

When the Clever See Danger: U.S. Covert Action in Portugal

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Why do states intervene covertly in some places and not others? This is a pressing question for theorists and policymakers because covert action is widespread, costly, and consequential. I argue that states wield it—whether by supporting political parties, arming dissidents, sponsoring coups, or assassinating leaders—when they fear that a target is at risk of shifting its alignment toward the state that the intervener considers most threatening. I probe this argument in a medium-N analysis of 84 cases of serious consideration of such action by the United States during the Cold War. Then I turn to the overlooked case of U.S. covert action decision-making in Portugal between 1974 and 1975. My account is the first to show how U.S. efforts helped to preserve Portugal's position in the NATO alliance and arrested the meteoric rise of the Portuguese Communist Party. Interveners, I suggest, do not employ covert action to add to their power. Nor do they use it to advance an ideology. Rather, states act covertly when they fear international realignment.

Why do states employ covert action under some circumstances and not others? Covert action, or deniable activity that states undertake against other states, is widespread, costly, and consequential. During the Cold War, U.S. leaders seriously considered covert action against other states 84 times.¹

Existing examinations of covert action, especially by the United States, tend to converge on the consensus that policymakers employ it incautiously and often ineffectively, especially when they seek to change a target's regime covertly. Scholars suggest that policymakers who consider covert action adopt undue optimism regarding the likelihood of success, overestimate threats to U.S. interests, and fall prey to bullish intelligence agencies or reckless exile groups.²

In this paper, I argue that interveners employ covert action for systematic reasons—and that more limited forms of such action can prove highly effective. I posit that states act covertly—whether by supporting political parties, arming dissidents, sponsoring coups, or assassinating leaders—when they fear that a target state is at risk of shifting its alignment toward the state that the intervener considers most threatening. Two variables mediate the effect of alignment instability assessments: the relative value of action against a given target, in terms of the security stakes and the estimated costs, and the presence or absence of a replacement regime, which determines whether interveners pursue the maximalist strategy of covert regime change or instead limit their efforts to what I call covert checking.

¹ I count instances when the United States undertook action, as well as times when proposals for CIA action rose to the cabinet level.

² See, e.g., John Prados, *Safe for Democracy: The Secret Wars of the CIA* (Rowman & Littlefield, 2006). O'Rourke's recent work is more nuanced but also pessimistic. See Lindsey A. O'Rourke, *Covert Regime Change: America's Secret Cold War* (Ithaca: Cornell University Press, 2018). On bullish intelligence agencies, see Lucien S. Vandenbroucke, "Anatomy of a Failure: The Decision to Land at the Bay of Pigs," *Political Science Quarterly* 99, no. 3 (1984): 471–91, <https://doi.org/10.2307/2149944>. See also Stephen Van Evera, "The Case against Intervention," *The Atlantic*, July 1990.

I probe Alignment Theory first by assessing its explanatory power in 82 instances of serious consideration of covert action by the United States during the Cold War. Then I draw on new documentation from an overlooked case to test the causal mechanisms that I hypothesize. In 1974, leftist military officers in Portugal overthrew a longstanding right-wing dictatorship. Within a year, Communists would come the closest to power in Western Europe than at any other time during the Cold War.³ The fall from power of a stalwart pro-NATO regime in Lisbon spurred discussion in Washington of U.S. options, ranging from attempting to sponsor a coup to letting events take their course. After the resignation of the junta's more moderate president in September of 1974, alarms sounded in Washington. The shift to an assessment of what I call alignment instability—along with an assessment of Portugal's high relative value—caused U.S. leaders to pursue covert action. In the early months of 1975, up to pivotal constituent assembly elections in the spring, the CIA acted in concert with the U.S. embassy in Lisbon to boost the electoral prospects of non-communist political parties and to encourage the ruling Armed Forces Movement to allow those elections to take place. The United States channeled hundreds of thousands of dollars (at a minimum) to the Portuguese socialist party via socialist parties in Europe (specifically Germany), funneled funds to key moderate media outlets, and passed sensitive intelligence regarding the plots of the Portuguese Communist Party to moderates inside the Armed Forces Movement. Following the election and the refusal of Vasco Goncalves and a leftist contingent inside the junta to cede power, the CIA encouraged moderates inside the Armed Forces Movement to take action. At a critical moment in August of 1975, the CIA promised Portuguese moderates

³ See Oldberg, among others, who makes this argument. Ingmar Oldberg, "The Portuguese Revolution of 1974—75 and U.S. Foreign Policy," *Cooperation and Conflict* 17, no. 2 (July 1, 1982): 179–89, <https://doi.org/10.1177/001083678201700209>.

total support, including clandestine arms shipments if the country descended into civil war. This stiffened their resolve and helped bring an end to the leftist junta's hold on power.

In describing these activities, I offer what I believe to be the first in-depth examination of U.S. covert action in this case. In the early 2000s, former CIA officer and historian of covert action William Daugherty wrote cryptically of a covert action campaign under President Ford that yielded major success. “[T]his program is one in which the bad guys lost, the good guys won, and a democracy arose out of a dictatorship. And arguably only American citizens remain in the dark about it.”⁴ (In 2018, Daugherty confirmed in correspondence that the program to which he referred was CIA action in Portugal.⁵) Until 2014 and the release of the relevant *Foreign Relations of the United States* volume, the U.S. government did not acknowledge it.

As Alignment Theory predicts, the United States acted rationally and with restraint in the case of Portugal. In the first half of the crisis, it opted not to support right-wing exiles and military officers who hatched plots to seize power. Instead, Washington correctly recognized the Portuguese Socialist Party, as well as moderate members of the military, as the best bulwark against the consolidation of a leftist junta in Lisbon. This proved highly effective. Frank Carlucci, the U.S. ambassador to Portugal through the height of the crisis, rightly went on to win recognition in Washington as the American

⁴ William J. Daugherty, *Executive Secrets: Covert Action and the Presidency* (Lexington: University Press of Kentucky, 2006), p. 181.

⁵ Email correspondence with William Daugherty, November 5, 2018.

who “saved Portugal.” The U.S. decision to direct the CIA to help fund the Socialists and to undercut the Portuguese Communist Party played a role in this outcome.⁶

In proposing and testing Alignment Theory, I part ways with existing examinations of covert action that attribute state behavior in the covert world to offensive motives.⁷ While I acknowledge that this may occur on occasion, I argue that more often interveners will behave defensively and opportunistically. Existing studies often overlook the phenomenon of abstention—when states consider covert action seriously but decline to pursue it.⁸ I also identify what I call covert checking, a distinct strategy frequently employed by states in which they seek to manipulate the distribution of power between groups and individuals in a target state without changing the regime. Once we acknowledge possible forms of restraint by interveners, as I do, I expect a more nuanced picture to emerge. Alignment Theory expects interveners to employ covert action as a unique form of balancing against threats.

The paper proceeds in five parts. First, I introduce the dependent variable and summarize Alignment Theory. I also articulate the main competing explanation, Covert Bias Theory, which stipulates that intelligence agencies spur policymakers to take covert action by inflating the threat that a situation poses and minimizing the estimated costs of acting covertly. Second, I present results of the medium-N analysis of all U.S. covert action consideration during the Cold War. Third, I introduce the case of Portugal and

⁶ See, among others, Charles Stuart Kennedy and William McAfee, *Interview with William McAfee*, September 9, 1997, <https://www.loc.gov/item/mfdipbib000776/>.

⁷ For example, in the U.S. context, O’Rourke identifies a class of cases where she attributes offensive or hegemonic motives to U.S. behavior in pursuing covert regime change. O’Rourke also acknowledges preventive motives as a driver of 25 of the 63 covert regime change attempts that she records during the Cold War. See O’Rourke, pp. 106-112.

⁸ One partial exception is Jennifer Kibbe, “Presidents as Kingmakers: United States Decisions to Overthrow Foreign Governments” (Dissertation at University of California, Los Angeles, 2002), whose cases include two instances of what I call abstention. In addition, O’Rourke discusses the U.S. policy of supporting Tito’s regime in Yugoslavia, rather than attempting to overthrow it. See O’Rourke, pp. 152-154.

proceed through spring 1974, summer and autumn 1974, winter 1975, and spring and summer 1975. I code the independent variables under consideration and assess which of their predictions are borne out by events. In the fourth section, I assess the power of alternative explanations in Portugal and discuss the aftermath of U.S. intervention there. In the fifth section, I review my findings.

1. Covert Action and Alignment Theory

Recent works on covert action break new empirical and theoretical ground.⁹ O'Rourke explains why policymakers see regime change as a kind of foreign policy cure-all, especially covert regime change. She demonstrates convincingly that covert regime change stems from security concerns, rather than ideology or normative factors. However, O'Rourke focuses primary attention on evaluating the effectiveness (or lack thereof) of regime change efforts. This paper builds on her contribution by investigating more closely the security logic that drives interveners to act in the first place.

I identify three behaviors by interveners in the realm of covert action: abstention, checking, and regime change. Checking entails covert efforts to manipulate the distribution of power between groups and individuals in a target state. Intervenors that employ checking stop short of seeking regime change. Instances of checking tend to fall into two sub-categories: influence and enfeeblement. Under the former, intervenors work within the current system prevailing in the target state to manipulate favorably the complexion of a regime. Under enfeeblement, intervenors accept that a target regime will persist but they nevertheless work to arrest or reduce its power. I follow Geddes'

⁹ O'Rourke tackles the questions of why states pursue regime change; why they pursue it covertly; and whether it proves effective. O'Rourke, *Covert Regime Change*. Carson focuses on why states act covertly as opposed to overtly. Austin Carson, *Secret Wars: Covert Conflict in International Politics* (Princeton, NJ: Princeton University Press, 2018).

definition of a regime.¹⁰ They are “sets of formal and informal rules and procedures for selecting national leaders and policies.” Covert regime change is deniable action to change the rules by which leaders are selected in a target state (and by extension to overthrow the current leadership).¹¹

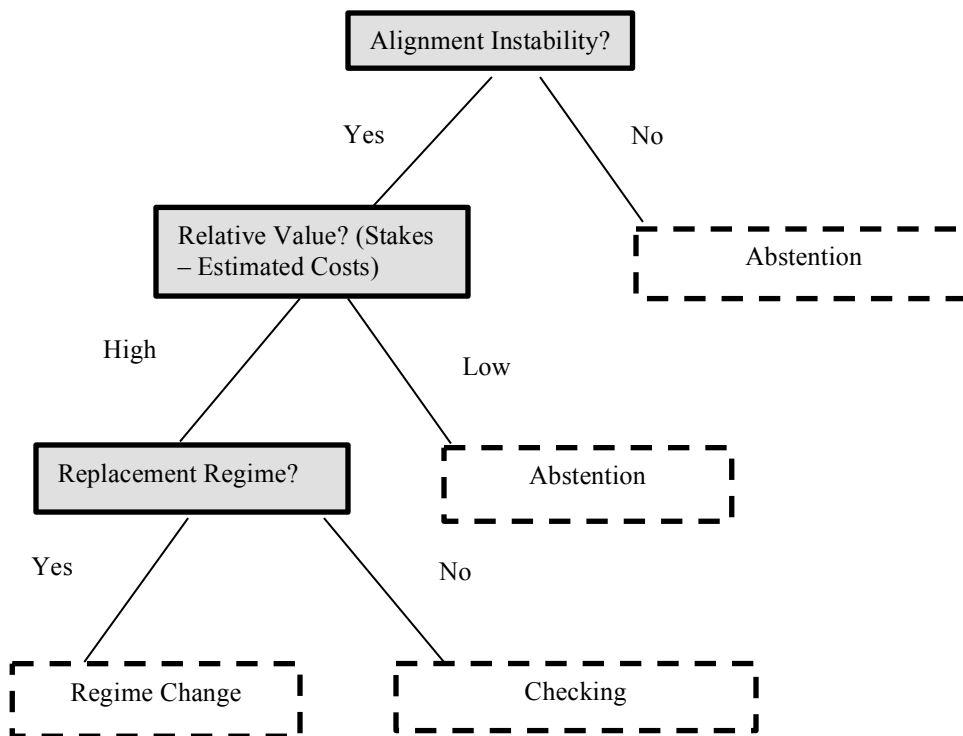
What explains these three outcomes? Alignment Theory emphasizes the role of threat in driving state behavior in the covert realm. States act when they fear that a target state is at risk of shifting its alignment toward a pressing danger—the state that the intervener considers most threatening. Specifically, the theory posits that interveners take the decision to act or not based on three independent variables arranged in order of significance: the alignment instability of the target in question, the relative value of the target, and the presence or absence of a replacement regime. I maintain that interveners take action to stave off losses, rather than to secure gains. This is because they recognize the risks that inhere in the activity. Alignment theory draws inspiration from theories of preventive war, such as Copeland, Van Evera, and others.¹² Figure 1 illustrates the theory.

¹⁰ Barbara Geddes, “What Do We Know About Democratization After Twenty Years?” *Annual Review of Political Science* 2, no. 1 (1999): 115–44.

¹¹ Note that this definition differs from the one that O’Rourke employs. See O’Rourke, p. 14. In order to evaluate covert regime change effectiveness fairly, she defines it a regime minimally. For my purposes, which are different, I adopt a more expansive definition in order to understand the distinct logics leading to different kinds of covert action (i.e. checking).

¹² Stephen Van Evera, *Causes of War: Power and the Roots of Conflict* (Cornell University Press, 1999). Dale C. Copeland, *The Origins of Major War* (Ithaca: Cornell University Press, 2001). In the realm of covert action, Downes and Lilley note an inclination to act preventively. They do not test this possibility. Alexander B. Downes and Mary Lauren Lilley, “Overt Peace, Covert War?” *Security Studies* 19, no. 2 (May 21, 2010): 266–306. Gavin argues that in the case of Iran in 1953 the United States acted out of fear of communist gains. See Gavin, “Politics, Power, and U.S. Policy in Iran, 1950–1953.” Finally, Poznansky indirectly highlights prevention motives on the part of interveners, as does Anderson. See Michael Poznansky, “Stasis or Decay?” *International Studies Quarterly*, March 1, 2015 and Elizabeth E. Anderson, “The Security Dilemma and Covert Action: The Truman Years,” *International Journal of Intelligence and CounterIntelligence* 11, no. 4 (December 1, 1998): 403–27.

Alignment Theory



An assessment of alignment stability occurs when interveners express confidence that the target’s current alignment—that is, its approach to close security cooperation with other states¹³—will continue in the future. I predict that an assessment of alignment stability will cause interveners to abstain from covert action.

An assessment of alignment instability occurs when interveners express doubt about whether the target’s current alignment will continue in the future.¹⁴ Note that alignment instability refers specifically to doubts of the intervener about whether the target state in question will move *toward* the intervener’s primary threat. An interveners

¹³ Steven R. David, “Explaining Third World Alignment,” *World Politics* 43, no. 2 (January 1991): 233–56.

¹⁴ Cf. Poznansky’s stasis versus decay explanatory variable. Michael Poznansky, “Stasis or Decay? Reconciling Covert War and the Democratic Peace,” *International Studies Quarterly*, March 1, 2015, <https://doi.org/10.1111/isqu.12193>.

should show elevated concern if its alignment assessment shifts. Alignment instability should act as a necessary cause for covert action.

Why is this the case? After all, a wavering target may yet remain stable in its international position. Interveners believe that they have a better chance of using covert action successfully before a target realigns than after. After realignment the would-be allies of the intervener inside the target are likely to be weak. This will make covert action difficult. From the intervener's perspective, this means that the window for effective action closes after realignment occurs.

Relative value should mediate the effects of alignment instability. It encapsulates the security stakes for the intervener of the target's current alignment and the intervener's estimate of the cost of taking any covert action. When security interests outweigh costs, the interveners assesses high relative value. Under such conditions, the intervener should choose to act.

Turning to the third and final variable, interveners should decline to pursue the maximalist strategy of covert regime change unless they can identify a viable replacement for the current regime.¹⁵ Viable replacements as I define them must meet two criteria. The replacement must be strong enough to offer a realistic path to victory over the system that prevails presently. Typically, this means that they command support among key power holders in the polity. Second, they must offer evidence that they will ameliorate the problem of alignment instability when they gain control of the apparatus

¹⁵ This variable is similar to O'Rourke's insight regarding the causes of successful regime change (whether overt or covert). O'Rourke identifies two criteria for plausible political alternatives, as she labels them. For interveners to find regime change appealing, the alternative must be strong relative to the current regime and they must share the policy preferences of the intervener. I make a similar but slightly different argument: viable replacement regimes are strong enough to gain power with the help of only covert support from interveners and share the intervener's policy preferences only with regard to alignment. For O'Rourke's argument, see p. 46 of *Covert Regime Change*.

of the state (i.e. they will minimize the threat of realignment to the intervener's primary threat). On a host of other policy preferences, viable replacements may diverge with interveners, as long as they converge with interveners on the critical question of alignment. If the replacement regime variable operates as I predict, interveners should opt to undertake checking if they reach the conclusion that no viable replacement is available.

1.2 Covert Bias Theory

Alignment Theory does not allow for the possibility that the organizations charged with implementing covert action will pervert its use. Covert Bias Theory focuses on the proclivities of intelligence officers and the precarious bureaucratic existence of intelligence agencies as possible influences on decision making by states. The theory postulates that these characteristics create an environment in which policymakers are more likely to opt for covert action.

Why might this be the case? I point to intelligence agencies' fear of irrelevance and their tendency toward pessimism. As with other national security organizations, intelligence agencies seek to enhance their influence and ensure their organizational survival.¹⁶ Among other organizational concerns, intelligence agencies fear irrelevance.

¹⁶ Morton Halperin formalized the insight that government bureaucracies seek organizational goods, namely survival, autonomy, and influence. See Morton H. Halperin and Priscilla Clapp, *Bureaucratic Politics and Foreign Policy* (Brookings Institution Press, 1971). Graham Allison paved the way for work to incorporate the influence of bureaucratic motives on explaining national decision-making. Graham T. Allison, "Conceptual Models and the Cuban Missile Crisis," *American Political Science Review* 63, no. 03 (September 1969): 689–718. A large body of work documents how organizational motives drive the behavior of militaries. See, e.g., Barry R. Posen, *The Sources of Military Doctrine: France, Britain, and Germany Between the World Wars* (Ithaca: Cornell University Press, 1986); Stephen Van Evera, "The Cult of the Offensive and the Origins of the First World War," *International Security* 9, no. 1 (1984): 58–107; Jack Snyder, "Civil-Military Relations and the Cult of the Offensive, 1914 and 1984," *International Security* 9, no. 1 (1984): 108–46. A smaller group of scholars applies this to intelligence agencies. See, e.g., Todd Stiefler, "CIA's Leadership and Major Covert Operations: Rogue Elephants or Risk-Averse Bureaucrats?" *Intelligence and National Security* 19, no. 4 (December 1, 2004): 632–54. See also Keren Yarhi-Milo, "In the Eye of the Beholder: How Leaders and Intelligence Communities Assess the Intentions

They long to be recognized as unique, valuable, and relevant. If spies fail to provide useful secrets to policymakers, they worry that policymakers will neglect them, possibly imperiling the organization's access to resources.

Important consequences follow from this. Within intelligence agencies, those collecting secrets often command more prestige and influence than those analyzing secrets. Collectors keep intelligence agencies in business. As a result, they may mold the organization in their image and focus its resources on operations, whether for intelligence gathering or covert action. The operators who undertake collection typically exude confidence and optimism.¹⁷

In the realm of covert action, this optimism may cause them to overrate the odds of successful action and underrate the estimated costs. This, in turn, may spur leaders to approve actions that they would otherwise eschew.

In addition to fearing irrelevance, intelligence agencies exhibit another organizational trait that may influence the use of covert action: In their assessments, they often err in the direction of pessimism and even alarm. Spies catch the blame for surprises (sometimes even if they issued previous warnings). They would therefore rather err in the direction of issuing too many warnings.

Some of this tendency toward pessimism may originate in the individual dispositions of intelligence officers.¹⁸ The disposition to see the dark side of situations

of Adversaries," *International Security* 38, no. 1 (July 1, 2013): 7–51, who also attributes bureaucratic motives to intelligence agencies.

¹⁷ Betts writes of "the division within the CIA between the objectivity and analytical orientation of its intelligence directorate and the tendency to wishful thinking and adventurism of its operations directorate." The Directorate of Operations reigns supreme in the CIA, Betts contends. Betts, *Soldiers, Statesmen, and Cold War Crises*, p. 198. More recently, Amy Zegart echoed this assertion. Amy B. Zegart, *Flawed by Design: The Evolution of the CIA, JCS, and NSC* (Stanford University Press, 2000), 206.

¹⁸ Michael Handel observes of these agencies: "Most intelligence organizations are either part of a larger military organization or include many members with military backgrounds. This unavoidably imbues

may tend to inflate the threat of a target's realignment. This, in turn, could cause interveners to take covert action under false premises. As part of this threat inflation process, intelligence officers may articulate reasons for interveners to undertake action that mirror the expectations of Alignment Theory. Intelligence personnel may argue that a window for action is closing, because realignment will be irreversible. They may argue that the pace of realignment will be rapid. This adds urgency to the need for action.

In the next section, I discuss how my theory performs over the span of U.S. behavior in the Cold War.

2. U.S. Behavior During the Cold War

As a preliminary probe of Alignment Theory, I code U.S. consideration of and execution of covert action from 1947 to 1989. I start my analysis on the basis of O'Rourke's path-breaking dataset. However, I omit a few categories of cases.¹⁹ I drop cases where a conventional war is underway.²⁰ I also limit the test to cases where the United States makes covert action either a primary or secondary priority of the activity.²¹

intelligence organizations with a perspective that emphasizes such elements as military motives, capabilities, hierarchy, discipline and worst-case analysis." Michal Handel, "Intelligence and the Problem of Strategic Surprise," p. 32 in eds. Richard K. Betts and Thomas Mahnken, *Paradoxes of Strategic Intelligence: Essays in Honor of Michael I. Handel* (New York: Routledge, 2004).

¹⁹ O'Rourke includes instances where the United States wages a covert regime change effort in the context of a conventional war. Her decision is justifiable, given that she tests the effectiveness of all U.S. cases. I aim to understand why states undertake any form of covert action in the first place. In the context of a conventional conflict, I expect that interveners' calculations follow a distinct logic, in which covert action augments overt efforts (and in which the decision to act covertly follows from concerns about controlling escalation). On the many facets of controlling escalation through covert action and collusion with rival interveners, see Austin Carson, *Covert Regime Change*.

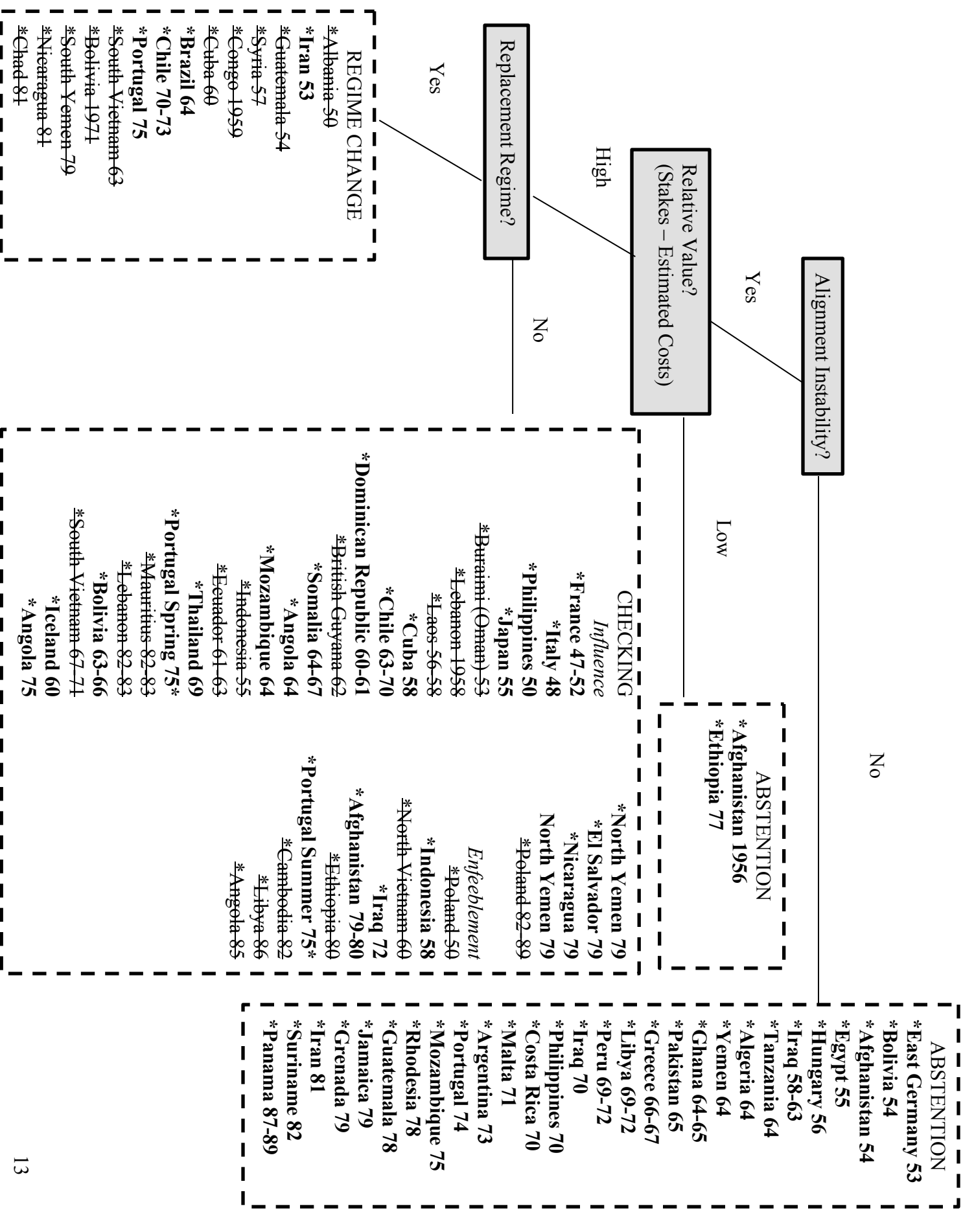
²⁰ This includes U.S.-China 1950 and U.S.-North Korea 1950.

²¹ In several cases in Eastern Europe early in the Cold War, Washington engaged in activities aimed at intelligence collection and the establishment of stay-behind networks for activation in the event of war. The tertiary purpose was covert "harassment." This includes U.S.-East Germany, U.S.-Bulgaria, U.S.-Czechoslovakia, and U.S.-Hungary. In Poland and especially Albania, U.S. covert efforts during this period do meet my criteria. I drop U.S. covert action with respect to Haiti between 1965 and 1969, which took place entirely in the form of radio broadcasts), as well as U.S. covert intelligence liaison efforts in Liberia in 1980, which largely entailed government-to-government contacts.

Finally, I drop several observations based on the scope conditions of my theory.

Alignment Theory does not make predictions about the behavior of an intervener directly toward its primary threat.²² In the figure below, bolded cases indicate a correct prediction and strikethroughs indicate an incorrect prediction.

²² In the Cold War context, I drop cases in which the United States targeted any of the republics that comprised the Union of Soviet Socialist Republics (the primary threat of the United States).



Alignment Theory correctly explains the 28 instances of abstention. The qualitative evidence in these cases frequently reflects attempts by policymakers to determine whether the target is in danger of realigning. Once they assessed that the threat of realignment to the Soviets was manageable without covert action, they abstained. In the checking category, Alignment Theory correctly predicts 24 of the 41 cases. Alignment Theory's performance is disappointing in the regime change category, in which it correctly predicts four of 13 such instances. However, in several of the regime change and checking outcomes, interveners indeed assessed alignment instability and acted for that reason, as Alignment Theory predicts. However, the theory expected the United States ultimately to exercise more caution, due to low relative value (i.e. the stakes were insignificant or the estimated costs were high).²³ Overall, Alignment Theory predicts U.S. behavior in 57 of 84 cases (68 percent).²⁴

I detect evidence in favor of Covert Bias Theory in only five cases.²⁵ All occurred when Allen Dulles was at the helm and the CIA was in its infancy. In the cases where Covert Bias Theory manifested itself, the stakes were not particularly high. Where they were, policymakers applied more scrutiny to the problem. They counteracted the CIA's tendency to inflate the threat that a situation posed and to minimize the estimated cost of covert action to address it.²⁶

In the next section, I turn to the case of U.S. consideration of covert action in Portugal.

²³ Laos (1956); Mauritius (1958); Syria (1956); Guatemala (1954); Bolivia (1971)

²⁴ Based on our differing definitions of regime change, I code many instances of covert regime change attempts in O'Rourke's data as reflecting covert checking operations by my definition.

²⁵ Lebanon (1958), Congo (1959); Cuba (1960); Indonesia (1955); Guatemala (1954)

²⁶ This is consistent with Jennifer Kibbe's findings with regard to the influence of organizational bias on covert regime change.

3.1 The Case of Portugal

Alignment Theory performs well in a probe of all U.S. behavior during the Cold War. However, this leaves the causal mechanisms of the theory untested. For this, I turn to the important case of Portugal.

On July 18, 1974, an army engineer named Vasco Goncalves assumed the position of prime minister of that country. Colonel Goncalves led a group of mid-level military officers who in April overthrew the country's longstanding dictatorship. Goncalves identified as a Marxist. Two card-carrying members of the Portuguese Communist Party occupied influential cabinet positions. General Antonio Spinola, the embattled president, warned his NATO counterparts of impending trouble.

Spinola, who represented the last redoubt of moderation, resigned on September 30. Portuguese communist head Alvaro Cunhal led an official delegation to the Soviet Union, the first since 1917. A Portuguese-Soviet trade deal followed, as did a request from Moscow for its "fishing fleet" to access Portuguese ports. This could put Soviet spy vessels within 150 miles of NATO's Iberian Atlantic naval command.²⁷ By early 1975, Prime Minister Goncalves and Cunhal (the PCP leader) met daily for consultations. The junta vowed to honor its international commitments (i.e. remain in NATO) and to hold free elections in the spring. But it also clamped down on dissent, nationalized key economic assets, and facilitated Communist control of the media and the labor unions. In July of 1975, the country neared civil war. The leader of a faction of moderates inside the Armed Forces Movement told the U.S. ambassador: "The next twenty days or so would

²⁷ "Briefing Item: Soviets Request Use of Portuguese Port," January 31, 1975, Gerald R. Ford Presidential Library (hereafter GRFL).

determine whether Portugal becomes a Communist or pro-Communist dictatorship or whether it op[t]s for a democratic system.”²⁸

U.S. leaders tracked these events closely. They contemplated strategies of covert checking and regime change. My analysis of their decision-making is based on archival data, correspondence and interviews with CIA historians and case officers, and secondary accounts. I sometimes draw on multiple versions of the same document to maximize what has been declassified. Where I do this, I cite both versions and place one of the version’s revelations in brackets.²⁹

I choose Portugal as a case to examine in depth for several reasons. First, the case offers rapid and large swings in the key independent variable, assessments of alignment stability. This allows me to observe congruence between the theory’s predictions and observed evidence. If Alignment Theory operates as I theorize, we should see corresponding shifts in the consideration and use of covert action by the United States.

Second, domestic political turbulence in the United States renders this a less likely case for Alignment Theory to receive support. The theory prioritizes systematic factors over the views of individual leaders or the intervener’s domestic politics. But in the mid-1970s, U.S. behavior was particularly susceptible to idiosyncratic factors. On August 9, 1974, Richard Nixon resigned. Gerald Ford, who six months earlier was the House Republican minority leader in Congress, assumed the presidency. With the establishment of the Church Committee and Pike Committee inquiries into U.S. intelligence in 1975, the U.S. Congress initiated a new era of closer oversight of the CIA.

²⁸ “Telegram 4127 From the Embassy in Portugal to the Department of State,” July 22, 1975, *Foreign Relations of the United States* (hereafter *FRUS*), <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d156>.

²⁹ I cannot rely on only one version because each provides an incomplete—but complementary—rendering.

U.S. covert intervention in Chile sparked outrage, both domestically and abroad.

According to Alignment Theory, none of these seismic developments inside the United States should play a role in whether Washington decides to undertake covert action. I argue that it is primarily a function of concerns about international alignment.

In the table below I summarize the predictions of Alignment Theory for the periods I consider.³⁰

<u>Intervener:</u> <u>Target</u>	<u>Time</u>	<u>Alignment</u> <u>Instability</u>	<u>Relative</u> <u>Value</u>	<u>Replacement</u> <u>Regime</u>	<u>Alignment</u> <u>Theory</u> <u>Prediction</u>	<u>Outcome</u>
United States: Portugal	Spring 1974	No	n/a	n/a	Abstention	Abstention
United States: Portugal	Summer 1974	No	n/a	n/a	Abstention	Abstention
United States: Portugal	Autumn 1974	Yes	High	No	Checking	Checking (influence)
United States: Portugal	Winter 1975	Yes	High	No	Checking	Checking (influence)
United States: Portugal	Spring and Summer 1975	Yes	High	No	Checking	Checking (influence and enfeeblement)

In periods where policymakers assess alignment stability, as in spring and summer 1974, we should see U.S. decision-makers arguing against covert action by pointing to the absence of alignment instability in Portugal. They should see wide windows of opportunity for action in the future. If it arises, discussion of covert action should be hypothetical.

³⁰ For the purposes of the medium-N analysis, I collapse these five periods into three observations, in which a change in the value of any of any of the three independent variables results in a new observation.

The United States should show elevated concern if its alignment assessment shifts. If alignment theory holds, we should see alignment instability assessments set the window of opportunity mechanism in motion. In discussing potential covert action in Portugal, policymakers should say or imply that undertaking action to prevent a situation in which Portuguese realignment occurs will be more likely to succeed than undertaking action to reverse realignment once it has occurred. Deterioration will be seen as being irreversible. U.S. decision makers should say, in effect: “If we lose Portugal, it will be difficult to get it back.” This should tie back to the power of assessments of alignment instability to spur action. “Because of our doubts about Portugal’s future alignment, and in light of such realignment being difficult to reverse, we need to act now,” policymakers should say.

If relative value operates as I predict, U.S. policymakers should give voice to a cost-benefit calculation in reference to Portugal. “Portugal’s current alignment is valuable to our security,” they should say (or imply). “A change in that alignment would adversely affect our security in specific ways. If the costs of covert action are manageable, we should move.”

Note that discussion of the security stakes in a region is not inconsistent with the role I expect relative value to play in Alignment Theory. In their discussion of Portugal’s relative value, policymakers may mention its presence in a key region (southern Europe) and the possible implications or consequences of deterioration in Portugal on similarly situated states (Spain, Italy, Greece). I do, however, subject such statements to additional scrutiny. Is the policymaker making them out of genuine concern, which dispassionate

observers share and concrete events tend to validate? Or is the policymaker propounding ideas about falling dominoes for cynical reasons?

Turning to the third and final independent variable, if the replacement regime variable operates as I predict, the United States should opt to undertake checking when it reaches the conclusion that right-wing military officers and exile groups lacked the popular support or wherewithal to return to power. That is, the absence of a viable replacement should convince U.S. decision makers to work covertly within the current political system, rather than to attempt to replace it.

In the next section, I provide an overview of the historical context of Portugal's move away from the Salazar and Caetano dictatorship. These details are necessary to understand the motives of the Armed Forces Movement, which led the coup, and the power of popular demands for political change, potentially of a radical variety. At various points I also touch on the Soviet Union's calculations. This is useful data in helping to validate U.S. perceptions of the situation.

3.2 Background of the Case

Antonio Salazar, who took control in 1930 and ruled for 38 years, expertly balanced the interests of a handful of groups to maintain power in Portugal. He kept the country poor and unindustrialized. Portugal formally joined NATO in 1951, though Salazar objected to the alliance's rhetorical embrace of liberalism. Marcelo Caetano replaced the ailing Salazar but maintained his approach.³¹ By 1974, the average Portuguese still led a basic existence in a small town or village. Thirty-seven percent of

³¹ On authoritarian corporatism in Portugal, see, among others, Maxwell, p. 16.

the country's six million people were illiterate. A tiny number of oligarchs controlled the economy. Caetano commanded little support.³²

The Armed Forces Movement (AFM) started as a group of mid-level officers (mostly captains and majors) who were disillusioned with Portugal's seemingly unending struggle to maintain its hold on colonial possessions in Africa. Many of the movement's founders were Marxists. General Antonio Spínola, a conservative, sat uneasily within this group. His book in the spring of 1974 daring to suggest a gradual process of Portuguese decolonization catapulted him to popularity in the movement and in Portugal more broadly. But Spínola's basic worldview was more traditional than those of most AFM officers.

3.3 Theory Testing

Spring 1974: Alignment Stability

After the April 25 coup brought the AFM to power, with Spínola as its unlikely standard-bearer, U.S. officials initially did not see cause for concern. Portugal's alignment appeared to be stable. If anything, General Spínola's rise to power augured well for U.S.-Portugal relations. On April 29, 1974, a few days after Caetano's surrender, Henry Kissinger wrote favorably of the Spínola regime in a note to President Nixon.³³

Intervener	Target	Time	Alignment Instability?	Alignment Theory Prediction
United States	Portugal	Spring 1974	No	Abstention

³² Morris Weisz and Dale M Povenmire, *Interview with Dale M. Povenmire*, 1994, <https://www.loc.gov/item/mfdipbib000943/>.

³³ "Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon: Coup in Portugal," April 29, 1974, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d132>.

Early on, U.S. intelligence did discern the organizational competition taking place in Portugal between the far left (i.e. the newly legal Portuguese Communist Party) and the socialists, led by Mario Soares. Both Soares and the PCP's Alvaro Cunhal returned from exile determined to capitalize on the political opportunity. On May 8, an interagency intelligence estimate noted Soares' fears of the Communists' superior organization. It added: "The Communists can also count on funds from abroad. They maintained a better party machinery during the repression under the former regime. [. . .] The real test will be which party develops the best appeal to the voters in the period prior to the free elections the junta has promised to hold."³⁴

U.S. intelligence, as well as the embassy, started to recognize that the coup at the end of April now amounted to a full social and political revolution. On May 10, the CIA noted union takeovers of the national airline, the telephone company, and local government offices.³⁵ Four days later, Spínola occupied the presidency and the AFM appointed a "first provisional government" that included all the nascent political parties. PCP (and Moscow-aligned) chief Cunhal served as minister without portfolio. The Socialists and the Popular Democrats occupied key positions, however, and exerted the most influence in the makeshift cabinet.

Under conditions in which the United States assessed alignment stability, we should not observe any covert action by the United States.

³⁴ "Interagency Memorandum: Portugal After the Coup," May 8, 1974, *Digital National Security Archive*, <https://search.proquest.com/dnsa/docview/2057016738/abstract/81354F950B054609PQ/1>.

³⁵ Quoted in Gomes and Moreira, p. 14.

Events bear out this prediction. Until the end of June, the United States undertook no action to manipulate events in Portugal. For the most part, the situation seemed manageable to U.S. officials. They seldom commented on it.³⁶

In the next section I describe developments in the summer of 1974. Despite rising concerns about the danger of Communist subversion, I code the bottom-line U.S. assessment at the time as continuing to be one of alignment stability.

June and July 1974: Alignment Stability But Rising Concern

A meeting in the Azores between Nixon and President Spínola at the end of June and the Portuguese cabinet shuffle in early July piqued the interest of U.S. leaders. Nixon and Kissinger expressed concern about the fluidity of the situation. However, U.S. officials did not call into question the status of Portugal as a NATO member. As long as Spínola remained president, the Americans believed that Portugal's domestic problems were for the moment manageable.

At Lajes Field on June 19, Spínola pleaded for immediate assistance to combat communist subversion. The general said they faced "moves by the Communists (who have just received strong financial help from the Soviets) to take control of Portugal."³⁷

Spínola's warnings made an impression. In the Cabinet Room two days later, Nixon referred to his "interesting meeting" with the Portuguese leader.³⁸ Nixon ordered

³⁶ Of ten documents that I have recovered pertaining to Portugal after the coup and directly addressed to or involving Henry Kissinger or Richard Nixon before June 21, only two contain references to the Portuguese communists. This is excepting intelligence reporting, which did comment on the post-coup development of the PCP.

³⁷ "Meeting between the President and President Antonio de Spínola of Portugal—June 19, 1974, The Azores," June 24, 1974, *Foreign Relations of the United States* (hereafter *FRUS*), <https://history.state.gov/historicaldocuments/frus1969-76vol15p2/d133>.

³⁸ "Memorandum of Conversation," June 21, 1974, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1552728.pdf>.

several actions in response. He directed General Vernon Walters, the deputy director of Central Intelligence, to “visit Portugal, Spain and Italy to get a first-hand assessment of the situation in each country and the overall capability of our Country Team in each,” Scowcroft explained.³⁹ Nixon also requested that the U.S. ambassador to Greece undertake a study of the threat of Communist subversion in the region.⁴⁰

Jockeying in Lisbon seemed to vindicate Nixon’s concern. On July 11, Prime Minister Palma Carlos, a moderate ally of Spínola, resigned from the cabinet. A week later, the Armed Forces Movement blocked Spínola’s preferred choice for prime minister. Instead, as I noted at the beginning of the case, they selected Vasco Gonçalves, a pro-communist. Whereas civilians dominated the first cabinet, the second provisional government carried a military hue, with AFM leftists occupying key positions.

Kissinger summoned Ambassador Stuart Nash Scott home for consultations. Meanwhile, in the waning days of his presidency, Richard Nixon continued to fret.⁴¹

I code the United States as assessing alignment stability, albeit with heightened concern. U.S. leaders pinned their hopes on Spínola’s survival in office. With him at the helm, Portugal’s place in NATO was safe. In a meeting on July 31, a week before he resigned, Nixon said as much in a discussion on the state of Europe. “Look at today. Portugal—Spínola is good but the Communists are the only organized force. Franco is

³⁹ See footnote one here: “Meeting between the President and President Antonio deSpínola of Portugal—June 19, 1974, The Azores,” June 24, 1974, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d133>.

⁴⁰ “Memorandum for Henry Kissinger from Brent Scowcroft,” July 11, 1974, <https://www.fordlibrarymuseum.gov/library/document/0314/1552735.pdf>.

⁴¹ “President Nixon's Meeting with West German Foreign Minister Genscher,” July 26, 1974, DNSA collection: Kissinger Transcripts, 1968-1977, <https://search.proquest.com/docview/1679067599?accountid=12492>.

dying and who knows? [. . .] If Spain goes, Italy goes.”⁴² Thus, assessments of alignment stability became somewhat weaker. But the assessment did not reach a critical threshold where it would affect decisions about covert action. Alignment Theory therefore predicts that the United States will abstain.

Intervener	Target	Time	Alignment Instability?	Alignment Theory Prediction
United States	Portugal	June and July 1974	No	Abstention

Outcome: Abstention

U.S. behavior during the summer of 1974 conforms to this prediction. In July and August, the United States undertook no covert action.

When worries about Portugal first arose in July, Kissinger actually sought to make sure the United States was uninvolved. The secretary believed that Washington possessed insufficient information on the various actors in Lisbon, and he did not want to run the risk of backing the wrong ones. At a July 11 meeting in which his subordinates briefed him on Portugal’s ongoing cabinet shuffle, a revealing exchange ensued:

Secretary Kissinger: Are we [the United States] staying out of this?
 Mr. Hartman: As far as I know.
 Secretary Kissinger: Well, you tell them [the CIA] to stay out of it.⁴³

For the moment, the United States was to steer clear.

In the next section I describe developments in August and September. I do not derive predictions during this period because U.S. assessments—and actual events—were in a period of flux.

⁴² “Memorandum of Conversation,” July 30, 1974, <https://www.fordlibrarymuseum.gov/library/document/0314/1552737.pdf>.

⁴³ “Memorandum of Conversation,” July 11, 1974, DNSA, <https://search.proquest.com/docview/1679083155?accountid=12492>.

July to September 1974: Shifting to Alignment Instability

After the cabinet reshuffle in early July, U.S. policymakers over the course of the summer started to shift their assessment of Portugal's alignment stability.

DDCI Walters' trip, which Nixon had ordered and which took place in August, implied an interest in the situation. That Nixon designated a CIA officer to take it suggests that his motives were not diplomatic. Walters left for Europe on August 9, the day that Richard Nixon resigned. Walters met with General Spínola, who again warned of the strength of the Portuguese communist party. After a five-day visit,⁴⁴ Walters considered the situation in Portugal to be critical.⁴⁵

By September, top officials were mentioning Portugal as a possible, if still hypothetical, target. At a meeting with President Ford on September 7, the subject of covert action arose. Kissinger made clear that such a tool was indispensable. "We'll need them more for Portugal, Spain, and so on."⁴⁶ On September 26, DCI Colby walked the new president through current covert action programs. He alluded to possible future use. "Portugal? Maybe some support for building up parties," he said. "Spain? We need to watch it. Greece? [deleted]."

The wheels of the covert action machinery started to turn. As it had been under Nixon, the 40 Committee was the NSC body under Ford that reviewed covert action

⁴⁴ CIA ERR, "Executive Council Meeting On 20 August 1974," August 20, 1974, <https://www.cia.gov/library/readingroom/document/cia-rdp80b01495r000700170032-5>.

⁴⁵ See, among others, Benjamin Welles, "Walters: Antithesis of the Furtive Spy: Kissinger's Travel Mastermind," *Boston Globe*, April 13, 1978.

⁴⁶ "Memorandum of Conversation," September 6, 1974, p. 3, <https://www.cia.gov/library/readingroom/document/loc-hak-124-4-6-3>.

proposals. The first 40 Committee meeting regarding possible covert action in Portugal took place in early September.⁴⁷

In the next section, I show how the U.S. assessment of Portugal's alignment stability fully shifted on September 30, as a result of President Spínola's resignation. If Alignment Theory is correct, the U.S. assessment of alignment instability and high relative value should spur Washington to take action.

Autumn 1974: Alignment Instability

An assessment of alignment instability means that the intervener no longer places confidence in the future alignment of the prospective target. By October, the United States arrived at such an assessment regarding Portugal.

In late September, President Spínola called on Portuguese "moderates" to rally in central Lisbon. The Armed Forces Movement and the Portuguese Communist Party erected barricades to prevent the rally from happening. Spínola and Gonçalves exchanged accusations.

In the President's Daily Brief of September 30, the CIA gave events in Portugal page 1 treatment. It concluded, among other things, that the PCP was "far better organized than any other political group." "The Communists mobilized all of their considerable assets in the media and in labor to achieve their objectives," the CIA explained. "They also effectively sealed off access to Lisbon in order to keep attendance at the rally low."⁴⁸

⁴⁷ Gomes and Moreira, *Kissinger Versus Carlucci*, p. 20.

⁴⁸ CIA ERR, "President's Daily Brief," September 30, 1974, <https://www.cia.gov/library/readingroom/document/0006007829>.

Later that day, Spínola resigned as president. Media coverage in Moscow made clear the Soviets were pleased.⁴⁹ U.S. officials saw the weekend's events and Spínola's ouster as bad omens. "[S]ome MFA members instinctively favor overhauling Portuguese foreign policy," the CIA assessed, "and probably wish to move away from close associations with the U.S."⁵⁰

European leaders also voiced concerns. On September 25, the Italian president singled out Portugal and said: "Southern Europe is revealed as the soft under-belly."⁵¹ In a meeting between Ford and Kissinger and German leaders the next day, Foreign Minister Genscher said Portugal seemed to be slipping. "[T]he Communists there are the best organized," he noted.⁵² Spanish and French leaders professed to be worried, as well.⁵³

Nor was it irrational to suspect the motives of the communists. Founded in 1921, the Portuguese Communist Party in the mid-1970s remained the most radical of all the Western European branches. Alvaro Cunhal, the PCP's longtime leader, heaped praise on Moscow in the aftermath of the Soviet invasion of Czechoslovakia in 1968.⁵⁴ The vanguard party of a few thousand clashed with its Spanish, Italian, and other European counterparts, all of whom broke with the Soviets on Czechoslovakia. The years

⁴⁹ U.S. State Department, "Cable from Moscow to Washington: Soviet Views on Portugal," October 5, 1974, <https://aad.archives.gov/aad/createpdf?rid=219671&dt=2474&dl=1345>.

⁵⁰ "Memorandum: Subject: Portuguese Assessment," September 30, 1974, Gerald R. Ford Presidential Library, National Security Adviser: Presidential Country Files for Europe and Canada, Country File: Poland – State Department Telegrams, Box 10.

⁵¹ "Memorandum of Conversation," September 25, 1974, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1552802.pdf>.

⁵² "Memorandum of Conversation," September 26, 1974, <https://www.fordlibrarymuseum.gov/library/document/0314/1552808.pdf>.

⁵³ "Memorandum for Secretary Kissinger: Additional Information Items," October 2, 1974, GRF Library, National Security Adviser Trip Briefing Books and Cables For Henry Kissinger, 1974-1976, Kissinger Trip File: August 31 – September 4, 1974 – Caneel Bay, Virgin Islands, Box 1. On French worries, see "Memorandum of Conversation," December 15, 1974, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1552888.pdf>.

⁵⁴ Maxwell, p. 72.

underground during the Salazar and Caetano dictatorship bred strength. “Party organization adhered to strict Leninist lines—small cells, tight discipline, members kept unaware of each others’ identities, and decisions handed down from above.”⁵⁵ Cunhal embraced his new duties as minister without portfolio with zeal.

The Soviets, for their part, were conscious of the fact that support for a burgeoning Communist party in the midst of a revolution in the heart of the West might imperil superpower détente. By the same token, they did not want to leave their most loyal adherents in Europe in the lurch. What documentary evidence exists of Soviet deliberations underscores this. In a private meeting in March of 1975, for example, General Secretary Leonid Brezhnev told leaders from the Warsaw Pact that Moscow was supporting “our Portuguese friends.”⁵⁶

For their part, Portuguese leaders made efforts to signal their commitment to current alignments after Spínola’s resignation. In a meeting with the U.S. ambassador on October 7, Prime Minister Vasco Gonçalves had “reaffirmed continued Portuguese adherence to NATO [and] pleaded for U.S. objectivity in judging the new government.”⁵⁷ Rightly, the junta started to fear U.S. intervention of some form.

The problem was that the Armed Forces Movement was inchoate and untested. The movement’s grip on power was tenuous and its susceptibility to Communist influence unknown. Ultimately, it did not matter what they said. The well-organized Communists lurked.

⁵⁵ Maxwell, p. 71.

⁵⁶ “Record of Conversation of Brezhnev With Leaders of Fraternal Parties of Socialist Countries,” March 18, 1975, <https://digitalarchive.wilsoncenter.org/document/121171>. On Soviet aid to the PCP, see also Tad Szulc, “Lisbon & Washington: Behind the Portuguese Revolution,” *Foreign Policy*, no. 21 (1975): 3–62, <https://doi.org/10.2307/1148052>.

⁵⁷ “Information Items for the President from the Secretary,” October 10, 1974, GRF Library, National Security Adviser Trip Briefing Books and Cables For Henry Kissinger, 1974-1976, Kissinger Trip File: October 8 – 13, 1974 – Middle East – HAKTO (1), Box 2.

CIA adopted a more pessimistic tone. “[L]eftist influence in the Portuguese government,” DDCI Walters wrote in an October 4 memorandum, “may become so dominant that Portugal will effectively cease to be a NATO ally or even friendly to the US.”⁵⁸

In sum, the U.S. assessment clearly shifted to one of alignment instability. In tandem with relative value, which I discuss next, this carries major implications for covert action.

Relative Value

According to Alignment Theory, relative value mediates the effects of assessments of alignment stability on the decisions of interveners. Relative value is comprised of stakes and the intervener’s assessment of the estimated costs of action.

In Portugal, U.S. decision makers considered the stakes to be high. In addition to being a member of NATO, Portugal occupied a key geographic position. The U.S. base in the Azores provided a stopping-off point for U.S. aircraft on the way to Africa and the Middle East. During the Yom Kippur War of 1973, Portugal was alone among U.S. allies in allowing aircraft to refuel there en route to providing military supplies to Israel.

The estimated costs of taking action in Portugal were moderate. Portugal was a poor country. Boosting preferred political parties would be relatively cheap, as would intelligence collection to tailor U.S. efforts. The potential cost of exposure would nevertheless be higher than usual. In late 1973 and early 1974, the United States weathered worldwide condemnation for its role in the ouster of Salvador Allende. But as

⁵⁸ “Memorandum for Kissinger, Subject: Intelligence Alert Memorandum: Possibility of Radical Shift in Portuguese Policies,” October 4, 1974, GRFL, National Security Adviser, NSC Europe, Canada, and Ocean Affairs Staff: Files, 1974-1977, Country File: Portugal, 1974 WH (1), Box 17.

long as the United States operated with some discretion in Portugal, it did not risk magnifying these setbacks.

In light of the fact that the stakes of Portugal’s current alignment outweighed the estimated costs of action, I code the relative value variable as high. In conjunction with an assessment of alignment instability, this produces the prediction that the United States will undertake covert action.

Replacement Regime: Absent

Finally, I code a replacement regime as being absent. Antonio Spínola surfaced several times after his resignation in an effort to rally support for a campaign to displace the Armed Forces Movement. This would have turned back the clock on the revolution and restored an autocrat along the lines of Salazar. But most Portuguese, including key segments of the military, opposed such a development. Other exile groups, as well as Azorean separatists, also approached the United States. As is often the case, they promised quick victory, if only the United States would support them.

The United States should resist these entreaties. U.S. leaders should recognize that undertaking a covert regime change strategy is a losing proposition, because it would require inordinate investment and be unlikely to succeed. As a result, the United States should undertake a covert action strategy of checking.

<u>Intervener:</u> <u>Target</u>	<u>Time</u>	<u>Alignment</u> <u>Instability</u>	<u>Relative</u> <u>Value</u>	<u>Replacement</u> <u>Regime</u>	<u>Alignment</u> <u>Theory</u> <u>Prediction</u>
United States: Portugal	Autumn 1974	Yes	High	No	Checking

In the next section, I assess whether events bear out this prediction.

Autumn 1974 Outcome: Checking

The United States behaved as Alignment Theory predicts. In this section I first explain the sequence of events whereby Ford and Kissinger took the decision to undertake covert action. Then I examine whether the qualitative evidence lines up with the window of opportunity mechanism I theorized.

On October 7, a week after Spinoła resigned, Kissinger called for major covert action to address the situation.

I predicted this in April. [We should have mounted a massive covert program—but in this environment it's impossible.⁵⁹] I sent Walters and all we have done is spring \$150,000.⁶⁰

The covert action machinery shifted into gear. On October 16, in response to Spinoła's resignation, the CIA offered a new proposal. The CIA was now suggesting more substantial action than what it advanced in September. "This is a proposal for direct covert action in Portugal," it opened. Spinoła's resignation injected urgency into the situation.

2. In a paper presented to the 40 Committee a fortnight ago, we discussed our need for more intelligence on the leadership in Portugal, particularly the officers of the Armed Forces Movement (AFM). In this paper we also outlined our planning to influence the Portuguese constituent assembly election scheduled for March 1975. [. . .]⁶¹

Critically, all was not yet lost, because the Communists lacked the following to win an election.

⁵⁹ See footnote here: "Memorandum From Director of Central Intelligence Colby to the President's Assistant for National Security Affairs (Kissinger): Proposed Covert Action in Portugal," October 16, 1974, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d138>.

⁶⁰ "Memorandum of Conversation," October 7, 1974, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1552818.pdf>.

⁶¹ "Memorandum From Director of Central Intelligence Colby to the President's Assistant for National Security Affairs (Kissinger): Proposed Covert Action in Portugal," October 16, 1974, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d138>.

3. Spínola's departure from the Portuguese political scene has strengthened the position of the left-leaning officers in the AFM. While the Communist Party of Portugal (PCP) has made substantial progress since the 25 April coup, both organizationally and in the development of political support from the unorganized masses (not least by attempting to identify itself as the mouthpiece of the generally inarticulate AFM), current reporting suggests that the PCP's advances have not yet reached a point that would enable it to anticipate a national electoral victory, unless it is able to contest the election in a front which would include other leftist parties, most importantly the Socialist Party.

This, then, was the CIA's theory of victory: to ensure that the Communist Party did not succeed in uniting the Left. The socialists were the Americans' last best hope.

To defeat PCP strategy, we need a stronger Socialist Party—one which has sufficient confidence to insist on its own independence and to conduct its electoral campaign separately from the PCP. [. . .]

The CIA started its program with an uptick in intelligence collection. By late November, its effort was taking shape. DCI Colby reported:

[T]he implementation phase [of political actions] would begin to reach a climax in the first three months of 1975, prior to the scheduled March constituent assembly elections. [. . .] The ultimate goal remains to minimize or neutralize a Communist role in any future Portuguese Government and ensure that the government is friendly to the U.S.⁶²

CIA did not seek to unseat the Armed Forces Movement, Colby explained two weeks later. Rather, they sought to empower the political parties who could guard against Communist gains in the upcoming elections. They hoped to persuade the Armed Forces Movement to permit those elections—and a full transfer of power to elected civilians—to take place.⁶³

⁶² "Memorandum From the 40 Committee Executive Secretary (Ratliff) to the Deputy Secretary of Defense (Clements) and the Chairman of the Joint Chiefs of Staff (Brown): 40 Committee Proposal on Portugal," November 22, 1974, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d141>.

⁶³ "Memorandum From Director of Central Intelligence Colby to the President's Assistant for National Security Affairs (Kissinger): Proposed Covert Action in Portugal," December 7, 1974, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d142>.

That the United States decided to act covertly fits with Alignment Theory. But did decision makers reason in the way that the theory predicts?

Window of Opportunity

I find evidence that an array of top policymakers referred to closing windows of opportunity for covert action, including Henry Kissinger, William Hyland (head of the State Department's Intelligence and Research bureau), and members of the National Security Council.⁶⁴ This moved them to argue in favor of action.

Kissinger was the most forceful proponent during this period that a window for effective covert action was closing. He made clear in statements throughout the fall his belief that once Communists win a political competition, it was impossible to dislodge them. This meant that interveners had to act sooner rather than later. He believed that Spínola's resignation vindicated this reading. "I knew six months ago, and I've been saying all along what's going to happen there," he said at one meeting.⁶⁵ "At the beginning of these regimes they use our support to legitimize themselves with their opponents," Kissinger complained at another gathering, "and then they knock off the opponents." The political game in revolutionary situations left players with one chance.⁶⁶ (Kissinger and others left unsaid the presumed follow-on development: that a Communist-controlled government would leave the NATO alliance and potentially align itself with the Soviet Union.) In a discussion with Spanish leaders, Kissinger offered

⁶⁴ On October 12, NSC staffer Dennis Clift sent a memorandum to Scowcroft reporting on a meeting between U.S. officials and an exiled Portuguese banker. Clift endorsed the Portuguese's pessimistic reading of events. He implied that a window for action to influence the situation might be slipping away.

⁶⁵ "Memorandum of Conversation," October 18, 1974, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76v38p2/d139>.

⁶⁶ Kissinger added: "If there is a center, left of center, a right wing group that can be supported, that is not dominated by the Communists, we must do it."

direct evidence that he believed covert action could only work before realignment, rather than after (i.e. there was a window of opportunity). “I have no view yet, but my feeling is you can’t wait until after the event to form a program,” he told the Spanish. Kissinger said Washington wished to cooperate in a “plan of action likely to prevent a Communist victory.”⁶⁷

Among U.S. policymakers, I find that Kissinger’s well-formed beliefs about revolutionary situations left him particularly convinced of the peril in Portugal. Groups with extreme ideologies and superior organization had the advantage during political upheavals, he believed. They possessed the ability to take and consolidate control in the face of less organized competitors. Kissinger recognized that the Portuguese Communist Party drew strength from years as a clandestine organization. In this, he effectively endorsed more recent scholarship about armed group mobilization.⁶⁸

Kissinger’s emphasis on organizational power informed his assessment of Mario Soares, the leader of the Portuguese socialists. Kissinger believed that Soares lacked not only courage but also wherewithal. “He has no organization,” Kissinger said.⁶⁹ Others, such as William Hyland, placed more faith in Soares. They nevertheless also subscribed to the notion that any Communist victory would be irreversible.

Kissinger also made frequent references to Alexander Kerensky, the ill-fated socialist deposed by the Communists during the Russian revolution. In July of 1917,

⁶⁷ “Memorandum of Conversation,” October 9, 1974, DNSA, <https://search.proquest.com/docview/2057016441?accountid=12492>.

⁶⁸ In their years underground, the Portuguese communists had embedded themselves in both urban and rural communities while leaders of the group retained centralized control. In a revolutionary situation or one bordering on anarchy, groups with such strong horizontal and vertical linkages hold the advantage. See Paul Staniland, “Organizing Insurgency: Networks, Resources, and Rebellion in South Asia,” *International Security* 37, no. 1 (July 1, 2012): 142–77.

⁶⁹ “Memorandum of Conversation,” October 8, 1974, DNSA, <https://search.proquest.com/docview/1679125651?accountid=12492>.

Kerensky took control of Russia's provisional government. In early November, the Bolsheviks swept him aside in less than a day. Kissinger saw the same danger in Portugal. His references to Kerensky support the window of opportunity mechanism. The Bolsheviks acted irreversibly. To the Spanish, Kissinger said: "But all of this will be irrelevant six months from now. Kerensky was a nice man, too." In an infamous exchange on October 19, Kissinger told Mario Soares to his face: "You are a Kerensky. . . I believe your sincerity, but you are naïve."⁷⁰ Kissinger did not say this for effect. He genuinely believed it and mentioned it to colleagues in October repeatedly.⁷¹ In early February of 1975, German leaders told Kissinger that they were less alarmed than the Americans regarding events in Portugal. Kissinger did not believe it. "So Soares is not concerned. I wonder what Kerensky's attitude was the day before the Bolshevik Revolution?"⁷²

What about the speech evidence of other policymakers, such as President Ford? I find that they also supported covert action, but their reasoning is not as well documented. Gerald Ford had spent only a couple of months in office by October. Yet it is apparent that he believed covert action was a necessary tool, including in Portugal.⁷³ Defense Secretary Schlesinger also favored action in Portugal, though we again lack good documentation of his reasoning. Brent Scowcroft, Dennis Clift, and other members of the

⁷⁰ Szulc and others.

⁷¹ On October 17, he told subordinates he saw a "Kerensky model" in Portugal. 1974—Meeting on Portugal Preparation, October 17. The next day he told Ford they faced "a Kerensky-type situation."

⁷² "Memorandum of Conversation," February 3, 1975, U.S. NARA, Record Group 59, Office of the Counselor, Subject Files, 12/1973 – 1977, CR 15 – Records Disposition THRU POL 2 FRG, Box 1.

⁷³ At a meeting with the former director of Central Intelligence John McCone on November 11, Ford expressed surprise "at how little we spend on covert activities." "Memorandum of Conversation," November 11, 1974, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1552845.pdf>.

NSC worried about the situation. At the end of December, Clift wrote to Scowcroft:

“[T]here are real concerns as to Portugal’s continued reliability as an Atlantic partner.”⁷⁴

Were U.S. leaders misunderstanding the PCP’s intentions? Events on the ground in Portugal and the observations and concerns of non-American observers and interveners prove useful here. The Soviet Union actively aided the PCP and watched Portugal with interest. Developments in Portugal itself also indicate that U.S. concerns were not misplaced. Henry Kissinger may have been more sensitive to “revolutionary situations,” as he called them, than most interveners. But radicals in Portugal proved his point.

Throughout 1974 and 1975, the Portuguese Communist Party professed to be in favor of elections. But if and when they lost them they also wished to leave open the possibility of seizing power otherwise. In what would become an infamous interview after their disappointing electoral performance in April 1975 (to be discussed below), PCP chief

Alvaro Cunhal said:

If you think the Socialist Party with its 40 percent and the Popular Democrats with its 27 percent constitute the majority . . . you’re the victim of a misunderstanding . . . I’m telling you the elections have nothing or very little to do with the dynamics of a revolution. . . . I promise you there will be no parliament in Portugal.⁷⁵

The PCP were a thoroughly Stalinist group. Kissinger and others were not wrong to worry.

Relative Value

⁷⁴ “Memorandum for General Scowcroft: Your Meeting with Ambassador Frank Carlucci,” December 30, 1974, GRFL, National Security Adviser: Presidential Country Files for Europe and Canada, Country File: Poland – State Department Telegrams, Box 10.

⁷⁵ Quoted in Maxwell, p. 148.

I predicted that the United States should justify covert action in the face of alignment instability by pointing to the security stakes of Portugal's current alignment. Those stakes outweighed the cost of acting covertly, which meant that Portugal as a prospective target of intervention carried high relative value.

Most of the speech evidence from the fall of 1974 is consistent with this. Portugal's security ties with the United States in a range of areas proved useful. Washington did not wish to lose them.⁷⁶ In early October, for example, Defense Secretary Schlesinger expressed concern about the status of the U.S. bases in the Azores. He even wondered about the idea of taking the Azores "in trust" if a hostile government arose in Lisbon.⁷⁷ On October 13, Kissinger told Israeli leaders that the U.S. use of Lajes in the Azores was now in doubt. "I don't have a clear picture of the situation in Portugal. I've now sent a team to Portugal to look into it and see what we could do."⁷⁸

Policymakers also shared their concerns about southern Europe as a region. As Nixon had in the summer of 1974, Kissinger said in October that Portugal could be a harbinger of things to come in Greece and Italy.⁷⁹ "If we don't get in shape, in a year we will be in the same condition in Greece," he told Ford. "If we don't rein in Congress, we will have a violent shift in Greece. Italy is next. [Deleted]."⁸⁰

⁷⁶ "Memorandum for Kissinger, Subject: Intelligence Alert Memorandum: Possibility of Radical Shift in Portuguese Policies," October 4, 1974, GRFL, National Security Adviser, NSC Europe, Canada, and Ocean Affairs Staff: Files, 1974-1977, Country File: Portugal, 1974 WH (1), Box 17.

⁷⁷ CIA ERR, "Cable to Henry A. Kissinger from Brent Scowcroft," October 10, 1974, <https://www.cia.gov/library/readingroom/docs/LOC-HAK-550-1-63-0.pdf>.

⁷⁸ "Memorandum of Conversation," October 13, 1974, DNSA, <https://search.proquest.com/docview/1679084037?accountid=12492>.

⁷⁹ "If we don't get in shape, in a year we will be in the same condition in Greece," Kissinger told Ford. "If we don't rein in Congress, we will have a violent shift in Greece. Italy is next. [Deleted]." "Memorandum of Conversation," October 7, 1974, GRFL,

<https://www.fordlibrarymuseum.gov/library/document/0314/1552818.pdf>.

⁸⁰ "Memorandum of Conversation," October 7, 1974, GRFL,

<https://www.fordlibrarymuseum.gov/library/document/0314/1552818.pdf>.

Were Kissinger and other U.S. policymakers exaggerating the threat of realignment? Kissinger's statements here and elsewhere, dramatic though they were, did not do violence to the facts. The revolution in Portugal occurred amid a wave of regional political upheaval. German, French, and Italian leaders also expressed real worry about NATO's southern flank.⁸¹ In 1972, the Italian communists won 27 percent of the parliamentary vote, second only to the Christian Democrats. By 1976 they jumped to 34 percent. In 1974 and 1975, the U.S. embassy in Rome sent updates to Washington on how Italian political parties were reacting to developments in Portugal.⁸² In 1975, the Italian Communist Party entered into a coalition with the Christian Democrats (the so-called 'historic compromise'). In response to this, Franco's ailing health, and an array of other sources of uncertainty, the leaders of Britain, German, France, and the United States secretly convened in 1975 for talks on the threat to NATO's southern flank.

Evidence of Covert Bias?

What else might account for Washington's actions in Portugal during this period? Intelligence agencies' fear of irrelevance and tendency toward pessimism could cause them to promise easy covert action to policymakers and to inflate the threat behind a given situation. One or two powerful policymakers who strongly favored covert action might also be able to leverage these dynamics to their own ends.

⁸¹ On Italy's Rumor, see "Memorandum of Conversation," September 25, 1974, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1552802.pdf>. On France's Giscard, see "Memorandum of Conversation," December 15, 1974, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1552888.pdf>. On Germany's Genscher, see "President Nixon's Meeting with West German Foreign Minister Genscher," July 26, 1974, DNSA collection: Kissinger Transcripts, 1968-1977, <https://search.proquest.com/docview/1679067599?accountid=12492>.

⁸² See, for example, March 22, 1975 cable.

I find minor evidence to support this explanation during this period. One possible indication of organizational bias at work in intelligence agencies is a clash between analysts and either operations officers or leaders of the organization.⁸³ Such a clash occurred in the aftermath of Spinola's resignation in September of 1974. DDCI Walters, whose more hawkish views tended to align with Kissinger's, evidently considered the initial Directorate of Intelligence assessment of the situation to be insufficiently alarming. In a September 30 cable to Kissinger, Scowcroft explained: "Dick Walters is very upset with the general tone of the paper."⁸⁴

If, in this situation, we find evidence that DDCI Walters suppressed the estimate, then we would possess evidence in favor of Covert Bias Theory. Walters, a proponent of action inside the CIA, would be filtering the information that the president received in order to build his case.

Here, though, the opposite occurred. In the same cable, Scowcroft reported that Walters was "reluctant to force his views on the estimators." Ultimately, Kissinger sent the assessment to President Ford. Kissinger did include a covering memorandum in which he explained his objections to the assessment.⁸⁵

The system, then, did not short-circuit. Over the course of the end of 1974 and the beginning of 1975, moreover, CIA analysts adopted a bleaker assessment of the junta and the power of the PCP. I find no evidence that this occurred because Agency leaders or

⁸³ Leaders and operations officers tend to view covert action more favorably, which leads them to question analytic assessments that call the necessity of such action into question.

⁸⁴ "Cable from Scowcroft to Kissinger," September 30, 1975, GRFL, National Security Adviser Trip Briefing Books and Cables For Henry Kissinger, 1974-1976, Kissinger Trip File: August 31 – September 4, 1974 – Caneel Bay, Virgin Islands, Box 1.

⁸⁵ CIA ERR, "Memorandum for the President," September 30, 1974, <https://www.cia.gov/library/readingroom/docs/LOC-HAK-52-1-9-3.pdf>.

operations officers pushed hard for action or that the CIA inflated the overall threat in a way that deviated from the reality on the ground.

In the next section I turn to 1975, when the U.S. assessment of alignment instability continued. Examining this period offers a good test of the prediction of Alignment Theory regarding the replacement regime variable.

Winter 1975: Alignment Instability Continues, Replacement Regime Absent

On November 2, 1974, Prime Minister Goncalves called in the American ambassador to protest recent media portrayals of Portugal as sliding to the left. He also apologized for Portuguese media reports accusing the CIA of activity in the country. Goncalves insisted again that the Americans had nothing to fear regarding Lisbon's alignment. Portugal would "scrupulously honor its international commitments."⁸⁶

The Communist Party, for its part, sensed that calling for Portugal to leave NATO immediately would put its ambitions in danger. In an interview with a Soviet journal of Marxist theory, Cunhal said he would move "slowly in seeking to change Portugal's relationship with NATO and in opposing U.S. use of Portuguese bases in the Azores," the CIA reported to Ford on December 6.⁸⁷

Internally, the Communists and their allies exercised less caution. The junta detained "enemies" of the Armed Forces Movement and other "fascists."⁸⁸ At the urging of Cunhal, Goncalves rejected a draft press law that sought to reduce the Communist

⁸⁶ "Cable from Secretary of State to Hartman," November 2, 1974, AAD, <https://aad.archives.gov/aad/createpdf?rid=259939&dt=2474&dl=1345>.

⁸⁷ CIA ERR, "President's Daily Brief," December 6, 1974, <https://www.cia.gov/library/readingroom/document/0006007887>.

⁸⁸ Maxwell, p. 89.

stranglehold on media outlets. Cunhal supported nationalizing economic assets.⁸⁹ In January, the head of Poland's communist party, Edward Gierek, stopped in Lisbon on the way home from Cuba to counsel restraint. Gierek told Goncalves, Cunhal, and others "that the Lisbon leadership was moving too fast." He warned the junta and its Communist allies not to let domestic polarization in Portugal jeopardize superpower détente. A moderate reported the warning made little difference.⁹⁰

The United States, meanwhile, overhauled its embassy in Lisbon. Kissinger wanted an ambassador experienced in revolutionary situations and a hardliner when it came to Communism. Frank Carlucci fit the bill. Carlucci was Donald Rumsfeld's roommate at Princeton, spoke fluent Portuguese, and was a longtime diplomat. Carlucci then hand-picked his subordinates.

Carlucci arrived in mid-January, as matters appeared to be deteriorating further. The Communists threw their weight behind a law that would establish a single labor union in the country, which the Popular Democrats and the Socialists opposed. The junta ignored them. Mario Soares told French leaders of the PCP's efforts to infiltrate the AFM and enlist its support in pursuing Communist goals.⁹¹ Goncalves announced that the elections would take place in April, a month later than promised.

Moscow, for its part, sensed an opportunity. At the end of January, the Associated Press reported that the Soviet Foreign Ministry had made a surprising request of Portugal. They sought access to a Portuguese port for the Soviet "fishing fleet." (The fleet engaged in signals intelligence collection.⁹²) This was Moscow's "first overt bid to take advantage

⁸⁹ Ibid.

⁹⁰ Quoted in Szulc, p. 33.

⁹¹ "Briefing Item: Comments on Portuguese Political Developments," January 17, 1975, GRFL.

⁹² "Briefing Item: Soviets Request Use of Portuguese Port," January 31, 1975, GRFL.

of the leftward course of Portugal's government," the AP noted.⁹³ It reported division within the AFM over the matter. Goncalves and the radicals favored a positive response; the moderates argued otherwise.⁹⁴

In February, the United States started to hear rumblings of a right-wing coup attempt. Such a conspiracy lacked support. Other than the air force and a few elite army units, most of the military leaned to the left. Portuguese soldiers showed little appetite for abandoning Portugal's nascent evolution toward decolonization and democracy. At the same time, some were also growing concerned about the overbearing Armed Forces Movement junta.

Spinoia, the former president, erroneously believed he had a fighting chance. On March 11, he attempted to rally a group of air force officers at Tancos air base, near Lisbon. The revolt collapsed immediately. Spinoia scrambled aboard a helicopter and fled to Spain.⁹⁵

A day after the putsch, the AFM established an unelected Council of the Revolution, which usurped the authority of several of the junta's previous bodies. The constituent assembly, for which the April elections were to be held, now looked like a hollow institution.⁹⁶

Other exile groups now approached the United States. Portuguese exiles in Spain promised that they could infiltrate the Azores and Madeira to spark a spontaneous nationwide revolt. Separatists on the Azores raised their profiles and reached out to U.S. officials pleading for support and assistance.

⁹³ "Briefing Item: Soviets Request Use of Portuguese Port," January 31, 1975, GRFL.

⁹⁴ Ibid.

⁹⁵ Maxwell, p. 110.

⁹⁶ Maxwell, p. 111.

Recall the criteria for a viable replacement regime, according to Alignment Theory: requisite strength to possess a realistic path to victory; and foreign policy plans that will ameliorate the intervener’s fear of realignment. Spínola met the latter of these criteria: he was vehemently anti-communist and avowedly in favor of keeping Portugal solidly in NATO. This is the main reason Kissinger found him appealing. However, he did not meet the other criterion. The means by which Spínola intended to address the situation—a right-wing coup, followed by an unknown period of autocracy before elections—lacked support in the Portuguese military. So long as the possibility of a transition to Portuguese democracy seemed within reach in the context of the AFM’s caretaker junta, as it did during the early spring, military officers resisted the coup solution. Lacking such key support, the United States should decline to throw its weight behind Spínola, according to Alignment Theory. Rather, alignment instability and the absence of a replacement regime should continue to produce a covert strategy of checking.

Intervener	Target	Time	Alignment Instability	Relative Value	Replacement Regime	Alignment Theory Prediction
United States	Portugal	Winter 1975	Yes	Yes	No	Checking

Winter 1975 Outcome: Checking Continues

U.S. behavior in the winter of 1975 conforms to the predictions of Alignment Theory. Washington continued the covert checking operation to support the socialists and other centrist political parties in anticipation of the April elections. Despite debate inside the U.S. government, including Henry Kissinger’s inclination to attempt a coup, the United States assiduously avoided any association with such plotting.

At a 40 Committee meeting on February 4, Colby made clear that the covert checking operation was continuing. When Kissinger derided the “use of foreign friends using their money” (as Colby put it), Colby said the risks of acting directly were too great.⁹⁷ The committee agreed to request a plan for further action from Carlucci.

Carlucci returned with an approach that continued to emphasize indirect means of weakening the Portuguese Communist Party and convincing the Armed Forces Movement to allow an election to take place.

The Ambassador envisages covert contacts with selected leaders, development of intelligence agents, possible support of a newspaper, and use of international labor groups. He urges working through third-country assets where possible, particularly of other European countries.⁹⁸

Carlucci described the approach as a “very deep cover program,” with a heavy emphasis on working through third countries “with no hint of U.S. involvement.”⁹⁹ The CIA, for its part, added to Carlucci’s plan with a list of concrete ways to execute it.

- Attempt to generate a program of moral, material and financial support for non-Communist parties from Western European counterparts.
- Arrange for prominent Portuguese and Europeans to transfer funds to moderate political leaders.
- Support moderate publications.
- Help moderate parties print election tracts outside Portugal if Communist-dominated printers continue to block printing inside Portugal.

On February 25, the president authorized this expanded effort. Ford discussed it with Kissinger. “Okay, let’s vote the Portuguese program,” Kissinger said. “I guess a half-hearted program is better than none.” Ford agreed.¹⁰⁰

⁹⁷ “40 Committee Meeting, Saturday, 1 February 1975, 10:30 AM,” February 4, 1975, FRUS, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d144>.

⁹⁸ “Memorandum From the 40 Committee Executive Secretary (Ratliff) to Secretary of State Kissinger: Covert Action Program for Portugal,” March 3, 1975, FRUS, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d145>.

⁹⁹ Ibid.

¹⁰⁰ “Memorandum of Conversation,” February 25, 1975, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1552965.pdf>.

The uptick in U.S. covert efforts corresponds to the period beginning at the end of January in which the United States' concerns about Portugal's alignment grew particularly acute. Such activity by the United States is consistent with the expectations of Alignment Theory.

President Ford's statements—of which there are more during this period than the fall of 1974—also fit with the expectations of Alignment Theory. The president tracked events carefully.¹⁰¹ He and Kissinger discussed further covert measures. Here and elsewhere, Kissinger actually counseled restraint, for the moment. On other occasions, in keeping with the window of opportunity mechanism, Ford sensed the possibility of consolidation by the Communists.¹⁰² The President invested importance in the election. In the last days before voting, he toyed with trying to do more. Kissinger said they should wait for the vote to take place.¹⁰³

Replacement Regime

Despite ongoing interest on the part of Kissinger, Ford, and others, the United States steered clear of support for any right-wing coup attempts, including Spínola's star-crossed effort in March. In an oral history interview, Carlucci explained that upon his arrival in January 1975 he prohibited all interaction with the far right. Carlucci said he “personally designed whatever covert action programs there were in Portugal.” (He spoke

¹⁰¹ On March 24, possibly referring to the split inside the AFM, he told Kissinger, “There are some encouraging signs. These four on the Revolutionary Council.”

¹⁰² “Memorandum of Conversation,” April 19, 1975, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1553037.pdf>.

¹⁰³ “Memorandum of Conversation,” April 21, 1975, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1553039.pdf>.

with the interviewer before the U.S. government acknowledge any CIA activity in Portugal.)¹⁰⁴

Over the winter months of 1975, Kissinger battled Carlucci over the question of sponsoring a coup. In making his case for pursuing a regime change strategy, Kissinger often argued in terms that Alignment Theory expects. In a conversation on January 20, Kissinger worried that political deterioration in Portugal would be irreversible (i.e. a window of opportunity).¹⁰⁵ Kissinger thought that the only sure way of solving the problem was through a right-wing coup. At the 40 Committee meeting on February 4, the secretary came out with his thinking: “Europeans do not have the firepower to put this together. The only thing that will work will be our telling the Rightists that we will back them.” If U.S. leaders were “doing our duty,” Kissinger said, “we would have our assets ready for a coup. You can’t organize a coup in two weeks.”¹⁰⁶

But Carlucci held his ground. On March 6, before Spínola’s disastrous coup attempt, Carlucci and the embassy discounted any chance of success for such a move. “The pressures and forces that have been unleashed must be tempered and guided; they cannot be stuffed back into the tube.”¹⁰⁷

¹⁰⁴ Charles Stuart Kennedy and Frank Charles Carlucci, *Interview with Frank C. Carlucci III*, 1996, <https://www.loc.gov/item/mfdipbib000184/>.

¹⁰⁵ Kissinger told Scowcroft and Ford: “The fight now is over the unified labor law. If [Soares] leaves the government, the Communists will be the only organized force and either they will take over or the army will. [We should have a covert action plan, but it could leak.]” The deleted sentence appears in a footnote of FRUS. See “40 Committee Meeting, Saturday, 1 February 1975, 10:30 AM,” February 4, 1975, FRUS, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d144>.

¹⁰⁶ “40 Committee Meeting, Saturday, 1 February 1975, 10:30 AM,” February 4, 1975, FRUS, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d144>.

¹⁰⁷ Quoted in “Cable from State Department to U.S. Embassy London,” March 6, 1975, AAD, <https://aad.archives.gov/aad/createpdf?rid=203355&dt=2476&dl=1345>.

The CIA, too, discounted the possibility that Spínola commanded requisite support inside the Portuguese military to succeed.¹⁰⁸ It stands to reason, as Alignment Theory would predict, that DCI Colby also opposed any covert regime change attempt.

Later in March, U.S. leaders eyed still other options, such as supporting Portuguese-American groups and Azorean separatists.¹⁰⁹ On these and other potential schemes, Carlucci again prevailed. Azorean separatism was a “pipedream,” he wrote. Mounting a coup was a non-starter. “[T]he government is in a strong position to resist coup attempts from the right, particularly since the abortive attempt of March 11.”¹¹⁰ We see additional evidence here in support of the significance of the replacement regime variable of Alignment Theory.

The elections—rather than exiles—proved to be pivotal in the long run. The Socialists won 37.9 percent and the Popular Democrats 26.4 percent. Mario Soares rose to the occasion. The socialists benefited handsomely from European financial and organizational assistance (some of it originating with CIA). The Communists fell far short of their hopes, winning 12.5 percent of the votes.

The radical wing of the AFM, too, suffered a setback. In early April, they encouraged Portuguese to cast blank ballots and they minimized the importance of the whole exercise.¹¹¹ Instead, nearly 92 percent of Portuguese voted. Only seven percent of voters spoiled their ballots as the radicals had directed.¹¹² Carlucci’s indirect program of covert action to convince the AFM to permit the election to go ahead and to bolster the

¹⁰⁸ A. Denis Clift informs Scowcroft, February 28, 1975.

¹⁰⁹ “Memorandum of Conversation,” March 27, 1975, GRFL, <https://www.fordlibrarymuseum.gov/library/document/0314/1553007.pdf>.

¹¹⁰ “Memorandum From Denis Clift of the National Security Council Staff to Secretary of State Kissinger: The Azores—Possible Armed Uprisings,” April 3, 1975, FRUS, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d150>.

¹¹¹ Maxwell, p. 113.

¹¹² Gomes and Moreira, p. 122.

moderate parties may have contributed to these events. One aspect of the operation involved financial support to a Portuguese newspaper, for example.¹¹³ Subsequently, Portuguese politicians credited the independent press with keeping the pressure on the AFM to hold an election.

At the time, though, it was hardly clear whether the AFM would make way for the popular will to manifest itself in a new government.

In the next section, I turn to the last period to be examined in the Portugal case. In the spring and summer of 1975, U.S. concern about Portugal peaked. The United States should continue its strategy of covert checking. As I show, the United States again acted with restraint.

Spring and Summer of 1975: Checking Continues

After the elections, the situation in Portugal deteriorated. On May 19, in a move endorsed by the PCP, radical workers seized *La Republica*, a storied opposition newspaper from the days of the Salazar dictatorship and the last remaining publication not infiltrated by communists.¹¹⁴ They also occupied the Catholic radio, adding the tag line: “in the service of the workers.” The seizures sent shockwaves across Europe. The space for free expression started to close.

The hardliners in the Armed Forces Movement, namely Vasco Goncalves, together with the PCP sensed that their opportunity might be slipping away.¹¹⁵ The junta moved beyond banks and insurance companies to nationalize industry and transport.¹¹⁶

¹¹³ March 5, 1975, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d146>.

¹¹⁴ Gomes and Moreira, p. 126.

¹¹⁵ Gomes and Moreira, pp. 125-126.

¹¹⁶ Gomes and Moreira, p. 126.

Most worrying, the AFM established independent security forces, the Committees for the Defense of the Revolution.¹¹⁷

President Ford made clear that his assessment of alignment instability continued. “We are concerned about the NATO relationship,” he said.¹¹⁸

Kissinger agreed. But his attitude about Portugal started to evolve. Carlucci recounts how between May and August he eventually persuaded Kissinger to give a policy of building up moderates a chance. As part of this strategy, the United States identified members of the AFM that were thought to favor an end to the junta’s stranglehold on power. On May 20, Kissinger met with Melo Antunes, the leader of the moderate faction of the movement. Antunes expressed concerns about the Communist Party, citing the danger of Portugal turning into “something like in Eastern Europe.”¹¹⁹

The radicals in the AFM, meanwhile, dug in their heels on the question of turning over power to democratic parties. On May 30, Kissinger and Ford met with Vasco Goncalves himself. The procommunist president told U.S. leaders that the “Council of the Revolution” would not relinquish control anytime soon.¹²⁰ Although he insisted that Lisbon would stand by its NATO commitments, Goncalves also waxed poetic about Portugal’s unique role in fostering superpower cooperation.

We believe we are in a position to contribute to an improvement of world relations. We can help NATO to clear the international air globally. We believe it is necessary to stay in NATO even though we have a different political system. We like the Soviets and the United States to reach agreements.¹²¹

¹¹⁷ Gomes and Moreira, pp. 125-126.

¹¹⁸ “Memorandum of Conversation,” May 22, 1975, GRFL.

¹¹⁹ Gomes and Moreira, p. 131.

¹²⁰ “Memorandum of Conversation: Meeting with Portuguese,” May 29, 1975, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d154>.

¹²¹ “Memorandum of Conversation: Meeting with Portuguese,” May 29, 1975, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d154>.

Ford reiterated U.S. concern about Communist influence. Goncalves's reply hardly proved reassuring: "The communists are carrying out the program of the AFM but we have the final say and we are aware of our own responsibilities."¹²²

In early June, Mario Soares and the socialists officially passed into the opposition; the Popular Democrats followed.¹²³ By July and August, the positions of the pro- and anti-communist factions hardened. In the north of the country, anticommunist mobs ransacked communist party headquarters. The moderates inside the AFM, led by Melo Antunes, by the end of August seriously considered the possibility of civil war. Antunes and his group were leftists. They actively opposed the old regime. But they supported Portugal's membership in NATO and they pushed for a pluralist political system.

As predicted by Alignment Theory, the United States pursued covert checking. Washington eschewed any association with Spinola or other exiles. Instead, it threw its weight behind a plan designed by Ambassador Carlucci and DCI Colby to continue supporting the moderate political parties, chiefly the socialists, and to support the group of leftist but anticommunist military officers inside the AFM.

The United States flirted with other options. In early May, Spinola passed a proposal for action to American officials on the NSC. Washington had expressed some interest.¹²⁴ Whatever Spinola proposed doing, the United States temporized. Two months later, the 40 Committee rejected a revised plan.¹²⁵

¹²² "Memorandum of Conversation: Meeting with Portuguese," May 29, 1975, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d154>.

¹²³ Quoted in Gomes and Moreira, p. 151.

¹²⁴ "Memorandum From the 40 Committee Executive Secretary (Ratliff) to Secretary of State Kissinger: 40 Committee Proposal for Aid to Spinola," July 30, 1975, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d157>.

¹²⁵ "Memorandum From the 40 Committee Executive Secretary (Ratliff) to Secretary of State Kissinger: 40 Committee Proposal for Aid to Spinola," July 30, 1975, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d157>.

CIA circulated its preferred proposal, which Colby and Carlucci endorsed. It focused on “support[ing] Portuguese leaders who will work within the democratic system [and] influenc[ing] the Armed Forces Movement toward democratic, pluralist decisions.”¹²⁶ In July, Hartman explained to Kissinger that Antunes and the AFM moderates nurtured “wacky theories” but they maintained little connection to the Communist Party. Kissinger warmed to the idea.¹²⁷

On July 22, Carlucci met secretly with Antunes and conveyed grave American concern about the situation in Portugal. Carlucci said “now was the time to act.”¹²⁸ Antunes gathered a group of AFM moderates, who came to be known as “the Nine,” who also opposed Goncalves. On August 7, Antunes and his comrades issued a written denunciation of the radical faction’s hold on power.¹²⁹

Kissinger still harbored some doubts. In early August, he called Carlucci home for consultations. At a climactic meeting, Carlucci persuaded Kissinger to continue a strategy of covert checking. Carlucci said the AFM moderates were “finally pulling themselves together.” If the Antunes group continued its momentum, Goncalves’s days would be numbered. Kissinger again asked why the United States could not simply support a coup by Spinoza. “Antunes can command a following; Spinoza cannot,” Carlucci answered.¹³⁰

Carlucci and Colby’s covert action plan, which would cost \$1.3 million, struck Kissinger as insufficient. He variously called it “an amateurish operation” and a “high

¹²⁶ Emphasis in original. “Summary of a Paper for the 40 Committee: Portugal,” undated, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d155>.

¹²⁷ “Telephone Conversation,” July 17, 1975, DNSA, <https://search.proquest.com/docview/1679090943?accountid=12492>.

¹²⁸ “Telegram 4127 From the Embassy in Portugal to the Department of State,” July 22, 1975, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d156>.

¹²⁹ Gomes and Moreira, pp. 167-168.

¹³⁰ “Memorandum of Conversation: Portugal,” August 12, 1975, *FRUS*, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d158>.

school kind of a program.” Carlucci stood firm. Washington must secretly send money to the Socialists and offer unwavering support to the AFM moderates.

Ultimately, the secretary deferred to his ambassador. He said he would leave the implementation up to Carlucci, but he wanted something aggressive. “You *must* take some risks, Frank,” Kissinger said.¹³¹ President Ford strongly backed the effort.¹³²

On August 26, Carlucci cabled from Lisbon saying that the situation stood on a knife’s edge. Goncalves and his PCP supporters sensed the walls closing in. They threatened to unleash PCP paramilitaries in Lisbon if Antunes and the moderates persisted.¹³³ Political and social divisions in Portugal now opened to their widest since the coup of the year before.¹³⁴ The Antunes group told Carlucci that they would oust Goncalves “even if a militant and open strategy of opposition must be adopted.”¹³⁵ Carlucci declared his total support for the group.¹³⁶

Under intense national and international pressure, Vasco Goncalves and his allies caved. On September 5, the moderates and the Goncalves faction met for a showdown at the Armed Forces Assembly meeting. Antunes marshaled the support of a majority of officers. He showed Goncalves the exit, and the democratic parties rushed to join a sixth provisional government emptied of the radicals. The AFM assembly never met again.¹³⁷

¹³¹ Emphasis in original. “Memorandum of Conversation: Portugal,” August 12, 1975, FRUS, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d158>.

¹³² “Memorandum of Conversation,” August 20, 1975, DNSA, <https://search.proquest.com/dnsa/docview/1770990862/abstract/4614C23F823342AFPQ/1>.

¹³³ “Cable from Secretary to U.S. Delegation,” August 27, 1975, AAD, <https://aad.archives.gov/aad/createpdf?rid=45633&dt=2476&dl=1345>.

¹³⁴ Maxwell, p. 151.

¹³⁵ “Briefing Item,” August 30, 1975, GRFL, National Security Adviser, NSC Europe, Canada, and Ocean Affairs Staff: Files, 1974-1977, Country File: Portugal, 1974 WH (1), Box 17.

¹³⁶ “Cable from Frank Carlucci to Henry Kissinger,” August 29, 1975, Gale U.S. Declassified Documents, <http://tinyurl.galegroup.com/tinyurl/6xNWk0>.

¹³⁷ Maxwell, p. 151.

The United States behaved through the height of this crisis as Alignment Theory would predict. In the face of ongoing alignment instability, high relative value, and the absence of a replacement regime, Washington pursued a strategy of covert checking.

4. Alternative Explanations and Aftermath

What else might account for U.S. behavior in the case of Portugal? Did organizational enthusiasm spur the United States forward? In examining U.S. behavior at the end of 1974, I noted only weak evidence in favor of organizational bias. In 1975, I do find occasions when policymakers implied generic concern about CIA enthusiasm. In August, when Carlucci returned to Washington, the ambassador told Kissinger he still worried about CIA contact with Spinoza. Kissinger assured Carlucci “we are not doing anything right now with Spinoza.” “I hope not,” Carlucci replied. He noted a CIA report “out of Latin America that indicated some kind of contact and gave me some concern.” Kissinger asked William Hyland if that was true. “Not that I know of,” Hyland said.¹³⁸

This kind of fragmentary evidence does not indicate that the CIA acted on a rogue basis. Rather it suggest circumstances under which it might carry out what policymakers were considering or had previously approved without sufficient oversight. Recall the July 1974 exchange between Kissinger and his deputy for Europe. Kissinger wished to confirm with Hartman “we are staying out of this,” in reference to CIA. Hartman replied, “As far as I know.” “Well, you tell them to stay out of it,” Kissinger had directed.

These statements suggest that policymakers who approve limited measures (i.e. checking) may sometimes struggle to contain organizational enthusiasts. I find little

¹³⁸ “Memorandum of Conversation: Portugal,” August 12, 1975, FRUS, <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d158>.

evidence of this dynamic in operation in Portugal. Once top policymakers gave it their attention, they kept CIA on a short leash. Longtime diplomat William McAfee worked in the intelligence bureau at the State Department and helped vet covert action proposals. He explained of action in Portugal: “State and CIA, the embassy and station, all supported it and the ambassador and his top associate kept in close touch with an able station chief.”¹³⁹ Other telltale signs of CIA bias causing action are also absent.

Directorate of Operations personnel attended key 40 Committee meetings, but they seldom commented and never pushed for drastic action. All plans received intense scrutiny from State Department representatives and Ambassador Frank Carlucci himself.

Though it was not apparent at the time, Carlucci and others subsequently identified the turning point in Portugal as the constituent assembly elections. After the resounding popular demonstration of support for democracy, with the Socialists and Popular Democrats winning two-thirds of the vote between them, the leftist junta and the Portuguese Communist Party faced an uphill battle to remain in power.

U.S. action in the summer of 1975 also proved critical. Colby and Carlucci’s plan to provide Antunes and the moderates with unwavering support paid off handsomely. On September 16, Kissinger briefed Ford by phone on the latest developments in Portugal. He alluded to the previous month’s drama.

Kissinger: [Deleted]

Ford: Right

Kissinger: . . . gave them enough backbone to stick with it.

Ford: That’s awful good news, Henry.¹⁴⁰

¹³⁹ Charles Stuart Kennedy and William McAfee, *Interview with William McAfee*, September 9, 1997, <https://www.loc.gov/item/mfdipbib000776/>.

¹⁴⁰ “Memorandum of Conversation,” September 18, 1975, DNSA, <https://search.proquest.com/docview/1770991407?accountid=12492>.

On the U.S. support being critical, see also <https://history.state.gov/historicaldocuments/frus1969-76ve15p2/d169>.

By the middle of 1976, after a few further scares in the fall of 1975, Washington credited the covert program with helping to stave off disaster in the elections and then in the face-off between Goncalves and Antunes.

U.S. leaders were not the only ones who acted in response to the situation in Portugal. In August of 1975, when Carlucci coordinated with the Antunes group and the United States spent more than a million dollars on CIA action in Portugal, Great Britain also acted. Documentation indicates that the CIA and MI6 promised the Antunes group shipments of arms to northern Portugal in the event of civil war.¹⁴¹ Leaders in Germany, Sweden, and Britain channeled funds and organizational support to Mario Soares and the Socialists through the Socialist International. The actions of these interveners tend to validate Alignment Theory and undercut alternative explanations.

5. Conclusion

In this paper, I proposed and tested an explanation for why interveners undertake covert action in some circumstances and not others. Alignment Theory starts from the premise that covert action is costly and risky. Policymakers should employ it when they face the prospect of a loss, specifically with regard to the alignment of a target state. As an initial probe, I found that Alignment Theory correctly predicted 57 of 84 cases of covert action consideration by the United States during the Cold War. This result demonstrates the broad applicability of the theory to a range of regions and time periods.

¹⁴¹ On September 15, Kissinger and Carlucci discussed the possibility of armed conflict. “We would be prepared to help [non-communist forces] with military equipment if necessary,” Kissinger said. “So would Callaghan. I think the French would too but not as a part of a joint action.” In a discussion on October 9, 1975, Scowcroft asked Kissinger: “If things [in Portugal] disintegrate, is the thing Secretary Kissinger discussed with [British Foreign Secretary James] Callaghan still active?” And on November 25, Kissinger told his State Department colleagues, “The British said they are ready to send weapons.”

Next, I turned to the case of Portugal, where I find strong support for Alignment Theory. I find explicit support for the window of opportunity mechanism. The revolutionary context probably explains why the speech evidence supporting the mechanisms is so pronounced. U.S. policymakers couched their concerns about alignment instability with reference to Czechoslovakia in 1948 and Cuba in 1959. So did European leaders. In June of 1975, for example, President Giovanni Leone of Italy gave voice to the danger of irreversible change. “I am pessimistic,” he said, “because history shows that the Communists may throw out all other groups and takeover everything.”¹⁴² In these instances, small but well-organized Communist forces capitalized on political upheaval to seize control quickly and irreversibly. They then realigned their foreign policies. The same is true of Kissinger’s favored historical analogy: Russia in 1917.

Similarly, as predicted, factors related to international alignment proved more powerful than those related to American domestic turmoil. Gerald Ford, maligned by skeptics as a naïf, followed the same lines as Richard Nixon. Increased congressional oversight of the CIA also does not appear to have exerted a major influence.

That alignment stability, relative value, and the presence or absence of a replacement regime channel the behavior of interveners is, of course, no guarantee of policy success. The overall record of U.S. action during the Cold War is decidedly mixed, as O’Rourke conclusively shows. Portugal was nevertheless a notable victory. The U.S. decision to direct the CIA to help fund the Socialists and to undercut the PCP played a

¹⁴² “Memorandum of Conversation,” June 3, 1975, <https://www.fordlibrarymuseum.gov/library/document/0314/1553106.pdf>.

role in events.¹⁴³ William McAfee, the diplomat quoted above who helped vet covert action proposals, explained of action in Portugal:

The program was believed to have made a contribution to the favorable outcome of the election and there was no publicity over it. It was considered an example of when and how a covert operation should be run.¹⁴⁴

¹⁴³ See, among others, Charles Stuart Kennedy and William McAfee, *Interview with William McAfee*, September 9, 1997, <https://www.loc.gov/item/mfdipbib000776/>.

¹⁴⁴ Charles Stuart Kennedy and William McAfee, *Interview with William McAfee*, September 9, 1997, <https://www.loc.gov/item/mfdipbib000776/>.