

# ALL THESE THINGS

By

A. N. FIELD

*Again, the devil taketh Him up into an exceeding high mountain, and sheweth Him all the kingdoms of the world, and the glory of them ;*

*And saith unto Him, All these things will I give thee . . . .*

*S. Matthew iv; 8, 9.*

VOLUME I

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## PREFACE

THIS book is an assemblage of matter from many different sources exhibiting the nature and interconnection of certain world forces operating in many lands and making for the overthrow of the existing social order and the disintegration of patriotism, religion, and morality.

These influences are felt almost every day by every intelligent person. It is commonly assumed that the changes in opinion, conduct, and institutions which are taking place are, on the whole, changes for the better: that they represent progress and evolution from a lower to a higher and freer form of life. It is further widely assumed that they are a spontaneous growth.

Such was the author's own view until he was led some years ago to investigate the personnel behind certain great financial institutions. The facts encountered at first appeared incredible to him, but the further he went the more complete was the confirmation of their truth. The matter then collected was published in 1931 in a former volume *The Truth about the Slump*.

Since then a large amount of matter has come to hand showing the operation of the same forces in other fields. A library of books might be collected dealing with different aspects of the subject, but as there appears to be nothing in the nature of a general conspectus covering the whole

field it seemed that something of this kind might serve a useful purpose. The material collected to date has been drafted into twenty-eight chapters, of which the first seven appear in the present volume. It is hoped to publish the remainder of the material in later volumes completing the work.

The present volume is self-contained, but it is necessary to remind the reader that what is here presented covers only a small portion of the ground, touching on certain leading events during the past quarter of a century from 1912 to the present day. To bring the whole picture into perspective it is necessary to range much further afield.

Culled from a great variety of sources, the matter brought together is of varying degrees of validity. Writing in New Zealand, far away from the centre of events and the great libraries of the world, the author has had but limited opportunity of checking his matter to the full. He has, however, endeavoured to make some check of the general accuracy of every source used. These sources are named throughout, and the reader is thus in a position to proceed with independent check and verification on any point desired. In general, the further the research has been carried the more completely have the main facts been confirmed and amplified.

A great part of the activities described traces back to Jewish origin. This fact is quite inescapable; and it is quite impossible to arrive at any true understanding of the matters dealt with if it is ignored. At the same time it is necessary to remember that although certain Jews, or groups of Jews, are found engaged in activities detrimental to the interests of other races, it is unjust to jump to the conclusion that all Jews necessarily support or sympathize with the doings of these Jews. A fair-minded man should at all times be on his guard against drawing wide and sweeping inferences far beyond what any evidence will support. The truth can only be got at by proceeding on from fact to fact.

All that the author asks is that the reader, whatever his race, should temperately and calmly consider whether the unchecked operation of the forces herein described is likely to make the world a better or a worse place. A great aggressive power is at work in the world boring, undermining, and overthrowing. Every effort is made to prevent knowledge of what is happening from reaching the people. Only by that knowledge can the nations avert the dangers threatening them.

The publication of the remainder of this work will depend upon the reception with which the present volume meets. Readers desiring to secure copies of the second volume, or further volumes, are therefore invited to notify the undersigned.

A.N. FIELD.  
Nelson, New Zealand  
July, 1936

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—St. Matthew iv; 8, 9.

## VOLUME I

### Chapter I STRAWS IN THE WIND

#### 1. SOME NEW ZEALAND HAPPENINGS

THE story to be told in these pages deals with many strange and enigmatical events very far away from New Zealand. At the same time in looking around at our own affairs in this country one notices certain things, some of no great moment and others of more importance, but all tending to raise a question in the mind as to whether they came about purely by chance.

Two years or so ago the silver coins in circulation in New Zealand were replaced by a new nickel coinage of lower intrinsic value, corresponding to the lower value which had been given to the New Zealand bank-note pound. When the new coins appeared it was noticeable that the inscription was different from that on the old coins. The old coins in abbreviated Latin set out the Royal style and titles: “George V, by the Grace of God, of Great Britain, Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India.” The new coins simply bore the legend: “George V: King Emperor.” His Majesty on these coins was no longer King “by the Grace of God,” nor was he “Defender the Faith.” All reference to the religious aspect of the Monarchy had been removed from the coins. There was no necessity for this, for the design on the reverse with the words “New Zealand” made the coins quite distinctive. A trifling thing, the reader may say. Nevertheless, a significant trifle. Just a straw in the wind. A needless thing done. The person who did it must have acted from either one or other of two motives. He must either have regarded the references to the religious aspect of the Monarchy as of no importance; or they must have been definitely repugnant to him, and he

took the opportunity of quietly removing them. Whoever did this, moreover, did it at a time when a world campaign against the Christian religion is proceeding. In the midst of that campaign somebody needlessly removed from the coins of New Zealand the reminder that the British Monarchy rests on a definitely religious basis: that our King is not fully vested in his Kingship until he has been consecrated to God, and has pledged himself to maintain the Christian faith. A New Zealander has only to pull a sixpence out

of his pocket to have evidence in his hand that whoever designed his country's coinage was without interest in either the Grace of God or the Defence of the Faith.

Some time ago in looking over a list of officials in control of the people of New Zealand — the most British of the Dominions as it is often called — the author noticed that half a dozen key positions were at that time filled by persons with names indicative of non-British ancestry of various kinds. The officials in question were all of the highest character, and there were no grounds for raising any shadow of doubt as to their attachment to British interests. Nevertheless in a community where the percentage of persons of foreign extraction is small, it was surprising to find a number of high positions simultaneously occupied by officials bearing the sort of names one might expect to see if the League of Nations had sent an international delegation from Geneva to govern the country. Was it purely by chance that these posts happened at this time to be so filled? Or was it possible that a dash of foreign blood carried with it much greater ability than unmixed British and so brought its possessors automatically to the top? Or was it by any means possible that somewhere in the background some subtle internationalist influence came into play? These questions can only be stated. They are stated because curious internationalist leanings have been apparent in other directions in New Zealand, and because one notices in other parts of the Empire from time to time the raising of questions about the gravitation to high office of persons whose antecedents are not of an entirely unmixed British character, almost as though it were desired gradually to accustom British people to being ruled as a matter of course by men of other race than their own.

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In 1930 two emissaries of the Bank of England visited New Zealand to advise its Government on monetary matters.

Their names were not distinctively British. One was Sir Otto Ernst Niemeyer; the other was Professor Theodor Emanuel Gugenheim Gregory, a member of the teaching staff of the London School of Economics, a nursery of Socialism, as we shall see in the next volume, and staffed largely by teachers bearing names indicative of foreign extraction. Sir Otto Niemeyer was a functionary at the British Treasury from 1906 until 1927, holding the post of Controller of Finance from 1922 to 1927. In the latter year he joined the staff of the Bank of England. Professor Gregory seems to have been detached temporarily from the staff of the Socialist institution to accompany him to Australia and New Zealand as “economic adviser.”

Sir Otto Niemeyer made a report advising the Government of New Zealand to establish a private corporation to control the volume of currency and credit in the country. He also proposed that this privately owned central reserve bank should be given a permanent monopoly of all the Government’s “money, remittance, exchange and banking

transactions.” He further proposed that the Government should find a million sterling for the working capital of the bank, in respect of which sum it would hold no shares and have no voice in the management; and that half a million should be obtained by the issue of shares to the public, the holders of such shares to be the owners of the bank. In the original Bill as introduced it was left open to foreigners to own the bank, though only shareholders who were British subjects resident in New Zealand had

votes at bank meetings. Furthermore, the share list was not open to inspection and ownership of the institution was thus secret. It was not easy to see what advantages the Government was to gain from an institution set up as recommended in this report. Sir Otto Niemeyer certainly pointed to no outstanding benefit to the people of New Zealand. The terms on which the Government banking account was secured were distinctly unfavourable terms. The bank was given a monopoly of the account; the Government was given no right to so much as a pennyworth of accommodation from the bank; the bank might give accommodation to a limited amount if it chose, but need not if it did not so choose. No private concern would dream giving a monopoly of its banking account on such terms, nor would any private person ever consider finding two-thirds of the capital for any venture without having a voice in its control. It was a very one-sided arrangement in every aspect.

When the Reserve Bank Bill was before Parliament in 1933 an amendment of a quite ineffective nature was inserted giving the Government representation on the board of the bank. Of the nine members three were to be Government nominees; but once appointed even these minority representatives were not to be amenable to Government control, for they held office for five years and the Government was powerless to displace them during that time if dissatisfied with their conduct.

Another amendment was made by Parliament at the instance of a private member, Mr. R.A. Wright. This provided that the shares should be issued only to British subjects ordinarily resident in New Zealand. It is to be assumed that the original draft permitting foreign

ownership was not so framed without reason. To gain light on this point the international origin of reserve banking requires to be considered.

## 2. INTERNATIONALISM IN EXCELSIS

The parent of the new model central reserve banks is the United States Federal Reserve Board and its twelve regional Federal Reserve Banks set up about six months before the European War broke out. These banks are privately-owned institutions with very complete control over the volume of currency and credit in the United States, and thus over the prevailing level of wages and prices. The principal prime mover in creating the Federal Reserve system was the late Mr. Paul Warburg (1868-1932), who with his brother, Mr. Felix Warburg, was a partner in the international banking-house of Kuhn, Loeb and Company, New York. The head of that firm at this time was Mr. Jacob H. Schiff (1847-1920). According to the Jewish Encyclopaedia the Schiff family is the oldest contemporary Jewish family of which there is record, tracing its ancestry back to 1370. In "All in a Lifetime" (Heinemann, 1923), the memoirs of another eminent Jew, Mr. Henry Morgenthau, Senior, formerly United States Ambassador to Turkey,



Mr. Schiff was referred to as “the much beloved leader of the Jews.” He was born in Frankfort- on-the-Main, where his father was a broker for the Rothschilds. In America he built up and controlled enormous railway, telegraph and telephone and innumerable other combines. He was decorated by the Mikado for financing Japan in her war against Russia, and much matter has

been printed tending to show that he financed Russian revolutionaries freely.

Mr. Paul Warburg was brother-in-law to Mr. Schiff, and was also a Jew of German birth, becoming naturalized as an American citizen in 1911, three years before the war. His brothers conduct the powerful German banking-house of M. Warburg and Company, Hamburg, financing the German shipping industry and controlling the Hamburg-America and North German Lloyd lines. Herr Max Warburg, head of this banking-house, played an important part in German politics, particularly at the time the Kaiser fled to Holland. Dr. Carl Melchior, a partner in it, was one of the five German delegates-in-chief at the Peace Conference at Versailles, and in later years was prominent in the founding of the Bank for International Settlements, the central bank of the central banks established in Switzerland, which has been internationalized in peace and war alike, pays no taxes, and is above and beyond all law. Provision was made in the New Zealand Reserve Bank Act for our reserve bank to join up with the Bank for International Settlements (B.I.S.). A message from Basle, Switzerland, published in the London "Times" of April 9, 1934, in reporting a meeting of this institution, said: "The newly-established [Reserve] Bank of Canada and Bank of New Zealand are empowered by their

Governments to buy B.I.S. shares and to make deposits at the bank as soon as the stabilization of the respective currencies will allow." This shows that these reserve banks were established as part of the network of an international money trust.

Of the war-time activities of Mr. Paul Warburg, promoter the Federal Reserve, we find Sir Cecil Spring-Rice, British Ambassador to the United States from 1912 to the end of 1917 writing as follows under date of November 13, 1914: "He practically controls the financial policy of the administration, and Paish and Blackett had to negotiate with him. Of course it was exactly like negotiating with Germany. Everything that was said was German property." In various books on war-time espionage the Hamburg-America offices in New York are referred to as the centre of German espionage in the United States. In a pamphlet published by him in 1932 ("A State Currency: to Hell with Wall Street"), Mr. George W. Armstrong, president of the Texas Steel Company, printed what he said was the United States Naval Secret Service report on Mr. Paul Warburg under date of December 12, 1918. As given by Mr. Armstrong this ran in part as follows: "Warburg, Paul ... handled large sums furnished by Germany for Lenin and Trotsky; subject has a brother who is leader of the espionage system (of Germany)." The allegations as to the participation of Messrs. Schiff and Warburg in the financing of the Russian revolution will be dealt with later. Mr. McAdoo, President Wilson's son-in-law and Secretary of the Treasury during the war, was a former partner with Mr. Warburg, and the "Dictionary of National Biography" records that the late Sir Ernest Cassel, the Jewish friend and financial adviser of King Edward VII, was associated in former years with Mr. Jacob Schiff in effecting some of the great American railway combines in which his firm

specialized. The authorities for the foregoing statements (where not given above) will be found in the author's previous book "The Truth about the Slump."

As to the mode of operation of the great American money-controlling machine established under the above auspices, we have the fact that it was created for the ostensible purpose of

preventing financial crises, and there have been greater and more violent crises since it was established than were ever previously known. Professor J.R. Commons, of the University of Wisconsin, testified in evidence before the United States House of Representatives Banking and Currency Committee in 1927 that a member of the Federal Reserve Board had told him that the great inflation of 1919 was deliberately created by the Federal Reserve Board. Minutes of a secret Federal Reserve conference of May, 1920, ordering immediate contraction of credit have been freely quoted in Congressional documents as direct evidence of the cause of the depression which brought disaster all over the world at that time. Former Senator Robert L. Owen, who as chairman of the Senate Banking and Currency Committee piloted the Federal Reserve Bill through the Senate in 1913, testified before the House Banking Committee on March 18, 1932, that the great world depression beginning in October, 1929, was brought about by deliberate contraction of credit by the Federal Reserve system, specifying in detail the actions which led to the disaster. The allegations as to the deliberate expansion and contraction of currency and credit by the Federal Reserve system will be examined in Chapter V.

Soon after the war was over the international financiers decided that the time was ripe to establish reserve banks all over the world. Whatever other people might think of the Federal Reserve system in the United States, it satisfied the financiers. In 1922 there was held a great international conference at Genoa at which Herr Walter Rathenau, the Jewish Foreign Minister of Germany, surprised the world by announcing that Germany had decided to recognize the Bolshevik Government of Russia, being the first country in the world to do so. Simultaneously another conference was sitting in Genoa attended among others by Mr. Montagu Norman, Governor of the Bank of England, the Governor of the Bank of France, the Governor of the Federal Reserve Bank of New York, and other international bankers. This conference resolved that central reserve banks should be set up in all countries where they were not already in existence. This work was thereafter steadily proceeded with and such banks have been established throughout almost the whole world.

A prominent part in the establishment of these banks was played by Mr. Montagu Norman, Governor of the Bank of England. In "Montagu Norman, a Study in Financial Statesmanship" (Kegan, Paul, Trench, Trubner, 1932), Mr. Paul Einzig, editor of the London "Financial Review," tells us that Mr. Norman "raised central banking after its early haphazard growth to a scientific system." In this he was "assisted by able and experienced experts such as Sir Otto Niemeyer and Mr. Siepmann." Further, "the names with which the elaboration of these (central bank) statutes was closely associated are those of Sir Otto Niemeyer and Sir Henry Strakosch."

In passing it may be noted that according to matter in Lieut.-Col. A.H. Lane's book, "The Alien Menace" (1932), Baron Georges Strakosch von Feldringen of Vienna is nephew to

Sir Henry Strakosch, who is listed as Jewish in the “Fascist” of June, 1935.

Of the doings of this internationalist picnic party, Mr. Einzig, conductor of London’s “Financial

Review,” proceeds to tell us that: “Another condition on which Mr. Norman and his collaborators insisted was that the central banks should be independent of their governments.” It is emphasized that on this “they insisted rather dogmatically.” In other words, the State was not to

govern in the sphere of money, which was to be left to the Normans, Siepmanns, Niemeyers, Strakosches, etc., ad lib. Despite the audacity of these proceedings they were entirely successful. The paid economists duly discovered that reserve banks were marvellous scientific improvements, the newspapers joined in the chorus of applause, and the politicians of the various States behaved as so many bellwethers leading the sheep into the slaughterhouse. The fact was entirely overlooked that these financiers are in no sense public servants, but simply the paid agents of the shareholders in a banking company whose interests need not in the least be identical with the national interest.

This digression has been made to permit the reader to appreciate the highly international atmosphere in which central banking, and incidentally the Reserve Bank of New Zealand, had its birth. Sir Otto Niemeyer in his report said we ought to have a reserve bank to co-operate with the reserve banks of other countries as these banks had “no suitable point of contact in New Zealand.” Furthermore, we were told that we would be benefited by having our Reserve Bank ship away all or most of the gold held by the banks in New Zealand. It was pointed out

that this gold did not bear interest and it was thus a dead loss to hold it when we might exchange it for interest-bearing paper. It thus appeared that Sir Otto Niemeyer and his friends, on purely philanthropic grounds, were willing to carry off our gold, bear the dead loss on it themselves,

and hand us over valuable paper for it. Nobody in the Government of New Zealand ever paused to think whether there might be any drawback to this admirable arrangement. It was swallowed whole. The entire reserve against the paper money issued by the New Zealand Reserve Bank may lawfully consist of private people’s bills of exchange promising to pay sterling or some foreign gold-standard money. These bills of exchange do not need to have the least connection with the trade of New Zealand, and may be concerned with sales and purchases between foreigners in any part of the world.

The Reserve Bank Act was passed in 1933. It so happened that in the preceding year advantage had been taken of a similar, but not so sweeping, provision in the United States Federal Reserve law by one Ivar Kreuger with the assistance of aiders and abettors in America. Mr. Kreuger successfully worked off on the United States Federal Reserve some very large parcels of commercial bills of exchange which were later discovered to have no exchange value at all. Speaking in Congress on June 10, 1932, Mr. Louis T. McFadden, long chairman of the House of Representatives Banking and Currency Committee, said: “Every dollar of the billions Kreuger and his gang drew out of this country on acceptances [bills of exchange] was drawn from the Government and the people of the United States through the Federal Reserve Board and the Federal Reserve Banks. The credit of the United States Government was peddled to him...”

Mr. McFadden explained at length and in detail how by allowing foreign commercial bills of exchange to be used as a basis for the issue of money in the United States immense

frauds had for years been systematically worked by “the swindlers and speculators of all nations,” bad bills being bought by the Federal Reserve by the issue of good money, and the loss being saddled on the taxpayers of America.

In lectures at Oxford University immediately following on the exposure of the gigantic Kreuger

frauds, Professor Gustav Cassel, the well-known monetary expert, said of this method of keeping central bank reserves in foreign exchange that it had been “completely discredited by the occurrences of the last year.” Twelve months later the Parliament of New Zealand adopted this “completely discredited” basis for its reserve bank currency; and the Government of the day even went so far as to announce the new system as a wonderful reform.

Immediately it was established the New Zealand’s Reserve Bank took over the gold in the trading banks and duly shipped about three-quarters of it away in return for exchange paper. It also took over from the trading banks something in the neighbourhood of 16 millions of sterling in London. Large sums were thus made available for dealing in bills of exchange in the short- term money market in London. If it were possible to uncover the actual facts it might be instructive to see exactly who has been financed by the internationalists with these millions belonging to the people : New Zealand. It is quite open, for example, for the money be employed in financing the trade of our competitors in the British market. The London moneylenders, as everybody knows, have long had much greater interests in the Argentine than in this quarter of the world. Whatever has been done with our money it was not intelligent to leave large sums loose and open to be used in furthering other people’s interests instead of our own.

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Now let us go back and consider just why it should have been left open in the Reserve Bank Bill for foreigners to hold Reserve Bank shares. The foreigners had no voting rights: they could not elect the directors and have a say at bank meetings. What result followed if they bought shares? This very important result: if the Parliament of New Zealand at a future date decided to amend or abolish the Reserve Bank it would be changing the terms of a piece of legislation forming the basis of a contract between the Government of New Zealand and the citizens of a foreign State who had put up their money and bought shares in the bank. These foreigners would then be in a position to have their Government take up the question of this breach of contract either with the Imperial Government or the Government of New Zealand. Obstacles might thus readily be put in the way of Parliament interfering with the Reserve Bank. And we have the word of Mr. Einzig, editor of the London “Financial Review,” that Mr. Montagu Norman, and Sir Otto Ernst Niemeyer, and Sir Henry Strakosch and Mr. Siepmann, and the rest of the gentlemen who run the Bank of England, insist “rather dogmatically” that these banks are to be independent of their governments. Happily New Zealand did not leave it open to foreigners to own its Reserve Bank, and the State has



since become sole owner.

Another very curious thing happened when the Mortgage Corporation Bill came before Parliament in 1935. This measure set up a second great privately-owned concern to take over the loans of the Government lending departments, or rather to take them over to the extent to which they were good, leaving the rest on the taxpayers' backs. As in the case of the Reserve

Bank, it was extremely obscure what benefit the people of New Zealand were supposed to derive from this institution. The wording of the legislation suggested a certain identity of origin with the Reserve Bank. The sections relating to the capital and shares, for instance, seemed to have been lifted bodily, word for word, from the Reserve Bank Bill. Strangely, like the Reserve Bank Bill in its original form, the New Zealand Mortgage Corporation Bill left it open for foreigners to own the institution. The rest of the wording of the sections about capital was the same as in the Reserve Bank Act, but the amendment which had been inserted in that Act at the instance of Mr. R.A. Wright, M.P., restricting share ownership to British subjects resident in New Zealand, had been somehow omitted. It is very difficult to think that this omission was accidental. Only £500,000 of capital was required: there was no necessity to go outside New Zealand for such a sum. Mr. Wright, as he had done in the previous case, thereupon moved to restrict ownership to British subjects ordinarily resident in New Zealand. The Government of the day did not reject Mr. Wright's amendment. It would have looked extremely strange if it had rejected such an amendment. What did the Government do? It accepted Mr. Wright's amendment — and then added words on to it that completely nullified it. As the law was enacted no individual other than a British subject ordinarily resident in New Zealand could own shares in the Mortgage Corporation, but any company, British or foreign, with a place of business in New Zealand could own shares to any extent. It was thus legally competent for the entire ownership of this corporation to pass into foreign hands, and even on some future war occurring for it to be found in the possession of the King's enemies. The sequence of events showed quite clearly that, for reasons not disclosed to the public, the Government then in office considered it essential that the law should leave it open for the ownership of this great corporation controlling immense areas of the farming lands of New Zealand to fall in part or whole into foreign hands. What was the meaning of this straw in the wind? Perhaps later in these pages we may see further into this. It is satisfactory to note that the new Government is resuming control of this institution also.

### 3. An Unanswered Question

When the Reserve Bank Bill was before the Legislative Council in November, 1933, Sir James Parr had charge of the measure as Leader of the Council and representative of Cabinet therein. Sir James Parr, as a former High Commissioner for New Zealand in London, had been in contact with London financiers. In moving the Reserve Bank Bill he referred to Sir Otto Niemeyer in the following terms:

“He was born in England, and comes of four generations of men of his family born in England, and, therefore, full British subjects. I have sat, both at

Geneva and in London, on important commissions with Sir Otto Niemeyer as one of the financial advisers to these commissions. Sir Otto I know to be a Britisher through and through, in his sentiments as loyal to the British Empire as you or I.”

Now it so happened that the portion of this statement printed in heavy type was very difficult to reconcile with statements concerning Sir Otto Niemeyer to which the present writer had given publicity. He at once wrote to Sir James Parr pointing out the discrepancy between his own and Sir James Parr's statements, and inquiring whether Sir James had positive knowledge that Sir Otto Niemeyer came of four generations of men of his family born in England and therefore full British subjects. The letter proceeded:

“As this statement is difficult to reconcile with matter contained in a book in the Parliamentary Library and quoted by me in good faith in my book ‘The Truth about the Slump,’ and as I may shortly be issuing a new edition of this book, I shall be grateful if you will let me know whether you have positive information that what is contained therein is incorrect, as I am naturally desirous of having my facts as accurate as possible.

“On page ii of the appendix to my book I quoted matter from ‘The Alien Menace’ by Lieut.-Col. A. H. Lane (Boswell Press, London, 2nd edition, 1929) in which are reprinted extracts from what purports to be correspondence of the late Dr. Ellis Powell, then editor of the London ‘Financial News,’ with the late Mr. Bonar Law, then Chancellor of the Exchequer. Writing on December 18, 1918, Dr. Powell is stated to have asked Mr. Bonar Law whether certain Germans named Niemeyer who had ill-treated British prisoners of war had a near relative occupying a high position in the Treasury and married to a German wife. It is added that five days later Mr. R.M. Gower wrote in reply from Treasury Chambers, Whitehall, as follows:

‘Mr. Bonar Law wishes me to inform you that the case of Mr. Niemeyer was recently considered by the Committee appointed by the Government to examine the cases of persons not the children of British-born subjects who are employed in Government Departments, and that the Committee had decided that it was in the public interest that Mr. Niemeyer should hold the post which he occupies in the Treasury.’

“Colonel Lane added: ‘Thereupon Dr. Powell wrote direct to Mr. Bonar Law two further letters in the second of which he pointed out that no answer had been given to his question whether Mr. Niemeyer of the Treasury was any relation »of the Germans referred to.« At this point the correspondence seems to have ended. I now put to Sir Otto Ernest Niemeyer the same question. I make no reflection on the personal character and integrity of Sir Otto Ernst Niemeyer. I publish the above facts because I feel strongly that it should be known to the British people to what extent our Government

services are directed by officials of alien extraction.’

“If your own statement is correct, and if the foregoing is correct, it seems an extraordinary thing that the case of Sir Otto (then Mr.) Niemeyer should have been referred for examination by a Committee set up to deal with the cases of persons in a different category altogether. Colonel Lane, in the third edition of his book, published last year, seems to have been as unsuccessful as Dr. Powell in obtaining an answer to his question. It is a legitimate inference that if Mr. Bonar Law

had been able to say there was no relationship he would have done so.

“The circumstance prompting Dr. Powell’s inquiry seems to have been the publication in the London Press of the report of the Government Committee, presided over by Mr. Justice Younger, on the treatment of British prisoners of war in Germany. This appeared in the London ‘Times’ of December 5, 1918, under the headings: ‘Torture of our Officers. Twin Tyrants. Three Specimens of the German Brute.’ It was strongly condemnatory of the conduct of Captains Karl and Heinrich Niemeyer, twin brothers, in command respectively of the prison camps at Holzminden and Clausthal in Hanover, in which were interned most of the British officer prisoners of war.

“Further reference to this matter is made in another book ‘The Tunnellers of Holzminden’ by Mr. H. G. Durnford, M.C., M.A., Fellow of King’s College, Cambridge (Cambridge University Press, 2nd edition, 1930). On page 106 it is stated that the conduct of the two Captains Niemeyer was so bad that about May, 1918, the British Government, as a last resort, having failed to secure any redress, instituted reprisals by segregating for special treatment all the Hanoverian officers among the German prisoners of war in Britain. On page 159 it is stated: ‘Both the Niemeyers figured on the Black List [of War Criminals] communicated by the Supreme Council to the German Government during or after the Peace Conference.’ On page 28 it is stated that the conduct of Captain Karl Niemeyer had been strongly condemned by the German War Office itself when he was in command of a prison camp at Strohen, but this had not interfered with his appointment to Holzminden. On page 35 it is stated that the reason for the high favour enjoyed by the Niemeyers ‘was always something of an enigma,’ and that according to a member of the Netherlands Legation they were under the personal patronage of the Emperor. ‘Certain it is,’ states Mr. Durnford, ‘that despite the strongest representations ever since the departure of the first party for exchange to Holland — from British officers to the British General commanding in that country, from the General to the War Office, from the War Office back to the British Legation in Holland, from the Legation to the Dutch Government, and from the Dutch Government to Berlin — the pair stuck like leeches, and retired, by the back door, only at such an advanced period in the war that it had become evident that not even the patronage of the All-Highest was likely to avail them much longer.’

“In view of the strong stand taken by you in the past as Minister of Education on questions of nationality, as evidenced by your introduction of the practice of saluting the Flag in the schools, and your dismissals of certain teachers on points of loyalty, I take it that you have positive evidence that Sir Otto Niemeyer is not in any way related to the two Captains Niemeyer referred to above. Your speech as published, however, does not specifically cover the points referred to in Colonel Lane’s book, and I shall be extremely grateful for information as to the actual position.

“Sir Otto Niemeyer’s association with the disastrous American debt settlement as the principal Government official accompanying Mr. Baldwin on his ill-fated mission to the United States in January, 1923, and his membership of the Treasury Committee in 1925, on whose recommendation Mr. Churchill made the equally disastrous return to gold in that year, do not

point to his possession of greater financial acumen than might have been obtained from a financial adviser of our own blood and flesh. I certainly think it a most extraordinary thing that Mr. Bonar Law should fail to answer the plain and simple question put to him by Dr. Powell, and I hope that you will answer it.

It is a very horrible thought that there should be any possibility of a high official in the British Treasury in the midst of a life and death struggle being the near relative of a pair of scoundrels against whom the British Government was actually taking reprisals for non-observance of the rules of civilized warfare...”

The above letter was dated November 28, 1933. Sir James Parr replied under date of December

18. After quoting a long extract from his speech, he said:

“Apparently the sentence to which you take exception is the statement that: ‘He comes of four generations of men of his family born in England, and, therefore, full British subjects.’

“When I made this statement I did so on specific information supplied to me by a Departmental Officer, and my statement was made in all good faith. I have since made enquiries by cable, and I find that Sir Otto Niemeyer was born in England and is a British subject. His father was a native of Hanover who came to England because his country was annexed by the Prussians, and he became a naturalized British subject. Further, it is quite clear that Sir Otto’s mother was English by birth.

On his mother's side the line is British for several generations at least. It would also appear that Sir Otto Niemeyer is not a Jew. There is no doubt that Sir Otto has a long record of distinguished public service, and has enjoyed, and still enjoys, the full confidence of English Governments and of the English financial world.

"I have no knowledge whatever regarding the other question, as to Sir Otto's relationship with certain German officers. But, as regards Sir Otto himself, I may repeat that I saw much of him in London in various capacities, and both his sympathies and his speech were as pro-British as yours or mine.

"With the modifications now made by me in one sentence only, the rest of my speech, I think, is correct."

The statement so emphatically made in Parliament by Sir James Parr as to the long British ancestry of Sir Otto Niemeyer thus proves to be an inaccurate statement. And the question asked by Dr. Ellis Powell and repeated by Colonel Lane remains an unanswered question. High finance is international: but we do not want internationalism in the British Treasury in time of war. As to whether we had it in this particular case, Sir James Parr had "no knowledge whatever." We certainly had it in some other departments of State in curious instances which will presently come under our notice. The principle involved rises superior to all questions of personality. A straightforward question was asked by Dr. Powell, and a straightforward answer should have been given him.

#### 4. THESE BROAD-MINDED DAYS

If we find distinct traces of internationalism—and an internationalism devoid of any conspicuous benefit—in the incubation and framing of recent legislation in this country we must not be surprised to find it accompanied by indications of "broad-mindedness" in other directions. The difference between the ordinary and the broad-minded way of looking at things was succinctly put in a few pithy words in Joseph Conrad's strange chronicle of revolutionary intrigue "Under Western Eyes," written a quarter of a century back:

"History—not Theory Patriotism—not Internationalism Evolution—not Revolution Direction—not Destruction Unity—not Disruption."

Curious indications of leanings to the broad-minded side in unsuspected quarters will be found in plenty by anyone who takes the trouble to peruse that voluminous document



containing the evidence given before the New Zealand Government Monetary Committee in 1934. We shall find there that in cross-examining witnesses advocating monetary reform the Conservative members of Parliament on the committee quoted with frequency a certain book which they appeared to regard as a sort of Bible on monetary matters this was “What Everybody Wants to Know about Money” (Gollancz, 1933), the author of which is Mr. G.D.H. Cole, Reader in Economics at the University of Oxford. Mr. Cole is a Socialist. He does not consider the social results he desires are to be obtained by

monetary reform. In other books and speeches he has made clear the line of action preferred by him. In his book "The World of Labour", he says that "the interests of Capital and Labour are diametrically opposed"; that " 'social peace' is a sham and a trick"; that matters can only be righted by "the overthrow of capitalist society." Mr. Cole emphasized his views in an address delivered to the British Socialist League as reported in the "New Clarion" of January 27, 1934. He said: "A classless society will never come from above, but only as the result of the working class toppling over the capitalist system from below." A Parliamentary victory would be quite insufficient: what was wanted "involves the direct and formidable class action of the workers in the mass."

People who do not keep themselves up to date may be surprised to know that a person holding such views as Mr. Cole holds is considered a fit and proper instructor for British youth at Oxford University. In passing it may be noted that Mr. Cole's numerous books on economics usually appear through the Jewish publishing house of Gollancz, whose publications make an interesting study. If the existing social order is violently overthrown, as Mr. Cole advocates, it will only be because the mass of the people are suffering want and privation. The existing order is capable of producing in abundance all that the people require. If they are unable to obtain what they require it is mainly because they lack the money to buy it. The problem is thus a monetary one. But if by monetary reform this state of things were remedied a violent overthrow of the existing social order would be most unlikely. It is a very striking fact that, taken generally, Communists and Socialists are as violently opposed to monetary reform as is the moneyed interest itself. Their sine qua non is not so much the betterment of conditions, as the violent overthrow of the whole present constitution of society. Destruction is the immediate objective.

It was curious to find Conservative members of Parliament treating with such deference the views of one who sees in formidable mass action of the workers to topple over the present social order the cure for the diseases of that order. The official spokesman for the Douglas Credit Association of New Zealand in commenting upon this fact in evidence before the committee remarked: "We are rather bewildered when a man professing to be a Socialist is yet a Communist and is used in support of the present system." At the same time this witness himself said: "I am a great admirer of Cole; I feel that if Douglas fails, we will have to revert to Cole;" and again: "I admire Cole, and we may relapse into his philosophy if we fail."

It was furthermore noticeable that when the Monetary Committee came to draft its recommendations the Conservative majority (with one exception) appended their names to a report which almost completely ignored the evidence presented and enlarged at length on what might be achieved by a Planned Economy regimenting and controlling industry, the inference being that monetary reform was useless and Planning the only real cure. Advocacy of Planned Economy was also to be found in the evidence of Mr. Walter

Nash in explaining his scheme for financing guaranteed prices by Government control of the external trade of the country. Mr. Nash was then a private member of Parliament but is now Minister of Finance in the Labour Government which came into office following on the elections in November, 1935. He

deprecated the view that monetary reform was in itself a remedy for the national difficulties. "We have got to fit into a system of planned production," he said. Many leading questions as to the advantages of Planning were asked of witnesses by the Government economist attached to the committee as an expert, and at the time of writing on the staff of Mr. Nash as Minister of Finance.

A considerable literature has appeared in Britain of late expatiating on the merits of Planned Economy. Some of it is written by Conservatives and some by people of more radical tendencies. Articles in support of Planned Economy have appeared in the most Conservative London newspapers. Whence comes this Planning and what is its significance? At the moment it is sufficient to note that just as nothing was heard of reserve banks until after the establishment of the Federal Reserve system in the United States, so nothing was heard of Planning until after the Bolsheviks in Russia had formulated their Five Year Plan. The financiers put on the screw by taking money out of circulation and thus created want and discontent among the people. The Moscow Bolsheviks and their agents throughout the world then loudly affirmed that the only cure was a universal Communistic revolution. On that revolution not developing, another school of thought arises which asserts that we can only escape from our difficulties by adopting a Planned Economy. Is this view sound or is it a mistaken view? It seems that in the circumstances we should at least do well to sift out and understand all we can of the movement for Planning.

Before tracing out the developments abroad in the direction of Planned Economy and the personnel behind them we shall in the next three chapters consider certain curious happenings immediately before, during, and after the Great War, for it is from the dislocations following on that great event that our most acute troubles spring.

## Chapter II Echoes from the Past

### 1. THE MARCONI AFFAIR

THROUGHOUT the Great War a strong feeling existed in many quarters in Britain that some mysterious influence was at work preventing the nation from putting forth its full effort in that great struggle. Before examining the allegations made at this time it is necessary to bear in mind that immediately prior to the war feeling had run high in political circles in Britain over what was known as the Marconi Affair. This centred around Ministerial transactions in Marconi wireless telegraphy shares prior to and during a great stock-exchange boom in their value. This boom had followed the announcement that a contract had been negotiated between the Marconi Company and the Government for the erection of a chain of wireless stations through the Empire. The managing director of the Marconi Company at this time was Mr. Godfrey Isaacs, brother of Sir Rufus Isaacs, at the time Attorney General in the Asquith Cabinet. Immediately after the inquiry into the Marconi transactions Sir Rufus Isaacs was appointed Lord Chief Justice of England and presently raised to the Peerage as Lord Reading. Associated with Sir Rufus Isaacs in the Marconi transactions was Mr. Lloyd George, destined soon to play an even greater part in guiding British destinies.

Wireless telegraphy had attracted attention from 1899 onwards, in which year Signor Marconi had succeeded in transmitting messages across the English Channel. By 1904 a commercial service across the Atlantic had been opened, and by 1907, on the opening of a new trans- Atlantic station at Clifden, rates for wireless messages to America were fixed at much below cable rates. Large financial interests became concerned in the new form of communication.

On January 25, 1910, Mr. Godfrey Isaacs was appointed managing director of the Marconi Company. According to evidence given before the Marconi Committee in 1913 by the late Dr. Ellis Powell, then editor of the London *Financial News*, this appointment aroused conjecture in the City as Mr. Godfrey Isaacs had no experience in wireless affairs. The late Mr. L.J. Maxse, then editor of the *National Review*, said in evidence with respect to Mr. Isaacs: "There is nothing in his somewhat chequered career to suggest his suitability for such a high and responsible position; it is not easy to discover successful concerns with which he had previously been associated."

One month later, in February, 1910, Mr. (now Sir) Herbert Samuel was appointed Postmaster- General in the Asquith Liberal Government. Mr. Samuel's relatives conduct the great international banking house of Samuel Montagu and Coy., of which the founder

was his uncle (original name Samuel and created Lord Swaythline in 1907 by the Asquith Government). His cousin, the late Hon. Edwin S. Montagu, at a later date as Secretary of State for India originated the movement to give India democratic government.

In March, 1910, another month later, Mr. Rufus Isaacs, (brother of Mr. Godfrey Isaacs) was appointed Solicitor-General in the Asquith Ministry, and knighted, and in October following promoted to be Attorney-General.

The formation of the English Marconi Company had been followed by the flotation by it of subsidiary companies, such as the Spanish Marconi Company, the Canadian Marconi Company and the American Marconi Company. There was considerable speculative movement in the shares of these companies, wireless telegraphy being at this date a new venture, and according to evidence at the Marconi inquiry the shares of the various companies in the group rose and fell together.

A Parliamentary Committee inquired into the Marconi affair in 1913, and in the course of his evidence before it Mr. Godfrey Isaacs stated that his first interview at the Post Office with respect to a contract between the English Marconi Company and the Government was with Sir Matthew Nathan in January, 1911. The proceedings show that on February 13, 1912, a tender was submitted by the company for the erection of a chain of wireless stations. The stations were to be owned jointly by the State and the Marconi Company; the company was to decide what machinery was to be installed; the State was to pay a lump sum down; and the Marconi Company was to get 10 per cent, of the gross receipts for a period of twenty-eight years. On March 7, 1912, Mr. Samuel, Postmaster-General, wrote a letter accepting the Marconi tender.

On July 19 a formal contract for approval by Parliament was signed. Following on the announcement of the contract with the Government on March 7 a sensational boom in Marconi shares followed. In December, 1911, the English Marconi shares had made a startling rise from

2¼ to 3¼ in January, 1912, they rose to 4¼; and on April 19 they touched their highest point,

913/16, dropping early in May to 5.

In March, 1912, Mr. Godfrey Isaacs, accompanied by his chairman, Signor Marconi, and Mr. Percy Heybourn of the London stockbroking firm of Heybourn and Croft, had proceeded to the United States in connection with the affairs of the American Marconi Company, which was controlled by the English company. On April 1 Mr. Isaacs effected an agreement by which the powerful Western Union Telegraph Company undertook to act as agents for the receipt and distribution of messages by the American Marconi service. This arrangement was of great importance. In the United States the telegraph service is not conducted by the Government, but by private companies. Of these companies the Western Union was by far the most important and also had large interests in Atlantic cables. Its stock issues were floated by Kuhn, Loeb and Company, and Mr. Jacob H. Schiff, senior partner in that firm, was a director of it up to the time of his death in 1920. The Marconi Company thus became linked with the

enormously powerful Kuhn, Loeb interests. In Mr. Ludwell Denny's *America Conquers Britain* (Knopf, London, 1930) much matter will be found relative to the interlocking control of world cables and telegraphs of recent years, and incidentally one encounters the assertion that Britain in the Far East by cable monopoly "tapped China's confidential official messages and learned the secrets of her American commercial rivals." This curious allegation with respect to communications



control provides food for reflection.

In addition to making his valuable connection with the Western Union, Mr. Godfrey Isaacs while in the United States attended to matters touching a suit pending by American Marconi against United Wireless, a rival American concern then in liquidation and with some of its directors in gaol. English Marconi purchased the assets of this company and resold to American Marconi for 1,488,800 fully-paid shares of \$5 (£1) each in the latter company. Signor Marconi then sold 500,000 of these American Marconi shares to Mr. Godfrey Isaacs at par, the deal, according to the evidence before the Parliamentary inquiry, being effected by word of mouth with no written record of any kind. Mr. Godfrey Isaacs next sold 350,000 shares from his parcel to Mr. Heybourn, who agreed to buy at par but said he actually paid 1¼ for 250,000 of them and more for the balance. Mr. Heybourn in turn presently sold to the public in London. The Conservative minority on the Parliamentary Committee reported that the account of these transactions was “not satisfactory.”

At the beginning of April the party returned from the United States after having completed these extensive arrangements. Within a week fate had provided the world with an intensely dramatic demonstration of the value of wireless telegraphy. A few minutes before midnight on April 14 the White Star liner Titanic, while on her maiden voyage to New York, collided with an iceberg in mid-ocean and sank two and a half hours later with the loss of 1503 lives, only 705 of the 2208 persons on board being saved. The Titanic disappeared beneath the waters at about 2.20 a. m. on April 15, and by 4.10 a.m. the Cunard liner Carpathia, summoned by wireless, had raced at full speed to the scene and was busy picking up the survivors.

Four days after the loss of the Titanic American Marconi shares were offered on the London market by Messrs. Heybourn and Croft, to a public clamouring for them. The shares were started at 3¼, and immediately rose to 4, with buyers scrambling to secure them. The American Marconi Company had not at this date paid any dividend and the value of the shares was purely speculative. The boom was presently over, and within two months the shares were down to 1½.

As the 500,000 shares taken over by Mr. Godfrey Isaacs had been bought at par, it was obvious, as was pointed out by witnesses at the inquiry, that a gross profit of about a million sterling must have been made by those concerned in their disposal at the height of the boom. As the total new issue of American Marconi shares was 1,400,000, there were consequently 900,000 shares in existence over and above the Isaacs parcel. At the Parliamentary inquiry Lord Robert Cecil asked Mr. Heybourn: “Did you let the rest of the new issue, which would be 900,000, run loose, or did you try to get it under control?” The witness replied: “I did not try to get it under control. I had no opportunity.” Asked where the

900,000 shares were. Mr. Heybourn said: “I have not the faintest idea.” In face of this Mr. Heybourn admitted under pressure that he had fixed the market price of 3 at which the shares were offered to the public.

Following on this sensational but short-lived boom in Marconi shares, rumours were presently

in circulation in London that Cabinet Ministers had made immense sums by dealing in them. In his evidence in April, 1913, Dr. Ellis Powell, who as editor of the *Financial News* was well

qualified to speak on such a matter, told the Committee that rumours began to get about at the end of April, 1912. The rumours, Dr. Powell considered, “were obviously designed to support the shares.” There was, he added, an immediate prevalence of reports that Mr. Godfrey Isaacs was the brother of the Attorney-General and “could do what he liked with the Government.” Dr. Powell further asserted: “It has always been understood that immense dealings in English

Marconis took place through Hamburg, the orders being sent there so as to defeat any attempt at inquiry into the identity of the operators.” Dr. Powell said he had heard that Mr. Godfrey Isaacs had put the rumours into circulation to help the shares. No evidence was tendered at the

inquiry, however, to establish the assertion that the rumours had originated in this manner. Their actual point of origin remained obscure.

By October 11, 1912, the rumours of Ministerial trafficking in Marconi shares—an extremely questionable proceeding in view of the important effect of the Government contract in enhancing their value—had become so pronounced that the matter was discussed in the House of Commons. It came up on a motion to appoint a committee to report on the proposed contract. Mr. Lansbury referred to outside talk of a stock exchange gamble by people with inside information. He hoped the Committee would not shirk this aspect.

Mr. Lloyd George interjected: “I hope there will be no shirking on the part of those who make the allegations.”

Sir Rufus Isaacs (Lord Reading) in the debate said the first he knew of any Marconi contract

was a few days before it was signed, when his brother mentioned to him at a social function that he was in negotiation for a contract, and hoped to get it. Referring to the newspaper rumours of share-dealing transactions, Sir Rufus Isaacs added: “I desire to say frankly on behalf of myself, that that is absolutely untrue. Never from the beginning when the shares were 14s or £9 have I had one single transaction with the shares of that company. I am not only speaking for myself, but I am also speaking on behalf, I know, of both my right honourable friend the Postmaster- General and the Chancellor of the Exchequer who in some way or another in some of these articles have been brought into this matter.”

Mr. (now Sir) Herbert Samuel said that the stories that members of the Cabinet directly or indirectly bought shares in this company had not one syllable of truth in them. He added: “Neither I myself nor any of my colleagues have at any time held one shillingworth of shares

in this company, directly or indirectly, or have derived one penny profit from the fluctuations in their prices. It seems shameful that political feeling can carry men so far, that lying tongues can be found to speak and willing ears be found to listen to wicked and

utterly baseless slanders  
such as these... there is no uncleanness in any corner.”

Mr. Lloyd George made no speech in the debate, and but one further interjection. Sir J.D. Rees in speaking said Mr. Lloyd George had improperly leant across during the debate and had advised Sir Rufus Isaacs not to reply. At this, Mr. Lloyd George interjected: “I did not.” The Ministerial statements were regarded by the public as a positive denial of the rumours in circulation; these rumours nevertheless persisted.

The Parliamentary Committee of inquiry held its first sitting a fortnight later, on October 25,

1912. Despite the widely prevalent gossip closely touching their honour, and the examination of numerous witnesses with respect to the allegations, the Ministers concerned made no appearance before the Committee until the last week in March, 1913, five months after the inquiry opened.

On February 14, 1913, the Paris newspaper *Le Matin* published a London message in which a witness before the Committee was quite incorrectly reported as having said that Sir Rufus Isaacs and Mr. Herbert Samuel had bought shares in the Marconi Company at a time when it was negotiating a contract with the Government and that these Ministers had later sold the shares up to £8. Four days later *Le Matin* published a correction saying no such statement had been made before the Committee and apologising for what it had published.

An action for libel was brought against *Le Matin* by the two Ministers named. At the hearing on March 19, 1913, it was announced that the apology had been accepted. Sir Edward Carson, for the plaintiffs, said “every statement was false from beginning to end.” The Ministers had not dealt in the shares of the English Marconi Company with which the Government had negotiated a contract. Sir Rufus Isaacs gave evidence that his sole dealings had been a purchase of 10,000 shares in the American Marconi Company, of which shares he had sold 1000 each to Mr. Lloyd George and to the Master of Elibank (created Lord Murray of Elibank in August, 1912). Lord Murray at the time of this transaction was chief Liberal Whip in the House of Commons. He resigned just before the inquiry to join the oil firm of Sir Weetman Pearson (Lord Cowdray) and at once proceeded to South America where he remained throughout the inquiry. In the inquiry the additional fact was revealed that Lord Murray had invested Liberal party funds in 3000 American Marconi shares, and did not hand the shares over to his successor as party treasurer, leaving them with his brother to hold until things cleared. It thus appeared that Ministers after all had been trafficking in Marconi shares, the inaccuracy being only as to the particular Marconi Company.

There was much speculation as to how *Le Matin* came to publish its incorrect report, for which the evidence itself gave no foundation. The *Daily Herald* went so far as to suggest that the *Le Matin* report was a “put-up job:” the inference being that it gave an opportunity for a voluntary statement by the Ministers concerned of dealings in American Marconis, instead of leaving the facts to be belatedly extracted from them on their appearance before the Parliamentary Committee. On this assertion being repeated by Lord Robert Cecil at the inquiry, it was denied by Sir Rufus Isaacs as “absolutely untrue.”

In his evidence before the Parliamentary Committee on March 25, 1913, Sir Rufus Isaacs said no members of his own household had had dealings in Marconi shares other than himself. As for his relatives generally he added: “I cannot go beyond that. I do not

know. I have relatives abroad in Berlin, Paris, and places I cannot tell.” He could have bought shares direct from his brother Godfrey, managing director of the English Marconi Company, at 11/16, but he had preferred to buy from his brother Harry at 2. He sold to Mr. Lloyd George and Lord Murray at

2. He had told Mr. Herbert Samuel and the Prime Minister, Mr. Asquith, of his transactions in

July, 1912. His letter to the Prime Minister had been mislaid and could not be produced. Mr. Asquith had advised him to take no notice of the newspaper attacks. (This evidence is interesting as it shows that when Mr. Herbert Samuel spoke so emphatically in the debate on October 11, 1912, he had definite knowledge of Ministerial transactions in American Marconi shares.) Of the 10,000 shares he had purchased, Sir Rufus Isaacs stated that he sold 570 in the boom on April 19 and 1000 on May 3. In the course of the examination of Sir Rufus Isaacs he was questioned as to transactions in Marconi shares through the banking firm of Brown, Shipley and Company (in which Mr. Montagu Norman was a partner) but evidence was tendered to show that no transactions of importance in Marconis had taken place through this firm. Mr. Otto Schiff, of Bourke, Schiff and Company, brokers to Sir Rufus Isaacs, also gave evidence in connection with the transactions.

Mr. Lloyd George stated in his evidence that he had bought his 1000 shares as “an investment.” He admitted that he had made no inquiry before purchasing as to the prospective earnings of the company and the probable dividends. He had sold all but 143 shares out of his 1000 three days after purchase and had made a profit of £749 10s by doing so. On May 22, 1912, he had bought 1500 more American Marconi shares, and when examined was still holding 1643 shares. “I meant it to be an investment,” said Mr. Lloyd George in evidence, “and for a whole day I did refuse to sell.”

Examination of Mr. Godfrey Isaacs’s bankers revealed that in September and October, 1912, he had an account with about £150,000 to credit and drew out in notes of large denominations on different occasions during those months, sums of £10,000, £10,000, £8000, £10,000, £5000 and £10,000 respectively, making £53,000 in all withdrawn in notes. The Purpose of these large transactions in notes remained obscure.

Mr. Heybourn, the broker who offered the American Marconis to the public on April 19, stated that prior to that date he had placed among his friends at 1 1/16 certain of the 350,000 shares he took from Mr. Godfrey Isaacs. As to the number so placed he said “I cannot answer”; it was “entirely my own business,” and “not anything material to this inquiry.” No information was publicly elicited.

Mr. Rice, the broker who had acted for Mr. Lloyd George, expressed the opinion that the shares were put on the London market at an altogether fictitious price. Usually shares were placed on the market by a public issue: he did not like a private issue such as had occurred in the case of the American Marconis. There had been a previous disastrous experience of a private issue in the case of the Barnato Bank [Jewish], and in it many people had burnt their fingers.

Asked by Sir F. Banbury why he had given Mr. Heybourn and his friends the opportunity

of making half a million sterling, Mr. Godfrey Isaacs had replied: "I do not know what opportunity I am giving. I cannot foresee what is going to happen to any market." Was it not necessary in putting out the shares, asked Sir F. Banbury, that Heybourn's should be in a position to keep control of the whole of the market in American Marconis, and not merely their 350,000 shares? Mr. Isaacs replied that this was "a question we never took into consideration



for one moment—not for one moment.”

The Committee, which as usual in such cases had a Government majority on it, reported on June

13, 1913. Three reports were made. The majority report stated that “the charges made against Sir Rufus Isaacs, Mr. Lloyd George, and Mr. Herbert Samuel are absolutely untrue and that the persons who were responsible for their publication had no reason to believe them to be true.”

A draft report prepared by the chairman, Sir Albert Spicer, but not adopted by the Committee, stated that if it had occurred to Ministers in the debate of October 11, 1912, to make a statement of facts as disclosed by them in the libel action against *Le Matin* much misunderstanding would have been averted and the labours of the Committee lessened. It was added that the Ministers acted in good faith and in the belief that the American company was in no way connected with the English company. The first purchase took place five weeks after the tender had been accepted, and could not have influenced the contract. The draft report further expressed the opinion that the Ministers “would have been well advised” to have had nothing to do with the shares.

The Minority Report, presented by Lord Robert Cecil on behalf of the Conservative members of the Committee, expressed the opinion that Mr. Godfrey Isaacs’s account of the transactions was not satisfactory: that the Government contract was an essential factor in the whole structure of Marconi finance: that the American company was founded by the English company, which until April, 1912, held a majority of the shares and appointed three of the five directors. Regret was also expressed that by a decision of the Committee “any real investigation” into the transactions in Marconi shares by Messrs. Heybourn and Croft, by far the largest dealers in them, was precluded. Ministers had conveyed an impression to the House of Commons that they had no dealings at all in Marconi shares, and “failed to treat the House of Commons with the frankness and respect to which it is entitled.” While Sir Rufus Isaacs, Mr. Lloyd George, and Lord Murray were stated to have “acted with grave impropriety,” it was added that “so far as we have been able to ascertain no Minister, official, or member of Parliament has been influenced in the discharge of his public duties by transactions in the shares.”

Lord Robert Cecil added that “an uneasy impression prevails that perhaps even now the whole truth is not known, and this impression has been strengthened by the acceptance on the part of Ministers of an arrangement proposed to them by the majority of the Committee by which only the chairman and an expert were allowed to see the pass-books which Ministers had originally tendered for the inspection of the Committee, and by the very regrettable failure of Lord Murray to present himself for examination as a witness.”

At the beginning of July, 1913, the Prime Minister announced in Parliament that the Marconi Company having repudiated the contract on the ground of undue delay by the

Government in ratifying it, the Government did not intend to enforce the contract. This decision, the Prime Minister stated, had been reached solely in view of the legal difficulties in the way of enforcing a contract which had not been ratified by Parliament. This statement showed clearly that at the time of the Ministerial share transactions the contract with the Government was not complete.

On August 8, 1913, a new Marconi contract, similar to the original but with some modifications, was ratified by the House of Commons by 210 votes to 138.

Considerable comment was caused by the disclosure by Sir Rufus Isaacs in evidence in a case brought against Mr. Cecil Chesterton, editor of the *Eye-Witness*, that at the beginning of the Marconi inquiry in October 1912, he had privately told certain Government members of the Parliamentary Committee of his own, Mr. Lloyd George's, and Lord Murray's transactions in American Marconis.

## 2. A RAPID RISE TO GLORY

The foregoing outline shows that the inquiry into the very remarkable circumstances surrounding the issue and disposal in 1912 of 1,400,000 American Marconi shares got very little further than the history of the 10,000 shares bought by Sir Rufus Isaacs from his brother, Mr. Harry Isaacs. Little light was thrown on the disposal of the rest of the 500,000 shares in the hands of Mr. Godfrey Isaacs, and no light whatever on what happened to the remaining

900,000. The London *National Review* of September, 1913, said: "Experts estimate that so far we have only extracted about ten per cent of the Ministerial Marconi speculations. This we can well believe." The only other Minister to appear before the Committee was Mr. Winston Churchill. Dr. Ellis Powell in giving evidence had been asked to state exactly what rumours he had heard in circulation. Under pressure by the Committee he said he had heard rumours of Mr. Churchill having had dealings in the shares but he did not believe the rumours. Mr. Churchill thereupon made a dramatic appearance before the Committee, denied the rumours, and called Dr. Powell a coward for mentioning them in reply to the questions put to him.

In October, 1913, the office of Lord Chief Justice of England falling vacant, Sir Rufus Isaacs was appointed thereto, and on New Year's day, 1914, he was raised to the Peerage as Lord Reading.

On November 12, 1913,—a month after the elevation of Sir Rufus Isaacs—the Committee of

the London Stock Exchange passed a resolution condemning "in the strongest terms the manner and method of the introduction of the shares of the Marconi Telegraph of America in the Stock Exchange." The resolution declared that Messrs. Heybourn and Croft—brokers acting in conjunction with Mr. Godfrey Isaacs—were guilty of a breach of trust to the brokers who left orders with them for execution at the opening of the market on April 19, 1912. The Committee of the Stock Exchange further resolved that the partners in Heybourn and Croft "be suspended from entering the Stock Exchange for five years from the 17th instant."

The appointment of Sir Rufus Isaacs to be Lord Chief Justice of England in the foregoing circumstances naturally provoked considerable comment, in some quarters of the most outspoken character. The London *Times* went no further than to say that it was “a great misfortune that an absorbing controversy should have brought hesitation and discord into what otherwise would have been a unanimous chorus of approval.”

The *Spectator* in its issue of October 10, 1913, said of the new Lord Chief Justice: “Is it possible for any truthful defender of his conduct to say that he acted with the delicacy, the discretion, the candour, the sincerity towards the House of Commons which should be found in the holder of the highest judicial office? He set a bad, not a good, example to the servants of the State, and he had no excuse of ignorance to plead, for he knew the Stock Exchange, the law, and the proper way of acting in cases of Parliamentary and semi-Parliamentary inquiry.” His appointment the *Spectator* declared to be “a grave injury to the public interest,” and no one could say that “the office has been well and wisely filled.”

The *National Review* in its issue of December, 1913, described the appointment as “affronting public opinion,” as “grossly improper,” and as “approved, so far as we have observed, by no single person whose opinion is of the smallest value in any party.”

The swearing-in of Sir Rufus Isaacs as Lord Chief Justice on October 21, 1913, was presided over by Lord Haldane as Lord Chancellor. Of that ceremony the *National Review* said in November, 1913: “He (Lord Haldane) made every right-minded man among his audience shiver, and, apply for the reputation of the Bar, one of its members (Mr. C.L. Hales) had the manliness to tell the Lord Chancellor to his face, ‘Speak for yourself, Lord Haldane,’ when the latter, not content with a conventional eulogy of Sir Rufus Isaacs’ forensic abilities and professional reputation, went out of his way to challenge the community by declaring, ‘We have known him as a man of the highest honour and of the highest desire to seek out and know the truth.’ ”

The London *Morning Post* in a leading article on January 22, 1914, dealt with the Marconi affair, pointing out that one Minister “now Lord Chief Justice of England actually lobbied two members of the court which was enquiring into his conduct.” The *Morning Post* added:

“If these secret practices of Ministers had been committed by some wretched underpaid petty officer in the Navy, or clerk in the Civil Service, we need not say what would have happened to him... There would have been no question at all about his motive: the contract on the one side and the shares on the other would have been quite sufficient evidence .... This country has taken a big step on a downward road, along which other democracies have walked before, a road which leads to a stage in which public honesty is regarded as singular, and where political parties and Press unite in a common conspiracy to hoodwink the public, while the public on its side admits with a weary cynicism that nothing can be done because there is no soundness left on which to build. If we have not reached that stage yet, we have taken a definite step in that direction.”

Less than a year after these events the Great War broke out in August, 1914. Despite his highly international family relationships—"I have relatives abroad in Berlin, Paris, and places I cannot tell," Lord Reading had told the Marconi Committee on March 25, 1913—the new Lord Chief Justice at once stepped down from the Bench to lend his services. The *Encyclopaedia Britannica* tells that on the outbreak of war Lord Reading "assisted in the drafting and administration of those measures which saved England from financial ruin." The nature of some of these measures we shall consider later. In 1917 Lord Reading proceeded to the United

States, the finances of which country during the war were, according to the letters of Sir Cecil Spring-Rice, British Ambassador at Washington, dominated by the Jewish bankers, and in particular by Mr. Paul Warburg, partner with Mr. Jacob H. Schiff in the international banking-house of Kuhn, Loeb and Company. Lord Reading in the United States negotiated the British debt to America, signing documents which pledged Britain to repay in gold on demand a sum that eventually rose to over £900,000,000, Great Britain never having at any stage possessed more than about £200,000,000 in gold, and the undertaking to which the nation was pledged by Lord Reading being wholly impossible of fulfilment.

From 1921 to 1926 Lord Reading was Viceroy of India and was closely associated with the constitutional changes inaugurated by Mr. Edwin Montagu as Secretary of State for India, changes designed in Mr. Montagu's own words to stir "the placid, pathetic contentment of the masses" of that country, and which have proved effective in that respect.

In the financial crisis of 1931 Lord Reading with Sir Herbert Samuel (cousin of Mr. Montagu) took a leading part in bringing about the extraordinary alliance between the British Conservative Party and the Ramsay MacDonald Socialists. After the death of the first Lord Melchett (a

Jewish peer, formerly Sir Alfred Mond), Lord Reading became the head of Imperial Chemical Industries, the giant combine controlling the principal chemical resources of the British Empire. Lord Reading in later years was Warden of the Cinque Ports, and there was some comment in

1934 on the fact that during his residence at Walmer Castle as Warden the sitting-room which with the bedroom opening off it had been preserved as mementoes of the Duke of Wellington, who died there in 1852, had been converted into a boudoir for Lady Reading. Lord Reading died in January, 1936.

The late Mr. Godfrey Isaacs in 1922 promoted the British Broadcasting Company, Ltd., which company was given a monopoly of broadcasting by the Postmaster-General, Mr. Lloyd George's friend, Mr. F.J. Kellaway. (References to the nature of B.B.C. propaganda will be found in a later volume). Mr. Harry M. Isaacs, another brother of Lord Reading concerned in the Marconi affair, afterwards managed and controlled the British Cellulose and Chemical Manufacturing Company, one of the largest manufacturers of chemical products in Britain.

Lord Reading was the son of a London city merchant. Before taking up law he was a stock broker. In the *Patriot* (5/4/32) it is stated: "His early experiences on the Stock exchange where he had the misfortune to be 'hammered,' and the knowledge he acquired of business methods from his Uncle, Sir Henry Aaron Isaacs, and from Horatio Bottomley, stood him in good stead when dealing with persons of the Whitaker Wright type." In *The Fine Old Hebrew Gentleman*, by T.W.H. Crosland (Werner Laurie, 1922) it is related that

in the London *Daily Express* at the time of Sir Rufus Isaacs's appointment as Lord Chief Justice its editor Mr. R.D. Blumenfeld (himself a Jew) pointed out that in 1879 Rufus Isaacs entered the Stock Exchange. He would be obliged in ordinary course to declare "I am a British subject and of age." According to all reference books he was born in 1860. In 1887 in the marriage register he gave his age as 26 years. The question was asked, "Did Sir (then Mr.) Rufus Isaacs make such a declaration? If he did not, how did he become a member of the Stock Exchange?"



Mr. Lloyd George, like Lord Reading, was a lawyer by profession. In comments on the Marconi affair in the issue of the *Patriot* just previously quoted it is related that Mr. Lloyd George had been among other things solicitor to the Zionist organization in England. In December, 1916, Mr. Lloyd George succeeded Mr. Asquith as Prime Minister, holding office until October, 1922. Throughout the greater part of his career Mr. Lloyd George had close Jewish associations, and the pronounced Jewish complexion of the Lloyd George Ministries was more than once the subject of Press comment in Britain.

Sir Herbert Samuel has held many different portfolios. He has several times filled the office of Home Secretary, administering in this capacity the Aliens Act and the naturalization laws with control of the admission of foreign Jews and their conversion into British citizens. In 1920 he was appointed first High Commissioner for Palestine, having from 1916 onwards taken a leading part in the Zionist movement which will be described in a later volume. In the financial crisis of 1931 Sir Herbert Samuel played a leading part on the Liberal side in the formation of the National Government, and was made Home Secretary in it. He sponsored legislation in 1931 for the Sunday opening of cinemas, enabling this Jew-controlled industry to make money on the Christians' Sabbath.

The remaining principal figuring in the Marconi affair was Lord Murray of Elibank, at the time of the transactions Chief Whip of the Liberal Party and as the party treasurer, a person of great influence in its councils. The absence of Lord Murray in South America throughout the Marconi inquiry was the subject of caustic comment in certain journals. He appeared in March,

1914, before a Committee of the House of Lords. On the disclosure of the investment of Liberal Party funds in Marconi shares the *Spectator* on June 6, 1913, remarked: "Where is this going to end? If accident can have disclosed so much, what may not accident be concealing?" The *National Review* (October, 1913) remarked: "Lord Murray last August suddenly became a brilliant ornament of Pearson and Company without any previous experience of oil." In December, 1913, the *National Review* asked: "Why did Mr. Murray, Master of Elibank, suddenly retire from the office of Chief Whip on August 7, 1912? Why was he made a peer, seeing he had taken the precaution to have his father made a peer at the King's Coronation the previous year?" (Mr. Murray, Master of Elibank, was raised to the peerage as a baron in August, 1912).

Referring in January, 1914, to the connection of Lord Murray with the great contracting and oil firm of Pearson and Company—of which the head, Sir Weetman Pearson, afterwards Lord Cowdray, in 1917 became chairman of the Air Board—the *National Review* said in February,

1914: "Lord Cowdray, who was created a peer while Lord Murray was Chief Whip, has been described as the 'universal provider' of the Radical Party. Though like most phrases

it is probably an exaggeration, it is noteworthy that besides providing a directorship or partnership at a very large salary for the Master of Elibank (Lord Murray) when the Fenner fiasco and the Marconi flutter compelled him to retire from public life, the house of Pearson is understood to have found a billet at an opportune time for the brother-in law of one Cabinet Minister, while Mr. Lloyd George, junior, is likewise a member of the same house in some capacity or other.”

In its issue of January, 1914, the *National Review*, one of the most trenchant and unsparing critics of the Marconi affair, said: “We have never been permitted to know whether Mr. Asquith was a Marconi speculator during any period of the Post Office negotiations. We only know his publicly expressed approval of the conduct of Messrs. Lloyd George and Co. in doing what they did, and his enthusiasm for the manner in which they concealed it from the public.”

Seven months after these words appeared the British Empire was plunged into war.

### 3. Fairy Aid for the King's Enemies

The course of the Marconi Affair has been narrated at some length for several reasons. In the first place, it was remarkable for its strong Jewish atmosphere: for the first time Jewish political activity came to be widely regarded in a highly unfavourable light by wide sections of the British public. It followed fairly closely on the Panama and Dreyfus Affairs in France which had attracted world-wide attention. In the former vast sums subscribed by the French public for the construction of the Panama Canal had disappeared under Jewish auspices in bribery and corruption, numerous high political personages being implicated. In the latter there was a much-disputed charge of treason against a member of a wealthy Jewish family serving as a major in the French army, ending after innumerable hearings in a finding of not guilty after a period of incarceration on Devil's Island. It was against this background that thoughtful people contemplated the developments in the Marconi Affair and recognized the existence of a Jewish Question in the British Empire.

A second reason for devoting attention to the Marconi transactions is the great and important part played in subsequent British history by the leading actors therein, and their influence in shaping the conditions in which we live to-day. To understand the nature of the influences at work in the world it is necessary to trace out the whole intricate sequence of events: and we must not be deterred because there is much in those events that it would be pleasanter to forget.

Finally, the Marconi affair is of importance as showing pre-war circumstances causing distrust and disquiet, and soon to be followed as the war progressed by the increasingly wide prevalence of a belief that some impalpable influence was at work. The first circumstance to arouse indignation was the fact that after the declaration of war the Government allowed enemy reservists in Britain some days in which to return to Germany and Austria. The *Morning Post* in a leading article quoted by Mrs. Nesta Webster in *The Surrender of an Empire* (Boswell Coy., 1931) declared that “the enemy was in fact presented with an army corps from England.” At the same time the Navy was forbidden to capture reservists returning

to enemy countries from abroad. Aliens were allowed to become naturalized and to supplant in their business Englishmen who had gone to the war. The efforts made to supply the Army with munitions were pathetically inadequate.

The late Lord Sydenham who had held the position of secretary of the Committee of Imperial

Defence, and who had just returned in 1913 from a period of service as Governor of Bombay,

wrote as follows of events at this time in his autobiography *My Working Life* (John Murray, 1927): “The Asquith and first Coalition Governments... had showed extraordinary leniency towards the subjects of belligerents. Prominent persons were allowed to be naturalized, German businesses were very slowly and not always effectually round up, and India appeared to be immune.” It was, in fact, not until July 18, 1916, that the Government under pressure announced ordinances on these matters for India—nearly two years after the outbreak of war. “As late as July 8, 1918,” added Lord Sydenham, “I informed the House [of Lords] that ‘there were three great German banks in the city not yet wound up.’ ... The managers who are free to walk about London are extremely able Germans who have a very great deal of very secret knowledge.” The conclusion reached by Lord Sydenham as to these war-time proceedings was that “anyone who carefully watched what went on could not avoid the impression of a certain impalpable tenderness to German interests which has never been explained. No reciprocal consideration was visible in Germany.”

The inadequacy of the blockade of Germany caused much anxiety. On October 21, 1915, Lord Sydenham directed attention in the House of Lords to the fact that “great stores of cotton and other necessities of war had passed into the enemies’ hands.” Mrs. Webster, in her book, notes that no answer was ever made to the charges in this respect made in Admiral Consett’s book

*The Triumph of Unarmed Forces* (Williams and Norgate, 1923), which book was largely boycotted; and relates how Lord Sydenham in the House of Lords on June 27, 1923, vainly tried to have the matter threshed out there, asserting that: “Behind Admiral Consett’s revelations lie scandals which will never be revealed.”

In passing it is worth noting that a curious statement is made by Prince Francis Joseph of Hohenzollern in his book *Emden* (Herbert Jenkins, 1928). Shortly after the outbreak of war the German cruiser *Emden* in which the Prince was serving met the German liner *Princess Alice* at the Pelew Islands. It is related that the *Princess Alice* was en route from Singapore to Hong Kong when war broke out and was carrying £850,000 in gold to the latter port for the Indian Government, which gold on the outbreak of war duly became German property and was safely landed by the *Princess Alice* in the neutral port of Manila. If this is correct it would be interesting to know just what official of the Indian Government was responsible for shipping this large quantity of gold in a German liner in face of the European crisis, and thus in the event conveniently providing Germany in the Far East with nearly a million in ready money. One would like to know whether this British Government gold, by any chance, was helpful in keeping the German raider *Emden* going until November 9, 1914, and the *Scharnhorst*, *Gneisenau*, and their attendant cruisers also until their still later despatch. In view of the abundance of British

shipping between India and China the despatch of Government gold by a foreign vessel appears to a layman a most peculiar proceeding.

The memoirs of Mrs. Asquith (later Countess of Oxford) revealed that she and Mr. Asquith had an extensive circle of Jewish friends. Mr. Asquith was especially intimate with Sir Edgar Speyer, the eminent international financier, a naturalized German-born Jew, a baronet and Privy Councillor. This intimacy was the occasion of so much discussion that on May 17, 1915, Sir

Edgar Speyer wrote to Mr. Asquith saying that hitherto he had “kept silence and treated with disdain the charges of disloyalty and suggestions of treachery” made against him in the Press and elsewhere, but matters had gone so far that he felt it due to his personal dignity to retire from all public positions. He therefore asked that his resignation of his baronetcy and Privy Councillorship might be accepted. Mr. Asquith in reply characterized the imputations against Sir Edgar Speyer as “baseless and malignant” and stated that the King was not prepared to take any steps such as suggested. In 1915 Sir Edgar Speyer removed to the United States and remained there. His brother Mr. J.J. Speyer was American head of the firm of international financiers of that name, and was apparently the Speyer in whose office (as the British Ambassador in Washington remarked in a letter in January, 1914) Count Bernstorff, German Ambassador to the United States, had placed his son.

On December 14, 1921, three years after the war was over and the damage done, the London *Times* recorded that Sir Edgar Speyer’s certificate of naturalization had been revoked and his name struck from the list of the Privy Council. The reasons given in the Gazette notice were that Sir Edgar: “(1) has shown himself by act and speech to be disaffected and disloyal to His Majesty; and (2) has during the War in which His Majesty was engaged, unlawfully communicated with subjects of an enemy State and associated with a business which was to his knowledge carried on in such manner as to assist the enemy in such war.”

Speaking with reference to the London head of another firm of international financiers, J. Henry Schroeder and Company, Lord Wittenham said in the House of Lords on July 26, 1918: “Baron Bruno von Schroeder had been in this country for years before the War. He was a very notable, prominent business man, a great discounter of bills, a great foreign banker. He had never taken the trouble to go through the solemn form of naturalization. War came, and suddenly Mr. McKenna (Home Secretary) discovered that Baron Bruno von Schroeder was absolutely necessary to the financial stability of this country... The *Neue Freie Presse* (Vienna) said ... ‘If he had not been naturalized he would have been shut out from the support action of the Bank of England at the beginning of the war, and although perfectly solvent would have had to declare himself unable to pay; that again would have meant a shattering upheaval of the whole city.’ ... So Mr. McKenna naturalized him.” According to the London *Fascist* (June, 1935) the Baron is Jewish.

As noted, the *Encyclopaedia Britannica* is authority for the statement that the late Lord Reading on the outbreak of war “assisted in the drafting and administration of those measures which saved England from financial ruin.” The *Encyclopaedia* proceeds to explain that: “The most sensational of these was the granting of the British guarantee to the great accepting houses to bills amounting to many hundreds of millions.” These accepting houses are clearing houses for international bills of exchange and are costly conducted by Jews of German origin. Mr. Lloyd George refers to these proceedings in his

*War Memoirs* (vol. 1934), saying: “Throughout these conferences I found Lord Reading’s aid invaluable. His knowledge of finance, his mastery of figures, and his calm and sure judgment helped at many turns... We guaranteed about £500,000,000 of securities in respect of debts overseas—some of it on enemy security... Among



those whose advice I sought was Lord Rothschild.”

What brought England to the verge of financial ruin at the beginning of the Great War? Some account of financial conditions in the City of London at this time is given in a little book, *Britain's Crash and After* (Athenaeum Press, London, 1934), written by Mr. A.S. Baxendale, formerly general manager of the Pacific Cable Board. Mr. Baxendale says:

“The story of the part played by our money merchants in supplying means whereby the Central Powers became possessed of vast stores of hitherto unheard of quantities of war munitions in 1914 was thus told in ‘Fairplay’ by Moreton Frewen. (I would mention that Moreton Frewen was a publicist whose ‘inside’ knowledge of financial transactions in Europe, America, and India was probably unequalled and it was to him that J.L. Garvin, of the ‘Observer,’ addressed the remark:

‘You have had all the ideas of your time, and your only trouble is that you have always been in advance of it.’)

“ ‘During the two years before the war,’ Frewen wrote, ‘it had been a matter for general comment on all the Bourses of Europe that Germany had been buying immense sums of gold at a premium. I mean that Berlin was paying more for the bullion she bought here than the price indicated by her own exchange quotations. That very fact, had it stood alone, should have convinced our financiers that Germany intended war, and that she was draining London, the only “free market” in the world for gold, of that metal which, since 1873, is the real sinew of war. But I pass over these great gold purchases by Germans because in that the question of exchange is involved, and the exchange question few so much as desire to understand.

“ ‘But what was it that happened, and in what may be called the War Stores Market, between January and August, 1914? When it is properly investigated, as it will be, that investigation will, I am certain, sound the death-knell of this cosmopolitan credit-mongering built up in the City of London, and synchronizing with and growing out of our “Free Trade” experiment. How then did Germany mobilize her finances of war during those six months? I hope I may be able to explain it in language that your varied readers may be able to follow, for it discloses the most wonderful tale of grand larceny in all the world’s history—a tale, too, which is certain to attract imitators.

“ ‘Now this is what actually occurred: Germany, of course, needed for her impending war immense supplies of lead and spelter, copper and nickel—these are the products of Canada, Australia, Africa; also cotton from Egypt,

and wool from Great Britain. These are bought, not for cash, but with promises to pay three and six months after delivery in Berlin. Such is the method of the Great International System. Now mark the sequel! Germany had against these “scraps of paper” (politely called “bills” in the jargon of the City) war munitions supplied by our Empire to the value of £200,000,000 — the amount of the indemnity paid by France to Germany in 1871!

“ ‘Germany, as I say, has had this huge sustenance fund from England, and had it before ever a shot was fired at all. But I can hear a seller from Broken Hill say, “That was not the way my lead was paid for!” No, but the actual method was this: Berlin had branches of three of the greatest of her banks in London. As fast as Berlin’s banks gave these promissory notes to our Colonial sellers, they were sent to the London branches of the Berlin banks. These branch banks next passed on the “bills” to the amount of two hundred million sterling to the dozen great discount houses, the whole length of Lombard Street. Of course, if the Berlin banks failed to meet these bills when due, all Lombard Street, the Bank of England included, must stop payment. The German Government relied on this pretty conspiracy of their financial experts to keep England out of the war altogether... We are destined in these days at hand to hear much subsidized applause of the national virtue of England’s “free gold market” and of the profitable nature of British bill-broking with German bills;

but I believe the public opinion of to-morrow will challenge all these statements. Such profits go to the “profiteers,” while the losses are saddled on the taxpayers. But think of the frightful peril of it all—which indeed is the peril of every section of the British Empire itself! It is inconceivable that we shall, after the conclusion of peace, permit this traitorous cosmopolitan bill system to be again built up, so that once more we may be fined two hundred millions by the enemy before ever a shot is fired!’ ”

Mr. Baxendale continues:

“On this occasion the suspension of the Bank Act alone would have been quite ineffectual to remedy the financial havoc wrought by the British money merchants in their role of Fairy Godmother to Britain’s enemies.

“In addition to the suspension of the Bank Act a moratorium (a ‘moratorium’ is a temporary legal authorization to defer payment of outstanding debts) was declared between August 2, 1914, and November 4, 1914, and the banks were supplied with notes on loan with which to carry on business. The amount lent to the needy bankers and discount brokers was £58,000,000. The notes which the Treasury issued for this purpose were then known as ‘Treasury’ and later as ‘Currency’ notes. They were, of course, full legal tender... The original issue of these notes was forced on the Government as being the only way in which the banks could be saved from the dire results of their support of the Central Powers on the eve of war.”

As we shall see at a later stage, no steps were ever taken to prevent the cosmopolitan discount market in the City of London from again acting as Fairy Godmother to the King’s enemies on the outbreak of another war. The steps that have been taken are of an exactly contrary nature. By the establishment of a net- work of privately-owned central reserve banks throughout the Empire institutions have been provided which are open to be stuffed to the roof with foreign commercial paper. Under the New Zealand Reserve Bank Act, as we have already seen in the previous chapter, the entire reserve held by the bank may lawfully consist of foreign bills of exchange. Instead of one Fairy Godmother for the King’s enemies, there are now half a dozen possible Fairy Godmothers scattered through the Empire by the international financiers. What happened in 1914 is likely to be a flea-bite to what will happen when the stage is set for the next war.

#### 4. “THE HIDDEN HAND”

As the war progressed, the conviction grew steadily that some “Hidden Hand” was at work. By July, 1918, popular clamour had at long last resulted in a Status of Aliens Bill being brought before Parliament. In the debate on it in the House of Lords Lord Stuart of Wortley described

as “ridiculous and fatuous in its optimism” the Government announcement at the outbreak of war that every spy had been rounded up. Lord Wittenham referred to the “subtle, indescribable influence” which seemed in turn to paralyse every Home Secretary. Admiral Lord Beresford declared that there was an influence behind these aliens. What it was he did not know. The

sooner they got to the bottom of it and found out what it was the better. On July 8, 1918, Lord Beresford had said: "It must be remembered that all these magnates are very rich, and are all international financiers. This is one of the great difficulties—the power of the international financiers—that we shall have to meet after the war." The existence of a Hidden Hand, Mrs. Webster relates in summarizing the debate in her book, was stoutly denied by leading Liberals such as Lord Finlay (Lord Chancellor) and Lord Buckmaster. But even a Liberal, Lord St. Davids, protested strongly against the view of Lord Buckmaster, saying incidentally: "I used to think that the soft way with which these Germans were handled in Great Britain was carelessness, that it was softness of heart, but, frankly, I am getting suspicious myself, very suspicious."

Dr. Ellis Powell, editor of the London *Financial News*, who had taken a leading part in directing public attention to the Marconi affair, was a persistent agitator throughout the war for a full investigation into the nature of the "Hidden Hand." Besides ventilating the matter in the journal he edited, Dr. Powell addressed numerous meetings. One large gathering at which he spoke was that held in the Queen's Hall, London, on March 4, 1917. This hall, seating 3000 persons, was crammed to the doors and the street outside was congested with persons unable to obtain admission. A leaflet of 12 pages containing a verbatim report of Dr. Powell's press was reprinted from the *Financial News*, and from the following extracts are taken. The meeting—which was soon after followed by another at the Cannon Street Hotel under the chairmanship of Lord Leith of Fyvie, with many prominent persons in attendance and

unanimous resolutions s close—was held under the auspices of the Women's Imperial Defence Council, the chair being occupied by Mrs. Barker, sister of the late Lord Kitchener. After speeches by Powell, Mr. Arnold White and Mr. A.G. Hales, a solution was carried by acclamation requesting the appointment of a Royal Commission "to make a full investigation as to the identity or identities of that treacherous influence in our midst known as the 'Hidden Hand'". Another resolution urged that the Government should at once dispense with the services of all persons in the Foreign Office who had married German subjects or had any German connections. As editor of one of Britain's leading daily financial newspapers, Dr. Powell was in a position to speak with more than ordinary knowledge on financial matters.

That he spoke under a considerable sense of responsibility was indicated in the course of his address. "You may wonder," he said, "why I don't speak to you, as I should prefer to speak, heart to heart, from the inspiration of a few rough notes, instead of employing prepared language. The reason is at once simple and stupefying. In this supreme crisis in our history an Englishman is not permitted to speak to his fellow-countrymen and countrywomen without the ever-present risk of naturalized German writs. Lawyers employed by a dozen wealthy pro- Germans and naturalized Germans will scan every word I utter to see, if by some technicality, some subtle legal trickery, they can either

shut my mouth while trickery is consummated, or at any rate crush me by the aid of pro-German influence in eminent legal circles.”

It is a far cry from 1935 to 1917, but much of what Dr. Powell said is well worth recalling in the light of after events. The influences described by him as “German” and “pro-German” might in

many cases have been equally well defined as Jewish. They were international influences, of no more real benefit to the German people than the British, and there is evidence that they operate as powerfully to-day as they did through the war. Having said so much, let us listen awhile to this voice from the past. In the course of his address Dr. Powell made the following statements:

“At the beginning of the war many thousands of German reservists were allowed to return to

Germany though our Fleet could have stopped them.

“German individuals, firms, and companies went on trading merrily in British names, collecting their debts, and indirectly, no doubt, financing German militarism. Look at the case of Augener’s music business. The German who owned the bulk of the shares was allowed to sell for promissory notes... At the very moment when Germans were destroying our property by Zeppelin bombs we were actually paying them money instead of taking their holdings as part compensation for damage done. John Bull was not plowed to take any steps to stop that scandal. ... In January of 1915 came that vicious decision by Lord Reading (Sir Rufus Isaacs) and the Appeal Court, according to which the Kaiser and Little William, Limited, was a good British company capable of suing the King’s own subjects in the King’s own courts. Eighteen months elapsed before that monstrous judgment was over-ruled and pulverized by the House of Lords. Some lurking influence or other prevented the instant passing of an Act to remedy the blunder of Lord Reading and his colleagues. The so- called ‘British’ company, composed of German components was left in obscene triumph for eighteen months ... Not until 1916 — two years after the war broke out — was power given to wind up enemy businesses. Why was it not given earlier? Because the Unseen Hand intervened.

“Quite lately you have had a Registration of Business Names Act, which professes to bring the

alien into the open. But it does nothing of the kind. The naturalized alien, by the simple process of registering himself as a ‘British’ company, can hide his alien head from our scrutiny. Do you suppose the draftsman of the Act accidentally left it with that fatal flaw? He would not have dared to do so, any more than your ironmonger would have dared to make you a copper kettle without a bottom. By some means or other that flaw was designedly left in the Act. ...

“The ever-recurring strikes have not been accidents.

“The continued presence of pro-German M.P.s in that degenerate assembly known as the House of Commons is not an accident. A vigorous patriotic

assembly would have pitched them into the street long ago...

“When Sir Edgar Speyer’s Privy Councillorship was protected by the lavish waste of your money in the law courts that an accident?

“The uninterrupted activity in this country of the Frankfort Metal Octopus is not an accident. The late Government bamboozled you with vain talk about eliminating’ the German element from Merton’s, one of the firms associated with the Frankfort Metal Octopus. Why? Oscar Langenbach has only been replaced by Oscar Lang — and Heinrich Schwartz has only disappeared to give place to Harry Ferdinand Stanton, the same man under another name!

Do you think that species of

‘elimination’ is an accident, or is it deep design, elaborated to mock you, to deride you, to flout you, to defy you? ... It would be possible to spend the whole evening in the consideration of instances... Let me analyse one lurid case, which has stirred public indignation and anger to its depths, I mean the impudent survival of the German banks. We have now been at war nearly three years. Yet their doors are still open. If peace were to eventuate within the next few weeks those banks ... could affirm that they had from start to finish of the war successfully defied John Bull to do his worst.

“In fact the truth goes further than that. Sir William Plender, who is supposed to be winding them



up, told his supervisors to find out if the banks had been shipping abnormal quantities of securities and bullion to the Continent within a few days of the outbreak of war. The supervisors reported that they had found no evidence of any unusual transactions. Well, I have found it. I hold in my hand the sworn statement of a member of the Corps of Commissionaires—a pensioned soldier—and I will read you what he says:—

“ ‘I, -----, of -----, solemnly and sincerely declare as follows: On July 30, 1914, I was one of a number of men sent from the Dresdner Bank to the Winchester House Safe Deposit. I was employed during the afternoon and evening of July 30, and also for the same time on July 31. We were engaged in emptying two or three large safes and in packing their contents into 11 or 12 large tin-lined cases. Three or four of these were already packed when I went there. The contents of the safes consisted of securities and documents. I assisted to put the cases in pair-horse lorries, and accompanied them to Liverpool Street [the station for connection with the Harwich service to the Continent]. The cases were addressed to the Dresdner Bank, Berlin. Each case required four men to lift it. I was informed by some of the men that these cases were placed on railway trucks in the station. I heard one of the staff of the bank inquire why the stuff was being taken away, and the reply was, “If England should take part in the war she will make a claim on this stuff if she wins.” ’

“How came the Dresdner Bank to be allowed to remove these securities at this time? I am told, by the way, that the Disconto Gesellschaft, another of the German banks, also ‘shifted’ a mass of documents. But let us keep to the Dresdner. What influence intervened to protect the Dresdner Bank in diminishing to a serious extent the funds already in our hands for the payment of the war indemnity by Germany? I assume that the documents were got clear away, though I have heard that a hand more powerful than the Unseen intervened at the last moment to prevent actual shipment across the sea to Berlin. I have my doubts about that story, but in fairness, I must allude to it. Well, whoever protected the Dresdner Bank must have been somebody very powerful, somebody very keen to do the Germans a good turn, somebody very able to do it with certainty that his tracks would be successfully covered up, and that he could bar all investigation... Part of the business of German agents, in every part of the world, is to discover political secrets. Hence I conjecture that the reason why the unknown was so anxious to do the Germans a good turn was his knowledge of their ability to do him a very bad one. [The Dresdner Bank was the second largest bank in Germany and was one of the

four big “D” banks—Deutsche Bank, Dresdner, Disconto Gesellschaft, and Darmstadter—which were described in the *National Review* of March, 1925, as  
95 per cent Jew-controlled.] ...

“I hinted that the Dresdner Bank knew something. Well, can we find the Dresdner Bank in the background of any politico-financial dealings during the last few years? Yes, we can. The biggest deal of that sort in recent years was the gigantic Marconi gamble, into which the astute insiders dragged Mr. Lloyd George so that his presence might protect them if they were found out. It was a characteristic trick of a very shady type... As I told the Cannon Street meeting a few weeks ago, there was great excitement when the Marconi Committee was sitting over a demand for the production of a certain list of people who got American Marconi shares at very advantageous prices. They got them at a figure which was equivalent to a gift of £2 a share. The list was never made public. It was only produced to the Committee upon the express stipulation that none of the names were to be disclosed and that there was to be no cross-examination on them. Clearly there was some name in that list about which the insiders were very anxious. Well, one of the names was that the Dresdner Bank. Somebody lurking behind that titution got a very large line of shares, equal to a profit of | to £5000. Not only was the real identity of this dividual concealed from the Committee, but every subsequent demand for its disclosure has been met with a stony silence. If that individual was a politician you need look no further for one explanation of the immunity of the Dresdner Bank. If the Dresdner Bank is in a position to say, ‘Shut our doors, and we open our

mouth,' then its insolent defiance of public opinion no longer stands in need of explanation. "Such a position is one of peculiar menace... The Marconi undertaking is the brain of the war. Through it there are travelling to and fro all the myriad mandates from the centre at Whitehall to every point of our interminable battle line, by sea, land, and air. If Bernstorff [German

Ambassador to United States] had a secret wireless in Washington, do you think there is no secret wireless in England? If in the Marconi background we can discern either any German influence or any secrets capable of being used as means of German pressure upon any figure in English public life, we are in the presence of something that may be, a source of the gravest peril. We are in such case entitled to instant and complete disclosure.

"I have told you that the Dresdner Bank was in the secret list. I tell you also that during the big gamble of 1912 no fewer than 50,000 American Marconi shares went to Jacob Schiff, the pro- German schemer in the United States, who has done everything in his power to bring about peace on German terms. With Schiff in this business there was involved one Simon Siegman, a gentleman whose name doesn't look particularly British. What was Schiff doing there, and what was Siegman's particular role? What do Siegman and Schiff know about the inside of the Marconi gamble? I say deliberately, with a full knowledge of my responsibility, that not one-tenth of the Marconi dealings were disclosed to the bogus Committee which sat in 1913 to investigate. The

other nine-tenths are probably known to Schiff and Siegman. I suggest that they ought to be known to you as well. At any rate, look at one feature of the picture—the existence of a common fund of

250,000 American Marconi shares from which the participants in that huge gamble drew the numbers necessary for the completion of the transaction. Schiff and Siegman across the Atlantic made their deliveries from that fund. On this side it provided the shares dealt in by His Majesty's then Attorney-General, the present Lord Chief Justice—and a multitude of other participants."

"Secrets? Why, the whole Marconi background reeks with secrets. During the entire period of the negotiations between the Government and the Marconi Company immense transactions in Marconi shares were being conducted by a Mr. Ernest Cameron, of 4 Panton Street, Haymarket. Notice that I give you a name and address. Cameron keeps a modest voice-production academy. At the end of April, 1912, he had over 8000 English Marconi shares open with various brokers, and at this time

English Marconis were at nearly £9 a share. At the very first whiff that there were politicians in the background, Cameron's huge account was taken over at a cost of £60,000 by Mr. Godfrey Isaacs, the brother of the then Attorney-General. Now, I do not believe for an instant that the proprietor of a small voice-production academy could afford to run speculations to the tune of £60,000 at a time. All the facts, so far as we can discover them, suggest that there was somebody behind Cameron, somebody who had to be kept out of sight, even at the cost of £60,000. Of course, if the unknown were a politician or public official he might have been liable to impeachment—that is to say, to

what would be practically a criminal charge, triable before the full House of Lords. None of the Cameron dealings were disclosed to the Marconi Committee. The dealings could only have been carried on by somebody who knew the course of the extremely private negotiations with the Government. Nobody else would have dared to deal on such a scale.

“The unknown was not Mr. Godfrey Isaacs or the then Attorney-General, the present Lord Chief Justice. Both have made statements on oath which altogether preclude any such idea. The bulk of the dealings took place through Solomon and Co., of 14 Austin Friars, and Messrs. Quilhampton, of 4 Copthall Court. Observe, I give you the names and addresses of the brokers. The senior partner in Solomon and Co. was a naturalized Austrian named Breisach. He knows the secret. But Mr. Cameron was never summoned as a witness to tell the Committee whom he was dealing for. To this hour, in spite of repeated public demands, all information on the subject of the man behind Cameron has been refused by the Marconi ‘insiders’. Suppose, for a moment, that the man behind Cameron was a politician, a public official, or an official of the Marconi Co. In that case jerrnany

has an absolute death-grip upon him. She can confront him with an exposure which would mean not only political ruin, but social death. In the background of the wireless system which is a vital part of our equipment for winning the war, is it right that there should lurk even the possibility that Germany has got some wretched victim by the throat through her possession of such a secret as this?

“Some time after the Marconi Committee was shut down certain people initiated litigation of such a nature that it soon became evident that these mysterious proceedings were likely to be disclosed in the course of the proceedings. Thereupon one of the solicitors engaged—Sir Thomas Berridge (observe, no vague assertion but the name)—went to the Chief Liberal Whip and told him that if

the facts came out they would ‘dynamite the Party.’ If those facts were liable to ‘dynamite the Party,’ have we not a clear right to assure ourselves that they are not being used to dynamite the Empire? ... There are no doubt dozens more of these secrets in the Potsdam archives. They are part of the price you pay for allowing the squalid and sordid system of intrigue, selfishness, and corruption, known as Party Government, to hang like a millstone around the neck of the noblest Empire God ever made.

“Have I not told you enough, and more than enough, to justify the recent demand by Lord Leith of

Fyvie that the books of the German banks—aye, and of the German brokers — shall be examined

for three years prior to the war? Get that examination made by men who know treachery when they see it, and nothing done by our artillery on the Western Front will be in it for the destruction wrought among the German entrenchments in our public life. Look at one item in the recent report on these banks. It seems that a ‘large sum is due by one of the London managers of the Dresdner Bank, now interned. He is the son of the chairman of the bank, and securities for the debt are held

in Germany and cannot be realized.’ Doesn’t it strike you as very singular that a large sum of money should be paid out to the manager’s son in London against securities held in Germany? ... A large sum of money handed over to the manager’s son against securities in Germany is just the very device which would be adopted if it were necessary to disburse large payments to traitors in this country without leaving any traces which would enable them to be followed to their lair. An investigating committee composed of business men who could not be chloroformed by money, peerages, or ‘jobs’ and who were assisted by smart men like some of the Inspectors in Bankruptcy, might set

out on the track that leads to the traitor's den if it got to work on the books of these banks.

“Some of my learned friends in the Temple have warned me that if I speak about the Dresdner Bank I may commit a contempt of court. Some of the persons connected with the Dresdner Bank have commenced actions against the *Daily Mail*. Contempt or no contempt, I say it is an unspeakable outrage that any such person should be allowed at such a moment as this to bring an action against the *Daily Mail* or any other British newspaper... But the muzzling of the press has been part of the astute policy of the Unseen Hand. But for its intrigues the press would have been freed from all shackles at the very outset of the war, so that it might defend and foster patriotic interests. Instead of this, not one single thing has been done to protect the press against frivolous actions brought in the German interest. The late Government's appeal for the co-operation of the press was simply humbug, since protection against frivolous and vexatious libel actions was refused both to the press and the individual citizen. ...

“Even in the presence of the best that your hearts could wish ... the Unseen Hand would still be busy to betray you into an inconclusive peace... If the Unseen Hand cannot defeat you in the war it means to betray you into an inconclusive peace... Those who were willing to further the peace schemes of Speyer and Schiff last December have lost none of their mischievous propensities.

They would sooner be in office to negotiate a disastrous peace than be out of office as witnesses of an overwhelming victory. Somewhere in the background, manoeuvring these puppets, playing with

their two-penny-ha'penny ambitions, is the Unseen Hand—himself quite possibly some pretended friend of Mr. Lloyd George, since open hostility would by no means suit his cunning strategy. Mark my words, unless you insist upon the eradication of this devilish influence, the nearer you come to peace, the closer will be your approach to the ruin of all your hopes, the utter and irretrievable abortion of all your sacrifices in money, blood, and tears.”

Dr. Ellis Powell, in concluding, stated that Mr. Lloyd George and Mr. Bonar Law had stood between Britain and defeat the previous December at the hands of “the Speyer-clique.” He also further urged that the people should insist on knowing who had “arranged for the appointment of a naturalized German to be a British soldiers’ Judge of Appeal.”

Mr. Arnold White, in addressing the meeting, referred at length to the mysterious way in which Britain had allowed an extension of Norwegian territorial waters from the customary three miles accepted internationally to a four-mile limit. This extra mile allowed great American ships to slip through immune inside Norwegian waters with 10,000-ton cargoes of ore for Germany. He had enquired into this matter and he found that the political heads understood nothing of the significance of the extension of Norwegian territorial waters to which Britain had consented. Those who instigated it, in Mr. White’s opinion, knew exactly what it meant. But for that extension, he added, “it would have been impossible for the great American ships to have carried 100,000 tons of ore last year into Germany.”

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Following on this London meeting questions were asked in the House of Commons on March

13, 1917, inquiring what action the Government proposed to take in the matter. The answer was that no action was proposed.

At the Cannon Street Hotel meeting reported in the *Times* of March 22, 1917, a unanimous resolution called on the Government to close the German banks in London. The chairman, Lord Leith of Fyvie, urged that a commission should be set up to investigate the books of these banks for three years prior to the war. Mr. Ronald McNeill, M.P., in moving the resolution, said that for two and a half years they had endured the shame of seeing the Government carefully fostering enemy interests and enemy influences in the social, commercial and financial life of their country. The Government had financed the whole volume of acceptances of the German banks. What was the aim in doing so? Dr. Ellis Powell in seconding the resolution declared that the German banks in the city were part of a vast organization of betrayal.

The great outstanding fact of the war-time Hidden Hand agitation is that whenever it came to mention of names and specific instances the names were mainly Jewish. Before we go on to consider the more general aspects of our subject we shall in the next two chapters consider certain further episodes of the war and early post-war years.



**Arthur Nelson Field** was born into a prominent family in Nelson on 27 February 1882. His father, Thomas Andrew Hemming Field, had married Jessie Black on 24 May 1881, and Arthur was the eldest of their four children. His grandfather had established the hardware firm Wilkins and Field in 1880, and Arthur's father later became managing director. Thomas Field was also active in politics, serving as a city councillor for six years (two of them as mayor) and as MP for Nelson from 1914 to 1919.

Arthur was educated at Wellington College during a period when his father was managing the Wellington branch of Wilkins and Field. When the family moved back to Nelson, Arthur stayed on and began his career as a journalist. He was a sub-editor on the *Evening Post* from 1901 to 1905, then worked at the *Taranaki Herald*, the *Poverty Bay Herald* and the *Argus* in Melbourne. In 1907 he returned to Wellington to join the *Dominion* as a foundation staff member. He remained there until 1928, apart from a brief period in 1909 (when he was editor and proprietor of the *Citizen*) and service during the First World War. As a private in the Wellington Infantry Regiment in 1915-16, Field was wounded and discharged before joining the Royal Navy. He served on the staff of the commander in chief at Portsmouth and as a sub-lieutenant on the destroyer *Spenser* in the North Sea. Completing his service in 1919, he returned to the *Dominion*.

A well-known journalist, Field wrote a popular column for the *Dominion*, 'Without prejudice. Notes at random', under the pseudonym TDH (Tom, Dick and Harry). He also wrote a history of Nelson province in 1942. However, equally important was his role as a political activist. From January to November 1909 he published his own journal, the *Citizen*, to promote motherhood, eugenics and monetary reform, and to attack 'Maori obstructionists'. After the war he began to take an interest in extreme political movements such as *The Britons*, a patriotic society established in 1919 by Captain Henry Hamilton Beamish; it specialised in publishing the anti-Semitic forgery *Protocols of the meetings of the learned elders of Zion*. Beamish reciprocated this interest and talked of the influence of Field in his own thinking.

In 1928 Field returned to Nelson, where he devoted himself to writing political tracts. *The truth about the slump*, which he published in 1931, went through seven editions by 1942, and was reprinted as *All these things* by a right-wing Californian publisher in 1963. Between 1931 and 1942 Field published at least 10 books or pamphlets, with titles such as *The truth about New Zealand* (1939) and *Why colleges breed communists* (1941). The former was described by its author as the 'secret history of New Zealand' and warned that the country faced 'ultimate bankruptcy and slavery'. A strong theme throughout these

publications, and the explicit focus of at least four, was Field's belief in a Jewish conspiracy to enslave the capitalist and Christian world. He offered such views to the Government Monetary Committee in 1934, and the same year published *The world's conundrum*, in which he claimed to expose 'universal Jewish despotism'. Similar themes were explored in *To-day's greatest problem* (1938). From 1936 to 1939 he edited the *Examiner*, another right-wing newspaper.

Arthur Field was one of a small band of active anti-Semites who combined a belief in a Jewish conspiracy with a commitment to monetary reform. His views were similar to those of Major C.H.

Douglas and particular factions of the social credit movement. Although Field's influence within New Zealand was limited, a number of international activists saw him as an important figure. A.K. Chesterton, a member of the *British Union of Fascists*, and founder of the *League of Empire Loyalists* and the *National Front*, publicly acknowledged his debt to Field, as did Eric Butler, founder of the *Australian League of Rights* and himself the author of a major anti-Semitic book. Several of Field's books were re-issued by American right-wing publishers in the 1960s and 1970s. Within New Zealand, most of the public interest in his publications disappeared with the start of the Second World War, during which his activities were closely monitored by the Security Intelligence Bureau. He continued to write until the late 1950s, however, and in later years was a familiar figure riding about his neighbourhood on an old bicycle.

Arthur Field donated his collection of right-wing and fascist publications to the Alexander Turnbull Library, and the more than 650 items from the 1890s to the 1960s represent one of the most complete collections of such material available anywhere. He never married, and died in a private hospital in Nelson on 3 January 1963.

Paul Spoonley

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