Gulf Urged Not to Pay Angola Fees

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Gulf Oil Corp. is under pressure by the State Department to put in escrow a royalty payment of just under $100 million, scheduled to be paid by Dec. 31 to the pro-Soviet Popular Movement for the Liberation of Angola, informed sources said yesterday.

Under terms of an agreement signed in 1957 with the former Portuguese territorial government of Angola, a Gulf subsidiary began producing in 1968 between 130,000 and 150,000 barrels a day of oil from 120 offshore wells in the Angolan enclave of Cabinda.

In exchange, Gulf has been paying the Angolan government some $500 million a year in royalties and taxes, in installments. The Popular Movement controls both the capital, Luanda, and the Cabinda enclave.

The most recent payments totalling $116 million were made in late September and early October, before Angola's independence on Nov. 11. The next payment is due Dec. 31, presenting Gulf with a dilemma of continuing its contractual payments to the leftists or bowing to pressure from the U.S. government.

Gulf spokesman Robert Goralski yesterday declined to comment on reports of negotiations with the U.S. government about what he described as a "touchy . . . very sensitive" issue.

Officially, a State Department spokesman would say only that "Gulf has a problem and has been talking with us." The spokesman said the

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department would have no comment on the substance of the problem and emphasized that the final decision is Gulf's.

But informed sources said Gulf officials and the State Department had talked about the possibility of putting the next payment into an escrow account rather than turning it over to the Popular Movement government, which also controls the Cabinda enclave.

The annual Gulf payment is Angola's largest single source of revenue. If the American company were to suspend payments to the leftists in Luanda it might find its property seized or destroyed.

While Gulf is under contract to provide revenues to one side in the Angolan civil war, the U.S. government is aiding the two rival factions. Washington has spent or designated about $50 million for covert military assistance to the National Front for the Liberation of Angola and the National Union for the Total Independence of Angola — half the amount that Gulf is scheduled to disburse to the Soviet-backed faction on Dec. 31.

Goralski said Gulf does not want to indicate a course of action and noted that all sides now have a stake in keeping Cabinda oil production going. He said that Gulf's Cabinda work force is between 250 and 300, mostly Angolans.

Currently, Goralski said, the Cabinda subsidiary is producing 140,000 barrels a day after some disruptions earlier this year reduced output to as low as 14,000. The warring factions have avoided damaging the oil facilities. Most of the oil is exported to Western Europe for refining, but some also comes to the United States and some has gone to Japan.

While Gulf's last payment of $10 a barrel in royalties and taxes was made to a transition government still technically under Portuguese authority, the finance ministry in that government was under the control of a Popular Movement official. The ministry remains under the same leadership today. Gulf spokesman Goralski said that as far as his company knows, the previous payments remained in Angola when the Portuguese left.