

Rethinking the Audience Costs Argument

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Are democracies' threats to use force credible? How do we know? According to the conventional wisdom, democratic leaders' ability to generate audience costs, or the domestic political punishments leaders pay for making public commitments and backing down from them, make democracies formidable foes in international politics. Because democratic leaders' constituents value the nation's reputation for keeping its commitments and possess multiple opportunities to remove leaders from office, democracies' have an advantage over non-democracies when it comes to signaling their intentions and keeping their commitments. This article provides direct evidence that audience costs do not exist and that the audience costs argument overstates democratic audiences' preference that leaders keep their public commitments. This suggests that democracies' threats and promises are not as credible as international relations theorists have suggested.

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Do audience costs exist? Do they increase with the level of military escalation? Audience costs are defined as the political punishments leaders suffer for reneging on their public threats and promises. Although democracies are seen as having an advantage over their non-democratic counterparts across a variety of areas, ranging from prevailing in militarized crises¹, upholding their alliance commitments² and issuing debt³ because of their ability to generate audience costs, these claims are problematic because we do not know whether democratic leaders' domestic political survival is undermined if they break their public commitments.

According to the audience costs argument, democracies' commitments are more credible than those made by non-democracies. Domestic political audiences, defined as groups that possess the legal right to remove an incumbent national leader from office, highly value the nation's reputation for keeping its commitments. Whenever leaders make public threats or promises, they put the nation's reputation on the line. Leaders who back down, or fail to carry out their commitments, damage the nation's reputation for reliability and make it difficult for the state's commitments to be taken seriously in

¹James D. Fearon, "Domestic Political Audiences and the Escalation of International Disputes," *American Political Science Review*, Vol. 88, No. 3, September 1994, pp. 577-592; Kenneth A. Schultz, "Do Democratic Institutions Constrain or Inform? Contrasting Two Institutional Perspectives on Democracy and War," *International Organization*, Vol. 3, No. 2 (Spring 1999), pp. 233-266; Christopher F. Gelpi and Michael Griesdorf, "Winners or Losers? Democracies in International Crisis, 1918-94," *American Political Science Review*, Vol. 95, No. 3 (September 2001), pp. 633-647; Schultz, *Democracy and Coercive Diplomacy* (New York: Cambridge University Press, 2001). The audience costs proposition is built upon Thomas Schelling's work on "tying hands". See Schelling, *The Strategy of Conflict* (Cambridge, Mass.: Harvard University Press, 1960), pp. 27-28.

² Kurt Taylor Gaubatz, "Democratic States and Commitment in International Relations," *International Organization*, Vol. 50, No. 1 (Winter 1996), pp. 109-139.

³ Kenneth A. Schultz and Barry Weingast, "The Democratic Advantage: Institutional Foundations of Financial Power in International Competition," *International Organization*, Vol. 57, No. 1 (Winter 2003), pp. 3-42.

the future. A state can restore its reputation once it has reneged on a commitment by removing the leader who backed down from office.⁴ Democratic leaders' public threats and promises tend to be seen as costly signals because their domestic audiences have multiple opportunities to remove them from office, whereas it is relatively more difficult domestic audiences in non-democracies to remove an autocrat.⁵

Proponents of the audience costs argument have provided little in the way of actual evidence that audience costs really exist.⁶ The overwhelming majority of tests have looked at the effects of audience costs on interstate bargaining.⁷ Some have suggested that direct tests are problematic because of selection effects: because leaders' political survival is affected by their foreign policy decisions, they are unlikely to undertake

⁴ The literature on the audience costs proposition is very large. Other prominent works include Fearon, "Signaling Foreign Policy Interests: Tying Hands Versus Sinking Costs," *Journal of Conflict Resolution*, Vol. 41, No. 1 (February 1997), pp. 68-90. Alastair Smith, "International Crises and Domestic Politics," *American Political Science Review*, Vol. 92, No. 3 (September 1998), pp. 623-638; and Matthew A. Baum, "Going Private: Public Opinion, Presidential Rhetoric, and the Domestic Politics of Audience Costs in U.S. Foreign Policy Crises," *Journal of Conflict Resolution*, Vol. 48, No. 5 (October 2004), pp. 603-631.

⁵ This is not to suggest that non-democratic leaders cannot generate audience costs, only that democratic audiences have more opportunities to punish their leaders than domestic audiences in non-democracies. See Fearon, "Domestic Political Audiences and the Escalation of International Disputes," pp. 581-582. Jessica L. Weeks argues that with a few exceptions, many autocratic states are capable of generating audience costs at the same rate as democracies. See Weeks, "Autocratic Audience Costs: Regime Type and Signaling Resolve," *International Organization*, Vol. 62, No. 1 (Winter 2008), pp. 35-64.

⁶ There is one notable exception: in an experiment embedded in an opinion survey, Michael Tomz finds that (1) domestic audiences disapprove of leaders who back down in crises and (2) the level of disapproval grows with the level of militarized escalation. See Tomz, "Domestic Audience Costs in International Relations: An Experimental Approach," *International Organization*, Vol. 61, No. 4 (Fall 2007), pp. 821-840.

⁷ See Schultz, "Do Democratic Institutions Constrain or Inform?"; see also Joe Eyereman and Robert A. Hart, Jr., "An Empirical Test of the Audience Cost Proposition: Democracy Speaks Louder Than Words," *Journal of Conflict Resolution*, Vol. 40, No. 4 (Dec., 1996), pp. 597-616.

actions that will generate audience costs at very high levels, making it difficult to determine whether audience costs exist.⁸ However, because a causal mechanism is rarely observed does not mean it cannot be tested for in the real world. Barry Weingast argues that social scientists can overcome this problem by looking for cases where individuals misperceive or ignore what the model under investigation suggests is their strategic situation, leading them to engage in off-the-equilibrium path behaviors. If the model is correct, then we should see the predicted off-the-equilibrium path outcome.⁹

In both the Munich and Suez Canal Crises, the incumbent leaders ignored the domestic political consequences of backing down. As Hitler was continuing to escalate his demands during the Munich Crisis, Lord Halifax, the Foreign Secretary, warned Neville Chamberlain over growing public opposition to concessions to Hitler.¹⁰ During the Suez Crisis, Anthony Eden's cabinet privately discussed the implications of backing down before attaining international control of the Suez Canal, concluding that to do so would be politically damaging.¹¹ However, both leaders decided to back down. Chamberlain did so because he feared the possibility of another world war, while Eden backed down in order to relieve the pressure the U.S. had placed on Sterling. Second, the

⁸ Kenneth L. Schultz, "Looking for Audience Costs," *Journal of Conflict Resolution*, Vol. 45, No. 1 (Feb., 2001), pp. 32-60; Tomz, "Domestic Audience Costs in International Relations," p. 822.

⁹ Barry R. Weingast, "Off-the-Path Behavior: A Game-Theoretic Approach to Counterfactuals and its Implications for Political and Historical Analysis," in Philip E. Tetlock and Aaron Belkin, eds., *Counterfactual Thought Experiments in World Politics: Logical, Methodological, and Psychological Perspectives* (Princeton: Princeton University Press, 1996), p. 240.

¹⁰ R.A.C. Parker, *Chamberlain and Appeasement: British Policy and the Coming of the Second World War* (New York: St. Martin's Press, 1993), p. 170.

¹¹ Conclusions of Cabinet Meeting, 2 November, 1956, CM (56) 77, p. 2; Conclusions of Cabinet Meeting, 2 November, 1956, CM (56) 78, p. 2.

Munich and Suez Canal Crises also allow us to determine whether audience costs increase with the level of escalation. Chamberlain and Eden backed down after having engaged in different levels of escalation. Chamberlain backed down after having mobilized Britain's navy, while Eden backed down after having attacked Egypt.

This paper measures audience costs by gauging the reactions of the general public and members of parliament (MPs) to leaders' crisis behaviors.¹² I determine the public's reactions to backing down by examining their responses to Gallup Poll questions. I establish whether the public disapproved of a leader's by comparing the public's pre- and post-crisis responses to questions concerning the incumbent government's foreign policy performance and overall performance of the incumbent prime minister. I examine MPs decisions to remove the incumbent prime minister and why. I examine whether they were concerned that the leader's decision to back down had damaged the nation's reputation.

This paper finds that (1) leaders do not suffer audience costs for backing down in crises, and (2) audience costs do not increase with the level of escalation. Gallup poll surveys of British public opinion show that the public actually approved of Chamberlain's and Eden's decisions to back down. Furthermore, members of parliament (MPs) also failed to punish leaders who backed down. After Munich, MPs failed to remove Chamberlain because of the control he held over the Conservative Party and because Conservative critics of appeasement were largely uninterested in forging a

¹² On the importance of these two groups as domestic audiences, see Fearon, "Domestic Political Audiences and the Escalation of International Disputes," p. 581.

“Popular Front” coalition with the opposition Labor Party.¹³ Although Anthony Eden resigned from office shortly after the crisis subsided, evidence points to growing concerns over his health rather than embarrassment over his backing down during the Suez Crisis as the reason for his departure.¹⁴

The paper proceeds in five sections. In the first section I discuss the audience costs argument and its assumptions. In the second section I discuss how I test the audience costs argument and manage the issue of selection effects. In the third section I discuss how I define and measure key variables. In the fourth and fifth sections I evaluate the audience costs argument’s explanatory power using evidence from the Munich and Suez Canal crises. In the conclusion I discuss the implications of the paper’s findings for international relations theory.

The Audience Costs Argument

The audience costs proposition yields two testable hypotheses on the relationship between leaders’ behaviors in crises and their domestic political survival:¹⁵

H-1: Leaders who back down in a crisis are likely to suffer audience costs.

H-2: The higher the level of escalation in a crisis, the higher the audience costs for backing down.

¹³ William R. Rock, *Appeasement on Trial: British Foreign Policy and Its Critics, 1938-1939* (Hamden, Conn.: Archon Books, 1966), pp. 18, 153, 322; Neville Thompson, *The Anti-Appeasers: Conservative Opposition to Appeasement in the 1930s* (Oxford: Clarendon Press, 1971), pp. 194, 195, 197.

¹⁴ Keith Kyle, *Suez: Britain’s End of Empire in the Middle East* (London: I.B. Tauris, 2003), p. 553.

¹⁵ Please note that the audience costs proposition yields other hypotheses on the relationship between leaders’ crisis behaviors and the outcomes of crises.

States face a commitment problem when they have incentives to renege on their threats. First, states may not want to carry out their threats to use force because wars tend to be expensive. Many times the winner of a war would do at least as well by reaching a bargain with her adversary up front rather than fighting. Second, states have incentives to bluff, or exaggerate their resolve in order to extract concessions from their adversaries.¹⁶ In order to overcome this commitment problem, states send costly signals to one another in order to convey their resolve. A costly signal is defined as a signal that an actor with a low level of resolve would have a strong disincentive to send, while a signal is cheap talk if anyone can send it.¹⁷

Audience costs are a type of costly signal. They are the domestic political punishments leaders face for renegeing on their public threats and promises. By making public threats, democratic leaders expose themselves to audience costs in the event that they should back down in a crisis. Making public threats is meant to serve as a sign of resolve to other states, because the leader is not only risking the nation's reputation, but she/he is also risking her/his own domestic political survival.

The audience costs proposition suggests that democracies make more credible commitments than non-democracies because it is easier for democratic audiences to punish their leaders than it is for non-democratic audiences to punish autocrats.¹⁸

¹⁶ Schultz, *Democracy and Coercive Diplomacy*, pp. 3-5.

¹⁷ Anne Sartori, *Deterrence by Diplomacy* (Princeton, N.J.: Princeton University Press, 2005), p. 49.

¹⁸ This is not to suggest that non-democratic leaders cannot generate audience costs, only that democratic audiences have more opportunities to punish their leaders than domestic audiences in non-democracies. For a contrasting view on non-democratic leaders' ability to generate audience costs, see Jessica L. Weeks, "Autocratic Audience Costs: Regime

According to James Fearon, "...at least since the eighteenth century leaders and publics have typically understood threats and troop deployments to 'engage the national honor,' thus exposing leaders to risk of criticism or loss of authority if they are judged to have performed poorly by the relevant audiences."¹⁹ Because domestic audiences highly value the nation's reputation for "standing firm" and keeping its commitments, leaders endanger their political survival by escalating and backing down in militarized crises. As a leader escalates a crisis, the domestic political consequences of backing down become greater. For example, a leader who backs down after having made a verbal threat is likely to face fewer sanctions than a leader who backs down after having mobilized troops or attacked a foreign state.²⁰

However, there is a problem with the audience costs argument itself. Why would a leader who backs down necessarily be seen as incompetent rather than prudent? It is unclear why domestic political audiences should prefer standing firm over backing down because backing down is sometimes the optimal strategy. Crises are analogous to games of poker, in which it may sometimes be shrewder to fold and cut one's losses than continue to escalate and risk incurring steeper losses as the game progresses.²¹ However, the audience costs argument suggests that domestic political audiences are so highly invested on behalf of the nation's reputation that they are insensitive to the tradeoffs

Type and Signaling Resolve," *International Organization*, Vol. 62, No. 1 (Winter 2008), pp. 35-64.

¹⁹ Fearon, "Domestic Political Audiences and the Escalation of International Disputes," p. 580.

²⁰ Tomz, "Domestic Audience Costs in International Relations," p. 828.

²¹ Joanne Gowa, *Ballots and Bullets: The Elusive Democratic Peace* (Princeton, N.J.: Princeton University Press, 1999), p. 26; Schultz, "Do Democratic Institutions Constrain or Inform?," p. 237 n. 11.

between policies that preserve the nation's reputation for standing firm in a crisis and the "domestic and international price for conceding the issues at stake."²² It may make more sense to argue that domestic political audiences make cost-benefit calculations between the issues at stake in a particular crisis and the costs of war rather than suggesting democratic selectorates weigh all foreign policy ventures equally. Moreover, it is unlikely that

The audience costs proposition makes three nontrivial assumptions linking leaders' crisis behaviors to the imposition of audience costs: (1) the relationship between democratic political audiences and national leaders is a relationship between principals and agents; (2) the free press serves as an independent monitor of democratic leaders' behaviors in crises; and (3) domestic audiences have multiple opportunities to punish incumbents for backing down in crises. Without establishing if these assumptions are present or not, we may either reject an argument that is actually true, or we may confirm an argument that is false. We can only conclude that the audience costs argument has failed if a leader backs down in a crisis, each of these assumptions is present and domestic political audiences refuse to punish a leader. Similarly, we can only conclude that the audience costs argument has succeeded if a leader backs down in a crisis, each of these assumptions is present and domestic audiences punish a leader.

The first assumption suggests that the relationship between democratic leaders and their electorates is a principal-agent relationship. The audience costs argument posits that the members of the public possessing the right to vote are principals and national

²² Fearon, *Domestic Political Audiences and the Escalation of International Disputes*, p. 581.

leaders are their agents.²³ The voting public delegates the power to make decisions concerning foreign and domestic policy to national leaders, and leaders who shirk on their responsibilities or perform poorly in office are likely to be subjected to domestic political sanctions that reduce the likelihood an incumbent will be able to remain in office.

Domestic electorates choose to retain or remove leaders from office on the basis of their performance. In a relationship where one party is an agent acting on behalf of a separate set of principals, the agent may be tempted to “shirk” on her responsibilities. While laziness or failure to do work is one form of shirking, in the context of the relationship between domestic political audiences and national leaders, this may not be the case. Leaders and domestic audiences are likely to want the same things for the state, such as security, but possess different preferences over strategies. A better definition of shirking is a failure on the part of an agent to perform a task or set of tasks to the principal’s satisfaction.²⁴

Leaders may be tempted to shirk because they believe their behaviors are either difficult to observe or they may be able to take advantage of the “work-to-rule”. Domestic audiences may rely upon proxies so as to evaluate the leader’s quality. Leaders may focus upon enhancing their status according to the indicator(s) being used by

²³ Ibid., 581-582.

²⁴ Terry M. Moe, “The New Economics of Organization,” *American Journal of Political Science*, Vol. 28, No. 4 (Nov., 1984), p. 756; Peter D. Feaver, *Armed Servants: Agency, Oversight, and Civil-Military Relations* (Cambridge, Mass.: Harvard University Press, 2003), p. 59. In his discussion of civil-military relations, Feaver points out, “It is more reasonable to posit that both the civilian principals and the military agents want the same thing: security for the state. They can, however, disagree on how to provide that security” (p. 59).

domestic audiences instead of engaging in behaviors that domestic audiences prefer.²⁵ Domestic political audiences rely on media coverage provided by the free press in order to obtain information about leaders' policies and performance.

The second assumption is that the free press is informing domestic audiences about what national leaders are doing during crises. Leaders may possess informational advantages over their domestic audiences. The free press' monitoring of leaders is "the ultimate source of audience costs" because it narrows the information asymmetry that exists between leaders and the public and makes it easier for the public to determine whether or not a leader should be punished for her performance in a crisis.²⁶ Matthew Baum notes that media coverage "is the single most important factor in determining which issues and attitudes become highly accessible to the mass public."²⁷

In testing the audience costs proposition, it is necessary to establish that the media actually covered the crises being studied. John Zaller and Dennis Chiu point out that the media does not necessarily cover all crises very heavily, making it necessary that we determine whether the press actually covered a crisis or event.²⁸ We cannot say that the

²⁵ Branislav L. Slantchev, "Politicians, the Media, and Domestic Audience Costs," *International Studies Quarterly*, Vol. 50 (2006) pp. 447-448.

²⁶ Matthew A. Baum and Philip B.K. Potter, "The Relationship Between Mass Media, Public Opinion, and Foreign Policy: A Theoretical Synthesis," *Annual Review of Political Science* (2008), p. 57; see also Slantchev, pp. 451-452; see also Philip B. K. Potter and Matthew A. Baum, "Democratic Peace, Domestic Audience Costs, and Political Communication," *Political Communication* (forthcoming).

²⁷ Matthew A. Baum, *Soft News Goes to War: Public Opinion and American Foreign Policy in the New Media Age* (Princeton, N.J.: Princeton University Press, 2003), p. 31.

²⁸ John Zaller and Dennis Chiu, "Government's Little Helper: U.S. Press Coverage of Foreign Policy Crises, 1945-1991," *Political Communication*, Vol. 13, No. 4 (1996), pp. 385-406; see also an updated version of Zaller and Chiu's argument, "Government's Little Helper: U.S. Press Coverage of Foreign Policy Crises, 1945-1999" in Brigitte L. Narcos, Robert Y. Shapiro, and Pierangelo Isernia, eds., *Decisionmaking in a Glass*

audience costs argument has failed in a case where the leader backed down and did not suffer audience costs when the free press did not provide domestic audiences with coverage of that crisis.

The free press is seen as a reliable source of information for a couple of reasons. First, it is independent of the government. Second, it is a “self-appointed public watchdog” that has a vested interest in overseeing the actions of national leaders.²⁹ However, the free press is not a unitary actor, with some individual members of the press only occasionally overseeing the behaviors of national leaders, while other members of the press may see active and regular oversight of national leaders as their primary role. Instead of waiting to respond to events, these members of the media may actively and regularly oversee national leaders’ policies and behaviors in order to discourage leaders from behaving in ways contrary to domestic audiences’ preferences.³⁰

Third, the audience costs proposition assumes that democracies’ domestic political audiences have regular opportunities to punish leaders who back down in crises. Mature democracies provide domestic audiences with regular opportunities to punish national leaders for policy failures. Members of the general public possess the right to vote and can punish leaders by removing them from office during regularly scheduled elections. They can also make it difficult for an incumbent leader to (continue to) pursue her/his agenda by expressing their displeasure by participating in public opinion surveys.

House: Mass Media, Public Opinion, and American and European Foreign Policy in the 21st Century (New York: Rowman and Littlefield, 2000), pp. 61-84.

²⁹ Quoted in Feaver, p. 80.

³⁰ This is analogous to the types of oversight discussed in Mathew D. McCubbins and Thomas Schwartz, “Congressional Oversight Overlooked: Police Patrols Versus Fire Alarms,” *American Journal of Political Science*, Vol. 28, No. 1 (Feb., 1984), p. 166.

Parliamentary audiences (MPs) can remove leaders from office through votes of no confidence and by issuing challenges for the party leadership.³¹

Testing the Audience Costs Argument

At first glance it would seem that direct tests of the audience costs proposition should be easy to conduct and interpret. If a leader backed down in a crisis and suffered audience costs, then the argument had been vindicated; if a leader backed down but did not suffer audience costs, then the argument had been undermined. Scholars such as Kenneth Schultz argue that direct tests of the audience costs proposition cannot be conducted or interpreted this easily because of selection effects.³² Because leaders are likely to value remaining in office, they are unlikely to pursue policies that will result in challenges to their incumbency. Leaders are likely to take audience costs into account when making decisions during crises, compelling leaders to avoid backing down or entering into crises where they would be likely to back down, leaving us with few opportunities to observe audience costs at the highest levels.³³ This makes it difficult to determine the exact relationship between leaders' behaviors in crises and their domestic political survival. Because of selection effects, "if we find evidence that backing down in a crisis imposes political costs, this would support the existence of domestic audience costs- even though the lack of such evidence would not lead to the opposite

³¹ In presidential democracies MPs can also remove national leaders from office through the use of impeachment, however this sometimes involves a higher threshold than a vote of no confidence.

³² Schultz, "Looking for Audience Costs," pp. 32-55. In this context, selection effects refer to the bias produced by self-selection on the part of the units under investigation rather than selecting on the dependent variable.

³³ Tomz, p. 822.

conclusion.”³⁴ However, this has a “heads I win, tails you lose” quality to it, raising the question: what would it take to falsify the audience costs argument?

In order to determine whether audience costs exist it is necessary to look for situations where they are likely to be generated in the real world.³⁵ Selection effects lower the likelihood we will ever see audience costs. However, Barry Weingast argues that simply because a causal mechanism is rarely observed does not mean that we cannot test for it in the real world. Weingast suggests that social scientists begin by looking for instances where individuals either misperceive or ignore their strategic situation. When individuals do not calculate what the model under investigation suggests is their optimal strategy, they will engage in off-the-equilibrium path behavior. When said individuals engage in off-the-equilibrium path behavior, “we should observe the predicted off-the-path response.”³⁶ Within the context of the audience costs argument, backing down is the off-the-equilibrium path behavior, and suffering audience costs is the predicted off-the-equilibrium path outcome.

In order to determine whether audience costs exist I look for crises where leaders were warned about the potential for suffering audience costs but backed down anyway. These cases represent instances where we are *most likely* to see audience costs because

³⁴ Schultz, “Looking for Audience Costs,” p. 52.

³⁵ This discussion builds upon the logic of selecting easy, most likely cases. For discussions of easy, most-likely case studies, see Harry Eckstein, “Case Studies and Theory in Political Science,” in Fred Greenstein and Nelson Polsby, eds., *Handbook of Political Science* (Reading, Mass.: Addison-Wesley, 1975), pp. 94-137; Daryl G. Press, *Calculating Credibility: How Leaders Assess Military Threats* (Ithaca: Cornell University Press, 2005), pp. 34-36.

³⁶ Barry R. Weingast, “Off-the-Path Behavior: A Game-Theoretic Approach to Counterfactuals and its Implications for Political and Historical Analysis,” p. 240.

backing down is an off-the-equilibrium path behavior and suffering audience costs is the predicted off-the-equilibrium path outcome.

In this paper, I examine two cases (the Munich and Suez Canal Crises) where leaders escalated and backed down despite having been warned about the potential for suffering audience costs. With respect to the Munich Crisis, during the Godesberg meeting where Hitler upped his initial demands after his first meeting at Berchtesgaden with Neville Chamberlain, the British Prime Minister, Lord Halifax, the British Foreign Secretary, sent a message to Chamberlain. Halifax noted, “The great mass of public opinion seems to be hardening in sense of feeling that we have gone to limit of concession”.³⁷ Seven members of Chamberlain’s cabinet- Duff Cooper, Edward De La Warr, Walter Elliot, Douglas Hailsham, Leslie Hore-Belisha, Oliver Stanley, and Edward Winterton- also expressed their disagreement with Chamberlain about his policies toward Hitler after Hitler’s demands at Godesberg.³⁸ Shortly after the Godesburg meeting, Britain mobilized its own forces and publicly expressed its support for France against Nazi Germany. However, Chamberlain, despite having received advice from his Foreign Secretary about the state of public opinion in Britain and having heard from seven members of his cabinet about the potential dangers of continuing the policy of appeasement, made overtures to Hitler that resulted in the Munich conference and backed down.³⁹

³⁷ Parker, p. 170.

³⁸ Yuen Foong Khong, “Confronting Hitler and Its Consequences,” in Philip E. Tetlock and Aaron Belkin, eds., *Counterfactual Thought Experiments in World Politics: Logical, Methodological, and Psychological Perspectives* (Princeton, N.J.: Princeton University Press, 1996), p. 103.

³⁹ Martin Gilbert and Richard Gott, *The Appeasers* (Boston, Mass.: Houghton Mifflin Company, 1963), p. 164; Rock, p. 131.

During the Suez Crisis, Anthony Eden decided to back down after using military force against Nasser's Egypt and without having attained Britain's goal of clearing the Suez Canal and opening it to international shipping. During the private Cabinet meeting held on the afternoon of November 2, 1956, the cabinet discussed and rejected the idea of suspending military operations for twelve hours because of growing world opposition to the Anglo-French campaign against Egypt. The memorandum notes, "In further discussion it was recognised that it would be dangerous to propose a twelve-hour suspension of military operations. The military disadvantages might be relatively small, but the loss of momentum would be damaging politically."⁴⁰ At the subsequent private cabinet meeting held later that evening, members of the cabinet expressed concern over losing support from members of the parliamentary party if the Government should transfer the policing of the Canal Zone to the United Nations before clearing the Canal Zone.⁴¹ However, Eden was ultimately compelled to back down because of American financial pressure upon Sterling.⁴²

These cases also involve different degrees of escalation. This enables me to determine whether higher levels of escalation are associated with higher levels of audience costs. During the Suez Crisis, Eden engaged in a higher level of escalation vis-à-vis Egypt before backing down than Chamberlain did vis-à-vis Germany during the

⁴⁰ Conclusions of Cabinet Meeting, 2 November, 1956, CM (56) 77, p. 2.

⁴¹ Conclusions of Cabinet Meeting, 2 November, 1956, CM (56) 78, p. 2.

⁴² Carlton, p. 76; Diane B. Kunz, *The Economic Diplomacy of the Suez Crisis* (Chapel Hill, N.C.: University of North Carolina Press, 1991), pp. 153-185.

Munich Crisis; in addition to actually having attacked Egypt, Eden also issued a greater number of verbal threats against Egypt than Chamberlain issued against Germany.⁴³

Definitions and Measures

Audience costs are defined as the political punishments a leader suffers for backing down in a crisis. They should be thought of as sanctions that affect the likelihood that a leader will be able to remain in office. I measure audience costs by examining the public's and MPs' reactions to leaders' that back down. To determine the general public's reactions to backing down, I compare the public's responses to surveys administered before and after each crisis of the crises examined to determine whether a decline in support has occurred by comparing the public's responses to questions concerning the incumbent government's foreign policy performance and the overall performance of the incumbent prime minister before and after each of the crises examined.

I examine responses to surveys administered by the Gallup Poll in Great Britain. Focusing upon questions concerning the incumbent government's foreign policy performance and the overall performance of the incumbent performance of the prime minister, I compare the public's responses to surveys administered before and after each of the crises examined to determine whether a decline in support occurred. I cannot determine whether a government has lost or gained support by focusing upon its post-

⁴³ Leon Epstein, *British Politics in the Suez Crisis* (Urbana, IL: University of Illinois Press, 1964), pp. 32, 33, 34, 46; Rock, *Appeasement on Trial*, pp. 117, 121, 125, 126, 135; Parker, *Chamberlain and Appeasement*, 161; Khong, "Confronting Hitler and Its Consequences," pp. 101, 103

crisis approval ratings alone. If the incumbent government's post-crisis approval rating for its foreign policy rating is 35%, but its pre-crisis approval rating was only 25%, while its post-crisis approval rating is relatively low, we would not conclude that the government had suffered audience costs. By contrast, if the incumbent government's post-crisis approval rating for its foreign policy is 55% but its pre-crisis approval rating was 80%, then we would conclude that it had suffered audience costs because the general public clearly disapproved of the way it had handled.

I also examine MPs' decisions to retain or remove leaders' from office immediately after a leader has backed down in a militarized crisis. In addition to determining whether MPs removed an incumbent leader from office, I examine whether they were concerned that the leader had damaged the nation's reputation. A leader may be removed from office for a variety of reasons, such as a personal scandal, concern over the national economy, a failed domestic political initiative, etc. By examining MPs' decision-making, we can decisively link leaders' crisis behaviors to their domestic political survival.

A domestic audience is one that possesses the legal right to remove an incumbent leader from office. Two domestic political audiences possess the authority to remove a democratic leader from office: members of the general public that possess the right to vote and members of parliament (MPs). Since the public is the key constituency in any democracy, it only makes sense to gauge how they reacted to leaders who backed down in crises. In his seminal article on audience costs, Fearon discusses MPs as well as the

general public as a relevant domestic political audience.⁴⁴ MPs not only have the ability to directly recall national leaders, but it is easier to study their decisions to remove or not to remove incumbents in the historical record than it is to study the decisions of members of the general public. By examining their behaviors and deliberations we can determine whether and how heavily audience cost considerations weighed upon them when determining whether to retain or remove an incumbent from office.

Backing down is defined as whenever a leader fails to carry out her/his threats. I determine whether a leader has backed down by looking at two things: the extent to which a leader escalates a crisis, and whether a leader stopped escalating before the other side did. Escalation refers to making threats in a crisis. Leaders can make threats that do as well as do not include the use of force. Threats that do not include the use of force include verbal threats (“One more step and I’ll shoot”) as well as displays of force, such as military mobilizations. Threats that include the use of force involve actively attacking a target.⁴⁵

I determine whether the media covered a particular crisis by examining the *Times of London*. I counted the number of articles on a particular crisis based upon whether the crisis was mentioned in that article’s title.⁴⁶

⁴⁴ Fearon, “Domestic Political Audiences and the Escalation of International Disputes,” p. 581.

⁴⁵ *Ibid.*, pp. 821, 828.

⁴⁶ I counted the total number of articles in each issue of the paper rather than relying on the front page because the *Times of London* did not have what would be considered a traditional front page during the Munich and Suez Canal crises. Its front page consisted of a set of classified advertisements and notices.

Britain and the Munich Crisis

OVERVIEW OF THE CRISIS

The Munich Crisis began on September 7, 1938 when Sudeten Germans and Czech police came to blows outside of a prison in Moravska-Ostrava where members of the Sudeten German Party were being held for having smuggled arms from Germany into Czechoslovakia.⁴⁷ Shortly thereafter, Adolf Hitler called off talks with Czechoslovakia that were meant to resolve the issue of whether to allow the Sudetenland to become part of Germany.⁴⁸ At the Nazi Party Congress at Nuremberg on September 12, Hitler pledged the Third Reich's support for the Sudeten Germans, demanding that they be allowed the right of self-determination, having stated, "...if these tortured creatures do not receive justice and help, they can get both from us."⁴⁹

On September 14, Neville Chamberlain proposed that he go to Germany and meet with Hitler to resolve the crisis.⁵⁰ On September 15, Chamberlain met Hitler at Berchtesgaden and listened what Hitler wanted from Czechoslovakia. Chamberlain agreed that Czechoslovakia should transfer territories where Germans made up more than fifty percent of the inhabitants, but only if Hitler agreed to limit his demands to Sudeten

⁴⁷ Keith Robbins, *Munich 1938* (London: Cassell and Company, 1968), p. 256. The Sudeten Germany Party was a fierce advocate of an *anschluss* between the German population in Czechoslovakia and Germany.

⁴⁸ Gerhard Weinberg, *The Foreign Policy of Hitler's Germany: Starting World War II, 1937-1939* (Chicago, IL: The University of Chicago Press, 1980), pp. 420-421. Some suggest that the Munich Crisis was designed to provide Hitler with an excuse to invade Czechoslovakia. Throughout the summer of 1938 he rejected plans to resolve the ongoing disturbances between Germany and Czechoslovakia, but on September 5 the Czech government offered the "Fourth Plan" that gave Hitler nearly everything he had demanded *except* for a war. See also Press, *Calculating Credibility*, p. 45.

⁴⁹ Rock, pp. 109-110.

⁵⁰ *Ibid.*, p. 117; Parker, p. 161.

German self-determination, meaning that Hitler would not invade Czechoslovakia, much less attempt to conquer Europe.⁵¹ After the meeting at Berchtesgaden, Chamberlain managed to secure the agreement of both the French and Czech governments to Hitler's demands.⁵²

After having obtained the French and Czech governments' agreement to comply with Hitler's demands at Berchtesgaden, Chamberlain found at his next meeting with Hitler on September 22 at Godesberg that the transfer of territories with a majority of German inhabitants was no longer a sufficient condition for peace. Now Hitler wanted (1) the cession of areas where Germans were less than fifty percent of the population, (2) the evacuation of Czech troops from those areas, and (3) demanded that this occur within six days (by September 28, 1938). Hitler also noted that the Polish and Hungarian minorities within Czechoslovakia would have to be accommodated, implying that they, too, should be allowed to pursue self-determination.⁵³ Under pressure from Chamberlain, Hitler agreed to extend the deadline from September 28 to October 1, 1938.⁵⁴

After Chamberlain departed from Godesberg, Britain made its first escalatory move in the crisis. On September 23, Duff Cooper, the First Lord of the Admiralty, dispatched 1,900 sailors to the Mediterranean Sea to "bring that fleet up to establishment" and provide for the defenses of the Suez Canal. Cooper also ordered that sailors on leave

⁵¹ Khong, p. 102.

⁵² Rock, p. 121; Keith Middlemas, *Diplomacy of Illusion: The British Government and Diplomacy, 1937-39* (London: Weidenfeld and Nicolson, 1972), pp. 341-343.

⁵³ Gilbert and Gott, *The Appeasers*, pp. 152-153; Rock, *Appeasement on Trial*, p. 125; Barbara Rearden Farnham, *Roosevelt and the Munich Crisis: A Study of Political Decision Making* (Princeton, N.J.: Princeton University Press, 1997), p. 100.

⁵⁴ Rock, p. 125.

be recalled.⁵⁵ When the French began to mobilize their armed forces and signaled their intention to fight for Czechoslovakia, the Foreign Office issued a press release on September 26 that stated: “If in spite of all efforts made by the British Prime Minister a German attack is made upon Czechoslovakia the immediate result must be that France will be bound to come to her assistance, and Great Britain and Russia will certainly stand by France.”⁵⁶

In his Sportpalast speech on September 27, Hitler said that the Sudeten Germans had to be allowed to unify with Germany by October 1, or Germany would invade Czechoslovakia.⁵⁷ The British mobilized their navy that same day and informed the press of it on September 28.⁵⁸ Shortly after Britain mobilized its navy, Chamberlain stated in a message to Hitler his eagerness to reach a peaceful resolution to the crisis and expressed his desire to hold a personal meeting with Hitler and representatives of Czechoslovakia, France, and Italy.⁵⁹ During a debate in the House of Commons on September 28, Sir John Simon, the Chancellor of the Exchequer, informed Chamberlain that Hitler had invited him, Benito Mussolini, and Edouard Daladier, the Prime Minister of France, to a conference at Munich. Upon informing parliament of Hitler’s invitation, Chamberlain stated, “I need not say what my answer will be.”⁶⁰

At Munich, most of Hitler’s original demands at the Godesberg meeting with Chamberlain were granted.⁶¹ Under the Munich agreement there was to be a phased

⁵⁵ Ibid., p. 126.

⁵⁶ Gilbert and Gott, pp. 162, 164.

⁵⁷ Middlemas, p. 389.

⁵⁸ Rock, p. 131.

⁵⁹ Ibid., p. 135.

⁶⁰ Parker, p. 179.

⁶¹ Middlemas, pp. 400-401.

occupation of the predominantly German portions of the Sudetenland by German troops from October 1 through October 10, 1938. Moreover, Britain, France, and Italy agreed that the claims of the Polish and Hungarian minorities of Czechoslovakia had to be resolved.⁶²

WHAT DOES THE AUDIENCE COSTS PROPOSITION PREDICT?

According to the audience costs proposition, British political audiences should have punished Neville Chamberlain's government for having backed down during the Munich Crisis. First, public opinion polls should have shown that the public disapproved of the government's handling of the crisis. Second, members of parliament should have removed Chamberlain's government from office because it had damaged the nation's reputation. Conservative MPs⁶³ not only should have attempted to remove the Chamberlain government because of the damage it did to the nation's reputation, but because of the potential harm that would come to their own political careers at the next election.

THE PUBLIC'S REACTION TO THE MUNICH CRISIS

Before discussing the public's reaction to the crisis, it is important to establish that the public was aware of what was going on. There is good reason to believe that the public was aware of the Munich Crisis as it unfolded. The *Times of London* provided consistent coverage of the Munich Crisis. The *Times* published 180 articles on the crisis,

⁶² Telford Taylor, *Munich: The Price of Peace* (New York: Doubleday, 1978), pp. 50-51.

⁶³ The Chamberlain government was a coalition government, however the Conservative Party was the dominant force within the coalition and could have governed alone if it had chosen to.

amounting to an average of 8.57 stories per each day the newspaper was published. Generally speaking, the total number of articles per day increased as the crisis escalated.

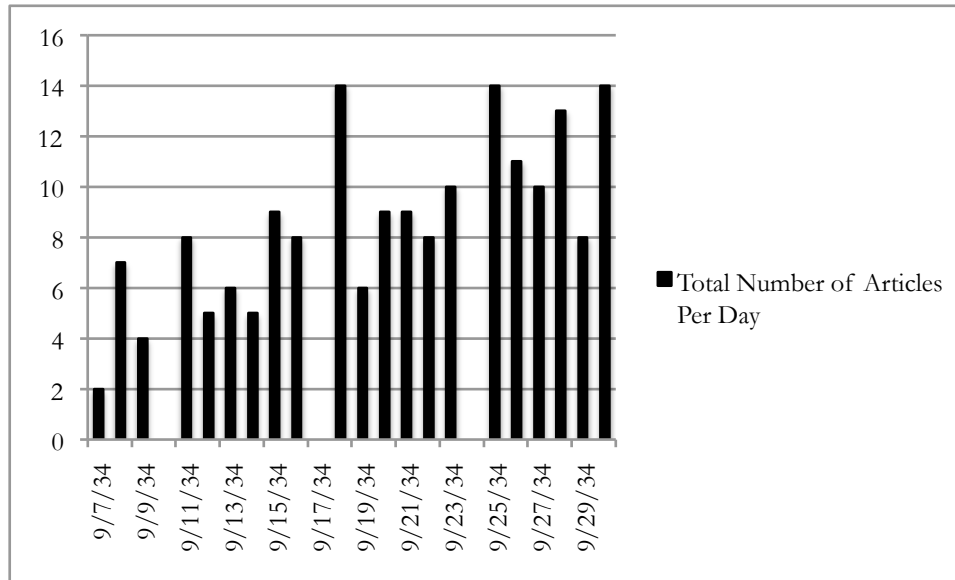


Figure 1 Total Number of Articles Per Day in the Times of London During the Munich Crisis

In contrast to the predictions of the audience costs proposition, rather than reacting negatively to a leader who escalated and subsequently backed down in a crisis, the British public’s views of appeasement became increasingly positive after Neville Chamberlain escalated and backed down during the Munich Crisis.⁶⁴ Prior to the Munich Crisis, there is some evidence that Chamberlain’s policy of appeasement was an

⁶⁴ It is important to note that after the crisis, Chamberlain had personal approval ratings over 50%. During October 1938, 57% said they were satisfied with Neville Chamberlain as prime minister while 43% did not and 10% had no opinion; in November, 55% approved while 45% did not and 11% had no opinion; in December 56% approved, 44% did not, and 9% had no opinion; in January and February of 1939, 57% were satisfied with Chamberlain while 43% did not. However, the Gallup poll only started asking the question of whether respondents were satisfied with the Prime Minister in October 1938, so while approval ratings above 50% are generally considered to be high, we cannot determine whether these are, in fact, an improvement over Chamberlain’s pre-Munich popularity or not. See George H. Gallup, ed., *The Gallup International Public Opinion Polls- Great Britain, 1937-1975* (New York: Random House, 1976), pp. 9, 11, 12.

unpopular policy. In the only Gallup Poll surveys of British public opinion taken prior to the outbreak of the Munich crisis (in 1938), on March 5, 1938 58% of the respondents said they did not approve of Chamberlain's foreign policy, in contrast to 26% who said they did approve and 16% who had no opinion. The March 12, 1938 survey had similar figures, with 56% saying they did not approve of Chamberlain's foreign policy, 24% saying they approved, and 20% who had no opinion.⁶⁵

In February 1938, Anthony Eden resigned as Chamberlain's Foreign Secretary because he had come to disagree with Chamberlain over his policy of appeasement.⁶⁶ In the same Gallup Poll surveys mentioned above, respondents were asked two questions about Eden's resignation. First, they were asked whether Eden was right to resign. On March 5, 72% said yes, 18% said no, and 10% had no opinion; on March 12, 73% said yes, 13% said no, and 14% had no opinion. Second, respondents were asked whether they agreed with Eden's reasons for resigning. On March 5, 69% said yes, 19% said no, and 12% had no opinion; on March 12, 62% said yes, 17% said no, and 21% had no opinion.⁶⁷

After the Munich Crisis was over, the next time Gallup asked respondents about Chamberlain's foreign policy was in February 1939. Whereas a majority of respondents had disapproved of Chamberlain's foreign policy before the Munich Crisis, after the crisis a majority approved of Chamberlain's foreign policy. In the survey, respondents were asked to choose between four ways to describe Chamberlain's foreign policy of appeasement: "a policy which will ultimately lead to enduring peace in Europe," "it will

⁶⁵ Ibid, p. 8.

⁶⁶ Larry William Fuchser, *Neville Chamberlain and Appeasement: A Study in the Politics of History* (New York: W.W. Norton and Company, 1982), pp. 100-105.

⁶⁷ Gallup, pp. 8-9.

keep us out of war until we have to rearm,” “it is bringing war nearer by whetting the appetites of the dictators” and “no opinion.” 28% choose the first option, “enduring peace,” while 46% choose the second option, “keep us out of war.” Together, these two endorsements of Chamberlain’s policy make up 74% of respondents. Only 24% felt that appeasement was raising the likelihood of war, while 2% had no opinion.⁶⁸

CHAMBERLAIN’S DOMESTIC POLITICAL SURVIVAL

MPs’ reaction to the Munich Agreement contradicts the audience costs proposition. While the Munich Agreement resulted in some harsh criticism in a debate in the House of Commons and the resignation of one cabinet minister, Duff Cooper, Chamberlain did not fall from power. While the audience costs proposition would lead us to expect that the Chamberlain government would have fallen from power, the motion approving the government’s handling of the crisis put forward by Sir John Simon was approved by 366 to 144 votes, while a motion put forward by Arthur Greenwood that called for the House of Commons to disapprove of the government’s policy was defeated by 150 to 369 votes.⁶⁹ Chamberlain was able to remain in office despite having backed down for two reasons: his control of the Conservative Party and his backbench critics’ difficulties in forming a “Popular Front” government with the opposition Labor Party.

Prior to becoming Prime Minister, Chamberlain acquired influence within the Conservative Party through his roles as party chairman and later as Chancellor of the Exchequer. Having served as party chairman from mid-1930 to late 1931, Chamberlain reorganized the party and left “behind him a party organization sensitive to his touch.”

⁶⁸ Ibid., p. 13.

⁶⁹ Rock, pp. 139-140, 146, 148-149.

As Chancellor of the Exchequer, Chamberlain gained greater influence within the party through contacts with major contributors to the party. Because of his influence within the party, Chamberlain was able to influence many constituency associations' choices of parliamentary candidates. By the time of the general election of 1935 (the last election before the Munich Crisis), many Conservative MPs were ideologically similar as well as personally loyal to Chamberlain.⁷⁰

Because of his control over the party machine, Chamberlain's critics were afraid of criticizing him for fear of retribution. During the vote on Simon's resolution, Conservative critics of the Munich Agreement choose to abstain rather than vote against so as to express disapproval "without indicating hostility".⁷¹ Anthony Eden warned his fellow critics of government policy that a general election was unlikely to be far away any behaviors seen as antagonistic could mark the end of one's political career. Local constituency associations had called upon critics of the government to "justify their disloyalty to the Prime Minister." Constituency associations had the power to (re)nominate candidates for general elections. In Duff Cooper's case, his association "left themselves free to adopt another candidate at the next election."⁷² Leo Amery, another Conservative critic of Chamberlain, was one of 227 MPs who signed a petition circulated by the party's whips that affirmed their support for Chamberlain's "successful efforts to preserve peace and his determination to strengthen the defences of the nation".⁷³

⁷⁰ Ibid., p. 18.

⁷¹ Ibid.

⁷² Thompson, p. 194.

⁷³ Ibid., p. 198.

Chamberlain faced no challenges for the leadership of the Conservative Party after the Munich Agreement was signed. The one attempt to bring down the Chamberlain government by creating a “Popular Front” coalition between Conservative critics of appeasement and the opposition Labor Party fizzled. This attempt came after Labor MP Hugh Dalton endorsed Sir Stafford Cripps’ call on October 6, 1938 for such a coalition. On the Conservative side, Harold Macmillan, a critic of the Munich agreement, made an overture to Duff Cooper, about Cripps’ proposal. However, Cooper wouldn't come to a meeting with the Labor Party without Anthony Eden, who refused to come at all. Winston Churchill was the only willing participant. Dalton decided to forego additional talks because of the lack of Conservative interest.⁷⁴ Chamberlain’s Conservative critics had little faith in the Labor party because Labor preferred to rely on collective security arrangements and consistently opposed engaging in internal balancing.⁷⁵ Labor leaders were also lukewarm about entering into a “Popular Front” government because they feared that entering into a coalition would harm their chances of winning an outright victory in the next general election.⁷⁶

THE MUNICH CRISIS’ IMPLICATIONS FOR THE AUDIENCE COSTS ARGUMENT

The Munich Crisis has a couple of implications for the audience costs argument. First, it demonstrates that the general public does not disapprove of leaders who escalate and subsequently back down in militarized crises. Contrary to the predictions of the

⁷⁴ Ibid., p. 195.

⁷⁵ Rock, p. 153.

⁷⁶ Ibid., p. 322.

audience costs proposition, Gallup polls taken before and after the Munich Crisis show that the Chamberlain government's policy of appeasement gained popularity after Chamberlain backed down.

Second, the Munich Crisis also demonstrates that counter to the audience costs argument, backing down in a militarized crisis does not jeopardize an incumbent's domestic political survival. Parliamentary audiences did not remove the Chamberlain government from office. Contrary to the expectations of the audience costs proposition, the Chamberlain government managed to remain in power despite having backed down during the Munich Crisis. Neville Chamberlain retained tight control over the machinery of the Conservative Party. Conservative critics of appeasement were informed that they would be punished if they were too obstreperous in terms of their opposition to the government's policy of appeasement, and so Chamberlain never faced a challenge from within for the party leadership as a result of the Munich Agreement. Moreover, Conservative critics of appeasement had no viable exit option. This is because they did not believe that if they formed a "Popular Front" coalition government with the Labor Party that Labor would commit to rearmament rather than collective security. Labor leaders were not enthusiastic about entering into a coalition with anti-appeasement Conservatives, either, because such a coalition could hurt their chances for an outright victory in the next general election.

Britain and the Suez Canal Crisis

OVERVIEW OF THE CRISIS

The Suez Canal Crisis began on July 26, 1956 when Egyptian President Gamal Abdul Nasser nationalized the Suez Canal Company.⁷⁷ Nasser nationalized the Canal Company after the U.S. and the UK withdrew support for loans to finance the Aswan High Dam Project, which was to electrify and serve as source of irrigation for the Nile River Valley.⁷⁸ By nationalizing the Company, Nasser hoped to use the company's revenues to finance the construction of the Aswan High Dam.⁷⁹ The British were concerned whether Nasser would for the free and unfettered international usage of the Suez Canal. Eden feared that Nasser would eventually interfere with international shipping and cut off Britain's access to Persian Gulf oil.⁸⁰

The nationalization of the canal further convinced the Eden government that Nasser was determined to diminish Britain's influence in the Middle East. The British government believed that Nasser had been conspiring against pro-British regimes in Aden, Libya, and Iraq. The British also attributed the dismissal of Sir John Bagot Glubb as head of the Arab Legion in Jordan to Nasser.⁸¹

⁷⁷ Some have mistakenly stated that Nasser nationalized the canal itself; this is incorrect. The Suez Canal Company was Egyptian, even though its shareholders were mostly British and French, and the UK had a controlling stake. The company's rights to operate in Egypt were a set of concessions granted by Egypt that the Egyptian government could also abrogate. See Hugh Thomas, *The Suez Affair* (Middlesex, England: Penguin Books, 1970), pp. 47, 48.

⁷⁸ Anthony Nutting, *No End of a Lesson: The Story of Suez* (New York: Clarkson N. Potter, 1967), p. 45; Carlton, p. 27.

⁷⁹ Kyle, p. 134.

⁸⁰ Epstein, p. 32; Rothwell, pp. 204-205.

⁸¹ Nutting, pp. 17-18, 21-22; Carlton, pp. 28-30; Kyle, pp. 94, 95, 96; Rothwell, pp. 212-213.

Eden undertook a series of steps to arouse public opinion. Shortly after the crisis began, Eden's government took the public position that the Suez Canal had to be placed under international control.⁸² On July 27, Eden condemned Nasser's nationalization of the Canal Company in the House of Commons, and on July 30 announced, "No arrangements for the future of this great international waterway could be acceptable to Her Majesty's Government which would leave it in the unfettered control of a single Power which could, as recent events have shown, exploit it purely for purposes of national policy," and announced a freeze on the export of war materials to Egypt as well as a freeze on its sterling assets. Eden restated this in the House of Commons on August 2.⁸³ On August 3, 20,000 British Army reservists were called up and naval, military, and air force reinforcements were sent to the eastern Mediterranean.⁸⁴

During an international conference held in London while parliament was in recess, Eden's government publicly reaffirmed its demand that the Suez Canal not be managed by a single power, a demand that was rejected by Nasser.⁸⁵ On the first day after parliament reopened, September 12, Eden repeated that his government would not allow Egypt to control the Suez Canal. He also made a statement about domestic mobilization and preparations for war.⁸⁶ The next day the Foreign Secretary, Selwyn Lloyd, reiterated government policy and condemned Nasser's seizure of the Canal

⁸² Epstein, p. 32.

⁸³ <http://hansard.millbanksystems.com/commons/1956/aug/02/suezcanal>.

⁸⁴ Nutting, p. 48.

⁸⁵ Epstein, p. 33.

⁸⁶ <http://hansard.millbanksystems.com/commons/1956/sep/12/suez-canal>

Company.⁸⁷ On October 10, the Conservative Party Conference endorsed Eden's efforts to bring about international control of the canal.⁸⁸

Britain pressed its case for international control of the canal in an in the form of a United Nations Security Council Resolution (although this resolution was ultimately vetoed by the Soviet Union).⁸⁹ After having failed to obtain a resolution at the UN, Britain decided to use force in concert with France and Israel in order to bring about international control of the canal. British, French, and Israeli decision-makers made a secret agreement, later known as the Sevres Protocol that established the scenario under which the powers would attack Egypt.⁹⁰ Under this agreement, Israel would attack Egypt, after which Britain and France would issue an ultimatum calling on both sides to fall back ten miles on both sides of the canal and agree to a temporary Anglo-French occupation of Suez.⁹¹ After Israel attacked, Britain and France issued the ultimatum, and Egypt rejected it on October 31. Shortly thereafter, Britain and France began bombing

⁸⁷ <http://hansard.millbanksystems.com/commons/1956/sep/13/suez-canal>

⁸⁸ Epstein, p. 46.

⁸⁹ Ibid, pp. 46, 33-34.

⁹⁰ In addition to their own interest in the Canal Company, France supported Britain during the Suez Crisis as a means of retaliating against Nasser for his support for the rebels in Algeria. Israel wanted to attack Egypt because of a perceived increase in Egypt's military power after Nasser concluded an arms deal with Czechoslovakia in 1955. On the connection between French participation in the Suez operation and Algeria, see Alistair Horne, *A Savage War of Peace: Algeria, 1954-1962* (New York: Viking Press, 1977), pp. 161-164. On Israel's interest, see Jack S. Levy and Joseph Gochal, "Democracy and Preventive War: Israel and the 1956 Sinai Campaign," *Security Studies*, Vol. 11, No. 2 (Winter 2001/2002), pp. 1-49.

⁹¹ Carlton, p. 69.

Egyptian airfields. By November 5, British and French forces landed at Port Fuad, having secured the northern end of the Suez Canal.⁹²

The Eisenhower Administration pressured the UK to forego its plans to clear the canal. The UK was vulnerable to American economic pressure since it needed loans from the U.S. to bolster its dwindling sterling reserves that had steadily dropped as a result of the Suez Crisis. A run on the pound had begun in September as a result of the crisis and got worse by November, with Sterling reserves having fallen by \$141 million in September and October and by \$279 million in November.⁹³ Since the canal had been closed, Britain had become heavily dependent upon the U.S. for oil.

Because of the Eisenhower administration's antipathy to British behavior vis-à-vis Egypt, the U.S. was disposed to exploit Britain's economic vulnerabilities in order to compel it to withdraw from Egypt.⁹⁴ Harold Macmillan, the Chancellor of the Exchequer, was told in conversations with American officials that until Britain withdrew from Egypt it could not expect any financial assistance.⁹⁵ Britain, along with France and Israel, faced the additional threat of Soviet intervention when Moscow sent a note suggesting that it may attack the three countries, however the U.S. did say it would not tolerate an attack on Britain or France.⁹⁶ Before Anglo-French forces were able to clear

⁹² Carlton, pp. 71, 75; Keith Kyle, "Britain's Slow March to Suez," in David Tal, ed., *The 1956 War: Collusion and Rivalry in the Middle East* (Portland, OR: Frank Cass, 2001), pp. 110, 112.

⁹³ Nutting, pp. 195-196.

⁹⁴ Carlton, p. 84.

⁹⁵ Kyle, "Britain's Slow March to Suez," p. 114.

⁹⁶ Thomas Risse-Kappen, *Cooperation Among Democracies: The European Influence on U.S. Foreign Policy* (Princeton, N.J.: Princeton University Press, 1995), p. 96.

the canal, on November 6 Eden announced in the House of Commons “a ceasefire would come into force at midnight (London time)”.⁹⁷

WHAT DOES THE AUDIENCE COSTS PROPOSITION PREDICT?

According to the audience costs proposition, British domestic audiences should have punished Anthony Eden’s government for having backed down during the Suez Canal Crisis. The theory also predicts that MPs should have removed Eden from power because his government’s handling of the crisis damaged the nation’s reputation for keeping its commitments. The audience costs proposition also predicts that Eden’s government should have faced steeper levels of public and parliamentary disapproval than Chamberlain’s government did because Eden backed down after having used force whereas Chamberlain backed down after having mobilized Britain’s navy.

THE PUBLIC’S REACTION TO THE SUEZ CANAL CRISIS

It is likely that the public was aware of the government’s behaviors during the Suez Crisis. The *Times* published 408 stories on the crisis, amounting to an average number of 9 stories on the crisis per each day the newspaper was published.

⁹⁷ Carlton, p. 80.

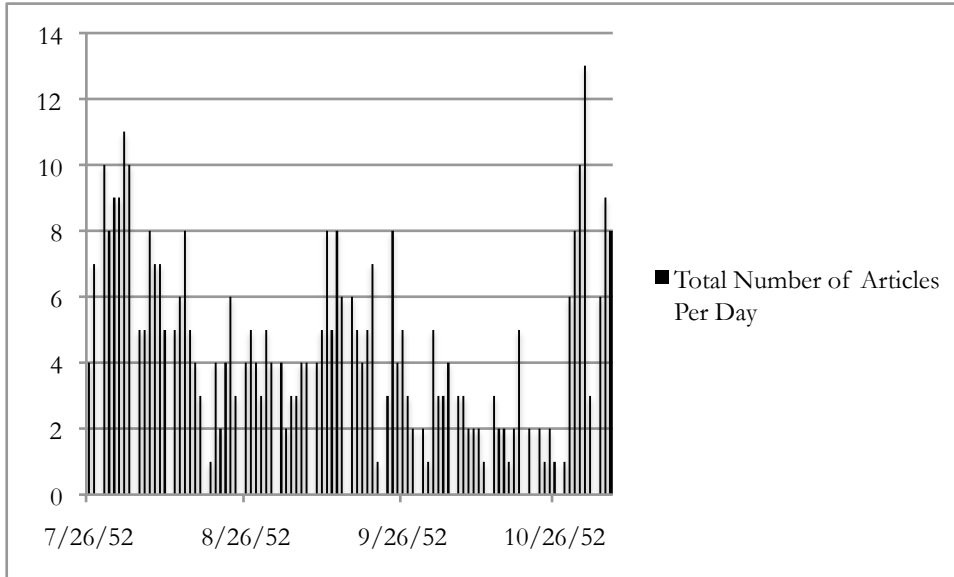


Figure 2 Total Number of Articles Per Day in the Times of London During the Suez Crisis

Contrary to the predictions of the audience costs proposition, domestic political audiences did not disapprove of Eden’s decision to back down during the Suez Canal Crisis. Instead, Gallup Poll surveys demonstrate that domestic political audiences not only (1) approved of Eden’s decision to back down, but (2) did not express greater levels of disapproval for a leader who backed down from a high level of escalation (military force) than one who backed down from a lower level of escalation (military mobilization).⁹⁸

⁹⁸ Gallup, pp. 383, 391, 394, 395, 398.

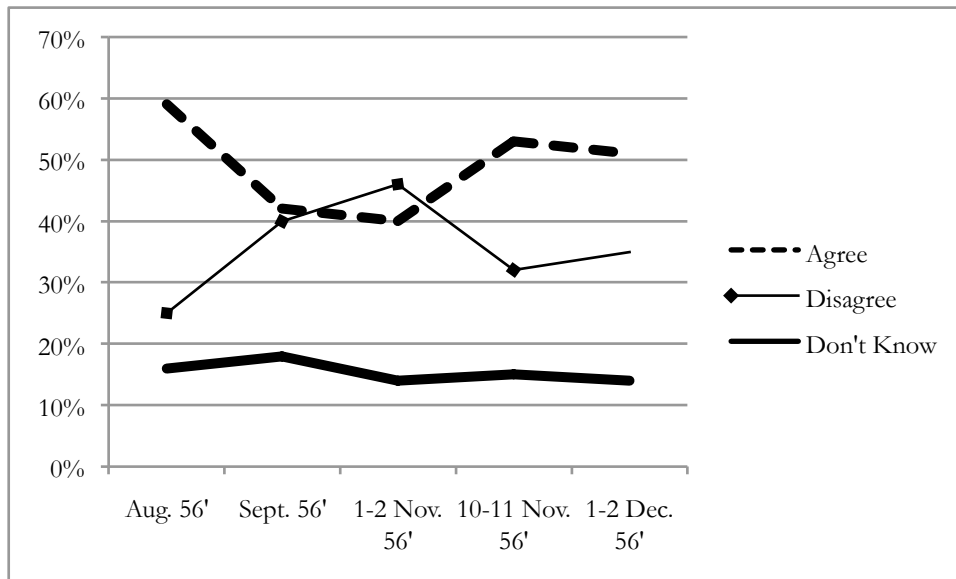


Figure 3 “Speaking generally, do you agree or disagree with the way Eden has handled the Middle East situation?”

When asked about the government’s handling of the Suez Crisis, the public initially approved in August (59% approved, 25% disapproved, and 16% did not have an opinion), but steadily disapproved as the crisis progressed. In the 1-2 November poll, only 40% approved, while 46% disapproved and 14% did not have an opinion. However, once Eden announced that the government had agreed to a ceasefire on November 6, the public’s approval ratings shot up again. In the November 10-11 poll, 53% approved of the government’s handling of the crisis, 32% disapproved, and 15% had no opinion. Nearly a month later, in poll taken from December 1-2, these numbers were relatively unchanged, with 51% expressing approval, 35% expressing disapproval, and 14% expressing no opinion at all.⁹⁹ There is also evidence that the public did not disapprove of backing down during the Suez Crisis. In the same survey taken during December 1-2

⁹⁹ Ibid.

the British public was asked, “Having begun military action in Egypt, do you think that Britain and France should have continued until they had occupied the whole Suez Canal zone, or do you agree with their accepting the cease fire?” 53% said that the British and French governments were “Right to accept” while only 34% said they “should have continued”. 13% did not have an opinion.¹⁰⁰

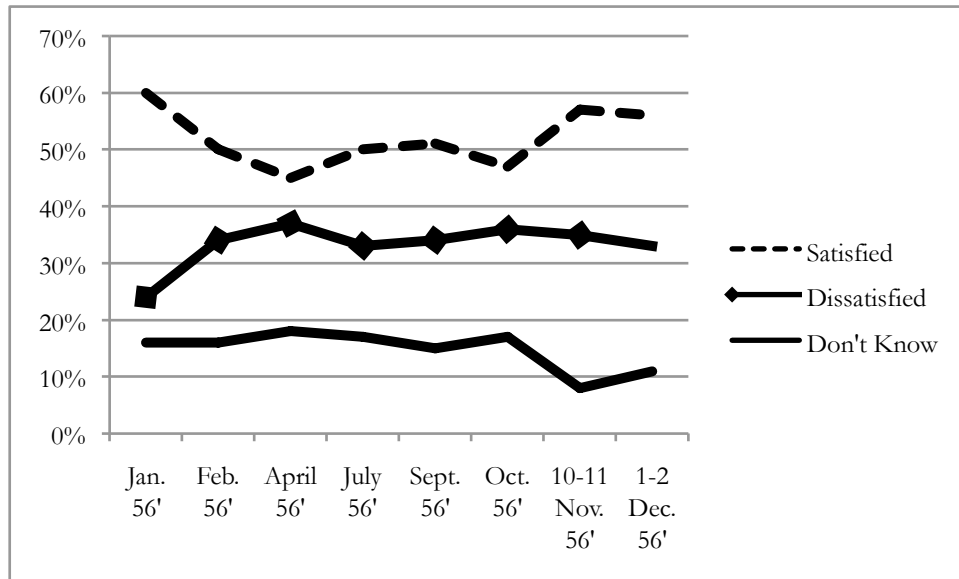


Figure 4 "Are you satisfied or dissatisfied with Eden as Prime Minister?"

Moreover, public opinion polls also indicated an improvement in Eden’s own standing among the electorate after he backed down.¹⁰¹ Immediately prior to the crisis, in July 1956, Eden had an approval rating of 50% and a disapproval rating of 33% (17% did not have an opinion). Immediately after the crisis, Eden’s approval and disapproval ratings increased slightly (approval moved from 50% to 51%, disapproval moved from 33% to 34%, and “don’t know” responses declined from 17% to 15%). However, by

¹⁰⁰ Ibid., pp. 398-399.

¹⁰¹ It is important to note that Eden’s disapproval ratings never exceeded his approval ratings during 1956.

October Eden's approval ratings had declined to 47%, his disapproval ratings increased to 36% ("don't know" responses increased to 17%). After Eden backed down, his approval ratings reached their highest point since January 1956. In the November 10-11 poll, Eden's approval ratings had increased by ten points, moving from 47% to 57%, while his disapproval ratings declined from 36% to 35% ("don't know" responses declined from 17% to 8%). These ratings remained the same roughly a month later when, in the December 1-2 poll, Eden's approval ratings were at 56% and his disapproval ratings registered at 33%.¹⁰²

Contrary to the audience costs proposition, the general public (1) did not disapprove of Eden's decision to back down during the Suez Crisis, and (2) did not express greater disapproval of Eden's decision to back down than Chamberlain's decision to back down. This is despite the fact that Eden backed down after having used military force whereas Chamberlain backed down after having mobilized Britain's navy.

WHY DID EDEN RESIGN?

Although Anthony Eden resigned from office shortly after the Suez Crisis, he was not forced to resign because he backed down. Instead, Eden was compelled to surrender his office because of health reasons rather than his performance during the Suez Crisis. On November 8, 1956, two days after Eden announced the ceasefire, his government managed to win a vote of confidence.¹⁰³ Not only was Eden concerned about his own ability to continue to serve as prime minister without collapsing again, but elites within the Conservative Party were as well.

¹⁰² The July poll was taken before the outbreak of the crisis.

¹⁰³ Carlton, pp. 83-84.

After the ceasefire was announced, Eden had begun to suffer from severe exhaustion. He missed the November 13 cabinet meeting because he needed to rest, and on November 18 his doctor recommended that he go on vacation.¹⁰⁴ This suggestion infuriated Harold Macmillan because decisions still had to be made on the details of extracting Britain's remaining troops from Egypt and on what steps had to be taken for obtaining U.S. support for the British economy.¹⁰⁵ On November 21, Eden announced that he would be leaving for a vacation in Jamaica on November 23.¹⁰⁶

Upon Eden's return to London, a group of Conservatives led by Rab Butler and Lord Salisbury informed Eden that if his health improved, they were prepared to support his government until Easter, but if his health remained poor it was imperative that a new government be formed under a new Prime Minister.¹⁰⁷ Peter Thorneycroft, the President of the Board of Trade, told Eden that he should not stay on for two reasons: (1) his health and (2) it would provide the UK with an opportunity to repair the Anglo-American relationship. When Eden asked his doctors whether he could remain in office until Easter or even the summer, he was informed that he was unlikely to last another six weeks without collapsing from exhaustion again.¹⁰⁸

After Eden announced he would resign as soon as a replacement could be chosen, the Conservative Party was faced with picking between Rab Butler, the Leader of the House of Commons, and Harold Macmillan, Chancellor of the Exchequer. At the time, the leadership of the Conservative Party was chosen by secret ballot. However,

¹⁰⁴ Kyle, *Suez*, p. 503.

¹⁰⁵ *Ibid.*, p. 505.

¹⁰⁶ Carlton, pp. 86-87.

¹⁰⁷ W. Scott Lucas, *Divided We Stand: Britain, the US and the Suez Crisis* (London: Hodder and Stoughton, 1991), p. 322.

¹⁰⁸ Kyle, pp 518-519, 533.

informal polls suggested that all but three cabinet ministers favored Macmillan as the next prime minister. Even former Prime Minister Winston Churchill voiced his support for Macmillan.¹⁰⁹ Macmillan was favored over Butler because he was seen as the more decisive of the two and he was more likely to win the next election.¹¹⁰

Given the expectations provided by the audience costs argument, the selection of Macmillan is puzzling. After Eden, Macmillan was the biggest supporter of the government's policy towards Egypt during the Suez Crisis. As Chancellor of the Exchequer, Macmillan was intimately involved in the details of the negotiations with the U.S. over acquiring financial assistance to stabilize the pound, and after having been one of the strongest proponents of intervening in Egypt, Macmillan became the "the strongest advocate for a cease fire."

THE SUEZ CANAL CRISIS' IMPLICATIONS FOR THE AUDIENCE COSTS ARGUMENT

The Suez Canal Crisis has a couple of implications for the audience costs argument. First, it demonstrates that contrary to the audience costs proposition, the general public does not disapprove of leaders who back down in militarized crises. Second, Anthony Eden escalated the Suez Crisis to the point of war and subsequently

¹⁰⁹ Lucas, p. 323.

¹¹⁰ Kyle, p. 534. However, given the expectations provided by the audience costs argument, the selection of Macmillan is puzzling. After Eden, Macmillan was the biggest supporter of the government's policy towards Egypt during the Suez Crisis. As Chancellor of the Exchequer, Macmillan was intimately involved in the details of the negotiations with the U.S. over acquiring financial assistance to stabilize the pound, and after having been one of the strongest proponents of intervening in Egypt, Macmillan became the "the strongest advocate for a cease fire." See Lucas, p. 309.

backed down but did not suffer higher levels of disapproval than Neville Chamberlain did during the Munich Crisis. Contrary to the audience costs argument, higher levels of audience costs do not correspond to backing down from higher levels of escalation in crises.

Third, even though a leader may be forced to resign after having backed down in a crisis, this does not mean that he/she suffered audience costs. Eden was forced to resign because he was suffering from exhaustion and was simply unable to perform his duties as Prime Minister, not because MPs wanted to remove him from office because he had irreparably damaged the nation's reputation. If that had been the case, they would not have chosen Harold Macmillan as his successor since Macmillan had advocated the same policies as Eden had.

Conclusion

Do leaders incur audience costs for backing down in militarized crises? Are higher levels of audience costs attached to higher levels of escalation? Using observational data from the Munich and Suez crises, this paper finds that democratic leaders are unlikely to suffer audience costs if they escalate and subsequently back down. Contrary to the audience costs argument domestic political audiences do not have a uniform preference for standing firm over backing down. Instead, leaders' policies and personal approval ratings may actually improve as a result of backing down in crises.

The evidence from the Munich and Suez Crises also suggests that members of parliament, an audience largely ignored in previous assessments of the audience costs

proposition¹¹¹, are more likely to be concerned about their own chances for attaining or retaining high office than for protecting the nation's reputation, as the audience costs proposition would suggest. Rather than providing an additional domestic political incentive for national political leaders to abide by their public threats and promises, domestic political elites may have a neutral effect upon leaders' willingness to uphold their commitments.

These findings suggest two additional avenues for research. First, are leaders likely to suffer audience costs for renegeing on international issues outside of militarized disputes? While this paper finds that leaders are unlikely to suffer audience costs for backing down in crises, we do not know whether leaders are likely to suffer audience costs for renegeing on commitments to issues such as (but not limited to) arms control, peace processes, free trade, and environmental protection.¹¹²

Second, does a leader's political identity play a role in whether she/he is likely to suffer audience costs? It may be worth exploring whether leaders of various partisan affiliations or national security reputations are equally likely to suffer audience costs if they back down during crises. According to the conventional wisdom, hawks have both greater credibility on national security issues and electoral incentives to engage in

¹¹¹ Although Schultz focuses upon opposition parties, a group that I would consider to be an elite audience, his primary focus is upon their role in signaling the state's preferences rather than their effect on an incumbent's domestic political survival. See Schultz, *Democracy and Coercive Diplomacy*.

¹¹² In a piece dealing with Argentina's commitment to repaying its foreign debt, Michael Tomz found that domestic political audiences only have conditional preferences for compliance over default, suggesting that leaders are only likely to suffer audience costs when domestic political audiences benefit from compliance. See Tomz, "Democratic Default: Domestic Audiences and Compliance with International Agreements," Paper presented at the Annual Meetings of the American Political Science Association, Fall 2002.

peacemaking with an adversary than doves. Because of their reputation for preferring to use carrots rather than sticks, doves experience greater electoral benefits for pursuing policies that raise the likelihood of war than hawks.¹¹³ This logic suggests that leaders with dovish reputations may suffer steeper punishments for backing down in crises than leaders with hawkish reputations.

¹¹³ See Kenneth A. Schultz, “The Politics of Risking Peace: Do Hawks or Doves Deliver the Olive Branch?” *International Organization*, Vol. 59, No. 1 (Winter 2005), pp. 1-38.