



THE
DECLASSIFIED
EISENHOWER

A STARTLING REAPPRAISAL OF THE
EISENHOWER PRESIDENCY

BLANCHE WIESEN COOK

Eisenhower delivered that speech on Saturday, 19 June 1954. Guatemala was in turmoil. But the situation there did not in fact pose the threat of international war. The Soviet Union protested the invasion at the United Nations. Nothing more. There was one small possibility that the bombs that fell upon Guatemala City and selected villages would not be sufficient to smash Arbenz's will. Eisenhower decided to return from Quantico to Washington Saturday evening, instead of Sunday morning "as originally planned." According to Hagerty: "We are saying publicly that he wants to return in time to go to church. . . . Actually, he wants to get back in case anything does happen in Guatemala that would need Congressional action. This is extremely unlikely but there is no use taking a chance. Anything by the President should be done from the White House and not from a military conference at Quantico."

In fact, the joint CIA-State Guatemalan Group had decided the day before, on 18 June, that if Guatemala "attacked Honduras," the United States would defend Honduras "and, at the same time, ask Venezuela and Colombia to join us." As Hagerty noted, that was "extremely unlikely." But no chances were taken. Every detail was prearranged. The overthrow of the government of Guatemala was a carefully timed, finely tuned operation that occurred at all the major crossroads of military and political warfare.⁸

The Guatemalan Revolution of 1944 was inspired by Roosevelt's New Deal. Roosevelt's economic and social vision, the introduction of his "good-neighbor policy," combined with increased wartime reliance on Central and South America for bases, minerals, and military services, stimulated a demand for serious reform. The Allied war against fascism enabled Guatemala to confiscate the vast lands of the German coffee barons who had dominated Guatemala's economy since 1914. Although it was called a "banana republic" in the United States, coffee represented 90 percent of Guatemala's export earnings until 1944. Over half of that trade was with Germany. After the German barons were removed, Guatemala's economy was dominated by the United Fruit Company. In 1954, Guatemala harvested \$70 million worth of coffee and \$12 million worth of bananas. Other exports included mahogany, chicle, and essential oils.⁴ If Guatemala's resources

belonged to Guatemala, the country would be able to move beyond "feudalism"—to industrialism, independence, and national affluence, or so the revolutionaries of 1944 had reasoned.

In October 1944, a coalition of independent businessmen, intellectuals, and military careerists overthrew the widely hated dictator Jorge Ubico, who was closely identified with the United Fruit Company. The United Fruit Company (UFCO) was more than one of the United States' first transnational corporations. Known as "El Pulpo," "the Octopus that strangled all it touched," the United Fruit Company functioned throughout Central America as an independent government. It dominated the political, economic, and military life of, among others, Honduras, Costa Rica, and Guatemala. Between 1936 and 1937, Ubico consolidated United Fruit's concessions. He enabled the company to control all aspects of the only railway system that passed through Guatemala, the International Railways of Central America (IRCA), which ran from Mexico to El Salvador, from the Caribbean to the Pacific; and turned over Guatemala's electric enterprise to UFCO, after appropriating it from its former German owners. In 1906, the UFCO was granted 170,000 acres of Guatemala's most productive land in return for building the IRCA. In 1936, Ubico extended the UFCO's interests so that it controlled 42 percent of Guatemala's lands. John Foster Dulles, whose law firm, Sullivan and Cromwell, then represented United Fruit, was generally understood to be the author of that 1936 contract. Under Ubico, United Fruit was exempt from all taxes and import duties and entirely in control of all Guatemala's transportation, including its only port, Puerto Barrios.⁵ Reasonably, the UFCO resented the overthrow of Ubico.

The Guatemalan revolution was at first acceptable to the United States State Department. A. A. Berle recorded in his diary, 21 October 1944, that the revolution did not appear disastrous to United States interests. The world was, after all, experiencing all manner of upheaval. And 1944 was a presidential election year in the United States. Amid frenzied campaign maneuvers at home and delicate negotiations between Britain and Russia regarding the Balkans and the Middle East, the situation in Guatemala seemed somehow appropriate. Berle wrote: "The British have evidently recognized a predominant Russian sphere of influence in Bulgaria" in return for what "they thought were concessions in Yugo-

slavia," all of which "took the dreary Polish controversy along another step. . . ." "Just to add to the gaiety," Berle noted, "last night a Guatemalan revolution broke out." The armistice "was signed in our Embassy, which was the neutral meeting place selected by the participants, and the whole Diplomatic Corps, including our man, signed as witnesses. I think this is probably all right."⁶

Francisco Javier Arana, Jacobo Arbenz Guzmán, Jorge Toriello, and Juan José Arévalo led the 1944 revolution. According to Manuel Galich, Arévalo's Foreign Minister, the 1944 junta "had no revolutionary ideology, nor concrete program, nor well planned strategy, simply because the obscurantism we and our parents had lived through over almost a century, had kept us more than a little isolated from the world that surrounded us." Led by teachers, small businessmen, professionals, and several large landowners whose "interests were in contradiction to Ubico's," the movement quickly became a massive, popular effort that involved workers, army officers, and the campesinos—descendants of the indigenous Mayans, who worked in the countryside and earned only three cents a day, when they earned anything at all, under Ubico.⁷

In 1945, Spruille Braden was sent to celebrate Arévalo's inauguration. During Eisenhower's administration, Braden resigned his post as undersecretary of state for Latin American affairs to join the United Fruit Company as "a paid consultant," apparently in charge of political warfare against Guatemala. But, in 1945, Arévalo seemed progressive and popular, having received an overwhelming majority from the adult males eligible to vote in Guatemala's first democratic election in the twentieth century. Arévalo later expanded the voting base to include "literate" women. The fact that both Arévalo and his successor, Jacobo Arbenz Guzmán, were elected under free, democratic circumstances—by United States standards—led Thomas Mann, a senior State Department official later involved in the overthrow of Arbenz's government, to conclude that their elections proved the United States should not "support all constitutional governments under all circumstances."⁸

The United States' attitude toward democracy in Guatemala changed perceptibly in 1947, when Arévalo introduced a work code affirming the right of workers to organize and strike. Bitterly

opposed by the UFCO, the IRCA, and the electric company, the work code of 1947 included provisions for compulsory labor-management contracts and minimum wages. Its opponents called it "Communist." Since Arévalo accepted responsibility for the work code, he was labeled a "Communist dictator." The United States sponsored the Inter-American Treaty of Reciprocal Assistance (the Treaty of Rio de Janeiro), whereby a threat against one member of the Organization of American States was regarded as an attack against all. This regional statement of collective self-defense was widely regarded as an effort to isolate and check Guatemala's reforms. In addition to the Treaty of Rio de Janeiro, there were over twenty-five plots against Arévalo's life.

Denounced as a "Communist" in United Fruit circles, Arévalo was virulently anti-Soviet. He refused to legalize the Communist Party and considered himself Guatemala's Roosevelt. Occasionally he referred to himself as a "spiritual socialist." He was a moderate social democrat; an idealist committed to "liberty, justice, and national dignity." He made no effort to analyze the economic base of society. But he supported workers' demands and refused to permit further investments by United States interests. He condemned "Yankee imperialism" and refused to conscript Guatemalans to participate in the United Nations' war against Korea. He also tolerated radical unions.⁹

Only in an environment dominated by McCarthy and loyalty oaths could Arévalo's reforms be considered communist. In addition to the work code of 1947, he introduced a Law of Forced Rental in 1948. Many large landowners (*latifundistas*), who opposed the revolution, had ceased to rent their tenant lands, claiming that they feared expropriation, creating extreme hardship for the campesinos of Guatemala. Since over 70 percent of the country's population were indigenous people entirely dependent on the land for survival, Arévalo's decree represented a major step for the Mayan descendants, whose needs had been in the past entirely ignored and who were largely illiterate and landless. In addition, the new state bank, Banco de Guatemala, provided credit for agricultural diversification, and Arévalo nationalized most of the former German plantations (*fincas*). They became national farms (*fincas nacionales*), to be administered by the government and rented to individuals and cooperatives.

When Jacobo Arbenz, who had served as Arévalo's Defense Minister, succeeded him, in March 1951, he announced the new administration's fundamental objectives: "First, to convert our country from a dependent nation with a semi-colonial economy into an economically independent country; secondly, to transform our nation from a backward past with a predominantly feudal economy, into a modern capitalist country; and, third, to see that this transformation is carried out in such a way that it brings with it the highest possible elevation of the standard of living of the great masses of people."¹⁰

Arbenz's first act as President was to announce a land-reform program that would transform Guatemala from "semi-feudalism" to modern capitalism. Revolutionary Decree Number 99, Arbenz's Agrarian Reform Law, would:

eliminate all feudal type property in rural areas, abolish antiquated relations of production, especially work-servitude and the remnants of slavery, . . . to give land to the agricultural workers who do not possess such or who possess very little, facilitate technical assistance, expand agricultural credit for the benefit of all who work the land.

The law specified large fincas "with unused lands," and exempted plantations with all acreage in use. Expropriation was limited to "idle lands" on "holdings over 223 acres." Campesinos would receive lots up to 42.5 acres "in ownership or in use for life," to be paid for at a rate of 3-5 percent of annual production. Compensation to finca owners was to be made in twenty-five-year government bonds at 3 percent interest. The value of the land was to be determined by the owners' own tax declarations for 1952. The law was to be administered by agrarian committees. The campesinos were thereby given power in Guatemala. Land. Literacy. Political power. That was revolutionary.

By 1954, one hundred thousand campesino families had received land, as well as credit and technical aid. One thousand two plantations, covering 2.7 million acres, were affected, of which 55 percent was actually expropriated. The other lands distributed included private farms, municipal lands, and national farms—the former German fincas appropriated during World War II. By December 1953, many cooperatives were cultivated in coffee, sugar cane, cardamon, pasture land, and other crops. The National

Mortgage Credit Banks and National Agricultural Bank extended credit to the farmers, both cooperators and plot owners. The National Agricultural Bank's motto, "credit at the time of sowing," was a major feature of the land reform. Its many branches advanced short-term loans "to increase the yield and seasonal crops" and to finance the purchase of livestock, seed, farm tools, and heavy equipment.

To correct "all kinds of slanderous accusations" about the land-reform program, Luis Cardoza y Aragón, the editor of *Revista de Guatemala*, wrote an article in *The Nation* in March 1953:

The big landowners, the clerical and conservative elements in the country, and the business interests—especially the United Fruit Company—are doing everything . . . to block implementation of the law and to overthrow the regime that sponsored it. Ignoring the situation described in an official U.N. publication on the urgent need of land reform in Guatemala, they object even to Article 2, which says: "All forms of slavery and serfdom are herewith abolished." Unpaid personal services of peasants, squatters, and agricultural workers, as well as the payment of land rent by labor services . . . are therefore prohibited in any form whatsoever.

The United Fruit Company, Guatemala's largest landowner, lost 178,000 acres. Based on UFCO's own tax return, Guatemala offered \$1,185,115 in compensation. United Fruit said, its tax declaration notwithstanding, Guatemala owed the company \$16 million.¹¹

Arbenz also initiated the construction of a large electrical center to be financed entirely by Guatemalan capital. He planned a network of roads leading to a new Atlantic port, to break United Fruit's monopoly of all transportation and communication into and out of Guatemala. Puerto Barrios, the IRCA, and the electric company would have Guatemalan competition. It was untenable. Arbenz was declared a Communist, a danger to the hemisphere, the entire free world. The United Fruit Company said so. And all United States statesmen agreed. From the moment Arbenz's land-reform program was introduced, United Fruit worked to discredit and destabilize the government of Guatemala. The Guatemalan Government called it colonialism. The United Fruit Company and the United States Government called it containing communism. Arbenz said that, as a result of the agrarian reform, the UFCO, with

the assistance of vast sums of United States military and financial aid, sought "to mutilate our existence as a sovereign people and as an independent nation." Thomas McCann, longtime public-relations vice-president of the UFCO, supported that contention:

The Company operated two divisions in Guatemala, one on the East Coast and one on the Pacific. Together, these two divisions accounted for the lion's share of the company's tropical land holdings. Guatemala was chosen as the site for the company's earliest development activities . . . because a good portion of the country contained prime banana land and also because at the time . . . Guatemala's government was the region's weakest, most corrupt and most pliable. In short, the country offered an "ideal investment climate," and United Fruit's profits there flourished for fifty years. Then something went wrong: a man named Jacob [sic] Arbenz became President.

According to McCann, as soon as the agrarian reform law was published, the UFCO went into high gear. The company's chief weapon was to charge "Communism." Edward L. Bernays, "the father of public relations," a master manipulator who happened to be Sigmund Freud's nephew, directed psychological warfare for United Fruit. In 1951, New York Times publisher Arthur Hays Sulzberger accompanied Bernays on a fact-finding trip. While there, "the first 'Communist riot' occurred in Guatemala. McCann credited Bernays with "a first-class public relations coup." That tour was followed by many others—by the wire services, the national magazines, the electronic networks. Everything the media saw "was carefully staged and regulated" by United Fruit. But, McCann wrote, it is difficult to argue that the press was actually manipulated when it was "so eager for the experience."¹²

Even before Arbenz began legal proceedings to expropriate United Fruit lands, the company with the aid of Guatemalan landlords and exiles and Nicaragua's dictator, Anastasio ("Tacho") Somoza, planned his overthrow. One aborted plan, evidently called "Operation Fortune," failed to get Truman's approval. First proposed in a conversation between General Somoza and an attorney for the United Fruit Company, "the plan "had been to support Guatemalan revolutionary elements who thought at the time they could count on important officers. . . . General Somoza and Col. Somoza had gotten in touch with Peru, Panama, El Salvador, Honduras, the Dominican Republic and Venezuela. . . . Col. Somoza

said that all countries agreed to the plan except Honduras, which . . . would have nothing to do with it unless it could be certain that the State Department approved. . . ." According to Guatemalan intelligence, the effort was to have been made in June 1952. But the officers they counted on failed to act. Somoza then dropped the plan temporarily "as being too risky."¹³

The first record of official United States interest in a coup against Arbenz occurred on the eve of Eisenhower's election. In October 1952, Berle was told that a widespread movement was underway and that Arbenz might be toppled by December. The governments of El Salvador and Honduras might lend "direct support." Berle agreed that Guatemala was in the grip of "a Russian-controlled dictatorship." That was, he affirmed, "perfectly sound ground for the United States to invoke the Act of Chapultepec and the Treaty of Rio de Janeiro."

Berle noted in his journal that the Council on Foreign Relations had already "agreed generally that the Guatemalan Government was Communist." Berle decided to contact Adlai Stevenson directly and to "see Nelson Rockefeller, who knows the situation and can work a little with General Eisenhower on it." After Eisenhower's victory, Berle met, on 17 November, with C. D. Jackson. Eisenhower had appointed Jackson to a task force, which was to become known as the Jackson Committee, "designed to push the Russians back rather nearer their original quarters." C. D. Jackson, William Jackson—former deputy director of the CIA, and Berle were among the original members of that committee.¹⁴

In February 1953, Berle met at "Cell 13," Nelson Rockefeller's office-apartment at 13 West Fifty-fourth Street, because Rockefeller was "agitated about the Latin American situation." Although Rockefeller's particular upset referred to Brazil's difficulties regarding a loan, Berle noted that it was "queer: the Republicans getting an opposition member to push policy through their own Administration."¹⁵ Actually, the entire inter-American operation was remarkably bipartisan. It was, moreover, dominated by long-time intimates of the United Fruit Company.

According to E. Howard Hunt, Eisenhower's willingness to take on the covert operation in Guatemala was due largely to the efforts of former New Deal adviser Thomas G. Corcoran. "Tommy the Cork's" successful influence-peddling as United Fruit's lobbyist

evidently swayed the National Security Council. Filled with vivid details about peeping-tom capers and Watergate-like break-ins, Hunt's breezy book is also filled with facts found—appropriately—nowhere else. On his return from the CIA's Southeast Europe (Balkan) Division, responsible for Albania, Yugoslavia, Greece, Bulgaria, and Romania, "with small bases in Frankfurt, Paris and Rome," Hunt was sent for the second time to Central America. The "National Security Council under Eisenhower and Vice-President Nixon had ordered the overthrow of Guatemala's regime." Hunt was told that "no clandestine project had higher priority." Organized as an independent operation, the "Guatemalan project was set up as a semiautonomous unit within the Western Hemisphere Division. With its own funds, communications center, and chain of command, it was able to operate without the customary smothering attentions of proliferating advisory staffs within the conventional CIA structure." Hunt, who had suggested such an operation to General Bedell Smith in 1951, asked why "the climate was suddenly right." He was told that "the difference had to do with domestic politics," and Corcoran's energetic lobbying.¹⁶

In his memoirs, Eisenhower noted that he was convinced by the arguments of Assistant Secretary of State for Inter-American Affairs John Moors Cabot, who insisted that Guatemala was "openly playing the Communist game." Guatemala accepted, for example, "the ridiculous Communist contention that the United States had conducted bacteriological warfare in Korea." That, combined with the expropriation of United Fruit lands, were the only evidences for communism that Eisenhower cited.¹⁷

A roll call of administration-United Fruit connections is not only bipartisan, but startling. In addition to Allen Dulles and John Foster Dulles, who had worked directly with the company, John Moors Cabot was the brother of Thomas Dudley Cabot, a former president of the United Fruit Company who served under Truman as director of the State Department's Office of International Security Affairs. Spruille Braden had been assigned to the embassy in Chile, presumably because he understood Chile, since his family owned the Braden Chilean copper mines. He now worked for the United Fruit Company on the Guatemalan project "in his capacity as a well-known professional anti-communist." According to Braden's memoirs, *Diplomats and Demagogues*, Somoza "was really

the man who financed and equipped Castillo Armas" after persuading "Bedell Smith to send the arms to Somoza." As president of the World Bank, John J. McCloy refused Arbenz loans. Later he became a director of United Fruit, as did Walter Bedell Smith. Based in Boston, the company was reputed to be particularly intimate with Massachusetts' former governor Christian Herter and allegedly with the chairman of Boston's Old Colony Trust Company, Eisenhower's National Security Council secretary, General Robert Cutler. Finally, Eisenhower's personal White House secretary, Ann Whitman, was married to Ed Whitman, the head of United Fruit's public-relations department. According to McCann, his boss, Whitman, was one of Bernays' best protégés. McCann recalled that Ed Whitman always said, "Whenever you read United Fruit's Communist propaganda, you may readily substitute 'United States.'"¹⁸

The effort to destabilize and destroy Arbenz's government existed on several levels. The official, public level involved creating a climate of hysteria against the communist menace in the western hemisphere. Great pains were taken to disassociate political criticism of Guatemala from the UFCO's landed interests. To preserve its image as the anticolonial leader of the free world, the United States could not object to national expropriation. The United States objected only to communism. The United States therefore had to convince the world, and the Guatemalans, that communism dominated Guatemala. In addition, untold millions of dollars were spent in a massive, intricate covert plan that included United Fruit personnel, CIA personnel, and the underground activities of several Central American republics to (1) discover and train appropriate "liberationists"; (2) mount a massive propaganda campaign of suspicion, fear, intimidation, and reprisal; and (3) impoverish, embarrass, and cripple the government at every opportunity. The CIA has yet to release documents that might relate to these activities. The activities are, however, well documented in the Guatemala file at the Library of Congress, in the many *Time* and *Life* articles that boosted C. D. Jackson's less public efforts, and in the recently declassified State Department record.

The Library of Congress's ninety-six-box Guatemala file contains Arbenz's speeches, government publications, and correspondence between government officials. It also contains publica-

tions by and correspondence between representatives of right-wing antigovernment groups, communist organizations, and the worker and campesino unions—including the records of the General Confederation of Guatemalan Workers (CGTG) and the National Confederation of Guatemalan Campesinos (CNCG). That collection represents the daily raw data of Guatemala's revolution from 1944 to 1954 and documents the government's effort to survive a massive assault.

That record makes it clear, above all, that Arbenz insisted on his government's right to be self-defined. And he defined himself as a progressive democrat committed to the changes needed to secure the social welfare of Guatemala. When it was "estimated that it would take 667 years to eliminate illiteracy at the present rate," Arbenz encouraged a massive literacy campaign. His wife, Maria Villanova de Arbenz, worked vigorously with the Alianza Femenina Guatemalteca, the leading women's organization in the country, to create agriculture schools, extend literacy in the countryside, and improve the conditions of women at home and in the workplace. A prominent activist, United States authorities suspected that she was "the real Communist." The Alianza Femenina, like other organized groups dedicated to issues such as international peace, the promotion of literacy, and social change including the National Peace Committee, the student's union, and the Democratic Youth Alliance were all considered Communist or Communist-front organizing groups. In fact, all "mass" organizations concerned with education and public life were considered suspect. "Consciousness-raising" itself was suspect. Literacy would encourage dissatisfaction.

The daughter of a wealthy landed family, Maria Villanova de Arbenz was frequently criticized in the antigovernment press for her interest in expensive furs and jewelry. In the Library of Congress collection, there are careful notes which were made of her exotic purchases, including a "natural royal pastel mink stole" and a series of books by Freud's contemporary Wilhelm Stekel, including *Cartas a Una Madre*, *Matrimonio Moderno*, *La Educación de los Padres*, *La Impotencia en el Hombre*, *Onanismo y Homosexualidad*, and *Estados Nerviosos*. She was also criticized for her close association with prominent Latin American intellectuals, notably with Chile's educator Virginia Bravo Letelier and Pablo

Neruda, who was later to be awarded a Nobel prize for his poetry. In the Library of Congress file, where all evidence was collected to prove the Communist nature of the Arbenz regime, evidence to illustrate "Communist Control of Education" included a letter from Virginia Bravo Letelier to Guatemala's Minister of Education dated August 1949. The interpretive headnote, in English, reads: "How Communist propaganda [was] given to virtually all 6th grade teachers by Virginia Bravo." The actual letter describes the extent of illiteracy among elementary-school teachers in Guatemala. A survey had revealed that "of 2,719 teachers, 637," or 24 percent, had not themselves completed the sixth grade. Bravo, therefore, proposed "a two month plan, assigning groups of teachers to various Normal Schools" to receive "an intensive course in elementary and professional education in mathematics, Spanish, natural science, sociology, pedagogy and psychology. . . . Examinations will be held during the last three days." Those who passed would "be obliged to sign up in a teachers' college" for further study. Those who did not "obtain their sixth grade certificate will be separated from the service for not having the minimal preparation that could be asked of an elementary schoolteacher."¹⁹

Ultimately it did not matter whether or not the Arbenz government was Communist, or whether Arbenz considered himself a Communist. His insistence on independent economic development contradicted all normal relations in the western hemisphere. The United States judged correctly that the Arbenz government was inimical to its fundamental interests. Communism was used, therefore, both as the tool with which to rally Central American support and as the excuse to overthrow the nationalist, anti-imperialist, and naïve government of Jacobo Arbenz. Arbenz and his associates apparently believed, sincerely believed, that they could challenge United States business interests and still be considered acceptable by the United States government. Arbenz evidently believed that the United States would understand and honor his commitment to combine the economic development of Guatemala with the preservation of democratic liberties. He had rejected all pressure to silence the right-wing press (dedicated to his demise) as well as the United States' pressure to silence the Communist press that supported his government. He insisted that charges of anti-democratic

communism were mythologies created to confuse the issue. But the label Communist was necessary. It served to obscure the realities and complexities of the government's economic and political experiments and to cover up the United States' role in the government's destruction.

Arbenz's goal had been to close the doors of Guatemala to further foreign investment and to create a developed economy through loans obtained by regular international banking procedures. Undoubtedly it was less obvious in 1954 than it is today that those goals were mutually exclusive. United States and United States-dominated banking agencies would not advance loans for capital development projects from which United States economic interests would be excluded. From 1951 to 1954, Arbenz's efforts were bold, but hopeless. His programs were far-reaching and varied. They ranged from efforts to end the "electric power shortage" to innovative health-care programs to "protect mother and child." But they were frustrated at every level. Since great gains were nevertheless achieved in employment, education, health care, and land distribution, one might well wonder what Guatemala might look like today had Arbenz received those loans and the process of revolution been allowed to develop. But it was not to be.

From the beginning, Guatemalan officials denied communist domination, infiltration, or even significant influence. In a conversation between Dean Acheson and Guatemala's ambassador to the United States, Guillermo Toriello described his government's policy as democratic. The goal was "to avoid dictatorship." Toriello believed that the "best way to combat Communism is to improve the maladjusted social and economic conditions which produce unrest among the under-privileged classes." He opposed repression, "which would drive communism underground." And, Toriello concluded, Arbenz rejected the "methods adopted by El Salvador where the Government had shot some 1400 persons. Guatemala preferred giving the people 'bread instead of lead.'"²⁰

Toriello insisted that the number of communists in Guatemala was proportionately fewer than the number in the United States. But the State Department dismissed Toriello's argument and suggested that Guatemala follow the United States' example regarding communists: Ban them from public life. On 23 January 1953, a State Department official elaborated United States policy:

"To contain the influence and power of the communists it was necessary to isolate them from positions of importance. Having recognized the danger . . . of the international communist conspiracy, the people and Government of the United States had adopted vigorous measures to seek out and remove the communists from important positions in Government, labor, industry, education, etc. In the case of Guatemala," the State Department insisted, "it was not always so clear that the Government recognized the conspiratorial character of the international communist movement." Toriello was reminded that high government officials had participated in the anniversary celebration of the founding of the Communist newspaper *Octubre* and asked "if he could conceive of the United States Secretary of Interior and the President of the Senate . . . attending a Communist Party rally in New York." In response, Toriello again insisted that he was not a communist, Arbenz was not a communist, "and no one in the Cabinet was either. His government was merely interested in promoting social reform, raising the standard of living. . . . In the old days of Ubico the peasants and the Indians were put in chains and forced to work for the benefit of a few. President Arbenz's Government aimed at freeing the Indians and the workers. . . . Thus they had promoted the organization of labor unions, developed a social security system, passed an agrarian reform law. . . . This program was not communist but liberal and progressive." Insisting that there was nothing "Soviet-inspired" about Guatemala's objectives, Toriello concluded: "Guatemala was embarked on a program of full democracy and was intent upon fulfilling the guarantees of the Constitution which permitted any and all citizens to express their own views and ideologies. The Guatemalan Constitution prohibited any discrimination . . . because of race, color, creed, religion or ideology. To move against the communists would require a return to the police state methods of Ubico and the Government would not revert back to Ubicoism."²¹

Ubicoism, or Latin American repression of any kind, did not concern the United States. Communism did. On 31 March 1953, A. A. Berle sent to his fellow Jackson Committee members a detailed outline of a preliminary program on "The Guatemalan Problem in Central America":

The United States cannot tolerate a Kremlin-controlled Communist government in this hemisphere. It has several possible alternatives:

- (1) American armed intervention—like that of 1915. This is here ruled out except as an extremely bad last resort, because of the immense complications which it would raise all over the hemisphere.
- (2) Organizing a counter-movement, capable of using force if necessary, based in a cooperative neighboring republic. In practice this would mean Nicaragua. It could hardly be done from Mexico, and neither Salvador nor Honduras appears strong enough, though they might help. . . .²²

Berle's suggested plan, with some modifications, was accepted. It seems also to have been merely the official green light for plans already well underway, highly financed, and largely coordinated. Indeed, throughout March, Toriello visited various State Department officers to protest the increasingly outrageous "calumnies" directed against his government. On 6 March he met with John Cabot and insisted that all the "calumniators" seemed to have one demand: arrest the Communists. Toriello asked how Guatemala could fulfill the mandates of the democratic constitution and "put communists in jail or declare the communist party illegal." Cabot suggested a middle course: Remove the communists from positions of influence. Toriello argued that the head of the Social Security Bureau was opposed as a communist, but "he was married to a landowners' daughter." A man named Fanjul was denounced as a communist, "but he was a wealthy businessman." Even José Manuel Fortuny "used to be a supporter of Ubico and became a communist only after getting mental indigestion by reading Marx." The communists in Guatemala, Toriello declared, were "no danger to Guatemala's stability." What threatened stability was the United States' refusal to respond to Guatemala's offers of cooperation and requests for support. Guatemala had supported the United States on all "major issues" at the United Nations and "particularly in confronting the menace of Soviet imperialism. . . ." But when Guatemala requested one hundred rifles for the police, tractors to

* Subsequently, the United States' compilation of Guatemala's UN vote was kept out of the record of communist activities, because it was so clearly in line with the other American republics. On 2 June 1954, the State Department's study group decided Guatemala's UN record "would not be particularly helpful in our case."

build the Atlantic highway, and airplanes and parts, the United States turned the requests away. Guatemala now agreed to all United States demands regarding the proposed Inter-American Highway, "but there was still no sign that the United States would sign the Agreement."

On 11 March, Toriello met with other representatives of the State Department. Basically the same conversation occurred except that Toriello "professed not to know" whether the head of the CGTG, Víctor Manuel Gutiérrez, was a Communist. Toriello said that while he did not know whether or not he was a Communist, the State Department should, since the FBI worked in Guatemala. To the United States' argument that the "existence of communist influence in Guatemala" was part of a "life and death struggle with world communism," Toriello replied that in his own life he had witnessed the tragedy and severity of dictatorships. Today, he concluded, the opposition, "the reactionary landowners and the United Fruit Company, the Railroad, the Electric Power Company, and Pan American Airways, want to overthrow Arbenz and install a dictator of the old type." Toriello considered the matter clear: the issue of "communism was artificially fostered by the foreign companies, who hired journalists to publicize it in the United States and," he noted, "his government has proof of this fact." The meeting ended as a State Department official suggested that if it was true the United States overestimated the significance of communists in Guatemala, "it should be correspondingly easier for the Guatemalans to deal with them."

Shortly before he returned to Guatemala, Toriello made one final visit to Cabot, on 25 March. Enraged by the "press campaign in the United States," Toriello referred to a series of articles "so mendacious" he threatened to sue. He referred specifically to an "article by a Mr. Toledano" in the *American Mercury* and a "newspaper distributed to school children called *Our Times*." Cabot assured Toriello that the "paper was not an official government publication." The conversation then turned to such issues as Aviateca's application to fly to the United States, license applications for tank parts, and the Inter-American Highway. Cabot again emphasized the United States' concern about communism. Toriello again reassured Cabot, this time noting that he was certain that the anti-communist campaign against Guatemala would continue until the reform program ended, "even if every Communist in the

country were somehow eliminated." The real problem was unchecked monopoly. Toriello referred to the expropriation of his own lands and concluded that the payment for his property based on the "declared tax valuation was just payment." But United Fruit had a history of "bad behavior." UFCO, for example, paid seventy-five dollars per car to ship its bananas on the railroad, while Guatemalans were charged "\$575 per car, and that the Government therefore had to build the Atlantic Highway to provide fair competition." Cabot replied that the highway, like all "subsidiary" matters, would be "settled more or less quickly once the basic question of Communist infiltration in the Government of Guatemala was resolved." Cabot noted that the conversation was "friendly and frank."²³

The day Toriello returned to Guatemala City, the day before Berle had submitted his proposal to the Jackson Committee, a premature coup occurred in Salamá, with scattered activity in San Jerónimo and elsewhere in Baja Verapaz Department. The United States embassy in Guatemala City cabled Washington that the rebellion "had no (repeat no) connection" with the anti-Communist revolutionary group "which is believed to be in touch with Castillo Armas." Evidently a rival to Castillo Armas, an attorney "banished by Arévalo in April 1945 for plotting," believed he would receive support. But he was "reportedly egocentric and not trusted by other anti-communist leaders." César Izaguirre headed a group called the "Christian Army," in contact with but evidently "not united" with the leading antigovernment groups in the capital. Government troops acted "promptly and efficiently." Because the rebels had painted "distinctive marks" on an airfield, it was assumed that "they expected re-enforcement by air."²⁴ On 1 April, Guatemala's Foreign Minister, Dr. Raúl Osegueda sent a message to the United Nations denouncing the existence of an international plot that threatened Guatemala's sovereignty by "external aggression." Guatemala withdrew from the Organization of Central American States (ODECA) on 4 April in protest. This withdrawal was later used as evidence that Guatemala aggressively threatened the security of its neighbors.

Subsequently, parties to the Salamá uprising stated that they had been "absolutely certain" they would receive "all kinds of aid by airplanes coming from Mexico and Nicaragua." United States Am-

bassador Rudolf Schoenfeld cabled John Foster Dulles that several conspirators were arrested but others had "better luck": "Disguised as participants in a Holy Week procession," they slipped into the Mexican embassy and, in the time-honored tradition of Latin American politics, were granted "safe conducts" issued by Arbenz's Foreign Office. One leader, Carlos Simons, took asylum in the Honduran embassy "and is understood to be planning a trip to the United States after his departure from Guatemala."²⁵ Snafu or betrayal, the conspirators had indeed been expecting air cover. And the United States knew it. On 4 March, the United States ambassador in Nicaragua had sent Dulles the following telegram:

CONTROLLED AMERICAN SOURCE IS REPORTING . . . THAT REVOLT WILL BE ATTEMPTED IN GUATEMALA DURING HOLY WEEK. FINANCIAL BACKERS REPORTEDLY VENEZUELA, EL SALVADOR, UNITED STATES AND UNITED FRUIT. NICARAGUAN AMBASSADOR TO VENEZUELA . . . QUOTED AS SAYING PRESIDENT OF VENEZUELA REQUESTED AID FROM SOMOZA WHO REPLIED WOULD HELP IN ANY WAY HE COULD. SOMOZA TOLD ME TWO DAYS AGO HE WOULD NOT PARTICIPATE . . . WITHOUT FIRST INFORMING DEPARTMENT GETTING OUR REACTION.²⁶

During May 1953, a series of confessions revealed that the Salamá rebellion was in fact supported by United Fruit, Trujillo, and Somoza. El Salvador and Honduras as well as Nicaragua and the Dominican Republic had promised various kinds of aid. The UFCO allegedly provided sixty-four thousand dollars to purchase arms. The movement was to be spearheaded by Juan Córdova Cerna. The leaders were Castillo Armas' rivals. All confessions were later disavowed. Almyr Bump, the UFCO's manager in Guatemala, announced that the charges "were totally false." United Fruit's policy was "to respect the duly-constituted authorities of the countries where it operated." It was not, in any case, the CIA's plan. Actually the State Department was rather chagrined by the independent caper. Coup competition served neither the United Fruit Company nor the United States government.²⁷

The official United States plan required more time. It depended on the appearance of popular support and international approval. The United States' plan was to emphasize the survival of democratic virtue in the face of communist violence. A carefully elaborated plan was underway to get international support, especially

the support of the Americas in the democratic forum of the OAS. For success, it must seem to have little to do with the particular demands of the UFCO. For success, it must also seem to represent the popular will of the people of Guatemala.

This is not to suggest unconcern for private United States economic interests in Guatemala. They were the United States' primary concern. But they were hardly the stuff with which to coordinate an international rally against Guatemala. The State Department was very clear about that. "American interests" were "under attack." The United Fruit Company was the "prime target." The International Railways of Central America were "also under recurring attack." The Electric Light and Power Company, a wholly owned American and other-foreign-power subsidiary, was threatened "from two sources": Guatemala's hydroelectric power development, which would use water from the same river that supplied two of the company's plants; and a "revision of its concession contracts as a result of actions by a congressional committee dominated by Communists."²⁸ In addition, Guatemala's long-standing refusal to consider oil exploration contracts with United States companies and its intention to depend exclusively on Guatemalan capital to explore potentially oil-rich areas were irksome.²⁹

For three years, therefore, the United States "steadfastly maintained a policy of withholding favors," including World Bank capital development loans, and justified its policy on the grounds that Guatemala tolerated and encouraged communism. At the same time, the State Department noted, "we have not given in to various pressures for direct intervention, which would be in violation of our fundamental Latin American policy and solemn treaty commitments." The State Department believed that the Guatemalan situation required the "most delicate and patient handling and that the dangers to our interests from inadvisable action should be fully weighed against any immediate lure to dispose of the problem abruptly."³⁰

Careful, well-planned political warfare was the key to the United States' "delicate and patient handling of Guatemala." Detailed reports were compiled to illustrate "communist infiltration" and "penetration." The State Department noted that the Guatemalan congress "stood in silence in memory of Joseph Stalin, the only government body in the Western Hemisphere to do so." Much

was made of the fact that even "independent" newspapers ran articles critical of the United States. Rudolf Schoenfeld cabled Washington that the ordinarily friendly *El Imparcial* carried a UP dispatch that originated from the Communist Party, U.S.A., accusing the United States of complicity in the Salamá uprising and quoting Spruille Braden as saying that Guatemala was "an advance base of international Communism and that suppression of Communism, even by force, by one or more of the other republics, would not constitute intervention in the internal affairs of Guatemala. The fact that this statement by an ex-official of the Truman Administration . . . has not been repudiated by the Eisenhower Administration shows that they are 'coyotes of the same kidney.'" When Guatemala brought its case to the United Nations, the United States decided "to ignore the charges, as Guatemala, at least in the UN, was engaged solely in a propaganda maneuver."³¹

While intensifying its own propaganda effort, the United States decided to "include El Salvador, Honduras and Nicaragua in hemispheric defense plans." Military-assistance pacts were negotiated and arms were shipped. The goal was "to bring home to the Guatemalan military the further disadvantage of noncooperation with the United States." In addition, Washington agreed that Colonel Castillo Armas would lead the CIA's counterinsurgency force of Guatemalan "liberators." According to Hunt, the CIA assembled and trained the insurgents in Honduras. From a clandestine Opa-locka airport, near Miami, the CIA ran airlifts to Castillo Armas' "small band—never more than 140 men." Hunt explained that "Washington" chose Castillo over other contenders, particularly Colonel Ydígoras Fuentes, because he was "a right-wing reactionary." According to Ydígoras Fuentes' account in *My War with Communism*,

A former executive of the United Fruit Company . . . Mr. Walter Turnbull came to see me with two gentlemen he introduced as agents of the CIA. They said that I was a popular figure in Guatemala and that they wanted to lend their assistance to overthrow Arbenz. When I asked their conditions for the assistance I found them unacceptable. Among other things I was to promise to favor the United Fruit Company and the International Railways of Central America; to destroy the railroad workers labor union; to suspend claims against Great Britain for the Belize territory; to es-

establish a strong-arm government, on the style of Ubico. Further, I was to pay back every cent that was invested in the undertaking on the basis of accounts that would be presented to me afterwards. I told them that I would have to be given time to prepare my conditions, as theirs seemed to me to be unfavorable to Guatemala. They withdrew, promising to return; I never saw them again.³²

To isolate Arbenz, to organize public discontent, and to establish conditions for a military mutiny were the primary expectations behind the United States' decision to arm Honduras, El Salvador, and Nicaragua. In an intelligence estimate coordinated by the State Department and "the CIA's Office of National Intelligence and its covert offices," the Division of Research for Latin America concluded:

Assuming that the external and political and military capabilities of El Salvador, Honduras, and Nicaragua are markedly increased through an effectively initiated and sustained program of military assistance, it is likely (1) that the opposition to Arbenz will become more [critically] militant; (2) that important Army and political leaders now supporting Arbenz will, if they are assured of a place in some alternative regime, calculate that the present regime does not serve the best interests of either the nation or themselves. . . .

The United States calculated that despite "initial resentment against the United States" and a real commitment to Arbenz, Guatemala's military would "eventually" recognize "that military aid to neighboring countries is an expression of United States determination to eliminate Communist leadership and influence in Guatemala." With "increased disaffection among lower echelon officer personnel, emboldened action by elements of the political opposition, an increase in the number of revolutionary attempts against the government, the loss of military position and political leadership in Central America, and new defensive requirements along Guatemala's borders," the United States anticipated "at least a split among top Army leaders, some of whom would be willing to attempt deals with overt and covert oppositionist elements."

United States estimates did not anticipate toppling Arbenz quickly or with assured ease. Intelligence analysts were aware of the widespread support he maintained, "not only from Communist-led labor and the radical fringe of professional and intellectual

groups, but also among many anti-Communist nationalists in urban areas, especially Guatemala City." The United States' effort depended entirely on creating sufficient "internal tension and national isolation" to weaken "the Army's loyalty to Arbenz."³³

The shipment of arms to Guatemala's neighbors created the expected anxiety. Guatemala's Ambassador Guillermo Toriello met with United States officials to resolve what Guatemala believed was the basic difference, the controversy over United Fruit lands. But there was only one issue to discuss: "Communism." State Department officer Thomas Mann was emphatic. The United States "knew that communists the world over were agents of Soviet imperialism and constituted a mortal threat to our own national existence." When Toriello insisted that he and Arbenz opposed Communists but refused to "force them underground with the repressive measures used by his country's hated dictatorships," Mann exhibited the United States' policy toward Communists as the only appropriate model:

It was not necessary to kill Communists in order to remove their influence from the Government. In the United States the Communists freely printed a daily newspaper and enjoyed the freedoms of other citizens of the country. . . . The U. S. Government, however, did not support Communist candidates in political elections, did not afford them official facilities with which to disseminate international Communist propaganda, did not appoint Communists to important posts in the executive branch of the Government, did not assist Communists to gain key positions in the leading political parties, from where they could wield influence far out of proportion to their numbers, did not issue diplomatic passports to Communists who thereupon traveled to Communist meetings in the Soviet orbit with the immunity of official status under the Government, and did not do a great many other things. . . .³⁴

Guatemala refused to adopt the United States' interpretation of civil liberties and political freedom. One year after the Toriello-Mann conversation, the Arbenz government was overthrown. Economic sanctions helped destabilize the economy. While Toriello argued that the "United States could help the opponents of communism by granting normal cooperation and aid instead of leaving them 'perched like birds on the side of a mountain,'" the United

States trained Castillo Armas' forces on a United Fruit Company plantation in Honduras.⁸⁶

But as late as November 1953, municipal elections revealed that all efforts to reduce support for Arbenz had failed. Despite the well-financed creation of an antigovernment United Front, Arbenz supporters held firm. According to the State Department, "Communist-sympathizers" were elected where they had never been elected before. The State Department conjectured that the robust victories for the Arbenz government resulted from the fact that, since the Salamá uprising, leading anti-communists were busy in exile, and the "Opposition as a whole may be said to have given up any hopes of making their views prevail through elections."⁸⁶

The Association of University Students, for example, had been dominated by anti-communists until October 1953. It was now headed by "a member of the pro-Communist student organization," whose first act in office was "to send a telegram to President Batista protesting the detention in Cuba of student delegates returning from the 'peace' congress in Bucharest." In addition, several elected officials who had formerly remained aloof from "communist causes" were now regarded as "opportunists" who moved left to protest, for example, Eisenhower's agreement with Franco to build a United States air base in Spain.⁸⁷

In November, John E. Peurifoy replaced Rudolf Schoenfeld as United States ambassador to Guatemala. Although he could not speak Spanish, the CIA chose Peurifoy for the post and Eisenhower agreed, since Peurifoy was so "familiar with the tactics of Communists in Greece." Known as "smiling Jack," Peurifoy was a tough South Carolinian pleased with his image as the man with a "big stick." He wrote to John Cabot: "I have [the] psychological advantage of being new and [the] government feels I have come to Guatemala to use the big stick. We have been letting them stew."⁸⁸

During his introductory meetings with Guatemalan officials, Peurifoy announced his task: to eliminate Communists from the government, and Communist attitudes from the country. In his first meeting with Guatemala's new Foreign Minister, Dr. Raúl Osegueda, Peurifoy cited Greece, where only 18 percent of the soil was arable, as a country that would soon "produce its own basic foodstuff" without agrarian reform—"thanks to American Technical Assistance." In defense of agrarian reform, Osegueda described

conditions in rural Guatemala before 1944, when "farm laborers had been roped together by the Army for delivery to the low-land farms where they were kept in debt slavery by the landowners." Peurifoy replied that "agrarian reform had been instituted in China and that China was today a Communist country."⁸⁹

Charges of communism notwithstanding, Peurifoy and other United States officials knew that Osegueda was not a communist. Raymond G. Leddy had, for example, analyzed Osegueda's politics. He was "a rather typical product of the leftist-liberal depression era in the United States." Leddy hoped that Peurifoy's tough stance would "jar him out of the haze about agrarian reform and his esteemed colleagues," but speculated that his impoverished apprenticeship in California, where he "kept body and soul together . . . by some menial labor which, to a youth of intellectual tastes and educational ambitions, was rankling and proved to him the necessity to change the economic system." Postwar Washington no longer believed in New Deal notions, and such State Department officials as Leddy considered Guatemalans such as Osegueda to be cases of "arrested development." "His ideas on government are an exact parody," he explained to Peurifoy, "of all that we heard up until, roughly, Pearl Harbor—the alliance between capitalism and Fascism, the emptiness of political democracy without economic security, and the deadly danger of military might allied with corrupt politicians." Leddy guessed Osegueda's "mental growth stopped at about that time." He and his associates failed to see that the "muchachos" they know from boyhood could be any kind of a threat to them or their country for preaching and organizing Communism, just as they refuse to look at the world map and see that Soviet expansion is a relentless and grueling reality."⁹⁰

In a lengthy dinner meeting with President and Mrs. Arbenz, Peurifoy specified the United States' one-issue policy. There was no hope of better relations so long as Communists influenced Guatemala's affairs. To persuade Arbenz of the wisdom of adopting the United States' ultimatum, Peurifoy "reviewed for the President the efforts the United States has made to help free people all over the world." When Arbenz insisted that local Communists like Fortuny were "honest men," Peurifoy questioned their visits to Moscow. María Villanova de Arbenz "said that the Communists here went to Moscow to study Marxism from an economic point of

view, but this had no connection with their political beliefs," Peurifoy replied that not only the United States, but all Guatemalans neighbors, were concerned about such attitudes. Arbenz said "most of his neighbors were permitting the Fruit Company to finance counterespionage and counter-revolutionaries within their countries against his government." Peurifoy demanded proof, insisting that the United States had declared in 1945 "that United States business should not intervene in the internal affairs of nations in the Hemisphere if they expected United States support." Arbenz promised proof that Castillo Armas had been receiving money regularly although it was "possible that Trujillo . . . had been the benefactor." He considered the Fruit Company, however, "the biggest stumbling block" and believed that it "dominated the press of the United States." Peurifoy assured him that United Fruit was "a small corporation by American standards and that . . . no corporation dominated any of the press in the United States."

After six hours of banter and haggling, Peurifoy concluded that if Arbenz was not a Communist, he would "certainly do until one comes along." He was also convinced that Mrs. Arbenz had "extreme and great influence on her husband." "Shrewd and smart," she was "a person to be reckoned with." Peurifoy reported to Washington that "normal approaches will probably not work in Guatemala. Furthermore, the longer we remain idle and do nothing, the more difficult it is going to be to change the situation. This very small group of Communists is strongly entrenched and is strangling the nation day by day. The candle is burning slowly and surely, and it is only a matter of time before the large American interests will be forced out completely."⁴¹

"The normal approaches will probably not work. . . ." Peurifoy's mission, therefore, was to involve irregular and unlimited tactics. To destabilize the government of Guatemala, everything was exploitable. Gossip, aggrieved personalities, "public brawls at the bull ring," "popular impatience" with "government reform programs," "wasteful experimentation," "disgust at the unfinished, mismanaged, and disorderly Fair grounds"—a costly public works project that seemed somehow sabotaged on every level. The 2 November 1953 issue of *Time* magazine described the situation in "Oh, Come to the Fair!"

To lure U.S. tourists scared off by its growing reputation as a center of Communist influence, Guatemala this year decided to stage a lavish international fair. Jorge Toriello, a high-powered businessman who backs the regime, was put in charge with \$1,080,000 to spend. Promising the republic a gambling casino, horse races, Miami-style dog racing, Ferris wheels, a roller-coaster and a brand-new bullring, Toriello pitched right in. Abroad he laid out \$100,000 for publicity, including \$30,000 for full-page ads in the *New York Times* ("Guatemala—Panorama of Progress"). In the capital's Aurora park he set thousands of masons and carpenters working to finish the fair for last week's grand opening.

But every difficulty occurred. Nothing was completed. Guatemala's only cement factory "broke down." That made it impossible to complete the bull ring's outer wall. With every ticket sold, and no wall, thousands of "gate-crashers" invaded the bull ring. A riot erupted. According to *Time*, "Soon many choice ringside seats . . . had barefoot occupants" and "8000 angry ticket-holders could not get in." The bullfight was canceled. Bottles and refuse showered the arena. Wooden chairs and debris were set aflame. The toilets were smashed. Many were hurt. In addition, *Time* gloated:

Toriello's casino attracted little betting, his dog races were put off because of construction fights, and his fellow businessmen showed no interest in the fair's industrial pavilions. . . . And to top it all, the . . . crowds of U.S. tourists failed to show.

All mishaps were reported jubilantly to Washington. All mishaps represented "growing dissatisfaction." Guatemalan reformers were "stripped" of their "glamor," as "promises of 'Revolutionary' progress" were delayed by inefficiency and publicly staged brawls. The mismanaged fair ground would arouse public contempt. And all problems were "accentuated by a series of annoyances, such as the paucity of films in movie theaters due to the government's difficulties with American distributors, an almost total lack of sugar in Guatemala City . . . , and a currently threatened meat shortage."⁴²

Those familiar with the destabilization of Allende's government in Chile in 1973 might perceive a familiar pattern. Peurifoy's task was to move "the current phase of ferment and unrest" beyond

scattered expressions of petty annoyances to the point of massive public demonstrations of protest leading to the government's overthrow by popular acclamation. There were two problems: There was no unity among the counterrevolutionaries; and there was insufficient opposition to the government.

Castillo Armas complained that Ydígoras Fuentes wanted the presidency "on a silver platter" but was "unwilling to fight for it." Another rival, Colonel Barrios Peña, also had presidential pretensions. But Castillo Armas considered him "erratic, unstable, unreliable," and "by nature" "poco loco." State Department officials complained that there was "no center around which anti-Administration and anti-Communist sentiment can polarize." The exile community of pretenders distrusted each other and sought money for themselves in Washington. One Ydígoras Fuentes supporter, José Luis Arenas, met with Vice-President Nixon, Senator Karl Mundt, and members of the State Department to request two hundred thousand dollars for "volunteers" to participate in "massive popular demonstrations." With sufficient funds he promised to "bring the entire Republic to Guatemala City." No "final decision" was made on his offer, and "no formal memorandum" was kept of the meeting.⁴⁸

Factional disunity and insufficient popular support had persuaded both Somoza and Trujillo that "the only means of overthrowing the Government was through a decision of the United States Government to do so." Trujillo had reportedly complained that "every time something started there were twenty people who wanted to be President after the uprising and none would cooperate with the other nineteen." United States officials were assured that the "United States need not do it itself, but could work through friendly Central American and Caribbean Governments." But organizational leadership was expected. Castillo Armas was, moreover, clear about his own needs.⁴⁴ He was a "professional military man" and had specific requirements: "competent direction, substantial resources, and a complete plan of operations." But he informed the United States that the "top echelon" of the armed forces of Guatemala remained entirely "loyal to Arbenz."⁴⁵

On 23 December 1953, Peurifoy outlined the situation and a

fully developed program for its revision: Communists would "gain strength" so long as Arbenz remained in office. All "normal diplomatic procedures" were inadequate. Therefore, to make it difficult for Arbenz to remain in office, Peurifoy suggested a series of measures to be taken prior to the Caracas conference scheduled for the coming spring: (1) Publicize "through press channels Communist developments." (2) Avoid "any overt acts to which Guatemalan delegates at [the] conference could point as evidence of persecution of Guatemala or intervention in its affairs." (3) Avoid "emphasis on fruit company problems." (4) Accelerate "locally overt and covert anti-Communist propaganda." (5) Support the "small Guatemalan free labor organization UNTL" (Unión Nacional de Trabajadores Libres—the National Union of Free Workers)—"with 'funds for its activities.'" (6) Establish an environment in which "non-Communists whether now supporting or opposing [the] government would feel forced to coordinate their organizations and take action against [the] government."

In particular, Peurifoy suggested the withdrawal of the United States army and air missions from Guatemala, the withdrawal of personnel from the construction of Guatemala's new Roosevelt Hospital and of its agricultural mission, "not including the Enteros Rubber Experiment Project, which is important to us"; cancellation of a contract with the United Fruit Company for growing abaca; "denunciation" of the "reciprocal trade treaty"; a vigorous campaign "through columnists and radio commentators for voluntary refusal by American coffee importers to buy Guatemalan coffee." Peurifoy thought the latter might be upsetting even if "purchases did not decrease," since it would "give local growers [an] increased sense of urgency and stimulate their willingness to aid anti-government movement." Impede "issuance of export licenses on shipments of goods from United States to Guatemala," ranging from "delays" to a general refusal to issue licenses especially "for road and port building equipment." "Final or partial suspension" of crucial "gasoline shipments." Peurifoy thought of these proposals as a "starting point for study" that might be applied "progressively" as the situation unfolded. He was not unmindful that these steps could "lead to considerable bloodshed." His plan should, he assured Dulles, be implemented regardless of

the "unpleasant consequences since continuance of present regime would also lead to most of them though at a slower pace and at the convenience of the Communists."⁴⁶

In January 1954, several conspirators, including members of the United States-financed labor union UNTL, were arrested as participants in a "well-organized plot." The State Department instructed USIA officers to emphasize that the arrests were "made arbitrarily" and were part of a "campaign to intimidate anti-Communist opposition." The capture of UNTL members "should be treated as forthright government action" against the organization of "a free labor movement outside Communist-dominated CGTG."⁴⁷ At the same time, Walter Bedell Smith sent a telegram instructing the United States embassy in Guatemala City to release the statement John Foster Dulles had made before the Senate Foreign Relations Committee during his confirmation hearings the preceding year. He had "no interest or connection" in any "outside organization." He had resigned from his "former law firm" and from all boards of directors and no longer had any "interest" of "any kind, sort [or] description . . . in any foreign government [or] foreign concern. . . ."⁴⁸

Guatemalan efforts to organize a united front for the country's defense progressed slowly. Not until January 1954 did the government organize its own Office of Publicity and Propaganda, "to counteract the insidious campaign" conducted by the United States press, particularly the *New York Times*, *Life*, and the *Reader's Digest* (*Selecciones*). Guatemala's Office of Publicity and Propaganda celebrated the country's economic changes and all innovations; it investigated the connections of those who attacked Guatemala in the United States, particularly "their relations with the imperialist enterprises," as well as those "vulgar delinquents" in Guatemala who were implicated in the "repugnant campaign of slander." It monitored foreign newspapers, magazines, and radio stations, and highlighted all international support. The committee introduced a significant and vigorous propaganda factor into Guatemalan politics. Its activities were supplemented by a Committee of Struggle Against the Foreign Intervention, also organized in January.

The State Department was not pleased. The USIS reported that although the government radio station was an "amateur" operation

musically, it "combined the best in professional announcing with good technical direction . . . to produce an outstanding emotional appeal to all Guatemalans to unite in making their country 'free, sovereign and independent.'" Its news programs were "slanted," and "excoriated" the United States with such items as: Department of State "refused a passport to a newspaperwoman, Mrs. Beverly Hepburn, 'because of her obvious sympathy toward Guatemala'"; the American Legion "ratified the decision to consider colored affiliates as second-class members." Such reports, the USIS complained, were "impertinently introduced by several bars of the United States national anthem." The station's "special programs" were even more "offensive." One cultural program, for example, denounced the United States Spanish-language contribution to a recent book fair, particularly "comic books," as a "morbid North American invention."⁴⁹

But the most significant act of Guatemala's new Office of Publicity and Propaganda was to release the details of the January plot, the documents of which had been captured and photocopied. They included "a secret unification agreement signed in San Salvador" between Castillo Armas and Ydígoras Fuentes; a 20 September 1953 letter from Castillo Armas to President Somoza asserting that "our friends" informed him that "the Government of the North" now recognized "the impossibility of finding another solution to the grave problem of my country" and had decided "to allow us to develop our plans"; and photostatic copies of the arms and matériel offered to Somoza by H. F. Cordes and Company, of Hamburg, Germany—including unspecified heavy and light arms, machine guns, mortars, napalm bombs, field beds, field telephones, and Vampire jet planes. Since H. F. Cordes did not offer bargain-basement prices, Guatemala understandably concluded that many millions of dollars, "true rivers of money," had been made available to Castillo Armas and his supporters. One used, but guaranteed, Vampire jet was priced at sixty-five thousand dollars (U.S.). Twenty had evidently been sent to Somoza in July 1953 and four in September 1953. One barrel containing one hundred kilos of napalm cost one hundred seventy dollars, not counting the cost of the metal container. The quality of the napalm was designated "According to the specification of the United States."⁵⁰

Guatemala published these documents in a ninety-eight-page

pamphlet in which the tensions among the conspirators were analyzed and the contributions of many public figures, including Somoza, Trujillo, and Francis Cardinal Spellman, were cited. The governments of El Salvador, the Dominican Republic, and Venezuela were also implicated. Jorge Isaac Delgado, a commercial attaché in the Panamanian embassy in Managua, was named responsible for the purchase of planes and ships, "pilots and mercenaries." Clandestine arms had already been brought into Guatemala City and Tiquisate through "various channels," including the use of the International Railways of Central America. In addition, "super-saboteurs, assassins and technicians" were training on Nicaragua's island of Momotombo, "known in the code of conspirators as EL DIABLO"; and Somoza's private ranch, El Tamarindo, served as the communications center. Its code name was "TAP TAP." A Colonel "Carl Studer," allegedly retired from the United States Army and currently employed by the UFCO, was the instructor for the project's personnel.

Guatemalan authorities understood that the key to this "criminal project" was an "extensive and profound" press campaign of "intimidation, calumny, blackmail and defamation." They also understood that the key problem with the project was that Castillo Armas and Ydígoras Fuentes "did not trust each other because they know each other." Guatemalan officials had evidence that the "traitors to Guatemala, sought to betray [each] other." On 7 November 1953, for example, Castillo Armas warned Somoza "to guard the triumph of counterrevolution" and not to give Ydígoras "any information regarding our activities." Other pretenders to leadership, notably Barrios Peña, who was favored by Trujillo, also complicated matters—as did the fact that Castillo Armas mistrusted the Guatemalans recruited for the invasion and the fact that the entire project depended on "world events which exist or will exist elsewhere." The pamphlet concluded with the text of the State Department's press release issued in response to the widespread publicity that resulted from the publication of Guatemala's charges.⁵⁰

A master of the alchemy of twentieth-century political warfare, Walter Bedell Smith transformed the facts of the project into a "Communist-inspired terror campaign." His press release dismissed the charge "that the United States Government had acquiesced in a

plot by other nations against Guatemala" as "ridiculous and untrue." He asserted:

It is the policy of the United States not to intervene in the internal affairs of other nations. . . . It is notable that the charge comes as the climax of an increasingly mendacious propaganda campaign and of attacks on freedom of expression and democratic labor organization in Guatemala. This is perhaps connected with the recent change in the Guatemalan Foreign Ministry and with the return from visits to the Soviet Union and Iron Curtain countries of Víctor Manuel Gutiérrez and José Manuel Fortuny, the former a notorious Communist and leader of the Communist-dominated labor confederation (CGTG), the latter the head of the Guatemalan Communist Party, and both closely associated with the leading figures of the Guatemalan Government. The official Guatemalan press and radio offices . . . have a long record of circulating false charges, typically Communist in their technique, against the United States, the United Nations, and particularly those countries which have been actively resisting Communist aggression.

The United States views the issuance of this false accusation immediately prior to the Tenth Inter-American Conference as a Communist effort to disrupt the work of this conference and the inter-American solidarity which is so vital to all the nations of the Hemisphere.⁵¹

Smith advised the Central American embassies that the United States considered "firmness" in the "face of [the] Communist-inspired terror campaign" vital to hemispheric unity. He applauded Somoza's "equally strong rejection of false Guatemalan accusations" and awaited El Salvador's "acceptance of the United States' military assistance agreements."⁵²

In Guatemala, the revelations caused a sensation. Except for one newspaper that headlined "Red saturation has fallen on country," Guatemala's newspapers condemned foreign intervention. Guatemala's parliament formally denounced Castillo Armas and Ydígoras Fuentes. Krieg informed Dulles that Víctor Manuel Gutiérrez accused the saboteurs of receiving money from the UFCO and the Department of State "from \$100 million Mutual Security funds." According to Krieg, newspaper headlines representing all factions, including those opposed to Arbenz, seemed to accept the charge of United States complicity. Headlines ranged from "Inter-

national Plot Denounced . . . ,” to “Planned Criminal Bombardment with Napalm Bombs.” During a five-hour session, Guatemala’s congress unanimously opposed international aggression against Guatemala’s sovereignty. Not only did the Communist deputy Gutiérrez accuse Braden, Senator Alexander Wiley, Peurifoy, and others of “twisting the truth . . . in preparation for the Caracas Conference and military intervention,” non-Communist deputies “referred to the liberties proclaimed by President Roosevelt and said that if the McCarthys, Wileys, Peurifoy, etc., had forgotten them, the Guatemalan people had not.” José Alberto Cardoza, one of the four Communist deputies in Guatemala’s fifty-six-seat legislature, insisted that a distinction now be made between liberty and the “libertinage” or “treason” practiced by the anti-government papers and “Radio Success,” which reported “any agrarian, political or labor incident” detrimental to the government while refusing to report incidents of sabotage. It was time, he insisted, “to take a new attitude toward this reactionary press.”⁵³

Subsequently, on 2 February, New York Times reporter Sidney Gruson and Reuters correspondent Marshall Bannell, who was also Central American correspondent for the National Broadcasting Company, were expelled. Their articles were denounced as “insulting” and provocative. In response, the USIA recommended a policy of “maximum unattributed press and radio output,” emphasizing that the expulsions represented an “undisguised blow at freedom of the press.” Information agents were to imply that Cardoza’s statement before Guatemala’s congress indicated an “intensification” of the Communist drive against the independent press and that it was “apparently timed to coincide” with the expulsion of foreign newsmen and demonstrates, therefore, the “strength of Communist influence over government.”⁵⁴

During Toriello’s first meeting with Peurifoy after the publication of the conspiracy details, he told Peurifoy that Eisenhower had favored a “neutral commission” to investigate the contracts between United States companies and Guatemala to see if they conformed with “modern concepts” and if the companies made “adequate contribution to the government and national economy” of Guatemala. On his departure from Washington to assume his post as foreign minister, Ambassador Toriello had paid Eisenhower a farewell visit. Toriello left Washington convinced that Eisenhower

was objective, scrupulous, and open to negotiation. Although there was no record of that meeting, Eisenhower recalled that he is, to date, “unshirtd hell” for “playing along with the Communist.”⁵⁵ Toriello, on the other hand, considered the meeting cordial, sincere, and hopeful and complained to Peurifoy that “it was obvious” that the State Department remained “unaware of the contents” of his earlier talk with President Eisenhower. Toriello believed the “bias against Guatemala” was due to Secretary Dulles and John Moors Cabot and considered it lamentable that Eisenhower received “only one side of the story.” Toriello hoped that Walter Bedell Smith would attend the Caracas meeting so that there might be a “frank discussion.” He also hoped that “nothing would happen at Caracas which would make the situation worse.”⁵⁶

The limited information so far available confirms Toriello’s suspicion that Eisenhower received only one side of the story. But the bias against Guatemala was not limited to Dulles and Cabot. Walter Bedell Smith had briefed Eisenhower preceding Toriello’s visit. Smith considered Toriello “a persuasive apologist for his government.” Toriello had tried earnestly to convince Smith that “Guatemalan Communists are different” and without “real influence.” But, Smith told Eisenhower, the “facts are otherwise. . . . The Guatemalan Government has abundantly proved its Communist sympathies and toleration of Communist activities. . . .”

We have repeatedly expressed deep concern to the Guatemalan Government because it plays the Communist game. Our relations are further disturbed because of the merciless hounding of American companies there by tax and labor demands, strikes, and, in the case of the United Fruit Company, inadequately compensated seizures of land under a Communist-administered Agrarian Reform Law.

The Guatemalan situation has attracted the interest of many American journalists who have visited Guatemala and independently reported on their findings. Prominent Congressmen and Senators of both Parties have shown increasing concern with Communism in Guatemala.⁵⁷

Dulles suggested that Peurifoy respond positively to Toriello’s inquiry about Eisenhower’s plan of a “neutral commission” preceding the Caracas meeting. But he urged Peurifoy to make it clear

that it was not of "primary importance in our relations."⁶⁰ Communism was of primary importance. And Caracas would settle that issue. Guatemala's liberation would be launched from Caracas.

The Tenth Inter-American Conference, at Caracas, represented for the United States the legalistic call for Arbenz's demise. The Organization of American States voted to protect the continent against Soviet penetration. According to all contemporary accounts, the vote was carefully managed, hard-won, coerced. It was, however, everything the United States wanted. With only Argentina and Mexico abstaining, and Guatemala opposed to the motion, the State Department considered Caracas a major diplomatic victory. But it was an uneven victory, a short-lived and cosmetic victory. Of the twenty nations present (Costa Rica did not attend), only the United States wanted to discuss the "intervention of international communism in the American Republics." The American republics wanted to discuss "trade, tariffs, import quotas, markets, loans, investments." The American republics also wanted to discuss fascism and Peronism. But the United States' determination to focus on communism prevailed—since "fascism and Peronism were not controlled from outside the hemisphere."⁶⁰

The opening of the Tenth Inter-American Conference, at Venezuela's new university center, stimulated serious political analyses by United States journalists. The meeting at Caracas was appropriately regarded as a turning point in United States foreign policy. The choices made there would harness the future. United States journalists noted the wide disparity between the United States' preoccupation with communism and Latin America's long agenda—twenty-eight issues that might take a month to discuss—which had nothing to do with communism. "Our neighbors," *The Nation* editorialized, "were more interested in a reversal of Washington economic policies than in any export of the blessings of McCarthyism to their shores." In March 1954 at Caracas, Latin American delegates represented nations that had average per capita incomes that ranged between two hundred and four hundred dollars a year. They wanted reciprocity for their raw materials. Politically, they demanded reaffirmation of the "doctrine of non-intervention."⁶⁰

Time magazine observed the same situation. The United States could not find "a suitable neighbor" to introduce the anti-communist resolution, and left for Caracas uncertain that there would

be sufficient support to take a "strong line against Guatemala's fellow-traveling government." *Time* lamented that, "like many Europeans, the Latinos are not nearly so roused against the dangers of world Communism as people in the United States." In fact, *Time* despaired:

A large body of non-Communist leftist opinion holds that the U.S. is too upset about the Reds and not bothered enough about right-wing dictatorships. Latin America's powerful nationalist sentiment, moreover, tends to sympathize with Guatemala's Red-led harassment of U.S. companies.

At bottom the trouble is that any U.S. proposal for strong action against Guatemalan Communism raises the old spectre of U.S. intervention, which scares the Latinos more than Communism. . . .

But, *Time* magazine predicted, should "the situation in Guatemala continue to deteriorate the ultimate possibility of unilateral United States action cannot be ruled out." John Peurifoy had announced in January, shortly before Arbenz published the captured documents, that the United States could "not permit a Soviet republic to be established between Texas and the Panama Canal." He warned, "Public opinion in the United States might force us to take some measures to prevent Guatemala from falling into the lap of international Communism." Peurifoy "declined to say" what measures he recommended, but *Time* magazine pointed out that "Guatemala rarely has more on hand than eight days' supply of gasoline."⁶¹

Flora Lewis, a vigorous opponent of Guatemalan communism, analyzed the political environment at Caracas in *The Nation*. In "The Peril Is Not Red in Central America," Flora Lewis wrote: "All Guatemala's neighbors are puzzled by the United States' exclusive preoccupation with Reds. Even leaders far on the right, like President Anastasio Somoza of Nicaragua are disturbed. . . . More democratic leaders deplore the single-minded anti-communism of the United States because it bolsters the feudalists in Latin America and heightens the barriers to needed change to the point where only extremism can assault them. . . ." For Latin Americans, Flora Lewis concluded, the real need was economic reform and the real fear was United States intervention. "Everybody agrees," she wrote, "that the United States had better let

Latin Americans work out their own political salvation, but everybody wants better economic treatment. . . ."

Flora Lewis considered the "bickering family" of Central America largely "backward." "Apathy is great, community feeling is dim." Real revolution, she concluded, was "still far beyond the horizon." Given the months and months of regular reports predicting Guatemala's danger to the entire hemisphere, one might well ask—in the face of "apathy" and "dim" community spirit—what the fuss was about. Indeed, in another article written in the same period, Flora Lewis' own "case history" of "Communism in Guatemala," she featured "devoted, angry-tongued Communists" deeply entrenched and spreading out. Guatemala, she wrote in a different tone for the *New York Times Magazine*, looked at first glance "calm and green, tinged perhaps with a rosy glow of change." But it was actually "red," "blood-and-barricade red." Yet in her analysis of Caracas she had emphasized the disparity between the United States' preoccupation with communism, and Latin America's preoccupation with economic change. When Latin Americans "count up the dollars the United States spends in Europe and the Far East," they conclude "charity might begin nearer home." And when Latin Americans are told the United States decides policy on the basis of whether countries "are with us or against us, they feel puzzled." Communism, she wrote, is "simply not a real issue" to Latin Americans. "Even in Guatemala the arguments are about land reform, imperialism, and so on, not Marxism versus capitalism." Flora Lewis was very specific. She was writing about "nationalism." Latin Americans were concerned exclusively with "economic development and national respectability," and not "or—at least not very frequently" with the competition between "Russia versus the United States." Despite all allegations about Russia's penetration into the hemisphere, Flora Lewis noted that when the Soviet commercial attaché, Mikhail Samoilov, visited Guatemala, he made only a "half-hearted" effort to sell cameras and radios. "Tales of Russian plots to soak up all of Central America's coffee dollars with cheap Soviet exports are," she concluded, "jungle fantasies."⁶²

From right to left, United States journalists seemed unanimous about the meaning of Caracas. For Latin America, economic development and not communism would be "the explosive core of

the conference." And on economic questions the United States would be "likely to find itself standing almost alone against a united Latin world" that believed it was time to stop treating the Americas as a "reservoir of raw materials."⁶³

Milton Eisenhower's 1953 report to the President on Latin America, so eloquent and hopeful, haunted every detail of the Caracas conference. Although he had declined to visit Guatemala, Dr. Eisenhower's tour of ten nations had persuaded him that:

Latin Americans hold a persistent feeling that the U.S. could if it wished have made substantial sums for development available to them when it was providing billions for the rest of the world. This feeling is enhanced by the fact that Latin America does not seek financial grants but rather loans . . . for broad and immediate economic development.

On his return, Dr. Eisenhower had written with a sense of urgency: Economic relations were "the key to better relations." "Everything else, no matter how important, must take secondary place, at least in the absence of war."⁶⁴ In November 1953, Dr. Eisenhower submitted to the President a lengthy and specific analysis of "the importance of Latin America and the United States to each other".

As a market for our commercial exports, Latin America is as important to us as all of Europe and more important than Asia, Africa and Oceania combined. Our sales to Latin America encompass the entire range of our national production. As a source of United States imports, the Latin American republics have even greater relative importance, standing well ahead of Europe or the other continents. . . .

The copper, tin, zinc, iron ore, manganese, and other minerals which we obtain from Latin America are vital constituent parts of the machinery which we in turn ship there. The dollars we provide through purchases of coffee, sugar, tropical fruits, and wool, as well as metals, finance their purchases of transportation and industrial equipment and consumer goods. The industrial and military items which the U.S. turns out to help defend the free world, including the American republics, require a continuing supply of a great variety of strategic materials from Latin America. . . .

Almost 30 percent of all U.S. private, long-term foreign investment is in Latin America; this investment of some \$6 billion is

larger than the amount invested in any other part of the world except Canada. . . .

But during his June-July 1953 tour of South America, Dr. Eisenhower noticed a disturbing "social ferment." Desperate poverty, widespread illiteracy, "woefully inadequate" health and educational facilities had resulted in greater demands for immediate capital development. "They want," Eisenhower noted, "greater production and higher standards of living, and they want them *now*." Unhappily, the need for foreign capital is accompanied throughout most of Latin America by a rising tide of nationalism.

In some respects this surge of nationalism is praiseworthy, for it indicates a growing pride in achievement and an impatient desire to raise dramatically and immediately their standards of living.

But ultra-nationalism, with its blindness to true long-term interests . . . leads to laws and practices which prevent the entrance of foreign capital essential to development.

Ultra-nationalism is being fostered by Communist agitators. Sometimes political leaders who in no sense agree with ultimate Communist purposes accept Communist support. . . . Thus, the two may be joined for a time in the fallacious contention that foreign capital investment, private or public, is in reality a form of imperialism. . . .⁶⁵

To counter the dangers of communism and "ultra-nationalism," Dr. Eisenhower recommended tariff concessions, tax relief, expanded stockpiling of crucial minerals "to provide at least some degree of stability in world market prices of raw materials," and greater use of the U. S. Government-funded and -operated Export-Import Bank to guarantee developmental loans. The last two were of special significance to Latin Americans. But in January 1954, Treasury Secretary George Humphrey opposed them both. He was committed to the primacy of the World Bank, which depended for revenue upon the private money market in all international transactions and considered enlarged stockpiling in the interests of fiscal stability and international amity "an unwarranted departure from our basic economic principles."⁶⁶

Just two weeks before the Caracas meeting, a major rift in administrative circles, apparently regarding these two issues, resulted in the transfer of John Moors Cabot as Assistant Secretary of State

for Inter-American Affairs to the United States embassy in Sweden, and the resignation of Dudley W. Figgis, the Foreign Operations Administration's regional director for Latin America. Although Cabot assisted Dulles at Caracas, it was widely understood that he "was moved out" because he supported "greater use of Export-Import Bank loans to finance Latin American economic development, and was overruled by George Humphrey."⁶⁷ As a result, Dulles went to Caracas with no specific bargaining chips beyond a vague promise to call a meeting in Washington sometime in the future to discuss economic issues. Caracas was in fact an inexpensive victory for the United States. The seventeen to one anti-Communist vote cost nothing and came to symbolize the ease with which the United States might continue to maneuver in Latin America.

Closer attention to details might have warned those concerned with the future that the vote represented an illusory, temporary and entirely unstable phenomenon. Even in its own terms, the State Department achieved only its "minimum objective." The "maximum objective" would have been the adoption of "effective multilateral measures against Guatemala." The "minimum" objective was a resolution to "lay the ground work for subsequent positive action against Guatemala by the Organization of American States."⁶⁸

The resolution called for a "consultative meeting" if two thirds of the hemisphere's nations determined that "the political institutions of any American state" was dominated by "the international Communist movement." That consultative meeting would "consider the adoption of measures" ranging from "admonitions" to "economic sanctions" to unspecified "sterner measures." Dulles was pleased. In the past the Latin American nations had limited its protest against "totalitarian" subversion to a recommendation that each government "examine" its own laws "and adopt such changes as it may consider necessary." At Caracas, Latin America agreed on joint action. After three tense hours, on the fifty-first ballot, following a significant amendment by which Dulles agreed to "dangerous originating outside the hemisphere," the United States achieved its only goal at Caracas. Dulles left within an hour of the final ballot. He told newsmen that the "fact that one American nation voted against the resolution shows how necessary it was that the conference should have acted as it did." Now we must be cer-

tain that "the enemies of freedom do not move into the breach which has been disclosed in our ranks."⁶⁹

Dulles had left too quickly to appreciate the full extent of the breach "in our ranks." It was a breach into which the economic and political strength of the United States would someday fall. The vote camouflaged deep and widespread discontent. Throughout Latin America, the decision to ignore the real spirit of Caracas intensified the bitterness and violence that has come to dominate hemispheric relations. But Dulles returned to Washington before the "delegates rose one after another to offer 'explanations' of their votes." According to *Time*, "even those who had warmly supported the United States resolution in the debate privately expressed misgivings." One delegate said, "If we did not agree the United States might resort to unilateral action. That would be far worse." There had been no direct pressure, but as one delegate commented: "You don't always see the sun, but you know it is there." Uruguay's delegate explained, "We voted for the resolution, but without joy." Nobody challenged the belief of the Argentinian and Mexican delegates, who abstained because they were convinced the resolution weakened "the principle of non-intervention."⁷⁰

In fact, Latin Americans agreed with President Jacobo Arbenz Guzmán, whose message to Guatemala's Congress coincided with the opening of the Caracas conference:

The real issue of the Inter-American Conference should be the common Latin American problem of economic betterment, so that we will not continue to be the objects of monopolistic investment and the sources of raw materials, selling cheap and buying dear from one of the countries of the American community.

Arbenz's entire two-and-a-half-hour speech to the Congress challenged the United States' economic and political pretensions over Guatemala's affairs. He mocked the concerted "anti-communist" activities spearheaded by the United States during his predecessor's administration. "It is well known," Arbenz asserted, that "there was not at the time a Marxist party." Yet they organized "the first anti-communist" groups; they invented "the umbrella before the rain." And now, Arbenz affirmed, there were many more reasons for this crusade: a "highway to the Atlantic which

will end the transportation monopoly of foreign trade; . . . a truly national port, which will contribute to diversifying this same foreign trade"; a study of alternative and inexpensive "electrical energy for industry and for Guatemala City"; "two governmental interventions were carried out on foreign companies . . . ; and in applying the Agricultural Reform we could not make, nor should we have made, an exception of the United Fruit Company. . . . It happened too that we recovered our independence in questions of internal policies and that we would not participate in any foreign war." "It happened that in Guatemala the doors are not so wide open to monopolistic and voracious investment. All that happened. And, moreover, now, yes, there is a Communist Party."⁷¹

Before Guatemala's eight-member delegation left for Caracas, they participated in a well-publicized rally to commemorate the twentieth anniversary of the assassination of Augusto César Sandino in Nicaragua. "Bitter anti-United States speeches" against intervention were made. According to the *New York Times*, the "speakers declared that the United States had decided Sandino must be killed and had chosen General Anastasio Somoza . . . as the instrument." "The delegation left for Caracas with printed reports for general distribution of the 29 January white paper "and accompanying photostats" that again associated Somoza with an international plot to overthrow Arbenz that was supported by the "government of the North."⁷²

Guatemala's delegation included Estrada de la Hoz, one of the nineteen non-Communist legislators who had charged the United States with using germ warfare in Korea; Guillermo Noriega Morales, a leading nationalist economist of the National Agrarian Bank; and José Luis Mendoza, an expert on Belize—British Honduras. Guatemala considered Belize part of its own territory. The entire delegation offended United States sensibilities. The leader of the delegation, Guillermo Toriello, insisted that Belize and the issue of colonialism be made a priority at the conference. He noted that British Guiana was not Communist and that the recent landing of British troops "on American soil" was "an affront to the Hemisphere." The delegates at Caracas adopted a resolution, introduced by Argentina, that called for an end to colonialism in the Caribbean and South America. The United States abstained, arguing that colonial questions should be considered by the United Na-

tions, "where the colonial powers—Britain, France and The Netherlands" were represented. The conference also condemned racial discrimination; reaffirmed the traditional Latin American principle of political asylum; and presumably as an act of defiant nationalism, voted to hold the projected economic conference in Rio instead of Washington.⁷³

Toriello was, moreover, the only "oratorical hit" of the conference. In an impassioned speech, he called the United States resolution "only a pretext to intervene in our internal affairs", reminded the delegates of "the Big Stick," "tarnished dollar diplomacy," and "the landing of United States Marines in Latin American ports." His speech received the conference's only "ovation." *Time* quoted representative comments: "He said many of the things some of the rest of us would like to say if we dared." But they did not dare. Despite the United States' rejection of a vigorously supported resolution for the establishment of a permanent council to deal systematically with long-term multilateral economic issues of trade rather than "aid," they voted for Dulles' resolution. Dulles considered it a splendid victory. Prescient journalists knew in March 1954 that it would be a "Pyrrhic victory."⁷⁴ But, for the present, the United States considered the vote sufficient. In political-warfare terms, Guatemala was isolated, seventeen to one.

CHAPTER VII

ANTICOMMUNISM AND COUNTER- INSURGENCY:

THE GUATEMALAN MODEL

Part II

The Overthrow of Arbenz and the Implantation of American Democracy

After Caracas, the United States perceived only one nagging obstacle to the overthrow of Guatemala's elected government: There was no coherent opposition to Arbenz in Guatemala. According to United States intelligence reports, the "adoption of the anti-Communist resolution did not weaken Arbenz's position with respect to