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12/27/75

~~THE~~ PRESIDENT HAS SEEN...

THE WASHINGTON POST, SATURDAY, DECEMBER 27, 1975

need for "this balance. They recognize that while Alaska is huge and rugged, it is also delicate and fragile. Growing seasons are short, and the tundra—the ground cover of the far North—is easily destroyed. Fish and game are already disappearing from the margins around civilization's outposts. The native populations which have lived as part of the ecology for a thousand years are seeing their culture threatened and their food supplies reduced.

The Hammond Administration is looking to the Haul Road as a test of its power to control the pace and direction of Alaska's development. When the Haul Road is finally turned over to the state—there are many options. They can keep it closed to the public (the high cost of maintenance and repair, the drain on fuel and other resources are sufficient justifications to bar public traffic). Or they can impose a toll high enough to keep most vehicles off the road. Or they can open it for only a short season and monitor carefully off-road activities. Or they can convert it to a railroad right of way, as the Governor has suggested.

No decision has been reached, but the questions are being asked. As Commissioner of Transportation Parker says, "The symbolism of the Haul Road is most important. It is the first time any Alaskan administration has asked: 'Is there any question about opening up a road to public use?' It is the first time an Alaskan administration has attempted to slow down and balance that drive and determination to rush headlong into the future which has been so strong in an element in our history and in our national character.

"It takes 25 years for a trout to grow to 10 pounds in Alaska," says Sam Wright, author and philosopher who lives year round in the Brooks Range north of the Yukon. "Things move slowly here. Everything is in delicate balance. Alaska is a touchstone, a rare jewel left in the world. But to touch it too hard is to shatter it. Alaska is one of the few places left in the world where we can demonstrate that we can deal successfully with our environment. That's well worth proving to ourselves as a species—not simply as Americans."

way we are going," he says, "I think we are turning the 1976 presidential election over to the Democrats."

The moderate-progressives number only about one-third of the 38 Republicans in the Senate, but, more importantly, they represent the big industrial states which can deliver 187 of the 270 electoral votes needed to win the Presidency. The moderates simply don't see how the party can ever capture Congress or retain the Presidency without winning some of these states.

Sen. Percy of Illinois says, "A Reagan nomination, and the crushing defeat likely to follow, could signal the beginning of the end for our party as an effective force in American political life." Reagan's answer is that the party is already so moribund that a presidential contest "might restore some life to the party."

For campaign purposes, however, Sen. William Brock (R-Tenn.) put his finger on the party's chief problem in establishing a positive image. "If you ask me what the Republican Party stands for today," he said, "I'd have to say I honestly don't know."

Los Angeles Times

that his party's left and his party's right think of him as persuadable. His defect, in a national election, might be that he worked too hard to find a scapegoat on which to lay the blame for Richard Nixon's

whether or not to let their nomination go to Reagan, by default. As Gerald Ford becomes more and more of a joke, why shouldn't they turn to a serious man?

Los Angeles Times

Rowland Evans and Robert Novak

Procrastination on The Energy Bill

William Simon, Secretary of the Treasury, in a highly confidential memorandum Dec. 8 forcefully pleaded for a veto of the energy bill—both reflecting and adding to the ill effects of President Ford's month-long delay before his probably inescapable approval of the compromise.

Mr. Ford's signature, continuing oil price controls, suggests he is no political high roller but a true son of Congress inclined to the most cautious route. In addition, it reveals that he is susceptible to the majority opinion of his advisers, is more concerned with broad political impact than high-pressure lobbying, is clearly no ideologue.

But what preceded his signing the bill Dec. 22 also underscores one of Mr. Ford's most serious weaknesses: agonizing procrastination. This indecision generated much veto agitation of its own—including Simon's polemical memo—guaranteeing a measurably worse reaction than if he had acted four weeks earlier.

Actually, Mr. Ford months ago painted himself into a corner on energy by taking a hard public line for oil decontrol while privately encouraging Federal Energy Administrator Frank Zarb to compromise with Congress for the best bill possible.

But so long as the President was going to take Zarb's advice and approve the compromise, he would have cut losses by announcing he would sign the compromise bill once its language was set late in November. Simon, though a fierce bureaucratic infighter and bitter foe of controls, had always been pessimistic about chances for a Ford veto. In the absence of any public word by Mr. Ford, however, he continued to lobby. His full argument was contained in the Dec. 8 memo to the President.

Simon was characteristically blunt. The bill would undermine the President's policy, he said, "by increasing our vulnerability to (OPEC) interruption and price escalation" through decreased domestic production and increased imports of "at least" one million barrels a day.

"The bill postpones the inevitable decision on price decontrol," Simon told the President. "Postponing decontrol will merely entrench the vested interests created by economic distortions resulting from controls and continue extensive controls over the petroleum industry contrary to your general policy to minimize governmental interference in the private sector of the economy."

This strong language was not restricted to the President's ears but circulated through Washington when a preliminary Simon draft (quoted above) leaked to Capitol Hill. Lacking a full appreciation of how the Ford administration functions, it might be assumed the Secretary of the Treasury would not ventilate such sentiments without strong indications the bill would be vetoed.

Such suspicions were heightened when Vice President Rockefeller, on his endless trips about the country, began publicly denouncing the bill on the President's desk. Federal Energy Administration (FEA) officials were outraged. Rockefeller's complaint, Zarb grumbled in private, was that the bill did not contain a huge federal handout to industry. But with the President silent, the Vice President was not muzzled.

What truly incensed Zarb, however, was that White House indecision encouraged mounting political pressure in the oil states. Word drifted into Washington that Robert A. Mosbacher, the Houston investment broker in charge of Ford campaign fund-raising, was suggesting to oil magnates that contributions to the President might just influence his decision.

Thus were false expectations of a veto aroused in Washington. One high-priced oil industry lobbyist with superb ad-

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ministration connections became convinced by Dec. 17 that a veto was imminent. After the President gave no hint whatever of his feelings during a Cabinet-level discussion of the bill on Dec. 19, gloomy officials in the FEA thought they had lost.

Political considerations were not discussed at the Dec. 19 meeting. But inside the White House, the President was advised the short-term impact of signing the bill would help Ronald Reagan's challenge for the nomination. Nevertheless, two of Mr. Ford's closest political associates—counselor Robert T. Hartmann and Commerce Secretary Rogers Morton—came down marginally against a veto which would enable the President's Democratic foes to paint him as captive of the oil industry and blame rising gasoline prices on him.

Such advice probably augmented the President's natural inclination to support Zarb, his chosen lieutenant for energy, and his failure to share Simon's zeal for deregulating American industry. Had Mr. Ford followed his instincts a month earlier, the political damage would have been diminished at a time the President cannot endure more erosion of his strength.

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B/S

Received from Dick Cheney's office
on 9/6/76 --- no action needed at that time.

G. B. Fry