

NIXON AIDE TRACES SECRET BANK FUND

Use of Account Described
by Campaign Accountant

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WASHINGTON, June 27—An accountant for the Nixon re-election organization, in a sworn deposition, has described in detail the alleged use of a secret bank account, spawned by jealousies within the organization and kept secret for a time from top officials.

Henry M. Buchanan, brother of Patrick J. Buchanan, a speechwriter for President Nixon, traced the development of the bank account in a sworn deposition given May 1 in connection with a civil lawsuit against the Finance Committee to re-elect the President that was filed by Common Cause, a nonprofit public interest lobby.

The deposition was released to the public by the court today.

In the deposition, Mr. Buchanan said he set up an outside bank account at the direction of W. Hugh Sloan, former treasurer of the finance committee, in 1971.

Indirect Payments

From July, 1971, until the end of the year, the account was used, Mr. Buchanan said, to pay out about \$11,000 at the direction of Jeb Stuart Magruder, then deputy director of the Committee for the Re-election of the president. Most of the payments were indirect in that Mr. Buchanan would cash a check on the account—which he maintained in a bank near his office in Bethesda, Md.—and then transmit the cash to the Committee for the Re-election of the President.

"I was told," he said, "that . . . [the name has been excised by the court] was not making the salary he deserved, but there were certain jealousies within the organization," and that additional pay for the campaign worker would be channeled through the special bank account.

Later, late last October or early November, Mr. Buchanan testified that Maurice H. Stans, director of the Finance Committee to Re-elect the President, learned of the account and was "alarmed."

"He didn't show much emotion," Mr. Buchanan said of Mr. Stans, "but my recollection would be from his voice on the telephone, he seemed burned, and he seemed disturbed and alarmed."

Mr. Stans' first questions, Mr. Buchanan testified, were whether the money had been used to pay Donald H. Segretti, a California lawyer charged with political sabotage in connection with the Nixon campaign, or to H. R. Haldeman, former chief of the White House staff.

Mr. Buchanan said that, when he assured Mr. Stans that neither Mr. Segretti nor Mr. Haldeman received money from the account, he was told to take his records of the account back with him to his office.

Although this testimony indicates that Mr. Stans knew of the bank account as early as last Oct. 31, the former Commerce Secretary apparently never mentioned it until Common Cause learned of it and subpoenaed the records last April.

Efforts to reach Mr. Stans to discuss Mr. Buchanan's testimony were unsuccessful, and calls to his attorneys were not returned.

Although Mr. Buchanan said

the account was not unusual and that as an accountant he had maintained similar bank accounts for clients before, he conceded that he became nervous when asked to forward cash to officials of the Nixon re-election committee.

Once, he said, he was asked to cash a check for \$24 and then spend \$5 to send the money by messenger to Mr. Magruder's office.

"When it got to cash," Mr. Buchanan said, "I said, 'Wait a minute, Buchanan, what are you doing?' I said, 'Think it through, are you committing any impropriety?' But I couldn't think of any, so I never knew what this money was used for. And these people [at the re-election committee] had impressed me as honest, so—"

After Mr. Stans discovered the existence of the account and had him detail how it had been spent, Mr. Buchanan said, he heard nothing more about it until last April.

On April 19, John Gardner, director of Common Cause, met with Mr. Stans to tell him his organization had discovered that, despite court orders, all finance records had not been made available. The following day, Mr. Buchanan said, he received a call in Florida from Mr. Stans, urging him to get the records together and turn them over to Mr. Stans' attorney.

Before he could comply with the request, Mr. Buchanan said, he was served with a subpoena obtained by Common Cause.

"At that point I just froze," he recalled. "I talked to my attorneys, and they advised me not to do anything with the records but safeguard them and that is what I did."

Efforts to determine the name of the employe of the Nixon re-election committee receiving extra pay through the account were unsuccessful.

Attorneys familiar with Mr. Buchanan's testimony and the continuing Watergate investigation have said the person involved has not been implicated in the scandal and describe him as "inconsequential."

One receipt contained in the exhibit of documents accompanying Mr. Buchanan's testimony, however, indicates that \$200 of the money was given Kenneth S. Reitz by Mr. Magruder on Sept. 20, 1971. At that time, Mr. Reitz was setting up a youth-for-Nixon organization that was later alleged to have been involved in sabotage efforts aimed at Democratic Presidential candidates.