

RETURN OF HUGHES DEEMED UNLIKELY

U.S. Aide Notes Failure to Extradite Vesco on Same Charge From Bahamas

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WASHINGTON, Jan. 3 — A high Justice Department official conceded today that there was little hope of extraditing Howard R. Hughes from his Bahamas refuge to stand trial in a Las Vegas, Nev., stock fraud case.

Mr. Hughes, who is living at the Xanadu Princess Hotel in Freeport, on Grand Bahama Island, is scheduled to be arraigned in Las Vegas on Jan. 11. But, the official said, "I don't know that we're going to be able to extradite him. It looks tough."

He added that Federal prosecutors here and in Nevada had been aware of the potential difficulty in seeking Mr. Hughes's return before an indictment naming him and four others was handed up by a Federal grand jury in Las Vegas on Dec. 27.

Vesco Case Cited

The chief obstacle, another official said, was the decision by a Bahamian magistrate earlier last month not to return Robert L. Vesco, another accused stock swindler, to this country to stand trial on a charge of wire fraud.

The magistrate, Emmanuel E. Osadebay, ruled on Dec. 7, three weeks before Mr. Hughes and his associates were charged by the grand jury, that wire fraud did not constitute an extraditable offense because no similar provision existed in Bahamas law.

"It's a bad precedent," said another official concerned with extradition matters.

The official noted that four of the seven counts with which Mr. Hughes was charged also involve wire fraud, which is the use of interstate telephone or telegraph communications to aid the commission of a fraudulent act.

3 Other Counts

The three others deal with alleged stock manipulations by Mr. Hughes and others to facilitate the financier's take-over in 1969 of Air West, a supplemental California air carrier.

The Justice Department official said he was convinced that none of the stock fraud charges would be sufficient grounds for requesting Mr. Hughes's return to this country since they, like wire fraud, are not part of the criminal code of the Bahamas.

The official suggested that, since the Bahamas does have a general fraud statute, the United States might decide to argue that "fraud is fraud," regardless of how it is perpetrated—essentially the same argument that proved unsuccessful in the Vesco case.

"With another magistrate [besides Mr. Osadebay], we might want to try again," he said, but he quickly added that no attempt would be made "just for the sake of appearances."

Flew From London

Just about the time that rumors of his impending indictment began to appear in the press, Mr. Hughes flew to Freeport from London, where he had been secluded atop the Inn on the Park, a hotel in the Mayfair district.

His new residence, the Xanadu Princess, is owned by D. K. Ludwig, the shipping magnate who is even more reclusive than Mr. Hughes and is reputed to be nearly as wealthy.

There have been recent reports that Mr. Hughes sacted to acquire some land holdings in the Bahamas before moving there last month. But a spokesman for the Hughes organization in Los Angeles declined today to elaborate on the financier's future plans, if any, to purchase property there.

In the last several years, the Hughes organization has purchased several hotel-casino complexes in the Las Vegas area, and the Justice Department official suggested today that part of these properties might be attached by the Government if Mr. Hughes were fined for contempt of court for failing to appear for his arraignment.

The circumstances surrounding the Air West take-over have come under the scrutiny of the Senate Watergate committee, which is attempting to link Government approval of the acquisition with a \$100,000 payment from a Hughes representative to Charles G. Rebozo, a close friend of President Nixon.

Both Mr. Nixon and Mr. Rebozo have said that the money, delivered in two equal parts, was intended as a personal contribution to Republican party candidates.

Several facets of the transaction, however, are disputed by the parties involved, including the dates that Mr. Rebozo received the two payments. In a recent interview, he maintained that the first half was delivered to him in July, 1970, and the second in August of that year.

However, Robert Maheu, a former Hughes aide who is suing the billionaire for defamation of character, has said in a deposition that the first payment was received by Mr. Rebozo in August, 1969, a few weeks after the White House approved Mr. Hughes's acquisition of Air West.