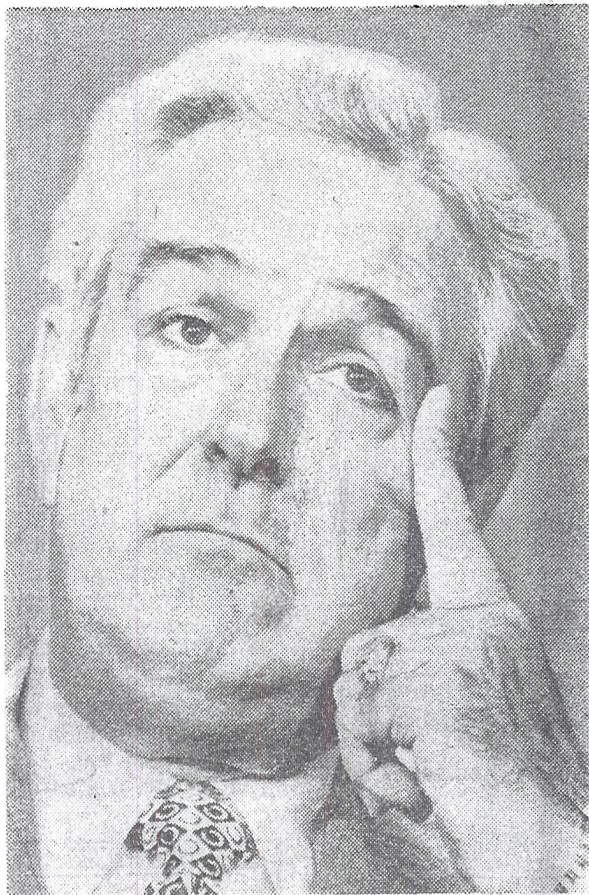


Connally Quits



UPI Telephoto

TREASURY SECRETARY JOHN CONNALLY
 'I won't withdraw from the political life...'
 SFChronicle MAY 17 1972

Surprise Move By Treasury Boss

Associated Press

Washington

President Nixon yesterday announced the surprise resignation of Treasury Secretary John B. Connally under circumstances that did nothing to dispel rumors Connally might join him on the 1972 Republican ticket.

Standing before newsmen at the White House, Mr. Nixon and Connally, the only Democratic member of his Cabinet, were lavish in praising each other.

Then Mr. Nixon walked with the Treasury chief back to the secretary's headquarters a block away.

Mr. Nixon said he will nominate George P. Shultz, former Secretary of Labor who now directs the Office of Management and Budget to succeed Connally in the

Treasury post.

Shultz, 51-year-old economist, is being replaced at OMB by his deputy, Caspar Weinberger, a Californian.

The shifts in office are to become effective after the anticipated Senate confirmation of Shultz.

Connally, 58, was asked directly if he would be available should Mr. Nixon seek him as his running mate in place of Vice President Spiro T. Agnew.

Connally said that he

See Back Page

From Page 1

didn't anticipate a presidential decision of that sort, and added, "I don't want to engage in that type of speculation at this point in time."

The tall, gray-haired Treasury boss added:

"I'm not going to withdraw from the human race or from the political life of my nation."

Mr. Nixon said Connally would undertake some temporary, unpaid assignments for him — chores to be announced after the President returns from summit talks in the Soviet Union.

Last month the President and Mrs. Nixon were overnight guests of Connally and his wife at their Texas ranch and on that occasion Mr. Nixon said Connally was capable of holding any job to which he might aspire.

CONCERNS

Press secretary Ronald L. Ziegler quoted Mr. Nixon as saying that, in the past 18 months, "no member of the Cabinet really has been more closely associated with me"—to discuss not only Treasury matters but a wide range of foreign and domestic concerns.

Mr. Nixon was quoted by Ziegler as declaring that Connally has the qualities he seeks in key advisers. The President reportedly said: "I've seen Secretary Connally in the clutch. I've seen him face up to the tough ones."

Connally told reporters that politics played no part in his decision to resign. He said Mr. Nixon's foreign and domestic policies have his complete support. He said he has "nothing but the profoundest admiration for the President."

Mr. Nixon described Connally as "the architect of the new economic policy," leader of the fight against inflation and "a tower of strength for the President."

He told newsmen: "When the going is the toughest, Secretary Connally is at his best."

The chief executive said Connally originally had agreed on Dec. 14, 1970, to serve only one year in the Cabinet. However, he said he persuaded Connally to ex-

Weinberger A Former Reagan Aide

Caspar W. Weinberger, director-designate of the Office of Management and Budget, is a native San Franciscan, a former Republican Assemblyman from the city and a former Republican State Chairman.

He served as Governor Ronald Reagan's finance director in 1968 and 1969, when he was named chairman of the Federal Trade Commission. He was promoted from that post to deputy director of the Office of Management and Budget.

Weinberger is a graduate of the Harvard Law School. He is a former partner in the San Francisco law firm of Heller, Ehrman, White and McAuliffe. He is married to the former Jane Dalton, and they have two grown children.

tend his stay an extra six months.

ACCORDS

The President quoted Anthony Barber, Britain's chancellor of the exchequer, as having told him that last December's international monetary accords would never have been achieved save for Connally's forceful negotiating.

Foreign leaders have not always been pleased by Connally's stance. Mr. Nixon said, and added: "He stands up so strongly for America—but they respect him."

Shultz was the original Labor secretary in Mr. Nixon's Cabinet and became the first OMB director when the agency was created.

Former dean of the graduate school of business at the University of Chicago, Shultz is an economist but Mr. Nixon described him as having great skill in management and a broad knowledge of taxation.

Weinberger, 55, formerly was director of finance for the state of California. He joined the Nixon administration in October, 1969, as chairman of the Federal Trade Commission, moving to the Office of Management and Budget with Shultz as deputy director there.

OYER