

confusion her politicians and her profiteers have brought upon her. As an indication of how he overshadows his colleagues ponder on the following words which A. G. G. has to say about him in the *Nation and Athenaeum*:

There is no element of surprise in the fact that the proposals put forward at the Imperial Conference to rescue Germany from the deadly grip that threatens its existence should emanate from General Smuts. Whether these proposals will infuse into the British Government the necessary courage to act firmly and decisively, remains to be seen. Whether, if the Government do so act, the rescue of Germany is now possible, is open to doubt. But in any case, the action of General Smuts gives him, not for the first time, a significance and a prominence in the public mind that claim attention at this moment. It is no disrespect to the other members of the Conference to say that General Smuts is its most remarkable figure. It is no disrespect because the romantic and extraordinary circumstances of his career attach an unprecedented interest to a personality in itself of quite unusual force and originality, and this at a time when the resources of British statesmanship are more impoverished than they have been in living memory.

But concerned though he is for the future of Africa, that interest is not the sole preoccupation of General Smuts. He sees it only as a part of the common problem of the world's peace. He brings to the solution of that problem, not merely an experience in affairs that no other living statesman possesses and a record of success that few statesmen in the past can equal, but an instructed passion for the cause of reconciliation, a trained capacity for handling great and complicated questions, and that coolness of judgment without which enthusiasm, however sincere and well-meaning, may become a peril. The struggle to restore Europe to sanity has only begun, and in that struggle this country must sooner or later play a decisive part. But we need men of vision and men of power for the task before us. We need General Smuts. His work for Africa is done. His future belongs to the world.

The British Newspaper Trust

We have not, it is to be hoped, forgotten the campaign of lies by means of which British pressmen tried to conquer Germany; many of us, it is certain, have not forgotten the lies and the suppressions of the truth by which the same champions of small nations tried to assist Lloyd George in his murder-offensive against Ireland. Such things as have happened ought to open the eyes of the public to the dangers that lurk in a hireling and unprincipled press. These dangers will in future be magnified a hundredfold owing to the fact that huge sections of the British press are now falling into the hands of people for whom principle, character, soul, and conscience are apparently a matter of pounds, shillings, and pence. In an address before a large audience in the Newcastle City Hall, Mr. G. K. Chesterton recently laid stress on the menace of the trust which was engineered a short time ago in England.

Everybody knew, Mr. Chesterton declared, that there had just been created one of the largest trusts in the world, a trust in newspapers. Lord Rothermere and Lord Beaverbrook had joined their forces in one of those great commercial combinations which dominated the modern world, for which a man could have been put in the pillory in the Middle Ages.

Referring humorously to such a possible combination as Sidney Webb and Bernard Shaw, or a combination of Chesterton and Belloc in newspapers, the speaker said that if such possible combinations were to arise the people would, at any rate, know what to expect. But they did not know what they would get from the Beaverbrook-Rothermere combination. They did not know what these two men stood for.

For the first time a state of affairs had arisen in which power existed without glory or notoriety such

as was usually attached to it. They were in danger of falling under an entirely nameless and obscure domination, and under that condition there was a danger of a new kind of nonsense which required rather special consideration, apart from that form of nonsense which was the outcome of such colossal ignorance as to be almost incredible if one had not an inside knowledge of politicians and journalists.

Mr. Chesterton, continuing, spoke of the absence of real knowledge of events in Europe, which appeared in the press, in reference to Fascism, Bolshevism, Socialism, and Ku Klux Klanism, and declared that the English people were faced by the broad fact of a money monopoly which was now attacking the world of news and ideas, and he hoped that in the years to come they would be remembered as having been among those who in that time and at that moment called upon the name of liberty.

The Finance of the Trust

A remarkable feature of the latest development of the Newspaper Trust is the way in which the big combination can now finance itself with the money of the public, whilst retaining all the control and all the surplus profits.

The Associated Newspapers, Ltd., owns the *Daily Mail*, the *Evening News*, etc., etc., and the controlling interest in the Anglo-Newfoundland Development Company, which produces over 55,000 tons of paper per annum. The Daily Mail Trust owns the controlling interest (*i.e.*, 53 per cent. of the Deferred Shares) of the Associated Newspapers. The Daily Mail Trust then buys the Hulton Press for £6,000,000, which, in its turn, buys the Associated Scottish Newspapers for £1,000,000, and floats £8,000,000 seven per cent. debentures on to the public (also guaranteed by the Daily Mirror Newspapers, Ltd., and the Sunday Pictorial Newspapers, Ltd.). The capital of the Daily Mail Trust consists of these debentures together with £2,000,000 ordinary shares on which, in all, £200,000 is paid up. Thus the owner of the ordinary shares, by putting up this comparatively trifling sum, has complete control of all the above properties, whilst the public find at 7 per cent. a great part of the capital to finance the highly speculative and (in the end) precarious business of running the Stunt Press.

But this is not all. The wheels within wheels are endless. Who owns the ordinary shares of the Daily Mail Trust? We are not told. But it is clear, from some words added in one of their certificates by the chartered accountants, Messrs. Deloitte, Plender, Griffiths and Co., that they are at least partly owned by the Daily Mirror Newspapers, Ltd., which in its turn owns a controlling interest in the Sunday Pictorial Newspapers, Ltd. Thus the uncalled liability of £1,800,000 on the ordinary shares of the Daily Mail Trust, which is part of the security for the debenture holders, overlaps the guarantee of the above-named companies—a fact not alluded to in the prospectus, which leaves the impression that these two guarantees are separate and independent.

For all the public knows, therefore, the situation may be, and probably is, as follows. The Daily Mirror Newspapers, Ltd., owns a controlling interest in the Sunday Pictorial Newspapers, Ltd.; these two companies own a controlling interest in the ordinary shares of the Daily Mail Trust; the Daily Mail Trust owns the Hulton Press, the Associated Scottish Newspapers, and a controlling interest in the Associated Newspapers; the Associated Newspapers own the *Daily Mail*, the *Evening News*, the *Weekly Dispatch*, etc., and a controlling interest in the Anglo-Newfoundland Development Company, the aggregate present value being above £20,000,000 altogether, and the current annual profits above £2,500,000.

Thus, if this is correct, the owner of the controlling interest in the Daily Mirror Newspapers, Ltd., controls the whole caboodle. Three hundred and fifty thousand and one £1 shares (which now stand, however, above 7) represent control, and the controller's losses, if things go wrong, may be limited to this. His power is majestic and imperial; his possible profits beyond the dreams of mortals.

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