

Examiner News Services

WASHINGTON — Lawyers for Vice President Agnew will move in federal court next week to block the kickback investigation of him by a Federal grand jury in Baltimore, it was learned last night.

Spiking rumors Agnew might be on the verge of resigning in return for leniency from federal prosecutors, the Vice President's office early in the day announced formation of a "legal defense fund" for him and in late evening Attorney Judah Best confirmed papers would be filed next week seeking to halt the inquiry altogether.

How the legal counterattack will be conducted was not specified, but it appeared Agnew's lawyers will contend a calculated series of malicious leaks about the kickback probe violated his Constitutional rights.

"There have been an inordinate number of disclosures that would preclude the right to a fair trial," Best said.

Agnew supporters have claimed the leaks came from the Justice Department and the White House and were aimed at distracting attention from President Nixon's Watergate problems. Justice and the White House have vigorously denied it.

The apparent decision to fight back through the legal system capped a week in which it was widely reported that Agnew was "bargaining" with the Justice Department over the possibility

of resigning in return for being permitted to plead guilty to some minor offenses in the Maryland political corruption case.

These sources would not confirm that the reporter meetings with the Justice

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Legal Defense Fund Formed

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Department — described as "plea bargaining" — did occur. But if they did, the sources said, Agnew was not prepared to accept any such arrangement.

The source in Congress who learned of the negotiations with the Justice Department said he expected Agnew to decide his course of action within a week.

CBS, reporting on the negotiations, said that Agnew had offered to resign in exchange for a promise not to be prosecuted.

But, CBS said, Assistant Attorney General Henry Peterson was holding out for a guilty plea at least to a reduced charge.

Peterson, angered that he was relieved of the Watergate investigation when it appeared he was going easy on involved government officials, was said by CBS to be certain he could win a conviction on bribery and kickback charges.

"We've got the evidence," CBS quoted him. "We've got it cold."

Appeal to Public

The idea for the defense fund is believed to have been suggested by one or more friends of Agnew who recognized that, lacking private wealth, the vice president might face problems in financing his legal battle.

It was understood that Agnew decided to divulge the existence of his defense fund plans in an effort to undercut the continuing speculation that he will resign or conduct anything less than a full defense of himself.

While the details of the fund are still to be worked out, Agnew's press secretary, S. Marsh Thomson, said basically it would in-

volve an appeal for public donations to cover the cost of attorneys.

NIXON MEETING

The disclosure of the fund dramatically topped off a week of growing pressure on the vice president to resign.

Agnew's steadfast refusal to leave his job was one topic discussed during a meeting Thursday afternoon with President Nixon, sources said.

Reports that Agnew would resign were apparently leaked by two of Nixon's closest advisers, Melvin Laird, Nixon's domestic affairs chief, and counsellor Leonard Garment.

Agnew requested the Thursday meeting with the president and won an agreement from Nixon to call off White House aides who want to see him out.