

Secrecy Shrouds Hughes

Wielder of Power

By Morton Mintz and George Lardner Jr.
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Howard R. Hughes, one of the strangest of America's great economic barons, amassed a fortune estimated at more than \$2 billion, and with that fortune exercised a power that spread far beyond his vast financial holdings and reached deep into the nation's political, defense and intelligence communities.

That financial power enabled him to evade subpoenas, ignore lawsuits, command audiences with presidential advisers, buy out competitors and most often get his way.

Less than two months ago, in what appears to have been his final victory, the Internal Revenue Service issued a long-delayed set of regulations that made the Howard Hughes Medical Institute a "public charity."

The ruling, little-noticed at the time, allows the institute to retain all of its stock. As a private foundation rather than a "public charity," it would have been required to divest 20 per cent to 50 per cent of its holdings, depending on when Hughes' will was dated.

Hughes, who died Monday during a flight from Acapulco to a Houston hospital, is believed to have left the bulk of his fortune to the Hughes Institute.

Officials of Hughes' empire were unable to state definitely yesterday whether the

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Melodramatic End

By Laurence Stern
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HOUSTON, April 6—Even in death, Howard R. Hughes clung to the mantle of secrecy that marked him as America's pre-eminent rich recluse.

His body, wasted by illness and shrouded by a yellow hospital blanket, was wheeled out of the morgue of Methodist Hospital here shortly after 5 p.m. and quickly transferred to a waiting hearse under police guard.

His face was hidden, as it has been for the past 20 years, from the photographers and reporters who pursued the stretcher down a hospital corridor.

The cause of death was "chronic renal disease"—kidney failure—Methodist Hospital President Ted Bowen announced.

The circumstances of Hughes' death were as steeped in melodrama as had been most of his tumultuous life. He died in flight aboard a private Lear jet rushing him from the Mexican resort Acapulco to this thriving oil capital where Hughes was born 70 years ago and made his early fortune.

He will be buried in a family plot here where the remains of his parents lie following a private funeral service at a time which, characteristically, is being kept secret.

His body arrived in Houston at 2:05 p.m. Monday, about a half hour after he was pronounced dead in the air. It was accompanied by two physicians, an aide and two

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pilots. It was the cadaver of "an old, emaciated man," said Marie Denton, Customs Bureau inspector at Houston Intercontinental Airport.

There was one piece of identifying documentation, a birth certificate naming him Howard Robard Hughes Jr.

At Methodist Hospital, which is part of Houston's renowned medical complex, Hughes was being awaited as a patient under the alias J. T. Conover. A recovery room had been prepared for his treatment next to the operating room in which celebrated Houston heart surgeon Dr. Michael De-Bakey normally operates.

A high bustle of activity had begun at mid-morning Monday for the arrival of the mysterious VIP patient. Special nurses were brought in and plainclothes security men prowled the halls.

But by 3:30 p.m. the flurry ended. The word was put out that "he isn't coming."

Instead, the body of Hughes was in the hospital's basement morgue awaiting adjudication between the coroner's office, the hospital and Hughes' few surviving kin of its disposition.

At about 5 p.m. the word went out to the public that the remains of Hughes were in the morgue of Methodist Hospital.

The news media from which Hughes had sealed himself off for the past 20 years began "converging at the door in the basement marked:

"Pathology — Authorized Staff Only."

Staff aides of the deceased billionaire insisted that the net of privacy be drawn as tightly as possible. The hospital's management was caught between the demands for secrecy and the growing clamor for information from the press.

"I've been expending more energy on one dead man than on 1,500 live ones in here," said one hospital official. "He may be a multi-billion-dollar man but this is getting ridiculous. We were expecting a patient, not a corpse."

An autopsy was begun at 1:30 p.m. today and ended at 3 p.m. It was conducted by Dr. Jack Titus, chief pathologist of Methodist Hospital, at the request of an elderly aunt of Hughes, Mrs. F. R. Lummis, his next of kin.

Beside the autopsy, other steps are being taken to assure that the body which now rests at the George Lewis & Sons Funeral Home here is that of Hughes.

Treasury Secretary William E. Simon ordered that the corpse be fingerprinted. A spokesman for the Treas-

ury Department said the fingerprinting was ordered "because of the substantial estate tax that would be expected" following Hughes' death. The state of Nevada, where Hughes has large property holdings, also requested fingerprints.

The Treasury spokesman added that two Internal Revenue Service agents were guarding the body. "We do not have official custody of the body but we are going to stick with it" until its identity has been confirmed, he said.

The fingerprinting of the body was conducted by the Harris County, Tex., chief medical examiner, Dr. Joseph Jachimczyk, who also observed the autopsy. The prints were forwarded to the FBI.

Hughes was identified by his two private physicians, Drs. Wilbur S. Thain of Logan, Utah, and Lawrence Chaffin of Los Angeles, as well as an aide, John M. Holmes Jr., all of whom accompanied the body to Houston.

It may, nevertheless, be three or four days before a death certificate is issued

Support Seen For Decontrol Of Residual Oil

Associated Press

by Dr. Henry D. MacIntosh, chairman of the Department of Internal Medicine and attending physician of record. This will permit the conclusion of the fingerprint identification as well as the rest of the autopsy findings.

"In this case verification is extremely important," said the medical examiner. "It is a question of how you can be sure when no one has seen him in 20 or so years."

Deputy medical examiner Ethel Erickson said the body of Hughes was "shriveled and dehydrated" because of his refusal, despite the urging of his doctors, to drink water.

Hughes' doctors decided to rush him to Houston on Monday, she was told, because of his rapidly deteriorating condition. He had lapsed into a semi-comatose condition for periods of time just prior to his death.

MacIntosh explained in a press conference that the long-standing kidney failure made it impossible for Hughes to eliminate waste products.

"Unless something is done about this the patient will die and this is what I think happened," he said. "Ultimately there comes a time when nothing can be done."

MacIntosh said he could not give a reason why the Hughes party chose Methodist Hospital for the final race to save the patient's life.

"From what we have seen in the press we have read that Mr. Hughes likes to live in secrecy," MacIntosh said. "I have no fault with the way he lived his life." The appearance of Hughes, he said, was "that of a man who had lived a full life."

There was no evidence of foul play of any kind, said Jachimczyk. "He looked like an old human being," the pathologist said.

In Beverly Hills, Calif., Jean Peters, who was married to Hughes from 1957 until their divorce in 1971, said "I'm sorry; I'm saddened." Peters was Hughes' second wife. His first marriage, to Houston socialite Ella Rice, ended in divorce when he was 23. Hughes had no children.

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billionaire even left a will. "I'm 90 per cent sure there's a will," said Hughes spokesman Arelo Sederberg.

That the provisions and even the existence of a will seemed uncertain was not surprising, for Hughes' empire operated in secrecy, concealed in a maze of surprise movements and popular myths.

The efforts of Howard Hughes to translate his money into political power have been chronicled by two former trusted aides, Noah Dietrich, in his book "Howard: The Amazing Mr. Hughes," and Robert A. Maheu, in sworn testimony in a lawsuit.

"He cared nothing about candidates or issues—unless they had some effect on Howard Hughes," Dietrich wrote.

"And if they did he figured he could buy his way to favor. Everybody always has a price," he always said. "And he was going to offer that price—to a city councilman or the President of the United States."

Dietrich estimated that in the late 1940s and throughout the 1950s, Hughes gave between \$100,000 and \$400,000 a year in political contributions through Los Angeles lawyer Frank J. Waters.

The law forbade corporate contributions. But Hughes' lawyers had pointed out to him that there had been no court test of contributions by a foreign corporation.

Maheu, testifying in a successful defamation suit against Summa Corp., dealt with the 1960s, as in this sworn statement about a meeting he had in 1967 with Raymond M. Holliday, then chief executive of Hughes Tool Co.:

"I showed Mr. Holliday a handwritten memorandum from Mr. Hughes where Mr. Hughes was asking me to make a million-dollar payoff to a President of the United States. Mr. Holliday fainted, dropped the yellow sheet of paper on the floor and requested of me whether or not his fingerprints could be taken off the piece of paper."

The Maheu testimony that generated the greatest controversy involved \$100,000 in currency that, Maheu said, was "earmarked" by Hughes for Richard Nixon in 1969 and 1970.

Nixon had tapped his friend Charles G. (Bebe) Rebozo to receive the cash in two equal installments, Maheu said.

Maheu linked the first \$50,000 payment to an effort by Hughes to stop the Justice Department from blocking, on antitrust grounds, Hughes' acquisition of the Dunes casino-hotel on the Las Vegas Strip. The acquisition fell through.

The accounts Nixon and Rebozo gave of the \$100,000, while laced with inconsistencies and contradictions of sworn testimony by Maheu and another Hughes aide, never resulted in the filing of any formal charges. Essentially, their claim was that Rebozo had gotten the cash and banked it for the 1972 presidential campaign.

Maheu swore that in the 1968 campaign, Hughes' contributions to Democratic as well as Republican candidates, up to the presidential level included \$50,000 in currency allegedly given to then Vice President Hubert H. Humphrey in his limousine after a campaign speech in Los Angeles. Humphrey, who was then running for President, has denied that any such transaction occurred.

Hughes' quest for control took him to Nevada, a state a man with his fortune and political connections could easily dominate.

Once he was settled in Nevada, where he arrived secretly in 1966 aboard a private train, Hughes took up a crusade to end underground nuclear tests at the Atomic Energy Commission site near Las Vegas, in typical Hughesian fashion.

In a memo to an aide, the billionaire vented his anger at news reports of an upcoming detonation and declared that "I am going direct to the President in a personal appeal and demand that the entire test program be moved north."

Hughes' campaign against the test caused such concern in Washington that Presi-

dent Johnson offered personally to explain the need for the test and later President Nixon offered to send Henry Kissinger out to Las Vegas to brief the billionaire.

Hughes refused both offers. The adamant billionaire never did win his campaign to end all testing at the Las Vegas site, but the AEC did shift one big megaton-plus blast to Alaska.

Hughes, as government contractor, both overt and covert, was also awesome. According to a recent series by The Philadelphia Inquirer, his companies have received more than \$6 billion in federal contracts since 1965, collecting an average of \$1.7 million a day from the U.S. Treasury.

His privately held Summa Corp., which was exempt from the reports to the Securities and Exchange Commission requires of publicly owned companies, evidently struck the CIA as ideal when it was casting about for a partner in a venture to raise a sunken Soviet submarine.

The result was the celebrated \$300 million Glomar Explorer, a ship purported to be a deep-sea mining research vessel but which actually was used in 1974 in an attempt to raise a Russian sub from the floor of the Pacific.

The extent of Hughes' dealings with the CIA may never be known, but former Nixon White House aide Charles W. Colson once confided to a private investigator:

"The Hughes Tool Co., the Hughes' interests, Summa Corp., is the biggest single contractor of the CIA. They do a lot of their contract-out work like satellites (and) this new Glomar Express (sic) . . ."

This vast political and financial power accumulated by Hughes now may be given to three top Hughes aides who constitute the executive committee of the Hughes Medical Institute. The three are Frank W. Gay of Los Angeles, Raymond M. Holliday of Houston, and Chester C. Davis of New York.

According to a memoran-

dum submitted to a House Banking subcommittee in 1973 by Hogan & Hartson, the institute's law firm, the institute's bylaws, adopted by Hughes as the sole trustee, provide "that in the absence of a trustee, the executive committee shall also have and may exercise the powers of the trustee."

The institute, which was formed in 1954, is the sole owner of the Hughes Aircraft Co., whose stock in 1972 reportedly had a net book value of \$154 million.

The institute may also have other holdings, according to Noah Dietrich, a former Hughes associate.

Dietrich said yesterday that under a will he saw years ago, Hughes planned to leave his entire estate to the institute. At the time, Dietrich added, Hughes made no specific provision for a successor trustee. If this were still the case, the three-man executive committee would get control of the institute.

Dietrich said he also learned in recent years that Hughes' Summa Corp. was in effect "a subsidiary" of the institute.

Sederberg, the spokesman for Hughes, said Summa operates the billionaire's glittering Nevada hotels and casinos, a television station in Las Vegas, Hughes Helicopter and Hughes Air West, among other interests.

He acknowledged that Hughes' stock in Summa may "already reside in the institute," but he said he did not know if this were the case.

According to the Associated Press, an IRS spokesman said yesterday that the Hughes fortune, will escape federal estate taxes if it is left to medical research.

Otherwise, the IRS official said, federal estate taxes could run as high as 77 per cent, meaning a potential assessment of \$1.1 billion to \$1.5 billion. The maximum 77 per cent applies to all portions of taxable estates above the \$10 million level.

Also contributing to this article was Staff Writer Peter Milius.