

# Hoover Backed Hughes in Hotel Deal

By Jack Anderson

Frustrated with Mafia infestation of Las Vegas, the late J. Edgar Hoover schemed to turn the Dunes Hotel over to Howard Hughes in hopes of ridding it of suspected underworld influences.

As sometimes happened, the pugnacious old crime-fighter refused to let anything get in his way, including firm Justice Department antitrust guidelines against Hughes' purchase of the gaudy Nevada pleasure palace.

This strange venture by the FBI director into corporate takeovers has been described to us by those close to the case who had access to secret FBI memoranda involved.

We have already told from confidential Senate Watergate studies how Attorney General John N. Mitchell was also working in 1970 to throw the Dunes to Hughes. It has been said, over heated denials by Mitchell, that Hughes was to get the Dunes in partial return for his \$100,000 gift to President Nixon's political treasure chest.

The FBI director's motives were entirely different. Hoover was miffed over Nevada hotelmen's suits against FBI bugging and over the skimming of casino profits by the Mafia, which Hoover knew about but could not prove in court. The aging G-man wanted the Mafia out at all costs.

Hoover would have preferred to throw the Dunes to the Hilton or Webb interests or some other less controversial businessman, but Hughes was already leading the bidders. The FBI head, therefore, cast his lot with Hughes even though Justice's Antitrust Division already had turned down Hughes on other deals in the Nevada gambling capital.

Justice's antitrust chief, Richard McLaren, learned of Hoover's and Mitchell's efforts and bitterly opposed them on grounds that subverting antitrust laws was not the way to eradicate a crime syndicate.

Our sources have seen FBI memos showing that McLaren charged Hoover with misrepresenting the Antitrust Division's views. The FBI, according to the memo, countercharged, saying it was McLaren who was doing the misrepresenting.

As the FBI chief and McLaren warred, with Mitchell playing a supporting role for the Hughes takeover, the situation resolved itself. As we reported earlier, Hughes learned that the Dunes ownership had given him dubious profit and loss data, and the whole deal fell through.

Footnote: Nevada officials and Dunes management have insisted that the Mafia did not control the Dunes then, and has no influence on it now. Mc-

Laren, now a federal judge, flatly refused all comment. At FBI headquarters, a spokesman said Hoover had never taken a position on the Dunes sale. The FBI had merely forwarded information to the Justice Department from an informant that Hughes was interested in the hotel and that certain federal agencies would not stand in the way of the deal.

**Nixon's Pension** — Despite President Nixon's firm resolve to stick out his full term, sources close to him believe he would resign if faced with certain impeachment.

Impeachment would deprive him of his \$60,000-a-year pension. The payraise bill, now awaiting congressional action, will increase pensions. Under the bill, the President's pension would increase around \$15,000 over the next three years.

Rather than give up a \$75,000-a-year pension check, our sources say, the President would resign if he could make a deal to avoid prosecution. House Ways and Means Committee chairman Wilbur Mills (D-Ark.) has already offered to introduce legislation granting him immunity from prosecution.

**Juvenile Records** — Most states strictly forbid the release of juvenile arrest records. This upsets the military brass who want the right to snoop into the

past indiscretions of potential recruits.

The most recent military effort to gain access to juvenile records began with a memo from Capt. John R. Brock, the Navy's legislative chief, to his superiors.

"The reluctance of civil authorities to release juvenile record information," he complained, "is impeding recruiter efforts in screening applicants to obtain high quality recruits."

A Navy spokesman explained to us that recruits often fail to note past run-ins with the police. The information turns up later, and the servicemen are cashiered for "fraudulent enlistment."

According to Brock's memo, the military services lost \$2 million on fraudulent enlistments in Fiscal 1972. He wants access to juvenile records, therefore, "to stem the rising tide of fraudulent enlistments, reduce non-cost-effective expenditure of money and effort, and above all, enlist a higher quality recruit."

This would violate the traditional American concept of protecting juvenile records, warn legal experts. "If you get the information out of the courts and put it into a massive governmental system," said one, "it becomes available to be tapped by anybody."