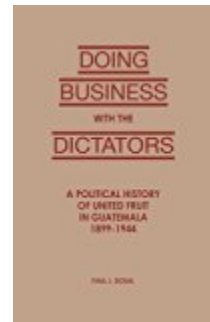


H-Net Reviews

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Paul J. Dosal. *Doing Business with the Dictators: A Political History of United Fruit in Guatemala, 1899-1944*. Wilmington, Del.: Scholarly Resources, 1993. xi + 248 pp. \$27.95 (paper), ISBN 978-0-8420-2590-4; \$84.00 (cloth), ISBN 978-0-8420-2475-4.

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Where were you when you read Stephen Schlesinger's and Stephen Kinzer's *Bitter Fruit: The Untold Story of the American Coup in Guatemala*? I stumbled upon this epic reading of the overthrow of Guatemala's democratically elected Arbenz government while at Seminary in 1983. I remember the timing could not have been more impressive: *Newsweek* magazine had just exposed CIA undercover operations against Nicaragua's revolutionary Sandinista government. The historic parallels between Guatemala (1944-1954) and revolutionary Nicaragua shocked me. Both governments had elicited a strong response from the staunchest of the Cold War presidents, Dwight D. Eisenhower, and Ronald Reagan, while the respective Central American leaders had guided their nations towards major social and political reform.

One came away from reading Schlesinger's and Kinzer's analysis with a distinct moral indignation at the pretense of our country's officials to weigh in on the side of capitalism vis-a-vis social reform. Apparently, Arbenz's seizure of prime land owned by the US-based United Fruit Company (UFCO) had set in motion domestic and international events. The long tentacles of the "octopus"—UFCO's popular nickname in Central America—had successfully played Cold War politics to its favor, and the Arbenz government collapsed under the stealth of a meager invasion force organized by the CIA.

How in the world could a banana company pull off such a political feat? How did the organizers of UFCO consolidate such a political and economic block within and without Guatemala? As good books do, Schlesinger's and Kinzer's analysis provoked more thoughtful questions. And Paul Dosal's *Doing Business*

with the Dictators: A Political History of United Fruit in Guatemala, 1899-1944 stepped in to pick up where they left off.

Dosal's work on the United Fruit Company provides a methodical analysis of the creation and consolidation of the banana beast that influenced the political economy of Central America. In many ways, Dosal's work fills one of the few remaining voids of historical research. Richard Immerman exploited many of the CIA's files on its nefarious workings in Guatemala while Jim Handy directed some of the first academic energies towards unearthing the workings of UFCO and its subsidiaries. Dosal, however, builds a solid analysis on new evidence from the Department of Justice. Basing the majority of his significant work on heretofore unresearched files in the US Department of Justice's Anti-Trust Division, Dosal analyzes the formative years preceding the well-studied revolutionary decade and provides an insight into the internal and external historical forces that created UFCO. As Guatemala's largest private landowner and biggest employer, UFCO exercised enormous clout and its legendary leaders utilized almost every method available to ensure its economic success. Dosal goes beyond the simple rhetoric that fingers US entrepreneurs as the culprits of dependency in Latin America. His analysis successfully shows how Guatemala's elite and political strongmen wedded their individual gain to this historic drive to create one of Central America's largest monopolies. Indeed, Dosal's work vindicates much (if not all) of what the renowned Guatemalan social scientist, Edelberto Torres-Rivas, first hypothesized in his *Interpretacion y Desarrollo Social en Centroamerica* nearly three decades ago.

Guatemalan elite willingly participated in the cre-

ation of this fruit monopoly due to the immediate economic benefits for the country and their personal gain. Many people found relatively high-paying jobs in the banana industry and the country witnessed the further extension of its nascent infrastructure. This “windfall” infrastructure created by the banana industry did not further the Guatemalan domestic market. The banana economy created its own “nation” on the periphery of the geopolitical entity known as Guatemala. With its revenues pouring towards US and European investors, and draining what might have been an enormous gain for all the people of Guatemala, UFCO created the prototypical “enclave” economy in Guatemala. And UFCO’s monopolistic ambitions further undercut competition, thus depriving US consumers of cheaper goods! Influenced by the Dependency theory, Dosal stakes one more solid claim within the debate that energizes Latin American historians. Creatively, Dosal demonstrates that US leaders recognized as early as 1941 that UFCO and its Guatemalan bosses had created a revolutionary power keg. The CIA’s predecessor, the Office of Strategic Services (OSS), saw potential danger in Guatemala since “the benefits of coffee and banana production, the main source of wealth are realized by foreigners and a small group of ladinos” (Dosal, 225). Yet our policy concerns for the poor and dispossessed of Guatemala were overshadowed by our love of profit and limited social reform. The US Department of Justice waited until after the fall of Arbenz to proceed with its anti-trust suit against UFCO for fear of legitimizing Arbenz’s political claims.

Dosal’s work insightfully lays the groundwork for a fuller understanding of the revolutionary passion of the Arbenz years. As one Biblical prophet forewarned, “They sow the wind, and they shall reap the whirlwind.” (Hosea 8:7) Sam “the Banana Man” Zemurray, the charismatic and unprincipled force behind UFCO’s rise to power in Guatemala and the US, admitted belatedly: “All we cared about were dividends. I feel guilty about some of the things we did” (p. 1). As Dosal stated, Zemurray’s re-

pentance came too late: “Within three years of his confession, President Jacobo Arbenz expropriated four fifths of [UFCO]’s plantations” (p. 1).

The essential focus of the work—on the machinations of the US and Guatemalan elite—leaves one pondering the ever-present agency of workers divided by class and ethnicity. In one of his best chapters, Dosal rescues the readers from the miry politics of the elite with a look at the fascinating interplay of economic and cultural forces among the workers. “The Puerto Barrios Strike” of February 1923 guides the curious reader through a host of conflicts brought about by the multifaceted workforce. As evidence during our own history, management easily divided workers along ethnic loyalties to ensure the working of the industry. In addition, military repression by Guatemalan troops and the ominous presence of a US naval warship not only resolved the conflict but foreshadowed the extent to which the US would protect its foreign investments.

For the connoisseur of Central American history, Dosal’s *Doing Business with the Dictators* is a must read.

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