

Maxwell's mysterious death comes as the \$2 billion (U.S.) global publishing empire he personally ran, which includes the struggling New York News, is burdened with debt. Maxwell had been selling assets to raise money to meet a \$750 million payment due in October 1992.

In addition, Maxwell had political troubles. He was suing U.S. journalist Seymour Hersh for alleging in a new book that he had ties to Israel's Mossad spy agency.

In London, Charles Wilson, director of the Mirror Group, said there had been no suggestion of foul play in the death: "We can only assume that Mr. Maxwell slipped and fell overboard."

Wilson also ruled out suicide, saying: "He had too much of the arrogance of his own ability to conceive of such a thing."

Maxwell was a big man with a powerful basso voice who browbeat his editors, fought a titanic running battle with rival publisher Rupert Murdoch, and jetted about the world visiting presidents and prime ministers.

"My primary duty is to hire and fire editors," he said recently.

Born Labji Hoch to Jewish peasants in Czechoslovakia, Maxwell lost his parents in the Nazi Holocaust and escaped to Britain in 1940. He was a highly decorated Second World War veteran.

"He was larger than life," British Conservative party legislator Anthony Beaumont-Dark said of Maxwell. "He was the Citizen Kane of his time."

His death raised questions about the future of his holdings.

In addition to the New York News, which he rescued from the brink of collapse in March, Maxwell owns several British tabloids and the European, an English-language weekly he founded in May 1990.

This year, Maxwell sold 49 per cent of the Mirror Group of newspapers in a public offering and his Pergamon Press publishing house to a Dutch company. He also sold part of his U.S. publishing house, Macmillan, to a British publisher.

Maxwell's oldest son, Phillip, flew to the Canary Islands with Maxwell's widow, Elizabeth, to identify the body.

The yacht's captain, Gus Rankin, said Maxwell wanted "to cruise all night out at sea" so they decided to head in the direction of Grand Canary island.

Maxwell was reported last seen by a member of the crew at 4:25 a.m. Tuesday, walking the deck of the Lady Ghislaine. His last message was a call to the bridge 20 minutes later, asking that the air-conditioning be turned down.

The \$21-million yacht turned back to Tenerife, anchoring eight kilometres off its southern coast at 9:30 a.m. Ninety minutes later, a phone call to Maxwell's state room was not answered, prompting a search.

Three Spanish helicopters, a plane and three ships searched for six hours and found the body floating in the Atlantic between Grand Canary and Tenerife, said Fernando Cano, spokesman at the Spanish rescue center in Madrid.

Elizabeth Maxwell, wearing black, looked sombre but calm. Vice-Consul Livingstone said he heard her say "something to the effect that her husband was a colossus in life and a colossus in death."

Maxwell was to have addressed the Anglo-Israel Association at a London hotel Monday night, but organizers were told about 30 minutes before the event began that he was ill.

Maxwell is to be buried in Jerusalem, most likely on Sunday, but the timing depends on when the body is released by Spanish authorities, said Dov Judkowski, editor of the Israeli daily Maariv. Maxwell's empire has a major share in the paper.