

White House Says Ford Barred Resignation as Hathaway Entered Hospital

BY BEN A. FRANKLIN
Special to The New York Times

WASHINGTON, July 23—The White House confirmed today that the resignation of Secretary of the Interior Stanley K. Hathaway was tendered to President and rejected by President Ford on July 15, the day that Mr. Hathaway voluntarily entered the Naval Medical Center in Bethesda, Md., for rest and psychiatric treatment.

Although a White House spokesman reiterated today Mr. Ford's confidence in the 51-year-old Cabinet member's ability to return to work, questions about Mr. Hathaway's desire to stay in the post he has held for only five weeks were being raised by officials familiar with events in the Interior Department.

These officials said they believed that Mr. Hathaway, a former two-term Governor of Wyoming and a supporter of former President Nixon up until Mr. Nixon's resignation last August, had nonetheless been "shocked and dismayed" by White House policies "affecting his turf at Interior."

Asked to comment on the reports that Mr. Hathaway had been upset by White House political interference in his department, Ron Nessen, the President's press secretary, said tonight that "I know nothing to that effect."

Sam Marler, Mr. Hathaway's chief press spokesman, said today that a blood test at the Hospital on Monday disclosed that the Secretary also was suffering from "mild diabetes." Mr. Marler called that "treatable."

He said that Mr. Hathaway had asked on Monday that the discovery of diabetes not be reported immediately "so people will not say we were hedging" on the more important diagnosis of "mild depression." "He didn't want the diabetes to look like he was making excuses for the real reason he was in the hospital," the press spokesman said.

The Secretary's condition was otherwise described officially as "unchanged" today. A key figure in a Hathaway-White House encounter was said to be William S. Banowsky.

Dr. Banowsky, an ordained minister, is the 38-year-old president of Pepperdine College in Los Angeles and a one-time fund raiser for Ronald E. Reagan, the former California Governor whose potential candidacy as a conservative for the 1976 Republican Presidential nomination is a worry to Mr. Ford's re-election strategists.

Informed sources at the Interior Department said today, "The White House told Stan a week or so ago that he would have to take Banowsky as Under Secretary of Interior, to capture him from the Reagan camp." Dr. Banowsky had publicly endorsed Mr. Ford's candidacy in a statement with more than 40 other California Republicans on July 10.

Prefers Career Official

Secretary Hathaway, who strongly prefers another choice for the long-vacant Under Secretary's post—Deputy Under Secretary William W. Lyons, a career official—was described as "not happy at all" with the selection of Dr. Banowsky or the reasons for it. One Interior Department official

said the young college president was "being forced on him, even while he was in the hospital, until late yesterday, when Banowsky withdrew and it was announced that Hathaway was getting better."

According to an aide of Senator Mark O. Hatfield, Republican of Oregon who is a member of the Senate Interior Committee, which would have had to pass on Dr. Banowsky's nomination, "The guy [Dr. Banowsky] was up here on the Hill as late as yesterday afternoon, making courtesy calls on members of the Senate committee, when he suddenly canceled his remaining appointments and flew back to California. The word was that he was having faculty problems at Pepperdine."

Mr. Marler said tonight that the Banowsky matter "might have been one of many worries" on the Secretary's mind. "All I heard him say was years and recently have talked

that if Banowsky is the President's nominee, then that's O.K.," he said.

At Pepperdine College, Dr. Banowsky has been credited with raising some \$45-million in recent years from wealthy, conservative Californians. The young educator also is the California Republican National Committeeman.

His secretary read a statement to newsmen at Dr. Banowsky's office this afternoon saying he was not a candidate "for any government position." The statement did not directly challenge the accounts here of his formerly imminent nomination, however, Dr. Banowsky was described as "not in the office today" and not reachable by his secretary.

His statement said: "I have known and respected Gerry Ford for a number of years and recently have talked

with him about the challenges facing the nation's future. But he has not nominated me for any office, nor am I a candidate for any government position. "He and I both have a profound regard for the mission of independent higher education and I can best serve by continuing my work at Pepperdine University, which is what I will do."

Ford to Be At College

The statement also said, "We are very pleased to announce that President Ford will deliver a major address on education at Pepperdine in September to dedicate the Leonard K. Firestone Fieldhouse."

Mr. Firestone is a wealthy Californian who was one of President Nixon's chief West Coast fund raisers in 1972.

YOU + FRESH AIR FUND = FUN FOR KIDS AT CAMP