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Laird Says Watergate Harmed President's Domestic Proposals

By JOHN HERBERS

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SAN CLEMENTE, Calif., Aug. 21—Melvin R. Laird acknowledged today that the Watergate scandals had damaged President Nixon's legislative proposals in Congress. But he said the White House now had hopes of early passage of some major Administration bills, notably special revenue sharing for education, which has been considered dead.

In a wide-ranging interview with a small group of reporters at the Western White House, the President's chief adviser on domestic affairs, also made these points:

¶As the Secretary of Defense in 1969 he supported the secret bombing of Cambodia and he still does. But he could not support the falsification of records, which he attributed to an improper reporting system. President Nixon, in a speech in New Orleans yesterday, said that appropriate members of Congress and the executive branch had been informed at the time and Mr. Laird supported that today.

¶He insisted that his advice to Representative John B. Anderson, Republican of Illinois, to refrain from speaking out on the Federal investigation of Vice President Agnew's financial affairs was in no way an Administration attempt to undercut Mr. Agnew. He said he had told the Vice President as much and that Mr. Agnew had understood that there were no hard feelings.

Finds Issues Ignored

Mr. Laird, wearing white slacks and a sport coat, appeared relaxed and unmindful of reports that the White House job he took a few weeks ago, to help Mr. Nixon overcome the damage of Watergate, was not working out and that he might soon leave.

He said the Watergate case had hurt the Administration's legislation, he explained:

"All of the news from the Congress has been tied in with the hearings, pretty much. Everything coming out of Washington as far as the country is concerned has been in connection with these hearings. Those legislators who have been working on other areas such as highways, education, agriculture, energy and some of the big economic issues are not hearing too much from their constituents about



Associated Press

Melvin R. Laird

these major problems. The Congress reacts according to the needs and demands of their constituents."

As a result, according to Mr. Laird's reasoning, nothing much has been accomplished.

Now, however, he said members of Congress are beginning to hear from their constituents on a number of issues and the Administration has hopes of securing passage soon on legislation to consolidate grants for community development, the foreign trade bill, creation of an independent corporation for legal services, the education bill and others.

As proposed, the education bill would remove most Federal restrictions on how state and local governments use Federal grants, instead of the present method that provides rather rigid guidelines in a number of educational categories.

Mr. Laird said the House Education Committee was working in a substitute that would retain some Federal restrictions for use of the money and still keep the principle of strong local control. The Administration supports this compromise, he said, and he expects the measure to clear both houses before Christmas.

Backs Bombing Secrecy

On the Cambodian bombing, Mr. Laird said he fully supported keeping the bombing secret, for diplomatic reasons, but added, "There is a difference between secrecy and falsification. I never was involved in any falsification."

"After the bombing was over and after we went into Cambodia I would have had no reason to tell people the number of strikes. I was never asked," he said.

Mr. Laird said, "It was a secret operation and we kept it secret." But he said that some members of Congress and the Joint Chiefs of Staff had been informed.

On the Agnew matter, Mr. Laird said there had been some misunderstanding about his advice to Representative Anderson. The White House aide said that since he is a former member of Congress he talks frequently to members on a wide range of subjects and his advice to Mr. Anderson, an old friend, was simply to "stay loose and keep an open mind" on the Agnew investigation. He said the conversation occurred the day before Mr. Agnew's first news conference on the subject.

Mr. Laird said that after the conversation became public he talked to Mr. Agnew on the telephone and "he understood."