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By JAMES M. NAUGHTON Special to The New York Times

WASHINGTON, Oct. 11-was prepared to resign in re-President Nixon reportedly ini- turn for an end of the Governtiated the secret legal negotia-ment's criminal prosecution of tions that led yesterday to the him:

Agnew from the Vice-Presiden- gress explored the options and cy and his dramatic conviction avenues to be followed in on a charge of Federal income choosing a successor to Mr.

Transcript of news conference is printed on Pages 26, 27.

bargaining toward an agreement under which Mr. Agnew surrendered his office and of Justice, Mr. Richardson depleaded no contest to the tax charge in exchange for a treaction and model in the government's investigation and

Meanwhile, sources close to Mr. Agnew said today that, as early as Sept. 13, he had in-formed the Justice Department through his lawyons that it. through his lawyers that he Continued on Page 27, Column 1

sudden resignation of Spiro T. As the President and Con-

tax evasion. Authoritative Government of-ficials said today that Mr. Nixon had prompted the first public approval of the settlement that he said had avoided 'a prolonged and potentially disastrous period of anguish and uncertainty."

At a news conference in the Great Hall at the Department \$10,000 fine and probation public disclosure of allegations

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and to restore "confidence that our system works."

He defended the arrangement that enabled Mr. Agnew to avoid imprisonment-although acknowledging that George Beall, the United States attorney, and other Government prosecutors in Baltimore had sought a stiffer punishment.

The Attorney General said that resignation from the nation's second-higest elective office and public acceptance of a felony conviction represented penalties of "historic magnitude." He urged "compassion" for Mr. Agnew and said that he hoped Maryland officials would refrain from additional criminal action against Mr. Agnew in the state courts.

ffects Expected to Linger

seemed likely, nonetheless, that the governmental and personal trauma of Mr. Ag-new's resignation would not subside quickly, as the followlowing developments today suggested:

Mr. Nixon solicited suggestions on a Vice-Presidentiai nominee from a wide assort-ment of political and civic fig-

ment of political and civic fig-ures. Melvin R. Laird, coun-selor to the President, said that Mr. Nixon hoped to "move rapidly" on submitting a nom-ination to Congress. Officials on Capitol Hill, where both houses of Congress must confirm the nominee by majority vote, wrestled with technical details of the un-charted process and wrangled over the issue of whether the successor should be a care-taker or a potential Republican Presidential candidate.

Associates of Mr. Agnew said Associates of Mr. Agnew said that he intended to speak out before long in an effort to re-but the Justice Department al-legations that he accepted or extorted cash gifts totaling more than \$100,000 over a pe-riod stretching from 1963 to last December last December.

The Attorney General said that the settlement of the crimial proceedings' against Mr. Agnew did not preclude con-tinued investigation by the Internal Revenue Service or the possibility of civil action to assess back taxes and penalties against the former Vice President.

Agnew Assembles Effects

Agnew Assembles Ellects Mr. Agnew appeared briefly at his suite in the Executive Office Building this morning to begin assembling his personal effects and then joined his wife, Judy at funeral services in Randallstown, Md., for his half-brother, W. Roy Pollard, who died Tuesday.

died Tuesday. It remained unclear precisely It remained unclear precisely how the settlement was ar-ranged. But the suggestion that Mr. Nixon had played a signifi-cant role emerged both from the public statements of Mr. Richardson and private dis-closures by others in the Gov-

ernment.

Mr. Richardson told question-Mr. Richardson told question-ers this morning that the Presi-dent had "fully approved each of the major steps" taken by the Justice Department in the deliberations with Mr Agnew's lawyers lawyers:

Concern Over Trial's Effect

Moreover, the Attorney Gen-eral said that Mr. Nixon had been "of course concerned, as all of us were, with the poten-tial consequences of a prolonged and agonizing trial of these is-sues of fact."

Until he appeared in a Balti-more courtroom yesterday be-fore United States District Judge Walter E. Hoffman to accept the negotiated-plea bargain, Mr. Agnew had steadfastly de-nounced the Justice Department investigation, asserted his inno-cence of all charges and pledged to continue fighting them from his high office even if indicted. But Mr. Richardson confirmed But Mr. Richardson confirmed

that negotiations had begun in September and said that "the first [telephone] call I had was a call from the President's counsel, asking if I would be willing to meet with counsel for the Vice President."

Subsequently, in reply to a question, the Attorney General said that the request had been made by J. Fred Buzhardt Jr., Mr. Nixon's special White House counsel on Watergate matters.

'Facilitating Communications' Mr. Richardson said, and a White House spokesman reiterated later, that Mr. Buzhardt's rated later, that Mr. Buzhardt's role had been limited to one of "facilitating communica-tions" between the prosecutors and defense lawyers. Mr. Buz-hardt did not reply to a request for a telephone interview. Government sources knowl-edgeable about the Agnew case said, however, that Mr. Buz-hardt had undertaken the mid-dleman's role at the request of President Nixon. As one senior official stafed

of President Nixon. As one senior official stated it, Mr. Buzhardt "couldn't do that without the full cog-nizance, support and direction of the President." At the same time, some of these officials suggested the possibility that Mr. Nixon had prompted the out-of-court set-tlement in response to a plea by Mr. Agnew. Whatever the cause of the White House Intervention in the case, it appeared to explain the conflict in the assertions- by Mr. Agnew two weeks ago that neither had been responsible for starting the plea bargaining. Explains Conflict

Explains Conflict

Explains Conflict The Attorney General said that the negotiations had bro-ken off in September but re-sumed by telephone last Satur-day—one day after Mr. Agnew was said by associates to have decided against subjecting him-self and the nation to a pro-longed constitutional dispute— and completed Tuesday in de-liberations joined by Judge Hoffman.

Mr. Richardson explained that: the Government had agreed to limit the formal charges against

limit the formal charges against Mr. Agnew to one income tax evasion count because "the very essence of a negotiated plea is that each side yields something." The Attorney General said that part of the agreement had been stipulation that the Gov-ernment would make public the evidence it had gathered against Mr. Agnew. He said that the Justice Department had believed it essential to en-able the public to "judge the basis on which this matter has been handled." Testimony on Kickbacks

Testimony on Kickbacks

He said at one point that the Government did not contend that the 40-page summary of the accusations was equivalent to an indictment. But he de-fended its publication by say-ing that to have kept it con-fidential would have led to in-

evitable efforts to "dig it out" and that "the result would have been an open ulcer on the body politic." Mr. Richardson's comments today, which he described as an attempt to "clarify mat-ters," appeared to open one subject of dispute involving the President's knowledge of the alleged misdeeds of Mr. Agnew. Agnew.

President Nixon has stated President Nixon has stated several times—as recently as eight days ago, at a White House news conference—that none of the allegations against Mr. Agnew bore on his activi-ties as Vice President. The Justice Department ac-count of the evidence cited, however. sworn testimony that

count of the evidence cited, however, sworn testimony that Mr. Agnew had received kick-backs from Maryland contrac-tors on a regular basis until last December, when Mr. Ag-new's activities first came under investigation.