

# WALTON NEWBOLD EXPLAINS:

## HIS SPEECH—HIS OWN:

## HIS VOTE—MOSCOW'S!

[J. T. Walton Newbold, formerly M.P. for Motherwell, who resigned from the Communist Party in 1924, has replied to the article published in the last issue of "The Word," commenting on the strange fact that, whilst he denounced the Austrian loan in one of the most powerful speeches made in Westminster, he voted for the loan and announced his intention of doing so to a somewhat surprised House.—Ed.]

Dear Guy Aldred,

It was good of you to send me a copy of the second number of *The Word*. It was good because it is essential that you should not continue in error and attribute to Willie Gallacher actions and ideas which may injure him, and of which he is—as in so many other respects he has always seemed to me—innocent as a babe new-born.

First, let me revert to the curious episode that intervened between my speech in opposition to the Treasury guarantee of the League of Nations Loan to Austria and my vote in its favour.

Indeed, I am glad that you have raised the matter from the dead and given me the timely opportunity to expose one of the most shameful of the relations of the Soviet Government with international finance capital. It was the discovery of those relations which caused me to cock my ears about one month later when, for the very first time, I went to take my seat on the Presidium of the Comintern.

I had spoken most strongly against the giving of the Guarantee and, then, gone round to the head office of the Communist Party to see Tom Bell. In the street doorway, I met the *liaison* between the Trade Delegation—through which messages and money were transmitted for the Comintern to the Communist Party of Great Britain, viz., Andrew Rothstein. With him was one of the Inkpins and I told them of the business before the House of Commons. To my astonishment I was instructed by Rothstein to vote for the Guarantee.

Years elapsed and I was sitting in Vienna with one of the managers of the Austrian Credit Austalt. It was the summer of 1930. I was a member of the MacMillan Committee on Finance and Industry and travelling on the letters of reference of Philip Snowden and of the Bank of England. I had broached the same query I put that summer to bankers in fourteen countries from the manager of the Clydesdale Bank in Scotland to the Governor of the National Bank of Hungary. Could he see any sign of an alleviation in the crisis, any "let up" of the depression? He was one of the only two out of more than twenty who believed he could—and, next year by that time,

he was one of the more discredited directors of a house that had collapsed and that had come near to bringing down the biggest merchant banks propped up by the Bank of England.

He was most communicative about the big business and the complete satisfaction the house—controlled by Rothschilds—had in respect of financing trade with the Soviet Union!

To my certain knowledge—I lunched with the British *liaison* officer at his private house the day it re-opened after the crash of 1931—the Darmstadter Bank had extended huge credits at long term to the Soviet Union.

More than that. I was returning from Warsaw, via Bucharest, Istanbul, Athens, Belgrade, Vienna, and Prague in the weeks of the political crisis of August and September, 1931. I was doing so at my own charge and had with me letters of reference from eight banks in five countries, not to mention the good offices of two Government Departments in London and one in Paris and the foreign offices of all the members of the Little Entente and of Poland.

Two weeks before, Britain had gone off gold and the banking economists "threw a party" for me in Berlin. Ivan Kreuger's chartered accountant and myself got the economist of the Deutsche Bank in a corner and had a quiet talk. We found the amount that "Germany" had borrowed at three months and lent at five years to the Soviet Government.

When I got home I told the managing director of a banking house that was very hard hit by the collapse of the Austrian and German banks: "My friend! You have had your paws caught in the ice-box by the Bolsheviks!"

And, remembering Andrew Rothstein and his aunt, Zelda Kahn-Coates, wife of W. P. Coates, when I had a book to publish I invariably laid down the rule to my agent: "You must not take it to that very great publishing house." Its name need not be mentioned but it is said in the book trade to be in credit with the branch of the tribe that spread from Frankfurt to Vienna more than a hundred years before it financed the mass production of "Marxism."

Andrew had instructed me to vote a guarantee to the house of Rothschild and so to cheapen credit to the Soviet Union.

Andrew was a queer lad, but then so was his father, Theodore Rothstein. Very few of us knew that he was simultaneously Lenin's representative in London and Russian expert at the Foreign Office to A. J. (later Lord) Balfour.

Gallacher had nothing whatever to do with that vote of mine on the Austrian loan. Like me, he was very uncomfortable about it. But, then, Gallacher was always very uncomfortable about Rothstein, *père et fils*.

Now to another point. You write in all good faith but yet in the most profound error:—

"Newbold, at that time spoke and acted in the same capacity, as Gallacher to-day:

(1) He was amenable to the discipline of the Communist Party, controlled from Moscow."

The secret of my election at Motherwell in 1922 was one that it has all along seemed to me must have been self-evident to every intelligent observer in the West of Scotland. It was identical with that of the election at North Battersea of the only other member of the Communist Party standing then, and for long afterwards, who did not forfeit his deposit, viz., Shapurji Saklatvala when he responded to my invitation to come to Motherwell in November, 1918, that happened which put us both into the Imperial Parliament in 1922... and made us anything but "amenable to the discipline of the Communist Party"—or of the Labour Party. MacDonald and Henderson found us both to be men with the means to persuade them respectively—one of us took the one and the other of us the other—of the desirability of not unduly hindering our return.

A very remarkable telegram was shown to the Secretary of the Motherwell Labour Party. It came from the National headquarters of the Labour Party and, whilst expressing inability to confirm the local party's endorsement, went on to say: "but do nothing to repudiate him."

That was good for three thousand votes. The balance of some five thousand was made up in the main by those who received something stronger than an assurance that my election would be acceptable to the President and Government of the Irish Republic. That message was communicated by a priest of the Church. Much the same thing happened at Battersea. Shapurji Saklatvala moved and I seconded in Imperial Parliament, the rejection of the Treaty with the bastard Irish Free State.

In 1924, J. H. Thomas became Secretary of State for the Dominions and was going to continue to negotiate for the Labour Party when in office with the Irish Free State. He was receiving too much attention from a lady in the county of Derby whose family had always sought to control the M.P. for the county town of Derby. As Lady Cynthia Mosley joined the platform party I reappeared on the floor of the Labour Party Conference from the High Peak of Derbyshire. Eighteen months later, I talked money to the Treasurer and the Secretary of the Labour Party, and in August (on successive Saturdays) I was unanimously selected as Labour Party candidate for the High Peak and sailed from Southampton to see Canada and the banks (not of Newfoundland but of New York) with a letter of recommendation from the member for Derby. Did I go forward for Derbyshire? No. In September, 1927, the Irish Labour Party and Sinn Féin failed by one seat to capture control of Dáil Éireann and I dropped all attempts again to enter or influence the entry of others into your Imperial Parliament.

Now my address is in Eire.

Yours very truly,

WALTON NEWBOLD