Aspirations to Empire: American Imperialism, Foreign Policy, and the 1954 Guatemalan Coup d'état

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Abstract:
When the sun began to set on the British Empire - the largest the world had ever seen and the dominant world power for over a century – in the aftermath of World War II, the United States designated itself the new arbiter of international relations. Wielding economic imperialism as an Empire-building tool, the U.S., through interference in the internal affairs of countries around the globe, became the world’s dominant superpower. In particular, the United States developed a pattern of interfering in the domestic sphere of Latin American nations to protect the economic interests of American capitalists. Through a historical analysis of U.S. foreign policy regarding Latin America, this paper addresses the events preceding, the occurrence, and aftermath of the 1954 Guatemalan coup d’état. The coup returned the nation to a series of authoritarian dictatorships, sparking civil war and genocide against the Maya peoples, after a decade of democratic elections won through revolution in 1944. While the intervention was allegedly to stop the spread of communism in Latin America, in actuality, it served to protect private U.S. business interests. The case of the Guatemalan coup d’état demonstrates the effective sameness of U.S. national security and economic policy in both practice and oppression. It is but one example of U.S. foreign policymakers demanding intervention in the affairs of other sovereign nations to protect America’s elite. Both historically and in the case of Guatemala, said intervention has come at the expense of both the articulated values of the U.S. and the literal lives of hundreds of thousands, if not millions, of citizens of other nations.

I. Introduction

On June 18th, 1954, a small force of several hundred men lead by former Guatemalan military officer Carlos Castillo Armas invaded Guatemala from Honduras. As they made their way to Guatemala City, the ramshackle force conquered some of the municipalities they encountered but were driven out by citizens of others. The on-the-ground invasion was accompanied by near constant radio broadcasts of propaganda favoring the invaders, while planes based in Nicaragua periodically dropped bombs on Guatemala City. On June 27th, the second ever democratically elected president of Guatemala, Jacobo Arbenz, resigned in the wake of military refusal to combat the insurgent forces. Speculation within Guatemala and internationally as to who had engineered the invasion pointed heavily to the United States, but
Washington dismissed all claims that it had interfered in Guatemala’s internal affairs. Over the years, the release of classified information revealed that U.S. government officials were involved, both directly and peripherally, in the Central Intelligence Agency (CIA) operation codenamed *PBSUCCESS*. The ties of key foreign policy officials, including the Secretary of State under the Eisenhower administration, to the United Fruit Company, a privately owned American business with large holdings in Guatemala, were also revealed, casting further suspicion on the motives of the United States. In 1953, the United States approached Armas, who had fled to Honduras after participating in a failed coup only several years prior, and funded, trained, and supplied his troops in order to subvert the sovereign government of Guatemala. Guatemala had been subjected to decades of right wing, authoritarian regimes that facilitated foreign economic exploitation, widespread oppression, and wealth inequity in Guatemala. It was only after a revolution in 1944 that the country had its first democratic elections and began to institute programs for social progress. Unfortunately, any progress made was soon undone by U.S. interference.

While the United States has a history of inserting itself into the affairs of nations around the globe, this paper is specifically concerned with understanding the economic and political factors, particularly the role of U.S. foreign policy, in regards to the 1954 coup. Analyzing the circumstances surrounding the coup in the greater context of numerous U.S. military, political, and economic involvements around the globe and in Latin America is essential in determining why the United States was motivated to intervene in Guatemala. In the post-World War II (WWII) twilight of the British Empire, the U.S. intervention in Guatemala points to economic imperialism wielded as a deliberate tool by the American government to build Empire in the Americas. Guatemala’s geographical location and history of American economic exploitation,
coupled with historical articulations of dominance in U.S. foreign policy, demonstrates the way in which U.S. national security and economic policy are effectively the same in practice and in oppression.

II. Historical Patterns in U.S. Latin American Foreign Policy

Much of the early scholarship on U.S. foreign policy in regards to Central America was contemporaneous with the occurrence of events in the late 1800s and early 1900s. The literature from this time is staunchly one-sided in support of American policy and action; this is unsurprising given that this early scholarship can largely be attributed to specialists who were participants in the formulation of U.S. policy, and relied almost solely on American sources. Policy reviews stressed as a common theme the (from an American perspective) positive outcomes of U.S. policy, such as public works projects, new constitutions, benefits from economic reconstruction, and political stability. The U.S., attributing its motives to selflessness, viewed the results of armed intervention in the Central American region as positive. However, the largely uncritical nature with which the U.S. viewed its foreign policy is indicative of its self-obsessed motivation with power and wealth. According to Perez (1982), studies on U.S. involvement in the area “...used the traditional framework of bilateral relations, constructing the fiction that diplomatic relations were between two sovereign and equal states, never a hint of hegemony…seldom were efforts made to investigate the effects of American policies in the region.”\(^1\)

In fact, the U.S. congratulated itself on playing the self-designated and unwanted role of big brother to neighboring states. The term “Dollar Diplomacy” was used to refer to the

“...displacement of European capital as still one more means through which to reduce outside claims in the region.”

The U.S. justified its subversion of European capital as beneficial for the autonomy of all American nations, ignoring the way in which its actions merely replaced one Empire (the British) for another (the United States). In fact, this delusion of American savior-ship was so entrenched in national foreign policy that in 1912, President William Taft observed

“It is therefore essential that the countries within [the Caribbean region] shall be removed from the jeopardy involved by heavy foreign debt and chaotic national finances and from the ever-present danger of international complications due to disorder at home. Hence the United States has been glad to encourage and support American bankers who were willing to lend a hand to the financial rehabilitation of such countries... because this financial rehabilitation...would remove at one stroke the menace of foreign creditors and the menace of revolutionary disorder.”

The United States parroted the excuse of altruism and its role as the opponent to European colonialism in the Americas as justification for its efforts to exploit the rebuilding efforts of Latin American nations - rebuilding efforts which were in many cases only necessary due to the fallout from U.S. intervention. In fact, regarding American intervention in Central American and Caribbean nations, “the American presence in the circum-Caribbean was hailed as a bulwark of political stability and fiscal responsibility, the margin between order and chaos.”

The United States seized sole credit for transforming Cuba “...from a land of tragedy and misery into a comparatively prosperous country,” and from transforming the Dominican Republic, which had

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2 Ibid. p. 169
4 Perez 1982 (171).
been “... a land of almost perpetual revolt,” through “[nurture] through the infant years of republicanism and given new promise of political stability.”⁵

The infantilization of these nations, their government, and their people on the part of the United States is familiar messaging tactic using by the U.S. to justify its interference in the region. By asserting its role as a mentor of sorts during a time the U.S. deemed tumultuous, Washington was able to justify its interventions as altruistic and beneficial to these nations. In actuality, intervention allowed the U.S. to further establish itself in each nation, for both supposed national security purposes and to allow American private economic interests to assume or maintain a position of dominance through exploitation. The argument of savagery and as the bringer of civilization also played a role in U.S. assertion of hemispheric dominance; in regards to Haiti, the United States held that after a spell of “...misrule which pushed her people very close to the borders of savagery,” the nation had been “brought back to civilization.” ‘Revolutionary spirit’, as in Nicaragua, was seen as something to be overcome in order to achieve (supposedly democratic) election outcomes that upheld the interests of the United States.⁶ Dehumanization, infantilization, and the familiar Eurocentric justification for imperialism and colonialism of bringing civilization to the savages were used to justify U.S. state acts of violence against the autonomy and people of neighboring American states. The United States, rather than working to end white European models of exploitation, sought to uphold the status quo with one key change: the U.S. as the dominant world power, rather than an agglomeration of European powers and their empires. Over time, the U.S. clawed its way to the top of the global hegemony, effectively toppling its longtime ally the British Empire. While the

⁵ Ibid.
U.S. only emerged as a world superpower in the aftermath of both World Wars and the Cold War, it began asserting its dominance over the Western Hemisphere long before that. Self-appointment as the sole nation with any right to hegemony in the Western hemisphere has its roots in the Monroe Doctrine of 1823.

The doctrine was issued by President James Monroe during his annual address to Congress on December 2nd, 1823 and was quickly interwoven with the fabric of U.S. foreign policy. The doctrine asserted a statue of freedom from European powers across the Western Hemisphere and made four basic points: 1) the U.S. would not interfere in internal European affairs or in conflicts between European nations, 2) the U.S. recognized European colonies and dependencies in the Western Hemisphere existing at the time, and declared that it would not interfere in their affairs, 3) there would be no further colonization in the Western Hemisphere, and 4) any action viewed as an attempt by a European nation to control or oppress any Western Hemisphere nation would be considered a hostile act committed against the United States. At the time of issuance, the United States was not yet a major world power. Britain, through its Empire, was the world hegemon. Attempts by European nations to assert dominance in any area of the Americas were deterred by British, rather than American, naval fleets. Because the United States was not yet viewed as a major player on the world stage, the Monroe Doctrine was largely unknown outside of the U.S. until the 1850s. Beginning in 1848, the United States, under the Polk administration, began to assert its dominance against European attempts to establish new colonies on the west coast of what is now the United States. After 1870, however, interpretation of the Monroe Doctrine began to broaden. The United States rose to become a global power, with the Monroe Doctrine coming to define a U.S. sphere of influence recognized by other nations. In 1904, the Roosevelt Corollary was added by President Theodore Roosevelt. This
addition widened what circumstances the U.S. considered justified intervention, by holding that in instances where Latin American countries were perpetrators of repeated and obvious wrongdoing, the United States had the power (or rather, gave itself the power) to interfere in the internal affairs of said nation. In the century since, the United States has interfered numerous times in countries across the Americas, through both CIA engineered coup d’état’s, as occurred in 1954 in Guatemala, as well as armed military interventions.\(^7\) Control over Central America and the Caribbean was particularly important to the United States due to the geographical proximity to the Panama Canal, which the U.S. controlled until the year 2000. Indirect influence over neighboring states gave the U.S. a strategic economic and political advantage in the entire region.

While recent news and immigration from Central America has renewed American interest in the region, developments around the globe in the middle of the twentieth century such as WWII and the Cold War led to waning attention towards Latin American affairs in the United States. Interest was renewed with the CIA’s engineering of a coup d’état to overthrow the Jacobo Arbenz administration in Guatemala in 1954. In the years to come, “...uprisings toppled army dictatorships closely identified with the United States, including Juan Peron in Argentina (1955), Manuel Odria in Peru, (1956), Gustavo Rojas Pinilla in Colombia (1957), Marcos Perez Jimenez in Venezuela (1958), and Fulgencio Batista in Cuba (1959). A virulent wave of anti-Americanism swept through Latin America.” After a thirty year pause, the U.S. returned to armed interventions in Latin America at the Bay of Pigs in 1961, and again in the Dominican Republic in 1965.\(^8\) This time, however, scholars were less willing to blindly accept the self-professed ‘noble’ motivations for U.S. policy towards Latin America, and the development of


\(^8\) Pérez, The United States in the Circum-Caribbean, p. 174.
Latin American Studies in U.S. universities sparked an academic wave of criticism against the U.S.

### III. Backdrop to Guatemala: 1944 - 1954

Prior to 1944, Guatemala was ruled by a series of military dictatorships that maintained vast wealth disparity between the wealthy and poor. Dictators installed supporters in local public offices in place of democratic elections. Vast inequality in distribution of land ownership was a major cause of inequity in the country. Indigenous peoples living in the mountain regions of Guatemala were recruited as contract laborers and treated like slaves. The last dictator prior to the revolution was Jorge Ubico y Castaneda, who encouraged foreign investors and agricultural companies to invest and plant in Guatemala, as the country’s economy had taken a hit during the Depression of the 1930s. The Guatemalan government’s willingness to exploit its people and resources led to ownership of the majority of the country’s land by private U.S. business interests, particularly the United Fruit Company (UFCO). Instead of producing food to feed Guatemalans, cash crops for export were the main agricultural product, and the national economy was largely reliant upon the export agricultural sector. Beginning in the 1920s, labor unions attempted to organize and begin bargaining for improved working conditions and wages but were repeatedly put down.

In 1944, Ubico was overthrown by the military and the first free democratic elections were held in Guatemala. The election was won by Juan Jose Arevalo Bermejo, an educated idealist, reformer, and anti-Marxist. During his campaign, Arevalo became a symbol of

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opposition to the tyranny that had been ousted in the 1944 revolution. His presidency seemed to mark an economic and social turning point in Guatemala. Arevalo was responsible for “[enfranchising the indigenous population] and other illiterates, [implementing] a social security system, [building and staffing] rural schools...” and other measures such as encouraging the poor to establish cooperatives through pooled resources, as well as introducing labor and land reforms that threatened U.S. stakeholders in Guatemala.11 Arevalo’s successor, Jacobo Arbenz Guzman, was elected in 1951 with the endorsement of his immediate predecessor. Arbenz’s tenure as leader of Guatemala would only last until 1954, when his administration was overthrown by a CIA engineered coup d’état. During his short time as president, however, Arbenz instituted a number of reforms to benefit Guatemalans. The one ultimately lead to the coup was his Agrarian Reform Law of 1952.

Guatemala’s system of land ownership and agriculture was vastly inequitable due to the policies implemented by the previous military dictatorships. Seventy-two percent of the arable land in the nation was controlled by approximately two percent of the population. A mere fourteen percent of land was held by eighty-eight percent of the population. Less than twelve percent of all privately held lands were cultivated. Given that over two-thirds of Guatemala’s citizenry were involved somehow in agriculture in order to survive, the system, as it was, had caused widespread poverty as well as malnutrition and associated health issues.12 In 1952, Arbenz passed Decree 900, the Agrarian Reform Law. The law had its roots in Article 88 of Guatemala’s 1945 Constitution, which held that a primary function of the state was to develop

agricultural activities as well as industry such that the profits of labor would “preferentially benefit” laborers in order to distribute wealth from said economic activities to the greatest number of Guatemalan citizens.\textsuperscript{13} Decree 900 expropriated uncultivated lands above a certain acreage. Holdings with 666 or more acres were considered \textit{latifundios}, a term used throughout Latin America to refer to large holdings of land, and thereby subject to seizure by the government in accordance with the Constitution. The owners of land were to be compensated via government bonds. Under the law, over 1.5 million acres from more than a thousand distinct plantations were confiscated. UFCO, who had left vast areas of arable land uncultivated to be exploited in the future, lost nearly a third of its holdings in Guatemala.\textsuperscript{14}

Other reforms in Guatemala were designed to end other types of economic exploitation by private U.S. business interests. UFCO controlled the International Railway of Central America (IRCA), and thereby had a monopoly on the transport of exports and imports in Guatemala. The company also owned the primary shipping fleet that carried goods to and from the Central American nation as well as the docks at the end of the railroad line. In order to weaken the hold of foreign interests on Guatemala’s economy, Arbenz supported continued construction of the Pan American Highway through Central America. He also began construction of the ‘Highway to the Atlantic’ within Guatemala and on new port facilities at the end of his Highway in Santo Tomas. In addition to these projects, Arbenz financed and began construction on a number of electric power generating facilities in order to disrupt the monopoly on public services in Guatemala by private foreign interests.\textsuperscript{15} The President’s policy reforms were met poorly by U.S. businesses as well as the U.S. Department of State (DoS). Less than a month after

\textsuperscript{13} Republica de Guatemala, \textit{Constitucion de la Republica de Guatemala, 1945}, Article 88.
\textsuperscript{14} Kolko, \textit{Confronting}, 102.
the land reforms were introduced, the DoS filed a formal complaint with the Guatemalan government, despite the fact that Arbenz’s reform policy, while more liberal than any other nation in the region at the time, was relatively moderate and included compensation for seized land based on the reported value of that land for past tax purposes.

While communist influence on Guatemalan government was growing under Arbenz’s administration, there were only 4,000 party members, and those directing the party were Guatemalans.\(^\text{16}\) They were in contact with other communist movements around the globe, but identified themselves with the Guatemalan populist Revolution of 1944. Prior to 1952, Communists in Guatemala organized as a branch of the Partido de Accion Revolucionaria (PAR) and were known as the Vanguardia Democratica Guatemalteca.\(^\text{17}\) They merged with the Worker’s Party of Guatemala and became the Guatemalan Labor Party under orders from the Soviet Union. In 1952, they were recognized by Arbenz and soon became politically dominant despite lack of popular support.\(^\text{18}\) While not a Communist himself, Arbenz and his wife did associate with party members and had close connections with party leaders. These relationships, along with the contribution of Communists to his presidential campaign and his granting of legal status to the Communist Party, led to suspicions of Arbenz himself being a Communist.\(^\text{19}\) In reality, Arbenz felt that the best strategy to deal with communism was to legalize it, which would then exert some level of official control over the party. He also believed that allowing Guatemalans to reject communism themselves was the most effective approach. To Arbenz, communism was not the ultimate threat to democracy, and he was not willing to sacrifice the

\(^{16}\) Kolko, *Confronting*, 104.

\(^{17}\) Blasier, *Hovering Giant*, 155.


revolution, democracy, and the end of foreign exploitation in Guatemala to combat it.\textsuperscript{20} The United States was more vehemently anti-community and did not share this position.

The U.S. engineered coup in Guatemala is often portrayed as necessary to protect American national security interests, a move to prevent the spread of communism and Soviet influence within the United States’ sphere of influence in Latin America. Communists in Guatemala had played an important role in campaigning for the first democratic president, Arevalo, and maintained a presence among labor leadership in the country. However, Arevalo was strongly anti-Communist. He not only banned the Communist party in Guatemala because he considered the party’s doctrine undemocratic, he also deported party leaders. Despite his position on communism, however, Arevalo remained committed to democratic ideals. During his administration he protected the civil rights of all citizens, Communists included. Arevalo allowed communists to express their beliefs rather than implementing a policy of censorship of ‘dangerous’ ideas, as was becoming standard in the United States during the same time period with the advent of Senator McCarthy’s anti-communist rhetoric during the second Red Scare.\textsuperscript{21} Despite his attempts at agrarian land reform, Arbenz was also not a communist.\textsuperscript{22} In his inaugural address in 1951, he reiterated his support for economic development in Guatemala through three main channels. They were:

“...to convert our country from a dependent nation with a semi-colonial economy to an economically independent country; to convert Guatemala from a backward country with a predominantly feudal economy into a modern capitalist state; and to make this great

\textsuperscript{20} Blasier, \textit{Hovering Giant}, 156.
transformation in a way that will raise the standard of living of the great mass of our people to the highest level.”

While Arevalo and Arbenz made significant strides towards returning sovereignty to Guatemalans, their efforts were not allowed to endure. The decision of the United States to involve itself in Guatemalan affairs in 1954 led to the engineering of the military coup d’état that deposed the Arbenz administration.

IV. The U.S. and Guatemala: Government and Foreign Policy preceding the Coup D’état

In 1952, Anastasio Somoza, the president of Nicaragua, requested assistance from the United States in efforts to overthrow Arbenz. The Guatemalan president’s steps to legalize the Communist party in Guatemala as well as his 1952 land reforms had caught the attention of the U.S., and concerns about the possible spread of communism had made the Truman administration wary. Truman responded to Somoza’s request by supplying funds and weapons to Arbenz opposition groups. However, the operation to remove Arbenz from power lasted less than five weeks before parties loyal to the Guatemalan president discovered the overthrow plot and moved to solidify the administration’s power. When Dwight D. Eisenhower assumed office in 1953, the CIA found that the new American president was more sympathetic to their objectives. Truman and Eisenhower both opposed communism but differed in their approaches to foreign policy.

Truman favored containment, and, perhaps due to his experiences as Commander-in-Chief at the end of WWII, authorized large budgets for military spending and was reluctant to rely on nuclear weapons. Prior to Eisenhower’s election, the General had communicated with Truman, who had expressed support for his successor. General sentiment among those in Washington was that an Eisenhower administration would represent a continuation of Truman era foreign policy, which favored intervening to halt the spread of communism. In hindsight, however, Truman expressed that he had never considered the General “presidential material,” but that was not his sentiment at the time of the election. Eisenhower’s ‘New Look’ military strategy was articulated in a 1953 National Security Council document. The strategy placed a new emphasis on the threat of nuclear weapons as a means for the United States to maintain a position of power in the Cold War with the Soviet Union while reducing military spending and strain on the American economy. The policy increased spending on nuclear weapons as well as the air force, which was coupled with decreased expenditures for other branches of the military, and cuts to the army and navy budgets in particular. Instead, the U.S. increased its nuclear capacity and reliance on strategic bombing to deal with the Soviet threat, which became the precursor to the Cold War era policy of mutually assured destruction. The hope with such a policy was that the threat of mass retaliation would be enough to reduce the need the United States felt to be prepared to fight a number of satellite skirmishes and wars around the globe. The New Look policy also emphasized strengthening relationships with existing allies and making connections with new ones, and contemplated the possibility of undermining Soviet influence around the globe via the CIA’s covert operations.

The latter objective of Eisenhower’s policy led the President to approve the first successful CIA classified covert operation to supply and train insurgent troops in Latin America. While Eisenhower had approved the operation, codenamed PBSUCCESS, he had forbidden the CIA from using American military troops. Its objectives were to remove Arbenz and install a U.S. approved dictatorial ‘president,’ as Eisenhower adhered to the popular American belief at the time that communist movements around the globe were not autonomous but rather stemmed from the Soviet bloc. The operation was therefore also meant to warn the Soviets that the United States would take all steps to prevent the spread of communism in the Americas.

While the United States denied all involvement in the coup at the time it occurred, speculation that the United States had funded and trained the invading force was rampant in Guatemala, the U.S., and elsewhere around the globe. And while halting communism was the official reason, it’s important not to understate the role of the United Fruit Company and their connections to key foreign policy officials in Washington in instigating the coup. Two key connections were to brothers John Foster Dulles and Allen Dulles. John Foster Dulles was the Secretary of State for the Eisenhower administration prior to and at the time of the coup, while his brother Allen Dulles was Director of the CIA. John Foster Dulles was vehemently anti-communist, and viewed nations as either part of the “Free World” or, for any country with a strong communist presence and left leaning policies, satellite operations of the Soviet Union. Prior to the 1944 revolution in Guatemala, Secretary Dulles’s law firm was retained by UFCO for negotiations with dictatorial regimes in the nation, and had also represented the IRCA. In the ten years between the revolution and the coup, there were three strikes against UFCO in

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Guatemala, occurring in 1946, 1948-49, and 1950-52. The second strike saw heavy involvement from the Guatemalan government in support of Guatemalan workers. Before the strike had ended, political interests in the United States from Boston had already expressed their dissatisfaction with the Guatemalan government, on behalf of UFCO, to U.S. Congress.

The United Fruit Company’s United States offices were headquartered in Boston, and the company had close ties to both the Old Colony Trust Company and Boston’s First National Bank, two Boston institutions that merged their interests in 1929, as the First National was the Boston Registrar Bank for UFCO while the Old Colony Trust served as its transfer agent. 29 Henry Cabot Lodge, Republican Senator from Massachusetts, spoke on the Senate floor in February of 1949 to protest that the Guatemalan labor code was intended to discriminate against UFCO, that such activity had been influenced by communism, and that because of it the company was facing severe economic setbacks. A week after Lodge’s speech, House Majority Leader and Massachusetts Democrat John McCormack equated the democratically elected Guatemalan government with “a minority of reckless agitators” who had acted against the United Fruit Company because it was American. In the wake of these accusations, another Boston Congressman, Christian Herter, threatened to introduce legislation to the floor that would eliminate foreign aid funding for countries perceived to be discriminating against U.S. private business interests. 30 Within a year, anti-communist fever was rampant in the United States and the media was quick to label Guatemala as a Central American “red menace” despite the fact that the first communist convention in the country did not occur until 1949, and with 40 attendees,

party membership was paltry.\textsuperscript{31} At that time, Arevalo was still president, and he finally succumbed to pressure from the United States to formally ban communist organizing.

When Eisenhower was elected, he brought with him John Foster Dulles to lead his foreign policy team as Secretary of State. Dulles was a strong proponent of halting communist in the interest of national security, to the extent that he ignored the national right to sovereignty in internal affairs. The Eisenhower administration showed no hesitation in ending President Franklin D. Roosevelt’s ‘Good Neighbor’ policy, which emphasized non-interference in the internal affairs of Latin American nations. According to an interview with the editor of the \textit{Inter-American Economic Affairs} journal in the fall of 1953, the newly elected president was quick to abandon that policy owing to the threats facing American banking and business interests.\textsuperscript{32}

Connections between key foreign policy staffers and UFCO also draw suspicion to the true motivations of the U.S. involvement in the 1954 coup. In addition to Secretary Dulles’s and the Boston Congressmen’s connections to UFCO, the Assistant Secretary of State for Latin American Affairs, John M. Cabot, was the brother of Thomas D. Cabot, a director of the Boston First National Bank. President Eisenhower’s liaison to the National Security Council and national security affairs assistant, Robert Cutler, had served as president of Old Colony Trust before his appointment in the Eisenhower administration. The board chairman of both Old Colony and United Fruit was the same man. After Arbenz’s deposition, Cutler returned to Old Colony Trust in 1956 as chairman of the board. Eisenhower’s Secretary of Commerce, Sinclair Weeks, served as director of First National Bank both prior to and after his time in the cabinet. The Ambassador to Costa Rica at the time, Robert D. Hill, was also a participant of the plan to


depose Arbenz. He was the assistant vice-president of W.R. Grace and Company prior to 1953 when he was appointed to serve as a diplomat; the Grace Company had holdings in Guatemala and had also experienced financial difficulty thanks to the revolution. Later on, Hill became a director at UFCO.33

When the Arbenz administration expropriated land from UFCO, they initially seized approximately 240,000 acres of the company’s holdings on Guatemala’s Pacific coast. 173,000 acres on the Atlantic coast were seized approximately one year later. These seizures left the company with a cumulative 162,00 acres in Guatemala, and at the time, less than 50,000 acres were actually being cultivated, approximately 9% of the 565,000 acres the company had held prior to the land reform.34 Using UFCO’s declared valuation of their holdings for tax purposes, the Guatemalan government offered the company $600,000 USD in compensation. However, the company instead claimed that the land expropriated from the west coast was worth over $15,000,000 alone. They enlisted the State Department to intervene on the company’s behalf. In response, representatives for Guatemala noted that the expropriations aspect of Arbenz’s land reform program had been applied equally to both foreign and Guatemalan landowners, and that offered compensation for expropriated land had also been derived from a method that did not favor Guatemalan citizenship. Officials also noted that UFCO’s holdings at Tisquisate on the Pacific coast had been granted to UFCO to build a port, but construction had never started. Additionally, many of the company’s Atlantic holdings had been obtained through manipulative tactics to the protestation of local Guatemalan municipalities.35

34 Fried et al. Guatemala in Rebellion, p. 55.
In January of 1954, the Guatemalan government charged the United States with financing an agreement between Colonel Castillo Armas and another former military officer, General Ydigoras Fuentes, to depose Arbenz through an invasion organized in Honduras and Nicaragua, and claimed that arms had already been smuggled into Guatemala through the IRCA. At the time, the U.S. dismissed the accusations as anti-American propaganda. That March, Secretary Dulles attended the 10th Inter-American Conference, held in Caracas, with the goal of aligning Latin American opinion against the Arbenz administration and calling for a resolution to allow action against communism without prior consultation. Guatemala’s foreign minister, Guillermo Toriello, in turn accused the United States of attempting to return to dollar diplomacy through the guise of anti-communism. Dulles’ resolution was not supported by Argentina, Mexico, and Guatemala, who collectively represented half of Latin America’s population, and only accepted by most other nations with amendments asserting the right of each American state to sovereignty over its government and economic system. A month after the conference, the U.S. State Department formally requested payment of $15,854,849 solely for the UFCO expropriated holdings on the West Coast. In response, Guatemala charged the United States with violating its sovereignty and rejected its attempt to intervene. That May, the State Department became aware that a shipment of arms from Czechoslovakia, part of the Soviet Bloc, had reached Guatemala. They then claimed that Guatemala was planning to invade both Honduras and Nicaragua, which served as an excuse for the United States to supply arms to the two countries for the planned coup. The U.S. claim was particularly implausible because Guatemala had attempted for years to purchase arms from the U.S., Western Europe, and other

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38 Moody’s Industrials, 1954, p. 1849.
Latin American countries to no success, due to an unspoken boycott of arm sales to the country instituted by the U.S. Two days before Guatemala was invaded by U.S. supplied forces from Honduras, the U.S. requested that the “maritime nations of the free world” embargo arms shipments to Guatemala and to allow sea searches by U.S. military; all European nations approached by the U.S. rejected the request as a violation of the right to freedom of the seas, and they also did not agree with the U.S. that the Arbenz administration was communist. Several days prior to the invasion, Arbenz, in response to hostility from Washington, offered to sign a non-aggression pact with Honduras, re-negotiate compensation with UFCO, and requested a meeting with Eisenhower. All of these proposals were rejected by the United States.39

V. The Coup d’état and Aftermath

On June 18th, 1954, Carlos Castillo Armas, with a relatively small force of several hundred men, invaded Guatemala from Honduras. Armas had participated in the 1944 revolution in Guatemala, after which he was promoted to the rank of lieutenant general. He opposed the governments of both Arevalo and Arbenz. After participating in a failed coup in 1949 engineered by Colonel Francisco Javier Arana, a key military figure during the revolution, Armas fled to Honduras. In 1950, he launched a failed attack on Guatemala City before he again fled to Honduras. This incident brought him to American attention when searching for actors to stage a Guatemalan coup. During the invasion, Armas’s troops captured a few municipalities but were driven back from others. Meanwhile, over the course of the ten day coup, U.S. planes based in

Nicaragua, hired by the CIA and flown by U.S. pilots, bombed Guatemala City.\textsuperscript{40} The Guatemalan military refused to arm civilian groups despite orders from Arbenz to do so, and on June 27th the army demanded Arbenz resign. Communists in the government attempted to persuade him to respond with more organized civilian resistance, but his resignation led them to flee to foreign embassies in Guatemala City.\textsuperscript{41} After a series of negotiations between Guatemalan army officials and Castillo Armas, arbitrated by a U.S. envoy, Armas emerged as president.\textsuperscript{42} Following the coup, despite refusal from the U.S. government to formally acknowledge the role it played in toppling the democratically elected government of Guatemala, the United States was condemned by nations in both Latin America, sparking a series of anti-U.S. protests in some cases, as well as by some members of Britain’s parliament, including the British Labor Party Chief Clement Atlee. The international community was reluctant to believe U.S. messaging that the Arbenz administration was heavily influenced by communism, and it was a commonly held belief that the supposed ‘threat’ of communism had served as easy justification on Washington’s part for the interference, when in reality the operation was intended to preserve U.S. private business interests in Guatemala through the United Fruit Company’s connections in government.\textsuperscript{43}

Armas, not democratically elected to the office he held, served as Guatemala’s president until his assassination in 1957, kicking off a series of dictatorial regimes in the nation. He

reversed the reforms of the Arevalo and Arbenz administrations that had been a key component of the revolution. He eliminated freedom of speech and of the press, banned all opposition political parties, and imprisoned and tortured political opponents. Organized labor leaders, largely indigenous, were particularly impacted, but the persecution of strike leaders and indigenous Mayans went largely unreported since it primarily occurred in rural areas. A 36-year guerrilla civil war that would dominate the country until 1996 began in 1960, fueled by the oppression of the poor and indigenous. As a result of the reversal of all reforms under the revolution, the Inter-American Agricultural Development Committee (CIDA) of the Organization of American States reported in 1965 that “All the gains achieved under the Arbenz agrarian reform program were virtually nullified,” as almost all land was returned to former landowners, including UFCO. Peasants were prohibited from organizing, and wage reductions for workers were declared in 1957 that affected approximately 75% of the large plantations’ laborers. During the civil war, and particularly during a period in the early 1980s when oil was discovered on Guatemala’s shared northern border with Belize, over 200,000 people were killed. 83% of these victims were Mayan, while 17% were Ladino, or of European descent. State forces and military groups were found to be responsible for 93% of the human rights violations, while insurgents were responsible for only 3% of violence and violations. The violence was found by the Guatemalan Truth Commission to be an act of genocide against the Maya people.

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VI. Exodus in the Post-Revolution Era

During the thirty-six years of civil war, more than 400,000 Guatemalans fled the country due to violence. While the United States was the primary destination, tens of thousands also went to Mexico. During the Reagan administration, when the highest number of Guatemalans emigrated and when violence was at its peak in the country, the majority of applications for asylum from Guatemalans were refused. At the same time, over 50% of the applications from countries such as Nicaragua and Cuba, whose governments were opposed by the Reagan administration, were granted, unlike Guatemala, whose government was supported by the U.S.. The civil war, in addition to its incredible levels of violence, devastated the Guatemalan economy. In 1994, while the official unemployment rate was reported to be relatively low at 4.9%, economists underestimated the underemployment rate to be between 30 to 40%. The underemployment rate was seen to more accurately represent the high levels of poverty and wealth disparity in the nation. Since 1999, immigration to the United States from Guatemala has steadily increased, apart from a small slowdown in the wake of the September 11, 2001 terrorist attacks in New York. Immigrants come from all types of backgrounds with differing levels of education. Recent years have seen an uptick in female migrants, as increasing rural poverty leads generally young single mothers or women heads of household to move north in search of economic opportunity.48

VII. Conclusion

The United States can and should be held accountable not only for its actions in the 1954 coup, but for the consequences that occurred in the decades afterwards. The genocide of the Maya people and the generations of oppression in Guatemala can be traced to the American plot to overthrow the left-leaning government of the Guatemalan democratic revolution in order to return the country to rule by authoritarian regimes that allowed American economic interests to exploit Guatemala’s resources and its people. Guatemala’s location made it key geographically for the U.S.; in order to assert itself as hegemon of the Americas, controlling the Panama Canal, Caribbean Sea, and the nations that bordered them was a dominant strategy. The historical foreign policy of the United States, in connection with the exploitation of Guatemalan land, people, resources, and infrastructure in the authoritarian pre-revolution era by private U.S. business interests as well as the response of the U.S. government when those business interests were threatened, paint a picture of the United States’ attempts to replace Britain on the eve of its Empire as the leading world power. While the U.S. has intervened in the internal affairs of numerous countries around the world to exert its own interests, intervention in Guatemala points to clear government support for economic imperialism as an Empire building tool in the Americas.

The question of what actually constitutes immigration on Turtle Island (North America) when the immigrants are from a largely indigenous Maya or mestizo population is a topic for another paper. Putting it aside for now, however, still leaves the fact that immigration to the United States from Guatemala post-1954 can be largely, if not entirely, traced to the interference by the United States and the subsequent consequences on Guatemala. In the post-coup era, immigrants from Guatemala to the United States have been reclassified from asylum seeking refugees (despite the United States largely refuting these claims at the time) to economic
migrants moving north in search of opportunity. While people’s lives are not under immediate threat as they once were, the root cause of their lack of opportunity in Guatemala and the cause behind the Guatemalan genocide and civil war have roots in the 1954 coup. Their lack of economic opportunity can be attributed to the preceding decades of political instability, while political instability in the country can be directly linked to U.S. intervention and the refusal on the part of the United States to uphold its near-sacred values of liberty and democracy when the manifestation of those values elsewhere threatened U.S. interests.

There is clear evidence that the United States engineered the coup in Guatemala to protect private business interests. Whether or not national security interests were genuinely believed to be threatened is questionable, given the context of the coup. It appears clear that the guise of a national security threat was merely that, and yet it is important to remember the general anti-communist hysteria of the times. While anti-communist hysteria does not excuse U.S. action, it adds new layers of complexity to the U.S. decision to intervene in Guatemala. While the two primary reasons given for U.S. interference are to 1) protect American capitalist economic imperialism and 2) oppose communism as a threat to American national security, to what extent are these justifications really one and the same? Communism is a particular form of socialism, both an economic and political doctrine with the objective of replacing private property and an economy based on profits, the basis of capitalism, through the institution of a system of public ownership and collective control of natural resources and the major means of production.49 While the manifestation of communist regimes have been largely authoritarian, it was obvious that the Guatemalan revolution was democratic and represented steps towards greater equity. While communists were allowed freedom of speech and given a voice in the

country, they were not in control of government. There is nothing in communist ideology that is inherently anti-democratic, which provokes inquiry into why the United States is so deeply afraid of communism. In the U.S., capitalism and democracy have been conflated as necessary complements, but one is a political system while the other economic, and the combination of the two is only one of many human experiments on the formation of states. So much of American identity is based on its adherence to capitalism, an inherently exploitative system that in its purest form chases profits above all else, including respect for human life and sovereignty.

Communism threatens basic tenants of the fabric that holds the United States together by subverting control by the wealthy and, for most of its history, the white, over the rest of society by decoupling human worth from production. Communism is viewed as a threat to national security because it threatens the very system that encourages exploitation both within the United States and exploitation inflicted by American interests on other nations and peoples. The idea that stopping communism in the interest of national security is distinct from promoting America’s economic interest ignores American history and the very clear lack of opposition between the two. Just as economic immigrants from Guatemala have the same root cause for leaving the nation as those who fled to seek asylum during the nation’s civil war, the root cause of the portrayal of communism as inherently anti-American and therefore a threat is the fact that the United States’ has based most of its identity on economic imperialism. The U.S. routinely demonstrates the audacity of its sense of entitlement by inserting itself in internal national affairs around the globe. Americans insists on their own national autonomy and are outraged when we learn that other nations have attempted to interfere, as did Russia during the 2016 Presidential election. But the U.S. is quick to forget its oft-spoused values when national autonomy and the overthrow of oppression elsewhere threatens American economic interests. The immaturity and
violence of the United States’ response when Guatemala moved to protect its citizens against American exploitation is also part of a yet-to-be resolved pattern of violence perpetuated through American exertion of its will and desperation to cling to its fading but still dominant position as a world superpower. The 1954 coup d’état is but one part of a larger pattern of U.S. interference in Latin America and the world, whereby the U.S. wields economic imperialism as an empire building tool, demonstrating its willingness to subvert sovereign democracy when it goes against the interest of a few wealthy and powerful U.S. individuals. U.S. foreign policy is but another tool designed and wielded by the elite to further American empire building efforts for the benefit of the few at the expense of many. Until America no longer clings so desperately to capitalism at the expense of its values, its foreign policy decisions and motivations, even when deemed altruistic, should be called ceaselessly into question.

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