

Former Secretary of Commerce Scores

CONNOR OF ALLIED IS 'SHOCKED' BY IT

In Talk to Business Council,
He Says Decision 'Shakes'
Confidence in President

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Special to The New York Times

HOT SPRINGS, Va., May 8—

John T. Connor, chairman of the board of the Allied Chemical Corporation, said today that President Nixon's decision to send United States troops into Cambodia "shakes the confidence of many Americans in his judgment and intentions."

The President's action, Mr. Connor said, "will result in more widespread dissension in this country involving many other loyal citizens besides most of the young, the intellectuals and the blacks."

In a speech before the Business Council, most of whose members, like himself, are presidents or board chairmen of the nation's largest corporations, Mr. Connor said he was "shocked and stunned" by Mr. Nixon's move into Cambodia and the new bombing raids in North Vietnam.

The reception given Mr. Connor's remarks by his fellow executives was described as "polite" by Fred J. Borch, chairman of the board of the General Electric Company, who is chairman of the Business Council.

Stans at Meeting

Interviews with council members indicated that Mr. Connor's views were shared by a minority — probably a rather small minority.

But Mr. Connor has a record of reaching an opinion ahead of most other Business Council members and then finding his fellow executives supporting his view. In 1964, he was one of the first council members to decide to support Lyndon B. Johnson's bid for a full Presidential term and he was a major Johnson fund-raiser in the business community.

He referred to his 1964

SATURDAY, MAY 9, 1970

Move Into Cambodia

actions today, indicating that he had some regrets. Mr. Johnson's decision "to escalate the war, again and again," had many "tragic consequences," Mr. Connor said, adding:

"Thousands and thousands of lives have been lost or lost or ruined; our foreign relations have been jeopardized; serious social problems have been caused; our young people have become bitter, reckless and disillusioned, and disastrous inflation rages in the national economy, affecting us all."

Mr. Connor served President Johnson as Secretary of Commerce from late in 1965 through January, 1967. At the time of his departure, he was said to have been disgruntled over lack of influence of the Commerce Department on President Johnson. There was no indication that the war in Vietnam had anything to do with his leaving.

The current Secretary of Commerce, Maurice H. Stans, who was also at the Business Council meeting, spoke before Mr. Connor and asked the businessmen to support President Nixon on the war. His reception was also characterized by Mr. Borch of General Electric as "polite."

The Business Council, whose sessions are open only to members and invited guests, generally tries to avoid controversy and especially public controversy over the policies of the Government in any area. Mr. Connor's speech was, in that sense, especially unusual.

Mr. Connor said that he hoped President Nixon was right in his belief that the new military moves would shorten what the business leader

termed "this senseless war."

But he said he thought that "we should pull back and terminate these new offensive measures and continue our disengagement program quickly—before it is too late."

Mr. Connor spoke out at the Business Council, he said, because he had been asked to deliver a paper to his fellow business executives on the economic consequences to the United States of ending the direct involvement of American military forces in Vietnam.

Little Effect Seen

He said that he questioned whether this exercise was worthwhile, in view of the President's action, but then went on to predict that a pull-out would have relatively little effect on the American economy.

The reduction in purchases of defense goods that was scheduled for this year and next — before the Cambodian decision — amounted to less than 1 per cent of the nation's entire output, or gross national product, he said.

The economic effects of de-escalation, he said, could be "more serious" than he currently thinks, "if the present mild contraction in general business activity" fails to end in the latter half of this year, as is generally predicted.

Secretary Stans's appeal to

the businessmen to support the President was based, he said, largely on his belief that "the President and his close advisers are the only ones who have all the facts."

At a briefing for reporters after the Business Council session, Mr. Stans refused to say whether or not he agreed with Secretary of the Interior Walter J. Hickel that the Nixon Administration must establish

better communication with youthful Americans. Another Government official at the meeting, Russell E. Train, who is chairman of the Council on Environmental Quality, said that he did agree with that section of Mr. Hickel's letter to the President.

Other speakers at today's Business Council session included Edwin H. Gott, chairman of the board of the United States Steel Corporation, who said he thought "industry is doing more than anybody else" to combat pollution and that there should be "less finger-pointing" at business.

R. V. Hansberger, president of the Boise Cascade Corporation, suggested that courses be given in environmental protection "especially at the grade-school level."

"It would be a good way to teach intolerance of pollution," he said.