

Hughes Back in Bahamas; U.S. Indictment Expected

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SAN FRANCISCO, Dec. 21—Howard R. Hughes, the reclusive billionaire, has gone to the Bahamas and a penthouse complex in the Xanadu Hotel at Freeport, apparently to prepare a refuge from Federal indictments expected to be returned against him next week in Las Vegas, Nev.

Mr. Hughes and a party of 10 arrived from London at 4 A.M. yesterday in Freeport and immediately checked into the four penthouse suites of the hotel, which is owned by D. K. Ludwig, the shipping magnate whose wealth rivals that of Mr. Hughes.

Earlier this month, a magistrate in Nassau, Emmanuel E. Osadebay, refused after a hearing to order the extradition to the United States of Robert L. Vesco, the financier who is accused in indictments in New York of wire fraud and conspiracy to obstruct justice.

The charges against Mr. Vesco have their roots in the Securities and Exchange Commission's regulation of stock trading in the United States. The charges now being consid-

ered in Las Vegas against Mr. Hughes and some of his present and former associates are based, according to reliable reports, on possible violations of laws on stock trading.

The legal problems that await Mr. Hughes in Las Vegas are not clearly defined on the public record, but they are described in sketchy detail by sources in and out of government there.

Like the problems of Mr. Vesco, the Hughes troubles are with laws passed to strengthen the Securities and Exchange Commission's supervision of the American stock markets.

While for Mr. Vesco the problems arise from his takeover of the remnants of Investors Overseas Services, for Mr. Hughes they arise from the takeover of a small feeder airline, Air West, which has been renamed Hughes Air West.

Mr. Hughes acquired the airline in a transaction concluded in December, 1968. The question reportedly under investigation by the Federal grand jury

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in Las Vegas is whether Mr. Hughes and his agents manipulated stock prices to force directors of the airline to approve the transfer.

Magistrate Osadebay's ruling on Mr. Vesco was that the United States had failed to show a prima facie case of guilt that merited extradition on the wire fraud charge, and that no similar crime existed under Bahama's penal code.

This was Mr. Hughes's second visit to the Bahamas. In 1970, he moved there secretly, giving up his residence of four years in the penthouse of the Desert Inn Hotel in Las Vegas. He stayed there until March, 1972, when he left minutes ahead of Immigration officers who were searching for him.

Mr. Hughes went from the Bahamas, to Fort Lauderdale, Fla., in a chartered yacht. From there he flew in a chartered jet to Managua, Nicaragua, where he lived off and on until a year ago. There was an interval during which he lived in a hotel in Vancouver, B.C. He left that country just before becoming liable for Canadian taxes.

From Canada, he returned to Managua but left again after the earthquake that destroyed that city on Christmas last year.

Mr. Hughes went to London and the Inn in the Park, where he had expansive quarters. He began to drop a little of the privacy that he had maintained for the last 15 years.

In Managua, he had talked for more than an hour at the airport before leaving with Gen.

Anastasio Somoza-Debayle, then the President of the country, and Turner Shelton, the American Ambassador to Nicaragua.

Also in Managua, he met with representatives of the stock brokers who had handled the sale of his Hughes Tool Company when he separated that manufacturing operation from his other holdings.

While in London, he met with Gov. Mike O'Callaghan and gambling control officials from Nevada, who insisted on seeing Mr. Hughes personally and hearing from him an endorsement of plans that required naming new men on the licenses of his Nevada casinos.

When he left the Bahamas in 1972, Mr. Hughes was just a few jumps ahead of immigration service officials who sought to place him in detention for questioning. His favored treatment had become a political controversy, and questions were raised in the House of Assembly.

With the help of his employees and those of Resorts International, which owns the Britannia Hotel, where he lived, Mr. Hughes avoided the immigration party. He left in the dead hours of morning and was carried in the back of a panel truck to the yacht at Hurricane Hole, a harbor at Paradise Island.

To those who have followed Mr. Hughes's movements, his return to the Bahamas, came as a surprise. But he has returned, and is occupying suites with a daily rental of \$1,000.