

## Which was the Most Significant factor in Causing the United States to Intervene in Guatemala in 1954: Business Interests or Anti-Communism?

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In 1954, Guatemala underwent a controversial US-engineered coup d'état that would prove to be a significant moment in US-Latin American Cold War relations. The coup was seen by many across the world as a clear example of the United States testing the limits of justifying its intervention in foreign regimes. The US defended its actions by directing focus to the left-wing policies of President Jacobo Arbenz and his frequent collaboration with known communists. Overthrowing Arbenz was argued to be a legitimate act as the US was exercising its responsibilities to protect the western hemisphere from communist infiltration as agreed by Organisation of American States.<sup>1</sup> However the fact that Arbenz' government made significant challenges to the businesses interests of the US in Guatemala hints that anti-communism may not have been the true source of the coup. The US-owned United Fruit Company was a dominant force in Guatemala's economy with ownership of over 42% of the country's land as well as control of the country's railroad and telegraph systems.<sup>2</sup> Arbenz' extensive land reforms threatened United Fruit and US business hegemony in Guatemala and it could be argued that this is true reason why he was overthrown. There therefore exists an important debate over the cause of US intervention: were American business

interests the most significant factor in triggering US involvement in the 1954 Guatemalan coup, or was it the potential communist threat?

The divisiveness of this issue is reflected strongly in scholarship of the subject. Notable academics such as Stephen Kinzer and Stephen Schlesinger point to United Fruit as the driving force in creating a false communist panic whereas others like Richard Immerman and Piero Gleijeses argue that business interests only contributed minimally to what was a long-established anti-communism campaign.<sup>3</sup> In this essay, I will be exploring the different arguments surrounding this debate and showing that, despite the complexity and interdependence of both factors, the threat of communism was ultimately the main cause of the coup.

The arguments presented for both anti-communism and business interests as factors within this debate are comparably coherent. The suggestion that the United Fruit Company (UFCO) had a significant impact on the 1954 coup is convincing when the scale of their influence is revealed. UFCO was a major player in the Guatemalan economy. Conventionally, the company focused on fruit production and distribution and had a monopoly over the Guatemalan banana industry. However as it grew, 'El Pulpo' (the octopus), as it came to be known, expanded into Guatemala's infrastructure.<sup>4</sup> By the late 1940s, UFCO controlled 690 of the 719 miles of Guatemala's railroad as well as the telegraph system and two out of three of

<sup>1</sup> Council on Foreign Relations. *The Organization of American States*. [online] Available at: <https://www.cfr.org/background/organization-american-states> [Accessed 12 Dec. 2017]

<sup>2</sup> Agyeman, Opoku. *Power, Powerlessness, and Globalization: Contemporary Politics in the Global South* Lexington Books, 2014, p. 45

<sup>3</sup> Streeter, S. "Interpreting the 1954 U.S. Intervention in Guatemala: Realist, Revisionist, and Post Revisionist Perspectives" *The History Teacher*, Vol. 34, No. 1 Society for History Education, 2000 p. 65-67

<sup>4</sup> Immerman, R. *The CIA in Guatemala*. Austin: University of Texas Press, 1982 p. 70

the country's trading ports.<sup>5</sup> It is unsurprising that by 1954, 77% of all Guatemala's exports went to the US and 65% of imports came from the US.<sup>6</sup>

Prior to the 1944 revolution in Guatemala, UFCO was looked upon favourably by Guatemalan dictators Manuel Estrada Cabrera and Jorge Ubico who independently granted the company a number of tax concessions and deregulation opportunities with the goal of gaining favour with the US.<sup>7</sup> However after the overthrow of Ubico and the rise of new president and former professor Juan José Arévalo, UFCO's previously unchallenged power began to diminish.<sup>8</sup> In 1947 Arévalo introduced the Labor Code which awarded protection and benefits, such as a minimum wage, to Guatemala's workers.<sup>9</sup> As the largest employer in the country, UFCO was strongly affected by Arévalo's reforms and accordingly felt persecuted by the new regime.<sup>10</sup> Matters were made worse when Arévalo's successor, Arbenz, went a step further by enacting mass land reforms that expropriated around 408,000 acres of uncultivated land from UFCO.<sup>11</sup> Arbenz offered compensation to the company to the value of \$1,185,000 but UFCO had massively undervalued its land for tax avoidance purposes. Nearly

twenty times more was demanded by UFCO and its lobbyists in the State Department.<sup>12</sup> UFCO's power was heavily diminished by Arévalo and Arbenz and it is clear to see why they would have a motive for wanting revolution.

In addition, UFCO affiliates had a strong presence within the US government. John Foster Dulles and Allen Dulles, Secretary of State and Director of the CIA under Eisenhower respectively, were both former lawyers of UFCO.<sup>13</sup> Eisenhower's personal secretary was married to UFCO's chief lobbyist and Henry Cabot Lodge, US ambassador to the UN, was a major stockholder in the company.<sup>14</sup> It was John Foster Dulles in fact who lobbied Arbenz' government for greater compensation for UFCO's expropriated lands.<sup>15</sup> A representative of Dulles' State Department even argued that "If [Guatemala] handles an American company roughly, it is our business."<sup>16</sup> UFCO had important influence at the highest level and was even heavily involved in the CIA's early operation PBFORTUNE, in which it offered to turn over two its freighters to the CIA for arms transportation.<sup>17</sup> Likewise independently from the CIA, at Salama, United Fruit, together with Dominican dictator Rafael Trujillo, provided weapons and funds to a group led by a former UFCO associate in a failed uprising.<sup>18</sup> It is unsurprising therefore

<sup>5</sup> Magoc, C. and Berstein, D. *Imperialism and Expansionism in American History. A Social, Political, and Cultural Encyclopaedia and Document Collection. 4 vols.* Santa Barbara: ABC-CLIO, Inc. 2015, p. 856

<sup>6</sup> Agyeman, p. 45

<sup>7</sup> Mirza, R. (2010). *American invasions. Canada to Afghanistan, 1775 to 2010.* Trafford, 2010, p. 161

<sup>8</sup> The Library of Congress. Juan José Arévalo Bermejo (Guatemala) (1904-1990). [online] Available at:

<https://www.loc.gov/item/n81127285/juan-jose-arevalo-bermejo-guatemala-1904-1990/> [Accessed 12 Dec. 2017]

<sup>9</sup> Gleijeses, P. *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954.* Princeton, N.J.: Princeton University Press, 1992, p. 94

<sup>10</sup> Streeter, S. *Managing the Counterrevolution: The United States and Guatemala, 1954-1961* Ohio University Press, 2000, p. 15

<sup>11</sup> Gleijeses, P. "Juan Jose Arevalo and the Caribbean Legion." *Journal of Latin American Studies*, vol. 21, no. 1, 1989 p. 474

<sup>12</sup> Ibid.

<sup>13</sup> Schoultz, L. *Beneath the United States.* Cambridge, Mass.: Harvard University Press. 2003, p. 338

<sup>14</sup> Cohen, Rich *The Fish that Ate the Whale.* New York: Farrar, Straus & Giroux, 2012. p. 186.

<sup>15</sup> Schlesinger, S. and S, Kinzer. *Bitter Fruit: The Story of the American Coup in Guatemala.* Cambridge, Mass: Harvard University, David Rockefeller Center for Latin American Studies, 2005, p. 76

<sup>16</sup> Cullather, N. and Gleijeses, P. *Secret History: The Cia's Classified Account of Its Operations in Guatemala, 1952-1954.* Stanford, Calif: Stanford University Press, 1999, p. 16

<sup>17</sup> Gleijeses, *Shattered Hope*, p. 230

<sup>18</sup> Gleijeses, *Shattered Hope*, p. 220/221

that in his final address to the nation before abdicating, Arbenz claimed: “the United Fruit Company, in collaboration with the governing circles of the United States, is responsible for what is happening to us.”<sup>19</sup>

Despite the clear influence of United Fruit on the overthrow of Arbenz, the notion of communism within the administration provides a similarly strong argument for the basis of the coup. Within Arbenz’s government there was considerable leniency towards communism and to some degree, actual communist influence. Although Arbenz was not a communist himself, Arbenz’s left-wing ideology matched the political objectives of the *Partido Guatemalteco del Trabajo* (Guatemalan communist party) and thus they mobilised support for him in the working classes.<sup>20</sup> Though they played only a small part in his government (only four out of fifty-one deputies in 1953/54 Guatemalan congress were PGT representatives), Arbenz legitimised the PGT as one of four ruling parties in Guatemala.<sup>21</sup> In fact one of Arbenz’s closest advisors on his controversial land reforms came from the PGT. José Manuel Fortuny was a key part of Arbenz’s agricultural department and was responsible for drafting large amounts of Decree 900.<sup>22</sup> Fortuny was a popular public figure in Guatemala with great ambition and had run a campaign for congress in 1952 but was unsuccessful due to his radical views.<sup>23</sup> The presence and influence of popular communists in Arbenz’s government such as Fortuny convinced many in Washington of the communist

leanings of Arbenz.<sup>24</sup> This assessment was intensified by the close relationship of his wife to known communists<sup>25</sup> and the fact that upon the death of Stalin in 1953, Arbenz declared that Guatemala was in public mourning.<sup>26</sup>

In the early 50s, the political climate of the United States also contributed to the assessment of Guatemala as a communist threat. The US was gripped by the ‘red scare’; a communist witch-hunt led by Senator Joseph McCarthy of Wisconsin that heightened the fear of communist infiltration in the US.<sup>27</sup> Risking being blacklisted if they did not stand with McCarthy, government employees sought to demonstrate their anti-communist leanings and many reports on strong communist threat of Arbenz were written by McCarthyites.<sup>28</sup> This was contributed to by a number of Eisenhower’s top advisors such as the Dulles brothers, who were hard-line anti-communists.<sup>29</sup> John Foster Dulles consistently increased tension over the communist threat in Guatemala, even remarking over national television: “If the United Fruit matter were settled, if they gave a gold piece for every banana, the problem would remain as it is today as far as the presence of communist infiltration in Guatemala is concerned.”<sup>30</sup> This anxiety fed through to the public and by early 1953, American publications such as the New York Times were running articles with titles such as “How the communists won

<sup>19</sup> Schlesinger and Kinzer, p. 199

<sup>20</sup> Schlesinger and Kinzer, p. 58/9

<sup>21</sup> Schlesinger and Kinzer, p. 58/9

<sup>22</sup> Dosal, P. *Comandante Che: Guerrilla Soldier, Commander, and Strategist, 1956-1967*, Penn State Press, 2010, p. 36

<sup>23</sup> Schlesinger and Kinzer, p. 57

<sup>24</sup> Cullather and Gleijeses, p. 22

<sup>25</sup> Schlesinger and Kinzer, p. 51

<sup>26</sup> Forsythe, D. *Human Rights and Peace: International and National Dimensions*, Nebraska: U of Nebraska Press, 1993, p. 37

<sup>27</sup> Eisenhower.archives.gov. *Eisenhower Presidential Library*. [online] Available at:

[https://www.eisenhower.archives.gov/research/online\\_documents/mccarthyism.html](https://www.eisenhower.archives.gov/research/online_documents/mccarthyism.html) [Accessed 12 Dec. 2017]

<sup>28</sup> Schlesinger, S. and S, Kinzer, 94

<sup>29</sup> Porter, S. *Benevolent Empire: U.S. Power, Humanitarianism, and the World's Dispossessed*, Philadelphia: University of Pennsylvania Press, 2016, p. 131

<sup>30</sup> Immerman, p. 82

control of Guatemala?" and publishing cartoons of Guatemalans dancing to music performed by Stalin.<sup>31</sup> For America in the 1950s, the Cold War was seen as a zero-sum game, if Guatemala wasn't with them, it had to be firmly on the side of the enemy.<sup>32</sup> This firmly placed Guatemala, which was lenient on communists and acting against US interests through its land reform, into the communist camp and thus an enemy of the USA. The sympathy towards communism displayed by the Arbenz administration increased in early 1954 when a shipment of weapons from the Soviet satellite state of Czechoslovakia arrived on Guatemalan shores as a result of a deal brokered by Fortuny.<sup>33</sup> This, some historians have argued, was the final step in forcing the hand of the US to intervene.<sup>34</sup>

It is clear therefore that strong arguments can be made for both sides of this debate. As post-revisionist of this topic, Gleijeses has pointed out however that the causes of the coup are more nuanced than simply one factor versus the other. Instead, it is more accurate to consider both business interests and anti-communism as co-dependant factors.<sup>35</sup> Immerman sums this concept up well by drawing attention to the fact that Eisenhower's administration "thought like United Fruit because they had the same backgrounds... There was no conspiracy."<sup>36</sup> The interests of UFCO and the Cold War ethos were interwoven.

When considering the importance of both factors on one another, some historians make the argument that

business interests are the primary factor within this debate. In the book *Bitter Fruit* for example, Kinzer and Schlesinger make the argument that UFCO is responsible for constructing the communist threat to the US in order to further public support in their favour.<sup>37</sup> They point to the fact that UFCO consistently manipulated the press through carefully crafted "fact finding trips to Central America." On these trips visiting journalists "were shepherded on elaborately choreographed tours of Fruit Company facilities, and [spoke] to local politicians who were sympathetic to the company's plight."<sup>38</sup> All this resulted in considerable press about the "Spector of Communism in Guatemala."<sup>39</sup> Likewise McCarthyites such as John Clements were specifically hired by UFCO to make reports on the communist threat. Kinzer and Schlesinger write that "Clements' hastily written study predictably came up with a panorama of scheming Guatemalan communists plotting to take over a corrupt administration run by a crypto-Marxist President, Arbenz."<sup>40</sup> UFCO, Kinzer and Schlesinger claim, used propaganda to instigate anti-communist sentiment over Guatemala.

Further to this point, it has been claimed that UFCO's communism propaganda even stretched to the administration of Arbenz's predecessor, Arévalo. Discontent with Arévalo's Labor code, UFCO had been encouraging the press to see a communist threat in Guatemala since 1950.<sup>41</sup> The story "Communism in the Caribbean", which was based on conversations with UFCO officials, was splashed across New York Herald Tribune's front page for five

<sup>31</sup> Gleijeses, *Shattered Hope*, p. 233

<sup>32</sup> Hogan, M. *The End of the Cold War: Its Meaning and Implications*, Cambridge University Press, 1992, p. 61

<sup>33</sup> Gleijeses, *Shattered Hope*, p. 280

<sup>34</sup> Schlesinger and Kinzer, p. 151

<sup>35</sup> Gleijeses, *Shattered Hope*, p. 366

<sup>36</sup> Immerman, p. 124

<sup>37</sup> Schlesinger and Kinzer, p. 106

<sup>38</sup> Schlesinger and Kinzer, p. 87

<sup>39</sup> *Ibid.*

<sup>40</sup> Schlesinger and Kinzer, p. 95

<sup>41</sup> Schlesinger and Kinzer, p. 88

consecutive days, helping to promote the idea of communism in Guatemala.<sup>42</sup> This tactic was particularly impressive from United Fruit considering Arévalo's public assertion that he was not a communist and had banned the formation of a communist party.<sup>43</sup> Nonetheless Arévalo was considered untrustworthy by the US government insofar as in 1950, US Ambassador Patterson demanded Arévalo fire several of his 'communist' cabinet members.<sup>44</sup> Gleijeses even corroborates this line of argument towards UFCO's ability to successfully spread propaganda, writing that "the US embassy's concern with communism under Arévalo owed much to UFCO'S smoke and mirrors."<sup>45</sup>

Furthermore, as *Bitter Fruit* argues, businesses interests must have been the key focus of the coup because the threat of communism was greater elsewhere in Latin America. Kinzer and Schlesinger write: "Larger numbers had taken part in political activity on a greater scale during the post-war years in Brazil, Chile and Costa Rica without causing excessive concern in the U.S. government."<sup>46</sup> This suggests that there were bigger threats than Guatemala and to some extent this is true. In 1946 for example, a US report on the state of Soviet objectives in the Western hemisphere found issue only with Costa Rica, not with Guatemala.<sup>47</sup> The significance of the threat in Guatemala is further downplayed when evidence including a 1952 CIA intelligence report is considered. The report claimed that:

"President Arbenz is still convinced that he is "using" communism to further his own ends and in no sense, is he dictated to by communist elements."<sup>48</sup> This official report suggests that Arbenz was unaffected by communism, contrasting considerably from US public opinion and the general fear of the 'red scare'. It suggests that realistically, the US and the CIA were not particularly concerned about the link between Arbenz and communism. Equally, a year later, the threat of Arbenz' communism was downplayed further by US ambassador to Guatemala, John Peurifoy, who wrote in a memorandum to Secretary Dulles: "[Arbenz] is not a communist; he will certainly do until one comes along." This also suggests that the link between Arbenz and communism seen by the US as weak, further enhancing the argument of *Bitter Fruits* that UFCO was the most significant factor behind the coup.

However, despite the evidence presented by *Bitter Fruits* in favour of businesses interests over communism: this line of argument is largely oversimplified. Business interests were important but as revisionists such as Immerman have claimed, these were secondary issues.<sup>49</sup> For instance, the implication that UFCO advanced the perceived threat of communism in Guatemala under both Arévalo and Arbenz is fair, but the suggestion that they devised it is incorrect. Arévalo for example, despite openly condemning communism, still acted in conflict to the US. The Guatemalan president was responsible for an attempted expropriation of the largely US-owned airline, Guatemala Airways, and of

<sup>42</sup> Schlesinger and Kinzer, p. 84

<sup>43</sup> Black, C. *Communism and Revolution: The Strategic Uses of Political Violence*, Princeton University Press, 2015, p. 335

<sup>44</sup> Schlesinger and Kinzer, p. 86

<sup>45</sup> Gleijeses, *Shattered Hope*, p. 632

<sup>46</sup> Schlesinger and Kinzer, p. 106

<sup>47</sup> Lorenz, C. *Elespiritudel48.org. Costa Rica and the 1948 Revolution – El Espíritu del 48*. [online] Available at: <https://elespiritudel48.org/costa-rica-and-the-1948-revolution/> [Accessed 12 Dec. 2017]

<sup>48</sup> Foreign Relations of the United States, 1952–1954, *GUATEMALA, DOCUMENT 27. NO. 00-B57327 Central Intelligence Agency Information Report Available at: https://history.state.gov/historicaldocuments/frus1952-54Guat/d27* [Accessed 12 Dec. 2017]

<sup>49</sup> Immerman, p. 81/2

course introducing the Labor code, both of which conflicted with US business interests.<sup>50</sup> However more concerning to the United States was Arévalo's international stance. Fundamentally problematic was his lack of submissiveness, which his predecessor Ubico had displayed in abundance.<sup>51</sup> As Gleijeses has shown, Arévalo was heavily involved in the US-opposed Caribbean Legion; an organisation involved in replacing Central American dictators (who were often US-backed) with democratic regimes.<sup>52</sup> Guatemala was also the only American nation to refuse to sign the 1947 Rio Pact, which condemned communist influence on the Western Hemisphere.<sup>53</sup> For the United States, Arévalo's assertions of anti-communism meant little. He was acting boldly against them and the US government did not need UFCO to tell them that. In the climate of the late 1940s, prior to McCarthyism or the involvement of the Dulles brothers, as Immerman explains: "a communist was defined as anyone who opposed United States interests."<sup>54</sup> It is clear therefore that Arévalo's own actions account considerably for the label of communism in Guatemala: a label only added to by UFCO propaganda.

Similarly, UFCO's propaganda had little effect on US government policy over Arbenz. Gleijeses claims that "Arbenz's sympathy for the communist cause was obvious ... It required no manipulations by UFCO minions for U.S. officials to appreciate these truths."<sup>55</sup> UFCO didn't invent and expose the communist elements within the Arbenz administration because they were clear

to see. In 1952 for instance, US Ambassador to Guatemala, Rudolph Schoenfeld, commented on the "pro-communist" slant of Guatemala's official newspaper *Diario de Centro America (DCA)* in a meeting with Guatemalan Ambassador Guillermo Toriello.<sup>56</sup> In fact in 1953 alone, fifty-three articles in the DCA promoted life within the Soviet Bloc, with titles such as: "The high standard of living of the Czech workers."<sup>57</sup> This fact, coupled with the presence of communists such as Fortuny in high governmental positions and the strength of the PGT, shows that the Arbenz administration was not trying to hide its communist inclinations. As Gleijeses correctly points out therefore: "it did not require the efforts of UFCO to generate concern within the US government about Arbenz."<sup>58</sup>

In addition, there is a strong argument to be made that ties to UFCO weren't actually effective in the State Department. For example, a strong basis of the argument favouring business interests over anti-communism lies in the fact that the Eisenhower administration had a number of significant ties to United Fruit. However according to the memoirs of Richard Bissell, the CIA official who directed PBSUCCESS: Allen Dulles, Director of the CIA, never even discussed United fruit's interests.<sup>59</sup> Likewise in Eisenhower's personal memoirs he wrote "expropriation in itself... does not prove communism", which shows his lack of sympathy to the plight of United Fruit.<sup>60</sup>

<sup>50</sup> Immerman, p. 86

<sup>51</sup> Gleijeses, *Shattered Hope*, p. 85

<sup>52</sup> Gleijeses, "Juan Jose Arevalo and the Caribbean Legion." p. 474

<sup>53</sup> Immerman, p. 94

<sup>54</sup> Immerman, p. 81

<sup>55</sup> Gleijeses, *Shattered Hope*, 362

<sup>56</sup> Memorandum of Conversation, by Milton K. Wells, Adviser to the United States Delegation to the United Nations" US Department of State Archive Available at: <https://2001-2009.state.gov/r/pa/ho/frus/ike/iv/20208.htm> [Accessed 12 Dec. 2017]

<sup>57</sup> Gleijeses, *Shattered Hope*, p. 178

<sup>58</sup> Gleijeses, *Shattered Hope*, p. 632

<sup>59</sup> Bissell, Jr. R, *Reflections of a Cold Warrior: From Yalta to the Bay of Pigs*, New Haven: CT, 1996, p.90

<sup>60</sup> Immerman, p. 94/5

John Foster Dulles declared on national television in 1954 that “communist infiltration... in Guatemala is the problem, not United Fruit.”<sup>61</sup> In a 1953 meeting with ambassador Toriello, assistant Secretary of State Cabot dismissed business interests over communism, calling them “secondary interests.”<sup>62</sup> It is clear therefore that the effect of UFCO on the government was rather minimal. Key members of the Eisenhower administration, all with ties to UFCO (including the president himself through his secretary’s affiliation) did not concern their policy with UFCO’s interests. Both in public and in private, US officials made no effort to state that United Fruit was the problem at the heart of the Guatemalan issue.

Perhaps the most telling element of this argument can be seen in the post-coup achievements of United Fruit. As a result of Arbenz’ reforms, UFCO had lost a considerable amount of land, however after the coup, new Guatemalan leader Castillo Armas returned the expropriated land to UFCO along with returning the company to the heightened status it had enjoyed under Ubico in the 1940s.<sup>63</sup> On the face of it, this fact strengthens the argument that the coup took place with the intention of protecting UFCO but the story from the United States suggests otherwise. Due to UFCO’s dominance in Guatemala, the US Department of Justice hit UFCO with a substantial antitrust lawsuit.<sup>64</sup> This lawsuit was backed up by John Foster Dulles in an effort to further prove his lack of allegiance to the company.<sup>65</sup> Further lawsuits followed and, in an effort to diffuse the tension, the

company donated 100,000 acres of its Guatemalan holdings to peasants: holdings that it had lobbied the US government so strongly to get reobtain leading up to the coup. By 1972 UFCO’s shareholders had been forced into selling the company off to various local businessmen and the Del Monte corporation.<sup>66</sup> Thus for the US government, protecting UFCO clearly wasn’t a concern, especially as they were responsible for much of the companies undoing. One would expect that, if business interests were the main concern of the US government, UFCO would have done better as a result of the coup rather than worse.

Furthermore, the suggestion that the threat of communism was greater elsewhere than in Guatemala is also incorrect. For example, although it is fair to assert that Costa Rica, Brazil and Chile posed significant communist threats; this was mostly limited to the late 1940s and not the 1950s.<sup>67</sup> While the communist party of Chile had held positions in the Chilean government, the party of Costa Rica had ruled as part of a coalition and in Brazil, the communists had won 10% of the 1945 vote; by 1948, the communist party had been outlawed in all three of these countries.<sup>68</sup> In Guatemala Arévalo had also taken the decision to outlaw the official communist party, but in the 1950s, unlike in other countries, the communists grew strength by strength under the administration of Arbenz.<sup>69</sup> Under Arbenz of course, prominent communists such as Fortuny were relied upon in important government positions. In 1946, specifically at the request of US officials, Chile had

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<sup>61</sup> Immerman, p. 225

<sup>62</sup> Immerman, p. 82

<sup>63</sup> Streeter, p. 239

<sup>64</sup> Schlesinger and Kinzer, p. 220

<sup>65</sup> Schlesinger and Kinzer, p. 221

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<sup>66</sup> Schlesinger and Kinzer, p. 229

<sup>67</sup> Schlesinger and Kinzer, p. 106

<sup>68</sup> Gleijeses, *Shattered Hope* 362

<sup>69</sup> Blasier, C. *The Hovering Giant (Revised Edition): U.S. Responses to Revolutionary Change in Latin America, 1910-1985*, University of Pittsburgh Press, 1985, p. 158

expulsed communists from its government.<sup>70</sup> However, under similar requests from the US, Arbenz had refused.<sup>71</sup> Clearly to the US, by the 1950s the threat of communism was considerably greater in Guatemala than in other Latin American nations with Marxist ties.

Bolivia is an important case study of a country that was in a similar position to Guatemala in the 1950s yet did not warrant US intervention. As bananas were to Guatemala; tin was to Bolivia. Tin was Bolivia's major export and for the US, it was a vital resource. US investors owned one of the three biggest tin companies in Bolivia and Eisenhower even once remarked that "it would be better to have tin in Fort Knox than gold."<sup>72</sup> However in 1952, following the Bolivian revolution and growing strength of left-wing factions within Bolivia's new ruling party, the three biggest tin companies, including the one owned by US investors, were expropriated by the government.<sup>73</sup> This was followed in 1953 by a land reform, designed to redistribute land to Bolivia's peasantry.<sup>74</sup> Compared to Guatemala, Bolivia was in a similar position: US businesses had been expropriated and socialist policies were being introduced in the Latin American nation. However, unlike Guatemala, the US chose not to topple Bolivia's leadership. Although the expropriation of business concerned the US, as Becker has shown, fundamentally, where Arbenz relied on communists, Bolivian leader Paz Estessoro was apprehensive about the radical left,

easing fear in the US State Department.<sup>75</sup> Significantly, Paz Estessoro's willingness to collaborate with US anti-communists led to compromise in Bolivia where it could not in Guatemala. Buying into Bolivia's assurances, the US sent \$18.4 billion in aid to Bolivia, just less than the \$20 billion it cost to topple Arbenz.<sup>76</sup> In the 1950s, this was the most US aid per capita of any country in the world.<sup>77</sup> This suggests further that in the 1950s, business interests did not dominate US interventionist foreign policy in Latin America.

Evidently therefore, the threat of communism is the most significant factor within this debate. The business interests of US corporations within Guatemala were an important influence on the coup, as historians such as Kinzer and Schlesinger have shown, but ultimately the foreign policy of the State Department and CIA was considerably more focused on anti-communism in the 1950s than protecting US investments. The strongest arguments in favour of business interests, such as the role of propaganda and relationship of UFCO to top government officials have been debunked by revisionist and post revisionist thinking of historians including Immerman and Gleijeses, as fundamentally, the hostility of Guatemala was enough in the 1950s for the US to fear communist infiltration. Likewise, the poor treatment of UFCO by the US government following the coup discredits possible suggestions that the US acted primarily on their behalf. Additionally, while there were other communist threats elsewhere in Latin America, Guatemala's was by far the strongest. Bolivia provides an

<sup>70</sup> Morris, M. *Great Power Relations in Argentina, Chile and Antarctica*, Springer, 1990 p. 80

<sup>71</sup> Carlisle, R. *Encyclopedia of Intelligence and Counterintelligence*, Routledge, 2015, p. 109

<sup>72</sup> Rabe, S. *Eisenhower and Latin America: The Foreign Policy of Anticommunism*, UNC Press Books, 2017

<sup>73</sup> McPherson, A. *Intimate Ties, Bitter Struggles*. Dulles: Potomac Books, 2006, p. 32

<sup>74</sup> Morales, W. *A Brief History of Bolivia*, Infobase Publishing, 2010, p. 152

<sup>75</sup> Becker, M. *Twentieth-Century Latin American Revolutions*, Rowman & Littlefield, 2017, p. 101

<sup>76</sup> Ibid.

<sup>77</sup> McPherson, p. 32



example of a similar situation to Guatemala with expropriated business but little communist threat and the lack of US intervention here is key to understanding the motives behind US intervention overall. Fundamentally therefore, whilst the role of business interests undoubtedly exaggerated the threat, it has to be said that the threat of communism in Guatemala was the most significant factor for explaining US intervention in Guatemala in 1954. Fortuny described the situation best when he stated: “They would’ve overthrown us even if we had grown no bananas.”<sup>78</sup>

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