Connally Quits, Shultz Named

Texan Gives Nixon 'Complete Support'

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In a major surprise, President Nixon announced yesterday the resignation of John B. Connally as Secretary of the Treasury and the nomination of George P. Shultz, director of the Office of Management and Budget, as his successor.

The President named Caspar W. Weinberger, deputy director of OMB, to succeed Shultz.

The departure of the only Democrat from the Cabinet and the man on whom the President has increasingly depended for both domestic and foreign counsel, left Washington political circles with more questions than answers.

The President commended Connally in glowing terms, and Connally reciprocated with high praise of the President in a joint appearance in the White House news room.

The Treasury Secretary seemed to be at the height of his powers as a presidential adviser. He is known to have played a leading part in the recent presidential decisions on Vietnam. He has met with the President more often in recent weeks than any other Cabinet officer.

After the announcement, Mr. Nixon walked back to the Treasury with Connally, greeting scores of tourists on the way there and back.

Just two weeks ago at the Connally ranch in Texas, Mr. Nixon said the Treasury Secretary "is capable of holding any job in the United States that he would like to pursue."

Informed sources said Connally had made no decision whether to change his party affiliation from Democratic to Republican, but he clearly placed himself in the President's camp in this election year.

The President's domestic and foreign policies "have my complete support," he said at the White House.

Political observers speculated that Connally as an independent agent would be more effective as a presidential supporter than in the Cabinet, and equally available as a vice presidential nominee should the President decide to replace Vice President Agnew on the ticket.

To the question as to whether he would accept the vice presidential position, Connally replied with a less than Sherman-like statement:

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"I don't want to engage in that type of speculation at this point in time ... I have repeatedly said that I have no such aspirations. I don't think that event will occur.

"I don't think it makes any sense for me to speculate on what I think will not ever come to pass. So let's leave it at that."

The President said Connally had promised to serve in the Cabinet for one year when named in December, 1970. At the end of that year, he was engaged in international monetary negotiations and the President asked him to continue for another six months.

That time has now passed, the President said. Connally will remain in office until Shultz, a former Secretary of Labor, is confirmed by the Senate.

Moreover, Connally has agreed to "undertake some temporary assignments" in the future, the President said, adding that one of those assignments "will be announced after I return from Moscow."

"I have no political aspirations and no particular ambitions," Connally said. "I leave without any predetermined course of action on my part."

He added that he intended to relax after he leaves the Cabinet and did not expect to do much "until late summer or early fall. I assure you political considerations had nothing to do with my departure."

Nevertheless, Connally said that while he had no plans for the future "I am not going to withdraw from the human race, nor am I going to lose interest in political affairs in this nation or in my home state."

When his nomination to the Cabinet was announced in December 1970, it was widely believed that Mr. Nixon had gone a long way toward assuring strong Texas support for his reelection. Texas is a key state with 26 electoral votes, which the President lost to Hubert H. Humphrey in 1968.

Connally was named to the Treasury post to succeed David M. Kennedy, who was appointed Ambassador-at-large to work on international economic and monetary problems.

After the President's announcement, one Texas source close to the Secretary commented: "This is pure Connally. This job was pretty well in hand and he's looking for another. His ambitions are not necessarily political. He's going to be an elder statesman advising the President for a while. There are many things he can do and he will be in a position to take another assignment at any time."

Connally put it this way: "I recognize that there is always a problem left unsolved, but I have always, in public life, tried to maintain the attitude that I was not indispensable in any position, and that however many problems I might help solve that I would always leave some whenever I left."

He said he had nothing but "the profoundest admiration for the President," and added: "I do not know that I have ever worked with anyone who is more dedicated, more disciplined. . . . He is a man of tremendous capacity, tremendous ability, and even more courage."

The President said he and Connally had discussed his successor and "there was only one candidate who we thought really measured up to what was needed at this time.'

Shultz is "superbly qualified," Mr. Nixon said.

He called Weinberger "the natural successor" to Shultz. Weinberger is a former director of finance for the state of California and a long-time Nixon supporter. The President named him chairman of the Federal Trade Commission in 1969.

A native of San Francisco, he served in the State Assembly and as chairman of the Assembly Committee on Government organization.

Weinberger's appointment to head OMB does not require Senate confirmation, but Shultz's does, although he was confirmed three years ago as Secretary of Labor.

Chairman Russell B. Long (D-La.) said last night that the administration wants the nomination of Richard G. Kleindienst as Attorney General disposed of before the Senate acts on Shultz.

In making his announcement, the President remarked that he hoped Shultz would be "confirmed soon . . . sooner than some others that have been nominated. Otherwise, Secretary Connally will have another six months."