

CABINET JOB IS GIVEN UP BY CONNALLY

SHULTZ GETS POST

President Asserts He Plans to Give Texan New Assignments

By **ROBERT B. SEMPLE Jr.**
Special to The New York Times

WASHINGTON, May 16 — President Nixon announced today the resignation of John B. Connally as Secretary of the Treasury and said he would nominate George P. Shultz, director of the Office of Management and Budget, as his successor.

Caspar Weinberger, who is now Mr. Shultz's deputy, will be appointed to Mr. Shultz's post.

The disclosure that the man who is not only the Cabinet's lone Democrat but its most influential voice would be leaving to return to private life caught nearly all of official Washington by surprise, and both the President and the Secretary seemed to savor their moment of drama.

Though he seemed a bit drawn and tired as he stepped before the microphones in the White House briefing room, Mr. Nixon was unrestrained in his praise. He described Mr. Connally as the "dynamic and skilled" architect of the Administration's new economic policies at home and abroad, and as a wise and courageous counselor on matters of national security.

Backs Nixon's Policies

Mr. Connally, in reply, said he was leaving with "nothing but profound admiration for the President," and that he supported without reservation Mr. Nixon's domestic and foreign policies.

There were strong indications in the words of both men—and in the private testimony of Mr. Connally's friends here and in Texas—that he would remain somewhere within the Nixon orbit in the months ahead.

The President said he would ask Mr. Connally to undertake several special assignments after the forthcoming Moscow trip. Mr. Connally did not exclude the possibility that he would help the President in next fall's campaign, while some of his friends went so far as to say that he would switch parties and become a Republican.

Yet there were many unanswered questions surrounding

Continued on Page 22, Column 1

Continued From Page 1, Col. 1

Mr. Connally's departure, involving the timing of his move and the motives that lay behind it.

The explanation given by Mr. Nixon and Mr. Connally was that they had made a private agreement that Mr. Connally—who was nominated for the Treasury post Dec. 14, 1970—would stay only one year, that his tour of duty had been extended for six months at Mr. Nixon's insistence, and that his extension would soon expire.

According to his friends here and in Texas, Mr. Connally had been talking more and more in recent weeks about leaving the Administration, and was said to feel that the proper moment had come.

What made this particular moment better than any other, they said, was that Mr. Connally believed he had accomplished the main job he had come to Washington to do, which was to help chart a new economic strategy here and in world markets, and that the strategy was beginning to yield dividends.

"It is part of Connally's pattern to do a job and then leave at the crest of the wave," said a longtime friend, recalling that his political associates in Texas "practically had to hoggie him to run for a third term for Governor. He felt he had done the job in two terms, and the challenge had disappeared."

In addition, it was said by his friends that Mr. Connally wished to return to private life to make some money although he is already a wealthy man, to travel, and simply to rest.

"Every time I have talked to him, he has talked about coming home," George C. Christian, former press secretary to President Lyndon B. Johnson, said in Austin today. "He likes private life more than any public official I know. He is a universal man, and he feels too restricted when he is expected to spend all his time on the job."

Mr. Connally has admitted to newsmen that he is not without ambition or vanity, and today he said he had no intention of "withdrawing from the human race." But he has also insisted that he does not want to spend all his time in public life.

He has told newsmen, for example, that he would like to buy or build a house in Spain or Italy, and it was learned today that he has been looking

for a house in Europe through Previews, Inc., a real estate concern that specializes in searches for elegant dwellings.

There were reports here today — which, though unconfirmed, seemed plausible to some who know Mr. Connally and his wife well—that today had been chosen for the announcement because Mrs. Connally, on hearing of the attempted assassination of Governor George Wallace late yesterday afternoon, had urged her husband to stick to his timetable and leave public office now.

Mr. Connally, then Governor of Texas, was riding with John F. Kennedy in the Dallas motorcade in November, 1963, when an assassin's bullets killed Mr. Kennedy and wounded Mr. Connally.

However, Ronald L. Ziegler, the White House press secretary, insisted that the decision to make the announcement today had been made two weeks ago.

In addition, it was learned from a White House source that the President told Mr. Shultz after lunch yesterday that he would be replacing Mr. Connally at Treasury—well before the shooting of Governor Wallace. Mr. Nixon also told Mr. Shultz, it was learned, that as far back as January he and Mr. Connally had agreed that the Management and Budget Director would be the best possible choice to succeed Mr. Connally.

Why the President waited until yesterday to inform Mr. Shultz of his selection was not clear. Mr. Weinberger was not told that he would be replacing Mr. Shultz until late yesterday afternoon.

If the fact as well as the timing of Mr. Connally's departure was a closely-held secret between the President and his Treasury Secretary, so, too, are whatever arrangements the two men may have made for Mr. Connally's future service.

Mr. Nixon would only say that "he will undertake some temporary assignments, one of which will be announced after I return from Moscow." The President is scheduled to leave on his Moscow trip early Saturday morning.

There was immediate speculation here that Mr. Connally would undertake one and perhaps more roving ambassadorial assignments, conceivably involving himself at some point in the effort to achieve a settlement of the war in Vietnam.

What Mr. Connally would



United Press International

GETTING HIGHER POST:
Caspar W. Weinberger, deputy to director of the Office of Management and Budget, will be director.

say, however, is that he remains committed to Mr. Nixon and to Mr. Nixon's policies.

"I have nothing but the profoundest admiration for the President," he said. "I think the policies which he has in this Government, in international affairs, have my complete support. I think his domestic economic policies are the right ones."

Mr. Connally refused to engage in "speculation" over the possibility that he might join Mr. Nixon on the Republican ticket, although his associates pointed out that it would be just as easy for him to join the ticket from private life as it would from the Treasury. But he said that it was "entirely possible" that he would campaign for the President this fall.

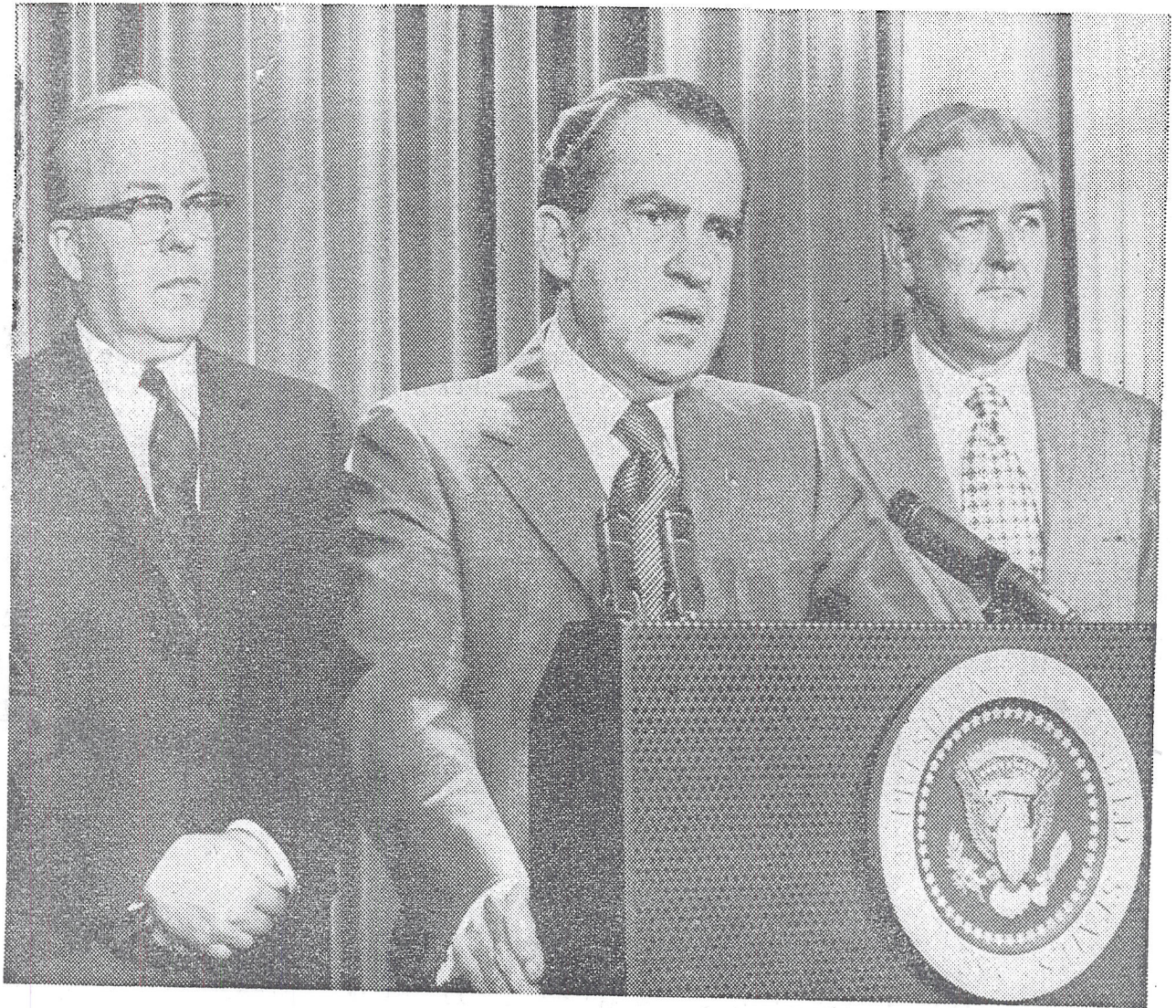
He insisted that he harbored "no political aspirations and no particular ambitions" of his own, and that he was leaving "without any predetermined course of action on my part."

While there were some old associates who insisted that Mr. Connally would remain a Democrat and seek his political future within the Democratic party, there were others who believe that he had become so disillusioned with his party's attitudes, especially on tax reform and the war in Vietnam, that he would make a formal switch next fall.

At the least, they said, he would remain a Democrat but actively support the President.

An examination of the monetary situation and the differing views of John B. Connally and Dr. Arthur F. Burns appears on

Page 63.



ANNOUNCES SHIFT AT TREASURY: President Nixon at White House news conference announcing Secretary John B. Connally's resignation. Dr. George P. Shultz, left, Office of Management and Budget chief, succeeds Mr. Connally.

United Press International

NYTimes

MAY 17 1972