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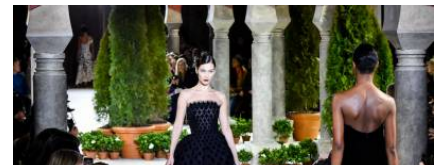
## A TYCOON'S FINAL DAYS

BY JOSHUA HAMMER ON 11/17/91 AT 7:00 PM EST

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he Atlantic Ocean was calm and the skies clear as Robert Maxwell's 180-foot yacht, the Lady Ghislaine, plowed through the sea off Grand Canary island last Monday night. In his stateroom on the main deck, the 68-year-old media baron was tending to business, nagged by a bad cold he had picked up in London a month earlier. For weeks Maxwell had been dashing about the globe, inspecting a far-flung, debt-ridden empire that ranged from New York's struggling Daily News to a Bulgarian film company. Now he had hoped to get a few days' rest from his peripatetic life--but he found it impossible to avoid communicating with friends, attorneys and colleagues via phone calls and faxes.

Typical of those calls was one Maxwell received around 11 o'clock that night from Rabbi Faizish Vogel, a leader of the Lubavitchers, a Hasidic Jewish sect. Maxwell, a Czechoslovakian-born Jew whose immediate family had been largely wiped out during the Holocaust, embraced Jewish causes around the world and had been trying to persuade the Lenin library in Moscow to release a collection of ancient holy books to the Lubavitchers. Vogel describes Maxwell's mood as calm, even upbeat. "He spoke in his usual deep, measured voice," says Vogel, who briefed Maxwell about new developments for 10 minutes. "There was nothing to suggest that anything was amiss."

Vogel was among the last people to speak to Maxwell. At 6:18 the next evening, a Spanish helicopter plucked the billionaire's unclothed body from the waters near Grand Canary, six hours after the Lady Ghislaine's crew had reported him missing. Preliminary autopsy findings determined that Maxwell had probably died of a heart attack early that morning and fallen over the yacht's side—most likely over a retaining cable beside the starboard launch. Only a small amount of water was found in his lungs. "It's certain that the death took place before the fall of the body in the water," said Spanish investigating Judge Luis Gutierrez Sanjuan.

The findings didn't satisfy Maxwell's family, however, who, according to their lawyers, ordered an investigation to determine whether the press lord had met with an accident—or a more sinister fate. Maxwell watchers found it inconceivable that such an extraordinary figure could meet such an ordinary end. Some cried foul play, suggesting it was more than a weird coincidence that Maxwell had been accused just two weeks before his death of being an agent of Mossad, the Israeli intelligence arm, in a new book, "The Samson Option," by Seymour Hersh. (Maxwell sued for libel.) Others pointed to his struggling empire, which is \$4 billion in debt, and questioned whether the mogul had committed suicide. DID HE FALL ... DID HE JUMP? screamed the headline of The Sun, a London tabloid owned by Maxwell's archrival, Rupert Murdoch.

While the precise cause of Maxwell's death may never be known, a look at Maxwell's last days suggests that he was an unhealthy man who pushed himself to the limit. What's also clear is that despondency wasn't Maxwell's style. A galvanic personality, the mogul was an optimist of huge appetites and ceaseless movement. "He was a Captain Kidd, a buccaneer," says William Reilly, the former president of Maxwell Communication Corp., Maxwell's ambitious U.S. conglomerate. If Maxwell was depressed at the end, he didn't show it; he spent his last evening wandering the docks in Tenerife, searching for a lobster dinner. And he'd been in dire financial straits before. Says David Adler, a former MCC vice president: "Maxwell's private strategy was to never panic. If you panic, you are dismissed."

Lesser men might have wilted under the pressure. In recent months Maxwell's empire suffered from both the lingering recession, say analysts, and a series of ill-conceived acquisitions. Maxwell had become heavily leveraged in the late 1980s, when he expanded into the United States, paying unprecedented sums for media properties. Like Maxwell himself, his American empire grew big, boisterous and unwieldy: in 1988 he bought Macmillan Inc. for a staggering \$2.6 billion. Last March he rescued the Daily News after a bitter five-month strike against its previous owner, the Tribune Co. "Maxwell loved America," says Bronwen Maddox, a London media analyst. "It was partly a personal thing, and partly a recognition that if you're going to be big in media, you have to be big in America." Yet during the last two years, debt service ate up much of his profits, and in 1991, Maxwell began shedding assets in earnest to pare down his debt: days after he died, MCC finalized a sale of Berlitz International for \$265 million.

Until the end Maxwell never seemed to stop moving, and the travel became more intense as he expanded his interests to Israel and Eastern Europe. He spent at least nine days a month in New York. After overseeing the airlifting of 200 ailing, Soviet-Jewish children from the Chernobyl area to Israel last year, he helicoptered to Kfar Chabad, a Hasidic settlement near Tel Aviv, to visit them. The schedule was a strain on his health: the 286-pound mogul was at least 90 pounds overweight, worked 14- to 16-hour days and suffered from chronic colds, exacerbated by the partial removal of a lung more than 30 years ago. "He didn't even walk slowly," says Joe Haines, a columnist with Maxwell's Daily Mirror in London. "You'd go out walking with Bob, and it was like a rhino charging along the street. He must have put enormous strain on his heart."

During Maxwell's last week, he worked at his usual exhausting pace. On Sunday, Oct. 20, Maxwell flew his Gulfstream jet to New York from London to inspect his

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U.S. properties. Foremost on his mind: the future of the Daily News. Ad revenues and circulation have risen since the strike, but the tabloid was still losing as much as a million dollars a month through the summer, says ex-publisher Jim Hoge, a Maxwell consultant. Ensconced in his triplex suite on the 53rd floor of Manhattan's Helmsley Palace, Maxwell discussed strategy with Hoge. "He was full of energy, talking about how wonderful the view was, making quick decisions," Hoge says.

On Sunday evening, Oct. 27, Maxwell attended a dinner at the Waldorf-Astoria, where he received a Man-of-the-Year award from Yad Vashem, the Holocaust museum in Jerusalem; the next afternoon he gathered a half dozen top Macmillan executives at MCC headquarters to announce the sudden resignation of Macmillan president Harry McQuillen, who was jumping to K-III Publishing Corp., publisher of New York and other magazines. Though the departure surprised him, Maxwell was gracious. "He winked at me, put his arms around me and thanked me. He was very positive," says McQuillen.

Last Thursday, Maxwell boarded his yacht in Gibraltar, planning a weeklong cruise to recover from his cold. He docked Friday night in Madeira, then set sail for a fishing port at Santa Cruz, capital of Tenerife. There he buttonholed fishermen to see if any had a catch of lobster that he could give to his chef, finding none, he took a taxi to the five-star Hotel Mencey, where he dined alone Monday night in an empty restaurant on whiting in a sauce with almonds and mushrooms, washing it down with two beers and part of a third. The meal cost him about \$34-and he left a \$7 tip. At 10 p.m., Maxwell set sail with his crew of 11, bound east toward the north part of Grand Canary. By 11 p.m., he was hard at work, chatting buoyantly on his two phones. Some crew members spotted him at 4:25 a.m. standing on the main afterdeck 10 yards from his stateroom window. Within half an hour, authorities would determine, Maxwell apparently suffered his attack and tumbled into the ocean under low, steel cables, which interrupt the vessel's waist-high guardrail at the stern to permit easy launching of motorboats.

Maxwell's widow, Elisabeth Meynard Maxwell, arrived Wednesday with eldest son, Philip, to identify the remains. On Friday, accompanied by Elisabeth, Philip, daughter Ghislaine and assorted confidants, Maxwell's body was flown to Jerusalem on a chartered jet for burial on the Mount of Olives. While Maxwell's family may be expressing dissatisfaction with the official explanation for his death, some friends said it made sense. "Nobody is granted immunity ... and in the end [his pace] killed him," says Joe Haines, the Daily Mirror columnist. "But it was typical of Bob that he died off the Grand Canaries and in circumstances that let our rivals create a mystery."

Perhaps the biggest mystery was the future of Maxwell's holdings. In the days following his death, Maxwell's creditors called a series of emergency meetings with Kevin Maxwell, 32, who emerged as his father's principal successor. The purpose: to make certain the new regime would sell assets to keep the companies afloat. Some analysts question whether Kevin and older brother Ian, 35, will be able to sort through the tangled skein of public and private companies, marked by secretive, interdependent finances that Maxwell assembled during four decades (following story). "They've lost a cogent and nimble individual who could have kept everything together," says Ivan Obolensky, an analyst with Shields & Co. in New York. "He was holding on by his fingernails, but he could have done it." Whether the sons will show the same bravado as their inimitable father remains as uncertain as Maxwell's last few moments aboard the Lady Ghislaine.

**MAXWELL'S LAST CRUISE** The press lord planned a trip through the Canaries to recover from a cold. After a fish dinner in Santa Cruz on Monday, he reboarded at 10 p.m. He died seven hours later.

Communications tower; sun deck; indoor gym; satellite domes; dining area.

Forward and main saloons; kitchen; covered sun deck; bridge; patio.

Maxwell's offices; master suite; formal dining room; storage for motorcycle and Windsurfer; motor launches; walkway around deck.

Crew quarters and guest rooms.

**THE MAKING OF A BILLIONAIRE** From the depths of poverty to the heights of a global empire, Robert Maxwell lived the ultimate rags-to-riches story. Peripatetic and flamboyant, he burst onto the U.S. scene in 1988 and went on to buy the Daily News, once New York's biggest newspaper.

According to his official biography, Maxwell was born Ludvik Hoch in 1923 in Solotvino, Czechoslovakia. He came from a Hasidic Jewish family of poor laborers and as a child often went hungry. He had only three years of formal education; when he was 15, he says he joined the Czech resistance movement against the Nazis. By 1939 he was resorting to selling trinkets in Bratislava to make a living. Young Maxwell eventually fled to France and to have fought in the French Resistance movement and been wounded by the Germans. He later escaped to England. He lost his parents, a brother, three sisters and his grandparents in the Holocaust.

After he escaped to England Maxwell joined the British Army and rose to the rank of captain. In 1945 Maxwell was awarded the Military Cross for heroism on the plains of Normandy. A year before, he had promised his future wife he would win that medal-and one day become prime minister.

After working for British intelligence in Berlin, Maxwell returned to England in 1947. Four years later he borrowed money from his in-laws to buy a stake in what became Pergamon Press, a science publisher. The business made him a millionaire, and in 1964 he won a seat in the House of Commons as a Labor Party candidate. But financial wranglings scuttled his ambition to become a cabinet minister. He left office in 1970, a year before he temporarily lost his board seat at Pergamon in a dispute over a stock sale.

Maxwell failed several times to acquire media properties; it wasn't until 1984 that he purchased the Mirror Group Newspapers, a chain that includes the Daily Mirror, a racy, left-leaning tabloid. In a war with other London tabs, including Rupert Murdoch's Sun, Maxwell increased the Mirror's circulation to 3.6 million from 200,000. He also broke the back of Fleet Street's labor unions. Subsequent acquisitions included a stake in MTV Europe.

Seeking to establish a presence in the United States, Maxwell purchased the Official Airlines Guides for \$750 million. Three days later, a \$2.6 billion takeover of Macmillan, the book publisher, was approved. Because of the debt he accumulated to buy the two companies, he was forced to sell Pergamon in 1991. After a bitter battle between labor unions and Chicago's Tribune Co., Maxwell saved the Daily News from almost certain demise. His U.S. empire also included Berlitz International and the North American edition of The European.

Maxwell's final weeks were filled with high drama. Last month, investigative reporter Seymour Hersh accused Maxwell and a Daily Mirror editor of collaborating with Israeli intelligence. Maxwell and the editor denied any connection with the Mossad and sued the author, who then counter-sued Maxwell. Before he died last week, Maxwell was engaged in an aggressive effort to sell assets to pay the bills of his struggling businesses.

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