

Not in this edition: paragraphs marked in final edition

# *Easier*

## Mitchell Controlled Secret GOP Fund

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See MITCHELL, A13, Col. 1

**MITCHELL**, from left, re-explains his role in the secret fund to reporters.

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It has been established, however, that George R. Mitchell, former Nixon campaign manager, was one of the seven men indicted in the Watergate case. A well-known source said:

Two of them were identified as former Secretary of Commerce Maurice H. Stans, now finance chairman of the President's campaign, and Jeb Stuart Magruder, manager of the Nixon campaign before Mitchell took over and now a deputy director of the campaign. The other two are a high White House official now involved in the campaign and a campaign aide outside of Washington.

The sources of The Post's information on the secret fund and its relationship to Mitchell and other campaign officials include law enforcement officers and persons on the staff of the Committee for the Re-election of the President.

Asked to comment on the Post report, a spokesman for President Nixon's re-election committee, Powell Moore, said: "I think your sources are bad; they're providing misinformation. We're not going to comment beyond that."

Asked if the committee was therefore denying the contents of the story, Moore responded: "We're just not going to comment."

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Last month, the existence of the secret fund was cited as a possible and apparent violation of a new, stricter campaign finance disclosure law. Report by the General Accounting Office, 1971, legal

and political campaign costs.

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in gathering operations against the Democrats. It could be determined yesterday exactly what individual projects were funded by the account.

But sources said FBI agents recovered several in their Watergate investigation. Those projects are described by one source "not necessarily illegal," although potentially very embarrassing. "Nobody found out what they were,"

In addition, the sources said, there was a small amount of cash in the fund used by persons for nonintelligence activities—usually because the money in Stans' safe represented quickly obtainable cash for travel.

The sources said the fund, authorized by Judge John Sirica, was used to finance the Watergate defense, to pay for the legal fees of the defense team, and to pay for the defense of the Watergate defendants.

Local legend has it that the \$14,000 in the fund came from the FBI, but the sources say that is not true. They say the fund was established by the defense team, which included the defense attorney, Fred T. Gandy, and his wife, and the defense counsel, George R. Mitchell, and his wife.

When asked whether he would be asked for an independent attorney general to control disbursements from a no-bug campaign fund, one federal attorney involved in the Watergate case said yesterday: "I don't know. There's a question."

A spokesman for the Justice Department said there is no law prohibiting the political activity of a member of the President's cabinet.