

SEP 14 1971

THE NEW YORK TIMES, TUESDAY, SEPTEMBER 14, 1971

Agnew Tells Governors 'We're Open to Ideas' on Nixon's Policy

By R. W. APPLE Jr.
Special to The New York Times

SAN JUAN, P.R., Sept. 13— Vice President Agnew today defended President Nixon's new economic policy against Democratic critics in a speech to the opening session of the 63d Governors Conference.

He urged the Governors to "set aside the kind of petty bickering that interferes with healthy debate" and delivered a point-by-point rebuttal to complaints voiced by Gov. John J. Gilligan of Ohio yesterday and Walter W. Heller, a leading Democratic economist, in Miami Beach on Saturday.

But Mr. Agnew's tone was conciliatory—especially when compared with his speech at the Governors' meeting last December at Sun Valley, Idaho. There he said that the purpose of elections was to divide and he lambasted some newspapers' political reporting. "The President's new eco-

nomie policy was not handed down from Mount Olympus," he said today. "It should be subject to the most searching analysis, and where it can be improved, it should and will be improved. We're open to ideas."

The Vice President's remarks followed a speech by Senator Russell B. Long of Louisiana, chairman of the Senate Finance Committee, in which he sharply criticized the Nixon Administration's welfare reform program, now before Congress.

May 'Bridge the Gap'

Mr. Agnew adopted an equally malleable attitude toward Mr. Long, saying there was "a very real possibility" that they could "bridge the gap" that separated their positions. He said that it was irrelevant to argue, as did Mr. Heller, that new plant capacity was not needed because the economy was now operating at only 73 per cent of capacity. Most of the idle

27 per cent, he said, is "unused, old and inefficient."

However, after attempting to demonstrate that the program represented no bonanza for business at the expense of consumers, Mr. Agnew came close to echoing the statement of the late Charles E. Wilson, Defense Secretary in the Eisenhower Administration, who once said, "What's good for General Motors is good for the country."

"Let me say the unsayable," the Vice President said. "Rising corporate profits are good for the average man and are needed more than ever by the poor."

A prominent Democrat described the speech as an example of "Marie Antoinette economics."

The Democratic Governors—a majority of 29 among the 50—were at work on an economic statement of their own. Mr. Agnew's fate in 1972 was the subject of only muted discussion among the Republicans attending the conference. A

half-dozen Republican Governors, interviewed at random, said that they were willing to leave the decision to Mr. Nixon and to his sense of the political realities at convention time next year.

On a "Meet the Press" broadcast yesterday, Gov. Ronald Reagan of California suggested that the President might encounter difficulties if he were to replace Mr. Agnew with Treasury Secretary John B. Connally. But most other Governors said that they expected no revolt if that was what the President wanted.

To the surprise of many participants, backstairs political discussion in both parties, often intense at Governors Conferences in the year preceding to Presidential election, has been limited here. Several of the major Democratic candidates sent no senior members of their staffs to the meeting.

"I get more attention when I'm at home," said the Governor of a Western state.

In other developments:

Gov. George C. Wallace of Alabama informed the Governors that at Wednesday's closing session he would introduce a resolution opposing the compulsory busing of school children. A three-quarters vote will be required to bring the resolution to the floor.

A contest for the chairmanship of the Governors Association developed between Daniel Arch A. Moore Jr. of West Virginia and Harry S. Dent Jr. of the White House staff was lobbying for Mr. Moore, presumably because he has been a more consistent backer of the Administration.