THE FAILURE OF BRITISH COUNTER-ESPIONAGE AGAINST GERMANY, 1907–1914

NICHOLAS HILEY

Darwin College, Cambridge

‘Spies in England! ’—There is something kindling, something tingling, about the words, something teeming with the very essence of invasion. All our most elemental passions are aroused—home-love, race-hatred, the clinging of life that is so universal, the fear of ultimate subjection that is so potent. We live on the tip-toe of expectation. Anger and anxiety combine in the formation of an immense resolve to rout the miscreants out and send them from our native land for ever. Answers (8 August 1908), p. 336, ‘The Foreign Spy Danger’.

Modern British counter-espionage effectively began in April 1907, when a joint conference of naval and military officials, formed the previous year to consider ‘the Powers Possessed by the Executive in Time of Emergency’, recommended both an immediate strengthening of the laws against espionage, and a War Office investigation of ‘the question of police surveillance and control of aliens’.1 These recommendations were to prove an important initiative, and did much to determine the course of British counter-espionage before 1914, yet at the time they probably seemed little more than an airing of old grievances unlikely to find new support, for they were among the last remnants of the abortive ‘Emergency Powers Bill’ which the War Office intelligence department had been advocating to strengthen home defence ever since the invasion scare of 1888. The 1906 joint conference had in fact hoped to further the cause of this great legislative package, with its radically new powers of access, requisition and seizure but, faced with the Liberal administration’s commitment to the ‘continuous principle’ that a full-scale landing was impossible, had been forced instead to confine itself to the purely naval and military aspects of home defence. As its report confessed in April 1907, in the prevailing climate of opinion the only hope for the great ‘Emergency Powers Bill’ was as a series of ‘small and independent measures’.2

Thus when in April 1907 the War Office took up the problem of controlling spies and dangerous aliens it was not seen in isolation, but was regarded as just a small part of the much greater threat of overseas attack. Indeed, by that date the whole subject of espionage in Britain had become inextricably linked with a complexity of fears about foreign invasion, as was soon demonstrated by an outbreak of ‘spy fever’ in the correspondence columns of the Conservative *Globe* newspaper. The enemy was Germany, and the first letter on 25 April 1907 pointed in alarm to the 90,000 resident aliens who were apparently ‘German reserve soldiers’, and noted that:

Without doubt these men have their weapons, ammunition and supplies all landed and arranged for — so that when Germany wishes to invade Great Britain the British would require every man they could spare to give battle to the German army already in England.8

Four days later a letter from Lt-Col. J. M. Heath revealed that these dangers were plain to the observant:

The streets of London…swarm with Germans. Where do they go? What do they do? They appear in no hurry. They are comfortably dressed and well-nourished. Undoubtedly soldiers.4

Heath could only guess at their intentions, but on 2 May a third writer filled in the details:

No doubt these men have got their secret instructions to meet at fixed rendezvous by notice given in certain English newspapers by an apparently harmless paragraph or advertisement…then proceed to carry out the scheme of occupation planned by the German general staff.5

On 7 May this ‘scheme’ was finally revealed in all its awfulness, for a Lieutenant in the Volunteer Artillery explained:

At, or before, declaration of war, every main line will be cut, and every telegraph wire of importance; every gun in our forts disabled, and every factory of explosives blown sky-high.6

Such reports were alarming, but calm prevailed as the more sober *Army and Navy Gazette* gave its assurance that the War Office and Scotland Yard were ‘well informed of the movements of these sinister Teutons’, and Lt-Col. Heath explained their silence by confiding that ‘they dare not speak with a Government in power such as ours’.7 Unfortunately the truth was much less

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8 *Globe*, (25 Apr. 1907), p. 5 col. 3, ‘Peaceful invasion’ by ‘Dum spiro spero’. This correspondence in the *Globe* was firmly linked with fears that the Liberal government’s ‘Territorial and Reserve Forces Bill’, which had just passed its second reading, would fatally weaken home defence.


5 *Globe*, (2 May 1907), p. 8 col. 4, ‘Peaceful invasion’ by ‘Quem deus vult perdere’.


comforting, for the authorities knew little more than they read in the papers. When a letter from Heath summarizing the Globe correspondence appeared in the Conservative Morning Post on 6 May 1907, under the heading ‘BRITAIN’S PERIL’, it was carefully cut out by Major William Thwaites, head of MO 2 (c), the German intelligence subsection of the War Office. He emphasized the passage about the 90,000 German reservists, with ‘German Intelligence Officers in every county’, stressed the statement that their uniforms and equipment were likely to be stored in London, ‘in warehouses and Bank vaults’, underlined the assertion that overnight these agents could cut railways and telegraphs, and passed the cutting to his superior with the comment ‘There is much truth in some of this as you know.’8 In fact neither Thwaites nor Colonel Count Gleichen – his immediate superior who as head of section MO 2 controlled the European section of the directorate of military operations – had any idea how much truth there was in the rumours, but there was enough suspicion for the papers to be referred to section MO 5, the ‘Special Section’ of the directorate which had been entrusted with the problem of aliens and a new Official Secrets Act. Gleichen asked the head of MO 5, Major George Cockerill, if there was any law ‘under which these objectionable aliens can be got rid of’, but Cockerill could only point to the findings of the joint committee on emergency powers, and explain the complexities of the 1889 Official Secrets Act – under which the assent of the attorney general was needed before any prosecution. Both Cockerill and Gleichen agreed that a change in the law was vitally necessary, but Gleichen urged that in order to uncover the full extent of the German networks MO 5 would also have to begin co-operating with the police, noting on 3 June 1907 that:

Police Surveillance & Control of Aliens during peacetime is almost as important as a preventive measure, as the amendment of the O[fficial]. S[ecrets]. Act is as an executive measure

Suspicions and fears such as these were to dominate the development of British military counter-espionage over the next seven years, and it has to be realized that however sophisticated and efficient the organization later appeared, it was still entirely based on the assumption that Germany planned to invade the United Kingdom, and that assumption was completely false. The dramatic gamble of landing up to 320,000 men on the Suffolk coast had appealed to German strategic planners for a short time in the 1890s, but by 1900 it had

8 P.R.O., WO 32/8873, Morning Post cutting dated 6 May 1907, and W. Thwaites to A. E. W. Gleichen, 7 May 1907.
9 Ibid., Gleichen to Cockerill, 7 May 1907; Cockerill to Gleichen, 7 May 1907; Cockerill to Gleichen, [undated but probably late May 1907]; Gleichen to Cockerill, 3 June 1907. The main drawbacks with the ‘Official Secrets Act, 1889’ were the need to consult the attorney general before making an arrest, and the fact that ‘Even where there is moral certainty that a man is a spy… the Act does not provide for a search warrant being issued to ransack his house for incriminating documentary evidence’: Edmonds papers, iv, 4, ‘Powers possessed by the executive’ by Edmonds [1908], p. 9. I am grateful to the Trustees of the Liddell Hart Centre for permission to quote from the Edmonds papers.
been abandoned in favour of more prosaic schemes, and by 1907 had been rendered totally impractical by the changed distribution of British warships.\textsuperscript{10} As the British Naval Attaché in Berlin reported early in 1908, Admiral Tirpitz openly admitted of full-scale invasion that ‘it was impossible for them to even embark such numbers... and in view of our sea forces, quite impossible that they should be disembarked on the other side’, yet despite this, and despite the conclusions of two official investigations of the danger in 1908 and 1914, MO\textsubscript{5} and its successors worked on the assumption that German invasion was a real and imminent threat.\textsuperscript{11} This prejudice was to result in a significant failure of strategic intelligence.

MO\textsubscript{5} however did little to test its suspicions during 1907. Major Cockerill was convinced of the need ‘for strict regulations to prevent espionage and sabotage’\textsuperscript{12}, but apparently felt it more important to prepare such measures for swift enactment in war rather than to push for them during peace. It was not until late in the year, when the director of military operations replaced Cockerill with Lt-\textbf{Col.} James Edmonds, that a move was made towards a systematic investigation of German espionage.\textsuperscript{13} In some respects Edmonds was the ideal choice for this work, as he had an excellent knowledge of the German army, and even had some contacts on the German general staff – dating from an official exchange of information on Russia in 1891.\textsuperscript{14} In addition he had been the first effective head of MO\textsubscript{5} on its formation in December 1899 as ‘Section H’, and had co-operated with the police in the surveillance of Boer agents in Britain\textsuperscript{15}, but in other respects he was very poorly equipped for the new task, for he was dull, unimaginative and irrevocably prejudiced against


\textsuperscript{12} G. Cockerill, \textit{What fools we were} (London, 1944), p.18.

\textsuperscript{13} It is difficult to determine the precise date upon which Edmonds was transferred to MO\textsubscript{5}. Edmonds himself suggested in his memoirs that it was late in 1906 [Edmonds papers, iii, 5, ‘Memoirs’, ch. xx, p. 1] and this has been accepted by some writers [D. French, ‘Spy fever in Britain, 1900–1915’, \textit{Historical Journal} xxi, 2 (1978), 356; T. G. Fergusson, \textit{British military intelligence, 1870–1914} (London, 1984), p. 221]. Other sources however give the date as 1907 [e.g. C. Falls, ‘Sir James Edward Edmonds’, \textit{Dictionary of national biography} 1951–1960 (London, 1971), p. 328; S. T. Felstead, \textit{German spies at bay} (London, 1920), p. 72], and it is quite certain that Cockerill did not relinquish command of the subsection until 1 Jan. 1908 [P.R.O., ADM 116/3408, Edmonds to C. R. Brigstocke, 16 Jan. 1908: Edmonds papers, vii, 3, paper headed ‘Intelligence directory’ [1908?], p. 4]. The answer would seem to be that, in keeping with normal practice, Edmonds transferred late in 1907 and worked alongside Cockerill until assuming full control in Jan. 1908.


\textsuperscript{15} Edmonds papers, vii, 3, paper headed ‘Intelligence directory’ [1908?], pp. 1–3; iii, 3, ‘Memoirs’, pp. 6–8.
Germany — admitting later to having been ‘more than suspicious of German intentions’ at the time of his appointment, and asserting that defensive measures had been necessary ‘for the Germans made little concealment of their intention to enter the lists for the domination of the world’. He was thus prepared to accept at face value stories of an army of German spies at work in Britain, noting in January 1908 that nations with compulsory military service ‘have no difficulty in procuring agents with military knowledge’, and that in addition:

In this country which is full of aliens who are absolutely free from restrictions as to residence, unregistered by the municipal authorities or police, and whom it is practically certain the Government would refuse to ‘concentrate’ or expel in case of war, it would be the easiest thing in the world for an enemy to create a most efficient secret service.

Edmonds thus approached the new investigation with a firm belief in the German threat, and found nothing in the records of MO5 to alter this conviction. In 1907 British espionage was at a low ebb, and MO5’s ‘Special duties’ subsection, entitled MO5(a), had been reduced to just one officer and a retired police detective, whose only sources of intelligence seem to have been relics of the Boer War. As late as 1906 the unit was still circulating reports which alleged ‘that arms were being smuggled into South Africa by a secret Committee with Headquarter in Europe’ and, as Edmonds found in 1907, its active files ‘contained only papers relating to the S. African War and some scraps about France and Russia – nothing whatever about Germany’.

Yet in spite of all these drawbacks Edmonds was in a good position to discover the exact nature of the German espionage in England, helped by the fact that the German general staff felt no need for networks outside Russia and France, and that in Britain the German admiralty employed only a small number of low-level spies working under a former naval petty officer and Pinkerton detective named Gustav Steinhauer. Steinhauer later claimed to

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19 W. Nicolai (trans. G. Renwick), *The German secret service* (London, 1924), p. 52: G. Steinhauer, *Steinhauer: the Kaiser’s master spy* (London, 1930), passim. Accurate information concerning Steinhauer is scarce, and his 1930 ‘autobiography’ was in fact compiled by the Australian journalist Sidney Felstead in 1929-30 [S. T. Felstead, *In search of sensation* (London, 1945), pp. 209-20]. That book can only be used where corroborative evidence exists, but seems nevertheless to have been accepted as accurate by MI5 [Kell papers (Frost), lecture of June 1939 probably by E. Holt Wilson, p. 7 – I am grateful to Mr Robin S. Frost for allowing me access to these papers]. From the available evidence it appears that Steinhauer did control the German agents in the United Kingdom before 1914, although only ‘a kind of super-policeman’ whose real name was apparently Reimer [Felstead, *In search of sensation*, p. 210: Kell papers (Simpson), C. R. Kell, ‘Secret well kept: an account of the work of Sir Vernon Kell’ (n.d.), p. 143 – I am grateful to Mrs S. Simpson for allowing me access to these papers].
have started building the British network in 1902, but his recruitment was a rather haphazard affair which involved identifying German nationals living in ‘towns of naval importance’ and then writing to them ‘guardedly suggesting answers to certain questions’. If they seemed co-operative such people could be employed as regular correspondents, keeping track of developments in the Royal Navy and occasionally making further contacts and recruits among naval officers, but the whole process was so open that Edmonds was soon able to discover its extent. From German friends resident in England he heard stories of how they had been approached by the German admiralty and asked ‘to look for and to report certain matters, notably the movement of warships, work in dockyards and arsenals, air progress, and the erection of munition factories’. From the same source he discovered ‘that a barber at Dover, a photographer at Sheerness and other small people had been offered a £1 a month for information services’, and he was even able to determine that such agents received their payment through a retired German officer named Gordon, after he had shown a certain ‘carelessness about cashing cheques’. There is in fact little doubt that if MO 5 (a) had begun co-operating with the police in 1907 they would within a short time have determined the full extent of the German network in the United Kingdom, but this was not to be, for Edmonds chose to look for the pattern of German espionage not in the naval agents he had uncovered, but in reports from France of the German military agents thought to be operating there in preparation for an advance on Paris. ‘French officers connected with the Secret Service’ told him that the German general staff had established a separate unit for similar work in the United Kingdom, and this seemed to agree with other evidence reaching MO 5 – particularly a report from the British Military Attaché in Berlin in November 1907 which noted ‘the apparently systematic visits paid by considerable numbers of German officers to the United Kingdom’.

Edmonds thus used French sources to establish a pattern for German espionage in Britain which would allow him to include the numerous alarmist reports of spies plotting invasion. He accepted their rigid classification of ‘Travelling’ and ‘Stationary’ agents, and divided all reports on resident aliens into three categories:

(a) those who had taken houses close to important engineering structures (railway bridges, tunnels, magazines);

20 Steinhauer, Steinhauer, pp. 51–2.
21 Ibid. pp. 1–3.
22 Ibid. pp. 1–3. Some of these individuals were already well known to the police. The photographer at Sheerness, for example, was a man named Franz Losel, reported to Edmonds on 3 Jan. 1908 but already investigated by Scotland Yard in 1904 and brought to court for spying in 1905: P.R.O., CAB 16/8, minutes of first meeting, 30 Mar. 1909, p. 6, and Appendix I, ‘Cases of alleged German espionage’, 13 Apr. 1909, p. 16: British journal of photography, 18 Aug. 1905, p. 657, ‘Commercial & legal intelligence’. 
(b) those who kept apartment houses, to which small parties of Germans came to stay, to motor about the country with maps out;
(c) tradesmen, photographers, bakers, even doctors and eye specialists, permanently established in our dockyard towns and ports, and very inquisitive.24

This automatically made his miscellaneous collection of incidents more impressive, for a report ‘of a foreigner ... detected in N.E. Yorkshire marking the positions of the gates into fields on a 6 inch map’, received at the end of 1907, somehow appeared much less ridiculous if filed with other ‘Cases of alleged reconnaissance’.25

MO5 started an official ‘catalogue’ of such reports at the end of 1907, collecting three ‘Cases of alleged reconnaissance’ and two reports of ‘Individual Germans who have come under suspicion’. During 1908 they added twenty-seven reports of ‘reconnaissance’, sixteen of suspicious individuals, and four of ‘Houses occupied by a succession of Germans’, but even then the accounts remained embarrassingly vague, and Edmonds had to confess that he ‘could not make much of a case’.26 The main problem was that the reports came not from the police, but chiefly from members of the public alarmed by newspaper stories, and little could be done to verify them – the War Office confessing in 1909 that:

When a case is reported to the military authorities they have no means of investigating it, nor authority to shadow suspected persons or watch their residences. All that can be done is to make a few inquiries so as to test the bona fides of the informant.27

In fact few of the dozens of reports collected suggest any origins more substantial than the lurid spy stories and invasion novels then in circulation, and some quite clearly arose from Edmonds’ own prejudice. On 3 February 1909, for example, the Morning Post reported that it had investigated a suspicious ‘German Industrial and Farm Colony’ outside London – a Christian foundation four miles from the nearest railway station – and discovered that it was quite innocent with ‘nothing to conceal’. When this newspaper report reached MO5, however, the colony was relentlessly catalogued as one of the ‘Houses reported to be occupied by a succession of Germans which it is desirable to watch’.28

24 Edmonds papers, III, 5, ‘Memoirs’, pp. 2–3 [to which Edmonds later added a fourth category of ‘postes restantes spy centres for receipt of letters to agents’, although this does not seem to have been part of the original classification]. One of the sources Edmonds used in this work was a book written by a former French agent: Edmonds papers, vii, 3, paper headed ‘MO 5’ with translated passages from E. Lajoux, Mes souvenirs d’espionnage (Paris, 1905).
27 P.R.O., CAB 16/8, minutes of first meeting, 30 Mar. 1909, p. 3, and Appendix I, ‘Cases of alleged German espionage’, 13 Apr. 1909, p. 13. MO5 was, however, allowed the use of ‘a few detectives to enquire into particular cases’: Ewart Papers, ‘Memoirs’, p. 918.
With such virulent prejudice it was easy to make sense of the majority of reports, and by the end of 1908 Edmonds was confident enough to draft a secret analysis of German espionage in the United Kingdom. This remarkable document revealed that the Germans were using a network centred on London to prepare for a swift invasion, with 'mobile agents' sent over to plan the destruction of 'important points or works, such as bridges, tunnels, aqueducts, etc.', 'local agents' detailed to carry out this sabotage before joining the German forces, selected experts carefully placed to guide the invading hordes, and a host of other spies employed to collect information on a vast scale. Edmonds was convinced that MO 5's catalogue revealed this system in operation, and asserted his belief that there was 'no town in the east of England' of which they have not got lists of all the bakers, and their maximum possible daily out-turn of bread, the butchers, their meat and whence they get their supplies, the mills, their flour, and how much they can grind daily, the forage and oats obtainable; the grocers, tobacconists, brewers, wine and spirit merchants, the cycle and motor garages, &c., in fact all of every description of trade or profession; the billeting accommodation, the buildings suitable for hospitals, reports on defences, if any, and on defensible positions; the regular and auxiliary forces in the vicinity, their armament, and every single other item of military value.29

This was a startling summary of the available evidence, totally unrelated to the small number of German agents actually at work, but it nevertheless gained some support from the fact that on a number of occasions during 1908 and 1909 the War Office had been offered firm evidence of preparations for invasion, and indeed the actual German plan of attack. On 29 May 1908, for instance, the director of military operations, Maj.-Gen. John Spencer Ewart, noted in his diary that he had received 'a letter which purports to come from a German General Staff officer offering to sell me the German plans for the Invasion of England', and on another similar occasion a German officer actually sent a copy of the supposed embarkation scheme to the War Office with a note 'saying it was a matter of suicide or treason'. Ewart noted realistically 'one has to be careful about these sorts of offers; they are generally traps laid by secret service agents', and Edmonds later concluded that such moves were designed 'to frighten any Government from sending troops out of England to the Continent should a war break out between France and Germany', but this caution appeared in few of the contemporary assessments.30

When the War Office received a German invasion scheme from a French source

29 Kell papers (Simpson), 'Intelligence systems/Germany' by J. Edmonds, 9 Feb. 1909 [written 1908], pp. 4, 5, 7–8.
30 Ewart papers, diary entry for 29 May 1908, and 'Memoirs', p. 918: Edmonds papers, iii, 5, 'Memoirs', pp. 3–4. It was later alleged that on one occasion before 1914 even Steinhauer's agents were instructed to reconnoitre the east coast 'for a suitable landing-place in the event of an invasion', an order which was apparently part of the same deception: Steinhauer, steinhauer, p. 48.
in July 1909, for instance, its provenance was decidedly suspect, but Ewart was only one of the high-ranking officers:

confident that the plans were not the work of amateurs, but showed great knowledge of the vulnerable points in this country, and revealed the fact that, as we had already suspected, there were certain places in this country where German agents are stationed, whose duty it would be to take certain action on the outbreak of war, or during the time of strained relations preceding that outbreak.\(^{31}\)

By the second half of 1908 the apparent weight of this flimsy evidence seems to have convinced Ewart of the danger from organized military espionage, and as he noted afterwards, ‘What I now felt most strongly was that, if we were to combat these ubiquitous German secret service agents, whose spies were reported everywhere, especially along our East Coast, we must have a proper secret service of our own...a regularly organized bureau to undertake systematic counter-espionage against the Germans’.\(^{32}\) Unfortunately there was little prospect of such a development, as all funds for secret service had to be begged from the Foreign Office, and any new bureau would have to be authorized at cabinet level – where the secretary of state for war, Richard Burdon Haldane, poured well-deserved scorn on Edmonds’ efforts.\(^{33}\) However, the key to the problem lay in the sheer bulk of MO 5’s evidence, and this was suddenly increased by what Edmonds called ‘two pieces of luck’. These came when Fred T. Jane, the prominent naval expert, received publicity for his views on the danger from German aliens, and when the popular novelist William Le Queux produced the novel *Spies of the Kaiser* early in 1909. As Edmonds recalled, both men received ‘dozens of letters telling them of the suspicious behaviour of Germans; early morning walks and drives, correction of maps, curiosity about railway bridges, enquiries about gas and water supply’, and both allowed Edmonds to include them in his catalogue.\(^{34}\) Le Queux’s help seems to have been of particular significance, and of the twenty-four cases logged in the first quarter of 1909 at least five were reported by ‘a well-known author’, yet the quality of the new evidence was still far from impressive. Despite his claim to have provided ‘a file of amazing documents, which plainly show the feverish activity with which this advance guard of our enemy is working’, Le Queux’s material seems to have consisted solely of otherwise

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31 P.R.O., CAB 16/8, minutes of third meeting, 12 July 1909, p. 10: Edmonds papers, iii, 5, 'Memoirs', p. 4: Ewart papers, diary entry for 12 July 1909, and 'Memoirs', p. 946. Ewart was supported by the director of military training, Brig.-Gen. Murray, but the secretary of state for war, R. B. Haldane, felt ‘inclined to regard the plans as not being genuine, and as being possibly concocted by the French’: P.R.O., Cab 16/8, minutes of third meeting, 12 July 1909, p. 10.

32 Ewart papers, 'Memoirs' p. 918.

33 On one occasion the War Office received a letter which a German officer had sent to his girl-friend in Bournemouth, ‘begging her to flee with him, as England would shortly be invaded’. Edmonds seems to have been impressed, but Haldane suggested mischievously that it was perhaps ‘the apparatus of the white-slave traffic’: Edmonds papers, iii, 5, ‘Memoirs’, p. 4.

34 Edmonds papers, iii, 5, 'Memoirs', p. 2.
innocent men denounced because they ‘swore in German’ or were ‘discovered by accident to wear a wig’. Another prominent speaker on the German threat, Col. Lockwood M.P., had been frank enough to admit in August 1908 that after raising the subject of espionage his post-bag contained ‘scores of letters...a great number of which are pure nonsense’, but Le Queux would not allow himself such doubts. Yet in fact his correspondence must be regarded as doubly suspect, for his novel *Spies of the Kaiser* was first launched as a newspaper serial in the *Weekly News* alongside a prize competition for readers’ letters on how they had met a spy. In February 1909, as a prelude to the publication of the first instalment, the paper had indeed appointed a ‘Spy Editor’ and run the headlines ‘FOREIGN SPIES IN BRITAIN./ Γ·0 Given For Information./ Have You Seen a Spy?’, adding helpfully that readers might have discovered spies at work, ‘may have had adventures with them, may have seen the photographs, charts, and plans they are preparing’. The following week it was announced that the entries submitted in the competition would be used by Le Queux ‘to supplement his investigations’, and there seems little doubt that this was one source for the letters passed to Edmonds.

Such questionable material may have had an effect, however, for by the time the third instalment of Le Queux’s novel was being printed the secretary of state for war had informed Edmonds ‘that he was at last convinced that Germany had an espionage network in this country’. This was significant, for as late as July 1908 Haldane had stated firmly that there was ‘not the slightest evidence’ to support such a conclusion, and had added that the official reports ‘do not...lead me to attach great importance to the matter’, but it is not necessary to follow Edmonds in believing that such a change in attitude was due solely to the assembled weight of his evidence. It is far more likely that by 1909 the secretary of state had realized that the alarmist reports of spies were themselves a danger which needed investigation for, as he noted at the time, ‘The stories themselves are almost always ridiculous, but they are the index of a dangerous state of nervousness which if it is allowed to grow might lead to a public outcry against our sending the Expeditionary Force, which we have created with such pains, overseas when it was needed to go.’ It was

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39 *Hansard*, House of Commons debates, 4th series, cxcii, 13 July 1908, col. 393 (Haldane replying to Col. Lockwood).

40 F. Maurice, *Haldane 1856–1915* (London, 1937), p. 256. It seems impossible to date Haldane’s change of heart with any accuracy. There have been suggestions that it came in 1908, and Edmonds ascribed it to a particular report from the Mayor of Canterbury—which appears to have been dated...
most likely a perception of this danger which now brought Haldane to shift
his ground, and give support to the General Staff’s proposal that the question
come before the committee of imperial defence. In consequence a subcommittee
of that body was duly appointed on 25 March 1909, under Haldane’s
chairmanship, to examine the assembled evidence ‘regarding the nature and
extent of the foreign espionage that is at present taking place in this country’,
and report on how the admiralty and war office might co-operate with the
police, post office and customs, ‘with a view to the movements of aliens
suspected of being spies or secret service agents being properly supervised’.41

This ‘Foreign Espionage’ subcommittee met for the first time on 30 March
1909, and Edmonds was immediately presented with the task of convincing
the impressive array of officials present that he had indeed uncovered ‘an
extensive system of foreign espionage’.42 At first his mixed bag of evidence was
treated with disdain and, as one of the committee of imperial defence
secretariat commented, ‘these revelations were received with incredulity and
regarded almost as the aberration of minds suffering under hallucinations’.43
He began by repeating the analysis of German methods which he had derived
from French sources, and then – having been advised by Haldane to ‘lay stress
on the anarchist motive’ – outlined his belief that resident aliens might be
ordered to commit sabotage on the outbreak of war, but his case was severely
weakened by the admission that he possessed ‘no direct evidence’ of such
orders, and based his suspicions mainly on the advantage which this sabotage
would give an invader and on two reports of Germans taking an interest in
railway installation on the east coast.44 Viscount Esher, who later condemned

16 May 1908 – but there is no supporting evidence. As we have seen, Haldane was still suspicious
of such stories months later, and over the May 1908 report even the police expressed ‘doubts as
to this man’s credibility’: C. Falls, ‘Sir James Edward Edmonds’, loc. cit. p. 328: Edmonds papers
p. 14 and footnote.

41 P.R.O., CAB 16/8, ‘Terms of reference’, 25 Mar. 1909, p. (i), and report on ‘Foreign

42 Edmonds papers, III, 5, ‘Memoirs’, p. 5: P.R.O., CAB 16/8, minutes of first meeting, 30
Mar. 1909, pp. 1–2. Present at this meeting were Haldane, Ewart, Brig.-Gen. A.J. Murray
(director of military training), R. McKenna (first lord of the Admiralty), Rear-Admiral
A. E. Bethell (director of naval intelligence), H. J. Gladstone (home secretary), S. Buxton
(postmaster-general), Sir E. Henry (commissioner of police), Viscount Esher, Sir C. Hardinge
(permanent under-secretary at the Foreign Office), and Sir G. H. Murray (permanent secretary
to the Treasury).

43 Lord Hankey, The supreme command 1914–1918 (London, 1961), I, 116. Maurice Hankey was
at this time naval assistant secretary to the committee of imperial defence.

44 P.R.O., CAB 16/8, minutes of first meeting, 30 Mar. 1909, pp. 2–5 (‘Evidence of Colonel
J. E. Edmonds’), and Appendix I, ‘Cases of alleged German espionage’, 13 Apr. 1909, p. 15:
Edmonds papers, III, 5, ‘Memoirs’, p. 5. According to Edmonds he was advised to ‘lay stress on
the anarchist [demolitions] motive’, by which sabotage was meant – although that word did not
appear until 1910 or have wide usage before 1914. It is significant that the subcommittee met
shortly after a widely publicized army manoeuvre at Hastings on 17 March, which Haldane
attended, where German spies were supposed to have blown up railway bridges and tunnels and
troops had to move against the invaders in motor cars. Then, while the subcommittee was sitting,
a further military exercise was held at Scarborough on 24 April, on the supposition that the town

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Edmonds as having ‘espionage on the brain’, asked pointedly if he ‘felt any apprehensions regarding the large number of German waiters in this country’ but, as the minutes record, such sarcasm went unnoticed:

Colonel Edmonds did not think that we need have any apprehensions regarding the majority of these waiters, or suspect them of being in any way organized for offensive action. He thought that men who were to carry out demolitions would probably be sent over in time of strained relations, and were not likely to be resident in the country.45

Edmonds was however persistent enough to wear down the opposition and, as one official noted, the subcommittee was finally ‘convinced almost against its will that the danger was a real one’.46 He very astutely produced in evidence a copy of MO 5’s chart of reports, showing in red ink ‘all the positions where reasonably suspected cases of espionage by Germans have been reported’, and found that this ‘had considerable effect’, for although it seems that reports were accepted for the map on even less evidence that they were accepted for MO 5’s catalogue it was a far more impressive presentation, and demonstrated that the reports originated from a well-defined area in the south-east ‘which would be of special interest to Germany in the event of her having in contemplation the invasion of this country’. A cynic might have pointed out that this was the area in which invasion novels would have created the greatest fear of spies, but Edmonds’ presentation also made clear that if there was by chance a thread of truth in the catalogue of reports – some of which were printed and circulated – it could not be properly investigated under the existing system. The majority of the subcommittee seems finally to have been convinced of a real and tangible danger of some kind, and Haldane felt able to close the discussion by asserting it was ‘quite clear that a great deal of reconnaissance work is being conducted by Germans in this country’, who might also be planning ‘important demolitions and destruction’.47

Haldane’s brief statement determined most of the subcommittee’s subsequent work on this question, for at the start of the second meeting on 20 April 1909 had been invaded and that ‘As previously ordered secret agents have destroyed the rail bridges...and road bridges’, once again forcing the defending troops to move by car: Daily Mail, (17 Mar. 1909), p. 6 col. 4 and p. 7 col. 3; (18 Mar. 1909), p. 3 col. 1; North Riding Record Office (Northallerton), DC/SCB7, Scarborough town clerk’s office file on ‘Auto mobilisation’, 19 Apr. 1909.

45 Churchill College Archives Centre, Cambridge, Esher papers, ESHR 2/12, ‘Journals 1909–1914’, entry for 30 Mar. 1909 (I am grateful to the Trustees of the Churchill College Archives Centre for permission to quote from papers in their possession): P.R.O., CAB 16/8, minutes of first meeting, 30 Mar. 1909, pp. 4–5. Secret military organizations of German waiters were a recurring feature of spy fiction in this period.

46 Hankey, Supreme command, 1, 116.

47 P.R.O., CAB 16/8, minutes of first meeting, 30 Mar. 1909, pp. 3, 6–7; Appendix I, ‘Cases of alleged German espionage’, 13 Apr. 1909, p. 13; report on ‘Foreign espionage’, 24 July 1909, p. (iii); Edmonds papers, iii, 5, ‘Memoirs’, p. 3; Kell papers (Simpson), W. A. Adam to Gleichen, 15 Jan. 1909 (sending copy of MO 5’s map to MO 2 (c)), and ‘List of red dots on map’ (Jan. 1909?). The map seems to have been less selective because it apparently recorded 103 suspicious incidents in Jan. 1909, whilst the catalogue contained only 76 individual cases in Mar. 1909.
he asked for a consideration of ‘how we could best obtain information as to what the Germans were doing’, and when Ewart brought forward his plan for ‘a small secret service bureau… in touch with the various Departments’ he called an adjournment for this to be studied by a working party. This group met at the committee of imperial defence on 28 April, and the document which they presented to the final meeting of the subcommittee on 12 July did much to determine its findings. In the resulting report, which went before the full committee of imperial defence on 24 July 1909, the ‘Foreign Espionage’ subcommittee noted the ample evidence for ‘an extensive system of German espionage’ in vulnerable areas, and proposed the establishment of a ‘Secret Service Bureau’, which would be ‘separate from any of the Departments’ and yet in close touch with the Admiralty, War Office and Home Office, and in its counter-espionage work aiming to co-operate with the police ‘and, if necessary, to send agents to various parts of Great Britain with a view to ascertaining the nature and scope of the espionage that is being carried on by foreign agents’.48 As a later account noted, the establishment of this small independent bureau was hardly a bold response to the problems faced, but nevertheless ‘the method adopted was perhaps the best in that it was not provocative to Germany, or calculated to alarm the British public, while negotiations then pending might have resulted in a peaceful solution’.49

Ewart was given the responsibility of organizing the new bureau, and together with Edmonds attended a conference at Scotland Yard on 11 August 1909 which discussed its establishment in detail, and arranged for it to operate from offices in Victoria Street, close to Whitehall. It seems also to have been agreed that it functions should be divided between military and naval sections, and whilst the Admiralty chose a retired naval officer, Commander Mansfield Cumming, to head the naval branch, Edmonds offered responsibility for the military branch to Captain Vernon Kell, his ‘former right-hand man’ from the days before he rejoined MO5.50 Kell was a thirty-five-year-old professional soldier, at this time working on the secretariat of the committee of imperial defence. He was qualified as an interpreter in both Russian and German, and had experience of the directorate of military operations – having joined the German subsection, MO2 (c), in 1904 before transferring to the Far Eastern subsection, MO2(e), in 1905 and working for two years with Edmonds.51
combined a strong sense of duty with a firm belief that war with Germany was inevitable and, as a colleague recalled, he brought to his work 'the most logical brain I have ever known in any man, and he allied to it a flair for inspiration'. Somewhat shy and retiring, his chronic asthma meant that on occasion he 'could barely sit upright in a chair', but as counter-espionage was largely conceived as the collection and comparison of numerous reports this did not affect his fitness for the task. The only drawback was his lack of private income, for in an attempt to guarantee both secrecy and continuity the bureau was to be staffed by retired officers, and Kell realized that if he resigned for a post which later proved unnecessary 'he would be left jobless'. However, in spite of warnings from colleagues 'that he would find himself thrown over, if he were to make the slightest slip', he retired from the army on 16 October 1909 and devoted himself to the new work.

Kell started the military branch of the bureau on his own, with just 'a room, a desk and a filing cabinet', a hundred record cards – presumably MO 5's catalogue of reports – and some forty files on agents who had been employed during the South African War, all but one of whom had since died. His initial doubts about the appointment were probably justified, for the bureau seems to have been on probation for 'an experimental period of twelve months', and when during this time Kell asked for a clerk to assist him there was surprise that such extravagance was necessary. Only after the trial period, when Kell went to make his formal report with 'the complete records of his department – a few files and card-index box, in a taxi', was counter-espionage put on a firm footing. In 1910 it seems that the secret service bureau was finally reorganized, with the naval and military branches being replaced with a 'Foreign Section' under Cumming and a 'Home Section' under Kell, and a clear division being drawn between espionage and counter-espionage. Both sections were now nominally attached to MO 5, and Kell's branch was entitled MO (t), but counter-espionage in fact remained substantially independent and was only

written by his wife after his death in 1942, of which there are copies in both sets of Kell papers, and at the Imperial War Museum, London, on microfilm PP/MCR/120, SVK/1. Along with additional information from Lady Kell this formed the basis of John Bulloch's MI5 (London, 1963).


54 House of Lords Record Office, Lloyd George papers, F/9/2/16, 'Reduction of estimates for secret services' by W. S. Churchill, 19 Mar. 1920, p. 2: C. R. Kell, 'Secret well kept', pp. 119–20. The date of Kell's retirement is taken from the Army list, but he seems in fact to have joined the bureau some weeks before this – on 23 Aug. 1909 according to one source: Bulloch, MI5, p. 15.

55 Bulloch, MI5, p. 29; Kell papers (Frost), lecture of June 1939, p. 4 ('History').

linked to the War Office ‘for practical and economic reasons (e.g. official address, money &c)’.

From the start Kell sought to establish close links with the police, who had shown themselves willing to help MO 5 at the time of the 1909 subcommittee. He seems to have worked closely with Superintendent Patrick Quinn, the head of the metropolitan police Special Branch, and it was perhaps as a result of this that in 1909 Scotland Yard stationed one of their officers at Portsmouth dockyard, with orders ‘to keep a vigilant watch on the activities of certain Germans’ noted as suspect in that area. Kell also followed the subcommittee’s directive to contact provincial police forces, and in 1909 travelled to Tyneside to investigate the case of a man ‘found in possession of secret and confidential plans of gun control electrical wiring of battleships’, and to advise the local police on counter-espionage. He was thus able to extend greatly the investigation of German spying, and if he had introduced a systematic evaluation of the reports on his card index there is little doubt that he could have determined the full extent of the existing network – which remained purely naval and on a relatively small scale. One civilian writer who did attempt to analyse current stories of German spies at work concluded in January 1910 that most of them were vague, and ‘all of them suffer from the taint of being in the nature of indirect and second-hand evidence, which would not be accepted in any court of law’, but as the security of Kell’s job relied on his proving the existence of the German danger it is perhaps not surprising that he decided against analysis, in favour of simply collecting more and more suspicious sightings.

In order to facilitate this collection of information the War Office produced a memorandum on 20 April 1910 which called for the introduction of compulsory registration for all newly arriving aliens, along with a question in the 1911 census on the military service of resident aliens, and claimed that this would be of use ‘both in furnishing a clue to the discovery of the proceedings of suspicious aliens, and as being likely to operate as salutary check upon their conduct’. This document was presented to a new subcommittee of the


committee of imperial defence which had been set up in March 1910 to consider the general problem of aliens in wartime, and a week later the subcommittee’s chairman, Winston Churchill, met privately with Ewart to learn exactly what was proposed. Ewart explained the need for co-operation between MO (t) and county police forces in locating and watching German agents, and in organizing their wholesale arrest in time of strained relations, noting afterwards:

What I wanted was some authorized machinery for arresting suspected foreign spies the moment war broke out. I also wanted Chief Constables of Counties to report the movement of any suspected spy from their County into an adjoining one. It was necessary for the Chief Constables to help each other and us in that matter.62

It would clearly have been useful for such a scheme to involve both borough and county police forces, but considerations of secrecy made that impossible, as it was felt that in boroughs the chief constables were ‘of a different class & too much in the hands of their Watch Committees’. Churchill accepted these arguments and, as Ewart noted, ‘was very civil and promised to help’.63 The matter was duly raised at the first meeting of the new subcommittee on 7 July 1910, and support was given to a system of ‘informal registration’ whereby the police would be asked ‘to report periodically to the War Office on aliens residing in their districts’. Kell was left to work out the details, and by October 1910 had gained the approval of the home office and of a number of chief constables of counties for a draft ‘Confidential Return of Aliens’, which called for full personal details of all resident aliens, and carried space for noting ‘circumstances of a suspicious nature which would lead to the supposition that the individual reported on is connected with espionage’. The scheme was then put into operation, but at the suggestion of the Home Office the official form carried a warning in red stating that details were ‘to be collected confidentially only’, and it seems that all investigations had to be made in secret – Edmonds noting later that both police and post office officials assisted ‘in marking down the movements and abode of newly arriving Germans’. After completion by the police the forms were then dispatched to MO (t), which took notes and gave each case a serial number before returning the papers to chief constables ‘for future reference’, yet the process remained cautiously unofficial and was carried on without Home Office involvement.64

Appendix III (General staff memorandum, 20 Apr. 1910), p. 37. According to Maurice Hankey the question of aliens was investigated because ‘espionage and sabotage are more likely to be undertaken by persons of alien than of national birth’: Hankey, Supreme command, I, 115.

The emphasis thus remained firmly on the collection and analysis of reports, and this was just as well, for although legal action was occasionally unavoidable, prosecution under the Official Secrets Act was still a cumbersome process, and Kell was greatly helped by an early decision that the arrest of even undoubted espionage agents should be delayed until war was certain. During 1911 Kell was permitted an assistant, and MO (t) was granted the services of an expert legal adviser to keep them all working strictly legally, but even then it remained predominantly a collector of information – as was demonstrated in the case of Max Schultz, a German agent arrested near Plymouth in August 1911 and tried under the 1889 act. Schultz first aroused suspicion in July 1911, but it was not until 10 August – a week before the arrest was made and four weeks after the police investigation had started – that the chief constable of Plymouth sent a report on the matter to Kell. From this point onward Kell supervised the investigation, but his involvement was restricted to the submission of notes and instructions about the false information which could safely be passed to Schultz, and all executive work was left to the police. It seems that officers from MO (t) were present at the arrest of Schultz and the search of his houseboat on 18 August, but stories of an operation which occupied almost the whole staff... for more than three months are nebulous.

Yet although MO (t) remained almost wholly dependent on the police for both detective and executive work, the Agadir crisis in 1911 brought an enormous increase in its status. In July 1911, at the height of the panic, contact was lost with the German high seas fleet, and it seemed to the permanent officials of the committee of imperial defence that the critical moment had finally arrived. The committee's secretary, Sir Charles Ottley, warned the Foreign Office that a surprise attack was possible, and on 26 July allowed his naval assistant secretary, Maurice Hankey, to warn Sir Edward Henry, commissioner of metropolitan police, of the risk of sabotage at the naval cordite stores for which Scotland Yard was responsible. The following day Henry

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65 This course was urged by Edmonds and accepted by Ewart: Edmonds papers, iii, 5, 'Memoirs', p. 3; Ewart papers, 'Memoirs', p. 938. One particularly inauspicious case came in September 1910, when a German officer named Siegried Helm was arrested in the act of sketching the defences at Portsmouth. He was held in military detention whilst the head of MO 5 persuaded the attorney general and director of public prosecutions to invoke the 1889 Official Secrets Act, but when he was turned over to the civil authorities the local magistrates went against all advice and allowed him out on bail – finally discharging him altogether in November 1910: The Times, (8 Sept. 1910), p. 4 col. 5; (16 Sept. 1910), p. 7 col. 4; (21 Sept. 1910), p. 7 col. 2; (29 Sept. 1910), p. 9 col. 5; (4 Oct. 1910), p. 6 col. 3; (15 Nov. 1910), p. 5 col. 5; P.R.O., FO 371/906/file 32731, p. 274, memorandum by F. A. Campbell [?], 5 Sept. 1910; file 32740, p. 288, memorandum by F. A. Campbell [?], 7 Sept. 1910.

66 The assistant was Capt. Frederick Clarke, who retired to join Kell on 4 Jan. 1911. The legal adviser was Walter Moresby: C. R. Kell, 'Secret well kept', p. 122.


68 A. J. Marder, From the Dreadnought to Scapa Flow, vol. 1 The road to war, 1904-1914 (London,
mentioned the matter to Churchill, now home secretary, who ‘got very excited’ and noted afterwards:

I asked what would happen if twenty determined Germans in two or three motor cars arrived well armed upon the scene one night. He said they would be able to do what they liked.69

This image continued to alarm Churchill, and on meeting Henry the following day he again ‘enlarged on the Germans already in motor cars with explosives + full information waiting for instructions’.70 The Admiralty however refused to act, and so Churchill got cabinet authority to move troops in, and on 31 July met with Ewart, now adjutant-general, and Maj.-Gen. Macready, the director of personal services, to issue written instructions for the adequate protection of naval magazines. Later that night, under the pretence of guarding against fires during the drought, more than 500 men were moved to the three cordite stores, whilst further precautions were taken at other vulnerable points.71 Ewart and Macready shared Churchill’s fear of sabotage by ‘foreign agents and miscreants’, and whilst the soldiers were on the move in England a dispatch went to Lt-Col. Freeth, commanding the troops in the South Wales Strike Area, warning him against ‘possible damage to works of coal mines from wh. Admiralty coal is drawn’ in attacks ‘by agents of a foreign power’.72

In August 1911 the government rushed through a new official secrets act which simplified the machinery of prosecution, but a lurking fear of aliens continued to haunt the home secretary. Churchill spoke to Maurice Hankey on the matter, and learned of the progress being made by the committee of imperial defence in identifying vulnerable points, and he also consulted the chief inspector of mines about possible damage to the power houses of collieries by ‘evilly disposed persons’. He was then told of the work of MO (t), which

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70 Churchill College Archives Centre, Cambridge, McKenna papers, MCKN 4/4, C. E. Madden to R. McKenna, 28 July [1911].


was conducting its own investigation into espionage in South Wales, and from them heard more ‘about German spies and agents in the various British ports’. Eager to assist, he gave permission in October 1911 for the secret Aliens Register to be extended to borough police forces, and introduced a radical change in the method of watching suspects, noting later:

Hitherto the Home Secretary had to sign a warrant when it was necessary to examine any particular letter passing through the Royal Mails. I now signed general warrants authorizing the examination of all the correspondence of particular people upon a list, to which additions were continually made.\(^73\)

This soon brought dramatic results. During November 1911 MO (t) and the Special Branch co-operated over the investigation of a German spy in Portsmouth named Heinrich Grosse, and from intercepted letters, and other papers found after his arrest on 4 December, discovered that he corresponded with his German contact through a barber in Hampstead called Kronauer. A reference to this at Grosse’s trial frightened Kronauer so much that he refused to continue as a forwarding agent, but Kell was able to determine that most of this work passed to another London barber named Karl Gustav Ernst, and an interception of Ernst’s correspondence seems to have begun late in December 1911.\(^74\) This soon revealed that he was acting as intermediary for a large number of resident German agents, and by January 1912 Kell had amassed sufficient evidence to support a less cautious official policy. On 15 January Churchill, now first lord of the admiralty, thus wrote to Haldane about


\(^{74}\) *The Times*, 9 Aug. 1914, p. 3 col. 4 (statement by Marie Kronauer), and detailed reports of Ernst’s trial carried Sept.–Nov. 1914. It is clear that Kronauer recruited Ernst as an agent in 1910, but a number of conflicting accounts have appeared about his subsequent discovery. All contain the same basic elements, and Felstead – who got information both from MI5 and the Special Branch – may have the authentic version in his story of police following two German naval officers to Ernst’s shop in May 1911, when they had come to London in the Kaiser’s retinue. This event was suspicious, but does not seem to have prompted an immediate check on his correspondence, for Det.-Insp. Savage, who was closely involved with the Grosse case, recalled that Ernst was investigated ‘as a direct consequence of Heinrich Grosse’s arrest’ on 4 Dec. 1911, with his significance being realized ‘immediately after’. An apparently well-informed report in 1914 stated that the interception of his correspondence began ‘about Christmas of 1911’, and this agrees with the earliest surviving intercepted letter – sent to Ernst on 6 Jan. 1912: Felstead, *In search of sensation*, pp. 88–9; Savage, *Savage*, p. 97; *Daily Express*, (20 Oct. 1914), p. 1 cols. 3–5; ‘The Kaiser’s master spy’: P.R.O., GRIM 1/151, Exhibit 7.
German espionage, advising him that it could soon be necessary ‘to make public statements concerning its prevalence’, and that as a consequence:

The evidence collected by Captain Kell about German espionage in England etc. ought to be submitted to one or two legal authorities of eminence… As absolute confirmation may be lacking, altho moral certainty exists, it wd be well to fortify ourselves with some cool judicial opinion trained in judging evidence and capable of being cited, to show that we have made no charges in haste or without good reason.75

The assembled evidence was thus presented to Sir Charles Mathews, director of public prosecutions, and Archibald Bodkin K.C., senior treasury counsel at the central criminal court. Mathews was impressed that although the evidence remained ‘insufficient to proceed under the Official Secrets Act of 1911’, the agents nevertheless ‘left no doubt as to their object’, and the joint report concluded that in England and Wales Germany already possessed ‘an extensive and systematic machinery of Secret Service’.76

After November 1911 the detective work of MO (t) was concentrated in this interception of letters, and Kell gained an enormous advantage. Of some two dozen paid German agents in Britain it appears that Ernst was ‘the clearing agent for the reports of more than half’, and it soon proved possible to identify several of the others, for in July 1912, apparently ‘due…to a conversation overheard in a railway carriage’, Steinhauer himself was recognized on York station, and a close watch on his correspondence and movements yielded another eight suspects.77 In this way MO (t) seems to have uncovered all the German spies working before 1914, for as Steinhauer later admitted, his agents in Britain at this time operated only at a very low level, with ‘nothing especially secret about the whole business’. In London he maintained just a few contacts such as Ernst whose work was ‘confined to opening letters…taking out the enclosures they contain – chiefly sealed letters – stamping them, and putting them into pillar-boxes’, whilst in the provinces a small number of agents received these letters, tried to answer the questions they contained – ‘mainly

76 P.R.O., CAB 15/6/16, C. W. Mathews to secretary of war cabinet, 13 June 1919, p. 4, section (8). For the full conclusions of the 1912 report see appendix. It seems that this document was eventually put aside when it became clear that a public statement would destroy the system of intercepted correspondence. In Feb. 1912, for instance, the check on Ernst’s correspondence revealed a spy on board H.M.S. Foxhound, but Churchill nevertheless decided ‘that the case is not of sufficient importance to justify the disclosure of the means by which his correspondence with a foreign agent was detected’, and the man was not brought to trial: P.R.O., CRIM 1/151, Exhibit 10, letter to F. Ireland posted in Berlin under cover to Ernst, 12 Feb. 1912; FO 800/87, p. 301, Greene to Grey, 23 Feb. 1912: The Times, 24 Feb. 1912, p. 10 col. 4, and 30 Mar. 1912, p. 6 col. 3.
77 H. C. Bywater and H. C. Ferraby, Strange intelligence: memoirs of naval secret service (London, 1931), p. 220; Fitch, Traitors within, pp. 119–21: Kell papers (Simpson), ‘Security intelligence in war’ by H[olt]. W[ilson], 1934, p. 16. A number of accounts imply that Ernst handled the correspondence of all German spies in Britain, but Kell described him merely as ‘one of their principal distributing agents’: Kell papers (Frost), talk given to ‘Scottish chief constables’, 26 Feb. 1925, p. [6].
dealing with changes that had taken place in naval or military matters' – and sent their replies through the same cover addresses in London.78

All this now lay revealed, and Kell, whose section was doubled in strength during 1912, at last possessed the firm evidence which would contradict reports of vast networks planning invasion. There simply were no hidden saboteurs, and as Eric Holt Wilson, who joined MO(t) in December 1912, later acknowledged ‘the German agents unearthed by K[ell]. were found to be...concentrating entirely on our naval and political affairs’, yet this remained far from the impression given by the intelligence assessments produced under Kell’s guidance.79 In February 1912, for instance, the directorate of military operations issued a secret report on the ‘Special Military Resources of the German Empire’ which ignored arguments against German invasion on the grounds that such a plan ‘has been seriously considered by their General Staff, and that preliminary measures have actually been taken by them, in England as well as in Germany’. It also asserted that:

the probabilities point to a feint on the south coast in Kent and a landing in force in Norfolk, Suffolk and Essex. There is little doubt that a certain amount of hostile organization already exists in our eastern and southern counties...to render the task of the invading forces easier by destroying bridges and communications.80

Kell indeed remained convinced that a vast military network lay undiscovered, and warnings were thus given which characterized these hidden agents as ‘the cleverest and most adroit’, and claimed that they were entrusted with sabotage after the outbreak of war.81 In October 1912, in an attempt to locate them, the police were issued with ‘Notes on the Work and Methods of Foreign Secret Service Agents’, and the ‘Informal Alien Registration’ was also extended, so that by the end of the year the ‘Alien Return’ itself was only a part of a scheme ‘to discover agents of whom we have no definite information’. From the completed registration forms MO(t) now went on to compile lists of ‘Possible Suspects’, on whom chief constables had to submit ‘Special Alien Reports’ every three months, and if these suspicions appeared confirmed they transferred the names to a list of those to be arrested in time of strained relations. In addition MO(t) supplied special forms for ‘Reports on Individuals and Occurrences’, and collected separate ‘Arrival, Departure and Change of Address Reports’ from the police in sensitive areas where aliens were more carefully watched.82 The scale of this work was huge, and yet by December

78 Steinhauer, Steinhauer, p. 50.
80 P.R.O., WO 33/579, ‘Special military resources of the German empire’, Feb. 1912, pp. 50–1, 53.
1913 Kell was able to report that the ‘initial compilation’ was nearing completion, after which the register could be kept up to date with less effort. By that time MO (t) had completed the registration in 54 county areas and 41 boroughs, listing 28,830 aliens, of whom some 11,100 were German or Austrian – about 28 per cent of the men of those nationalities shown in the 1911 census. From this they went on to produce by 1914 a card index of 16,000 names, a list of 22 known agents to be arrested when war seemed imminent, and details of some 200 other people ‘under suspicion’ or noted as personal contacts of the known spies.83

In the light of Kell’s conclusions it became vitally necessary to co-ordinate civil and military action even before the outbreak of war, and in 1911 the committee of imperial defence subcommittee considering departmental action in wartime decided on a ‘Precautionary Stage of Defence’ before mobilization to enable the army to guard vulnerable points, and also advocated independent measures against espionage, ‘which the Army Council should be authorized to order on a private intimation from the Foreign Office that a state of tension exists’.84 By 1912 the so-called ‘scheme for secret service’, under which the War Office would order chief constables to detain known agents, was noted in the ‘Precautionary Stage’ regulations, and by 1914 a detailed plan of action had been devised, ensuring that a threat of war would bring both the detention of known agents and the arming of the police to guard vulnerable points. As the ‘War Book 1914’ explained, during the ‘Precautionary Stage’:

Chief Constables will be furnished by War Office (Dept. M.O.-5) with lists of aliens whom it may be necessary to arrest, to search, or to watch, as the case may be; when such action is decided on, the Chief Constables will be requested by telegram from M.O.-5 to proceed.85

Meanwhile MO5 would have obtained warrants from the home secretary to examine inland telegrams, and to intercept the correspondence of:

(i) individuals suspected to be agents of a probable enemy,
(ii) firms likely to have business transactions in connection with the impending war,
(iii) correspondents of foreign newspapers.86

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83 P.R.O., HO 45/10629/190699/5, Kell to Troup, 11 Dec. 1913; CAB 4/5/2/181 B, Appendix v, p. 47, ‘Summary of results of informal alien registration to July 1913’; J. E. E[dmonds], ‘Brigadier Sir Eric E. B. Holt Wilson’, Royal Engineers Journal lxiv, 3 (Sept. 1950), 344: Kell papers (Simpson), ‘Security Intelligence in war’ by H[olt], W[ilson], 1934, p. 17. Unfortunately there had been no detailed registration in Hertfordshire, Middlesex or Surrey, and no attempt was made to introduce the register in the city of London or metropolitan police district – where 56 per cent of the alien population lived: P.R.O., HO 45/10629/190699/5, list headed ‘Home Office letter’ and signed by Kell, 26 Jan. 1914; CAB 4/5/2/181 B, report on ‘Treatment of aliens’, 14 Aug. 1913, p. 3 and Appendix v, p. 47.
84 P.R.O., CAB 15/1, minutes of second meeting, 17 Oct. 1911, p. 2 (‘Initiation of the precautionary stage of defence’), and ‘Interim report’, p. 6 (‘The precautionary stage of defence’).
86 P.R.O., WO 33/688, ‘A war book for the War Office, 1914’, p. 54 (MO 5/‘Precaution-
MO (t) would thus be in a position to order the arrest of all the known agents as soon as it was informed of the likelihood of war, whilst after the outbreak of hostilities it would continue to co-ordinate action through a new War Office subsection numbered MO5 (g).  

In the last years of peace MO (t) thus worked closely with the post office and the police to intercept and copy the letters of the known German spies, and to maintain a huge system of registration aiming to locate ‘all...possible secret agents and their contacts’ outside the central network.  

Kell’s section in fact proved remarkably effective in controlling and containing German espionage in Britain between 1911 and 1914, and their work enabled the Special Branch to watch all the main agents and make a full evaluation of the danger. As one police officer recalled:

Within a very short space of time the Yard had compiled a huge dossier covering all parts of the country, until practically every ‘ordinary’ agent had been ‘cornered’ in theory and assessed at his or her true value...from the most obscure agent hardly worth watching or even charging with an offence, to the ‘principals’; the only ones who really mattered.

By the summer of 1914 all the necessary preparations had been made, and in the middle of July, with the German fleet known to be somewhere in the north sea, Kell held a ‘full-dress mobilization’ of MO (t) to test its machinery. On 26 July the Admiralty halted the demobilization of the British fleet, and the following day Churchill obtained the prime minister’s authority to post soldiers at the naval magazines and oil tanks. By 28 July the situation seemed serious enough to warrant moving against the known German agents, for as Churchill recalled:

ary stage’) No. 57/2(a); CAB 15/5, ‘War Book 1914’, 30 June 1914, p. 297 (post office p. 9 – section ii precautionary part 19, postal censorship, No. 1).


88 Kell papers (Simpson, ‘Security Intelligence in war’ by H[olt]. W[ilson]., 1934, p. 15. Two other precautions were also taken. First, warnings were issued in the navy about approaches from spies to dissatisfied seamen, men in debt, or those who had been severely punished, with the result that all such letters were passed on to MO (t). Secondly, British agents carried out a ‘systematic observation’ of those places in Rotterdam, The Hague, Ostend, and other towns where agents were known to meet their contacts – on one occasion employing a private detective for this work: Kell papers (Frost), lecture of June 1939, pp. 5–6: P.R.O., FO 371/1909/file 8694, F. H. Villiers to Grey, 26 Feb. 1914.

89 W. H. Thompson, Guard from the rear (London, 1938), p. 43. The principle of watching without arresting endured, and although between 1911 and 1914 four spies detected through the interception of Ernst’s correspondence were brought to trial, in each case MO (t) waited until there was a second, independent source of information before making an arrest – thus protecting their main operation. In Feb. 1914, for example, police arrested Frederick Gould – probably the most important German agent in Britain before the war – after incriminating papers had been found in a house he vacated in Dec. 1913, yet a letter to ‘F. Gould’ had been discovered in Ernst’s correspondence as early as Nov. 1912: The Times, (5 Mar. 1914), p. 4 col. 1: P.R.O., CRIM 1/151, Exhibit 48A, letter with enclosure posted in Berlin 16 Nov. 1912.

90 S. T. Felstead, German spies at bay (London, 1920), p. 5. Felstead’s book is probably the closest we shall ever get to an official history of counter-espionage from 1914 to 1918, being written with information from both MI5 and the Special Branch: Felstead, In search of sensation, pp. 85–8: Churchill College Archives Centre, Hall papers, 1/3, R. J. Drake to W. R. Hall, 1 Nov. 1932.
Up to this point we had no objection to the German Government knowing that exceptional precautions were being taken throughout the Navy. Indeed, apart from details, it was desirable that they should know how seriously we viewed the situation. But the moment had now come to draw down the curtain. We no longer forwarded the letters.91

The following day the government ordered the institution of the precautionary measures, and the Home Office formed a special ‘Police War Duties’ division to co-ordinate their work — issuing shortly afterwards the ‘Police War Circular’ which warned officers against ‘small bands of men provided with explosives’ who might have orders to attack ‘even before the commencement of war’.92

The declaration of the ‘Precautionary Period’ on 29 July 1914 seems also to have brought the full mobilization of MO (t), with the unit being enlarged from four officers to seven, and with Kell moving permanently into London where he ‘slept in his office with many telephones around his bed’.93 For six days they apparently waited for instructions, until on the evening of 3 August 1914, as Holt Wilson recalled, ‘we received secret information 12 hours in advance that war was to be declared on the following day’. The prearranged code telegram was immediately sent to chief constables, and on 4 August all but one of the twenty-two agents listed for arrest were picked up.94

Kell’s section — now identified as MO5 (g) — had achieved a remarkable success, and had destroyed the German espionage network in Britain at a vital moment, but Kell nevertheless began a frantic search for all the missing agents he was convinced were still at large. The arrested men were interrogated, and most ‘made no compunction of saving their skins’. They co-operated with MO5 (g), and in return it seems that no evidence was offered on the charges for which they were arrested under the 1911 Official Secrets Act, and they were interned for deportation under the new Aliens Restriction Act.95 At the same time a careful watch was kept on their known contacts, and as a result of such precautions the director of public prosecutions could record the arrest of fourteen more agents ‘within a week of the declaration of war’.96 Meanwhile

94 Kell papers (Simpson), ‘Security intelligence in war’ by H[olt]. W[ilson]., (1934), pp. 16–17: Kell papers (Frost), lecture of June 1939, p. 7. The advance warning seems to have come from Churchill, who perhaps feared organized sabotage as soon as the British delivered their ultimatum to Germany: Churchill, World crisis, i, 170–1.
96 Kell papers (Simpson), ‘Security intelligence in war’ by H[olt]. W[ilson]., (1934), p. 17: P.R.O., CAB 15/6/16, Mathews to secretary of war cabinet, 13 June 1919, p. 4: Felstead, German
the police were making a determined effort to find any trace of ‘conspiracies to commit outrage’, for as the Home Office reported:

immediately after the commencement of hostilities, rigorous search was made by the police in the houses of Germans and Austrians, in their clubs, and in all places where they were likely to resort. In a few cases individuals were found who were in possession of a gun or a pistol... but no store of effective arms — still less any bombs or instruments of destruction.97

The entire Special Branch was also committed to this investigation, and in the first month of war alone the metropolitan police investigated some eight or nine thousand individual cases, and examined thousands of documents in searches, but no evidence was found ‘indicating any combination amongst alien enemies... or of any kind of military organization among them’.98 No risks were being taken, however, for immediately war was declared the commissioner of police had created a special constabulary for London, and within three weeks was employing 20,000 amateur guards to patrol railway bridges and tunnels, as well as waterworks, gasworks, and canals.99 By the end of the month his fear of sabotage was so great that he persuaded the Home Office to order the internment of any unemployed aliens held likely to ‘cause fires in the central portions of London and indulge in other proceedings calculated to create alarm and panic’.100

spies, p. 22. Some doubt has recently been thrown on the story that the arrests in Aug. 1914 broke a functioning German spy network [D. French, ‘Spy fever in Britain, 1900–1915’, Historical Journal, xxii, 2 (1978), 364–5]. Whilst it cannot be proved that the men detained formed a single coherent system of espionage, there is no doubt that a large proportion were known German agents whose arrest destroyed the pre-war organization. Of the relevant officials working in Aug. 1914 this opinion is known to have been held by the head of MO (t), the deputy head of MO (t), the head of MO5, the director of military operations, the first lord of the admiralty, the assistant commissioner in charge of the Special Branch, the director of public prosecutions, and the home secretary: Kell papers (Frost), p. 5 of manuscript by Kell relating to ‘“Spies” in the Great War’ (n.d.); Kell papers (Simpson), ‘Security intelligence in war’ by H[olt], W[ilson]., (1934), p. 17; G. Macdonogh, ‘Military intelligence’, Journal of the Royal Artillery, xlvii (1921/22), p. 401; C. E. Callwell, Experiences of a dug-out (London, 1921), p. 134; Lloyd George papers, F/9/2/16, W. S. Churchill, ‘Reduction of estimates’, 19 Mar. 1920, p. 2; B. Thomson, Queer people (London, 1922), pp. 34–5; P.R.O., CAB 15/6/16, Mathews to secretary of war cabinet, 13 June 1919, p. 4; Hansard, House of Commons debates 5th series vol. 65, 5 Aug. 1914, col. 1986 (McKenna on the ‘Aliens Restriction Bill’).


98 Hansard, House of Commons debates, 5th series, vol. 66, 9 Sept. 1914, cols. 564–5 [report from Sir E. Henry read by McKenna].

99 Cmd. 536 (1920 Session, vol. xxiii), ‘Report... on the service of the metropolitan special constabulary 1914’ by E. Ward, 1 Aug. 1919, pp. 2, 5; B. Clarke, ‘War-time work of Britain’s special constabulary’, Great War, x (London, 1918), 358.

Kell was completely and ludicrously wrong in his assessment of the threat from enemy aliens, but he nevertheless gained in status as the feverish campaign to guard all vulnerable points and intern all enemy aliens continued around him. Once more it was possible to hide confused prejudice under numerous index cards and dots on maps, and thus, as one observer of MO 5 (g) noted, soon after the outbreak of war:

the Prime Minister, Mr Asquith, came to see the large map in the office, and was shown the location of suspected spies. He exclaimed, as he saw the extent of the work, ‘Why, this amounts to a major victory’.  

This visual trick could also be used to silence opposition, and when in September 1914 the editor of the Daily Express, Ralph Blumenfeld, criticized the Home Office for its weak attitude to German espionage, he was in reply allowed to see ‘a great chart crossed and dotted’ which marked the arrest of each German agent. The home secretary told him:

This shows what became of the spies about whom you were crying out. The very moment that war was declared the were all put under lock and key, all at one swoop, and the next morning the whole German spy system... was smashed to smithereens.  

Kell, however, remained less than convinced that the German agents had gone ‘all at one swoop’, and under cover of this single successful operation began an obsessive hunt for plans of invasion, sabotage, or subversion which was to last throughout the war.

British military counter-espionage enjoyed considerable support after 1907, and from 1909 to 1914 Vernon Kell in particular gained a reputation which was to keep him in office for thirty years, yet there is little enduring reason to praise the work of MO (t) or its predecessors. Their primary function was to produce an accurate assessment of the danger from German espionage out of a mass of suspicious reports, but in this they failed completely. Between 1907 and 1909 James Edmonds built up a picture of German plotting which was both widely prejudiced and almost wholly inaccurate, and although this was in part due to his meagre resources no such excuse exists for Vernon Kell, who continued these malicious and alarmist reports despite improved facilities and access to evidence which flatly contradicted them. It must be admitted that despite this strategic failure MO (t) could nevertheless build up a list of the main German agents operating in Britain, which in August 1914 enabled it to order the arrest of all those still active, but here the main work was in fact left to the police, for it was the Special Branch that watched the suspects and handled the bulk of the investigations – and indeed that discovered the main forwarding address for the agents and so ensured Kell’s limited success.

it was the Special Branch rather than MO5(g) which in August 1914 investigated the numerous reports of organized spying and proved them false, employing on these duties 'a chief officer and a staff of over 114 officers and men' at a time when Kell could only provide eight military officers and three attached police. In fact, if in 1909 the committee of imperial defence had given responsibility for counter-espionage to Sir Edward Henry as commissioner of the metropolitan police, rather than to Ewart as director of military operations, it seems certain that the Special Branch would have equalled Kell's success — and indeed would have improved upon it, for their judgement would not have been clouded by the same alarmist fears of invasion. There was really no compelling reason why this form of policing should have been given to the War Office, and, as a later military critic admitted, the fact that the counter-espionage organization remained under military control came 'not because of its functions, which are mainly civil, but because its origin was due to military suggestion and its personnel were at first, at any rate, military'.

Indeed, the decision to militarize counter-espionage simply ensured the appointment of an officer hostile to Germany, and produced Vernon Kell — an obscure junior official of limited practical experience who was so paranoid about invasion that in 1914 he spent part of his summer holiday at a potential landing point on the Norfolk coast 'to see if there were any German activities going on'.

In retrospect, therefore, the formation of MO(t) in 1909 has to be seen as irresponsible, for it gave great influence and substantial independence to a single officer unsuited to the task, and allowed him to circulate at the highest level assessments implying that Germany had already decided upon war, and through numerous resident aliens was planning destruction at the heart of the empire. Despite superficial success, the employment of military officers on specialist counter-espionage duties between 1907 and 1914 did nothing except inspire 'spy fever' and encourage distrust of Germany, and in consequence failed as miserably as it could possibly have done.

APPENDIX

The 1912 report on German espionage in Britain

Churchill was first involved with the detection of German espionage as home secretary late in 1911, but when made first lord of the Admiralty in October of that year continued to receive regular assessment 'of the agents they have maintained...in great


104 Army Quarterly, 1, 2 (Jan. 1921), 'Intelligence', p. 334.

105 National Maritime Museum, London, Oliver papers, OLV/12, 'Recollections' by H. F. Oliver, ii, 95. Oliver was director of the naval intelligence division from Sept. 1913 to Oct. 1914, which helps date this episode to 1914.
numbers to report to them all the details of our naval organization'. In late November 1911 he was able to inform the Foreign Secretary that available intelligence had greatly increased 'through the warrant that I issued as Home Secretary for the inspection of correspondence', and he may even have considered presenting this material for legal opinion. It was not however until January 1912 – by which time Ernst’s correspondence was adding to the weight of evidence – that Churchill suggested this course of action to the secretary of state for war. The material Kell had collected was then put before Mathews and Bodkin, ‘in order to obtain a perfectly cool and dispassionate opinion from persons unconnected with the Admiralty and accustomed to weigh evidence’. Their joint report, apparently dating from mid-1912, concluded:

We have carefully examined and considered the material with which we have been furnished by Captain Kell and Commander Cummings [sic] in their respective spheres of duty and have in regard to Captain Kell’s information come to the following conclusions:

(a) That as far as England and Wales are concerned there is already established therein an extensive and systematic machinery of Secret Service kept in motion by one or more persons in the Secret Service of Germany.

(b) That agents in this country are employed and controlled from Germany in collecting information relating to land and naval defence of this country, and in communicating such information to one or more members of the German Secret Service.

(c) That such agents are distributed over various parts of England and Wales, chiefly at places near to the sea coast, where information upon such matters would more probably be obtained.

(d) That such agents in this country are principally, it would appear, of German nationality, but in some cases English in one or other of the Services.


110 The conclusions were quoted by Churchill in his ‘Memorandum on the general naval situation’ of Aug. 1912: P.R.O., FO 800/87, p. 382. They were clearly considered very secret, for they were added to the printed text in typescript and as an afterthought the references to Kell and Cumming were heavily crossed out. They were obviously written before 26 August 1912, and probably after 17 April 1912 as Mathews later mentioned in this context Captain Reginald Drake, who retired to join MO (t) on this date: P.R.O., CAB 15/6/16, C. W. Mathews to secretary of war cabinet, 13 June 1919, p. 4.