

Mitchell Linked to Secret GOP Fund

WASHINGTON (AP) — While serving as attorney general, John N. Mitchell personally controlled a clandestine Republican fund earmarked for gathering intelligence about Democrats, The Washington Post reported today.

The newspaper quoted "several reliable sources" as saying that Mitchell personally approved withdrawals from the fund as early as the spring of 1971, almost a year before he resigned as attorney general to become President Nixon's re-election campaign manager.

Mitchell quit the campaign job in midsummer and since has served the Nixon campaign only in a behind the scenes capacity.

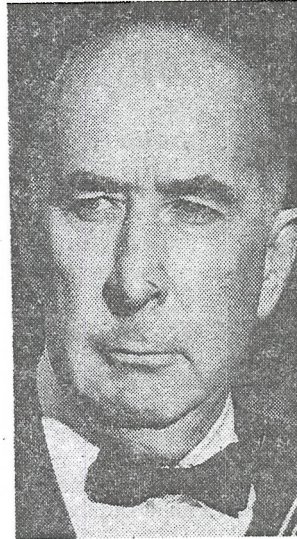
The Committee for the Re-election of the President promptly issued a statement denying the Post account.

"There is absolutely no truth to the charges in the Post story," said Powell Moore, the committee's information director.

Although Mitchell was the first controller of the secret fund, four other Nixon associates later were authorized to approve payments from it, the Post said.

The sources identified the four as former Commerce Secretary Maurice H. Stans, now finance director for the Nixon campaign; Jeb Stuart Magruder, a former White House aide and now deputy director of the campaign organization; a third person identified only as "a high White House official now involved in the campaign," and a fourth described only as "a campaign aide outside of Washington."

"Neither Mr. Mitchell nor Mr. Stans have any knowledge of any disbursement from an alleged fund as described by the Post. And neither of them controlled any committee expenditures while



JOHN N. MITCHELL
Money controlled?

serving as government officials," Moore said.

Examining the legality of a government official controlling political funds, the Post quoted a Justice Department official as saying no law prohibits a cabinet member from engaging in political activity.

But the newspaper quoted a lawyer involved in the case as saying, "I don't know. There's a question."

The secret fund reportedly ranged from \$350,000 to as high as \$700,000, the Post said.

It was uncovered first when

the General Accounting Office audited Republican campaign records and reported a fund of \$350,000 kept in Stan's office safe, the newspaper said.

It reported the GAO said the absence of public reports on the sources and distribution of the cash was in apparent violation of a new law requiring public reports of campaign contributions and expenditures.

The Post has identified the cache in Stans' safe as a special fund designated for intelligence-gathering directed at Democrats.

The investigations by the GAO, the FBI and others stemmed from the June 17 break-in at the Democratic National Committee's headquarters in the Watergate office building. Seven men have been indicted by a federal grand jury on charges of conspiring to break into the offices and attempt to plant wiretap devices.