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**NIXON PICKS SIMON
AS TREASURY HEAD
BUT LIMITS ROLE**

**Shultz's Powers Dispersed
—Sawhill Is Named Chief
of Federal Energy Office**

ADVISER JOB NOT FILLED

**President Sets More Active
Part — He Will Direct a
Economic Policy Group**

By **JOHN HERBERS**

Special to The New York Times

WASHINGTON, April 17 —

President Nixon named William E. Simon today to succeed George P. Shultz as Secretary of the Treasury but said he would leave unfilled Mr. Shultz's position as over-all director of economic policy for the Administration.

At the same time, the President announced he would appoint John C. Sawhill to succeed Mr. Simon as administrator of the Federal Energy Office. Mr. Sawhill has been Mr. Simon's deputy in that agency.

The President himself will assume a more active role in economic policy and will succeed Mr. Shultz as chairman of the Council on Economic Policy, the organizational expression of Mr. Shultz's broad powers throughout the executive branch, according to the deputy press secretary, Gerald L. Warren.

Nixon's Role to Expand

The position of assistant to the President for economic affairs, which Mr. Shultz held will not be filled in the foreseeable future, Mr. Warren said.

"The President intends to play an increasing, expanded role in formulation of economic policy," Mr. Warren said.

The 46-year-old Mr. Simon, a former investment banker, is basically a firm believer in a free-enterprise, free-market economy, as is Mr. Shultz, suggesting that there will be little change in basic economic policy at the Treasury Department. [Details on Page 25.]

The appointment of Mr. Simon came as no surprise. The White House had encouraged

reports that he would be named Secretary since Mr. Shultz announced several weeks ago that he was leaving the Nixon Administration, which he has served in various capacities since 1969.

Reasoning in Power Shift

However, the announcement was delayed as a behind-the-scenes struggle ensued, involving several officials, for the powers that Mr. Shultz will relinquish next month.

Today's announcement made it clear that the President had decided to disperse those powers among a number of officials while assuming a more active role himself in making day-to-day decisions and policy.

There appeared to be two reasons for this. First, Mr. Nixon was not willing to entrust with Mr. Simon or any other official the broad discretion that he had delegated to Mr. Shultz. Second, the President's assumption of a more active role in economic policy fits the current White House strategy of showing that he is very much in charge of the Government as the House of Representatives pursues its

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impeachment inquiry.

Senate confirmation of Mr. Simon was considered virtually certain. That formal nomination is expected to go to the Senate in a few days. The appointment of Mr. Sawhill as head of the energy office does not need Senate confirmation.

The fact that Mr. Nixon was not giving Mr. Simon wide economic powers outside the Treasury Department was underscored by the way the announcement was made. It came in a routine release from the White House press office. Mr. Simon was in Atlanta addressing the annual convention of the American Society of Newspaper Editors.

Mr. Warren said the development in no way indicated that Mr. Nixon had less than full confidence in the man who has been a superactive energy czar, simply that the President wanted it known he was taking a more active hand in economic affairs.

Sawhill to Report to Nixon

Mr. Simon was reported to have sought much broader power than the announcement indicated he would have.

As to policy on energy, Mr. Warren said, Mr. Simon would retain some authority in that area but Mr. Sawhill, as head of the Federal Energy Office, would report directly to the President.

It was believed that Mr. Simon will share powers in economic policy with Roy L. Ash,

director of the Office of Management and Budget; Herbert Stein, chairman of the Council of Economic Advisers; Secre-

tary of State Kissinger, and John T. Dunlop, director of the Cost of Living Council.

Mr. Dunlop, it was announced, will serve for the time being as both director and chairman of the Cost of Living Council. Mr. Shultz had held the position of chairman.

No decision has been made, officials said today, as to who will succeed Mr. Shultz as chairman of the Council on International Economic Policy. Mr. Warren said that Peter M. Flanagan, executive director of that council, would continue in that position.

Although Mr. Ash, the budget director, has been granted no additional authority, it is considered likely that he will

assume a larger share of power with Mr. Shultz gone and no one in his place as over-all economic chief. Mr. Ash and Mr. Shultz have clashed frequently and Mr. Ash had opposed Mr. Simon's assuming the authority Mr. Shultz held.

The Council on Economic Policy is composed of a broad range of officials concerned with economic matters. It was set up after Mr. Nixon's 1972 re-election, not as a functioning group but to give Mr. Shultz Administration wide authority. Mr. Nixon has now named himself chairman of that group and, Mr. Warren said, will be meeting more frequently with members to "coordinate" policy and decisions.