

THE NEW YORK TIMES, WEDNESDAY, MAY 17, 1972

# Choice for Treasury Secretary

George Pratt Shultz

By LEONARD SLOANE

George Pratt Shultz, the man named yesterday by President Nixon to succeed John B. Connally as Secretary of the Treasury, is now back where he started financially when he came to Washington in 1969 — but far ahead in prestige.

Appointed Mr. Nixon's first Secretary of Labor, Mr. Shultz brought to the \$60,000-a-year Cabinet post a reputation as a

Man  
in the  
News

labor economist and industrial relations expert. Eighteen months later, he took a pay cut to \$42,500 to become the first director of the newly created Office of Management and Budget and thereby became one of the most important figures in managing the nation's economy.

Now the 51-year-old former two-letter man at Princeton University is moving into a still more powerful position within the Administration's inner circle. And the 6-foot, 180-pound native New Yorker, who has been called the President's No. 1 domestic aide, will be even more involved with the political realities of the American economy.

Nevertheless, Mr. Shultz has said that "I don't want to be a politician." He declared, "Basically I regard myself as a professional person."

As a professional economist, Mr. Shultz sold President Nixon on the "full employment" concept of budgeting for the 1972 fiscal year to stimulate the econ-

omy. He also supervised the drafting of legislation last year to halt the nationwide railroad strike.

Nevertheless, all of his recommendations at the Office of Management and Budget have not been adopted by the White House. His efforts to trim more than \$1.5-billion from the Pentagon's 1972 budget request were overridden, as were his attempts to end the system of agriculture conservation payments. Perhaps his biggest defeat was the Nixon economic stabilization program that began last August despite his objections to wage and price controls.

But Mr. Shultz is aware that national politics often require actions that are not necessarily motivated by the highest economic principles. As he has noted: "I don't think that the President looks at me as a great fount of wisdom about how to get re-elected. If he does, I'd be alarmed."

Born on Dec. 13, 1920 in New York City, Mr. Shultz grew up in Englewood, N. J. His father founded the New York Stock Exchange Institute, a training school for the securities industry that is now operated independently as the New York Institute of Finance.

At the age of 12, George Shultz tried to start a mimeographed newspaper in his neighborhood, but this economic venture failed when a neighbor told him that the Saturday Evening Post could also be purchased for the same amount. Shortly thereafter, he was sent to Loomis,

a private school in Windsor, Conn.

Mr. Shultz graduated cum laude in 1942 from Princeton University, where he played varsity basketball and football. During World War II, he was a marine in the Pacific theater, returning to earn a Ph. D. in industrial economics at the Massachusetts Institute of Technology in 1949.

After receiving his doctorate, Mr. Shultz taught economics at M.I.T. until 1957, when he moved to the University of Chicago's Graduate School of Business. Before leaving Cambridge, however, he took a leave of absence in 1955 and 1956 to serve as a senior staff economist for the President's Council of Economic Advisers.

At Chicago, Mr. Shultz was a professor of industrial relations for 11 years and dean of the graduate school for six. Another luminary of the Chicago school of economists and friend of Mr. Shultz, Milton Friedman, has said about him: "George is a man of principle, but he is not an ideologue like I am."

Mr. Shultz served as a consultant in Washington at two different occasions before being named to his first full-time post there following President Nixon's election.

Mr. Shultz has been married to Helena M. O'Brien, a former Helena M. O'Brien, former Army nurse from New Hampshire whom he met in Hawaii during his wartime service. They have three daughters and two sons and live in Arlington, Va.