

Reconciling Covert War and the Democratic Peace: Stasis or Decay?

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Abstract: According to existing theories of democratic peace (DP), we should not observe democracies using force against one another. During the Cold War, however, the U.S. used covert force against a number of democratic regimes in the developing world. This poses a theoretical and an empirical puzzle. First, does covert intervention between democracies undermine the theoretical underpinnings of DP? Second, why do democracies use covert force against one another in some cases and not in others? While scholars have touched on these questions, we are in need of a more compelling causal logic. The theory presented here explores how anticipation of a target state's regime collapsing in the future shapes the calculus for peace and war in the present. I hypothesize that if decision-makers in one democracy anticipate regime collapse in another democracy—what I term an expectation of democratic decay—the constraints of DP will be negated. Conversely, if the regime is anticipated to remain democratic—generating an expectation of democratic stasis—the constraints of DP should obtain. To test the argument, I conduct a case study of U.S. foreign policy towards Chile from 1963 to 1973, culminating in the overthrow of Salvador Allende.

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“There are three possibilities in descending order of preference, a decent democratic regime, a continuation of the Trujillo regime or a Castro regime. We ought to aim at the first, but we cannot really renounce the second until we are sure that we can avoid the third.”

-John F. Kennedy, June 1961

According to existing theories of democratic peace (DP), we should not observe democratic regimes using force against one another. On a number of occasions throughout the Cold War, however, Western democracies used *covert* force against democratically elected regimes in the developing world.² In 1954, for example, the U.S. engineered a coup against the democratically elected President of Guatemala, Jacobo Árbenz. We find similar cases in Iran (1953), Indonesia (1955), Brazil (1960s), Chile (1973) and Nicaragua (1980s), among others.³ These cases pose a theoretical and an empirical puzzle. First, does covert intervention between democracies undermine the theoretical underpinnings of DP? Second, despite the rarity of these cases, what are the conditions under which democracies choose to engage in covert foreign regime change against other democracies?

Departing from existing studies, the theory presented here explores how an *expectation* of regime breakdown in a target state shapes the calculus for peace and war in the present. I hypothesize that if decision-makers in one democracy anticipate regime collapse in another democracy—what I term an expectation of democratic decay—the constraints of DP will be negated. Conversely, if the regime is anticipated to remain democratic—generating an expectation of democratic stasis—the constraints of DP should obtain.

The argument formulated here is novel in at least three ways. First, I reconcile the normative variant of DP with covert foreign regime change by providing a causal account instead

² See David P. Forsythe, “Democracy, War, and Covert Action.” *Journal of Peace Research*, 29:4 (Nov., 1992): 385-388. The six covert interventions listed by Forsythe are Iran (1953), Guatemala (1954), Indonesia (1955), Brazil (1960s), Chile (1973), and Nicaragua (1980s).

³ David Forsythe, “Democracy, War, and Covert Action,” 387 (emphasis added).

of relying on contestable semantics to preserve the thesis as some have done.⁴ Second, instead of relying on “snapshots” of regime type, I focus instead on expectations held by key policymakers, rendering the theory both more dynamic and more faithful to the policymaking process. Finally, I put forth a theory that explains the conditions rendering forcible covert intervention between democracies more likely—a question of great interest regardless of one’s stance on DP.

This paper begins by identifying the extant literature, emphasizing arguments related to covert intervention between democracies. Next, I formulate a novel theoretical framework and generate a series of testable hypotheses. Following this, I test the argument on a pair of case studies of U.S. foreign policy towards Chile across two discrete time periods—1963 to 1969 and 1970 to 1973—probing variation in the scope and depth of covert intervention. In the service of external validity, I briefly explore the U.S.-sponsored coup against Mohammed Mossadegh of Iran in 1953 to ensure that the argument travels in space and time, highlighting general implications of the argument and suggesting avenues for future research.

Breaking down the democratic peace

The most stripped down version of DP is the idea that democracies have rarely, if ever, made war on one another. Proponents, however, are divided on which mechanism best accounts for the empirical observation. One camp, representing the *normative* variant, emphasizes norms of peaceful dispute resolution and/or mutual trust and respect shared between liberal democracies to explain the observed peace.⁵ The institutional variant focuses on how checks and balances in

⁴ For a discussion of why covert wars do not fit with traditional definitions of democratic peace, see Bruce Russett, *Grasping the Democratic Peace* (Princeton: Princeton University Press, 1993):120-124.

⁵ John M. Owen, “How Liberalism Produces Democratic Peace,” 124, in Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, eds., *Debating the Democratic Peace* (Cambridge: The MIT Press, 1996): 3-57.; Michael W. Doyle, “Liberalism and World Politics,” *The American Political Science Review*, Vol. 80, No. 4 (December 1986): 1151-1169; Michael W. Doyle, “Kant, Liberal Legacies, and Foreign Affairs,” in Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, eds., *Debating the Democratic Peace* (Cambridge: The MIT Press, 1996): 116-154. Bruce Russett, “Why Democratic Peace?,” 100-101 in Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, eds., *Debating the Democratic Peace* (Cambridge: The MIT Press, 1996): 82-115; Zeev Maoz and Bruce

democracies render mobilization for war more sluggish, allowing greater opportunities for diplomacy.⁶ Others contend that the need to provide public goods in democratic regimes renders war more costly, creating a desire for negotiated settlements should two democracies conflict.⁷ As with any theory, the critiques of DP are wide ranging.⁸ The criticism most pertinent to the present discussion turns on the subject of covert intervention. In particular, Sebastian Rosato contends that the use of covert force between democracies undermines the normative DP, pointing to economic concerns, security objectives, fear of communism, and other factors as trumping the “trust and respect” said to hold between democracies.⁹ Following Rosato, many scholars accept that the use of covert force between democracies constitutes a major challenge to DP, especially the normative strand.¹⁰

Russett, “Normative and Structural Causes of Democratic Peace,” *The American Political Science Review*, Vol. 87, No. 3 (September, 1993): 627, 630, 634.

⁶ Bruce Russett, “Why Democratic Peace?,” 100-101; Zeev Maoz and Bruce Russett, “Normative and Structural Causes of Democratic Peace,” 634

⁷ Bruce Bueno de Mesquita, James Morrow, Randolph Siverson, and Alaister Smith, “An Institutional Explanation of the Democratic Peace,” *The American Political Science Review*, Vol. 93, No. 4 (December, 1999): 791-807. See also, Dan Reiter and Allan C. Stam, *Democracies at War* (Princeton University Press: Princeton, 2002); David Lake, “Powerful Pacifists: Democratic States and War,” *The American Political Science Review*, Vol. 86, No. 1 (March, 1992): 24-37.

⁸ John J. Mearsheimer, “Back to the Future: Instability in Europe After the Cold War,” *International Security*, Vol. 15, No. 1 (Summer, 1990): 50-51; Henry S. Farber and Joanne Gowa, “Politics and Peace,” in Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, eds., *Debating the Democratic Peace* (Cambridge: The MIT Press, 1996): 240; Christopher Layne, “Kant or Cant: The Myth of the Democratic Peace,” in Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, eds., *Debating the Democratic Peace* (Cambridge: The MIT Press, 1996): 164 (emphasis added); Christopher Layne, “Kant or Cant: The Myth of the Democratic Peace”; David E. Spiro “The Insignificance of the Liberal Peace,” in Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, eds., *Debating the Democratic Peace* (Cambridge: The MIT Press, 1996): 202-238; Ido Oren, “Politics and Peace,” 263, 267, in Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, eds., *Debating the Democratic Peace* (Cambridge: The MIT Press, 1996): 263-300.

⁹ Sebastian Rosato, “The Flawed Logic of Democratic Peace Theory,” *The American Political Science Review*, Vol. 97, No. 4 (November 2003): 590-591.

¹⁰ Dan Reiter and Allan C. Stam, *Democracies at War*; 159-163; David Kinsella, “No Rest for the Democratic Peace,” *The American Political Science Review*, Vol. 99, No. 3 (August 2005): 455; Jaechun Kim, “Democratic Peace and Covert War: A Case Study of the U.S. Covert War in Chile,” *Journal of International and Area Studies*, Vol. 12, No. 1 (2005): 36; Charles Lipson, *Reliable Partners: How Democracies Have Made a Separate Peace*, 3.

Proponents of DP have defended against this line of attack in a number of ways.¹¹ One argument is that the targets were not fully democratic by the standard measurements used to test the theory.¹² Second, the fact that these interventions were *covert* is said to demonstrate that “the normative restraints of democracy were sufficient to drive the operations underground.”¹³ Finally, others hold that because these covert wars fail to reach the threshold of 1,000 battle deaths they should be excluded from tests of the theory.¹⁴

In line with those who have found these justifications insufficient, I also argue for their inadequacy. While some democratic targets may not have been mature democracies, the primary case examined here—Chile in the 1960s and early 1970s—had been a consolidated democracy for decades. Second, understanding *why* these interventions were covert deserves theoretical and empirical treatment—that they were covert to avoid public constraints is something we should test rather than assert. Third, some scholars, especially critical theorists, have argued that the exclusion of covert wars between democracies on the basis of an admittedly arbitrary threshold in a dataset is unsatisfactory.¹⁵ I agree.

Though scant, there exist studies explaining the relationship between covert intervention and democratic peace. James and Mitchell contend that, “relatively weak democracies that seek changes in structural dependency and are vulnerable to outside efforts at destabilization,” are

¹¹ Bruce Russett, *Grasping the Democratic Peace*, 121.

¹² *Ibid.* at 121-122.

¹³ *Ibid.* at 124; David Forsythe, “Democracy, War, and Covert Action,” 393; Michael W. Doyle, “Three Pillars of the Liberal Peace,” *The American Political Science Review*, Vol. 99, No. 3 (August 2005): 465.

¹⁴ See for example, Alexander B. Downes and Mary Lauren Lilley, “Overt Peace, Covert War?: Covert Intervention and the Democratic Peace,” *Security Studies*, No. 19 (2010): 268. The particular criteria of “1,000” battle deaths comes from the classification of interstate war from the Correlates of War dataset; a common dataset used to test the democratic peace thesis.

¹⁵ Tarak Barkawi, “War Inside the Free World: The Democratic Peace and the Cold War in the Third World,” in Tarak Barkawi and Mark Laffey, eds., *Democracy, Liberalism, and War: Rethinking the Democratic Peace Debate* (Lynne Rienner Publishers, Inc.: Boulder, 2001): 113.

likely to be victims of covert attack by their more powerful counterparts.¹⁶ More recently, Downes and Lilley test three variants of DP to see whether they can be reconciled with covert intervention. Ultimately, they argue in favor of selectorate theory, noting that targets of covert intervention were weaker and replaced with autocrats, as the theory would hypothesize. The evidence is mixed, however, since actions were taken with a low probability of success and turned on security concerns rather than the provision of private goods.¹⁷ They find little evidence for either the normative or institutional variant.

In sum, rebuttals to those criticizing the relationship between DP and the use of covert force between democracies have been insufficient, while additional work on the subject has been limited. The theory presented below offers a series of remedies to these problems. First, I lay out a theoretical framework that reconciles the normative variant of DP with the use of covert force between democracies. Additionally, while the recent contribution from Downes and Lilley is commendable, the argument is tested only against different strands of DP rather than a broader set of theoretical alternatives. Finally, their account is unable to explain why democracies, which have larger selectorates than non-democracies, sometimes *promote* democracy abroad.¹⁸

The argument

Defining the variables

Turning squarely to the theory, it is important to first operationalize key concepts. By democracy, I mean those regimes that allow for regular, competitive elections and provide protections including freedom of speech, the press, assembly, and basic civil rights. Defining

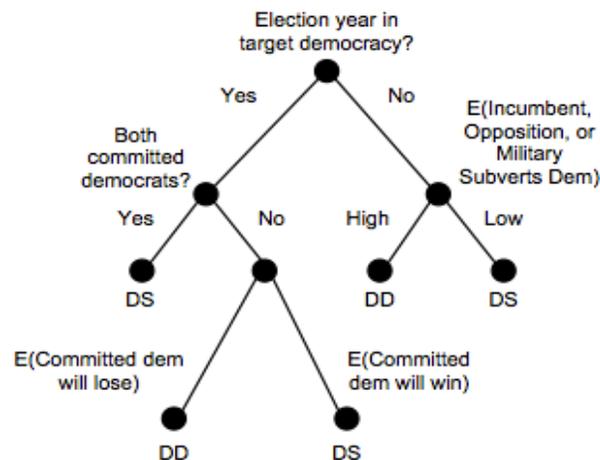
¹⁶ Patrick James and Glenn E. Mitchell, "Targets of Covert Pressure: The Hidden Victims of the Democratic Peace," *International Interactions: Empirical and Theoretical Research in International Relations*, Vol. 21, No. 1 (1995): 85.

¹⁷ Alexander B. Downes and Mary Lauren Lilley, "Overt Peace, Covert War?: Covert Intervention and the Democratic Peace."

¹⁸ Bruce Bueno de Mesquita, Alastair Smith, Randolph M. Siverson, and James D. Morrow, *The Logic of Political Survival* (Cambridge: MIT Press, 2003).

expectations of democratic decay or stasis is more challenging, and the following criteria are undoubtedly imperfect proxies.¹⁹ If there is *no* election at the time of the assessment, the first criterion is: (1) whether the incumbent, the opposition, or the military are likely to subvert existing democratic institutions. If the probability is low, we assume an expectation of stasis; the converse implies decay. If there *is* an election at the time of the assessment, two criteria are relevant: (2) is at least one candidate perceived as antithetical to democracy (a “non-committed democrat”)? If “yes,” we look to the final criterion: (3) is the non-committed democrat perceived as likely to win in the upcoming elections? If the answer to (2) is “no,” we assume stasis. If the answer to both (2) and (3) is “yes,” we assume decay. Figure 1 is a decision-theoretic representation of these dynamics.

Figure 1. Decision-Theoretic Representation of Democratic Stasis or Decay



Key: (DD=democratic decay; DS=democratic stasis)

A dynamic democratic peace

One key issue with existing theories of DP is the static focus on regime type. More precisely, it is often assumed that a democracy *today* will remain a democracy *tomorrow*. Importantly, however, the anticipation that democratic institutions might erode *in the future* has

¹⁹ It should be noted that this definition requires that a current regime be perceived as democratic at the time.

major implications for how we conceive of a democratic peace in the present.²⁰ Scholars working across a range of issues have previously incorporated a dynamic element into their analyses for great effect.²¹ Moving beyond static conceptions of regime type, then, the theory posits that the normative mechanisms of DP should have varying effects that depend upon the expected future status of the regime in question. Specifically, if decision-makers in one democracy anticipate regime collapse in another democracy—E(democratic decay)—the normative constraints of DP will be negated.²² Conversely, if the regime is anticipated to remain democratic—E(democratic stasis)—the normative constraints of DP should obtain.

The logic of the theory can be illustrated using the following stylized scenario. Let us take two states, State A and State B. State A is a consolidated liberal democracy that qualifies as a great power. State B is also a consolidated liberal democracy but is economically and militarily weaker than State A. The traditional conception of DP says that if these states were to conflict—regardless of power asymmetries—they should resolve their disputes short of war. Suppose, however, that events unfolding in B generate legitimate concerns that the regime might break down in the near future. Though leaders in A might prefer to resolve a dispute peacefully at time t , there exists an overriding concern regarding relations with a new regime at time $t+1$. In these cases, the uncertainty introduced by an expectation of democratic decay in B is likely to override, and even negate, any presumption of predictability or stability associated with the normative variant of DP in the present.

²⁰ See Dale Copeland, *The Origins of Major War* (Cornell University Press, Ithaca: 2000): 238-39 and John J. Mearsheimer, “Back to the Future: Instability in Europe After the Cold War,” 50.

²¹ Dale Copeland, “Economic Interdependence and War: A Theory of Trade Expectations,” *International Security*, Vol. 20, No. 4 (Spring, 1996): 5-41; Dan Reiter, *How Wars End* (Princeton University Press: Princeton, 2009): 18; Robert Powell, “War as a Commitment Problem,” *International Organization*, 60 (Winter, 2006) :171.

²² The term “democratic decay” has been used in the comparative politics literature to describe the breakdown of democracy into a competitive authoritarian regime. For an example, see Steven Levitsky and Lucan A. Way, *Competitive Authoritarianism: Hybrid Regimes After the Cold War*, (Cambridge University Press, New York: 2010): 134-135.

The scenario depicted above is predicated on the idea that the normative mechanisms of DP—norms of peaceful dispute resolution and/or the trust and respect that obtains between democratic regimes—does not operate at all times and in all places. Assuming that rational leaders anticipate the character of relations with states in the present *and* in the future, expectations of democratic decay insidiously work to erode the constraints emanating from the normative variant of DP. Once it is believed that a given regime is on the slippery slope towards democratic breakdown, any presumption of trust and respect is likely to go along with it, as leaders hedge their bets and work assiduously to preclude the emergence of a hostile state. One scope condition of the theory is that it is only intended to explain the decision for intervention itself. Studying the dynamics of the post-intervention regime could lead to new insights, though I leave it up to future research to probe this relationship.

On whether the age of the target regime plays any role, some describe the inability of DP to function with fledgling democracies, noting that, “newness and instability cloud others’ perception.”²³ Though this distinction may be useful for certain purposes, the stasis-decay framework does not discriminate between “new” and “mature” democracies. Rather, what matters is whether a democracy is expected to persist as such or whether it is expected to decay. This provides the flexibility to deal with forcible interventions both in a fledgling Iranian democracy in the early 1950s and a consolidated Chilean democracy in the 1960s and 1970s.

Why (covert) intervention?

Building on the dynamic approach presented above, this section addresses how states come to decide upon a particular type of intervention—in this case, covert action. First, I assume that an intervening democracy may not resort immediately to forcible action at the first sign of

²³ Bruce Russett, *Grasping the Democratic Peace*, 34.

trouble in a target democracy. Instead, there is likely to be an inverse relationship between positive expectations of democratic stasis and the severity of intervention. In his work on DP, Doyle argues that activities intended to bolster an existing democratic regime demonstrate a desire for maintaining democracy abroad. Doyle identifies “covert financing of liberalism in Chile” by the U.S. as an example of actions “directed toward liberal goals.”²⁴ Nonetheless, these nonlethal attempts to buttress democracy, though preferable, may not always be successful.

As expectations of democratic decay set in (i.e. decision makers in State A perceive it as “certain”) there arises a more exigent threat. Allowing the regime to continue on its current course entails a high (expected) probability that the regime will break down and be replaced with an autocrat that may be hostile to their interests. Thus, when the probability of democratic decay is severe enough, decision-makers in State A will hedge their bets and forcibly intervene to install an autocrat of their choice. While it is at least theoretically possible that the intervener might use forcible action to *promote* democracy, this is unlikely. Unless the intervener can remedy all of the underlying factors driving expectations of democratic decay—a prohibitively costly enterprise—subverting an existing democratic regime to forestall the emergence of a hostile authoritarian regime becomes the new status quo. Of course, it is impossible to know counterfactually whether the regime in fact would have broken down if left to its own devices.²⁵ What is important, however, is what decision-makers perceived at the time.²⁶

Though it has been vastly understudied in the democratic peace literature, covert intervention is a common tool of statecraft.²⁷ The 1991 Intelligence Authorization Act defines covert action as “an activity or activities conducted by an element of the United States

²⁴ Michael W. Doyle, “Kant, Liberal Legacies, and Foreign Affairs,” 40.

²⁵ James D. Fearon, “Counterfactuals and Hypothesis Testing in Political Science,” *World Politics*, Vol. 43, No. 2 (January, 1991): 161-195.

²⁶ John M. Owen, “How Liberalism Produces Democratic Peace,” 119.

²⁷ See Kevin Narizny, *The Political Economy of Grand Strategy* (Ithica: Cornell University Press, 2007).

Government to influence political, economic, or military conditions abroad so that the role of the United States Government is not intended to be apparent or publicly acknowledged.”²⁸ Downs and Lilley limit their discussion of covert action to include only:

“secret attempts by one country to overthrow the government of another, or what we call covert foreign regime change. These are cases in which agents of a foreign government—particularly the intelligence services, but also members of the diplomatic corps, foreign service officers, and the military—work with local actors in the target state to overthrow the leader and replace him with someone else.”²⁹

The stasis-decay framework broadens the definition, exploring attempts at foreign regime change as well as covert action short of force. These less severe actions range from the funding of opposition parties to propaganda campaigns aimed at a particular faction within the target state.

The motives underlying a state’s decision to use covert intervention are many and varied. One reason may be to avoid antagonizing an already tenuous domestic situation in the target state, especially when a campaign of overt interference would embolden opponents in the target regime. Another reason might be to avoid exacerbating political dynamics in the region more broadly, wherein blatant interference in a target’s regime may entail significant reputational costs to the intervener vis-à-vis its allies and provide fodder for regional competitors. A third reason for going covert is that it is much less costly and dangerous than using one’s own military forces in an overt operation. A CIA internal history surrounding the coup in Iran confirms this:

“Sending American troops to Iran was never a practical option for logistical and political reasons. A covert political operation promised to attain American foreign policy and strategic in objectives [sic] Iran without the threat of war. CIA gave the Eisenhower administration

²⁸ Alexander B. Downes and Mary Lauren Lilley, “Overt Peace, Covert War?: Covert Intervention and the Democratic Peace,” 271. Of note, while the definition here focuses on actions taken by the U.S. government, there is nothing in the definition itself that precludes broader applications.

²⁹ Ibid. at 272.

flexibility where diplomacy had failed and military action was not practical.”³⁰ The theory presented here is largely agnostic as to which of these rationales carries the day. Rather, all that matters is that the decision for covert foreign regime change is made *after* the evaluation that the target’s democratic regime is likely to collapse.³¹

A skeptic might contend that states prefer to deal with friendly dictatorships as a first-order preference, rejecting the premise that democracy promotion should be the strategy of first resort. This, however, runs counter to a stream of arguments demonstrating that democracies make for more “reliable partners,” wherein the transparency and liberal norms associated with democratic regimes makes them better able to commit to agreements with one another and signal their intentions.³² Though I do not explicitly invoke these arguments, they are consistent with the theoretical framework presented here.

Hypotheses and Methodology

The first hypothesis builds on the idea that an expectation of democratic stasis in State B will reinforce the normative constraints of DP, rendering covert foreign regime change less likely:

H_{1A}: An expectation of democratic stasis in State B decreases the probability of covert foreign regime change by State A, reinforcing the normative constraints of DP.

The converse of this hypothesis can be stated as follows:

H_{1B}: An expectation of democratic decay in State B increases the probability of covert foreign regime change by State A, negating the normative constraints of DP.

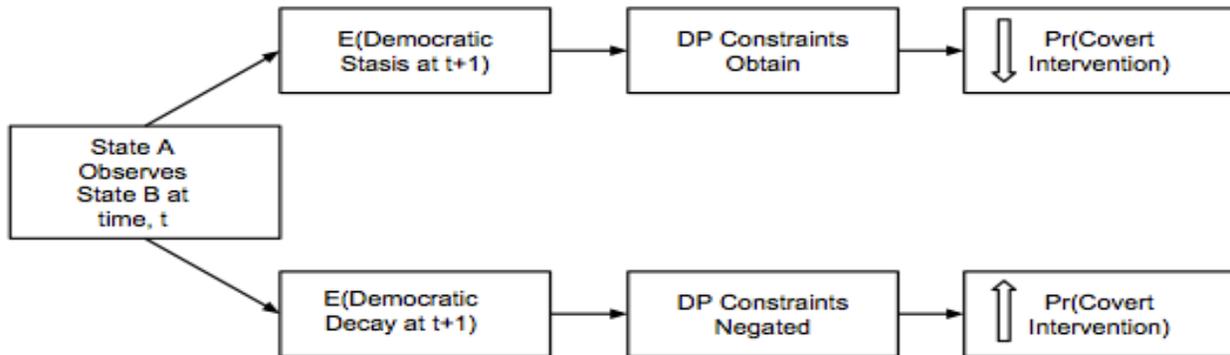
³⁰ Central Intelligence Agency, History, “Zendeabad, Shah!”: *The Central Intelligence Agency and the Fall of Iranian Prime Minister Mohammed Mossadeq, August 1953*, Scott A. Koch, June 1998. Source: CIA Freedom of Information Act release. Available at: <http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB435/>. (accessed 20 August 2013), 83.

³¹ As noted above, Russett contends that covert intervention is selected by democratic leaders that wish to avoid negative backlash from their publics for intervening against a fellow democracy. Although a possibility, the stasis-decay framework does not rely on this distinction; neither does it preclude it, however.

³² Charles Lipson, *Reliable Partners: How Democracies Have Made a Separate Peace*; Lisa Martin, *Democratic Commitments: Legislatures and International Cooperation* (Princeton: Princeton University Press, 2000).

H_{1A/B} are depicted graphically in Figure 2.

Figure 2. State A's Foreign Policy Towards State B



Thus far the hypotheses have dealt only with the removal of constraints that normally obtain between two democratic states and has said little about the severity of covert action. It is worthwhile to incorporate more nuanced hypotheses that provide for variation in the *scope* of intervention:

H_{2A}: Given an expectation of democratic stasis in State B—or the very earliest signs of democratic decay—State A will try to promote the existing democratic regime through covert intervention short of foreign regime change.

The complement to this hypothesis runs as follows:

H_{2B}: Once expectations of democratic decay in State B become severe enough—appearing “certain”—State A is likely to use covert intervention to induce regime change.

There are alternative explanations that may plausibly explain the variation explored here.

The first alternative, fusing insights from the economic interdependence literature with arguments about the capitalist peace, holds that *intervention is more likely following mass disruptions in the economic relations between intervener and target.*³³ The second hypothesis,

³³ John Oneal and Bruce Russett, “The Classical Liberals Were Right: Democracy, Interdependence, and Conflict, 1950–1985,” *International Studies Quarterly*, Vol. 41, No. 2: 267-294; Christopher Gelpi and Joseph Grieco, “Economic Interdependence, the Democratic State, and Liberal Peace,” in Edward Mansfield and Brian Pollins, eds., *Economic Interdependence and International Conflict: New Perspectives on an Enduring Debate* (The University of

drawing on Downs and Lilley, is rooted in selectorate theory, holding that *targets of covert intervention should be significantly weaker; there should be a high probability of success/“failure is very likely to be undiscovered.”*³⁴ A final hypothesis is drawn from the realist family, holding that *intervention against targets stems from security threats to the intervener’s interests with little regard to the particularities of the regime type in the target state.*

The methodology used here centers around process-tracing, or the “systematic examination of diagnostic evidence selected and analyzed in light of research questions and hypotheses posed by the investigator.”³⁵ Process-tracing “looks closely ‘at the decision process by which various initial conditions are translated into outcomes,’” helping to control for alternative causes and increase the number of observations.³⁶ Researchers utilizing process-tracing “trace the links between possible causes and an observed outcome. In process-tracing, the researcher examines the histories, archival documents, interview transcripts, and other sources to see whether the causal process a theory hypothesizes or implies in a case is in fact evident in the sequence and values of the intervening variables in that case.”³⁷ I now turn directly to a test of the argument, drawing extensively on archival evidence and secondary literature.

Chile, 1963-1973: The road from democracy promotion to forcible regime change

The story of U.S. intervention in Chile is broken down into two discrete time periods, allowing for within-case and cross-case variation in order to demonstrate the plausibility that

Michigan Press, Ann Arbor: 2003): 44-59; Erik Gartzke, “The Capitalist Peace,” *American Journal of Political Science*, Vol. 51, No. 1: 166-191

³⁴ Alexander B. Downes and Mary Lauren Lilley, “Overt Peace, Covert War?: Covert Intervention and the Democratic Peace,” 279-283; Bruce Bueno de Mesquita, James Morrow, Randolph Siverson, and Alaister Smith, “An Institutional Explanation of the Democratic Peace.” For additional arguments that draw on related themes, see David Lake, “Powerful Pacifists: Democratic States and War,” and Dan Reiter and Allan C. Stam III, “Democracy, War Initiation, and Victory,” *The American Political Science Review*, Vol. 92, No. 2 (June, 1998): 377-389.

³⁵ David Collier, “Understanding Process Tracing,” *Political Science and Politics*, Vol. 44, No. 4 (2011): 823.

³⁶ Gary King, Robert Keohane, and Sidney Verba, *Designing Social Inquiry* (Princeton University Press, Princeton: 1994): 226-228.

³⁷ Alexander George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences*, 6.

expectations of democratic stasis in the first period (1963-1969) reinforced the constraints of DP while an expectation of democratic decay in the second (1970-1973) negated them. Perhaps more importantly, Chile presents a hard case for theories of DP given its long pedigree of democratic institutions.³⁸

Chile enjoyed the status of a “constitutional democracy” from 1934 until the military takeover in 1973.³⁹ Recurrent economic and social crises, however, meant that parties competing for power often took polarizing positions, presenting voters with extremely stark choices in the electoral arena. This multiparty phenomenon has been noted by some as producing a toxic brew, which can be “manageable, but [is] not optimal” for the consolidation and stabilization of democracies.⁴⁰ These problems notwithstanding, Chile boasted “more than two-thirds of its population living in cities, and a 1970 per capita GNP of \$760,” classifying it as “one of the most urbanized and industrialized countries in Latin America.”⁴¹ The Chilean population also enjoyed high levels of literacy, “an advanced social welfare program,” and a political system in which “Chileans brokered their demands in a bicameral parliament.”⁴²

Holding constant a security interest in the region, I show that the severity of U.S. foreign policy ebbed and flowed with expectations of democracy’s future in Chile. Below, I argue that an expectation of democratic stasis in the 1963 to 1969 period prompted the U.S. to intervene covertly in ways that promoted democracy—a policy consistent with DP. The instability in Chile

³⁸ On the importance of “big cases,” see James Mahoney and Gary Goertz, “A Tale of Two Cultures: Contrasting Quantitative and Qualitative Research,” *Political Analysis*, Vol. 14 (2006): 243; Alexander B. Downes and Mary Lauren Lilley, “Overt Peace, Covert War?: Covert Intervention and the Democratic Peace,” 270.

³⁹ Paul E. Sigmund, *The Overthrow of Allende and the Politics of Chile, 1964-1976* (Pittsburgh, University of Pittsburgh Press, 1977): 14.

⁴⁰ Scott Mainwaring and Matthew S. Shugart, “Juan Linz, Presidentialism, and Democracy: A Critical Appraisal,” *Comparative Politics*, Vol. 29, No. 4 (Jul., 1997): 446.

⁴¹ Church Report, “Covert Action in Chile 1963-1973,” 94th Congress 1st Session Committee Print, United States Senate, 18 December 1975, Available at: <http://foia.state.gov/reports/churchreport.asp>.

⁴² Ibid.

concomitant with Allende's election in 1970, wherein an expectation of democratic decay set in, saw the U.S. covertly intervening with an additional strategy of fomenting a military coup—a policy that falls squarely within the purview of the dynamic approach employed here.

Case I, Part I: Democratic Stasis During the 1964 Presidential Election

This case proceeds in two parts—each demonstrating that U.S. intervention in Chile comports with the decision-theoretic model presented in Figure 1 above. Part I begins with the presidential elections of 1964, putting us on the left-hand side of the decision tree. In order to substantiate hypotheses H_{1A} and H_{2A} , two elements must be borne out through empirical analysis. First, that U.S. decision maker perceived the electoral choices as between a committed democratic (Eduardo Frei) and a non-committed democrat (Salvador Allende). Second, it must be demonstrated that the anticipation of an electoral victory for Frei—bolstering the expectation of democratic stasis—pushed the U.S. to promote democracy.

The primary contenders in the 1964 election for the presidency in Chile were Eduardo Frei of the Christian Democratic Party, Julio Duran of the Democratic Front, and Salvador Allende of the FRAP. Soon after the collapse of the Democratic Front in mid-1964, the Frei camp received support of both the Conservatives and Liberals, pitting him squarely against Allende.⁴³ While the U.S. had long thought of Frei as a reliable candidate committed to democracy, the contrast with their perceptions of Allende could not be starker. A declassified telegram from the U.S. Embassy in Chile from 22 April 1964 categorized Allende as:

“a chameleonic person who over [the] years has appeared on occasion as [an] idealistic socialist reformer who believes democracy and other times as military revolutionist striving [to] bring revolution a la Cuba to Chile...It is probable that he thinks in terms of Marxist regime similar [to] Castro's Cuba in its free-wheeling, relatively independent line but more sophisticated, cultured, without emotional excess of 'tropical' country such as Cuba.”⁴⁴

⁴³ Ibid.

⁴⁴ Foreign Relations of the United States, 1964-1968, “939. Subject: Assessment of Socialist-Communist Candidate Salvador Allende. Ref: Deptel 591; Embassy A-703, 1/29/63; A-755, 4/10/64,” Volume XXXI, South and Central

The alternative to Frei—Salvador Allende—was perceived by U.S. decision-makers as being antithetical to the continuation of democracy in Chile.⁴⁵

Allende's own platform included a domestic policy of nationalization, a fully planned economy, massive land reform, and a foreign policy objective of deepening ties with Communist countries. As the cable from 22 April observes, "Despite Allende's periodic statements...that he is not a Communist, and rather wide-spread belief among Chileans including many opposed to him that he [is] basically [a] democratic, mild socialist opposed to communism, record shows *he has collaborated with Communists for more than 15 years with no apparent difficulty.*"⁴⁶ Comments from Allende and other Communist/Socialist leaders to the contrary did little to alleviate fears among U.S. decision-makers. The U.S. Embassy observed: "We would expect Communists to favor [a] 'respectable' democratic via pacifica course until such time as they have achieved control [of the] political apparatus and at least have neutralized [the] armed forces."⁴⁷ The perception that one of the two leading candidates in the 1964 presidential election would have spelled the demise of Chilean democracy was palpable.

The other primary candidate in the 1964 presidential election in Chile, Eduardo Frei, was a member of the Christian Democratic Party. Importantly—and acting as a counter to alternative arguments that the U.S. feared "leftist" economic and political policies writ large—Frei was committed to his own "revolution in liberty," wherein he set out in "altering property relationships in the countryside, asserting national control over the copper industry [known as

America; Mexico, Document 251. Access at: <http://history.state.gov/historicaldocuments/frus1964-68v31/d251>. (accessed 1 February 2013), 558-559.

⁴⁵ Lubna K. Qureshi, *Nixon, Kissinger, and Allende: U.S. Involvement in the 1973 Coup in Chile*, (Lanham: Lexington Books, 2009): 30.

⁴⁶ Foreign Relations of the United States, 1964-1968, "939. Subject: Assessment of Socialist-Communist Candidate Salvador Allende. Ref: Deptel 591; Embassy A-703, 1/29/63; A-755, 4/10/64," 559. Emphasis added.

⁴⁷ Ibid at 560.

Chileanization], and mobilizing the ‘marginal’ sectors of the population.”⁴⁸ From the perspective of the US, the key difference between Allende and Frei was the belief that the platform of the latter candidate “was to be carried out within the framework of constitutional democracy through an appeal for broad popular support to overcome the opposition which would inevitably arise on both left and right.”⁴⁹ It was not a nationalistic economic policy that most worried the U.S. but rather that Frei’s challenger would carry out his program through the subversion of the democratic process.

Though the U.S. did not yet intervene with force as they would in 1970, they did intervene in ways to secure the victory of Frei. Lubna Qureshi contends that while “Frei probably would have attained his ultimate goal without outside interference, a CIA study acknowledged that the candidate won a majority rather than a plurality because of it.”⁵⁰ Throughout the campaign, the U.S. spent millions in covert aid to the Christian Democratic Party and embarked on a massive anti-communist propaganda campaign to ensure the defeat of the Communist/Socialist coalition. The rationale highlighted by the Church Report for these extensive activities is worth quoting at length:

“The Special Group authorized over three million dollars during the 1962-64 period to prevent the election of a Socialist or Communist candidate... The goal, broadly, was to prevent or minimize the influence of Chilean Communists or Marxists in the government that would emerge from the 1964 election. Consequently, the U.S. sought the most effective way of opposing FRAP (Popular Action Front), an alliance of Chilean Socialists, Communists, and several miniscule non-Marxist parties of the left which backed the candidacy of Salvador Allende. Specifically, the policy called for support of the Christian Democratic Party, the Democratic Front (a coalition of rightist parties), and a variety of anti-communist propaganda and organizing activities.”⁵¹

The rationale underlying the policy was clear—prevent what the U.S. perceived as a cohort of non-committed democrats from taking the reigns of power in Chile. The Hinchey Report,

⁴⁸ Paul E. Sigmund, *The Overthrow of Allende and the Politics of Chile, 1964-1976*, 10.

⁴⁹ Ibid.

⁵⁰ Lubna K. Qureshi, *Nixon, Kissinger, and Allende: U.S. Involvement in the 1973 Coup in Chile*, 34.

⁵¹ Church Report, “Covert Action in Chile 1963-1973.”

detailing U.S. covert actions at the time, makes the case that “Frei’s victory on 4 September 1964 was a milestone in the CIA’s Chilean election effort.”⁵²

One final piece of part I—further substantiating the constraints posited by DP—demonstrates the desire on the part of the U.S. to avoid the use of covert force in influencing the outcome of the election. When, on “July 19, 1964, the Chilean Defense Council...went to President Alessandri to propose a coup d’état if Allende won,” the CIA made clear that they were “absolutely opposed to a coup.”⁵³ The Church Report holds that the U.S. had a clear preference for the maintenance of democracy in Chile and worked towards this end: “in 1964, the United States commitment to democratic reform via the Alliance for Progress and overt foreign aid was buttressed via covert support for the election of the candidate of the Christian Democratic party, a candidate and a party for which the Alliance seemed tailor made.”⁵⁴

Case I, Part II: Democratic Stasis Under Frei, 1964-1969

The second part of the first case focuses squarely on the actions taken by the U.S. to promote the continuation of Frei’s regime and ensure that the Communist/Socialist opposition remained fragmented. During this time, the U.S. was “operating within different sectors of society,” wherein each of “these activities were all intended to strengthen groups which supported President Frei and opposed Marxist influences.”⁵⁵ With the 1964 election behind them, the U.S. worked to consolidate Frei’s regime, expending millions in covert assistance to reduce the number of seats won by the FRAP in various legislative elections throughout this period. In addition to “spoiling” operations in congressional elections, the U.S. worked towards “a project to influence key members of the Socialist Party toward orthodox European socialism and away

⁵² Hinchey Report, “CIA Activities in Chile,” U.S. Department of State: Freedom of Information Act, 18 September 2000. Available at: <http://foia.state.gov/reports/HincheyReport.asp#17>.

⁵³ Church Report, “Covert Action in Chile 1963-1973.

⁵⁴ Ibid.

⁵⁵ Ibid.

from communism.”⁵⁶ Rather than fearing “socialism” in an abstract sense, U.S. decision-makers perceived that this particular brand would sound the death knell of democracy in Chile.

Notwithstanding substantial efforts at ensuring that Frei’s regime continued to bear the torch of democratic consolidation, U.S. programs enjoyed mixed success. For a time, attempts to influence outcomes focused on overt economic aid that numbered in the billions, improving the conditions of the Chilean poor, and strengthening the Alliance for Progress. In addition, covert funding was made available to the Christian Democrats in an effort to challenge the radical left in various sectors of civil society. Although these efforts enjoyed some measure of success, there was a palpable increase in tensions as the 1960s wore on. William Robinson makes the point sharply:

“Although the Christian Democrats developed a significant support base, their reform program was unable to resolve the plight of an impoverished majority... The failure of the reform program had the effect of radicalizing popular sectors and weakening the Christian Democratic center. In 1969, leftist dissidents representing some 30 percent of the PDC membership, based in the trade union and youth wings, broke off from the party, formed the Movement of United Popular Action (MAPU), and announced their intention to seek an alliance of all popular forces. Both the left and political polarization grew.”⁵⁷

By the end of the 1960s, the nature of the political climate in Chile began to take its toll. As Qureshi argues, “The losses sustained by the Christian Democrats in the congressional elections of 1969 were an official indication that Frei was losing his support.”⁵⁸ With the Christian Democratic coalition rapidly coming undone by the seams, expectations about the future of Chilean democracy shifted. An assessment by the U.S. military in 1969 recognized that “with the lower classes claiming a larger share of the nation’s economic resources, the possibility of

⁵⁶ Ibid.

⁵⁷ William I. Robinson, *Promoting Polyarchy: Globalization, US Intervention, and Hegemony* (New York: Cambridge University Press, 1996): 158.

⁵⁸ Lubna K. Qureshi, *Nixon, Kissinger, and Allende: U.S. Involvement in the 1973 Coup in Chile*, 39.

disorders and a revolutionary answer to Chile's problem loom large."⁵⁹ These souring expectations paved the way for the negation of constraints associated with DP and the turn to forceful, covert intervention.

Case II, Part I: From Stasis to Decay in the 1970 Presidential Election

Given the circumstances, the U.S., under the direction of President Richard Nixon, began a policy of more "practical" engagement with Chile. Pivoting from the "Alliance for Progress" to a program known as the "Action for Progress," Nixon announced that the U.S. would embark on a strategy of increased trade with Latin American countries and reduce direct aid. The strategy gradually turned into a two-pronged covert plan in attempts to block the accession of Allende to the presidency—one consisting of aid and propaganda and the other consisting of a coup plot. Most of these covert actions were overseen by a body known as the "40 Committee"—a small group of high-level U.S. officials (e.g. the President, the Director of the CIA, the National Security Advisor) who were tasked with formulating covert strategies on behalf of U.S. security interests. Consistent with the decision-theoretic logic, the first part of the second case demonstrates that during an election in which decision-makers perceive the non-committed democrat as likely to win, expectations of democratic decay obviate the constraints of DP.

The three primary candidates competing for the presidency in the 1970 Chilean election were Jorge Alessandri, supported by the National Party but running as an independent, Radomiro Tomic under the banner of the Christian Democrats, and Salvador Allende, the eventual candidate for the Socialist-Communist coalition (UP). U.S. expectations that Allende would subvert democracy if successful were obvious and deeply colored U.S. decision-making. Allende was a self-avowed Marxist who instilled a sense that he would work to undermine Chile's

⁵⁹ Ibid. at 40.

democratic institutions if elected. This view was reiterated in a memo issued from the National Security Council on 5 March 1970: “Based on Allende’s own views, plus the public platform of the UP, we must assume that an Allende victory would mean the emergence of a Castro-type government in Chile.”⁶⁰ Henry Kissinger put it more starkly: “I don’t see why we need to stand by and watch a country go communist due to the irresponsibility of its own people.”⁶¹

The recognition that the U.S. launched a general opposition campaign against Allende rather than supporting either Alessandri or Tomic is important, especially in countering the argument that U.S. actions were motivated primarily by economic concerns. Much like Frei, Tomic was committed to a shift away from capitalist policies in Chile and adhered to a policy of economic revolution in the country. That the U.S. recognized this and continued to support him over Allende is informative.⁶² Rather than fearing a particular policy orientation *per se*, the perceived *method* by which Allende proposed his key reforms were more prescient in the minds of U.S. policymakers.

During this time, U.S. officials believed that a victory for the UP at the polls would entail substantive economic costs as well as “psychological” costs to cohesion in the Western hemisphere and a boon to the Marxist platform in other Latin American countries. It was also clear that when the U.S. considered fomenting a coup against Allende, they were driven by an expectation of democratic decay. The new administration, perceiving the old status quo as gone, believed it was deciding between promoting a friendly autocrat or tolerating a hostile one. A White House memorandum from 24 July 1970 illustrates this reasoning:

⁶⁰ United States. Central Intelligence Agency. “Political Action Related to 1970 Chilean Presidential Elections,” Secret, Briefing Memorandum, CL00038, 5 March, 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00038/all.pdf>. (accessed 2 February 2013), 13.

⁶¹ United States. National Security Council. 40 Committee. “Minutes of the Meeting of the 40 Committee,” Secret Memorandum for Record, CL00041, 30 March 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00041/all.pdf>. (accessed 2 February 2013), 2.

⁶² United States. Central Intelligence Agency. “Political Action Related to 1970 Chilean Presidential Elections,” 9.

“Successful U.S. involvement with a Chilean military coup would almost certainly permanently relieve [sic] us of the possibility of an Allende government in Chile. *The coup would demonstrate the unwillingness of moderate Chilean forces to permit their country to be taken down the path toward an authoritarian Marxist state and would show a degree of concern by Chilean forces for the wellbeing of its neighbors in the hemisphere.*”⁶³

A reasonable question to ask was whether beliefs about Allende were rational given the information available at the time. The evidence indicates that they were. First, U.S. decision-makers took seriously statements by Allende that once in power, he would work to promote “the promised unicameral ‘People’s Assembly,’” seek to subordinate “the judiciary to political control – required for the achievement of his ultimate goals,” and completely normalize relations with the Communist countries as a key tenet of his foreign policy.⁶⁴ Perhaps as important, the U.S. assessment of his ability to sow disorder abroad over time was clear: “Although export of revolution, then, will probably be largely verbal, at least in the first two or three years, Allende’s talk of a Cuba-Chile axis from which to ‘launch’ revolution could foreshadow Chile’s becoming a haven and even a training ground for revolutionaries.”⁶⁵ This makes the specification of a clear counterfactual possible—had Allende *not* espoused these policies, U.S. expectations might have been different and significantly reduced, if not completely forestalled, the desire for covert foreign regime change.

In spite of the massive U.S. covert program to prevent the election of Allende, he secured a plurality of the votes on 4 September 1970. Given the rules stipulated in the Chilean constitution, Allende and Alessandri—the two candidates with the most vote shares—would be subject to a run-off selection process by Congress on 24 October. Allende ultimately went on to

⁶³ United States. White House, “Extreme Option—Overthrow Allende,” Secret, Background Paper, CL00062, 24 July 1970, *Digital National Security Archive*. Available at: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:dnsa&rft_dat=xri:dnsa:article:CCL00062 (accessed 2 February 2013), 3-4.

⁶⁴ United States. National Security Council. Interdepartmental Group for Inter-American Affairs. “NSSM—Chile 97,” Secret, Policy Paper, CL00068, 18 August 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00068/all.pdf>. (accessed 3 February 2013), 2, 5.

⁶⁵ *Ibid.* at 5.

win this contest and assumed the presidency on 3 November 1970. Actions taken by the U.S. at the time demonstrate that a palpable expectation of democratic decay upon Allende's successful journey to the highest political office in Chile drove the relevant behaviors.

The first prong of the United States' two-pronged strategy was known as "Track I," including many of the same covert tactics utilized previously. In addition to the propaganda campaign and financing of opposition parties, there was also a strategy known as the "Frei re-election gambit."⁶⁶ The plan was predicated on the ploy of promoting an Alessandri victory, wherein he would retire upon taking office and trigger new elections, allowing Frei to circumvent the constitutional prohibition against running for two consecutive terms and secure a victory. Although this strategy ultimately failed, its purpose was clear—prevent an individual perceived to be antithetical to the democratic process from assuming office.⁶⁷

The more theoretically interesting aspect of U.S. foreign policy was known as "Track II," which was first officially initiated on 15 September 1970. According to the Church Report, "President Nixon informed CIA Director Richard Helms that an Allende regime in Chile would not be acceptable to the United States and instructed the CIA to ploy [sic] a direct role in organizing a coup d'état in Chile to prevent Allende's accession to the Presidency."⁶⁸ During this time, the U.S. retained extensive contacts with members of the Chilean military in an effort to foment a coup against Allende, often threatening to withhold military aid if desired actions were not taken. Despite their best efforts, a successful coup forestalling Allende's ascension to power never materialized, though the task was taken up again during his presidency.⁶⁹

⁶⁶ Church Report, "Covert Action in Chile 1963-1973."

⁶⁷ United States. National Security Council. Staff. "Review of Political and Military Options in Chilean Electoral Situation," Secret, Report, CL00143, 14 September 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00143/all.pdf>. (accessed 3 February 2013), 9, 17.

⁶⁸ Church Report, "Covert Action in Chile 1963-1973."

⁶⁹ Ibid.

Each of these actions was driven by continuing fears of what an Allende victory meant for the future of democracy in Chile. The Ambassador to Chile at the time, Edward Korry, remarked of the situation “that the process here is almost exactly the same as that which led to the establishment of a Communist dictatorship in Czechoslovakia in 1948.”⁷⁰ The groups surrounding Allende were perceived as equally threatening to democracy. A militant Socialist organization known as the MIR “state[d] further that [the] ‘fundamental task of the moment is to organize politically and militarily for the coming political struggle of Oct 24’ to defend Allende’s victory.”⁷¹ A declassified memo from the 40 Committee reveals that CIA Director Helms, one of the primary architects in the coup plot against Allende, felt that “he had seen other take-overs where pronounced Marxists had accomplished in far less than six years (Allende’s constitutional term) what they had threatened to do and then there were no more elections. He said we should face up to Allende’s statements and take them at face value.”⁷² Though impossible to fully gauge the veracity of Allende’s words, it is clear that the U.S. at least *believed* them to be true; a key benefit of going to the archival evidence.

These expectations of democratic decay only became more severe as the run-off of 24 October approached. Henry Kissinger reiterated these apprehensions in a direct memorandum to President Nixon on 19 October 1970, asserting that attempts at compromise with Allende would

⁷⁰ United States Embassy. Chile. “Ambassador Korry’s Views on Situation in Chile,” Secret, Memorandum, CL00152, 16 September 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00152/all.pdf>. (accessed 4 February 2013), 1. It is significant that Edward Korry had no knowledge of the coup plot crafted by the 40 Committee. That the Ambassador still came to these conclusions indicates that the perceptions of those plotting the coup—e.g. Kissinger, Nixon, Helms—were rational given the evidence available at the time.

⁷¹ United States Embassy. Chile. “MIR, VOP, and Allende,” Confidential, Cable, CL00186, 23 September 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00186/all.pdf>. (accessed 4 February 2013), 1-2.

⁷² United States. National Security Council. 40 Committee. “Minutes of the Meeting of the 40 Committee, 29 September 1970,” Classification Unknown, Memorandum for Record, CL00215, 30 September 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CI/00215/all.pdf>. (accessed 4 February 2013), 3.

be for naught. Kissinger believed that the newly elected president would likely work within the bounds of the democratic regime for his first few months in office, after which he would work quickly to neutralize the opposition. The memo goes on to conclude that:

“Our capacity to engineer Allende’s overthrow quickly has been demonstrated to be sharply limited. The question, therefore, is whether we can take action—create pressures, exploit weaknesses, magnify obstacles—which at a minimum will either insure his failure or force him to modify his policies, and at a maximum might lead to situations where his collapse or overthrow later may be more feasible.”⁷³

Consistent with the theoretical apparatus noted above, Kissinger made clear that these covert policies were preferable to acting overtly, believing that the latter might galvanize Allende’s support base and further impede U.S. maneuverability.⁷⁴ I turn now to the final part of the second case to complete the story of U.S. intervention in Chile—the overthrow of Salvador Allende.

Case II, Part II: Democratic Decay Under Allende, 1970-1973

As with previous evidence, this section demonstrates two key elements. First, U.S. decision-makers continued to hold an expectation of democratic decay, predicated on perceptions of what the continuation of an Allende regime meant for Chilean democracy. Second, that the efforts to leverage the Chilean military in ways that promoted a coup—a manifestation of forceful, covert intervention—were driven by these perceptions.

On 3 November 1970, Salvador Allende assumed the office of the presidency in Chile. One reason that expectations of democratic decay were so severe in 1970 was that Allende was the first openly Marxist candidate to obtain the highest office in government through the democratic process.⁷⁵ As early as 16 November 1970, the U.S. conveyed its anxiety to its

⁷³ United States. Assistant to the President for National Security Affairs. “Chile—Immediate Operational Issues,” Secret, Action Memorandum, CL00264, 19 October 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00264/all.pdf>. (accessed 5 February 2013), 2.

⁷⁴ Ibid. at 3.

⁷⁵ United States. Assistant to the President for National Security Affairs. “Henry Kissinger on Chilean Government,” Classification Unknown, Memorandum, CL00297, 3 November 1970, *Digital National Security*

partners in the region, telling the Argentine Ambassador “that while we expect Allende to proceed carefully, his ultimate intentions seem clear; recognition of Cuba is just the first step toward establishment of a hostile regime which will be aligned against the interests of the free nations of the hemisphere.”⁷⁶ The Senior Review Group of the National Security Council conveyed the opinion more powerfully, arguing that:

“The Allende government will seek to establish in Chile as soon as feasible an authoritarian system following Marxist principles. To that end it will move (a) to bring all significant economic activity under state operation including nationalization of basic industries; (b) to gain control over the security and armed forces; and (c) to dominate public information and media. *Allende is a Marxist and will be faithful to his Marxist goals, but in his tactics may be a pragmatist who, for as long as it suits his purposes, might tolerate less than radical solutions.*”⁷⁷

This helps to add content to the right-hand side of the decision-theoretic tree—that in a non-election year, expectations of subversion of democracy from within are a key driver of expectations of democratic decay.

These negative expectations were felt at the highest levels of government, as evidenced in a direct memo from Kissinger to Nixon: “the election of Allende as President of Chile poses for us one of the most serious challenges ever faced in this hemisphere. Your decision as to what to do about it may be the most historic and difficult foreign affairs decision you will have to make this year, for what happens in Chile...will have ramifications that go far beyond just US-Chilean relations.”⁷⁸ In the same memo, Kissinger made clear that the costs of inaction were significant:

“In my judgment, the dangers of doing nothing are greater than the risks we run in trying to do

Archive. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00297/all.pdf>. (accessed 5 February 2013), 2.

⁷⁶ Foreign Relations of the United States, 1969-1976, “31. Memorandum From Arnold Nachmanoff of the National Security Council Staff to the President’s Assistant for National Security Affairs (Kissinger), Washington, November 16, 1970,” Volume E-10, Documents on American Republics, 1969-1972, Document 31. Access at: <http://history.state.gov/historicaldocuments/frus1969-76ve10/d31>, 2. (accessed 2 February 2013).

⁷⁷ United States. National Security Council. Senior Review Group. “Options Paper for NSC: Chile,” Secret, Policy Paper, CL00299, 3 November 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00299/all.pdf>. (accessed 5 February 2013), 1, emphasis added.

⁷⁸ United States. Assistant to the President for National Security Affairs. “NSC Meeting, November 6—Chile,” Secret, Memorandum, CL00303, 5 November 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00303/all.pdf>. (accessed 5 February 2013), 1.

something, especially since we have flexibility in tailoring our efforts to minimize those risks.”⁷⁹

We can extrapolate from this statement that Kissinger perceived forceful, covert action against Allende as both feasible and less costly than potential alternatives.

The U.S. constructed this assessment about Allende not just from his rhetoric, but also based upon what he actually did once in power. In regards to Allende’s choice for ministerial posts, CIA Director Helms observed, “Let us make no mistake, however: This is a hard-line, militant cabinet. It reflects the determination of the Socialists to assert their more radical policy from the start.”⁸⁰ A further statement puts a finer point on it: “The pleas [Allende] has made so far for international understanding would appear contradicted by the appointment of the radical Clodomiro Almeyda as Foreign Minister.” Helms continued, “Almeyda is so far to the left that his admiration for the Chinese Communists and Cubans in the past has placed him in opposition to Moscow.”⁸¹ These statements buttress the plausibility of U.S. decision-makers’ perceptions by moving beyond rhetoric and focusing squarely on tangible actions taken by Allende.

That Allende was perceived as acting gradually did not serve to assuage the concerns of U.S. decision-makers. A declassified CIA cable notes that Senator Carlos Altamirano, the head of the Socialist Party who was strongly committed to revolution, “insists that the coalition must quickly force the creation of a unicameral ‘people’s assembly’ and completely overhaul the judicial system to ensure consolidation of power.”⁸² The cable goes on that “Allende and various Communist leaders reportedly had hoped to postpone such drastic measures until they would be

⁷⁹ Ibid.

⁸⁰ United States. Director of Central Intelligence. “DCI Briefing for 6 November NSC Meeting,” Secret, National Security Council Briefing, 5 November 1970, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00305/all.pdf>. (accessed 6 February 2013), 9.

⁸¹ Ibid. at 13-14.

⁸² United States. Central Intelligence Agency. Directorate of Intelligence. Office of Current Intelligence. “Chile Under Allende—A Political View,” Classification Excised, Intelligence Memorandum, CL00427, 17 November 1971, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00427/all.pdf>. (accessed 6 February 2013), 6.

more certain of winning a plebiscite on them.”⁸³ Eduardo Frei conveyed that Allende was believed to be posturing to impose an authoritarian regime via constitutional means: “Chile may move towards a Communist dictatorship without violation of the Constitution (without a violation it is unlikely the Chilean Army would move, for it has been heavily indoctrinated with the ideals of democracy).”⁸⁴

As the period after Allende’s election wore on, the political polarization of the country and significant economic crises worked to threaten the stability of the regime. A National Intelligence Estimate released on 14 June 1973, concluded that the turmoil in the country under Allende was only increasing. In particular, the rise of “leftist extremists” that were “largely independent of Allende’s influence” and militant rightist groups, each threatened the stability of the regime.⁸⁵ The president of the Christian Democrats at the time made an unusually candid admission when speaking with Nathaniel Davis, the U.S. Ambassador to Chile in July of 1973: “[the] majority of our countrymen have lost faith in a democratic solution to the current crisis.”⁸⁶

Now that expectations of democratic decay in Chile have been fleshed out, I turn squarely to how these expectations informed the choice of actions chosen by the U.S.—continued support for a coup against Allende. To be clear, the U.S. did not *directly* send its own military personnel into Chile to overthrow Allende. Rather, the story is one of U.S. support and even *encouragement* of a coup against Allende that was to be undertaken by the Chilean military.

⁸³ Ibid.

⁸⁴ United States. Department of State. Bureau of Inter-American Affairs. “Frei’s Comments to George Donahue,” Secret, Memorandum, 16 October 1971, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00419/all.pdf>. (accessed on 7 February 2013), 1.

⁸⁵ United States. Director of Central Intelligence. “Chile,” Secret, National Intelligence Estimate, CL00645, 14 June 1973, *Digital National Security Archive*, Available at: <http://nsarchive.chadwyck.com/nsa/documents/CI/00645/all.pdf>. (accessed on 7 February 2013), 2.

⁸⁶ United States Embassy. Chile. “No to Dialogue?” Confidential, Cable, CL00659, 12 July 1973, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00659/all.pdf>. (accessed on 8 February 2013), 2.

As with case II, part I, the U.S. engaged in a two-pronged strategy that included both propaganda efforts and funding to the opposition as well as various attempts to foment a coup. A top priority of the U.S. was to “limit [Chile’s] attractiveness as a model” and forestall the possibility that the Allende regime would “harbor subversives from other Latin American countries.”⁸⁷ The particular manner in which the U.S. sought to facilitate the overthrow of Allende was through extensive aid and the deepening of contacts with the Chilean military:

“There is no hard evidence of direct U.S. assistance to the coup, despite frequent allegations of such aid. Rather the United States – by its previous actions during Track II, its existing general posture of opposition to Allende, and the nature of its contacts with the Chilean military – probably gave the impression that it would not look with disfavor on a military coup. And U.S. officials in the years before 1973 may not always have succeeded in walking the thin line between monitoring indigenous coup plotting and actually stimulating it.”⁸⁸

The members of the 40 Committee—those most likely being referenced in the above quote— included all of the key figures that perceived Allende as the catalyst that would bring down Chilean democracy.

Further verifying that the U.S. continued to support hard-line policies against Allende, a CIA memorandum articulated, “We do not know what may happen during the next few months: it is just possible that heightened political tensions could lead to a dramatic breakdown in public order which would prompt the military to act. *If our objective is still to overthrow Allende*, then we should be prepared to take advantage of these circumstances....”⁸⁹ This statement verifies that the U.S. continued to support the overthrow of Allende throughout the period in question.

The Allende regime came crashing down on the morning of 11 September 1973, in a coup spearheaded by the new Commander-in-Chief of the Army, Augusto Pinochet. After giving

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ United States. Central Intelligence Agency. “Chile—What Now?” Secret, Memorandum, CL00655, 30 June 1974, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00655.all.pdf>. (accessed 10 February 2013), 3-4, emphasis added.

a final speech that was broadcast to the Chilean people at 9:30 a.m., it is purported that Allende took his own life as the Chilean military stormed the presidential palace. Paul Sigmund observes, “a greater knowledge of the Cuban (and Soviet) effort at least might help us to assess the degree of the external intervention that U.S. government policymakers felt they had to counteract.”⁹⁰

The combination of instability under Allende, his rhetoric as a candidate, and his actions taken as president culminated in American support for a coup against a democratically elected regime. A declassified cable from the Department of State on 11 September reiterated justifications for the overthrow of Allende. The rationale ranged from Allende’s attempts at subverting the opposition, politicization of the military, induced economic turmoil brought on by full-scale nationalization, and details of arms transfers between the Cubans and the Chileans—each contributing to an expectation of democratic decay.⁹¹ Table 1 summarizes the results of the case studies.

Table 1. Summary of Results: U.S. Foreign Policy Towards Chile, 1963-1973

CASE	STASIS OR DECAY?	E(OUTCOME)	ACTION	PREDICTIONS
CASE I, PART I: 1964 ELECTIONS	STASIS	COMMITTED DEMOCRAT VICTORY	TRACK I (PROPAGANDA, FUND OPPOSITION)	+
CASE I, PART II: THE FREI YEARS	STASIS	MAINTENANCE OF THE REGIME	TRACK I (PROPAGANDA, FUND OPPOSITION)	+
CASE II, PART I: 1970 ELECTIONS	DECAY	NON-COMMITTED DEMOCRAT VICTORY	TRACK I; TRACK II (COUP D’ÉTAT)	+
CASE II, PART II: THE ALLENDE YEARS	DECAY	BREAKDOWN OF THE REGIME	TRACK I; TRACK II (COUP D’ÉTAT)	+

⁹⁰ Paul E. Sigmund, *The Overthrow of Allende and the Politics of Chile, 1964-1976*, 287.

⁹¹ United States. Department of State. “Justification for Chilean Military Coup d’état,” Unclassified, List, CL00708, 11 September 1973, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00708/all.pdf>. (accessed 11 February 2013).

Before concluding, I take up one of the more salient potential objections to the argument: the prominent role of economic interests throughout the period. The idea that nationalization of various U.S. businesses in Chile under Allende ignited significant support for hard-line policies from the business community against the regime is clear. Companies such as the International Telephone and Telegraph (ITT) Corporation, Kennecott Copper Corporation and the Anaconda Corporation each attempted to push the U.S. towards using force against Allende. The idea that the U.S. either relied on these companies to foment the coup or were motivated primarily because of them cannot be sustained, however. In a conversation between Nixon and Kissinger, the President inquired as to the role of ITT in the covert operations. The transcribed telephone conversation is revealing: “That’s another one of those absurdities. Because whenever the ITT came to us we turned them off. I mean we never did anything for them.”⁹² While it is plausible that the position of these corporations *facilitated* the U.S. decision for intervention, the counterfactual—that the U.S. would not have intervened had these corporations not also lobbied similar policies—runs contrary to the historical record.

Another related counter-argument relates to the role of economics in the *domestic* politics of Chile. A skeptic might argue that the primary drivers of instability in Chile under Allende turned largely on economic nationalization and other related policies.⁹³ I agree with these assessments. Scholars in comparative politics have long noted that redistributive policies benefiting the poor at the expense of elites is a major driver of instability and coups.⁹⁴ It is worth

⁹² United States. Assistant to the President for National Security Affairs. “Coup Attempt in Chile,” Classification Unknown, Memorandum, CL00656, 4 July 1973, *Digital National Security Archive*. Available at: <http://nsarchive.chadwyck.com/nsa/documents/CL/00656/all.pdf>. (accessed on 9 February 2013), 1.

⁹³ For an argument to this effect, Thad Dunning, *Crude Democracy: Natural Resource Wealth and Political Regimes* (Cambridge University Press: New York, 2008): 215, 227.

⁹⁴ See Carles Boix, *Democracy and Redistribution* (Cambridge University Press, New York, 2003); Daron Acemoglu and James A. Robinson, *Economic Origins of Democracy and Dictatorship* (Cambridge University Press: New York, 2006).

noting, however, that the stasis-decay framework is agnostic as to the source driving a state's expectation of stasis or decay. Whatever the source—which will vary from country to country—the salient issue is whether these expectations can be demonstrated to have existed. By taking as these processes as exogenous, I keep the focus of the theory narrowly tailored as to what decision-makers perceived, whether it was rational given available information, and how it influenced their subsequent actions.

Iran, 1951-1953: The undoing of Mohammed Mossadegh

In order to provide a robustness check and lend some external validity to the argument, I briefly examine the U.S.-backed coup against Mohammed Mossadegh on 19 August 1953. While space limitations preclude an in-depth analysis, the similarities to the Chilean case are striking. Further, a recent admission on 19 August 2013 by the CIA of their complicity in the coup on the sixtieth anniversary of the event, including the recent declassification of previously untapped documents, renders this case all the more ripe for exploration.

Mohammed Mossadegh's rose to power in late April 1951 as prime minister through constitutional means. Prior to Mossadegh's ascent to office, Iran had vacillated between dictatorial rule under the monarchy of Reza Shah and experimentation with democracy from 1941 to 1951.⁹⁵ Though the Polity IV project does not consider Iran a democracy for the years covered here, understanding the motivations that led the United States to topple a nascent democratically elected regime has the potential to expand the scope of DP.⁹⁶

Early assessments of the situation in Iran confirm that when expectations of democratic stasis obtain, the would-be intervener will either promote democracy in the target state or at least

⁹⁵ Bayandor Darioush, *Iran and the CIA: The Fall of Mossadeq Revisited* (Palgrave Macmillan, New York: 2010): 11.

⁹⁶ The 2012 version of the Polity IV Data Series can be found at: <http://www.systemicpeace.org/inscr/inscr.htm>.

refrain from engaging in actions that would work to subvert the democratic regime. A cable from the CIA dated 22 May 1951 reveals that initial expectations of democratic breakdown were low:

“Although there are important elements opposed to Mossadeq, it is unlikely that he can be removed from power so long as the oil question remains a burning issue, except by violence or by the establishment of a semi-dictatorial regime under the aegis of the Shah. In the present highly inflammatory state of Iranian public opinion, an attempt to set up a non-parliamentary regime would involve grave risks which the Shah has thus far shown no willingness to take.”⁹⁷

A cable from State six months later shows that despite increased activity by both communists as well as other elements opposed to Mossadeq, “[the] Ambassador in Tehran... does not believe that Dr. Mossdaeque is in any immediate danger of being replaced.”⁹⁸ Fears of Mossadeq being displaced were relatively limited from the time he took power through the end of 1951. The U.S. was concerned, however, that the financial and social problems facing Iran might breed instability, eventually leading to the breakdown of the regime. A CIA cable from 4 February 1952 observed that if Iran was to resolve its economic and social problems, the “National Front government would probably be forced to adopt authoritarian methods.”⁹⁹ The cable continues:

“Failure to carry through with such measures would probably lead many supporters of the National Front, both within and outside the Majlis, to turn to the Tudeh Party, which is the only disciplined party in Iran offering a clear-cut program of social and economic reform. In order to forestall such a development, the National Front government would probably be forced to adopt authoritarian methods.”¹⁰⁰

At least by early 1952, U.S. assessments of Iran’s political fate were turning sour. Fears that Iran’s fledgling democracy would be subverted by the Tudeh on the left, regime opponents on

⁹⁷ United States. Central Intelligence Agency. “Current Developments in Iran” Classification Excised, Special Estimate, Excised Copy, IR00235, May 22, 1951, *Digital National Security Archive*. Available at: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:dnsa&rft_dat=xri:dnsa:article:CIR00235. (accessed 20 August 2013), 1.

⁹⁸ United States. Department of State. “The Iran Situation” Top Secret, Memorandum State, IR00268, November 16, 1951, *Digital National Security Archive*. Available at: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:dnsa&rft_dat=xri:dnsa:article:CIR00268. (accessed 20 August 2013), 1.

⁹⁹ United States. Central Intelligence Agency. “Probable Developments in Iran in 1952 in the Absence of an Oil Settlement” Secret, National Intelligence Estimate, NIE 46, IR00274, February 4, 1952, *Digital National Security Archive*. Available at: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:dnsa&rft_dat=xri:dnsa:article:CIR00274. (accessed 20 August 2013), 1.

¹⁰⁰ *Ibid.* at 5.

the right, or by Mossadegh and the National Front, were taking shape. As anticipated by the theory, however, the absence of expectations of democratic decay temporarily a coup.

As Iran's political and economic troubles carried over into 1953, U.S. assessments of the prospects for a continuation of a democratic regime with Mossadegh at the helm became bleaker. The National Intelligence Estimate released on 9 January 1953 observes that, "The Iranian situation contains so many elements of instability that it is impossible to estimate with confidence for more than a few months. On the basis of present indications, however, it appears probable that a National Front government will remain in power through 1953, despite growing unrest."¹⁰¹ The NIE goes on to strike a more pessimistic chord: "If present trends in Iran continue unchecked beyond the end of 1953, rising internal tensions and continued deterioration of the economy and of the budgetary position of the government might lead to a breakdown of government authority and open the way for at least a gradual assumption of control by Tudeh."¹⁰² These assessments persisted, with a cable dated 3 March 1953—the same month that the Eisenhower administration decided on a coup—illustrating expectations of democratic decay:

"[Mossadeq's] victory would take Iran one step further along its present revolutionary road. The Prime Minister's growing tendency toward autocratic government, however, suggest[s] that he is beginning to realize that many of his contemplated reforms cannot be carried out unless he resorts to authoritarian measures. Despite his conviction that Iranian politicians are sufficiently mature to govern democratic processes, his victory may also prove to be a step toward the establishment of a new dictatorship."¹⁰³

Stephen Kinzer details a meeting on 4 March 1953 with Secretary of Dulles and President Eisenhower, reaching similar conclusions: "The probable consequences of the events of the last

¹⁰¹ United States. Central Intelligence Agency. "Probable Developments in Iran through 1953" Secret, National Intelligence Estimate, NIE 75/1, IR00303, January 9, 1953, *Digital National Security Archive*. Available at: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:dnsa&rft_dat=xri:dnsa:article:CIR00303. (accessed 20 August 2013), 1.

¹⁰² *Ibid.* at 6.

¹⁰³ United States. Central Intelligence Agency. "The Iranian Situation" Top Secret Canoe, National Security Council Briefing, Excised Copy, HN00746, March 3, 1953, *Digital National Security Archive*. Available at: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:dnsa&rft_dat=xri:dnsa:article:CHN00746 (accessed 20 August 2013), 4.

few days, concluded Mr. Dulles, would be a dictatorship in Iran under Mossadegh. As long as the latter lives there was little danger, but if he were to be assassinated or removed from power, a political vacuum would occur in Iran and the Communists might easily take over.”¹⁰⁴ It is significant that the worst of the assessments, which begin in earnest in March 1953, coincide with the month when the U.S. accepted the idea that the forcible removal of Mossadegh was necessary.

At this point, it is useful to briefly explore recently declassified documents tracking the assessments leading up to the coup on 19 August. A memorandum dated 14 July 1953 from Kermit Roosevelt—the grandson of Theodore Roosevelt and the CIA operative behind the coup—observes: “Mossadeq threatening [to] dissolve [the] Majlis and hold [a] referendum” as well as allowing “demonstrations which would be anti-American in character.”¹⁰⁵ One day later, Roosevelt penned a memo arguing that “[the] opposition must stress by every means what remains of [the] Majlis is legal and democratic center of government as opposed Mossadeq dictatorship.”¹⁰⁶ Just a few weeks later on 5 August 1953, a draft of a statement intended to be released by State read, “Provided the new government desires American assistance, and, as we hope, intends to work in the best interests of Iran, the U.S. expects to be able to continue to extend a helping hand and to cooperate in building Iran’s strength to resist communist subversion.”¹⁰⁷ These previously unreleased documents indicate that in the months and days

¹⁰⁴ Stephen Kinzer, *All the Shah’s Men: An American Coup and the Roots of Middle East Terror* (John Wiley & Sons, Inc., Hoboken: 2003): 158.

¹⁰⁵ Central Intelligence Agency, Memo from Kermit Roosevelt to [Excised], July 14, 1953. Source: CIA Freedom of Information Act Release. Available at: <http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB435/>. (accessed 20 August 2013), 1.

¹⁰⁶ Central Intelligence Agency, Memo from Kermit Roosevelt to [Excised], July 15, 1953. Source: CIA Freedom of Information Act Release. Available at: <http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB435/>. (accessed 20 August 2013), 1.

¹⁰⁷ Central Intelligence Agency, Note Forwarding Proposed Text of State Department Release for After the Coup, August 5, 1953. Source: CIA Freedom of Information Act Release. Available at: <http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB435/>. (accessed 20 August 2013), 1.

leading up to the coup, the U.S. continued to believe that Mossadegh would work to centralize authority and secure the equivalent of dictatorial powers.

An important document linking expectations of democratic decay to the coup comes from a CIA internal history authored by Donald Wilber in 1954, one of the chief architects of the ploy to undermine Mossadegh:

“By the end of 1952, it had become clear that the Mossadeq government in Iran was incapable of reaching an oil settlement with interested Western countries; was reaching a dangerous and advanced stage of illegal deficit financing; was disregarding the Iranian constitution in prolonging Premier Mossadeq’s tenure of office; was motivated mainly by Mossadeq’s desire for personal power; was governed by irresponsible policies based on emotion; had weakened the Shah and the Iranian Army to a dangerous degree; and had cooperated closely with the Tudeh (Communist) Party of Iran. In view of these factors, it was estimated that Iran was in real danger of falling behind the Iron Curtain; if that happened it would mean a victory for the Soviets in the Cold War and a major setback for the West in the Middle East. No remedial action other than the covert action plan set forth below could be found to improve the existing state of affairs.”¹⁰⁸

Here, Wilber links both the fear that Iran would fall into the Soviet camp with the realization that Mossadegh’s regime was rapidly becoming more authoritarian. This suggests that the combination of Mossadegh’s increasing authoritarianism combined with the *type* of regime Iran would become (e.g. communist) was anathema to the Americans. Wilber’s assessments of Mossadegh in July 1953 were equally damning, highlighting the growing strength of the Tudeh Party and pointing out that Mossadegh’s plan to dissolve the Majles “would leave him the undisputed dictator of the country since his full-powers bill had several more months to run.”¹⁰⁹

Another internal history of the coup written in 1998, “Zendeabad, Shah!,” also confirms expectations of democratic decay. The internal history holds that after a brief episode wherein Mossadegh resigned in 1952 only to be reinstated days later, “Mossadeq struck back at the Shah and the military. He transferred Reza Shah’s lands back to the State, appointed himself Minister

¹⁰⁸ Central Intelligence Agency, Clandestine Services History, *Overthrow of Premier Mossadeq of Iran: November 1952 – August 1953*, Dr. Donald N. Wilber, March 1954. Source: *The New York Times*. Available at: <http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB435/>. (accessed 20 August 2013), Summary, iii.

¹⁰⁹ Central Intelligence Agency, Clandestine Services History, *Overthrow of Premier Mossadeq of Iran: November 1952 – August 1953*, Dr. Donald N. Wilber, March 1954, Document V, 26, 31-32.

of War, forced the Shah's twin sister Princess Ashraf to leave the country, and forbade Mohammed Reza Pahlavi from communicating with foreign diplomats.¹¹⁰ It goes on that "Mossadeq's apparent political triumph rapidly turned sour. The National Front began to unravel in late 1952 and early 1953 as the Prime Minister grew increasingly dictatorial."¹¹¹ One of the leading experts on Iran during this time period, Mark Gasiorowski, confirms these intuitions:

"However, when Mossadeq resigned in July 1952 and was swept back into office in a tumultuous popular uprising, U.S. officials became deeply concerned that political instability would grow in Iran, perhaps giving the Tudeh an opportunity to seize power... However, they soon concluded that Mossadeq was 'the only and uncertain chance of preventing the rapid spread of chaos,' and they decided to continue supporting him and not to back a coup against him."¹¹²

Gasiorowski shows that this assessment would change after Mossadeq broke off oil negotiations with Britain in March, leading the U.S. to conclude that the instability and likelihood of democratic breakdown was inevitable.¹¹³ A former Iranian diplomat, Bayandor Darioush, holds that Mossadeq's decision to break off oil negotiations "had a major impact on [the] Eisenhower administration[']s strategic thinking and should be regarded as a watershed. In the ensuing weeks... the administration succumbed to the temptations of removing Mossadeq through covert means."¹¹⁴

One question, however, remains—why did the U.S. settle on a covert operation in the form of a coup? According to Scott A. Koch, the coup was one of several options confronting Eisenhower. The "use of military force" was "impractical for obvious reasons," while the continued use of diplomacy "had already failed and the political situation in Iran was worsening

¹¹⁰ Central Intelligence Agency, History, "*Zendabad, Shah!*": *The Central Intelligence Agency and the Fall of Iranian Prime Minister Mohammed Mossadeq, August 1953*, 6. See also, Bayandor Darioush, *Iran and the CIA: The Fall of Mossadeq Revisited*, 62-63.

¹¹¹ Central Intelligence Agency, History, "*Zendabad, Shah!*": *The Central Intelligence Agency and the Fall of Iranian Prime Minister Mohammed Mossadeq, August 1953*, Scott A. Koch, June 1998, 7.

¹¹² Mark J. Gasiorowski, "The 1953 Coup d'État Against Mossadeq," in Mark J. Gasiorowski and Malcolm Byrne, eds., *Mohammed Mossadeq and the 1953 Coup in Iran* (Syracuse University Press: Syracuse, 2004): 230.

¹¹³ Mark J. Gasiorowski, "The 1953 Coup d'État Against Mossadeq," 230-232.

¹¹⁴ Bayandor Darioush, *Iran and the CIA: The Fall of Mossadeq Revisited*, 73.

daily.”¹¹⁵ Alternatively, the covert option “had the promise of attaining the result the administration wanted with a minimum of cost and attention. If such an operation went sour, Washington could disavow any knowledge or connection.”¹¹⁶ It is important to bear in mind that the coup was selected *not* because diplomacy was an unattractive option, but rather because it had failed to achieve desired results.

One objection to the argument presented here might be that the inauguration of Eisenhower in January 1953, replacing Truman as president, was more significant than expectations of stasis or decay. This argument fails to account for the fact that Eisenhower’s initial approach to the Iranian situation was to continue negotiations started by his predecessor in the hopes of a peaceful settlement. As Kinzer makes clear, “Only one important figure in the Eisenhower administration still hoped for compromise with Mossadegh: President Eisenhower himself.”¹¹⁷ Rather than attributing the coup to Eisenhower, it is better viewed as a function of the deteriorating situation in Iran. The U.S.:

“had concluded by the summer of 1953 that growing chaos and perhaps a communist takeover were likely in Iran and that Mossadeq therefore had to be overthrown to prevent Iran from falling into Soviet hands. Although it is impossible to say with any certainty, this suggests that the United States might well have carried out a coup against Mossadeq eventually, even if Eisenhower had not been elected president. The advent of the Eisenhower administration led the United States to act more rapidly than it otherwise might have, but Iran’s continuing political deterioration, in the prevailing geostrategic context, made it almost inevitable that the United States would undertake a coup.”¹¹⁸

Though counterfactuals are difficult to substantiate, they are at least suggestive that the explanation put forth is consistent with the historical record. There is also evidence that Mossadegh failed to understand how the West, who “were in a state of near-panic about the

¹¹⁵ Central Intelligence Agency, History, “*Zendeabad, Shah!*”: *The Central Intelligence Agency and the Fall of Iranian Prime Minister Mohammed Mossadeq, August 1953*, Scott A. Koch, June 1998, 19-20.

¹¹⁶ Ibid. at 89.

¹¹⁷ Stephen Kinzer, *All the Shah’s Men: An American Coup and the Roots of Middle East Terror*, 156.

¹¹⁸ Mark J. Gasiorowski, “Why Did Mossadeq Fall?,” in Mark J. Gasiorowski and Malcolm Byrne, eds., *Mohammed Mossadeq and the 1953 Coup in Iran* (Syracuse University Press: Syracuse, 2004): 273.

spread of communist power,” would perceive his actions.¹¹⁹ Additionally, “Mossadegh was also naïve in his assessment of the communists who controlled Tudeh and were working assiduously to penetrate Iran’s government, army, and civil society... The fact that communists had taken advantage of democratic systems in Eastern Europe to seize power and destroy democracy seemed not to affect him. His refusal to crack down on communist movements in Iran put him on Washington’s death list.”¹²⁰ Without denigrating the efforts by Mossadegh to bring democracy to the people of Iran, it is necessary to understand the consequences of his choices in driving expectations of democratic decay, especially given the political climate of the time.

One remaining anomaly is important in understanding the implications of the present theoretical apparatus for the democratic peace debate and broader causes of intervention. While the political decision-making processes of the United States conform to the logic outlined here, the actions of the United Kingdom belie the theory of stasis and decay. Britain’s desire to oust the Iranian Prime Minister appear to stem primarily, if not solely, from Mossadegh’s decision to nationalize the Anglo-Iranian Oil Company.¹²¹ Thus, this anomaly hints at an important scope condition of the theory. There are bound to be certain scenarios in which economic interests trump all other considerations—this is especially true when the economic issue is a massive component of the potential intervener’s economy.

Implications and Future Research

This paper has sought to demonstrate that the democratic peace is consistent with covert interventions between democracies during the Cold War—specifically, using Chile and Iran as illustrations of the logic. The findings presented here have significant implications for how we

¹¹⁹ Stephen Kinzer, *All the Shah’s Men: An American Coup and the Roots of Middle East Terror*, 207.

¹²⁰ Ibid.

¹²¹ Mark J. Gasiorowski, “The 1953 Coup d’État Against Mossadegh,” in Mark J. Gasiorowski and Malcolm Byrne, eds., *Mohammed Mossadegh and the 1953 Coup in Iran* (Syracuse University Press: Syracuse, 2004): 227.

should begin to (re)think about democratic peace and international relations more broadly. First, the evidence here focuses exclusively on a democratic dyad in which there was a massive power asymmetry. It would be important to know, however, whether expectations of stasis or decay influence relations between democratic dyads with relative power parity. One instance in which this might be applied is the Fashoda Crisis in 1898 between France and Great Britain—which is often held up as being inconsistent with DP.¹²² Specifically, if the Dreyfus Affair, which threatened the democratic regime in France, influenced the decision-making calculus of Great Britain such that conflict became more likely, the case for a dynamic democratic peace would be strengthened. Another area for future research would be to retain the focus on democratic dyads with power disparities but to test the theory on cases outside of the Cold War context. As mentioned throughout the paper, the Cold War was a time of extremely heightened tensions given superpower competition for allies and resources.

While DP remains one of the most robust empirical observations in the international relations literature, its causal logic has remained contested and confined to a small subset of mature, Western liberal democracies.¹²³ This paper has sought to redress these limitations. Although much work remains to be done in extending the theoretical framework constructed here, I hope to have shown that the utility of questioning certain extant assumptions can lead to new and useful ways of thinking about well-developed theories. Of course, the decision by one state to intervene in the affairs of another can happen for myriad reasons; and the theory presented here makes many simplifying assumptions and abstractions. If the democratic peace proposition is to have any utility in the twenty-first century, however, we must confront existing anomalies with fresh eyes. It is hoped that this paper is a step in that direction.

¹²² See Christopher Layne, “Kant or Cant: The Myth of the Democratic Peace.”

¹²³ Allan Dafoe, “Statistical Critiques of the Democratic Peace: Caveat Emptor.” *American Journal of Political Science*, Vol. 55, No. 2: 247-262.