

Watergate Jury Indicts Reinecke

By George Murphy

Lieutenant Governor Ed Reinecke was indicted yesterday by the Watergate grand jury in Washington on three counts of perjury.

The action may affect not only the Republican gubernatorial campaign this year, but also the 1976 GOP presidential nomination.

Reinecke held a press conference in his Sacramento office less than 90 minutes after the indictments were announced by Chief U.S. District Judge George L. Hart Jr.

Reinecke said:

"I am innocent. I will not plead guilty. There will be no plea bargaining whatsoever."

He added: "I am in the gubernatorial race to stay. I will win the June primary and I will win the November general election."

Reinecke and Controller Houston I. Flournoy are the only major candidates for the Republican gubernatorial nomination.

Yesterday's indictments, political observers seemed to agree generally, cannot but hurt Reinecke's chances in the June 4 primary.

One political pro said: "Even the conservatives will say, 'we love Ed, and we believe he's innocent, but how can he be elected in November?'"

The indictments stem from an investigation by Special Prosecutor Leon Jaworski into Reinecke's testimony before a U.S. Senate committee during hearings



ED REINECKE
'I am innocent'

on the nomination of former U.S. Attorney General Richard G. Kleindienst.

Reinecke was charged specifically with lying to the committee on April 19, 1972.

The committee was probing alleged connections between a guarantee of funds for the Republican National Convention that year and an out-of-court settlement of an antitrust case against the International Telephone Telephone and Telegraph Co.

The indictment charged Reinecke lied he told the committee that, so far as he knew, then Attorney General John N. Mitchell did not know ITT had offered a

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\$400,000 guarantee for the convention before Reinecke told him about it on Sept. 17, 1971. Settlement of the ITT case had been announced on July 31, 1971.

The presidential politics of 1976 enter the case because, if a Republican is governor then, he will control the huge California delegation to the Republican National Convention.

Reinecke, hand-picked by Governor Ronald Reagan to replace then Lieutenant Governor Robert Finch, would obviously throw the delegation's support to Reagan at the convention.

Flournoy, considered more moderate by Republicans, has said he has told Reagan he has made "no commitment" concerning the GOP hopefuls, should he become governor.

But several of his supporters have long been friendly with New York's former Governor Nelson Rockefeller, who is gearing up to challenge Reagan—now the front-runner in the polls—for the presidential nod.

Reagan, at an impromptu Sacramento press conference, said:

"I am sorry. I am disappointed about it. But, as I've said, as far as I'm concerned I am going to presume him innocent unless they prove him guilty in a court of law."

Asked if the indictment would hurt his own presidential chances, Reagan said: "I don't think it's going to hurt anyone else (meaning anyone but Reinecke) . . . I don't see why this should have any effect on the Republican party at all."

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But the more immediate problem for Reinecke is the effect on his primary campaign of the indictments.

He said yesterday that because the ITT investigation involving him has been in the press for the past two years, "people have known about it," and still recent polls show him leading Flournoy by 2 to 1.

And he noted, he defeated Flournoy at the recent state convention of the conservative California Republican Assembly in Fresno by "10 to 1" for the CRA endorsement.

(Dick Krugh, of Morgan Hill, who was CRA president at the time of the convention, told The Chronicle yesterday, "I think Ed is still going to win the primary, and I'm going to be working for him. We would back Flournoy if he won the primary, but I still think it's going to be Ed Reinecke.

"As far as I can tell from the phone calls I've had today, nobody (in CRA) wants to leave Ed."

Flournoy issued a cautious statement about the indictments, saying: "I am sorry to learn of today's action because Ed Reinecke is a friend of mine. The matter is now before the courts and it therefore would be inappropriate for me to make any further comment regarding that action."

Reinecke told his press conference that he has instructed his attorneys to seek a change of venue for his trial from Washington to California.

The reason: "I don't think anyone gets a fair trial in Washington these days."

In a prepared statement, Reinecke referred to "the special prosecutor's decision to indict me," although the indictments were actually handed down by the federal grand jury which has been investigating the Watergate and associated cases.

On March 13 and 14, Reinecke underwent a lie detector test at the FBI offices in Sacramento on the ITT case.

At its conclusion, he told newsmen he had urged Jaworski's office in February to allow the test, and added:

"I am pleased that they finally granted my request for this test because I know it will conclusively clear me of any wrongdoing."

The indictments were returned just 22 days after he took the lie test.

Reinecke, who turned 50 last January 7, is a former Democrat who ran for Congress as a Republican from Southern California in 1964, and won. He was re-elected in 1966 and 1968."

Reinecke served in the House until 1969, when Reagan appointed him to succeed Finch, who joined the Nixon administration as secretary of Health, Education and Welfare.

He is a graduate of the California Institute of Technology and a professional mechanical engineer.

Of the lie test he took last month, Reinecke said yesterday "I didn't know at the time that such tests are not admissible as evidence in courts, so I think the question is moot . . . I'm an engineer, not a lawyer."