

Not in this edition: paragraphs marked in early edition

Mitchell Controlled Secret GOP Fund

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Washington Post Staff Writers

John N. Mitchell, while serving as U.S. Attorney General, personally controlled a secret Republican fund that was used to gather information about the Democrats, according to sources involved in the Watergate investigation.

Beginning in the spring of 1971, almost a year before he left the Justice Department to become President Nixon's campaign manager, Mitchell provided with the fund...

Mitchell provided with the fund... have been... Post.

Those who... a list of... computer... ing \$350,000...

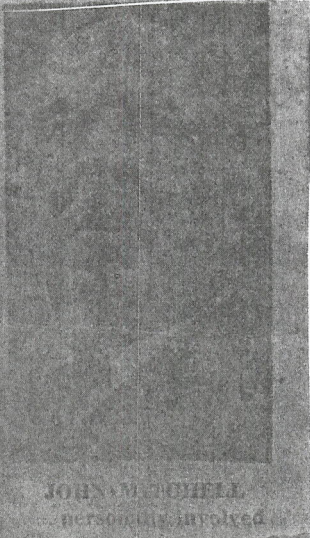
Four persons Mitchell were... to approve payment... secret fund, the sources...

Two of them were... 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, according to the sources, 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. See MITCHELL, A13, Col. 1.

MITCHELL, From A1 and other campaign officials include law enforcement officers and persons on the staff of the Committee for the Re-election of the President.



JOHN N. MITCHELL, personally involved...

... Mitchell was reached by the phone in New York and read the beginning of The Post's story. He said, "All that crap is being put in the paper? It's all been denied. Jesus, Katy Graham (Katharine Graham, publisher of The Washington Post) is gonna get caught in a big fat wringer if that's published. Good Christ. That's the most sickening thing I've ever heard."

Told that the Committee for the Re-election of the President had issued a statement about the story, Mitchell interjected: "Did the committee tell you to go ahead and publish that story? You fellows get a great ball game going. As soon as you're through paying Ed Williams (Edward Bennett Williams, whose law firm represents the Democratic Party, as well as The Washington Post), we're going to do a story on all of you." Mitchell then hung up the phone.

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."

Later, Moore issued a formal statement that read: "There is absolutely no truth to the charges in the Post story. Neither Mr. Mitchell nor Mr. Stans has any knowledge of any disbursement from an alleged fund as described by the Post and neither of them controlled any committee expenditures while serving as government officials."

Asked to discuss specific allegations in the story, Moore declined, saying: "The statement speaks for itself."

According to The Post's sources, the federal grand jury that investigated the alleged bugging of the Democrats' Watergate headquarters did not establish that the intelligence-gathering fund directly funded the illegal eavesdrop-

... investigators have been told that the only record of the secret fund—a single sheet of lined ledger paper, listing the names of about 15 persons who received payments and how much each received—was destroyed by Nixon campaign

officials after the June 17 break-in at the Watergate.

It has been established, however, that G. Gordon Liddy, the former Nixon finance committee counsel who was one of the seven men indicted in the Watergate case, withdrew well in excess of \$80,000 in cash from the fund, the sources said.

Some of the still-unrevealed intelligence activities for which the secret fund was used were described by one federal source as potentially "very embarrassing" to the Nixon campaign if publicly disclosed. Other sources said they expect these activities to be revealed during the trial of the seven men indicted in the Watergate case.

Mitchell served as the President's campaign manager for three months and resigned on July 1, citing an ultimatum from his wife that he leave politics.

The former attorney general has repeatedly denied that his resignation was related in any way to the Watergate bugging or that he had any knowledge of it.

When asked whether it would be illegal for an incumbent attorney general to control disbursements from a political campaign and have federal attorney involvement 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.

Last month, the existence of the secret fund was cited as a "possible and apparent" violation of a new, stricter campaign finance disclosure law in a report by the General Accounting Office, the investigative arm of Congress.

The GAO said the fund contained \$350,000 as of May 25 and was possibly illegal because receipts and expenditures were not publicly reported for a six-week period after the new disclosure law took effect on April 7.

The fund, which was kept in Stans' office, primarily consisted of cash contributions made to the Nixon campaign over an 18-month period, according to sources.

Although the only record of the fund was destroyed, it is known that investigators were able to reconstruct at least a partial list of recipients.

In addition to Liddy, those who received payments included Magruder, who withdrew about \$25,000 from the fund; Herbert L. Porter, scheduling director of the Nixon committee, who received at least \$50,000; several

White House officials and thus far unidentified persons who were not on the regular Nixon campaign or White House payroll.

Magruder has denied he received any money from the fund, and Porter has not com-

... its inception, the secret intelligence fund was wholly controlled by Mitchell, the sources said, with the other four officials gaining authority to approve disbursements later on.

According to The Post's sources, the primary purpose of the secret fund was to finance widespread intelligence-gathering operations against the Democrats. It could not be determined yesterday exactly what individual subjects were funded by the secret account.



MAURICE H. STANS ... also linked