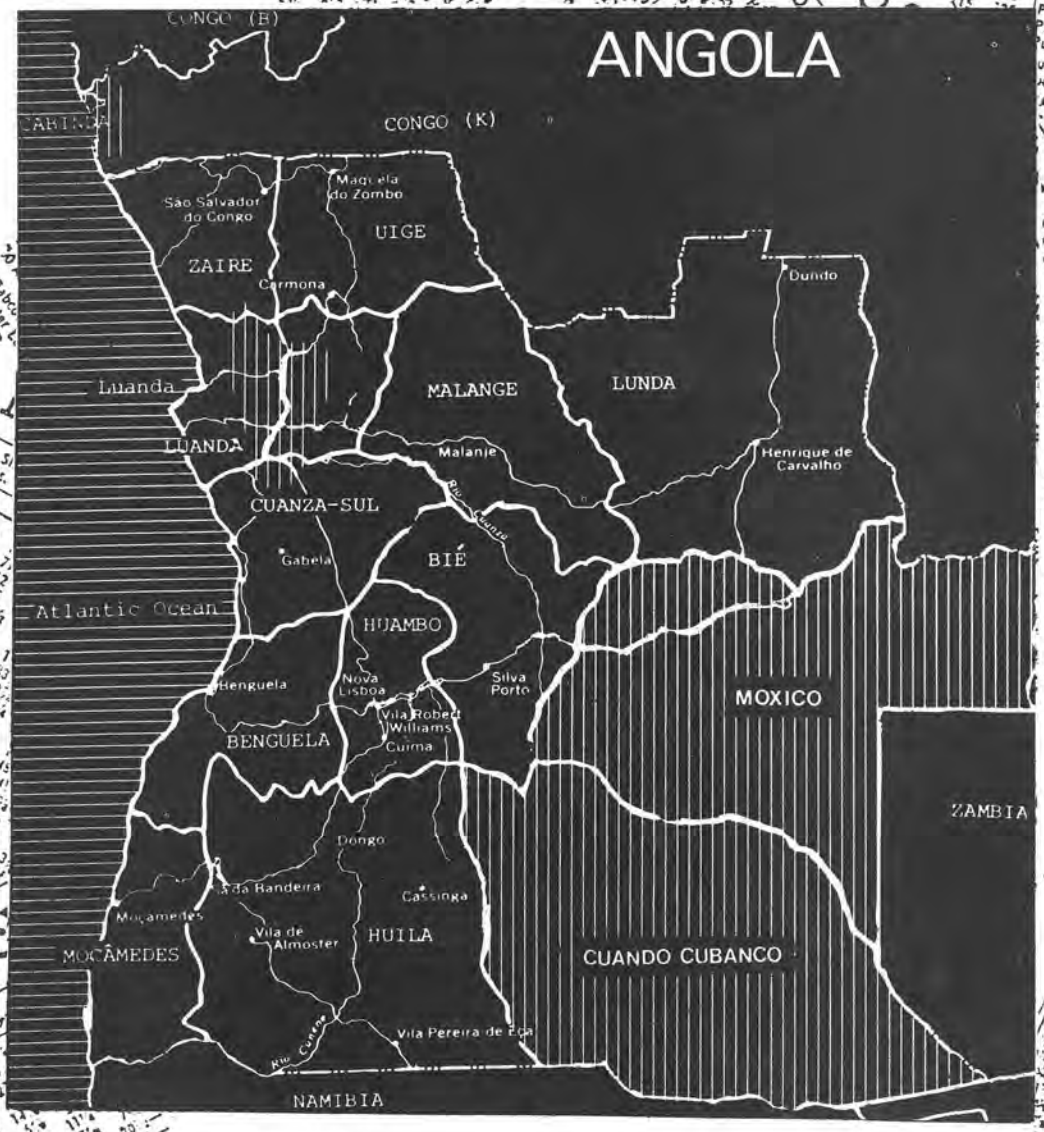

GULF OIL

portuguese ally in angola

Gulf

A CIC BRIEF for Information and Action

GULF OIL - Portuguese Ally in Angola

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GULF OIL - PORTUGUESE ALLY IN ANGOLA

Introduction

Gulf Oil Corporation, through its subsidiary in Angola, the Cabinda Gulf Oil Company, is the largest American operation in Portuguese colonial Africa.[1] The fact that this major U.S. multinational corporation is very active in one of the last European colonies on the African continent, where, since 1961, the African people have been engaged in an armed struggle for independence, has significant implications not only for the company and its investors, but also for the public at large. In addition the broader military and economic support which the United States gives to Portugal which helps that impoverished European country fight to save its African possessions, makes Gulf's Cabinda oil discovery in 1966 even more significant.

Since 1969 Gulf has been openly challenged for its role in Angola by a number of church and Africa interest groups in the U.S. At international forums such as the United Nations, foreign companies in colonial situations like Gulf have been strongly condemned as "...a major obstacle to the political independence as well as to the enjoyment of the natural resources of these Territories by the indigenous inhabitants."[2]

In order to better understand Gulf's role in Angola it is important to first survey the nature of Portuguese colonialism, African responses, and wider American involvement before looking at the details of Gulf's investment and relationship with the Portuguese.

Background to the Angolan Situation[3]

The Portuguese territories of Angola, Mozambique and Guinea-Bissau (and the Cape Verde Islands), called "provinces" by the Portuguese, are the last major vestiges of classical colonial rule in Africa. The more than 5 million people of Angola have lived under this political system of human denial and economic exploitation for 500 years. Slave trading, the primary economic activity in Angola, was replaced in the 19th Century by the forced labor system which directed Africans to work on coffee plantations, diamond mines and public projects belonging to white settlers and foreign investors. Although some of the more blatant practices have been eliminated, Angolan blacks remain economic pawns in a foreign controlled system.

Years of colonial rule have provided Portugal with an external, non-competitive market to which to sell its exports, and a source of raw materials, cheap labor and vital foreign exchange. In 1965, Portugal reversed its traditional policy and decided to encourage direct foreign investment in the colonies. Although prospecting earlier, Gulf Oil's petroleum discovery of 1966 fit well into the new Portuguese policy, as it was at this very time that foreign exchange was necessary for Portugal to offset the financial strain of its escalating wars in all three colonies.

The oil and mineral discoveries of the last decade in Angola have increased the measurable value of the colony. It is undoubtedly one reason why Portugal and its allies exhibit such tenacity in securing the colonies against the African populace who want independence. In fact, Portugal spends more than 45 per cent of its budget for defense, and maintain more than 150,000 troops in Africa.[4]

Racial discrimination is not the legal government policy of Portugal, but has been an integral part of colonial rule. Whites (now numbering about 400,000 in Angola) were recognized as automatically "civilized" and therefore entitled to be citizens, while blacks in order to become citizens were forced to totally reject their African identity and become "assimilados" or black Portuguese. By 1960 less than one per cent of the population had achieved the "assimilado" status and African illiteracy was still more than 90 per cent.

Portugal itself is a recognized police state. Censorship, the prohibition of trade unions, the illegality of strike actions, the government controlled single party system, the extraordinary power of the famous secret police - all make legal opposition impossible. Liberalization under the post-Salazar P.M., Marcelo Caetano, has proved illusory, both in reference to internal Portuguese politics and the promised transfer of power to the colonies.

The Struggle for Liberation

African political movements, after years of attempted legal or peaceful change, began an armed struggle in Angola in 1961, and in the other colonies soon afterwards. Their central aim is independence and self-determination, and because of wide support among the population, the African nationalists continue to win significant victories despite incredible burdens. The Portuguese military, financed and equipped by NATO allies, has sophisticated weaponry of an anti-guerrilla nature, such as napalm, herbicides, bombs and aircraft. It has adopted strategies similar to those used by the U.S. in Indochina including the regroupment of people into "strategic hamlets" and the institution of economic development programs created with military goals in mind. In Angola alone there are between 60,000 and 80,000 Portuguese troops.[5] Reforms within the Portuguese colonial structure, inspired by the revolutions, such as the abolition of the former racial classification system ("assimilado"), the ending of forced labor and the acceleration of services, especially in the educational field, have been essentially undertaken as programs to insure continued Portuguese domination.

The MPLA (Popular Movement for the Liberation of Angola), considered the most effective of the three main Angolan movements, is now in control of large areas located in more than one-third of Angola, and is fighting in 10 of the 15 Portuguese administrative districts.[6] Inside liberated Angola, regions where the Portuguese have little or no administrative control, MPLA and the people have organized reconstruction programs aimed at changing completely the colonial structures and rebuilding a new life. Cooperative agricultural programs, medical and educational schemes, and new participatory governmental structures

are being built in the rural liberated areas involving hundreds of thousands of Angolans. The political/military organization is integrated into these nation-building programs, and the new institutions aime at destroying the former colonial mentality while striving for total mass involvement and self-sufficiency.[7]

MPLA is opposed to all forms of external control of the Angolan people. It has publicly stated that it supports the American campaign pressing Gulf to withdraw from Angola, and considers Gulf to be a major Portuguese ally.[8]

The U.S. and Portuguese Africa

Gulf's Angolan involvement is part of a wider American network of aid to Portugal and the other minority regimes in southern Africa (South Africa, Namibia/South West Africa/, and Rhodesia/Zimbabwe/). The U.S., its NATO allies and South Africa provide sorely needed equipment, technology and personnel to the Portuguese war machine.[9] In the economic realm the United States just signed an unprecedented agreement in December, 1971 to provide Portugal with a credit/export/import grant of $436 million.[10] Gulf is the largest of more than 30 U.S. corporations investing in Portuguese Africa.

Opposition to Portugal's rule in Africa has been repeatedly ennunciated by the Organization of African Unity, the United Nations, trade unions, church organizations, and certain government figures. Some groups, such as the World Council of Churches Programme to Combat Racism as well as others in the U.S. itself, have moved beyond condemnation to providing direct support to the African movements for independence.

THE FACTS OF GULF IN ANGOLA

History and Operations

Gulf Oil began exploration in Cabinda, a small enclave of Angola between the Republics of Zaire (Congo/Kinshasa) and Congo/Brazzaville, in 1954; received its first concession from the Portuguese authorities in 1957; discovered oil with a valuable low sulphur content in 1966, and began production in 1968.[11] By the fall of 1971 petroleum production had finally reached the earlier stated goal of 150,000 barrels per day (bbpd.)[12] Gulf officials consider the Cabinda strike to be "one of the major growth areas of the corporation."[13] The 10,116 sq. kilometer Cabinda Gulf concession is estimated to have oil reserves at a minimum of 300 million tons,[14] a 40 year life if production remains at 150,000 bbpd. Cabinda has the potential of becoming the fourth largest oil producer in Africa.[15]

The Gulf subsidiary, entitled Cabinda Gulf Oil Company, is financially 100 per cent owned, but "the government of Angola requires a non-participatory minority stock interest of 20 per cent...It provides the government with voting power to effect any company decision requiring an 85 per cent majority vote."[16]

CHART I

AN OUTLINE OF GULF CABINDA'S PAYMENTS TO THE PORTUGUESE

Surface Rent: A yearly rental fee per square kilometer (km^2) of the Gulf concession. Gulf had to pay $25/$km^2$ in 1969 which was raised to $70/$km^2$ from 1971-75; $87/$km^2$ from 1976-81; $105/$km^2$ after 1981. The $70/$km^2$ rental was applied retroactively for the 1967-70 period by the 1969 contract, and the amount had to be paid in advance as well.

Barrel Payments: In the 1969 contract Gulf must pay on a monthly basis 10 cents a barrel produced and exported in the currency actually earned.

Royalties: Gulf must pay to the Angolan Government a royalty of 12.5 per cent of all petroleum produced, either in cash based on the average realized price (in the 1971 contract this was altered to the international higher posted price) or in kind. The royalty must be paid in currencies received also.

Income Tax: Gulf must pay an income tax based on net profits, and although Gulf has not yet made, according to its accounting system, such a profit, the Portuguese demanded in the 1969 contract payments in advance from 1971 to 1973. In January, 1969 Gulf paid $4 million and in June it paid $3 million.

Mining Development Fund: Gulf must pay $700,000 to this Lisbon fund for the period 1968-1977. The 1969 contract stipulated that half that amount had to be paid in advance.

Bonus Payments: Upon the signing and extension of a contract Gulf pays bonuses amounting to $350,000 for each new area and $350,000 for renewal of an area.

Other Financial Obligations: In the 1966 contract Gulf was required to spend more than $5 million in minimum investment before the end of 1968. In the 1969 contract the Portuguese demanded a minimum of $2.6 million per year up through 1970, and $875,000 minimum each five year period after January 1, 1971 (also called Work Obligations).

Other Portuguese Rights: Portugal may purchase in addition to its 12.5 per cent royalty right in kind up to 37.5 per cent of production, and in event of war the entire production.

Source: "Brief of Concession Agreement", Gulf Oil Corporation; "Working Copy of Cabinda Gulf Oil Company Contract with amendments as of 1 January 1971," United Nations, Conference Room Paper, SCI/69/3, June 24, 1969; Africa Today, July-August, 1970.

By the end of 1970 Gulf had invested $150 million in exploration, production and capital construction.[17] Gulf's expansion plans, including a possible $100 million deep water port in addition to earlier projected storage, floating and loading facilities, could bring the investment up to well over $200 million.[18]

Gulf's Contract with Portugal

The arrangement between Cabinda Gulf and the Portuguese authorities appears in a basic concession contract of December, 1966 with amendments of January, 1969 and January, 1971. The Portuguese Government in the person of the Overseas Minister authorizes the contract between the company and the Angolan provincial government.[19] The contract articles delineate the conditions of the concession in terms of payments, access to production, mutual legal obligations, alterations, foreign exchange provisions and so forth.

The various kinds of payments are summarized in the attached Chart I. Basically the 1969 amended contract demanded Gulf pay increased amounts (e.g. surface rental rose from $35/km^2 to $70/km^2) but also pay certain projected fees in advance, including surface rents, income taxes, and payments to the Mining Development Fund in Lisbon. Obviously Portugal wanted and needed more revenue, going beyond production rises. Again in the 1971 amended contract the rise in the posted price of oil as a basis for royalty payments and income tax again benefits Portugal.[20]

These payment shifts are reflected in the total amounts Gulf has paid to the Portuguese. Prior to 1969 Gulf had paid only $3 million. In 1969 this jumped to $11 million and to $16 million in 1970, thus totalling $30 million, most of which according to Gulf was advances against future royalties and taxes.[21] It is unofficially estimated that in 1972 payments will range from $33 million to $50 million.[22] It appears less will be based on advance payments and more on the increased production from 85,000 bbpd. to 150,000 bbpd. over the period 1970-1971.

Gulf Cabinda and its Workers

It is impossible to describe Gulf's labor policies without referring to Gulf's own statements. Gulf believes that "real progress for Angolan people lies in more, rather than fewer jobs."[23] During 1967 and 1968, the peak construction period, Cabinda Gulf and its contractors "paid wages to more than 2,000 nationals for jobs that did not exist before we got there."[24] But because of the special nature of the Portuguese colonial concept, the term "nationals" can mean white Portuguese, white native born Angolan settlers, mestizos (mulattos) or blacks.[25]

At present Gulf employs directly 125 white Portuguese, 55 white ex-patriots (Americans, etc.), 33 "Negroes" from Angola (in Gulf's terminology this group includes black Africans and mestizos), and 14 native born white Angolans.[26] Naturally the number of workers in the capital intensive oil industry is small; Gulf's employment of "non-whites" in Angola is only 33 people out of an African population of more than 5 million.

Gulf has provided a chart of the Grade level of work and annual salaries of its "non-white" (African and mestizo) and white Angolan workers (it does not include information on its Portuguese white and expatriot white staff). (See attached Chart II.)

The statistics show that most of the "non-whites" are employed at the lower or middle grade levels of work. For example, at the Grade 3 level there are 6 "non-whites" and 1 white with salaries of $1,210; at Grade 5 there are 10 "non-whites" and 1 white with salaries of $3,464; and at Grade 7 there are 5 "non-whites" and 3 whites with salaries of $4,010. There is one "non-white" at the upper Grade 13.[27] Other figures provided by Gulf directly in Cabinda indicate lower annual salaries (e.g. $1,536 for Grade 5 vs. the above figure of $3,464) although the reason for the disparity (perhaps wages in kind, benefits) is not clear.[28] One can also assume that Gulf pays higher salaries to its expatriot and white Portuguese workers.

Gulf states that 77 per cent of its employees are "nationals" and by contract 85 per cent must be "nationals" (50 per cent in top management) by 1978.[29] This can mean of course the hiring of Angolans or white Portuguese.

Finally, Gulf speaks of introducing new skills such as "drilling; welding; operation and maintenance of light and heavy machinery; construction equipment; cars and trucks; building construction, and boat and barge handling."[30] These skills are of course necessary to Gulf's operations in Cabinda. Gulf does not outline its housing, pension or other benefits for its employees. There is no right of collective bargaining or right to strike under the Portuguese system.[31]

The effect of Gulf's employment given its small size and specialized nature appears to be minimal on the wider Angolan community.

Use of Oil - Exports and Portugal's Rights

In the concession contract Portugal has the right, in addition to the 12.5 per cent royalty which can be paid in kind, to purchase 37.5 per cent of Cabinda oil production, and in the event of war to purchase the entire output.[32] Since 1968 Gulf has primarily exported Cabinda's low sulphur oil to Denmark, Holland, Japan, Spain, the U.S., Trinidad and Tobago.[33] It is said that the high wax content of oil is unacceptable to the present refinery in Angola.[34]

In June of 1971 Portugal received oil loaded from Gulf's Cabinda offshore terminal.[35] Oil is becoming increasingly important in Angola's export patterns. The proportion of oil to total exports jumped from 5 per cent in 1969 to 11.4 per cent in 1970 and will no doubt rise in 1971-72 figures.[36] Portugal's own oil needs are estimated at 78,000 bbpd.[37]

THE MEANING OF GULF IN ANGOLA

When analyzing and interpreting the role of Gulf in colonial Angola,

CHART II: GULF'S EMPLOYEES

ANGOLAN WHITE AND 'NON-WHITE' - 1971*
(excludes 180 white Portuguese and expatriot workers)

Grade	Annual Salary	Racial #
Grade 3 (assistants to watchman, driver, etc.)	$ 1,210	1 white 6 non-white
Grade 4 (watchman, driver, carpenter, etc.)	1,738	2 white 3 non-white
Grade 5 (typist, watchman, plumber III, etc.)	3,464	1 white 10 non-white
Grade 6 (geologist helper, plumber II, draftsman)	3,762	5 white 2 non-white
Grade 7 (geologist assistant, programmer assistant)	4,010	3 white 5 non-white
Grade 8 (geophysicist assistant, draftsman I, surveyor II)	4,832	4 non-white
Grade 9 (cashier, surveyor I, head unit assistant)	5,486	1 non-white
Grade 10 (team head, unit head, senior draftsman)	6,136	1 non-white
Grade 11 (accountant, analyst II, airplane pilot)	7,329	1 white
Grade 12 (geologist, auditor, analyst I)	8,853	1 white
Grade 13 (superintendent I, geophysicist)	10,331	1 non-white

* Non-white can mean either African or mestizo

Source: Letter from William R. Cox, Gulf Oil Corporation, to Terry Anne Pristin, Council on Economic Priorities, August 4, 1971.

it is helpful to look at four aspects of the corporations's involvement, some of which again depends upon understanding Gulf's own justification for its actions. These include: 1) the use of Gulf's payments by the Portuguese; 2) Gulf's relationship to the local Angolan economy (goods and services, education) and its development; 3) Gulf and the military, the strategic use of oil; and 4) the political effect of Gulf's presence.

Gulf's Payments to the Portuguese

Gulf's contractual relationship is, as cited above, with the Portuguese government which is in charge of granting mining concessions and regulating production, processing and exports.[38] It is obvious that an independent Angolan entity is not party to this agreement nor to determining the use of the payments. Angola has a balance of payments deficit with Portugal due to the functioning of the Lisbon-dominated escudo zone system and its metropole position. Gulf's payments, in particular dollar or non-escudo foreign currency ones such as barrel fees and royalties provide needed foreign exchange for Portugal.[39] It has been said, in fact, that the foreign exchange emanating from the Gulf oil and other mineral payments, especially iron, will mark the turning point for Portugal in financing its colonial wars.[40]

Portugal's revenue needs from external investors were shown in its demands for increased and advance payments in contract extensions. From 1965-1968 alone Portugal's expenditures on defense and security rose by more than 50 per cent, and more recently the colonial governments are having to increase military spending.[41] Gulf's payments of $16 million to the Portuguese represent about 30 per cent of Angola's 1970 military budget of $54 million.[42] If projected Gulf payments of 1972 materialize ($33-50 million), it would represent a much higher percentage of Angola's military budget which rose to $68 million in 1971.[43]

Gulf's Relationship to the Angolan Economy

Gulf states that it is assisting in the development of Angola through the infusion of jobs, technology, money and subsequent economic growth, both in terms of how the Angola government uses Gulf payments in its administration of the colony and how Gulf directly affects the economy through expenditures on goods and services. This belief ignores the fundamental status of Angola as a European colony on the one hand, and the inherent linkage between economic activity and Portugal's military and political strategy to retain hold over Angola.

Foreign investment as a source of revenue for Portugal's own development programs is increasing.[44] And Portugal that "economic development was the best foundation for sustaining the defense effort necessary for the nation's survival."[45] In 1969, 45 per cent of Angolan development budget was allocated for transportation and communication[46] two key elements in the government's plan to widen control over the population and thus defeat the liberation effort. For example, roads

have been paved in order to frustrate the planting of mines by the guerrillas.

On the corporate level Gulf states that in 1970 it spent more than $29 million on goods and services, $20 million of which "was pumped directly into the economy."[47] In the Gulf outline of these expenditures it is somewhat difficult to conceive how the company was able to purchase such substantial services and goods ($3.2 million for drilling; $8.2 million for capital construction) from the underdeveloped Angolan economy. However, according to its contract, Gulf must give preference to the purchase of supplies produced "in the national territories"[48] so that it is conceivable that Gulf bought certain items directly from metropolitan Portugal.

Gulf states that "special payments to Angolan education also have been made by Cabinda Gulf. An annual payment of $70,000 ($34,965 in 1970[49]) is made to the overseas Mining Development Fund to be used in developing mining technology and management."[50] This contribution is stipulated in the Gulf contract. Gulf also trains 10 per cent of its "national" employees (18 people) abroad. Since 1967 Gulf has also donated 10 scholarships each year to the Angola Institute of Education for secondary and university level students.[51]

In sum, the standard thesis that economic activity generated by a foreign company means beneficial economic development must be understood in the context of Angola as a colonial possession for which the mother country is fighting a brutal and desperate war. The few rewards for the few Africans to whom Gulf directly relates (33 "non-white" employees) are far outweighed by the company's role in stabilizing through payments and its presence, the colonial rule which inevitably must distort any true process of development for the people of Angola. This kind of development can occur only when the country becomes truly independent.

Gulf and the Military

First it is important to note that Gulf's oil discovery in 1966 a few years after the beginning of the armed struggle in 1961, was contingent upon the military security of the Cabinda enclave from the liberation forces of MPLA which were active there.[52] It has also been reported that the Portuguese have over the years accelerated their "strategic hamlet" program in Cabinda, have allocated special defense funds for the enclave and have appointed a military governor over the district.[53]

In its contract Gulf is party to the standard clause which states:

> "the Portuguese authorities shall do everything necessary in order to enable Cabinda Gulf Oil Company to carry out its operations freely, efficiently, and fully and expressly:
>
> a)...
>
> b)they shall do everything necessary to prevent third parties from impeding the free exercise by Cabinda Gulf Oil Company of the rights granted..."[54]

This takes on new meaning in Angola where it has been reported that Gulf also has security guards who are "expected to keep watch for sabotage" plus defend Gulf installations.[55] The Portuguese Gulf relationship shows clearly the impossibility of neutrality in the midst of a war.

Portuguese law requires that a company with gross earnings of more than $1.7 million pay a defense tax of 28 per cent.[56] Gulf has denied making such payments.[57]

Oil of course is a strategic material, and cited as militarily important by the Angolan Governor General who said:

> "As you know, oil and its derivatives are strategic materials indispensable to the development of any territory; they are the nerve-centre of progress, and to possess them on an industrial scale is to ensure essential supplies and to dispose of an important source of foreign exchange.
>
> Apart from this, in the mechanized wars of our times, its principal derivative - petrol - plays such a preponderant part that without reserves of this fuel it is not possible to give the Army sufficient means and elasticity of movement. The machine is the infrastructure of modern was and machines cannot move without fuel. Hence the valuable support of Angolan oils for our armed forces."[58]

Portugal is secure by contractual right to purchase at any time 37.5 per cent of the Cabinda oil production (plus 12.5 per cent royalty), or during a war the total output. It therefore has access to this vital commodity, geographically secure from transport hazards around South Africa and politically secure from the demands of the other oil producing countries. Oil is also the one resource needed by apartheid South Africa in order to be economically self-sufficient, and the present close Portuguese-South African cooperation in the military and economic fields bodes well for the future sharing of resource if deemed necessary.[59] At this point the high wax content of the Cabinda crude makes it difficult to refine in Angolan or South African refineries, but according to Gulf although the oil "has never been used anywhere in Africa,...this is not to say it never will be."[60]

Political Support

The kind of ties between Gulf and Portugal outlined above indicate that the company offers Portugal considerable moral and political support. Gulf is a friendly Western ally which in its whole approach remains basically supportive to Portugal's colonial policy in Africa. While on an international level a broad spectrum of organizations have undertaken campaigns to stop corporate involvement in Portuguese Africa, for example campaigns against the construction of the Cabora Basaa Dam in Mozambique, resulting in the pull out of some firms such as ASEA of Sweden, Gulf has remained passive.[61] Gulf's vested interest in Portuguese colonialism is demonstrated in the company's public relations

material on Angola which tries to present an argument in favor of the benevolence of Portuguese development. More understanding can be gleaned from looking at Gulf's own attitudes sketched below.

The further intangible effects of Gulf's growing interest in Angola and its implications for U.S. foreign policy in southern Africa are also matters for concern.

GULF ATTITUDES

In response to this mounting criticism, Gulf has seen the need to develop a position on its continued presence in Cabinda.[62]

Gulf's statement to the Ohio Conference of the United Church of Christ, September 1970, begins with the argument that oil, a vital necessity for "the free world" is "where God put it"[63] and that the search for oil should not be influenced by political questions. Gulf further contends that an "international company must remain politically neutral."[64] From this point onward, the Gulf argument begins a series of contradictions. Gulf states that "invariably, because a foreign company is doing business in a developing nation, the citizens of that nation are better off than before."[65] At the same time, "politically neutral" Gulf states that "only by improving a country's economic base will there be any substantial change in government."[66]

Although Gulf denies any political significance to its investment in Angola and rejects the idea that a corporation should intrude in the political affairs of a foreign country, Gulf stresses the political significance of economic development when it argues that "improved productivity has a great impact on the political style of a nation."[67] Thus Gulf has both emphasized and denied the political implications of its investments internationally. The infusion of millions of dollars on one side of a battlefield must have political implications.

Additionally, Gulf is politically active domestically. Like other oil corporations, Gulf of course, lobbies extensively on issues like the oil depletion allowance, franchising terms, expropriations of their subsidiaries in foreign countries (the history of Bolivian-Gulf relations is instructive), and pollution proposals.[68]

Gulf statements do not deal squarely with the colonial nature of Angola or its revolutionary context. Gulf continues to use Portuguese terminology in calling Angola a "province." Although Gulf tries to tell of benefits it provides inside Angola, it never deals with or discusses the system of Portuguese colonialism.

Just as Gulf has created a rhetoric of defense for its investment in Portuguese-controlled Angola, B.R. Dorsey, chief executive officer of Gulf Oil, is mounting an offensive to put Gulf in the lead in the amount of accumulated rhetoric on business and social responsibility. Some examples of the "Dorsey doctrine" are:

> "Today, maximum financial gain, the historical number one objective, is forced into second place whenever it conflicts

with the well-being of society."

"We must get out of our office and board rooms and get into our communities. This is the only way we truly can meet society's needs."

"Competitive pressures have held too much of our attention to the enterprise. We've seen too little of the world around us. As business managers, we must now tune in to society's needs, turn on our know-how to tackle those needs, drop into society to help solve them."[69]

Yet, an article in Business and Society says "that Gulf has been one of the most wretched performers on the social front, the Dorsey rhetoric notwithstanding."[70] Its Angolan operation underlines a more fundamental contradiction.

Gulf actively supports the last major colonial empire in several ways: economically, through large payments to the Portuguese authorities, as a source of vital foreign exchange and by assisting in the "development" process; politically, by providing a means of production, the Gulf oil discovery constitutes an incentive for continued Portuguese occupation; and militarily through contractual defense clauses and the strategic nature of oil while the Angolan people have taken up arms in a war of liberation and independence from the Portuguese. It seems that Gulf Oil's massive investment in Angola assists and strengthens Portuguese control of that embattled land. In the words of Reverend Lawrence Henderson, a missionary in Angola for 22 years, "In the middle of a battlefield it is impossible to be neutral. Gulf has a contract with one side of the war - Portugal."[71]

THE CAMPAIGN AGAINST GULF

In the fall of 1969, a campaign was launched against the role of Gulf Oil Corporation in Angola. The Task Force on Southern Africa of the United Presbyterian Church-USA, the United Church of Christ as well as other Protestant denominations, the American Committee on Africa, the Southern Africa Committee and the Committee of Returned Volunteers organized the core of an educational campaign about 1) the roles that U.S. companies play in supporting colonial and white minority rule in southern Africa and 2) the present struggle for freedom and independence in Angola. Several meetings with Gulf were held by some organizations to discuss the political implications of investing in Angola.

In April 1970, at the annual stockholders meeting of the Gulf Oil Corporation, an open letter signed by many prominent individuals representing academic, civil rights, church and peace concerns was delivered from the floor. The citizen and church coalition called for Gulf to withdraw immediately from Angola and to discontinue its support for Portuguese colonialism.

In June 1970, the Ohio Conference of the United Church of Christ passed a resolution in opposition to Gulf's support of Portuguese

colonialism and asked its members to turn in their credit cards and cease buying Gulf products. Gulf responded with the threat of a lawsuit, but the Ohio Conference stood by its statement.

The Council for Christian Social Action of the United Church of Christ in the fall of 1970, also passed a resolution condemning Gulf's support of Portuguese colonialism and called for the return of credit cards.

After several meetings with Gulf management, the Southern Africa Task Force of the United Presbyterian Church presented 4 resolutions to the stockholders for debate and voting at the 1971 annual Gulf meeting. The 4 resolutions were:

> "1. To establish a Committee to examine Gulf's involvement in Portuguese Africa;
> 2. To provide for disclosure of Charitable Gifts;
> 3. To enlarge the Board of Directors, and
> 4. To amend The Corporation Charter to Exclude Investment in Colonial-Ruled Areas."[64]

The resolutions received wide support from prominent clergy and church leaders like the Rev. Andrew Young of Atlanta, black political and Civil Rights leader, to the support of 27 Congressmen. The first return of the proxy statements by Gulf stockholders revealed that approximately 6,900 stockholders representing 1½ million shares had voted for the Proposals 1-4. After this response, Gulf resolicited the stockholders who returned proxies voting <u>for</u> the Task Force proposals and against management and 2366, representing 512,000 shares changed their vote and supported management, 461 reaffirmed their support for Proposals 1-4 and 3900 failed to reply.[73] Gulf management rejected all 4 proposals.

After years of fruitless meetings and ineffective actions by Africa research groups, stockholders and three major Protestant denominations, a conference was held July 4, 1971 in Dayton, Ohio. The newly formed Gulf Boycott Coalition held a parade to the local Gulf station and celebrated the 4th of July with American flags, hats, and pennants calling for independence in Angola and a Gulf boycott. Some 15 leaders representing organizations from New York and Philadelphia to Chicago and San Francisco released a statement announcing:

> "Today we celebrate the 195th year of American independence from colonial rule. And today we announce the start of our boycott of the Gulf Oil Corporation. Gulf helps support Portugal's colonial empire in Africa...
>
> We call for a boycott of all Gulf Oil products and for the return of all Gulf Oil Credit cards until Gulf ends all support of Portuguese colonialism and ceases its operations in Portuguese-controlled Angola."[74]

In December 1971, the City Council of Dayton, Ohio rejected Gulf Oil Corporation's low bid for gasoline and accepted a slightly higher

offer. Gulf's bid was rejected because of the company's low percentage of minority hiring and the implications of its activities in Angola. The Gulf bid was already on the Dayton Council's calendar for approval when a spokesman for the Church of Reconciliation and a member of the Gulf Boycott Coalition raised questions concerning Gulf's minority hiring practices and Gulf's investment in Angola. Dayton has established a program to require employment of more minority groups and the Human Relations Council which monitors this program condemned Gulf's involvement in African political affairs. The Executive Director of the Human Relations Council said the council believed it "has a moral responsibility (in pointing out) Gulf's participation in politically made decisions which may not be for the welfare of natives in Angola."[75]

Now in 1972, the role of Gulf Oil Corporation is being discussed nationally. A coalition of Protestant denominations and southern Africa research committees have developed strategies.

The Council for Christian Social Action of the United Church of Christ has filed a resolution for 1972 stockholder vote action asking for the corporation to fully disclose certain information about its Cabinda operation in a report to the stockholders.

GULF OIL - A CORPORATE OVERVIEW

Gulf Oil Corporation is a major U.S. multinational oil company, the fourth largest in the world, and the eleventh largest U.S. corporation in 1970.[76] Incorporated in Pennsylvania in 1922, Gulf is engaged principally in the production, transportation, refinement and sale of crude petroleum products, as well as in chemical manufacturing, coal mining, minerals exploration, and nuclear fuel reprocessing. With some 213 subsidiaries (85% of which are sholly owned) and 37 affiliates throughout the world, Gulf, in 1970, owned, leased, or held by concessions or reserves over 13 million producing acres of oil and gas properties (some 67% of which was located in the Eastern Hemisphere) and 218.7 million non-producing acres (some 76% of which was located in the Eastern Hemisphere).[77] Of Gulf's seven U.S. refineries in 1970, its Port Arthur, Texas, operation -one of the world's largest- processed some 47% of the company's 702.3 thousand daily average barrels of crude oil for the U.S. alone. The corporation also has refineries in Puerto Rico, Germany, Holland, Ecuador, the Philippines, Iran, Formosa, France, and Korea, and is currently in the process of constructing refineries in Okinawa and in Milan, Italy. In 1970, the daily average amount of crude oil processed at all locations amounted to 1.59 million barrels.[78]

Some 67% of Gulf's crude oil production comes from the members of the Organization of Petroleum Exporting Companies (OPEC), Kuwait, Iran, and Venezuela. Production in Kuwait by Gulf Kuwait Company, dating back to 1934 with a concession on one of the world's largest oil fields, accounted for some 55% of Gulf's crude oil production in 1970. The corporation's 7% participation in a consortium agreement with a group of oil companies and the Iranian government yields Gulf some 185,000

barrels of crude oil per day, while the Mene Grande Oil company, operating in Venezuela since 1922, provides Gulf with 174,300 barrels of crude per day.[79] In addition, significant crude oil production takes place in Canada, Nigeria, Colombia, and Portuguese Cabinda. U.S. crude oil production accounted for only 18% of the company's total output in 1970. The extent of the corporation's dependence on foreign crude oil supplies is reflected in the following chart:

NET PRODUCTION OF CRUDE OIL AND CONDENSATE
(thousands of daily average barrels), 1965-1969[80]

	Year				
Source	65	66	67	68	69
United States	438.8	471.4	510.6	523.3	523.7
Canada	57.4	60.5	64.7	69.0	74.9
Other Western Hemisphere	160.3	156.4	198.5	189.0	205.5
Kuwait	1260.4	1305.3	1312.6	1396.8	1498.6
Other Eastern Hemisphere	126.3	164.7	194.9	255.2	384.8

The refined products that the corporation sold from its processing of crude oil, however, indicate its great reliance on the U.S. and other Western Hemisphere nations for marketing:

REFINED PRODUCTS SOLD
(thousands of daily average barrels), 1966-1970[81]

	Year				
Source	66	67	68	69	70
United States	707.4	740.1	786.6	796.2	799.6
Canada	176.1	193.5	184.8	186.7	190.9
Other Western Hemisphere	71.8	68.3	80.5	74.4	89.2
Other Eastern Hemisphere	297.6	327.4	344.4	392.9	465.3

GEOGRAPHICAL SOURCES OF NET INCOME (in millions), 1965-1969[82]

	Year				
Source	65	66	67	68	69
Western Hemisphere	339	402	473	492	469
Eastern Hemisphere	88	103	105	134	142

Gulf's refined products are marketed in the 48 continental states, with operations concentrated east of the Mississippi, in the Southwest, and in California. Foreign marketing includes operations in Puerto Rico, Central and South America, the United Kingdom, and eleven European

countries. Through Gulf Oil Canada Limited, refined products are marketed in all ten provinces of Canada, the Yukon, and the Northwest Territories. In Korea and the Philippines, the corporation markets its products through partnerships with local interests. The natural gas produced by Gulf is sold primarily to petroleum refiners, while residue gas is sold to carbon black manufacturers and to gas pipeline systems. Liquified petroleum gas is sold in 42 states to distributors, industrial concerns, petroleum refiners, chemical producers, and synthetic rubber manufacturers. Natural gas is also marketed in the Caribbean, Canada, Europe, Asia, and South America. The corporation operates some 2800 bulk stations and 30,400 service stations in the 48 continental states, while worlwide it operates some 44,000 service stations.[83]

Gulf carries on an active worlwide exploration program for new oil fields. In Asia, constituting, according to Gulf's 1970 Annual Report, "the world's fastest growing market for petroleum," the corporation has begun drilling a 67,000 square mile contract area in the South China Sea. It also has exploration agreements covering 117,000 square miles of Indonesian territory, on- and off-shore blocks. Gulf is active, as well, in a 6000 square mile block in Tonga (South Pacific), in which it holds a minority interest, and in exploration off Taiwan, Japan, Korea, and the New Guinea territory of Papua. At the end of 1970, Gulf held license or agreement interests in more than 100 million acres of Asian waters, approximating roughly the size of the State of California.[84] In February, 1971, Gulf joined with a group of Japanese firms to form a consortium "to investigate the petroleum potential of South Vietnam." The project has been stalled because the South Vietnamese Government has not yet published pertinent regulations for exploration. The corporation seems not to be "disappointed" at this event. According to its Chief Executive Officer, R.B. Dorsey, the investment "is a poor political risk" in a nation whose "government may or may not be around a year from now."[85]

In the latter half of 1971, Gulf announced new exploratory campaigns. In July, Gulf Oil Canada Limited and the parent company announced plans for a five year joint exploration project in the Arctic and offshore Eastern Canada, where Gulf Canada holds some five million acres. In November, a consortium of which Gulf is a member announced plans to start exploratory drilling in a North Sea Block 150 miles northeast of Aberdeen. And in December of 1971, it was revealed that Gulf Canada has a 10% interest in a consortium of four Canadian subsidiaries of American oil companies which have obtained preliminary approval to proceed with construction of $500 million plant and related facilities to extract 125,000 barrels of oil a day from the Athabasca oil sands, about 240 miles north of Edmonton, Alberta.[86]

Gulf's broad international operations have also taken it into the hotel business. In August of 1971, Gulf and Pan American World Airways, Inc., announced the formation of a company to develop a chain of motels in Europe. Both companies committed $5 million to the project, which is expected to complete its first hotel in the German-Belgium-Luxemburg area within two years.[87]

Gulf's recent diversification has also taken it into the realty business. In December of 1971, Gulf Oil Real Estate Development, Co., a subsidiary, and Major Realty Corporation announced intentions of developing a 2700 acre site in Orlando, Florida, for residential, industrial, and commercial uses. Gulf Real Estate would assume management and financial control of the project, which is currently owned by Major, while both companies would hold 50% interest in the venture.[88]

Of much greater interest, however, is Gulf's entry into the nuclear energy business. In October of 1967, Gulf acquired the General Atomic Division of General Dynamics Corporation, manufacturers of high temperature gas-cooled reactors (HTGR) for electric power generation, nuclear fuels, and nuclear steam systems for central power stations.[89] These operations were continued by wholly owned Gulf General Atomic, Inc., and by its wholly owned subsidiary, General Atomic Europe Development Corporation of Zurich.

(Gulf was expected to complete one of its first commercial nuclear generating stations in early 1972. Located near Denver, the plant will have a 330,000 kilowatt capacity. Gulf General Atomic obtained two contracts late in 1971 for nuclear power stations, one with Delmarva Power and Light for a $200 million nuclear system, the other with Philadelphia Electric for a $2.3 million kilowatt station.)[90]

In 1968, Gulf created its Gulf Mineral Resources Company "to find fuels now that may be needed in the future to supplement crude oil and natural gas in keeping the United States supplied with an abundance of reasonably priced energy, and maintaining Gulf's position as an energy supplier."[91] That same year, the newly formed company made a significant uranium discovery in northern Saskatchewan, and began a joint venture with Gulf Oil Canada and Uranerz-Bonn, a West German company, to develop a mining complex. Development of the $50 million mine and mill facility was begun in June of 1971, and is expected to be completed by the end of 1974. Gulf's active exploration for minerals is continuing on the two million acres of mining claims and exploration permits it holds in Canada, as well as in New Mexico, where it has discovered large uranium deposits.[92]

In early 1970, Gulf entered into a partnership with Allied Chemical Corporation to build a nuclear fuel reprocessing plant in South Carolina. To be completed in 1974, the plant is expected to reprocess 5.5 tons of fuel daily. And in July of 1971, Gulf completed, with United Nuclear Corporation, formation of Gulf United Nuclear Fuels Corporation, which will design, make and sell nuclear fuel for light water power reactors.

Gulf and the Tax Structures

A study done for Sen. William Proxmire's subcommittee hearing on "Oil Prices and Phase 2" revealed that government quota restrictions on import of cheaper, foreign oil costs the public $5 billion annually. Consumers pay an additional 5¢ per gallon for gasoline and 4¢ for fuel oil, or $100 more a year to protect domestic industry and stimulate its growth. Oil import quotas were established in 1959 by President

Eisenhower as a matter of national security to promote self-sufficiency. The study showed the opposite to be true. The oil industry has increased capital investment and exploration abroad at a far greater percentage than domestic outlays. Moreover, companies like Gulf have applied their capital to businesses unrelated to the production and transporation of oil.

In other testimony a former Treasury official and lawyer, Thomas A. Field, now director of a group called Taxation with Representation, charged the IRS with "tax favors" amounting to $4.3 billion annually. Oil companies can write off taxes paid to foreign governments as royalties. Due to integrated operations (for example buying crude oil from themselves to refine), they can also keep the price of crude up, resulting in a lower tax obligation under the oil depletion allowance. In sum, the public subsidizes the oil industry at a rate of over $9 billion annually.[93]

A breakdown of Gulf's income tax payments gives some idea s to the extent of the industry's tax breaks.

U.S. AND FOREIGN INCOME TAXES (in millions), 1965-1969

	Year				
	65	66	67	68	69
Federal	53,559	90,008	74,142	8,005	4,264
State and Foreign	174,935	219,098	303,539	342,539	377,183
Deferred	-	-	-	18,043	65,702

In 1969, Gulf paid 0.4% of its net income in federal income taxes. A couple with two children earning $7000 that same year would have paid over 9% of their income in federal taxes. In fact, according to Nicholas von Hoffman of the Washington Post,

> "Over the last eight years ('62-69), Gulf, on an income of billions of dollars, has averaged 5.7 per cent in federal taxes. One year (1966) it should be said, in justice to them, that they did pay 11 per cent in taxes, which is slightly under what the same family of four would pay if it made $9,000 a year."[94]

In 1969, Gulf spent over four times the amount of federal income taxes it paid -or $17.25 million- in advertising, 10% of which was allocated for coverage of the U.S. moon shot. In 1968, the corporation spent $4 million sponsoring the political conventions of the two parties.

While in 1969 Gulf paid only $4 million in federal income taxes, it claimed over $450 million in depreciation, depletion, amortization and retirements...all tax deductible. From 1965-1970, Gulf claimed:

Depreciation, depletion, amortization, and retirement of:

65	66	67	68	69	70
535,817	460,975	504,497	583,768	549,265	675,074[95]

At the 1970 Annual Meeting, E.D. Brockett, responding to accusations that the corporation pays lower taxes and receives substantial tax breaks, said:

> "Gulf...is accused of paying lower taxes than a private citizen, when in fact we and the rest of the petroleum industry have the heaviest tax burden of any industry. Our 1969 Annual Report shows that our taxes on income and general taxes were $616,909,000, excluding the excise taxes. This tax bill exceeded the income we earned in 1969."

What Mr. Brockett failed to say, however, seems to be of greater significance, i.e., that of all those taxes, Gulf did, in fact, pay only $4 million in U.S. federal income taxes, and that taxes paid to foreign governments can, under tax laws governing the oil industry, be written off as royalty payments.

ACTIONS

I Church Stockholder Challenge and Educational Campaign

National Protestant churches and Africa research groups, working together to support the liberation movements, have formed several coalitions on Corporate Responsibility. In 1972, the annual stockholders' meeting of several U.S. companies with important investments in South Africa and in the Portuguese Territories will provide one focus for efforts.

For information on the Gulf proxy challenge:

Tim Smith
Assistant for African Affairs
Council for Christian Social Action
United Church of Christ
815 Second Avenue
New York, New York 10017

For information on Gulf and other corporations:

Corporate Information Center
National Council of Churches
Room 846
475 Riverside Drive
New York, New York 10027

II Gulf Boycott Coalition

The Gulf Boycott Coalition was formed on July 4, 1971 to "call for a boycott of all Gulf Oil products and for the return of all Gulf Oil Credit cards until Gulf ends all support of Portuguese colonialism and ceases its operations in Portuguese-controlled Angola."

1) Return your Gulf credit card with a letter of protesting Gulf's investment in Angola and stop using Gulf Products; request a credit card and then return it.

2) Start a Gulf Boycott Committee in your area
   a) Write articles on Gulf's investment, Portuguese colonialism and U.S. complicity for your local press
   b) Hold demonstrations and educational forums.

For more information:

Gulf Boycott Coalition
Box 123, D.V. Station
Dayton, Ohio 45406

III Universities

Students and faculty are exposing Gulf's role in Angola by:

a) Holding seminars on U.S. and the Portuguese colonies utilizing African students
b) Using the campus press
c) Investigating university portfolio holdings in Gulf or other relationships and pressing for appropriate action.

For more information:

American Committee on Africa
164 Madison Avenue
New York, New York 10016

IV The Liberation Struggle

The people of Angola are fighting for independence and for an end to Portuguese colonial oppression. You can aid that struggle:

1) Keep informed on developments in Angola and the other Portuguese colonies.
2) Subscribe to the official publication of MPLA (Popular Movement for the Liberation of Angola), Angola in Arms, Information Department, P.O. Box 1591, Lusaka, Zambia or c/o Liberation Support Movement, P.O. Box 338, Richmond, B.C., Canada.

3) Aid MPLA, the Liberation Movement
   a) Aid the SAM (Medical Assistance Service) of MPLA through contributions. SAM needs medical supplies and funds for schools and more medical aide training. Contribute through:

      Southern Africa Committee
      637 West 125th Street
      New York, New York 10027

For more information contact:

Committee for a Free Mozambique
616 West 116th Street
New York, New York 10027

V U.S. Government Policy

1) Mobilize people to demand changes in American governmental policy toward Portugal, such as the supply of arms to Portugal through NATO.

   Write your Congressmen and Senators, especially those active on African concerns.
   Write articles for your local newspapers.

VI The Corporation

1) Write the Chairman of Gulf and express your opinion about Gulf's support of Portuguese colonialism and repression.

2) Request detailed information on Gulf's tax and other payments to Portuguese.

3) Request information on Gulf's attitude towards the liberation struggle and its long-range plans in Portuguese-held areas of Africa.

4) Write or meet with major institutional investors in Gulf and encourage them to address the corporation e.g., churches, unions, pension funds, mutual funds, insurance corporations, banks, universities.

5) Attend the Annual Meeting (4th Tuesday in April, usually in Pittsburgh) or organize a local Gulf focussed protest on the same day.

CORPORATE ADDRESS: Gulf Oil Corporation
Gulf Building
Pittsburgh, Pennsylvania 15230

DATE OF ANNUAL MEETING: 4th Tuesday in April

TRANSFER AGENTS: Bankers Trust Co., New York City
Mellon National Bank and Trust Co., Pittsburgh
Continental Illinois National Bank and Trust Co., Chicago

REGISTRARS: Morgan Guaranty Trust Co., New York City
Pittsburgh National Bank, Pittsburgh
First National Bank, Chicago

COUNSEL: McCarthy & McCarthy, Toronto, Canada

STOCK DATA: Shares outstanding (1971 Proxy) - 207,640,317
Shareholders (1970 Annual Report) - 235,937
Earnings per share - $2.65
Dividends per share - $1.50
Shares held by Directors and Officers beneficially - 352,879

EMPLOYEES: as of 12-31-70 61,300

	1966	1967	1968	1969	1970
SALES (GROSS OPERATING INCOME MILLIONS)	$3781.8	4202.1	4558.6	4953.3	5396.0
NET INCOME (MILLIONS)	504.8	578.3	626.3	610.6	550.0

FINANCIAL RELATIONSHIPS

Representative Wright Patman's (Texas) Committee on Banking and Currency conducted an extensive investigation of 49 bank trust funds, amounts held in the 500 largest industrial corporations, and number of directo interlocks between banks and corporations. Mellon National Bank and Trust Company was shown to hold 17.1% of outstanding common stock (the Bank actually has voting rights to a smaller percentage of this figure).

An article appearing in Fortune Magazine in the Fall of 1967 entitled "The Mellons of Pittsburgh," discussed the Mellon family's large interests in Gulf and other corporations. The writer estimated that the Mellons own about 25% of Gulf stock. In addition, the Mellons own controlling shares in Aluminum Corporation of America (30%), Koppers Company (20%), First Boston Corporation (20%) and in Mellon National Bank and Trust Company (40-42%). The Mellons also have interests in several other corporations, such as General Motors, Consolidated Coal, U.S. Steel and Westinghouse Electric. Estimates have placed the family fortune at between $4 and $8 billion dollars.

APPENDIX A

Officers and Directors of Gulf Oil Corporation and Affiliations

The following information is provided to facilitate communication and action with officers and directors responsible for Gulf Oil Corporation's management and policies. Affiliations suggest additional areas where appropriate discussion with respect to the issues can occur.

Officers

Bob Rawls Dorsey, Chairman and Chief Executive, Gulf Oil Corporation; Affiliations: Director, Pittsburgh Branch, the Federal Reserve Bank in Cleveland, General Foods Corporation, American Petroleum Institute, National Industrial Conference Board, Mercy Hospital, University of Texas Foundation, Inc.; Trustee, University of Pittsburgh (Charter Trustee), Southwest Research Institute of San Antonio, Texas; Member, Pittsburgh Chamber of Commerce, President's Council of the California Institute of Technology, Allegheny Conference Community Development; Home: 102 Pheasant Drive, Pittsburgh, Pennsylvania 15238; Office: Gulf Building, 439 Seventh Avenue, Pittsburgh, Pennsylvania 15230. (32,124 shares)

I.G. Davis, Vice President, Gulf Oil Corporation; Affiliations: Director, Cities Service Company; Home: 601 Berkshire Drive, Pittsburgh, Pennsylvania 15215; Office: P.O. Box 1166, Pittsburgh, Pennsylvania 15230. (26,030 shares)

Outside Directors

Charles M. Beeghly, Director, Jones & Lauglin Steel Corporation, Pittsburgh, Pennsylvania; Affiliations: Director, PPG Industries, Inc., Mellon National Bank and Trust Company, Dollar Savings and Trust Company, Youngstown Columbia Gas Systems, Inc., Pittsburgh Branch of the Federal Reserve Bank of Cleveland; Trustee, Carnegie-Mellon University, Ohio Wesleyan University; Home: 5023 Frew Avenue, Pittsburgh, Pennsylvania 15213; Office: 3 Gateway Center, Pittsburgh, Pennsylvania 15222. (1,000 shares)

Ernerst Delwin Brockett, former Chairman and Chief Executive Officer, Gulf Oil Corporation; retired Dec. 31, 1971; Affiliations: Director, Bank of Nova Scotia, Mellon National Bank and Trust Company, Aluminum Company of America, ADELA Investment Co., S.A., West Penn Hospital; Trustee, Carnegie-Mellon University; Home: Gateway Towers, Pittsburgh, Pennsylvania 15222; Office: P.O. Box 1166, Pittsburgh, Pennsylvania 15230. (93,089 shares)

R. Hal Dean, Chairman and Chief Executive Officer, Ralston Purina Company; Home: 4 Devon Road, Glendale, Missouri 63122; Office: 835 South Eighth Street, St. Louis, Missouri 63199. (100 shares)

James H. Higgens, Executive Vice President, Mellon National Bank and Trust Company; Affiliations: Director, Joy Manufacturing Company,

Mellon Bank International (President and Director), White Consolidated Industries, Inc., Jay F. Zook, Inc.; Trustee, Pittsburgh Regional Planning Association, Presbyterian University Hospital; Member, Citizens Sponsoring Committee Allegheny Conference Community Development, Association Reserve City Bankers; Home: 608 Maple Lane, Wesickley, Pennsylvania 15143; Office: Mellon National Bank and Trust Company, Mellon Square, Pittsburgh, Pennsylvania 15230. (2,400 shares)

Beverley Matthews, Senior Partner, McCarthy & McCarthy, Lawyers, Toronto, Canada; Affiliations: Director, Gulf Oil Canada, Ltd., Brascan, Ltd., Toronto-Dominion Bank (Vice President and Director), Trans-Canada Pipe Lines, Ltd., Canadian Gypsum Company, Ltd., Canadian Niagara Power Company, Ltd. (Chairman of the Board), Canadian Westinghouse Company, Ltd., Rheem Canada, Ltd., Minnesota Mining and Manufacturing of Canada, Ltd., Transamerica Commercial Corporation, Ltd. (Vice President and Director), W.H. Smith & Son, Canada (Chairman), Canada Life Assurance Company, Brown Forest Industries, Transamerica Financial Corporation of Canada; Member, Conservative Party, Anglican Church, University of Toronto (Governor); Home: 45 Ardmore Road, Toronto 10, Ontario, Canada; Office: McCarthy & McCarthy, P.O. Box 48, Toronto-Dominion Centre, Toronto 111, Ontario, Canada. (5,000 shares)

Nathan W. Pearson, Investment Management, T. Mellon & Sons, Pittsburgh, Pennsylvania; Affiliations: Director, Carborundum, Certain-Teed Products Corporation, Ampex Corporation, Hanna Mining Company, Koppers Company, Inc., Aluminum Company of America, Television Station WQED; Home: 10 Woodland Road, Sewickley, Pennsylvania; Office: T. Mellon & Sons, Mellon Square, Pittsburgh, Pennsylvania 15230. (2,020 shares)

Edwin Singer, Partner, Whitcom Investment Company, Investment Management, New York, New York. (172,928 shares)

James M. Walton, President, Carnegie Institute and Carnegie Library, 4400 Forbes Avenue, Pittsburgh, Pennsylvania 15213. (84,721 shares)

APPENDIX B

Footnote Sources

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2. United Nations General Assembly Resolution 2873, 20 December, 1971. See also United Nations, Foreign Economic Interests and Decolonization, New York, Office of Public Information, 1969.
3. The following section is based on information found in these basic books on Portugese Africa: David M. Abshire and Michael A. Samuels, Portugese Africa - A Handbook, New York, Praeger, 1969; James Duffy, Portugese Africa, Cambridge, Harvard University Press, 1959; John Marcum, The Angolan Revolution, Vol. I, Cambridge, MIT Press, 1971; Douglas L. Wheeler and Rene Pelissier, Angola, New York, Praeger, 1971; Department of State, Background Notes - Angola, #7962, July, 1969.
4. United Nations, A/8423/Add. 4, 28 September, 1971, para. 94, p. 41.
5. United Nations, A/8023/Rev. 1, Chap. II, annex, Appendix IV, Table 2, 1970.
6. Committee for Freedom in Mozambique, Angola and Guine, War on Three Fronts, the Fight Against Portugese Colonialism, Nottingham, England, Partisan Press, Ltd., p. 11. (The other two movements are the Revolutionary Government of Angola in Exile (GRAE) and the Union for the Total Independence of Angola (UNITA). MPLA is widely viewed as the most active liberation movement in Angola, and it receives substantial political and economic support from such groups as the Organization of African Unity, the World Council of Churches, British Labor Party Fund, Swedish Government, private groups. For more information write MPLA and the Liberation Support Group, Box 338, Burnaby, B.C., Canada.)
7. See articles about life in liberated MPLA zones by Basil Davidson in 1970-71 issues of Africa Report, African Affairs, Le Monde, West Africa, and by B. Adjali in Southern Africa (August-September, 1971), Motive (Feb., 1971) and New World Outlook (June, 1971.)
8. Interview with Tim Smith, Assistant for African Affairs, Council for Christian Social Action, United Church of Christ, Summer, 1971.
9. For information on U.S. relations with Portugal see Angola Comite, Portugal and NATO, Amsterdam, 1970; Africa Today, Vol. 17, No. 4, July-August, 1970, "Allies in Empire," issues of the Portugese and Colonial Bulletin, London; Reports of the United Nations, Special Committee on Decolonization (Comm. of 24.)
10. American Committee on Africa, "Azores Agreement, Background Facts," December, 1971.
11. Gulf Oil Corporation, "Position Paper on Angola," Pittsburgh, Pa., 1971, pp. 3-4. Gulf has produced various papers since 1970. Write to Gulf Oil Corporation, Pittsburgh, Pa. 15230. Meeting between Gulf representative and representatives of the Council on International Relations and United Nations Affairs (CIRUNA), October 5, 1971.
12. Gulf - CIRUNA Meeting, op. cit.

13. Robert F. Ward, Manager, Cabinda Gulf Oil Company as cited in New York Times, January 12, 1969 quoted in Africa Today, op. cit. Gulf exploration in the other large Portugese colony of Mozambique was terminated in November, 1970. (Telephone conversation with Gulf representative, March 11, 1971 as cited in "The Southern African Task Force Proxy Statement on Gulf Oil Corporation," United Presbyterian Church in the U.S.A., Gulf Angola Project, Washington, 1971, p. 2.) Gulf transferred its rights, except for 2.5%, in the Mozambique Pande gas field to a subsidiary of Standard Oil of Indiana (AMOCO) called Mozambique Oil Company. (Gulf - CIRUNA Meeting, op. cit.)
14. Gulf Oil Corporation, "Brief of Concession Agreement," Dec. 31, 1969. Abshire, op. cit., p. 298 as cited in "Southern Africa Task Force Proxy Statement," p. 2.
15. Christian Science Monitor, April 24, 1970, Financial Times, May 6, 1970 as cited in Africa Today, op. cit. p. 21.
16. Letter from William R. Cox, Gulf Oil Corporation to Terry Anne Pristin, Council on Economic Priorities, August 4, 1971, p. 1.
17. Ibid., p. 2.
18. Gulf - CIRUNA Meeting, op. cit.
19. "Working Copy of Cabinda Gulf Oil Company Contract," with Amendments as of 1 January, 1971, Gulf Oil Corporation and "Brief of Concession Agreement," op.cit., United Nations Conference Room Paper, SCI/69/3, 24 June, 1969.
20. "Working Copy . . ." op. cit.
21. Gulf Oil Corporation, "1970 Operating Data." "... of the 1970 figure ($16 million), only about $5 million was in the form of royalties on actual 1970 oil production; most of the remaining $11 million was in the form of advances against royalties on taxes expected on future anticipated oil production. In 1969, about $11 million was paid, of which most also was against future anticipated production."
22. Report by Dr. Howard Schomer, Executive Secretary, World Missions Office, United Church of Christ, after a visit to Cabinda Gulf Oil, Fall, 1971.
23. "Position Paper on Angola," op. cit. p. 8.
24. Ibid., p. 6. In "1970 Operating Data" statistics Gulf employed 175 "nationals" while the personnel of contractors to Cabinda Gulf was more than 525, a cutback of approximately two-thirds from 2,000 at the peak construction period. The payroll of Cabinda Gulf is cited as $760,000 total for the 175 "nationals." "Position Paper on Angola," op. cit., p. 9.
25. Gulf - CIRUNA Meeting, op. cit.
26. Ibid. Gulf in its position paper states that it employs with its contractors 700 "native Angolans," and that with the multiplier effect this really creates ten times more jobs (7,000), and with Cabinda itself having only 60,000 people and a work force of 15,000 Gulf's impact is significant. p. 7 - 8.
27. Letter from Cox to Pristin, op. cit., pp. 3 - 4.
28. Schomer, op. cit.
29. "Position Paper on Angloa," op. cit., p. 6.
30. Ibid., p. 8.

31. Abshire, op. cit., p. 152 as cited in "Southern Africa Task Force Proxy Statement," p. 2.
32. "Working Copy . . .", op. cit. Article 14.
33. Banco Commercial do Angola, Economic Notes, No. 11/71, May, p. 5.
34. Letter from Cox to Pristin, op. cit., p. 2.
35. "Cabinda Oil," The Star (Johannesburg), August 14, 1971.
36. Economic News, op. cit.
37. Africa Today, op. cit, p. 21.
38. United Nations, A/AC/ 109/1.625. 17 April, 1970 as cited in Background Information Re: Resolution Passed at the Seventh Annual Meeting of the Ohio Conference United Church of Christ, 1970. p. 19.
39. For a thorough explanation of Portugal's economic relations with Angola see annual U.N. reports and Area Handbook for Angola, Washington, U.S. Government Printing Office, 1967.
40. United Nations, A/7623/Rev. 1, Chap. VII. Ann. I, para. 48, 25 September, 1969.
41. United Nations, A/0423/Add. 4, 28 September, 1971, para. 94, p. 41.
42. Portugal, Diario de Governo, Series I, 1967-70, cited in Background Information, op. cit., p. 21. Portugal's military budget is of course much larger than that of the individual colonies although the trend is toward larger assumption of the defense costs by the colonies.
43. United Nations, A/8423, Part II, 24 November, 1971.
44. Portugal, Presidencia do Concelho, III Plano do Fomento, para. 1968-73, cited in Background Information, op. cit., p. 19.
45. Ibid., Vol. I, p. 39, Background Information, op. cit., p. 20.
46. Ibid.
47. Letter from Cox to Pristin, op. cit. p. 2. $9 million of the expenditures are cited as "not spent in Angola."
49. Gulf - CIRUNA Meeting, op. cit.
50. "Position Paper on Angola," op cit., p. 8. One of the reasons for the Task Force on Southern Africa of the United Presbyterian Church U.S.A. asking for full disclosure of charitable contributions in its resolutions of 1971 was to find out more about Gulf's payments to Portugal.
51. Ibid.
52. Al J. Venter, The Terror Fighters, Capetown, Purnell, 1969, pp. 84, 91, as cited in Africa Today, op. cit., p. 20. Venter, a South African journalist, describes the efforts of Portugal to pacify Cabinda in the early 1960's and Gulf's role.
53. Background Information, op. cit.
54. "Working Copy . . . " op. cit., Article 9.
55. New York Times, July 28, 1969, cited in Africa Today, op. cit., p. 20.
56. Decree 48, 272, 11 March, 1968, cited in Background Information, op. cit., p. 22.
57. Gulf - CIRUNA Meeting, op. cit.
58. African World Annual, 1967-68, p. 29, cited in Africa Today, op. cit. p. 21.
59. Military cooperation has been cited by visitors to liberated Angola and by the United Nations, A/8423, Add. 4, 28 Sept. 1971, p. 44; economic relations are exemplified by the Cabora Bassa and Cunene

Dam schemes. For studies of these projects write to the World Council of Churches, 150 route de Ferney, 1211 Geneva 20, Switzerland.

60. Letter from William R. Cox, Gulf Oil Corporation, to Marijean Reynolds, CIRUNA, Nov. 29, 1971, p. 1.
61. World Council of Churches, Cabora Bassa and the Struggle for Southern Africa. London, 1971.
62. "Position Paper on Angola," op. cit.
63. "Gulf Statement to the Trustees," Ohio Conference, United Church of Christ, Background Information, op. cit, p. 5.
64. Background Information, op. cit., p. 6.
65. Ibid., p. 7.
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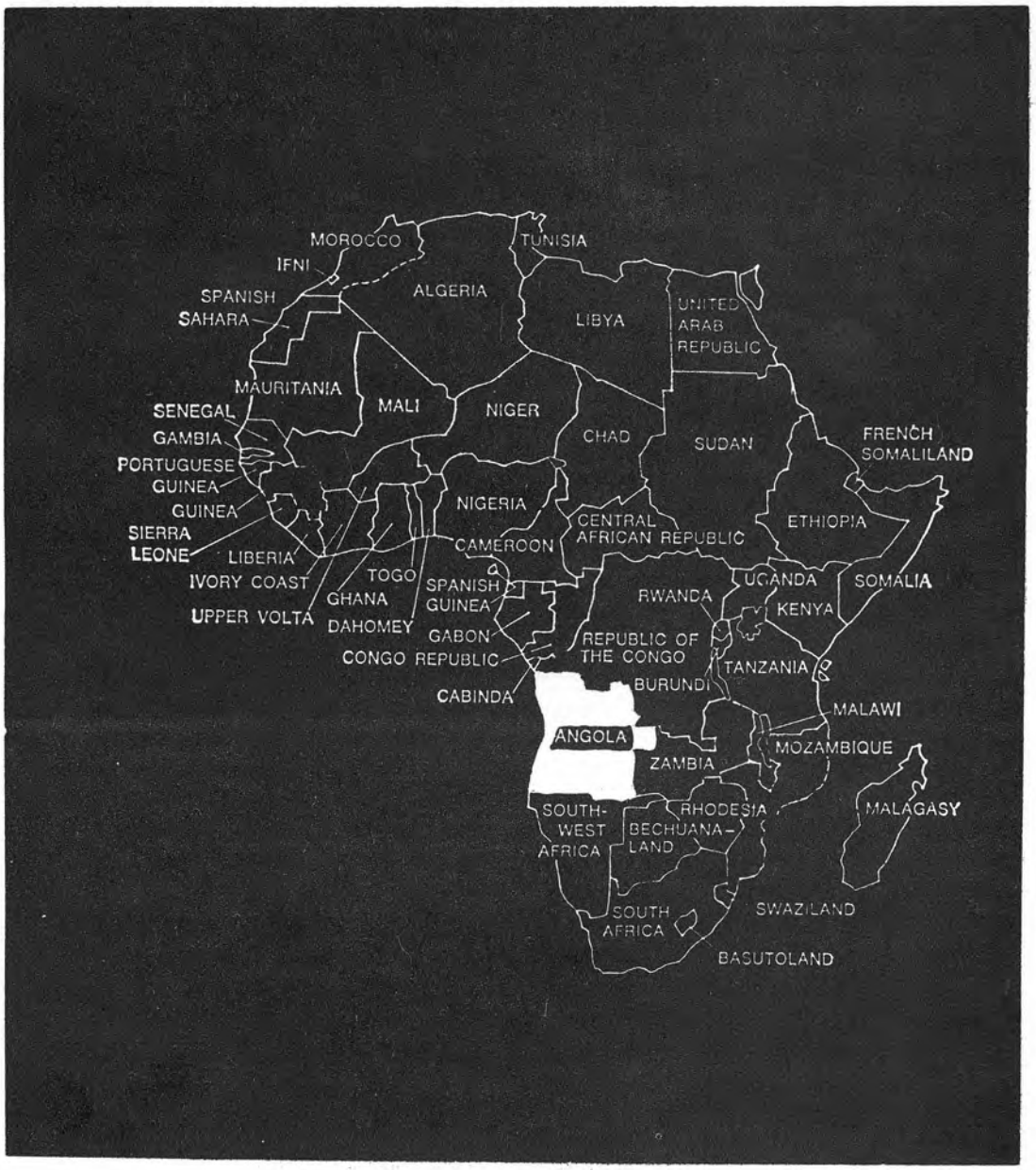
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