

## Ideology or Economics? Revisiting the 1954 U.S. Intervention in Guatemala

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**Resumo:** Este artigo investiga até que ponto o anticomunismo motivou a intervenção dos Estados Unidos na Guatemala em 1954, situando o caso no contexto da Guerra Fria. Utilizando fontes primárias, juntamente com obras secundárias, o estudo avalia explicações concorrentes para o golpe contra o presidente Jacobo Árbenz. Os resultados indicam que, embora os interesses econômicos – particularmente os da United Fruit Company – tenham sido significativos, o anticomunismo foi a justificativa dominante para a intervenção. Assim, conclui-se que o medo do comunismo superou as preocupações econômicas, reforçando as políticas de contenção dos EUA na América Latina.

**Palavras Chave:** Guerra Fria; Guatemala; Estados Unidos; Anti Comunismo; Intervenção Militar

**Abstract:** This article investigates the extent to which anticommunism motivated the United States' intervention in Guatemala in 1954, situating the case within the Cold War. Using primary sources, alongside secondary works, the study evaluates competing explanations for the coup against President Jacobo Árbenz. The findings indicate that although economic interests—particularly those of the United Fruit Company—were significant, anticommunism was the dominant justification for intervention. Thus, concluding that fear of communist outweighed economic concerns, reinforcing U.S. containment policies in Latin America.

**Keywords:** Cold War; Guatemala; United States; Anticommunism; Military Intervention

### Introduction

The U.S. intervention in Guatemala in 1954 represents one of the most debated episodes of Cold War history. At the height of McCarthyism, when anticommunism dominated U.S. political discourse, the Eisenhower administration supported a coup d'état that overthrew President Jacobo Árbenz. While some historians emphasize the ideological fear of communism as the primary cause, others argue that the protection of U.S. economic interests, particularly those of the United Fruit Company (UFCO), was decisive in shaping foreign policy.

This historiographical debate reflects larger questions that remain relevant today. The tension between ideological justifications and economic motivations continues to shape U.S. foreign interventions, whether framed in terms of democracy promotion, counterterrorism, or the protection of national security. Similarly, corporate influence over government decisions – so evident in the Guatemala case – echoes contemporary discussions about lobbying, globalization, and the relationship between multinational companies and state policy. Thus, examining U.S. intervention in 1954 illustrates how certain patterns have persisted and continue to shape contemporary international politics.

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## Objectives of the Study

Given these enduring concerns, this study seeks to answer the research question: *To what extent was the U.S. intervention in Guatemala in 1954 motivated by anticommunism?* The investigation is significant because it illuminates the intersection between ideology, corporate power, and international politics—an intersection that still defines many foreign policy decisions today.

This study follows a qualitative historical approach, focusing on the years 1952–1954, which encompass the failed CIA operation PBFORTUNE and the successful coup PBSUCCESS. Primary sources include declassified CIA documents such as the *Guatemala Assassination Proposals (1952–1954)*, U.S. government communications, and contemporary press coverage, while secondary sources draw on traditionalist (Schlesinger & Kinzer), revisionist (Streeter, Mirza), and post-revisionist historians (Gleijeses, Immerman). To ensure rigor, all sources will be analyzed through OPCVL (Origin, Purpose, Content, Value, Limitation), enabling the identification of credibility, bias, and historical significance. The procedure involves first examining primary documents for references to anticommunism and economic interests, then comparing how different historians interpret these same materials, and finally synthesizing the evidence to determine the relative weight of ideological versus corporate motivations.

## Section 1: Identification and evaluation of sources

### *Identification*

#### CIA and U.S Strategic concerns:

CIA Primary source published by the CIA History Staff Gerald K. Haines: “CIA and Guatemala Assassination Proposals 1952-1954”

Illustrates the intentions and strategic concerns of the United States at the time regarding the removal of President Jacobo Árbenz

In 1952 a CIA report was released claiming that:

“President Arbenz believes he's using communism for his own goals and isn't controlled by communist forces” (page 1)

In 1953 U.S. Ambassador to Guatemala, John Peurifoy, wrote to Secretary Dulles a year later:

“Arbenz isn't a communist” (no page)

#### Economic Interests and UFCO

In the Book: “Beneath the United States”, published by Lars Schoultz” (1998) He mentioned:

“Henry Lodge, USA ambassador in ONU, was a big shareholder of UFCO” (page 338)

The historian Gleijeses, in his book: “Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954” (1991), once mentioned in his book:  
“The company even got involved in the initial operation of CIA PBFORTUNE, offering two boats for gun transportation” (page. 230)

In the book “Harvest of Empire”, published by Juan Gonzalez (2000) once stated:

“Arbenz implemented an agricultural reform that confiscated 408,000 acres of UFCO land for redistribution to landless farmers, which the company rejected as inadequate compensation” (page 135-137)

In the Book: “American’s Backyard”, published by Grace Livingstone (2009) once mentioned that:

“Truth lies in the financial interests of the fruit company and other US monopolies, who have made significant investments in Latin America and are afraid that other Latin Nations will follow Guatemala’ lead” (page 28)

In the book: “Bannanas or Communism”, (2018) volume 17, Number II, Tom Golebiowski once mentioned:

“It is clear to see why they would have a motive for wanting revolution.” (Page 2)

Tom provides this conclusion after analysing how USA was concerned with Land Reforms, and additionally emphasizes based on the post-revisionist historian Gleijeses, which mentions:

“Strong arguments can be made on both sides of this debate” (page 8)

Tom also provides information based on the influence of communism and Arbenz wife's connection with communists. Lastly he quotes “Fortuny” to strengthen his argument about communist intervention in Guatemala:

“They would have cut us down even if we hadn't grown bananas.”(page 9)

### Media and Public Perception

In the Book: “Bitter Fruit”, written by Stephen Schlesinger, and Stephen Kizer” (2005) they mentioned:

From early 1952 to spring 1954, Bernays coordinated at least five two-week expeditions to Central America, each involving up to ten journalists (page 87)

Additionally they add information about US press:

“Time, Newsweek, and Scripps-Howard newspapers frequently received a one-sided narrative that favored UFCO’s perspective.”(page 87)

This highlights how the United Fruit Company, through Bernays, actively shaped media coverage of Guatemala

In the America’s quarterly book review, Nick Burns states Mario Llosa in his book “Harsh Times”, (2021)

“Once mentioned how the Arebnz was not a communist but his socialist attitude was similar to the Partido Guatemalteco del Trabajo” (page 1)

In 1954 the New York times did a publication with the name: “How did the communists won control of Guatemala?”(page 1)

This emphasizes that that mainstream U.S. media framed the Guatemalan government as a communist threat

### **Evaluation of sources**

In the CIA and U.S. Strategic Concerns category, the most crucial source for my research was the “*CIA and Guatemala Assassination Proposals 1952–1954*.” This primary source is highly relevant because it provides direct evidence of U.S. covert planning to remove President Jacobo Árbenz and reveals the extent to which anti-communism shaped the 1954 coup. A key value of its origin is that, as an official CIA record, it offers credible insight into the U.S. government’s strategic thinking during the Cold War. However, since it was declassified under the CIA’s Historical Review Program, the document may have been sanitized, omitting or reframing details to align with official narratives. The purpose of the source was to compile assassination proposals discussed by the CIA between 1952 and 1954, with an intended audience of select U.S. policymakers. This purpose makes it valuable, since the information was prepared for decision-making and therefore likely reflects genuine strategic concerns. At the same time, its limitation is that the proposals do not necessarily indicate actions taken; they represent considerations rather than finalized policies.

In the Economic Interests and UFCO category, the most crucial sources for my research were secondary works such as Piero Gleijeses’s *Shattered Hope* (1991), Juan González’s *Harvest of Empire* (2000), and Grace Livingstone’s *America’s Backyard* (2009). These sources are relevant because they provide direct analysis of how U.S. corporate interests, particularly those of the United Fruit Company (UFCO), shaped the decision to intervene in Guatemala. A key value of their origin is that, as works by professional historians, they synthesize evidence from archival research and offer scholarly perspectives on the economic dimensions of U.S. foreign policy. However, since they are secondary accounts, they may emphasize certain interpretations – such as corporate influence – while downplaying ideological concerns. The purpose of these works is to explain the relationship between U.S. corporations, land reform, and political intervention, with their intended audience being academic readers and students of Latin American history. This makes them valuable for understanding broader structural forces and historiographical debates, particularly between revisionist and post-revisionist historians. The limitation, however, is that because these are interpretative analyses rather than official documents, their conclusions reflect the authors’ perspectives and may not capture the full complexity of policymaking in real time.

In the Media and Public Perception category, the most crucial sources for my research included Stephen Schlesinger and Stephen Kinzer’s *Bitter Fruit* (2005), as well as primary evidence from U.S. outlets like the *New York Times* in 1954. These sources are relevant because they show how U.S. media, influenced by UFCO’s public relations campaigns, framed Guatemala as a communist threat and helped justify intervention to the American public. A key value of their origin is that *Bitter Fruit* is a well-regarded secondary source by investigative historians, while the *New York Times* article represents a primary media perspective from the period, together providing

both hindsight analysis and contemporary coverage. However, limitations exist: *Bitter Fruit* reflects the authors' critical stance toward U.S. policy, while the newspaper article was subject to Cold War biases and corporate influence. The purpose of these sources was, in the case of *Bitter Fruit*, to critically reassess the Guatemalan coup for a scholarly and general audience, and in the case of the *New York Times*, to inform and shape public opinion at the time. This makes them valuable in showing how narratives about communism and corporate interests were constructed and disseminated. The limitation, however, is that U.S. media largely excluded Guatemalan perspectives, and retrospective analyses may overemphasize propaganda at the expense of other strategic concerns.

## Section 2: Investigation

In the context of the Cold War, the US orchestrated a coup d'état in Guatemala in 1954 intending to maintain control over the country. However, this intervention is debatable. Traditionalist historians argue that the main cause of this intervention was anti-communism, while revisionists believe anti-communism may not have been the only motivation behind the coup but economic interest. Guatemala, under President Jacobo Arbenz, pursued progressive land reforms that threatened prominent American interests, especially those of the United Fruit Company (UFCO), a powerful corporation with significant U.S. ties. However, Arbenz's leftist policies, alongside his affiliations with known communists, raised U.S. concerns over the possibility of Guatemala aligning with the Soviet bloc. Additionally, Arbenz's direct challenges to U.S. authority and business interests, particularly in diminishing UFCO's holdings, heightened American anxieties about economic stability. Therefore, this investigation aims to explore to a great extent, the US invasion of Guatemala in 1954 was caused by anti-communism.

Revisionist historians argue that the U.S. intervention in Guatemala was driven by economic interests rather than anti-communism, since UFCO affiliates had a strong influence in the US government. One example is the case of the Dulles brothers, who were Secretary of State, Director of the CIA under Eisenhower and were former UFCO lawyers. Also, Henry Lodge, USA ambassador in ONU, was a big shareholder of UFCO (Schoultz, 2003, p.338). The company even got involved in the initial operation of CIA PBFORTUNE, offering two boats for gun transportation (Gleijeses, 1991, p.230). So, it is not surprising to see how UFCO had such an influence on the political development and operations in the USA. Under the dictatorship of Manuel Cabrera, the UFCO enjoyed privileges and strong ties with the U.S. government. However, when Juan Arévalo took power and reduced UFCO's privileges, the company's influence waned, prompting concern in the U.S. This was further exacerbated when Arbenz implemented an agricultural reform that confiscated 408,000 acres of UFCO land for redistribution to landless farmers, which the company rejected as inadequate compensation (Gonzalez, 2022). Given the UFCO's economic importance to the U.S, the reduction of its power motivated U.S. desire for intervention. Emphasizing, economic interests were a significant factor. This is why Arbenz in one of his speeches mentioned that what was happening in Guatemala was the result of the United Fruit Company's cooperation with the US government. Additionally, he mentions the truth lies in the financial interests of the fruit company and other US monopolies, who have made significant investments in Latin America and are afraid that other Latin Nations will follow Guatemala's lead (Livingstone, 2009, p 28). This claim of Arbenz together with the involvement of key U.S. government figures to UFCO, strengthens the argument that anti-communist factors

might not have played a crucial role in US intervention compared to economic interests. As can be observed, the UFCO had a strong influence in the US. Therefore, the fear of losing lucrative interests and the idea of land reforms spreading to other Latin American countries was a big concern to the USA, leading to its intervention - "it is clear to see why they would have a motive for wanting revolution" (Golebiowski, 2018, p. 2).

However, all of this UFCO affiliate's "involvement" in US government does not despite the fact of not being suspicious, which is an argument defended by traditionalist historians like Kinzer. They argue that the UFCO was responsible for promoting the communist threat, which suggests that the company's economic interests were disguised under the cloak of anti-communism. The book "Bitter Fruit" by them – although not explicitly stating that the United Fruit Company was largely responsible for generating the notion of a Soviet danger to the United States to garner public support for its agendas- a deeper analysis suggests that this was indeed the case. This is exemplified by the fact that, from early 1952 to spring 1954, Bernays coordinated at least five two-week expeditions to Central America, each involving up to ten journalists (Kinzer, 2005, p 87). Kinzer also notes that outlets such as "*Time*, *Newsweek*, and *Scripps-Howard* newspapers frequently received a one-sided narrative that favored UFCO's perspective." (Kinzer, 2005, p 87). This resulted in extensive media coverage regarding Guatemala's apparent communist threat. To fabricate reports that emphasized the communist presence in Guatemala and portrayed President Arbenz as a Marxist leader, UFCO also used anti-communist writers such as John Clements. Additionally, Kinzer and Schlesinger claim that UFCO employed propaganda to encourage anti-communist sentiments regarding Guatemala. This demonstrates how the company had second intentions, which were not only economically but also to investigate and pursue people that Guatemala was under communist threats. (Kinzer, 2005)

Strong arguments can be made on both sides of this debate. As the post-revisionist historian Gleijeses points out, the reasons for the coup are more complex than just one cause versus another. Instead, it's more accurate to consider both business interests and anti-communism as connected factors (Gleijeses, *Shattered Hope*, 1991 p. 366 ). Additionally, Kinzer and Schlesinger claim that it is a multifaceted topic of discussion. (Golebiowski, 2018.p 4 )

However, the traditionalist historians' point of view emphasizes communism was more compelling for the US intervention in Guatemala, especially when we consider the political context of the USA and Arbenz's attitudes. Historians, such as Mario Llosa in his book "Harsh Times", concluded that Arbenz was not a communist, but his socialist attitude was similar to the Partido Guatemalteco del Trabajo (Llosa, 2021). Furthermore, his wife's connections to communists influenced the perception that he was a communist, such as when Arbenz ordered Guatemala to observe public mourning for Stalin's death in 1953 (Golebiowski, 2018, p.3). Since the US were going through a McCarthy-led Senate investigation into communism in 1950, many of the reports about Arbenz's serious communist danger were authored by McCarthyites (Golebiowski, 2018, p.3). This was fuelled by several of Eisenhower's advisors, such as John Dulles who claimed that if the UFCO problem were solved, if they paid money for each banana, the issue would remain, even with the presence of communism in Guatemala. Therefore, the political climate impacted on how the US viewed Guatemala. Arbenz's socialist reforms were viewed as a bid to spread communism to other parts of Latin America, which concerned the USA. This can be

evidenced by one of the New York Times publications with names like: *"How did the communists won control of Guatemala?"* and published caricatures of Guatemalans dancing to music performed by Stalin (Golebiowski, 2018, p.3) . The speech presented by Dulles highlights how economic issues were secondary while anti-communism was a primary problem, emphasizing that the main reason for US intervention was anti-communism. Reinforcing the idea Guatemala was under communist influences and therefore should be detained by the USA.

However, this claim was refuted by some historians which argues primary sources such as CIA reports from 1952 indicate that the connection between Arbenz and communism was not seen as a significant threat to the USA. According to a 1952 CIA report, *"President Arbenz believes he's using communism for his own goals and isn't controlled by communist forces,"* the situation in Guatemala looked less serious (Central Intelligence agency, folder 6). Contrary to the general opinion at the time in the United States regarding communism, this official investigation demonstrates that Arbenz was not influenced by communism. Arbenz's supposed connections to communism didn't seem to worry either the CIA or the US administration. *"Arbenz isn't a communist"*, the U.S. Ambassador to Guatemala, John Peurifoy, wrote to Secretary Dulles a year later (Golebiowski, 2018, p.5). This also highlights that the U.S. perceived the link between Arbenz and communism as weak, doubting the argument presented in Bitter Fruit that anti-communism was the primary driving force behind the coup. However, this claim is partially accurate because, after analyzing CIA documents, *"Guatemala Assassination Proposals 1952-1954"* possesses a stronger claim. This source claims its urgency to remove Arbenz from power in Guatemala due to communism, and it never justifies any economic reasons. Additionally his name was put together with other confirmed communists in Guatemala. If Arbenz was not seen as a threat his name wouldn't be in the Assassination proposals. Therefore, even though Stephen's information about CIA documents is accurate, the official CIA document is a stronger argument. This also enriches the speech made by John Dulles cited previously about anti-communism being the primary threat. (CIA Haines, 1977, Assassination- proposals 1952-1954)

## Conclusion

Clearly, after reading different historians' analysis, the most strong argument in this debate is the threat posed by communism. The arguments presented by revisionist historians showcase the North American corporations' economic interests had a crucial role in the coup. However, in the final analysis, looking into the World context, the United States and the CIA were much more involved in avoiding the spread of communism in the 1950s, rather than caring for the economy. Post revisionist historians such as Immerman possess a strong argument that the causes of the coup are a combination of both factors. However, Arbenz acted like a communist which triggered the USA to get involved in Guatemala, and the way UFCO was connected with the USA government demonstrates second intentions: the containment of communism. Thus, although Streeter defends Arbenz as no threat to the USA, source A proves it wrong. The fact his name was in this document demonstrates he was seen as a threat demonstrating traditionalist points of view of the coup is more accurate; anti-communism. Therefore, it can be concluded that the perceived communist threat in Guatemala was the main justification for U.S. intervention in 1954, while economic interests played a secondary role, as highlighted by Tom Golebiowski when he cites Fortuny: *"They would have cut us down even if we hadn't grown bananas."*

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