The MP Mystery

Stonehouse Case Baffles Britain

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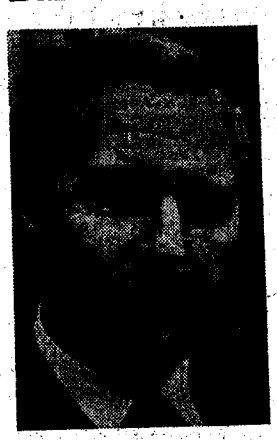
LONDON, Dec. 18—The mystery of the missing member of Parliament, John Stonehouse, has replaced the case of the vanishing Earl as Britain's favorite real-life thriller.

Like "Lucky" Lucan, the handsome earl accused last month of murdering his children's nurse and trying to strangle his estranged wife, John Stonehouse now has vanished without any positive trace and is being sought by the world's police.

A former Cabinet member, Stonehouse parlayed his global political connections into an impressive string of business deals. He was last seen on the afternoon of Nov. 20, jogging in bathing trunks at the edge of the water near the Fontainebleau Hotel in Miami Beach.

Was he outfitted with a cement overcoat and murdered gangster-style? A concrete slab with the impress of a human body was found by Fort Lauderdale police a few days after Stonehouse disappeared.



JOHN STONEHOUSE
. . . businessman, or spy?

Was he an agent for Czechoslovak intelligence?

See STONEHOUSE, A26, Col. 1

STONEHOUSE, From A1

Prime Minister Harold Wilson has assured the House of Commons that British security investigated this charge when it was first made in secret by a defecting spy in 1969. There is no supporting evidence, Wilson said.

Did he work for the CIA? Private Eye, the satirical semiweekly with an uneven record for accuracy, has reported that Stonehouse once set up a student socialist organization linked to the agency. But the prime minister has also denied flatly that his one-time Cabinet colleague was an American spy.

Did Stonehouse, a strong swimmer who sometimes plunged five miles into the ocean, simply drown? His body has not yet washed up on any Florida beach, but his wife, Barbara, has repeatedly insisted that this is the case. She foresightedly insured her husband's life for an extra $159,000 last summer after one bomb blew up his empty car and another was found near their London home.

Intelligence sources here lean to the belief that Stonehouse died a natural death in the water. But they also estimate that there are two chances in five that the underworld took out a contract on his life. As a politician and businessman, Stonehouse's rugged style—"tough and uncompromising," friends say—left many scars.

"He made enemies throughout the world," said William Malloy, a Labor member of Parliament and former parliamentary private secretary to Stonehouse. "It is quite in the cards that he has been destroyed by the Mafia."

"There were many people throughout the world who regarded him as an interfering nuisance," Malloy has told the press here. "They stretched right through to Africa and indeed to the Far East, particularly India and Bangladesh."

Darkhaired and handsome, the 49-year-old Stonehouse enjoyed a rapid rise—and fall—in Labor politics. After a wartime stint as a Royal Air Force pilot, he graduated from the London School of Economics and then worked for the Consumer Cooperative Movement, which has close ties to the Labor Party, in Africa and then in London.

When Wilson first came to power in 1964, Stonehouse, a vocal anti-Communist, was marked as a man on the rise. He was given sub-Cabinet jobs in the Ministry of Aviation and the Colonial Office. He served briefly as minister for aviation and joined the Cabinet in 1969 as minister for posts and telecommunications.

But after Labor's defeat in 1970, Stonehouse somehow slipped out of favor. He was relegated to the back benches where he stayed. His fall from grace occurred not long after Josef Frolik, a major in Czechoslovak intelligence, defected to the West. Frolik, who now lives under an assumed name in the United States, told the CIA that Prague had three members of Parliament on its payroll and one was Stonehouse. It is this charge that Wilson declared has been explored and found groundless.

According to Mrs. Stonehouse, her husband set out to make himself rich after losing his Cabinet post. His aim, she said, was to become financially independent and then make a bid for the leadership of the Labor Party. "He was a political animal, not a businessman by nature," she has said.

Stonehouse set up a dozen different companies in the export-import trade, a bank and a consulting service. A major computer company selling equipment to his former ministries gave him a $12,000 yearly retainer. Through friends in the Romanian embassy, Stonehouse worked up a $12 million deal to buy cement in Bucharest and sell it to Nigeria.

Above all, he attached himself to the infant state of Bangladesh. Stonehouse organized a fund that raised nearly $1 million to buy arms and ammunition for Dacca. It left in its wake unsupported charges that nearly twice this sum had been collected but never distributed. The Bangladesh High Commission in London, however, denied the complaints.

Stonehouse earned enough to buy himself a $200,000 country home. He operated largely as a middleman, finding helicopters, locomotive parts, banknotes and stamps for the new republic and taking a commission on the deals. In Bangladesh, he was nicknamed "Mr. Fixit" and "John the merchant."

Representatives for established British firms have claimed that Stonehouse sometimes moved in uninvited on contracts and passed himself off as an agent without any authority. But envious and disappointed commission men spread such tales.

More recently, the Stonehouse touch turned sour. The Romanian-Nigerian cement deal fell through. His $200,000 house was put up for sale. His bank needed help.

So, last month, he flew to

Miami to seek help from the Southeast First National Bank there. After two fruitless meetings, Stonehouse went back to his hotel, the Fontainebleau, for a swim. Nobody saw him go into the water, but he was spotted trotting along the beach.

Five days later, Fort Lauderdale police were called to investigate a peculiar smell coming from a warehouse. As they approached, two men with a pneumatic drill, ran away. Inside, the police found the fragments of a concrete slab with the moulded form of a human body.

One fragment was smeared with bloodstains and some hairs. According to authorities here, tests showed they could have come from Stonehouse. But from millions of others with they could also have come the same blood and hair types.

In the House of Commons, Wilson complained that the British press has devoted "yards of newsprint" to "lies" about Stonehouse and urged that the family of his former Cabinet colleague be allowed to grieve in peace. The prime minister however, said he could not shed any light on Stonehouse's disappearance.