

Week 4 Neocolonialism: Bitter Fruit

In *Bitter Fruit: The story of the American Coup in Guatemala*, authors Stephen Schlesinger and Stephen Kinzer reinforce the theme of Neocolonialism revealing the growing economic imperialism that occurred in Guatemala during the 1930's with the American based company, United Fruit Company (UFCO). America's coup in Guatemala diminished early reforms of democracy in order to maintain America's growing capital: bananas. With profits gaining through the banana market, the Fruit Company thrived economically; however, Guatemala remained underdeveloped receiving minimal wages and farming land. Railroad transportation as well as the key ports to the Pacific and Atlantic Oceans were controlled by the Fruit Company and were free of taxation for banana exports which ultimately stunted economic growth in Guatemala.

Guatemala's exposure to democratic reforms began to form in 1944 when World War II was coming to a close. The year of 1944 was known as the "October Revolution" when traditional aristocratic government fell to the new democratic views forming among Guatemalan citizens. Local farmers and peasants were earning higher wages and received more sections of land. This new transformation became part of the agrarian reform which supported local Guatemalans and began to minimize the amount of control of the United Fruit Company. Roughly half of United Fruit's acreage was expropriated, which brought about great concern for the Fruit Company.

In response, the United Fruit Company began to convince the American government to take action against this new reform. American government labelled this new governmental transformation as a Communist change. Propaganda soon spread throughout America that Guatemala was run by Communists and action was needed as prompted by the United Fruit Company. By 1954, the Central Intelligence Agency created Operation Success: an American coup to overthrow the Democratic president of Guatemala, Jacobo Arbenz. The U.S remained undercover supplying weapons, air raids, and radio jamming which spread fear throughout the country. All the while, the "liberation force" lead by Guatemalan exile Castillo Armas invaded and received publicity for overthrowing the proposed communist regime. In turn, the U.S succeeded in having President Jacobo Arbenz resign, however, at a great cost for both Guatemala and America. The Guatemalan government returned to its dictatorial leadership with Armas as President and the country remained under political turmoil for thirty years. As for the United Fruit Company, their interests in the Latin American industry were damaged. The company lost trade to local companies and some of its land to local businessmen in Guatemala. By the 1970s, United Fruit Company was no longer in business in Guatemala.

After reading *Bitter Fruit*, one gains a better understanding of the corruption involved within governmental affairs. The untold story of Guatemala reveals the detrimental results that can occur due to Neocolonialism.