

The original documents are located in Box 17, folder “Nominations - Andrew Gibson and Leonard Walentynowicz” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE
WASHINGTON

September 24, 1974

MEMORANDUM FOR THE PRESIDENT

THROUGH: GENERAL ALEXANDER HAIG
FROM: DAVID J. WIMER *Schulhoff to Wimer*
SUBJECT: Administrator of the State Department
Bureau of Security and Consular
Affairs: the Retention of Barbara
M. Watson and the Nomination
of Leonard F. Walentynowicz

This memorandum seeks to confirm your decision with respect to Barbara Watson and Leonard Walentynowicz.

It is my understanding that it is your decision to (1) retain Barbara Watson at the State Department until December ³¹, 1974 (Tab A), at which time her resignation will be effective, and (2) to support the nomination of Walentynowicz immediately upon Watson's effective resignation in December.

_____ Approve

_____ Disapprove

Attachment: Tab A

cc: Robert Hartmann ✓



T
A
B
A

THE WHITE HOUSE
WASHINGTON

September 4, 1974

TO: MR. ROBERT HARTMANN
FROM: STANLEY S. SCOTT
SPECIAL ASSISTANT
TO THE PRESIDENT

For your information.

Would like to discuss the
attached ASAF.

Attachment

DOVE BLOCKED

by at State



BARBARA WATSON

levels of the State Department, the maneuver was designed to oust Barbara M. Watson, administrator of the department's Bureau of Security and Consular Affairs. An appointee of President Lyndon B. Johnson and the highest-ranking black woman in the Foreign Service, she survived a Nixon administration bid to remove her from office last spring.

The latest attempt, apparently timed to coincide with her own vacation and with a congressional Labor Day recess which saw most of her Capitol Hill defenders out of town, was blocked at midday yesterday by Ford men at the White House.

No final decision about Miss Watson has been made, the White House disclosed shortly after noon yesterday. When the deci-

sion is reached, Ford himself will be responsible, officials declared.

EVEN WHILE that ruling was being imparted to a Star-News reporter yesterday, a top-ranking State Department official, Lawrence S. Eagleburger, executive assistant to Secretary of State Henry A. Kissinger, was advising the department press office that Miss Watson's ouster as of Sept. 30 should be announced at yesterday's noon briefing.

An attempt by the same faction to remove her at the end of last

month was thwarted Friday — just 24 hours before the deadline.

State Department officialdom has refused to discuss the case, except to deny that Kissinger, who has been vacationing in the Virgin Islands, took any serious interest in it.

But it was learned that Eagleburger, who is known in the State Department bureaucracy as Kissinger's "alter-ego" and who rarely initiates any policy moves himself, was acting in concert with Haig — a colleague at the National Security Council when Kissinger ran foreign policy from the White House and, more recently, former President Richard M. Nixon's chief of staff.

Haig has been the focus of persistent reports of friction between Nixon holdovers and the new Ford men. Most of these reports have concerned matters of style and personality, but the Watson case has been a cause celebre with the extreme right wing of the Republican party, itself already moving to question Ford. The case, therefore, has policy overtones.

WHILE STATE and White House officials have been reluctant to confirm details of the case, the subject herself, in a communique in Marthas Vineyard, has refused outright to discuss

See WATSON, A-6

Can stay until Dec 1, 1974 -

THE WHITE HOUSE

WASHINGTON

November 7, 1974

MEMORANDUM FOR: RON NESSEN

FROM: BILL ROBERTS

SUBJECT: Andrew Gibson Appointment

- Q. There have been some serious conflict-of-interest questions reported concerning the nomination of Andrew Gibson to be Federal Energy Administrator. Is the White House considering withdrawing Mr. Gibson's nomination?
- A. The President intends to submit a number of nominations, including Mr. Gibson's, to the Senate when the recess concludes.
- Q. You mean the President is ignoring these questions?
- A. ~~No~~, The confirmation procedure permits the Senate to determine the facts in such situations. (We expect Senate approval).

FYI ONLY: The conflict-of-interest questions seem to be more of appearance than fact. However, apparently the Administration was not aware of the \$1 million severance contract, nor of the subsidy for Cities Service when the appointment was made. Cities Service was among the U.S. shipping firms certified by the Maritime Administration to receive subsidies for shipping U.S. grain to Russia. The contract was awarded in January, 1973, the month Gibson left the Commerce Department to join Interstate. However, at that time he was Assistant Secretary for Domestic and International Affairs, and did not have the Maritime Administration under his supervision. The same month Gibson left as President of Interstate -- May, 1974 -- Interstate merged with Cities Service.



The other conflict of interest charge comes in the award of a \$90.6 million dollar subsidy to a group of companies, including Interstate to build 3 supertankers. The award was made while Gibson was still officially Administrator of the Maritime Administration, but the Administration says he took no part in the decision. He disassociated from the Maritime Subsidy Board, which makes the decision, from May 10, 1972, until leaving to become Commerce Department Assistant Secretary

The Subsidy Board awarded the subsidy to the shipbuilders on June 29 or 30 of 1972.

