

Fate of Hughes's Empire Also Shrouded in Secrecy

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SAN FRANCISCO, April 5— creation of the charitable trust. As the death of Howard R. Hughes was disclosed tonight, the ultimate disposition of his vast wealth was as big a secret as his personal life had been during his last years.

Someone somewhere knows what he owned. Somewhere someone knows what he wants done with it now that he is dead. The odds are that no one person holds all this information, and that when it is pieced together, disagreement will ensue.

Mr. Hughes left an empire worth upward of \$1.5 billion. The best guess is that he also left a will that provides that his estate, and his wishes for disposition of it, be administered by three people.

These are, Chester C. Davis of New York, a lawyer for Mr. Hughes for about two decades and chief counsel of the Summa Corporation; F. W. Gay of Encino, Calif., executive vice president of Summa, and Nadine Henley of Los Angeles, who started as Mr. Hughes's secretary 30 years ago and is now senior vice president of Summa.

Personal Holding Company

The heart of Mr. Hughes's holdings was the Summa Corporation, which was his personal holding company. Once it had been the Hughes Tool Company, the concern that his father left to him and that was the foundation of his fortune.

But Mr. Hughes liquidated that company, selling it to a group of his major employees in 1972. The stock was passed along to the public and brought Mr. Hughes about \$140 million, financial circles estimated at the time.

Mr. Hughes was a sole owner and so issued no stockholders' reports or balance sheets. An estimate, based on some inside knowledge, put his worth at about \$1.5 billion when he died.

This does not include the \$800 million Hughes Aircraft Company, which he gave to a charitable trust in 1954. There has been much criticism of the enforcement by the Internal Revenue Service of tax laws as they apply to the conduct of the Howard R. Hughes Medical Foundation, owner of the Hughes Aircraft Company, but that does not change the fact that when Mr. Hughes died, he did not have title to the aircraft company.

Thus Mr. Hughes had disposed of more than \$1 billion of his property either through sale of the tool company or through

Yet this still left him with an enormous financial empire.

His gambling empire, built seemingly on a whim, was the largest in Nevada. He owned a string of hotels on the Las Vegas Strip—the Desert Inn, the Frontier, the Landmark, the Sands, Castaways, and the Silver Slipper Casino. He also owned Harold's Club in Reno.

These casinos had a gambling business that made Mr. Hughes the biggest gambler in Nevada, the only state to license casinos.

Yet, when he tired of this, he turned his back on the games, the hotels and the politics of Nevada to move away in the dark one night to live in the Bahamas, in London, in Managua, Nicaragua, and, finally, in Acapulco, Mexico, where he went just a few months ago.

When he left Grand Bahama Island, his retreat for several years, he left a hotel he had purchased and where he occupied the penthouse. This was a style he seemed to like, for he had done the same thing in Las Vegas.

Headquarters in Las Vegas

But the Hughes headquarters is still in Las Vegas. There officers of the Summa Corporation administer the gambling-hotel investments as well as Mr. Hughes's extensive land holdings.

He has a 520-acre ranch near Las Vegas, and he also has owned for decades a 40-square-mile block of land and another \$75 million to \$100 million in undeveloped land around Las Vegas. In addition of Mr. Hughes owns a general aviation terminal at the airport, which is controlled through Summa.

Mr. Hughes owns KLAS-TV in Las Vegas, a CBS outlet, which he bought from Hank Greenspun, owner of the Las Vegas Sun. The story told at the time of the purchase was that Mr. Hughes wanted movies all night and when he could not get them, he bought the television station.

The Hughes helicopter manufacturing company in Culver City, Calif., is controlled by the holding company, Summa, as is Hughes Air West, a regional airline, which also serves some cities on the West Coast of Mexico. Mr. Hughes acquired the airline while living in Las Vegas.

Some of his actions in that acquisition caused him to be indicted in 1974 on charges of violation of the Securities and Exchange Act. But the charges were dismissed on motions before trial.