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CHAPTER V

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W A R N I N G

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55. National Policies

A. General

Guatemalan national policy focuses upon the further economic development and greater self-sufficiency of the nation and upon social and political measures which especially favor the lower classes and at the same time provide the support needed by the present regime to remain in power. Guatemala's foreign policy is designed to obtain the greatest possible freedom for the pursuit of these domestic objectives. It is also an expression of intense nationalism and a desire, based upon the government's ideological orientation, to encourage the establishment of governments with similar views in other Middle American states.

Since the revolution of 1944 the general trend in Guatemalan policy has thus been leftist and nationalistic. At the same time this trend has reflected conflict between the old and the new and has especially indicated the character of the new leadership—its inexperience, its radicalism, and its opportunism. Prior to the revolution, policymaking in terms of broad national interest was virtually nonexistent and certainly did not involve the building of a new economy, a new society, and a new culture. The new approach to policymaking reflects an awareness of broad Western developments in nationalism, socialism, and material advancement; ideas based upon these developments were imported into Guatemala by the young revolutionists and incorporated into the constitution of 1945, into political party platforms, and into the organizational programs of pressure groups and patriotic societies. The revolutionary leadership dreamed of a new order in which Indian and Western cultures were to be brought into a national harmony; the levels of the economically depressed masses were to be raised and the rural "feudal" socio-economic relationships broken; the traditional economy was to be modernized through agricultural diversification and industrialization, and the country freed from the bonds of "colonialism." Practical democracy was to replace the tyranny of military dictatorship.

This idealism, which was apparent in the revolutionary philosophy, has been generally lost or corrupted in the past eight years. The inadequacies of individual and national resources have led to policies lacking in balance, moderation, and sense of reality. There is no better measure of the weakness of the revolution than the ease with

which a handful of communists has been able to exploit and direct the movement.

Guatemalan national policy and its implementation are conditioned by a conflicting background of human and environmental forces. Natural and traditional factors which strongly influence the course of Guatemalan policies include the geographical position of the country, its natural resources, the character of the people, and their level of social, economic, and political achievement. Guatemala's small size and population place obvious restrictions upon national policy objectives. Historically, its proximity to, and close economic relations with, the United States have also created a pattern of limitations. The character of Guatemalan society itself has been the chief barrier to change. The Indian, who constitutes a little more than half of the population, is only slowly emerging from his own culture to accept Western values and standards. The majority of these people remain attached to an ancient civilization which antedates the coming of the white man, and will resist efforts to change this way of life. The remaining population, the racially mixed *Ladinos*,* live more or less according to the ways and ideas of Western civilization. Yet even they have not been closely associated with modern developments in social, economic, and political fields.

The Guatemalan economy has always been predominantly agricultural; landholdings have been relatively large and the Indian has provided the bulk of a servile, cheap labor force. The introduction of coffee in the late nineteenth century as a modern export crop served to intensify this pattern. The entrance of foreign capital and the expansion of banana growing in the present century have extended the plantation type of society and economy.

Certain long-standing political traditions have also affected Guatemala's policy objectives and course. Down to the present generation the source of political power was largely confined to a minority of landholders, commercial people, and army officers. Despite liberal political influences, which had their origin in the independence period and which were expressed in laws and republican forms, government in Guatemala has been narrowly repre-

* *Ladino* is a cultural type which includes chiefly mestizos, but also whites, Indians, and some Negroes.

sentative at best, and often has been irresponsibly personal and tyrannical.

The political movement which came to fruition in the revolution of 1944 was to some extent a reaction to this tradition in the national life. In part it was the result of internal social and economic change—an acceleration of both rural and urban economic development and the emergence of new politically articulate middle-class and laboring groups. But the character and effectiveness of the revolution were perhaps more the product of a small minority—political exiles and students whose experiences abroad, especially in Western Europe, the United States, Mexico, and Argentina, brought them to the realization that Guatemala was far behind in a world in which progress seemed to be geared to a strong spirit of nationalism, more intensive utilization of economic and human resources, and broad social advancement. The revolution of 1944 placed emphasis upon education, social welfare legislation, agrarian reform, and the encouragement of organized labor. Democracy and statism have become the principal political concepts in the foreground in Guatemala since 1944, the one a reaction against a long experience with dictatorship, the other a corollary of twentieth-century Western social and economic thought and practice. Along with these ideas there has developed, especially among the Guatemalan leaders, a strong sense of economic nationalism and antiforeignism. Within this framework, economic policies have stressed agricultural diversification, industrial expansion, and improved communications.

A wide gap exists, however, between policy and achievement in recent Guatemalan history. The new leadership, sometimes idealistically inclined, more frequently opportunistic, and almost always inexperienced, has been incapable of adjusting its programs to realities. The government, which has faced a series of revolts since 1944, has been more concerned with staying in power than with broad national interests; emphasis has often been placed upon policies which were politically expedient or which produced rapid and pretentious returns. Thus, progress in education has been measured in terms of impressive buildings, and highway construction has been motivated as much by emotional nationalism as by sound economic considerations. Socio-economic policy has been geared progressively to the masses; much of the program of cultural unity has degenerated to the level of propaganda; democratic ideals continually have been interpreted in the light of the political needs of the revolutionary regimes.

The trend in recent Guatemalan foreign policy is in part a reflection of domestic developments. While Guatemala seeks to maintain traditionally

close ties with, and a position of leadership among, the Central American republics, its leftist domestic policies alarm most of its neighbors. Under its new leadership since the revolution of 1944, Guatemala has interfered in the internal affairs of Middle American countries on democratic ideological grounds. At the same time, nationalism has led Guatemala to attack British sovereignty in British Honduras, to resist the dominant position of the United States in Guatemalan affairs, and at times to carry its challenge to U.S. leadership into the Organization of American States (OAS) and the United Nations.

The original revolutionary objectives appealed to almost all groups in Guatemalan society—the only major exception being the once-privileged landholders. National policy, however, has moved toward organized labor and the peasantry, and the present leadership has accepted the numerically weak, but politically knowledgeable, communists as advisers and aids. Because the government has sought to attach to its political machine the largely inarticulate working classes, it has alienated the smaller but more articulate and economically powerful urban professional and business groups. The Arbenz regime has reached a critical point in this trend, for the commitment to such an extreme course is so firm that little maneuverability is left to the political leadership.

B. Domestic policies

1. Social

a. EDUCATION — In accordance with the intellectual background of the early revolutionary leadership and its broad social and cultural objectives, education was one of the first problems to receive attention in the new order. The first President, Juan José Arévalo (1945-51), a professional educator, believed that Guatemala must rid itself of class barriers and obtain a democratic "spiritual unity." Educational reform was to be a primary means of accomplishing this, although Arévalo was also conscious of related economic and political requirements. Arévalo's educational program envisaged a considerable increase in the school population, including the heretofore neglected rural elements, and emphasized practical and secular instruction. The virtual eradication of illiteracy—raising the literacy level from 35% to 95%—was anticipated within four years. In theory, a basic objective of the program was preparation for living in a democracy. In addition, there was evidently the intent to inculcate a strong sense of nationalism (see CHAPTER IV, SECTION 43, under Education).

The development of the educational reform program exemplifies the idealism and at the same

time the lack of realism in national policy. During the Arévalo administration there was a heavy concentration of funds in the school-building program, the results of which can be seen in a number of scientifically planned and expensive structures which are located in some of the more populous urban communities. These, of course, serve only the urban *Ladino* population—not the rural Indian, whose incorporation into a unified society was one of the primary purposes of Arévalo's program. Traveling cultural missions designed to meet the needs of these people have been poorly supported and largely unsuccessful. Educational reform in general has not gone much beyond the spectacular but unbalanced increase of the school physical plant. Literacy has scarcely been increased and relatively little progress has been made in the development of practical education.

The reasons for a gap existing between stated goals and achievement in education are numerous. No change in basic educational law has been made since 1875. The number of teachers is inadequate and curriculum and teaching methods are antiquated. Underlying these factors are the perennial handicaps of poverty and ignorance. It is probable that much of the misdirection of emphasis has been the result of either personal ambition or the political need for that kind of public recognition which is attainable only through the quick production of material symbols.

b. LABOR—The trend in national policy to favor labor reflects both the leftist course and the policy of expediency of the Guatemalan Government. In the light of Western practices, the Labor Code passed in 1947 was by U.S. standards a liberal, not a radical, law, although it did in effect discriminate against large foreign-owned enterprises. It guaranteed the right of labor, urban and rural, to organize, to bargain collectively, and, with some reservations, to strike. In addition to other protective features, the law set up a system of independent labor courts (for further information, see CHAPTER IV, SECTION 44). The Labor Code raised some natural opposition from urban and rural employers, especially the latter, who feared the loss of their centuries-old source of cheap, servile labor. The employers' fear was intensified by the government's policy of encouraging the communists to establish their leadership over labor. This, together with the government's dependence on labor for support, has resulted in a situation in which all parties which support and receive help from the government must curry the favor of labor and its communist and procommunist leaders.

The present regime has particularly fostered the organization of labor, including the General Confederation of Workers of Guatemala (*Confederación*

General de Trabajadores de Guatemala, CGTG), which is associated with the communist-controlled Confederation of Latin American Workers (*Confederación de Trabajadores de América Latina*, CTAL), led by Vicente Lombardo Toledano, and with the World Federation of Trade Unions (WFTU). The effect of this policy has been more significant politically than economically although labor may have won some slight material advantages. Relatively effective local organizations have been established in transportation, communications, on the United Fruit Company plantations, and on the national farms. Another result of the policy has been to provide communists, as the heads of labor unions, with opportunities to damage U.S. business interests in Guatemala. The strong effort of government-backed labor against the United Fruit Company in 1951 provides a good illustration of this effect of the policy (see below, under Foreign policy).

c. AGRARIAN REFORM—In 1952 the Guatemalan Government, with effective communist cooperation, increased the range and tempo of its leftist socio-political course with the passage of the Agrarian Reform Law. In principle, the law embraced broad social and economic objectives and was intended to increase the productivity of both land and labor. The law provided for the expropriation of unused private land and the distribution in small sections of this and certain nationally owned land to landless peasants. It stressed state control and made it easier for farmers to secure the use of land by lease from the state or through cooperatives than to get it with full private ownership rights. The law also established the principle of state financial and technical assistance.

The manner in which the Agrarian Reform Law was conceived and has been carried out contradicts both its high principles and the economic realities, for political considerations have been dominant. President Jacobo Arbenz' decision in 1952 to stress agrarian reform may have resulted in part from his desire to proceed with a major reform project that apparently would not antagonize the urban groups so much as had the recently attempted revision of the Labor Code. Political overtones are also evident in those provisions of the Agrarian Reform Law which greatly increase the political power of the state over the nation's rural population. The influence of communists has been particularly clear in relation to the Agrarian Reform Law. The most active and influential of its proponents in Congress were communists. In addition, the National Agrarian Department, set up to administer the law, was heavily staffed with communists, procommunists, and opportunists who would not oppose present political currents.

d. SOCIAL SECURITY — Since the revolution the government's stated policy has been concerned with improving the health and strengthening the economic security of Guatemala's working classes. Since 1944 the Guatemalan Government has placed considerable emphasis on the development of a system of social security. With imported technical assistance, the system was launched in 1947 by the establishment of the Guatemalan Social Security Institute (*Instituto Guatemalteco de Seguridad Social*, IGSS). Beginning in a modest way with limited functional and geographical coverage, the system has been gradually extended to outlying urban centers and to some agricultural workers, particularly in the more developed departments on the Pacific slope. Functionally, coverage has been confined so far largely to accident prevention and to accident rehabilitation and compensation. A maternity program for the department of Guatemala has been planned, to become effective in May 1953. (For further information, see CHAPTER IV, SECTION 44.)

Although the government approached the problem of providing social security benefits realistically and established the system on a sound administrative and actuarial basis, it has permitted the IGSS to be infiltrated by communists and to be used as a political instrument. The political character of the IGSS has been evident chiefly since the appointment in early 1951 of Alfonso Solórzano, believed to be a cryptocommunist, as the institute's general manager.

2. Economic

Current national economic policies in Guatemala are aimed primarily at creating an "economically independent" state with a consequent emphasis on diversification of agriculture and the protection and development of local industry. Economic policy since 1944 has been closely integrated with the social philosophy of the revolution, for broad economic progress is considered necessary to create a balanced Guatemalan society. At the same time the execution of economic policy has been subject to the handicaps of geographical limitations, antiquated institutions and practices, inexperience, and political requirements. The controlling—and conflicting—factors in Guatemalan economic policy are 1) the ties with the United States through trade and investment and 2) a nationalism which provokes a desire for self-sufficiency and economic independence.

Guatemalan economic policy would suggest that its originators accept something of both individualism and twentieth-century statism. The principle of private enterprise, rooted in the constitution, has received consistent, if qualified, emphasis from all leading policymakers since 1944. At the

same time, the new leadership appears to accept the concept of a responsible state mechanism to effect planning and to assist in national economic development. The President occasionally consults with leading industrial, commercial, and agricultural organizations regarding important economic policy matters, but seldom accepts their advice. A National Economic Council, representative of all economic interests and headed by the President, was established in 1951 as the top economic policy-making body, but apparently ceased to function after a few months. Autonomous or semiautonomous state agencies play key roles in the government's economic organization, the most important of which are the IGSS and the Production Development Institute (*Instituto de Fomento de la Producción*, INFOP), an organization designed to stimulate economic development through research and credit assistance.

a. AGRICULTURE — With regard to the economic policy of increasing and diversifying agricultural production, Guatemala has long been encouraged by the United States and by various international agencies which have contributed to educational and experimental programs affecting agriculture. In the new Guatemalan order, INFOP is designed to assist in implementation of this policy, primarily by acting as a credit agency. Signs of a realistic approach to Guatemala's agricultural problems, however, are offset by less favorable indications. There has been exaggerated interest, for example, in such dramatic palliatives as the mechanization of agriculture in an economy which is both primitive and poor. With the dissolution in 1952-53 of the state-farm administration through which the government has administered an estimated 15% to 20% of the most productive land in the country, considerable evidence of corruption and malpractice has been revealed.

The Agrarian Reform Law purports to be the solution to the problems of a depressed and inefficient labor group and of large amounts of unused land. It envisages a more effective "capitalistic" society by freeing both the Indian and the land from their feudal relationships, with a consequent increase and diversification of production. These social and economic ideals, however, are in conflict with political motives since the law actually provides for a system of state control through which the social, economic, and political life of the rural population may be more closely supervised by the government. Although the state is moving rapidly ahead to distribute unused land, it is not yet prepared to support the expected expansion of land utilization with effective technical and financial assistance, and thus merely exposes additional land to the wasteful practices of primitive agriculture. Finally, as noted above, the imple-

mentation of the Agrarian Reform Law has been closely related to the political needs of the administration and its communist allies.

b. **COMMERCE AND INDUSTRY** — Policies concerned with domestic commercial and industrial interests have been less radically altered by the revolutionary regimes, partly because of the stress put upon agricultural problems and partly because of the opposition of moderate interests, especially in Guatemala City.

Fiscal policy since 1944 has been moderate, although projected ambitious economic development may force the government to adopt financial measures which could affect adversely large segments of commercial and industrial interests. To date, however, the government has encouraged a stable currency, inflation has not been serious, and the nation has no burdensome external debt. The tax system, which antedates the revolutionary period, has had greater demands put upon it by the government, but it is a system which weighs more heavily upon agricultural interests than upon business.

Prior to 1944 the principal function of the tariff was to provide revenue for a government whose financial needs were limited. The revolution, however, with its goal of economic independence has introduced the protectionist objective. Although the tariff structure has not been greatly changed, increased protection has often been effected by prohibiting or restricting the importation of given commodities. The most recent government planning would introduce a new stage in tariff policy—an increased emphasis upon tariff as a source of revenue in conjunction with a government-backed program of economic development.

As the government has come to rely more heavily upon the working class for political support, its labor policies have tended to become inimical to business. The provisions of the original Labor Code were not extreme by U.S. standards, and subsequent attempts to introduce more radical legislation have been stopped, temporarily at least, because of the government's responsiveness to business pressure. The businessman is currently more seriously threatened by the government's determined acceleration of land expropriation under the Agrarian Reform Law. There has been fear of attacks upon private property in general, and the government's policy has been held responsible for a business recession which began in mid-1952. In a political sense the government's course is driving the moderate urban interests more definitely into opposition.

c. **ECONOMIC NATIONALISM** — Economic nationalism has been a strong and consistent influence on Guatemalan policy. On one issue most

Guatemalans are agreed—that certain large foreign investment interests conflict with national aspirations. The United Fruit Company and the International Railways of Central America (IRCA), as the largest foreign-owned enterprises have borne the brunt of the coordinated government-labor attacks resulting from this nationalism (see below, under Foreign Policy). In a somewhat more positive sense, the national roadbuilding program illustrates the same nationalistic spirit. Although roads have been recognized as a primary economic need as well as useful public-works projects, they have often been conceived in political rather than economic or social terms. This is strongly suggested by the disproportionate attention and resources which have been given to the construction of the Atlantic Highway. The chief motive behind this project is the Guatemalan determination to be free of the transportation monopoly now held by the largely U.S.-owned IRCA.

3. Political

a. **POLICY PRINCIPLES AND TRENDS** — The revolutionists of 1944 rejected the arbitrary and dictatorial rule to which the country long had been accustomed, and conceived of a working democracy with broadly representative republican institutions. This democracy was created in form at least. The army in theory was relegated to the political background. The principle of division of powers in government was recognized in balancing executive, legislative, and judicial branches. There appeared to be ample guarantees for the establishment of a healthy party system supported by democratic electoral practices and freedom of expression. The revolutionary leaders aimed to broaden the political base by appealing to labor, to commercial and industrial interests, to intellectuals, and to young military leaders. They offered little, however, to the clergy and the once-dominant landowners.

The insecurity of the two administrations which have been in office since 1944, combined with the opportunism and inexperience of political leaders and the general apathy and ignorance of the electorate, has promoted a rapid trend away from the original political principles of the revolution. The most recent and obvious aspect of this trend has been the progressive narrowing of the political base of the government, as important middle-class groups have been relatively neglected while labor, first urban and later rural, has been favored. The concentration upon labor has been demonstrated by a sequence of important steps: enactment of the Labor Code, government sponsorship and support of labor organization, and the passage of the recent Agrarian Reform Law, by which the government has supported the extension of organized labor into the as yet largely unorganized rural

areas. Furthermore, the government has accepted and encouraged the communist leadership of organized labor, a political force with which it is now in open alliance. The result has been not only the disproportionate increase of labor strength and a tendency toward radical domestic legislation, but the election and appointment of communists and fellow travelers, with the help of the government, to key legislative and executive positions, from which they may help to formulate and implement policy (see this CHAPTER, SECTION 53, under Political Parties).

In their political tactics, too, the post-1944 governments have failed to measure up to their stated democratic principles and policies and have made little progress in this respect over previous periods of Guatemalan political history. Despite the fact that the press and the radio are freer than they were at any time prior to 1944, and that political parties are generally permitted to register and campaign, the government has used its resources to back proadministration parties and has at times so restricted the opposition that it has had little chance of success throughout the country. Only in Guatemala City, where the opposition has significant economic strength and a degree of political unity, has the government allowed effective political resistance to survive. The government controls national politics by actively assisting its supporting parties. It accomplishes this in part by patronage, by its control over propaganda media, and by providing transport, meeting halls, and public-speaking equipment. It can take—and has taken—more direct, even fraudulent, action through its control of the electoral system. Despite theoretical legal protection for all, the revolutionary administrations have, when the situations dictated, declared parties illegal without cause and have exiled or imprisoned opposition leaders. The principle of division of power in government has been contradicted by the recent action taken by the executive branch against the Supreme Court.*

Political events from mid-1952 to early 1953 indicated an accelerated implementation of the revolutionary program and an increased dependence of the Arbenz administration upon communist-led mass support. In mid-1952 Arbenz presented an Agrarian Reform Bill which was pushed through Congress by a committee headed by Víctor Manuel Gutiérrez, probably the country's number two communist; subsequently, the National Agrarian Department, the administrative agency set up by the law, was allowed to become an instrument for the

* In February 1953 the Arbenz administration used its influence to obtain congressional dismissal of four members of the Supreme Court who had voted to consider an appeal against the government's implementation of the Agrarian Reform Law.

pursuit of communist objectives; late in the year, in the congressional electoral campaign, the President's office was instrumental in forcing some non-communist, but progovernment, political elements to accept the Communist Party* into full political partnership in a progovernment electoral front. Finally agrarian reform, strongly supported by the communists and opposed by moderate and conservative elements, was made the principal issue in the January 1953 congressional election, which resulted in a decisive victory for the progovernment electoral front everywhere but in the department of Guatemala. The progress of communists and their labor followers continued when, in February, President Arbenz obtained the dismissal of the four members of the Supreme Court for accepting an appeal case against the execution of the Agrarian Reform Law.

b. ARMED FORCES — Since in most Latin American countries the army has traditionally been the decisive political factor, the policy pursued by the Guatemalan Government toward its armed forces is of special significance. The revolutionary lawmakers took cognizance of the past role of the military and sought to limit its political power, on paper at least. Actually, however, no Guatemalan Government could survive without army support, and the consistent policy of the Arévalo-Arbenz administrations has been to retain such military support by maneuver and favor. (For a further discussion regarding the armed forces, see below, under National Defense Policies.)

c. PUBLIC REACTION — As of March 1953, the most articulate groups in society—excepting the bureaucracy, but including the urban professional and business interests, the rural large landholders, and the Catholic Church—generally opposed the administration, while the working classes, insofar as they were effectively led, generally tended to support the present government. Public reaction to government policy since 1944, however, has varied in accordance with the general direction of the policy. Only two important domestic groups remained outside the revolutionary movement at the outset—the large landholders who symbolized the traditional “feudal” society and a restricted economy, and the Church, whose activities, already severely circumscribed by earlier governments, the new leadership was determined to limit. Of these two groups, the landholders have shown less effective resistance to government policies progressively directed against their interests. They have become almost completely ineffective as a political group. The clergy on the other hand has been more ag-

* At this time the Communist Party changed its name and became the Guatemalan Labor Party (*Partido Guatemalteco del Trabajo*, PGT).

gressive in resisting revolutionary leadership, particularly since the communists have emerged to occupy a strong position in the government. The Church, however, has been seriously handicapped by the lack of material resources and priests, and by the lack of a positive social program of its own.

The urban professional, commercial, and industrial interests initially supported the revolution partly because it promised broad national economic development. However, the failure to adhere closely to democratic principles, the encouragement given to communists, the partiality shown to labor, and especially the recent rapid implementation of the agrarian reform program have alienated many of the government's former politically moderate supporters in the cities.

The positive reaction of the urban and rural working classes to policies increasingly geared to their material interests is probably less than might be expected. Although effective labor and political leaders, especially communists, can rally immediate and local popular support for a specific issue, such as land distribution, they cannot rely upon self-initiated, broadly coordinated, or sustained action. The majority of Guatemalans are still politically inarticulate, are poor organizational material, and are not likely to appreciate more than the immediate and personal consequences of a policy decision or its implementation.

C. Foreign policy

Guatemala's foreign policy is affected by the traditional close relationships with neighboring Central American republics, the geographical and economic position which it occupies with respect to the United States, and the exigencies of recent national political and economic change. Since 1944 policy has been determined largely by the leftist and nationalistic character of the revolution and by the extremist leadership, including communist elements, of the revolutionary movement. This leadership has exacerbated the territorial dispute over British Honduras (Belize); it has fostered a policy of support for political groups in neighboring countries holding similar "democratic," leftist, and nationalistic ideologies; it has emphasized "economic independence" and has struggled increasingly against "colonial" ties with the United States; and in international councils—the Organization of American States and the UN—this leadership has often produced something less than enthusiastic cooperation with the United States and the West.

Personal government is still a dominant characteristic of Guatemala; foreign policy, therefore, essentially reflects the views of the President and his close personal advisers. In determining poli-

cies, however, the administration is often sensitive to criticism from Congress.

1. Belize controversy

The issue of British Honduras has become for Guatemalans a popular symbol of the struggle against "colonialism." Guatemalan claims to this territory go back to the period of Spanish rule, but nationalism has made the issue more important in the present century than ever before. Both administrations since 1945 have pressed the Guatemalan claim. A statement of Guatemalan sovereignty over the disputed territory was included in the constitution of 1945. All residents of British Honduras have been declared Guatemalan citizens, and all British plans for the area, such as including it as part of a Caribbean federation, have been vigorously opposed. The Guatemalan press and radio have disseminated propaganda over the issue, an undertaking in which many communist and pro-communist writers and speakers have cooperated enthusiastically. Propaganda exhorting resistance to the British authorities has also been spread within British Honduras. Guatemala has reasserted its claim at UN meetings, at the Inter-American Conference for the Maintenance of Continental Peace and Security (Rio de Janeiro, 1947), and at the Ninth International Conference of American States (Bogotá, 1948), among others. To gain international support, Guatemala has attempted to consolidate an "anti-imperialist" bloc composed of nations with anti-British territorial claims, including Argentina, Chile, and Venezuela. These maneuvers have embarrassed the United States in its handling of hemispheric problems and they have caused some resentment in Mexico, which could also advance a claim to a part of British Honduras. Guatemalan Government tactics with respect to this dispute are not always dictated by spontaneous and popular reaction to the problems but at times are determined by the need to divert public attention from domestic problems or deficiencies (see this Chapter, SECTION 58, Under Belize controversy).

2. Middle America

Guatemalan administrations since the revolution of 1944 have projected their leftist and nationalistic character into relations with Central American and Caribbean neighbors. Arévalo's foreign policy featured Guatemala's active support of "democratic" elements in neighboring countries and its opposition to old-line dictatorships, such as those of Somoza in Nicaragua and Trujillo in the Dominican Republic. During the Arévalo regime, Guatemala broke off diplomatic relationships with the Dominican Republic and Nicaragua in Middle America and with Peru and Venezuela in South America. It gave refuge and employment to politi-

cal exiles from those countries and supported the activities of the Caribbean Legion, a loosely organized group of political exiles and adventurers who engaged in several plots against the dictatorships of the Dominican Republic and Nicaragua. Only with the "democratic" Prío government in Cuba was the Arévalo administration able to maintain consistently cordial relations. The overthrow of that government in 1952 left Guatemala without a friend in the Middle American area.

Since 1950 Guatemala's activities in Middle America have been less aggressive. This has been due partly to Guatemala's recognition of its isolated position and partly also to the effectiveness of the OAS in safeguarding peace through the Inter-American Treaty of Reciprocal Assistance concluded at Rio de Janeiro in 1947. The Arbenz government has made a few gestures aimed at improving Guatemala's relations with its neighbors. Formal, if not friendly, relations have been restored with Nicaragua. In the latter part of 1952, when local communists impaired relations with El Salvador not only by their support of a Salvadoran communist movement but through their efforts to arouse Guatemalan public opinion against the neighborhood government, official pressure was used to silence them. Despite this evidence of a more conciliatory policy, Guatemala continues to harbor exiles from several Middle American countries and pursues its propaganda barrage against its neighbors. Of special significance is the fact that the Arbenz regime permits the communists to use Guatemala as a base for operations in neighboring countries. Insofar as the interests of these communists conform to those of the government, they function in effect as an instrument of Guatemalan foreign policy.

The constitution of 1945 formulated the objective "to reestablish the Central American Union, partially or completely, in a popular and democratic form," and this has been one of the major policies of the Arbenz administration. The current project was initially sponsored by El Salvador, but Guatemala, true to its traditional leading role with respect to union, has sought to assume direction of the movement. It has emphasized economic independence and the strengthening of the position of Central America in international councils. However, Guatemalan domestic policies appear to have weakened whatever chance there may have been for progress toward confederation, for the other Central American countries, alarmed over these policies, have indicated their interest in using future meetings to devise means to check the development of communism in the area. Guatemala has condemned this as meddling in internal affairs, with the result that further progress toward union has bogged down.

With the exception of mild irritation over the issue of British Honduras, Guatemalan relations with Mexico have been friendly. Guatemala has long been receptive to Mexican influence; indeed, much of the thinking of the revolutionists of 1944 stemmed from twentieth-century Mexican experience. In addition, Guatemalan leaders have found it advantageous to develop ties between Guatemalan labor and leftist circles in Mexico. As previously stated, the communist-led Guatemalan labor confederation, CGTG, is associated with Vicente Lombardo Toledano's CTAL, whose headquarters is in Mexico City.

3. United States

Guatemalan foreign policy with respect to the United States is a picture of contradiction and frustration. Guatemala has long recognized that its political and economic security are dependent upon the United States. Economic ties have developed largely during the present century as the United States became the chief consumer of the principal Guatemalan crop, coffee, and the principal supplier of manufactures and of the capital for the development of banana plantations, communications, and public utilities.

Until 1944 there was no political resistance to this position of dependency. The nationalistic revolutionary leaders, however, wanted economic independence and a stronger political voice in international affairs, including those involving direct relations with the United States. The achievement of their goals required anything from a moderate to an extreme challenge of traditional relationships; irresponsible leadership, with enthusiastic communist assistance, has promoted a trend toward the extreme. In its assertion of independence, Guatemalan policy has focused upon U.S. private investment and has exploited long-standing popular resentment against such holdings. Four U.S. companies have been the main targets of attack: the electric power company, *Empresa Eléctrica*; Pan American Airways; the United Fruit Company; and the International Railway of Central America, in which United Fruit has powerful influence. The United Fruit Company, which provides Guatemala with some 10% of its foreign exchange, has been the chief target of this campaign. The attack has been made by means of propaganda, through organized labor, by direct negotiation to revise the basic contract between the government and the company, and most recently under the agrarian reform program. Official and communist propaganda has consistently belabored the company for both real and fancied wrongs of the past and present. The climax of the fight with United Fruit came in 1951, when the government supported the excessive demands of communist-led labor.

The government had hoped for, but did not gain, contract revisions with the company which would have included a reduction of the time limit on the company's concession and an increase in the amount of revenue paid by the company. The government's position demonstrated not only a broad appeal to nationalism, but a calculated step toward a closer political alliance with communist-led labor. Recently the Guatemalan Government has ordered the expropriation of more than 200,000 acres of United Fruit Company land in implementation of the Agrarian Reform Law.

The combination of national policies and government action of the sort demonstrated against the United Fruit Company has discouraged U.S. private investment. Although few Guatemalans except communists would subscribe to evacuation by U.S. interests, virtually all would exact a higher price from large U.S. enterprises in Guatemala. Thus, the demands of nationalism and political expediency and the needs of the Guatemalan economy come into unresolved conflict.

Guatemalan national policies have often been unfavorable to U.S. security interests, thus contributing to a deterioration in the relations between the two countries. The Guatemalan Government has steadfastly refused to acknowledge that it has a communist problem and, except for a few brief periods, communists and procommunists strategically located in the official and government-subsidized press have had a free hand in attacking U.S. foreign policy while they simultaneously supported Soviet policy in the conflict between the Soviet bloc and the Western powers. Although Guatemala has acknowledged its continued dependence upon the United States in some respects, particularly for financial aid and material priorities in the case of politically important public-works projects like the Pan American and Atlantic highways, in other fields of cooperation it has shown a greater degree of independence. U.S. funds and technicians in Guatemala, particularly those of the Institute of Inter-American Affairs (IIAA), have long been engaged in research and training services in the fields of education, health, and agriculture. The present Guatemalan leaders, however, apparently prefer to seek technical assistance from international agencies instead of from the United States. In 1950 the U.S. educational mission was severely criticized by the communist-dominated teachers' union, the Union of Educational Workers of Guatemala (*Sindicato de Trabajadores de la Educación de Guatemala*, STEG), and the government did not renew the contract of the mission.

A low-water mark in U.S.-Guatemalan relations came in March 1950, when the Arévalo administration requested the recall of the U.S. ambassador, alleging that he had interfered in the country's

internal affairs. Since then President Arbenz has professed friendship through diplomatic channels, without supporting this policy and action. Most damaging to U.S.-Guatemalan relations has been the continued and active Guatemalan support of communist organization and activities, to the point of placing and protecting leading communists in the fields of education, propaganda, labor, and politics where they may influence policy (for further information, see this Chapter, SECTION 57). In addition, since 1950 major U.S. private interests have been under the most severe economic and political pressure encountered since their entrance into the country.

By appealing to nationalism the Arévalo-Arbenz governments have been able to rally effective popular support for positions taken against U.S. interests in Guatemala. On the whole, popular feeling has been directed against private companies, however, and not often against the U.S. Government or the American people in general. For this limited kind of attack the Guatemalan Government may tap a long-standing reservoir of resentment against U.S. companies operating in the country. Most articulate Guatemalans, with the notable exception of some proadministration leaders, look upon the United States as a friendly power, although certain important commercial and industrial interests are jealous of the economic influence of U.S. enterprises in the country. Except where the communists have made inroads, the majority of the population probably holds no firm convictions with respect to U.S.-Guatemalan relations.

4. Other countries

Guatemala's relations with countries outside the hemisphere are necessarily limited by its lack of political influence and by weak economic ties. The "democratic" slant of the revolutionary regimes is reflected in their refusal to recognize Franco Spain. The diplomatic post at Paris has been a political plum sometimes given to an influential Guatemalan communist or procommunist. There is evidence that such officials have used this position to cultivate European communist associations. Guatemala recognizes the Soviet Union but does not exchange diplomatic representatives with it. Such minor official relations as do exist are carried on through Soviet satellite missions in Mexico.

5. International organizations

Guatemalan policies in the Organization of American States and the United Nations show something of the nationalistic and leftist orientation of the country since 1944, but not in proportion to the domestic growth of nationalistic and communist influence.

In hemispheric and OAS affairs, although Guatemala has not often pursued a course of distinct

opposition to the United States on matters of broad international interest, it has demonstrated its independence on some issues. From 1948 to 1950 Guatemala, as noted above, actively supported the conspiracies of the Caribbean Legion until OAS action forced it to desist. Guatemalan maneuvering with respect to the "anti-colonial" Belize issue has jeopardized complete inter-American ratification of the Rio Treaty of Reciprocal Assistance. Other nations have refused to accede to a Guatemalan reservation to this treaty which would seem to obligate them in a special way regarding Guatemala's claims to British Honduras; the reservation provides that the treaty would constitute no impediment to Guatemala in asserting its rights over the "Guatemalan territory of Belize" by any means that it considers convenient and that Guatemala may, at any time, invoke the treaty with respect to that territory. This same reservation has been attached to the Guatemalan ratification of the OAS charter. In further support of its "anti-colonial" stand, the official Guatemalan press has at times supported the Puerto Rican independence movement. Following the outbreak of Korean hostilities, Guatemala subscribed to the Final Act of the Fourth Consultation of Foreign Ministers, which called for inter-American military cooperation, among other things; but it has advocated a narrow interpretation of such cooperation and has publicly stated its unwillingness to send troops outside the Western Hemisphere. Guatemala's position on this question is not unique among the Latin American nations, but its propaganda on the subject has had a stronger anti-U.S. slant than that of most of them.

Guatemala has also demonstrated its independence and brought up the "anti-colonial" issue in the United Nations, where, although generally conforming to broad and important Western policy, it has produced a poorer record of cooperation with the West than most other Latin American countries. On issues proposed or supported by the United States Guatemala's voting record in the United Nations has a higher proportion of both abstentions and negative votes than other Latin American countries. However, most of these stands have been determined by considerations of national interest rather than by a desire to oppose the United States or to support the Soviet bloc. Upon the outbreak of the Korean conflict Guatemala joined with the rest of the Latin American nations in supporting UN resolutions concerning Korea, and it later voted for the UN Uniting for Peace resolution. Despite this action, Guatemala has let it be known that it would not implement that resolution. Moreover, during the sixth session of the General Assembly, Guatemala was the only Latin American country to vote with the

Soviet bloc against a resolution, supported by the United States, to postpone the question of Chinese representation for the duration of the Paris session.

Foreign policy concerned with broad international issues and organization is not appreciated by the majority of Guatemala's population, which is essentially uninformed and provincial. It is likely that even most of the articulate sectors of the population, except the communist and pro-communist leaders, have relatively little concern for issues and problems other than those concerned with the Middle American area and the United States.

D. National defense policies

The national defense policies of Guatemala are based on the needs of a small underdeveloped country with weak neighbors. The armed forces are designed primarily to preserve internal order and to defend the country against attack by any neighboring Central American country. They are also capable of limited offensive operations against such a nation. The armed forces consist of the army (6,000), the air force (230), and the national police or *Guardia Civil* (3,500), a separate quasi-military organization.

The revolution of 1944 provided new opportunities for army officers, most of whom came from the middle class. The officers are trained in the Military Academy (*Escuela Politécnica*), which offers a classical education in military science. The ranks of the army are largely filled by conscription from the Indian peasantry. The morale and discipline of both the army and the police are good.

For advanced training and much of its equipment the Guatemalan military has been dependent upon the United States. Both the U.S. Army and Air Force missions have been well received. Only recently, because of inability to obtain equipment from the United States, has the Guatemalan Army sought to make purchases in the European market.

Historically the Guatemalan Army has played a decisive role in national politics. In an attempt to prevent the President from using the army as a personal instrument and to make it apolitical in character, the constitution of 1945 established a system of checks and balances for the selection of military leaders. The President remains Commander in Chief of the Armed Forces. The Minister of National Defense, appointed by the President, is responsible for the logistic and administrative support of the army. However, the Chief of the Armed Forces, who exercises direct control, is appointed by Congress. The attempt to avoid military dictatorship by increasing the power of the legislature over the army assumed a strong, independent legislature, but this is not the case in

Guatemala, where, for all practical purposes, the political structure is dominated by the executive.

During the Arévalo and Arbenz administrations the Guatemalan Army has generally supported the constituted government. The new military officer elite was in close political and, to some extent, intellectual alliance with the leadership of the revolution of 1944 and therefore has had a vested interest in the present political order. The Arévalo administration could not have survived without solid military support, and Arévalo, a civilian, was succeeded in 1951 by Col. Jacobo Arbenz, one of the most prominent of the revolutionary army officers. The new military officer class has been treated well. Aside from their political prestige, Guatemalan army officers receive substantial material benefits, including those of an extralegal nature, such as the importation, duty free, of salable consumer items. This is particularly true of the favored officers of the group stationed in and about the national capital. Those so placed are observed carefully, however, and a sign of defection usually leads to a transfer to an isolated rural post.

Despite the fact that the dominant officer group in the Guatemalan Army has often been described as noncommunist or even anticommunist, the group has not become sufficiently concerned over the growth of communist influence in Guatemalan politics to organize against it. The enlisted personnel have been promised land by government and communist propaganda on agrarian reform. As of March 1953 there was no evidence as to the effect of these promises.

The army has not fought an international war and has not been a major instrument of foreign policy in the twentieth century. During the Arévalo administration Guatemalan military personnel participated in Caribbean Legion activities, but they have not done so since 1949.

There has been little or no public reaction to the role of the army in Guatemalan national life. Conscription, traditionally a source of popular dissatisfaction in many Latin American countries, has, in recent history, offered no problem in Guatemala. The extent to which the politically articulate opposition to the present administration may hold the army responsible for their dissatisfaction cannot be determined.

E. Comments on principal sources

Reports from official U.S. sources have provided the basic data for all Subsections. Interviews with government and nongovernment personnel in the field added material and assisted especially in the interpretation of policies and trends. Sources were adequate and reliable for most aspects of this Section. The lack of published works on Guatemalan political developments in the past decade constitutes the major deficiency in types of material available. An outstanding exception to this is *The Economic Development of Guatemala*, a report by the International Bank for Reconstruction and Development, Washington, 1951, which was used in the Subsection on Domestic policies, Economic.