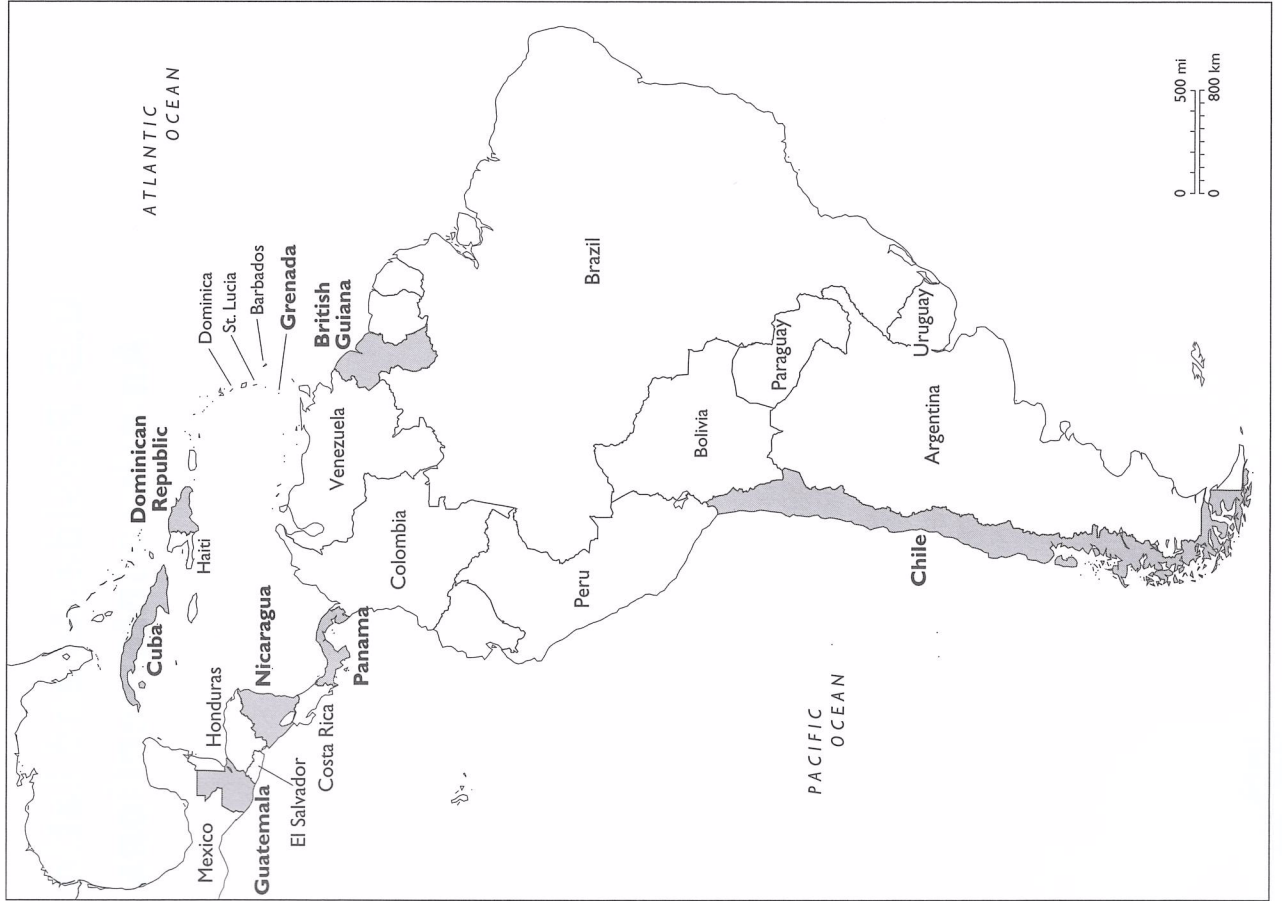


# U.S. Presidents and Latin American Interventions

## Pursuing Regime Change in the Cold War

Michael Grow



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## CHAPTER ONE

# Guatemala, 1954

President Eisenhower was "immensely pleased." Secretary of State John Foster Dulles was "exultant." CIA Director Allen Dulles felt "giddy" and "exuberant." It was early July 1954, and the Eisenhower administration was secretly celebrating an important international victory. A few days earlier, an improbable CIA experiment in covert intervention had succeeded in forcing the government of Jacobo Arbenz from power in Guatemala.<sup>1</sup>

The Guatemalan operation, code-named "PBSUCCESS," was a masterpiece of psychological warfare and bluff.<sup>2</sup> Throughout May 1954, CIA "black propaganda," clandestine radio warfare, and sabotage operations concocted the impression that a powerful "liberation army" of Guatemalan exiles was about to overthrow the Arbenz regime. Then, with anxiety spreading throughout the country and the government's nerves wearing thin—with the target softened up—the operation's endgame commenced. On June 17, a minuscule paramilitary force of 480 CIA-trained Guatemalan insurgents and foreign mercenaries, commanded by the former Guatemalan army colonel Carlos Castillo Armas, began moving into Guatemala. The CIA proxy army's "armed invasion" was designed to traumatize the Arbenz regime and its support base within the Guatemalan armed forces by conveying the distorted impression that "very substantial military strength" was moving to destroy them.<sup>3</sup>

From its conception, the Guatemalan intervention had been predicated on the assumption that psychological intimidation and a skillfully conducted war of nerves would cause the Guatemalan armed forces to abandon Arbenz and force his resignation. For months the U.S. embassy and U.S. military missions in Guatemala had put enormous pressure on Guatemalan officers to oust Arbenz, hinting that if they failed to act the Eisenhower administration might be forced to resort to direct U.S. military intervention. Castillo Armas' June invasion consequently had a profoundly demoralizing impact on the Guatemalan armed forces, as intended. Guatemalan military commanders feared that Castillo Armas' tiny "Army of Liberation" was "part of a larger US plan to create a pretext for direct intervention" and that if they defeated Castillo Armas militarily—a relatively easy assignment for Guatemala's 6,000-man army—they would face devastating U.S. retribution in the form of a military invasion. Overwhelmed by the "gnawing fear" of a prospective "head-on collision" with U.S. military forces, the Guatemalan Army refused to fight Castillo Armas and instead informed Arbenz that he must resign the presidency or face removal by the military. Arbenz, lacking an armed counterweight to the defecting army, stepped down on June 27th—in effect de-



posed in a military coup produced by U.S. intimidation and deception. Even the operation's CIA planners found the denouement "curious and magical."<sup>4</sup>

Why did Eisenhower overthrow Arbenz? Published histories of the intervention have offered a variety of answers ranging from anticommunist paranoia, to protection of U.S. investors, to "imperial hubris."<sup>5</sup> More than a half century after the event, however, a definitive explanation of Eisenhower's motives remains elusive. The key undoubtedly lies in the president's "threat perceptions" during his early months in office, when the intervention was conceived and planned. Eisenhower entered office with a powerful and widely shared perception that Soviet-directed international communism was engaged in a relentless pursuit of world domination. By the time of his inauguration in January 1953, Eastern Europe had been absorbed into the Soviet sphere of influence, Berlin had been subjected to a year-long Soviet blockade, and a newly acquired Soviet nuclear capability had added a terrifying dimension to the communist state's already formidable military arsenal. In Asia, China had fallen, and communist armies were fighting to seize control of Korea and Indochina. In the Middle East and Latin America, where communist parties and front organizations were collaborating with the regions' nationalist reform movements, Eisenhower identified two flash points of imminent danger as he entered office: Iran, which in the president's words was "almost ready to fall into Communist hands," and Guatemala, where "Communism was striving to establish its first beachhead in the Americas."<sup>6</sup>

The origin of the Guatemalan "threat" was a 1944 revolution in which a coalition of middle-class reformers—predominantly university students, teachers, and junior army officers—ended a seventy-year era of corrupt, repressive oligarchical rule. Guatemala's statistical profile at the time of the 1944 revolution reflected the classic patterns of Latin American underdevelopment in their purest forms. Some 300 upper-class families and a handful of U.S. companies controlled the country's economy—a classic monocultural economy overwhelmingly dependent on coffee and fruit exports to U.S. markets. Roughly 2 percent of Guatemala's 2.5 million population owned 72 percent of the land, most of which remained uncultivated and inaccessible to the country's peasants. Wages for agricultural workers ranged between five and twenty-five cents a day, and Mayan Indians (who constituted two-thirds of Guatemala's population) were still subject to a variety of forced labor requirements. Over 70 percent of the population was illiterate (the second highest figure in Latin America at the time), while in Indian communities illiteracy rates surpassed 90 percent. Life expectancy was less than forty years; the infant-mortality rate more than 50 percent. Annual per capita income averaged \$180, with two-thirds of the population earning approximately \$70 per year.<sup>7</sup> It was this neo-feudal national reality of elite domination, poverty, and dependency that Guatemala's middle-class revolutionaries of 1944 proposed to transform.

In many respects, the Guatemalan revolution was a rather typical example of

prevailing political trends in Latin America during the 1940s. Throughout the region, nationalist revolutionary movements were mobilizing to attack the entrenched upper-class oligarchies that had dominated their countries' power structures for a century or more. Invariably, the revolutionary forces were multi-class in composition, with middle-class leaders and lower-class power bases. Ideologically, they ranged across a remarkably diverse spectrum: from the populist authoritarianism of Argentina's Peronistas, Peru's Apristas, and the Bolivian Movimiento Nacionalista Revolucionario, to the centrist democratic reformism of Venezuela's Acción Democrática, Costa Rica's Figueristas, and the Caribbean Legion, to the Marxist models of the radical leftists who were usually prominent among the revolutionary coalitions' labor supporters. Despite their ideological and class heterogeneity, however, the revolutionary movements of the period shared a nationalistic outrage at their nations' underdevelopment and a commitment to progressive structural reforms. And above all, they had a common perception that the *cause* of Latin America's underdevelopment was systemic and international—an alliance between their traditional neofeudal elites and U.S. imperialism.

For decades, nationalists charged, Latin America's *vendepatria* ("country-selling") oligarchies had been willfully alienating their nations' sovereignty to U.S. domination in exchange for personal profit and political gain. In that crass transaction, according to nationalists, U.S. capitalists received open, minimally regulated, highly profitable access to Latin America's natural resources, consumer markets, and low-wage labor forces, while the U.S. government received unwavering support for its foreign-policy initiatives from Latin America's slavishly acquiescent elite-controlled governments. In return, the Latin American elites obtained foreign investment capital, foreign-owned infrastructure, and jobs on the staffs of foreign corporations, along with a precarious form of economic growth tied exclusively to U.S. demand for Latin America's export commodities. Meanwhile, as payment for subordinating themselves to U.S. hegemony, the region's elite-controlled governments secured the U.S. military assistance and political backing that strengthened their hold on power, enabling them to preserve traditional class hierarchies in their neofeudal societies. The victims, nationalists argued, were Latin America's impoverished masses, who in the process were condemned to subsistence wages and a marginalized standard of living as their nations' wealth flowed into the bank accounts of the local elites and their U.S. business partners. To the nationalist revolutionary movements that were emerging as the vanguard of political change in Latin America in the 1940s, the essential prerequisite to meaningful reform and national progress was the destruction of an oppressive "system of domination"—an inextricably interconnected system of internal and external domination in which a "symbiotic alliance" of "antinationl" oligarchs and their imperialistic U.S. patrons was ruthlessly exploiting the nation and its people. "Nationalist rev-



olution," as they defined it, was first and foremost a struggle between neocolonialism and national self-determination. To be a revolutionary in Latin America in the 1940s (and well beyond) was to be an anti-imperialist as well.<sup>8</sup>

Guatemala fit the model. Although the 1944 revolution broke the oligarchy's hold on political power, a tiny minority of property owners, native and foreign, still dominated the economy. In the countryside, a small upper-class elite of coffee-estate owners continued to impose medieval working conditions on their Indian labor force. Guatemala's internal infrastructure, meanwhile, was virtually owned by U.S. companies. In return for political support, jobs, and bribes, previous Guatemalan government officials had granted U.S. investors immense privileges, including profitable concessions and charters, tax exemptions, and freedom from regulation. By 1944, U.S. investment capital in Guatemala totaled \$93 million, and three U.S. corporations had a powerful stranglehold on the country's economic life. The Boston-based United Fruit Company (UFCO), the world's leading producer and exporter of bananas, was Guatemala's largest private landowner and largest employer. With some 566,000 acres of banana plantations and other landholdings and a labor force of more than 15,000 workers, the fruit company dwarfed all other economic enterprises in the country and wielded enormous economic and political power. Allowed to operate as "a private fiefdom" by Guatemala's cooperative oligarchy, UFCO paid minimal taxes, remitted huge profits back to its U.S. headquarters, and controlled its labor force with a racist-tinged ruthlessness. Most Guatemalans of the 1940s viewed the company as a vast imperial enclave. Guatemala's second largest employer was the U.S.-owned International Railways of Central America (IRCA), an UFCO subsidiary that monopolized Guatemala's commercial transportation and port facilities. While UFCO cargoes received priority treatment and discounted freight rates of \$75 per railroad car from IRCA, the company's Guatemalan customers paid \$575 per car (reportedly the highest rail rate in the world at the time) and suffered "excessive and discriminatory" port fees. Empresa Eléctrica, a subsidiary of U.S.-based Electric Bond and Share, monopolized the supply of electric power in the country and was notorious for its high rates and poor service. Meanwhile, Guatemala's pre-1944 political leaders had missed few opportunities to demonstrate their loyal friendship to the U.S. government. Jorge Ubico, the military caudillo ousted in the 1944 revolution, was an obsequious cultivator of U.S. favors who declared war on Japan one day after Pearl Harbor and permitted U.S. troops to be stationed in Guatemala during World War II. Under Ubico, a U.S. officer served as director of Guatemala's national military academy.<sup>9</sup>

The heavy U.S. contributions to Guatemala's status quo fostered inevitable stirrings of anti-American nationalism among the revolutionaries who ousted Ubico in 1944. From the start, the revolution's leaders spoke of their determination to transform Guatemala's neocolonial and neofeudal structures. The revolutionary government's first president, Juan José Arévalo (1945–1951), publicly attributed

the nation's maladies to the oligarchy's "systematized servility" and "submission to foreigners," and pledged to liberate Guatemala's material riches from misuse by "creole feudalism" and "the powerful foreign companies *de tipo colonial*." The enemies of the Guatemalan people, Arévalo told the nation in 1947, were "those who always defended the imperialist interests." Arévalo's revolutionary coalition was a congeries of competing ideological factions ranging from centrists to liberal "welfare capitalists" to socialists of varying hues to communists; the common objective that united them, one of Arévalo's supporters said, was their nationalistic determination to wage a "fight against feudal backwardness and against imperialism."<sup>10</sup>

Given the power of the entrenched interests arrayed against him, however, Arévalo proceeded cautiously. Rather than launch a redistributive frontal assault on the traditional land-tenure system that he believed was the basis of Guatemala's underdevelopment, Arévalo studiously avoided agrarian reform and instead chipped away with moderate social-reform initiatives: a literacy campaign, the country's first social-security program, and—the centerpiece of his reform program—the first labor legislation in Guatemalan history designed "to protect, rather than to further exploit," workers. His 1947 Labor Code granted Guatemala's workers the right to unionize and to strike and made collective bargaining and labor-management contracts compulsory—in effect giving workers their first legal power to redress grievances and demand wage increases from their employers. Yet even Arévalo's progressive labor legislation avoided a direct class confrontation with the country's powerful rural estate owners. The rights bestowed upon organized labor were limited for the most part to workers in Guatemala's few industrial enterprises and the handful of agricultural estates that employed more than 500 permanent (as opposed to seasonal) workers. Peasant unions on smaller estates were eligible for the Labor Code's protections and benefits only if two-thirds of their membership was literate—a virtually impossible prerequisite in rural Guatemala of the 1940s.<sup>11</sup>

Nor did Arévalo's nationalism embolden him to launch any radical attacks on U.S. interests in Guatemala. Rather than expropriate foreign-owned properties, he left them intact and instead tried only to regulate their operations "in accordance with national interests." Limits were imposed on Empresa Eléctrica's electricity rates. International Railways was made to accept a collective pact with its railroad workers. And, in a regulatory initiative that was to have fateful (and ultimately fatal) consequences for the Guatemalan revolution, Arévalo attempted to force the United Fruit Company, the country's largest and wealthiest employer, to comply with the provisions of the government's new Labor Code. From 1946 onward, UFCO banana workers engaged in nearly continuous strike actions against their employer, demanding wage increases (to \$1.50 a day) and increased benefits, including expanded medical benefits for a work force routinely exposed to the carcinogenic insecticides and other toxins used on UFCO plantations. When UFCO responded by firing striking workers and threatening to suspend operations in the



country, the government's labor courts intervened on behalf of the banana workers, enforcing the Labor Code's protections against arbitrary dismissal of workers, forcing UFCO to arbitrate, and settling the labor disputes by granting the workers some of their demands. On at least one occasion, Arévalo's courts threatened to confiscate UFCO property if the company failed to adhere to the country's new labor laws. Nevertheless, "beyond offering some legal protection to the company's workers, Arévalo did not disturb UFCO's privileges." Between mid-1947 and early 1949, government labor inspectors "repeatedly found UFCO guilty of violations of the Labor Code, yet the total amount of the fines levied against the company was \$690."<sup>12</sup>

Other government initiatives reflected the revolution's inherent nationalism. A new foreign investment law of 1949 reserved future exploitation of Guatemalan resources, especially oil, to "the state," Guatemalan companies "whose capital is predominantly national," or foreign contractors working under government direction. In addition, Guatemalan foreign policy under Arévalo took its first cautious steps toward an international alignment independent of U.S. influence. From 1946 through 1949, despite repeated U.S. objections, Arévalo fervently supported the Caribbean Legion in its filibustering crusade to overthrow pro-U.S. dictators throughout the Caribbean basin. Guatemala delayed for three years (longer than any other Latin American republic) before agreeing to ratify the 1947 Rio Pact that committed the country to a Cold War mutual-security arrangement with the United States. And at the 1950 Central American and Caribbean Games held in Guatemala City, Arévalo's government tweaked U.S. "colonialism" by tacitly endorsing Puerto Rican independence: "Puerto Rican athletes were honored with a white flag bearing the Puerto Rican shield rather than the Stars and Stripes, and a military band played 'La Borinqueña' instead of the 'Star Spangled Banner.'"<sup>13</sup>

For the most part, however, Arévalo remained moderate and restrained in his relations with the United States. Like most of the revolution's leadership, he personally revered Franklin D. Roosevelt and frequently credited FDR's New Deal/Four Freedoms idealism as the inspiration for Guatemala's 1944 revolution. Arévalo also respected U.S. power, and he was sufficiently pragmatic "to accept the geopolitical reality that Guatemala was in the U.S. sphere of influence." On important global issues, he and his government officials generally "proclaimed their solidarity with the United States." During the Korean War, after some initial equivocation, Arévalo placed his country's military bases and troops at the United States' disposal. His government also renewed the contracts of U.S. military missions in Guatemala. In general, Arévalo's displays of anti-American nationalism were limited to regulatory attacks on U.S. investment capital and occasional gestures of independence from U.S. foreign policy—initiatives that, from his perspective, represented nothing more than fundamental expressions of Guatemalan sovereignty and national independence. Beyond that, he "hoped to maintain cordial relations with Washington."<sup>14</sup>

Arévalo admired Roosevelt, but if he had a role model it was probably Lázaro Cárdenas, the populist president whose state-directed reform programs and nationalistic attacks on foreign oil companies had helped to institutionalize a monolithic, "revolutionary," one-party state in neighboring Mexico between 1934 and 1940. Arévalo lauded Cárdenas' programs as models worthy of emulation. And his principal initiatives as Guatemala's president—the rhetorical attacks on feudalism, reforms on behalf of blue- and white-collar workers, cultivation of the banana- and railroad-workers' unions, the nationalistic assertions of Guatemalan sovereignty directed at U.S. interests—all seemed pointed toward the mobilization of a populist multiclass alliance as a power base for an eventual one-party "revolutionary" state modeled on Cárdenas' Partido Revolucionario Institucional.<sup>15</sup> Arévalo's political plans, however, eventually fell victim to the internal disunity that plagued his regime. After 1944, the idealism of many of Guatemala's revolutionaries quickly gave way to opportunism and personal ambition. The coalition of revolutionary political parties that supported Arévalo fragmented into a series of squabbling factions that "clashed over the scope and speed of social reforms and over the division of the spoils of political power." Revolutionary politicians devoted most of their energy to "personal aggrandizement" and the quest for "soft desk jobs and perks." Corruption became rampant, and graft "the order of the day at high levels." By the end of Arévalo's term in office in March 1951, many provisions of his reform laws remained unimplemented, and his administration had become engulfed in a "morass of corruption, nepotism, and incompetence."<sup>16</sup>

Under Arévalo's successor, Jacobo Arbenz (1951–1954), the Guatemalan revolution veered leftward. A middle-class army officer, hero of the 1944 revolution, and minister of defense under Arévalo, Arbenz evolved over the course of the revolution into that rarest of Latin American species: a Marxist military officer. In a search for solutions to his country's wretched condition, Arbenz spent the Arévalo years reading books on Marxist theory, the Russian Revolution, and Soviet history. He also formed warm friendships with the leaders of Guatemala's nascent communist party, the Guatemalan Labor Party (Partido Guatemalteco del Trabajo or PGT), a Marxist-Leninist "vanguard" party of the proletariat" organized by José Manuel Fortuny and a few other radical young dissidents from the revolutionary parties in 1949–1950. Arévalo, like Cárdenas, Argentina's Juan Perón, Getúlio Vargas in Brazil, and other populist leaders of the era, had publicly declared the communist party illegal while quietly ceding communist organizers considerable influence in state-sanctioned trade unions—a strategy designed to co-opt the communists while at the same time verifying the populist government's progressive credentials among organized labor. To Arbenz, however, the communists' honesty, dedication, and commitment to hard work stood them in marked contrast to the rest of the venal, self-indulgent revolutionary politicians who surrounded Arévalo. Like Arbenz, the communists were fierce nationalists with "an ardent desire to improve the lot of the Guatemalan people." Unlike the other revolutionary politi-



cians, they offered a comprehensive program for Guatemala's development. Over time, Arbenz and PGT founder Fortuny developed a close friendship and spent long hours together exchanging ideas and discussing strategies for their country's salvation. When Arbenz ran for the presidency in 1950, it was Fortuny who wrote his campaign speeches, carefully putting "a moderate spin" on Arbenz's statements to hide any impression of communist inspiration. Arbenz's conversion to Marxism was completed early in his presidency. By 1952, his wife later recalled, "Jacobo was convinced that the triumph of Communism in the world was inevitable and desirable. The march of history was toward Communism. Capitalism was doomed." During the last two years of his administration, scholar Piero Gleijeses concludes, Arbenz "considered himself a communist, and with his few confidants, he spoke like one."<sup>17</sup>

As president, Arbenz relied heavily on the PGT as one of his "strongest cornerstones" in "the fight against imperialism and the landowning national reaction." Inside his administration, "the communists gained influence far beyond their numbers. The PGT leaders—Fortuny foremost—were Arbenz's closest advisers and constituted his kitchen cabinet, which discussed all major decisions." By late 1952, Arbenz's "closest political friend was the PGT, and his closest personal friends were its leaders." Presidential friendship produced important political gains for the communists. Arbenz granted the PGT legal status in 1952. He was instrumental in consolidating Guatemala's two principal labor confederations into the communist-led Confederación General de Trabajadores de Guatemala a year earlier. And in 1954 he helped the communists win control of the railway union, "the only important urban labor union that still opposed them." Guatemala, meanwhile, became a safe haven for persecuted Marxists and other leftists from throughout Central America and the Caribbean.<sup>18</sup> In retrospect, U.S. ambassador John Peurifoy's oft-quoted 1953 observation that if Arbenz "is not a Communist he will certainly do until one comes along"<sup>19</sup> seems reasonably apt.

Despite their ideological convictions, however, Arbenz and his PGT advisers did not believe that Guatemala was ready for communism in the early 1950s. In their view, the country's semifeudal structures and geographic proximity to the United States made it highly unlikely "that a communist state, however desirable, could be established in Guatemala in the near future." Instead, adhering to Leninist prescriptions, they set out to lead Guatemala through an intermediate capitalist stage of development, during which the requisite "material conditions for socialism" could be created. They were uncertain about the length of time that would be required to prepare the country for the eventual transition to socialism, but Fortuny, extrapolating from the experiences of China and the "peoples' democracies" of Eastern Europe, believed that the capitalist stage could be relatively short if a communist-led proletariat emerged to "head . . . the struggle against feudalism and imperialism."<sup>20</sup>

Consequently, in his 1951 inauguration speech, Arbenz pledged "to transform

Guatemala from a backward country with a semi-feudal economy into a modern capitalist country." His subsequent development projects were consistently market oriented; many, in fact, were based on World Bank recommendations and blueprints. Plans were initiated for the construction of new nationally owned power installations, port facilities, and highways that would break foreign capital's monopolistic grip on the Guatemalan economic infrastructure. New state-supported industries were envisioned. And in June 1952 a comprehensive agrarian reform program was introduced. On the surface, the agrarian reform was "far more moderate than either the Mexican reform which preceded it or the Cuban measures which would come a few years later." Under its provisions, the Guatemalan government was authorized to expropriate land on estates larger than 223 acres and redistribute the seized property to landless peasants. Only uncultivated land was eligible for confiscation, and estate owners were to be compensated with twenty-five-year government bonds yielding 3 percent interest, with the amount of compensation determined by the land values declared by the estate owners on their most recent tax returns. According to the government, the agrarian reform was designed "to liquidate feudal property . . . in order to develop capitalist methods of production in agriculture." By putting land in the hands of the landless rural masses, the government said, the reform would increase mass purchasing power, expand the domestic market, and eventually "prepare the path for Guatemala's industrialization." Even the U.S. embassy concluded that the program was "relatively moderate in form."<sup>21</sup>

For Arbenz and his communist advisers, however, agrarian reform was essentially a political weapon in their strategy to radicalize the revolution. By breaking up large estates, they would destroy the power of their entrenched enemies: the landed elites and foreign enclaves that still controlled the country's resource base and preserved the "semi-feudal and semi-colonial economic structure" that Arbenz had failed to transform. By redistributing the expropriated land to Guatemala's peasants, they would mobilize the mass support base on which a Marxist revolutionary state could eventually be constructed. Fortuny predicted that agrarian reform would "lay the groundwork for the eventual radicalization of the peasantry" and sow "the seeds of a more collective society." Large-scale land redistribution, he believed, would create the "powerful force of rural workers and peasants" that under communist direction would provide the power base for a Marxist revolution.<sup>22</sup>

The strategy proved strikingly effective in practice. In less than two years, Arbenz expropriated over 1.4 million acres of land and redistributed it to approximately 500,000 landless peasants in plots of between 8.5 and 33 acres. Upper-class absentee landowners and the United Fruit Company bore the brunt of the reform; UFCO alone lost more than 400,000 of its 566,000 acres, approximately one-seventh of Guatemala's arable land. Arbenz's communist supporters assumed important leadership roles in the National Agrarian Department, the government agency



that administered the agrarian reform, while communist union leaders and their allies dominated the local agrarian committees that selected properties for expropriation. The communists quickly used these positions of influence to begin "penetrating the countryside" politically. By 1954, according to Gleijeses, "the PGT had over five thousand members—a not insignificant number in a country of 3 million inhabitants and for a party that three years earlier had claimed less than a hundred." Many of the new members were agricultural workers who had received land under the agrarian reform. On the eve of the U.S. intervention, the PGT was anticipating major gains in future congressional elections, as agrarian reform continued to gain momentum.<sup>23</sup> And if Arbenz succeeded in mobilizing Guatemala's grateful peasants within the ranks of his government-subsidized national peasant confederation (Confederación Nacional Campesina de Guatemala), as seemed likely, he and the communists would have at their command a potent source of organized mass power to use against any groups—including Guatemala's armed forces—that might oppose future moves toward radicalization.

Where was the revolution heading internationally under Arbenz? The answer, clearly, was, out of the U.S. sphere of influence, and—perhaps less clearly—toward eventual alignment with the Soviet bloc. Officially, Arbenz's foreign ministry maintained a posture of neutral nonalignment in international affairs. In practice, however, Guatemalan foreign policy exuded a strident anti-American nationalism that on several occasions found Guatemala positioned alongside the Soviet Union in international politics. As president, Arbenz publicly rescinded Arévalo's offer to make Guatemalan troops available for service in the Korean War, and his official government newspaper, *Diario de Centro América*, harshly criticized the U.S. military presence in Korea. Unable to disguise "its preference for the Soviet bloc," the *Diario de Centro América* regularly singled out Czechoslovakia for praise as a socialist workers' paradise. During the Sixth Session of the United Nations' General Assembly in 1952, Guatemala was the only Latin American nation to support a Soviet resolution on behalf of Communist China's admission. In March 1953, the Guatemalan Congress observed a moment of silence "to honor the memory of the great statesman and leader of the Soviet Union, Joseph Vissarionovich Stalin, whose passing is mourned by all progressive men." It was the only Latin American government body to do so.<sup>24</sup>

Although Arbenz was "generally cautious in his public statements," his pro-Soviet sympathies were "unmistakable." According to one of his PGT supporters, "three basic facts" attracted Arbenz to the Soviet Union: "It was governed by a class which had been ruthlessly exploited; it had defeated illiteracy and raised the standard of living in a very short time"; and unlike the United States, "it had never harmed Guatemala." For its part, the PGT "proudly" proclaimed its connection with the international communist movement and applauded the Soviets and their policies "with genuine enthusiasm." The party had only minimal and indirect links to Moscow, and the Soviets showed no interest in aiding communism in

Guatemala, but the PGT apparently hoped to cultivate future Soviet support. "We were knocking on the Soviets' door," PGT cofounder Carlos Manuel Pellecer later admitted, "but they did not answer."<sup>25</sup>

Why did Arbenz and his communist advisers assume that the United States would tolerate a nationalistic, *yanqui*-phobic, proto-Marxist state deep in the heart of the U.S. sphere of influence? Because, according to Gleijeses, a "false sense of security" led them to "underestimate . . . the American threat." The United States, after all, had not intervened in Latin America in two decades, and the Roosevelt and Truman administrations had seemingly institutionalized nonintervention as a basic principle of U.S. policy toward Latin America. In addition, from the perspective of Arbenz and the PGT, communism appeared to be the inevitable wave of the future in world politics. If Guatemala's revolutionaries remained patient and careful and continued to devote themselves to progressive, nationalistic reforms and the construction of a proletarian power base, surely the correlation of forces both domestically and internationally would shift increasingly in their favor. In the end, Arbenz and his supporters "believed that the United States might holler, threaten, and even impose limited sanctions on Guatemala. They did not believe, however, that the United States would overthrow" them.<sup>26</sup> They miscalculated badly.

The seeds of U.S. intervention in Guatemala were planted in 1947, and it was the revolution's enemies who planted them. By mid-1947, the United Fruit Company, the Guatemalan upper classes, and the ruling elites of Guatemala's Central American neighbors were all actively lobbying the U.S. government to assist them in their efforts to block Arévalo's reform programs. And significantly, to enlist U.S. power on their behalf, the antirevolutionary actors deliberately played on U.S. officials' Cold War national-security anxieties by charging that Arévalo's reforms were communist inspired.

"It was United Fruit that first raised the spectre of serious communist infiltration in Guatemala," Gleijeses writes, and it was Arévalo's May 1947 Labor Code "that provoked it to do so." United Fruit officials regarded the Labor Code as a direct attack on their company and complained that several of its provisions were blatantly discriminatory—particularly ones that gave workers on large agricultural estates collective-bargaining rights, the right to strike during harvesttime, and other rights and benefits that were denied to workers on smaller estates.<sup>27</sup> United Fruit's charges of discrimination were not without foundation. Arévalo designed his Labor Code not only as a progressive reform mechanism that would help him build a populist power base among organized labor but as a weapon in the nationalist revolution's campaign to curb the power of foreign capital. He openly admitted to U.S. officials that several articles of the Labor Code were in fact "directly discriminatory against the United Fruit Company and that they were a virtual 'ma-



chine gun' held against the head of the Company."<sup>28</sup> In a series of bitter labor disputes that disrupted UFCO plantations between 1947 and 1949, Arévalo's government vigorously supported the company's banana workers. Unaccustomed to governmental interference in its Guatemalan operations, UFCO arrogantly refused to comply with the country's new labor laws. Instead the company turned to the U.S. government for protection. From 1947 onward, UFCO representatives exerted constant pressure on the State Department to intervene on the company's behalf. And to ensure a forceful response from Washington, UFCO shrewdly linked its local labor problems to broader U.S. security concerns by ominously warning the State Department that Arévalo's reform programs were being orchestrated by "communist influences emanating from outside Guatemala."<sup>29</sup>

Guatemala's upper classes reinforced UFCO's warnings of communist penetration. Outraged by Arévalo's labor reforms, and long accustomed to labeling all reformers "communists," the old elites "brandish[ed] charges of communist infiltration with even greater gusto" than UFCO. They also conspired to overthrow Arévalo's government in a series of unsuccessful coup attempts and relentlessly sought U.S. support for their conspiracies. Beginning in 1947, a steady stream of right-wing plotters visited U.S. embassies throughout Central America and State Department offices in Washington, warning U.S. officials that Guatemala's government had fallen into the hands of communists and soliciting U.S. financial and military backing for "anticommunist" counterrevolutions. In September 1947, four months after his Labor Code went into effect, Arévalo informed his countrymen in a nationwide radio address that "Guatemalan reaction . . . has been knocking at the doors of the Department of State in Washington in order to convince the government [of the United States] that the present Government of Guatemala is a danger to the unity of the Continent and to the peace of the world." The counterrevolutionaries' lobbying efforts continued without letup for the next seven years. As late as June 1954, the conservative archbishop of Guatemala's Catholic Church was appealing for "direct U.S. intervention" as the only way to protect "anti-communists and Christians" in Guatemala.<sup>30</sup>

The authoritarian oligarchies of neighboring Central American nations also "tirelessly condemned" Arévalo's government as communist. Fearful that reforms in Guatemala would lead to demands for change in their societies, the governing elites of El Salvador, Honduras, and Nicaragua bombarded U.S. officials with "disquieting reports" of Arévalo's extremism. No Central American leader was more vociferous in his antipathy to the Guatemalan revolution than Nicaragua's Anastasio Somoza Sr. Throughout the course of the revolution, Somoza actively networked with Guatemalan counterrevolutionaries and solicited U.S. support for plots to overthrow the revolutionary governments. For their part, the regimes of Juan Manuel Gálvez in Honduras and Oscar Osorio in El Salvador regularly vented their concern to U.S. officials that "communist subversion" from Guatemala was infiltrating their societies. In the end, Guatemala's Central Amer-

ican neighbors played a pivotal role in convincing the United States that the Guatemalan revolution was a security threat that "had to be removed."<sup>31</sup>

The alarmist allegations of the revolution's enemies focused the Truman administration's attention on Guatemala and helped to prejudice it against Arévalo. Throughout the late 1940s, U.S. embassy analysts relied heavily on U.S. businessmen and the local upper classes as sources of information on Guatemalan political conditions, and UFCO, more than any other source, served as the State Department's "interpreter of matters Guatemalan."<sup>32</sup> Consequently, by 1948 U.S. officials viewed Guatemala as "a nightmarish world" of Marxist infestation, a place where "infiltration of indoctrinated communists, fellow-travelers, and Marxist ideas" had "unquestionably reached dangerous proportions." Arévalo's Labor Code, a 1948 U.S. embassy study reported, was a "drastic document which, if enforced literally, would greatly facilitate the communist objective of state or worker control of industry," while his social policies were "motivated in part by a calculated effort to further class warfare." By 1950, State Department analysts had concluded that, although Arévalo was "an extreme leftist rather than a communist," he had "collaborated openly with communist elements in Guatemala who, with the acquiescence if not the active support of the Government, have succeeded in gaining complete control of organized labor and in placing their partisans in Government positions." It was Guatemalan communists, the State Department informed Truman in September 1950, who "have prevented ratification of the Rio Treaty . . . influenced the Government to support the so-called 'Caribbean Legion' . . . [and] caused the Government to adopt a hostile and nationalistic attitude towards American capital." Arévalo's collaboration with communists, the CIA warned bluntly in July 1950, "is a potential threat to U.S. security interests."<sup>33</sup>

To be sure, the Truman administration's "distorted assessment" of Arévalo was based on "a grain of truth." A few Marxists were in fact to be found among Arévalo's revolutionary parties. Communists were also visible in Guatemala's nascent labor movement, none more so than Victor Manuel Gutiérrez, the secretary general of the Confederation of Guatemalan Workers, whose fiery anti-American speeches did little to calm U.S. security fears. ("Are we with imperialism and against the Soviet Union, or are we fighting for peace and against imperialism?" Gutiérrez asked his union followers in 1949. "From today onward," he answered, "all should know that when the hour of a new war arrives, we of the proletariat, here as well as in all Latin America, should be the first saboteurs of that war and fight against imperialism.") Nevertheless, U.S. officials grossly exaggerated the communist threat. Not only did they fail to discern the populist motives and Mexican models that explained Arévalo's tolerance of Marxist labor organizers, they also badly overestimated the communists' strength and influence. A communist party did not even exist in Guatemala until late 1949, and by the end of Arévalo's presidency it numbered fewer than 100 members, only a handful of whom had even a rudimentary knowledge of Marxist doctrine.<sup>34</sup>



The Truman administration, however, responded to the perceived security threat by applying diplomatic and economic pressure to curb Arévalo's "extremist" tendencies. U.S. ambassador Richard Patterson—who was frequently seen in the company of UFCO officials and Guatemalan counterrevolutionaries—warned Arévalo in 1949 that "American interests in Guatemala . . . had been persecuted, prosecuted, and kicked around over the past two years and that personally I was fed up and the patience of my government nearly exhausted." A few months later, Patterson demanded that Arévalo "dismiss from his government" seventeen officials whom the ambassador accused of being communists, warning that the Truman administration would deny Guatemala any further U.S. aid if Arévalo refused. Arévalo calmly responded to Patterson's browbeating by reminding him that "the world cannot be ruled as it was in 1920, because times have changed" and promptly secured Patterson's recall as ambassador.<sup>35</sup> A policy of withholding U.S. favors had already begun, however. In 1949, the Truman administration imposed an embargo on the sale of U.S. military equipment to Guatemala as a message to the Guatemalan armed forces that the United States was displeased with Arévalo. The following year, U.S. officials excluded Guatemala from their new Point Four technical-assistance program and quietly blocked a "much-needed" World Bank development loan that Arévalo had requested.<sup>36</sup>

The Truman administration applied pressure on Arévalo, but it did not seek to overthrow him. Truman's State Department based its approach to hemispheric relations on Franklin D. Roosevelt's Good Neighbor policy, a centerpiece of which was the formal renunciation of U.S. intervention in Latin America's domestic politics. In particular, the Department's Bureau of Inter-American Affairs—which had primary control over information flows and policy implementation—remained committed to nonintervention as "an almost sacrosanct principle" and adamantly opposed any proposals to intervene in Guatemala. When, in May 1950, an UFCO representative tried to interest the State Department in a project "to bring moderate elements into power in Guatemala" by "bringing about the election of a middle-of-the-road candidate" in the forthcoming 1950 presidential election, Thomas Mann, director of the Bureau's Office of Middle American Affairs, rebuffed the overture, responding that any such attempt to intervene in Guatemala's domestic politics would inevitably become public and produce a backlash against the United States throughout Latin America.<sup>37</sup> Furthermore, since U.S. intelligence reports indicated that the likely winner of the 1950 election, Jacobo Arbenz, was a military opportunist who could be expected to move the revolution rightward, the Truman administration could afford to remain patient and noninterventionist.<sup>38</sup>

Once he assumed office, Arbenz's leftist proclivities surprised and dismayed U.S. officials. Three months into his presidency, the State Department glumly reported that "the ascending curve of communist influence has . . . continued upward on an accelerated incline." Central Intelligence Agency officials were even "more apprehensive about Guatemala than their counterparts at State." Agency

analysts were skeptical that State Department pressure would have any constructive effect on Arbenz and "saw direct, covert action as the only remedy" to an eventual communist takeover of Guatemala. Accordingly, in early 1952, CIA director Walter Bedell Smith tasked the agency's Western Hemisphere Division "to find out whether Guatemalan dissidents with help from Central American dictators could overthrow the Arbenz regime." Suddenly, the revolution's enemies had a potential ally within the Truman administration, one that could assist them in circumventing the State Department's opposition to U.S. intervention.<sup>39</sup>

They were quick to exploit the opportunity. Shortly after arriving in Washington for a state visit in April 1952, Nicaraguan president Anastasio Somoza told Truman and other White House officials that, if they provided arms, he and his Guatemalan protégé Castillo Armas would "clean up Guatemala for you in no time." (The proposal, Somoza's son later revealed, had originally been conceived by Somoza and UFCO representatives in Nicaragua.) Truman found the proposal interesting, and—without consulting the Bureau of Inter-American Affairs—instructed the CIA to follow up. By mid-June, a CIA agent was in Guatemala establishing contact with Castillo Armas' counterrevolutionary forces and coordinating plans for a covert intervention. The operation, code-named "PBFORTUNE," received official White House authorization in September 1952. It called for a CIA-armed and -financed invasion of Guatemala by Castillo Armas (from bases in Honduras, El Salvador, and Mexico) as the prelude to a revolt by "important officers of the Guatemalan army." United Fruit assisted the CIA in the delivery of U.S. arms, while the dictatorships of Rafael Trujillo in the Dominican Republic and Marcos Pérez Jiménez in Venezuela contributed additional funds. As preparations were being finalized, however, Somoza leaked word of the CIA's involvement to other Central American government officials. Learning that the operation's cover had been blown, the State Department warned Truman that public exposure of an attempted U.S. intervention would destroy the Good Neighbor policy and jeopardize Latin American support for U.S. hemispheric leadership, and Secretary of State Dean Acheson persuaded the president to call off the operation in early October. Disappointed, CIA officials subsequently continued to provide Castillo Armas with money and supplies in the hope that the incoming Eisenhower administration "would breathe new life into the project."<sup>40</sup> Their hopes were soon fulfilled.

From the start, Eisenhower and his advisers interpreted the Guatemalan situation as a national-security problem. The United Fruit Company—and economic considerations in general—played a secondary role at best in Eisenhower's decision to overthrow Arbenz. Much has been made of the many personal ties linking influential Eisenhower administration figures to United Fruit.<sup>41</sup> The fruit company undoubtedly exploited those connections to lobby for U.S. intervention. Nevertheless, no hard evidence has yet come to light that any U.S. officials made policy on the basis of UFCO's interests. It appears, in fact, that rather than being the tool



of UFCO, Eisenhower sought to "use" the company to contain communism in Central America. In June 1953, the administration postponed a long-pending Justice Department antitrust suit against United Fruit because such action would have "terrible repercussions" for the U.S. "strategic position" in Central America. To accuse UFCO of illegal practices, Eisenhower's National Security Council concluded, "would appear to justify" the Guatemalan revolutionaries' accusations against the company and "consolidate the position of the Communist-dominated Arbenz government"; it would also "greatly stimulate movements to nationalize [UFCO] properties" elsewhere in Central America, resulting in the loss of U.S. control over "the largest communications and transport network in the area, represented by the United Fruit Company's freight and passenger ships . . . ports, docking facilities and warehouses . . . railroad system . . . wireless [radio] communication service" and other "essential services" that "in friendly American hands, constitute a strategic interest in time of war." Eisenhower thought it best to delay legal proceedings until the United States strengthened its position in Central America, and the antitrust suit was not filed until July 2, 1954, a week after Arbenz's ouster.<sup>42</sup> The State Department defended UFCO vociferously in the company's bitter dispute with Arbenz over land expropriation, but in the Eisenhower administration's view, "the threat to American business" in Guatemala "was a minor part of a larger danger to the United States' overall security." That assessment was acknowledged by influential protagonists on both sides of the U.S.-Guatemalan confrontation. "If the United Fruit matter were settled," Secretary of State John Foster Dulles told reporters a few days before the intervention, "if they gave a gold piece for every banana, the problem would remain just as it is today as far as the presence of communist infiltration of Guatemala is concerned. That is the problem, not United Fruit." The PGT's Fortuny concurred. "They would have overthrown us," he later recalled, "even if we had grown no bananas."<sup>43</sup>

From Eisenhower's inauguration in January 1953 until his August 1953 decision to intervene, the White House was subjected to a steady barrage of intelligence warnings that Guatemala was a potential security threat. At a February 18 NSC meeting, during the administration's first substantive discussion of Latin American affairs, CIA director Allen Dulles told the president that Guatemala's "Communist infection" was "such as to mark an approaching crisis." In April, Assistant Secretary of State for Inter-American Affairs John Moors Cabot returned from a visit to Guatemala and reported that "President Arbenz had the pale, cold-lipped look of the ideologue and showed no interest in my suggestions for a change of course in his government's direction. He had obviously sold out to the Communists and that was that." A May 19 National Intelligence Estimate (NIE) by the U.S. intelligence community warned that Arbenz had formed "an effective working alliance" with the communists, who "exercise a political influence far out of proportion to their small numerical strength" and whose "influence will probably continue to grow as long as President Arbenz remains in power." Arbenz's agrarian reform

program, the NIE continued, was politically motivated and would be used by the communists "to extend their influence by organizing the peasantry as they have organized other workers." "The current political situation in Guatemala," it concluded, "is adverse to U.S. interests." That message was reinforced more personally in late July when Eisenhower's brother and trusted adviser Milton returned from a Latin American fact-finding mission for the White House and reported that Guatemala had "succumbed to Communist infiltration." Then, in August, a bleak NSC assessment warned the administration that "our present position in Guatemala is progressively deteriorating. Politically, Communist strength grows, while opposition forces are disintegrating. . . . Ultimate Communist control of the country and elimination of American economic interests is the logical outcome, and unless the trend is reversed, is merely a question of time." "A policy of [U.S.] inaction," the study concluded, "would be suicidal."<sup>44</sup> CIA planning for covert action against Arbenz commenced around Labor Day.<sup>45</sup>

Why did U.S. officials regard the eventuality of a communist-controlled Guatemala as a threat to U.S. national security? Because, they believed, a communist Guatemala would be "a potential Soviet beachhead in the Western Hemisphere." Administration analysts were convinced that "communists the world over were agents of Soviet imperialism and constituted a mortal threat to our own national existence." It naturally followed, therefore, that Guatemala's communists were "servants of Moscow" and "disciplined agents" of a Soviet-directed international communist conspiracy against the United States. Evidence of a link between the PGT and the Soviet Union proved frustratingly elusive, but U.S. officials believed intuitively that "such a tie must exist." "Evidence that the Communist program in Guatemala has been organized and directed in the world capitals of Communism" was "largely circumstantial," the State Department admitted, but "it is abundantly clear that what has happened in Guatemala is a part of Moscow's global strategy. . . . We must recognize that the political institutions of that American State are now dominated and controlled by the international Communist organization."<sup>46</sup>

But how, specifically, would a Soviet-controlled Guatemala imperil the U.S. national existence? The country's strategic significance was slight, administration analysts acknowledged. It was of negligible importance to the United States as a source of strategic materials. More importantly, it was virtually defenseless against U.S. military power. Even if Guatemala's government assumed "a hostile attitude" toward the United States and permitted "an enemy power" to use "its airfields, ports and other facilities and resources," an August 1953 NSC study reported, U.S. military forces could secure the country's "strategic points . . . with a battalion or two of well-trained troops." If a future emergency should necessitate "direct unilateral action," the report concluded, "the Arbenz regime could easily and quickly be overthrown."<sup>47</sup> U.S. officials fretted over Guatemala's relative proximity to the Panama Canal. They occasionally speculated that Guatemala's "Communist



infection” “might spill over into neighboring states.” And they suspected that the Soviets would use Guatemala “to create a diversion in the US backyard” and thereby weaken U.S. defense forces elsewhere in the world. Yet, by August 1953, there were no Soviet troops, advisers, aircraft, or weapons in Guatemala—or any Soviet diplomats, for that matter, since Arbenz had not even established diplomatic relations with the Soviet Union. As late as May 1954, less than three weeks before the intervention began, U.S. military intelligence analysts and members of the State Department’s Policy Planning Staff were reporting that the Guatemalan situation posed “no immediate military threat to the safety of [the] US” and could even “safely get worse.”<sup>48</sup>

What, then, *was* the security threat? Above all, Eisenhower administration officials regarded communist influence in Guatemala as a dangerous challenge to the credibility of U.S. international leadership in the Cold War. The successful consolidation of communist power in Guatemala—in the very heart of the traditional U.S. sphere of influence in Latin America—would, U.S. officials feared, create a powerful perception of U.S. weakness in the eyes of foreign adversaries and allies. A weak or ineffectual U.S. response to that challenge, they believed, would encourage further Soviet adventurism and cause nervous U.S. allies to doubt the reliability of U.S. power, resulting in dangerous shifts in the global balance of power.

The most immediate U.S. fear was that Guatemala’s communists would damage the United States’ carefully constructed Cold War security alliance with Latin America. U.S. leaders consistently regarded a unified bloc of Latin American allies as an essential component of the U.S.-led Western alliance against the Soviet bloc. Eisenhower administration officials placed a high value on Latin America’s collaboration in two U.S.-created Cold War hemispheric organizations: the Rio Pact, the mutual-defense agreement formalized in 1947, and the Organization of American States, the regional peace-keeping body established in 1948. They also counted heavily on a reliable bloc of Latin American votes in the United Nations, where Latin American member states constituted some 20 percent of the General Assembly. For U.S. policy makers, “inter-American solidarity” was a primary cornerstone of U.S. national security. As Eisenhower told the National Security Council early in his presidency, the great challenge for the United States in Latin America was to design policies that would continue to “secure the allegiance of these republics to our camp in the cold war.” The top U.S. objective in Latin America, a March 1953 NSC policy statement affirmed, was “hemispheric solidarity in support of our world policies, particularly in the UN and other international organizations.”<sup>49</sup> It was in this context that the Eisenhower administration defined Arbenz’s Guatemala as a threat to U.S. national security.

In the State Department’s view, “Communist success in Guatemala thus far does not constitute a direct military or economic threat to the United States. . . . The Communists are not seeking open and direct control of the Guatemalan Gov-

ernment, at the present time.” Instead, “the underlying Communist objectives in Guatemala are to prevent collaboration of that country with the United States in [the] event of [a] future international crisis, and to disrupt hemispheric solidarity and weaken the United States position.” The CIA concurred; what was really occurring in Guatemala, the agency believed, was “a determined Communist effort to neutralize Guatemala and remove it from the Western camp.” A May 1953 National Intelligence Estimate expressed the U.S. intelligence community’s conclusion that the PGT’s “immediate objective is not a ‘People’s Democracy’ under open and direct Communist control, but rather to neutralize Guatemala as an ally of the United States and to convert the Government into an effective, though indirectly controlled, instrument of Communism.” The Guatemalan government, the NIE added, “has frequently taken occasion to demonstrate its independence of U.S. leadership and in general has been less cooperative than could be desired, particularly in Hemispheric affairs.” Arbenz was already “reluctant to take a positive stand against Communism and the USSR,” the State Department warned, and displayed “an unwillingness to implement the measures designed to protect the West against subversion and other forms of Communist attack.” The continued drift of a “neutralized” Guatemala “out of the western camp” would be a conspicuous indication that hemispheric solidarity was unraveling. And if Guatemala’s communists should spread their “infection . . . through the example of independence of the U.S. that Guatemala might offer to nationalists throughout Latin America,” other Latin American nations might abandon their international alignment with the United States, destroying the hemispheric alliance system that was considered the cornerstone of U.S. security. “Continuation of the present trend in Guatemala,” the NSC concluded in August 1953, “would ultimately endanger the unity of the Western Hemisphere against Soviet aggression.”<sup>50</sup>

Much to the chagrin of U.S. strategists, however, most of the available policy options ran the risk of further damaging U.S. credibility in the eyes of the country’s Latin American allies. Overt U.S. military intervention in Guatemala, the State Department warned, “would violate solemn United States commitments and . . . endanger the entire fund of good will the United States has built up in the other American Republics through its policies of non-intervention. . . . Loss of this good will would be a disaster to the United States far outweighing the advantage of any success gained in Guatemala.” Alarmist U.S. appeals for “collective action” by “the inter-American community” against “little Guatemala” would only encourage “the Latin Americans to look upon the whole business as a David-Goliath contest in which they identify themselves naturally with David.” “The spectacle of the elephant shaking with alarm before the mouse,” the State Department’s Policy Planning Staff noted, would greatly enhance “the prestige of underdog Guatemala . . . throughout Latin America . . . , and Latin American bosoms will (secretly or otherwise) swell with pride at the spectacle of one of the least among them actually arousing us to alarm for our own safety. Our own prestige and influence will be cor-



respondingly diminished." On the other hand, if the Eisenhower administration responded to the communist threat in Guatemala with a policy of inaction and "watchful waiting," other nations in the hemisphere would question the U.S. resolve to combat communist expansionism, and "the Latin Americans would begin to ask whether the U.S. could be counted on to defend them against this growing menace."<sup>51</sup>

The danger extended far beyond the Western Hemisphere, however: Communist success in Guatemala, U.S. officials believed, would give international communism a powerful psychological advantage in the Cold War and dishearten U.S. allies in Europe and Asia. Secretary of State Dulles was convinced that if the Soviets were allowed to "establish a puppet state in this hemisphere" without the support or "threat of the Red Army," it would be "a tremendous propaganda victory" for communism. Such a victory would weaken U.S. "assurances to states in Asia and in Europe that we would support them in their efforts to eliminate communism . . . because of our demonstrated inability to prevent the establishment of a communist puppet state in our own hemisphere."<sup>52</sup> Assistant Secretary of State for Inter-American Affairs Henry Holland reinforced Dulles' analysis: "From time to time around the world," he wrote,

frontal tests of strength between the force of the free nations and that of the Communist organization arise. One occurred in Korea. Another is in progress in Indochina. A less publicized collision is now reaching its crisis in Guatemala.

In this last situation the test is whether the world Communist organization has the strength to establish a satellite nation in this hemisphere and, conversely, whether the free nations have the power to resist that attempt. . . .

This contest is of crucial importance in the global struggle between free nations and the Communist forces. . . . It has been asserted that Moscow cannot establish a satellite state save where the weight of the Red Army can be brought to bear directly or indirectly. Obviously, Russia recognizes, therefore, that establishment of a satellite state in this hemisphere would mark a victory which would strengthen the power of Communist forces in every free nation of the world. Establishment of a Communist state in this hemisphere, and particularly so close to the United States, would enable Russia to claim throughout the world that the power of Communism lies in its appeal to men's minds and not in fear or force.<sup>53</sup>

From Washington's perspective, then, Guatemala represented nothing less than a "crucial test" of superpower strength in the Cold War. Forces on both sides of the Iron Curtain were watching the confrontation closely, U.S. officials believed, and would draw important inferences about U.S. power from Eisenhower's response to the situation. The international balance of power and the fate of the "free world" were ultimately at stake.

Amidst danger, however, lay opportunity. "In the world chess game," Secretary of State Dulles told Eisenhower in May 1953, "the Reds today have the better position. . . . Practically everywhere one looks, there is no strong holding point and danger everywhere of Communist penetration." The United States was losing the free world "bit by bit," he warned, and Western civilization would only survive if the Eisenhower administration accepted its "duty to take leadership at a fast and vigorous pace." Dulles urged Eisenhower "to attempt to restore the prestige of the West by winning in one or more areas a success or successes." The "Communists have won victory after victory in the post-war years," he said; a "success for the free world is badly needed." According to Dulles, by pursuing a policy of "boldness," Eisenhower could deter further Soviet advances and revive the morale of the Western alliance.<sup>54</sup> A few weeks later, a secret White House task force on national security reiterated Dulles' recommendations by advising Eisenhower that immediate "tactical victories" were needed to create a "climate of victory" in the West and reverse the tide of the Cold War.<sup>55</sup> Guatemala offered an auspicious opportunity for a quick, morale-boosting tactical victory. The successful overthrow of Arbenz's government would convey an image of U.S. strength and demonstrate to a watchful world that, under the Eisenhower administration, the United States could effectively stanch the tide of international communist expansionism.

Another factor, however, was also simultaneously leading the administration toward intervention. A potential national-security threat in Guatemala held important political implications for Eisenhower's presidency. From Eisenhower's perspective, Guatemala was a test of his ability to provide the strong presidential leadership that he had promised the nation in his 1952 election campaign.

Eisenhower won the presidency in 1952 by promising to manage U.S. global interests more effectively, aggressively, and inexpensively than his Democratic predecessor. Throughout the 1952 campaign, the Republicans had castigated the Truman administration for inadequate foreign-policy leadership and mismanagement of the country's security interests. According to Republican partisans, Truman and the Democrats were soft on communism—they had abandoned the peoples of Eastern Europe to communist rule; their mishandling of the Far East had resulted in the loss of China and a bloody military stalemate in Korea; and in Latin America, their "poor neighbor policy" of "drift and neglect" was allowing popular unrest to be "skillfully exploited by Communist agents." Truman's strategy of containing communism's expansionist thrusts with U.S. military counterforce was too reactive and defensive, the GOP charged; moreover, the spiraling defense expenditures and budget deficits that resulted were sapping the nation's economic strength. By contrast, the Republicans promised, an Eisenhower administration would give the nation the "leadership of wisdom and courage" that Truman and the Democrats had failed to provide. Under Eisenhower's leadership, party spokesmen assured voters, the United States would retake the initiative in the Cold War, "roll back" Soviet power, and "liberate captive peoples." Eisenhower un-



discored that Republican campaign theme by suggesting that the nation should not “rest content until the tidal mud of aggressive Communism has receded within its own borders.” His administration, he vowed, would devise a bold, dynamic, and cost-effective new national-security strategy that would deal firmly with communist threats in both “core and peripheral regions of the globe” without overburdening the economy. With his “firm” and experienced “hand at the tiller,” he said, the American people would enjoy “security with solvency.” Consequently, by the time of Eisenhower’s landslide electoral victory in November, Republican campaign rhetoric had created a widespread expectation in U.S. public opinion that the incoming administration would give the nation strong, aggressive, effective foreign-policy leadership. From Eisenhower’s perspective, the magnitude of the landslide—55 percent of the vote and a 442–89 electoral-college majority—imposed nothing less than a mandate on him to do so.<sup>56</sup>

The Republican victory presented the United Fruit Company with an auspicious opportunity to exploit the domestic political environment for its own purposes. Eisenhower did not overthrow Arbenz on UFCO’s behalf, but the fruit company influenced his decision to intervene in one important respect: during 1953, a smoothly orchestrated UFCO publicity campaign succeeded in focusing U.S. public attention on the issue of Guatemalan communism, generating political pressure on Eisenhower to honor his campaign commitments and take strong action against a communist challenge in the hemisphere.<sup>57</sup>

For several years, UFCO public-relations consultant Edward Bernays had been urging the company to increase the visibility of its Guatemalan problems by placing articles about the country’s growing “communist menace” in the U.S. media; UFCO could then “count on public opinion in this country to express itself,” Bernays advised. The company’s directors eventually put Bernays’ media program into high gear in 1952, when Arbenz began expropriating UFCO’s land. The campaign was then stepped up in January 1953 “to coincide with the change of administrations” in Washington. Under Bernays’ direction, UFCO invited influential U.S. publishers and editors to be the company’s guests on all-expenses-paid “fact-finding” junkets to Guatemala, where the journalists “were shepherded on elaborately choreographed tours of Fruit Company facilities, and talked to local politicians who were sympathetic to the company’s plight (and, not infrequently, were on the company payroll).” The press junkets, Bernays later recalled, “produced a flood of news of worsening conditions in Guatemala.” By the time of Eisenhower’s inauguration, U.S. newspapers and magazines were portraying Guatemala as a communist-dominated “Soviet pawn” whose airfields were within easy striking distance of the Panama Canal and Texas’ oil fields. “After [the journalists’] return,” Bernays noted with satisfaction, “as I had anticipated, public interest in the Caribbean skyrocketed in this country.”<sup>58</sup>

By 1953, UFCO was also distributing a Guatemala newsletter and other anti-Arbenz “information reports” to influential opinion molders throughout the

United States. The explicit message in the company’s mailings was that the Guatemalan government’s attacks on UFCO were the work of international communism. In addition, the company hired prominent spokesmen like Spruille Braden, the outspoken former assistant secretary of state for inter-American affairs under Truman, to take UFCO’s case “directly to the United States public.” From late 1952 to early 1953, while on UFCO retainer, Braden chaired a series of study groups organized by the prestigious Council on Foreign Relations to “formulate a new policy on Latin America to be recommended to the incoming administration.” Under Braden’s direction, the project concluded that in Guatemala the Eisenhower administration should have “no hesitation in . . . backing a political tide which will force the Guatemalan government either to exclude its Communists or to change.” “Perhaps,” Braden told the forum, “we are getting to the point where actual armed intervention is the only solution.” Shortly thereafter, in a widely reported public address at Dartmouth College, Braden challenged Eisenhower to live up to the Republicans’ campaign promises by intervening in Guatemala to stop a communist takeover. It was necessary, Braden said, “to fight fire with fire. . . . I pray that the new Administration will attack this danger rapidly, intelligently and energetically.” By the end of Eisenhower’s first year in office, UFCO’s multifaceted media blitz had helped to create “an atmosphere of deep suspicion and fear in the United States about the nature and intentions of the Guatemalan government.”<sup>59</sup> Eisenhower’s ambassador in Guatemala, John Peurifoy, indirectly acknowledged the impact of UFCO’s public pressure tactics in January 1954 when he confided to reporters that “public opinion in the United States may force us to take some measures to prevent Guatemala from falling into the lap of international Communism.”<sup>60</sup>

A final weapon in UFCO’s arsenal was the platoon of high-powered lobbyists that the company unleashed on Washington’s corridors of power. During the Truman years, UFCO hired well-placed liberals to lobby the executive and legislative branches of government; their ranks included former FDR brain-truster Thomas Corcoran, a “consummate Washington power broker” and “purveyor of concentrated influence,” as well as Robert La Follette Jr., the progressive four-term Wisconsin senator defeated by Joseph McCarthy in 1947. Corcoran in particular enjoyed easy access to high-level officials at the State Department and CIA and served as UFCO’s liaison to the CIA during the aborted 1952 Operation PBFORTUNE. In 1952, with the likelihood of a Republican administration looming on the political horizon, lobbyists with prominent conservative connections were enlisted—most notably John Clements, a right-wing journalist and public relations man closely associated with the McCarthyite end of the U.S. political spectrum. Clements concentrated his efforts on Capitol Hill, disseminating anti-Arbenz “research reports” and other UFCO propaganda to members of Congress in a campaign to generate congressional pressure on Eisenhower to intervene.<sup>61</sup> According to E. Howard Hunt, a longtime CIA field operative who played a central role in the



1954 intervention, the fruit company was instrumental in prompting the Eisenhower administration to authorize Operation PBSUCCESS. When Hunt was assigned to the operation in the latter part of 1953, he asked his agency superiors “why . . . the climate was suddenly right for a political-action effort in Guatemala” when a Hunt recommendation for covert CIA intervention against Arbenz a year and a half earlier had gone nowhere. “The difference,” Hunt was told, “had to do with domestic politics” and UFCO’s energetic lobbying efforts. In response to Arbenz’s agrarian-reform program, Hunt learned, Corcoran “had begun lobbying in behalf of United Fruit and against Arbenz. Following this special impetus our project had been approved by the National Security Council.”<sup>62</sup>

But Eisenhower was facing political pressures independent of UFCO instigation. Throughout 1953 and 1954, the powerful right wing of his own Republican Party was openly criticizing his performance as president. Eisenhower’s relationship with the Republican Right had been fragile since the 1952 party convention, when Eisenhower and Republican moderates had defeated Senator Robert Taft, the leader of the GOP’s conservative Old Guard, in a bitter battle for the party’s presidential nomination. During the ensuing 1952 campaign, the bellicose rhetoric of “liberation” and “rollback” that colored the public statements of Eisenhower’s spokesmen was designed in part to placate party conservatives and restore party unity. But when, as president, Eisenhower’s policies failed to match the campaign rhetoric, the Old Guard lashed out at him. In Congress—where right-wing Republicans held a majority of the party’s seats and controlled most of the key committee chairmanships—GOP conservatives attacked Eisenhower for his failure to dismantle the liberal welfare state erected by Roosevelt and Truman. They opposed his nominations of Republican moderates and Truman appointees to a number of foreign-policy posts. They attempted to pass a constitutional amendment (the Bricker Amendment) that would have limited his executive authority in foreign policy. They criticized his July 1953 Korean War armistice agreement as appeasement of communist aggression. And they impatiently called on him to “sterilize” the “Red infection” in Guatemala.

Eisenhower was not a weak leader likely to cave in to the conservatives’ pressure. And yet, with razor-thin Republican majorities in both houses of Congress (221–214 in the House, 49–47 in the Senate), he needed their cooperation if he was to pass the legislative programs—deficit limitation, reduced defense spending, expanded Social Security and Mutual Security Program funding, and so forth—that he believed were necessary if the Republicans were to build the creditable record that would enable them to keep control of Congress in the 1954 elections. Consequently, by the middle months of 1953, dissension within his own party had driven him “almost to despair of being able to succeed in the Presidency.” By August—when the decision was made to overthrow Arbenz—party disunity was generating increased pressure on the White House for a foreign-policy victory that would win the respect of disgruntled Republican conservatives.<sup>63</sup>

Eisenhower ran for the presidency in 1952 because he was convinced that neither the Democrats nor the Taft Republicans possessed the strategic vision required to protect the United States from eventual communist encirclement in the Cold War. During the election campaign, he confidently put himself forward as the leader who could provide that vision and reverse the tide of Soviet expansionism. His early months in office were devoted to the formulation of his New Look national security strategy, which emphasized air power, nuclear deterrence, and collective security arrangements, combined with defense spending reductions and increased reliance on covert operations.<sup>64</sup> During those same months, Guatemala was becoming an increasingly visible issue in U.S. public opinion and U.S. domestic politics. To the Eisenhower administration, Guatemala represented not only a potential threat to U.S. international credibility but a situation that tested the new administration’s leadership capabilities and its commitment to recent campaign promises. According to a recently declassified CIA internal history of the Guatemalan intervention, “In Eisenhower’s mind, finding creative responses to Communist penetration of peripheral areas like Guatemala posed one of the critical tests of his ability as a leader.” “Guatemala,” the CIA history concludes, “put the new administration on trial.”<sup>65</sup> From Eisenhower’s perspective, a successful intervention in Guatemala would achieve multiple benefits: it would eliminate a potential Soviet beachhead in Latin America; it would demonstrate to disheartened free-world allies, communist-bloc adversaries, and world opinion generally that the U.S.-led forces of Western anticommunism had the power, and the will, to defeat Soviet-backed subversion; and at home it would demonstrate that the Eisenhower administration could carry out the successful (and inexpensive) “rollback” of communism that the Republican Right demanded and that U.S. public opinion had been led to expect.<sup>66</sup> From Eisenhower’s standpoint, U.S. international credibility, effective presidential leadership, and ultimately his prospects for a successful presidency all required that his administration—early in its first term in office and “on trial” politically—remove Jacobo Arbenz from power.

Preparations for the intervention began in mid-August, and subsequent developments in Guatemala only intensified Eisenhower’s determination to proceed. In December, after a tense, six-hour dinner conversation during which Arbenz and his wife gave “lame” and transparently duplicitous responses to U.S. ambassador Peurifoy’s accusations of communist influence in the Guatemalan government, Peurifoy strongly reaffirmed Washington’s conviction that Arbenz was a Marxist and that “normal approaches will not work in Guatemala.”<sup>67</sup> Four months later, in April 1954, U.S. intelligence discovered a secret shipment of Soviet-bloc military equipment headed for Guatemala. The armaments—which Arbenz and the PGT intended to use to create “workers’ militias”—were eventually seized by the Guatemalan Army, but the incident produced a wave of anti-Guatemalan hysteria



in the U.S. Congress and news media and provided Eisenhower with a final justification for intervention.<sup>68</sup>

Following Arbenz's ouster, the president and his key advisers moved quickly to exploit their victory. Secretary of State Dulles was particularly eager to publicize what he regarded as "the biggest success in the last five years against Communism" and "made sure the administration . . . derive[d] the maximum political capital from it." In a nationwide radio and television address three days after Arbenz stepped down, Dulles portrayed Castillo Armas' counterrevolution as a dramatic Cold War victory for the West. Without openly acknowledging U.S. involvement, he praised the Guatemalan people for having "cured" their country of "an alien despotism which sought to use Guatemala for its own evil ends," namely "to destroy . . . the inter-American system." "In the face of terrorism and violence and against what seemed insuperable odds," Dulles told the nation, "the loyal citizens of Guatemala . . . had the courage and the will to eliminate the traitorous tools of foreign despots." The example set by Castillo Armas' "patriots," he said, would make "ambitious and unscrupulous" elements in the Western Hemisphere "less prone to feel that communism is the wave of their future."<sup>69</sup> Privately, Dulles also viewed Arbenz's overthrow as the fulfillment of the Republicans' 1952 campaign pledge to liberate countries suffering under communist rule. According to former State Department official Cole Blasier, Dulles "regarded this 'victory' as one of the major constructive achievements of the Eisenhower administration and used it as a rallying cry in the 1954 and 1956 elections."<sup>70</sup>

Eisenhower, for his part, had been making political capital out of the intervention before it even occurred. From early 1954 onward, the White House tried to reassure the disgruntled Republican conservatives in Congress that Eisenhower was "in full control of the Guatemalan situation" by leaking indications to key Republican congressmen that "action was in the offing." Following Arbenz's overthrow, Eisenhower exploited the intervention to good effect in the fall congressional elections; in campaign speeches from coast to coast he deflected criticism of his foreign policy by emphasizing that under his administration Guatemala (and Iran) had been saved from communism. In January 1955, during his first televised press conference, Eisenhower "listed the elimination of the Arbenz regime as one of his proudest accomplishments," while in his memoirs he discussed the operation "in some detail and with great pride," citing it "as a reason why he deserved a second term as president."<sup>71</sup>

In addition, CIA director Allen Dulles used the intervention to bolster the CIA's public image and ward off a possible investigation of the agency by Senator Joseph McCarthy. In late October–early November 1954, Dulles fed a series of articles to the *Saturday Evening Post* publicizing the CIA's role in overthrowing Arbenz and heaping "lavish praise on the agency as the 'first line of defense'" in the United States' "underground war with Russia." The articles reported how "the CIA, working with Guatemalan 'freedom forces,'" had "met the Reds early enough to

hand Russia its defeat in Guatemala." Under the Eisenhower administration, the authors assured their readers, the CIA was "hit[ting] the Russians where it hurts."<sup>72</sup>

For Eisenhower and his advisers, their exhilarating triumph in Guatemala was a strategically significant and politically beneficial demonstration that they were managing the nation's security interests effectively. Seven years later, their successors in office would attempt to achieve similar results in Cuba, at the Bay of Pigs.