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LORD KYLSANT.

THE WORLD'S PREMIER SHIPPING KING.

One of the most interesting developments in our shipping industry has been the rapidity with which Lord Kysant has so extended his puissance and influence since the Great War that he is to-day recognised as the world's premier shipping king.

A Remarkable Career.

Even before, he had attained in the Empire's most romantic industry a prominent position. At 26 he bought his first ship; then he founded the King Line, of which he is still chairman. At 40 Owen Philipps amazed the shipping world by securing the chairmanship of the Royal Mail Steam Packet Company, with its splendid fleet, personnel, and prestige. Other notable absorptions followed, including Elder Dempster, Pacific Steam Navigation, Shire Line, and Lamport and Holt.

Evolution of Royal Mail.

Every acquisition brought fresh strength, trading areas, and connections. At 50 Sir Owen Philipps scored a brilliant success by absorbing the Union-Castle Line—fifty vessels aggregating 320,000 tons. With its splendid traditions and organisations the Union-Castle ranked with Cunard and P. and O. Of the latter it was said: "Once did they hold the gorgeous East in fee." About the Union-Castle, under the Donald Currie régime, it was asserted that "its chiefs held the industrial and financial prosperity of South Africa in the hollow of their hands." Thus did Sir Owen become High Admiral of a fleet with 300 vessels, aggregating 1,270,000 tons. Never had one admiral commanded such an armada!

A Superb Organisation.

To-day his Lordship controls about 560 ships, aggregating 2,800,000 tons, including 100 motor vessels, of 600,000 tons. His companies employ 59,000 men, afloat and ashore; carried in 1928 1,500,000 passengers, 15,000,000 tons of cargo. Obviously, such a superb organisation connotes world-wide effort, vigilant control, the mobilisation under one Grand Chief of many able administrators. And, of course, the admiral of this mighty fleet must develop vision, insight, cool judgment, and the art of managing men. Lord Kysant's record amazes the public, who see in him shipping magnate, shipbuilder, financial expert, diplomatist, territorial magnate. And they wonder: How does he do it all with such success?

Its Imperial Character.

Wherever Royal Mail operates its policy reveals a decided list towards Imperial development; indeed, this historic corporation has long been an asset of inestimable value to the Empire. London is proud of that concentration of British shipping power within Royal Mail House—a monumental, palatial structure which has something Imperial in its solidity, proportions, architectural beauty, and perfect adaptation to the combination's varied needs.

Lord Kysant's Public Services.

While Lord Kysant's responsibilities have constantly expanded, he has always found time for public service. Long is

the list of his important posts, past and present: President of the Chamber of Shipping, President of the Federation of Chambers of Commerce of the British Empire, President of the London Chamber of Commerce, chairman for several years of the West African Section of the London Chamber of Commerce. During the Great War he served on numerous Government Committees, notably the Admiralty Board of Arbitration. In May, 1929, he was appointed Vice-Admiral of North Wales and the County of Carmarthen. Since the war he has assumed control of the Harland and Wolff shipbuilding enterprise and of the White Star Line. By the latter absorption he secures on the American side a status and facilities which may adumbrate more important developments. Other additions include Shaw, Savill, and Albion, Ltd., and the Aberdeen and Commonwealth Lines.

Honoured by His Majesty.

Lord Kysant is vice-chairman of the Representative Body of the Church in Wales, and has been chairman of the Finance Committee since the Welsh Church was disestablished in 1920. In 1922 he became Sub-Prior of the Priory for Wales of the Order of St. John of Jerusalem, of which H.R.H. the Prince of Wales is Prior.

His Lordship was made an honorary captain of the Royal Naval Reserve just before the Great War, and was created a Knight of Justice of the Order of St. John of Jerusalem in 1916. He was invested with the Grand Cross of the Spanish Red Cross in 1912, and with the Grand Cross of the Order of St. Michael and St. George in 1918. He is also J.P. for Pembrokeshire, Carmarthenshire, and Glasgow.

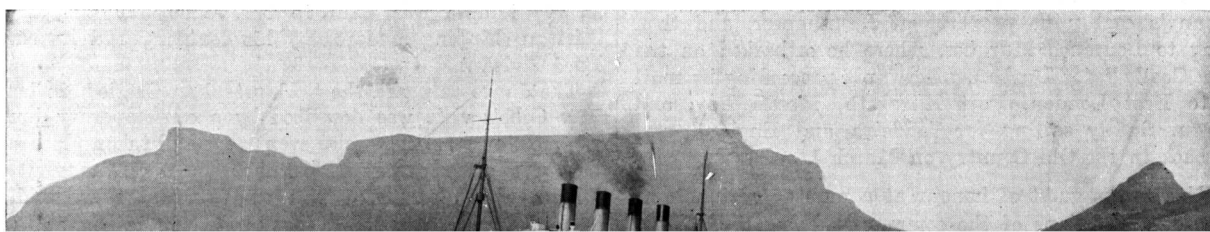
In recognition of his public services a Barony of the United Kingdom was conferred upon him by His Majesty in 1923, with the title of Lord Kysant of Carmarthen, in the County of Carmarthen, and of Amroth, in the County of Pembroke. The Kysant Estate, which he owns, has been in the possession of the Philipps family for over eight hundred years.

He served several periods in Parliament, and is still vice-chairman of the National Union of Conservative Associations. He owns over 6,000 acres of land in Wales, and has served as High Sheriff of Pembrokeshire. His popularity in the Principality is justified by his services and the record of his family during the past eight centuries.

Some Personal Points.

London abounds in famous men, but few who give one such a sense of power, personality, and versatile capacity as Lord Kysant. Thus does race tell. The Philipps family of Picton and Kysant can trace its origin in direct male line for nearly nine hundred years; few such families exist in Great Britain to-day. Of striking appearance, Lord Kysant stands about 6 ft. 5 in., a man of handsome, imposing presence, with a natural air of command, the gait and stride of a giant. Sixty-six, sturdy, alert, keen of eye as of brain, with his closely cropped head of iron grey hair and thick moustache. At one time he and two brothers were in Parliament together—each one several inches over 6 ft. Members were amazed. To-day his Lordship retains his still early reputation as "a fine specimen of vigorous manhood," bearing valiantly on his broad shoulders the principal burden of the world's mercantile shipping activities.

B.



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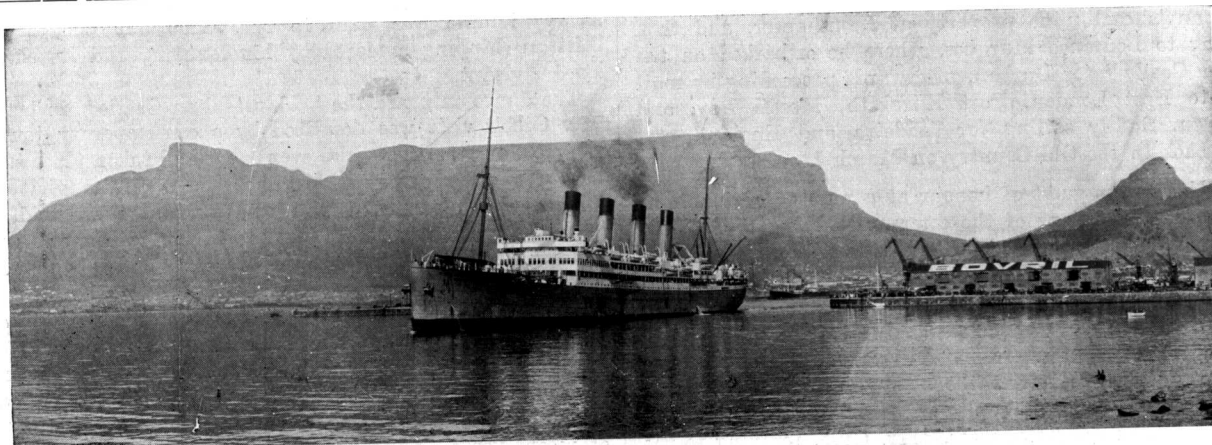
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A UNION CASTLE LINER LEAVING TABLE BAY.

AN EMPIRE SHIPPING MAGNATE.



THE RIGHT HON. LORD KYLSANT OF CARMARTHEN, G.C.M.G.,

The distinguished Chairman and Managing Director of the Union-Castle Line, Elder Dempster and Co., Ltd., the Royal Mail Steam Packet Co., White Star Line, and their Associated Shipping Companies.

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The Times (London)

Nr. **45972**

**COURT OF CRIMINAL
APPEAL
LORD KYLSANT'S APPEAL DISMISSED
REX v. KYLSANT**

*Before MR. JUSTICE AVORY, MR. JUSTICE
BRANSON, and MR. JUSTICE HUMPHREYS*

The COURT dismissed the appeal against conviction and sentence of Owen Cosby Philipps, Baron Kysant, who was convicted at the Central Criminal Court on July 30 last of publishing, in 1928, a false prospectus in connexion with an issue of Debenture stock by the Royal Mail Steam Packet Company, of which he was chairman, and was sentenced to 12 months' imprisonment in the second division.

The grounds of the appeal were that there was no evidence that Lord Kysant published a prospectus which was false in any material particular, but, on the contrary, that every fact and figure stated in the prospectus was true; that Mr. Justice Wright, who tried the case, misdirected the jury in various particulars; and that the sentence was excessive.

Sir John Simon, K.C., Mr. Singleton, K.C., and Mr. Wilfrid Lewis appeared for Lord Kysant; the Attorney-General (Sir William Jowitt, K.C.) and Mr. Eustace Fulton for the Crown.

JUDGMENT

MR. JUSTICE AVORY, in giving the judgment of the Court, said that Lord Kysant had been charged under section 84 of the Larceny Act, 1861, with, as a director of the Royal Mail Steam Packet Company, publishing, or concurring in publishing, accounts which he knew to be false in a material particular with intent to deceive or defraud the shareholders of the company, and, in a third count of the indictment, with publishing, or concurring in publishing, a prospectus inviting the public to subscribe to a Debenture issue of the company with intent to induce persons to entrust or advance property to the company. Lord Kysant was acquitted on the charges dealing with the accounts, but he was convicted on that relating to the prospectus. In case there should be thought to be some inconsistency in the verdict, it was right to say that, with regard to the first two charges, the jury might have thought that existing shareholders in the company had some information from published accounts which the outside public had not, particularly in view of the fact that in the profit and loss accounts for the years in question [1926 and 1927] and in previous years there had been some indication of what was called "adjustment of taxation reserves," a somewhat abstruse expression which had given rise to considerable discussion during the case.

The material portions of the prospectus were the statement that the company's capital, issued and fully paid, was £8,800,000, the reserve fund £1,450,000, and the insurance fund £1,311,755, and the statement that "although this company, in common with other shipping companies, has suffered from the depression in the shipping industry, the audited accounts of the company show that during the last 10 years the average annual balance available (including profits of the insurance fund), after providing for depreciation and interest on existing Debenture stocks, has been sufficient to pay the interest [£100,000 a year] on the present issue more than five times over." There followed in the prospectus the dividends paid on the Ordinary stock of the company from 1911 to 1927, which, except in 1914, when no dividend was paid, and in 1926, when the dividend was 4 per cent., ranged from 5 per cent. to 8 per cent.

OVERDRAFT AT THE BANK

One purpose for which the issue was made appeared to have been to pay off a £500,000 overdraft at the bank, which had been created in 1926 and renewed from time to time on the promise by the company that the Debenture issue in question would be made.

The grounds of the appeal were that there was no evidence that Lord Kysant made or published, or concurred in making or publishing, a prospectus which was false in any material particular; that there was no evidence that he had made or published the prospectus knowing it to be false in any material particular; and that Mr. Justice Wright [who tried the case] misdirected the jury on various matters.

Mr. Justice Wright directed the jury that the words in the section "a statement . . . false in any material particular" were not limited to a case where one could point to an account or a statement and say: "Here are certain figures, here are certain words, which are false." That was unduly to narrow the words "in any material particular." To construe it otherwise would be to shut out a type of fraud in connexion with written documents or accounts which might be of the utmost importance—namely, the type of fraud which might be found in a document which was not fraudulent in the sense of what it stated, but in the sense of what it concealed or omitted. The section covered the case of a written document which, as a whole, might be false, not because of what it stated, but because of what it did not state, and what it implied.

Mr. Justice Avory referred to the words of Lord Macnaghten in *Gluckstein v. Barnes* (16 *The Times* L.R., 321; [1900] A.C., 240, at pp. 250, 251), of Lord Chelmsford and Lord Cairns in *Peck v. Gurney* (L.R., 6 H.L., 377, at pp. 386 and 403), and of Lord Halsbury in *Aaron's Reefs, Limited v. Twiss* ([1896] A.C., 273, at pp. 281-284), and continued:—

"In the opinion of this Court those authorities are sufficient to support the summing-up of Mr. Justice Wright. It is true that those were civil proceedings, but we think that the opinions expressed are none the less applicable in the present case. Mr. Justice Wright, on more than one occasion, specifically called the attention of the jury to the distinction which they must bear in mind between possible civil liability and criminal liability.

"In the opinion of this Court there was ample evidence on which the jury could come to the conclusion that this prospectus was false in a material particular in that it conveyed a false impression. The falsehood in this case consisted in putting before intending investors, as material on which they could exercise their judgment as to the position of the company, figures which apparently disclosed the existing position, but in fact hid it. In other words, the prospectus implied that the company was in a sound financial position and that the prudent investor could safely invest in its Debentures.

"This implication rises particularly from the statement that dividends had been regularly paid over a term of years although times had been bad, a statement which was utterly misleading when the fact that they were paid, not out of current earnings, but out of funds which had been earned in the abnormal War period is omitted.

"KNEW OF ITS FALSITY"

"The further question arises whether there

Debenture

was evidence on which the jury could properly find that Lord Kylsant knew that the document was false. If there was evidence that the document was false in the particulars already indicated, there was ample evidence on which the jury could find that Lord Kylsant knew of its falsity, knowing, as he did, of the means by which the dividends had been paid. And it is not, and cannot be, disputed that the prospectus was published with the intention of inducing persons to entrust or advance money to the company, which was sufficient to satisfy the requirements of the section.

"In his summing-up Mr. Justice Wright told the jury that, before they could convict, they must find an intention to defraud, and he repeated that when, after they had retired, they sent in a question to him. That direction was unduly favourable to Lord Kylsant, a mere intention to induce people to entrust money to the company being sufficient. In view of what occurred the jury must be taken to have found that what was done in this case was done with an intent to defraud.

"In the result, we come, without hesitation, to the conclusion that in the summing-up, regarded as a whole, there was no misdirection, that there was ample evidence on which the verdict of the jury could be supported, and that the appeal must be dismissed."

Mr. SINGLETON, referring to the question of sentence, said that the conviction meant far more to Lord Kylsant than the sentence, but he wished to refer to the latter in the interests of others.

Their Lordships knew Lord Kylsant's record in public and in private life. Lord Plender [the chartered accountant], giving evidence at the trial, said that Lord Kylsant had afforded every possible facility for inquiry into the affairs of the company. Sir William McLintock [the chartered accountant] had agreed that that was so. The Debenture issue was made in June, 1928. Thereafter the company paid a dividend which would have entitled Lord Kylsant to draw his commission, and he preferred not to draw it. As the Attorney-General said yesterday (Tuesday), there was, in the present case, no question of the forgery of documents, or the taking of money that did not belong to him, or the paying of dividends out of improper funds. It was the first time that the section had been applied to that sort of case.

Mr. JUSTICE AVORY said that, having given the most complete consideration to everything which had been urged, the Court was quite unable to accede to the application that there should be some alteration in the sentence.

On the application of Mr. SINGLETON the Court allowed Lord Kylsant to see Lady Kylsant and Lord Coventry (his son-in-law).

Solicitors.—Messrs. Holmes, Son, and Pott; Director of Public Prosecutions.

P.
Signatur

Kylsant, Lord

10770 0003 BEC

Datum 9. Nov. 1931

Frankfurter Zeitung (Frankfurt a. Main)

NR 886 . . .

* Das Urteil gegen Lord Kylsant mit einem Jahr Gefängnis wurde, wie unser Londoner nb-Korrespondent ergänzend schreibt, aufrechterhalten. Diese Entscheidung wird in der City durchweg als richtig angesehen. Die Verhandlung vor dem Revisionsgericht hat kein neues Licht auf den Fall geworfen; man hat allenfalls den Eindruck bekommen, daß sich Lord Kylsant zu der Irreführung im Prospekt gutgläubig für berechtigt hielt. Aber das ändert die Straffälligkeit seiner Handlungsweise nicht, die darauf abgestellt war, Geldanleger unter Mitteilung nicht falscher, aber irreführender Daten zur Zeichnung von Royal Mail-Obligationen zu bewegen. Sir John Simon, der wieder die Verteidigung führte, gab zu, daß der fragliche Prospekt nicht sehr befriedigend sei; „diese peinliche Untersuchung“, sagte er, „hat die Aufmerksamkeit darauf gelenkt, daß es wünschenswert sei, Mitteilung von mehr Informationen zu geben. Nichts von dem, was ich sagte, soll den gegenteiligen Eindruck hervorrufen.“ So hat auch die Verteidigung den Charakter des Prozesses — wir nannten ihn ein Kolleg für Publizität — bestätigt.

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Lord Kysant was sentenced to 12 months' imprisonment in the second division. He also asks for leave to appeal against his sentence.

The grounds of the appeal are that there was no evidence that Lord Kysant published a prospectus which was false in any material particular, but, on the contrary, that every fact and figure stated in the prospectus was true; that Mr. Justice Wright, who tried the case, misdirected the jury in various particulars; and that the sentence was excessive.

Sir John Simon, K.C., Mr. Singleton, K.C., and Mr. Wilfrid Lewis appeared for Lord Kysant; the Attorney-General (Sir William Jowitt, K.C.), Mr. D. N. Pritt, K.C., and Mr. Eustace Fulton for the Crown.

Before the Court sat, Lord Kysant, who had been on bail, surrendered, but he was not present during the hearing of the appeal.

SIR JOHN SIMON, in opening the appeal, recalled that Lord Kysant and Mr. Harold John Morland [the auditor of the Royal Mail Steam Packet Company] were both acquitted on counts in the indictment charging them, under section 84 of the Larceny Act, 1861, with publishing, with intent to deceive shareholders, false statements in the annual reports of the directors of the company for 1926 and 1927. Lord Kysant was convicted on a third count on which he was charged alone with issuing, in 1928, a false prospectus inviting the public to subscribe to an issue of £2,000,000 Debenture stock.

STATEMENTS IN THE PROSPECTUS

The prospectus was alleged to be false in that it concealed the true position of the company. At the trial the Attorney-General conceded that every statement in the prospectus was absolutely true. There was no doubt, however, that certain things were not mentioned in it, and the suggestion made by the Crown was that, having regard to the matters which were not explicitly stated, the document was false in a material particular.

It was quite a mistaken view of section 84 of the Larceny Act, 1861, to treat it as though it penalized mere economy of information. It punished a false statement with all the rigour of the criminal law. The question which arose under the section was: "Does this document contain a statement which is known to be false?" The question whether a more complete survey of the facts might colour the statements made was neither here nor there, unless that which was omitted would, if it were added, show that the statements contained in the document were false.

As an illustration Sir John Simon said that, if a company owning a coalmine included in a prospectus a report that work at the mine was making excellent progress and omitted a subsequent report that the mine had

been blown up, there would be an omission which, if included, would show the previous report to be no longer true. In the present case, however, no fact which was omitted from the prospectus would, if included, have detracted from the truth of the statements which were made.

A comparison of sections 82, 83, and 84 of the Larceny Act, 1861, showed that whereas in sections 82 and 83 omissions were made criminal offences, attention was directed in section 84 only to what was positively stated.

The prospectus set out an average figure for more than 10 years.

MR. JUSTICE AVORY.—Average of what?

SIR JOHN SIMON.—An average of the balances available to meet the claims which subscribers to the Debenture issue in question would be able to make if they took up the stock.

All the figures which made up the averages stated in the prospectus were absolutely accurate. The prospectus warned anyone who read it that the company was suffering from the trade depression.

Referring to the fact that in a number of years the R.M.S.P. Company made large profits, only part of which were distributed, the rest being placed to reserve, Sir John Simon remarked: "That is a striking instance of what may now popularly be called a conservative policy."

Continuing, counsel said that Lord Kysant never anticipated profits. The company never paid out a single penny which it was not entitled to pay out. What Lord Kysant anticipated was an improvement in trade because his experience told him that trade went in cycles. In 1928 he believed that a better time was coming and he put his money and money of which he was a trustee into the Debentures.

Even in the new Companies Act there was no provision that a prospectus must contain every fact which might influence the public. Certainly, section 84 of the Larceny Act, 1861, did not make it a criminal offence merely to omit from a prospectus something which somebody might like to know.

MR. JUSTICE BRANSON.—For a case to be within the section, is it necessary for the facts omitted to be such as to render the facts stated untrue if they had been included? Supposing a company issues a prospectus for Debentures in which it is stated that the issue is unconditionally guaranteed, both as to principal and interest, by such and such a company. That is a fact, but the man who issues the prospectus knows that the such and such company has not got two pence. That would not make his statement about the guarantee false, but it would make the impression conveyed by it entirely false.

SIR JOHN SIMON.—That is really in the class which I conceded. It is one of those cases where the fact that is omitted so materially affects that which is included as to make the latter false. My proposition is that in the present case that which was said was in no sense false, but absolutely true. We know now that this company did not recover so soon as was hoped, and the result was that it got into terrible trouble. On the other hand, there is no shadow of doubt that, if that had happened which might reasonably have been anticipated, no trouble would have arisen at all.

THE COMPANY'S RESERVES

Old reserves of the company had never been brought into profit and loss account and treated as profits. Only money which had become available in a particular year was treated as profit for that year. Lord Kysant thought that the fact that such sums as payments in respect of income-tax and excess

profits duty would not recur would be counterbalanced by the fact that trade would improve and the company return to its normal prosperity.

Turning to the summing-up, Sir John Simon said that Mr. Justice Wright told the jury that it was too narrow to say that to satisfy section 84 of the Larceny Act, 1861, the prosecution must be able to indicate certain facts and figures as being false, as that would shut out an important type of fraud where a document implied that which was false. His Lordship, however, ought to have added that the section did not punish an omission unless the omission rendered false that which was stated. He should have directed the jury that there was a very definite limit within which the things which were not stated could make false those things which were stated.

Continuing, counsel said that the jury should have been directed that if they considered that there was something which it would have been proper or right to add, something which would have affected the judgment of the public, that was not a sufficient reason for conviction.

In his summing-up the Judge had pointed out that it was said that if, instead of averaging, there had been put into the prospectus a statement of the profits year by year as they accrued, it would have represented a very different picture.

That might be so, but, with respect, was that the question here? The question was not, if the jury were re-writing that prospectus, what they would have put in; it was what was in fact put in.

The jury should have been directed to attend to what words were printed and told that they were only entitled to call them false if they were proved to be false by the facts published in the case. Between that and the question of omission a distinction should have been drawn, and he (counsel) found nowhere in the summing-up an attempt to draw that distinction.

Was it true to say that a document which did not disclose the true position would be, *per se*, a false document?

MR. JUSTICE BRANSON.—In truth and in fact in recent years the company has not been making any profits at all.

MR. JUSTICE AVORY.—Is it a misleading document because it conveys a certain impression which is not really true?

SIR JOHN SIMON.—Is that really quite what this section calls for? The misleading impression must be produced, if it is produced, by a false statement. If it is imperfect, and because it is, misleads, that is not what the section is talking about. If the statement is

Wenden!

one which conveys that which is a false statement of fact because of what it says, that is another matter.

MR. JUSTICE AVORY.—That, I suggest, is the true test here.

Was it, continued his Lordship, a misleading document because it stated certain things and did not state other things, so that any one reading what was stated and not knowing what was not, would be deluded and deceived as to its true nature?

It was the fact in this case, said SIR JOHN SIMON, that in every single year there was properly distributable everything which was distributed.

Lord Kysant had no knowledge of any falsity. He did not deny that there was an intention to induce people to subscribe for shares in the issue.

Was any one going to convict Lord Kysant because he had been telling people in the prospectus what the average had been over a period of years, and had added that the company had been suffering from the depression in the shipping industry? He (counsel) would have thought that the true inference was, first, that the average was not made up of a series of approximately equal figures; secondly, that the figures were worse at the end than at the beginning; and, thirdly, that it was manifest that that average included the years 1918, 1919, 1920, and 1921, which everybody knew were years when it was thought that we were going to have a boom.

One could well understand, with all respect for a City of London jury, that there was a feeling of distress that there had been a disaster to the R.M.S.P. Company, and that it was difficult for the jury to draw a distinction between the crime of issuing a prospectus which contained a falsehood to the knowledge of the person who issued it and the totally different matter whether a more complete survey of all the facts about the company would have affected unfavourably the mind of the investor. Added to that, it was asking the jury a lot when they were required, in 1931, to view the position through the eyes of 1928. Lord Kysant's attitude was perfectly consistent throughout the case.

The ATTORNEY-GENERAL said that Mr. Justice Wright made clear in his summing-up what was intended by the word "false" in section 84 of the Act of 1861. A document was false if, by stating some things and omitting others, it created a false impression, or if that which was stated created one impression whereas other facts, if also stated, would completely remove that impression. A document conveyed not merely the facts set out in each particular sentence of it, but also the impression which any sensible reader might get by reading it as a whole.

The impression given by the prospectus in the present case was that the R.M.S.P. Company, in 1928, was a company in which persons could safely invest their money. The truth was that in the seven years 1921-1927 the company had used no less than £5,700,000 of non-recurring sources of income which owed their origin and parentage to the War years.

From 1921 to 1927 the company, to be able to pay its Debenture interest, and still more to pay dividends on its Ordinary and Preference shares, had been living on its own fat which had been stored during the War. The company had used up its resources in those seven years to such an extent that it had been reduced almost to a skeleton.

In 1928 it was known that the company was in a very dangerous position. Lord Kysant might be right about cycles of trade, but the fact was that, unless he proved to be right on that particular occasion, nothing could save the company from certain destruction.

If it were true that, had the full facts been known, no sane person would have invested a penny in the company, it constituted a clear illustration of something not being said which made an impression, intentionally produced by something which had been said, wholly false.

The hearing was adjourned.

Solicitors.—Messrs. Holmes, Son, and Pott; Director of Public Prosecutions.

10770 0005 BEC

The Times (London)

Nr. 45971

COURT OF CRIMINAL
APPEAL

LORD KYLSANT'S APPEAL

REX v. KYLSANT

Before MR. JUSTICE AVORY, MR. JUSTICE
BRANSON, and MR. JUSTICE HUMPHREYS

The COURT will give judgment to-morrow (Wednesday) in the appeal of Owen Cosby Phillips, Baron Kysant, against his conviction at the Central Criminal Court on July 30 last of publishing, in 1928, a false prospectus in connexion with an issue of Debenture stock by the Royal Mail Steam Packet Company, of which he was chairman.

Lord Kysant was sentenced to 12 months' imprisonment in the second division. He also asks leave to appeal against his sentence.

The grounds of the appeal are that there was no evidence that Lord Kysant published a prospectus which was false in any material particular, but, on the contrary, that every fact and figure stated in the prospectus was true; that Mr. Justice Wright, who tried the case, misdirected the jury in various particulars; and that the sentence was excessive.

Sir John Simon, K.C., Mr. Singleton, K.C., and Mr. Wilfrid Lewis appeared for Lord Kysant; the Attorney-General (Sir William Jowitt, K.C.), Mr. D. N. Pritt, K.C., and Mr. Eustace Fulton for the Crown.

The ATTORNEY-GENERAL, continuing his argument, said that a document might be false, not only by reason of the facts actually stated in it, but also by the implication which a reader would draw from it. The prospectus in the present case, which, it must be borne in mind, was addressed to prospective investors, must mean that circumstances were being stated which showed that there was, at the least, a strong probability that money subscribed for the Debentures would be perfectly safe.

The prospectus stated that, like every other shipping company, the Royal Mail Steam Packet Company had been experiencing bad times, but that the accounts of the company showed that, during the previous 10 years, the average annual balance available had been sufficient to pay the interest of the proposed Debenture issue five times over. That manifestly meant that there was really very little danger of a Debenture-holder losing his money.

The prospectus stated, not only that there was no cause for alarm or disquiet, but also that there was every reason to suppose that the Debenture-holders would be quite certain of their security and the return on their money. That statement was absolutely false. The truth was that there was every reason to suppose that it was exceedingly doubtful whether the Debenture-holders would receive any return on their money. It was true that, had there been a complete change in the commercial situation and some new trade cycle had intervened, all, possibly, would have gone well, but it was certain that, if things went on as they were in 1928, the prospective investor would be in great peril.

What justification was there for setting out an average of available balances when there were enormous profits in the first few years, which were wholly abnormal, and enormous losses in the later years, in which quite a different situation existed? The average created an absolutely false impression in the mind of the investor that his money would be perfectly safe, when in truth and in fact it was no such thing. No mention was made in the prospectus that non-recurring sources of income had been included in the average balances which had become, either entirely or mostly, exhausted.

"The sort of laxity which this document shows must be stopped," said the Attorney-

General in conclusion, "but it must not be stopped by straining the words of the section. I must show that something has been omitted from this prospectus which made it untrue and false. The prospectus implies that the investor will run no risk. It is wholly misleading to talk about the payment of past dividends and additions to reserves and to conceal the fact that the company were only able to pay those dividends and to meet their current expenses by using money which had been stored up in three prosperous, abnormal, and irrelevant years. The jury, I submit, were perfectly entitled to come to the conclusion that this was a false document.

"On another aspect of this appeal, I should like to say that this case differs *toto coelo* from those financial cases which sometimes come before the Courts where persons have deliberately forged documents, taken money which did not belong to them, or paid dividends out of improper funds. In my experience, this is the first time that this section has been applied to this sort of case. It is right that your Lordships should consider how far effect should be given to those facts."

REPLY FOR LORD KYLSANT

SIR JOHN SIMON, in reply, said that the case was very far removed from those cases in which there had been deliberate misuse of banking accounts, falsification of documents, misappropriation of funds, or anything of that kind.

Counsel analysed the accounts in detail and submitted that the argument that between 1921 and 1927 the R.M.S.P. Company had taken more than £800,000 from reserve could not be sustained. When the prospectus referred to "reserves" it meant what the ordinary business man would understand by "reserves," and the truth was that the reserves of the company, in that sense, had been increased from £120,000 in 1911 to £1,450,000 in 1927, while the insurance fund had been built up from £300,000 in 1911 to £1,311,755 in 1927.

It was very material to remember that what was dealt with in the prospectus were the balances available for the years specified, a wholly different matter from the trading results of those years. It was possible to have a big balance available in a particular year although the trading of that year was bad. The prospectus never pretended to represent that year by year the company had made large trading profits. Indeed, the bulk of the company's income was derived from its holdings in other companies.

He (counsel) could quite understand the suggestion that if a person saw how widely the figures which made up the average differed he might be given pause to think. But anyone who asked for and obtained further information would receive some additional information, and nothing which would correct or falsify that which was stated. What was stated was an average. The average figures supplied were true. And there was a warning note that the company was going through the depression which existed in the shipping industry.

"This painful trial," Sir John Simon added, "has called most specific attention to the desirability of more information being given in such documents, and nothing which I have said must be taken to suggest the contrary."

MR. JUSTICE AVORY said that the case required consideration, and the Court would give judgment to-morrow (Wednesday) morning.

Solicitors.—Messrs. Holmes, Son and Pott; Director of Public Prosecutions.

P.
Signatur *Kylsant, Lord*
Datum 5. Nov. 1931

10770 0006 BEC

Frankfurter Zeitung (Frankfurt a. Main)

№ 826.

Lord Kysant. (nb London.) Die Berufung Lord Kysants gegen das Urteil von einem Jahr Gefängnis als Strafe für Prospektfälschung wurde abgelehnt. Die Auffassung des Gerichts geht aus folgendem Satz der Abschlusrede des Richters hervor: „Eine halbe Wahrheit ist nicht besser als eine volle Fälschung.“

+

Lord Kylsant

Die letzten Tage bringen Nachrichten aus London, nach denen Lord Kylsant, der Schöpfer und frühere Leiter des Royal Mail Konzerns, vor den Untersuchungsrichter zitiert worden ist.

Mr. Philipps, wie Lord Kylsant als

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Um so intensiver erfolgte der Ausbau des heute grössten Schifffahrtsunternehmens der Welt nach dem Kriege. Ende 1929 umfasste der gesamte Konzern nicht weniger als vierzig Reedereien mit einer Flotte von nahezu drei Millionen Tonnen. Es bleibt bei dieser summarischen Übersicht zu berücksichtigen, dass durch die Royal Mail selbst nur die wenigsten Gesellschaften kontrolliert wurden. Vielmehr geschah dieses in den weitaus meisten Fällen durch die Royal Mail und Lord Kylsant zusammen, in zwei Fällen auch durch Lord Kylsant und seine Stammfirma Philipps, Philipps & Co., in einem weiteren Falle schliesslich durch Lord Kylsant allein. An diesem Verwaltungssystem wäre soweit nichts Auffallendes, da die gleiche im wesentlichen personelle Konzentration und Aktivierung eines Konzerns beispielsweise auch zwischen Lord Inchcape und dem P. & O. Konzern besteht. Was aber andererseits gerade wiederum diese beiden Konzerne unterscheidet, das ist die Kapitalverteilung innerhalb des Konzerns.

Wir haben vor Jahresfrist etwa (30. April 1930) einen zeichnerischen Aufriss des Royal Mail Konzerns gegeben. Die Stammaktien der neu angekauften Gesellschaften waren jeweils von den Unternehmungen des Lord Kylsant übernommen worden, während die Öffentlichkeit durch Uebernahme der Vorzugsaktien und Obligationen die neue Gesellschaft dann finanzierte. Die Folge war ein Ueberhandnehmen der Vorzugsaktien und Obligationen und eine Ueberkapitalisierung. Heute stehen 26,9 Mill. Lstrl. Vorzugsaktien zuzüglich 22,2 Mill. Lstrl. Schuldverschreibungen einem Stamm-Kapital von nur 44,5 Mill. Lstrl. gegenüber. In ihren wesentlichsten Positionen verteilen sich diese Stammaktien, Vorzugsaktien und Obligationen wie folgt:

Stammaktien Vorzugsaktien Obligationen
in Mill. Lstrl.

Royal Mail Steam Packet	5,—	3,8	6,5
Pacific Steam Navigation	1,5	—	—
Nelson Steam Navigation	1,55	—	1,53
Royal Mail Meat Transp.	0,5	0,5	—
Mc. Andrews	1,—	—	—
H. & W. Nelson	0,25	—	—
Glen Line	2,30	—	—
David Mc. Iver	0,7	—	—
Elder Dempster	1,81	6,67	2,—
Coast Lines	2,—	2,62	2,02
Union Castle Line	2,74	2,74	—
White Star Line	1,—	5,—	5,—
Lampert & Holt	2,24	2,—	2,95
African Steamship	2,—	0,5	1,5
British & African Steam Nav.	1,5	0,8	—
Imperial Direct Line	0,5	—	—
British & Irish Steam Packet	1,5	1,5	—
James Mors Steamship	0,9	—	—
Oceanic Steam Navigation	5,—	—	0,7
Shaw, Savill & Albion	0,195	0,195	—
King Line	0,5	—	—

Die vielleicht grösste Tragik, speziell für Lord Kylsant, ist wohl die, dass gerade das Jahr 1926 ihm und der gesamten englischen Öffentlichkeit als das Glücksjahr, als der Gipfelpunkt einer zweifelsohne doch durch und durch individuellen und erfolgreichen Laufbahn erschien. Denn in diesem Jahre erfolgte seitens der Royal Mail

der Einkauf der White Star Line

aus den Händen der International Mercantile Marine Co., also aus amerikanischem Besitz, in den sie rund 25 Jahre zuvor aus englischen Händen übergegangen war. Der Preis, den Lord Kylsant für die White Star und die ihr angegliederte Oceanic Navigation Company, den eigentlichen Reedereibetrieb der White Star bezahlen sollte, belief sich auf sieben Millionen Lstrl. Diese Summe stellte für ihn eine schlechtweg tragbare Belastung dar. Einmal aber inmitten der enthusiastischen öffentlichen Zustimmung zu diesem Prestigeerwerb, fühlte der von mancherlei Ehrgeizen beseelte Mann nicht mehr die Kraft sich zurückzuziehen und suchte einen Ausweg. Er glaubte ihn in der Form gefunden zu haben, dass er als Finanzgesellschaft der White Star Ltd. mit einem Stammkapital von 4 Millionen Lstrl. gründete und gleichzeitig nach selbst gegebenem Muster fünf Millionen Lstrl. kumulative Vorzugsaktien mit einem festen Zinssatz von 6% auflegte. Die Royal Mail ihrerseits übernahm die Bürgschaft für die Zahlung der Dividende.

Zunächst brauchte diese Garantie jedoch nicht in Anspruch genommen zu werden. Die Rentabilität des Gesamtkonzerns schien nach wie vor unerschütterter. Neue Projekte schwirten in der Luft, zumal im Vorjahre nach der vollendeten Hapag-Lloyd Union. Man wollte wissen, dass als Reaktion jetzt englischerseits eine Zusammenfassung von Cunard und White Star vorgenommen würde. Lord Kylsant selbst prophezeite diese neue Konstellation. Doch wie sich wenig später schon herausstellte, lediglich aus der Erkenntnis der Sanierungs- und Konzentrationsbedürfnisse seines Konzerns.

Da erfolgte Mitte vorigen Jahres der grosse Eklat: die White Star konnte ihre Vorzugsdividende nicht zahlen. Die Royal Mail sprang auf Grund ihrer Bürgschaft ein, obwohl sie selbst einen Verlustabschluss von 78 706 Lstrl. zu verzeichnen hatte. Diese Hilfsstellung hatte jedoch zur Folge, dass sie sich selbst ausserstande sah, ihre eigene Vorzugsdividende zu zahlen. Das war das Ende Lord Kylsants.

Es bleibt das Interesse an der

Reorganisation des Royal Mail Konzerns

als solchen. Wir registrieren die Aeusserung eines Treuhänders der White Star die in diesen Tagen vor einem Londoner Gericht verlesen wurde, und nach der in den Jahren 1926 bis 1929 folgende tatsächliche Verluste den ausgewiesenen Gewinnen gegenüberstanden:

1926	805 000 £	Verlust gegen	355 325 £	Gewinn
1927	630 000	"	489 880	"
1928	753 000	"	457 216	"
1929	608 000	"	226 296	"

Dies als ein Beispiel über die Verschleierungstaktik der Gesellschaften. An einen Verkauf der White Star Line wie er ursprünglich gedacht sein mag, zumindest aber propagiert worden ist, wäre unter den obwaltenden Verhältnissen der Seeschifffahrt nicht zu denken. Die Cunard Line als der wesentlichste Interessent ist heute, abgesehen von allen wirtschaftlichen Momenten, viel zu stark bei dem Bau ihrer Riesenschiffe engagiert, als dass sie als ernsthafter Interessent in Frage kommen könnte. Das Interesse der Furness-Whity Gruppe scheint ebenfalls nicht überaus stark zu sein. Ebenso wenig wahrscheinlich scheint es, dass man die einmal zurückgeholte Flotte nun wiederum an die International nach den Vereinigten Staaten abwandern liesse. Zudem bleibt die Frage, ob der Sanierungsausschuss überhaupt ein Interesse daran hat, die nun einmal für 7 Mill. Lstrl. erworbene Reederei heute für ihren tatsächlichen Wert von 4 Mill. Lstrl., der dann ja noch nicht einmal der

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Wenden!

BEC

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Deutsche Allgemeine Zeitung (Berlin)

251

Wahrscheinlicher wäre dann, dass, wie mit der Argentine Navigation Co. geschehen, weitere Abstossungen kleinerer Reedereien vorgenommen würden. Bei der allgemein sehr depressiven Lage dieser Gesellschaften, bei ihren teilweise auch nicht unerheblichen Schulden, dürften sie aber wiederum keinen allzu grossen oder überhaupt keinen interessierten Käuferkreis finden. So scheint es als das Gegebene, dass nicht unwesentliche Kapitalschnitte vorgenommen werden, die allerdings wesentliche Schädigungen der Gläubiger bedingen würden, und dass, wenn schliesslich alles nicht hilft, auch Konzernteile zu jeder Bedingung abgestossen werden. Klarheit über die diesbezüglichen Entschlüsse des Sanierungsausschusses wird schon die allernächste Zeit bringen, da mit dem Juni bereits wieder das augenblickliche Moratorium abläuft.

P. H.

10770 0010 BEC

Frankfurter Zeitung (Frankfurt a. M.)

Nr. 288

* Der Royal-Mail-Reeder Lord Kysant †. (u London.) Im Alter von 74 Jahren ist Lord Kysant (früher: Owen Philipps) nach längerer Krankheit gestorben. Von 1902, als er die Leitung der Royal Mail Company übernahm, bis 1929 hat er eine hervorragende Rolle in der englischen Schifffahrt gespielt. Auf seine Initiative ging es zurück, daß der Royal-Mail-Konzern zuletzt zahlreiche Reedereien mit etwa 2.80 Mill. BRT Schiffsraum beherrschte. Die Expansion fand einen, wie es zunächst schien, glanzvollen Abschluß, indem Lord Kysant 1927 die White Star Line, die 1902 unter amerikanischen Einfluß gekommen war, für Lst. 7 Mill. zurückerwarb. Dies wurde Lord Kysant als nationales Verdienst angerechnet, brachte aber schweres Unheil über den Konzern und seinen Leiter. Der Rückkauf war durch Aktien-Emission finanziert worden; 1929 erfolgte ein katastrophaler Kurszusammenbruch, der zu gerichtlichem Einschreiten und schließlich zu der Anklage des Prospektbetruges gegen Lord Kysant Anlaß gab. 1931 wurde er zu einem Jahr Gefängnis verurteilt; nach vergeblicher Revision hat er zehn Monate der Strafe verbüßt. Mit einem gewissen Recht ist die Ansicht vertreten worden, daß Lord Kysant ohne Makel dagestanden hätte, wenn die allgemeine Krise nicht hereingebrochen wäre. Das Gericht sah darin keine Entlastung des verantwortlichen Mannes und zog ihn ohne Rücksicht auf Rang und Ansehen zur Rechenschaft (einer der Verteidiger war der jetzige Schatzkanzler, Sir John Simon). Lord Kysant nahm alle Schuld auf sich. Die Öffentlichkeit hat ihm denn auch bis zuletzt Respekt entgegengebracht. Er lebte zurückgezogen in Südwales, obwohl er 1933 seinen Sitz im Oberhaus wieder eingenommen hatte. Dem Unterhaus hatte er bis 1920, erst als Liberaler, später als Konservativer angehört. Der von ihm aufgerichtete Konzern ist nach dem Zusammenbruch zerlegt worden. Die Ausbesserung der Schäden nähert sich erst jetzt allmählich ihrem Abschluß (die dieser Tage erfolgte Bilanzbereinigung bei dem Montan- und Werft-Unternehmen Harland & Wolff gehört in diesen Zusammenhang).

10770 0011 BEC

Datum 9. Juni 1937

Hamburger Fremdenblatt

Nr. 157A

Lord Kysant gestorben. Dieser Tage ist auf seinem Wohnsitz in Coomb, Llangain im Alter von 74 Jahren einer der bekanntesten englischen Schiffahrtsleute, Lord Kysant, gestorben. Er spielte noch bis vor wenigen Jahren eine führende Rolle in der englischen Großschiffahrt und war in seiner Glanzzeit Direktor von 41 Schiffahrtsgesellschaften. In frischer Erinnerung ist noch der Prozeß, in den Lord Kysant wegen Veröffentlichung eines Prospektes, der zur Zeichnung von Schiffahrtsaktien aufforderte, verwickelt war. Er endete im November 1931 damit, daß Lord Kysant zu einem Jahr Gefängnis verurteilt wurde. Bald nachher zog sich Lord K. aus den Geschäften zurück.

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The Times (London)

Nr. 47704

LORD KYLSANT

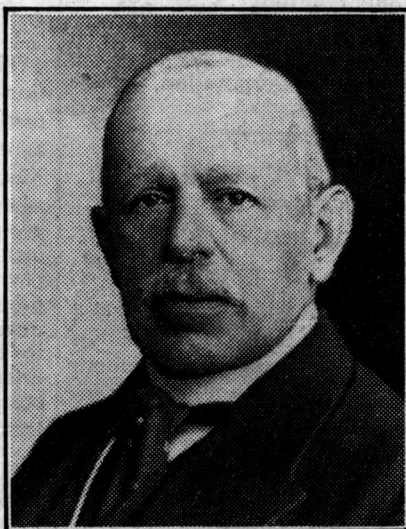
SHIPPING AND FINANCE

Lord Kysant, who died in his sleep on Saturday night, at Coomb, his Carmarthenshire seat, at the age of 74, was for a long period an outstanding figure in British shipping. He accomplished much, and it was largely because he attempted too much that his later years were clouded. During the past year his health had been failing, and for the last month he had been confined to his bed.

The Right Hon. Owen Cosby, first Baron Kysant, of Carmarthen and of Amroth, was born on March 25, 1863, the third son of the late Canon Sir James Erasmus Philipps, twelfth baronet, and the Hon. Lady Philipps, sister of the fifth Baron Wynford. His eldest brother, the thirteenth holder of the baronetcy, is Viscount St. Davids, who for some time was a member of Parliament. His second brother is Major-General Sir Ivor Philipps, and his two younger brothers are Mr. Bertram Erasmus Philipps and Sir Laurence Philipps, Bt. All are tall men.

The early activities of Owen Philipps had marked him as a man of energy and enterprise, and when, in 1902, the Royal Mail Steam Packet Company was being reorganized, he was appointed chairman. The immediate duty of the new chairman was to re-establish the position of the company. This he succeeded in doing.

Meanwhile Owen Philipps had already started on the policy of securing a controlling interest in other important shipping lines. The Pacific Steam Navigation Company was acquired. The transaction involved an expenditure of £1,500,000, which seemed large at the time, but was small in comparison with some of the "deals" that were carried through later. Some fine vessels were built for the Pacific Steam Navigation Company and the enterprise of the new chairman became apparent, as it had been demonstrated in the reorganization of the Royal Mail Steam Packet Company. There was some sound justification for the agreement which was concluded,



meat from Argentina to this country and with the carriage of passengers at rates below those quoted for the first-class in the larger liners of the Royal Mail Steam Packet Company, while the MacIver Line and the enterprise of Nicholas Mihanovich, which were also taken over, were engaged in the South American trade.

NOTABLE DEVELOPMENTS

There was not the same obvious explanation of some of the other acquisitions which were made. These were brought about by the deaths of men who had built up the lines and had stamped the businesses with their own personalities. One of the most important of these purchases was that of the controlling interest of the Elder, Dempster Company, after the death of the late Sir Alfred Jones, a man of immense activity, who had concentrated on the development of trade with West Africa. Other notable developments were the acquisition of the Glen Line, whose vessels trade between Great Britain and the Far East, and later the purchase of the goodwill of the Shire Line, which is also engaged in Far Eastern trades. German lines had been active in these routes, and it was known that Sir Owen Philipps (he was created K.C.M.G. in 1909 and promoted to G.C.M.G. in 1918) had in mind the better representation of British shipping there, for the development of British shipping services was always a consideration with him. Another most important purchase was that, in 1912, of the Union-Castle Mail Steamship Company, which had been developed by the genius of the late Sir Donald Currie, who had paid careful regard to the conservation of resources, so that after his death the shares were sold for much more than the price at which they had stood during his lifetime. In 1919 Sir Owen took over the shipping business of Bullard, King and Co., which had also been long associated with the South African trade. It will be seen that the acquisition of controlling interests in lines serving West and South Africa and the Far East had no direct connexion with the South American route, on which Sir Owen Philipps had previously concentrated his attention. Another development was the formation of Coast Lines, Limited, representing a consolidation of companies engaged in services around the United Kingdom. Of this consolidation he became chairman, while the acquisition of the Moss and Hutchison businesses gave an interest in the Continental and Mediterranean trades.

A £7,000,000 DEAL

A similar departure occurred in 1927, with the acquisition of the entire share capital of the Oceanic Steam Navigation Company, whose fleet was known as the White Star Line. In 1902 the shares of this company had passed into American hands and there was little doubt that Lord Kysant, as he then was (having been raised to the peerage in 1923), was impressed by the idea of bringing back to this country the control of the famous British line. Others were known to have considered the re-purchase of the Oceanic Company, but it was understood that on examination of the position they dropped the idea. Lord Kysant bought the company for about £7,000,000. At that time he was thinking in very large figures. The financing of the transaction was complicated. The public was invited to subscribe for Preference shares and the various shipping companies of which Lord Kysant was head were called upon to subscribe for Ordinary shares. These subscriptions proved very bad investments for them and for years were weights around them, which made demands on earnings that otherwise would have been available for replenishing their fleets. Lord Kysant subsequently purchased the fleet of the Commonwealth Line from the Australian Govern-

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since the two companies served the South American Republics, although on the East and West Coast of the South American Continent respectively. Likewise, there was real reason for the controlling interests that were subsequently acquired in the Lamport and Holt Company and the Nelson Line. Lamport and Holt, which was purchased in 1912, was a chief British competitor in the cargo trade with Argentina and Brazil, and the Nelson Line was identified with the trade in chilled

meat from Argentina to this country and with the carriage of passengers at rates below those quoted for the first-class in the larger liners of the Royal Mail Steam Packet Company, while the MacIver Line and the enterprise of Nicholas Mihanovich, which were also taken over, were engaged in the South American trade.

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In recent years accountants and others have

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been engaged in disentangling the complicated finances of the shipping companies which formed at one time the "Royal Mail Group" and in giving them a fresh start as separate enterprises.

These new companies, assisted much by an improvement in the shipping industry and directed by experienced and energetic shipping

leaders, have started well on new careers of usefulness. They form important sections of the British Mercantile Marine.

With the death of the late Lord Pirrie in 1924 the future of Harland and Wolff, of Belfast, was raised. The business of this great shipbuilding company owed much to the work of Lord Pirrie, whose friendship with the head of the Royal Mail Steam Packet Company and associated lines was close. The group had built many of its vessels with Harland and Wolff, being among the pioneers of Diesel motor-ships, and when Lord Pirrie died Lord Kysant assumed control of this great concern, which owned steel works and collieries as adjuncts to its shipbuilding yards. This added important interests to the many already controlled by Lord Kysant, and business men who knew something already of the heavy demands made on his time wondered how it was possible for any individual to shoulder such vast responsibilities, as in shipping alone he was interested in almost every trade in the world. A large scheme of capital reorganization and reduction was approved by the shareholders last week. There were other companies, including the London Maritime Investment Company, which had financial associations with the group of companies controlled by Lord Kysant, and the London and Thames Haven Oil Wharves, Limited, one of the most successful of the enterprises of which Lord Kysant was chairman. This was in a class by itself and had no direct relationships with the shipping lines.

GREAT RESPONSIBILITIES

The responsibilities of the chairmanship of the various shipping companies, with which were associated those of managing director, were enhanced by the anxieties of long and deep trade depression. Lord Kysant was an optimist, and he was always hoping that the clouds would lift. Had the hope entertained by many that prosperity would return earlier been realized, Lord Kysant would, doubtless, have been regarded as a great leader who had acted courageously where others had hesitated. He himself bore the burden of the finance of the various enterprises of which he was chief. Able men were appointed to carry out the daily work and the technical shipping management, but their responsibilities did not extend to finance. On ordinary matters of business, apart from finance, he was known to be an easy man to deal with, quickly taking decisions, and his relations with his staffs were excellent. His standards of commercial morality, generally, were high. Thus no firm with which he was connected was permitted to have advantages over others where contracts were concerned. He wished to maintain the credit of his companies, but a time came when rumour was so rife that nothing could prevent the disclosure of the whole position. He was granted leave of absence by the Royal Mail Steam Packet Company, and after his return he was arrested. On charges of making and

publishing false annual reports of the Royal Mail Steam Packet Company for 1926-27 he was found not guilty, but on the charge of making, publishing, and circulating a false prospectus he was found guilty, and was sentenced to 12 months' imprisonment in the second division.

Briefly, the charge included the bringing in to annual balances of certain sums of a non-recurring kind and an "economy of truth" which, the prosecution successfully claimed, falsified the document as a whole, though the figures were accurate in themselves. The charge was of a technical kind, and, had trade improved as many expected, Lord Kysant's policy of maintaining dividends out of sums available, and drawing upon reserves, might have been justified, and the prospectus would not have been recalled. Lord Kysant bore his trial with great dignity, cast no blame on any colleagues, and on return to ordinary life retired to his residence in South Wales. On his return to Coomb he was given a warm welcome and his car was drawn by 40 men at a running pace for about a quarter of a mile to the entrance of the house, and passed under an arch of laurel and evergreen which had been built over the gates. All who knew him acquitted him of any desire to act criminally, and they laid the responsibility on the assumption of duties beyond the power of any individual to bear and on a certain financial recklessness and a belief in the future which events showed was unjustified.

Lord Kysant was an owner of 6,000 acres in Carmarthen and Pembrokeshire, and of the historic castles of Llanstephan and Amroth. Politics and the Church in Wales were two of his great interests outside business. Before his elevation to the peerage, Lord Kysant sat in Parliament as a Liberal for Pembroke and Haverfordwest from 1906 to 1910, and as Unionist member for Chester from 1916 to 1918 and 1918 to 1920. For a brief period in 1933 Lord Kysant returned to public life, and when he attended the House of Lords was cordially welcomed.

In March, 1902, he married Mai Alice Magdalen, C.B.E., a Lady of Grace of the Order of St. John of Jerusalem in England, co-heiress of the late Mr. Thomas Morris, J.P., D.L., of Coomb, Carmarthenshire. She survives him with three daughters—the Countess of Coventry, Lady Suffield, and the Hon. Mrs. Charles Pilkington. There is no heir to the peerage, which, therefore, becomes extinct.

The funeral will take place at Llangunnoek Church, on Thursday, at 2 p.m.

On learning of the death of Lord Kysant, Sir Vernon Thomson, ex-president of the Chamber of Shipping, telegraphed from Aviemore, Inverness:—

With deep regret I learn of the death of Lord Kysant. In his prime he rendered many and great services to British shipping, and he had been one of the outstanding personalities of his generation in world shipping.

10770 0013 BEC

Datum 10. Juni 1937

The Times (London)

Nr. 47707

LORD KYLSANT

A correspondent writes:—

I do not think it is generally known that in 1911 Lord Kysant made an offer to the Admiralty to arm his ships, as he held strong views that a war was imminent. He appeared before the Committee (the Secretary left the room to make it informal), but his offer was not accepted. He repeated the offer in 1912 and it was accepted. The Admiralty gave him the guns from Ladysmith—Long Bobs—two for each ship. Admiral Campbell was ordered to supervise, and the first ship armed was the Aragon.

Some months later Kysant was on board as a passenger, and a naval captain from Armstrong's, who happened also to be a passenger, said, "What are these guns for? They can be of no use." Kysant replied, "They are from Armstrong's." "Yes," said the captain, "but who could use them?" Kysant said, "Come up and see the gun-drill," and the captain was surprised to find it quite perfect. Kysant had asked the Admiralty to give him the names of the very best men as they retired, and he had offered them the job at the same pay and extras if they took charge.

When Kysant returned home after serving his sentence Admiral Campbell said he wanted to give him a dog as a companion, only it must be called Aragon, and he was waiting for him at 8 a.m. with a most beautiful golden retriever, which was Kysant's faithful friend for the rest of his life.