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SAN DIEGO SPLIT ON CONVENTION AID

Injunction to Bar Tax Funds for G.O.P. Session Denied

Special to The New York Times

SAN DIEGO, Sept. 12—A \$400,000 guarantee by a subsidiary of the International Telephone and Telegraph Corporation has come under the scrutiny of a citizens' group that is seeking to block the use of city tax funds for the Republican National Convention in San Diego next year.

Judge Roscoe S. Wilkey of Superior Court denied a preliminary injunction last week sought by a group whose leader, Mrs. Virginia Taylor, is a candidate for Mayor, a member of the Republican County Central Committee and an officer of the women's liberation movement.

The injunction was asked to prevent the City Council from using any tax revenues for convention purposes.

The company's guarantee, which covers two-thirds of the cash portion of San Diego's successful \$1,521,800 bid, was kept secret for several weeks until after the Republican National Committee announced on July 23 its selection of the city as the 1972 convention site.

Local Pledges Lacking

The guarantee was made through the Sheraton Hotel Subsidiary of I.T.T. in Boston after San Diego civic leaders were unable to obtain enough pledges locally in time to meet a July 1 deadline.

Under the arrangement, I.T.T. Sheraton agreed to serve as surety for later collection of at least a major portion of the \$400,000 in cash from San Diego business and industrial interests.

Judge Wilkey, in denying the preliminary injunction, rejected Mrs. Taylor's contention that general tax revenues already are being illegally spent on convention arrangements and that the City Council's plans to divert revenues from the city hotel occupancy tax violates both the state constitution and the San Diego municipal code.

Frederick Hetter, attorney for Mrs. Taylor and 10 other San Diegans, argued that the room tax was designed solely to promote San Diego. The Republican convention, he added, will not promote the city's interests "but will in fact injure the city and its citizens."

Suit Planned Against City

After denial of the injunction Mr. Hetter said that a suit would now be brought against the city seeking a direct judgment and insisting upon a full explanation of the \$400,000 guarantee.

He contended that the city bore prime responsibility for the entire \$1,521,800 convention bid, including the \$400,000 from "private sources," and that the drain on tax funds might greatly exceed the bid, particularly if there should be major demonstrations and violence during the convention.

San Diego's bid for the convention was a last-minute and somewhat reluctant decision, agreed to only after President Nixon let it be known that he wanted the event held here in what he once described as "my lucky city."

Since then, a civic committee for the convention has been working to dispel a broad lack of enthusiasm and considerable hostility toward the Republican convention on the part of San Diego's 700,000 residents. The subject has been debated, in the press, on television and among a number of candidates for mayor in the Sept. 21 city-county elections. Five of the 14 candidates have opposed either the convention itself or the use of tax funds to defray its costs.

A Conditional Bid

The bid was approved by the City Council on June 29, two days before the national committee's deadline, but only on condition that the city's commitment of \$600,000 in facilities, services and cash be matched by at least \$900,000 in cash and services from the state, county, the hotel industry, the San Diego Convention and Visitors Bureau and private sources. The bid included a total of \$600,000 in cash and the remainder in facilities and services.

After those seeking to bring the Republicans to San Diego were unable to raise the \$400,000 from business and industry in the short time remaining, Representative Bob Wilson, a Republican from San Diego, announced that he had obtained a commitment for the full amount from sources that he refused to identify.

Mr. Wilson and Leon Parma, chairman of the civic committee, finally confirmed I.T.T. Sheraton's role after reports circulated that the mysterious benefactor was Harold Geneen, chairman of I.T.T. and one of the largest individual contributors to President Nixon's 1968 campaign.

Mr. Wilson said the guarantee was obtained, not directly from Mr. Geneen, but from the Sheraton president, Howard James, a former San Diegan.

Asked why it was necessary to go as far afield as New York and Boston to obtain support for San Diego's bid, Mr. Parma explained that both I.T.T. and Sheraton have large business interests here.

A Sheraton hotel spokesman said the \$400,000 "actually was a highly exaggerated figure" for Sheraton's involvement in the San Diego convention bid, but he declined to estimate what the company's cash contribution might be.