

ENERGY

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Doubts About Gibson

Two weeks ago, President Ford confidently introduced Andrew E. Gibson, 52, to newsmen as his choice to become federal energy administrator at year's end. But last week the White House announced with great embarrassment that it was holding up Gibson's formal nomination while the FBI checked more thoroughly into his background as a corporate executive and former head of the U.S. Maritime Administration. Presi-



TROUBLED ANDREW E. GIBSON
Too hastily chosen.

dential Press Secretary Ron Nessen explained lamely that the nomination had been decided on hastily (Ford had just forced John C. Sawhill's resignation as FEA chief), without time to conduct the usual investigation.

It was a startling admission, brought on largely by press inquiries. Rumors about the little-known Gibson's ties to the oil-shipping industry had been circulating in Washington since his selection, and they surfaced last week in a detailed article in the *Wall Street Journal*. The gist of the story:

A freighter captain when he was only 22, Gibson later became a senior vice president of Grace Lines, then worked briefly for an international consulting firm before being appointed head of the Maritime Administration in 1969. In that post, he helped to draft legislation that made more U.S. shipbuilders eligible for Government subsidies.

Disputed Implications. While still at the Maritime Administration, the *Journal* reported, Gibson was approached by and began negotiating for a job with Interstate Oil Transport Co., then a small barge and tug company. In early June 1972 he moved up to Assistant Secretary of Commerce, but he joined the Philadelphia-based Interstate as its president in January 1973. After only 16 months on the job, Gibson left Interstate last May in disagreement over its merger with a subsidiary of Cities Service Co., a big oil company. But Interstate had already agreed to buy out his contract if he left for \$1 million, payable over ten years. Under that agreement, he would still be receiving money from the company while he ran the FEA. Interstate gets all its revenue from oil companies—which the FEA regulates—and from utilities, for which its tankers carry petroleum. The company's impressive growth, the *Journal* suggests, is largely a result of subsidies and loan guarantees for tanker construction that it has received from the Maritime Administration that Gibson once headed; its sales now are around \$30 million a year.

Gibson concedes that the *Wall*

Street Journal story was "generally O.K." on the facts but disputes its implications. He did begin talking with Interstate about a job in May 1972 while still at the Maritime Administration, he told *TIME*. When those discussions began, he contends, he notified the Administration's subsidy-approval board that he was to see nothing concerning Interstate. Several weeks later, Interstate was one of three companies included in a \$90.6 million subsidy. But by then, Gibson says, he had decided to stay in the Government for a while as Assistant Commerce Secretary and had to all intents and purposes left the Maritime Administration at least three weeks before the subsidy came up.

Gibson denies that his ties to Interstate would influence the decisions about the oil and shipping industries that he would make at FEA and implies that his troubles are the result of Washington backbiting. "There are people in town who, for reasons best known to them, would like to cut my throat," he says. His problems illustrate the difficulties involved when the Government appoints to a regulatory agency a man from the industry that is regulated. Given the post-Watergate climate, some Senate aides think that the Senate will refuse to confirm Gibson's nomination—if it ever gets there.