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Daniel Larsen, *Plotting for Peace: American Peacemakers, British Codebreakers, and Britain at War, 1914–1917*. Cambridge University Press, 2021

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 Introduction by Justus D. Doenecke, New College of Florida, Emeritus

The 2022 release of the German film “All Quiet on the Western Front” can only lead one to again raise the salient question of whether there was a time in the history of World War I when the carnage could have been stopped. Two works have recently addressed this topic. One is Philip Zelikow’s *The Road Less Traveled: The Secret Battle to End the Great War*.¹ The second is the book under discussion, Daniel Larsen’s *Plotting for Peace: American Peacemakers, British Codebreakers, and Britain at War, 1914-1917*.

Larsen focuses in his work on the role British cryptologists played in sabotaging peace negotiations in 1916 and early 1917. He consulted many manuscript collections, both in Britain and the United States, as well as contemporary and scholarly books and articles. Most importantly, he combed the sparse files of Britain’s naval intelligence director, Admiral Reginald (“Blinker”) Hall. Operating from the Admiralty’s famous Room 40, with an ambiance so ably captured in Barbara Tuchman’s *The Zimmermann Telegram* (1958), Hall arbitrarily withheld information from his own government in his effort to stymie a negotiated peace.²

Larsen’s narrative effectively challenges the myth that Britain’s leaders were never open to American mediation. Indeed, by May 1916, Prime Minister Herbert Asquith, along with Foreign Secretary Sir Edward Grey and Chancellor of the Exchequer Reginald McKenna, fully realized that their nation was going broke. Hence, they avidly sought to end the conflict. They were increasingly stymied by David Lloyd George, who became prime minister in December 1916; Andrew Bonar Law, Conservative party leader in the House of Commons and McKenna’s replacement at the Exchequer the same month; and General Sir William Robertson, chief of the imperial general staff. Larsen finds Lloyd George particularly active in attempting to stifle any negotiations.

Although this commentator has raised questions concerning any possibility of a successful peace conference, he finds Larsen’s account most valuable, particularly in unearthing intelligence material historians have previously overlooked.³ Particularly helpful is Larsen’s in-depth description of Britain’s precarious economic situation, a circumstance that gave the United States maximum leverage in pushing negotiations between the belligerents. Valuable demythologizing takes place as Larsen offers an appreciative treatment of Asquith and of the machinations of his political foes.

The reviewers are extremely favorable to Larsen’s work. Steven Wagner finds it “a superb study” that should be required reading for those curious concerning the diplomatic, political, and economic aspects of the world conflict. Priscilla Roberts calls it a “stimulating revisionist study” of Anglo-American relations, its greatest strength lying in its revelations concerning the inner workings of the British cabinet and Larson’s use of admittedly fragmentary materials from Room 40. To John Milton Cooper, Jr., the book is “excellent,” its strength lying in its thorough research, superior style, and “well-considered and often penetrating interpretations.”

Both Wagner and Roberts offer no criticism in their reviews, whereas Cooper takes issue with some of Larsen’s claims. He questions whether Hall sat on the Zimmermann telegram. The document, which was sent to Mexico in mid-January 1917, proposed an alliance with Mexico if the United States joined the Allies as a full-scale belligerent. Cooper claims that Hall could well have tipped off Foreign Secretary Arthur Balfour, his

¹ Philip Zelikow, *The Road Less Traveled: The Secret Battle to End the Great War* (New York: Public Affairs Press, 2021).

² Barbara Tuchman, *The Zimmermann Telegram* (New York: Viking, 1958).

³ For the problems involved concerning any peace conference, see Justus D. Doenecke, “The Peace That Never Was, 1916–1917: A Review Essay,” *The Historian* 83:4 (2021): 474-488.

former boss at the Admiralty, who almost certainly would have forwarded the news to Lloyd George, the new prime minister. Cooper also questions whether publication of the Zimmermann cable caused President Woodrow Wilson to harden his attitude towards Vienna, making him unreceptive towards any Hapsburg peace move. Cooper does not share Larsen's admiration of Wilson confidante Edward M. House, finding the Colonel to have played a destructive role throughout the war.

Because the reviews of both Wagner and Roberts offer no substantive criticism, Larsen focuses the comments in his response at Cooper's. He remains unconvinced by Cooper's criticisms of House, finding the Wilson adviser to have been resourceful, sophisticated, and relatively trustworthy. Larsen maintains his position that Hall initially kept his knowledge of the Zimmermann cable from the Foreign Office for several weeks. His response offers the intriguing argument that given the rigidity of the belligerents, it is quite possible that any peace conference would have been unsuccessful.

Contributors:

Daniel Larsen holds a permanent Lectureship in Intelligence and War Studies at the University of Glasgow. He previously held a number of fixed-term posts within the University of Cambridge, including University Assistant Professor at the Department of Politics and International Studies, College Lecturer in History at Trinity College, and Junior Research Fellow also at Trinity College. *Plotting for Peace* is his first book, and he has published a number of journal articles in *Diplomatic History*, the *International History Review*, *Intelligence and National Security*, and the *Harvard Law National Security Journal*.

Justus D. Doenecke is Professor Emeritus at New College of Florida. He has written books on the presidencies of James Garfield and Chester Arthur, the Japanese invasion of Manchuria (1931–33), general American diplomacy 1931–1941, the America First Committee, and the anti-intervention movements of 1939–1941 and 1945–1964. His most recent books are *Nothing Less Than War: A New History of America's Entry into World War I* (2021) and *More Precious Than Peace: A New History of America in World War I* (2022).

John Milton Cooper, Jr., worked in British archives in the 1970s, when he wrote a biography of the United States ambassador to Britain under Wilson.

Priscilla Roberts is an Associate Professor of History at the University of St. Joseph, Macau. She specializes in twentieth-century international history, focusing particularly upon transitions of power. Her recent publications include the edited collections, *Hong Kong in the Cold War* (University of Hong Kong Press, 2016); (with Odd Arne Westad), *China, Hong Kong, and the Long 1970s: Global Perspectives* (Palgrave Macmillan, 2017); *Chinese Economic Statecraft from 1978 to 1989: The First Decade of Deng Xiaoping's Reforms* (Palgrave Macmillan, 2022); and *Voices of World War I: Contemporary Accounts of Daily Life* (Bloomsbury Academic, 2023). She is working on a study of Anglo-American think tanks and China policy from the 1940s to the 1990s, and a history of modern higher education in Macau from the late 1970s to 2000.

Steven Wagner, PhD, is Senior Lecturer in International Security at Brunel University London. He is a historian of intelligence, security, empire and the modern Middle East. His book, *Statecraft by Stealth: Secret Intelligence and British Rule in Palestine* (Cornell 2019), offers a new and improved view of British rule in Palestine, through the lens of the intelligence services. Broadly speaking, his research looks at records declassified records in the UK, US, and Israel which shed new light on the story of the Palestine Mandate, but also on the previously unknown role of intelligence in countering terrorism & insurgency, and in shaping British policy.

A Team of Scorpions

This is an excellent book about how the men (no women) at the highest levels of British government behaved during the two and a half years between the outbreak of World War I in August 1914 and United States intervention on their side in April 1917. It is based on wide-ranging and deep-delving research; it is clearly and compellingly written; and it presents well-considered and often penetrating interpretations. That is the good news about this book, and that is the most important thing to take away from it.

Then, as might be expected, there is some bad news. This book touts itself as more than an account of what Britain's top-policymakers did and did not do during that time. As the subtitle states, it purports to be about American efforts to end the war and the influence of British codebreaking operations. Its introduction repeatedly promises a "robust" approach to this subject—with the implication that previous work has not been comparably "robust"—and an approach that will give full attention to economic and financial aspects—with the implication that previous work has not paid sufficient attention. Both sides of this book deserve examination.

First, the good news, and, let me repeat, this far overshadows what I see as the book's shortcomings. The portrait that emerges of the British cabinet in this first period of what their countrymen still call the "Great War" makes fascinating but too often repellent reading. The successive cabinets, under Herbert Henry Asquith, first of the Liberals alone, next in coalition with the Conservatives, and finally in a reconstituted coalition under David Lloyd George, make Abraham Lincoln's Civil War "Team of Rivals" look like a bunch of straight shooters in a mutual admiration society. With their hatreds, backstabbing, underhandedness, resorting to lying, and often willful blindness to unwelcome realities, they look like a team of scorpions. There are few heroes and a phalanx of villains and cowards.

The main heroes are a trio from the Liberal Party. The least likely of them might seem to be Prime Minister Asquith. Larsen lauds him for holding his cabinets together as long as he did. He quotes the secretary to the cabinet and War Committee, Sir Maurice Hankey, writing to Asquith just after his downfall, "The country at present has only a slight conception what it owes to your courage, nerve, tact, unswerving straightness, incredible patience, and indomitable perseverance. History, however, will record it" (314). Given Asquith's prevailing historical reputation, that has not happened yet, and Larsen makes amends. In his view, Asquith kept the leaking, listing British ship of state afloat long enough to be bailed out by the Americans.

Another seemingly unlikely, or at least largely unsung, hero is Reginald McKenna, who served as chancellor of the Exchequer in the Asquith coalition cabinet. Unlike his predecessor, Lloyd George, and his successor, Andrew Bonar Law, McKenna knew his job and was unblinkingly realistic and straightforward in assessing and presenting his country's financial situation. As soon as he took the helm at the Treasury in May 1915, McKenna learned of Britain's massive, ballooning, and imperiling dependence on the United States for food, munitions, and all manner of supplies. Moreover, with help from a young assistant seconded from Cambridge, John Maynard Keynes, he grasped how slender and shrinking was the financial wherewithal to pay for those massive purchases in America. McKenna did his best to apprise his cabinet colleagues of a looming deadline in early 1917 at the latest, when the overseas lifeline would become unsustainable. Unfortunately, McKenna was notoriously tactless and engaged in a thinly veiled blood feud with Lloyd George.

The most likely hero in this affair is the long-time foreign secretary, Sir Edward Grey (after July 1916, Viscount Grey of Fallodon). He has long been recognized and sometimes praised for his solicitousness

toward the United States and his effort toward mediation of the war. Like McKenna, Grey recognized from the beginning of the war the critical role that the Americans would play in sustaining Britain's and the Allies' war effort. He looked beyond finances to comprehend the need to avoid undue friction over the blockade of the Central Powers, and he went out of his way to cultivate warm personal ties with influential Americans, most notably President Woodrow Wilson's advisor Colonel Edward M. House (more about House presently). Until he left the cabinet with Asquith's downfall in December 1916, Grey kept up a running, though tactful and usually understated, battle with hardline militarists in the cabinet, who either discounted or refused to recognize the financial situation and believed that they could treat the Americans any way they pleased. Grey was also a melancholy man without an abundance of personal force, and his weight within the cabinet stemmed from his long previous service as foreign secretary, something that declined as the war went on.

Then, there are the villains of the piece. These were the ones who stubbornly maintained that Britain could and must do everything it might take to win a resounding military victory. They included most of the top military brass and all but a few of the Conservative members of the cabinet and Parliament. Three men stand out as the most consequential actors on this side. They were, in ascending order of importance, Bonar Law, General (later Field Marshal) Sir William Robertson, and Lloyd George.

One of only two non-English members of the cabinet, Bonar Law joined the coalition in 1915 as colonial secretary, by virtue of his having become his party's leader in the House of Commons. Born in New Brunswick and raised in Glasgow after the age of twelve, he struck many as dour, plodding, and unimaginative. His chief role before becoming chancellor of the Exchequer at the end of 1916 was to insist stolidly on fighting on at any cost and usually backing Lloyd George's opinions and schemes. His one truly significant action came, Larsen argues, when as chancellor he showed "the rawest possible political cowardice" by refusing to confront the War Cabinet with the dire financial facts, leaving it "still happily ensconced in its delusions." (262). As chief of the Imperial General Staff, Robertson sat with War Committee and War Cabinet as military advisor and stolidly insisted on maximum military efforts, especially the disastrous Somme offensive of 1916. He also occasionally falsified reports to the cabinet.

That pair paled in malign influence compared to the third member of this trio, Lloyd George. He was the other non-Englishman in the cabinet, being of Welsh origins. Larsen introduces him this way: "Often devious and deceptive, he tended to regard truth as a soft and supple thing, often constituting whatever would best suit his political agenda at any given moment" (27). Not surprisingly, his arch-foe McKenna labeled him "Liar George" (40). In addition, as if conniving and mendacity were not sufficient sins, he showed scant interest in the substance of most policy questions. Seven previous years as chancellor of the Exchequer had left him ignorant and unconcerned about matters of finance. After May 1915, his new post as minister of munitions gave him an open deck to careen his loose cannon around the domains of the Admiralty, War Office, Ministry of Agriculture, and Foreign Office. No one ever gainsaid his manic energies, and he did boost munition supplies mightily. Even that, however, created problems. Lloyd George's profligate purchases in the United States deepened his country's financial hole and hastened the day of reckoning. Those purchases also flooded the army with more weapons than it could adequately use.

The machinations of this team of scorpions take up at least two-thirds of this book, and, in my view, the coverage and analysis of those machinations constitute its best parts and greatest contribution. What about the other areas that the book attempts to cover? There are three of them. Two are stated in the subtitle: *American Peacemakers* and *British Codebreakers*; a third is economics, which Larsen claims has not been adequately appreciated.¹ Let me take these up in reverse order, because that corresponds to the amount of

¹ Attention to Britain's economic condition dates back nearly fifty years. For an early example, see John Milton Cooper, Jr., "The Command of Gold Reversed: American Loans to Britain, 1915–1917," *Pacific Historical Review*, 45:2

attention in the book. Economics is mentioned from time to time, and Larsen has two brief appendices that touch on exchange rates and comparative sizes of different nations' economies. All of this is welcome, but it is not earthshakingly novel and adds only a little to the main story. Other writers, though presumably less "robust," have covered much of this ground already. The main contribution here is to cast a slightly wider net.

Codebreaking takes up more space, although not as much as might be expected. That should not be taken as a criticism, because Larsen acknowledges at the outset that nearly all the records from these operations have been destroyed. What evidence remains comes chiefly from an unpublished memoir by the famed Captain (later Admiral) William Reginald Hall, head of the Admiralty's Room 40.² Actually, that was one of two such operations, the other being the War Office's MI-1 (b), predecessor to MI-5. It may come as no surprise that the two agencies did not share their work with each other.³ A wizened figure with a facial tic that gave him the nickname of "Blinker," Hall appears at intervals as a spectral presence, selectively leaking decrypts to various figures he wanted to influence, sometimes including the American ambassador. In Larsen's view, one consequential such leak came in the fall of 1916 when Hall showed Lloyd George a cable from the American embassy in Berlin that appeared to show President Woodrow Wilson colluding with the Germans. This evidently rendered Lloyd George unreceptive to Wilson's peace moves at the end of the year and soured him permanently on the American president.

Any account of codebreaking in World War I must include the Zimmermann Telegram. Here, Hall takes center stage briefly, as Larsen recounts what he can reconstruct of his doings. He also addresses the two recurring questions that hang over this incident. First, what did Hall do with the initial decrypts that tipped him off to the Germans' intention to resume unrestricted submarine warfare? More pointedly, with whom did Hall share or not share this bombshell? Second, later, what impact did the public release of the telegram have on America's entry into the war? Was this the straw that broke the camel's back for public or congressional opinion or for Wilson?

On the first question, Larsen concludes from all the evidence he can gather that Hall sat on the telegram until after the Germans unleashed the submarines on February 1. This is in line with what Hall's official biographer, his brother officer Admiral Sir William James, concluded nearly seven decades ago in his authorized biography. But Larsen attributes different motives behind this withholding of vital information. James believed that Hall put naval intelligence foremost and would not put ships at risk through possible disclosure of the codebreaking, hence, the elaborate cover-up involving theft of a decoded version from the German embassy in Mexico City.⁴ Larsen argues that Hall surmised that withholding the telegram and then arranging its public disclosure would have greater impact, particularly in discouraging mediation moves and nudging the United States toward war (270, 276).

Given the fragmentary nature of the sources, these can only be speculations, and there are grounds for reaching a different conclusion. On strictly evidentiary grounds, it has to be asked whether Hall's account is entirely trustworthy. Larsen cites examples of Hall's duplicitous behavior at other times besides this one. Moreover, in view of the likely war-altering character of this information, is it conceivable that Hall sat on it?

(1976), 209-230. A more recent addition comes in Niall Ferguson, *The Pity of War: Explaining World War I* (New York: Basic Books, 1998), which, unfortunately, draws some wrongheaded conclusions about that economic situation.

² Hall and Room 40 became known to American readers through Barbara Tuchman's *The Zimmermann Telegram* (New York: Viking, 1958).

³ Cf. the US Army and Navy separately decoding and not sharing decrypts of Japanese codes before Pearl Harbor.

⁴ See William James, *The Eyes of the Navy: A Biographical Study of Admiral Sir William Reginald Hall* (London: Methuen, 1955). Barbara Tuchman follows this interpretation in her *Zimmermann Telegram*.

Many years ago, Sterling Kernek told me that he could not believe that Hall did not tell the new foreign secretary, Arthur James Balfour.⁵ After all, Balfour belonged to the same party as Hall, the Conservatives, and was a former prime minister. For the last year and a half, before moving to the Foreign Office, he had headed Hall's own department as first lord of the Admiralty. If Hall could have safely told anyone, it was Balfour, who would then almost certainly have passed the news on to the new prime minister, Lloyd George.

In this speculative realm, there are bits of evidence that the news about submarine warfare was shared before 1 February. One such bit is a negative inference of the “dog that didn't bark in the night” sort. Those many years ago, at the time Kernek made his remark to me, I was working in the Foreign Office papers for this period. Something that struck me then was the stark contrast between internal reactions to Wilson's opening move in his peace offensive—his December 1916 call for the belligerents to state their war aims—and his January 1917 “peace without victory” address. The first time around, the men in Whitehall went bonkers in their fury at what they saw as a dastardly act of complicity with the Germans. The next time, there was silence, no reaction whatever. Why the difference? Larsen concedes that the Foreign Office seems to have known about the imminent resumption of submarine warfare, but he unconvincingly disputes Arthur Link's interpretation that they were cynically encouraging what they secretly knew was a doomed effort at a compromise peace (276).⁶ To my mind, it seems hard to dispute that the top men in London had solid knowledge that quite soon, in the words of Charles Dickens's Mr. Micawber, “Something will turn up.”

The second question, regarding the publication of the Zimmermann Telegram, likewise involves wading into speculative waters. Hall was his usual shifty self in this phase of the affair. According to Larsen, Hall shared the telegram with known British sympathizers in the American embassy before he passed it on to the Foreign Office. Not waiting for the pilfering operation in Mexico to be completed, he began plotting the most damaging ways to make the telegram public. Not only did he want to stir up interventionist sentiment in America, but he also wanted to spike eleventh-hour mediation moves emanating from Austria-Hungary. Larsen follows other interpreters in discounting the telegram's impact on American public opinion, but he does think it hardened the President's attitudes toward the Central Powers and left him unreceptive toward those moves from Vienna.⁷ My own work on Wilson leads me to doubt both how much stock Wilson put in those efforts and how much of an impression the Zimmermann Telegram made on his thinking as he reluctantly, hesitantly decided to enter the war.

Those days from February to the end of March 1917 are the only time in this book that Wilson looms large. This might seem odd in a work that highlights in its subtitle *American Peacemakers*. It is odd, because there is only one would-be American peacemaker who treads the boards in a major role in this drama: Colonel House. In Larsen's telling, House is another hero of this tale, and the February 1916 House-Grey Memorandum is its finest hour. He concedes that he is working against the grain: “House's undertaking has earned him no end of grief among historians” (74). By contrast, Larsen depicts the colonel as he liked to see himself: a straightforward, resourceful, creative diplomatist who faithfully reflected and transmitted the views of his chief, Wilson. As one who has piled grief on House, I found this depiction of him arresting, with a few commendable aspects.⁸

⁵ Personal conversations with Kernek, summer 1972.

⁶ Larsen is referring to and quoting from Link, *Wilson: Campaigns for Progressivism and Peace, 1916–1917* (Princeton, NJ: Princeton University Press, 1965), 281.

⁷ For Link's interpretation of Wilson's decision for war, see *Wilson*, 390–423. For another interpretation, see Cooper, *Woodrow Wilson: A Biography* (New York: Knopf, 2009), 382–85.

⁸ See Cooper, *Woodrow Wilson*, and Cooper, “A Love Triangle: Woodrow Wilson, Colonel House, and the British,” in William Roger Louis, ed., *Resplendent Adventures with Britannia: Personality, Politics and Culture in Britain* (London:

The problem is, this version tells some of the truth, but far from the whole truth. Absent here is any hint of House's incorrigible conniving and intriguing, which led Jonathan Daniels to call him "that devious son of a bitch."⁹ True, much of House's scheming and backstabbing occurred in Washington, where he persisted in trying to undermine people in Wilson's circle whom he disliked or who he did not think he could manipulate, such as Daniels's father, Secretary of the Navy Josephus Daniels. The colonel did not change his spots when he crossed the Atlantic, where he went behind the back of and disparaged the American ambassador in London, Walter Hines Page. That break was ironic, inasmuch as they shared pro-Allied attitudes and the wish to see their country intervene on that side, but House found Page too blatant and open in his views, while Page scorned House's schemes as "mere aloof moonshine."¹⁰

The most serious effect of House's deviousness in his dealings leading to the famous memorandum lay in the different ways he sold it to different people. Larsen's account depicts this as an effort to end the war through mediation and a peace conference, pure and simple. That was not the case. To various figures in London and Paris he presented his plan as a pretext for American intervention on the side of the Allies. Nor was Page's disgruntled dismissal wide of the mark. This scheme had more than a whiff of fantasy about it, and for the next several months House clung to his brainchild as the only path to mediation. In December 1916, when Wilson did move, House reacted with dismay, and he worked in secret through the Anglo-Irish land reformer and friend of Grey's, Sir Horace Plunkett, to reassure the British that the president did not mean what he said. That move goes unmentioned in this book, as well as House's wail, "It is practically impossible to get the President to have a general consultation."¹¹

For me, not only is this book's depiction of House incomplete and often misleading, but the account of the memorandum leaves major questions unanswered. The main ones are, how seriously did various parties take it and was this a great missed opportunity to end the war? Larsen makes abundantly clear that few in the cabinet besides Grey himself placed much faith in this move. Neither Asquith nor Balfour was willing to throw his weight behind it, and McKenna was not a party to it. Wilson did not endorse the memorandum's interventionist potential, and he later told House that subsequent events rendered it moot. Also, as Patrick Devlin pointed out nearly five decades ago, the War Committee's cold shoulder most likely saved Wilson from political disaster if he had tried to take the US into war on the basis of this suddenly unveiled diplomatic scheme.¹² A year later, the mixed opinions and lack of a pro-war groundswell made intervention a dicey proposition that required all of Wilson's political skill to bring off.

It is a shame to dwell on this book's shortcomings. They affect the lesser parts of its achievement. What Larsen does well is excellent indeed. His account of the team of scorpions who steered and almost sank the British war effort is compelling. This is a must-read book for what it does and one that can be forgiven for what it claims to do but does not.

Bloomsbury, 2015), 239-49, and Inga Floto, *Colonel House at Paris: A Study of American Policy at the Peace Conference 1919* (Princeton: Princeton University Press, 1981).

⁹ Daniels to John Milton Cooper, Jr., 6 September 1977, quoted in Cooper, *Woodrow Wilson: A Biography* (New York: Knopf, 2009), 318.

¹⁰ Diary entry, 13 February 1916, quoted in Cooper, *Woodrow Wilson*, 316. See also Cooper, *Walter Hines Page: The Southerner as American* (Chapel Hill, NC: University of North Carolina Press, 1977), 305-306, 353.

¹¹ House diary entry, 13 December 1916, quoted in Cooper, *Wilson*, 367.

¹² See Lord Devlin Patrick, *Too Proud to Fight: Woodrow Wilson's Neutrality* (New York, Oxford, 1974), 468.

Review by Priscilla Roberts, University of St. Joseph, Macau

In the past year, the US decision to declare war on Germany in April 1917 has come under renewed scrutiny from multiple perspectives. Daniel Larsen's stimulating revisionist study of Anglo-American relations in the preceding years, based primarily upon research in British archival sources, supplemented by assorted US collections, dovetails elegantly with Philip Zelikow's incisive volume on President Woodrow Wilson's policies toward both Germany and the Allied powers, especially Great Britain, in the year preceding US intervention.¹ Zelikow focuses more intently upon the internal dynamics of US and also German policymaking, whereas Larsen concentrates especially upon internal disputes over policy, infighting, and machinations at the highest level of British politics and also the impact of intelligence information, most notably deciphered signals intercepts, upon British and American decisions.

The fundamental argument is quite straightforward: that by the end of 1916, within the top echelons of the British, German, and Austro-Hungarian governments, significant support existed for a negotiated peace settlement that would end the fighting that was steadily draining all the belligerents alike of men, money, and other resources. Meanwhile, Wilson, fearing that ongoing disputes between his own country and Germany over submarine warfare might otherwise drag the United States into the conflict, aspired to serve as the mediator who could facilitate a compromise peace arrangement. In this quest, he was prepared to use the growing economic dependence of the Allied war effort upon matériel from the United States to exert pressure upon Great Britain to open negotiations.

Funded largely by Britain's financial reserves, since 1914 the Allies had been able to purchase massive quantities of war supplies from the United States, goods that had to be paid for in dollars. By late 1916, the British had not merely largely exhausted their own reserves, but were also dangerously close to reaching the limits of whatever credits they could raise in the United States. Various short-term expedients, including loans secured by good collateral and the willingness of the US Federal Reserve Board to roll over short-term credits associated with Allied purchases, had enabled the British Treasury to stretch out available funding longer than officials had initially anticipated. By November 1916, however, despite creative efforts by leading partners of the US bank J. P. Morgan & Company to devise new means of providing additional dollars to finance Allied purchases, the British were scraping the bottom of the barrel. They would soon face an unenviable choice between defaulting on their obligations—something the British Treasury considered unthinkable—or drastically cutting back on their American war purchases, which would in turn hamstring their ability to continue waging war at existing levels.²

At this juncture, as the Morgan firm proposed to issue \$1 billion or perhaps more of unsecured short-term British and French Treasury bills on the US market, to eke out scarce British funds and maintain spending for another six months or so, Wilson chose to intervene. Several members of the Federal Reserve Board, including the chairman, William Proctor Gould Harding, harbored strong reservations over this scheme and wished to issue a statement warning US investors that such securities might be inherently risky. Wilson, whom Harding consulted as to this statement, advised that he would prefer an even stronger document, an announcement advising Americans to bear in mind that all securities issued by any of the belligerent governments might be considered somewhat hazardous and liable to be affected by diplomatic developments.

¹ Philip Zelikow, *The Road Less Traveled: The Secret Battle to End the Great War, 1916–1917* (New York: Public Affairs, 2021).

² See John Milton Cooper, Jr., "The Command of Gold Reversed: American Loans to Britain, 1915–1917," *Pacific Historical Review* 45:2 (May 1976), 221–226; and Priscilla Roberts, "'*Quis Custodiet Ipsos Custodes?*' The Federal Reserve System's Founding Fathers and Allied Finance in the First World War," *Business History Review* 72:4 (Winter 1998), 585–617.

While ostensibly evenhanded, in practice the fact that Germany and its coalition partners were already largely excluded from US financial markets meant that the impact fell disproportionately upon the Allied powers. When the Federal Reserve Board eventually published this warning, on 28 November 1916, the prices of all Allied securities previously issued in the United States fell dramatically. The proposal to issue Allied Treasury bills was withdrawn, as the resulting financial crisis forced the British Treasury to ship over to New York gold from its rapidly dwindling reserves, in order to maintain the sterling exchange rate against the dollar. With funds in short supply, in the following months American exports to the Allies declined abruptly.³

The president's underlying purpose in authorizing and strengthening this announcement was to make the Allied powers more receptive to his impending initiative to call upon all the warring powers to state the minimum peace terms on which they would be prepared to end hostilities. The implicit threat to cut off further US finance was a tactic Wilson devised himself, without any input from his advisers, as a means of bringing at least one side to the negotiating table.⁴ Winston Churchill, Britain's future World War II prime minister, later wrote that during the earlier world war Wilson "played a part in the fate of nations incomparably more direct and personal than any other man."⁵ To a considerable degree, Wilson's prominence was the fruit not just of his undoubted rhetorical ability to frame the conflict and its potential outcome in terms that enshrined a liberal outlook that he believed no other state fully shared, but also of the economic and eventually military power that the United States could bring to bear during and after the war. Even before US intervention in April 1917, the policies that its government chose to follow on such issues as wartime blockades, whether or not to permit and allow Americans to finance the increasingly lucrative war trade with the Allies, and how to respond to German submarine attacks on Allied and neutral shipping in which American passengers died, were of crucial significance to all the belligerent powers. None could afford to ignore the United States, nor to alienate its government to the point where disputes deteriorated into outright warfare.

Within the ruling circles of both Britain and Germany, by 1916 opposing factions existed: on the one side, hard-liners were determined to continue waging war to the bitter end, by all means possible, whatever the cost, almost regardless of the diplomatic, economic, and social consequences that might ensue; and on the other, a less bellicose group believed that their country could not afford to continue the war indefinitely and should begin casting around for potential off-ramps. In both cases, most of the top military figures were wedded to the first view, and could draw on support from likeminded civilian colleagues. In Larsen's trenchant summation: "One set of hardliners was certain to lead their alliance to calamity; the other to be rescued by the other's folly." Unless, of course, the president's efforts to corral all the warring powers into serious peace negotiations proved effective (288).

On both sides, by late 1916 the war had reached a crucial stage in terms of relations with the United States. The Allied powers, primarily Britain but also France, were rapidly exhausting the funds still available to them to purchase war supplies in the United States, which had by then become the source of approximately 40 percent of such matériel. A shipping crisis was also impending, with vessels to carry these goods across the Atlantic increasingly scarce, in part due to the depredations of German submarines. The Allies therefore faced the prospect of being forced within months to cut back on offensive operations and restrict themselves to a largely defensive posture. Among the Central Powers, German leaders were arguing ferociously over whether they should abandon the relatively restricted submarine warfare guidelines they had observed ever since the March 1916 *Sussex* crisis and gamble that, even if the United States responded by entering the war, German

³ Larsen, *Plotting for Peace*, 220-225; and Zelikow, *The Road Less Traveled*, 170-173.

⁴ Zelikow, *The Road Less Traveled*, 173.

⁵ Churchill, *The World Crisis*, 5 vols. (London, Thornton Butterworth, 1923-1931; reprint ed., London: Bloomsbury, 2015), vol. 2, 1123.

forces could deliver a knockout blow to the Allies before the United States could mobilize its full strength. With the Allies defeated, Germany could then negotiate favorable peace terms with the United States. In December 1916, German military leaders prevailed upon Kaiser Wilhelm II to disregard the counsels of Chancellor Theobald von Bethmann Hollweg, who supported opening negotiations for peace, and authorize them, unless circumstances changed and some kind of talks had begun, to launch unrestricted submarine warfare from 1 February 1917. Unbeknownst to their American interlocutors, German would-be peace negotiators were therefore contending with an unstated internal deadline that was liable to sabotage their best efforts.

The window of opportunity was indeed uncomfortably tight. Despite having engaged in some earlier, though unsuccessful, efforts at mediation, in 1916 Wilson was facing an uphill re-election campaign, which he eventually won by the narrowest of margins. However compelling their own inclinations to begin peace talks might have been, European leaders had few incentives to work with him until they knew whether or not he would remain in the White House for another four years. Unlike some of his successors, the president himself was unwilling to spring an October surprise on the electorate by launching a peace initiative during the campaign. Only after he knew on 8 November that he had secured victory did Wilson turn to preparing serious moves to persuade the warring powers to come to terms.

Towards the end of the month, Wilson showed impressive decisiveness in deploying the ever-growing financial dependence of the Allies upon the United States to pressure them to make peace. According to Zelikow, shortly afterwards, the president drafted a proposal not just to ask all the warring powers to lay out the terms on which they would cease fighting, but also to summon a peace conference where all could meet each other. Before issuing a statement to this effect, however, Wilson discussed it at length with Colonel Edward M. House, his close friend and confidential adviser, and ultimately accepted the latter's urgings that he should not call such a gathering. Zelikow depicts House as initially so pro-Allied in outlook that he argued vehemently against any call whatever for peace, until Wilson finally ordered him to desist. Even then, House was at first decidedly dilatory in making any serious efforts to carrying out Wilson's wishes, though eventually he came round to taking these peace moves seriously. Larsen's view of House is rather more favorable, giving him greater credit for good faith in his convoluted negotiations during these weeks with the covert British Foreign Office emissary William Wiseman and the German ambassador, Count Johann von Bernstorff.

Whichever interpretation of House one may decide to accept, Wilson's peace initiative faced obstacles far beyond the reluctance of his perhaps unreliable henchman to give it unqualified support. Two of the greatest strengths of Larsen's account are the new insights it gives into the inner workings and machinations of the British cabinet, and Larsen's deployment of admittedly fragmentary documentary materials intercepted and sometimes circulated by British Signals Intelligence, the famed "Room 40" of British Admiralty operations, headed by Admiral Sir William Reginald "Blinker" Hall.

Larsen delves in great detail into the sometimes shifting views on the war of the wartime British cabinet. According to his analysis, by early 1916, those who recognized the approaching difficulties that would restrict Britain's ability to continue financing the Allied war effort, as well as the constraints that limited further reserves of manpower imposed, included the prime minister, Herbert Henry Asquith, Foreign Secretary Edward Grey, and Chancellor of the Exchequer Reginald McKenna. They were joined by another member of the war cabinet, the former Foreign Secretary and Conservative peer Lord Lansdowne, a member of the cross-party coalition that had been established soon after the war began. More optimistic key political figures, who wished to believe that the impending financial crunch in the United States would ultimately be averted and the Allies would be able to continue their war effort at existing levels, included the radical Liberal David Lloyd George, who served as minister for munitions until Asquith made him secretary of state for war in July 1916; Andrew Bonar Law, leader of the Conservatives; and Edward Carson, leader of the Ulster Unionists. Ranged with the latter was Field Marshal William Robertson, who became chief of the Imperial General Staff

in December 1915. Despite some efforts by House and Foreign Secretary Grey to broker a mediated peace settlement in spring 1916, at that time the influence of the pro-war group prevailed within the cabinet. The British decided to try to deliver a knockout blow on the Western front, resulting in the bloody but inconclusive Somme offensive that began on 1 July 1916 and lasted until November. British, French, and German forces all suffered massive casualties; the long months of offensive warfare likewise depleted the Allies' existing stocks of war matériel, meaning that replenishments from across the Atlantic would be urgently needed to fill the gaps.

As the Somme offensive ground to an end, the ambitious and mercurial Lloyd George decided the moment was auspicious for him to move to oust Asquith as prime minister. Larsen describes in detail, drawing on new material, how after complicated maneuverings, involving intricate negotiations between Lloyd George, Asquith, and other war cabinet members, supplemented by Lloyd George's strategic leaks of confidential information to the jingoistic Northcliffe press, on 5 December 1916 Asquith resigned and Lloyd George replaced him. A few days later, the new prime minister substituted the hardline Bonar Law for the financially knowledgeable McKenna as chancellor of the Exchequer. Overall, Britain's new war cabinet was likely to be less responsive to Wilson's calls for a mediated peace. Interestingly, however, there was one holdout, who seems to have kept open lines of communication with the American president. Larsen argues convincingly that Britain's new foreign secretary, former Conservative Prime Minister Arthur Balfour, maintained a communications back-channel to House through Sir William Wiseman, a military intelligence operative who was apparently also reporting back to the Foreign Office.

Even so, Asquith's fall from power represented a serious setback to Wilson's peace initiative. Lloyd George, who was temperamentally ill-equipped to recognize the precarious position of Allied finances in the United States, was far less willing than his predecessor to entertain the possibility of a compromise peace settlement. Not least because he harbored suspicions that Wilson was colluding with Germany against the Allies. This was an outlook deliberately nurtured by Sir Reginald Hall of naval intelligence, another hard-liner who believed that the Allies must wage war to the finish against Germany. According to Larsen, during 1916 Hall selectively leaked to Lloyd George morsels of German intelligence intercepts that seemed to demonstrate—inaccurately—that the president was working with Germany to block any Allied victory.

Early in the war, the British cut Germany's underwater telegraph wires, forcing their opponents—and indeed other powers—to route sensitive diplomatic and naval cables through neutral Sweden, where British operatives were able to intercept them. Much of the information retrieved was technical though extremely valuable information on German naval vessel movements. Some, however, had important diplomatic ramifications. The British were indeed eavesdropping on US diplomatic communications, not just on those of Germany and Austria-Hungary. As Larsen correctly indicates, many Room 40 files were later destroyed, meaning that any surviving intercept evidence is fragmentary. Favored recipients within the British government were also instructed to destroy any such communications that Hall saw fit to share with them; as is often the case, at times part or all of these messages escaped unscathed. Enough traces were left for Larsen to conclude that, in the months immediately preceding American intervention in the war: "Intelligence... continued to serve the British poorly. Its politicized nature impaired, rather than improved, British decision-making" (278).

What is clear is that Hall was very far from being simply a neutral purveyor of information. In the internal British battle between supporters of a negotiated peace settlement and those favoring all-out war to the finish, ideally with full-scale backing and assistance from the United States, he was most definitely in the second camp. Hall's greatest contribution to ensuring such an outcome was his role in intercepting and eventually sharing with US officials a telegram dispatched in mid-January 1917 by German Foreign Minister Arthur Zimmermann to the German ambassador in Mexico, encouraging the latter country to declare war on its neighbor and regain territory in Texas, Arizona, and New Mexico that had been lost to the United States

during the Mexican-American War of 1846–1848. In considerable part because he wished to conceal from the recipients that the British were decoding American telegrams, it was another month before Hall passed on this missive on 19 February 1917 to a sympathetic but somewhat skeptical junior diplomat in the US Embassy in London, and then to the ambassador, Walter Hines Page. At the beginning of the month, on 1 February, Germany had declared the resumption of unrestricted submarine warfare targeting neutral as well as belligerent vessels. Even so, until Zimmermann confirmed on 3 March that he had indeed sent this telegram, doubts lingered as to its authenticity. Its impact seems to have been particularly intense upon Wilson himself, who interpreted it as evidence of German bad faith in the preceding eight or nine weeks of peace talks (298-300).

As this episode suggests, Larsen is particularly insightful on the intersection in December 1916 and January 1917 of British and German peace discussions with Wilson, talks generally conducted at arm's length through House, with each party reporting back—not always entirely accurately—to principals in Washington (Wilson), London (Balfour), and Berlin (Bethmann Hollweg). Although British officials apparently anticipated that Germany was likely to resume unlimited submarine warfare in the near future, not until they decrypted the Zimmermann Telegram and another accompanying message of 19 January 1917 did they learn that 1 February 1917 was the specific deadline German naval and military authorities had decided upon. Hall and his colleagues then waited to see whether or not Germany would finally take action and how the United States would respond. Meanwhile, with a dexterity that in less serious circumstances might have seemed reminiscent of a French farce, House juggled his multiple successive encounters with both Wiseman and von Bernstorff. Larsen is excellent in recounting the intricacies of these dealings, not least the degree to which, in their eagerness to facilitate peace talks, each party involved sometimes exceeded his brief.

In addition, even as the twin efforts to persuade Britain and Germany to come to the negotiating table were in progress, parallel conversations with representatives of Austria-Hungary were likewise underway. In November 1916, the young Emperor Karl inherited the throne from his great-uncle Franz Joseph. Conscious of the growing fragility of his own empire and fearful that, if the war continued much longer, the multi-ethnic state he headed would disintegrate, the new monarch pushed hard for the opening of serious peace negotiations. In December, Count Ottokar Czernin, the Austro-Hungarian foreign minister, made overtures independently to both the British and US governments, to explore potential peace terms. Unfortunately, Larsen argues, “Neither country appreciated just how far the other was prepared to go in the pursuit of peace” (285). The Austrians were not privy to the ongoing negotiations between Germany and the United States; nor did they recognize the degree to which Wilson was willing to exert financial pressure upon the Allied powers to persuade them to join in a peace conference. Even after Germany declared unlimited submarine warfare and the United States broke diplomatic relations, handing von Bernstorff and his diplomatic subordinates their passports to return home, which they did on 14 February, discussions with Austria-Hungary continued. Wilson hoped that Karl and Czernin would exert pressure on Germany to show moderation in practice in waging submarine warfare and to reconsider the possibility of a negotiated peace. Only after the release of the Zimmermann Telegram did Wilson lose all hope in this strategy of using one Central Power to persuade the other to choose the pathway for peace.

Larsen concludes that even in the final weeks before the United States declared war on Germany on 6 April 1917, various opportunities for a negotiated peace still existed. He considers it regrettable that the United States insisted on formally breaking relations with Germany at the beginning of February 1917. Had the Germans been prepared to exempt US ships from submarine attacks (as in practice they did for around six weeks), it is doubtful if Wilson would have pushed the breach in diplomatic relations to outright warfare. In late February 1917, the Austrians actually proposed such an arrangement to Germany, while making an offer to Wilson to begin confidential peace negotiations with a representative of the Allies in a neutral country. By then, however, the president's position had hardened and he expected Austria-Hungary to do more,

demanding that its leaders abandon Germany and seek a separate peace. Nor does he seem to have been aware that for much of 1917 Austria continued to send out peace feelers to Italy.

Larsen offers a fascinating exercise in counterfactual history, a chronicle of missed chances and opportunities where the outcome might have been different and the Great War ended potentially almost two years earlier. It seems that neither US officials nor German leaders recognized quite how serious the Allied financial situation had become, to the point where, had the United States not declared war on Germany, by summer 1917 the Allied war effort was likely to falter dramatically. Even so, Wilson apparently realized that he was in a position to use Allied economic dependence upon the United States to compel the Entente Powers to open serious peace negotiations. By this point, leading policymakers in Austria-Hungary were convinced that, once neutral mediators succeeded in convening a peace conference, “popular opinion would make it impossible for any power to leave it.” Top leaders in the United States and Britain concurred. (316-317). In each of the countries involved, however, powerful countervailing political factions existed, for whom waging war at full throttle had become virtually an end in itself, not merely a means to an end. Their triumph in spring 1917 ensured that the conflict would grind on relentlessly for a further eighteen months, killing or permanently maiming millions more soldiers and civilians and devouring resources of all kinds. In Russia, Germany, Austria-Hungary, and Turkey, the prolongation of the war would also precipitate the collapse of existing political regimes, together with the breakup of the Habsburg and Ottoman Empires and the emergence of a radical communist government in Russia.

One can only speculate as to the precise details of whatever settlement might have emerged from the crucible of a mediated peace conference. Addressing the US Congress on 23 January 1917, when he still believed his efforts to initiate peace talks might succeed, Wilson spoke eloquently of the need for a “peace without victory,” warning; “Victory would mean peace forced upon the loser, a victor’s terms imposed upon the vanquished. It would be accepted in humiliation, under duress, at an intolerable sacrifice, and would leave a sting, a resentment, a bitter memory upon which the terms of peace would rest, not permanently, but only as upon quicksand.” He described at length the “organized, common peace” arrangements he envisaged, terms that would be sufficiently acceptable to the United States to allow it to join in guaranteeing these by adhering to a new international organization, a “League for Peace.” Among those he believed “essential” were the equality of nations, large or small; and “the principle that governments derive all their just powers from the consent of the governed, and that no right anywhere exists to hand peoples about from sovereignty to sovereignty as if they were property.” The president also came out in favor of the creation of an independent Poland; religious freedom and toleration; freedom of the seas; and arms limitation. Claiming to be “speaking for the silent mass of mankind” and for “liberals and friends of humanity in every nation and of every program of liberty,” Wilson envisaged replacing the existing international system based on a balance of power and “entangling alliances” with “some definite concert of power which will make it virtually impossible that any such catastrophe should ever overwhelm us again.”⁶

In statements some historians have accepted at face value, Wilson himself subsequently claimed that his objectives and his support for “peace without victory” remained unchanged throughout the war. But in reality, his position shifted massively. Larsen highlights the impact of the Zimmermann Telegram in convincing the president that Germany could not be trusted, setting him on a course that would within weeks lead to him to request from Congress a declaration of war against Germany. The impact of the president’s personal sense of betrayal was indeed profound. John A. Thompson argues convincingly that “[i]t was only for a few weeks in 1916–17 that ‘a peace without victory’ was actively pursued as the objective of US policy.” Once the United States had become a belligerent against Germany, Wilson believed that any lasting peace

⁶ Woodrow Wilson, An Address to the Senate, 22 January 1917, *The Papers of Woodrow Wilson*, 69 vols. (Princeton, NJ: Princeton University Press, 1996-1994), 40:533-539, quotations from 536, 538, 539, 533.

settlement was dependent upon the conclusive defeat of Germany, ideally in circumstances that would prompt regime change. Peace on the basis of the *status quo ante* was no longer acceptable to him. When British Premier Lloyd George and many liberals, including members of the British and American delegations to the Paris Peace Conference, criticized the terms of the draft Treaty of Versailles as unduly harsh, Wilson chose to stand firm and make only minor concessions.⁷

Here, Wilson's disillusionment with Germany following the Zimmermann Telegram and his consequent disenchantment with continued efforts to pursue the cause of peace may have been crucial. The fact that the telegram even reached the president was the outcome of the skills of British signals intelligence in intercepting and decrypting top-level international cable traffic, confirmation of Larsen's belief that the input and impact of such intelligence work is a neglected but vital part of the entire story. The arrogance of the new German foreign secretary in confirming that he had indeed authored this missive, thereby confuting initial US skepticism as to its authenticity, compounded the damage.⁸ However unwittingly, British and German hard-liners effectively worked in tandem to sabotage any potential for peace.

The limited and finite timeframe of this window of opportunity makes still more poignant Larsen's story of a missed chance for peace. One can only speculate whether the world would have been better off had moderates among the Allied and Central Powers prevailed, so that the Great War had ended in a negotiated settlement some time in 1917. Much would have depended on the details of the arrangements the warring powers managed to reach. A 1917 conference might have produced a resilient and enduring peace, but there were other possibilities, not least that of a hastily negotiated deal that represented only a temporary truce. However deep popular and elite revulsion against war may have run in the aftermath of World War I, just twenty years after the Paris Peace Conference ended, conflict once more engulfed not Europe alone but much of the entire globe. Much, too, might have depended on whether the international "League for Peace" that many liberals supported by 1916 had come into being at the conference, and whether Wilson then proved successful in steering US adherence to this novel organization through the shoals of his own country's political system. His failure to do so in 1919–1920 suggests that the process might have been neither easy nor straightforward.

What is clear is that late 1916 and early 1917 represented a crucial hinge moment in the First World War. Money, supplies, shipping, and ultimately manpower from the United States would enable the Allies to win a conclusive victory, as opposed to at best facing a stalemate. The fixation of German military leaders on launching unlimited submarine warfare and their insouciant confidence that the economic and military capabilities of the United States presented a negligible threat to their plans brought their country's defeat, the abdication of Kaiser Wilhelm II, and a much harsher peace settlement than Wilson contemplated during his 1916–1917 initiative. The impact of defeat in war brought the disintegration of the Austro-Hungarian and Ottoman Empires. In Russia, where in February 1917 wartime reverses brought the abdication of Tsar Nicholas II and the establishment of a liberal provisional government headed by Aleksandr Kerensky, the Allied decision to continue fighting and further military setbacks led to Kerensky's replacement in late 1917 by a revolutionary socialist regime directed by Bolshevik leader Vladimir Lenin. In the brutal civil war that ensued in Russia, a further 7 to 12 million people would die.

This was also a crucial hinge moment for the international system. Even though Britain, France, and Italy emerged as nominal victors in the war, all three Allies were seriously weakened. Economically, the United

⁷ John A. Thompson, "Woodrow Wilson and 'Peace Without Victory': Interpreting the Reversal of 1917," *Federal History* (2018), 9-25, quotation from 25.

⁸ Anthony Delano, *Guy Gaunt: The Boy from Ballarat Who Talked America into the Great War* (North Melbourne, Australia: Arcadia, 2016), 216-217.

States was now the world's strongest power. The City of London was forced to recognize that in terms of resources it could no longer match the financial pre-eminence of New York. All the Allies were heavily indebted to the US government, loans that had to be in substantial part repaid. European states were likewise forced to look to the United States for funds to finance their postwar reconstruction. Early proposals for ambitious collaborative public-private ventures that prefigured the Marshall Plan foundered when the US government proved unsympathetic, but private US bankers provided much of the capital that funded European recovery efforts during the 1920s.

The Allies likewise looked to the United States for their own continuing security. At Wilson's urging, the 1919 Paris Peace Conference established the League of Nations, the organization upon which he pinned so many hopes in terms of reforming the existing international system. Ironically, the United States then abstained from joining the new body, as Wilson failed to win enough votes for American membership from the US Senate. But this did not mean that the United States was absent from Europe's consciousness. The origins of the North Atlantic Treaty Organization can be traced back to a draft treaty negotiated at the 1919 Paris Peace Conference whereby the United States and Britain agreed to guarantee France's security. Ultimately, this accord became a secondary casualty of the Senate fight over the League of Nations. But French and even British officials floated several similar suggestions during the 1920s, one of which resulted in the Franco-American Kellogg-Briand Pact of 1928 that sought to outlaw war.

More broadly, as Zara Steiner's massive histories of the period demonstrate, throughout the interwar years, when European statesmen deliberated, they invariably bore in mind the likely reaction from and potential involvement by the United States in any policies or moves they undertook.⁹ No diplomatic or international economic venture was likely to be launched without careful calculations of the ramifications in terms of the looming presence or sometimes absence of the United States, as it pursued policies that Joan Hoff and Frank Costigliola have characterized as "independent internationalism" or "unilateral internationalism."¹⁰ More often than not, Europe's leaders sought to persuade or entice the United States to take a greater role in the continent's affairs, pleas to which a corps of individuals—Colonel House among them—from the American political, business, and intellectual elites were often receptive. Decisions made by Wilson—often based on incomplete information—in the key period between November 1916 and April 1917 had made his country into a key player in Europe. While the role of the United States in interwar European affairs was far more modest than it would become during and after the Second World War, the United States found that it could never really go home again.

⁹ Zara Steiner, *The Lights That Failed: European International History 1919-1933* (Oxford: Oxford University Press, 2005); and Zara Steiner, *The Triumph of the Dark: European International History 1933-1939* (Oxford: Oxford University Press, 2011).

¹⁰ Frank C. Costigliola, *Awkward Dominion: American Political, Economic, and Cultural Relations with Europe, 1919-1933* (Ithaca, NY: Cornell University Press, 1985); Joan Hoff, *A Faustian Foreign Policy from Woodrow Wilson to George W. Bush: Dreams of Perfectibility* (Cambridge: Cambridge University Press, 2007); and Joan Hoff Wilson, *American Business and Foreign Policy: 1920-1933* (Lexington: University Press of Kentucky, 1971).

Review by Steven Wagner, Brunel University London

“What was a little spying between friends?” (296). Daniel Larsen aptly summarises the Anglophilic attitude of the American ambassador in London, as he chose not to explain to President Woodrow Wilson that Britain was probably spying on his communications. Doing so, Larsen best illustrates his portrait of Prime Minister David Lloyd George: Britain’s blundering, reckless, but ultimately lucky leader, who leaked his access to American cables to the American ambassador and jeopardized that source—and Anglo-American relations—as Britain anticipated a borrowing crisis. Ambassador Walter Page never reported this information, Larsen concludes, because he supported Britain and wanted America to join the war on its side. He had in hand the infamous Zimmermann Telegram, which outlined intercepted German instructions to offer Mexico an alliance against the United States. He dared not cause Washington to distrust Britain as much as it was about to distrust Germany.

Larsen offers a major revision of diplomacy during the Great War. *Plotting for Peace* integrates economic, political, diplomatic, and the previously under-explored secret side of this history: that of intelligence. This book is simultaneously an appeal to revive diplomatic history, and part of a growing trend in military history to blend fields and methodologies to produce a more comprehensive picture.¹ Larsen leads his readership through connections between the personal and social as they impact high policy. Personal friendship and animosity, often illustrated by personal papers, are skillfully used to underscore Larsen’s arguments, which have not been well explained in the past by more traditional approaches to this topic.² The economic history of the war is core to this story; its relationship to British parliamentary and cabinet politics, and between those and Anglo-American relations, comprise the complicated web which *Plotting for Peace* illuminates. As the conclusion summarizes nicely: “Diplomacy gives us the *what*; economics, the *why*; politics, the *how*; and intelligence, much of the *why not*.” (318)

Intelligence binds these pieces together, explaining the previously inexplicable, and complicating our understanding of the special Anglo-American relationship, which is usually portrayed as exceptionally warm. Here we are shown mountains of evidence of suspicion, and of subterfuge. The Zimmermann Telegram, which is well-known even outside scholarship by now, is also the subject of historiographic correction.³ Larsen contends, correctly, that it did not bring America into the war, nor did it bring America in sooner, but rather put an end to Wilson’s faith in a negotiated settlement since it proved German duplicity, as Germany simultaneously sought to open a front on the Rio Grande, restart unrestricted submarine warfare, all the while authorizing its ally, Austria-Hungary, to make peace overtures for which it promised attendance at a conference. Larsen spares no effort to show us the historical accidents which led to this moment: that America’s entry to the war and rescue of the Entente’s financial position resulted from a concatenation of

¹ For example, Laila Parson’s recent book blends military, social and political history in a biography. Laila Parsons, *The Commander: Fawzi al-Qawuqji and the Fight for Arab Independence, 1914–1948* (New York: Hill and Wang, 2016). Also blending social and military history is Nir Arielli, *From Byron to Bin Laden: A History of Foreign War Volunteers* (Cambridge, Massachusetts: Harvard UP, 2018). Larsen’s main target is the methodologically similar Nicholas A. Lambert, *Planning Armageddon: British Economic Warfare and the First World War* (Cambridge, MA, USA: Harvard University Press, 2012).

² See for example Professor Keith Neilson, *Strategy and Supply: Anglo-Russian Alliance, 1914–17* (London ; Boston: HarperCollins Publishers Ltd, 1984); Kathleen Burk, *Britain, America and the Sineews of War, 1914–1918* (London: G. Allen & Unwin, 1985).

³ Patrick Beesly, *Room 40: British Naval Intelligence 1914–18* (San Diego: Harcourt Brace Jovanovich, 1983); Barbara W. Tuchman, *The Zimmermann Telegram* (New York: Viking Press, 1958).

German and British blunder. Britain used intelligence to its advantage, perhaps tipping the scales in its favor, despite the best efforts of its Prime Minister to ruin that possibility.

It seems to me that most other major works on the Great War which emerged since the centenary have acknowledged the endless volumes which exist already, yet offer relatively minor revisions.⁴ Not so for Larsen's ambitious work, which offers a serious retelling of multiple stories. This includes a significant retelling of the diplomatic history of the war, thanks to the prism of signals intelligence, which sheds new important light on the topic. Second, Larsen revises the economic history of the war, telling the story of Britain's financial and supply problems told through the perspective of cabinet-level debate and disagreement, especially as recorded in private papers.⁵ He singles out Lloyd George in particular for his poor grasp of economics and his reckless approach to both Anglo-American relations and finance. Historians of war and diplomacy tend to shy from economic history, and Larsen's integration of these stories makes for both a compelling argument, but also sets a high methodological standard.

It helps to be well-read on the Great War, especially British and American diplomacy. The book is dense with information, rich in storytelling, but complicated. Perhaps more illustrations of the relationship between borrowing, exchange, supply, and trade would be helpful. Larsen has unpacked these complications as best as any of us could. *Plotting for Peace* uses intelligence as a prism, breaking apart this exceedingly complex story into its spectral components (economy, trade, diplomacy, war policy). It is a truly original take on some well-trodden problems.

Larsen upsets a more recent tendency to portray Wilson's policy as idealistic.⁶ In fact, although not strictly cynical, the balance of interests facing the White House was equally complicated as in Whitehall. This is perhaps the fulcrum of Larsen's story: The question of American foreign policy, which Larsen says is the core of his argument, deeply influenced British cabinet discussions. It is clear from this reading that the cabinet took seriously the possibility of a peace conference in 1916, and that supporters of this idea were neither dissidents nor fools, but represented the prevailing view in Herbert Henry Asquith's government.

Another important junction in this book is the relationship between Britain's trade, its supply of its allies, and the internal debates about the size of the army. These points held its alliance together, but also meant the death of the Asquith government and the increased pressure on American intervention (made necessary by the War Council's political victory, which sought to grow the army and continue to arm France and Russia). Larsen's unsparing treatment of Lloyd George, especially by page 140, makes clear how dangerous a situation Britain was in during 1916 and until America's entry to the war.

On the intelligence studies front, we are left with some important new research questions. In this book a number of examples illustrate the psychological problems inherent to communications security, which are often noted but not explored in intelligence studies. For example, on page 172, I am left wondering why the Americans did not make the connection between Lloyd George's "fight to the finish" statement and

⁴ Two examples among many include Margaret MacMillan, *The War That Ended Peace: How Europe Abandoned Peace for the First World War* (London: Profile Books, 2014); Christopher Clark, *The Sleepwalkers: How Europe Went to War in 1914* (London: Penguin, 2013).

⁵ Paul Kennedy, *The Rise and Fall of the Great Powers* (London: William Collins, 2017); Niall Ferguson, *The Pity of War: Explaining World War I* (New York, NY: Basic Books, 2000); Martin Horn, *Britain, France, and the Financing of the First World War* (Montreal; Ithaca: McGill-Queen's University Press, 2003).

⁶ Erez Manela, *The Wilsonian Moment: Self-Determination and the International Origins of Anticolonial Nationalism* (Oxford: Oxford University Press, 2007); Amos Perlmutter, *Making the World Safe for Democracy: A Century of Wilsonianism and Its Totalitarian Challengers* (Chapel Hill, NC: University of North Carolina Press, 2000).

American communications with Germany about peace overtures. This obviously deviates away from diplomatic history and toward intelligence and security studies—but these fields are ridden with such examples in signals intelligence where obvious connections are missed, and where security is taken for granted.⁷

British Signals Intelligence (SIGINT) directly informed Lloyd George’s “fight to the finish” line, offering a superb example of the power of both the SIGINT and the diplomatic spoiler here. This represents strong agreement that the war should end soon, by conference, yet a faction of the British cabinet with access to German and American communications refused to let it proceed. It is from this moment that the destruction of the four empires, which all parties expected to survive, could be traced. Perhaps Larsen understates the historiographic importance of this moment.

I enjoyed, in the conclusion, Larsen’s play with the counterfactual—it is an effective means to illustrate the many complicated variables in the book. This is especially so for the unpredictable variables: the haphazard, dilettante, chaotic, arrogant, reckless leadership in the UK leads the reader to remarkable contemporary analogies. The conclusion on page 309 plots a lineage for this trait. Just because luck and conviction have worked out for Britain (in the face of better wisdom), does not mean it always will.

Plotting for Peace is a superb study of Anglo-American diplomacy during the Great War, and so much more. It is required reading for students and scholars of diplomatic, political, and economic aspects of the war.

⁷ The most recent survey of SIGINT in the Great War is found in John Ferris, *Behind the Enigma: The Authorised History of GCHQ, Britain’s Secret Cyber-Intelligence Agency* (London: Bloomsbury, 2020).

Response by Daniel Larsen, University of Glasgow

Let me begin by thanking John Milton Cooper, Jr., Priscilla Roberts, and Steven Wagner for their thoughtful and careful reviews of my book, Justus Doenecke for his introduction, and Tom Maddux and Diane Labrosse for their efforts in facilitating this roundtable. It is a tremendous privilege to engage with such an estimable group of scholars, and I am very grateful to all of them.

I am delighted that all three reviewers think highly of my book. *Plotting for Peace* began its life as an effort to integrate signals intelligence into diplomatic history—looking at the British breaking of American codes during the First World War—and then took on a life of its own. Ultimately, I sought to weave together economic, political, diplomatic, and intelligence history to make a much broader argument about American peace diplomacy, British politics, and the broader Anglo-American relationship during 1914–1917. I am pleased that all of the reviewers find this combination compelling. This combination of approaches means that the reviewers’ points cover a very wide range of topics, so let me continue by taking each of these four historical subfields in turn.

At the center of my argument lies an economic story: Britain’s attempt to rely heavily on the American economy to provide the war supplies that the Allies needed. It is gratifying that the reviewers accept my economic arguments. I must politely disagree, however, with Cooper’s contention that there is little new in the book’s treatment of the Anglo-American economic relationship. It is certainly true that American diplomatic historians have reported the British Treasury’s dire assessments of Britain’s finances—including Cooper’s own excellent article on the subject from 1976.¹ But the historiography focusing on the British side has tended to treat these financial warnings very skeptically (5). Niall Ferguson in particular recently reiterated an argument that British assets remained plentiful by 1917, and so we should dismiss altogether the Treasury’s anxieties as “histrionics.”²

To resolve this debate, I approached this problem quantitatively, and I show precisely why the Treasury’s early warnings of disaster turned out to be wrong (63-64, 124-126). This allowed me to demonstrate why the November 1916 warning was accurate (196-198, 266-267, 283-285). Despite the support of J.P. Morgan & Co. and a few other US firms, American financial markets simply refused to lend the British anywhere close to the necessary dollars. The British, therefore, sought to raise these funds by liquidating assets: shipping gold and collecting up Britons’ privately owned US stocks and bonds. The latter was more important than the former, and the British government had about \$4 billion worth of these assets that could be reliably liquidated in the United States. Once this finite sum was exhausted, however, these enormous British-funded purchases in America would have to be radically reduced. In a seemingly small but nevertheless important point of difference, Roberts implies that Britain might have been able to continue its vast American purchases if only the British Treasury had been willing to take the unimaginable step of defaulting on its obligations. But once Britain’s ability to liquidate assets in the United States was exhausted, the question was not *whether* this radical reduction would happen, but only *how*: with a managed landing or a financial crash.

It is true that Britons owned investments not merely in the United States, but across the world. Vast amounts of non-US investments remained in British hands at the beginning of 1917. Ferguson contends that the

¹ John Milton Cooper, Jr., “The Command of Gold Reversed: American Loans to Britain, 1915–1917,” *Pacific Historical Review* 45:2 (1976): 209-230, DOI: <https://doi.org/10.2307/3638495>.

² Niall Ferguson, “How (Not) to Pay for the War: Traditional Finance and “Total War,” in Roger Chickering and Stig Förster, eds., *Great War, Total War: Combat and Mobilization on the Western Front* (Cambridge: Cambridge University Press, 2000), 409-434 at 422-424; Ferguson, “All the Difference: The Peacemaking Initiative that Failed, at Vast Cost,” *Times Literary Supplement*, 9 April 2021.

Treasury was therefore wrong to be alarmed.³ But this ignores the distinction between “marketable” and “unmarketable” assets: in this period, American investors were very happy to purchase large amounts of US securities, but they had very little interest in purchasing non-US securities. These plentiful non-US assets therefore did the British little good:⁴ most American investors simply refused to buy them (43-44). By early 1917, the \$4 billion of Britain’s pre-war US assets was nearly exhausted (266-267, 283-285). I am certain, therefore, that Britain was then standing at the edge of a profoundly dangerous financial precipice. I regard this economic certainty as a central contribution to the literature, and it underlies all of my political and diplomatic judgements.

This American economic conundrum set up a fierce battle within British politics. One faction within the cabinet accepted the reality of Britain’s economic limitations, while a second faction clung to fantasies of British financial invincibility. Almost all of the key British political fights from late 1915 to 1916 can be traced back to this fundamental fault line. I am grateful for Cooper’s memorable turn of phrase, “Team of Scorpions”: this is a wholly accurate description of the maneuvering, backstabbing, and mendacity that dominated British politics in this period.

I would nevertheless want to qualify Cooper’s account of my “heroes” and “villains.” It is certainly true that H.H. Asquith, Reginald McKenna, and Sir Edward Grey come out much better in my book than do Andrew Bonar Law, William Robertson, and David Lloyd George. But they all were flawed men with virtues as well as foibles. McKenna and Asquith were far from perfect: McKenna was a poor political advocate for the Treasury and made a major avoidable error in May 1916 (124-126); Asquith was ground down by his time in office, and allowed his government’s decision-making apparatus to become overwhelmed in late 1916 (189, 241). Bonar Law I generally see as an honest man of good intentions. Lloyd George undeniably had successes; in part, he comes out so poorly in my book because none of his successes is particularly central to my narrative. Ultimately, however, I view Britain’s grave American economic problem as the single most pressing question facing the British war effort during late 1915 to early 1917. The Asquithians were right about this problem, while Lloyd George, Bonar Law, and the military leadership were wrong—and they nearly lost Britain the war in the process. My historical judgements flow accordingly.

Into this toxic British political brew stepped American peace diplomacy. The US leadership aimed to leverage American power to bring the First World War to a close—and a number of British leaders, alarmed by the economics, were surprisingly receptive to these American overtures. The driving force behind American peace diplomacy was President Woodrow Wilson’s chief personal advisor and confidant, Colonel Edward M. House. With historians long having believed that the British had no interest in House’s overtures, House has for decades been derided as a delusional fantasist who hopelessly misled Wilson about the European situation. But British leaders *were* genuinely interested: House’s reports to Wilson about British thinking, I show, are fully corroborated in British archives. House therefore undergoes significant rehabilitation in my account. Ultimately, he was an imperfect but resourceful and sophisticated diplomatist who correctly assessed American power and had a unique talent for inspiring trust.

I knew this account of House would be controversial, and so Cooper’s relatively limited critique of it, centering mainly on House’s morality, actually I think reflects considerable progress. It is true that in comparison with Wilson’s great moral pronouncements, House’s behavior falls short. But compared with the scorpions in London, the charge of “deviousness” against House seems almost quaint. House almost always

³ See note 2.

⁴ These non-US investments were not *completely* useless—a small amount was used in British collateral loan operations in late 1916 and early 1917—but the fact that Americans did not want them made them very difficult to deploy (166, 266-267).

told the truth. He well understood that a reputation as a liar would seriously damage his relationships. On the rare occasions when House actually did lie, it was typically about relatively trivial points about which he thought he would never be caught out.⁵ But he certainly was a selective truth-teller: he always made very careful decisions about exactly how much of the truth he would tell, and to whom. House invariably sought to present the truth in such a manner as to best achieve his political and diplomatic ends. But this is hardly “deviousness” inasmuch as it is simply *politics*—and House was very good at it.

House was trying to sell American mediation to the British and French. This obviously required him to emphasize the aspects of his scheme that were most favorable to them: diplomats do not get what they want by offering candid assessments of pros and cons. I do not agree with Cooper, however, that House *misrepresented* his scheme to Britain and France. Sir Edward Grey perfectly understood that implementing the House-Grey Memorandum could result in what Grey called “a decent peace” (108). I see nothing in the historical record to suggest that House ever promised otherwise. House’s conversations in Paris gave rise, in my view, to a genuine misunderstanding. The French record of the key meeting, in which House supposedly promised American entry into the war, is contrary to both House’s own record of that meeting and all other records of House’s thinking (92-93). After Grey shared with House the key French memorandum on House’s discussions in Paris, House immediately told Grey that the French had misunderstood him and asked Grey to correct this misunderstanding (97). Given all this, to insist that the French record proves that House lied seems both implausible and unfair.

House did remarkably well in winning the trust of a range of British leaders. It ought to be remembered that there was nothing to prevent House from promising the British and the French the moon in early 1916: the Americans could have backstabbed both at a possible peace conference. The terms of the House-Grey Memorandum were completely unenforceable, yet fears in London of American backstabbing were raised only by those whom House did not get to know well (109). This British trust in House was well placed: he was honest about how far he thought Wilson would be prepared to go on their behalf at a possible peace conference, and was upfront that any peace negotiation would have to include Allied concessions.

More generally, I do not agree with Cooper that House sided with the US ambassador to London, Walter Page, in simply wishing for the United States to enter the war on the Allied side. It is true that House wanted to prevent, if he could, the war ending with a German victory. But his preferred end to the war was a genuine compromise settlement—what Wilson called a “peace without victory.” When Page accused House in 1916 of having been sent to Europe to “find some crevice in the armor where we might make an entering wedge toward peace,” House was exasperated: “I did not think this was as ignoble an effort as it seemed to Page” (161). House’s diary gushes enthusiastically about Wilson’s “Peace Without Victory” address in January 1917;⁶ Page hated the speech, and said it left him “profoundly dejected.”⁷

Page had one objective: he wanted the United States to enter the war on the Allied side, so that the war would end with a decisive German defeat. House undermined Page not out of an inveterate need to backstab, but because the two men genuinely disagreed. If Wilson could have successfully forced a “peace without victory,” House would have been thrilled, while Page would have been appalled. Reasonable people can disagree about exactly how far apart House and Wilson were in their diplomatic objectives, though I think they were rather

⁵ A typical example is when House pretended, in an October 1915 letter to Grey, that House had not yet spoken to Wilson about a mediation proposal. House had in fact already done so (73).

⁶ House Diary, 11-12 January 1917, House Papers, Yale University Library.

⁷ John Milton Cooper, Jr., *Walter Hines Page: The Southerner as American, 1855–1918*, (Chapel Hill: University of North Carolina Press, 1977), 361; Ross Gregory, *Walter Hines Page: Ambassador to the Court of St. James's* (Lexington: University Press of Kentucky, 1970), 187.

closer together than has been appreciated. But Page and Wilson were completely at diplomatic cross-purposes—a fact that House very accurately perceived.

This leads to the much broader counterfactual question, raised by all three reviewers, as to whether the war could actually have ended in 1916 or early 1917. This counterfactual lies at the center of Philip Zelikow's *The Road Less Traveled*, which was published at about the same time as my *Plotting for Peace*, and both Roberts and Cooper specifically mention Zelikow's book.⁸ Zelikow had early access to my book manuscript, and has acknowledged the role of my archival findings in the British part of his book. I do not regard this counterfactual question, however, as being at the center of my book. My scholarly arguments do not at all hinge on whether the reader believes that a negotiated peace could actually have been achieved. As Wagner correctly notes, I only “play” with the counterfactual in my book's conclusion. This was precisely my intention.

First, Britain fought as part of an alliance. I do not think one can begin to reach a sensible counterfactual judgement here without more research into peace rumblings within the other Allied belligerents, especially France. Using British documents, I show that French President Raymond Poincaré expressed genuine interest in American mediation (152, 311)—but did Poincaré have any support in Paris? The other key unanswered question is how dependent the other Allies saw themselves as being on American supplies: how might they have reacted to the prospect that these supplies were going to be cut off? Answering these questions, which are beyond the scope of my book, requires detailed research in French and other Allied archives.

Second, even if one had answers to these questions, I tend to think that there would still be too many uncertain variables to be at all confident about what might have happened. The text of my book was finalized before I had the chance to read Zelikow's analysis; I do not agree, as he quotes the German ambassador to Washington, Count Johann von Bernstorff as saying, that “Peace [was] on the floor waiting to be picked up!”⁹ Zelikow is right that both the Asquithians in London and the moderates in Berlin were interested in having peace talks. But peace *talks* are not the same as a peace *deal*. As I write, the “gulf between the belligerents was enormous” (316). Zelikow sees great promise for a potential settlement in the German peace terms that were secretly communicated to Wilson and House in late January 1917.¹⁰ But there is a *huge* gulf between the terms of the House-Grey Memorandum and these German peace terms, which were “effectively...the terms of a German victory” (277).

It seems very doubtful that this gulf could have been bridged through simple negotiations among the belligerents, as Zelikow argues. Rather, my view is that this gulf could have been closed only through external coercive pressure—assuming that it could have been closed at all. Particularly given Germany's significant battlefield advantage, the only way the war could have ended was through a coercive scheme, such as the House-Grey Memorandum, which aimed to use American military threats to moderate Germany's peace terms. House was therefore right to persist with this plan. Between Wilson's economic leverage over the Allies and the military threats that he could make against Germany, the coercive power of the United States *ought* to have allowed Wilson simply to dictate a settlement. The House-Grey Memorandum was therefore conceptually sound, reflecting an accurate understanding of American power. But coercion ultimately depends upon perception. Hardliners in both London and Berlin misperceived the extent of American coercive power, ultimately with fatal consequences for the German Reich.

⁸ Philip Zelikow, *The Road Less Traveled: The Secret Battle to End the Great War, 1916–1917* (New York: PublicAffairs, 2021).

⁹ Zelikow, *The Road Less Traveled*, 15, 153.

¹⁰ Zelikow, *The Road Less Traveled*, 255-257.

A related question is whether American domestic politics would even have allowed Wilson to make coercive threats against Germany at all. Cooper raises a counterfactual argument that Wilson would have run into domestic political disaster had he tried. It is possible that rebels in Congress might have immediately eviscerated such a threat against Germany. But implicit threats of war lay behind all of Wilson's many submarine notes to Germany during 1915–1917—and not once were dovish congressional rebels able to force Wilson to retreat. Wilson generally was a shrewd political operator, and in accepting the House-Grey Memorandum, he clearly thought that he would be able to thread this needle. One distinct possibility is that Congress would not have interfered with Wilson's making threats, but if Wilson's coercive diplomacy against Germany failed, Congress might have been unwilling to follow through with a declaration of war. As I write in the conclusion, a full diplomatic alignment between Wilson and the Allies, short of war, could nevertheless have brought major advantages for the Allies, especially in the economic realm. The value of the House-Grey Memorandum for the Allies did not wholly hinge on what Congress might do (314-315).

All this, however, is why I find so intriguing the peace diplomacy between the United States and Austria-Hungary in early 1917, which the Zimmermann Telegram eventually scuppered (280-306). A diplomatic alignment between the United States and Austria-Hungary would have provided the maximum achievable coercive pressure for a compromise settlement. This Austro-American diplomacy, therefore, must have been the time at which the belligerents came closest to peace. But would these two countries' combined coercive efforts have actually been sufficient to end the war? British perceptions of American coercive capabilities grew over the first half of 1917. Could Austria-Hungary, in its weakness, have moderated German terms enough to achieve a compromise? It is not impossible. The Kaiser, when told of Romania's invasion of Austria-Hungary in August 1916, declared that it “mean[t] the end of the war”: “Austria will have to conclude peace, and then we must consider peace in general.”¹¹

My view is that joint Austro-American coercive pressure probably would have been sufficient to force a conference. For Germany to have refused point-blank to open negotiations would have all but given Austria-Hungary permission to seek a separate peace. If Wilson conditioned American economic help on Allied willingness to attend a conference, I think the Allies could hardly have refused to send delegates. Whether this conference could have *succeeded* is a very different question. Some speculated that once a conference was convened, public opinion across the belligerents would shift strongly in favor of peace. But this speculation is impossible to verify (316-317). Given hardliner opposition, it seems entirely possible that the conference would have broken up in recriminations. I cannot see how anyone can claim to be confident that such a conference would have been destined to succeed.

At the same time, however, given these coercive pressures, I cannot see how anyone can claim to know that such a conference would have been doomed to fail. Least of all could House and Wilson, or the Asquithians, have been sure at the time. American peace diplomacy above all *was worth trying*. The inability of the US to secure a compromise peace was a noble failure, not a pointless one. The vast number of lives lost during 1916–1918 justifies the Americans' persistence, almost regardless of the odds of success. The history of American peace efforts during 1915–1917, and of Europeans' receptiveness to them, is therefore an important story worth getting right. The United States certainly had nothing to lose by trying: the coming decades in European history could scarcely have turned out any worse.

Finally, I sought in my book to go beyond a more typical intelligence-studies approach of focusing narrowly on intelligence activities. Instead, I wanted to uncover the impact of intelligence on policy. Given the extensive destruction of British intelligence documents, this was the most painstaking part of my research.

¹¹ Quoted in Arthur Link, *Wilson: Campaigns for Progressivism and Peace 1916–1917* (Princeton, NJ: Princeton University Press, 1965), 167.

For the economic, political, and diplomatic parts of the book, my primary challenge was to pick out the archival wheat from the vast amounts of archival chaff. For intelligence, on the other hand, every single clue I could find about how Britain's codebreaking influenced British politics and diplomacy is included. The only material left out is abstruse technical discussions about British codebreaking capabilities, which I confined to journal articles.¹² Like Cooper, I wish that I could have included more, but there simply was no more to be had.

Wagner raises the very important question of communications security, wondering why the Americans did not make the connection between Lloyd George's "knockout blow" interview in September 1916 and Britain's breaking of American codes. Wilson-era US diplomatic cryptography and attitudes about secrecy are fascinating subjects that I previously examined in a journal article,¹³ and on reflection, some of those findings might have been usefully integrated into the book. In that article, I conclude that secrecy simply was not integral to American diplomacy before the First World War; Wilson sought to change this after the war broke out, but the State Department did not have the cryptographic expertise to provide Wilson the secrecy he desired. In May 1916, a few months before Lloyd George's interview, the State Department had begun using a set of new cipher tables, which were superimposed on the 1910 State Department Green Code.¹⁴ These new cipher tables appear to have made absolutely no difference to British codebreakers, but they would explain, at least in part, the Department's firm assumption that its telegrams were secure.

Cooper speculates that in January 1917 the head of British naval intelligence, Reginald Hall, may have been more forthcoming than I judge, and might not have actually withheld intelligence from the Foreign Office. This is a perfect case study for the grave evidentiary problems that often confront intelligence research. There are actually two separate historical questions here: first, did Hall withhold the Zimmermann Telegram in particular? Second, did Hall withhold information from *other* decrypted German diplomatic telegrams in early 1917, including those about the resumption of unrestricted submarine warfare?

On the Zimmermann Telegram, the main source is a draft chapter Hall wrote for an unfinished memoir project; Hall says that he initially withheld the Zimmermann Telegram from the Foreign Office, only informing them a few weeks later. Cooper is right that Hall is an unreliable witness (as are memoirs more generally), but without better evidence, there are good reasons for accepting Hall's account on this point. The first reason is that none of the scholars who have examined the Zimmermann Telegram in exhaustive detail have raised doubts about this.¹⁵ The second is that this is what a US courtroom would call an "admission against interest." This is not a detail that makes Hall look good: he is, if anything, admitting to misconduct in office here. The third is that we have evidence of Hall making similar decisions to withhold intelligence from his superiors—such as in February 1916, when he withheld decrypts "even" from Balfour, then first lord of the Admiralty (92). The final reason is that we do not have any reliable evidence to the contrary. Hall's account is the primary one we have; anything else would be speculation.

¹² Daniel Larsen, "British Signals Intelligence and the 1916 Easter Rising in Ireland," *Intelligence and National Security* 33:1 (2018): 48-66. DOI: <https://doi.org/10.1080/02684527.2017.1323475>, Larsen, "British Codebreaking and American Diplomatic Telegrams, 1914-1915," *Intelligence and National Security* 32:2 (2017): 256-263. DOI: <https://doi.org/10.1080/13698230.2016.1253174>.

¹³ Larsen, "Creating an American Culture of Secrecy: Cryptography in Wilson-Era Diplomacy," *Diplomatic History* 44:1 (2020): 102-132. DOI: <https://doi.org/10.1093/dh/dhz046>.

¹⁴ Larsen, "Creating an American Culture," 123-124.

¹⁵ See Thomas Boghardt, *The Zimmermann Telegram: Intelligence, Diplomacy, and America's Entry into World War I* (Annapolis: Naval Institute Press, 2012), 97-104; Peter Freeman, "The Zimmermann Telegram Revisited: A Reconciliation of the Primary Sources," *Cryptologia* 30:2 (2006): 98-150 at 120-122. DOI: <https://doi.org/10.1080/01611190500428634>.

The second question is whether Hall during this period shared the *other* German decrypts that Room 40 produced, besides the Zimmermann Telegram. This is a separate question because on this we have essentially no evidence at all. The only point that we can be sure of is that any decrypts produced were only partial ones, because Room 40 had not yet fully solved the new German diplomatic codebook. But beyond this we can only speculate.

The three key dates are 17 January, when the Zimmermann Telegram was partially decrypted; 20 January, when Sir William Wiseman informed the Foreign Office of House's report that Germany was soon to begin unrestricted submarine warfare, and 31 January, when Bernstorff formally notified the Americans of the resumption of unrestricted submarine warfare. I looked very hard in British archives for a document in between these dates that would give some indication of what the Foreign Office thought about German submarine warfare. The best I could find was a document from 16 January. This document indicates that before the Zimmermann Telegram was decrypted, the Foreign Office already suspected that unrestricted submarine warfare could be coming in February (276). But this document does not give us any clues as to what impact decrypts or Wiseman's report may have had on Foreign Office thinking. Cooper suggests that the relative absence of British discussion of Wilson's "Peace Without Victory" address, compared with the frantic response to Wilson's December 1916 peace note, provides a "dog that didn't bark in the night." But this is not necessarily dispositive: Wilson's December 1916 peace note was a diplomatic overture that demanded a formal response, whereas the "Peace Without Victory" address was a speech to the Senate, and did not require an answer.

My view is that this does not particularly matter, because intelligence has limits: even the best possible information cannot make one certain of the future. Even if Hall had been dutifully sending Balfour all of the decrypts, the Foreign Office would have seen not just Germany's decision to resume unrestricted submarine warfare, but also Bernstorff's frantic efforts to reverse this decision. Balfour could not have been certain that Bernstorff would fail. Nor could Balfour have been certain as to how long it might take for the United States to join the war, nor that some German-American accommodation might have succeeded at some point in keeping the Americans out.

Rather, given what we know of Balfour's strategic thinking, Balfour would have seen Wiseman's peace talks with House in late January as a win-win proposition. Wiseman's status as an intelligence officer helped to shield Balfour politically, allowing him to engage in some rogue, deniable diplomacy unauthorized by the War Cabinet. If the Americans did come into the war, then the talks would come to nothing, but would help bring Wiseman closer to House (as in fact happened). If the United States ended up not coming into the war, however, then Balfour would have a back channel available for peace talks, should Britain require it.

Like much of the intelligence evidence in my book, this contention is necessarily more tentative than any of us would like. Ideally, much more intelligence documentation would have survived to provide a more definitive answer. Even so, my work shows that with patient reconstruction, this intelligence dimension can be studied fruitfully—and that it is important for scholars to invest the time in doing so.

Let me conclude by thanking again the reviewers for their very thoughtful responses to my book. I have tremendously enjoyed this exchange. I am very grateful to all involved, and to H-Diplo for organizing this roundtable. It has truly been a privilege, and I much look forward to continuing this friendly scholarly conversation.