



January, 1974 #24

PORTUGAL, THE UNITED STATES, AND THE MIDDLE-EAST CRISIS

At the height of the Arab-Israeli war last October, the United States launched a large-scale airlift of military hardware to Israel. The huge C5-A aircraft which were used to transport the 8000 tons of tanks, rockets, and ammunition were not capable of reaching the war zone from the U.S. without ground refueling. Thus, the U.S. turned to its major NATO allies for support. Fearing Arab retaliation and showing a marked indifference to U.S. Middle-East interests, the big NATO powers refused to cooperate. Angrily, the U.S. turned to Portugal. The Lisbon Government correctly perceived that extending a helping hand in a crucial situation could lead to increased U.S. support for its deteriorating position in Africa. With this in mind, arrangements were quickly made to turn the Lajes Airbase on the Azores island of Terceira, which the U.S. Air Force leases from Portugal, into the refueling and service hub of the airlift operation.

The U.S. has used the Lajes base since World War II, but the bi-lateral agreement covered only "normal" use of the base and not politically sensitive endeavors such as the Israeli airlift. From 1962 until 1971 there was no formal agreement covering the use of the base, a fact which reflected its marginal strategic importance in Washington's eyes. In December, 1971, the Nixon Administration

renegotiated a formal agreement with Portugal. In exchange for a two year lease on the base, Portugal received an unprecedented \$436 million in U.S. aid. Since the amount of aid was so out of proportion to the military worth of the Lajes base, the Nixon pact could only be interpreted as a significant show of support for the Lisbon Regime.

The 10 day Israeli airlift, which transformed the Lajes base from a little used outpost in the U.S. global military system into a strategically important supply center, marked a new stage in U.S.-Portuguese relations. In exchange for allowing the use of the base for the airlift, Portugal obtained promises of significantly greater United States diplomatic and military support for its brutal wars against the peoples of Guinea-Bissau, Angola, and Mozambique.

Portugal's role in the airlift was in no way a result of a determined pro-Israeli position. Portugal, as one official put it, "Is just faithful to old alliances." Nor was Portugal unaware of the possibility of Arab sanctions. Nonetheless the Arab Summit Conference announcement of November 29th, that the Arab oil producing countries had resolved to implement a strict oil embargo against South Africa, Rhodesia (Zimbabwe) and Portugal came as a suprisingly strong blow against the white regimes of Southern Africa and marked a new high in Arab-African solidarity.

The countries of Southern Africa are heavily dependent on Middle-East sources of crude oil. Two thirds of South Africa's crude is imported from the Arab Persian Gulf countries. Due to its landlocked position, Rhodesia is totally dependent on her white-ruled neighbors for crude. About one third of Rhodesia's oil is supplied through the Sonarep refinery in Mozambique; the rest is supplied by South African sources. South Africa's huge oil storage reserves have prevented an economic shutdown for the time being, but the long term prospects are very serious. The South African press is filled with grim accounts of the potential effects of an effective long term embargo.

At first glance, Portugal's position appears even more desperate. Two thirds of Portugal's oil comes from the Arab Persian Gulf countries; moreover, Portugal lacks the oil reserve capacity of South Africa. The oil embargo compounded the effect of Portugal's deteriorating diplomatic position and its steady defeat at the hands of the liberation movements of Guinea-Bissau, Angola, and Mozambique. The most important diplomatic defeat is, of course, the Declaration of Independence of the State of Guinea-Bissau, followed by the overwhelming United Nations General Assembly vote saluting the Guinean people and condemning Portugal for its illegal occupation of a sovereign state. (See News and Notes, #23) These steps pave the way for eventual U.N. recognition of Guinea-Bissau: already the new republic has been recognized by 68 U.N. member countries.

The oil embargo against Portugal had immediate effects. A tanker carrying Saudi Arabian oil bound for the Sonarep refinery was forced by Arab officials to unload at a Persian Gulf port. The Lisbon Government, which has withheld news of the oil embargo from the Portuguese people has imposed strict censorship on the incident. Early diplomatic indications are that the oil embargo has significantly reinforced Portugal's tenuous position within the community of nations. For example, fearing African and Arab sanctions, the military government of Brazil, which has been one of Portugal's staunchest allies, has for the first time openly criticized Portugal's African policies.

Yet despite the combined pressure of economic sanctions, military defeats, and diplomatic humiliation, Portugal has been able to maintain a relatively calm exterior. True, gasoline prices have increased in Angola and gas rationing has been imposed in Mozambique. On the diplomatic level, the Declaration of the State of Guinea-Bissau removed the last semblance of credibility from Portugal's fiction that the African colonies are "Overseas States". But it is obvious that in the short run at least, Portugal has not been brought to her knees.

The underlying sources of Portugal's relative peace of mind can be traced directly to a series of events which took place at the time of the Israeli airlift. These are: the Nixon Administration's decision to provide all out support for the Portuguese position in the United Nations coupled with increased U.S. military support; and the agreement between Lisbon and the U.S. Gulf Oil Corporation to divert the crude oil production of Gulf's Cabinda (Angola) field to meet the domestic and military needs of Metropolitan Portugal and the colonies.

DETAILS OF THE U.S.-PORTUGUESE AGREEMENT

As a consequence of the airlift deal, the U.S. guaranteed Portugal a Security Council veto over the forthcoming resolution of the admission of the Republic of Guinea-Bissau to the United Nations. This represents the culmination of the shift in the U.S. diplomatic position toward Portugal during the Nixon Administration, from lukewarm criticism of Portugal's colonial policy to out and out opposition to the liberation movements.

Aside from diplomatic assurances, Lisbon is pressing Washington for an increase in the supply of U.S. military aid. For the past decade, the United States has been supplying Portugal with armaments for its African wars under the umbrella of NATO, and more recently, through bi-lateral trade agreements. The Portuguese, whose military strategy has been defeated in Guinea-Bissau and is collapsing in northern Mozambique, have recently had to deal with modern anti-aircraft and artillery weaponry in the hands of PAIGC, MPLA, and FRELIMO. This weaponry has greatly increased the techni-

cal capabilities of the liberation forces. In the past nine months, PAIGC has downed 28 Portuguese aircraft in Tete Province, the site of the Cabora Bassa Dam Project, between August 1972 and June 1973. Also, FRELIMO heavy artillery severely damaged the military headquarters of Cabora Bassa. To counter these advances, the Portuguese are hoping to convince the U.S. to supply the advanced counter-offensive weaponry developed for use in IndoChina. The cordial talks between Kissinger and Portuguese Foreign Minister Patricio in mid-December combined with Washington's public display of gratitude toward the Lisbon Regime indicate that a large U.S. weapons deal is not far off.



FRELIMO troops in Cabo Delgado Credit: Nash Basom

SUBVERTING THE OIL EMBARGO: GULF OIL AND PORTUGAL

Portugal managed to stave off the economically disastrous consequences of the Arab oil embargo by calling upon the Gulf Oil Corporation, which has long been the single most important corporate supporter of Portuguese rule in Africa. By 1972, oil exports from Gulf Oil's Cabinda concession had reached seven million tons a year and represented one fourth of total Angolan export earnings. In effect, the royalties earned by the Portuguese Government from the Gulf concession have paid for Portugal's brutal war against the Angolan people. Recent reports have indicated that new oil strikes off the Cabinda Coast (which have been denied by Gulf out of fear of reprisals by MPLA and strong domestic opposition) will make the Cabinda field one of the most prolific in the world.

At the beginning of the October Middle-East crisis, Gulf officials were in Lisbon conferring with Portuguese officials. Although no announcements were made of the content of the talks, they undoubtedly involved three main concerns: (1) the extent of the new Cabinda strikes; (2) Gulf's worry over MPLA's penetration to within 70 miles of the Cabinda onshore installation; and (3) plans for diverting Cabinda crude oil to supply the needs of Metropolitan Portugal and the colonies in the expectation of an Arab oil embargo.

The long standing agreement between Gulf and Lisbon stipulates that in normal times, one half of the annual Cabinda production may be used to supply Portugal's crude oil needs. Moreover, in times of emergency, the Portuguese have the right to appropriate the total production from Cabinda. Until the Arab embargo, the Portuguese and Gulf found it more profitable to export almost all of the Cabinda crude production to the U.S., Canada, Trinidad, and Japan, and to rely on Middle-East sources for Portugal's needs. Within days of the announcement of the embargo, Cabinda oil was being diverted to supply all of Portugal's domestic and military needs. Cabinda crude is now being shipped to the Sonarep refinery in Mozambique and will supply Mozambique as well as 35% of Rhodesia's total crude oil consumption. Due to the productivity of the Gulf Cabinda operation and the nearby smaller Petrangol concession in Angola, there is still an annual production in excess of two million tons which is available for export. Thus in this one series of actions, a major United States corporation is seen diverting crude oil away from the United States, providing oil and financial backing for Portugal's colonial aggression, and breaking United Nations sanctions against Rhodesia. It was also reported that in the aftermath of the Azores deal, the U.S. Government offered to exchange the high wax content Cabinda Gulf crude, which is not well suited to the Lisbon refinery, for more compatible U.S. crude. Indeed, this provision for the direct exchange of crude oil is written into Portugal's contract with Gulf. The workings of U.S. imperialism could never be more obvious.

RECENT U.S. GOVERNMENT AND CORPORATE SUPPORT OF PORTUGUESE COLONIALISM

Portugal, by far the poorest country in Europe, has long been economically dependent on the major European powers. The more Portugal loses its grip on her African colonies the more she is forced to rely on foreign interests to maintain any kind of hold. Despite the considerable costs of underwriting three murderous wars, foreign corporations have long found that investment in "Portuguese Africa" can be very profitable indeed. U.S. corporations, backed by considerable U.S. government support, have profited the most.

Extractive industries make up the most significant investment sector in the African colonial economies. Prompted by the success of Gulf oil in Cabinda, several U.S. firms are engaged in the exploration of oil and other minerals in Angola, Mozambique, and Guinea-Bissau. Texaco is involved in a joint venture exploration program off the coast of Angola. A consortium which includes the Tesoro Petroleum Corporation of Texas has recently asked permission to search for oil in Angola. American Hunt International has recently resumed the search for oil in Mozambique. In Mozambique's Tete Province, a pivotal battleground between FRELIMO and the Portuguese, a license covering exploration and production rights for all minerals was granted to a new consortium which includes the Bethelehem Steel Corporation. The Chromalloy American Corporation of St. Louis began gold mining operations in southern Angola in mid-1973.

The most notable of recent U.S. imperialist ventures is the agreement between the Portuguese and EXXON, the world's largest oil company, to search for oil in Guinea-Bissau. Three quarters of the EXXON concession is on land controlled by the forces of the Republic of Guinea-Bissau. This violation of the territorial rights of an independent state is but the latest criminal action in EXXON's infamous history.

U.S. corporations are also heavily involved in the expansion of the economic infrastructure of the Portuguese colonies. The Caterpillar Tractor Corporation is the principal supplier of construction equipment for the Cabora Bassa Dam Project, while the Bell subsidiary of Textron has supplied several attack helicopters to the Cabora Bassa security forces. The U.S. Export-Import Bank, which provided much of the credit flowing from Nixon's 1971 Azores Pact, is providing the financing for the new General Tire Factory in Mozambique and for the purchase of 22 General Electric locomotives for Mozambique's state-owned railways. The Exim Bank also provided financing for the earlier purchase of 10 G.E. locomotives for the Benguela Railway in Angola. To take advantage of investment opportunities in Angola, the First National City Bank of New York has recently linked up with the Lisbon-based Banco Esprito Santao e Comercial to form a new Angolan commercial bank.

The threat of widespread domestic opposition and international condemnation will undoubtedly make U.S.-Portuguese arms deals in the wake of the Azores airlift highly secret affairs. The total amount of military training and weaponry supplied to Portugal through the U.S. Military Assistance Program up to now is impossible to determine, since large military expenditures are hidden under such seemingly innocuous covers as the Food For Peace Program. Existing information, however, attests to the dramatic increase in U.S. military aid to Portugal under the Nixon Regime. The Portuguese, who have long used U.S.-style terrorism in Africa (aerial bombing and napalm attacks, civilian massacres, and concentration camps) with just about as much success as U.S. forces in IndoChina, have been receiving direct military instruction from their imperialist patron. In the last three years 79 Portuguese

military officers, most of them fighter pilots, have received training at American bases in West Germany and the U.S. Portuguese deserters have frequently stated that U.S. guerrilla warfare experts have run training programs for Portuguese troops.

Backed by Exim Bank financing, the Boeing Corporation has been building up the Portuguese airfleet. Portugal's international carrier, T.A.P. is due to take delivery of its second 747 jumbo jet this June. DETA, the Mozambican domestic airline, recently purchased the larger 707. The Angolan airline, DTA, recently added two 727's to its fleet. Although these aircraft are officially intended for civilian use, the military significance is obvious: indeed, as early as June, 1971 a Portuguese Air Force Commander in Angola confirmed the use of T.A.P. 707's for troop transport. With the addition of several new Boeing aircraft the transport capability of the Portuguese armed forces is significantly increased.

The meaning of the chain of events which followed the Azores airlift is clear: as Portugal continues along the road to defeat in Africa, the U.S. will be called upon to assume ever greater involvement.

On January 7, a coalition of ten national religious organizations, including several national Protestant churches, announced stockholder challenges to twenty-two American corporations operating in white-ruled Africa.

Six of the organizations (the Unitarian Universalist Association, the American Baptist Churches, the United Presbyterian Church, the Episcopal Church, the United Church of Christ, and the National Council of Churches) jointly filed a resolution requesting the Exxon Corporation to discontinue its prospecting operations in Guinea-Bissau. The organizations filing this resolution hold Exxon stock valued in excess of \$7 million.

The World Division of the United Methodist Church filed a similar resolution with Bethlehem Steel which is operating in Mozambique. The Women's Division of the Methodist Church filed a similar resolution with Texaco, which is operating in Angola. Both resolutions called upon these companies to cease their activities in the Portuguese colonies.

Gulf Oil also received a resolution, requesting full disclosure of the facts behind its recent Angolan strikes, which have been termed a "new Kuwait". The resolution also asked Gulf to withdraw from Angola on the basis of the royalty payments it pays which go to support Portuguese rule.

For more information about these campaigns and to learn how to become more actively involved, contact CFM member Tim Smith at Rm. 846, 475 Riverside Drive, New York, N.Y. 10027 Telephone: (212) 870-2282.



committee for a FREE MOZAMBIQUE

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Dear Friends of Mozambique,

Greetings as the struggle inside Mozambique enters its tenth year.

Future issues of News & Notes --

- Ruth and Bill Minter went to Dar Es Salaam this week to teach for two years at the Mozambique Institute. September's News & Notes will be their observations.

- The February News & Notes will summarize the activities of 1973 and again request your support. As of now it appears that CFM raised about \$6400 and sent \$4800 (75%) to the liberation movements.

Information --

- A Beira-Umtali train was derailed by a FRELIMO mine for the first time on New Year's Eve.

- The silk-screen poster, reportedly beautiful, commemorating the independence of Guinea-Bissau is ready. The cost is \$1.50 each (\$1.10 for ten or more) from the Chicago Comm. for Liberation of Angola, Mozambique & Guinea-Bissau

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- Bill Minter's book, Portuguese Africa and the West, is now available in bookstores. The cost is \$2.95 in paperback or \$7.95 in hard back from Monthly Review Press, 116 West 14th St., NYC 10011.

a luta continua,

The Committee for a Free
Mozambique