

The United Fruit Lobby: Revisiting Truman's Guatemala Policy

Washington's covert intervention to help overthrow the leftist but democratic government of Guatemala in 1954 had tragic consequences that still resonate strongly today. Guatemala's military coup produced a long series of repressive regimes responsible for the deaths of several hundred thousand people and other deep social traumas that have yet to heal. The apparent success of the coup also prompted subsequent U.S. leaders to rely on similar tactics around the world, all too often with regrettable results. Not surprisingly, the remarkable story of this intervention has been the subject of intense scholarly study.¹

One key question, now seemingly settled by that literature, is whether Washington's intervention was motivated primarily by crass corporate interests or higher-minded (if arguably misplaced) Cold War concerns over U.S.

*The author would like to thank Richard Immerman and three anonymous reviewers for their helpful comments on this article.

1. On the long-term aftermath of the 1954 coup, see Greg Grandin, *The Last Colonial Massacre: Latin America in the Cold War* updated ed. (Chicago, IL, 2011); and Susanne Jonas, *The Battle for Guatemala: Rebels, Death Squads, and U.S. Power* (Boulder, CO, 1991). The history of U.S. policymaking leading to 1954 coup is expertly documented in Richard H. Immerman, *The CIA in Guatemala: The Foreign Policy of Intervention* (Austin, TX, 1982); Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit: The Story of the American Coup in Guatemala* rev. and exp. ed. (Cambridge, MA, 2005); Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944–1954* (Princeton, NJ, 1991); and Nick Cullather, *Secret History: The CIA's Classified Account of its Operations in Guatemala, 1952–1954* (Stanford, CA, 1999). Shorter scholarly treatments can be found in Cole Blasier, *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America, 1910–1985*, 2nd ed. (Pittsburgh, PA, 1985); John Coatsworth, *Central America and the United States: The Clients and the Colossus* (New York, 1994), 67 et seq.; Bryce Wood, *The Dismantling of the Good Neighbor Policy* (Austin, TX, 1985), 145–90; Stephen Rabe, *Eisenhower and Latin America: The Foreign Policy of Anticommunism* (Chapel Hill, NC, 1988), 42–63; Stephen Rabe, *The Killing Zone: The United States Wages Cold War in Latin America* (New York, 2012), 36–58; Michael Grow, *U.S. Presidents and Latin American Interventions: Pursuing Regime Change in the Cold War* (Lawrence, KS, 2008), 1–27; Thomas Leonard, *The United States and Central America, 1944–1949: Perceptions of Political Dynamics* (Tuscaloosa, AL, 1984), 75–105; Blanche Cook, *The Declassified Eisenhower: A Divided Legacy of Peace and Political Warfare* (Garden City, NY, 1981), 217–92; Thomas Leonard, "Nationalism or Communism? The Truman Administration and Guatemala, 1945–1952," *Journal of Third World Studies* 7, no. 1 (1990): 169–91; Frederick W. Marks III, "The CIA and Castillo Armas in Guatemala, 1954: New Clues to an Old Puzzle," *Diplomatic History* 14, no. 1 (1990): 67–86; and Stephen Rabe, "Review: The U.S. Intervention in Guatemala: The Documentary Record," *Diplomatic History* 28, no. 5 (2004): 785–90. The Guatemala intervention is also discussed in numerous popular histories of the CIA.

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security. Virtually every student of the period acknowledges the outsized impact of the United Fruit Company (UFCO) on Guatemala's economy, as well as the remarkable number of ties (through stock ownership, corporate directorships, and past legal representation) it enjoyed with key decision-makers in U.S. President Dwight D. Eisenhower's administration, including Secretary of State John Foster Dulles and Director of Central Intelligence Allen Dulles.² Yet most scholars today, with the benefit of once classified documentation, discount those relationships as secondary. Given the hardening of anti-communist ideology in the Cold War, they argue, Washington would not have tolerated any government in the hemisphere that allowed Communists to take leadership positions in organized labor, major media, and government. The "presence of communist infiltration in Guatemala ... is the problem, not United Fruit," declared Secretary of State Dulles.³

This article seeks not to overturn but rather to nudge that consensus by examining new evidence of UFCO's direct political influence over senior U.S. officials, particularly during U.S. President Harry Truman's years in office,

2. Coatsworth, *Central America and the United States*, 87. UFCO had long cultivated ties to the State Department. Louis Perez, Jr. notes that "when Secretary of State [Robert] Lansing and State Department Solicitor General Lester Woolsey retired from the Department of State [in 1920], they formed a law firm to represent United Fruit subsidiaries." See Perez, *Intervention, Revolution, and Politics in Cuba, 1913-1921* (Pittsburgh, PA, 1978), 132-33. Lansing was uncle to the Dulles brothers.

3. Immerman, *CIA in Guatemala*, 82. Immerman carefully documents United Fruit's influence but concludes that a "Cold War ethos" mainly drove policy. Gleijeses sees a broader "search for economic gain, the search for security, and imperial hubris" as primary U.S. motives in the Caribbean. See Gleijeses, *Shattered Hope*, 361. Schlesinger's and Kinzer's *Bitter Fruit* puts more emphasis on UFCO's role but does not offer a monocausal indictment. See Schlesinger and Kinzer, *Bitter Fruit*, 106. Andrew Fraser states categorically that "UFCO's plight was not a major concern for American policy makers" and was "not a significant factor in the decision to topple [Guatemalan President Jacobo] Arbenz." See Andrew Fraser, "Architecture of a Broken Dream: The CIA and Guatemala, 1952-54," *Intelligence and National Security* 20, no. 3 (2005): 489. Historians who highlight economic motives usually argue that the Eisenhower administration intervened less to protect UFCO than to make Guatemala an object lesson for radicals throughout Latin America who threatened U.S. economic power. See, for example, Coatsworth, *Central America and the United States*, 85-87; Walter LaFeber, *Inevitable Revolutions: The United States in Central America* (New York, 1983), 119-20; Robert Beisner, *Dean Acheson: A Life in the Cold War* (New York, 2006), 570. Only a few popular writers and scholars still cast blame primarily on the direct influence of United Fruit over U.S. foreign policy. See for example Cook, *The Declassified Eisenhower*, 229, 231, 238; José Aybar de Soto, *Dependency and Intervention: The Case of Guatemala in 1954* (Boulder, CO, 1979); and Kema Irogbe, "Global Political Economy and the Power of Multinational Corporations," *Journal of Third World Studies* 30, no. 2 (2013): 234-36. For historiographic essays on U.S. policy toward Guatemala in the Truman and Eisenhower years, see Stephen Streeter, "Interpreting the 1954 U.S. Intervention in Guatemala: Realist, Revisionist, and Postrevisionist Perspectives," *The History Teacher* 34, no. 1 (2000): 61-74; Gordon Bowen, "U.S. Foreign Policy Towards Radical Change: Covert Operations in Guatemala 1950-54," *Latin American Perspectives* 10, no. 1 (1983): 88-102; and Hugo Murillo Jiménez, "La intervención norteamericana en Guatemala en 1954, dos interpretaciones recientes," *Anuario de Estudios Centroamericanos* 11, no. 2 (1985): 149-55. Also touching on the Guatemalan intervention is Mark Gilderhus, "An Emerging Synthesis? U.S.-Latin American Relations since the Second World War," *Diplomatic History* 16, no. 3 (1992): 429-52.

when the company's connections to power were less obvious. Its most striking finding is that President Truman was personally beholden to the wealthy investor Floyd Odlum, a leading shareholder in both UFCO and Guatemala's power company, for support in his hard-fought 1948 presidential campaign. Truman's abrasive, imperious, and combative ambassador to Guatemala, Richard C. Patterson, Jr., acted for many years as Odlum's personal representative, with critical support from Truman's chief campaign fundraiser and later Secretary of Defense, Louis Johnson. Patterson's aggressive defense of his private patron's interests poisoned U.S.-Guatemalan relations and inflamed nationalism in Guatemala. His insistent meddling on behalf of U.S. investors helped set the stage for an abortive Central Intelligence Agency (CIA)-backed coup against the Guatemalan government in 1952, a precursor to the Eisenhower administration's relaunch of similar covert plans just a year later.

I do not discount Washington's genuine concerns about the growing influence of Communists over some Guatemalan government and social institutions, nor do I accuse U.S. officials of acting consciously out of personal self-interest. However, historians of this crisis have not adequately considered the extensive empirical literature demonstrating the impacts of financial conflicts on everything from congressional decision-making to peer-reviewed scientific research. As organizational psychologist Sunita Sah states, "abundant evidence from social science research shows that influence from conflicts of interest often occurs on a subconscious and unintentional level. Even when decision-makers try to be objective, their judgments are influenced by financial incentives. And studies show that advisors routinely deny being influenced by financial inducements despite data demonstrating the opposite."⁴

From that vantage point, I challenge historians to reconsider how business, social, and political relationships create cognitive biases that shape how decision-makers apply broad ideologies to particular circumstances in ways that may serve corporate or other private interests. In the case of Guatemala, a country largely unknown to most Americans and even to most U.S. government officials, the wide web of associations cultivated by United Fruit gave it unique opportunities to influence the perceptions of officials in the executive branch, Congress, and the media. It helped define Guatemalan labor unrest and social reform as the work of leftist "extremists" and "pro-Communists," marginalizing

4. Sunita Sah, "Conflicts of Interest and COVID," *Scientific American*, December 3, 2020, last accessed January 7, 2023, <https://www.scientificamerican.com/article/conflicts-of-interest-and-covid/>. For empirical studies from several fields, see David Resnik, "Financial Interests and Research Bias," *Perspectives on Science* 8, no. 3 (2000): 255–85; Jeremy Burke, et al., "Impacts of Conflicts of Interest in the Financial Services Industry," RAND Working Paper WR-1076, February 2015, last accessed July 26, 2023, https://www.rand.org/pubs/working_papers/WR1076.html; Justin Bekelman, et al., "Scope and Impact of Financial Conflicts of Interest in Biomedical Research: A Systematic Review," *Journal of the American Medical Association* 289, no. 4 (2003): 454–65; Eric Lipton and Brooke Williams, "How Think Tanks Amplify Corporate America's Influence," *New York Times*, August 7, 2016; Lawrence Lessig, *Republic, Lost: How Money Corrupts Congress—and a Plan to Stop It* (New York, 2011).

more sophisticated analysts who saw fewer threats to U.S. national security from growing nationalism and rising social expectations in the developing world. (Right-wing Guatemalan exiles issued similar warnings about communist influence in their country but were often discounted by State Department officials who gave greater credence to U.S. businessmen than to locals with “an axe to grind.”⁵) UFCO’s network of lobbyists and supporters created a permissive policy environment for intervention by directly shaping government and media reporting, congressional speeches, and elite opinion about Guatemala. Ironically, its intransigent attitudes also pushed Guatemala’s leaders into stronger alliances with the country’s nationalists and Communists, stoking Washington’s security concerns in a vicious cycle.

My case is based in part on several largely unexamined archival sources, including the papers of UFCO investor Floyd Odlum and Thomas Corcoran, one of United Fruit’s top lawyer-lobbyists. I also take a fresh look at the papers of Ambassador Patterson, some of whose correspondence takes on significance only with deeper knowledge of his business ties. This documentary record is woefully incomplete, however. Odlum destroyed most of his pre-1950 files. Patterson kept little record of his extensive dealings over many years with Odlum. The papers of their close friend and colleague, Secretary of Defense Louis Johnson, are also particularly sketchy for this period. UFCO, meanwhile, destroyed its main corporate archives.⁶ Moreover, as U.S. President Richard Nixon’s White House tapes demonstrate, important political and policy discussions by senior leaders are not always memorialized on paper, particularly if they involve unseemly calculations and deals. We also know that politicians are influenced by key supporters and large campaign contributors who avoid leaving evidence of their requests in government files or even personal archives. The limited and sometimes nonexistent record of these deliberations does not justify irresponsible speculation, but it should make scholars cautious about their knowledge of many events. The backstory of corporate influence over Guatemala policy is one such example.

UNITED FRUIT AND THE STATE DEPARTMENT IN GUATEMALA

U.S. corporations began investing in Guatemala in the late nineteenth century to take advantage of its fertile land, cheap labor force, and compliant governments. Founded in 1899 by Boston merchant families, the United Fruit Company in time became Guatemala’s largest landowner and employer. The company cemented its dominant role in Central America’s banana exports to

5. Aaron Moulton, “Guatemalan Exiles, Caribbean Basin Dictators, Operation PBFORTUNE, and the Transnational Counter-Revolution against the Guatemalan Revolution, 1944–1952” (PhD diss., University of Arkansas, 2016), 48–49, 99.

6. Philippe Bourgois, “One Hundred Years of United Fruit,” in *Banana Wars: Power, Production and History in the Americas*, eds. Steve Striffler and Mark Moberg (Durham, NC, 2003), 106.

the United States by merging in 1929 with its smaller and scrappier competitor, Cuyamel Fruit, founded by Russian-Jewish immigrant Samuel Zemurray.

By Guatemalan standards, the company provided relatively good pay, housing, and medical care. It had a distinctly elastic definition of what was best for its host countries, however. Six years after receiving a grant of several hundred thousand acres of land in 1930 in exchange for promises to build a Pacific port, UFCO took advantage of its friendly relations with Guatemala's ruthless dictator, Jorge Ubico, to renege on its deal. It also received generous tax concessions but cheated even on its minimal obligations.⁷ "Company executives could determine prices, taxes, and the treatment of workers without interference from the government," notes historian Nick Cullather, in a history of the CIA-backed 1954 intervention. "The United States Embassy approved and until the regime's final years gave Ubico unstinting support."⁸

In 1944, a popular revolt by young Army officers finally toppled the hated dictator. That December, voters in the country's first democratic election chose Juan José Arévalo, a university professor and moderate social reformer, as president. He disavowed Marxism and initially banned the Communist Party. Because major U.S. investors resented even his tentative reforms, however, the Guatemalan president would face almost relentless resistance from Washington after an initial honeymoon.

Taking office in April 1945, President Truman and his administration quickly prioritized defending U.S. commercial interests—a traditional and uncontroversial focus of the State Department—over nurturing social democracy in Guatemala. Guatemala's provisional government had recently expropriated a local cargo airline owned by Ubico and an expatriate American who had conspired with the dictator to force a rival airline out of business. State Department officials had previously decried their "unscrupulous tactics" and even complained about the dalliance of Ubico's airline with a convicted narcotics smuggler. In 1945, however, the Assistant Secretary of State for American Republic Affairs, Nelson Rockefeller, insisted that Ubico's U.S. partner was owed "prompt and adequate compensation" for his seized assets. The State Department refused to permit any sale of U.S. aircraft and equipment until Guatemala finally settled the claim in December 1947. The U.S. ambassador at the time lamented that the case was "the principal obstacle to his accomplishing his mission and furthering good relations with Guatemala."⁹

7. Gleijeses, *Shattered Hope*, 21–22, 91–92; Immerman, *CIA in Guatemala*, 74–75.

8. Cullather, *Secret History*, 9–10; see also Paul Dosal, *Doing Business With the Dictators* (Wilmington, DE, 1993), 176–77, 192–93.

9. "Airline Seizure Approved," *New York Times*, November 25, 1945; Erik Benson, *Aviator of Fortune: Lowell Yerex and the Anglo-American Commercial Rivalry, 1931–1946* (College Station, TX, 2006), 54–55, 77, 83–88; Robert Daley, *An American Saga: Juan Trippe and His Pan Am Empire* (New York, 1980), 12, 261–68; William Walker III, ed., *Drugs in the Western Hemisphere: An Odyssey of Cultures in Conflict* (Wilmington, DE, 1996), 86–88; The Acting Secretary of State to the Ambassador in Guatemala (Kyle), July 2, 1945, in *Foreign Relations of the United States* (hereafter *FRUS*), 1945, vol. IX, The American Republics, eds.

Starting in May 1947, in the same mode of defending aggrieved U.S. investors, the State Department repeatedly raised concerns with President Arévalo about a new labor law that gave workers for large agricultural employers rights to join trade unions, strike, and collect overtime pay. Claiming that the law might make doing business in the country impossible, UFCO asserted that it was the victim of “communistic influences emanating from outside Guatemala.” Although the law applied equally to large Guatemalan estates, and the State Department’s labor office likened it to “progressive social legislation of the New Deal type,” the U.S. ambassador condemned it as “detrimental to the interests of the United Fruit Company and discriminatory against American interests in this country.” A UFCO lobbyist thanked Assistant Secretary of State Spruille Braden for the State Department’s “immediate grasp of the problem.” Braden left the department later that year and become a consultant to United Fruit and American and Foreign Power, owner of Guatemala’s main electric utility.¹⁰

Reassured of Washington’s backing, United Fruit fired militant workers, held up banana shipments, and refused government requests to submit labor issues to arbitration. The company even let anti-regime plotters smuggle weapons into a UFCO-controlled port. Yet for all of UFCO’s loud protests, its banana production nearly doubled and gross profits more than tripled in the early years of the Arévalo administration. The company set new production records by 1952, a year after Arévalo was succeeded by Jacobo Arbenz, a progressive army officer whose term would be cut short by the CIA-backed coup in 1954. “At least a portion of this gain can be traced to the growing stimulus of governmentally directed investment and credit programs,” observed business historian Richard Allen LaBarge.¹¹

All these events were a distant sideshow for President Truman, who was preoccupied with postwar recovery challenges, confrontations with the Soviet Union in Europe, and Republican electoral gains. Truman knew little about Guatemala aside from a visit in 1939, which led him to admire the country’s

David H. Stauffer and Almon R. Wright (Washington, D.C., 1969): doc. 892; The Secretary of State to the Ambassador to Guatemala (Kyle), November 2, 1945, *FRUS*, 1945, vol. IX, doc. 896; “Guatemala Paying Airline Claim,” *New York Times*, December 22, 1947.

10. Gleijeses, *Shattered Hope*, 95–96; Memorandum from the Department of State to the Guatemalan Embassy, May 28, 1947, in *FRUS*, 1947, vol. VIII, The American Republics, eds. Almon R. Wright and Velma Hastings Cassidy (Washington, D.C., 1972): doc. 630; Memorandum of Conversation, by the Ambassador in Guatemala (Kyle), August 8, 1947, *FRUS*, 1947, vol VIII, doc. 633; Thomas Corcoran letter to Joseph Montgomery, United Fruit Company, New Orleans, August 25, 1947; and, memo from Duncan Lee to Mr. Youngman, August 12, 1947, both in folder “United Fruit Company—Guatemala 1947,” box 565, Thomas Corcoran Papers, Library of Congress, Washington, D.C. (hereafter “Corcoran Papers, LOC”); Spruille Braden, *Diplomats and Demagogues: The Memoirs of Spruille Braden* (New Rochelle, NY, 1971), 383.

11. Immerman, *CLA in Guatemala*, 76; Gleijeses, *Shattered Hope*, 105. On arms smuggling, see Rich Cohen, *The Fish That Ate the Whale: The Life and Times of America’s Banana King* (New York, 2012), 176. Richard Allen LaBarge, *Impact of the United Fruit Company on the Economic Development of Guatemala, 1946–1954* (New Orleans, LA, 1960), 24, 29, 34.

dictator, Ubico, for “eliminating graft.”¹² In September 1948, Truman appointed a brash New York businessman, Richard C. Patterson, Jr., to serve as ambassador. Patterson spoke no Spanish and had no experience in Latin America but took his lead from U.S. investors in the country. He was not unique in this respect. Patterson acted in sync with the embassy’s First Secretary, Milton Wells, who was friendly with local UFCO officials. The new ambassador’s views also meshed with those of leading officials in the State Department, who instructed him in December 1948 to “renew representations in protection of the United Fruit Company’s interests” and to press its case “vigorously.”¹³

Patterson needed no persuasion. Responding to an invitation by the Guatemalan government, he wrote President Truman in December 1948 to “strongly urge against any visit by the President of the United States” lest it “be misinterpreted as a gesture of support or of special friendship.” He explained that “the political philosophy of Guatemala’s leftist leadership has brought about a difficult situation for American business interests, and a vexing diplomatic problem for us.”¹⁴

Patterson held his first business meeting with President Arévalo that Christmas Eve. The ambassador demanded a “speedy solution” to a strike by United Fruit workers at a major port. Two months later, while UFCO adamantly refused to submit to arbitration, Patterson reiterated that the labor conflict was of “deepest concern” to Washington. The United States was watching closely to see if Arévalo’s government would give U.S. companies “the fair deal which certainly has been denied them during [the] past three years.”¹⁵ In June 1949, Patterson again protested that United Fruit, its affiliate International Railways of Central America (IRCA), the U.S.-owned power company Empresa Eléctrica de Guatemala, and Pan American Airways were in “crisis” and deserved better treatment. Arévalo countered that with workers trying to subsist on wages of twenty-five cents a day, “it was not surprising that pro-Communist propaganda had made headway” and that only by “correcting the social maladjustments between capital and labor” would “Communism be defeated.”¹⁶ Unpersuaded, Patterson was soon huddling with Zemurray and other

12. Gaddis Smith, *The Last Years of the Monroe Doctrine* (New York, 1994), 73.

13. Gleijeses, *Shattered Hope*, 101, 104–105.

14. Patterson letter to Truman, December 17, 1948, in folder “G,” box 151, Foreign Affairs 1940–53, President’s Secretary’s File (hereafter PSF), Harry S. Truman Papers (hereafter “Truman Papers”), Harry S. Truman Library, Independence, MO (hereafter HSTL).

15. Guatemala City embassy to Secretary of State, December 26, 1948, 711.14/12-2648, Central Decimal Files, 1910–1949 (hereafter CDF), Record Group 59: General Records of the Department of State (hereafter RG 59), National Archives and Records Administration, College Park, MD (hereafter USNA); Gleijeses, *Shattered Hope*, 105.

16. Memorandum of conversation between Ambassador Patterson and President Arévalo, June 27, 1949, in Patterson to State Department, June 30, 1949, 711.14/6-3049, CDF, RG 59, USNA.

representatives of United Fruit, IRCA, American and Foreign Power, and Pan Am to discuss next steps in their pressure campaign.¹⁷

Patterson won support for his hardline stance from the new U.S. Assistant Secretary for American Republic Affairs, Edward Miller. Miller, whose family owned sugar plantations in Cuba, came to the department in early 1949 from his job as a partner at UFCO's law firm, Sullivan and Cromwell.¹⁸ By mid-1949, based in part on Patterson's dire reports, Miller was calling the situation in Guatemala "one of the most pressing economic problems in the hemisphere today" and threatening to cut off aid to Guatemala. The State Department had several concerns about Guatemala's government, including its support for rebels targeting dictatorships in the Caribbean region and its reluctance to join the 1947 Rio mutual defense pact, but the country's economic nationalism rankled most. Like Patterson, Miller believed that the alleged discrimination against U.S. business was "influenced, at least in part, by foreign elements in Guatemala unfriendly to the United States."¹⁹

The Guatemalan government, for its part, was struggling to put down a long series of rebel revolts that had plagued the country's young democracy from its earliest days. In July 1949, after armed men sent by the president killed the rebellious chief of the armed forces under disputed circumstances, Arévalo had to call troops into the capital to defend the National Palace. United Press reported that "the artillery duel was so intense that a United States Air Force C-45 plane taking United States Ambassador Richard C. Patterson Jr. back to the Guatemalan capital from a vacation in Panama was unable to land and had to go back to San Salvador for the night after flying over the embattled city for four hours."²⁰

Instead of voicing support for the country's democracy, Patterson told a Guatemalan official that his "main job" as ambassador was "to protect and promote American interests." The ambassador complained that U.S. companies had been "persecuted, prosecuted, and unmercifully kicked around over the past two years," and said he was "fed up and the patience of my government nearly exhausted." In early 1950, the ambassador bluntly told journalists that he would

17. Patterson telegram to State Department, August 5, 1949, 123 Patterson, Richard C., Jr., CDF, RG 59, USNA; and Patterson memo to Murray Wise, October 13, 1949, 123 Patterson, Richard C., Jr., CDF, RG 59, USNA.

18. Rabe, *Eisenhower and Latin America*, 20.

19. Memorandum of Conversation, August 11, 1949, *FRUS*, 1949, vol. II, The United Nations; The Western Hemisphere, eds. Ralph P. Goodwin et al. (Washington, D.C., 1976): doc. 401; Memorandum of Conversation, August 2, 1949, *FRUS*, 1949, vol. II, doc. 399; The Secretary of State to the Ambassador in Guatemala (Patterson), July 27, 1949, *FRUS*, 1949, vol. II, doc. 398. Miller was not a blind defender of UFCO but confined his criticisms to a few colleagues. See Unsigned Memorandum of the Under Secretary's Meeting, June 2, 1950, *FRUS*, 1950, vol. II, The United Nations; The Western Hemisphere, eds. Ralph R. Goodwin et al. (Washington, D.C., 1976): doc. 460.

20. "Guatemalan Government Calls Troops into Capital," *Boston Globe*, July 20, 1949.

oppose World Bank infrastructure loans “until corrective action is taken against injustices to American interests.”²¹

The final straw was Patterson’s demand, in late March 1950, that Arévalo fire seventeen government officials, including several cabinet ministers, whom he accused of being communists. “You do not have an ambassador of the United States here, but a representative of United Fruit,” Arévalo complained to an American friend. Guatemala’s president later claimed to have “trustworthy information” that Patterson was dealing with Guatemalans who were conspiring to “overthrow the constitutional system.”²² Guatemala’s ambassador protested Patterson’s interference and hinted that he might be declared *persona non grata*. To avoid embarrassment, the State Department recalled Patterson, claiming that he needed medical treatment.²³

Patterson never returned to Guatemala. The Truman administration pointedly delayed appointing a new envoy, choosing to let Guatemala’s leaders “stew in their own juice for awhile.” It continued an arms embargo and blocked several channels of aid. The State Department, meanwhile, warned increasingly of “Communist penetration” of Guatemala, interpreting ongoing labor disputes and conflicts with UFCO as signs the government was determined to confront the United States.²⁴

Meanwhile, Patterson took every opportunity to denounce the regime publicly, asserting that U.S. investors had been “persecuted” by “pro-Communist and extreme nationalistic elements” and calling for “appropriate action” to deter further “acts of aggression against American interests.”²⁵ Behind the scenes, he planted stories in the U.S. media about “the Communists’ take-over of Guatemala.” Patterson’s close friendship with *New York Times* publisher Arthur Sulzberger paid off with an editorial, days after the ambassador’s ouster, complaining that “the present leaders of the Guatemalan government are permitting themselves to be manipulated by Communist revolutionaries.” In contrast, a *Washington Post* editorial observed that Patterson’s “extreme outspokenness has

21. Confidential meeting with Dr. Bernardo Aldana, Minister of Health, August 18, 1949, in folder “Crisis,” box 5, Ambassador to Guatemala, 1948–1951 series, Richard C. Patterson, Jr., Papers (hereafter “Patterson Papers”), HSTL; Fitzhugh Turner, “Communism in the Caribbean: U.S. Business Interests in Guatemala Are Under Constant Attack by Labor and Leftist Propagandists,” *New York Herald Tribune*, February 10, 1950.

22. Immerman, *CLA in Guatemala*, 99; Blasier, *Hovering Giant*, 60.

23. The Secretary of State to the Embassy in Guatemala, March 25, 1950, *FRUS*, 1950, vol. II, doc. 447; Memorandum by the Chief of the Division of Security (Nicholson) to the Director of the Office of Middle American Affairs (Mann), *FRUS*, 1950, vol. II, doc. 450; “Editorial Note,” *FRUS*, 1950, vol. II, doc. 452.

24. Mr. Edward W. Clark of the Office of Middle American Affairs to the Chargé in Guatemala (Wells), June 6, 1950, *FRUS*, 1950, II, doc. 461; Policy Statement Prepared in the Department of State, May 2, 1951, *FRUS*, 1951, vol. II, The United Nations; The Western Hemisphere, eds. Ralph R. Goodwin et al. (Washington, D.C., 1979): doc. 800; Beisner, *Dean Acheson*, 578; Gleijeses, *Shattered Hope*, 128; Immerman, *CLA in Guatemala*, 105–8.

25. “Central America’s Guatemala Holds Bold Communist Threat Against US,” *Austin Statesman*, December 28, 1950, 8.

created unnecessary enmities . . . if we respect the right of Guatemala to manage her own affairs, then our objective should be to encourage the moderate elements and at the same time scrupulously avoid anything which forces them into the hands of the Communists.”²⁶ In 1951, Truman ended Patterson’s drama by appointing him chief of mission to Switzerland. Truman thanked him for having “rendered service of supreme value” with his “‘no compromise’ policy on Communist influence and aggression.”²⁷

“A REPRESENTATIVE OF UNITED FRUIT”

Historians widely agree that Patterson was “arrogant” and “in tune with United Fruit” (Glejeses); a “man who knew virtually nothing about Latin America” (Immerman); and even “an hysterical, paranoid anti-Communist” (Gaddis Smith).²⁸ Yet studies of the period say virtually nothing about his background other than he was former chairman of the film studio Radio Keith Orpheum (RKO), a controversial former ambassador to Yugoslavia, and “an engineer and businessman with little diplomatic experience.”²⁹ A closer look at his past, however, supports Arévalo’s seemingly hyperbolic description of Patterson as “a representative of United Fruit.”

Patterson was born in Omaha in 1886, the son of a prominent attorney who made a fortune in real estate and settled in Truman’s home base of Kansas City, Missouri. While his brother went to work for National City Bank in New York, and his sister married a socially prominent Wall Street banker, Patterson earned an engineering degree at Columbia University. Showing a youthful interest in politics, he co-founded the New York Democratic Club in 1915 and took a patronage job as deputy fire commissioner. After serving in the U.S. Army Corps of Engineers during World War I, he became executive officer to the American Commission to Negotiate the Peace, where he made powerful political and

26. “The Guatemalan Incident,” *New York Times*, April 8, 1950. “Trouble in Guatemala,” *Washington Post*, May 8, 1950. On Sulzberger’s close relations with Patterson, his college classmate, see Patterson memorandum, “Conversations in New York with American Businessmen Regarding Guatemala,” October 27, 1948, in folder “American Interests,” box 5, Ambassador to Guatemala 1948–1951 series, Patterson Papers, HSTL; Marie Hury, Secretary to the Ambassador, to Dr. Edgar Mayer, February 20, 1950, in folder “Vistas – correspondence re. 1949–1951,” box 6, Patterson Papers, HSTL; Patterson memo to Murray Wise, October 13, 1949, 123 Patterson, Richard C., Jr., CDF, RG 59, USNA. Other examples of Patterson’s media outreach can be found in folder “Crisis,” box 5, Ambassador to Guatemala, 1948–1951 series, Patterson Papers, HSTL.

27. Truman to Patterson, April 3, 1951, in folder “Correspondence, 1925–1966, Truman, Harry S.,” box 15, General File 1918–1966 series, Patterson Papers, HSTL.

28. Glejeses, *Shattered Hope*, 98; Immerman, *CIA in Guatemala*, 97; Smith, *The Last Years of the Monroe Doctrine*, 75.

29. Glejeses writes nothing of Patterson’s background. Schlesinger and Kinzer garble it slightly by calling him the “former chairman of RKO Keith Orpheum” (*Bitter Fruit*, 85). Leonard mangles his career’s chronology (*The United States and Central America*, 102). Immerman calls Patterson “a midwestern businessman,” even though he spent most of his career in New York (*CIA in Guatemala*, 97). For “engineer,” see Coatsworth, *Central America and the United States*, 68–69.

business connections. In Paris, he also co-founded the American Legion, creating an important platform for future political influence. Rounding out his early career, Patterson married the daughter of one of Kentucky's leading bankers.³⁰

Patterson returned to politics to serve as New York City's commissioner of corrections under Mayor James Walker. After Walker retired in 1932, Patterson became executive vice-president of the National Broadcasting Company. In 1938, rewarding his service to the Democratic Party, U.S. President Franklin Roosevelt appointed him assistant, and then undersecretary of commerce. In 1940, Patterson became vice chairman of the Democratic National Finance Committee.³¹

In 1939, Patterson was made chairman of the board of RKO by one of its lead investors, Floyd Odlum.³² Just when they began their long business and personal relationship is uncertain, though Odlum's longtime attorney, Ed Weisl, was a giant in New York Democratic politics and worked with Patterson on business and legal matters.³³ Odlum joined Patterson and a senior official of the Democratic National Committee for a meeting with President Roosevelt at the start of the 1936 campaign. After the war, shrewdly exploiting Patterson's political connections, Odlum installed him on the boards of the aircraft giant Consolidated Vultee Aircraft Corp. (Convair) and various uranium mining companies.³⁴

30. "Richard Patterson Jr., 80, Dies," *New York Times*, October 1, 1966; "Richard Cunningham Jr. Patterson," *World Biographical Encyclopedia*, last accessed August 18, 2023, <https://prabook.com/web/atters.patterson/3758427>; Edmund Hayes Bell and Mary Hall Colwell, eds., *James Patterson of Conestoga Manor and His Descendants* (Lancaster, PA, 1925), 140–141; "Engaged to Capt. C. N. Bull," *New York Times*, November 4, 1917; "Young Democratic Club," *New York Times*, August 12, 1915; Marquis James, *A History of the American Legion* (New York, 1923), 35; "R. C. Patterson Jr. Weds Miss Rodes, of Kentucky," *New York Herald Tribune*, June 1, 1924.

31. Michael Robert Patterson, "Richard Cunningham Patterson, Jr.—Major, United States Army," *Arlington National Cemetery*, last modified August 16, 2023, last accessed August 18, 2023, <http://www.arlingtoncemetery.net/rcpatterson.htm>; "Richard Cunningham Jr. Patterson," *World Biographical Encyclopedia*; "Rolling Commissioner," *New Yorker*, August 21, 1954, 19–20; "Richard Patterson, Jr. and Frank McKinney Appointed," *Baltimore Sun*, October 22, 1940. In July 1950, Patterson purchased a building to house the Democratic National Committee in Washington. See August 3, 1950 note by "AS" in folder "OF 558 Patterson, Richard C., Jr.," box 1447, White House Central Files, Official File (hereafter "OF"), Truman Papers, HSTL.

32. Richard B. Jewell, *RKO Radio Pictures: A Titan is Born* (Berkeley, CA, 2012), 110. In 1943, Odlum became chairman of RKO, demoting Patterson to vice chairman. See "Odlum in R-K-O Post," *New York Times*, June 3, 1943. As of 1944, Odlum's investment company, Atlas Corporation, held more than \$12 million in RKO securities. See *Moody's Manual of Investments* (New York, 1944), 795.

33. Patterson and Weisl both lobbied the Justice Department on behalf of Wallace Groves, head of an investment firm who was later sent to prison for fraud. See the documents in folder "Correspondence, 1925–66, Groves, Wallace," box 13, General File 1918–1966 series, Patterson Papers, HSTL. Weisl also advised Patterson on matters relating to RKO. See documents in folder "Correspondence, 1925–1966, Weisl, Ed," box 15, General File 1918–1966 series, Patterson Papers, HSTL.

34. "Drought Relief Family Figure Up to 120,000," *New York Herald Tribune*, August 20, 1936; Jonathan Marshall, *Dark Quadrant: Organized Crime, Big Business, and the Corruption of American Democracy, from Truman to Trump* (Lanham, MA, 2021), 163; "Atlas Gets Uranium Mine," *New York Times*, October 15, 1954. In 1955, responding to a request from Odlum,

In 1951, nationally syndicated columnist Drew Pearson derided Patterson, who was then Minister to Switzerland, as “a satellite of Floyd Odlum’s.” As if to confirm that assessment, Patterson several months later sent Odlum business intelligence on a Swiss-connected chemical company he was interested in acquiring. Ambassador Patterson also wrote White House Appointments Secretary Matthew Connelly to remind him of a discussion they had had about Odlum: “Please do not forget that he was our friend in time of need and that it might be advisable to ask him in for a courtesy visit some time. He was the one Wall Street man who came out for the President at a time when the unanimous decision seemed to be that he would be defeated.” As we will see, this reference to Odlum’s support in the 1948 presidential campaign highlighted a key source of his political influence in the Truman administration.³⁵

Largely forgotten today, Odlum “left an imprint on virtually every segment of corporate America,” in the words of his 1976 *New York Times* obituary.³⁶ Unlike Patterson, Odlum rose from dire poverty in rural Michigan to earn a law degree at the University of Colorado in 1912. He went to work for a Utah subsidiary of the country’s largest utility holding company, Electric Bond and Share Company (EBASCO). By 1926 he became vice chairman of EBASCO’s subsidiary American and Foreign Power, helping to build its half-billion-dollar foreign portfolio. In 1919–20 it had acquired Empresa Eléctrica de Guatemala. This near monopoly was the largest U.S. interest in the country after UFCO and its railroad affiliate, IRCA. Odlum served as a director of the Guatemalan utility through 1931 and remained on the board of American and Foreign Power for many years.³⁷ Acting as attorney for Empresa Eléctrica in the early

Patterson “agreed to do everything possible under his authority as Commissioner of the Department of Commerce” to help Northeast Airlines, one of Odlum’s major investments. See Letter from Hamilton Heard, Treasurer, Northeast Airlines, to Odlum, February 11, 1955, in folder “Northeast Airlines, 1955–56,” box 42, Floyd Odlum Papers (hereafter “Odlum Papers”), Dwight D. Eisenhower Library, Abilene, KS (hereafter DDEL). Patterson’s own papers are mostly purged of correspondence with Odlum except for a file of letters from 1957, which reveal their many ongoing personal and business ties.

35. Drew Pearson, “Legion Stirs New ‘Tide of Toys,’” *Washington Post*, February 12, 1951; Patterson to Odlum, November 27, 1951, in folder “P, 1951–1952 (1),” box 9, Odlum Papers, DDEL; Odlum letter to David Baird, March 15, 1953, in folder “Baird, David G., 1953–54 (3),” box 16, Odlum Papers, DDEL; Patterson letter to Connelly, July 9, 1951, in folder “OF 558 Patterson, Richard C., Jr.,” box 1447, OF, Truman Papers, HSTL.

36. “Floyd B. Odlum, Financier, 84, Dies,” *New York Times*, June 18, 1976. The only substantial biography of Odlum remains unfinished and unpublished, but its author, David Clarke, Jr., graciously shared with me his work in progress, entitled *Wall Street Gothic: The Unlikely Rise and Tragic Fall of Financier Floyd B. Odlum*. A draft biography prepared by H. A. Bruno & Associates in 1949 can be found in folder “Odlum, Floyd B. Biography,” box 8, Odlum Papers, DDEL.

37. Drew Pearson, “Industrialist Floyd Odlum’s Dollars,” *Times Journal* (Vineland, NJ), June 1, 1949; “Odlum’s Activity Wide,” *New York Times*, September 5, 1941; “Financial History of Foreign Power,” in U.S. Securities and Exchange Commission, *Decisions and Reports*, vol. 27 (Washington, D.C., 1953), 4, 12; U.S. Congress, House of Representatives, Committee on Interstate and Foreign Commerce, *Report on the Relation of Holding Companies to Operating Companies in Power and Gas Affecting Control*, vol. 4, 73rd Congress, 2nd session (Washington, D.C., 1934), 425; William J. Hausman, Peter Hertner and Mira Wilkins, *Global Electrification:*

1920s, and later for EBASCO on some of its biggest cases, was Sullivan and Cromwell partner and future Secretary of State John Foster Dulles. He and his firm also represented UFCO's interests in Guatemala.³⁸ Sullivan and Cromwell had a long history of successfully influencing U.S. policy in the Caribbean on behalf of well-heeled corporate clients. Partners from Sullivan and Cromwell moved in and out of administrations through revolving doors.³⁹ As historian Louis Perez, Jr. has observed, "the practice of recruiting State Department personnel from the offices of New York and Washington law firms, together with the subsequent return of many policy officials to private legal practice, tended to strengthen the bonds between bureaucrats and capitalists. Inevitably, the potential to influence policy decisions increased."⁴⁰

While still working for EBASCO in the 1920s, Odlum and a friend began buying utility shares, riding the bull market with insider information. Odlum's portfolio fared better than many investment funds after the stock market crash in 1929. He shrewdly began acquiring many hard-hit funds at less than the value of their underlying assets. At its peak in the mid-1930s, before Odlum began cashing out some of its holdings, his Atlas Corp. was the largest investment trust in the United States.⁴¹

One of Atlas's biggest holdings was United Fruit Company, a fact ignored by major histories of the banana company. Odlum met and befriended Zemurray while buying utilities in Latin America for EBASCO. Odlum's oldest brother George, who had run tobacco plantations in Rhodesia, became district manager for Zemurray's Cuyamel Fruit Co. in Honduras in the 1920s. In 1932, Odlum helped Zemurray take control of United Fruit. Odlum joined the board of UFCO and several of its subsidiaries while Zemurray joined the board of Atlas.⁴² As of 1948, Atlas Corp. owned \$1 million (about \$18 million in 2022 dollars) in United Fruit common stock. Atlas also owned \$1 million in

Multinational Enterprise and International Finance in the History of Light and Power, 1878–2007 (Cambridge, 2008), 145, 182; Blasier, *Hovering Giant*, 55.

38. Gleijeses, *Shattered Hope*, 236, 290; William Lasser, *Benjamin V. Cohen: Architect of the New Deal* (New Haven, CT, 2002), 145.

39. Nancy Lisagor and Frank Lipsius, *A Law Unto Itself: The Untold Story of the Law Firm Sullivan & Cromwell* (New York, 1988).

40. Perez, *Intervention, Revolution, and Politics in Cuba, 1913–1921*, 132–33.

41. Kenneth L. Fisher, *100 Minds That Made the Market* (Hoboken, NJ, 2007), 137; Clarke, *Wall Street Gothic*. The Securities and Exchange Commission reported critically on Odlum's investment practices in *Investment Trusts and Investment Companies*, pt. III (Washington, D.C., 1940), 1052–72. See also Drew Pearson, "Odlum's White House 'In' Amazes," *Washington Post*, June 1, 1949.

42. W. Rodney Long, *Railways of Central America and the West Indies* (Washington, D.C., 1925), 62–63; "Zemurray in Charge of United Fruit Operations," *Boston Globe*, July 14, 1932; Forrest Davis, "The Tinker of Wall Street," *Saturday Evening Post*, July 10, 1937; Clarke, *Wall Street Gothic*; House Committee on Interstate and Foreign Commerce, *Report on the Relation of Holding Companies to Operating Companies in Power and Gas Affecting Control*, 425.

American and Foreign Power preferred stock, giving it a direct interest in the fate of Empresa Eléctrica.⁴³

Odlum was less overtly political than Patterson. Having been the subject of investigations by the Securities and Exchange Commission, however, he keenly understood the value of friends in high places. Starting in the mid-1920s, he racked up a perfect record of backing presidential winners, from Calvin Coolidge to Eisenhower.⁴⁴

For his “outstanding services” as a senior official in President Roosevelt’s industrial war mobilization effort, President Truman awarded Odlum the Certificate of Merit.⁴⁵ During the 1948 campaign, when many prominent Democrats all but gave up on Truman, Odlum contributed \$3,000 (\$37,000 in 2022) and raised another \$20,000 (\$247,000) to help finance his surprise victory. Odlum’s man Patterson reportedly used his broadcast industry connections to arrange \$100,000 (\$1.2 million) worth of free radio time. The embattled candidate wrote to Odlum a few weeks before the election: “I have heard of the generous way in which you have expressed confidence in my leadership and want you to know of my heartfelt appreciation. I am more grateful than I can say.” Four days later, Truman’s chief fundraiser, Louis Johnson, arranged a private meeting between Odlum and the President. In November, Truman again thanked Odlum for his support “in those really ‘dark days’ in October.” Days after his inauguration in 1949, Truman invited Odlum and a few other friends to a private, “off-the-record” dinner in his study at the Blair House.⁴⁶

That April, Odlum held yet another private meeting with Truman, arranged through U.S. Ambassador to Argentina James Bruce, a former banker and utility director who also contributed generously to Truman’s 1948 campaign. A subsequent column by Drew Pearson suggested that Odlum wanted the

43. See report in folder “Atlas—Miscellaneous Reports, 1942–1955 (1),” box 118, Odlum Papers, DDEL. Atlas Corp.’s holdings in these two companies represented about three percent of its assets at the end of 1948. 2022 figures cited parenthetically here and below are from <https://www.measuringworth.com>. Spending figures are based on the consumer price index; asset figures are based on relative wealth.

44. Clarke, *Wall Street Gothic*.

45. Scott Cutlip, *The Unseen Power: Public Relations: A History* (Hillsdale, NJ, 1994), 298; letter to Odlum from D. Lawrence Groner, July 16, 1947, Medal for Merit Board, in folder “Correspondence, 1947–48,” box 1, Odlum Papers, DDEL; summary notes on Odlum’s Certificate of Merit in folder “PPF 4431, Odlum, Floyd B.,” box 684, White House Central Files, President’s Personal File (hereafter PPF), Truman Papers, HSTL.

46. “The Angels of the Truman Campaign,” *Time*, June 6, 1949; oral history interview with Eben Ayers by Jerry Hess, April 19, 1967, last accessed August 18, 2023, <https://www.trumanlibrary.gov/library/oral-histories/ayers4>; Truman letter to Odlum, October 16, 1948, in folder “Correspondence, 1947–48,” box 1, Odlum Papers, DDEL; Truman calendar, October 20, 1948, 11:00 a.m.–12:00 p.m., *Daily Appointments of Harry S. Truman*, last accessed August 18, 2023, <https://www.trumanlibrary.gov/calendar> (all subsequent references to Truman’s calendar can be found at this website); Truman letter to Odlum, November 30, 1948, in folder “PPF 4431, Odlum, Floyd B.,” box 684, PPF, Truman Papers, HSTL; cable from Matthew J. Connelly, secretary to the President, to Odlum, January 31, 1949, in folder “Correspondence, 1949,” box 1, Odlum Papers, DDEL.

administration's help to protect his huge utility investments in Argentina from possible expropriation. Pearson called Odlum "a gentleman of backstage importance in the Truman administration," reporting that he had been offered the "vitaly important job" of chairman of the National Security Resources Board. The columnist added, "Odlum's friends have a habit of reaching into the government and pulling wires to get his men appointed to key positions. For instance, Curtis Calder, head of the giant Electric Bond and Share (long dominated by Odlum), has now been offered the post of Secretary of the Army." Calder, however, turned the job offer down, as did Odlum, who suffered from health problems.⁴⁷

Chief among "Odlum's friends" who had special influence over Truman was his longtime business colleague Louis Johnson. A former National Commander of the American Legion and Assistant Secretary of War in the late 1930s, Johnson worked closely with utility executives as chairman of the National Defense Power Committee, established in 1938.⁴⁸ Johnson was also a corporate attorney and lobbyist who represented Pan American Airways, an aggrieved investor in Guatemala. In 1948, he took on the seemingly hopeless task of raising money to finance Truman's long-shot campaign for a full term as President. (One of his deputies was Pan Am's chief lobbyist, who raised \$300,000 [\$3.7 million].) The two million dollars Johnson collected financed Truman's famous "whistle-stop" campaign through the U.S. heartland. In gratitude, Truman appointed Johnson Secretary of Defense in March 1949. A year later, following a private huddle with Johnson, Truman gave Pan Am a huge victory by overturning a decision by the Civil Aeronautics Board to disallow its proposed merger with American Overseas Airways.⁴⁹

47. Odlum meeting, Truman calendar, April 5, 1949, 10:30–10:45; unsigned memo, "Requests to see the President," April 1, 1949, in folder "PPF 4431, Odlum, Floyd B.," box 684, PPF, Truman Papers, HSTL; Joseph and Stewart Alsop, "Enter Sir Neville," *Washington Post*, February 22, 1950; Pearson, "Odlum's White House 'In' Amazes"; "Odlum Sees Truman," *Wall Street Journal*, April 6, 1949; Marquis Childs, "Friends of Secretary Johnson Call Him Presidential Timber," *Pittsburgh Post-Gazette*, April 14, 1949; Calder and Johnson meeting with Truman, April 19, 1949, 12:00–12:15 p.m., Truman calendar; "Calder Denies He Has Agreed to Become Army Secretary," *New York Times*, April 28, 1949. One of Pearson's sources was a friend of Odlum's brother-in-law L. Boyd Hatch, who worked as executive vice president of Atlas Corp. See JMH memo to Pearson, May 13, 1949, in folder "Johnson, Louis," box F 461 #1, Drew Pearson Papers, Lyndon Baines Johnson Presidential Library, Austin, TX.

48. Jerry Klutz, "Federal Diary," *Washington Post*, October 20, 1939.

49. Keith D. McFarland and David L. Roll, *Louis Johnson and the Arming of America* (Bloomington, IN, 2005), 136–38; "Task of Louis Johnson," *U.S. News and World Report*, March 11, 1949; oral history interview with Marx Leva, Assistant Secretary of Defense, 1949–51, by Jerry N. Hess, December 9, 1969 and June 12, 1970, last accessed August 18, 2023, <https://www.trumanlibrary.gov/library/oral-histories/leva>; Marilyn Bender and Selig Altschul, *The Chosen Instrument: Juan Trippe, Pan Am, The Rise and Fall of an American Entrepreneur* (New York, 1982), 437–45; U.S. Congress, House of Representatives, Committee on the Judiciary, *Monopoly Problems in Regulated Industries: Hearings Before the Antitrust Subcommittee*, vol. 3, pt. 1, 84th Congress, 2nd Session (Washington, D.C., 1957), 2541–44.

Johnson and Odlum were joined at the hip through Convair, the country's largest manufacturer of military aircraft. Odlum purchased the ailing company in 1947. He swept out many of the old guard but kept Johnson on its board and his law firm on a lucrative retainer. After Johnson became Secretary of Defense in 1949, the Pentagon awarded Convair a huge contract to produce B-36 bombers. When Navy officials and members of Congress decried the striking appearance of a conflict of interest, the House Armed Services Committee undertook an investigation, which cleared Johnson and Odlum of wrongdoing.⁵⁰ In a meeting with President Truman on June 7, 1949, while the hearings were drawing front-page headlines, the first thing Ambassador Patterson said was, "Odlum told me to tell you, Mr. President, re the B-36, that he had blood in his eyes, and when he gets on the stand, he will tear them apart." Patterson did not need to explain his relationship with the founder of Atlas Corp.⁵¹

Patterson was also close to Johnson. Patterson was a founder and Johnson a leader of the American Legion. Odlum appointed Patterson to join Johnson on the board of Convair. Patterson also sat on the board of General Aniline and Film, a formerly German-controlled company seized by the U.S. government during World War II, at the same time Johnson was presiding over a major subsidiary of the chemical firm.

Although Johnson had little personal interest in Guatemala, he did own stock in Atlas Corp., Electric Bond and Share, and United Fruit, reflecting the fact that Odlum was his personal investment adviser. Moreover, Johnson was always ready to do favors for Odlum, Patterson, and others in their orbit. In 1949, when United Fruit President Thomas D. Cabot fell out with Zemurray over the latter's heavy-handed use of "influence peddlers" in Washington, Johnson got him a meeting with President Truman to seek a government appointment. Cabot was soon named director of the State Department's Office of International Security Affairs.⁵²

These relationships intersected with United Fruit above all else through Patterson's appointment to represent the United States in Guatemala. His only previous diplomatic posting, as ambassador to Yugoslavia from 1944-47, ended in disaster. Belgrade accused him of trying to "poison" bilateral relations and

50. "Convair's Control Taken by Odlum," *New York Times*, November 21, 1947; Childs, "Friends of Secretary Johnson Call Him Presidential Timber"; Arthur Krock, "The Bitter Yield of Politics and Power," *New York Times*, May 26, 1949; U.S. Congress, House of Representatives, Committee on Armed Services, *Investigation of the B-36 Bomber Program: Hearings Before the Committee on Armed Services*, 81st Congress, 1st Session (Washington, D.C., 1949).

51. Notes in folder "Truman, Harry S.," box 6, Ambassador to Guatemala, 1948-1951 series, Patterson Papers, HSTL.

52. Johnson's UFCO shares were worth \$12,500 (\$515,000) at the time. See "Holdings of Mr. Louis Johnson," August 19, 1952, in folder "J 1951-1952," box 6, Odlum Papers, DDEL; Johnson letter to Odlum, August 8, 1952, in folder "J 1951-1952," box 6, Odlum Papers, DDEL; oral history interview with Thomas D. Cabot, by Richard D. McKinzie, June 6, 1975, last accessed August 18, 2023, <https://www.trumanlibrary.gov/library/oral-histories/cabott/>; Truman's appointment calendar, December 22, 1949.

declared him *persona non grata*. His colleague John M. Cabot (brother of UFCO's president), who served as counsellor of embassy in Yugoslavia in 1947, recalled that Patterson "made a god-awful mess of things in Belgrade."⁵³ Secretary of State George C. Marshall and Under Secretary of State Robert Lovett both opposed appointing Patterson to Guatemala. Truman listened to higher authorities, however. On September 21, 1948, Truman's aide Donald Dawson, who was orchestrating the candidate's "whistle-stop" tour, instructed the White House clerk that the first person outside the State Department to be notified of Patterson's appointment should be Johnson, the campaign's finance chief.⁵⁴

Syndicated columnist Marquis Childs later cited Patterson's embarrassing record as a reason to question the appointment of "contributors to political campaigns and politicians in search of a temporary berth." None of this bothered Truman, who praised Patterson for his "effective" representation of U.S. interests in Yugoslavia and named him to the Guatemala post on September 29, 1948. A few weeks later, at Louis Johnson's suggestion, Patterson met with Truman in the company of James Gerard, a major shareholder in American Power and Light, who agreed to raise money for the campaign. In subsequent meetings in 1949, Patterson and Truman discussed Odlum and campaign contributions along with Guatemalan affairs.⁵⁵

Within days of taking his new post in Guatemala—and just a week after Johnson arranged a private meeting between Odlum and Truman—Patterson got together with top executives of Pan Am, Electric Bond and Share, United Fruit, and its "special political counsel" Thomas Corcoran, to hear about their "headaches" in Guatemala. Soon, he also met with Odlum regarding the "development of American interests in Guatemala."⁵⁶ After a similar

53. "Lecture Tour," *The New Republic*, March 10, 1948; oral history interview with John M. Cabot, by Richard D. McKinzie, July 18, 1973, last accessed August 18, 2023, <https://www.trumanlibrary.gov/library/oral-histories/cabotjm>.

54. "LOVETT, Hon. Robert A.," memo, July 2, 1948 in folder "OF 439-A Endorsements for Ambassador," box 1342, OF, Truman Papers, HSTL; Eben Ayers oral history, April 19, 1967; Dawson memo to William Hopkins, September 21, 1948, in folder "OF 439-A Endorsements for Ambassador," box 1342, OF, Truman Papers, HSTL.

55. Marquis Childs, "Political Envoys: Case of Ambassador Patterson," *Washington Post*, January 25, 1951; Truman to Patterson, September 29, 1948, in folder "Correspondence, 1925-66, Truman, Harry S.," box 15, General File 1918-66 series, Patterson Papers, HSTL; Truman calendar, October 21, 1948, 3:30-3:45 p.m.; "James W. Gerard, 84, Dies," *New York Times*, September 7, 1951; undated note signed "acs:ebf," in folder "PPF 4431, Odlum, Floyd B.," box 684, PPF, HSTL; Patterson's notes in folder "Truman, Harry S.," box 6, Ambassador to Guatemala, 1948-51 series, Patterson Papers, HSTL.

56. Patterson memorandum, "Conversations in New York with American Businessmen Regarding Guatemala," October 27, 1948; and memorandum of conversation, November 15, 1948, both in folder "American Interests," box 5, Ambassador to Guatemala, 1948-51 series, Patterson Papers, HSTL. Patterson continued to meet often with U.S. business representatives; see, for example, Patterson to Secretary of State, August 5, 1949, 123 Patterson, Richard C., Jr., CDF, RG 59, USNA; Patterson memo to Murray Wise, "Meetings with American Businessmen re Guatemala," October 13, 1949, 123 Patterson, Richard C., Jr., CDF, RG 59, USNA; Patterson memorandum, June 3, 1949, in folder "American Interests," box 5, Ambassador to Guatemala, 1948-51 series, Patterson Papers, HSTL.

consultation with UFCO's Zemurray in August 1949, Ambassador Patterson gushed, "You are to me America's number one pioneer and trail blazer." United Fruit's lobbyist Corcoran, meanwhile, congratulated Patterson on the "firm way" he was handling Guatemala's labor law dispute and assured him that "your backers up here [in Washington] are on the ball night and day." Replying to Corcoran, the ambassador admitted that he was unhappy "leading a . . . life alone" and wished he could resign to spend more time with his children in the United States. Unfortunately, he could leave his post only if "Floyd [Odlum] doesn't object."⁵⁷

Reflecting this servile attitude, Patterson prevailed on Guatemalan President Arévalo to invite Odlum's wife, the famous aviator Jaqueline Cochran, to visit as a guest of the government "in the interest of stimulating interest in civil aviation among the Guatemalan women." At Patterson's instigation, Arévalo also awarded Odlum a "Citation for Outstanding Achievement in International Commerce." Joining Odlum's party of seventeen was the wife of U.S. Secretary of the Air Force Stuart Symington, who oversaw the controversial purchase of B-36 bombers from Odlum's Convair.⁵⁸

Patterson also worked assiduously to maintain favor with Truman by cultivating the President's close friend and adviser—and Louis Johnson's White House ally—Maj. Gen. Harry Vaughan. With extensive help from United Fruit, the ambassador arranged a three-week cruise aboard a UFCO vessel and Guatemalan vacation for a party of twelve led by the President's military aide.⁵⁹

The tight personal, business, and political network that bound a major U.S. investor in Guatemala to the highest levels of the Truman administration and U.S. embassy in Guatemala thus ensured that UFCO and American and Foreign Power were able not only to promote their direct interests but also to

57. Patterson to Zemurray, August 11, 1949, in folder "American Interests," box 5, Ambassador to Guatemala, 1948–51 series, Patterson Papers, HSTL; Corcoran to "Dick" Patterson, March 23, 1949; and Patterson to "Tom" Corcoran, April 1, 1949, both in folder "Guatemala Labor Code Correspondence United Fruit Co. 1949," box 566, Corcoran Papers, LOC.

58. Patterson to Secretary of State, January 6, 1949; and "Odlum Party for Guatemala," January 19, 1949, both in folder "Cochran Trip," box 5, Ambassador to Guatemala, 1948–51 series, Patterson Papers, HSTL.

59. W. W. Turnbull, United Fruit, to Patterson, June 18, 1949, in folder "Vaughan, Harry H.," box 6, Ambassador to Guatemala, 1948–51 series, Patterson Papers, HSTL. Johnson's biographers describe Vaughan as "Johnson's liaison with the White House" and "another American Legion friend who had achieved a high rank in the military while scarcely leaving a Washington desk." See: McFarland and Roll, *Louis Johnson and the Arming of America*, 160. Former Air Force Secretary Stuart Symington commented on Vaughan's close ties to Johnson through the American Legion, as well as fundraising for Truman. See oral history interview with Stuart Symington, by James R. Fuchs, May 29, 1981, last accessed August 21, 2023, <https://www.trumanlibrary.gov/library/oral-histories/symton>. Patterson's next invitee to Guatemala was diplomat John Peurifoy, who became President Eisenhower's hardline ambassador to Guatemala in 1953 and helped lead the overthrow of its government the next year. See: Patterson to Johnson, June 14, 1949, in folder "1949–50 correspondence with Richard C. Patterson," box 108, Louis Johnson Papers, University of Virginia, Charlottesville, VA.

shape the terms of discussion over the threat Guatemala's government posed to broader U.S. interests. Odlum's network remained highly influential even after Patterson left Guatemala. Not only did the ambassador continue to lobby hard for a tough policy toward the country even after his departure, his friend Gen. Vaughan helped persuade President Truman to support a coup plot against the Guatemalan government in 1952, with participation by both Odlum and Zemurray.

ZEMURRAY'S "INFLUENCE PEDDLERS" AND THE 1952 COUP PLOT

Patterson resembled a corporate lobbyist more than a simple cold warrior when, in January 1950, he advised Zemurray to launch "an all-out barrage in the U.S. Senate on the bad treatment of American capital in Guatemala." That would take "the onus off UFCO" and shift the focus onto "a demand by our Senators that all American interests be given a fair deal."⁶⁰ Zemurray took the advice to heart. His public relations director, Edward Bernays, "directed a campaign to persuade Congress and administration officials that attacks on the company were proof of Communist complicity," in the words of Nick Cullather.⁶¹ Over the next few years, UFCO lobbyist Thomas Corcoran worked closely with key leaders of Congress to help foment a crisis in U.S.-Guatemalan relations. As the proud lobbyist told Zemurray in early 1952, "We have both parties on a bi-partisan basis calling in the House for the 'elimination' of the Guatemalan cancer and putting it up to the other Latin American nations that it is to their own interest that the elimination be effected. . . . What we need now is solid organization of New England through the influence of the First National Bank [of Boston, UFCO's lender] and elsewhere and solid organization of the Gulf Coast particularly in Louisiana and Texas to keep the excitement concrete in the minds of the Congress."⁶²

Meanwhile, operating in the inner circles of the Truman administration, Corcoran prodded the State Department and CIA in early 1950 to support a covert operation by U.S. companies to install a government friendlier to their interests. Within the CIA, Corcoran had developed close ties to top officials in 1948 through shared concerns over China. One of his friends, then-Deputy Director of Central Intelligence Allen Dulles, had been a partner at the law firm of Sullivan and Cromwell, which represented United Fruit, IRCA, and

60. Immerman, *CIA in Guatemala*, 116.

61. Cullather, *Secret History*, 16. This influence program is described at length in Schlesinger and Kinzer, *Bitter Fruit*; Immerman, *CIA in Guatemala*, 111-18; and Thomas McCann, *An American Company: The Tragedy of United Fruit* (New York, 1976), chapter 4.

62. Corcoran letter to Zemurray ("Elder Statesman"), February 26, 1952, in folder "Zemurray, Samuel, 1949-1961," box 188, Corcoran Papers, LOC. The boards of First National Bank of Boston and United Fruit had interlocked since 1907. In 1950, the bank's directors included UFCO President Thomas D. Cabot and its chairman, T. Jefferson Coolidge. See: Ben Ames Williams, *Bank of Boston 200: A History of New England's Leading Bank, 1784-1984* (Boston, MA, 1984), 261, 299, 336, 368, 390-91.

EBASCO.⁶³ In November 1951, at the request of the National Security Council's executive secretary, a group of CIA officials met with a representative of UFCO President Zemurray and Odlum (identified as "part owner of Electric Bond and Share Company") who "wished to offer the use of their facilities and personnel to assist CIA in any program which we may contemplate for combating the growth of Communism in Guatemala" and "were willing to go to any lengths" to that end. Dulles in turn "assured" the businessman that the CIA was "very much interested" and would put him in touch with the CIA's head of Western Hemisphere operations. A month later, Odlum told Zemurray that "if things don't develop to your satisfaction soon," he would set up "a top boss conference for you in Washington" to smooth the way.⁶⁴

He need not have worried. In January 1952, Director of Central Intelligence Walter Bedell Smith—who would retire from the federal government after 1954 to join UFCO's board of directors, with help from Corcoran—asked his Western Hemisphere chief to begin scouting the most reliable candidate for a coup attempt against the Arbenz government, which took office in 1951 with a renewed commitment to economic nationalism and reform. The CIA worked closely in this matter with a UFCO representative in New Orleans. Nicaraguan dictator Anastasio Somoza, a bitter enemy of Arbenz, lobbied for the operation in Washington that spring, agreeing to support the Guatemalan rebels and avoid any attribution to the United States. With the enthusiastic backing of White House military aide Vaughan, who was friendly with Somoza and other right-wing military dictators in the region, President Truman apparently signed off on the goal of a revolt. The CIA began procuring arms for shipment by UFCO to the rebels and even drew up a list of "top flight Communists to be eliminated." Indiscreet leaks from Somoza's camp, however, frightened State Department officials, who ultimately aborted the plan. The CIA nonetheless stayed in close contact with Guatemalan coup plotters. Their services would be used again in 1954, under the direction of President Eisenhower's now-Director of Central Intelligence Allen Dulles.⁶⁵

63. Thomas C. Mann, memorandum of conversation with Corcoran, May 15, 1950, in folder "Crisis," box 5, Ambassador to Guatemala, 1948–51 series, Patterson Papers, HSTL; David McKean, *Tommy the Cork: Washington's Ultimate Insider from Roosevelt to Reagan* (South Royalton, VT, 2004), 213–22; Marshall, *Dark Quadrant*, 55–56, 71–72. Dulles also served on the board of J. Henry Schroder Banking Corp., a major investor in International Railways of Central America.

64. Memo to CIA Deputy Director, Plans, from Assistant to the Director, November 5, 1951, doc. 0000915073, CIA Records Search Tool (hereafter CREST), last accessed August 21, 2023, https://www.cia.gov/readingroom/docs/DOC_0000915073.pdf; Floyd Odlum telegram to Zemurray, December 30, 1951, in folder "United Fruit Company, 1951–52," box 12, Odlum Papers, DDEL.

65. Cullather, *Secret History*, 5, 9–31; See also the relevant volume of *FRUS* (*FRUS*, 1952–1954, *Guatemala*, ed. Susan Holly (Washington, D.C., 2003), esp. docs. 11–14, 20–26); James Lockhart, "The Dulles Supremacy: Allen Dulles, the Clandestine Service, and PBFortune," in *Spy Chiefs: Volume 1: Intelligence Leaders in the United States and United Kingdom*, eds. Christopher Moran et al. (Washington, D.C., 2018), chapter 4; Moulton, "Guatemalan Exiles," 140–201; Gleijeses, *Shattered Hope*, 228–31; Schlesinger and Kinzer, *Bitter Fruit*, 102; Beisner, *Dean Acheson*, 580–84; Immerman, *CIA in Guatemala*, 120–22.

UFCO had its fingerprints all over the CIA's operations. Of the two major Guatemalan rightists the Agency backed—originally at Thomas Corcoran's suggestion—one was a longstanding recipient of UFCO funds (Col. Carlos Castillo Armas) and the other was UFCO's former attorney (Juan Córdova Cerna).⁶⁶ The 1954 intervention had support from more than half a dozen U.S. officials with financial stakes in or professional connections with United Fruit. Like UFCO's own executives, they saw themselves not as corporate shills but as “defenders of America against the Communist subversion of Latin America.”⁶⁷ Although motivated primarily by Cold War ideology, their decision represented a logical culmination of Ambassador Patterson's campaign of vilifying Guatemala's social reform program and treatment of United Fruit, undertaken in his zealous representation of Floyd Odlum's investments. A few months after the 1954 coup in Guatemala, Patterson dined with William Pawley, one of its planners and a senior adviser to President Eisenhower on intelligence matters. Pawley “spoke with great enthusiasm of your hospitality,” Patterson reported to Odlum. “He said you have the fastest brain of any man he has ever met.”⁶⁸

The facts recounted here raise at least two major questions about Guatemala policy. Can revisiting the Truman years add anything to our understanding of events in 1954, and does the addition of Patterson's name to the already long list of officials and diplomats with close ties to UFCO make any substantive difference to understanding U.S. policy towards Guatemala in the decade after World War II?

Regarding the Truman years, most historians already acknowledge their pivotal importance in crystalizing Washington's view of Guatemala's social reforms as a dangerous threat to U.S. interests, not as welcome precursors to modern capitalist development. As John Coatsworth observes, “the Communist issue came to dominate relations between the United States and Guatemala only after the appointment of Richard C. Patterson, Jr., as U.S. ambassador at the end of

66. “Report,” October 8, 1952, *FRUS*, 1952–54, *Guatemala*, doc. 20; cable to State, Army, Navy, Air, JCS, SECDEF, ATSA from CIA, January 24, 1952, doc. 0000915067, CREST, last accessed August 21, 2023, https://www.cia.gov/readingroom/docs/DOC_0000915067.pdf (Col. Carlos Castillo Armas); Fraser, “Architecture of a Broken Dream,” 496–97; and Charles D. Brockett, “An Illusion of Omnipotence: U.S. Policy Toward Guatemala, 1954–1960,” *Latin American Politics and Society* 44, no. 1 (2002): 98–99 (Juan Córdova Cerna).

67. McCann, *An American Company*, 58. Regardless of motives, United Fruit's shares soared in value 20.5 percent within a week of the Eisenhower administration authorizing plans to overthrow the Arbenz regime, suggesting that major investors had inside knowledge of this closely guarded secret. See Arindrajit Dube, et al., “Coups, Corporations, and Classified Information,” *Quarterly Journal of Economics* 126, no. 3 (2011): 1390.

68. Richard C. Patterson, Jr. letter to Odlum, November 15, 1954, in folder “P, 1953–54 (1),” box 23, Odlum Papers, DDEL. Pawley later worked vigorously to promote Odlum's airline interests before the Civil Aeronautics Board. See Pawley to Odlum, April 9 and 11, 1955, in folder “Northeast Airlines, 1955–56,” box 42, Odlum Papers, DDEL. On Pawley, see Max Holland, “Private Sources of U.S. Foreign Policy: William Pawley and the 1954 Coup d'État in Guatemala,” *Journal of Cold War Studies* 7, no. 4 (2005): 36–73; and Anthony Carrozza, *William D. Pawley: The Extraordinary Life of the Adventurer, Entrepreneur, and Diplomat Who Co-founded the Flying Tigers* (Washington, D.C., 2012), 194–202.

1948.” Cole Blasier asserts that by early 1951, “the political rift between the two countries was almost complete.”⁶⁹

Washington’s increasingly bleak view of Guatemala’s political trajectory can be explained to a great extent by President Arbenz’s radical rhetoric, embrace of Communist advisers, and sweeping land reform legislation. But Secretary of State Dean Acheson himself seems to have belatedly realized that Patterson’s aggressive defense of UFCO actually fostered the very political trends in Guatemala that most concerned Washington. In 1950, Acheson called for “forbearance and patience on our part” to avoid pushing nationalists into the arms of Guatemala’s “relatively few pro-communists.” Little change of policy resulted from this advice, however. As one embassy officer put it, the “protection of legitimate American interests abroad” was “not just a policy for us, but a *raison d’être*” of the Foreign Service.⁷⁰

A CIA intelligence analysis in January 1952, commenting on the small but increasingly influential role of Communists in the government and labor movement, explained that UFCO was not helping: “Arbenz inherited a very black economic picture, and labor trouble and subsequent threat to withdraw from Guatemala by the United Fruit Company has made the outlook even darker.”⁷¹ A National Intelligence Estimate (NIE) in March 1952 observed that “the strong national movement to free Guatemala from the military dictatorship, social backwardness, and ‘economic colonialism’ . . . command[s] the emotional loyalty of most politically conscious Guatemalans and the administration of President Arbenz derives corresponding strength from its claim to leadership of the continuing national Revolution.” Central to overcoming “economic colonialism,” the NIE added, was curbing the power of United Fruit. Citing the company’s refusal to abide by labor court rulings after it laid off thousands of workers, the NIE concluded, “future developments will depend in large measure on the outcome of the struggle between the United Fruit Company and the Guatemalan Government.”⁷²

In the words of Immerman, “the only way that [Arbenz] could have won the approval of the Truman administration would have been to have disavowed his predecessor’s programs and rejected most of his party’s staunchest supporters.” Gleijeses may well be right that “the influence of the United Fruit Company in shaping American policy decreased” in the Eisenhower years, but it is reasonable to acknowledge the extent to which events set in motion by the Truman

69. Coatsworth, *Central America and the United States*, 68–69; Blasier, *Hovering Giant*, 63–64; see also Immerman, *CIA in Guatemala*, 86; and Beisner, *Dean Acheson*, 579.

70. The Secretary of State to the Embassy in Guatemala, May 5, 1950, in *FRUS*, 1950, vol. II, doc. 454; “Comments on ARA Memorandum” by Kenedon Steins, enclosure to The Chargé in Guatemala (Wells) to the Department of State, May 16, 1950, *FRUS*, 1950, vol. II, doc. 458.

71. Memorandum from the Chief of Western Hemisphere Division, Central Intelligence Agency (King) to the Deputy Director for Plans, Central Intelligence Agency (Wisner), January 11, 1952, *FRUS*, 1952–1954, Guatemala, doc. 2.

72. National Intelligence Estimate, March 11, 1952, *FRUS*, 1952–1954, Guatemala, doc 6.

administration, including its support for right-wing rebels and its encouragement of UFCO's stubborn resistance to meaningful compromise, narrowed the two countries' options and increased the probability of conflict.⁷³

The finding that President Truman was politically beholden to a major investor in UFCO and Guatemala's power company, and that his ambassador was not simply a generic cold warrior but a determined advocate for UFCO, casts important new light on these facts. Previous accounts of this period have observed many striking ties between U.S. officials and investors without demonstrating what specific channels of influence the latter used for leverage in the White House. The influence of money in U.S. elections provided one such important channel in the Truman years.

Patterson was not alone in harboring strong connections to UFCO during this time. As we have seen, the hardline Foreign Service Officer who ran the embassy under Patterson, Milton Wells, was a close friend of local UFCO managers. Both assistant secretaries for American Republic Affairs had ties of their own: Spruille Braden became a consultant to the banana company and the U.S.-owned utility, and his successor, Edward Miller, was a partner at UFCO's law firm. Truman's secretary of defense and chief fundraiser, Louis Johnson, was a close friend of both Odium and Patterson, magnifying the influence of these two UFCO loyalists within the White House.

Despite such connections, few policymakers were likely motivated primarily by financial ties to UFCO. The company's role was more subtle. Officials connected to UFCO through financial, professional, or social ties were naturally inclined to accept the company's expertise on Guatemala, admire it as a progressive employer, and sympathize with its business challenges. They were predisposed to accept its framing of social reform and labor unrest in Central America as manifestations of "extreme left" or "pro-Communist" behavior. Such framing was never an inevitable corollary of Cold War ideology. It was perfectly possible for a well-informed anti-communist CIA source to report in 1952 that President Arbenz's "social reform ideas stem from the US New Deal rather than from Soviet Communism."⁷⁴ But such conclusions fell on ears deafened by years of organized messaging by UFCO lobbyists in the State Department, Congress, and media. Zemurray did not budget half a million dollars a year for this campaign on a whim. As John Coatsworth notes, "if prior U.S. policy is any guide, the United States would probably not have intervened only to save UFCO, but that is scarcely the point. The interpretive issue is just

73. Immerman, *CIA in Guatemala*, 107; Gleijeses, *Shattered Hope*, 7, 362–63.

74. Central Intelligence Agency Information Report, October 10, 1952, *FRUS*, 1952–54, Guatemala, doc. 27. The name of this report's author was withheld but it reads as if it were prepared by a U.S. observer. A similarly enlightened assessment of the Arévalo years was produced in October 1949 by the State Department's Office of Intelligence Research. See, LaFeber, *Inevitable Revolutions*, 91–92, 96.

how much more reasonable this irrational intervention seemed to key policy-makers because of UFCO.”⁷⁵

As other scholars have noted, the critically important role of UFCO in Guatemala is strongly suggested by the more measured way the Truman and Eisenhower administrations handled a crisis over Bolivia’s nationalization of major tin companies in October 1952. Washington reached a political settlement even though Bolivia’s regime was subject to many of the same leftwing influences found in Guatemala. A key difference was that U.S. investors in Bolivia were far less politically organized than those in Guatemala. The Bolivian government also shrewdly exempted the U.S.-owned mines of International Mining Corp. and W. R. Grace from nationalization. As Kenneth Lehman notes in his history of U.S.-Bolivian relations, “it certainly helped that there was no United Fruit Company in Bolivia to plaster news of radical . . . reforms across the front pages of U.S. newspapers and that the Bolivian tin companies did not have the same connections at the highest levels of the U.S. government as United Fruit did. Lack of deep economic interests certainly allowed a more dispassionate analysis of events in Bolivia than Guatemala received.”⁷⁶

Policymaking in Washington toward Guatemala thus converged around several mutually consistent motives: the rise of increasingly harsh and inflexible anti-communist ideology; an appreciation among policy makers of the need to defend *broad* U.S. business interests around the world by preventing damaging precedents in Guatemala; and specific favoritism toward UFCO, reflecting the success of its sophisticated lobby in framing discussion of issues without direct appeals to crass self-interest. No one can say for sure, but without UFCO to help ignite Guatemala’s nationalist reform movement and persuade policy makers in Washington to craft righteously indignant responses, the tragedy of 1954 might have been averted.

Beyond Guatemala, the story of corporate influence described here broadly supports previous scholarship, much of it by political scientists, that emphasizes the importance of business interests in the formation and administration of U.S. foreign policy. Noel Maurer, in *The Empire Trap*, makes the case that “American administrations again and again went to bat for private interests in

75. Coatsworth, introduction to Schlesinger and Kinzer, *Bitter Fruit*, rev. and exp. edition, xiii. See also Coatsworth, *Central America and the United States*, 85–86.

76. Kenneth Lehman, *Bolivia and the United States: A Limited Partnership* (Athens, GA, 1999), 107; see also Lehman, “Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala,” *Diplomatic History* 21, no. 2 (1997): 185–213; and Beisner, *Dean Acheson*, 574–76. Also contributing to the settlement of Washington’s conflict with Bolivia were the calm political temperament of the career U.S. ambassador in Bolivia, Edward Sparks, and shrewd efforts by Bolivian officials to mollify Washington with pro-U.S. rhetoric. Bolivia’s distance from the United States no doubt limited Washington’s options as well. See also Blasier, *Hovering Giant*; and Stephen Zunes, “The United States and Bolivia: The Taming of a Revolution, 1952–1957,” *Latin American Perspectives* 28, no. 5 (2001): 33–49.

their conflicts with foreign governments” for much of the twentieth century and that “no U.S. president could afford to . . . ignore the immense pressures that private interests could bring to bear to insist upon the defense of their property rights.” Other scholars have focused on the role of major corporate officials in influential policy organizations like the Council on Foreign Relations and directly in high-level government policy positions. As political scientist Dennis Ray has observed, “the process of ‘tapping’ high-level foreign policy officials from the business community biases the structure of decision-making towards business, for government is not just conscripting the talents of the businessman; it is buying his ideology, his values, and his orientation towards the world.”⁷⁷ The tapping of Richard Patterson to represent the United States in Guatemala during the Truman presidency undeniably gave special prominence to the ideology, values, and orientation of the leading U.S. investors in that country. The result was a tragic lost opportunity for a more sophisticated, empathic, and ultimately peaceable response by Washington to Guatemala’s social democratic aspirations.

77. Noel Maurer, *The Empire Trap: The Rise and Fall of U.S. Intervention to Protect American Property Overseas, 1893–2013* (Princeton, NJ, 2013), 4; Philip Luther-Davies, et al., “Corporate political power and US foreign policy, 1981–2002: the role of the policy-planning network,” *Theory and Society* 51, no. 4 (2022): 629–652; Dennis Ray, “Corporations and American Foreign Relations,” *Annals of the American Academy of Political and Social Science* 403, no. 1 (1972): 80; Lawrence Jacobs and Benjamin Page, “Who Influences U.S. Foreign Policy?,” *American Political Science Review* 99, no. 1 (2005): 107–124; In Song Kim and Helen Milner, “Multinational Corporations and their Influence Through Lobbying on Foreign Policy,” in *Global Goliaths: Multinational Corporations in a Changing Global Economy*, eds. C. Fritz Foley et al. (Washington, D.C., 2021), 497–536; Dube et al., “Coups, Corporations, and Classified Information,” 1375–1409.

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