

## TELL TALES

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1 of the Sun with the heading: "False in One Thing, False in All." The editorial went to great lengths to charge that Davis lied on his application. It seemed incredible to anyone who knew the man, but there it was in black and white.

The Sun stated: "upon investigation it was discovered that he (Davis) was born in a foreign country, although the official application did not disclose that fact." It went on: "Why did Davis misrepresent -- place and circumstance of his foreign birth? Where was he, in fact, born and why did he seek to conceal it?" The Sun quoted a legal maxim, which it described as being universally accepted: "falsus in uno, falsus in omnibus, which means he who testifies falsely in one matter is properly believed to be false in all matters." The editorial also stated: "applicant for a license who was found to have lied to gaming officials" and "but knowing Hughes (Greenspun knows Hughes???) we believe he would be the first to question an employee who misrepresented his foreign birth and withheld facts about salient matters having to do with their business affairs." The editorial charged: "Omissions and what amounts to outright falsehood."

From the above words taken out of the Aug. 17 editorial, is there any doubt in anyone's mind that Greenspun accused Davis of lying, misrepresenting and concealing evidence on his application?

Now comes an editorial in the same Sun, also on Page 1 on Aug. 26, the morning the Gambling Commission met to determine the applications.

The second editorial reiterated the charges made in the first editorial.

However, buried deep in a by-lined story by Sun Executive Editor Bryn Armstrong is a paragraph that reads: "His (Davis) application notes that he was born in Rome, Italy, Oct. 14, 1910. Davis indicated he is a U. S. citizen, but he left unexecuted a portion of the application which asks whether the applicant is naturalized, and if so, under what circumstances."

Here is a fact which was never explained, or apologized for, after the charges in the two editorials. It could not have been a mistake on the part of the Sun, because the first editorial clearly stated the Sun had investigated. What the Sun did was deliberately lie, and then brazenly refused to do anything about correcting the falsehood. Is there any other way to reconcile the contradictory statements?

Using the Sun's own standards "falso in uno" etc, we can conclude only that a deliberate out-and-out lie by the Sun in one matter, makes the Sun "PROPERLY BELIEVED TO BE FALSE IN ALL MATTERS."

Another issue was made by Armstrong (and here is where Greenspun's profligacy corrupted an honest newspaperman). Bryn stated: "All of the top executives who have been fired from the Hughes organization have disclosed that Davis called the shots." Bryn added: "No move has been made without consulting Davis, they allege."

This charge, totally untrue, by Bryn, has a significance because the gaming commission is concerned with persons not licensed, controlling a gambling operation.

This charge is contrary to any and all information, gathered by us after intensive investigation. Not one person fired, has publicly accused Davis of "CALLING THE SHOTS." If they did so privately, how could they know it was Davis who terminated the employment? We were told, in front of five other persons, by the man, of unimpeachable reputation, who stated he handled all Hughes Nevada operations communications, exactly who it was who "CALLED THE SHOTS," and IT WAS NOT DAVIS.

So Armstrong's abortive attempt to mislead the public, without explanation or qualification, and without naming his sources, to discredit Davis is totally and wholly without authenticity.

Also in Armstrong's story, printed the day before the commission hearing, it was seen fit to publish the contents of a lengthy teletype sent by Maheu to Davis on Nov. 20, 1970, more than nine months previous. The teletype was sent two days before Maheu was fired by the Tool Company directors.

The teletype quoted Maheu as stating Davis had lost the TWA case at every level resulting

## HUGHES MINING CLAIMS LOSE \$17,900,000 "BIGGEST MESS"

By JAY TELL

The FREE PRESS has for ten months been publically questioning the wisdom and ethics of the four year Robert Maheu regime as head man for Howard Hughes' \$300 million properties in Nevada.

Now, for the first time, hard evidence is emerging possibly proving what had been accusa-

tions and facts reported by us by reliable sources close to the scene.

In addition to seven hotels and casinos, tens of thousands of acres of land, two airports and numerous other interests, Hughes (through Maheu) purchased a reported 2800 mining claims through-

out Nevada for a whopping \$18 million. Dean Elson, a former FBI agent, has been hired by Hughes Tool Co. to investigate those purchases. His report is astounding to say the least.

"It was the biggest mess I ever saw in my life," says Elson, "I would say you probably couldn't get \$100,000 for them today."

This hey day of spending was perpetrated over a four year period, between 1967 and 1970. The FREE PRESS of course holds Robert Maheu fully responsible for purchases of this magnitude.

When there's a \$17.9 million dollar alleged discrepancy, by our view no one could claim "honest error."

Hank Greenspun, publisher of the Las Vegas Sun, has been closely linked to Maheu over the four years, and could possibly have participated in the mining claim scandal.

An average of slightly more than \$6400 per claim was paid. Many defunct, dry and long-time idle mining claims may have been easily purchased all over Nevada for several hundred dollars each, or less.

The FREE PRESS is launching an investigation in an attempt to discover the ultimate beneficiaries of the ill-gotten proceeds. The main thrust of our inquiries will concentrate on one basic principle: If a legitimate owner of a mining claim held title for many years, then sold the claim to Hughes, certainly whatever price was agreed upon is none of our concern. But, on the other hand, if that long time owner should have transferred to a new owner, and that new owner in turn shortly thereafter sold the claim at a high profit

to Hughes, through Maheu, our probe will attempt to trace the proceeds from that point on. In other words, who wound up with the lions share of the loot? If our investigation reveals that Maheu, or his pals like Greenspun benefited from what appears to be the biggest fraud in Nevada history, we certainly will bring these facts out in the open. Our readers have a right to know, especially when the publisher of the second largest Nevada daily may have been involved. If our queries turn up a goose egg, we'll continue our series on the Maheu-Greenspun alleged conspiracy to bilk Hughes in other areas -- such as reported phoney kick-backs, finders fees, high prices for debt-ridden properties, etc. -- but on the mining claims charge we will publically retract any accusations that could have been interpreted as having been implied. One interesting point: While Greenspun's Sun banners huge "war" headlines about Hughes director Chester Davis allegedly making a misstatement about naturalization decades ago, on his gaming application, the story in the Sun (Aug. 28, 1971) concerning this mining claim \$18 million fraud was buried inside the paper in a tiny story exactly five paragraphs long, unbelievably suppressed. It was also suppressed in the Review-Journal home-delivery edition that same day. If fraud can be proven, criminal indictments could be forthcoming! Why hasn't Maheu commented on the stories? What is Greenspun owner in turn shortly trying to hide? Who do they think they're kidding?

What Armstrong knew very well, but failed to state, it was a default judgement brought about by the refusal of Hughes to appear. This, in no way, is a reflection on the ability of Davis as an attorney. That Hughes knew all about this, and two days later brought about the firing of Maheu, is a fact determined by the District Court hearing, and now stands as the accepted circumstance. It was not an arbitrary judgement rendered by District Court Judge Babcock. Witnesses and evidence were presented under oath. But Bryn calls a proxy by Hughes, determined as authentic by the court, as "still disputed." Is this fair reporting by Armstrong? We think not.

Then came the decision by the Gambling Commission. Armstrong reported the story for the Sun.

The two deceptive, deliberately lying editorials, and Bryn's abortive attempt to influence the commission had absolutely no effect on the honest members of the state body. We respectfully take our hats off to these loyal servants of the people of Nevada, who refused to be intimidated by the phoney charges of Hank and Bryn.

John Diehl, Gaming Commission Chairman, noted that discrepancies in Davis' license application had been satisfactorily explained and WOULD NOT DISQUALIFY HIM FROM HOLDING A NEVADA LICENSE.

The license was denied for but one reason, until more definite proof was presented showing Howard Hughes designated the applicants as those he wished to run the Hughes Nevada Operations. It was a just and fair ruling by the commission members.

The Gaming Commission made it clear that the denial was not "per se" a rejection of Davis. It was stated, without qualification, "the entire action, denying the licenses, was WITHOUT PREJUDICE."

The commission had requested a personal interview, or a hand-written, finger-printed letter from the billionaire. A typewritten letter was held to be inconclusive.

After the commission ruling, this misleading headline appeared in the Sun: "BILLIONAIRE MUST END MYSTERY." Another headline: "HUGHES HONEYMOON OVER," was a frivolous, sick attempt to show that HH had been getting away with something up until then, but now was stopped. Nothing could have been further from the truth. The fact is that Hughes came here, invested some 300 million, changed management not to his liking, and proceeded in every gentlemanly and dignified manner to make the operative properties solvent.

Then came the foulest headline of all: "STATE SLAMS DOOR ON APPLICATION." This is the most obvious falsehood ever perpetrated on the reading public. If anything, the state left the door WIDE OPEN.

The governor approved of the commission's action.

The scuttlebut along the grapevine was that Greenspun was too powerful for Davis to ever get his license. We want to dispel that rumor, Greenspun's vow to keep Davis from being licensed turned out to be just an idle threat.

We end this portion of the Greenspun disaster with the words of the Review-Journal's Don Digilio: "The people who brag they control Gov. O'Callaghan will be in for a big surprise long before the governor's four year term is up."

We'll be back next week with more. Meanwhile, keep in mind: "The Only Way to Combat a Corrupt Newspaper is with an Honest one."

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