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NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

COERCION FOR HIRE: A THEORY OF INDIRECT COERCION

by

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June 2014

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The purpose of this thesis is to examine the use of indirect coercion as an element of Political Warfare and as a policy option for the United States. This thesis synthesizes the concepts of indirect strategy and coercion to provide a cost-effective policy option for U.S. decision makers. In order to establish the strategic utility of indirect coercion, this thesis examines the conditions that are necessary for successful coercion of an adversary using limited military and economic resources. This thesis examines four historical cases of indirect coercion. The cases examined are Indonesia, Italy, and Chile during the early Cold War era, and Hezbollah as an ongoing case—to explore the varying outcomes, from success to complete failure. The analysis of the case studies examines surrogate targeting, the covert/overt balance, surrogate vs. sponsor centricity, and the role of positive inducements.

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ABSTRACT

The purpose of this thesis is to examine the use of indirect coercion as an element of political warfare and as a policy option for the United States. This thesis synthesizes the concepts of indirect strategy and coercion to provide a cost-effective policy option for U.S. decision makers. In order to establish the strategic utility of indirect coercion, this thesis examines the conditions that are necessary for successful coercion of an adversary using limited military and economic resources. This thesis examines four historical cases of indirect coercion. The cases examined are Indonesia, Italy, and Chile during the early Cold War era, and Hezbollah as an ongoing case—to explore the varying outcomes, from success to complete failure. The analysis of the case studies examines surrogate targeting, the covert/overt balance, surrogate vs. sponsor centricity, and the role of positive inducements.

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LIST OF ACRONYMS AND ABBREVIATIONS

AFL	American Federation of Labor
CGIL	Italian General Confederation of Labor
CD	Christian Democratic Party
CIA	Central Intelligence Agency
ERP	European Recovery Plan
FTUC	Free Trade Union Committee
IJV	International Joint Venture
IRGC	Army of the Guards of the Islamic Revolution
ITT	International Telephone and Telegraph
KGB	Soviet Committee for State Security
MLPA	People's Movement for the Liberation of Angola
NATO	North Atlantic Treaty Organization
PCI	Italian Communist Party
PKI	Indonesian Communist Party
PRRI	Pemerintah Revolutionary Republic Indonesia
PSLI	Socialist Party of Italian Workers
SIS	Italian Intelligence Services
UNIFIL	United Nations Interim Force in Lebanon
UNRA	United Nations Relief and Rehabilitation Administration
USAID	U.S. Agency for International Development
USSR	Soviet Union

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I.   INTRODUCTION

A.   STATEMENT OF PURPOSE AND SCOPE

The purpose of this thesis is to examine the use of indirect coercion as an element of Political Warfare and as a policy option for the United States (U.S.). In essence, this thesis will synthesize the concept of indirect strategy and coercion to provide a cost effective policy option for the U.S. decision makers. The concept of the indirect approach, developed by strategist B. H. Liddell Hart, is applicable to political warfare just as it is to conventional warfare. Rather than confronting an adversary with the expected frontal assault at the main point of contention, it can be more useful to address a problem from an oblique and unexpected direction. This is best brought to light in Liddell Hart's book *Strategy* through the quote: "The object of obliquity is to find the chink in the armour, the mental armour at that."[1] The concept of obliquity allows for the expanded application of indirect strategy to the realm of political warfare. The utility of this strategy as a means in political warfare can be determined by the overall intended outcome. The concept of obliquity should illuminate the merit of an indirect strategy to U.S. decision makers, especially in a resource constrained environment.

In order to establish the strategic utility of indirect coercion, this thesis will examine the conditions that are necessary using limited military and economic resources, for successful coercion of an adversary. The goal of this thesis is to help future strategic planners understand how and when indirect coercion might be the most efficient and effective option for achieving national goals.

The empirical scope of the proposed research will consist of cases where indirect coercion was the primary means of achieving strategic goals. Initial research indicates that there is in-depth research on direct coercive diplomacy through political, economic and military means, while very little research has been done on coercion conducted via

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[1] B. H. Liddell Hart, *Strategy*, Second ed. (London, England: Faber and Faber Ltd., 1967), 383.

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indirect means.[2] This thesis applies the pre-existing research on direct coercion to historical cases of indirect coercion. The cases will be organized by the degree of success from highly effective to complete failure. In addition, the case studies utilized will be from the post- World War II era up to the current conflicts of the 21st century.

B.   BACKGROUND

With the end of U.S. involvement in Iraq, and troop withdrawal timetables for Afghanistan rapidly approaching, this era of long and drawn out conflicts is winding down. Additionally, the decade long state of war has taken a large financial toll on the United States. The utilization of indirect means to coerce a hostile government or occupying power provides national policy makers a cost effective means to pursue U.S. goals and interests. Moving forward, the U.S. will likely seek to accomplish its goals with minimal financial obligation and military presence. This strategy is clearly stated by President Obama and then Secretary of Defense Panetta in the strategic guidance issued in January 2012, "we will develop innovative, low-cost, and small-footprint approaches to achieve our security objectives."[3]

Political warfare has historically been used to satisfy all manner of policy requirements without committing to traditional warfare. National decision makers require options to coerce and influence adversaries to act in a manner that benefits the U.S. Where invasion or conventional warfare is not desirable, coercion through a surrogate remains a viable option.

Political warfare, the use of all national instruments short of all-out war, was utilized throughout the Cold War to achieve U.S. goals and to limit the global influence of the Soviet Union. Political warfare provided U.S. policy makers the ability to influence nations from falling under leftist control and undermine Soviet regional goals while avoiding a large-scale confrontation.

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[2] Alexander L. George, David K. Hall, and William R. Simons, The Limits of Coercive Diplomacy: Laos-Cuba-Vietnam (Boston, MA: Little, Brown and Company, 1971), 268; Thomas C. Schelling, *Arms and Influence* (New Haven: Yale University, 1966), 312.

[3] Leon Panetta, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense," Department of Defense, accessed February 10, 2014, http://www.defense.gov/news/defense_strategic_guidance.pdf.

C.   RESEARCH QUESTION

This thesis intends to answer the following question in an effort to analyze the strategic utility and feasibility of coercion conducted in an indirect manner: Under what conditions is indirect coercion successful? This thesis will examine the underlying conditions and factors that are necessary for indirect coercion to be an effective policy option.

D.   THEORETICAL FRAMEWORK

We hypothesize that identifying the conditions that make indirect coercion successful will make it a more viable policy option for political and military decision makers. Knowing these conditions will not only allow decision makers to identify when the conditions are present, but ultimately may allow decision makers to create the conditions for a strategy of indirect coercion to successfully achieve goals with minimal economic and military investment. We will begin our analysis with four specific factors and their link to the success or failure of the indirect coercion campaigns; the surrogate targeting process, the surrogate-centric versus sponsor-centric nature of the campaign, whether the campaign is covert or overt, and inducements used as an alternative action to the coercion campaign. Selection of these four factors is explained in the Methodology section. At the same time, we will also attempt to identify additional factors associated with successful indirect coercion.

Coercion conducted through a surrogate is the act of contracting a third party to influence the behavior of a target. Kathleen M. Eisenhardt describes this contractual relationship in her paper "Agency Theory: An Assessment and Review." Specifically she describes the agency relationship as one "in which one party (the principal) delegates work to another (the agent) who performs that work."[4] Laffont and Martimort address the problem of this contractual relationship by stating "Delegation of a task to an agent who has different objectives than the principal who delegates this task is problematic when

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[4] Kathleen M. Eisenhardt, "Agency Theory: An Assessment and Review," *The Academy of Management Review* 14, no. 1 (1989): 58.

information about the agent is imperfect."[5] The importance of contracting the right surrogate, as opposed to the available one, is important to the successful outcome of any operation.

The relationship between the sponsor and the surrogate is similar to that of an international joint business venture: two entities team up to profit by achieving a common objective. In their research on international joint ventures, Beamish and Delios emphasize "the importance of establishing congruity in performance objectives when establishing an IJV (International Joint Venture)."[6] Their research shows that when corporations ensure their goals are congruent with their partners, they are more likely to succeed in achieving the objectives. This research, in addition to the principal-agent theory, is the basis from which we selected the first factor concerning surrogate targeting.

In recent military operations in Iraq and Afghanistan it has been common to hear the phrase "put an Iraqi/Afghani face on it." This phrase illuminates our second factor for analysis, the sponsor versus surrogate centricity of the campaign. If the operations have a "surrogate face" on them and the surrogate truly represents the population, the campaign is more likely to have enduring support and less likely to suffer negative 2nd and 3rd order effects during and after the fight. An example of the centricity issue can be seen in the Cuban support of the People's Movement for the Liberation of Angola (MLPA) during the Angolan civil war. The Cubans who trained and assisted the MLPA were specifically selected to blend in with their African counterparts. The Cubans were easily identified as foreigners, which contributed to the difficulties in appealing to the indigenous population of Angola.[7] Ensuring that a surrogate campaign appeals to the broader population is critical and can be the determining factor for long-term success.

The choice of making a relationship between the sponsor and the surrogate covert or overt is critical in planning a campaign of indirect coercion. Exposure of the

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[5] Jean-Jacques Laffont and David Martimort, *The Theory of Incentives: The Principal-Agent Model* (Princeton, NJ: Princeton University Press, 2002), 2.

[6] Paul W. Beamish and J. Peter Killing, eds., *Cooperative Strategies: European Perspectives* (San Francisco: The New Lexington Press, 1997), 120.

[7] Edward George, *The Cuban Intervention in Angola, 1965–1991: From Che Guevara to Cuito Cuanavale* (New York: Frank Cass, 2005).

relationship can be detrimental to the success based on public perception, both to the sponsor and target countries. In his research on this topic, Treverton states "If open identification with the United States is the kiss of death, then supporting America's friends will only crush them in our embrace." He maintains, "the presumption that covert aid can be kept tolerably secret…becomes more and more unreasonable in the contemporary world."[8] The ability to analyze the situation and determine whether covert operations are required to achieve the goals of coercion is necessary from the conception of the campaign.

The last factor for analysis is the use of positive inducements. Positive inducements have the potential to change an adversary's political will, similar to coercive efforts. Our hypothesis is that these inducements used as a compliment to coercion will produce better long-term results than either used individually. Professor Miroslav Nincic wrote that the "aim of positive inducements to an adversarial regime is to transform the other sides basic priorities, such that bribes and punishment become less necessary."[9] We suggest that using inducements together with indirect coercion makes success more likely, as well as more durable.

In determining these factors, we examined several other factors that are applicable to analyzing insurgencies and resistance movements. Organizational effectiveness, motivation, and perceived legitimacy are some of the main factors that can be used to analyze these types of groups.[10] They are somewhat generic and do not specifically get to the nature of the relationship between the sponsor and the surrogate. The ability of the surrogate group to mobilize the population is another factor that was considered, but ultimately not chosen. This factor was determined to be best suited for armed insurgency campaigns as opposed to indirect coercion.

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[8] Gregory F. Treverton, "From "Covert" to Overt," *Daedalus* 116, no. 2 (Spring, 1987): 113.

[9] Miroslav Nincic, "Getting what You Want: Positive Inducements in International Relations," *International Security* 35, No. 1 (2010): 139.

[10] Paul K. Davis et al., *Understanding and Influencing Public Support for Insurgency and Terrorism* (Santa Monica, CA: RAND National Defense Research Institute, 2012).

1. Hypothesis

Indirect coercion will be a more viable policy option for political and military decision makers if there is a better process to identify the conditions that make indirect coercion successful.

2. Supporting Hypotheses

a. *Hypothesis 1*

A process of identifying potential surrogates based on their influence on the target population and their political goals increases the success of an indirect coercion campaign.

b. *Hypothesis 2*

A coercion campaign that is surrogate-centric, rather than sponsor-centric, is more likely to achieve the intended goals and less likely to be viewed as illegitimate in the target country.

c. *Hypothesis 3*

A successful campaign of indirect coercion can be either covert or overt in nature.

d. *Hypothesis 4*

Positive inducements can increase the effectiveness of indirect coercion in political warfare based on analysis of target vulnerabilities.

3. Critical Definitions

The following definitions are provided to form a common understanding of key terms.

a.   *Coercive Diplomacy*

Coercion means "to compel or force to do anything," or "to constrain or restrain by the application of superior force."[11] In other words, coercion is one entity restricting the free-will or freedom of choice of another entity by applying pressure: either physical, psychological or economic. It can be deduced from this definition that there are three possible intended effects of coercion: for the target not to act, to change an action that has already been done, or to take an action that the target would otherwise not take. These three intended effects fall into two categories of coercive threats, compellence and deterrence.[12] The act of deterrence intends for the target not to act, while the act of compellence intends for the target to change an action or take an action it would otherwise not choose. Compellence, as defined by Schelling, is the type of coercion that is the focus of this thesis. Schelling elaborates on his description stating that coercion is "the very exploitation of enemy wants and fears."[13] This exploitation of "wants and fears" is the coercion that is central to our thesis.

b.   *Indirect Warfare*

Liddell Hart's theory of the indirect approach is based upon minimizing loss of life and resources by attacking an enemy along less likely avenues of approach. This theory was developed as a result of the trench warfare of WWI, which was the cause of tremendous loss of life and unnecessary protracted war. Liddell Hart states that the object of war is to attain a better peace. A better peace would certainly require maximizing the resources available to the state during the time of peace, therefore expending the least amount required in the conduct of war is critical to attaining the better peace.

c.   *Political Warfare*

Political warfare has multiple, overlapping definitions. A common theme to all of the definitions is that political warfare does not involve a direct and immediate intent to

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[11] Oxford English Dictionary, s.v. "Coercion."

[12] Schelling, *Arms and Influence*, 312; Patrick C. Bratton, "When is Coercion Successful? and Why Can't We Agree on it?" *Naval War College Review* 58, no. 3 (2005): 99–100.

[13] Schelling, *Arms and Influence*, 312.

kill or engage an enemy's military forces.[14] Another common theme is that political warfare uses all the instruments of power with the intent to influence the will of an adversary. The most thorough definition comes from a U.S. National Security Council document published in 1948:

> Political warfare is a logical application of Clausewitz's doctrine in time of peace. In broadest definition, political warfare is the employment of all the means at a nation's command, short of war, to achieve its national objectives. Such operations are both overt and covert. They range from such overt actions as political alliances, economic measures (as ERP), and "white" propaganda to such covert operations as clandestine support of "friendly" foreign elements, "black" psychological warfare and even encouragement of underground resistance in hostile states.[15]

ERP refers to the European Recovery Plan, which was a subset of the Marshall Plan. In this sense, inducements were conceptualized as an integral part of political warfare. Seabury and Codevilla explain it as "The essence of war is a contest of political wills. The goal is to get one's adversary to conform with one's political will." They go on to say "The term 'political warfare'...refers both to the whole of warfare directed at producing political results and to that part of warfare that employs political means to attain the political goals of war even without the actual engagement of fighting troops."[16] Here we can see that coercion and political warfare are intertwined. Recently, Generals Odierno, Amos, and Admiral McRaven published a white paper in which they describe the "Human Nature of Conflict" as "Influencing these people—be they heads of state, tribal elders, militaries and their leaders or even an entire population—remains essential to securing U.S. interests. All elements of national power have an important role in these interactions with other nations and peoples." They do not refer to it as political warfare, but they are clearly talking about the same effort to influence as expressed by Codevilla and Seabury and the National Security Council in 1948. The intent of this thesis is to

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[14] Paul A. Smith Jr., *On Political War* (Washington, DC: National Defense University Press, 1989), 17.

[15] "Document 269–Foreign Relations of the United States, 1945–1950, Emergence of the Intelligence Establishment–Historical Documents–Office of the Historian," Accessed January 20, 2014, http://history.state.gov/historicaldocuments/frus1945–50Intel/d269. .

[16] Angelo Codevilla and Paul Seabury, *War: Ends and Means* (New York: Basic Books, Inc. Publishers, 1989), 17, 160.

analyze the efforts of political warfare, using an indirect strategy as suggested by Liddell Hart. Thus, we shall refer to it as indirect coercion.

d. Indirect Coercion

Combining coercion, indirect strategy, and political warfare, we conceptualize indirect coercion as follows; using a surrogate element to persuade and influence the actions of a target government or other political entity by utilizing threats and actions to exploit fractures along the social, economic, and political seams of the target without employing conventional military means. Conventional warfare is open conflict between two or more states using conventional weapons and battlefield tactics.

e. Key Actors

Coercion conducted through a surrogate is the act of contracting a third party to influence the behavior of a target entity. The three key actors are the sponsor, the surrogate and the target. Kathleen M. Eisenhardt describes this contractual relationship in her paper "Agency Theory: An Assessment and Review." Specifically, she describes the agency relationship as one "in which one party (the principal) delegates work to another (the agent) who performs that work."[17] The roles compare to those of the indirect coercion model as follows: the principal correlates to the sponsor, the agent to the surrogate or third party entity, and the target remains the target. A layman's example of the principal-agent relationship is that of a homeowner (principle) that wants to remodel a bathroom and the plumber (agent) hired to do the remodeling.[18] An international relations example of the principal-agent relationship is that of the United States and the Afghan Mujahidin in 1980s.[19] That relationship, although highly publicized in the last decade, required the highest classification and secrecy during its operational lifespan in order for the coercion to be effective.

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[17] Eisenhardt, *Agency Theory: An Assessment and Review,* 58.

[18] Leo Blanken, "DA 3882 Deterrence, Coercion, and Crisis Management" (Monterey, CA, Naval Postgraduate School, February 2013, 2013).

[19] Robert D. Kaplan, *Soldiers of God: With Islamic Warriors in Afghanistan and Pakistan* (New York: Random House Inc., 1990), 235–278.

The sponsor and the surrogate may have different objectives or they may closely mirror one another. The objective of the sponsor is to influence the behavior of the target. The objective of the surrogate is not always exactly the same as the sponsor. Tibet and the United States in the 1950s and 1960s had a sponsor-surrogate relationship. The target in that case was China. The Tibetan objective was to end the Chinese occupation, while the U.S. objective was to move Chinese attention away from Korea and Taiwan.[20] The interests in the sponsor-surrogate relationship are very important. The interests generate motivations, and strong motivations can have a direct effect on the success of the effort. Alexander L. George elaborated this idea in the following way, "The likelihood of successful coercion is greater if one side is more strongly motivated by what is at stake."[21]

4. Caveat

The factors identified and analyzed in this thesis are a start point for research on the use of indirect coercion. This thesis is not intended to be the definitive work on this subject. Additionally, the conditions under which indirect coercion is not optimal are equally important to understanding its potential as a policy option. Identifying these conditions will assist decision makers to know when not to use indirect coercion.

E. METHODOLOGY

This thesis will examine four historical cases of indirect coercion to explore the varying degrees of outcomes, from success to complete failure: Indonesia, Italy, and Chile during the early Cold War era; and Hezbollah as an ongoing case. Hezbollah and Italy are examples of high success, Chile having low success, and Indonesia being a complete failure. The understanding of the four factors of our analysis will assist in identifying the conditions under which indirect coercion can be most effective.

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[20] Ryan C. Agee and Maurice K. DuClos, "Why UW: Factoring in the Decion Point for Unconventional Warfare" (master's thesis, Naval Postgraduate School, Monterey, CA), 49.

[21] Alexander L. George, David Kent Hall, and William E. Simons, *The Limits Of Coercive Diplomacy: Laos-Cuba-Vietnam* (Boston: Little, Brown, 1971), 218–219.

1. Hypothesis

In order to answer the research question of: Under what conditions is coercion conducted indirectly successful, the four selected case studies will be formatted in three specific sections that identify: 1) the political challenges faced by decision makers, and 2) the role that indirect coercion played in reaching a solution. First, the case studies will provide of a historical synopsis that will include the political situation and the strategic environment, the key players involved and identify the relationships between the sponsor, the surrogate and the target. Second, the cases will be examined through the lens of the hypothesis: Indirect coercion will be a more viable policy option for political and military decision makers if there is a better understanding of the conditions that can make indirect coercion successful; to identify the role of indirect coercion that was involved in the case and its overall utility based upon the given conditions within the environment.

The previously stated hypothesis and four factors will be fused within the analysis portion of the case studies through the below supporting hypotheses:

a. *Supporting Hypothesis 1*

A deliberate process of identifying potential surrogates based on their population influence and goals increases the success of an indirect coercion campaign.

We will test whether the selection of a surrogate that can exploit existing fractures in the political, social and economic fabric of the target state greatly enhances the probability of success. Additionally, the depth of a surrogate's ability to influence the population can significantly strengthen or weaken the durability of success. Social movements within an adversarial nation often simply need the right support and direction to become a coercive force.[22] This is exemplified by the selection of the Solidarity movement in Poland as a surrogate in the 1980s to undermine Soviet influence. The mutual goals of the West and the Solidarity movement to free the Polish government of communist influence made for an exceptionally successful partnership of two entities both seeking the same results.

[22]Mario Diani and Doug McAdam, eds., *Social Movements and Networks: Relational Approaches to Collective Action* (New York: Oxford University Press, Inc., 2003), 24.

b.   *Supporting Hypothesis 2*

A coercion campaign that is surrogate-centric, rather than sponsor-centric, is more likely to achieve the intended goals and less likely to be viewed as illegitimate in the target country.

We will test whether the amount of goal convergence between the sponsor and the surrogate has a bearing on success. This will involve specific analysis focused on whether the campaign was primarily surrogate-centric or sponsor-centric, and what effect this has on success or failure. We believe that a sponsor benefits from understanding and enabling the surrogate's goals and desired outcome. Developing a strategy to provide incentives based on the common desired outcome throughout the duration of the campaign will result in long-term success for the surrogate and the sponsor. Additionally, there may be a need to compromise on desired outcomes to maintain alignment. In other words, the relationship may require modification to other goals.

c.   *Supporting Hypothesis 3*

A successful campaign of indirect coercion can be either covert or overt in nature.

We intend to assess whether success is dependent on a coercion campaign being executed in a covert or overt manner. Based on the strategic requirements, operations may be initially carried out as overt, clandestine, or covert, or any combination of the three. Changes in the environment may change the requirements of the covert or overt nature of the campaign. Codevilla and Seabury state this concept in the following manner; "All arms of political war involve subversion in one sense or another, with the choice of degree of openness or clandestinity depending on the tactical requirements of the situation. It is important to remember that clandestinity is a mode of political war, not its defining characteristic."[23] Generally, the sponsor enters into the contractual relationship with the surrogate because the potential 2nd and 3rd order effects of direct coercion are undesirable to the sponsor.

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[23]Codevilla and Seabury, *War: Ends and Means,* 4.

d.   *Supporting Hypothesis 4*

Positive inducements as a supplement to coercion can increase the effect of indirect coercion in political warfare based on analysis of target vulnerabilities.

Last, this thesis will examine the effect of inducements on coercion campaigns. The hypothesis is that the target state may be more likely to conform to the political will of the sponsor if target requirements are analyzed and positive inducements (carrots) offered as a compliment to the indirect coercion (sticks). The positive inducements can take many forms, such as; economic aid, military cooperation, trade agreements, amnesty, etc. Conversely, a continued use of force by the surrogate to disrupt target state operations is an example of negative inducements. Additionally, negative inducements imposed upon an adversarial regime may not produce the initially desired goal to cease a specific behavior or action. Negative inducements can further entrench an adversarial regime and create a "rally around the flag" effect that can strengthen popular support by legitimizing the adversaries' narrative.[24] According to Andrew J. Birtle, "the great challenge is to find the right blend (of carrots and sticks) for a particular situation."[25] Birtle makes the case that situations may require that negative inducements (sticks) precede the positive (carrots) based on intended goals. Lastly, the cases will be analyzed through the four identified factors derived from the supporting hypotheses 1) Surrogate targeting, 2) Surrogate versus sponsor centricity, 3) Overt/covert balance, and 4) Positive inducements as a supplement to coercive measures and their effectiveness.

2.   Case Selection

The four cases that will be presented were selected from the below table depicting historical examples coercion campaigns. Table 1 provides the cases that were of potential use and could best provide the spectrum of analytical possibilities to effectively provide the answer to the proposed research question.

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[24] Brynjar Lia, *Architect of Global Jihad: The Life of Al-Qaida Strategist Abu Mus'ab Al-Suri* (New York: Columbia University Press, 2008), 27.

[25] Andrew J. Birtle, "Persuasion and Coercion in Counterinsurgency Warfare: Much Confusion Remains Over the Roles that Persuasion and Coercion Play in Rebellions and Other Internal Conflicts. what is the Relationship between Force and Politics?" *Military Review* 88, no. 4 (2008): 45.

Table 1.   Historical Cases of Indirect Coercion

CASES (Principal & Target)	Start Date	Stated Objective	Force Provider	Sponsor- or Surrogate-centric	Stand Alone or Nested	Degree of Success
Iran & Lebanon (Hezbollah)	1985	Influence Lebanese politics and relations with Israel and the West	IRGC? Lebanese Shi'ite population	Surrogate	Stand Alone	High
U.S. & Haiti	1963	Coerce Haitian Dictator	CIA & former Ton tons Marcoute (Haitian militia)	Surrogate	Stand Alone	Low
U.S. & D. Republic	1963	Return stability to Dom Rep.	CIA (Operation EMOTH)/ U.S. Military	Surrogate	Nested	Medium
U.S. & China (Tibet)	1956	Coerce Chinese Government	CIA	Surrogate	Nested	High
U.S. & Laos	1957	Coerce Pathet Lao to discontinue communism	CIA/USSF	Surrogate	Nested	Low
U.S. & Indonesia	1955	Coerce Sukarno out of Neutrality	CIA	Sponsor	Stand Alone	Failed
U.S. & Soviet Union (Afghanistan)	1979	Coerce USSR to end Afghan Occupation	CIA	Surrogate	Nested	High
U.S. & China(Burma)	1950	Support to KMT against PRC	CIA	Sponsor	Nested	Low
U.S. & Italy	1948	Support Democratic Political Parties against Communist/Socialist Parties	CIA	Surrogate	Nested	High
U.S. & Chile	1964	Support election of Eduardo Frei (Christian Democratic Party Leader)/ Block election of Marxist candidate Salvador Allende	CIA	Surrogate(1964) Sponsor (1970)	Nested	Low

The cases of Indonesia, Chile, Italy, and Hezbollah were selected from the cases depicted in the Table 1 to demonstrate both the failure and success of coercion campaigns. The Indonesia case was selected as the example of the complete failure of a coercion campaign. The inability of the U.S. to coerce the Indonesian government out of

neutrality during the early years of the Cold War will be examined to identify the reason for this failure. The case of Chile was selected to provide an example of how a coercion campaign achieved success in the early 1960s, but inevitably resulted in failure by 1970. U.S. efforts to support the Christian Democratic Party resulted in a favorable outcome in the 1964 Chilean presidential election; however, U.S. efforts were unsuccessful in attempting to prevent the election of a Marxist leaning candidate in 1970.

The case of Hezbollah provides an example of how Iran influenced political objectives in the Middle East through a proxy group. Since the 1980s, Iran has achieved success in utilizing Hezbollah as an instrument to carry out coercion campaigns in Lebanon and Israel and continues to do so. Also highlighting a successful coercion campaign is the case of U.S. involvement in Italy following the end of World War II. The case of Italy in the late 1940s demonstrates a successful coercion campaign carried out by the newly formed CIA to prevent the Soviet backed Italian Communist and Socialist Parties from taking power in early days of the Cold War.

F.   ORGANIZATION AND CHAPTER OVERVIEW

Chapters II, III, IV, and V will consist of the individual case studies (Indonesia, Chile, Hezbollah, and Italy) that will provide examples ranging on the spectrum from complete failure to success in a coercion campaign. These four chapters will contain a historical synopsis of the respective case then an analysis section that will be subdivided into the targeting of third party surrogates, covert/overt balance, surrogate/sponsor centricity, and inducements. The analysis will provide the evidence to identify the level of success associated with the individual case studies pertaining to the ability of the U.S. to conduct indirect coercion. Chapter VII will be comprised of the findings and conclusion. The findings from the research of the individual case studies will be used to identify any political, military, social, and economic variables that set the underlying conditions for a successful coercion campaign. Additionally, Chapter VII will identify when indirect coercion can be effectively applied to support U.S. goals and interests.

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II.   INDONESIA CASE STUDY

A.   INTRODUCTION

In the 1950s, the U.S. government, from President Eisenhower on down, was engulfed in an effort to reduce the influence of communism throughout Asia. Losses in this effort had already been seen in China, and the struggle was ongoing in Korea until 1953. The struggle against communism in Asia was looking bleak with communist influence now emerging in multiple Southeast Asian states, like Malaysia and Vietnam. In response to the growing threat of communism, "Eisenhower and Dulles…developed a foreign policy that equated Third World non-alignment with evil."[26]

B.   HISTORICAL OVERVIEW

The newly independent nation of Indonesia saw a growing communist influence in the form of the PKI, the Indonesian Communist Party. The PKI was gaining appointments within the cabinet of the Indonesian President, Sukarno. Sukarno had declared neutrality in the Cold War between the U.S. and the USSR, but these appointments were being interpreted by the Dulles brothers as indicative of communist influence and growing power in the Sukarno government.

1.   Sponsor Situation

A U.S. policy was developed to influence the Sukarno government into abandoning neutrality and reducing communist influence within the fledgling government.[27] The Eisenhower administration implemented this policy using a "two-track" methodology; the official diplomatic route through the embassy in Jakarta, and the covert route through rebel groups on the outer islands.[28] The "two-track" methodology

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[26] David P. Forsythe, "Democracy, War, and Covert Action," *Journal of Peace Research* 29, no. 4 (November 1992, 1992): 388.

[27] Douglas Blake Kennedy, "Operation HAIK: The Eisenhower Administration and the Central Intelligence Agency in Indonesia, 1957–1958" (master's thesis, University of Georgia), 6.

[28] Audrey R. Kahin and George McT Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia* (New York: The New Press, 1995): 93; Kenneth Conboy and James Morrison, *Feet to the Fire: CIA Covert Operations in Indonesia, 1957–1958* (Annapolis, MD: Naval Institute Press, 1999): 16.

was based on the 3 September 1957 Special Report on Indonesia paragraph 4 subparagraph c, which states:

> To continue the present pattern of our formal relationships with Indonesia, but so to adjust our programs and activities as to give greater emphasis to support of the anticommunist forces in the outer islands while at the same time continuing attempts to produce effective action on the part of the non- and anticommunist forces on Java.[29]

The Eisenhower administration knew that Sukarno was not a communist, but a neutralist, and they did want to reduce the influence of the PKI.[30] According to a phone conversation between the Dulles brothers on February 21, 1958, the Secretary of State supported "doing something, but it is difficult to figure out what or why. … If you get involved in a civil war he is not sure what kind of case you have…wants to help the people."[31]

The Dulles brothers, John Foster and Allen W., were the Secretary of State and the director of the CIA, respectively, during the time of this policy. The CIA had been recently created from what had been the Office of Strategic Services (OSS) during World War II. The fledgling agency had taken the charter of the OSS to support resistance movements and applied it to the emerging global conflict with communism.[32] The CIA had experienced recent successes using covert support to surrogate forces in both Iran and Guatemala.[33] With President Eisenhower's approval, the two brothers began planning for covert actions to be conducted in Indonesia, under the name Operation HAIK.

There were several elements in the U.S. Embassy in Jakarta that engaged with the State Department, Pentagon, and indirectly the CIA. Two of the key individuals were

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[29] "Document 262–Foreign Relations of the United States, 1955–1957, Southeast Asia, Volume XXII–Historical Documents–Office of the Historian," accessed January 8, 2014, http://history.state.gov/historicaldocuments/frus1955–57v22/d262.

[30] Brands, *The Limits of Manipulation: How the United States Didn't Topple Sukarno,* 790.

[31] "Office of the Historian –Historical Documents–Foreign Relations of the United States, 1958–1960, Indonesia, Volume XVII –Document 22," accessed November 16, 2013, http://www.history.state.gov/historicaldocuments/frus1958–60v17/d22.

[32] Kenneth Conboy and James Morrison, *Feet to the Fire: CIA Covert Operations in Indonesia, 1957–1958* (Annapolis, MD: Naval Institute Press, 1999), 15.

[33] John Ranelagh, *The Agency: The Rise and Decline of the CIA* (New York: Simon and Schuster, 1987), 268.

Ambassador Howard P. Jones and Assistant Military Attaché Colonel George Benson. Ambassador Jones had extensive experience in Indonesia and Colonel Benson was developing significant relationships with the senior leadership of the Indonesian military.

2. Target Situation

In 1949, Indonesia was granted independence from the Netherlands. The new nation was caught between the internal regional struggles that accompany newly granted independence and the external ideological struggles that emerged following the end of World War II. The Indonesian President elected in 1955, Sukarno, was a charismatic, if not totally eccentric, individual who was able to overcome the diversity of Indonesia and rally the population to the call of independence.[34] The ability to rally the diverse Indonesian population was critical to establishing a central government. Adrian Vickers writes "Sukarno's great gift was that he could speak directly to the hearts of the people."[35] Domestically, one great challenge was being able to achieve consensus among the various political factions. In addition to Sukarno's own nationalist party, there were also the communist party or PKI and a major Islamic political party called Masayumi. Furthermore, the military itself was a great political force in Indonesia since the fight for independence. Another major factor in creating a central government for Indonesia was allowing some amount of autonomy in the outer islands, specifically to the military leaders in those areas.

Two of the primary internal and external political concerns of the Sukarno government were pushing its claim for West New Guinea in the UN and establishing a strong national military. The Dutch had retained control of West New Guinea after losing the war for the greater Indonesia in 1949, and since that time Indonesia had been fighting, politically, for sovereignty over West New Guinea. This was one issue on which the entirety of the Indonesian leadership agreed, largely because it was at the core of the Indonesian nationalism that had won them independence from the Dutch in the first

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[34] H. W. Brands, "The Limits of Manipulation: How the United States Didn't Topple Sukarno," *The Journal of American History* 76, no. 3 (December, 1983, 1989): 789.

[35] Adrian Vickers, *A History of Modern Indonesia* (Cambridge, UK: Cambridge University Press, 2005), 115.

place.[36] The issue of the military was not one of size, but lack of modern weaponry and training. The post-revolutionary Indonesian military was nearly half a million strong, but had inconsistent training from both the Dutch and Japanese and lacked weapons, vehicles and the requisite repair parts for both.

By late 1957, Sukarno had implemented a policy of rotating military leaders between the previously autonomous regions. These military leaders would be selected by the central government in Jakarta. This was an initiative to neutralize local autonomy from the outer islands and centralize power in Jakarta. This policy was supported by the Army Chief of Staff, General Nasution. Harold Crouch clarifies the thin line between the Indonesian military and civilian leadership in Indonesian politics. He states that the Indonesian Army in 1949 "formally accepted the principle of civilian supremacy, and its officers assumed a role on the edge of political life."[37] After the successful revolution against Dutch imperialism, the Indonesian Army consisted of nearly 500,000 soldiers, both regular and irregular who were either trained by the Japanese during WWII or the Dutch Army during its imperial rule. In 1950, Army Chief of Staff Colonel Abdul Haris Nasution attempted to implement a plan to provide structure to the massive military force and cut its active numbers down from a half million to 57,000 troops. The commanders of these militias and other units were held in great esteem in their local areas and could sway the population's support. Kahin and Kahin state that "A significant proportion of the Japanese-trained and indoctrinated group (of officers) felt that the army should have a major voice in politics."[38]

3.   Surrogate Situation

The significant reduction in military personnel created unrest within the ranks from top to bottom, and reduced outer island autonomy. These issues incited several active duty colonels to rebel against the central government in Jakarta with the intent of

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[36] Kahin and Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia,* 45.

[37] Harold Crouch, *The Army and Politics in Indonesia*, Revised ed. (Ithaca, NY: Cornell University Press, 1978), 24.

[38] Kahin and Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia,* 46.

wresting back regional power from the central government. These colonels also gained support from a large number of militias that were disgruntled after contributing to the revolution and then being excluded from the establishment of the TNI (the Indonesian National Army). The two significant rebellions were Piagam Perjuangan Semesta Alam (Permesta) and the Pemerintah Revolusioner Republik Indonesia (PRRI), led by colonels Sumual and Simbolon, respectively.

The leadership of both Permesta and the PRRI held anticommunist sentiment, but this sentiment was not common to the populations that the groups represented. The planners at the CIA determined to use these two resistance movements in their effort to coerce the Sukarno government, and in January 1958 inserted an agency officer and a radioman to act as a direct liaison to the rebels in Sumatra.[39]

The island of Sumatra is of strategic importance to Indonesia, as it sits along the Malacca Strait, which borders both Malaysia and Singapore. Therefore, Sumatran leaders had leverage in maintaining some autonomy while the government hub was located in Jakarta. After the Dutch colonialists left, the Tentara National Indonesia (TNI) national military was created and Sumatra was separated into two military regions. The northern and southern regions were headquartered at Medan and Palembang, respectively. Sumatra is ethnically complex. The major ethnicities represented are the Achenese, Batak, Javanese, Malay, and Chinese. The Batak are the largest group in East Sumatra where the main city of Medan is located. The Batak are primarily Muslim with a minority of Christians to the north.[40]

On 2 March 1957, Permesta was formed by Lieutenant Colonel Sumual and his senior military staff on Sulawesi in the southern city of Makassar. Sumual was widely respected and considered an intellectual rising power in the Indonesian Army. He also believed in greater regional autonomy for Indonesia, both politically and economically. Permesta issued a declaration to the central government in Jakarta demanding more military, economic and political autonomy, and emphasized that their intent was not to

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[39] Ibid.

[40] John R. W. Smail, "The Military Politics of North Sumatra December 1956–October 1957," *Indonesia*, no. 6 (October 1968, 1968): 132.

separate from the Indonesian state. Not only is the physical distance from Jakarta an issue for Sulawesi, but the population of Sulawesi had developed a good relationship with the European colonialists and were not as active in supporting the war for independence a decade earlier as was other parts of the archipelago. [41] Due to the strategic importance of Sumatra, the rebels on Sulawesi gained significance after aligning themselves with Colonel Simbolon and the PRRI.

On 16 December 1956, Permesta and the PRRI together signed a petition against the government in Jakarta. Sumual's movement, Permesta, was also consolidated under the PRRI without his consent while he was in Manila conducting meetings with the CIA. The dissatisfaction of these military officers was threefold. First, was the personal relations and politics within the Indonesian Army officers. Second, dissatisfaction stemmed from the reduction in military troop strength and budget. The officers in both Sumatra and Sulawesi had turned to smuggling copra and rubber, respectively, in order to maintain their units. Finally, was the perception of ethnic consolidation of power by the Sukarno government.

The PRRI was led by Colonel Maludin Simbolon, a highly respected military leader and diplomat, who at the time was the territorial commander of North Sumatra. He had become well known for his military leadership during the revolution and his diplomatic skill after the revolution in negotiations with the Dutch as well as dealing with the growing foreign diplomatic representation in the northern city of Medan. He was also well known and respected for his public opposition to the Sukarno government and its policies regarding usurping of power from the regional commanders. Following the Indonesian elections of 1955 Colonel Simbolon was a candidate to challenge Colonel Nasution for the position of army chief of staff.[42] Colonel Simbolon was a Batak Christian, which did create some challenges for him representing the largely Muslim population of Sumatra. In Sumatra, there was an increased amount of discontent with the Jakarta government after the resignation of Vice President Hatta, an Acehnese Muslim who supported greater regional autonomy. This, in conjunction with the new policy of

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[41] Conboy and Morrison, *Feet to the Fire: CIA Covert Operations in Indonesia, 1957–1958,* 10.

[42] Smail, *The Military Politics of North Sumatra December 1956–October 1957,* 133.

rotating military commanders sent from Jakarta, was enough to create serious public support for the dissident military officers. On 22 December 1956, Colonel Simbolon "announced he was no longer taking orders from the central government."[43]

The rebels initially attempted to buy weapons on their own from multiple nations, with limited success. Once the CIA joined their cause, they found multiple countries willing sell weapons to them from Taiwan to England. The Philippines also became involved in supporting the rebels with both equipment and personnel. The CIA provided aircraft and anti-aircraft weapons to the rebels in an attempt to replicate the elements of success experienced in Guatemala earlier in the decade.[44] Those successes included a covert air capability that was entirely supplied, supported and manned by the agency. In Indonesia, the effort included acquiring airfields that would support the P-51 Mustangs and the B-26 bombers. The pilots would come from both the U.S. and the Philippines.

The growing rebellion quickly gained attention in Jakarta. In February 1958, the rebellious Colonels gave Jakarta an ultimatum to return a certain amount of autonomy to the regions or they would seek independence. Unfortunately this ultimatum was made without the consent of Lieutenant Colonel Sumual who was in Hong Kong at the time and was unaware that an ultimatum was being made on his behalf.

Jakarta received the ultimatum and allowed the date to pass without a response. Sukarno instructed his chief of the Army, Colonel Nasution, to make preparations for the Indonesian Army to subdue the rebellion. The Indonesian military initiated operations to retake the contested areas of Sumatra with Naval landing crafts and several battalions of soldiers. These efforts were supported by the Indonesian Air Force, with bombing raids on the rebel airfields and aircraft conducting search and destroy missions against rebel aircraft. On 18 May 1956, a CIA pilot was shot down by Indonesian forces and captured with documentation identifying him as a CIA contractor.[45] Subsequently, the rebellion was severely diminished, which led the CIA to cease its support to the rebels.

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[43] Conboy and Morrison, *Feet to the Fire: CIA Covert Operations in Indonesia, 1957–1958,* 7.

[44] Ibid.

[45] Ibid.; Kahin and Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia.*

Back in Washington, Eisenhower and the Dulles brothers began deliberations about the future of the covert operations. Secretary of State Dulles determined that the only option was to abandon support for the rebels and support the anticommunist elements within the Indonesian government. Allen Dulles, director of the CIA, had to deal with the fallout of one of his people being detained in a foreign country and the domestic and international scrutiny that was sure to follow.[46]

C.   ANALYSIS

Below, we will provide an initial analysis of this case through the lens of our main hypothesis. Following that we will examine this case based upon the four supporting hypotheses.

1.   Through the Lens of the Hypotheses

The following analysis examines the Indonesian case study through the thesis hypothesis that is: Indirect coercion will be a more viable policy option for political and military decision makers if there is a better understanding of the conditions that can make indirect coercion successful. There were several key issues that affected U.S. priorities and objectives pertaining to relations with Indonesia prior to late 1957. The first was encouraging and supporting the emergence of Indonesia as a democratic nation in Southeast Asia. The second was to maintain good economic relations with Indonesia due to the oil and rubber resources that Indonesia controls, which would be critical resources in the event of another global or regional war. The third was to remain neutral in the negotiations between the Netherlands and Indonesia with respect to Indonesia's claim to West New Guinea, while exploring potential solutions that would satisfy all parties. The primary objective of the U.S. government in 1955, according to NSC document 5518, with respect to Indonesia was "to prevent Indonesia from passing into the Communist orbit…and to assist Indonesia to develop a stable, free government with the will and

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[46] Ibid.

ability to resist communism within and without."[47] The stated objectives do not suggest that promoting democracy was a priority; the only priority was to ensure that Indonesia did not become communist or become significantly influenced by internal communist elements. This priority does not change throughout 1957; the only change is the intensity with which the recommended courses of action are addressed in the official communications.

In this case, indirect coercion was the chosen policy option. The resulting operations ultimately failed due to poor surrogate analysis, inadequate use of inducements, and exposure of covert operations. The following sections will analyze the case through each of the sub-hypotheses.

2.   Supporting Hypothesis 1

The efforts by the CIA to target a surrogate to assist in achieving U.S. goals and priorities were significantly hampered by unclear goals as well as unclear preferred courses of action to achieve the goals established by the Eisenhower administration. The understood goals were to influence the Sukarno government to abandon its neutrality policy and to reduce the influence of the PKI on the government. Additionally, the surrogate targeting was ineffective due to a predetermined strategy developed at the executive level and lack of attention paid to the U.S. elements located at the U.S. embassy in Jakarta with access to the most credible information about the situation there.[48] The single biggest impediment to achieving the desired goals was that the U.S. targeted a surrogate that did not share the same or even similar goals. The rebel colonels that led Permesta and the PRRI were anticommunist, but so were the leaders of the Indonesian Army in Jakarta.[49] The goal of the rebels was to coerce the Sukarno

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[47] "Document 95–Foreign Relations of the United States, 1955–1957, Southeast Asia, Volume XXII–Historical Documents–Office of the Historian," Accessed January 6, 2014, http://history.state.gov/historicaldocuments/frus1955–57v22/d95.

[48] Kahin and Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia,* 85.

[49] Bryan Evans, "The Influence of the United States Army on the Development of the Indonesian Army(1954–1964)," *Indonesia*, no. 47 (April 1989,), 25.

government to restore political and economic autonomy to the outer-island regions of Indonesia.

NSC document 5518 clearly states that the objective of U.S. relations with Indonesia was "to assist Indonesia to develop a stable, free government with the will and ability to resist Communism from within and without." This goal from the 1955 document is not changed significantly by the 1957 document, which states "continue the present pattern of our formal relationships…but so to adjust…to give greater emphasis to support of the anticommunist forces in the outer islands."[50] The support provided to the rebels does not coincide with developing a stable government, on the contrary that support is very specifically given in order to destabilize the government.

U.S. elements working in the Embassy in Jakarta were not in favor of supporting the rebels as a method to reduce communist influence. Colonel George Benson was an assistant to the Military Attaché in the embassy in Jakarta from 1956 to 1959. During this time he had developed strong relationships with the leadership of the Indonesian Army, specifically Generals Nasution and Yani. Colonel Benson's reports to Washington stated that "the rebellion was not one of non-Communist versus Communist forces, but rather a split within the non-Communist faction in Indonesia."[51] In his book about Indonesia, Ambassador Jones relates a conversation he had with Vice President Hatta about the rebels.

> Then what has happened in Indonesia is that the anticommunist army leadership has been split. Anticommunists are fighting anticommunists. Communism is not the major issue of this dispute.
>
> "Exactly," Hatta replied.[52]

The ambassador later states "Washington policy makers had not been privy to all the facts…but had proceeded on the assumption that communism was the main issue."[53]

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[50] "Document 262–Foreign Relations of the United States, 1955–1957, Southeast Asia, Volume XXII–Historical Documents–Office of the Historian."

[51] Evans, *The Influence of the United States Army on the Development of the Indonesian Army (1954–1964)*, 29.

[52] Howard Palfrey Jones, *Indonesia: The Possible Dream*, 1st ed. (New York: Harcourt Brace Jovanovich, Inc., 1971), 118.

These examples indicate a disconnect between the actions taken to achieve U.S. goals and the information coming from U.S. sources closest to the situation.

The CIA focused on achieving something in a short period of time as a higher priority than achieving the desired goal, which would have taken more time. Therefore, the CIA partnered with the rebels that were ready, although they did not share the same goals as the U.S. government. The vast ethnic, and to a lesser extent religious, diversity of Indonesia created a very difficult problem for determining a suitable surrogate. There were clear divisions within and between the two groups, Permesta and PRRI. The initial geographic differences are clear, they were located on two large islands separated by the island of Java. Then, you have the ideological differences between the two regions, Sumatra having been crucial to supporting the revolution and Sulawesi having been more supportive of the Dutch colonialists. Within the groups, there were ethnic and religious divisions as well. Permesta was being led by a Batak Christian, while the majority of his constituency was Muslim. In a country as diverse as Indonesia, it would be almost impossible to find a surrogate that was representative of a majority of the nation, but the research did not produce evidence suggesting that analysis was done to determine the suitability of this particular surrogate to achieve U.S. strategic goals.

Conboy and Morrison, in discussing the divisions within the rebel elements, state they "were showing themselves more interested in protecting their respective home turfs than forging a united PRRI campaign."[54] This suggests that there were fractures in the rebel elements that were not being considered by the CIA in their preparation. Understanding these fractures and the motivations of all elements involved could have led to an improved understanding of leverage points to achieve U.S. goals without risking embarrassment.

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[53] Ibid.

[54] Ibid.

3. Supporting Hypothesis 2

U.S. efforts to maintain either a covert or overt nature to these operations are unclear. The U.S. interest in the political outcome in Indonesia was quite visible immediately following the conclusion of WWII, as our tanks and uniforms were being used by Dutch troops responding to the revolution and quickly identified by the Indonesians. This overt support to the Dutch in their efforts to maintain colonial control of the archipelago did not sit well with the Indonesians, and may have been the beginning of anti-American sentiment. [55]

Several years later, the efforts to support the rebel groups in Indonesia were handled covertly. Specifically, the acquisition and transfer of supplies to Permesta were conducted covertly. However, the number of countries that were involved in the effort suggests limited interest in keeping the support a secret. Those countries included Taiwan, Philippines, England and Italy. Additionally, having American and Filipino pilots flying U.S. supplied aircraft displayed a clear lack of intent to maintain a true covert mission. Ambassador Jones relates a conversation he had with Indonesian Foreign Minister Sunbandrio on 15 March 1958, in which the Foreign Minister subtly suggests that the rebels are being supplied by the U.S. but never states it outright.[56] The purposeful exposure of a covert mission may be intended to alert the target state to the amount of support the surrogate is receiving in order to influence a desired response, although in the case of Indonesia the exposure of the operations gave the target state leverage in unrelated negotiations.

4. Supporting Hypothesis 3

As stated earlier, the goals of both Permesta and the PRRI were not to overthrow the central government in Jakarta; they were merely to influence Sukarno to reverse his policy on rotating regional commanders. Overthrow of the Sukarno regime was never a stated goal of the Eisenhower administration either. But the heavy handed military

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[55] Kahin and Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia,* 30.

[56] Jones, *Indonesia: The Possible Dream,* 116.

campaign pursued by the CIA through the rebel factions on the outer islands in Indonesia seemed to reflect overthrow as an underlying intent. Lacking clear goals on the part of the sponsor made it nearly impossible to determine if the surrogate elements being analyzed were within an acceptable amount of goal divergence. The goals of the two resistance groups, Permesta and PRRI, were primarily greater military, political and economic autonomy from the government in Jakarta, and not to separate from or to revolt against the existing power structure. They simply wanted greater autonomy for the outer islands of the archipelago as had existed since the independence granted in 1949. The groups were also plagued by unclear goals. One of the leading personalities in Permesta, Lieutenant Colonel Sumual, had "professed continued loyalty to the TNI hierarchy" while at the same time supporting the declaration for autonomy from Jakarta.[57] The leadership of both Permesta and the PRRI were known to be anticommunist and indicated they wanted to reduce the influence of the PKI on the decisions in Jakarta, but this sentiment does not seem to be reflected in the populations that they represented on Sumatra and Sulawesi.

In July of 1957, the PKI won many local elections, increasing their political presence not only in Java, but also on Sumatra and Sulawesi.[58] This potential schism between the leadership of the rebellions and the support base would have been a concern if thorough analysis had been done. Additionally, the Sukarno government had previously displayed its ability to resist the communist efforts in Indonesia when his government crushed the Madiun rebellion, a communist uprising on Java in November 1948.[59] Clearly, there was a disconnect between the apparent goals of the Eisenhower administration and the CIA efforts in Indonesia. This resulted in a poor analysis of the potential surrogate elements that would be best suited to assist. Some amount of convergence of stated goals must be present for the success of a partnership between a sponsor and surrogate. In this situation, the CIA undertook the endeavor without clearly

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[57] Conboy and Morrison, *Feet to the Fire: CIA Covert Operations in Indonesia, 1957–1958,* 18.

[58] "The Sukarno Years: 1950 to 1965," Accessed January 8, 2014, http://www.gimonca.com/sejarah/sejarah09.shtml.

[59] Kahin and Kahin, *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debacle in Indonesia,* 31.

identifying its goals and doing a proper assessment of the surrogate it eventually employed. Therefore, Operation HAIK was sponsor-centric, because the goals of the U.S. were primary over those of the surrogate.

5.   Supporting Hypothesis 4

Inducements in this case can be divided into two categories. Those inducements offered to the Indonesian government and those offered to the rebels. The U.S. continued to attempt to induce Sukarno and the Indonesian government with offers of economic aid and support through the embassy in Jakarta. Conversely, the CIA induced the Indonesian rebels to take action against the government by providing money, military equipment and personnel.

This "two-track" approach was by design of the policy makers in Washington, DC. The U.S. was continuing to provide the Sukarno government economic support through the U.S. embassy in Jakarta, which amounted to "$11 million in technical assistance, malaria control and police training."[60] Given that the issue of sovereignty over West New Guinea was the one issue that united all the political elements in Indonesia, $11 million to control malaria seems rather minor and inconsequential as an inducement for reducing the influence of the PKI. In his telegram to the Ambassador, Secretary Dulles refers to the $11 million as "hardly a lever of major consequence."[61]

6.   Conclusions

There are significant portions of the official documentation that are still classified. Evidence of clear strategic goals may be included in the still classified documentation. Some errors, specifically surrogate targeting, may have been foreseeable due to the fact that the CIA had taken on the charter of the OSS, and that partnering with the French Resistance was an obvious surrogate and required little, if any, analysis. In this case of coercion, the desired response was for Sukarno to abandon neutrality and decrease

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[60] "Document 338–Foreign Relations of the United States, 1955–1957, Southeast Asia, Volume XXII–Historical Documents –Office of the Historian," Accessed January 8, 2014, http://history.state.gov/historicaldocuments/frus1955–57v22/d338.

[61] Ibid.

communist influence. In terms of the balance of covert to overt operations, achieving the objective would not have been affected by Sukarno, or the international community, knowing that Permesta/PRRI was receiving support from the U.S. It would have been more beneficial for the CIA support to the rebellion to have remained truly covert if possible. The benefit of remaining covert would have been denying the Sukarno government the knowledge that both the external and internal pressures were coming from the same place. If the Eisenhower administration intended to use inducements as a source of leverage over the Sukarno government, it should have seriously considered the two issues most important to the Indonesians; their claim for West New Guinea, training and materiel support for the Indonesian military. In December 1958, Sukarno himself questioned Secretary of State Dulles about the administration decrying Indonesia's policy of neutrality in world affairs while simultaneously maintaining a position of neutrality on the West New Guinea issue.[62] Professor Zachary Shore suggests John Foster Dulles suffered from the cognition trap of "Flatview," which is an inability to recognize all the dimensions of an adversary's situation while crafting a strategy.[63] Shore was analyzing Operation AJAX, but his analysis applies to Operation HAIK equally well.

Finally, President Kennedy had the operations reviewed by a Board of Consultants on Foreign Intelligence in 1961. Their summary analysis of Operation HAIK was extremely negative. Their analysis of the goals and planning concluded by stating the operation had "no proper estimate of aims nor proper prior planning on the part of anyone, and in its active phases the operation was directed, not by the DCI, but personally by the Secretary of State, who, ten thousand miles away…undertook to make practically all decisions down to…tactical military decisions."[64] The Eisenhower administration, specifically the Dulles brothers, may have neglected to fully analyze all the potential means at their disposal to achieve the ends desired in Indonesia.

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[62] Frederick W. Marks III, *Power and Peace: The Diplomacy of John Foster Dulles* (Westport, Conneticut: Praeger Publishing, 1993), 75.

[63] Zachary Shore, *Blunder: Why Smart People make Bad Decisions* (New York: Bloomsbury, 2008), 78.

[64] Burton Hersh, *The Old Boys: The American Elite and the Origins of the CIA* (New York: Macmillan Publishing Company, 1992), 420.

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III. CHILEAN CASE STUDY

A. INTRODUCTION

The alignment of Cuba to the communist camp in the early 1960s and the ensuing Cuban Missile Crisis of 1962 solidified that the Western Hemisphere was a crucial battleground of the Cold War. In keeping with the strategies to avoid the Cold War from becoming "hot," the use of proxy wars and covert action became the primary tactics in the clash between the capitalist and communist camps to gain global supremacy. The United States used the Central Intelligence Agency (CIA) as the tool to conduct global covert action and political warfare.[65]

This chapter will examine the covert action programs utilized by the CIA in the early 1960s through the early 1970s and why the programs failed to deliver the desired end state designed to benefit the U.S. To gain a better understanding of how indirect coercion did not achieve the desired outcome in Chile, this chapter will first provide a historical overview of the covert action plans of the 1960s and early 1970s; then provide an analysis of the third party surrogates that were used by the U.S., the covert/overt balance of operations in Chile, the surrogate or sponsor-centric nature of the campaign, and the inducements that were used in the attempt to reach U.S. aims.

B. HISTORICAL OVERVIEW

The case study of Chile provides an example of the success and failure of covert action and indirect coercion spanning the Kennedy and Nixon administrations. CIA operations in Chile display success and high strategic utility accomplished through covert non-kinetic action that ensured the election of a pro-democratic government; however, a lack of persistent engagement and long-term initiatives later resulted in the election of a socialist leader aligned with Fidel Castro and the Soviet Union.

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[65] F.R. Barnett and C. Lord, *Political Warfare and Psychological Operations: Rethinking the U.S. Approach* (Washington, DC: National Defense University Press in cooperation with National Strategy Information Center), 14.

1.   Early Years of Covert Action Success

As early CIA covert action took place in Western Europe to counter communist uprisings in the years following World War II, the next decade would see Cold War battle lines encroaching on the Western Hemisphere. This encroachment was realized in 1959 when the Cuban Revolution resulted in a Soviet aligned socialist government led by Fidel Castro less than 100 miles from the United States. Following the loss of Cuba to the Soviet camp, the United States increased its efforts in the early 1960s to ensure left leaning political parties with socialist aims did not come to power in Latin America.

U.S. initiatives to deter communist expansion to Chile began under the presidency of John F. Kennedy. In 1962, President Kennedy authorized a covert political operation with the aim to influence the outcome of the upcoming 1964 Chilean election.[66] The aim of the covert actions, to be carried out by the CIA, was to ensure that Eduardo Frei, the pro-democratic Christian Democratic Party candidate, was put into office. President Kennedy and other officials within his administration considered Eduardo Frei a moderate liberal who would best serve U.S. interests in the region and achieve reforms in Chile without violent revolutions.[67] Most importantly, Eduardo Frei was a political opponent of the left leaning Salvador Allende who was a self-proclaimed Marxist with a communist following. If elected, the aims of Salvador Allende were to nationalize major industry, redistribute income through tax and land reform, and foster friendly ties with Cuba and the Soviet Bloc.[68]

With the possibility of Chile falling to communism and aligning with the Soviets, the situation was dire for the U.S. In his book, *Political Warfare and Psychological Operations*, Carnes Lord offers a definition of political warfare provided by political scientist Angelo Codevilla as "the marshaling of human support, or opposition, in order

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[66] J.J. Carter, *Covert Action as a Tool of Presidential Foreign Policy: From the Bay of Pigs to Iran-Contra* (Lewiston, NY: Edwin Mellon Press, 2006), 148.

[67] M.L. Attanasio, C. Kirwin, and M. Cohen, *Failures in Covert Operations: U.S. Involvement in Chile* (Providence, RI: Brown University, 1979), 2.

[68] Ibid., 2.

to achieve victory in war or in un-bloody conflicts as serious as war."[69] The use of political warfare would be the driving strategy behind U.S. efforts in Chile. The CIA would serve a dual role in Eduardo Frei's presidency. The first role the CIA would play would be the channeling of funds to the Christian Democratic Party to assist in election campaigns for Eduardo Frei. The second role the CIA would play would be to carry out a large-scale anticommunist propaganda campaign aimed against Marxist rival Salvador Allende. The CIA accomplished its aims of covert action through identifying and building relationships within the Christian Democrat Party and western friendly media outlets to spread pro-democratic messages to the populace.[70]

Following the assassination of President Kennedy, President Lyndon B. Johnson continued support for Eduardo Frei and the Christian Democrat Party, and the continued use of covert political operations.[71] The covert operations conducted under the Johnson administration during the 1964 campaign of Eduardo Frei consisted of financial support to the campaign and a massive anticommunist propaganda campaign. CIA financial support to the Christian Democratic Party encompassed more than half of the total cost of the campaign. Monetary support to the campaign was channeled through intermediaries such as the Chilean Radical Party and private citizens groups, who in turn passed the funds to the Christian Democratic Party to mask U.S. covert support to Eduardo Frei.[72] The massive anticommunist propaganda campaign consisted of the extensive use of the press, radio, film, pamphlets, poster, leaflets, direct mailings, and wall paintings. Propaganda messaging consisted of Soviet tanks and Cuban firing squads. In addition to portraying images of communist repression, thousands of copies of the anticommunist pastoral letter of Pope Pius XI were distributed.[73]

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[69] Barnett and Lord, *Political Warfare and Psychological Operations: Rethinking the U.S. approach*, 77.

[70] Attanasio, Kirwin and Cohen, *Failures in Covert Operations: U.S. Involvement in Chile*, 2–3.

[71] Carter*, Covert Action as a Tool of Presidential Foreign Policy: From the Bay of Pigs to Iran-Contra*, 148.

[72] U.S. Congress, *Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile, 1963–1974* (Washington, DC: U.S. Government Printing Office, 1975), 2.

[73] Ibid., 2.

To the satisfaction of the United States, Eduardo Frei would go on to win the 1964 Chilean presidential elections, preside over a pro-democratic government in Chile, and deny Fidel Castro and the Soviet Bloc an ally. To achieve this success, the U.S. Department of State (DoS) and the U.S. Agency for International Development (USAID) cooperated with the CIA to funnel up to $20 million dollars into Chile. Additionally, from 1964–1969, the CIA spent approximately $2 million dollars on 12 different covert actions projects to strengthen the Christian Democrat Party.[74] The covert action plans that were conducted from 1964–1969 consisted of anticommunist propaganda. The CIA developed assets in major Chilean media outlets to promote U.S. global interests by writing articles and editorials that criticized such events as Soviet intervention in Czechoslovakia in 1968, suppressing news harmful to the U.S. such as the Vietnam War, and criticizing the Chilean left.[75]

The Kennedy administration was able to provide the proper inducements to the Christian Democrat Party and the western friendly media outlets willing to spread their message. This incentive was President Kennedy's Alliance for Progress in Latin America. President Kennedy's program proposed $20 billion in aid to Latin American nations through USAID to promote democracy and social reforms.[76] The Alliance for Progress aid package would be the largest provided in the developing world and was designed to provide assistance in building homes, enacting land reforms, creating job, providing health care, and education.[77] Though the Alliance for Progress did achieve some success in housing, education, health care, and water purification projects; the program fell short of its desired ambitions of increased democracy through social and economic reform.[78] Following President Kennedy's assassination the program lost steam as President Johnson did not possess the same idealistic attitude and loyalty to social

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[74] Attanasio, Kirwin and Cohen, *Failures in Covert Operations: U.S. involvement in Chile,* 3.

[75] Congress, *Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile: 1963–1973,* 15.

[76] "Alliance for Progress." John F. Kennedy Presidential Library and Museum, accessed July 13, 2013, http://www.jfklibrary.org/JFK/JFK-in-History/Alliance-for-Progress.aspx. 2.

[77] Ibid., 2.

[78] David R. Sands, Chile Under Frei: The Alliance for Progress," Fletcher F. 33 (1982): 33–34.

reform in Chile that Kennedy did in the early years of the Alliance for Progress. President Johnson adopted a diplomatic stance to Chile that focused on the concern for American business interests.[79] Another factor that led to unsustainable success of the Alliance for Progress was that several Latin American nations believed this to be an example of "Yankee Imperialism" and in U.S. self-interest following the Bay of Pigs fiasco and Cuban Missile Crisis.[80]

The incentives provided through aid packages and development assistance was not enough to win over the Chilean population over the long term due to the perceived association of Eduardo Frei to U.S. interests in Chile. As U.S. aid administrators worked with members of the Christian Democratic Party to reform Chilean society by assisting poverty stricken peasants and the urban poor, U.S. aid would be criticized by Salvador Allende as an "imperialist smokescreen" to protect American investment interests. However, the Christian Democratic Party did triumph in the 1964 elections through the assistance of CIA covert action.[81] The United States was able to assist in persuading the Chilean people to elect Eduardo Frei as president despite Soviet competition working to emplace political rival Salvador Allende. Additionally, pre-existing relationships and contacts provided the CIA an advantage over the Soviet KGB, which was just beginning to develop their networks in Chile. The CIA developed assets within Chilean media organizations to disseminate anti-Soviet propaganda and spread messages that were favorable to U.S. interests.[82] In addition to contacts within the Chilean media to assist with covert propaganda campaigns, the U.S had a long standing professional relationship with Chilean military officers. U.S. military attachés and Military Group personnel attached to the Embassy numbered over 50 by the late 1960s providing assistance and training to the Chilean armed forces.[83] The Soviets first initiated contact with Salvador Allende in 1961 through the KGB political intelligence officer operating in Chile. In turn,

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[79] Ibid., 35.

[80] "Alliance for Progress," 2.

[81] Sands, Chile Under Frei: The Alliance for Progress, 35.

[82] Congress, *Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile: 1963–1973,* 14–15.

[83] Ibid., 18.

Salvador Allende became a confidential contact of the KGB keeping the Soviets informed of political matters within Chile.[84] Additionally, Soviet-Chilean diplomatic relations were not fully established until 1964 when the first legal KGB residency was stood up along with a new Soviet Embassy in Santiago.[85] The KGB may have been late in devising their covert programs to affect the 1964 Chilean elections, but the Soviets did realize that Salvador Allende received 39% of the votes in the election. With some margin of success in the election and the growing poverty rate and social injustices that emerged in Chile during the 1960s, the conditions would become ripe for communist influence.[86]

U.S. assistance through financial support would continue in Chile throughout the 1960s; however, in April 1969 CIA director Richard Helms and CIA Latin America specialists warned President Richard Nixon that if swift action was not taken, Salvador Allende would likely win the election.[87] The threat of a Soviet aligned Allende government sparked new rounds of covert action that would not yield the same positive results that occurred in the 1964 Chilean election.

2.   Track I and Track II: Shortcomings of Covert Action

Despite the fact that President Nixon feared a Soviet aligned socialist government in Chile, the warnings from the CIA of an Allende victory were not acted on.[88] As anticipated, Salvador Allende was victorious in the Chilean elections of September 1970 defeating Christian Democrat candidate Jorge Alessandri. However, Allende was elected by a slim margin and under the Chilean constitution a run-off vote would be held between Allende and Alessandri. With the run-off vote scheduled for October 24, 1970,

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[84] C.M. Andrew and V. Mitrokhin, The World was Going our Way: The KGB and the Battle for the Third World (New York: Basic Books, 2005), 69–70.

[85] Ibid., 70.

[86] Ibid., 70.

[87] Carter, Covert Action as a Tool of Presidential Foreign Policy: From the Bay of Pigs to Iran-Contra, 148.

[88] Ibid., 148.

the CIA was faced with a short time window to devise and execute a covert plan to block Salvador Allende from taking the presidency.[89]

An exasperated President Nixon called for an emergency secret meeting with National Security Advisor Henry Kissinger, CIA director Richard Helms, and Attorney General John Mitchell to demand CIA covert action to prevent an Allende victory. President Nixon did not want a nation in the Western Hemisphere falling into the socialist sphere on his watch and believed that a communist Chile coupled with Cuba would turn Latin America into a "red sandwich."[90] In response to the president's demands, the CIA devised a two track plan to keep Chile from falling into the communist sphere. Track I consisted of political maneuvers to persuade the Chilean congress to prevent the election of Allende, and Track II would consist of setting the conditions for a military coup should Track I not succeed. CIA director Richard Helms was authorized by President Nixon to share information pertaining to Track I with select individuals from the Departments of State and Defense; however, Track II would be far more secretive and only discussed among those who would be directly involved in the operations.[91]

Track I consisted of political action designed to return Eduardo Frei to power despite having already served his constitutional term as president. The "Frei re-election gambit" plan called for Eduardo Frei to respond to the people's call for him to further serve Chile and accept the presidency should fellow Christian Democrat Jorge Alessandri prevail in the congressional run-off election. The gambit to re-elect Frei as president was based upon inducing enough votes within the Chilean Congress to elect Allesandri over Allende followed by the immediate resignation of Allesandri.[92] The political action of Track I provided a constitutional solution to defeat Allende and recognize Frei as a legal

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[89] Ibid., 148–149.

[90] J. Prados, Presidents' Secret Wars: CIA and Pentagon Covert Operations since World War II (New York: W. Morrow, 1986), 317.

[91] Carter, Covert Action as a Tool of Presidential Foreign Policy: From the Bay of Pigs to Iran-Contra, 148–149.

[92] Congress, Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile: 1963–1973, 60.

candidate in the election.[93] On September 28, 1970, less than a month before the run-off election, the CIA reported to Henry Kissinger that there were 15 "journalist agents" in Chile to shape the public's support to return Eduardo Frei to power.[94] However, the devised political maneuvering of Track I was unsuccessful due to Eduardo Frei's opposition to undermine the Chilean constitution by seeking a second consecutive presidential term after serving the mandated six-year term. Inevitably Salvador Allende was declared the winner of the 1970 Chilean presidential election. Many within the CIA believed that Track I could have been successful if there was more time to shape and influence both public opinion and Eduardo Frei.[95]

The second phase of covert actions was put into motion after the failure of Track I. The secretive special Chilean Task Force set up in Langley and responsible for Track II bypassed the CIA station in Santiago. This task force sent four deep cover agents into Chile to manage covert direct action.[96] Immediately, CIA agents inside Chile came to the realization that a military coup in Chile would be difficult due to the professional nature of military officers and their respect for the constitution. Additionally, Salvador Allende had secured support from the Non-Commissioned Officers within the Chilean armed forces and most importantly had the support of Commander and Chief of the Army, General Rene Schneider.[97] The best course of action available to CIA operatives in Chile was to recruit Chilean military officers who were in the minority and were not loyal to the constitution nor President Salvador Allende.

A plan was devised just prior to the run-off election to kidnap General Rene Schneider and make it appear that pro-Allende leftists carried out the action to instigate opposition to Salvador Allende from within the military.[98] The CIA offered a $50,000

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[93] Ibid., 60.

[94] Carter, Covert Action as a Tool of Presidential Foreign Policy: From the Bay of Pigs to Iran-Contra, 149.

[95] Ibid., 149–150.

[96] Prados, *Presidents Secret Wars: CIA and Pentagon Covert Operations since World War II,* 318.

[97] Carter, *Covert Action as a Tool of Presidential Foreign Policy: From the Bay of Pigs to Iran-Contra,* 150.

[98] Ibid., 150.

reward to recruit military officers who would be willing to carry out such an operation. Additionally, U.S. military attaches working in Chile put the CIA in contact with the Patria Y Liberdad Party whose members consisted of pro-fascist military officers, businessmen, and government officials.[99] Chilean Army General Roberto Viaux from the Liberdad and Patria Party was willing to attempt the kidnapping of General Rene Schneider if the U.S. would support him. In mid-October of 1970, Viaux briefed his plan to a CIA contact and requested weapons and explosives to carry out the kidnapping.[100] On October 22, 1970, General Rene Schneider was killed in the botched kidnapping attempt. CIA historians suggest that a cable was sent on October 14, 1970 to inform General Roberto Viaux to refrain from carrying out the kidnapping due to its high probability of failure in preventing Allende from taking the presidency.[101] Evidence from the 1975 Church Commission hearings against the CIA indicate that CIA operatives retrieved and disposed of the weapons used in the attempted kidnapping of General Rene Schneider, and money was delivered to the jailed members of the Patria and Liberdad following their capture.[102]

In addition to undermining the political neutrality of Chilean military officers, the CIA also worked to turn the country's middle class against Allende. Over $7.5 million dollars was funneled into Chile from 1971–73 for covert action. Funds were moved through the CIA friendly Chilean newspaper, "El Mercurio" to invigorate further opposition to Allende.[103] In the fall of 1972, a strike by a truckers union initiated a series of national strikes that grinded all transportation in Chile to a halt for months. However, prolonged labor strikes would prove ineffective since they directly impacted the livelihood of truckers.[104]

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[99] Ibid., 150.

[100] Ibid., 150–151.

[101] Ibid., 151.

[102] Ibid., 150.

[103] Prados, *Presidents Secret Wars: CIA and Pentagon Covert Operations since World War II,* 319.

[104] Ibid., 319.

The first attempt for a military coup took place in June of 1973 but was put down by loyalist military forces.[105] Staff General Carlos Prats, who led the failed coup, was replaced by General Augusto Pinochet for future plotting against Salvador Allende. On September 11, 1973 a successful military coup in Chile finally occurred resulting in the death of Salvador Allende under mysterious conditions and General Augusto Pinochet seizing power. The final blow in ending Salvador Allendes presidency came as military units garrisoned in the capital city of Santiago under the leadership of General Camilo Valenzuela seized the presidential palace.[106] The United States claims that it was not directly involved in the 1973 coup and that the CIA station in Chile was instructed to avoid contact with the Chilean military to distance U.S. ties with the coup.[107] To the satisfaction of the United States, the presidency of Salvador Allende came to an end. However, the fall of Allende resulted in a ruthless military junta under Augusto Pinochet that would last 17 years. This brutal period of rule would be marred by human rights violations and state sponsored assassinations against political enemies occurring from Buenos Aires to Washington, DC.[108]

3.   Inevitable Failure

The failure of covert action in Chile during the Cold War years provides a grim reminder of the second-/ and third-order effects of not maintaining adequate presence and not being patient and persistent within a targeted nation to achieve durable results. With Salvador Allende appearing as the frontrunner in the 1970 Chilean elections, the CIA did not have the ability to properly develop a realistic plan of action. The initial objective of the United States was to rely on politically centered parties. However, due to the urgency of the situation, U.S. military attaches and the CIA contacted and supported radical right wing groups such as the Patria and Liberdad with less than favorable results. Former OSS operative and CIA director William Colby wrote that the proper use of covert action is to

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[105] Ibid., 320.

[106] Carter, *Covert Action as a Tool of Presidential Foreign Policy: From the Bay of Pigs to Iran-Contra*, 151.

[107] W.E. Colby and P. Forbath, *Honorable Men: My Life in the CIA* (New York: Simon and Shuster, 1978), 305.

[108] Prados, *Presidents Secret Wars: CIA and Pentagon Covert Operations since World War II*, 321.

understand its benefit in a careful and long-term fashion. Colby also explains the need to support local leaders and groups in accomplishing their aims. Utilizing covert action to support a cause or a group will in turn prove more beneficial in the long term than covert action that is aimed directly against an adversary.[109]

C.   ANALYSIS

The below analysis will examine the Chilean case study through the lens of the main hypothesis. The Chilean case study will then be examined through the lens of the four supporting hypotheses.

1.   Chile Case through the Lens of the Hypotheses

The Chilean case study will be examined under the thesis hypothesis that Indirect coercion will be a more viable policy option for political and military decision makers if there is a better understanding of the conditions that can make indirect coercion successful. When viewed through this hypothetical lens, the case of Chile provides insight into the contrasting conditions that existed during the 1964 and 1970 presidential elections. Sub-hypothesis 1a: A deliberate process of identifying potential surrogates based on their population penetration and compatible goals increases the success of an indirect coercion campaign, as demonstrated by the success of the Christian Democratic Party under Eduardo Frei achieving victory in the 1964 election. Leading up to the 1964 election, the U.S. played a vital role in supporting the Christian Democratic Party through financial means as well as identifying groups and organizations that represented the various socio-economic classes of Chile to champion the cause of the Christian Democratic Party.[110] However, the inability of the U.S. to identify a viable candidate to support in the 1970 election and the lack of identifying surrogates with the similar goal of blocking the election of a socialist candidate factored into the victory of Salvador Allende.

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[109] Colby and Forbath, *Honorable Men: My Life in the CIA*, 306.

[110] Congress, *Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chil*e: 1963–1973, 18–19.

The analysis of the case when viewed through sub-hypothesis 1b: A coercion campaign that is surrogate-centric, rather than sponsor-centric, is more likely to achieve the intended goals and less likely to be viewed as illegitimate in the target country; is another factor that played into favorable results for the U.S. in the 1964 election as opposed to the 1970 election. With Salvador Allende as the front runner in the 1970 election, multi-national corporations such as ITT and the copper industry in Chile provided funding and assistance to the CIA to deter the election of a leftist leader.[111] Unlike the 1964 election, the U.S. placed a larger emphasis on protecting business interests in Chile than on the wellbeing of the Chilean people.

Hypothesis 1c: The success of a campaign of indirect coercion is not directly influenced by the covert or overt nature of the operations conducted under the overarching campaign; is viewed in terms of the covert/overt balance that occurred during the 1964 and 1970 Chilean elections. The 1964 elections witnessed a more balanced approach taken by the U.S. in regards to such covert activities as black propaganda and funding Western friendly media outlets and overt activities such as open support to the Christian Democratic Party through foreign aid packages. The Nixon administration focused primarily on covert activities to prevent the election of Salvador Allende in 1970 with little emphasis on overt activities.

The factor of inducements is analyzed under hypothesis 1d: Positive inducements coupled with indirect coercion may maximize the utility of both in political warfare based on analysis of target vulnerabilities; to provide further understanding of the positive U.S. outcome to the 1964 Chilean election to that of the failure of the 1970 election. Prior to the 1964 election foreign aid packages created under President Kennedy provided the positive inducements for the Christian Democratic Party; however, positive inducements were not a major emphasis for the Nixon administration leading up to the 1970 elections. Though extensive covert operations were utilized in support of both the 1964 and 1970 elections, the complimenting factor of positive inducements proved to be of higher utility in the success of the 1964 election.

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[111] Ibid., 23–25.

2.   Supporting Hypothesis 1

The lack of effectiveness produced by Track I and Track II was due to the CIA focusing efforts and resources to block Allende's election rather than fully supporting a rival candidate. The only political group that received CIA funding during the 1970 election was a right-wing splinter group of the Radical Party. The focus of this funding was not to support the party or their candidate, but to reduce the number of Radical Party votes for Allende. The lack of support to a specific candidate proved detrimental to the outcome of the 1970 election in contrast to the success that was achieved in the exclusive support to Eduardo Frei and the Christian Democrats during the 1964 election.

Initial U.S. efforts to use third party surrogates to affect the political balance in Chile resulted in the favorable election of Eduardo Frei in 1964. This success was due in part to the U.S. keeping with its original goal in Chile to only back political parties whose support base fell in the political center and avoid extreme right leaning parties. Covert funding and support to the Christian Democratic Party proved to be the most effective tool to achieve U.S. interests in Chile and avoid the emplacement of a socialist government that would align with the Cuban/Soviet camp.

With a political ally in Eduardo Frei and the Christian Democratic Party, a group was in power to ensure U.S. interests in Chile were largely met. However, this political ally would soon be out of power by 1970 and drastic efforts were made to recruit third party surrogates that could tip the scales back to the favor of the U.S. When examining the decision of the U.S. to recruit disgruntled military officers belonging to the right wing Patria and Liberdad party to stage a coup against the newly elected socialist president Salvador Allende, it is evident that this decision was made out of desperation and was the wrong choice due to the trading of a socialist president for fascist rule that would follow via a successful coup.[112] Additionally, using truck drivers and other unionized labor groups in attempts to halt Chilean transportation provided only temporary disruption. Private sector groups that received CIA funding supported strikers as Chilean truckers'

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[112] Carter, *Covert Action as a Tool of Presidential Foreign Policy: From the Bay of Pigs to Iran-Contra,* 150.

unions did not have the funds to maintain strikes that lasted several months.[113] However, a transportation stoppage was not capable of altering the political situation in Chile. The chaos that was produced by strikes resulting in transportation shortages were not sustainable over the long term and Allende's Popular Unity Front was still able to gain eight more seats in the Chilean Congress during the March 1973 elections.[114]

Chilean-American academic and Georgetown University professor Arturo Valenzuela writes that reaching U.S. goals and interests in Chile through the use of third party surrogates would have best been accomplished through leveraging the Chilean bureaucratic system to influence political policies. The bureaucratic system that ran Chile, which included the Chilean court system, was independent of the government therefore not under the direct control of Socialist President Salvador Allende. During the period that encompassed the presidency of Salvador Allende approximately 40% of Chilean public employees worked for 50 semiautonomous bureaus.[115] Additionally, the Chilean upper class who occupied many of these positions in the bureaucracy was not as ideologically driven. The CIA made attempts from 1964–1966 to develop contacts within the Chilean Socialist Party and Foreign Ministry and in 1968 developed an asset who was a Minister within the President's Cabinet in an effort to influence policy.[116] Though the CIA made efforts to develop assets within Chilean bureaucracy's to influence policy during the 1960s, no evidence indicates that there were any attempts made in the political maneuvering of Track I following the 1970 election.

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[113] Congress, *Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile: 1963–1973*, 77.

[114] Prados, *Presidents Secret Wars: CIA and Pentagon Covert Operations since World War II,* 319.

[115] A. Valenzuela and J.S. Valenzuela, *Chile: Politics and Society* (New Brunswick, NJ: Transaction Books, 1976), 17–19.

[116] Congress, *Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile: 1963–1973,* 17.

Another aspect that was part of the CIA political action program for the 1964 election that was not replicated for the 1970 election was the leveraging of organized groups outside of government institutions.[117] In efforts to influence the outcome of the 1964 election the CIA targeted various groups that included university student organizations, women's organizations, democratic labor unions, and peasants to garner support from all aspects of Chilean society.[118] The targeting of various surrogate groups that represented Chilean society in support of a single candidate resulted in a favorable outcome in the 1964 election. The Nixon administration and the political action associated with Track I did not support any specific candidate, thus severely limiting the ability to target various facets of society to gain influence for a favorable candidate.[119] The CIA recommended in April of 1969 that an election operation needed to be initiated early in order to effect the upcoming 1970 election; however, no further action was taken by the 40 Committee, whose role was to oversee the covert activities associated with Track I.[120] The failure of Track I and lack of a protracted political action campaign led to a frantic rush to hastily recruit readily available surrogates following the 1970 election of Salvador Allende.

3.   Supporting Hypothesis 2

The covert/overt balance that characterized the U.S. involvement in Chile during the Kennedy administration produced limited short duration success. However, the covert actions undertaken by the Nixon administration to influence the outcome of the 1970 Chilean presidential election was a complete failure. Examining of the case of Chile during the period of the 1960s through early 1970s illustrates that a covert/overt balance was necessary in achieving success in a coercion campaign. Covert action proved to be crucial in undermining communist influence in Chile; however, overt support to political parties opposing Salvador Allende was just as critical to prevent Chile from falling into the communist camp.

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[117] Ibid., 17.

[118] Ibid., 18.

[119] Ibid., 51.

[120] Ibid., 52.

Prior to the 1964 Chilean election the administration of President John F. Kennedy enacted a plan for Chile that blended both covert action as well as overt programs to dissuade the people of Chile from siding with Cuba and the Soviet Union. The looming fear of the nationalization of the copper industry compelled President Kennedy to support Chilean presidential candidate Eduardo Frei.[121] The CIA financed a "scare campaign" using such materials as films, posters, leaflets and wall paintings that depicted Soviet tanks and Cuban firing squads as a stark reminder of the brutality of communism. Additionally, the CIA conducted disinformation and black propaganda campaigns by spreading false stories in an attempt to turn Chilean socialists and communists against each other.[122] Though covert action was an important factor to the Kennedy administration's overall strategy in Chile, it was balanced by the overt support to the moderate Christian Democratic Party and negotiations to maintain U.S. business interests in Chile. The CIA provided covert support to overt activities in support of Frei's presidential campaign. CIA contacts provided election support through voter registration drives, campaigning in both urban and rural areas, and coordinating the arrangement of Italian Christian Democratic organizers to advise Frei on campaign techniques.[123] Parallel to covert activities implemented through the CIA was the overt support to the Chilean government in the form of foreign aid loans.[124]

In a January 3, 1964, memorandum from the Joseph C. King, who served as the Chief of the Western Hemisphere Division, he wrote to CIA director John A. McCone explaining the tight security involved in keeping Eduardo Frei unwitting to being aided by the U.S. government and that major financial assistance his campaign was being "provided by his friends" instead of the U.S. government through covert funding. Additionally, on May 1, 1964, Thomas C. Mann who served as the Assistant Secretary of State for Inter-American Affairs, wrote to Secretary of State Dean Rusk explaining that

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[121] S.G. Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communist Revolution in Latin America* (Chapel Hill: University of North Carolina Press, 1999), 113.

[122] Ibid., 113–116.

[123] U.S. State Department, *Document 245-Selected Documents on the 1964 Election in Chile from Foreign Relations 1964–1968* (Washington, DC: State Department Office of the Historian).

[124] Ibid.

"extraordinary caution is observed in this action campaign to conceal official U.S. government interest," and the need to avoid "undue risks or excessive American involvement." The effectiveness of limiting direct U.S. involvement in the 1964 Chilean election allowed Frei to win the election by a clear majority by organizing support at the village level by avoiding the appearance of a candidate acting solely on behalf of U.S. interests.

By the late 1960s when then CIA director Richard Helms came to the realization that Chile would soon be under the presidency of Salvador Allende, there was an immediate sense of urgency to sway the outcome of the upcoming Chilean election. President Richard Nixon authorized a series of covert action in Chile to tip the balance against any further communist expansion in Latin America. Unlike President Kennedy, the Nixon administration focused primarily on a covert strategy. The plan did not yield the desired outcome and ultimately resulted in a military coup and the dictatorship of Augusto Pinochet. The Nixon administration, like many other presidential administrations, leaned heavily on the CIA in times of crisis to conduct covert action in complex situations.[125] The heavy reliance on the use of covert action prevented the Nixon administration from exploring the use of overt measures in support to a specific political party or candidate to counter the election Salvador Allende. Additionally, the Nixon administration placed little emphasis on the overt action of political inducements to alter the 1970 Chilean election. The use of positive inducements against an adversary may provide the opportunity for new interests and preferences towards economic possibilities and addressing social needs, thus resulting in the conduct desired of the adversary.[126]

Both CIA officials and the Soviet KGB that were working in Chile at the time of the election of Salvador Allende both provided feedback that an entirely covert campaign was the wrong approach. As previously stated, the KGB could not comprehend why the U.S. primarily focused on covert action and not in supporting a democratic candidate

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[125] G. F. Treverton, *Covert Action: The Limits of Intervention in the Postwar World* (New York: Basic Books, 1987), 102–107.

[126] Miroslav Nincic, "Getting What You Want: Positive Inducements in International Relations," *International Security* 35, no. 1 (2010), 147–149.

more conducive to U.S. goals and aims in Chile.[127] This failure in finding an equilibrium in the balance of covert and overt operations in turn diminished the ability of the U.S. to conduct a successful campaign through a third party that could have long-term influence in keeping Chile from joining the communist camp.

4.   Supporting Hypothesis 3

U.S. covert involvement in support of the 1964 Chilean election provides an example of maintaining a surrogate-centric campaign to achieve the desired outcome. In contrast, the Track I political action program initiated by the Nixon administration in support of the 1970 election placed higher emphasis on the sponsor than the surrogates.

The political pressure from the Nixon administration on the CIA to initiate new rounds of covert action in Chile in 1969 through the early 1970s stems from the economic situation Chile was experiencing. With a deteriorating economy, Salvador Allende's Unidad Popular party gained favor among the Chilean population. With the socialist takeover of the Chilean government the U.S. came under pressure by stakeholders such as the U.S. copper industry and ITT (International Telephone and Telegraph) to protect American property in Chile.[128] The role of U.S. multi-national corporations with business interests in Chile would play a more prominent role in the 1970 election than in 1964.

Prior to the 1964 Chilean election, representatives from multi-national corporations approached the CIA to offer assistance that would in turn benefit U.S. economic interests. Members of multi-national corporations were able to offer information to the CIA due to their extensive travel, knowledge, and contacts within Chile; however, financial funding was not accepted by the CIA in support of the Christian Democratic Party 1964 campaign.[129] The 303 Committee, which was a subcommittee of the National Security Council came to the agreement that financial

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[127] Andrew and Mitrokhin, *The World was Going our Way: The KGB and the Battle for the Third World*, 71–72.

[128] Valenzuela and Valenzuela, *Chile: Politics and Society*, 348.

[129] Congress, *Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile: 1963–1973*, 23.

funding from American business could not be utilized as it was an unsecure method of channeling funds and "not an honorable way of doing business."[130] The channeling of funds to the Christian Democratic Party by the CIA was conducted in a manner that reduced the appearance of Frei being backed by American business interests and maintaining a surrogate-centric campaign.

The precedent set during the 1964 election of not accepting financial funding from private business would be altered during the 1970 election. Multi-national corporations that feared the nationalization of industry created a greater link with the CIA in opposition to Salvador Allende. Unlike the refusal of funding from multi-national corporations in the 1964 election to maintain a surrogate-centric nature of the campaign, the CIA encouraged ITT to assist in the 1970 election in a "more active way."[131]

5.   Supporting Hypothesis 4

The initiation of President Kennedy's Alliance for Progress in Latin America was an attempt to provide the necessary inducements to keep Chile out of the Soviet/Cuban sphere of influence and maintain favorable terms with the United States. During the early 1960s, the U.S. attempted to make Chile a "showcase" for the Alliance of Progress. Economic inducements from 1962–1969 consisted of over a billion dollars in direct U.S. aid, loans, and grants, thus making Chile the largest recipient of aid per capita than any other nation in Latin America.[132] The short lived success of the Alliance for Progress in Chile was overshadowed by Eduardo Frei and the Christian Democrats slow pace of implementing policies designed for long-term economic growth and development.[133]

As the social and economic conditions deteriorated during the presidency of Frei in the late 1960s, no additional initiatives were established to provide large-scale foreign aid to Chile. The idealistic nature of the Alliance for Progress program initiated by

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[130] Ibid., 44.

[131] Ibid., 26–27.

[132] Ibid., 8.

[133] Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communist Revolution in Latin America*, 115.

President Kennedy began to waver following his death in 1963 due to President Johnson's growing lack of interest in social reform in Latin America.[134]

In 1969, the Nixon administration introduced a new economic strategy in Chile that would focus on trade opposed to aid under the Alliance for Progress.[135] Nixon viewed this approach as more rational than the idealistic approach that Kennedy had in initiating reform in Chile through aid. Nixon's economic plan was based upon dealing with Latin American nations as part of a "mature partnership" opposed to the "paternalistic" nature of Kennedy's Alliance for Progress.[136] When faced with the growing realization that Allende would be victorious in the 1970 election the economic policies implemented by the U.S. during the Track I and II timeframe did little to affect the Chilean economy. In a September 15, 1970, meeting between CIA director Richard Helms and President Nixon, Helms was given the instructions to "make the economy scream;" additionally, a week following the meeting between Helms and Nixon, Chilean Ambassador Edward M. Korry informed Frei that under Allende "not a nut or bolt would be allowed to reach Chile."[137] Despite the Nixon administration's attempts to coerce the Chilean government through monetary sanctions the political maneuvering of Track I designed to place Frei back into power inevitably failed.

D.   CONCLUSION

The case study of Chile provides an example of the failure in the use of indirect influence that spanned nearly a decade. During the Cold War period of the 1960s into the early 1970s, Chile was the battleground for communist expansion into Latin America. The inability of the U.S. government to develop durable political relations and influence with Chile resulted in the Christian Democrat party losing power followed by the ousting of a socialist president by a military coup, which ultimately did not serve U.S. goals and interests in Latin America. The key factor that led to U.S. failure in Chile was the choice

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[134] Sands, *Chile under Frei: The Alliance for Progress*, 35.

[135] Congress, *Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile: 1963–1973*, 51.

[136] Ibid., 51.

[137] Ibid., 80.

not to react to the changing social and economic situation that occurred throughout the 1960s. A lack of patience and persistence on behalf of the Nixon administration and the CIA resulted in the hastily implemented covert action that was a temporary fix at best, and did not yield any long-term desirable results.

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IV. HEZBOLLAH CASE STUDY

A. INTRODUCTION

Hezbollah is the operational element of the Islamic Revolutionary Guard Corps' (IRGC) indirect coercion campaign in Lebanon. The case study will begin with an assessment of Iran in order to establish the intended coercive goals to be achieved through Hezbollah. The assessment of Iran's strategy will be followed by the general situation of the target, and a detailed description of Hezbollah's evolution from its establishment to the present. Finally, the case study will provide analysis through the lens of the research question, and more specific analysis through testing the four hypotheses. Primary source information about Iran's goals and foreign policy strategy are not widely available, but their actions can be interpreted to a reasonable degree in order to ascertain those goals.

B. HISTORICAL OVERVIEW

The Hezbollah case is on-going; therefore, the analysis will focus on the success of the coercive effort from the establishment of the surrogate to the present, which spans 32 years from 1982 to 2014. That effort has transformed over the course of three decades, but during that time the players have remained the same.

1. Sponsor Situation

Iran, a theocratic republic, is 89% Shia Muslim and led by a Shia cleric, commonly referred to as the Supreme Leader. The theocratic republic was established after the Iranian revolution in 1979 when the Shah, the ruling monarch, was ousted from power. The Shah had been heavily supported by the United States. The Supreme Leader has direct oversight of both the IRGC and the Quds Force, which is the special operations command within the Iranian military.[138] These two military forces are critical elements of Iran's strategy for executing foreign policy.

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[138] Ali M. Ansari, *Iran Under Ahmadinejad: The Politics of Confrontation* (London: Routledge, 2007), 81.

Stephen Kramer boils Iran's broad strategic goals down to two; "increase their influence in the Persian Gulf Region and decrease the U.S. presence there," which are reiterated by Pletka and Kagan in their recent monograph on the competition between the U.S. and Iran.[139] A major factor in the second goal is the association of U.S. support with reign of the Shah whose government was the target of the 1979 Iranian Revolution. Israel is also a focal point of Iran's foreign policy. Iranian officials have publicly stated their intent to annihilate Israel and liberate Jerusalem. Laurie Mylroie connects Iran's goals of regional influence and its goals for Israel; "Tehran claims that Zionism, along with imperialism, is engaged in a conspiracy against Islam, as represented by the Islamic Republic."[140] Iran's desire to increase its influence in the region is clear, but their strategy to achieve that influence is not.

Moshen M. Milani states that Iran's strategy is based on using asymmetric warfare for "undermining U.S. interests and increasing its own power in the vast region that stretches from the Levant and the Persian Gulf to the Caucasus and Central Asia."[141] Milani continues:

> A pivotal element of Iran's strategy of neutralizing the United States' containment policy is to create spheres of influence in Syria, Lebanon, and among the Palestinians, as well as in Afghanistan and Iraq, by supporting pro-Iranian organizations and networks there.[142]

Milani's statement refers to the Iranian intent to use networks throughout the region to achieve their goals. The Quds Force is the primary element responsible for establishing relationships and sustaining support for these external networks that support Iranian foreign policy.

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[139] Stephen Kramer, *Surrogate Terrorists: Iran's Formula for Success* (Lanham, MD.: University Press of America, Inc., 2010), xxiv.; Danielle Pletka and Frederick W. Kagan, *America Vs. Iran: The Competition for the Future of the Middle East* (American Enterprise Institute, 2014).

[140] Laurie Mylroie, "Israel in the Middle East," in *Israel After Begin*, ed. Gregory S. Mahler (Albany, NY: State University of New York Press, 1990), 150–151.

[141] Moshen M. Milani, "Tehran's Take: Understanding Iran's U.S. Policy," *Foreign Affairs* 88, no. 4 (July/August 2009, 2009), accessed January 8, 2014, http://www.foreignaffairs.com/articles/65123/mohsen-m-milani/tehrans-take.

[142] Ibid.

Muhammad Sahimi states that the original mission of the Quds Force was "to assist Islamic revolutionary movements in other countries."[143] The Quds Forces has been described as "roughly analogous to a combined CIA and Special Forces."[144] The priorities of the Quds Force have changed and evolved over the decades based on the priorities of Iran. During the Iran/Iraq war from 1980 to 1988, the focus was on supporting Kurdish elements against Saddam Hussein's government, while in the 1990s it was focused on supporting the Northern Alliance against the Taliban government in Afghanistan. Throughout Hezbollah's 30 year existence, the Quds Force maintained a relationship with Hezbollah, as influence in Lebanon is a priority for the Iranian regime.[145] The exact details of the relationship are often questioned, but the fact that the relationship exists is accepted.

2. Target Situation

Lebanon is located on the east side of the Mediterranean Sea just north of Israel and west of Syria. The southern border of Lebanon is of critical importance to Iranian foreign policy. Southern Lebanon is heavily populated with Lebanese Shia who have historically been under-represented in Lebanese politics and overwhelmingly impacted by the Israeli/Palestinian conflict. In addition, Israel's relationship to the U.S. makes southern Lebanon strategically important for its ability to directly impact western influence in the region.

The diversity of the Lebanese population reflects the fact that it inhabits the crossroads of several historic empires. After World War I, Lebanon became a mandate of France. The French were heavily allied with and empowered the minority Christian Maronite population.[146] In 1943, Lebanon was granted independence and established a

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[143] Mohammad Sahimi, "Profile | the Canny General: Quds Force Commander Ghasem Soleimani," *Public Broadcasting Service*, December 31, 2011. http://www.pbs.org/wgbh/pages/frontline/tehranbureau.

[144] Dexter Filkins, "Qassem Suleimani, the Middle East's most Powerful Operative," *The New Yorker,* September 30, 2013. http://www.newyorker.com/reporting/2013/09/30/1309330.

[145] Pletka and Kagan, *America vs. Iran: The Competition for the Future of the Middle East*, Pletka and Kagan also list Syria and Iraq as the top tier of priorities for Iran's influence within the Persian Gulf Region.

[146] Elie Adib Salem, *Modernization without Revolution: Lebanon's Experience* (Bloomington, IN: Indiana University Press, 1973), 54.

system of government called confessionalism. This system of government is representative based on religious sects. There are seven Christian and four Muslim sects. Each sect is allotted a number of seats in the Lebanese Parliament. Currently, the Muslim and Christian sects are each allotted 64 seats, for a total of 128 seats in Parliament. Hezbollah currently holds fourteen seats in the Lebanese Parliament. The system of government was developed in 1943 and representation was based on the official census from 1932. Since that time, the Shiite population has grown from Lebanon's third largest group, behind the Maronites and Sunnis, to its largest group. However, their representation and power within the government has not significantly changed, which has led to significant political and economic disenfranchisement. In the book, In the Path of Hizbollah, Ahmad Hamzeh makes the case that all these factors contribute to the Lebanese Shiite community experiencing an identity crisis.[147]

During the 1970s and 1980s, Lebanon was embroiled in a war with Israel while internal factions struggled for control of the Lebanese government. During the civil war, Baer states that the country split "along the lines of the three major sects – Shia, Sunni, and Christians."[148] He characterizes their hatred for one another as greater than their hatred of the Israelis. The United States and France both provided troops as part of the United Nations Interim Force in Lebanon (UNIFIL) to help stabilize the country. The Palestinian Liberation Organization was involved in the war and used the southern border area to launch attacks against Israel. This multitude of competing interests created an extremely unstable environment that Iran would assess and use to its advantage.

3.   Surrogate Situation

Hezbollah is an organization that has evolved over the course of the last three decades. Initially, Hezbollah appeared to be strictly a terrorist organization born of the Iranian revolution, dedicated to using highly destructive and visible attacks to exercise its influence. Slowly and methodically it has grown and evolved into a political party that

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[147] Ahmad Nizar Hamzeh, *In the Path of Hizbullah* (New York: Syracuse University Press, 2004), 12–15.

[148] Robert Baer, *The Devil we Know: Dealing with the New Iranian Superpower* (New York: Random House, Inc., 2008), 57.

declares itself the defender of Lebanon and is a major player in the battle to influence the people and governments in the Middle East. The history of Hezbollah can be described in three phases; first the revolutionary phase beginning in 1982, second the local political evolution phase beginning in 1992, and third the international political player phase beginning in 2009.

The foundations for Hezbollah were laid for the first phase in the late 1970s by the Lebanese Shia political party Amal. Amal's leadership entered into negotiations with Israel to control the "Security Zone" along the border of Israel and Lebanon.[149] Many Lebanese Shia and members of Amal were not happy with the conciliatory stance towards the Israeli occupation as well as support of the South Lebanese Army (SLA) organized to assist Israel in controlling the region. The dissention within Amal led to the establishment of a separate pro-Khomeini group called Islamic Amal. Sandra Mackey writes: "On June 12 1982, a contingent of Revolutionary Guards arrived in eastern Lebanon's Baaka Valley…they began preaching their ideology in the local mosques, transmitting religious programming over a small radio station, and providing some basic social services to the war-ravaged population."[150] Their revolutionary ideology would appeal to those Shia that were disenchanted by Amal. This was the beginning of Hezbollah. After several years of recruiting, training and operating, Hezbollah issued their "Open Letter of 1985," which elaborated their goals.

The "al-Risalah al-Maftuha"[151] (Open Letter), issued in February 1985, states Hezbollah's religious ideology and goals. Joseph Alagha states "the Open Letter explicitly refers to Hizbullah's ideology; belief in Shi'a Islam, wilayat al-faqih (guardianship of the jurisprudent), and jihad (struggle) in the way of God."[152] This ideology declares the group's relationship to Iran, through the jurisprudent who is the

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[149] Judith Palmer Harik, *Hezbollah: The Changing Face of Terrorism* (New York: I.B. Tauris & Co. Ltd, 2004), 41.

[150] Sandra Mackey, *The Iranians: Persia, Islam and the Soul of a Nation* (New York: Penguin Books, USA, Inc., 1996), 314.

[151] Hamzeh, *In the Path of Hizbullah,* 26

[152] Joseph Alagha, *Hizbullah's Documents: From the 1985 Open Letter to 2009* (Amsterdam, NLD: Amsterdam University Press, 2011), 15.

Supreme Leader of Iran. The three goals of Hezbollah detailed in the "Open Letter" are as follows:

1. To expel the Americans, the French and their allies definitely from Lebanon, putting an end to any colonialist entity on our land; 2. to submit the Phalanges to a just power and bring them all to justice for the crimes they have perpetrated against Muslims and Christians; 3. to permit all the sons of our people to determine their future and to choose in all the liberty the form of government they desire. We call upon all of them to pick the option of Islamic government which, alone, is capable of guaranteeing justice and liberty for all. Only an Islamic regime can stop any further tentative attempts of imperialistic infiltration into our country.[153]

The Phalanges refers to the Maronite Christians in Lebanon who are a minority but were traditionally allied with the French colonialists and allotted an inordinate amount of power during and immediately following the colonial period. Ending foreign influence in Lebanese affairs is the common thread to all three of these goals.

The first target of this foreign influence was the Israeli occupation of Southern Lebanon, which coincided with the establishment of Hezbollah. Hezbollah fought Israel from 1982 to 2000 when Israel finally withdrew its forces. During the war with Israel, Hezbollah's organization evolved from a small group of fighters with a pirated radio station to something resembling a full government with a media/propaganda capability, social services, a capable militia, and intelligence and security services at its disposal. This leads to the second phase of Hezbollah's evolution, as an active political party in Lebanon. In order to influence the Lebanese government, Hezbollah began its transformation to a political party in 1992.

In 1992, the Ayatollah Khamenei approved Hezbollah to become an active political party and participate in the Lebanese government. In the parliamentary elections of that year, Hezbollah won all 12 seats on it electoral list. This was a significant step from a purely revolutionary group outside the structure of the Lebanese and international

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[153] "An Open Letter: The Hizballah Program–Council on Foreign Relations," Accessed February 28, 2014, http://www.cfr.org/terrorist-organizations-and-networks/open-letter-hizballah-program/p30967 .; Daniel Byman, "The Logic of Ethnic Terrorism," *Studies in Conflict and Terrorism* 21 (1998), 149.

order to recognized political entity. In the document announcing Hezbollah's intention to participate in Lebanese politics, two political objectives are stated: "Lebanon's liberation from the Zionist occupation and from the oppressors' influence and …the abolishment of political sectarianism."[154] These objectives continue the theme of the Open Letter to end the foreign influence in Lebanon and establish an Islamic government.

Hezbollah's development has included social services provided to not only the Shia population in Lebanon, but also to any group of Lebanese that are affected by the conflict with Israel. It operates six hospitals, 10 dental clinics, and 33 dispensaries. In addition to the health services, Hezbollah runs schools at every level of education and provides scholarships that cover living and educational expenses. Hezbollah's Education Unit spent over 14 million U.S. dollars on financial aid and scholarship between 1996 and 2001. However, their growth in ability to provide social services pales in comparison to the growth of their Information Unit and ability to produce propaganda.

Hezbollah's media and propaganda capability includes everything from leaflet production to a variety of websites in languages ranging from Spanish to Hebrew. Additionally, they have an established information directorate that controls the message being disseminated to media outlets not under their direct control. This gives Hezbollah production, distribution and propagation capabilities that are almost unmatched by any other non-state actor, outside of actual media conglomerates. Al-Manar is the central element to the media empire belonging to Hezbollah. Al-Manar is a satellite television station that broadcasts primarily in the Middle East. It has been banned in the U.S. and some other nations due to its anti-Semitic themes and its relationship to a designated terrorist organization. It provides news and programming, and in 2000 "increased its daily broadcast hours from four to 24."[155] Radio Nur is the oldest element of Hezbollah's broadcast media capabilities. It has been in operation since the inception of Hezbollah in 1982 and has grown and expanded during that time. Print media is another major element to the Hezbollah media arm. Hezbollah publishes a newspaper called Al-Ahed, and a

[154] Alagha, *Hizbullah's Documents: From the 1985 Open Letter to 2009,* 65.

[155] Matthew A. Leavitt, "Hezbollah's West Bank Terror Network–the Washington Institute for Near East Policy," accessed November 22, 2013, http://www.washingtoninstitute.org/policy-analysis/view/hezbollahs-west-bank-terror-network.

monthly religious magazine called Baqiyyat Allah. These, in addition to publishing houses that produce books, make up an extensive capability to create and distribute print media. All media are primarily focused on the regional target audiences, Lebanese Shi'a, overall Lebanese population, Shi'a in other countries, and Israelis. Bridging the gap between the regional target audiences and the international targets are more than 20 websites in seven different languages operated by Hezbollah. These range from websites associated with their other media outlets, i.e. Radio Nur, to websites dedicated to news and other sites belonging to specific organizations and directorates within Hezbollah. These websites are found in seven different languages; Arabic, English, French, Farsi, Hebrew, Spanish, and Azeri.

In 1996, Hezbollah created the Syndicate Unit under the executive council. This unit is responsible to coordinate with Hezbollah's representatives in the various professional associations and unions in Lebanon. A few of the more notable associations are doctors, lawyers, engineers, workers, businessmen, and students. The purpose of the Syndicate Unit is "to penetrate and create autonomous enclaves in the civil society that work to serve the party's cause" by maintaining and directing Hezbollah representatives in the trade unions and associations of professionals in Lebanese society.[156] Thus, the Syndicate Unit can influence both the parts of Lebanese society that make up these associations and unions, as well as the parts of the Lebanese government that are directly affected by these associations and unions.

On 30 November 2009, Hezbollah issued "The New Manifesto," marking the third phase of its evolution. The new document updates Hezbollah's positions on Lebanese politics, specifically internal politics to include its stance on the issue of Palestinians in Lebanon. Additionally, it continues the theme of resistance against foreign influence. The New Manifesto specifically addresses what it calls "American hegemony and the agenda for world domination," which it claims began following World War I.[157] These updated priorities continue the themes of the previous "Open Letter," but take into account Hezbollah's established position within Lebanese government.

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[156] Hamzeh, *In the Path of Hizbullah,* 61.

[157] Alagha, *Hizbullah's Documents: From the 1985 Open Letter to 2009,* 118–138.

C. ANALYSIS

Below we will provide analysis of this case through the lens of the main hypothesis. Following that, we will examine the Hezbollah case based upon each of the four supporting hypotheses.

1. Hezbollah through the Lens of the Hypotheses

Hezbollah is an example of successful Iranian indirect coercion of Lebanon. Iran intentionally created, maintains and sustains a surrogate group, Hezbollah, in order to indirectly achieve its foreign policy goals of increasing Iranian influence throughout the Persian Gulf region while simultaneously reducing the influence of the United States. In his conclusion, Hamzeh states "The persistence of crisis conditions in Lebanon and the Middle East has given Hizbullah the freedom to act according to the circumstances and has rendered the Lebanese regime in particular vulnerable to the party's challenges."[158] In cases such as the 2006 war with Israel, those crisis conditions have been initiated or instigated by Hezbollah. He goes on to say that by 2004 Hezbollah's goal of establishing an Islamic Republic in Lebanon had become a "real possibility." In regard to Iran's other goal of defeating Israel and liberating Jerusalem, Hezbollah received a surge in popularity throughout the Middle East after claiming victory in the July 2006 war with Israel.[159] This had the dual effect of increasing influence within Lebanon as well as throughout the greater region. Azani states that for Iran, Hezbollah "served as an example for the success of the policy of exporting the revolution."[160] Over thirty plus years, Iran through Hezbollah has gained major popular support within Lebanon, controls 25% of the Muslim seats in Lebanon's Parliament, and has attempted to gain veto power within the Lebanese government. Through indirect coercion, Iran has gained the influence it sought.

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[158] Hamzeh, *In the Path of Hizbullah,* 142.

[159] Augustus Richard Norton, *Hezbollah: A Short History* (Princeton, NJ: Princeton University Press, 2007), 147–151.

[160] Eitan Azani, *Hezbollah: The Story of the Party of God* (New York: Palgrave Macmillan, 2009), 236.

2.   Supporting Hypothesis 1

Stephen Kramer discusses Iran's assessment of Amal as a fractured Shi'a organization unable to effectively respond to the crisis during the Lebanese civil war. Iran assessed that the Lebanese Shia were 35 percent of the total population and a "genuinely oppressed people" by a government that was dominated by Christians and Sunni Muslims.[161] One of the significant fractures within the Lebanese Shi'a population in the early 1980s was over support to the South Lebanese Army (SLA), which was assisting Israel with control of the security zone within Lebanon's borders.[162] Kramer describes how the 1500 man contingent of the IRGC infiltrated Lebanon and "took many prominent figures from the ranks of the Lebanese Shia Islamic AMAL, and placed them in charge of Hizbullah."[163] Most notably, current Hezbollah Secretary General, Hasan Nasrallah, was a member of Amal in the 1970s before becoming a founding member of Hezbollah. In addition to leadership, many of the original fighters were lured from Islamic Amal using the enticement of training provided by the IRGC.[164]

Robert Baer phrases it slightly differently in The Devil We Know, "The IRGC took advantage of historical Shia ties between Lebanon and Iran."[165] The majority of Shia populations, even in the Middle East, are minorities within their own countries. The IRGC emphasizes the religious similarity between themselves and the Lebanese, while de-emphasizing the ethnic differences between Arabs and Persians.

In both cases, the authors are referencing the ability of Iran, specifically the IRGC, to identify those on the ground who were best suited to achieve Iran's objectives. Judith Harik speaks to Iran's targeting the split in Amal, when she writes "These men...suited Iran's foreign policy requirements in terms of their ideological commitments and willingness to act upon them."[166] Iran identified its requirements, defeating Israel and

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[161] Mackey, *The Iranians: Persia, Islam and the Soul of a Nation,* 313.

[162] Harik, *Hezbollah: The Changing Face of Terrorism,* 41.

[163] Kramer, *Surrogate Terrorists: Iran's Formula for Success,* 10.

[164] Ibid.

[165] Baer, *The Devil we Know: Dealing with the New Iranian Superpower,* 52.

[166] Harik, *Hezbollah: The Changing Face of Terrorism,* 39.

reducing Western Influence in Lebanon, and targeted a segment of the local population that was positioned to achieve success.

Perceptions of the origin of Hezbollah vary from source to source. History books suggest that Hezbollah began as "purely an underground militant group" formed to fight the Israeli occupation of Southern Lebanon.[167] Tony Badran states that Hezbollah was "born from the struggle between Iranian revolutionary factions opposed to the shah."[168] Whether this is the case or whether Hezbollah was established in response to the Israeli occupation of Southern Lebanon, Hezbollah has become a significant tool of Iranian foreign policy.

Dexter Filkins details the relationships held throughout the region by the current commander of the Quds Force, Major General Qassem Suleimani. He describes the creation of Hezbollah under "Iranian guidance," and "the Special Security Apparatus, a wing of Hezbollah that works closely with the Quds Force." Filkins relates the relationship between the Major General and Hezbollah's Secretary General as follows: "Suleimani and Nasrallah are old friends, having cooperated for years in Lebanon and in the many places around the world where Hezbollah operatives have performed terrorist missions at the Iranians' behest."[169] A strong relationship exists between the leader of the Iranian military element responsible for supporting Islamic revolution outside of Iran and the leader of Hezbollah. In January of 2012, Suleimani was quoted in a Lebanese newspaper as saying "in south Lebanon…the people are under the effect of the Islamic Republic's way of practice and thinking."[170] The current relationship between Suleimani and Nasrallah, and more generally between the Quds Force and Hezbollah, is evidence that Iran not only targeted the Shi'a of southern Lebanon in the 1980s to form Hezbollah

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[167] William R. Keylor, *A World of Nations: The International Order since 1945*, Second ed. (New York: Oxford University Press, 2009)411.

[168] Tony Badran, "The Secret History of Hezbollah," *The Weekly Standard*, December 13, 2013. http://www.weeklystandard.com/articles/secret-history-hezbollah.

[169] Filkins, *Qassem Suleimani, the Middle East's most Powerful Operative.*

[170] "Iran General's Remarks on South Lebanon Draw March 14 Ire." The Daily Star, accessed March 8, 2014, http://www.dailystar.com.lb/News/Politics/2012/Jan-21/160604-iran-generals-remarks-on-south-lebanon-draw-march-14-ire.ashx#axzz2vOuoqpCN.

but also have a sustained effort to maintain Hezbollah's capabilities to export the Islamic revolution.

3. Supporting Hypothesis 2

Iran essentially created Hezbollah and maintains authority over all major decisions. Therefore, the goals of Hezbollah are heavily influenced, if not entirely determined, by the Iranian leadership. Hezbollah does claim that it is a nationalist movement with Lebanese interests as its primary motivation. This is contradicted by recent events and statements. As noted above, in 2012 the commander of the Quds Force stated that southern Lebanon was under the direct "effect" of Iran.[171] In addition to that, the same commander called Hezbollah to provide "more than two thousand fighters" in order to assist Syrian forces retaking the town of Quasyr.[172] Hezbollah has successfully dominated Lebanese politics, in large part due to its social programs and its narrative of itself as the defender of Lebanon against Israel. A significant amount of this success can be attributed to the very minor divergence between the goals of the sponsor and the surrogate. The more Hezbollah is required to do solely for the benefit of Iran, the more scrutiny Hezbollah will be under for not truly being a nationalist movement devoted to the issues of the Lebanese people. This is emphasized by the 60% of Lebanese people who view Hezbollah's actions in Syria unfavorably.[173] In a report to the European Parliament, Florence Gaub wrote that Hezbollah's engagement in Syria "is likely to jeopardise its position in Lebanon proper."[174]

Iran is well aware of the need to keep Lebanon's issues front and center for Hezbollah, and not to create fractures within the Shi'a population like the ones they took advantage of in the early 1980s. Baer writes "pitting Shia against Shia doesn't serve Iran's interests. Iran found it was more effective to steer a careful course between

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[171] Ibid.

[172] Filkins, *Qassem Suleimani, the Middle East's most Powerful Operative.*

[173] Bruce Drake, "As it Fights in Syria, Hezbollah seen Unfavorably in Region | Pew Research Center," accessed December 10, 2013, http://www.pewresearch.org/fact-tank/2013/06/07/as-it-fights-in-syria-hezbollah-seen-unfavorably-in-region/.

[174] Florence Gaub, *The Role of Hezbollah in Post-Conflict Lebanon* (Belgium: European Union, 2013).

Hezbollah and more secular Shia groups."[175] This task becomes more difficult as Iran tries to use Hezbollah's capability to serve Iran's purposes outside of Lebanon.

4.   Supporting Hypothesis 3

Iran's relationship with Hezbollah has not been a secret from the beginning. In the "Open Letter" Hezbollah stated its original goals and clearly stated that it was following the example of the revolution in Iran and would be part of the system of wali al-faqih, putting the organization subordinate to the Supreme Leader of Iran. Certain aspects of the relationship have been generally overt in nature, but there are several nuances of the relationship between Iran and Hezbollah that are not nearly as clear.

The financial and military support that Iran gives to Hezbollah has never been fully disclosed. Estimates vary widely on annual financial support. One estimate puts the amount as low as "$25–50 million in real-world terms"[176], but another puts that amount as high as a billion dollars.[177] In his testimony to the U.S. Senate Committee on Homeland Security and Governmental Affairs, Dr. Matthew Levitt estimated Iran's support to Hezbollah between $100–200 million annually.[178] Some of the variation in estimates is due to whether they account for military and social programs, or only one of the two. Iran does provide overt support to Hezbollah and the greater Lebanese Shi'a population through many social programs, such as the hospitals, clinics, and pharmacies available throughout Shi'a dominated areas in Lebanon.

The relationship between Hezbollah and Iran has not been covert for the majority of Hezbollah's existence. The exact details of the relationship, funding and operations, have never been fully acknowledged by either side. Keeping the connection overt has allowed Hezbollah to receive money and material support that they can easily explain, as well as allowing them to get direction and guidance from Iran without creating the

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[175] Baer, *The Devil we Know: Dealing with the New Iranian Superpower,* 49.

[176] Anthony H. Cordesman, *Iran's Support of the Hezbollah in Lebanon* (Washington, DC: Center for Strategic and International Studies, 2006).

[177] Hamzeh, *In the Path of Hizbullah,* 63.

[178] *Hezbollah: Financing Terror through Criminal Enterprise.* Homeland Security and Governmental Affairs, United States Senate sess, 2005.

appearance of impropriety in the eyes of their Lebanese constituents. The balance between covert and overt for Hezbollah and Iran is delicate, but is not a defining characteristic of the overall campaign.

5. Supporting Hypothesis 4

In order to analyze Iran's use of inducements as a complement to its use of Hezbollah, we must consider the various targets that Iran intends to coerce. Iran uses inducements quite effectively in attempts to influence the Lebanese population and government. On the other hand, inducements are not a significant part of the strategy employed to coerce Israel or the West.

As stated earlier, Hezbollah not only provides military capability to southern Lebanon but it also provides an enormous amount of social services. Iran's support to the population of southern Lebanon through Hezbollah's social and educational services serves as an inducement for the political support of that population. As stated earlier, Hezbollah operates a network of medical facilities that support the greater population as well as members of their militia. In addition, Hezbollah operates several educational institutions and trade schools as well as providing scholarships for many students who would not otherwise be able to afford schooling. They operate schools that teach applied sciences and religious education, such as the Technical Institute of the Great Prophet, the Technical Institutes of Sayyid Abbas al-Musawi, the Institute of Sayydat al-Zahra', the Institute of Shaykh Raghib Harb, and the Islamic Shari'ah Institute.[179] In one year, Hezbollah is reported to spend approximately 3.5 million U.S. dollars on education services throughout Lebanon, compared to the Lebanese Ministry of Education's 0.5 million U.S. dollars. These services not only garner political support, but allow for increased recruitment within the targeted population. By providing these health and education services, Hezbollah is "exposing the ineffectiveness and illegitimacy of the Lebanese government."[180]

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[179] Hamzeh, *In the Path of Hizbullah,* 57.

[180] Hamzeh, *In the Path of Hizbullah,* 54–56.

Iran's stated goal of annihilating Israel and liberating Jerusalem makes the possibility of using positive inducements unlikely. In the case of decreasing U.S. influence in the region, there is much more possibility for Iran to use positive inducements. Recently Iran's new president has lessened the rhetoric against the U.S. and entered negotiations concerning its nuclear program. This is a positive inducement in the sense that it is something that the U.S. clearly desires, and providing it may allow for Iran to increase its regional influence, and simultaneously decrease that of the U.S.

D. CONCLUSION

Iran targeted Amal as well as the Shi'a community in southern Lebanon. Before undertaking the creation of Hezbollah, Iran identified two critical factors. First, Iran recognized that its goals and Amal's goals were not aligned. Second, Iran identified fractures within the Lebanese Shi'a community that allowed it to build a surrogate and gain support from the necessary community. That key "fracture" was the significant portion of Lebanese Shi'a that did not agree with Amal's relationship with Israel during the Israeli occupation. Iran created a surrogate in Hezbollah whose goal would be perfectly aligned with the sponsor. Of the four factors of analysis, surrogate targeting and the covert/overt balance for Iran were extremely relevant to success. Iran has been able to overtly maintain a relationship with Hezbollah, entirely based on religious, social, and financial support, while obscuring the military command and operational relationship.

Less significant than the previous two factors is the surrogate versus sponsor centricity of Iran's coercion campaign. Iran and Hezbollah have the identical goals of increasing influence over Lebanese politics and removing western influence from the region. Therefore, the centricity of the sponsor or the surrogate's goals is not relevant to the outcome of the campaign. On the other hand, campaign centricity is more of an issue in Iran's campaign to coerce Lebanese people through Hezbollah, but that has not hindered Hezbollah's success up to this point. Iran's recent use of Hezbollah to contribute to the fight in Syria is unpopular with the Lebanese people because it highlights the divergence between Hezbollah's stated Lebanese nationalist goals and Iranian goals for regional influence.

The factor of Inducements offered to the Lebanese people has the most impact on the Iranian coercion campaign. Iran has been providing inducements to the Lebanese people since before the establishment of Hezbollah. Those inducements include the myriad of social services and range from solely Iranian funded, to funded and operated through Hezbollah.

After the creation of Hezbollah, Iran began a campaign that included both indirect coercion and complementary inducements, which three decades later have proved exceptionally successful with Hezbollah controlling 25% of the available seats in the Lebanese Parliament. Our analysis of the factors of the supporting hypotheses show that Surrogate targeting and Inducements were and remain extremely important to Iran's success, while the overt/cover nature of the campaign and sponsor/surrogate-centricity were not nearly as critical.

V. ITALY CASE STUDY

A. INTRODUCTION

Following the Allied victory in Europe in WW II the wartime alliance between the United States and the Soviet Union deteriorated and led to the Cold War conflict that lasted for over 40 years. As Europe began to rebuild from the devastation of WW II, the United States would have to persuade the nations of Western Europe against falling into the communist sphere of influence. The concept of political warfare would be the key strategy in the emerging struggle against global communist domination. The National Security Act of 1947 created the Central Intelligence Agency (CIA) out of the former war time Office of Strategic Services (OSS). This new agency provided the United States another tool in achieving foreign policy goals and the ability to conduct a wide range of measures short of open war to achieve Cold War objectives.[181]

To achieve the desired results in the 1948 Italian elections, the U.S. employed covert operations that complimented the overt support that was being provided to Italy such as aid through the Marshall Plan. To gain a better understanding of how indirect coercion achieved the desired outcome in Italy, this chapter will first provide a historical overview of the political warfare strategy utilized by the U.S. to shape the 1948 elections; then provide an analysis of the third party surrogates that were used by the U.S., the covert/overt balance of operations in Italy, the surrogate- or sponsor-centric nature of the campaign, and the inducements that were used in the attempt to reach U.S. strategic goals.

B. HISTORICAL OVERVIEW

The case of Italy in the late 1940s provides an example of success achieved through the use of political warfare to meet U.S. strategic goals. The ability of the U.S. to ensure the victory of a pro-Democratic government in Italy and to defeat a strong

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[181] Mario Del Pero, "The United States and "Psychological Warfare" in Italy, 1948–1955," *The Journal of American History* 87, no. 4 (March 2001), 1306.

communist party backed by Moscow displays the utility of political warfare in the emerging Cold War.

1. Target Situation

The Paris Peace Treaty that was signed on February 1, 1947 dismantled the Italian territory of Trieste along the Yugoslavian border and imposed war reparations to be paid by Italy to Russia, Yugoslavia, Greece, Ethiopia, and Albania. Additionally, harsh disarmament clauses were imposed on Italy that further worsened post war hardships. Italian naval fleets were either handed over as war reparations or destroyed and the air force was drastically reduced. The army was cut to 250,000 personnel for the purpose of defending the eastern border of Italy and maintaining internal order.[182]

The economic hardships that emerged in the aftermath of WW II made the Italian Communist Party (Partito Comunista Italiano or PCI) appealing in the midst of increasing poverty. The appeal of communism began to gain traction in Italy and by the end of 1946 the PCI comprised 2,166,000 members and posters of Joseph Stalin could be found in factories and on city walls throughout Italy.[183] Additionally, the Italian left made significant gains in the municipal elections of November 1946 and the communists and socialists joined forces to form the Unity of Action Pact that coordinated political actions and policies. The strength and momentum gained by communist elements in post-war Italy is best described by former Deputy Director of the CIA Allen W. Dulles in a September 15, 1951 memorandum for the CIA Director and Chairman of the Psychological Strategy Board. Dulles wrote that communist strength in Italy is a product of the wartime underground resistance movement and that: "They seized strategic positions, took over building sites and appropriated other prerogatives, particularly in the field of the press and labor. They have never been dislodged from these positions."

While the Italian left worked to consolidate power, Italian Prime Minister Alcide De Gasperi of the Christian Democratic Party had no similar pact or alliance with other

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[182] Christopher Duggan and Christopher Wagstaff, *Italy in the Cold War: Politics, Culture and Society 1948–53* (Oxford: Berg Publishers Limited, 1995), 30.

[183] Randall B. Woods, *Shadow Warrior: William Egan Colby and the CIA* (New York: Basic Books, 2013), 96.

moderate political parties.[184] A crippled economy due to aftermath of WW II, the growing menace stemming from communism backed by Moscow, and a lack of coordination among moderate political parties created a dire situation for Alcide De Gasperi and the Christian Democratic Party.

2.   Sponsor Situation

Western Europe became the pivotal frontline in the early years of the Cold War due to its strategic location and vital interest to the United States. Italy's location in the Mediterranean connected Western Europe to the Middle East and Africa and could become the foundation for the emerging North Atlantic Treaty Organization's (NATO) alliance's southern arch.[185] The possibility of Italy falling under an openly elected communist government in 1948 posed a major threat to the interests of the United States in Western Europe and the Mediterranean as key ports and shipping lanes would fall under the influence of Moscow. One of the first major political warfare initiatives carried out by the United States against the Soviet Union was dissuading Italy from falling into the communist sphere of influence. With a rapidly growing communist party and a subversive political campaign directed by Moscow, the 1948 Italian presidential elections would be a pivotal event in pushing back Soviet expansion into Western Europe. The Italian crisis of 1947–1948 was the first experiment after the war conducted by the United States in covert political operations and set the framework for combatting communism during the Cold War. The concept of political warfare was viewed by the U.S. not only as a key strategy to prevent a communist victory in the 1948 election, but also as a viable strategy to contain and ultimately defeat the Soviet Union.[186]

The primary goals of the U.S. in Italy during the early years of the Cold War were to prevent a communist takeover and reduce the appeal and electoral strength of the

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[184] Alan A. Platt and Robert Leonardi, "American Foreign Policy and the Postwar Italian Left," *Political Science Quarterly* 93, no. 2 (Summer 1978), 198.

[185] Woods, *Shadow Warrior: William Egan Colby and the CIA*, 96.

[186] Kaeten Mistry, "The Case for Political Warfare: Strategy, Organization and U.S. Involvement in the 1948 Italian Election," *Cold War History* 6, no. 3 (2006), 303.

Italian Communist Party (PCI).[187] The three main objectives of U.S. foreign policy in Italy to counter the communist threat would consist of: 1. strengthening the control of moderate political forces, 2. maintaining a market oriented socioeconomic system, and 3. shaping Italy's foreign policy objectives and military posture within the organizational framework of NATO.[188] Coupled with these three policy objectives in Italy was the pledge of U.S. economic aid to assist Italy in recovering from WW II. The "Truman Doctrine" was initiated in post-war Europe and pledged U.S. support to free people who were resisting subjugation by armed minorities and outside groups. Funding for the Truman Doctrine was through the European Recovery Plan (ERP), or Marshall Plan, and was the key inducement to sway Italy towards a Western alignment.[189]

The challenge posed to the U.S. in altering the outcome of the 1948 elections consisted of influencing the Italian political situation and fighting the overarching threat of global communism. The U.S. considered the possible victory of the Italian Communist Party as an extension of the ongoing struggle with the Soviet Union and halting the "Red Flood" from encroaching into Western Europe was key.[190] The threat of a communist takeover in Italy was further intensified in September of 1947 when Palmiro Tagliatti, a founding member of the Italian Communist Party who spent the duration of WW II in exile in Moscow, brought forth the possibility of the communist party taking up arms against the Italian government.[191]

Adding credence to the threat of a pro-communist armed insurrection in Italy was the U.S. intelligence estimate identifying approximately 50,000 well-armed veteran fighters of the Italian resistance against the Nazi's who could be supplied and reinforced by communist leader Josef Broz Tito in neighboring Yugoslavia.[192] Additionally, by 1948 Italy witnessed a rise in worker strikes and demonstrations due to public

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187 Del Pero, *The United States and "Psychological Warfare" in Italy, 1948–1955*, 1305.

188 Platt and Leonardi, *American Foreign Policy and the Postwar Italian Left*, 197.

189 Duggan and Wagstaff, *Italy in the Cold War: Politics, Culture and Society 1948–53*, 31.

190 Platt and Leonardi, *American Foreign Policy and the Postwar Italian Left*, 198.

191 Woods, *Shadow Warrior: William Egan Colby and the CIA*, 96.

192 Ibid., 96.

dissatisfaction with rising prices and money shortages. These deteriorating conditions led the U.S. State Department to believe that the conditions on the ground placed Italy in a "pre-revolutionary stage" and vulnerable to a communist takeover by the PCI.[193]

3.   Surrogate Situation

The process of identifying feasible surrogates to conduct political warfare was facilitated by an array of entities that could support U.S. goals and interests in Italy. Viable surrogates to support U.S. objectives in Italy came from pre-existing OSS contacts from WW II, organized labor, and the Vatican. Additionally, the U.S. was able to enlist the assistance of prominent members of the Italian-American community such as New York City Mayor Vincent Impelliteri and former middleweight boxing champion Rocky Graziano to influence Italian voters to support Italian Prime Minister Alcide De Gasperi and the Christian Democratic Party.

Former OSS operative and early CIA member James Jesus Angleton played a key role in developing contacts within the Italian security services. Angleton, who assisted in reinstituting the security apparatus in Italy following WW II enabled the U.S. to gain influence over the Italian security services.[194] Additionally, U.S. labor unions were able to leverage and gain influence over the communist dominated labor unions in Italy. The Free Trade Union Committee (FTUC), a foreign affairs department of the American Federation of Labor (AFL), sought to break the communist control of Italian organized labor. The CIA- funded FTUC would provide support to the anticommunist and Catholic dominated Italian General Confederation of Labor (Libera Confederazione Generale Italian de Lavaro).[195]

U.S. political support in post-war Italian politics against communism would be placed in the conservative and moderate Christian Democratic Party.[196] The Christian

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[193] Mistry, *The Case for Political Warfare: Strategy, Organization and U.S. Involvement in the 1948 Italian Election*, 311.

[194] James Callanan, *Covert Action in the Cold War: U.S. Policy, Intelligence and CIA Operations* (New York: I.B. Tauris & Co LTD, 2010), 32.

[195] Del Pero, *The United States and "Psychological Warfare" in Italy, 1948–1955*, 1309.

[196] Platt and Leonardi, *American Foreign Policy and the Postwar Italian Left*, 198.

Democrats were viewed by the Truman administration as the best means to keep Italy from falling into the communist sphere of influence. The U.S. Ambassador to Italy, James Clement Dunn, believed that the new Italian government led by Christian Democrat Alcide De Gasperi would promote the necessary economic and institutional reforms to modernize and democratize Italy.[197]

The U.S. would have the ability to shape the Italian political process by leveraging the deeply rooted tradition of the Catholic Church in Italy to counter communism. The Civic Committee (Comitati Civici) led by Catholic activist Luigi Gedda was an anticommunist organization that had the full support of Pope Pius XII. Luigi Gedda would become a contact for the U.S. who could utilize Catholic civic action to spread the message of anti-communism.[198] The role of the Vatican and Catholic Church in Italy proved to be a critical factor in U.S. psychological warfare efforts to influence the Italian people to vote against the PCI.

It was the norm to have communist participation in government under the coalition government that was established in Italy following WW II. The threat of a communist victory in the 1948 elections led the U.S. to pledge support to the Christian Democratic Party if communists were expelled from the coalition government. Despite having a coalition government intended for various political parties, the communists were excluded from power and eventually evicted from the Italian coalition government by May 1947.[199] The move by the Christian Democratic Party to evict communist members of the coalition government was carried out in the anticipation that the U.S. would be more likely to provide financial assistance if the Italian government was free of communist influence.[200]

Alcide De Gasperi prevailed in the 1948 elections despite the menacing threat imposed by the communist party. The Christian Democrats who had polled 36 percent in

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[197] Del Pero, *The United States and "Psychological Warfare" in Italy, 1948–1955*, 1307.

[198] Ibid., 1309.

[199] William R. Keylor, *A World of Nations: The International Order Since 1945*, Second ed. (Oxford: Oxford University Press, 2009), 27.

[200] Ibid., 27.

the 1946 elections went on to win 48.5 percent of the total vote and an absolute majority in the parliament in 1948.[201] The anticommunist political platform of De Gasperi coupled with the assistance and support of the Vatican and U.S. resulted in the sound defeat of the Italian left. The victory of De Gasperi on 18 April 1947 highlighted the utility that political warfare and the role indirect coercion could play in the emerging Cold War.

C.   ANALYSIS

The case study of Italy will first be examined through the lens of the main hypothesis. The case study will then be examined through the lens of the four supporting hypotheses.

1.   Italy Case through the Lens of the Hypotheses

The following analysis of the Italian case study will be examined under the thesis hypothesis that is: Indirect coercion will be a more viable policy option for political and military decision makers if there is a better identification process of the conditions that make indirect coercion successful. When viewed through the lens of the hypothesis the case of Italy provides insight into the conditions that existed prior to the 1948 presidential elections that were ripe for a communist takeover. The U.S. was able to identify and exploit these conditions and ultimately keep Italy out of the Soviet sphere of influence.

Three factors that proved to be critical to securing a Christian Democrat victory in April of 1948 were: 1. U.S. economic aid and the positive effects of the Marshall Plan, 2. the assistance the Catholic Church provided the Christian Democrats, and 3. De Gasperi's ability to exploit the issue of communism.[202] The use of political warfare and indirect coercion by the U.S. enabled these three factors to reach fruition and secure a victory over communism. The successful indirect coercion campaign carried out in Italy was due to the ability of the U.S. to: 1. identify surrogates based on their population influence, 2. maintain a surrogate-centric campaign, 3. employ both overt and covert measures and 4. utilize positive inducements based on target vulnerabilities.

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[201] James E. Miller, "Taking Off the Gloves: The United States and the Italian Elections of 1948," *Diplomatic History* 7, no. 1 (1983), 52.

[202] Ibid., 53.

2.   Supporting Hypothesis 1

The effectiveness to influence the outcome of the 1948 Italian election was a result of the ability of the U.S. to draw upon the anticommunist sentiments of surrogates to achieve victory at the voting booths. Politically, the U.S. found an ally in Alcide De Gasperi and the Italian Christian Democratic Party. The moderate Christian Democrats would become the instrument in which U.S. aid and assistance would be invested into to defeat the PCI domestically in Italy and support the overarching geopolitical goal defeating communism in Western Europe. Despite having a political ally in the Christian Democratic Party, the CIA would face a great challenge in dislodging the communist influence that had become deeply entrenched in Italy following WW II.

Surrogate targeting for U.S. covert efforts in support of the 1948 Italian elections were facilitated by pre-existing intelligence sources developed during WW II. James Jesus Angleton had influence over the covert aspects of surrogate entities and a vast understanding of Italian political life dating back to his war time service with the OSS.[203] In addition to OSS contacts, Angleton's father, Hugh Angleton, established an unofficial espionage network in Italy from 1939–1941. This espionage network was developed prior to U.S. involvement in WW II when Hugh Angleton worked in Italy as the owner of the National Cash Register and president of the Italian Chamber of Commerce. Following the war, Hugh Angleton returned to Italy to further develop his former intelligence assets to assist in countering the communist threat.[204] As WW II ended and Italian fascism collapsed, James Angleton had the vision to recognize the new threat the U.S. faced and began to target Italy's communist networks.[205]

A major achievement carried out by James Angleton following the end of WW II was his role in the reinstitution of Italian intelligence services. The ability of Angleton to reshape the Italian intelligence apparatus provided loyal contacts experienced in working

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[203] Callanan, *Covert Action in the Cold War: U.S. Policy, Intelligence and CIA Operations*, 32.

[204] Ibid., 36.

[205] Tom Mangold, *Cold Warrior: James Jesus Angleton: The CIA's Master Spy Hunter* (New York: Simon & Schuster, 1991), 42.

against Soviet intelligence since the beginning of WW II.[206] Developing surrogates in the Italian intelligence services would play a crucial role in defeating the PCI and understanding Soviet strategy in Italy. Following the war, Angleton assisted in standing up a counter-intelligence unit within the Carabinieri (Italian Military Police). This counter-intelligence unit was able to recruit spies that penetrated the Italian communist and socialist political parties as well as the Vatican.[207] By developing assets within the Italian Naval Intelligence Service and in the Italian Servio Informazio Segreta (SIS), Angleton received reports on meetings between Italian agents and Soviet intelligence operatives and decoded Soviet messages sent to field agents in Italy and the Mediterranean.[208] Additionally, Angleton developed intelligence sources that worked throughout Rome and conducted such covert acts as stealing documents, codes, and cipher books from the Italian Ministry of Interior to gain intelligence pertaining to communist activities. The intelligence sources developed by Angleton also provided the CIA potential recruits including Italian journalists and military officers.[209]

Another significant factor in surrogate targeting that resulted in a favorable outcome in the 1948 Italian elections was the ability of the U.S. to penetrate and leverage prominent Italian institutions to influence the local population. One such crucial and powerful institution within Italian society that the U.S. was able to penetrate was the Vatican. The U.S. was able to leverage the anticommunist sentiment of the Catholic Church and the phobia of Pope Pius XII had of Godless communism prevailing in Italy. Prior to WW II the Pope condemned both Nazism and communism totalitarian systems of government. Following the war the Vatican viewed the Yalta Summit negatively as small nations were surrendered to the powerful Soviet Union. The Vatican's fear of communist encroachment was further fueled following the communist seizure of power in Poland, Hungary, and Czechoslovakia and the growing domestic threat posed by the PCI.[210]

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206 Callanan, *Covert Action in the Cold War: U.S. Policy, Intelligence and CIA Operations*, 33.

207 Woods, *Shadow Warrior: William Egan Colby and the CIA*, 104.

208 Callanan, *Covert Action in the Cold War: U.S. Policy, Intelligence and CIA Operations*, 32–33.

209 Mangold, *Cold Warrior: James Jesus Angleton: The CIA's Master Spy Hunter*, 42.

210 Duggan and Wagstaff, *Italy in the Cold War: Politics, Culture and Society 1948–53*, 68–72.

The Catholic Church became a vital instrument of anticommunist propaganda for U.S. political warfare efforts in Italy. The U.S. capitalized on the fears within the Vatican of a communist takeover in Italy that threatened the very existence of the Catholic Church by supporting the anticommunist propaganda of the Comitati Civici (Civic Committee) led by Luigi Gedda. Gedda, who was a prominent figure in the Catholic Action movement in Italy, became a key contact of the U.S. Embassy in Rome to leverage the Church as a means to defeat communism in Italy. Father Giovanni Battista Montini who served as the Vatican's Secretariat of State and would later become Pope Paul VI put Gedda in contact with a U.S. Embassy official and possible CIA agent named John McKnight. Through the efforts of Father Montini and the McKnight, Luigi Gedda's Catholic Action movement received financial support through the sale of U.S. surplus war materials whose proceeds went to the Vatican.[211] The message put out by the Vatican and Catholic Action pertaining to the 1948 election was that of Catholicism vs. communism and the civic duty of the Italian people to vote against Communism. Luigi Gedda would be the local contact who could disseminate the anticommunist message to the Italian people at the grass roots level as part of the U.S. psychological warfare strategy.[212]

Another aspect of Italian society that the U.S. was able to gain influence over to counter the communist threat of the 1948 elections was organized labor. The Confederazione Generale Italiana del Lavaro (Italian General Confederation of Labor (CGIL)) was established in 1944 as the Italian national labor union, and by 1947 was under Communist control. The power held by the communists over the CGIL resulted in political strikes throughout the fall and winter of 1947 to protest the government of Alcide De Gasperi and caused President Truman to fear that an insurrection by the communists could soon follow.[213]

To undermine the communist influence over organized labor, the CIA financed the European activities of the Free Trade Union Committee (FTUC), which served as the

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211 Ibid., 73–74.

212 Del Pero, *The United States and "Psychological Warfare" in Italy, 1948–1955*, 1308.

213 Callanan, *Covert Action in the Cold War: U.S. Policy, Intelligence and CIA Operations*, 26–27.

foreign affairs department for the American Federation of Labor (AFL). The funding and support provided by the CIA and the FTUC/AFL resulted in a split within the CGIL. The anticommunist members within the CGIL formed the Catholic dominated Libera Confederazione Generale Italiana Lavaro (Free CGIL).[214] In addition to financial support to Italian anticommunist labor, the U.S. undermined communist dominated labor by manipulating the awarding of foreign labor contracts and which ports would receive foreign aid in Italy. Non-communist labor unions were supported by the U.S. directing the shipping, crews, and selection of ports that Marshall Plan aid would enter Italy to break the power of communist labor unions.[215]

The U.S. tactic of utilizing anticommunist Voice of America broadcasts conducted by prominent Italian-Americans was also employed to influence organized labor. One such prominent Italian-American labor leader was Luigi Antonini. Antonini, who organized the Italian-American Labor Council in New York and worked as an AFL advisor to Italian labor, joined other prominent labor leaders such as James Carey of the AFL and Dave Beck of the Teamsters Union to appeal to Italian voters to reject communism at the voting polls.[216]

3. Supporting Hypothesis 2

The campaign carried out by the newly established CIA in Italy exemplifies a model of success when covert activities are integrated with overt U.S. programs to maximize effects.[217] This compliment of U.S. covert and overt activities to achieve success in the 1948 Italian elections is expressed in a July 26, 1951 memorandum from Italian Ambassador James Clement Dunn to Deputy Director of the CIA Allen Dulles. Dunn wrote that "the reduction of communist activities and power in Italy is based upon

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[214] Del Pero, *The United States and "Psychological Warfare" in Italy, 1948–1955*, 1309.

[215] Alan W. Dulles, *Analysis of the Power of the Communist Parties of France and Italy and of Measures to Counter Them* (Washington, DC: Central Intelligence Agency, 1951), 9.

[216] Miller, *Taking Off the Gloves: The United States and the Italian Elections of 1948*, 49–50.

[217] Callanan, *Covert Action in the Cold War: U.S. Policy, Intelligence and CIA Operations*, 24.

a combination of propaganda and assistance in in economic recovery."[218] Though the role of covert activities assisted and enhanced the overall campaign in Italy, the overt and well publicized partnership between the Truman administration and Alcide De Gasperi and the Christian Democrats proved highly beneficial in reaching the desired end state.

Cold War historian Dr. James Callahan wrote that "covert action played a relatively limited role in securing the De Gasperi's electoral victory in 1948."[219] Callahan suggests that the success of De Gasperi and the Christian Democrats was due to the overt support provided by the U.S. prior to the 1948 elections. The two main objectives of the U.S. overt campaign consisted of: 1. Optimizing the appeal of the democratic anticommunist parties and convincing the Italian people that their best option was to secure a future with the Western Bloc, and 2. Alert the Italian people to the dangers of voting in favor of communism in an attempt to cause a rift in the USSR and PCI/PSI alliance.[220] The overt assistance the U.S. provided to Italy following WW II was in itself seen as anticommunist propaganda. James Edward Miller of the U.S. Department of State Historical Office wrote that: "U.S. propaganda underlined the importance of Marshall Plan aid and the fact that no communist nation was participating in the European Recovery Plan." Additionally, Miller elaborates how Ambassador James Clement Dunn would often greet U.S. ships carrying Italian aid at dockside as a means of propaganda to the Italian people.[221]

Despite the suggestion made by Callahan that the overt relationship between the U.S. and De Gasperi coupled with Marshall Plan aid provided sufficient anticommunist propaganda, CIA funded black propaganda was highly useful in persuading the Italian population against the communist party. Mark Wyatt, who served in Rome's CIA station during the period of the 1948 Italian elections, provides an account of how the CIA strongly supported anticommunist newspapers. Additionally, the CIA enlisted the

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[218] Dulles, *Analysis of the Power of the Communist Parties of France and Italy and of Measures to Counter Them*, 1.

[219] Callanan, *Covert Action in the Cold War: U.S. Policy, Intelligence and CIA Operations*, 28.

[220] Ibid., 28–29.

[221] Miller, *Taking Off the Gloves: The United States and the Italian Elections of 1948*, 49.

assistance of Italian cartoonists who were able to portray prominent communist leaders in satirical caricatures as a method of propaganda. One such example that Wyatt provides is a poster with the words "I trust" and "I obey" under a degrading caricature of Joseph Stalin labeled as "Il Buffone," Italian for a silly clown. Wyatt credits the success of covert CIA propaganda efforts to the brilliant ideas and capabilities of Italian journalists and their getting involved early in the game.[222]

Despite the benefit of a highly overt relationship between the U.S. and De Gasperi, Ambassador Dunn recognized the utility in covert activities and psychological warfare to defeat the communists in the 1948 elections. Ambassador Dunn who recognized the advantage of publicizing U.S. aid to Italy as propaganda against the communist party also realized the need to covertly fund the Christian Democrats and the Partito Socialista dei Lavoratori Italiani (Socialist Party of Italian Workers (PSLI)) who had split with the leftist Italian Socialist Party to form an anticommunist coalition in Italy.[223] Covert funding for the Christian Democrats was conducted through a private New York bank and funding for the PSLI came through a New York law firm. Additionally, private companies and American trade unions were another source to covertly fund Italian political parties and maintain the animosity of the U.S. Embassy in Rome.[224] Mark Wyatt, explains in a 1996 interview with the National Security Archives, the importance of the contacts he made with prominent Italian-Americans in the banking and industrialist fields. One such prominent figure that the CIA was in contact with who supported the Christian Democratic Party was Amadeo Peter Giannini who was the founder of the Bank of America.[225]

Mark Wyatt also provides insight into the success the CIA achieved in the clandestine passing of funds to the Christian Democratic and Social Democratic parties. Wyatt explained the difficulty in passing black bags of money due to the busy nature of

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[222] Marshall Plan Episode 3, "Interview with Mark Wyatt," February 15, 1996, accessed March 18, 2014, http://www2.gwu.edu/nsarchiv/coldwar/interviews/episode3/wyatt2.html.

[223] Mistry, *The Case for Political Warfare: Strategy, Organization and U.S. Involvement in the 1948 Italian Election*, 313.

[224] Ibid., 314.

[225] Marshall Plan Episode 3, *Interview with Mark Wyatt*.

the recipients who worked set schedules in the Italian government and the threat of being compromised by the large Soviet presence in Rome that was supporting communist parties. Despite the difficulties and risk associated with passing funds to anticommunist political parties, Wyatt stated that, "they'd never been able to produce photographs of an American officer of the CIA, under embassy cover, passing a bag to a well-known Christian Democrat or Social Democrat."[226]

Covert funding was facilitated by a complex procedure implemented by the CIA to ensure that the money laundering program to aid the 1948 elections remained legal and secret. To accomplish this task the CIA enabled businesses and organizations to financially contribute without violating tax laws, utilized an internal audit procedure, and hid the CIA connection through various front organizations.[227] In addition to covertly funding Italian anticommunist political parties, the CIA orchestrated a "black propaganda" campaign to bring the Italian population to the attention of the brutality carried out by the Soviet Army in Eastern Europe. CIA propaganda that was planted in local and national newspapers depicted menacing pictures and stories from behind the Iron Curtain such as the communist takeover in Czechoslovakia.[228]

The 1948 Italian elections highlighted the value of psychological operations in waging political warfare to gain influence over and condition political allegiances and public behavior in Italy. The victory achieved by the Christian Democrats in the 1948 Italian election lent credence to the Truman administration that psychological warfare was a legitimate tool of U.S. foreign policy and key to the Cold War strategy.[229] As part of the covert/overt balance, the U.S. approach to the 1948 Italian elections was that the waging of psychological warfare was the duty of the Italian government and anticommunist parties to delegate down to local actors.[230] The strategy of delegating psychological warfare down to local actors with the U.S. only providing guidance,

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226 Ibid.

227 Callanan, *Covert Action in the Cold War: U.S. Policy, Intelligence and CIA Operations*, 39–40.

228 Ibid., 40.

229 Del Pero, *The United States and "Psychological Warfare" in Italy, 1948–1955*, 1304.

230 Ibid., 1309.

funding, and instruction was crucial in gaining anticommunist support at the grass roots level. Individuals such as Luigi Gedda of the Catholic action civic committee is an example of anticommunist messages crafted by the U.S. Embassy and Vatican being disseminated down to the village level by a local actor.

4.   Supporting Hypothesis 3

The case of Italy provides an example of a surrogate-centric campaign despite the heavy overt nature of U.S. involvement due to the European recovery effort following WW II. A key to maintaining the surrogate centricity was due to the goal convergence shared by the U.S. and influential Italian anticommunist entities. Additionally, vital to the surrogate centricity was the well-developed and pre-existing intelligence and auxiliary networks. The pre-existing contacts and networks that dated back to WW II provided the U.S. a medium to spread the message of anti-communism to the Italian population. Kaetan Mistry, who has written on political warfare in the 1948 Italian election, suggests that it was the intimate working relationship between Ambassador Dunn and the anticommunist coalition of the Christian Democrats and PSLI that encouraged U.S. intervention in the 1948 elections. Additionally, the Vatican who also shared anticommunist sentiment and would benefit from the defeat of communism also encouraged U.S. intervening in the 1948 elections.[231] The key to success that Mistry highlights is that the Italian political parties and the Vatican who were advocates of U.S. involvement and support for the 1948 elections were able to utilize their own narratives and networks to reach their domestic audiences.[232]

Throughout the 1948 Italian elections Ambassador James Clement Dunn stressed the importance of maintaining the appearance of the Italian government as the key factor to achieving victory. In a July 26, 1951, memorandum to Deputy Director of the CIA Allen Dulles; Ambassador Dunn wrote that, "the most effective action in influencing the Italian people away from communism would be that taken by the Italian government

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[231] Mistry, *The Case for Political Warfare: Strategy, Organization and U.S. Involvement in the 1948 Italian Election*, 303.

[232] Ibid., 303.

itself."[233] Additionally, drawn from his experiences in the 1948 Italian elections, Ambassador Dunn wrote that "a most effective way of combating communism is by word of mouth" and "that by organizing democratic political groups at the grass roots level in industrial centers workers are approached on a personal basis."[234]

Existing variables such as high illiteracy rates and the predominance of Catholicism in Italy facilitated organizations such as Luigi Gedda's Catholic Civic Committees to achieve the U.S. goals by spreading the message of anti-communism at the local village level. The ability to promote anti-communism through a prominent Italian figure in pre-existing institutions such as the Catholic Church created the credibility of a surrogate-centric campaign.[235]

5.   Supporting Hypothesis 4

Positive inducements provided to Italy were initiated by the Truman administration immediately following WW II. U.S. aid and economic assistance were provided in the efforts to rebuild Western Europe and prevent alignment with the Soviet Union. On 17 December 1947 President Truman signed an interim aid package that would serve as a short-term fix designed to inject essential raw materials and foodstuffs into the Italian economy. This rapid short-term aid package was introduced as an initial incentive to dissuade Italians from the appeal of communism.[236] During a January 1947 visit to Washington, DC, De Gasperi met with President Truman and Secretary of State James F. Byrnes to discuss economic issues in Italy and the threat imposed by the Italian left. De Gasperi stressed the importance of financial support provided by the U.S. as a means to defeat communists in Italy.[237]

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[233] Dulles, *Analysis of the Power of the Communist Parties of France and Italy and of Measures to Counter Them*, 1.

[234] Ibid., 2.

[235] Mistry, *The Case for Political Warfare: Strategy, Organization and U.S. Involvement in the 1948 Italian Election*, 316.

[236] Callanan, *Covert Action in the Cold War: U.S. Policy, Intelligence and CIA Operations*, 29.

[237] Platt and Leonardi, *American Foreign Policy and the Postwar Italian Left*, 198.

Major U.S. economic assistance to Italy would occur for a ten year period from 1944–1954. During this timeframe Italy would receive European Recovery Plan (Marshall Plan) aid, United Nations Relief and Rehabilitation Administration (UNRA) aid, and Mutual Security Military aid for a total of 5.5 billion dollars. While extending substantial economic aid the Truman administration suggested to De Gasperi that the U.S. would look more favorably upon an Italian government that did not have communist parties participating in its Parliament. This bargaining initially resulted in the left being allocated fewer seats in Italian ministries by February of 1947. As U.S. aid to Italy increased and the threat of a communist victory in the 1948 increased, Ambassador Dunn sent a message to Secretary of State Marshall stating that "aid to Italy perhaps should be based on quid pro quo of necessary changes in political orientation and policies."[238] In May of 1947, six days after Ambassador Dunn sent this message; De Gasperi dissolved his cabinet and created a new government coalition that excluded both communist and socialist parties.[239] The use of economic aid as a political bargaining chip was reinforced to De Gasperi through the indirect, yet apparent warnings from Ambassador Dunn that U.S. aid would cease to flow if Italy was fall into the hands of the communists.[240]

D.   CONCLUSION

The case study of Italy provides a successful example of the ability of the U.S. to indirectly reach a desired political outcome. Through both overt and covert measures the U.S. set the conditions for the 1948 elections once it was identified that De Gasperi and the Christian Democrats shared the same anticommunist sentiment. When examining the four factors that were analyzed as the supporting hypotheses of this thesis,' the two factors that had the most prominent effect in the Italy case were those of surrogate targeting and positive inducements.

Surrogate targeting was facilitated by a thorough understanding of the Italian political situation and society. The U.S. was able to identify surrogate networks

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[238] Ibid., 199.

[239] Ibid., 199.

[240] Mistry, *The Case for Political Warfare: Strategy, Organization and U.S. Involvement in the 1948 Italian Election*, 314.

comprised of such prominent entities as the Catholic Church that could influence the population against voting communist. The role of prominent indigenous institutions as the Vatican and individuals such as Luigi Gedda created a surrogate-centric campaign that enabled victory for the Christian Democrats. The use of Marshall Plan aid as a positive inducement enhanced the existing surrogate network that spread anticommunist messages at the grass roots level. Overt U.S. aid assisted the Italian population not only in rebuilding from the destruction of WW II, but showing the Italians that the U.S. was committed to supporting the free people of Western Europe. Additionally, the Marshall Plan worked as a positive inducement due to the fact that the Soviet Union had no such aid and reconstruction programs. Former CIA agent Mark Wyatt described how the Marshall Plan was a tremendous program that helped to rebuild Western Europe. However, in his 1996 interview with the National Security Archives on U.S. operations in Italy, Wyatt explains that as noble as the Marshall Plan was, its purpose was primarily to secure U.S. interests:

> We were helping rebuild Italy, Germany, what have you; but the important thing –and Marshall knew this-it was completely in America's interest, our national security interest, to do it. Fine that it helped them, but damn it, we had to do it in our own interest.[241]

The struggle against communism in Italy did not end with the electoral victory of De Gasperi and the Christian Democratic Party in 1948. The communist party in Italy would challenge democratic entities until up until the end of the Cold War. However, the groundwork provided by the U.S. following WW II and the support to the 1948 elections set the conditions to keep Italy from falling to communism. Former OSS operative, CIA agent, and eventual CIA director, William Colby, who served in Italy during the 1950s, relates U.S. success in Italy to having a long-term strategy of covert political assistance to democratic entities. Colby stated that such a strategy "demonstrates the utility and even the morality of secret assistance to foreign friends with a subversive challenge."[242]

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[241] Marshall Plan Episode 3, *Interview with Mark Wyatt*.

[242] W. E. Colby and P. Forbath, *Honorable Men: My Life in the CIA* (New York: Simon and Shuster, 1978), 139.

VI.   CONCLUSION

A.   CASE STUDY ANALYSIS AND FINDINGS

The below analysis summarizes the factors that explain the success or failure of each of the four thesis case studies, in terms of the hypothesis and supporting hypotheses.

1.   Indonesia

The case of Indonesia serves as the example of a complete failure in the U.S. carrying out a campaign of indirect coercion. The inability of the Eisenhower administration to successfully coerce the Sukarno government into the Western sphere of influence resulted from not understanding the complex political and ethnic nature of Indonesia. The two factors that greatly contributed to the failure of the Indonesia case are positive inducements and surrogate targeting. The lack of any substantial positive inducements from the U.S. to the Sukarno government is best described in a 1957 correspondence from Secretary of State John Dulles to the U.S. Embassy in Australia. Dulles writes that "U.S. grant aid to Indonesia in the current fiscal year is about $11 million in technical assistance, malaria control and police training—hardly a lever of major consequence."[243]

The inability to identify viable surrogates to gain influence over the government in Jakarta also was a pivotal factor that contributed to the unsuccessful coercion campaign in Indonesia. The emphasis of the Eisenhower administration was placed on providing support to anticommunist rebel factions to prevent Indonesia from falling into the communist sphere of influence. The rebel factions that received CIA supported may have been anticommunist, but anticommunist military officers also existed within the Indonesian military. Supporting anticommunist military officers may have been the better option to gain influence over the Sukarno government. Rebel groups may have been readily available to use as surrogates; however, the use of anticommunist rebel factions as surrogates were insufficient due to a lack of sponsor/surrogate goal convergence.

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[243] John Foster Dulles, *Document 338: Telegram from the Department of State to the Embassy in Australia, December 27, 1957* (Washington, DC: U.S. Department of State Office of the Historian).

In addition to a lack of positive inducements and the inability to utilize viable surrogate entities, the U.S. coercion campaign in Indonesia was short in duration, which also contributed to failure. The short-term fix of CIA support to rebel factions did not carry the same utility that a protracted and carefully crafted plan of action would have carried. Additionally, U.S. efforts to sway the Sukarno government from a position of neutrality to that of anti-communist were attempted primarily through military means and lacked any sustained political and diplomatic efforts.

2. Chile

The case of Chile provides an example of initial success followed by failure in U.S. coercive efforts to influence a political landscape. Initially, under the Kennedy and then Johnson administrations, the U.S. was able to influence the favorable outcome of the 1964 Chilean elections. The factors that greatly contributed to successful U.S. coercion efforts were positive inducements and surrogate targeting. Positive inducements to Chile came in the form of President John F. Kennedy's Alliance for Progress. The Alliance for Progress provided over a billion dollars in economic assistance. This in turn made Chile the largest recipient of U.S. assistance in Latin America.

Also contributing to the initial success in Chile during the 1964 elections was effective surrogate targeting. The Kennedy administration made the decision to only support political parties in the center of the political spectrum. The Christian Democratic Party and candidate Eduardo Frei provided the U.S. a viable center oriented political party to support. Complementing U.S. support to a pro-democratic political party was the ability of the CIA to target groups such as student and women's organizations, democratic labor unions, and peasants to support Frei. By garnering support from Chilean groups that crossed all aspects of society, the U.S. was able to facilitate the promotion of pro-democratic ideals at the grass roots level in Chile.

Unlike U.S success in influencing the outcome in the 1964 election, the Nixon administration was unsuccessful in preventing the Allende victory in 1970. The factors that greatly contributed to the U.S. failure in the 1970 election were a lack of effective surrogate targeting, no substantial positive inducements, and relying too heavily on

covert action to block the election of Allende. In the lead-up to the 1970 election, the Nixon administration did not support a specific candidate or political party. Additionally, by not supporting a specific candidate, the CIA was unable to target groups within Chilean society that could provide support to a pro-democratic candidate. Unlike the 1964 election, the robust surrogate network of groups and organizations that represented the various factions of Chilean society at the grass roots level did not exist for the 1970 election.

The Nixon administration did not provide any economic assistance or aid to Chile in the lead-up to the 1970 election. Additionally, the heavy reliance on covert action by the Nixon administration in the 1970 Chilean elections was a key factor in the failure to prevent an Allende victory. The hastily planned covert action associated with Track I and II did not achieve the desired results of the Nixon administration and illustrates the need for an overt balance. Without overt U.S. support to a specific candidate or political party, the covert action of Track I and II did not compliment an overall coercion campaign.

3. Hezbollah

The case of Lebanese Hezbollah provides an example of significant success achieved through a campaign of indirect coercion. The two key factors that greatly contributed to the success of Hezbollah as a tool of Iranian foreign policy in Lebanon were surrogate targeting and positive inducements. Effective surrogate targeting stems from the IRGC infiltration into Lebanon during the early 1980s and identifying fractures within the Shia population. The existing rift within the Shia population between the South Lebanese Army (SLA) and the Lebanese Shia Islamic AMAL provided ripe conditions for the IRGC to take advantage of fractures within the AMAL through their Shia identity. In the early 1980s the IRGC was successful in identifying key personalities and leadership from the AMAL and bringing them into Hezbollah based on ideological similarities in hopes of defeating Israel and reducing Western influence in Lebanon. The successful targeting of Lebanese surrogates beginning in the early 1980s has resulted in Hezbollah growing from a localized militia into a highly politicized organization that is able to promote Iranian regional goals and interests outside of Lebanese borders.

Hezbollah has been able to successfully utilize positive inducements on the Lebanese population as it grew from a predominantly military organization to a political entity. Through Iranian support, Hezbollah has been able to provide social services and educational opportunities to the population of Southern Lebanon. The use of positive inducements to the Lebanese population has resulted in growing local support for Hezbollah. Simultaneously the regional influence of Israel and the West have been reduced, satisfying one of Iran's strategic goals.

4. Italy

The case of Italy provides an example of success and the utility of political warfare to alter the outcome of the 1948 Italian elections. The two factors that greatly contributed to the success of the coercion campaign in Italy were those of surrogate targeting and positive inducements. Effective surrogate targeting by the U.S. directly resulted in pro-democracy/anticommunist messages reaching several facets of Italian society at the grass roots level. The ability of the U.S. to leverage the Catholic Church was crucial to spreading the message of anti-communism through a respected and influential institution. Working under the guidance of the U.S. and the Vatican, Luigi Gedda's Civic Committee used the influence of the Catholic Church to reach Italian society at the grass roots level. In addition to the influence of the Catholic Church, the U.S. was able to develop a robust surrogate network through pre-existing OSS contacts. CIA operative James Angleton was crucial in using his former OSS contacts and informants within the Italian security services to provide intelligence to the U.S. about Soviet activities in Italy.

Also crucial to U.S. success in Italy was the role of positive inducements. The key inducement utilized by the U.S. to gain support from the Italian people was through the Marshall Plan. Marshall Plan aid was vital not only to assist in the rebuilding of war-torn Italy, but it also served as a psychological tool in promoting the U.S. and pro-democratic ideals. The Truman administration realized the impact of the Marshall Plan in Italy and all of Western Europe following WWII as the Soviet Union provided no such aid or assistance. U.S. aid provided relief for the Italian people in a time of dire hardship and

also bolstered the relationship between the Truman administration and Italian Prime Minister Alcide De Gasperi of the Christian Democratic Party. This relationship would, in turn, result in the U.S. supporting and assisting De Gasperi in his victory in the 1948 election.

B. CONCLUSIONS DERIVED FROM THE RESEARCH QUESTION AND MAIN HYPOTHESIS

The presented research question asks: *under what conditions is indirect coercion successful?* Analysis of the four case studies indicates that the underlying conditions that produced success through indirect coercion were those where high strategic priority was placed on the target by the sponsor over a protracted time period. The cases of Italy and Hezbollah demonstrate the high strategic importance the sponsor placed on the target due to both strategic location and regional goals. Once it is determined that a target nation or region is of high strategic value to the sponsor, the next condition that must be met is the sponsor's ability and willingness to conduct a long-term and protracted campaign of indirect coercion. The Hezbollah and Italy case studies identified that overall success in reaching strategic goals was a result of committing to campaigns that spanned over several decades.

The campaigns of indirect coercion in the above case studies were conducted in permissive environments. In these cases, the sponsor had the ability to develop networks and operate at the grass roots level to affect the outcome of the overall campaign. Operating in a non-permissive environment would obviously be more difficult and more time might be needed to succeed. In other words, a non-permissive environment would increase the difficulty of the campaign but the principles associated with success in a permissive setting remain.

The main hypothesis of the thesis states: *indirect coercion will be a more viable policy option for political and military decision makers if there is a better process to identify the conditions that make indirect coercion successful*. For indirect coercion to be a viable option the target must have high strategic value and decision makers must be willing to commit the time and resources required for a successful campaign. Strategic

planners can devise indirect coercion contingency plans and then implement these plans if the conditions are met within the target nation. Maintaining and expanding pre-existing networks within and around a target nation can best provide the necessary ground truth and intelligence to assist decision makers to determine if indirect coercion is the best policy option available.

C.   CONCLUSIONS DERIVED FROM SUPPORTING HYPOTHESES

Analysis of the case studies suggests that surrogate targeting and positive inducements are the most critical to success in a coercion campaign. Though all four factors analyzed through the sub-hypothesis are necessary and important to conducting indirect coercion, surrogate targeting and positive inducements had the greatest impact to the overall success or failure of a campaign.

Successful coercion campaigns exemplified through the case studies of Hezbollah and Italy demonstrate the utility of targeting surrogate groups that are highly influential within the target society. Additionally, the identification of groups within the target population that share common goals and interests of the sponsor led to successful outcomes. The concept of sponsor/surrogate goal convergence has been previously conducted in thesis research pertaining to unconventional warfare (UW). The findings on factors pertaining to UW indicate that an objective alignment must exist between U.S. military objectives and the indigenous population's political objectives.[244] This same objective alignment also proves important in identifying surrogates to carry out indirect coercion. Equally important is the ability of the surrogates to disseminate pro-sponsor messages that reaches several facets of the target society.

The use of positive inducements also proved crucial to successful indirect coercion as demonstrated in the Hezbollah and Italy case studies. The role of positive inducements supported the sponsor's overall goals by displaying solidarity between the sponsor and the target population while simultaneously undermining the adversary's efforts. Assisting the target population through aid and assistance programs that improve

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[244] Ryan C. Agee and Maurice K. DuClos, "Why UW: Factoring in the Decision Point for Unconventional Warfare" (master's thesis, Naval Postgraduate School, Monterey, CA), 152.

quality of life demonstrated the utility of introducing positive inducements as a key tactic of indirect coercion.

Also relevant to the success of indirect coercion in the Hezbollah and Italy cases were the persistent nature of the campaign and the high strategic value the sponsor placed on the target nation. The case of Hezbollah provides an example of an ongoing campaign whose success derives from over 30 years of support and influence by Iran. Additionally, U.S. efforts to dissuade Italy from falling into the communist sphere of influence began immediately following Allied victory in WWII and continued into the Cold War. Conversely, indirect coercion campaigns in Indonesia and Chile were characterized by short duration.

Hezbollah and Italy exemplify the high strategic value that was placed upon them by the sponsor nation. Lebanon provides an optimal position for Iran to impact regional events and undermine Israeli and Western influence among the Lebanese population. Similarly, the strategic location of Italy provided the U.S. and NATO an ally that could allow unimpeded access to the Mediterranean. U.S. military bases in Italy provided a strategic foothold in Western Europe and the Mediterranean during the Cold War and remain relevant into the 21st Century. On the other hand, the short duration of U.S. efforts and the lack of any substantial positive inducements indicate a lessened strategic value that was placed on Indonesia in the 1950s. Additionally, the intrinsic strategic importance of Chile was inflated by corporate interests in the copper industry. It can also be assumed that the lack of strategic importance placed on Chile by the Nixon administration in 1970 can be attributed to other competing global interests outside of Latin America such as the Vietnam War.

Based off the analysis of the four case studies the thesis sub-hypothesis' have been rank ordered to demonstrate the importance each factor played in the success or failure of indirect coercion. To derive the below rank ordering we utilized the analysis of the sub-hypothesis factors for each case and determined what proved most crucial to the success or failure in indirect coercion. Though all four factors of the sub-hypothesis are

relevant and important to indirect coercion, the below rank ordering highlights the most crucial and necessary elements of the sub-hypothesis'. The sub-hypothesis factors are ranked 1–4 with 1 being the most crucial and 4 being less crucial to overall success or failure.

Table 2.   Supporting Hypotheses Ranking

Supporting Hypotheses	Ranking	Reasoning
1. A process of identifying potential surrogates based on their influence on the population and their political goals increases the success of an indirect coercion campaign.	2	Effective surrogate targeting resulted in a high rate of success in the Hezbollah and Italy cases. Viable surrogates initially yielded favorable results in 1964 Chilean elections; however, a lack of viable surrogates resulted in failure in 1970. Targeting militias as surrogates in Indonesia resulted in complete failure.
2. A coercion campaign that is surrogate-centric, rather than sponsor-centric, is more likely to achieve the intended goals and less likely to be viewed as illegitimate in the target country.	4	All four case studies indicate that a coercion campaign that is surrogate-centric in nature will result in the desired outcome of the sponsor. This factor is ranked last due to the reasoning that a sponsor-centric campaign will more than likely result in failure.
3. A successful campaign of indirect coercion can be either covert or overt in nature.	3	This factor is ranked third due to the reasoning that the covert activities associated with the case studies often served as a compliment to the overt aspects of a campaign. The covert/overt nature of an indirect coercion campaign can vary dependent upon the situation within the target nation.
4. Positive inducements can increase the effectiveness of indirect coercion in political warfare based on analysis of target vulnerabilities.	1	This factor was deemed most important as it directly resulted in overall success or failure. Success in the Hezbollah and Italy cases can be attributed to the protracted use of positive inducements. Failure in Indonesia can be attributed to a lack of any substantial positive inducements. Additionally, success in Chile in 1964 consisted of U.S. aid packages while no positive inducements were associated with the 1970 election.

D. RECOMMENDATIONS

This research on indirect coercion, its potential uses and best practices for its application, is not complete or even robust enough given the frequency of use throughout the world. The current conflicts in both the Ukraine and Syria both have external sponsors supporting surrogates operating on their behalf to shape the outcome in the most beneficial way for the sponsor. The results of this research are to provide recommendations for the best application of the strategic policy option of indirect coercion.

Since 9/11, the U.S. government has strived to become better at incorporating all of the relevant agencies in executing its policies. In order to effectively conduct indirect warfare, this effort must continue. Elements of the government responsible for diplomacy, information/intelligence, military, and economic/financial must be leveraged in concert to execute indirect coercion. While a whole of government approach is required, three elements of the U.S. government must be more closely coordinated in order to conduct successful indirect coercion.

The Central Intelligence Agency (CIA) and the U.S. Army Special Forces (USSF) both have experience and the charter to conduct indirect coercion and the U.S. Department of State is chartered to offer inducements. The CIA has the mission to conduct covert actions in support of foreign policy, while the USSF is tasked by the Department of Defense to conduct UW. The 911 report identified the need for a strengthened relationship between these two elements for the purpose of improving the U.S. capability to conduct these operations. The primacy of organizing, training and equipping surrogates falls mostly to USSF due to their charter to conduct UW. In order to support USSF in this effort, the continuous development of surrogate network must take place. These networks should be developed using the findings identified in this thesis. Standing networks will provide policy makers with the best possible surrogates to conduct indirect coercion when the time comes to do so.

E.   CONCLUDING COMMENTS

The value of this research is in highlighting the importance of aligning diplomatic, military, and economic capabilities to meet future global challenges. This concept of applying all instruments of statecraft to meet adversarial challenges is best described in the 2011 National Military Strategy, which states "we will support a whole-of-nation deterrence approaches that blend economic, diplomatic, and military tools to influence adversary behavior."[245] The U.S. must be capable of applying indirect coercion to reach desired goals. The use of indirect coercion, if applied correctly, can provide a high payoff through investment of minimal resources.

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[245] M. G. Mullen, *The National Military Strategy of the United States of America: 2011 Redefining America's Miitary Leadership* (Washington, DC: Department of Defense, 2011), 8.

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