

AGNEW QUILTS VICE PRESIDENCY
AND ADMITS TAX EVASION IN '67;
NIXON CONSULTS ON SUCCESSOR

Judge Orders Fine, 3 Years' Probation

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WASHINGTON, Oct. 10—Vice President Agnew resigned today under an agreement with the Department of Justice to admit evasion of Federal income taxes and avoid imprisonment.

The stunning development, ending a Federal grand jury investigation of Mr. Agnew in Baltimore and probably terminating his political career, shocked his closest associates and precipitated an immediate search by President Nixon for a successor.

"I hereby resign the office of Vice President of the United States, effective immediately," Mr. Agnew declared in a formal statement delivered at 2:05 P.M. to Secretary of State Kissinger, as provided in the Succession Act of 1792.

Minutes later, Mr. Agnew stood before United States District Judge Walter E. Hoffman in a Baltimore courtroom and, his hands trembling, read from a statement in which he pleaded nolo contendere, or no contest, to a Government charge that he had failed to report \$29,500 of income received in 1967, when he was Governor of Maryland. Such a plea, while not an admission of guilt, subjects a defendant to a judgment of conviction on the charge.

"I admit that I did receive payments during the year 1967 which were not expended for political purposes and that, therefore, these payments were income taxable to me in that year and that I so knew," the nation's 39th Vice President told the stilled courtroom.

Richardson Makes Leniency Plea

Judge Hoffman sentenced Mr. Agnew to three years probation and fined him \$10,000. The judge declared from the bench that he would have sent Mr. Agnew to prison had not attorney general Elliot L. Richardson personally interceded arguing that "leniency is justified."

In his dramatic courtroom statement, Mr. Agnew declared that he was innocent of any other wrongdoing but that it would "seriously prejudice the national interest" to involve himself in a protracted struggle before the courts or Congress.

Mr. Agnew also cited the national interest in a letter to President Nixon saying that he was resigning.

"I respect your decision," the President wrote to Mr. Agnew in a "Dear Ted" letter made public by the White House. The letter hailed Mr. Agnew for "courage and candor," praised his patriotism and dedication, and expressed Mr. Nixon's "great sense of personal loss." But it agreed

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that the decision was "advisable in order to prevent a protracted period of national division and uncertainty."

The resignation automatically set in motion, for the first time, the provisions of the 25th Amendment to the Constitution, under which the Republican President must nominate a successor who will be subject to confirmation by a majority vote in both houses of Congress, where Democrats predominate. Until a successor is confirmed and sworn in, the Speaker of the House, Carl Albert, Democrat of Oklahoma, will be next in line or succession to the Presidency.

Mr. Agnew's sudden resignation came only 11 days after he made an emotional declaration to a Los Angeles audience: "I will not resign if indicted! I will not resign if indicted!" It marked the second time in the nation's history that the Vice-Presidency was vacated by resignation. The first occasion was in 1832, when John C. Calhoun stepped down after he was chosen to fill a Senate seat from South Carolina.

Mr. Agnew's decision appeared to have been based on personal, rather than political or historic, considerations.

Close and authoritative associates of Mr. Agnew said that, contrary to official White House denials, Mr. Nixon

at least twice asked him to resign after it was disclosed on Aug. 6 that the Vice President was under investigation

The requests were said to have been spurned by Mr. Agnew until sometime in the last week. According to some associates, Mr. Agnew was advised by his defense attorneys that the Department of Justice and the Internal Revenue Service had obtained "uncontrovertible evidence" of unreported income while he held office in Maryland.

Even so, the Vice President's closest associates had expected him to fight the accusations or at least to continue to seek a forum to try, as he did in his courtroom statement today, to place the accusations within the context of "a long-established pattern of political fund raising" in his home state.

Said to Have Accepted Reluctantly

Yesterday, the defense attorneys and officials at the Justice Department reportedly reached agreement on the plan under which Mr. Agnew would resign, plead no contest to the single tax-evasion charge and accept the department's pledge to seek a light sentence.

According to the sources, Mr. Agnew reluctantly accepted the proposal when he returned to Washington from a speaking engagement yesterday in New York and then told the President of his reluctant decision at 6 o'clock last night.

Shortly after 2 P.M. today, Mr. Agnew's staff was assembled in his office in the Executive Office Building next to the White House. As the Vice President was addressing the court in Baltimore, his military advisor, Maj. Gen. John M. Dunn, informed the staff of his decision.

Some of the aides wept. Others, stunned by the announcement, asked such things as how they should answer the telephone. And a number of them privately and bitterly denounced the President.

One of Mr. Agnew's staunchest supporters, Senator Barry Goldwater, Republican of Arizona, declared publicly that Mr. Agnew had been "treated shamefully by persons in responsible Government positions."

Justice Department Is Assailed

As Mr. Agnew had done until today, Senator Goldwater accused the Justice Department of having "convicted" the Vice President "by headlines and newscasts based on leaks of official information before a single legal charge had been filed."

Until today, Mr. Agnew had waged a determined campaign to halt the investigation of his Maryland political career, in which he Baltimore County Executive before he became Governor. His attorneys had argued in preliminary legal skirmishes that the Constitution forbade the indictment of an incumbent Vice President and that the leaks of information about the charges against Mr. Agnew had destroyed any prospect for a fair hearing.

Thus, Mr. Agnew's surprise appearance this afternoon in the Baltimore courtroom marked a swift abandonment of Mr. Agnew's campaign for vindication. Judge Hoffman had been scheduled to hear in the courtroom arguments by reporters and news organizations seeking to quash subpoenas served on them by the Vice President's attorneys.

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Feared Effort Would Take Years

At the same time, Mr. Agnew insisted that he was innocent of any other wrongdoing. But he said that his attorneys had advised him it might take years to establish his innocence and that he had been compelled to decide that "the public interest requires swift disposition of the problems which are facing me."

Some of Mr. Agnew's associates said later today that the signals of his momentous decision had been there but that they had not wished to accept them for what they became.

After the Vice President's emotional speech to the National Federation of Republican Women on Sept. 29 in Los Angeles, his aides described plans for subsequent speeches in which Mr. Agnew would reiterate the charge that the Justice Department had selected him as a "Big Trophy" to use in restoring reputations blemished by "ineptness" in the investigation of the Republican burglary of the Democrats' headquarters in the Watergate complex here.

But last Wednesday, President Nixon declared at a White House news conference that the charges against Mr. Agnew were "serious" and he defended the Justice Department's conduct of the case.

One Associate Is 'Flabbergasted'

The next night, in Chicago, Mr. Agnew delivered a speech marked by the absence of the accusations against the Justice Department and he asserted to assembled newsmen that "A candle is only so long, and eventually it burns out."

His press spokesman, J. Marsh Thompson, and other Agnew associates were reportedly ordered to make themselves unavailable to newsmen beginning early last week.

As one stunned Agnew associate remarked this afternoon, "I felt things were beginning to close in, but I still don't understand it. I'm flabbergasted."

A White House official familiar with previous discussions between Mr. Nixon and Mr. Agnew said, significantly, that the decision was "not altogether unexpected here—I think the initiative, this time, was from [Mr. Agnew's] side."

The shock of the announcement of Mr. Agnew's resignation had barely worn off when the White House and leaders in Congress began deliberating about both the politics and the mechanics of Vice Presidential succession.

Mr. Nixon was said to have begun consultation with leaders "both within and outside the Administration" on the nominee to succeed Mr. Agnew.

Mike Mansfield, Democrat of Montana, the Senate majority leader, assembled bipartisan Congressional officials to discuss the selection process and prepare for hearings to assess the qualifications of the nominee.

Speculation About Successor

The White House has repeatedly denied that it had a "contingency" list of potential successors. Published reports, and renewed speculation today, centered on the possibility that Mr. Nixon would nominate Attorney General Richardson, Governor Rockefeller of New York, former Secretary of the Treasury John B. Connally, Deputy Attorney General William D. Ruckelshaus or Senator Goldwater.

But Democratic leaders in the House have hinted privately that they would oppose a nominee who could be expected to comfort their party three years from now as a Presidential candidate. Thus, others said to be under active consideration were such elder Republican statesmen as former Gov. William W. Scranton of Pennsylvania, former Senator John Sherman Cooper of Kentucky and former Secretary of State William P. Rogers.

Mr. Agnew, his career ended at the age of 55 years, was said to have begun telephoning friends to thank them for their past support. He disappeared from public view this afternoon as the limousine in which he was riding pulled away from the Baltimore courthouse and the former Vice President waved to spectators.