

[home](#) > [events](#) > [oct 2010](#) > nicholas lambert[September](#)*Seminar Series on the Use of Force and Diplomacy*[October](#)

Nicholas Lambert

[November](#)[December](#)

"Self-Interest and the Politics of Neutrality: Woodrow Wilson and British Economic Warfare in 1914"

[January](#)[February](#)

Monday, October 18, 2010

[March](#)

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[April](#)

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Nicholas Lambert is an associate fellow at the Royal United Services Institute (Whitehall) as well as visiting fellow at Australian National University. He has held fellowships at Yale University, Southampton University and Wolfson College, Oxford. Most recently he was visiting fellow at the University of Texas at Austin.

Lambert received undergraduate and graduate degrees at Worcester College, Oxford. His first book, *Sir John Fisher's Naval Revolution*, won the Distinguished Book Prize from the Society for Military History. He has published several major articles, winning three Moncado prizes for best article from the Society for Military History, as well as the Julian Corbett prize from the Institute for Historical Research for the best article on naval history.

His forthcoming book is *Taming Armageddon: Economic Warfare Planning and Practice, 1906-1916* (Harvard University Press, 2011). Based on an unprecedented command of the relevant archives, it offers a wholly new account of British naval and grand strategic planning before World War I; major insights into globalization and the transformation of the world financial and commercial systems, and their implications for international law; and a highly original account of Woodrow Wilson's diplomacy. His lecture, which will focus on the last of these topics, is relevant to military and diplomatic historians, as well as to political scientists interested in national security issues.



Nicholas Lambert
Associate Fellow
Royal United Services
Institute (Whitehall)
Visiting Fellow
Australian National
University

Lecture Abstract

In *Taming Armageddon*, Lambert argues that contrary to the conventional wisdom, British naval policy under Sir John Fisher and his successors did not focus on seeking a decisive battle against the Germans in the North Sea with dreadnought battleships. Rather, given the highly fluid diplomatic environment during his tenure as First Sea Lord, Fisher sought to build a balanced fleet with flexible capabilities capable of responding to an array of potential threats. Under Fisher and his successors, the Royal Navy began to develop a strategy known as "economic warfare."

This strategy was very different from the strategy of "blockade," which is the term most often used to describe Britain's plans to bring economic pressure to bear against its enemies. "Blockade" was a legal concept developed in previous centuries. In the late 19th century, however, the advent of submarines made the traditional "close" blockade near the enemy's coast suicidal, but the obvious solution of a "distant" blockade was not recognized under international law. Moreover, the concomitant transformation of the world's communications and financial systems rendered the concept of "blockade" totally inapplicable to the era of globalization.

For instance, "blockade" assumed that ownership of a cargo remained constant throughout a ship's journey; but with the development of credit-financed trade and exchanges, it became common for ownership of a cargo to change hands multiple times while a ship was at sea. How then was a blockading navy to determine whether the cargo was owned by a neutral or a belligerent? Instead of tracking and seizing cargoes, the Admiralty's plan for economic warfare relied on Britain's dominance of merchant shipping: if enemies could not find merchant ships to carry the goods they needed, then there would be no need to track the cargoes.

In 1912, Britain's political executive adopted the Navy's plan for economic warfare as national strategy in the event of war. Economic warfare was an alternative to the "continental commitment": contrary to the Army's claims, it represented a far more plausible strategy for victory than committing several British divisions to turn the tide of battle against the huge German army. Accordingly, when World War I began in August 1914, the British Cabinet and the Admiralty quickly implemented economic warfare through royal proclamation and orders-in-council. Within weeks, however, the commitment to economic warfare began to crumble under protests from British departments of state who resented Admiralty control of issues that they regarded as their bailiwicks, and from neutrals who resented the Royal Navy's interference with their trade. Of special concern to the Cabinet were the protests from the United States, which will be the focus of Lambert's paper.

Although the Wilson administration claimed to be acting out of principled commitment to the cause of neutral rights, its protests were in fact motivated by financial, economic, and political self-interest. First, a financial crisis which accompanied the political crisis of July 1914 threatened to plunge the United States into a recession in a mid-term election year. Second, American exporters could not get access to merchant ships to move their goods to Europe. Since cotton was then the most important American export, cotton growers were hit especially hard. Southern Democrats in Congress lobbied President Wilson to pressure Britain to loosen its restrictions on merchant shipping, even though Britain had every right under international law to prohibit its merchantmen from carrying American goods. Wilson went even farther. In violation of international law, which prohibited the re-flagging of belligerent merchantmen, Wilson sought to purchase German merchantmen which had taken refuge from the Royal Navy in American ports. The British Admiralty was outraged, but the Foreign Office, for its own reasons, did not forcefully challenge the American actions.

Previous scholars of Wilson's diplomacy have not fully appreciated the nature of the Anglo-American dispute. This is partly because they have not understood the dispute from the British perspective in the context of the Admiralty's plans for economic warfare, and partly because they have not accounted for the financial practices which bore heavily on the legal aspects of the dispute. Comprehension of these issues transforms our understanding of Anglo-American relations in World War I.

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1501 Neil Ave.

Columbus, OH 43201

Phone: 614.292.1681 614.292.1681

Fax: 614.292.2407

Email: mershoncenter@osu.edu