

# Diplomacy Through Agents

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Leaders generally conduct diplomacy through relatively autonomous agents. I argue that delegating diplomacy allows for credible communication by constraining leaders' ability to bluff. Specifically, leaders can choose diplomats who place some value on the interests of their host countries. Such diplomats will only oppose foreign government policies when these impose large costs on their home country. Consequently, a message from such a diplomat enjoys greater credibility than one from a diplomat whose preferences mirror those of the leader. This gain in credibility increases the leader's chances of obtaining concessions when the diplomat opposes foreign policies and reduces the probability of conflict. I show formally that, for the leader, the optimal diplomat is always biased in this way because the increased credibility offsets the diplomat's occasional failure to support the leader's position. I conclude with a case study focused on the career of Ambassador Walter Hines Page.

## Introduction

Despite its importance in international relations, diplomacy remains a relatively neglected research subject in the field. Much of this neglect stems from a simple, but powerful, intuition that diplomatic communication, as a form of *cheap talk*, should not have a meaningful impact on interstate interactions (Schelling 1966, 150; Fearon 1995, 396). Despite this intuition, historians and practitioners clearly believe that diplomacy matters. Consequently, scholars have searched for mechanisms that make diplomatic messages credible. Much of this work focuses on the role of reputation (Sartori 2002, 2005; Guisinger and Smith 2002), although some models examine coordination dynamics (Trager 2010; Ramsay 2011) or the link between cheap talk and costly signaling (Kurizaki 2007).

In this article, I outline an alternative argument—one centered on the fact that diplomacy is nearly always conducted by relatively autonomous agents. Leaders can, and sometimes do, engage directly in diplomacy, but most diplomatic communication passes through officials who operate relatively independently and with limited oversight. This delegation process provides a way for states to credibly communicate. Specifically, a leader can select a diplomat who places some value on the interests of a foreign country and give that diplomat the ability to choose what messages to convey to the foreign government. A diplomat sharing no interests with his or her host government would demand policy changes whenever these would provide a benefit, however small, to the sending state. On the other hand, a diplomat who shares interests with the host government will only demand such changes when their impact on the sending state is sufficiently large. In consequence, such a diplomat's messages will have higher credibility because these messages signal that the issues involved are important to the sending state.

I show that the value of this channel for credible communication is so sufficiently large that a leader's optimal diplomat is *always* biased away from the leader's own preferences, but I also show that the optimal bias remains limited. That is, a leader will always optimally select a diplomat with intermediate bias, who places some value on the interests of each side. This theory explains not only the credibility of diplomatic communication but also the persistence of highly delegated diplomatic institutions in an era when technology allows for centralized alternatives. After presenting the results on diplomacy, I also extend the baseline model to consider advice—information provided back to the home country—and show that advisors, unlike diplomats, will optimally share their own leaders' preferences. Thus, the model supplies a reason for leaders to separate diplomatic and advisory functions.

## Diplomacy and Credibility

One of the central credibility problems in international relations comes from pervasive uncertainty combined with leaders' abundant incentives to misrepresent their capabilities and resolve. Whether resolved or not, leaders have an incentive to convince their adversaries that they will take coercive action if their demands are not met, thereby forcing adversaries to make concessions. Because any leader can claim to be resolved in diplomatic communications, there is no reason to believe such claims. Given that this incentive to misrepresent appears to undermine the possibility of credible communication through cheap talk diplomacy, scholars have traditionally focused on the role of costly signals, rather than mere words, as a way for states to credibly communicate (Schelling 1966, 150–51).

While diplomacy is not directly costly, *public* diplomacy may trigger indirect costs. For example, leaders who publicly bluff and then back down may face punishment from domestic audiences, who see failed bluffs as an affront to the national honor or an indication of incompetence (Fearon 1994; Smith 1998; Weeks 2008). Even leaders who lack a domestic audience could face consequences from international actors when they bluff, such as a loss of reputation that may reduce future diplomatic

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*Author's note:* I would like to thank Branislav Slantchev, David Lake, Jesse Driscoll, Shuhei Kurizaki, Kyle Haynes, Brandon Yoder, and Kelly Matush for helpful comments.

Lindsey, David. (2017) Diplomacy Through Agents. *International Studies Quarterly*, doi: 10.1093/isq/sqx037  
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effectiveness (Sartori 2005). McManus (2014) demonstrates that such public statements often succeed.

More recent work on diplomacy moves beyond both indirect costs and reputation. Kurizaki (2007) shows that the incentive to avoid the costs associated with public threats sometimes allows credible communication through costless, private signals. Trager (2010) argues that, under appropriate circumstances, states are harmed by the perception that they have hostile intent. This creates a disincentive to claim resolve, so it may make private messages expressing resolve credible. In a similar vein, Ramsay (2011) shows that costless diplomacy may influence the willingness of states to negotiate—and thus transmits at least some information.

These existing mechanisms help to explain the ways in which diplomacy can function, but they do not place much weight on *how* states transmit messages. To the extent that they carry institutional implications, all of these theories imply that diplomatic structures should be as centralized as possible. At best, delegating communication to autonomous agents stationed abroad is a costly way to duplicate the function of a secure telephone line. At worst, it introduces the possibility that those agents will garble messages, make mistakes, or undermine their own leaders. Historically, barriers to communication forced leaders to station autonomous representatives abroad. This is no longer directly necessary in the information age, so, the persistence of delegated diplomacy presents a puzzle for these explanations. In contrast, I argue that delegation is actually a crucial mechanism to increase credibility.

While theories focused on the credibility of diplomatic communication have typically ignored diplomats, other approaches see a role for diplomatic agency. While many valuable contributions emphasize the potentially transformative role played by diplomats, I focus here on what Mitzen (2015, 112) calls “diplomacy as representation” involving the functions of communication and negotiation. Rathbun (2014), for example, argues that diplomats adopt different “diplomatic styles” as the result of underlying psychological differences and that the combination of these styles is crucial to explaining international outcomes by determining whether situations are seen as competitive or cooperative. Drawing on social network theory, Goddard (2009, 2012) and Grynaviski (2015) focus on the role of brokers or intermediaries—individuals who bridge structural holes in networks by linking otherwise unconnected actors. Goddard argues that it is “network position, and not . . . attributes or interests” that make these brokers important (Goddard 2009, 250), while Grynaviski (2015) argues that intermediaries can use their position to allow for international cooperation that would not otherwise occur. Similarly, Goddard (2012) attributes successful peacemaking in Northern Ireland to the action of brokers, distinguished by their network position. Intermediaries undoubtedly play an important role when structural holes exist, but modern diplomats often occupy a network position linking governments and societies that are already densely connected. I show that diplomats remain important even when dense ties already exist. Their importance in such circumstances is a function precisely of their attributes and interests.

Diplomatic appointments may also serve domestic political functions where agency is important. For example, ambassadorships have often been given as rewards to loyal donors and supporters, particularly in the American system (Mak and Kennedy 1992, 3). On the Watergate tapes, President Nixon tells an aide that, “anybody who wants to

be an ambassador must at least give \$250,000” (Jett 2014, 80). Nixon, however, weighed the domestic benefits of dispensing patronage against the international costs, later remarking that “[t]he most important thing, if it was an important post, was an individual who was totally and highly qualified. . . . As far as other ambassadorial assignments were concerned, ambassador to Luxembourg or El Salvador or Trinidad, et cetera, it was not vitally important, as far as the national interest was concerned, to have in that post an individual whose qualifications were extraordinary” (quoted in Wilson 2015, 77–79). Recent empirical work supports the idea that patronage concerns systematically influence appointments (Fedderke and Jett 2017), but, consistent with Nixon’s statement, Hollibaugh (2015, 462) finds that “nonprofessional ambassadors tend to be posted to less difficult, lower-risk countries.” In short, patronage concerns may influence appointments, but this influence is largest when the international stakes are low.

### Diplomatic Preferences and Institutions

Diplomatic writers often describe successful diplomats as holding a dual loyalty to both home country and host country. As Harold Nicolson (1963, 122–23) writes, “[t]he professional diplomatist is governed by several different, and at times conflicting, loyalties. He owes loyalty to his own sovereign, government, minister and foreign office . . . [and] to the government to which he is accredited and to the minister with whom he negotiates.”

Practicing officials echo similar points and note the balancing act involved. For example, the French diplomats de Laboulaye and Laloy (1983, 70) write, “[i]t happens occasionally that an ambassador is accused of representing the interests of his own country less effectively than he represents those of the country to which he is accredited. Of course an ambassador does not like to hear this. And yet, without indulging excessively in paradox, it might be said that the accusation constitutes, at least in part, also a tribute.” Similarly, former American ambassador William Macomber argues the following: “It is normal and commendable for a diplomat to develop an interest and sympathy for the nation where he has been assigned. The fatal flaw, however, is to forget that he is sent abroad to represent the interests of his own country to the host country, and not vice versa” (quoted in Freeman 1994, 208).

Affinity between diplomats and their host countries has a variety of sources. Individual diplomats may have some preexisting personal, ethnic, religious, or ideological ties to a foreign country or leader. More generally, professional diplomats often favor their host country even in the absence of preexisting ties. Work on the culture of the US foreign service finds that its officers tend “to identify with foreign viewpoints” (Rosati and DeWitt 2012, 185). In consequence, Rosati and Scott (2010, 145) note that foreign service officers are often “accused of allowing the interests of the countries in which they serve to trump US interests, often to the frustration of the White House.”

The model developed below assumes not only that leaders can select biased diplomats but also that such diplomats can credibly convey their own views to foreign governments. That is, the host country must believe that a diplomat acts at least somewhat autonomously. The structure of diplomatic relations makes this almost inevitable. Ambassadors operate far from home with inherently limited oversight. Many important diplomatic discussions

take place in unofficial conversations, and diplomatic communication is nuanced. Diplomats can convey their own opinions without explicitly stating them. For example, Samuel Hart, who served as US Ambassador to Ecuador, recalls his own tactic: “The way I would frequently do it was when I would disagree with policy, I would merely say, ‘U.S. policy is the following ...’ and spell out what it was and why it was [and] ‘a contrary view is the following...’ and what it was and why it was” (quoted in Kennedy 1992, 29–30). Beyond the nuance of diplomacy, senior diplomats have a great deal of discretion. Langhorne Motley, who served as US Ambassador to Brazil before leading the official seminar conducted for newly appointed American ambassadors, says this of an ambassador’s discretion: “The Foreign Service ‘Bible’ says you write your own instructions, and that is correct. If an ambassador is aggressive, he or she will be way ahead of the curve and in effect will have written his or her own instructions. The ambassador is not sitting back waiting for someone in Washington to tell him what to do” (Mak and Kennedy 1992, 43).

Beginning from assumptions about bias and autonomy, the model developed here fits into a literature on the role of preferences in cheap talk communication. Foundational works on signaling show that preference similarity allows for credible information transmission through cheap talk signals (Crawford and Sobel, 1982). In an important application of this work to international relations, Kydd (2003) argues that international mediators can transmit information when they are biased in favor of one of the disputants, creating the preference similarity that allows for credibility. Savun (2008) tests this argument, while Favretto (2009) advances a similar argument in the context of third-party intervention. A related literature on political advice shows that leaders benefit from receiving information from advisors who are biased in their own favor (Calvert 1985).

This article builds on the basic insights of the cheap talk literature, but the application to diplomacy has important differences. While mediators have exogenous biases, leaders choose their own diplomats and advisors and are able to select on their underlying views. Diplomats and advisors are, however, chosen for different purposes. Diplomats, unlike advisors, primarily serve to transmit messages to foreign governments. In an advisory relationship, leaders delegate the *acquisition* or analysis of information. In a diplomatic relationship, leaders delegate the *transmission* of information.

By slightly modifying the model developed below, I develop a model that depicts an advisor or intelligence agent rather than a diplomat. This model replicates the core finding of existing literature that the optimal advisor is biased *toward* her leader. As will be discussed below, the optimal diplomat is biased in the opposite direction, *away* from her leader. Delegating diplomacy also presents an important trade-off not present in delegating advice. In choosing a diplomat, a leader always faces a tension between loyalty and credibility that results in an optimal diplomat with intermediate bias. In choosing an advisor or intelligence agent, a leader faces no such trade-off.

### Formal Model

The theoretical model developed here uses a simple signaling structure to capture the costs and benefits of delegating diplomacy to a biased agent. All messages in the game are cheap talk—they have no direct effect on any

player’s payoffs. I also model a one-shot interaction, thereby removing reputational concerns. The core structure assumes that a leader selects a diplomat, with some known bias, who then sends a message to a foreign government about one of its policies. The foreign government then chooses whether or not to voluntarily revise its policy, and if it does not do so, then the leader may take a costly action to force revision.

The leader’s utility depends on the effect of the foreign policy on him or her (which I label  $x$ ), as well as the costs of conflict from forcing revision, should he or she choose to do so (which I label  $c_L$ ). The foreign government’s utility depends on the effects of its policy on itself (which I label  $f$ ) as well as the costs of conflict that it suffers if the leader forces revision (which I label  $c_F$ ). Finally, the diplomat experiences the same effects of the foreign policy as the leader (i.e., his or her utility also depends on  $x$ ); however, the diplomat’s policy preferences may diverge from the leader as captured by the bias parameter  $\beta$ . Like the leader and the foreign government, the diplomat pays some cost in the event of conflict (which I label  $c_D$ ).

The sequence of the game proceeds as follows:

1. The leader ( $L$ ) selects a diplomat ( $D$ ) with bias  $\beta$ .
2. Nature determines the effect of some policy adopted by foreign ( $F$ ) on both  $L$  and  $F$ . Let  $f$  be the benefit of this policy to  $F$  and suppose it is distributed with probability density function (PDF)  $f_f$ , cumulative distribution function (CDF)  $F_f$ , and full support on  $[0, f_H]$ . Let  $x$  be the effect on  $L$  with PDF  $f_x$ , CDF  $F_x$ , and full support on  $[x_L, x_H]$ . Suppose  $x_L < -c_L$ ,  $x_H > 0$ , and  $f_H$  is above a threshold defined in the supplementary appendix.<sup>1</sup>
3. The diplomat transmits a message to the foreign government either supporting or opposing the policy.
4. The foreign government chooses to revise its policy (or not). If it revises the policy, all players receive a payoff of zero.
5. If foreign does not revise, the leader chooses whether or not to force revision. If no action is taken, the game ends in payoffs of  $x$  to the leader,  $f$  to foreign, and  $x + \beta$  to the diplomat. If the leader forces revision, I assume for simplicity that this succeeds and the game ends in payoffs of  $-c_L$ ,  $-c_F$ ,  $-c_D$ , where these quantities are all less than zero.

For the utilities, I assume that the foreign government certainly benefits from its own policy. I also assume that benefits of this policy are possibly large. For the leader, I assume that the foreign policy can either be harmful or beneficial. I further assume some probability that the leader is “resolved” and would take costly action if the foreign policy is not revised (i.e., some probability that  $x < -c_L$ ). I assume nothing about the relative probability of any states of the world, so it is possible, for example, that the leader is arbitrarily likely to benefit from the foreign government’s policies or that he or she is arbitrarily likely to be severely harmed by them.

I assume that the diplomat and the leader are affected by  $x$  in the same way (though the diplomat’s utility also depends on the bias parameter). That is, policies that have lower utility for the leader also have lower utility for the diplomat. Substantively, the assumption here is that the leader and the diplomat, despite the diplomat’s bias,

<sup>1</sup>Specifically the assumption is  $f_H > c_F * \frac{F_x(-c_L)}{F_x(0) - F_x(-c_L)}$ . The origins of this condition are discussed in the appendix.

share common interests. The common interest in question might be as simple as valuing the same national interest, but might also reflect a common attachment to something narrower.

The generic densities  $f_f$  and  $f_x$  allow essentially arbitrary priors for the leader and foreign government. Thus, the only consequential informational assumption is that both the leader and the diplomat hold the same information about  $x$ . Formally, I assume that both the leader and the diplomat know  $x$  precisely, but a similar logic holds if we merely assume that the leader and the diplomat assess the policy's impact similarly.

The diplomat's knowledge about the effects of the foreign policy on his or her country might come from a variety of sources. At times, diplomats may simply rely on their own expertise to evaluate policies, but they are also likely to use information from home. Because leaders might have an incentive to deceive their own diplomats, the diplomat must have some established, independent sources of information. In general, diplomats are much like opposition parties in Schultz's (1998) model of democracy and coercive diplomacy, relying on experience, access to classified documents, an institutional system designed to guarantee their access to information, and a network of connections within the political system to remain informed.

In the American system, for example, ambassadors are provided by statute with "chief of mission authority," (Weed and Serafino 2014, 3) giving them "full responsibility for the direction, coordination, and supervision" (Weed and Serafino 2014, 3) of nearly all of government personnel in their host countries. Even those personnel exempted from this authority are required to "keep the chief of mission fully and currently informed with respect to all activities and operations." (Weed and Serafino 2014, 3) Ambassadors are further granted the authority to see "all communications to and from Mission elements," (Weed and Serafino 2014, 4) and military commanders are required by presidential directive to keep relevant ambassadors "fully informed . . . on all matters of mutual interest" (Weed and Serafino 2014, 7–8). While the ambassador's considerable supervision and oversight authorities do not inherently guarantee access to high-level decision-making, these measures ensure that it is extremely difficult to design or implement policies without the ambassador's knowledge. Moreover, the ambassador's right of access to communications and information provides, as a matter of course, access to most of the relevant information.

Beyond these institutional resources, diplomats are likely to rely on their own expertise and networks. Direct ties to their own leader may be most valuable—as Senator Charles Percy put it at a confirmation hearing in 1981, "one of the qualities that any country looks for in an Ambassador is a close personal relationship with the President" (Holmes 2014, 109). The majority of ambassadors will not have such a relationship, but professional diplomats who reach ambassadorial rank will typically have spent at least two decades in government, including postings both at home and abroad, giving them broad insight into the inner workings of their own country and an extensive network of connections to other officials.<sup>2</sup> While

<sup>2</sup>Of the American system, Jett (2014, 52–55) notes that connections to senior state department officials are a crucial factor in reaching ambassadorial rank and that ambitious officers "are particularly attracted to staff jobs for senior officers," given the opportunities for advancement these present. Thus, career officers will almost certainly have personal relationships with the top state department officials in addition to whatever relationships they have built

politically appointed ambassadors often lack this breadth of experience, they may compensate for it with ties to the leader's inner circle (Jett 2014, 59). As will be discussed below, the diplomat's access to information is most consequential on issues with lower stakes where a set of relationships with other mid-level officials are likely to provide sufficient access.

Veteran diplomats recognize the importance of maintaining these networks in order to supplement their institutional position. Anatoly Dobrynin, who served as Soviet ambassador to the United States for nearly twenty-five years, returned to Moscow as frequently as possible in order to maintain his personal connections. He writes, "[i]t was also important that I maintained good connections with the political establishment in Moscow, first of all with the Politburo and the general secretary of the Communist Party (I was a member of the Central Committee of the party). I knew the people in charge of political and military intelligence, and I of course knew what was being discussed within our Foreign Ministry about our relations with the United States. I could speak with all of them frankly" (Dobrynin 1995, 7). Over the course of his quarter century in Washington, Dobrynin recalls only a single time that he was uninformed about consequential information and describes this incident as "a moral shock" (Dobrynin 1995, 75). Overall, then, ambassadors have many means at their disposal to remain informed.

The structure of the game above is chosen for simplicity. I also leave the model deliberately ambiguous with respect to what occurs during "conflict." I mean to encompass any form of costly coercion ranging from economic sanctions (the most relevant possibility in the case study) to limited military strikes to World Trade Organization litigation to total war or anything in between. The important features of the equilibrium below do not depend in any way on the costs of conflict, so it is entirely possible that conflict here is only some mildly costly action.

### Equilibrium

I solve the game for its perfect Bayesian equilibrium (PBE), henceforth, simply *equilibrium*. In general, we may state the equilibrium of the game as follows:

- The leader chooses a diplomat with bias  $\beta^*$ , which always satisfies  $c_L > \beta^* > 0$ .
- The diplomat transmits a message of opposition to the foreign government's policy if and only if  $x < -\beta$ . Off the path of play, if  $\beta \geq c_L$ , then the diplomat transmits a message of opposition if and only if  $x < -c_L$ . Otherwise, the diplomat transmits a message of support.
- After observing a message of support, foreign never revises the policy. After observing a message of opposition, foreign voluntarily revises the policy if and only if  $f < c_F * \frac{F_x(-c_L)}{F_x(-\beta) - F_x(-c_L)}$ . Off the path of play, if  $\beta \geq c_L$  were selected, then foreign would always revise in response to a message of opposition.
- After foreign fails to revise, the leader forces revision if and only if  $x < -c_L$ .

I will describe the results in reverse. The proof and intuition start from the terminal move, in which the leader chooses whether or not to take costly action. At this point,

with National Security Council staffers, military officers, etc. over the course of two decades or more in foreign policy.

the leader faces a choice between accepting  $x$  or forcing revision at cost  $c_L$ . Trivially, he forces revision if this is better than accepting  $x$ ; that is, the leader forces revision when  $x < -c_L$ .

Given the leader's behavior, foreign wishes to revise the policy voluntarily if the leader is sufficiently likely to force revision through conflict. Conflict costs foreign some  $c_F > 0$ . Voluntary revision gives a payoff of zero, while nonrevision gives a payoff of  $f > 0$  (i.e., the value of the policy, which is positive by assumption). Consequently, given a sufficiently valuable policy and a sufficiently low probability of forced revision, foreign will not revise the policy. As will be discussed below, the diplomat *always* transmits a message of opposition when the leader will actually force revision. Thus, the foreign government *never* revises the policy when it receives a message supporting it from the diplomat. After receiving a message of opposition, foreign will revise the policy when its value is sufficiently low, and this threshold increases in the diplomat's level of bias because, in equilibrium, increasing bias increases foreign's posterior belief that the leader will force revision. Mathematically, in all cases where  $\beta < c_L$  (which is always true on the path of play), foreign's posterior after a message of opposition is  $\frac{F_x(-c_L)}{F_x(-\beta)}$ , so the threshold for foreign is:

$$\frac{F_x(-c_L)}{F_x(-\beta)} * (-c_F) + (1 - \frac{F_x(-c_L)}{F_x(-\beta)}) * f > 0$$

$$f < c_F * \frac{F_x(-c_L)}{F_x(-\beta) - F_x(-c_L)}$$

The properties of this expression are straightforward, but they are crucial to the results. Because a biased diplomat bluffs (transmits messages of opposition that the leader will not actually back up with coercion) less frequently, his or her messages of opposition are more credible (in the sense that they increase foreign's posterior belief that the leader will force revision). Given the diplomat's equilibrium strategy (discussed next), the frequency of bluff decreases as the diplomat's bias increases, thus increasing credibility whenever a message of opposition is received. Consequently, foreign is more likely to revise the policy after a message of opposition when the diplomat has larger bias. Foreign's incentive to revise hinges on the fact that being forced to revise is costly, so voluntary revision is more likely when conflict is costlier.

Now consider the diplomat. Given foreign's strategy, the diplomat's messages are influential—that is, they always affect the probability of revision. As a result, the diplomat follows a “sincere” strategy—the diplomat transmits a message of opposition whenever he or she has negative utility for a policy. Suppose that the diplomat deviated from this strategy by opposing policies when  $x > -\beta$ . This would increase the probability of repeal for policies that have a positive utility for him or her. Likewise, deviating to supporting policies when  $x < -\beta$  would decrease the probability of repeal for policies that the he or she dislikes. This threshold changes, however, if  $\beta > c_L$ . In this case, the diplomat favors some policies that the leader would actually use force to revise (which is costly to the diplomat). Thus, for any  $\beta > c_L$ , the diplomat opposes policies if and only if  $x < -c_L$ , and these policies are *certainly* revised voluntarily.

Having analyzed the signaling phase, we turn to the leader's choice of diplomat. The leader's choice of  $\beta$  hinges on a trade-off. Higher levels of bias give the diplomat higher credibility, meaning that the foreign actor will be more likely to revise policies when the diplomat expresses opposition. On the other hand, when the diplomat has higher bias, he or she will be more likely to fail to object to policies that his or her leader would like to see repealed. Before proceeding, it is useful to note that the equilibrium of the signaling phase (i.e., the stage of the game beginning with the diplomat's message) remains the same whether  $\beta$  is chosen by the leader, set exogenously, or chosen in some other way.

Note first that the leader will always prefer an unbiased diplomat to one biased “against” the foreign country. That is, the leader would always prefer  $\beta = 0$  to any  $\beta < 0$ . A negatively biased diplomat will sometimes object to policies that benefit the leader and will also have *lower* credibility than an unbiased diplomat, meaning that policies harmful to the leader are less likely to be repealed. Thus, the optimal bias is never negative.

In the supplementary appendix, I derive an expression for the leader's expected utility for a diplomat with a given level of bias. In brief,  $\beta^*$  (which is chosen in equilibrium) is simply defined as the value of  $\beta$  that maximizes this expression. The results presented below establish some basic features of this optimal bias.

**Proposition 1:** *The optimal level of bias,  $\beta^*$ , is always greater than zero.*

This result follows from the fact that, at least for very low values of  $\beta$  (and possibly for much higher ones), the credibility gained by the diplomat outweighs the reduced probability that the diplomat will object to harmful policies. The trade-off is certainly favorable because the gain in credibility increases the probability that policies that are very harmful will be repealed. Meanwhile the diplomat only fails to object to the policies whose harm to the leader is the smallest. That is, an unbiased diplomat objects to all policies that harm the leader, regardless of the level of harm. All of these policies are revised with some probability. A biased diplomat objects to all policies that are *sufficiently* harmful to the leader, and the probability of revision to those policies is higher than it would be if the diplomat were unbiased. The cost of this is the fact that policies that impose a small cost on the leader are never opposed and never revised. The leader gains because, at least for values of  $\beta$  close to zero, the increased probability of concessions on relatively important issues outweighs the lost opportunity to occasionally gain concessions on less important issues.

**Corollary to Proposition 1:** *The probability of conflict given an optimally biased diplomat is always lower than the probability of conflict given direct communication by the leader.*

Recall that, by definition,  $\beta = 0$  for the leader, so selecting an unbiased diplomat is equivalent to direct communication by the leader. The proof of proposition 1 shows that  $\beta^* > 0$  and also shows that the probability of conflict is decreasing in  $\beta$ . Thus, the probability of conflict is always lower when the leader selects an optimal diplomat, or for that matter, a diplomat with any positive bias, than when under direct communication. The biased diplomat has higher credibility than the leader and always objects to policies

when the leader would actually choose conflict. Thus, the higher credibility reduces the probability that foreign will fail to revise policies in cases where the leader would actually start a conflict.

**Proposition 2:** *The optimal level of bias,  $\beta^*$ , is never greater than or equal to  $c_L$ .*

This result follows from the desirability of bluffing. If the leader selects a diplomat with  $\beta \geq c_L$ , then this diplomat will oppose policies only if the leader is resolved (i.e., only if the leader would force revision at the terminal move). While this level of bias eliminates the risk of conflict, it also prevents the leader from ever achieving voluntary revision in a case where he or she is not resolved. Selecting a diplomat with lower bias allows the leader to sometimes achieve revision even when he or she is not willing to resort to conflict and improves the leader's overall payoff.

Taken together, propositions 1 and 2 present a trade-off between loyalty and credibility. That is, the leader can choose a loyal diplomat with preferences similar to his own (low  $\beta$ ), who will generally take the same position on diplomatic issues. On the other hand, the leader can choose a credible diplomat (high  $\beta$ ), whose messages of opposition generally result in concessions but who often fails to take the same position as the leader. Generally speaking, leaders will balance loyalty and credibility by selecting an intermediate value of  $\beta$ .

#### *Intelligence and Advice*

A simple modification to the model above allows the same structure to capture an intelligence or advisory function. Suppose that, at the first move, the foreign government rather than the leader selects the diplomat, whom we now re-label as the advisor. The model then proceeds as before. Here, the agent functions as an advisor to the foreign government, given that the advisor is now chosen by the side that wants to obtain information (that is, the diplomat is an agent chosen by the leader to *transmit* information to the foreign government; the advisor is chosen by the foreign government to *acquire* information for it). The advisor might, for example, have information obtained through espionage or through expertise that the foreign leader does not share, allowing him or her to supply information and advice to the foreign leader. Regardless of the source, the foreign government now obtains information from its *own* agent, transforming the relationship from diplomacy to advice.

In the revision, the equilibrium strategies subsequent to the selection move remain the same, so we must only evaluate the utility for the foreign government, rather than the leader, with respect to  $\beta$ . Thus, the revised model (where the foreign government chooses  $\beta$ ) depicts either the advisor that the foreign government would select or the diplomat that the foreign government would most like to receive.

**Proposition 3:** *If the foreign government selects the advisor, it will select some  $\beta \geq c_L$ .*

The remainder of the equilibrium proceeds as stated above, and there is no risk of war given foreign's choice of  $\beta$ . Briefly, when the foreign government selects an advisor, it faces no loyalty-credibility trade-off. The foreign

government wishes to know, with as much accuracy as possible, whether the leader will actually force revision. Any agent with  $\beta \geq c_L$  will provide this information with certainty. Thus, the foreign government selects an agent with maximal bias toward itself. This finding, then, replicates the basic finding of the literature on political advice, suggesting that leaders want advisors who are biased in their favor.

Proposition 3 shows two contrasts between a diplomat and an advisor. First, the optimal diplomat is biased *away* from his or her principal. In contrast, the optimal advisor is biased *toward* his or her principal. Second, and more importantly, while there is a trade-off between credibility and loyalty in the selection of a diplomat, there is no such trade-off when selecting an advisor.

Importantly, the divergence between the optimal diplomat and the optimal advisor also shows that leaders are likely to find it useful to separate the diplomatic function from the advisory or intelligence function. Separating these positions does not prevent diplomats from offering intelligence or advice, but an important implication here is that leaders will tend to place less weight on signals received from their diplomats, in comparison to their other advisors.

#### **Numerical Results**

To provide some additional intuition, I graphically present the model's results for a specific parameterization. Suppose  $c_F = c_L = 1$ , while  $f$  follows a normal distribution with mean 2 and variance 0.5 that is truncated at a minimum of 0 and a maximum of 1,000. Finally, suppose  $x$  is distributed normally with mean  $-1$  and variance 1, truncated with a minimum at  $-1,000$  and a maximum at 1,000. Given this setup, the leader would be willing to force revision half of the time; however, the expected benefits of the policy to foreign are fairly large. In [Figure 1](#), I show the leader's expected payoff to diplomats with bias ranging from 0 to 1.1.

The optimal bias here is intermediate—about 0.51—and the effect on the leader's payoff is large. At a bias level of zero, the leader's expected payoff is  $-0.60$ ; while at the optimal bias level, the leader's expected payoff is 0.04. In order to supply the intuition behind the propositions above, [Figure 2](#) shows the probabilities of each of three possible outcomes in the model—voluntary revision, forced revision (conflict), and no revision (neither voluntary nor forced revision).

On the far left of the figure (at  $\beta = 0$ ), corresponding to either direct diplomacy or diplomacy by a diplomat who completely shares the leader's preferences, the foreign government almost never revises its policy voluntarily. Because the leader is often resolved, conflict often results. In the remaining cases, the leader does nothing. As  $\beta$  increases, the probability of voluntary revision increases quite sharply as a result of the diplomat's increased credibility. This increase corresponds to a decrease in the probability of conflict and of nonrevision. The probability of voluntary revision continues to increase until  $\beta$  reaches a point slightly below  $\beta^*$ . Here, the diplomat's threats are sufficiently credible to almost always compel foreign to voluntarily revise policies when the diplomat transmits a message of opposition.

Moving past the maximum probability of voluntary revision, and then past  $\beta^*$ , the leader's payoff begins to decrease. In this region, the probability of conflict continues to decrease (although it is already low), and the credibility

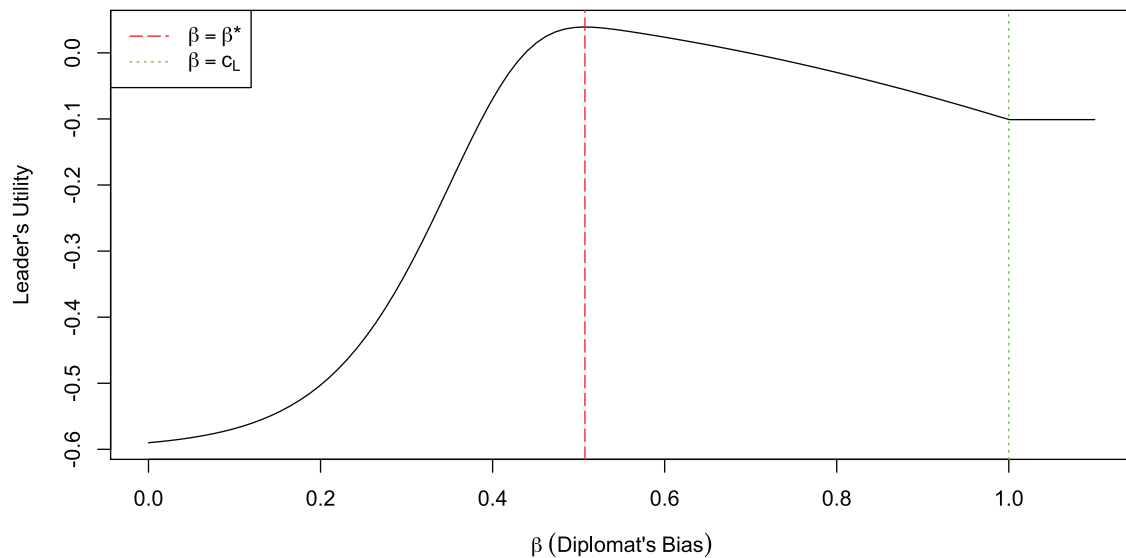


Figure 1. Effect of changing  $\beta$  on the leader's expected payoff

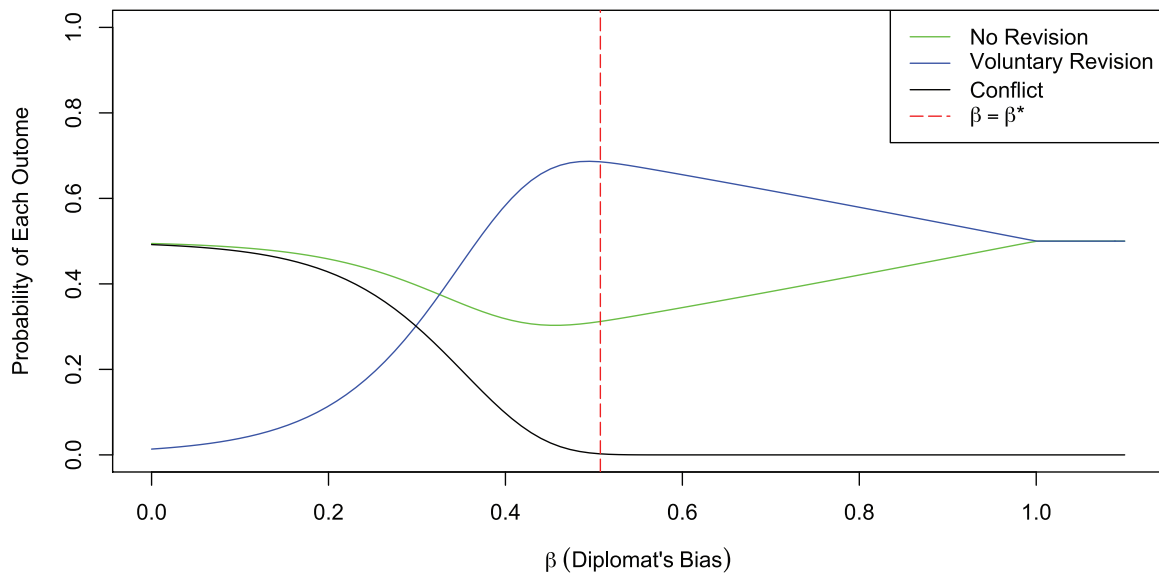


Figure 2. Effect of changing  $\beta$  on the probability of each outcome

of the diplomat's messages continues to increase, but the diplomat transmits messages of opposition less and less frequently. Consequently, the overall probability that foreign will voluntarily revise harmful policies decreases. When the bias reaches  $\beta = c_L$ , the probability of conflict is zero, but the probability of voluntary revision has fallen to 0.5. Consequently, the leader's overall utility has fallen substantially. Thus, in this region, the leader would benefit from a diplomat with higher loyalty and lower credibility.

### Choosing an Ambassador

The theoretical model developed here produces two basic implications: first, that leaders will choose diplomats who share interests, to some degree, with their host countries; second, that those diplomats will enjoy increased credibility as a result of their shared interests. I evaluate the explanatory power of the first implication through an exploratory quantitative analysis and the second implication through a detailed historical case study.

The model also suggests that significant shifts in the preferences of either the leader or the foreign country should require the replacement of serving diplomats, in order to maintain the appropriate relative preferences. In existing work, [Arias and Smith \(Forthcoming\)](#) show that leadership turnover in the host country predicts ambassadorial turnover among American diplomats. To the extent that leadership turnover is likely to represent a shift in foreign government preferences, this finding supports the theory.

There are many possible sources of preference similarity between diplomats and their host countries; most of these are difficult to measure in a systematic and coherent way. Here, in the interest of clarity and simplicity, I focus on diplomats born outside their sending countries, who are likely to have some level of affinity for their birth country. Because no diplomatic service keeps publicly available records of the birthplaces of its diplomats, I have assembled birthplace data from secondary sources for chiefs of mission representing the United States, the

United Kingdom, Canada, Australia, and New Zealand. Place of birth is readily identifiable for 2,399 chiefs of mission from these countries, of whom 200 (8.3 percent) were verifiably born outside their sending state.<sup>3</sup>

Practitioners tend to view foreign-born diplomats as having at least some loyalty to their birth states. Michael Ussery, White House liaison to the state department from 1983 to 1985, recalls that the Reagan White House believed “that Americans who were immigrants from certain countries or whose parents were immigrants from certain countries made fantastic ambassadors back to those countries.” Ussery notes that, with such ambassadors, “there’s a built-in expectation on the host country’s part that, oh, we’re going to have a very sympathetic person” (Kennedy 1998, 43–44). Anecdotal evidence from the records of such ambassadors supports the predictions of the model. For example, Nicholas Rey, the Polish-born US Ambassador to Poland from 1993 to 1997, recalls the advantages of his Polish identity: “My Polish ancestry allowed me to speak not as an American but as Mikolaj Rej. Talking one Pole to another made it a lot easier to speak candidly, whether in public or telling Pres. Walesa he needed to fire his top military man” (Rey 2006, 116). On the other hand, Tova Herzl, the former Israeli ambassador to Latvia, recalls the challenges faced by her American counterpart, the Latvian-born US Ambassador to Latvia, Ints Silin. She writes the following: “The proud Latvians thought of him as one of their own . . . At the same time—this I was to hear later, when I served in Washington—his reports to the State Department were sometimes received with a dash of suspicion” (Herzl 2015, 42).

Given the likely affinity between such ambassadors and their birth country, the theory predicts that ambassadors born outside of their sending state should be sent to their birth country at a disproportionate rate. While the number of posts varies somewhat over time, diplomats should be stationed in their birth country by chance alone in less than 1 percent of postings. Of the two hundred foreign-born diplomats identified here, thirty-seven (18.5 percent) have served as chief of mission in their birth country. These diplomats have held a total of 326 appointments as chief of mission, so the thirty-seven postings to their birth countries represent 11.3 percent of all of their postings. This is both substantively far above the null rate and highly statistically significant (the 95 percent confidence interval is 7.9 percent to 14.8 percent).

While consistent with the theoretical prediction, this evidence is merely suggestive. Foreign born ambassadors might be sent to their birth country because they have relevant language skills or actively seek out such postings. That is, the sparsity of available data makes it impossible to systematically determine the motive behind these appointments. For this reason, I turn to a detailed historical case study in which it is possible to trace the decision process. In the case study, I focus on the core theoretical predictions concerning diplomatic credibility.

<sup>3</sup>I identify probable diplomatic birth places on the basis of automated parsing of *Wikipedia* entries for chiefs of mission from these five countries. This method identifies diplomats likely to have been born outside their sending state, and I directly confirm (on the basis of reliable sources) the birthplace of these diplomats. These two hundred diplomats were certainly born outside the sending state, but I have not confirmed (nor is it always possible to confirm) the birthplace of the other diplomats. Thus, the search method almost certainly misses some diplomats who were born outside the sending state.

### Case Study: Walter Hines Page

Here, I examine the career of Walter Hines Page, the American ambassador in London from 1913 until 1918. This historical analysis serves two purposes. First, it allows an evaluation not only of whether outcomes correspond to the predictions of the model but also of whether those outcomes arose through the process described by the model. The case involves a rich historical record—one that allows for the measurement of beliefs, as well the evaluation of how participants reacted to counterfactuals. As Goemans and Spaniel (2016) note, this form of analysis provides a unique synergy between case studies and formal theory, given the importance of expectations to most formal models. Second, the application of the model to the case supplies new clarity to the historiographical debate on Walter Hines Page. Existing assessments of Page’s career range from the adulatory (Hendrick 1922a) to the argument that his years in London represented “a failure of ambassadorial diplomacy” (Kihl 1970, 653). The treatment here contributes to this debate by helping to construct the correct counterfactual for an assessment of Page’s career. The model’s ability to do so validates its usefulness as an explanatory tool (see Clarke and Primo 2012).

The years covered in the case were particularly eventful ones in Anglo-American diplomacy. My narrative therefore covers a number of important controversies. As a result, I compare several cases where Page supported Wilson’s demands and several cases where he opposed them. I argue below that all parties recognized Page’s pro-British bias and the unique credibility that this gave him in communicating with the British. I also show that, while valuing Page’s credibility with the British, Wilson, as theorized, placed little value on Page’s advice. I present the historical information mostly in chronological order, though drawing attention to the analytically important features.

#### *Page and Anglo-American Relations Before World War I*

Walter Hines Page was a long-time Anglophile, a fact that he had publicly made clear during his career as a journalist and publisher before his appointment to the Court of Saint James (Gregory 1970, 14–15). Page’s appointment also resulted from his lengthy relationship with President Wilson, whom he had known both personally and professionally for many years, and his more recent friendship with Wilson’s key informal diplomatic adviser, Colonel Edward House (Cooper 1977, 246–48).

At the start of Page’s time in London, the major controversy in Anglo-American relations concerned policy toward Mexico, following a coup in the country led by Victoriano Huerta with the backing of US Ambassador to Mexico Henry Lane Wilson. On taking office, President Wilson refused to recognize this new Huerta regime, despite the American role in bringing it to power (Blaisdell 1962). This apparent reversal created considerable uncertainty about American preferences (Cooper 2011, 237–38). Meanwhile, the British quickly recognized Huerta’s government, believing that it served their interests and that Wilson would soon change his position (Philip 1992, 79–82).

In fact, Wilson quickly took a very strong view of the Mexican situation. By the end of summer, he decided that Huerta must be removed from power, and in October, he began drafting a resolution for Congress



allowing military intervention (Clements 1980). Wilson, however, believed that if the European countries withdrew support for Huerta, this might solve the dispute without military action and hoped to force the British to do so. Additionally, Wilson wanted the British to recall their representative, Lionel Carden, from Mexico. While the British preferred for Huerta to remain in power, British Foreign Secretary Sir Edward Grey was willing to concede to American demands if doing so was the only way to avoid a confrontation (Scholes and Scholes 1968, 151).

Avoiding Anglo-American conflict required credible communication of Wilson's position. This message reached Britain through three separate channels: (1) Secretary of State Bryan communicated with the British Embassy, (2) Page spoke with Grey, and (3) Wilson spoke directly with William Tyrell (Grey's private secretary who was visiting Washington). The model holds a clear prediction: the message should have been most credible coming from Page. Page believed this was the case, writing that, after speaking with Grey in "personal and informal terms about the matter," he "impressed [Grey] with the seriousness of American public opinion" (Hendrick 1922a, 199–200). Grey confirms this impression in his memoirs, writing that he immediately believed Page and making no mention of the other communications he received (Grey 1925, 98–100). Britain, consequently, gradually withdrew support from Huerta. Grey also transferred Carden from Mexico. His motivations are somewhat opaque, but American officials were convinced that Page was responsible. Wilson wrote this to Page: "I feel sure it [Carden's transfer] is to be ascribed to your tactful and yet very plain representations" (Hendrick 1922a, 221).

#### *The Declaration of London and Blockade Controversy*

The early stages of World War I would reveal the costs of choosing an ambassador with a pro-British outlook. From the beginning, Page adopted the British view of the conflict. On September 11, 1914, he wrote the following to Wilson: "the Germans have perpetrated some of the most barbarous deeds in history" (Hendrick 1922a, 325). Two weeks later, he wrote this to House: "the Hohenzollern idea must perish—be utterly strangled" (Hendrick 1922a, 328). While Wilson hoped to mediate, Page consistently advocated for American intervention on the Allied side.

Early on, the central tension in Anglo-American relations came from British attempts to limit American trade with the Central Powers. While Wilson wished to reap the considerable economic benefits of trading with both sides, the British strategic plan relied on strangling German commerce, generating inevitable friction. Nonetheless, Grey indicates clearly in his memoirs that Britain would have given in to American pressure if doing so was necessary to forestall American action against the Allies (for example, an arms embargo). He writes, "[the] blockade of Germany was essential to the victory of the Allies, but the ill will of the United States meant their certain defeat . . . It was better therefore to carry on the war without the blockade, if need be, than to incur a break with the United States about contraband and thereby deprive the Allies of the resources necessary to carry on the war at all or with any chance of success" (Grey 1925, 107). This locates the situation squarely within the interesting parameter range; the British valued their blockade policy but were willing to revise it given a sufficient probability of a damaging American reaction.

Wilson hoped that the British would drop the blockade entirely but recognized the substantial costs of forcing the issue through coercive measures, such as an embargo on arms exports or other trade with Britain. The loss of trade with Britain would have imposed a substantial cost on its own, and the British were prepared to retaliate with their own damaging counterembargo (Marsden 1977, 494). Consequently, Wilson was only prepared to adopt coercion if the costs to American interests of the British blockade rose sufficiently high, though he persistently objected to the full spectrum of blockade policies. Grey, following in the logic of the model, writes of the situation: "It was anxious work. British action provoked American argument; that was met by British counterargument. British action preceded British argument; the risk was that action might follow American argument. *In all this Page's advice and suggestion were of the greatest value in warning us when to be careful or encouraging us when we could safely be firm* [emphasis added]" (Grey 1925, 110). Maurice Hankey, secretary of the Committee of Imperial Defense, makes a similar point in his memoirs, writing the following: "To Page—and to Grey's close friendship with him—we owe it, more than to anyone else, that we were able to carry on our policy of economic warfare without a break with the United States" (Hankey 1961, 357).

The first consequential exchange over the blockade came at the beginning of the war, when Secretary of State Bryan sent a telegram instructing American ambassadors in belligerent countries to ask their host governments to abide by the 1909 Declaration of London, which granted expansive neutral trading rights. Page objected to this, writing to Wilson that demanding adherence would be "altogether to the advantage of Germany" (Hendrick 1922a, 372), but transmitted the message, making it abundantly clear that he was speaking for his government not himself. The British rejected the proposal (Hendrick 1922a, 379–80).

After the initial rebuff, State Department Counselor Robert Lansing changed tactics, hoping to capitalize on Page's credibility with Grey. He cabled Page asking him to "intimate to Sir Edward Grey the following plan, at the same time stating very explicitly that is your personal suggestion." He then outlined an arrangement whereby the British would accept the Declaration of London in return for American agreement to a determination that certain neutral ports were, in effect, enemy ports (US Department of State 1928, 249–50). Wilson followed up on Lansing's cable with a direct message to Page, in which he wrote the following: "I must urge you . . . to use your utmost persuasive efforts to effect an understanding, which we earnestly desire, by the method we have gone out of our way to suggest, which will put the whole case in unimpeachable form" (US Department of State 1928, 252–53). Page took Lansing's proposal to Grey, but explained that he opposed it, leading to a second rejection (Gregory 1970, 70). Wilson seems to have borne him no ill will as a result; after learning of Page's action, he wrote this to House, "I do not feel that it would be just to criticize him [Page] in the least" (Link 1979, 246).

The outcomes here map directly onto the predictions of the model. The costs to Britain of abiding by the Declaration of London would have been quite large, while the costs to the United States of the British policy were not. Because Page held a pro-British viewpoint and the stakes for the United States were not sufficiently high, he sided against Wilson, allowing Grey to draw the conclusion that Wilson would not take coercive action. Perhaps

most revealingly from a theoretical perspective, Wilson and Lansing clearly believed that the British would be more likely to take the American demand seriously if it came from Page personally.

The blockade controversy continued throughout 1915, reaching another peak in October when Lansing, who had taken over as Secretary of State, prepared a note protesting the blockade, which Page delivered, though making his objection to the policy clear.<sup>4</sup> As before, the note did not change British behavior, but it led to a rumor that Page planned to resign. This alarmed Wilson and Lansing, who cabled Page: "Rumors . . . that you intend to resign . . . are causing both of us much anxiety although we cannot believe them to have any foundation" (US Department of State 1939, 702). Page denied the rumors, and Lansing cabled back this compliment: "Your continued and helpful service is greatly needed in London" (US Department of State 1939, 702). Despite the fact that Page had spent the last eighteen months consistently undermining the administration's position on neutral rights, Lansing and Wilson still valued him.

#### *The Cotton and Blacklist Controversies*

While Page persistently failed to support Wilson's position on the blockade, the model suggests that this cost was justified by the fact that Page was expected to support Wilson on matters where the costs to America were higher. Page faced such a test when the British considered adding cotton to the blockade contraband list. Cotton played an important role in the manufacture of explosives, but the British had declined to list it as contraband in 1914 out of fear of provoking the United States, given its economic importance (Grey 1925, 109).

While the British initially showed restraint, the situation changed by the summer of 1915. Public opinion in Britain strongly favored placing cotton on the contraband list, and officials saw the military case as "uncontestable" (Lambert 2012, 438). Meanwhile, the British had become substantially less concerned about the American reaction after the sinking of the *Lusitania* (Link 1960, 598). Consequently, the cabinet decided in July to place cotton on the list, although it did not immediately announce the decision (Lambert 2012, 439). In fact, the British substantially underestimated the American reaction. Facing reelection and dependent on Southern support, Wilson could not accept the economic consequences for the cotton trade or resist pressure from congressional hardliners to retaliate (Link 1960, 600–1; Lambert 2012, 439). As he wrote to House, "[y]ou of course realize the fatal effect that [declaring cotton contraband] would have upon opinion here. Probably changing attitude of this country toward the Allies and leading to action by Congress cutting off munitions" (Link 1980, 526).

As expected, given the high stakes, Page sided with Wilson against the policy. At Lansing's request, he "had a long unofficial conversation with Sir Edward Grey in which [he] fully explained thoroughly the whole political dangers that have arisen and may arise about interference with the cotton trade." In response, Grey provided an

immediate, substantial concession, suggesting that the British buy enough American cotton to keep up the price of the crop, thus addressing Wilson's underlying concern (Link 1980, 534). The British Cabinet had initially rejected such a scheme because of the "staggering sum" of money required (Lambert 2012, 450–54), but Page's message convinced Grey to follow through on the agreement, which ultimately resolved the crisis. Cooper (1977, 316) writes the following of Page's role: "Page's contribution to steering relations around a potentially dangerous confrontation lay in his repeatedly warning Grey that the cotton question contained political dynamite. His expressions of sympathy for the Allies lent credence to his warnings, which together with other information from Washington, helped shape Grey's resolve to couple the contraband announcement with a purchase plan."

While he supported Wilson on cotton, Page continued to side against the administration on other issues throughout 1916. House visited Britain on a peace mission in January and February, writing in his diary that "Page . . . is so antagonistic to American policy that I have a feeling he will retard rather than help in this matter" (Gregory 1970, 142–43). After the visit, Wilson and House decided to bring Page back home on a vacation "to get some American atmosphere into him again" (Link 1981, 61). The idea here is clear enough; Wilson and House still saw value in Page but feared that his pro-British bias had grown during his years in London. Page agreed to their proposal, preparing to return home on July 22 (Link 1981, 452).

The intervening weeks featured a crisis. On July 18, the British government released a blacklist forbidding dealings with eighty-seven American entities linked to the Central Powers (Link 1965, 65). No one recognized how provocative this step would be, but it pushed Wilson to his breaking point. On July 23, he wrote the following to House: "This black list business is the last straw . . . I am seriously considering asking Congress to authorize me to prohibit loans and restrict exportations to the Allies" (Link 1981, 467). Given the depth of Wilson's resolve, we have a clear prediction that Page should have protested the blacklist, and he did. Page writes that he "emphatically informed Cecil [Minister of Blockade Robert Cecil] that the blacklisting of American firms is most irritating even to the Allies' zealous friends in the United States" (US Department of State 1929, 412). To jump ahead in the story, the crisis eventually abated because the British quickly relaxed application of the blacklist without formally abandoning it (Bailey 1934, 24). Thereafter, the British gradually pared the list. Although partial, these concessions were sufficient to avoid retaliation (Bailey 1934, 29).

Turning to Page's role in the outcome, the most interesting evidence comes from House. On July 22, before Page's cable reached Washington, State Department counselor Frank Polk wrote to House about the blacklist. On July 25, House wrote back to Polk, aware of Wilson's views but not Page's cable. He argued, "[a]s a matter of fact if he [Page] had said to the British Government what the President and you have said to Spring-Rice: this blacklist order would never have been published" (quoted in Seymour 1926, 314). The statement displays a great deal of faith in Page's influence with the British government, but considerably less faith in Page's loyalty, capturing the dilemma faced in selecting a biased ambassador: a more biased ambassador has more credibility but is less likely to use that credibility to serve the leader's interests. It is clear

<sup>4</sup>Page wrote a long letter to House objecting to the note. Revealingly, Page refers to the British in the first person throughout: "The President himself dealt with Germany. Even in his severity he paid the Germans the compliment of a most courteous tone in his Note. But in dealing with us he seems to have called in the lawyers of German importers and Chicago pork-packers. I miss the high Presidential courtesy that we had come to expect from Mr. Wilson [emphasis added]" (Hendrick 1922b, 74).

that House felt that Page's pro-British bias had grown too large for Page to be useful. House, of course, was mistaken about the facts; Page had vigorously supported Wilson's case. Unlike the cotton case, where Page had expressed his opposition before any public announcement, Page learned of the blacklist only after it became public, so his own objection came simultaneously with a large number of messages (Bailey 1934, 27). Thus, Page's message was likely not decisive, though House's view of the counterfactual is telling.

Page returned to the United States in early August, but contrary to Wilson's hopes, his views did not change. House wrote the following in his diary: "He is as pro-British as ever and cannot see the American point of view" (quoted in Seymour 1926, 318). Thoroughly discouraged by his inability to sway Wilson during the visit, Page sent a letter of resignation shortly after his return to London. Wilson was initially undecided about accepting the resignation and asked House to consider replacing Page, but House declined (Link 1982, 403). Wilson considered a few other candidates but ultimately refused the resignation (Tuchman 2014, 147). Wilson seems to have believed that Page was biased past the optimal point and his effort to bring Page back in the American direction had failed, so the resignation was seriously considered. It is notable, however, that his preferred replacement for Page, House, was decidedly pro-British. House, like Page and unlike Wilson, believed that the United States should intervene on the Allied side (Williams 1984, 100). Wilson's goal, then, was not to select an unbiased ambassador, merely a *less* biased ambassador, but he seems to have been insufficiently motivated to locate one. In any case, Page would remain as ambassador until resigning in failing health in 1918.

#### *Walter Hines Pages as an Advisor*

In the conclusion to his biography of Page, Gregory (1970, 211) writes that "Page was so obviously pro-British, so much more interested in British diplomatic success than American, that the [Wilson] administration usually treated his messages with disinterest or disgust." This stands in sharp contrast to the British view, quoted above, that "Page's advice and suggestion were of the greatest value" (Grey 1925, 110). The model predicts this basic divergence. Knowing of Page's bias, Wilson did not regard him as a particularly credible source of information or advice. Wilson had other sources available to him, most notably House, who often sent notes disagreeing with Page's assessments, particularly during his visits to Britain (Kihl 1970, 639). That same bias, however, made Page uniquely credible to the British government.

Lansing notes in his memoirs that after Bryan's resignation as Secretary of State in 1915, Page was a natural candidate to assume the secretaryship. From this position, Page would have become one of Wilson's most consequential advisors. House advocated on Page's behalf for the position, though perhaps half-heartedly (Gregory 1970, 104). Lansing writes that it was Page's "prejudice in favor of Great Britain . . . [and] lack, or apparent lack, of conformity with the president's policy of preserving a neutral attitude toward all belligerents that was the obstacle [that] stood between him and the vacant secretaryship." He continues, "I believe that the President, on account of friendship for Mr. Page, would have been glad in other circumstances to have named him as Mr. Bryan's successor" (Lansing 1935, 15–16). Ultimately, Wilson

chose Lansing, rather than Page, for the position. House records in his diary that Wilson preferred Lansing because he "would not be troublesome by obtruding or injecting his own views" (Gregory 1970, 104–5). Similarly, Lansing records in his memoirs that Wilson told him that he "was convinced that we [that is, Wilson and Lansing] were of the same mind concerning international policies" (Lansing 1935, 17). Thus, when selecting a secretary of state, who would serve substantially as an advisor, Wilson preferred loyalty and similarity.

#### *Implications of the Page Case*

Walter Hines Page stood at the center of Anglo-American relations in a tumultuous era, and his decidedly pro-British stance played an important role in the way events unfolded. Critics have derided Page for failing to more thoroughly support Wilson; Grattan (1925) describes Page as "a thoroughgoing Anglomaniac," who "systematically frustrated the State Department of his own country and played the British game," while Kihl (1970) describes Page as a failure because of his persistent failure to object to the British blockade and lack of influence in Washington.

The basic charge in these criticisms, and many others like them, is that Page's conduct was at best irrelevant or at worst highly damaging to American interests because he repeatedly failed to join with Wilson in demanding a change to the British blockade policy. The model, however, allows us to think through the appropriate counterfactual. In fact, a world where Page objected to the blockade, and was credible in doing so, is highly unlikely. Page's credibility stemmed precisely from the fact that his pro-British bias meant he would not support Wilson's empty threats on the blockade. The kind of ambassador who would have rubber stamped these would have added little credibility in doing so. On the other hand, when Page did support Wilson, on issues of greater consequence, the weight of the evidence suggests that this support was important. In these cases, a rubber-stamp ambassador with no independent credibility could not have helped, and conflict might have ensued. Thus, much of the criticism of Page seems to miss the mark by evaluating his tenure against an impossible standard.

#### **Discussion and Conclusion**

The argument and evidence presented here show that a biased diplomat can play a substantial role in manufacturing credibility for cheap-talk diplomatic messages, thereby reducing the risk of costly conflict. In some ways, this parallels the well-known argument in political economy for delegating monetary policy to a biased (specifically "conservative") central banker, who has higher credibility than a leader would with respect to inflation (Rogoff 1985). The diplomatic mechanism is, however, different. In the central banking case, a biased banker solves a commitment problem by allowing a credible commitment to a noninflationary policy. In the diplomatic case, a biased agent solves an information problem by allowing the credible revelation of information about a policy. Put another way, the substance of delegation differs in consequential ways. In central banking, the leader must delegate control over policy. In the diplomatic case, the leader must only authorize the diplomat to communicate. The leader need not even refrain from communicating directly.

Within the informational context, my results emphasize the difference between delegating the diplomatic

function and delegating advisory or intelligence-gathering functions. The advisory function has, to date, received more scholarly attention. The divergence between the optimal advisor (biased toward the principal) and the optimal diplomat (biased away from the principal) matters for the design of foreign-policy institutions. Leaders benefit from using multiple agents, including advisors biased toward their position and diplomats biased away from it. Given their divergent preference, these agents will nearly inevitably face some level of bureaucratic conflict.

A fairly clear implication arises from the multiple agent framework: leaders will tend to side with their advisors more often than they side with their diplomats. This explains certain stylized bureaucratic patterns. Within the American context, for example, Rosati and DeWitt (2012, 185–86) write the following: “Emphasis on overseas experience and identifying with foreign viewpoints is often detrimental to the ability of FSOs [foreign service officers] to operate successfully in the foreign policy maze at home. Often they are accused of allowing the interests of the countries in which they serve to trump US interests. Such behavior often results in labels such as ‘gone native,’ thus other officials in the foreign policymaking process may therefore not take an FSO’s policy positions seriously.” Gurman (2012, 7) notes that presidents have typically “undervalued, if not outright rejected” the suggestions made by their own diplomats. Indeed, “while each administration has its own reasons for marginalizing the diplomatic establishment, these generally include a combination of substantial disagreement over the direction of major policies and distrust of the State Department.” My argument explains both why diplomatic input is persistently given less weight and why, despite distrust of the diplomatic corps from presidents of both parties, the structure of American diplomacy has remained fairly constant.

Delegation provides a tool available to any leader. The most commonly discussed sources of credibility in international relations, notably audience costs and the signals sent by a domestic opposition, rely on particular regime characteristics that no leader would change merely in return for the diplomatic benefits. Delegation to biased agents, however, allows any leader to enjoy some credibility without altering other arrangements. This makes delegation a more flexible mechanism, adaptable to many circumstances. Thus, despite critics who doubt the value of sending diplomats abroad in an age of easy, instant telecommunications, the practice is likely to endure.

### Supplementary Information

Supplementary Information is available at the *International Studies Quarterly* data archive.

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