

REVIEW-JOURNAL SUPPORTS HUGHES VS HARDNOSE OFFICIALS

Greenspun Is To Blame

BY JACK TELL

After more than 15 months of pleading, cajoling and reasoning by the Las Vegas Israelite for state gaming officials to realize the precarious possibility of economic chaos that could be created by the stubborn demand for a personal appearance of Howard Hughes, the Las Vegas Review-Journal finally agrees with us.

In an editorial re-printed on this page, the largest daily newspaper in Nevada expressed the same fear of the consequences if an angry Mr. Hughes should "pull out and shutter the casinos?"

The R-J editorial speaks for itself. Read it carefully and you'll be brought up to date. It recounts with accuracy the steps that led up to our immediate predicament. Unfortunately, for some unknown reason, the editorial fails to divulge the underlying CAUSE of our present quandary.

Everyone and anyone, whose parents didn't raise geese, knows that Sun Publisher Hank Greenspun, solely and wholly got us into this for his own personal profit, to the tune of more than \$10,000,000 under highly questionable and suspicious transactions. That's not the part that bothers us. We're satisfied to let Greenspun's conscience and the courts, if necessary, determine the merits of the cash exchanges.

What does concern us most is the arrogant refusal of Greenspun to take his "ill-gotten" gains and fade softly out of the picture. Instead he has embarked on a campaign of deceit, deception and downright dishonesty to discredit his benefactor. Again, this would call for but a passing comment by us and we'd go on to other matters, but for one factor.

The folly of Greenspun's course, which we believe will lead to his downfall in due time, is not only serving whatever nefarious purpose he has in mind, but it has brought us to the brink of disaster. Aided and abetted by Gov. Mike O'Callaghan, who stubbornly has been supporting Greenspun's iniquitous accusations, the economy of Nevada has been put in jeopardy.

The timing that this matter comes to a head is ironic.

Almost six years ago Hughes commenced investing about \$300,000,000 in Nevada properties. It was only on this past Tuesday, March 14, for the first time, the seven Hughes casinos began oper-

ating in the black.

Since the R-J editorial claims the Irving book fraud is not related to the gaming license issue, it is notable to point out, there and now, that the "autobiography" hoax was directly related to Greenspun. It never appeared in the L.V. Sun, naturally, and for that matter the R-J neglected to pick it up. But the record shows that Clifford Irving and his researcher spent five days poring thru files in Greenspun's office. It took place during the time the phoney writer claimed he was interviewing Howard Hughes.

Funny how Greenspun never mentioned this item when the story first broke and Life and McGraw Hill insisted it was authentic. It was first revealed when Irving "told all" to authorities.

Greenspun, who manages to keep mum about matters involving himself directly, just happens to be most outspoken about matters that could and eventually did lead to his own incrimination. We refer to the Sun publisher's claim of doubt about the identity of Hughes in the now-famous phone interview. He bolstered his claim by writing and even appearing on television to state he wouldn't trust four of the seven newspapermen who took part in the phone conversation. This irrational reasoning by Greenspun, stated, better than anything else, there were three honest reporters on the panel. Only one would have been necessary to prove, beyond question, the authenticity of the person being interviewed.

Since we never allow any statement to go unexplained, under our by-line, it is only fair that we give the details on why we blame Greenspun for getting us into this mess.

The reason why Hughes was not pressed to appear personally when he first sought and received gambling licensing, an "unprecedented privilege," was because Hank Greenspun demanded it at a closed session of the State Gaming Commission. That took place during the first three years of Laxalt's regime when Greenspun controlled the governor. We knew it at the time and only were curious as to why Greenspun would go to that extreme.

It took almost five years and teeth-pulling exposes, bit by bit adding up to more than \$10,000,000 to find the answer to our curiosity.

60—Las Vegas Review-Journal—Sunday, March 19, 1972

R-J viewpoint

Hughes appearance demand disconcerting

The hardnosed attitude of state officials demanding a personal meeting with Howard Hughes concerns us.

We certainly don't want this man driven away, but some Hughes officials are saying that's just what can happen.

The main problem with the whole matter is that Mr. Hughes was given the unprecedented privilege of not appearing in person before gaming officials when he sought and received licensing soon after he first arrived on the scene.

Now, because he's gone through a "changing of the guard," as one gaming official put it, he faces a challenge.

We were critical at the time of the waiving of the regulation stipulating a face-to-face meeting, but the fact is that the licenses were granted.

Officials apparently believed the financial stability which would come to the state as the result of Hughes' multitude of hotel-casino acquisitions was well worth the privilege of privacy. It has proved so.

Seven properties and some 8,000 employees later, the recluse decides to fire his top man in the state, Robert Maheu, and leave Nevada.

Those properties continue to operate successfully and the employees appear to be well-paid and happy in their jobs. And there are also another 22,000 or more persons whose work in all kinds of service-related industries from linen suppliers to meat wholesalers to dry cleaners is affected by Hughes' hotels.

Are these jobs worth taking a chance that Hughes could become so angry he would pull out and shutter the casinos?

The prospect is staggering, considering the loss in revenue alone which funnels down to support everything from recreation to our school system.

When Hughes sought to change his corporate structure last year, which really only amounted to a request for one new license for general counsel Chester Davis, he had to meet a new set of state-ordered requirements to prove that this was his true desire.

He met the stipulations then imposed, first submitting a handwritten letter and then a second typewritten document to which fingerprints were attached. Gaming officials last October said they were satisfied and invited another licensing application.

The gaming officials are now quibbling anew.

"Had Mr. Hughes not changed the management of his Nevada empire in the manner that he did in December of 1970... and had he not departed in a cloud of secrecy, the usual accommodation afforded him in the licensing and running of his casinos might not have posed any serious problems."

These are the words of Gaming

Control Board member Shannon Bybee at last week's board meeting. We really don't believe that portion of the statement makes any sense.

If the state believed in secrecy eight years ago, the state might as well go along with it now rather than face the economic consequences of a closing down of the hotels.

Bybee and Board Chairman Phil Hannifin also raised the issue of the Irving book fraud, saying the case cast doubts on the validity of handwriting.

We submit that the Irving case is not related. It involves far different circumstances than hotel licensing, and fingerprints — a positive proof of identity — was not a factor in the book incident.

Another point raised by the board was Hughes' meeting with two men in Nicaragua, apparently proving to our officials that the man is perfectly capable of talking in person with them.

That argument sounds either like sour grapes or a show of childish hurt feelings. Have our officials considered the reasons why Hughes might be willing to meet with persons outside the country — a place where he is free from process servers and deposition seekers?

Do they really believe with the number of court suits hanging over the billionaire's head in the United States that he will surface here?

The gaming officials seem to have even nearly forgotten the main question surrounding any licensing, that of whether a man is "suitable" to operate gambling in Nevada. All the Hughes executives, including Davis, have been deemed suitable by the officials, yet they continue to throw up roadblocks to the licenses.

Gov. Mike O'Callaghan has taken the same stance as the board, also noting that a face-to-face meeting is necessary.

We're afraid the governor is misreading the wishes of Southern Nevadans. If he feels he is on the right track in this matter, he should come down and talk to the Strip employees, among others.

We're sure he'll find they could care less about the personal session with Hughes. They'd just like to keep their jobs. And they'd also like those licenses granted so a little security could surround their work for a change — a feeling that's been on shaky ground for more than a year.

We believe O'Callaghan has done an outstanding job in his office so far in every area except his dealings with Hughes.

A continued unyielding position on this Hughes' meeting could be the one thing that could hurt the governor's chances for re-election the most.

And it certainly could be the one thing that could hurt Clark County — and therefore, the rest of the state — more than any other single move.

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