This proxy statement is furnished in connection with the solicitation of proxies for four proposals that will be presented at the annual meeting of shareholders of the Gulf Oil Corporation (Gulf) to be held on April 27, 1971, in Atlanta, Georgia. The proposals were submitted to the management of Gulf by shareholders Timothy H. Smith, owner of 5 shares, David W. Robinson, Jr., owner of 200 shares, and Wilbur K. Cox, Jr., owner of 2 shares, acting on behalf of the Southern Africa Task Force of the United Presbyterian Church in the U.S.A. (the Task Force). The Task Force was established by the 1969 General Assembly of the United Presbyterian Church in the U.S.A. to coordinate the programs and concerns of the church regarding racism, colonialism and apartheid in Southern Africa.

(The term "colonialism" as referred to in this document means control by one power over a dependent area or people thus prohibiting self-government. Apartheid is herein used to describe a policy of segregation and political and economic discrimination against non-European groups in the Republic of South Africa.)

The proposals will be included in the Corporation's proxy statement which will be furnished to each shareholder. Each shareholder may vote for the proposals on the Corporation's proxy. No separate form of proxy is furnished with this statement.

The solicitation of proxies is being conducted by the sponsors of the resolutions and by the Project on Corporate Responsibility, Inc. (Project), a non-profit corporation organized under the laws of the District of Columbia. The Directors of the Project are Philip C. Sorenson (chairman), Geoffrey Cowan, Marian Wright Edelman, John C. Esposito, Susan W. Gross, Harry Hugue, Philip W. Moore, Joseph N. Onek, and Donald E. Schwartz. The Project on Corporate Responsibility has designated Steven A. Bookshester and Patricia B. Neimore to solicit proxies under the name Gulf Angola Project.

The text of each of the proposals is contained in the Appendix to this proxy statement.

PURPOSE OF SOLICITATION

Introduction

The Task Force on Southern Africa has long had as one of its major concerns the social and political implications of American corporate investment in areas of Africa still under colonial or minority rule. Specifically, the Task Force believes that the presence of the Gulf Oil Corporation as the largest U.S. investor (although not the only international oil company) in Portugal's African colonies contributes directly to the suppression of the aspirations to self-government of the more than 13 million people in these territories. Gulf actively abets the maintenance of the last major colonial empire in several ways:

- Economically: Gulf payments to the Portuguese regime in Angola represent a significant percentage of the Angolan military budget.
- Politically: Gulf oil discoveries constitute an incentive for continued Portuguese occupation.
- Militarily: Gulf oil is an indispensable strategic material to the Portuguese Army, whose 130,000 troops forcibly preserve colonialism in Portuguese Africa.

For these reasons, the Task Force solicits proxies for the four resolutions explained and set forth in this proxy statement. The general purpose of these proposals is to make Gulf a more socially responsible corporation, and specifically to have Gulf withdraw from Portuguese colonial Africa. This withdrawal might involve an economic loss for Gulf and its shareholders. We believe, however, that exploitation of the natural resources of a country for the benefit of others, and the support of colonialism, are socially irresponsible. The Task Force feels a responsibility to try to change such policies. We do not argue that Gulf has been a partner in creating this colonial situation but simply that its present investment helps perpetuate it.

Portuguese Colonialism

Portugal today stands as an international anachronism ruling the last old-style colonial empire left in the world. Her African empire has a
500 year old history characterized by a master/servant relationship. Since 1961, African independence movements have been challenging Portuguese control by armed rebellion, much as American patriots in the 1770's revolted against overseas political control and exploitation.

Typical of the cruelty and exploitation throughout the history of Portuguese colonialism is the slave trade, which, until the 1830's, extracted 3 million slaves from Angola. The slave system was replaced by the use of forced labor, finally abolished in 1960, which pressured Africans to work on Portuguese farms and in Portuguese industries.

African culture and traditions were treated with scorn by the Portuguese. After fighting broke out in March 1961, Portugal announced various reform measures. However, a number of the announced reforms have not been fully implemented and some are essentially meaningless. For example, all Africans were granted Portuguese citizenship, but, since the Portuguese franchise is dependent on literacy, the benefits of citizenship are limited, at best. Furthermore, while racial discrimination is not enforced by law as in South Africa, Africans have been assigned de facto to be hewers of wood and drawers of water, while the Portuguese benefit from their labor and the resources of the colony.

Africans in the colonies of Angola, Mozambique and Guinea Bissau face conditions of poverty, illiteracy and exploitation of labor. The only political party is the União Nacional. Political opposition in the colonies is crushed by censorship, restricted voting rights, severe limitations on union activity and a highly effective secret police force, the Polícia Internacional e de Defesa do Estado (PIDE). The PIDE "exploit their prerogative to detain anyone in prison for six months without charge or trial by releasing him after that period and re-arresting him as soon as he steps outside the prison gate. There is no record of a judge going against the decisions of the PIDE."

The African Response

The response in all the colonies has been the decision by African nationalists during the 1960's to take up arms to bring about independence and self-determination to their land. In Guinea Bissau, the African Party for the Independence of Guinea and Cape Verde (PAIGG), the African liberation movement, controls approximately three-fifths of the small West African colony, and in Mozambique, the Mozambique Liberation Front (FRELIMO) has been estimated to control one-fifth of the colony. In Angola, the Peoples' Movement for the Liberation of Angola (MPLA), one of the more successful movements pushing for self-government, reportedly is active in more than half the districts of the colony. (As used here, "control" indicates the establishment of a governmental infrastructure and the provision of certain health, education and welfare services to the local population.)

Portugal's Reaction

Prior to 1961, Portugal maintained "only a few thousand troops" in the African colonies. Following the outbreak of fighting, troop strength was increased to 130,000. Slightly more than one-third of this increase occurred soon after the 1961 Angolan fighting, with the remainder taking place over the decade as the fighting spread. In 1968, more than 48% of Portugal's general government expenditure went for defense. Portugal is a poor country and these wars place a tremendous strain on her economy. This is one factor that forced her to open her African colonies to foreign investment in the mid-60's. Such investment has provided capital and foreign exchange. It also brought with it the vested interest of Western companies in the maintenance of Portuguese colonialism.

Gulf's Involvement

Gulf's operation in Portuguese Africa is now entirely confined to the Angolan region of Cabinda; exploration ventures in Mozambique were terminated in November 1970.

Cabinda was the site in 1968 of an important oil strike by Cabinda Gulf Oil Company, which has been described in official statements of the Corporation both as a wholly-owned subsidiary and as an 80%-owned subsidiary of the Gulf Oil Corporation. Cabinda Gulf has been exploring a 10,000 square kilometer concession on and off the shore of Cabinda since 1954, although production did not begin until 1968. The area has reserves estimated at 300 million tons of crude oil.

By 1969, Gulf had invested $130 million, with $76 million more planned for an expansion program. Production in 1970 averaged approximately 84,700 barrels per day (bbpd). The goal is to reach 150,000 bbdp. Thus Cabinda Gulf has the potential of being the fourth largest oil producer in Africa. To Gulf, Cabinda is seen as a "major growth area" in which the company has invested huge amounts to construct a petroleum port, storage park and a telecommunications facility.

Gulf's involvement supports the colonial system in several ways. First, its payments to the Portuguese and to their Angolan Provincial Government are a significant source of revenue. The Portuguese share of Gulf's Cabinda oil revenue comes from surface rent, income tax (50% on Gulf's net profit), royalties and the like. In 1968, when Portugal was faced with escalation of its colonial war on all fronts - Angola, Mozambique and Guinea Bissau - Gulf and Portugal signed a new concession agreement. Portugal's financial resources were stretched - and Gulf proved a reliable source for new tax money. The 1968 agreement provided for some payments to be made in advance of their anticipated due date. Under this agreement Gulf paid $11 million in 1969, and will have paid over $5 million for 1970.
Second, the oil Gulf is extracting from Cabinda is a crucial strategic material and Portugal has the right to buy a significant percentage of that oil. Additionally in time of war, Portugal reserves the right to buy the totality of production. The Governor-General of Angola, Rebocho Vaz, has stated, "... [(i)n the mechanised wars of our times, its oil's] 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 war, and machines cannot move without fuel. Hence, the valuable support of Angolan oils for our armed forces."]

Third, Gulf oil - which replaces oil formerly imported and paid for with hard currency - as well as the payments mentioned above, are a significant source of foreign exchange which Portugal can use to pay for her colonial wars.

Fourth, the Portuguese government requires that all contracts with foreign investors stipulate allocations for construction of military barracks and payments for the defense of "national property." In return, the Portuguese government, fearful of jeopardizing an important source of oil and revenue, has contracted to "undertake such measures as may be necessary to ensure that the Company may carry out its operations freely and efficiently... including such measures as may be necessary to prevent third parties from interfering with the Company's free exercise of its contractual rights." In short, Gulf has a military agreement with the Portuguese to protect its operations from the very African people who are fighting for independence and who deserve the benefits of Angola's resources.

Finally, Gulf's close business relationship with the Portuguese government has created a natural vested interest in Portugal's colonial policy. For instance, Gulf officials explain that they have developed a cordial relationship with Portugal over the years, which they do not wish to jeopardize. Gulf statements tend to portray Portugal's colonial policy in a favorable light. And, Gulf's discoveries and production of oil in Angola are an added incentive to Portugal's determination to hold onto her oil-rich colony at any cost.

**Gulf's Social Responsibility**

B. R. Dorsey, the president of Gulf, pointed out in a speech on November 5, 1970 at the Columbia Graduate School of Business that "...business has a responsibility to society that transcends the traditional business purpose of making money. This responsibility is to preserve the natural environment, and to do whatever can be done to enhance the social environment... (M)aximum financial gain, the historical number one objective of business, today drops to second place whenever it conflicts with the well-being of society. The first responsibility of business, then, is to operate for the well-being of society."

We believe Mr. Dorsey's words apply to the long range well-being of African inhabitants of Portugal's colonies.

If Gulf Oil Corporation were to sever its ties and withdraw its support from colonially controlled Portuguese Africa it would set a valuable precedent for social responsibility among multinational corporations. Gulf would dramatically display its concern for ridding Africa of colonialism.

The Task Force believes that the shareholders of the Gulf Oil Corporation have a moral obligation to press their Corporation to desist from such involvement regardless of the actions of other international oil companies. The question for each shareholder to answer is whether he wishes his Corporation - his invested funds - to continue to support the Portuguese colonial regime.

The Task Force therefore proposes the following four resolutions for shareholder consideration:

1. To establish a Committee to examine Gulf 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.

PROPOSAL #1
To Establish a Committee to Examine Gulf Involvement in Portuguese Africa

Proxies are solicited in support of the establishment of a committee to study and report on the full implications of Gulf's involvement in Portuguese Africa. The text of the proposal is set forth in the Appendix.

The committee would report to the shareholders the complete details of the relationship between the Corporation and the Portuguese, and the extent of the Corporation's contribution to maintaining Portuguese colonial control. Also, the committee would ascertain the degree to which that involvement may damage the Corporation's reputation nationally and internationally and endanger the shareholders' investment in Gulf when the peoples of Angola gain independence from the Portuguese and consider the confiscation of Gulf's holdings there.

The Task Force believes that Gulf management has failed to take adequate account of the adverse impact of its investment on the process of decolonization of this territory, and has not adequately considered the effect of its Angolan activities on the international goodwill of the Corporation in the non-white nations of the world. The inhabitants of these nations make up two-thirds of the world's population, and hence of its potential petroleum market. Their concern with activities such as those of Gulf, which help maintain colonial oppression of blacks in Africa, is therefore of corporate interest. The Corporation's operations in Angola may also harm its image in the United States, where citizens - particularly the young - are increasingly concerned about corporate activities that may have oppressive effects on human rights and liberties.
In order that the study be thorough and impartial, the committee should be comprised of a broad variety of groups with a definite interest and concern in the current operations and future potential of the Gulf Oil Corporation both in the United States and abroad. Therefore the Task Force proposes that committee membership include, but not be limited to, representatives of the Corporation, the directly affected African independence movement (MPLA of Angola and FRELIMO of Mozambique), the small shareholders, labor, religious organizations and black community organizations.

PROPOSAL #2
To Provide for Disclosure of Charitable Gifts

Proxies are solicited in support of an amendment to the By-laws that would require the disclosure of all charitable gifts made by the Corporation in Gulf’s annual report. The text of the proposal is set forth in the Appendix.

This proposal would not limit the amount of charitable contributions made by the Corporation, nor would it reduce the discretion of the Board to make gifts to charitable organizations. It would, however, better enable the shareholders to evaluate the performance of management in discharging its duties to the Corporation and to the shareholders. The Task Force believes simply that shareholders’ direct financial investment in the Corporation entitles them to know how their money is used and the results its use is promoting.

The Task Force believes that through its gifts to charities, the Corporation may be supporting various practices with which shareholders may disagree, and to which they should be able to respond in adequate discussion at shareholder meetings. For example, in 1969, Gulf made, and proudly points to, a special contribution of $70,000 to the Mining Development Fund for the alleged purpose of supplying "technical training" to the people of Angola. This fund is administered from Lisbon by the Portuguese.

The benefit of this contribution to native Angolans is therefore open to doubt. The facts should be subject to shareholder scrutiny. Then, if shareholders believe that such contributions help thwart the movement toward independence of the people of Angola, they might wish to recommend that Gulf also make charitable contributions to the medical and welfare programs of independence movements in the Portuguese colonies.

PROPOSAL #3
To Enlarge the Board of Directors

Proxies are solicited in support of an amendment to the By-laws which would enlarge the Board of Directors from the present minimum of five to a minimum of 25, would provide that 10 directors need not be shareholders and would give shareholders, rather than Directors, authority to increase the size of the Board. The text of the proposal is set forth in the Appendix.

The activities of a huge multinational corporation such as Gulf affect the lives and interests of millions of people, both in the United States and throughout the world: its employees; the people who live in the states, nations and territories where the corporation operates; the consumers of its products; those who, as merchants and dealers, supply the corporation with its needs and sell its products to others; and the public at large who are affected by the individual and industrial consumption of the corporate product. The Task Force believes that the Board should be broadly representative of the Corporation’s diverse constituencies. To achieve this, the Board’s size should be increased and non-shareholders should be allowed to serve as Directors.

The Task Force believes, for example, that since Gulf’s investment in Angola directly affects the future of millions of Africans, it would be appropriate and in fact highly desirable for a representative of Angola’s major independence movement, MPLA, to sit on the Board. Such a representative would bring to the Board a true reflection of the needs and aspirations of the people of Angola, one that is not presently available to Gulf through its dealings with the Portuguese government.

There is, of course, no certainty that the adoption of this proposal to enlarge the Board would assure a significantly different composition. However it provides an opportunity to achieve this goal.

The Board now has 11 Directors. A Board with a minimum of 25 Directors would not be unusually large for a corporation the size of Gulf. Many such corporations now have boards of 20 or more directors.

The inclusion of non-shareholders on the Board is not an extraordinary proposal. Many corporations do not require that directors be shareholders. Non-shareholders may bring to the Board fresh points of view not influenced by a financial stake in corporate policy.

The Task Force believes that the size of the Board should be determined, not by the Directors themselves, but by the shareholders. The Board makes decisions of vital social significance. For shareholders to have more control over these decisions they should have exclusive control over the number of Directors on the Board. They can increase the number to add Directors who will reflect their views. And the Board would no longer be able to increase or decrease the numbers and thereby frustrate shareholder impact.

PROPOSAL #4
To Amend the Corporation Charter to Exclude Investments in Colonially-Ruled Areas

Proxies are solicited in support of an amendment to the Corporate charter which provides that Gulf may not maintain any investment in facilities for the production, refining, or distribution of crude petroleum or petroleum products in colonial areas such as Mozambique and Angola. Since the 1950’s, one of the vital areas of international concern as reflected in United Nations resolutions has been freedom and independence for people under colonial rule.
We have already explained specifically (Purpose of Solicitation) why we believe Gulf operations are an important supporter of the Portuguese colonial system. Since colonialism is declining in the modern world, the adoption of this resolution would not seriously impede the Corporation's exploration activities. The text of the proposal is set forth in the Appendix.

Portugal is the last colonial power in Africa, and publicly declares her intention to keep Angola, Mozambique, and Guinea-Bissau in colonial status indefinitely, despite the desires of their African populations to be independent and the opposition of organizations like the United Nations.

The Task Force believes that a corporation's business activities must reflect fundamental social values.

The Task Force therefore urges that the Corporation wind up all operations in Angola in an orderly manner.

MISCELLANEOUS

The Task Force will not distribute its proxy statement to all the shareholders of the Corporation since it does not have sufficient funds to do so. The Task Force's proposals, with short supporting statements will be communicated to all shareholders by incorporation in the Corporation's proxy statement. The Task Force does intend to communicate with such institutional holders of the Corporation's stock as churches and universities, as well as other influential and concerned holders, in advance of any solicitation of proxies through the Corporation's proxy statement, and for those purposes it will deliver its proxy statement to those solicited.

Shareholders may attend the meeting and vote their shares in person. Any person giving a proxy may revoke it any time prior to its exercise by giving notice of revocation to the Secretary of the Corporation or by executing and returning a later dated proxy. Each share is entitled to one vote.

According to the Gulf Oil Corporation 1970 Annual Report, the number of shares outstanding is 207,596,000. The record date for shareholders was the close of business on February 26, 1971.

The cost of the solicitation will be borne by the Task Force which expects to obtain additional funds from contributions by shareholders and other persons interested in the questions presented. As previously mentioned, the Project on Corporate Responsibility is assisting the Task Force in the solicitation of proxies. Solicitation will be done through mailings and personal contacts. The cost of the personal solicitation is not known but is expected not to exceed $3,000. The Task Force has agreed to reimburse the Project for the costs of mailing, telephone, office expenses and the employment of two additional office personnel. The soliciting committee of the Project will be called the Gulf Angola Project.

FOOTNOTES


3. Background Information Re: Resolution Passed at the Seventh Annual Meeting of the Corpo­ rate Church of Christ, Columbus, Ohio Conference, November 1970).


10. Department of State Background Note — Angola, op. cit., p. 4.


12. Ibid., p. 136.

13. See, for example, Department of State Background Note — Angola, op. cit., p. 4, col. 2, parag. 5, and also Abshire, op. cit., pp. 170-171.

14. Ibid.

15. Department of State Background Note — Angola, op. cit., p. 3, col. 1, parag. 1.

16. Ibid., p. 3, col. 2, parag. 5.


20. See, for example, Report on Portuguese Guinea and the Liberation Movement, Hear­ ning before the Subcommittee on Africa of the Committee on Foreign Affairs, House of Representatives, 91st Congress, 2nd Session, p. 4. (Testimony of Amilcar Cabral, Secretary-General, African Party for the Independence of Guinea and Cape Verde—PAIGC).


22. Interview with Dr. Agostinho Neto, by K. Hussein, in Metoice, February 1971 (Nash­ ville, Tenn.).


24. Ibid., p. 410.


26. Portugal, OECD Economic Survey (Paris, July 1970) p. 24 (Derived from gross fig­ ures) This is the most recent reliable figure available to the Task Force.


30. Ibid.


35. Abshire, op. cit., p. 298 (using tons as a measure of crude reserves, citing "company releases"; use of tons to describe re­ serves is also exemplified in Abshire, p. 299, citing Banco de Angola, Relatorio e contas­ exercicio de 1966 (Lisbon, 1967).


38. Abshire, op. cit., p. 298.
PROPOSAL NO. 3

Enlarging the Board of Directors

BE IT RESOLVED, that Article II, section 1 of the Bylaws which presently provides "number and term of office. The Board of Directors shall consist of not less than five members, each of whom must at all times be a Shareholder in the Corporation. The Board of Directors shall have authority to increase or decrease the number of Directors of the Corporation from time to time without a vote of the Shareholders," and which leaves to the Board alone the power to increase or decrease the number of Directors, be amended to read as follows:

"Section 1. Number and Term of Office. The Board of Directors shall consist of not less than twenty-five (25) members, of whom at least fifteen (15) must at all times be a Shareholder in the Corporation. The Shareholders at the annual meeting shall have authority to increase or decrease the number of Directors without amending these Bylaws."

PROPOSAL NO. 4

Amending the Corporate Charter to Exclude Investment in Colonial-Ruled Areas

BE IT RESOLVED, that Article 2.d of the Articles of Incorporation of the Corporation, which states the Corporation's lawful purposes, be amended by adding thereto, at the end thereof, the following:

"Provided, that the Corporation shall neither make nor maintain any investment in facilities for the production, refining or distribution of crude petroleum or petroleum products or any other investment whatsoever, in territories under and so long as they are under colonial rule, including the territories of Angola and Mozambique."

APPENDIX

Text of Proposals

PROPOSAL NO. 1

Establishment of a Committee to Study the Corporation's Involvement in Portuguese Africa

BE IT RESOLVED, that the shareholders of Gulf Oil Corporation recommend to the Board of Directors of Gulf Oil Corporation that the Board establish, pursuant to Article III, section 9 of the Bylaws of the Corporation, a Committee, to be named the Study Committee on Gulf Involvement in the Portuguese Colonies, to have the following functions, structure and duties:

1. The Committee shall study and investigate (a) the relationship between the Corporation and the Portuguese government with regard to the Corporation's operations in Angola and Mozambique, payments to the Portuguese government for military protection provided by the Portuguese for the Corporation's operations, (b) the extent to which the Corporation's investments in the Portuguese colonies of Angola and Mozambique are contributing to the maintenance of Portuguese control of these territories, (c) the effect of Gulf's investment in Angola upon stockholder investment, customer goodwill, and the good reputation of Gulf Oil Corporation internationally, (d) the possibility of future losses to Gulf stockholders if the Cabinda oil fields were to be nationalized upon independence.

2. The Committee shall consist of no less than 15 and no more than 20 persons to be appointed by the Board of Directors. The members of the Committee shall include representatives of Gulf Oil Corporation, representatives of the African independence movements MPLA of Angola and FRELIMO of Mozambique, small shareholders, labor, religious organizations and black community organizations.

3. The Committee shall prepare recommendations and report to the Board and to the shareholders at the next annual meeting in April, 1972.

PROPOSAL NO. 2

Disclosure of Corporate Charitable Gifts

BE IT RESOLVED, that Article XI of the Bylaws of the Corporation, which presently provides "the Corporation shall have the power to make contributions and donations for the public welfare or for religious, charitable, scientific, or educational purposes," and which fails to provide for reporting of such contributions to the shareholders, be amended by adding thereto the following sentence:

"The amount, date and recipient of each and every such contribution shall be disclosed to the shareholders in the Corporation's annual report."

PROPOSAL NO. 3

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50M/1971 Litho. in U.S.A.