

# The 1954 Guatemalan Coup

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# 1 Introduction

Given the context of the Cold War and the Red Scare of the McCarthy Era, it was definitely necessary for the United States to prevent as many countries as possible from falling into Communism, particularly countries in the Western hemisphere that was considered to be America's backyard. On the other hand, the Republic of Guatemala, the country with the largest land area and population in Central America, gained momentum towards Communism after Jacobo Árbenz became the President of Guatemala in March 1951. In order to remove the threat of Communism in Guatemala, President Truman and President Eisenhower authorized Operation PBFORTUNE and PBSUCCESS respectively. Although Operation PBFORTUNE failed, Operation PBSUCCESS ousted President Árbenz and successfully eliminated Communists in Guatemala<sup>1</sup>. However, the coup d'état brought social disorder and destruction in Guatemalan. As a result, the Guatemalan Civil War occurred in 1960, which ended with over 200,000 casualties in 1996.

The general understanding and interpretation of the 1954 Guatemalan Coup has been that the CIA's intervention in Guatemala is unjustifiable for four reasons. First, the intervention contradicts non-interventionism in domestic affairs as prescribed by the Charter of the United Nations that the United States signed in 1945. Second, Jacobo Árbenz was democratically elected to be the President of Guatemala; therefore the United States should have supported the Árbenz administration. Third, the United States claimed, in principle, the necessity of eliminating Communism from Guatemala, but the actual aim was to stop expropriation of uncultivated land possessed by the United Fruit Company. It was very likely that acceptance of expropriation in Guatemala could be negatively influential for Central America because the United Fruit Company dominated agricultural sector in all countries of Central

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<sup>1</sup>Operation PBSUCCESS was the actual CIA covert operation that ousted President Árbenz, which was generally considered to be The 1954 Guatemalan Coup.

America in the 1950s<sup>2</sup>. Finally, Secretary of State Acheson and Director of Intelligence Dulles promoted the coup d'état in Guatemala in order to protect their own interests because they were major stockholders of the United Fruit Company.

The question comes to mind is which explanation for the 1954 Guatemalan Coup is the most persuasive. If none of these explanations seems satisfactory, then what was the most important factor that led the United States to intervene in Guatemala? This thesis presents a brief review of Guatemalan history, the reason for intervention, the sequence of PBFORTUNE, the sequence of PBSUCCESS, and the result of intervention. After that, the thesis pinpoints the reason why the United States decided to intervene in Guatemala<sup>3</sup>.

## **2 A Brief Review of Guatemalan History**

Even after Guatemala gained independence from Spain in 1821, Guatemala had not been democratically ruled and had undergone political instability under the influence of successive dictators. In the first half of the 20th century, under the regime of Manuel José Estrada Cabrera and Jorge Ubico, Guatemala opened the domestic land and market to unrestricted foreign investment, particularly for the United Fruit Company<sup>4</sup>. As a result, the United Fruit Company dominated Guatemala's economy, and Guatemalan landowners and the urban bourgeoisie monopolized financial and economic interests, which brought suffering and sorrow to the general public for decades.

The October Revolution in 1944, however, ousted General Ubico and brought "Ten Years of Spring" from 1944 to 1954, a democratic period of free speech and open political activity. In March 1945, Juan Arévalo was democratically elected to be the President of Guatemala. President Arévalo declared that he would correct

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<sup>2</sup>The United Fruit Company was an American enterprise founded in 1899. The company managed tropical fruit grown on Central and South American plantations and shipped them to the United States and Europe.

<sup>3</sup>Note that this article is written based on "Foreign Relations 1952-1954 Guatemala" released by the Department of State, which was released in May 15, 2003.

<sup>4</sup>Both generals dictatorially ruled Guatemala for twenty-two years from 1898 to 1920 and for thirteen years from 1931 to 1944 respectively.

the problem of unequally distributed agricultural land and give relief to the peasantry who suffered from the semi-feudalistic agricultural system with introducing the industrialized agricultural method. Although these policies could be interpreted as Communism, there was no sign of Communism in Guatemala. In fact, President Arévalo did not describe himself as Marxist, and he supported the right to owning private property. He pointed out that distribution of material goods for the general public is not practical, and his efforts went into the economic sector.

However, the 1947 Labor Code and labor union movement against major corporations brought fear and anxiety to the Truman administration. The general understanding among high officials in the government was that unions in Guatemala were susceptible to the advice and manipulation of veteran Communists. Moreover, Arévalo chose Augusto Charnaud MacDonald, Communist who expressed tremendously hostile toward foreign investments, especially the United Fruit Company's interests, as his Minister of Economy and Labor.

As the new constitution provided the limit of one six-year presidential term, President Arévalo supported Jacobo Arévalo as the candidate for the Guatemalan presidency in the 1950 national election. In March 1951, Jacobo Arévalo was elected to be the President of Guatemala with an impressive victory. President Arévalo accelerated his predecessor's work and put all of his effort into the transformation of the comprehensive economic fundamentals of Guatemala. He urged the elimination of the Hacienda system, which required a great number of agricultural labors, in order to decrease the number of labors engaged in the agricultural sector. At this point, the United States did not consider Guatemala to be a serious threat.

### **3 The Reason for Intervention**

Then, the real hardship came in June 1952 when President Arévalo passed the Decree 900, also known as the Agrarian Reform Law, the purpose of which was the nationalization and redistribution of agricultural land owned by the United Fruit Company. President Arévalo simply aimed to expropriate and redistribute fallow

ground with monetary compensation for the United Fruit Company and to improve the standard of living for the general public. The United Fruit Company objected to the amount of money for the compensation offered by the Guatemalan government, and demanded revaluation of expropriated uncultivated land. However, the petition was rejected by the Guatemalan government, and President Arévalo carried out the expropriation of 400,000 acres of property owned by the United Fruit Company.

After the incident, the United Fruit Company sent a report to the US government, claiming that expropriated land was underestimated and that the Agrarian Reform was inspired and supported by Communism. In order to confirm the possibility of falling into Communism, successive American ambassadors in Guatemala conducted the “duck test”, because expropriation itself was not necessarily the evidence of Communism. In fact, Communism was not engaged in the expropriation of oil and agricultural properties in Mexico prior to the Second World War. Richard C. Patterson, Jr., the American Ambassador in Guatemala from 1948 to 1950, explained how the “duck test” works (Immerman 1980-1981: 641) .

Many times it is impossible to prove legally that a certain individual is communist; but for cases of this sort I recommend a practical method of detection - the “duck test”. The duck test works this way: suppose you see a bird walking around in a farmyard. This bird wears no label that says “duck”, but the bird certainly looks like a duck. Also, he goes to the pond and you notice he swims like a duck. Then he opens his beak and quacks like a duck. Well, by this time you have probably reached the conclusion that the bird is a duck, whether he’s wearing a label or not.

The “duck test” was carried out several times, and it was concluded that President Arévalo seemed to be a Communist. Although President Eisenhower believed that the Western influence on the Third World should be gradually withdrawn to satisfy the spirit of nationalism, he concluded that the expropriation of the United Fruit Company’s land in Guatemala is related to the fear of Communism. Then, he became determined to reverse the situation by using any possible means. After

all, President Eisenhower was a tough commander who had been experienced the Second World War as a Supreme Commander of the Allied Forces in Europe.

## 4 The Sequence of PBFORTUNE

Before President Eisenhower authorized Operation PBSUCCESS in 1953, President Truman authorized Operation PBFORTUNE in July 1952. In September 1951, Director of Central Intelligence Smith dispatched a secret agent to Guatemala in order to find potential candidates and organizations that would help a coup d'état against the Communist-oriented government. Unfortunately, it turned out that there existed no reliable potential candidates nor organizations because the exiled political opponents were not well-consolidated. To make matters worse, there were no reliable military officers to attempt a coup d'état against the Guatemalan government.

However, in April 1952, Nicaraguan President Somoza unofficially stopped by and told Secretary of State Acheson that Carlos Castillo could be the candidate for taking care of the Guatemalan problem if he and his rebel-group were furnished with military weapons<sup>5</sup>. Secretary of State Acheson briefed President Truman on the Somoza visit, and the initiation time of covert operation was to November 1952. According to the recollections of several US officials, Nicaraguan President Somoza approached Colonel Mara, Assistant Military Aide to President Truman, with a plan to overthrow President Arévalo in early July 1952. Colonel Mara informed the plan to President Truman and the report convinced President Truman to immediately authorize the CIA action without letting the Department of State know.

In the middle of July 1952, on the other hand, iDeputy Director of the CIA Dulles and President Truman talked over the pros and the cons been weighed. They agreed that the United States could not help in providing either leadership or manpower due to lack of the people available, but they confirmed that the United States could help point out where Carlos Castillo was able to purchase arms. Despite their effort,

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<sup>5</sup>Carlos Castillo was one of the anti-Communist Guatemalan revolutionary leaders who escaped from the Guatemalan National Prison in June 1951. He was very popular among people in Guatemala because of his honest reputation and Mayan appearance.

Operation PBFORTUNE failed due to a miscommunication between the CIA and the Department of State, which came to light at a meeting held in the Department of State on October 8, 1952. Director of National Clandestine Service Wisner stated that it had been the understanding of the CIA that the Department of State had approved of Operation PBFORTUNE to provide certain hardware to a group planning violence against the Guatemalan government. He also criticized the fact that CIA did not keep the Department of State informed of the developments in the project. This is because it had been understood that the Department did not wish to be kept informed of the detailed plans. He referred to the CIA's records of conversation between Deputy Director of the CIA Dulles and Assistant Secretary of State Miller on July 10, 1952, as the evidence of the Department's approval.

However, Assistant Secretary of State Miller argued that although he stated that a large American company must be protected as strongly as the United States government, he pointed out the risk of providing weapons and did not approve the shipment of arms. Under Secretary of State Bruce also remarked that he did have some telephone conversations with Secretary of State Acheson, but did not say anything that could be interpreted as approval. At the end of the meeting, Under Secretary of State Bruce concluded that the Department of State disapproved of the entire deal. Consequently, all plans for Operation PBFORTUNE were canceled in October 1952 due to disapproval by the Department of State regarding the illegal armaments shipment from New Orleans to Nicaragua. This blunder is based on Frank Wisner's misunderstanding and misinterpretation of contents discussed in a conference in July early 1952.

## **5 The Sequence of PBSUCCESS**

After Operation PBFORTUNE was canceled in October 1952, the CIA was concerned that any armed rebel-groups would start revolution against the Guatemalan government without collaboration with the CIA. In March 1953, a rebel group led by Carlos Castillo launched a futile raid against the Army Garrison at Salamá. In response,



President Arévalo repressed and imprisoned the anti-Communists connected with the exiled rebels. Most Guatemalans supported the President's attitude towards anti-Communists because the exiled rebels sought to subvert the constitutionally elected government of Guatemala. It seemed that the probability of successful covert operation against Guatemala significantly decreased at that time.

However, the cease-fire of the Korean War in July 1953 and the success of the 1953 Iranian Coup in August 1953 changed the circumstance. The United States resumed planning the coup d'état against Guatemala. In September 1953, all key agencies, including the Department of State and Department of Defense, confirmed that it was essential to support the CIA in order to take care of Communists in Guatemala as soon as possible. This is because previously available active resistance to the Guatemalan government was decreasing rapidly after the abortive uprising in March 1953. In December 1953, Deputy Director of the CIA Dulles approved Operation PBSUCCESS and provided \$3,000,000 fund and the operational headquarters in Florida to the CIA. It was soon after that the US government started preparations to maximize probability of success of Operation PBSUCCESS.

In March 1954, Secretary of State Dulles proposed an anti-Communist resolution at the Tenth Inter-American Conference in Caracas. The resolution suggested that Communist control of any countries would justifiably lead to proper action in correspondence with the Charter of the Organization of American States<sup>6</sup>. Secretary of State Dulles implicitly referred to the common defense in the event of aggression by forces of Communism. However, Guatemalan Foreign Minister Toriello argued that the resolution was a pretext of the United States for intervening in internal affairs and of suppressing opportunities for Latin America to become economically independent from the United States. Nevertheless, the resolution passed by an overwhelming majority, and the Declaration of Caracas was adopted at the end of March

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<sup>6</sup>The Charter of the Organization of American States was adopted by the Ninth International Conference of American States held in Bogotá, Colombia, in 1948, with the participation of 21 countries. Its principle purpose was to achieve an order of peace and justice, to promote their solidarity, to strengthen their collaboration, and to defend their sovereignty, their territorial integrity, and their independence. However, its real intention was to prevent countries signed the Charter from falling to Communism.

1954. Unfortunately, the positive vocal reaction to Guatemalan Foreign Minister Torriello's speech did not make Latin American representatives opposed to the resolution. This is because the representatives were afraid of American retaliation by cutting off economic or technological assistance. Consequently, the declaration became to justify an invasion of Guatemala.

In fear of invasion by the United States, the Guatemalan government started to militarize itself without US support. Guatemala had to ask Soviet Union to provide armaments because the United States put political pressure on the Western Block not to provide military aid to Guatemala. The Soviet Union immediately approved the support and started armaments shipments to Guatemala. However, the United States properly predicted Guatemala's next move. Before the armaments arrived in Puerto Barrios, a port town located in eastern Guatemala, the CIA discovered the cargo in the middle of May 1954. Soon after the discovery of cargo, President Eisenhower criticized Guatemala for importing numerous armaments from the Soviet Union. Then, Operation PBSUCCESS reached its final stage. In the evening of the 18 June 1954, Carlos Castillo crossed Honduras border and the rebel group occupied strategically important cities without any counterattack because bribes were offered to the Guatemalan military officers in case President Árbenz rallied the military to fight back. President Árbenz fled to Mexico on 27 June 1954.

## **6 The Result of Intervention**

After Operation PBSUCCESS succeeded, Carlos Castillo immediately cancelled Decree 900 and forced peasants to evict from their redistributed lands. Furthermore, he ousted the suspected Communists who belonged to trade unions and decomposed labor unions. In September 1954, Carlos Castillo became the President of Guatemala and dictatorship returned to Guatemala, which aggravated the poverty and the socio-economic discrimination against the indigenous people in Guatemala, especially the Maya. In 1956, Carlos Castillo created a new constitution and secured his presidency for four years.

After Carlos Castillo was assassinated in July 1957, General Miguel Ydígoras took power in 1958. In November 1960, a group of left-wing junior military officers started uprising against the monarchical government of General Miguel Ydígoras. This uprising was how the Guatemalan Civil War all started, which brought suffering and sorrow to the general public for decades. The war ended with over 200,000 casualties in 1996. On October 2011, Guatemalan President Colom announced a public apology to Jacobo Arévalo Jr., admitting that 1954 Guatemalan Coup was a crime to Guatemalan society, which significantly changed Guatemala society. Although the Arévalo family has been seeking an official apology from the United States for its role in the coup d'état, neither the US government nor successive Presidents of the United States have ever apologized to Guatemala.

## **7 Conclusion**

1954 Guatemalan Coup was the beginning of tragedy for Guatemala. What the Guatemalan government did after the October Revolution in 1944 was as follows: the correction of unequally distributed agricultural land, relief to the peasantry who suffered from semi-feudalistic agricultural system and the introduction of industrialized agricultural method. All of these policies made Guatemala a better place to live. As a result, Guatemala became one of the most progressive countries in the world. Unfortunately, it was the Cold War and the Red Scare of the McCarthy Era that ruined progressive reforms. At that time, the United States had to take tough measures against both Communist countries and potential Communist countries. Therefore, the fear of Communism was the important factor that made the United States to intervene in Guatemala.

It is true that leaders in the United States, including successive President of the United States, promoted the economic development of the Third World. On the other hand, economic development in the Third World can be done only if agrarian reform comes into effect. Ironically, when this agrarian reform adversely affects American economic and national interests, these leaders regard the reforms as the evidence of

Communism. This peculiar logic applied to the case of the United Fruit Company in Guatemala. In conclusion, 1954 Guatemalan Coup was inevitable because of the international political situation in the 1950s, but the United States should make a public apology to Guatemala and pay compensation for those who have suffered from the Guatemalan Civil War.

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