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**U.S. JURY OPENS
INQUIRY ON AGNEW
4 GIVE TESTIMONY**

**His Attorneys Fail to Make
Expected Move to Halt
the Investigation**

WITNESS INVOKES FIFTH

**Session in Baltimore Lasts
Seven Hours—Kickbacks
to Politicians at Issue**

By **AGIS SALPUKAS**

Special to The New York Times

BALTIMORE, Sept. 27—The Federal grand jury investigating political corruption in Maryland began today to hear evidence against Vice President Agnew after weeks of legal maneuvering by the Justice Department and Mr. Agnew's attorneys.

The panel heard seven hours of testimony from at least four witnesses, one of whom invoked his Fifth Amendment right against self-incrimination, at the advice of his lawyer.

Officials said that Mr. Agnew's attorneys made no moves to block the appearance of witnesses, as the lawyers had suggested they might. But some action by the attorneys was promised later, perhaps by Monday, when the grand jury is scheduled to meet again.

Until today, only the Federal prosecutors had been aware of the evidence against the Vice President. The grand jury had received none of it.

Negotiations Collapsed

Attorney General Elliot L. Richardson said Tuesday, in disclosing the breakdown of negotiations between Mr. Agnew's lawyers and Government attorneys, that he intended to proceed with the Agnew phase of the inquiry here today.

The reason that the Vice President's lawyers failed to make the expected motions here today to attempt to block the testimony against Mr. Agnew was not disclosed, but one of the lawyers, Judah Best of Washington, said, "We're trying to crank some last-minute

things into the papers we will be filing."

"We will be filing," Mr. Best emphasized.

Mr. Agnew's lawyers had been expected to seek to derail the grand jury inquiry of the Vice President by asking the United States District Court here for a declaratory judgment that the Constitution bars criminal proceedings in a court against a sitting Vice President, and that any investigation of charges against him must be conducted by the Congress, which has the power to impeach him.

There were indications, however, that yesterday's speedy rejection of Mr. Agnew's proposal to open himself to an investigation by the House of Representatives, made in a letter Tuesday to Speaker Carl Albert, had taken the lawyers by surprise. They were said to be taking the day off today, marking the Jewish holiday, Rosh-ha-Shanah, but the phone calls to their offices disclosed that some of them were at

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work.

Mr. Agnew's lawyers base much of their case on Article I, Section 3, Clause 7 of the Constitution, which says:

"Judgment in cases of impeachment shall not extend further than to removal from office, and disqualification to hold and enjoy any office of honor, trust or profit under the United States; but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment and punishment according to the law."

They contend that this language—over which Constitutional experts disagree—means that the Vice President must be removed from office by impeachment before he can be subjected to indictment and trial.

Supporter Is Silent

The witness said he had "reluctantly" refused to testify on ground of possible self-incrimination was William J. Muth, a political supporter and fund raiser for Mr. Agnew since 1966. Mr. Muth is also a friend of two of the Vice President's closest associates, I. H. Hammerman 2d, and investment banker, and J. Walter Jones, a real estate developer and banker.

Another grand jury witness was reported to have been Eugene P. Twardewig, chief agent in Baltimore of the Internal Revenue Service.

United States Attorney George Beall has used I.R.S. investigators and agents of the Federal

Bureau of Investigation in the nine-month investigation of corruption in Maryland state and local government.

The unusually tight security in and around the United States Courthouse here shielded most of today's witnesses from newsmen.

But Mr. Muth, who has built up business for several consulting engineer concerns, spoke openly and angrily to newsmen on the Courthouse steps.

Inquiry Denounced

Mr. Muth stood in the bright sunlight and denounced the grand jury proceedings. He said he planned to go home, take down the American flag he said was flying there, fold it up and put it away.

Phillip M. Sutley, the attorney for Mr. Muth, said that he had advised his client to cite the Fifth Amendment because the United States Attorney's office has refused to disclose what Mr. Muth would be questioned about.

"Not knowing what they are after," he said, "I can't prepare the guy. It leaves him too vulnerable."

In an interview, Mr. Muth, who has been in Maryland politics since he was first elected to the Baltimore City Council as a Democrat in 1947, said he had invoked the Fifth Amendment reluctantly.

He recalled that on Sept. 5 he had been notified by Ronald S. Liebman, one of the assistant United States Attorneys on the Agnew investigation, to get himself a lawyer because he would be called to answer questions.

Mr. Muth said that later, when he and his attorney appeared at the United States Attorney's office, Mr. Liebman asked him to write down any information on "political deals and contributions and fund raising from engineering firms."

Mr. Muth said that Mr. Liebman told him, "If you don't, we've got enough to indict you." Another source who was present at the meeting confirmed Mr. Muth's recollections.

Since that meeting, the 63-year-old Mr. Muth has refused to cooperate with the United States Attorney's office.

According to sources close to the investigation, men cooperating with the United States Attorney's office have told investigators that Mr. Hammerman and Mr. Jones served as "collectors" of money from consulting engineer firms and other sources for the Vice President.

Mr. Muth said today that he had been a close friend of Mr. Hammerman since they

served together in World War II.

He said he became a supporter of Mr. Agnew during his campaign for Governor in 1966. Mr. Muth, up to then, had been a Democrat and a key supporter of Attorney General Thomas B. Finan, the Democratic organization's candidate in a three-way primary fight for the Democratic nomination. After Mr. Finan lost to George P. Mahoney, who had conducted a campaign on what many regarded as racist appeals, Mr. Muth said he persuaded many of Mr. Finan's supporters to back Mr. Agnew.

Not Close to Agnew

In a state where voter registration is overwhelmingly Democratic, support from Democrats was crucial to Mr. Agnew's victory.

Since then Mr. Muth has met Mr. Agnew at some fund-raising dinners, but he is not one of his close associates. However, in several interviews Mr. Muth has described many instances when he was called on by Mr. Hammerman or Mr. Jones to help raise funds for Mr. Agnew.

Mr. Muth has many acquaintances in the consulting en-

gineer business. He is now employed by Hurst Rosche Engineers Inc. and has been with the concern for four years. Before that he worked for Loewer Associates and for Loewer Sargeant Associates.

According to sources close to the investigation, one of the main areas of the inquiry concerns campaign contributions by engineering firms in return for favored treatment in the awarding of lucrative consulting contracts.

Key Witnesses

Some of the key witnesses against Mr. Agnew are major figures in the consulting engineer field, such as Lester Matz and Jerome B. Wolff. They have reportedly told investigators that they delivered money to Mr. Agnew from consulting firms.

Mr. Muth has candidly admitted in recent interviews that it was common for engineering firms to make heavy contributions to campaigns in order to attract business from the state.

He described the process as joining a club in which members pay dues to obtain privileges. "You've got to belong," he said, "because that's where the money is."