

# Connally, Hailed by Nixon, Reported to Look to 1976

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HOUSTON, March 4—Nine months after he left the Nixon Cabinet, John B. Connally is more than ever a prince of the rich Texas establishment—a rancher and real estate venturer and a sought-after lawyer and business counselor to some of the biggest bankers and oilmen in the state.

He is also reported to be on the verge of announcing his conversion to the Republican party—a sign, friends say, that the man who has everything he sought in private life is still a restless, unconventional politician, already planning to run for the Presidency in 1976.

George Christian, press secretary to Mr. Connally when he was the Democratic Governor of Texas in the mid-nineteen-sixties, says that the change of parties is "pretty close; it won't drag into the summer." Fred J. Agnich, the Republican national committeeman in Texas, says it will be official in "about two weeks."

Mr. Connally's political prospects and, indirectly, his private stature continue to feed on President Nixon's volubly high regard. At his new conference Friday, the President said there was "no better man" for special foreign missions than his former Treasury Secretary and captain of Democrats for Nixon in last year's campaign.

The President's remarks to reporters made it even more difficult than before to distinguish between Mr. Connally's public and private business. In Mr.

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Connally's recent travels. Mr. Nixon explained including trips to Saudi Arabia and London, he "has been traveling in his private capacity as an attorney, but he has, at my request, undertaken some informal discussions with leaders in various parts of the world."

In addition, Mr. Nixon continued, "he is studying the situation with regard to energy from the private sector, and is making recommendations to me and to our energy group."

In Houston, as in New York and Washington, outsiders can only guess at how Mr. Connally's relationship with the White House works. The copious public evidence of intimacy ranges from the President's estimate in January that Mr. Connally "could handle any job I can think of in this country or in the world for that matter," to Mr. Connally's presence at Mr. Nixon's dinner for Golda Meir, the Israeli Premier, last Thursday evening.

Here, as elsewhere, observers believe Mr. Connally is still consulted on matters like Vietnam and dollar devaluation, on which he has advised the President before. But associates also see signs that the great expectations conferred by Mr. Nixon have helped Mr. Connally professionally.

## No Client Shortage

"Everybody wants to hire him," drawls Raybourne Thompson, a law partner, smiling knowingly and declining to name names, "because everybody wants to get acquainted with John Connally." Other partners cite the privacy of lawyer-client relations in refusing to talk about his work, but they seem to agree he is the busiest man in their office.

Houston law firms are different, according to Mr. Connally's friend Robert Strauss, chairman of the Democratic National Committee, who practices law in Dallas and Washington. According to Mr. Strauss, in most cities big financial interests dominate the big law firms, but in Houston—headquarters for three of the 10 largest law offices in the country—the law firms dominate industry and the banks.

"It's different here," confirms Mrs. Frances Farenthold, a leader of the women's political movement and an antiestablishment candidate for Governor last year. "Instead of representing power, the law firms are power."

The law firm that Mr. Connally returned to—Vinson, Elkins, Searls, Connally & Smith—has more than 150 lawyers and may be the most powerful of all.

The late James Anderson Elkins Sr., one of the founding partners, was also a founder of the American General insurance empire and the First City National Bank, now Houston's largest and the landlord of Mr. Connally's firm. David Searls, who died only months ago, was once general counsel and vice president of the Gulf Oil Corporation, among other corporations.

## Close Links to Oil

Through directorships and investments handed down from men like these, as well as through legal services, the law firm remains intimately entwined with business interests, particularly oil, as Mr. Connally's recent appointments attest.

Since he returned from the Treasury Department in June, 1972, Mr. Connally has been named to the boards—often succeeding the late Mr. Searls—of Kaneb Services, Inc., Texas Instruments; the Hilliburton Company, parent of the giant Brown & Root construction company; the Texas Eastern Transmission Corporation; the First City National Bank of Houston; the Gibraltar Savings Association of Houston and Pan American World Airways, and to the executive committee of the American General Insurance Company.

The details of his involvement with each of these companies are not public, of course. And whether all the titles define personal success in the law is another question that lawyers debate among themselves.

In more than four years since he left the Texas Governor's office and joined Vinson, Elkins in 1969, Mr. Connally has taken only one case to trial—a relatively minor argument before the State Civil Court of Appeals at Amarillo.

Some Houston lawyers picture Mr. Connally's services as closer to lobbying and public relations than legal counsel—as a spokesman, for example, on the "energy crisis," which the gas and oil companies contend requires higher prices to stimulate exploration.

Others respect him as an

all-purpose business counselor, drawing on a broad knowledge of oil, ranching, insurance and banking that he first acquired in association with Sid Richardson of Fort Worth, the late multimillionaire.

One watchful senior partner in a rival law firm not only questions the Connally magic but also doubts the public impression that he has generated business for Vinson, Elkins. "I don't know of a single client that has gone to the firm with John Connally," his competitor said.

Yet many established clients have sought his individual attention, like Dr. Armand Hammer, chairman of the Occidental Petroleum Corporation, who took Mr. Connally to the Middle East early this year in connection with oil leases in Saudi Arabia. And whether it is old business or new, Mr. Connally has as much work as he can handle.

The law, moreover, is only one of his occupations.

Moving swiftly in and out of real estate ventures, Mr. Connally is now listed as a principal sponsor of a new \$68-million Dallas shopping center with Pollard Simons, the developer who is also building Mr. Connally's lavish resort estate in Jamaica.

Mr. Connally is also exploring his own cattle-grazing business in Jamaica. And though he recently disposed of one 14,000-acre ranch in Carrizo Springs, Tex., he still raises domestic beef at a smaller, handsomely appointed airport-equipped ranch near his boyhood home in Floresville.

In Houston, as in Washing-

ton, Mr. Connally's conversion to Republicanism is a staple of political conversation.

But back in Texas, where Mr. Connally spent most of a lifetime preserving one-party Democratic rule, there is a keener appreciation of the puzzle he faces: how to demonstrate something more than President Nixon's admiration as a claim on the Republican nomination in 1976.

#### Agnew Camp Proposals

Vice President Agnew's friends, anticipating a fight for Republican succession, have suggested that Mr. Connally run for re-election to the Texas Governor's office as a Republican, or demonstrate his clout as a campaigner for Republican candidates in 1974.

But Texans dismiss the former as a bad joke and regard the latter as a trap—especially in Texas, where a new generation of Democratic officeholders appears well in control of state politics.

Gov. Dolph Briscoe, a Democrat, is thought likely to run and be re-elected to Texas's first four-year term next year. If he does not run, Lieut. Gov. William Hobby and Attorney General John Hill—both millionaire Democrats with no personal obligations to Mr. Connally—would be expected to compete for the nomination. Either one would be a favorite today against any foreseeable Republican candidate.

A large part of President Nixon's fascination with Mr. Connally's conversion is thought to rest in the dream of demolishing the statehouse foundations of the Democratic South. Yet for Mr. Connally to back a losing slate of Texas Republicans

would leave him close to no man's land.

"I don't think he wants to be a Republican," Gus S. Wortman, the recently retired chairman of the American General Insurance group and a fond Connally counselor, remarked the other day. "Like me, he's been a Democrat all his life, but our kind of Democrats are much more conservative than Republicans. In Texas, we've always had two parties, only we call them both Democrats."

The crushing national defeat last year of Senator George McGovern and the election, in response, of Mr. Connally's fellow Texan and old ally, Robert Strauss, to head the Democratic party, would both seem to invite the attention of a charismatic conservative like John Connally.

Yet friends and enemies all seem to believe that Mr. Connally has burned his bridges to the Democratic nomination, and George Christian—still an informal spokesman for Mr. Connally—argued the point most bluntly of all.

Without mentioning the possible candidacy of Senator Edward M. Kennedy, Mr. Christian said that the liberal wing led last year by Senator McGovern was still the most powerful group within the Democratic party. But even the more conservative labor-union Democrats would reject Mr. Connally, he suspects.

"John Connally's got no rapport with organized labor," he declared.

Mr. Christian's personal vision of a Connally-for-President campaign presupposes a generous understanding among Republican regulars not only of

Mr. Connally's Democratic past but of his continuing loyalty to many conservative Democrats, like Senator Lloyd Bentsen of Texas.

"I just can't imagine Republican leaders saying: No, you can't have the nomination because you're not a pure-bred Republican," he remarked in an interview. "And I discount the idea that if he becomes a Republican he's got to pick up that party flag and run with it for every candidate in the country."

In Mr. Christian's scenario, Mr. Connally would declare his conversion on philosophical grounds but then stand aside from politics for a while.

"The test will be strength with the voters in the primaries in 1976," he speculated in confident tones. Then, as now, he believes Mr. Connally will have the President's blessing. "More than anything else," Mr. Christian said, looking ahead, "President Nixon wants a candidate who can win."

#### Report of Disclosure

Newsweek magazine reported yesterday that Mr. Connally recently told a group of American oilmen in Saudi Arabia that he would switch parties and ask Senator Edward W. Brooke, Republican of Massachusetts, a black man, to be his running mate on a 1976 Presidential ticket.

Mr. Christian commented that the Newsweek item "sounds like fiction. I don't believe John Connally has told anybody he's going to run for President." Spokesmen for Senator Brooke could not be reached for comment yesterday evening.