GO GULF – RIGHT ON EXPLOITATION
gulf around the world

Gulf Oil Corporation, the third largest oil company in the world with assets of $7.5-billion in 1968, is a major figure in the exploitation of oil in the 3rd World. From its foreign operations, which span Latin America, Asia, Africa, and the Middle East, Gulf gains 40% of its net income. Gulf is the perfect model of a multi-national corporation based in an advanced capitalist country, drawing resources and profits from the 3rd World for its own benefit.

Between 1956 and 1964 world crude oil production lept from 840 to 1500 million tons; the 3rd World share jumping from 42 to 52 % while the prodcution of the US remained stagnant at between 354 and 377 million tons. The US and other advanced capitalist nations are increasingly dependent upon the 3rd World's resources. Gulf is a major collaborator with other multinational corporations and international capitalist institutions in securing the 3rd World in this international division of labor where the peoples of Africa, Asia and Latin America are condemned to an existance of alienated toil while their foodstuffs, crude oil, and other mineral wealth are expropriated to meet the needs of corporate profit. As the Times (1/19/70) reported, writing of the Development Decade of the '60s, though the 5% rate of development was reached this was coupled with a widening gap between rich and poor within the 3rd World and between 3rd World and advanced capitalist countries.

GULF AND THE MELLONS

Gulf is controlled by the Mellon family through an interlocking web of trusts, foundations, and individual holdings. Lundberg in The Rich and the Super-Rich says Mellon interests control 70% of Gulf stock. Gulf, though the largest of the Mellon holdings, is but a start for this family whose wealth is estimated at somewhere between $4- and $8-billion. Today, among the first line Mellon companies are Gulf Oil, ALCO (the world's largest aluminum producer), and the Mellon National Bank and Trust with assets of $3.5-billion.

The Mellons accumulated their wealth and power by financing "the little people" who had new ideas for processing raw materials but couldn't extract them without financial help. The Mellons were always eager to finance new ventures for a price -- most often a controlling interest. It is in this tradition of corporate expansion and control that Gulf Oil views the 3rd World. The so-called developing countries are the Mellons' twentieth century "little people" which corporations like Gulf claim they are going to "help" by financing their development. Again for a price. And again the price is control.

THE EXPANDING EMPIRE

Gulf Oil has over one hundred subsidiaries outside of the US, including companies in 10 African countries or colonial territories, 6 in Asia, 14 in Latin America, and 4 in the Middle East. Gulf's interests include crude oil and natural gas production, refining, nuclear power, petrochemicals, and transportation. Gulf is currently in the process of strengthening its foreign refining capacity and expanding its base as a supplier of energy other than oil.

Of the basic energy sources today -- petroleum, natural gas, coal, nuclear fission, and water power -- Gulf can now supply all but water power. In this way, instead of limiting its 3rd World operations to the extraction of crude oil, Gulf is moving to gain control over the vital sources of energy from their extraction through refining and into marketing and sales. It will have control over the entire process through subsidiaries while at the same time expanding its production of other basic forms of energy.

Toronto, Canada, October 2, 1969

from an address by President Julius K. Nyere, United Republic of Tanzania, University of Toronto, Canada, Octobe 2, 1969

Tanzania's freedom is itself in jeopardy while colonialism and racialism remain dominant on our borders. As long as we insist on making a reality of our freedom, and pursuing policies which uphold the dignity of African people, our existence is a threat to the colonialist and racialist states of Southern Africa. They would inevitably take steps to reduce the effectiveness of our policies and to control our actions. For just as their policy of racialism makes it daily more difficult for us to build a state on the basis of non-racialism, so they cannot secure their slave systems while the rest of Africa uses its freedom for the benefit of its people. The principles of freedom and equality have no validity unless they are of universal validity; and the principle of racial supremacy is invalid unless it is universally valid. Conflict between these two conceptions of humanity is inevitable. Where they meet, the conflict will become an active one.

Bigger and better NEWSLETTERS only come with more dues.

ASIA

Gulf is building on the US-occupied island of Okinawa a refinery which will process 100,000 barrels of oil a day (b/d) and on a nearby island a large transhipment center to service this new operation. These will open up Asian markets for increased penetration by Gulf in areas that the United States has defined as crucial to its national interest.

The Okinawan facility has brought protest in Japan and presents a clear conflict with Japanese oil interests for 1972 when Okinawa is supposed to revert to Japanese control. A facility which is in the interest of greater profits for Gulf seems to be of questionable value in a Japanese setting.

Gulf's operations in other parts of Asia are in areas which are closely linked to US military commitments -- Thailand, the Philippines, Korea, Formosa, Japan, and Indonesia. Gulf, as well as other international corporations, is working to complete the totality of American penetration by insuring control of economic as well as political directions of these countries. (See "Vietnam and the Pacific Rim Strategy," Peter Wiley, Leviathan, June, 1969)

LATIN AMERICA

In Latin America Venezuela has been Gulf's big bonanza, with their subsidiary, Mene Grande, accounting for about 10% of the parent company's total production. Venezuela is a perfect example of a country in which oil has dominated the economy (99% of exports by weight), yet the people are hungry and continue to lead lives of oppression and exploitation. There has been little change in their existance as $20-billion have left their impoverished country in the form of oil revenues for foreign concerns. This is a familiar pattern for oil producing countries -- as it is for the entire 3rd World. Corporations claim to be putting capital into such countries as Venezuela, Bolivia, Nigeria, or Angola in order to "develop" the country. What we find in most cases, however, is a greater outflow than inflow of capital from the less developed countries to the advanced capitalist countries. The revenues that do remain in the country go in large part to a national bourgeoisie which has made alliances with these multi-national corporations; they have exchanged their subsoil for luxury hotels, lettuce flown in daily from the US, and token positions on boards of directors of foreign firms rather than for agrarian reform, schools, or health clinics.

One country in Latin America, however, has moved decisively against Gulf Oil. On October 17, 1969 the military regime in Bolivia nationalized the Bolivar Gulf Oil Company and so far has shown no interest in "compensating" Gulf. Most corporations pay lip service to the right of countries to nationalize what is rightfully theirs. In the case of Gulf it is clear that this is only lip service. Since its subsidiary was nationalized, Gulf has mounted a full scale attack on the government and people of Bolivia in retaliation for being nationalized.

Bolivia was constructing a pipe-line to carry natural gas to Argentina, an important new market for Bolivia. Gulf had guaranteed the loan for the construction cost. After nationalization Gulf withdrew the guarantee and went to court in Argentina to prevent the further shipment of construction materials to Bolivia. Whether out of self-interest or the difficulty of swallowing such blatant "Yankee imperialism," the Argentine government not only went to court against Gulf but has also offered to be the guarantor for the loan. Gulf also went to court in Chile to prevent landlocked Bolivia from having access to Chilean port facilities. Chile like Argentina took the side not of Gulf but of Bolivia. As the Times (12/17/69) wrote "traditional political and commercial rivalries have been melting away as many nations make common cause against what some governments describe as 'economic imperialism.'"

SOUTHERN AFRICA

With subsidiaries in the Cabinda enclave of Angola, Congo-Kinshasa, the Cameroons, Ethiopia, Gabon, Libya, the Republic of South Africa, Tunisia, Mozambique, and Nigeria and three Gulf-owned tanker and transport lines operating out of Liberia, Gulf is a major force in the exploitation of oil in sub-Saharan Africa. With the people of Angola at war with their colonial rulers, the Portuguese, Cabinda Gulf is among the clearest examples of the multi-national corporation in conflict with the interests of 3rd World people.

Cabinda Gulf, which by the end of 1970 will be producing 150,000 b/d, will make this Portuguese colony the fourth largest oil producer in Africa. One half of Gulf's Cabinda production has a ready market in Portugal -- to fuel her jet fighters which drop American-made napalm on the Guinean, Mozambiquan, and Angolan peoples.

Angola, with a population of 5 million and a per canita income of $90, has been fighting Portuguese domination since the late 15th century. The Angolan people have been subject to five centuries of abject exploitation and enslavement. National African liberation movements have existed throughout this century. In 1956 the formation of the Popular Movement for the Liberation of Angola (MPLA) was quickly followed by Portuguese police repression through PIDE, their secret police force. Today the Portuguese have committed over 150,000 troops and almost 40% of their total budget to the colonial wars in Angola, Mozambique and Guinea-Bissau. The struggle in Angola is a part of the growing war being waged against African people by the white colonial and racist regimes of Portugal, Rhodesia, and South Africa. The survival of these white minority powers is aided by the real material support they receive from Gulf and other multinational corporations.

Gulf's involvement is particularly significant for the maintenance of Portuguese control in Angola and her other African "provinces" as well as for the security of all of Southern Africa. According to the London Times (7/23/69) oil in Cabinda offers an economic flexibility which Portugal and South Africa have been seeking. "The fact that Cabinda could, in the event of UN sanctions and blockades, supply the needs of most of Southern Africa is an important new factor in the international equation." Portugal has been going out of its way to encourage other international oil companies to come into Angola. The London Times makes clear what lies behind Portugal's recent interest in letting non-Portuguese firms invest in her colonies: "And who, after all doubts the assertion that some countries previously hostile to Portugal's presence in Africa will change their tune as a result of the discovery (and exploitation in safe hands) of the 'black gold' in Angola."

"Exploitation in safe hands" means, of course, Gulf Oil. The Portuguese government will receive 50% of the profits from the Cabinda operations. Increased revenue from the colonies is necessary to meet the rising cost of Portugal's colonial wars. The earnings from the sharing of profits, coupled with surface rental fees, royalties per barrel, and bonuses, will be equal to nearly half the military budget for the war in Angola. Gulf, apparently sympathetic to the budgetary pressures of a country at war, made a $7-million advance payment of taxes to Portugal. In addition, according to a recent UN document, all companies in Angola are bound to support the Portuguese government "in securing peace and order." This means allocating company funds to build military barracks and to pay the government for the defense of the so-called "national property." Gulf is thus an active collaborator in the war against the Angolan people.

Gulf received its first concession from the Portuguese in 1957 and made its first oil strikes in 1966. At the end of 1968 production had begun after $125-million had been invested. By 1969 production in the Cabinda enclave had reached 50,000 b/d, rapidly approaching the projected 150,000 b/d. When this total is reached in early 1970, Portugal will be able to satisfy here entire oil demands (currently at 75,000 b/d) without having to sacrifice precious foreign exchange which she needs to procure weapons from her NATO allies. The remainder may go to other countries in Southern Africa, or, if negotiations with the Bahamas Oil Refining Company are successful, it may be refined there and then shipped off to supply the US east coast with low-sulfur fuel oil. The Cabinda reserves have been estimated at a minimum of 300 million tons, so the revenues could be pouring into the Portuguese military machine and the Gulf corporate structure for some time to come.

Gulf has agreed to train the indigenous people for positions in the operation -- of course this will mostly mean local Portuguese not Angolans. Last July, of 400 technicians at work in Cabinca, nearly all were Americans not Angolans black or white.

The Cabinda enclave has long been an area of intense guerrilla activity, and a large number of Portuguese troops are maintained in the area of the Gulf operations to protect it from possible sabotage. Recently, however, guerilla activity has shifted to other areas in northern Angola. Gulf Oil must resort to military protection to insure the continuance of her operations while at the same time feeding large sums into the Portuguese military. All to assure that the Portuguese, not the Angolans, will continue to control and with Gulf profit from the natural wealth of Angola.

We never accepted.

We were as tall trees
bending when the strong wind blows
but who know
submission is just for a time

We stowed anxiety in our hearts
courage in our hands
bullets in our homes

Tenderness and hatred impelled us

Our sons measured their height
by the lenght of guns

The anguish of waiting weighed on us
like an endless yearning

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Happy those who live in our time
in freedom
building freedom

New Year's greetings from Frelimo