

NY TIMES

15 DEC 70

New Man at the Treasury

President Nixon has decided to replace Secretary of the Treasury David M. Kennedy with John B. Connally, former Governor of Texas. At a time when the nation is buffeted by the crosswinds of inflation and unemployment—and when the Administration has just begun to demonstrate a willingness to try new approaches to solving these critical problems—the Connally appointment is a grave disappointment.

Mr. Connally may prove capable of handling the top economic post in the Government—and we hope he will—but there is little in his background to suggest that he has the financial experience, insight or creativity that the nation so urgently needs in its Secretary of the Treasury.

Mr. Nixon said that one reason he chose Mr. Connally, a Democrat, was to point out that economic matters are nonpartisan. This implies that he hopes to defuse some of the heavy criticism, especially from Democratic ranks, that the Nixon Administration has been getting for its management of the economy. The Connally appointment may do Mr. Nixon some good in Texas, a big and important state that he hopes to carry in 1972. But the Treasury post is a singularly inappropriate one for the President to use for political purposes.

David M. Kennedy now becomes Ambassador at Large, a post in which he will seek to cope with the hazardous international financial problems that lie ahead. Mr. Kennedy, a man of stubborn honesty, is at his best in quiet negotiation with his peers of the financial community. Unfortunately, he lacked the ability to win policy battles within the Administration or to articulate his views effectively to a broader public.