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Nixon Aide Sees Waning Role for Connally

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WASHINGTON, June 7—John B. Connally's role on President Nixon's staff will shrink noticeably in the next few weeks, a ranking White House official declared today.

The official, who insisted that he not be identified, said that the post-Watergate staff was gradually taking shape and that Mr. Connally, who returned to Washington at Mr. Nixon's urgent request, was considered only a transitional figure.

Mr. Connally, a former Governor of Texas and a former Treasury Secretary in Mr. Nixon's first term, switched to the Republican party early in May. He had been expected to play a major role as a consultant to the President, but the consensus among White House

staff members is that he has not done so.

Some Connally intimates say that he plans to quit soon, largely out of disgust at what he considers Mr. Nixon's vacillation on the economy. But Gerald L. Warren, the White House press secretary, denied this today. Mr. Connally could not be reached for comment.

Thus, it was not entirely clear whether enemies on the staff were trying to ease Mr. Connally out, whether he himself was trying to get out, or whether some sort of power struggle was taking place.

Since his return to Washington, Mr. Connally has been operating from a suite at the Mayflower Hotel, rather than from a White House office. The high-ranking official said that Mr. Connally had been working three to four days a week, dealing principally with such questions as the energy crisis,

White House reorganization and the soaring cost of living.

He is authoritatively reported to have argued, in conversations with Mr. Nixon, that inflation must be dealt with as a political situation, because it is worsening the political impact of the Watergate scandals. Pure economics, Mr. Connally has insisted, must not be subordinated to politics.

The former Governor has thus brought himself into conflict with Treasury Secretary George P. Shultz and with Her Council of Economic Advisers.

Sees Nixon Regularly

Mr. Connally has encountered more resistance than he is accustomed to, although some new Administration move against rising prices is now expected. On one occasion, according to Business Week Magazine, Mr. Nixon "looked out the window" when Mr. Connally presented his views on the economy.

But the Texan continues to see Mr. Nixon regularly. He cruised with the President and Gen. Alexander M. Haig Jr. on the Potomac last evening, aboard the Presidential yacht Sequoia, and he sat in on the Cabinet meeting this morning.

One explanation of Mr. Connally's expected decline may be the appointment of Melvin R. Laird as Mr. Nixon's counselor for domestic affairs. His responsibilities would overlap with Mr. Connally's, and he is no great admirer of Mr. Connally.

Mr. Laird, meanwhile, was reported by other White House aides to be pressing Mr. Nixon to hold a news conference as soon as possible, and to follow that one with others on a regular basis. He was described by one close friend as "determined

to see that the President doesn't return to the isolation that caused Watergate."

Could Return to Army

The new adviser's own experience on Capitol Hill is also expected to open up numerous channels of communication between the White House and Congress—channels that were deliberately closed off by members of the old Nixon staff.

General Haig's decision to retire from the Army, rather than face continuing criticism for holding high-ranking civil and military positions simultaneously, had two unannounced elements. They were the following:

¶He has not necessarily closed off his military career. He is well aware that he could be recalled to active duty at an appropriate moment, as was Gen. Maxwell D. Taylor, for instance, although that would presumably depend on the political climate.

¶He has decided to dispense with the two military aides, Lieut. Col. Frederic J. Brown and Maj. George A. Joulwan, whom he brought with him. Their appointment has never been announced, but Congressional foes are aware that they are at the White House. General Haig plans to appoint a retired military officer as his principal deputy within a few days.

Other staff appointments are also expected shortly, possibly including that of Bryce Harlow, a Congressional liaison man for the Eisenhower and Nixon Administrations who now lobbies on Capitol Hill for Procter & Gamble. He was one of those who persuaded Mr. Laird that he had to return to the Government.