

Reinecke Says He Told Mitchell of Contribution

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Washington

California Lieutenant Governor Ed Reinecke said yesterday that he discussed with former Attorney General John N. Mitchell last September 17 the offer by the Sheraton Hotel Corp. to help underwrite the GOP convention in San Diego.

Mitchell, now directing President Nixon's reelection drive, said Monday that he had no knowledge that Republicans were conducting convention dealings with International Telephone and Telegraph Co., Sheraton's parent corporation.

Mitchell's denial figures prominently in the mounting controversy over the Justice Department's \$1 billion antitrust settlement with ITT last July, which columnist Jack Anderson has charged was linked with the convention pledge. The charges have held up Senate confirmation of Attorney General-designate Richard Kleindienst to succeed Mitchell, as the Senate Judiciary Committee holds hearings on the matter at Kleindienst's request.

TERMS

Reinecke, issuing his second statement of the day from Sacramento, emphasized that the discussion of convention financing was in terms of Sheraton and not ITT.

It was unclear, however, whether Mitchell recognized the relationship between the firms. As Attorney General, he removed himself from the antitrust case because the law firm in which he and President Nixon were once

partners had represented another ITT subsidiary, Continental Baking Co.

In his first statement, Reinecke told newsmen he and Edgar M. Gillenwaters, director of the State Department of Commerce, met with Mitchell in his Washington office in mid-May last year, about two months before the antitrust settlement. Reinecke said the Sheraton convention pledge "was mentioned, but was not discussed."

After a spokesman for Mitchell said the former Attorney General's records showed he had not met with Reinecke in mid-May, Reinecke issued the second statement. He said that, because he didn't have access to his own files when he made the initial statement, he was mistaken about the meeting.

The meeting took place on April 26, 1971, he said, and the Republican convention was not discussed "because the idea had not developed at that date." The Sheraton convention offer was first discussed at the September 17 meeting, Reinecke said.

He urged the GOP to reject what he called Sheraton's \$400,000 pledge — a sum that ITT contends is twice the amount pledged by the hotel chain.

"You have got to play it super clean and super safe and just say 'thanks, but no thanks,'" Reinecke said. The GOP "would be ill advised to accept this money now, not that there is anything wrong with it, but because of the propensity of the public to believe any ac-

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cusatory story like this."

Senator John V. Tunney (Dem-Calif.) asked Senator James O. Eastland (Dem-Miss.), Judiciary Committee chairman, to call Reinecke as a witness when the Kleindienst hearings resume Tuesday. Reinecke said he would appear if asked, but said he hoped the committee would not summon him because of the press of business in California.

In San Diego, Republican Congressman Bob Wilson of that city revealed that the ITT offer was first made to him at a dinner party in San Diego last May 12 — just ten days before the alleged conversation at Lexington, Ky., between Mitchell and Dita D. Beard, a lobbyist for ITT whose purported memo published by Anderson linked the ITT anti-trust case and the ITT contribution to the GOP.

Therefore, Wilson said, there was no way Mitchell or anyone could have discussed the anti-trust action in connection with the convention pledge.

CONNECTION

The pledge was made, Wilson said, by ITT President Harold S. Geneen but that there was "no connection at all" with the anti-trust suit.

Reinecke said Sheraton first offered \$200,000. That was increased to \$400,000, he said, when it became evident San Diego risked losing the convention to Chicago which had put up a \$1 million guarantee.

San Diego officials already had pledged a guarantee of \$600,000.

"That meant we would need \$400,000 to make up the difference so then they (Sheraton representatives) said we'll help you raise it. But I don't think anyone ever expected Sheraton to write a check in that amount," Reinecke said.

BOOST

Asked why he thought they made the offer, he said, "They were building those two new hotels down there. It made good sense for them to do this on a promotional basis to help boost their hotels."

A new Sheraton hotel is under construction in San Diego and has been designated as headquarters for President Nixon's staff during the convention.

Phil Phillips, assistant director of the San Diego Civic Host Committee for the convention, said of Reinecke's suggestion that the

Sheraton money should be offer to get the committee rejected, "It's like slapping off the ground in the very someone in the face. Sheraton brief period in which we put made a very generous the bid together."
