GULF RESOLVED SPLIT ON OUSTER

Divided Board Concluded It Had No Choice but to Ask for Dorsey Resignation

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CHOICE OF M'AFEE 'EASY'

Approval of New Chairman Bypasses 3 Officers Who Are Already Directors

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By MICHAEL C. JENSEN
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PITTSBURGH, Jan. 14—The directors of the Gulf Oil Corporation were divided on the question of whether to oust their chairman, Bob R. Dorsey, but finally decided after a 16-hour session that they had no choice but to demand his resignation, one director said today.

Describing the extraordinary board meeting, which ended at 1 o'clock this morning, as "calm and judgmental," the director said, "It's an experience none of us has ever gone through before, and we hope never to again."

Two other senior executives of the company were also dismissed following Gulf's highly-publicized political funding scandal. A third Gulf official was stripped of his vice presidency.

One person, who was close to the board's deliberations but is not a board member, described the session as "brutal." He said it became clear at an early stage that, although Mr. Dorsey had support on the board, there were "enough votes to dismiss him."

This source said a number of directors generally considered sympathetic to the interests of the Mellon family, which owns nearly 20 percent of Gulf's stock, were against keeping Mr. Dorsey.

Mr. Dorsey's ouster has attracted widespread attention. It is the most dramatic action taken by any of the large American corporations implicated in political funding scandals in the last few years.

Gulf is the nation's seventh largest corporation, with sales of more than $16 billion a year and more than 50,000 employees around the world. It is the largest company that has become enmeshed in such a scandal. And its illegal domestic political activity is the most widespread yet to be revealed.

A 298-page report on Gulf political payments, required under the terms of a lawsuit by the Securities and Exchange Commission, chronicled a 14-year pattern of clandestine maneuvering in the United States and overseas. It involves the expenditure of more than $12 million in corporate money, much of it funneled through a secret fund in the Bahamas.

The report was prepared by a committee consisting of two of Gulf's outside (non-management) directors. It was headed by John J. McCloy, the well-known New York lawyer, who is not a director.

Gulf's directors reportedly began their deliberations at 4 o'clock Monday afternoon with a briefing by Mr. McCloy, fol-

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lowed by a question-and-answer session.

The meeting recessed about 11 P.M., and the directors reconvened at 9 o'clock the next morning.

There was no indication from the board precisely how many directors favored removing Mr. Dorsey.

In addition to Mr. Dorsey and Mr. Brockett, there are three other Gulf executives on the 13-member board. They are James E. Lee, 54, Gulf's president; Z. D. Bonner, 56, chairman of one of Gulf's major division, and Edward B. Walker 3d, 54, president of another major division.

Some Gulf officials had considered these three executives to be possible contenders for the chairman's job. However, one director said the decision to name Jerry McAfee, president of Gulf's Canadian affiliate, as Gulf's new chairman was far easier than the decision to oust Mr. Dorsey.

In addition to Mr. Dorsey, the two other executives whose resignations were sought and received were Fred Deering, Gulf's 51-year-old senior vice president for finance, and William L. Henry, 50, president of a major Gulf division.

Herbert C. Manning, a vice president, resigned as an officer, but the board said he would remain as an employee assigned to new duties.

Gulf's board of directors said that Mr. Dorsey's resignation would be effective at noon today. His successor, Mr. McAfee, in addition to being named chairman and chief executive, was also elected a director of Gulf. Mr. Dorsey is leaving the board, according to a company spokesman.