

Hughes's Stewards Move to Prevent Breakup of Estate

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The almost daily appearance of another purported will of Howard R. Hughes has obscured the fact that the executives of the Summa Corporation and some of Mr. Hughes's relatives have begun to seek a way to avoid the forced breakup of his empire to pay inheritance taxes.

Summa is the holding company that has title to almost everything Mr. Hughes owned when he died April 5.

Although many details are lacking, it seems clear that the Hughes complex of companies will not be up for liquidation immediately and that the Hughes string of hotels and casinos in Las Vegas will not go on the market.

Most informed observers of Mr. Hughes's affairs and sources familiar with the attitudes of executives of Summa, expect that the purported wills will fall by the wayside, since each has serious flaws.

So a new view is evolving among those familiar with Hughes affairs of the problem of keeping the Hughes complex of industrial and other investments operating as the unit they were before he died. This view is the product of skimp information, for the secrecy of Mr. Hughes's affairs is as impenetrable as it was in his lifetime.

It appears that three possibilities are being considered by Mr. Hughes's stewards. The first is that a will that Mr. Hughes may have signed in 1938 will be found. Lawyers for

Summa have produced a carbon copy of a cover letter written when the Will was sent to a Houston bank for safekeeping.

The lawyers used that copy of a letter to argue in a Los Angeles court that a will existed. Persons outside the Summa councils have asked if a copy of the will, unsigned, was not found with the copy of the cover letter.

A Summa spokesman said when asked about this, "If that's so, they didn't tell me."

Agents of Summa have traveled the cities that Mr. Hughes visited in the 1930's and 1940's, trying a safety-deposit box key in bank vault after bank vault. The key was found among his effects.

But they have not found a will.

The extent of the effort has caused some who follow Mr. Hughes's affairs to believe that the Summa executives know what the will says, and that it would solve their inheritance tax problems if found.

A theory held by some observers is that the executives believe Mr. Hughes committed himself in that 1938 will to some plan to bequeath his wealth to medical research.

If this is so, and the will is found, properly signed, the Summa executives would presumably seek to have the \$1.5 billion Hughes fortune passed intact to the Howard Hughes Medical Institute, which Mr. Hughes created in 1953.

If the courts held that this was dered that the institute be Mr. Hughes's intention and or-named inheritor this would en-

able Summa to escape Federal inheritance taxes of perhaps \$1.1 billion.

If Mr. Hughes died intestate, the Internal Revenue Service would collect 17 per cent of the value of his estate. But if the estate went to a tax-exempt foundation, this would be avoided.

The people who control Summa also control the institute. They are F. W. Gay, Chester C. Davis and Nadine Henley, all top officers of Summa and all directors of the institute.

The second possibility that seems to be under consideration is that if no signed will is found, and if the Summa executives do have an unsigned copy of the 1938 will, as is suspected, they may then attempt to persuade a probate court that all the evidence shows that Mr. Hughes planned to give his wealth for medical research, even though he never got around to signing a will doing so.

They would have the unsigned will. They would have the statements that Mr. Hughes made to his associates over the late years of his life to which the associates would testify. They would have his declaration in his last public appearance that his fortune, he thought, would go to medical research.

That public appearance was a telephone news conference at which he did not appear in person, but where his voice was heard.

The various purported wills have been filed in Houston and Las Vegas, but Summa wants

the Will contest tried in Chancery Court in Wilmington, Del.

Last week, Summa asked the Chancery Court to designate someone to tell the company what to do in the face of conflicting orders that the executives expect as the will contests are heard.

Summa is a Delaware corporation, and thus the Chancery Court has authority to give it instructions. The first instruction Summa asked for was to have a temporary administrator appointed and asked that he be William Lummis, a Houston lawyer whose mother, 85-year-old Annette Gano Lummis, is the sister of Howard Hughes's late mother and the closest surviving relative.

The court named Mr. Lummis. This is another example of the cooperative relationship that has developed between Summa executives and members of the Gano-Lummis clan.

It is not clear whether the Lummis family would want to support a plan to give the entire Hughes fortune to medical research. But no showing that the family would resist this has come out, either.

If all this falls apart and the I.R.S. comes to take its share of the estate, it is assumed that the Summa executives will ask for the maximum time of 10 years in which to settle up.

It appears unlikely that they could keep the complex of hotels, casinos, manufacturing operations and real estate in-nerate more than \$1 billion vestments intact and still ge-taxes.