

“EL PRINCIPAL ENEMIGO NACIONAL”: *Revolutionary Guatemala’s Response to Allied Policy toward German Presence in Latin America (1944–1952)*

ABSTRACT: This article examines the migration and expropriation policies of Guatemala’s revolutionary governments toward Germans present in the country during the postwar years and the start of the Cold War. It reconstructs the challenges around the domestic and international articulations of their strategy. Revolutionary governments’ concerted efforts to confiscate valuable land and condition the return of German-Guatemalans classified as ‘dangerous’ can be interpreted as part of a cohesive plan to regain control of strategic domestic resources for future redistribution. It also reflects financial policies that have both electoral and financial purposes. The article is built around newly available judicial, legislative, and consular (France) Guatemalan sources, along with personal letters from Guatemala’s top politicians, and complemented by Mexican, Chilean, Argentine, British, and US diplomatic documents. In methodological terms, this article shows the importance of articulating long-term processes, here the nineteenth-century German presence in Guatemala, in the context of historical junctures such as the end of World War II and the beginning of the Cold War. It also draws attention to the importance of analyzing events on domestic, regional and global scales to understand foreign policy-making. This article enriches an already complex set of global, regional, and domestic interactions of the postwar period, as well as the role of Guatemala during that time.

KEYWORDS: postwar, agrarian reform, Nazis, Guatemala, POW

In the months before the December 1941 attack on Pearl Harbor and the entry of the United States into World War II, the ultimate allegiances of Guatemalan dictator Jorge Ubico Castañeda (1931–44) raised considerable alarm among foreign diplomats. The Mexican ambassador Salvador Martínez de Alva, part of a government considered a revolutionary reference for Central Americans, observed and noted what at first sight

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appeared as a contradiction in the dictator's position. As Adolf Hitler made advances in Yugoslavia and Greece, he underscored Ubico's "continuing silence" in the face of US condemnations.¹ Rumors soared after Ubico delayed in recalling the Guatemalan consul in New York in the face of reports that he had issued false passports to Nazi elements and tolerated Nazi propaganda activities on the border between Mexico and Guatemala. Meanwhile, Ubico had received offers from Nazi officials to return Belize if the United Kingdom was defeated in its war efforts.²

Although researchers agree that Ubico never actively supported the domestic Nazi party, his relationship with the German diaspora was embedded in the historical process of German settlement in Guatemala. Ubico had been governor of two regions with a strong German presence, appointed by liberal patrons who were striving to reorganize Guatemala into an export-agriculture economy.³ As a regional authority, his administrative efficiency and hard-fisted policy toward dissident coffee laborers earned him praise. These close ties followed him into the presidency and were thus a source of rumors among a diplomatic corps that could not distinguish among Germans of different origins (Prussian, Hanseatic, Rhinelander), nor did they recognize the different faces of German immigration, for example, Nazi-influenced youth, disgruntled Weimar citizens, or members of the late Wilhelmine diaspora.⁴

Nevertheless, in a July 1941 conversation with Ambassador Martínez, Ubico said "he was sure that the United States would enter the war and that Germany would be defeated," a declaration perceived as "positive news" by the Mexican diplomat. The Guatemalan dictator also maintained strict vigilance over hundreds of Germans and Guatemalan-Germans in the capital, dismissing any notion of a

1. Letter from Mexican Embassy in Guatemala to Secretaría de Relaciones Exteriores [hereafter SRE], Guatemala City, May 2, 1941, Archivo Histórico de la Secretaría de Relaciones Exteriores [hereafter AHSRE], Mexico City, No. 130-R, file 728.1-0/510.4.

2. See for example "Informe reglamentario correspondiente al mes julio de 1941," letter from Mexican Embassy in Guatemala to SRE, August 9, 1941, AHSRE, No. 262-R, file 728.1-0/550 "41"/5; "Actividades nazis en el Departamento de San Marcos, Rep. de Guatemala," letter from Mexican Embassy in Guatemala to SRE, August 18, 1941, AHSRE, No. 120-R, file 728.1-0/510 (04)/R; and "Informe político reglamentario, por el mes de octubre," letter from Mexican Embassy in Guatemala to SRE, November 7, 1941, AHSRE, No. 351-R, file 728.1-0/550, 41.

3. Regina Wagner, "Los alemanes en Guatemala, 1828–1944" (PhD diss.: Tulane University, 1991); Thomas Schoonover, *Germany in Central America: Competitive imperialism, 1821–1929* (Tuscaloosa: University of Alabama Press, 1998); Christiane Berth, *Biografías y redes en el comercio del café entre Alemania y América Central, 1920–1959* (Mexico City: UNAM, Centro de investigaciones Multidisciplinarias sobre Chiapas y Centroamérica, 2018); Martin Domke, "Western Hemisphere Control over Enemy Property: A Comparative Survey," *Law and Contemporary Problems* 11:1 (1945): 3–16; Graham Taylor, "The Axis Replacement Program: Economic Warfare and the Chemical Industry in Latin America, 1942–44," *Diplomatic History* 8:2 (April 1984): 145–164; Fred Rippy, "German Investment in Guatemala," *Journal of Business of the University of Chicago* 20:4 (1947): 212–219; Hermann Kellebenz and Jürgen Schneider, "La emigración alemana a América Latina desde 1821 hasta 1930," *Anuario de Historia de América Latina* 13 (1976): 386–403.

4. Max Friedman, *Nazis and Good Neighbors* (Cambridge: Cambridge University Press, 2003), 82–83; Wagner "Los alemanes," 720–734; Berth, *Biografías y redes*, 262–264.

'Nazi threat.' Ubico understood the reliance of German firms on the Guatemalan coffee economy, but he also had a realistic approach toward the US presence. In an apparent contradiction, Ubico made it clear that he "did not want to give the impression that he accepted impositions" from the United States.⁵ More than contradictory and ambiguous, his position was nationalistic and instrumental. Ubico was part of a Central American tradition that looked to gain domestic and regional political advantages by taking advantage of favorable opportunities created by tensions between great powers with presence in the isthmus.⁶ The potential of full US hegemony generated uneasiness in the dictator, who wanted to ensure the continuity of other European powers' presence on the continent.⁷

Ubico's apparent ambiguity vis-à-vis the Allies increased diplomatic and political tensions as the war progressed.⁸ The source of the greatest tension was the Proclaimed List, issued by the US government on July 17, 1941. The list named hundreds of German companies with which US companies were forbidden to conduct business. The program for deportations of Latin American Germans followed. Both programs extended to Guatemala and the entire Latin American continent, and were based on the Franklin Roosevelt Administration's interest in eliminating any threat that Germans might destabilize the continent and embedded in a vision of Latin Americans as vulnerable and dependent.⁹ Although the largest Latin American economies refused to participate in the project, medium-sized and small ones, such as Guatemala, had to comply with US pressures.¹⁰ Ubico finally decided to initiate a process of intervention against German farms and companies in 1943,

5. "Tirantes relaciones entre Gobierno Guatemala y Legación Americana," letter from Mexican Embassy in Guatemala to SRE, March 20, 1942, AHSRE, No. 31-R, file 728.1-0.

6. Kenneth Grieb, "The Myth of a Central American Dictators' League," *Journal of Latin American Studies* 10:2 (1978): 329–345; Grieb, "Guatemala and the Second World War," *Ibero-amerikanisches Archiv* 3:4 (1977): 377–394. See also "Tirantes relaciones entre Gobierno Guatemala y Legación Americana."

7. "Entrevista con el Presidente de Guatemala," letter from Mexican Embassy in Guatemala to SRE, July 18, 1941, AHSRE, No. 245-R, file 728.1-0/550.

8. Tensions between Guatemala and the United States inevitably increased when in early 1942 the United States presented a bold plan to permit occupation of any part of the territory with military bases to Guatemala's Foreign Minister, and later with the news of rapes of Guatemalan women in the Caribbean by US Marines and US Air Force. The tension reached a high point with the departure of US ambassador Fay Allen Des Portes. One of the dictator's forms of resistance was his refusal to reorganize his cabinet and expel four ministers accused of relations with Nazism. That included his chancellor, Carlos Salazar Argumedo, a lawyer for the powerful commercial firm Nottebohm Hnos., and Roderico Anzueto Valencia, described by a Mexican diplomat as "a man without scruples." Ubico considered Anzueto to be a "perfect imbecile," but nonetheless used him "to commit many murders and rapes." Conversation with the President of Guatemala, taken from telegrams 372 y 374, in letter from Mexican Embassy in Guatemala to SRE, September 2, 1942, AHSRE, No. 381-R, file 728.1-0; "Diversos asuntos tratados con el Presidente de Guatemala," letter from Mexican Embassy in Guatemala to SRE, April 30, 1942, AHSRE, No. 121-R, file 728.1-0/510, "42."

9. Friedman, *Nazis*, ix.

10. "Informe reglamentario correspondiente al mes julio de 1941," letter from Mexican Embassy in Guatemala to SRE, August 9, 1941, AHSRE, No. 262-R, file 728.1-0/550 41/5-B; Friedman, *Nazis*, 119.

but only once the expansion of Nazi Germany had stalled.¹¹ Although the British Embassy said that the measures had “shortcomings and omissions,” they were satisfied with Guatemala’s measures. US officials concurred.¹²

Throughout 1944, as the Allies advanced against Nazi Germany, strong pro-democracy mobilizations were held throughout Central America. All of them integrated the Allied discourse on democracy and liberties into their narratives. In Guatemala, these mobilizations inspired a movement that got Ubico to resign, and finally took power in October 1944, as has been widely documented.¹³ The coming to power of a nationalist revolutionary regime, one that inherited the Allied narrative that catalogued Germans as enemies, together with the surge of rural workers’ agitation in the main coffee regions, presented an important historical juncture.

What changes did the postwar and early Cold War years bring to the aggressive anti-German Allied policy in Latin America? How did the revolutionary governments in Guatemala perceive the German issue in the context of global postwar politics, and what measures were carried out concerning its disputed presence in the country’s economy? What can the Guatemalan case tell us about the interactions between British and US interests and the strategies of Latin American states?

This article reconstructs the concerted effort of the Guatemalan revolutionary governments to confiscate economic assets historically owned by German firms and condition the return of German-Guatemalans classified as ‘dangerous.’ The author’s objective is to analyze the rocky implementation of that strategy, with an emphasis on the challenges that arose around the domestic and international articulations of their policy as framed within the global postwar period and at the start of the Cold War. The article argues that this effort can be interpreted as part of a cohesive domestic plan to regain control of strategic resources for future redistribution and to develop financial policies that would in addition serve electoral and monetary purposes.

11. “Reincorporación a Guatemala de numerosas fincas propiedad de la CAPCO,” letter from Mexican embassy in Guatemala to SRE, April 27, 1943, AHSRE, No. 95-R, file 728.1-0/220/3; “Conversación with the President of Guatemala, telegrams 372 y 374”; Friedman, *Nazis*, 186.

12. Letter from Ambassador [John Hurlston] Leche to Foreign Secretary [Anthony Eden], August 18, 1944, UK National Archives [hereafter NA], London, Foreign Office [hereafter FO], 371-37909, AS 4741. See also letter from Chilean Embassy in Guatemala City to the Chilean Foreign Ministry, August 21, 1944, Archivo General Histórico del Ministerio de Relaciones Exteriores [hereafter AGH], Santiago, Fondo Histórico, Box 2197.

13. The main references for this period are Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944–1954* (Princeton: Princeton University Press, 1992); and Jim Handy, *Revolution in the Countryside: Rural Conflict and Agrarian Reform in Guatemala, 1944–1954* (Chapel Hill: North Carolina University Press, 1994).

Unlike Ubico, young revolutionary politicians sought to align their policies with the anti-German narrative of both the United States and the United Kingdom. Although the initial positions of these two countries softened in the postwar years, and they could no longer command a homogeneous stance across their institutions, the anti-German narrative and the policies that supported it were sufficient to open an opportunity for countries such as Guatemala to launch an aggressive policy against the German diaspora's control of their strategic assets. The Guatemalan position, although aggressive and effective, was also flexible, with the decisions of some ambassadors and politicians depending on the case and the moment. By the early Cold War years, however, a large part of the main German and German-Guatemalan estates had been expropriated for the benefit of the state and slated for redistribution through an ambitious agrarian reform bill enacted in 1952.

Max Friedman's landmark 2003 study explored the US pressures on the German issue during World War II.¹⁴ Subsequent studies have delved deeper into this process in selected countries, highlighting Latin American state agencies.¹⁵ Nevertheless, many questions still revolve around the reasons for the continuity or diminution of anti-German migration and expropriation policies in Latin American countries. Until now, studies of postwar migration to Latin America have focused on Jewish migration from Europe and on the clandestine migration of Nazi officers to the continent.¹⁶ In contrast, the scarcity of studies on the continuity of expropriation programs against German landowners during the postwar period has resulted in a focus on the importance of the Guatemalan case, for example, the research of Christiane Berth on German economic networks in Central America and Mexico and Julie Gibbings's work on a Guatemalan coffee region and its role in national ethnic

14. Friedman, *Nazis*.

15. See Judit Bokser, "De exilios, migraciones y encuentros culturales," in *México: el exilio bien temperado*, Renata von Hanffstengel, ed. (Mexico City: UNAM, Instituto de Investigaciones Culturales Germano-Mexicanas, 1995), 23–35; Víctor Farías, *Los Nazis en Chile* (Barcelona: Scix Barral, 2000); Luis Bosenberg "Alemania y Colombia," *Iberoamericana* 6:21 (2006): 25–44; Franco Savarino, "Fascismo en América Latina: la perspectiva italiana (1922–1943)," *Diálogos* 14:1 (2010): 39–81; María Bjerg, *El viaje de los niños. Inmigración, infancia y memoria en la Argentina de la Segunda Posguerra* (Buenos Aires: EDHASA, 2012); Daniela Gleizer, "Las relaciones entre México y el Tercer Reich, 1933–1941," *Tzintzun* 64:2 (2016): 223–258; Julián Lázaro-Montes, "Un pueblo, un líder, un Reich: El nacionalsocialismo en el Caribe colombiano: inmigrantes alemanes y Gleichschaltung," *Revista Tempo e Argumento* 11:28 (2019); and Julián Lázaro-Montes, "Alemanes en el Caribe colombiano: vida cultural y nacionalsocialismo en Barranquilla, 1930–1942," *HISTOReLo* 12:23 (2020): 51–83.

16. Studies on Jewish migration include Leonard Senkman, "La Argentina neutral de 1940 ante los refugiados españoles y judíos," *Ciclos* 5:9 (1995): 53–75; Haim Avni, "Los países de América Latina y el Holocausto," in *Shoá: Enciclopedia del Holocausto*, Efraim Zadoff, ed. (Jerusalem: Yad Vashem and EDZ Nativ, 2004); Judit Bokser Misses-Liwerant, Daniela Gleizer, and Yael Simán, "Claves conceptuales y metodológicas para comprender las conexiones entre México y el Holocausto. ¿Historias independientes o interconectadas?" *Revista Mexicana de Ciencias Políticas y Sociales* 61:228 (2016): 267–310; and Vanesa Teitelbaum, "Migración en tiempos de la Segunda Guerra Mundial. El caso de una mujer judía a Tucumán," *Historia y MEMORIA* 22 (2021): 285–321. See also Uki Goñi, *La auténtica Odissea. La fuga nazi a la Argentina de Perón* (Buenos Aires and Barcelona: Paidós, 2002).

politics.¹⁷ Moreover, a review of diplomatic sources from the Mexican, Chilean, and Argentine embassies in the countries in or bordering the Greater Caribbean Basin (Cuba, Dominican Republic, Mexico, Venezuela, and Central American countries, with the exception of Panama) shows that these countries had different approaches to the control of Axis citizens' assets. On only a few occasions was there direct expropriation. That was the case of Cuba and Venezuela, although the debates and repercussions surrounding those events were not as extensive as in the Guatemalan case.¹⁸ Historiography will benefit from a study that seeks to fill this important gap.

New studies and syntheses have brought to light the complex historical political networks of state and non-state Latin American actors in mobilizing their own interests during the postwar years. This information brought out the importance of this period in posing alternatives and scenarios that were crucial at the onset of the Latin American and global Cold War, and also in future interactions. Guatemala's case shows a compelling example of how the circumstances of the postwar years provided justification and conditions for an effort to reorder the economy of a Latin American country.

Focus on the Guatemalan revolutionary regime's foreign policy during this period has heretofore been on its military campaigns against dictatorships and its positions on other Latin American issues, such as the migration of Spanish Republicans, British Colonialism, and a hemispheric security system.¹⁹ Delineating the regime's position on the German issue enriches the already complex studies of global, regional, and domestic interactions. It also draws attention to the importance of analyzing interactions at all three of these scales to better understand foreign policy-making of Latin American states. In addition, the topic should help us rethink aspects of the Guatemalan revolution. The anti-German policy will give nuance to scholarship that has pointed to the absence of an agrarian policy on the part of President Juan José

17. See Julie Gibbins, *Our Time is Now: Race and Modernity in Postcolonial Guatemala* (New York: Cambridge University Press, 2020).

18. In the case of Venezuela, see letter from Argentinean Embassy in Caracas to the Foreign Relations and Culto Ministry, February 11, 1946, Archivo Histórico del Ministerio de Relaciones Exteriores y Culto [hereafter AHMREC], Buenos Aires, Departamento de Política, 1946, Box 6, file 2. The Cuban case can be seen in the letter from the Argentinean Embassy in Havana to the Foreign Relations and Culto Ministry, March 1, 1946, AHMREC, Departamento de Política, 1946, Box 5, file 1.

19. On Guatemala's postwar foreign policy, see Rodrigo Véliz, "Soñadores y quijotes": la política exterior guatemalteca en los inicios de la Guerra Fría (1944–1951), *Secuencia* 111:4 (2021); Aaron Moulton, "Building Their Own Cold War in Their Own Backyard: The Transnational, International Conflicts in the Greater Caribbean Basin, 1944–1954," *Cold War History* 15:2, (2015): 135–154; Arturo Taracena, *Guatemala, la República Española y el Gobierno Vasco en el exilio (1944–1954)*, (Mexico City: UNAM and COLMICH, 2017); Kirsten Weld, "The Other Door: Spain and the Guatemalan Counter-Revolution, 1944–54," *Journal of Latin American Studies* 51:2 (2019): 1–29; and Rodrigo Véliz, "El más importante asunto internacional": Belice, el Imperio Británico y la política exterior guatemalteca (1945–1948)," *Anales de Estudios Centroamericanos* 46:1 (2020): 1–40.

Arévalo (1945-51). Scholars have written for decades that Arévalo did not have an agrarian interest, based on early studies that point to his vague conception of ‘Spiritual Socialism,’ an opinion that this article would question; instead, it adds to the equation the interactions of Arévalo’s executive branch with political groups allied with federations of agrarian workers.²⁰ In addition, a focus on the end of German interests in the country provides greater depth over the long term to consideration of the Agrarian Reform of 1952, linking issues such as the German presence on the continent from the end of the nineteenth century with the effects of the global Cold War in Latin America.

This research benefited from the availability of new Guatemalan archival sources, particularly records of legislative debates and resolutions of court cases on expropriated farms. Consular documents from the Guatemalan Embassy in Paris are fundamental in addressing the conditions of returnees from Germany. The letters of Arévalo’s main foreign minister and ambassador in Paris, Enrique Muñoz Meany, bring out important nuances in the Guatemalan strategy that were not present in the official diplomatic documents. In addition, Mexican, Chilean, Argentine, British, and US diplomatic documents complement the Guatemalan archives with their perspectives on the global and regional interests existing at the time. In this article, I compile this information and present it in three main sections. The first deals with the major dilemmas of the Allied policy regarding the return of Germans and German-Guatemalans to the American continent. The second delves into the migration policy of revolutionary governments, and the last details their expropriation policy.

“OBNOXIOUS GERMANS”: A POSTWAR PROBLEM

As Nazi forces lost terrain on all flanks in early 1944, numerous German-Latin Americans living in Germany made plans to return to the American continent. For those who were Guatemalans, the main avenue was to appeal to Swiss representatives in Germany through the Swiss consulate in Hamburg.²¹ One case was that of German-Guatemalan Bernarda Obst. According to the US embassy in Bern, she was included on a list of German citizens who had voluntarily traveled from Guatemala to Germany in 1943, which led to a recommendation prohibiting her return.²² The Guatemalan Ministry of Foreign Affairs refused Obst a visa pending a thorough investigation of her case, and she was finally

20. See Gleijeses, *Shattered Hope*; Handy, *Revolution*; and Cindy Forster, *The Time of Freedom: Campesino Workers in Guatemala’s October Revolution* (Pittsburgh: University of Pittsburgh Press, 2001).

21. See for example the letter from the US Foreign Service to the US Embassy in Guatemala, January 2, 1945, US National Archives and Records Administration [hereafter NARA], College Park, MD, RG 59, 814.0128/1-245.

22. US Embassy in Bern to Officer in Charge of the American Mission, April 12, 1945, NARA, RG 59, 814.0128/4-1245; letter from the US Embassy in Bern to Officer in Charge of the American Mission, April 18, 1945, NARA, RG

notified of the denial months later. However, the reason was not related to the list. Instead, Obst was told of the high cost of shipments and the restrictions still in place under the Allied occupation of Germany, issues stressed by the US political adviser for German Affairs.²³ Until the problems were resolved, the return of “Guatemalan or other United Nations nationals” was impossible.²⁴

Among themselves, the Allies also lacked consensus on who could return to the American continent. As John Leche, the British ambassador to Guatemala, made clear, the central issue, once restrictions were lifted, was to organize “an effective and long-term” repatriation program.²⁵ The resolution rested with the United States. The US State Department was clear about the importance of this task, but was slow to react, and following the Allied victory in Europe, the ‘German issue’ slowly faded as a global priority.

In mid 1945, the US took the first steps to provide a coherent response to the repatriation problem. Continuing the war narrative, the US Attorney General stated that “from the standpoint of our postwar relations with the other American republics and of our far-reaching economic and political interests in Allied and neutral countries throughout the world, it is considered most desirable that Germans who form the nucleus of pan-German economic and political penetration in other countries should be forced to return to Germany.”²⁶ That interest was shared by the British, Soviets, French, and Belgians, who in August 1945 emphasized the need “to bring about the return to Germany of all exponents of Pan-Germanism (economic or political) now residing in the United Nations and neutral states.”²⁷ In a communique of December 1945, the US State Department announced that numerous files of Germans expelled from the American continent were being reviewed, and promised the publication of a “uniform policy,” to be issued in the following months.²⁸ Weeks later, however, another memorandum presented a milder

59, 814.0128/4-1845. See also the case of Ruth Juergensen, who left on the same ship as the Göz sisters, and whose husband was considered a “dangerous Axis national” because of his relations with the “Nazi spearhead firm Nottebohm.”

23. Telegram, Guatemalan Ministry of Foreign Affairs to Guatemalan Embassy in Paris, June 5, 1946, Archivo de Embajada de Guatemala en Francia [hereafter AEGF], Paris, Consulado de Guatemala, Asuntos Varios, 1940-1952. See also Note 321, July 27, 1946, AEGF, Asuntos Varios, 1940-1952.

24. US political adviser on German Affairs to US Secretary of State, January 31, 1946, NARA, RG 59, 814.0128/2-3146.

25. John Leche to Anthony Eden, July 11, 1945, NA, FO 371-44903, AS 3771.

26. The Acting Secretary of State to the Diplomatic Representatives in the American Republics Washington, June 14, 1945, FRUS, 1945, *American Republics*, vol. 9, 740.00115 EW/5-1745.

27. Foreign Relations of the United States [hereafter FRUS], Diplomatic Papers, 1945, *American Republics*, vol. 9, 740.00115 EW/5-1745; Acting Secretary of State to the diplomatic representatives in the American Republics, Washington, June 14, 1945; Diplomatic papers, 1945, *American Republics*, vol. 9, 711.62115/8-1145; telegram, US Secretary of State to US Ambassador [Simmons] in El Salvador, Washington, DC, August 18, 1945.

28. Copy of US Department of State press release no. 966, December 27, 1945, NA, FO 371-52103, AS 112.

proposal; rather than keeping out “all exponents,” it focused on limiting the prohibition to war criminals and suggested the possibility of an immediate return of the others.²⁹

The United Kingdom, the other major US ally, also softened its position on German return. In 1944, British ambassador to Guatemala John Leche, in tune with the war narrative, recalled the importance of the “elimination of Nazi or, as I would prefer to call it, German influence in Latin America,” referring to the “extermination of all German interest and the prevention of its return.” Leche’s remarks were not isolated. A British Foreign Office memorandum in late 1944 stressed the “danger of a German ‘comeback’” on the continent, a scenario it considered “very real.” Referring to Guatemala, a British internal memo considered that there was never any anti-German feeling in Central America, citing the German community’s ability to integrate socially, often through family ties. It therefore called for everything possible to be done to prevent a “new penetration.”³⁰

By early 1946, the priority of the issue had faded considerably. According to the Foreign Office, its own policy had been simplified and made less harsh: “repatriate all those who are not war criminals, security suspects or otherwise odious.”³¹ Underlying this position was that Britain, as a declining power, did not have the capacity—nor, in this case, the interest—to enforce an extra-continental policy. In this regard, they pressured the United States to move forward with its own program and to clarify the return criteria. The British Department of Economic Warfare made clear to the British Embassy in Washington that the “time has come for the State Department to tell us frankly and fully what their present policy is.”³² Nor was it only the British government that had concerns regarding this issue. One Chilean diplomat declared that the US government had “a complete lack of method in this matter.”³³ Amid these critiques, the US State Department kept reminding its international colleagues of the promise it had made: that a comprehensive policy “will be forthcoming.”³⁴

29. Copy of US Department of State press release no. 1, January 3, 1946, NA, FO 371-52103, AS 112.

30. See for example the letter from Leche to Eden, March 8, 1944, NA, FO 371-37909, AS 1814; memo of FO, October 2, 1944, NA, FO 371-44903, AS 4676; and letter from Leche to Eden, July 11, 1945, NA, FO 371-44903, AS 3771.

31. Foreign Office to Allied Control Commission in Berlin, March 14, 1946, NA, FO 371-52090, AS 413; minutes of the FO staff meeting, October 18, 1946, NA, FO 371/5951, AS 6381.

32. Economic Warfare Department to British Embassy in Washington, June 19, 1946, NA, FO 371-52103.

33. Chilean Embassy in Guatemala City to the Foreign Ministry, November 7, 1946, AGH, Fondo Histórico, Box 2424.

34. US Political Adviser on German Affairs to Office in Charge of the American Mission, May 17, 1946, NARA, RG 59, 814.0128/4-1846.

Latin American states, for their part, were against the expatriation program from the beginning. As a group, they showed no interest in giving major help to the United States once the war was over. The topic was barely discussed in the Inter-American Conference on Problems of War and Peace held at Chapultepec in Mexico City in February 1945. Economic cooperation, the Argentine situation, British colonialism in the Americas, and continental security received the lion's share of the attention—only one day was devoted to the German diaspora. The sole proposal came from the Uruguayan delegation, an important US ally at the time (amid the Argentine crisis after their refusal to declare war against Germany); the proposal considered the return of Germans as an “inconvenience” because of the possible “conspiracy against the collective democratic ideal” of the American states.

Conferees' opinions tended to stress that future decisions should be taken by each state, and after a day of discussion, a less pointed text was adopted: the assembled governments were asked to prevent the return of Germans for “constituting a danger to the democratic systems and a possibility of reaction” of the Axis powers, but the text also stated that each nation's policies should be put forward “in accordance with their local provisions and with the guarantee of the law.”³⁵ According to available records of the conference, no other major discussions of the issue were conducted. For Obst and hundreds of other Germans with Latin American roots who were stranded in Europe, their low-priority status was a major blow.

During this period, while Britain and the United States were relaxing their opposition to the return of Germans, cases like that of Obst and the Guatemalan diplomacy surrounding them, were confounded by ambiguity: the effort to comply with a general policy of prohibition, coupled with arbitrary measures. A review of the relevant documents at the Guatemalan embassy in Paris, which was responsible for the registration of returnees, shows that up to late 1947 most applicants were not allowed to return. It is possible to learn from other sources that some returned illegally, but little is known about the how many and under what conditions (See next section for examples). In one of the registered cases, Amelia Fumagalli de Lange, an Italian-Guatemalan citizen married to German-Guatemalan Walter Lange—with two children born in Guatemala—the restriction was explicit. Her request was made through a Swiss representative in Hamburg and reached the Guatemalan government in February 1945. It included a dossier provided by a US government agency

35. “Reglas de previsión sobre inmigración de postguerra,” Uruguay Declaration, February 21, 1945, Plenarios de la Tercera Comisión de la Conferencia Interamericana sobre Problemas de la Guerra y de la Paz, AHSRE, No. 40, CI-PR-20, LE463; FRUS, Diplomatic Papers, 1945, *American Republics*, vol. 9, 740.00115 EW/5-1645; Acting Secretary of State to the US Ambassador in Costa Rica [Johnson], May 16, 1945.

stating that Walter Lange was “a convinced Nazi” who in an interview after his deportation had said that he would “gladly fight if called upon” and that he sympathized with “and admired Hitler.” After being notified of the dossier, the Guatemalan government replied: “For the moment a passport cannot be granted” to Mrs. Fumagalli, pending a “thorough study” of her case.³⁶

If the prohibition weighed heavily on Nazi wives, the fate of their husbands was even less negotiable. Such was the case of Kurt Fellsman, owner of a retail store in Guatemala City before the war. According to the US State Department database, Fellsman’s business was on the Proclaimed List and was identified an “active Nazi figure,” charged with employing Hans Petersen, former head of the *Kulturrelles* section of the Nazi Party in Guatemala City. Both were present at a dinner held in September 1941, where other guests were the German ambassador to Guatemala and local Nazi figures. Fellsman was denied the chance to return numerous times.³⁷

Although only a few German-Guatemalans were allowed to return to Guatemala from Germany before 1948, their cases show the role of friendships and personal rapprochement in the Guatemalan decisions, and how those relationships generated tensions with the Allied diplomatic staff. That was the case for Friedrich Keller. After Keller’s return from Germany in October 1946, Ambassador Leche stated that “Keller’s Nazi activities were duly reported to the security authorities” and advised “a closer scrutiny of persons wishing to return from Germany.”³⁸ Keller had close ties to Guatemalan diplomatic officials. His personal attorney was Guillermo Toriello Garrido, who was chancellor during the first year of Juan José Arévalo’s government. Toriello fought with several government agencies to have three of Keller’s seized properties (El Jocote, Joya Grande and Santa Isabel) returned after they appeared on the Proclaimed List and were confiscated by the Guatemalan government.³⁹ The ambassador complained to British Secretary of State,

36. US Foreign Service to the US Embassy in Guatemala, February 21, 1945, NARA, RG 59, 814.0128/2-2145; letter from the Office in Charge of the American Mission to US Foreign Service, March 22, 1945, NARA, RG 59, 814.0128/2-2145; letter from Secretaría de Relaciones Exteriores de Guatemala to US Embassy in Guatemala, April 14, 1945, NARA, RG 59, 814.0128/4-1445. Lange and his family were finally able to return in 1948. See Acta 6, March 20, 1948, AEGE Libro de Actas Notariales, 1947-1959.

37. Memorandum of conversation, “Request for information regarding Kurt Felsmann,” US Department of State, August 22, 1945, NARA, RG 59, 814.0128/8-745; US Embassy in Bern to Officer in Charge of the American Mission, August 7, 1945, NARA, RG 59, 814.0128/7-745.

38. John Leche to Ernest Bevin, October 4, 1946, NA, FO 371/51990, AS 6381. See also the letter from the Chilean Embassy in Guatemala City to the Foreign Ministry, September 26, 1946, AGH, Fondo Histórico, Box 2424.

39. John Leche to Ernest Bevin, August 24, 1946, NA, FO 371/51990, AS 5297. See also Juan José Arévalo, *Despacho Presidencial* (Guatemala: Editorial Oscar de León Palacios, 2008), 185. Toriello demanded between 25% and 50% of the value of the property as payment in return. See also Berth, *Biografías y redes*, 423.

Ernest Bevin, and on the same day Keller wrote personal letters to the Guatemalan ambassador in Paris and ex-chancellor Enrique Muñoz Meany. He recounted that it had taken him 11 days to reach Guatemala City from Paris, and that he had made stops in Recife, Brazil, and the Caribbean island of Trinidad along the way. He said he was “happy to be with my family after such a long separation,” adding in his letter to Muñoz Meany that “the enjoyment of this happiness I owe in great part to you,” who “attended me in Paris with such kindness.”⁴⁰

In Paris, Muñoz Meany reportedly authorized a grant to pay for Keller’s repatriation. There is no record of Keller’s return in the reports of the Guatemalan embassy in Paris, which had led to an administrative case against Muñoz Meany.⁴¹ Muñoz was known for his leftist tendencies, and the personal support he gave to Keller should not imply confluence with Nazism. In fact, Muñoz was of the opinion that “in general I judge that new German immigration is not desirable, after the experiences of two wars,” and suggested that such a ban should be stricter for “former Führer worshippers.”⁴² Muñoz’s intervention should be understood as personal assistance to a friend, and not as part of a political position on who should be allowed to return and who should not.

The case of the Moeschler Dieseldorff sisters is also interesting in this regard. According to the US embassy in Guatemala, Enrique (Henry) Moeschler, the sisters’ father, had been repatriated to Germany during the war and was not allowed to return, and according to US officials, the repatriation should also have applied to his family. In February 1947, a letter from Guatemalan Foreign Minister Eugenio Silva Peña responded that the Moeschler Dieseldorff sisters were Guatemalan and “have the right to return.” In another letter, Silva Peña underscored that the case “is not subject to challenge”; otherwise there would be a “disagreement from my government.”⁴³ The Moeschler sisters were granddaughters of a powerful German-Guatemalan Jew, Erwin P. Dieseldorff, a well-known anti-Nazi with ties to Guatemalan diplomatic officials.⁴⁴ The public nature of the Moeschler case forced the US State Department to review it. Henry Moeschler’s file showed that as a member of the Nazi Party

40. Federico Keller to Enrique Muñoz Meany, October 16, 1946, Guatemala, Biblioteca Brañas [hereafter BB], Guatemala City, Fondo Muñoz Meany.

41. Acta 61, Libro de Actas Notariales, 1947-1959, July 26, 1953, AEGE.

42. Enrique Muñoz Meany to Alberto Velásquez, June 30, 1947, BB, Fondo Muñoz Meany.

43. US Embassy in Guatemala to US Secretary of State, February 14, 1947, NARA, RG 59, 814.0128/2-1447; Silva Peña to US Embassy in Guatemala, February 8, 1947, NARA, RG 59, 814.0128/2-1447.

44. Guillermo Falcón, “Erwin Paul Dieseldorff, German Entrepreneur in the Alta Verapaz of Guatemala, 1889–1937” (PhD diss.: Tulane University, 1970), 430.

he had headed the Hitler Youth Movement and that he was considered “very dangerous.”⁴⁵

On multiple occasions, Germans and German-Guatemalans were expelled from Guatemala based on incomplete or compromised information, from various sources. In Henry Moeschler’s case, State Department’s officials found on closer examination that “there is nothing in the records which would substantiate the statement” of his Nazi involvement and that Moeschler had been deported “on the basis of adverse information which existed in Guatemala” at the time.⁴⁶ In other cases, the British Security Coordination “engaged in extensive propaganda and falsification to create a climate of public support for aid to Britain.” The United States had a “rudimentary foreign intelligence service,” making it dependent on sources who reported what US officials wanted to hear, in exchange for money.⁴⁷ A Mexican embassy official even commented that the Proclaimed Lists “gave the impression of having been drawn up in a much improvised way and from the point of view of hidden interests.”⁴⁸

At the end of 1946, the Allies finally liberalized transportation and established limited correspondence between Occupation zones.⁴⁹ In January 1947, the United States, Great Britain, and France reached a tripartite agreement in Paris.⁵⁰ It created the Combined Repatriation Executive and the Combined Travel Board, which met regularly to review the files of hundreds of applicants for return. Although the details of a return policy had not yet been fully defined, the discussions emphasized the new, more relaxed take on the German presence. The emphasis was now on only people who were involved in war crimes or had played an important Nazi role.⁵¹ The announcement brought about a more orderly and open form of return; at the same time, it paved the way for the acceleration of a land expropriation policy in Guatemala.

45. Memorandum of the US Department of State, March 6, 1947, NARA, RG 59, 814.0128/2-1447. See also the letter from the Department of State to Officer in Charge of the American Mission, March 14, 1947, NARA, RG 59, 814.0128/2-1447.

46. Letter from the Department of State to Officer in Charge of the American Mission, July 11, 1949, NARA, RG 59, 814.0128/6-1449.

47. Friedman, *Nazis*, 58–61. See also the case of Carlos Hegel, in memorandum of conversation titled “Mr. Carlos A. E. Hegel who was deported from Guatemala and repatriated to Germany in 1944,” US Department of State, August 22, 1945, NARA, RG 59, 814.0128/8-3045; British Element of Control Commission for Germany (CCG) to Political Division of CCG, March 5, 1946, NA, FO 1049-358, AS 58.

48. “Informe reglamentario correspondiente al mes julio de 1941,” Mexican Embassy in Guatemala to SRE, August 9, 1941, AHSRE, No. 262-R, file 728.1-0/550, 41/5-B. See also Berth, *Biografías y redes*, 302–308.

49. Berth, *Biografías y redes*, 396.

50. US Department of State to Officer in Charge of the American Mission, May 2, 1947, NARA, RG 59, 814.0128/3-1847.

51. All this, despite the fact that, as the *Washington Post* reported in December 1946, the United States was covertly receiving hundreds of Nazi scientists as part of Operation Paperclip. Friedman, *Nazis*, 225–226.

A “PAN-GERMAN” MENACE: MIGRATION POLICY

The revolutionary governments inherited 130 intervened German farms, which were added to those they had confiscated from several officials and politicians of the old Ubico regime. Seized farms' yields represented more than \$1.2 million for the 1946 fiscal year.⁵² That same year, 74 additional properties were intervened, valued at more than \$1.14 million. Overall, intervened farms employed 50,000 workers and up to 150,000 temporary laborers, producing 25 percent of the country's coffee exports.⁵³

The new revolutionary regime had several interests in maintaining control of these valuable resources. Coffee prices skyrocketed at the end of the war. Additionally, the Allied governments placed special emphasis on setting enough quotas for Guatemalan products.⁵⁴ These purchases included not only coffee, but also other products such as sugar, cardamom, and raw war materials such as *cinchona* (a plant used as a stimulant) and rubber.⁵⁵ Revenue from sales went directly to the coffers of the state, helping to finance new social programs. Furthermore, the government had a strategic interest in displacing German commercial and financial houses from the country's economy: most of them were owners of the best land for coffee production. In her in-depth study, Carol Smith has shown how the emphasis of these firms on the coffee cycle slowed the development of an urban and industrial economy. In the same financial vein, the revolutionary governments went on to promote the reorganization of the Bank of Guatemala, create other public credit institutions, and invest in urban infrastructure, accelerating the economic development of Guatemala City and attracting significant internal migration.⁵⁶ Another reason was political, with electoral overtones, as documented in the Alta Verapaz region.⁵⁷ Thousands of German finca (local name for coffee plantations) workers' votes went to powerful revolutionary parties, which competed among each other for the largest share of their votes.⁵⁸

52. Chilean Embassy in Guatemala City to the Foreign Ministry, January 31, 1947, AGH, Fondo Histórico, Box 2594; the Chargé in Guatemala (Woodward) to the Secretary of State, Guatemala, December 27, 1945, FRUS, Diplomatic Papers, 1945, *American Republics*, vol. 9, 740.14112A/12-2745.

53. Berth, *Biografías y redes*, 383. See also Friedman, *Nazis*, 186.

54. Leche to Ministry of Economic Warfare, October 10, 1944, NA, FO 371-37909, AS 5906; US Embassy in Guatemala to the US Secretary of State, “Sale of Coffee from Axis Farms,” July 23, 1946, NARA, RG 59, 814.613/8-3356.

55. US Acting Commercial Attache in Guatemala to the Secretary of State, March 22, 1945, NARA, RG 59, 814.613/8-3356.

56. Carol Smith, “El desarrollo de la primacía urbana, la dependencia en la exportación y la formación de clases en Guatemala,” *Mesoamérica* 8 (1984): 195–278. See also Victor Bulmer-Thomas, *The Political Economy of Central America since 1920* (New York: Cambridge University Press, 1988).

57. Gibbings, *Our Time is Now*, chapt. 8.

58. US Embassy in Guatemala to the Secretary of State, “The Problem of the Former German Plantations in Guatemala,” December 3, 1947, NARA, RG 59, 814.61333/12-347.

In addition, public opinion during the first years of the revolution was in favor of the measures for intervention of German properties. The Chilean ambassador in Guatemala City perceived a “visible public antipathy” to those who “in the hour of doubt and at the moment of choice, did not hesitate to leave this country to meet the fate of their enemies, when the latter’s triumph seemed certain.”⁵⁹ Furthermore, the financial reforms and public support gave President Arévalo domestic strength to propose laws that would allow him to have total control of the expropriated properties. Since most of the owners of these properties had been expelled from the continent, the government also had a special interest in having powerful German-Guatemalans, whether or not they had ties to Nazi activities, held in check. The migration and expropriation policies were integrated into a single plan to regain control of strategic assets. A deal with the Allies was key in this regard.

Arévalo’s policy was first shared with the Allies in a September 1945 meeting between the chief of the Caribbean and Central American Affairs Division of the US State Department and Guatemala’s ambassador in Washington, Jorge García-Granados. Ambassador García-Granados stated that his government concurred with the Allied anti-German war policy and was also interested in expelling more German-Guatemalans, even if the war was over. As early as May 1945, with just one month in office, the Arévalo government had said that it was “thoroughly investigating the activities of numerous Germans who had not previously been deported.” When US ambassador Edwin Kyle, an ally of Arévalo, tried to remove 51 Germans from a Nazi hard-core list, Arévalo refused and sought to keep the number at 126.⁶⁰ The Arévalo government especially targeted 63 Germans whose land had been intervened by the state. Arévalo’s government took this position: “If there be proof that these persons have engaged in subversive activities, it requests that it be furnished with said proofs and that if it is satisfied, it will then agree to their deportation.” García-Granados emphasized collaboration, and urged focus on “the evidence of subversive activities available.”⁶¹ This information was crucial for the Arévalo government, since the reports on “subversive activities” would be used to justify the expropriation of properties.

59. Chilean Embassy in Guatemala City to the Foreign Ministry, May 30, 1946, AGH, Fondo Histórico, Box 2424.

60. FRUS, Diplomatic Papers, 1945, *American Republics*, vol. 9, 740.00112A E.W./10–3045; US Ambassador in Guatemala [Kyle] to the Secretary of State, No. 784, October 30, 1945. See also FRUS, Diplomatic Papers, 1945, *American Republics*, vol. 9, 740.14112A/12–2745; Chargé in Guatemala [Woodward] to the Secretary of State, Guatemala, December 27, 1945.

61. FRUS, Diplomatic Papers, 1945, *American Republics*, vol. 9, 711.62115/9–545, Chief of the Division of Caribbean and Central American Affairs [Cochran], memorandum of conversation, Washington, DC, September 5, 1945.

Despite their own minor disagreements, Arévalo and his diplomats sought political support from the US State Department. They received it from Ambassador Kyle, who had recommended to the State Department, in consensus with the British embassy and probably with Arévalo himself, that the return of Germans to the country should be made “in accord with developments in the Guatemalan Government’s expropriation program, and not on the category basis originally contemplated.” The Arévalo government wanted the United States to maintain the Proclaimed List and its ‘hard list’ of ‘obnoxious Germans,’ to “morally support” its expropriation plans.⁶² Furthermore, Arévalo actively sought the opinion and support of other Latin American governments. Mexican President Manuel Ávila Camacho gave advice based on Mexico’s own experience in 1941, and the Chilean government not only gave an opinion but also asked to be informed about each step taken by Arévalo’s government.⁶³

The Guatemalan attitude could be labeled as aggressive, especially if compared to that of other countries such as Brazil and Venezuela, which actively refused in 1946 to send Nazis off on a ship that sailed along the Atlantic Coast of the continent collecting ‘obnoxious Germans.’⁶⁴ Cuba at first complied with US requests but “without any sympathy for this demand”; however, Cuba later shielded itself in a local court decision that denied any more repatriations, as was reported by the Chilean ambassador to the island.⁶⁵ El Salvador, Ecuador, and Bolivia rejected any kind of mediation by the United States in regard to their return policies; the former criticized the lack of any “prior agreement and any indication of a future [one].”⁶⁶ In most of the cases, the Chapultepec Conference resolution on the matter was used as a pivotal legal tool.

62. FRUS, Diplomatic Papers, 1945, *American Republics*, vol. 9, 740.00112A E.W./10-3045: US Ambassador in Guatemala [Kyle] to the Secretary of State, No. 784, October 30, 1945.

63. Telegram from Foreign Ministry to Chilean Embassy in Guatemala City, September 10, 1946, AGH, Fondo Histórico, Box 2424; Chilean Embassy in Guatemala City to the Foreign Ministry, December 9, 1946, AGH, Fondo Histórico, Box 2424; Telegram from US Embassy in Guatemala to Secretary of State, November 8, 1946 NARA, RG 59, 712.14/11-846, Box 3449.

64. See British Embassy in Washington to Foreign Office, May 17, 1946, NA, FO 371-52103, AS 2752; British Embassy in Rio de Janeiro to FO, July 13, 1946, NA, FO 371/52103, AS 4309; British Embassy in Rio de Janeiro to FO, August 16, 1946, NA, FO 371/52104, AS 5143; British Embassy in Caracas to FO, August 16, 1946, NA, FO 371/52104, AS 5297; and US Government press release, “Names of Western Hemisphere Nazis Revealed,” August 26, 1946, NA, FO 371/52103.

65. Chilean Embassy in Havana to the Chilean Foreign Ministry, August 18, 1946, AGH, Fondo Histórico, Box 2407.

66. Chilean Embassy in San Salvador to the Foreign Ministry, June 22, 1946, AGH, Fondo Histórico, Bx 2424. The positions of Honduras and the Dominican Republic were similar. See for example the telegram from Foreign Ministry to Chilean Embassy in Tegucigalpa, January 9, 1946, AGH, Fondo Histórico, Box 2424; Chilean Embassy in Ciudad Trujillo to the Foreign Ministry, July 31, 1946, AGH, Fondo Histórico, Box 2486; and the copy of US Department of State press release no. 1, January 3, 1946, NA, FO 371-52103, AS 112.

The Guatemalan government justified its measures by embedding its nationalist discourse in World War II narrative. Arévalo stated that “they who lived in cowardly submission to foreign powers and knelt to powerful foreign commercial companies suddenly discover too late the existence of national sovereignty.”⁶⁷ According to a 1948 statement by Guatemalan Attorney General Arturo Herbruger Asturias, the government’s interest was to re-appropriate “foreign economic emporiums within the national territory,” especially those that “were proven Nazi during the war.” According to congressman Julio Bonilla González, Guatemala had sought from the beginning to freeze the properties because of “any danger that the yields would be used for activities against the country” and the Allied cause. Now, the government sought to “deduce the responsibilities of the war.”⁶⁸ But in order to do that, they first had to deal with the return of German-Guatemalan citizens.

It was not until early 1948 that the agreement reached between the Guatemalan government and the Allies allowed for the orderly and public return of families deported during the war. The government announced that it would allow the return of persons classified in three categories: A) Guatemalans of origin, B) Guatemalan wives of German husbands, and C) German mothers of Guatemalan children. However, it prohibited the return of those in two additional categories: D) German citizens with Guatemalan wives and children, and E) German citizens who had resided in Guatemala.⁶⁹ The return to Guatemala began in January 1948, from Paris, which had been established as the point of passage for leaving Europe.

The Guatemalan embassy’s notarial books show that the government lent money to cover return expenses without exception, with the amount apportioned according to the number of family members who would travel.⁷⁰ The returnees would be asked to repay the state the full amount loaned, and if they failed to do so, the government could claim the money “against the assets or properties” of the returnee. Others preferred to mortgage their properties up front, to ensure that the money owed would be delivered without problems.⁷¹ Most important, the returnees committed themselves to renounce lawsuits against

67. Office memorandum, November 12, 1946 NARA, RG 59, 712.14/11-746, Box 3449.

68. “Expropiación,” *El Imparcial*, March 6, 1948; “Reclamaciones contra Alemania,” *El Imparcial*, May 7, 1948; Compilatorio de Dictámenes al Decreto 258, 1946, Archivo Legislativo [hereafter, AL], Ciudad de Guatemala; “Limpieza de nazifascistas en Guatemala,” *Novedades*, May 25, 1945, in AHSRE, file 512 (728.1)454/4050-S.

69. Chilean Embassy in Guatemala City to the Foreign Ministry, May 30, 1946, AGH, Fondo Histórico, Box 2424; “Quiénes quedan excluidos al liquidarse asuntos de guerra,” *El Imparcial*, May 12, 1948. About the first ships arriving from Europe, see “Más repatriados de Europa a Guatemala,” *El Imparcial*, January 17, 1948; and “Repatriados se embarcan a Guatemala,” *El Imparcial*, January 24, 1948.

70. Acta 2, January 14, 1948, AEGE Libro de Actas Notariales, 1947-1959.

71. See for example the case of Roberta Battaglia, widow of Döger, in Acta 3, February 2, 1948, AEGE Libro de Actas Notariales, 1947-1959; and Acta 4, February 13, 1948, AEGE Libro de Actas Notariales, 1947-1959.

the Guatemalan state for any expropriation that was in progress against a coffee-producing farm in the southwestern or northern part of the country.⁷² That clause would be crucial for the Guatemalan state once massive expropriations began.

One woman, María del Carmen Saas Quiñonez, had spent three years trying to return, and there were others like her. The US Embassy in Bern had a record of her first request, in April 1945. At that time, the embassy asked the State Department for information about Saas, who had been living in Germany with her German husband since 1939. Requests from the US ambassador in Bern to the Guatemalan government went unanswered until November 1945, when Saas was authorized a passport to return to Guatemala.⁷³ A few weeks later, however, she was informed that travel restrictions enforced by Allied military authorities stationed in Germany remained in place, so that “it seems unlikely” that Saas “could obtain the necessary authorization to leave.”⁷⁴ It appears that Saas left Germany clandestinely, as the US consulate in Stuttgart where she been living, failed to find her there, some months later.⁷⁵ News of her came in July 1948; she was in Paris with her brothers, signing a document in which they all asked for \$800 dollars for their return, an amount they undertook to repay within a year. The Saas case can be considered successful, but other cases had a tragic ending. Olga López Michelson tried to flee Czechoslovakia for France at the end of the Nazi occupation, but was executed by soldiers of the *Schutzstaffel* (SS). The family never recovered her body.⁷⁶

The return trips of single mothers and their children would have been especially complicated without the support of the Guatemalan ambassador in Paris, Enrique Muñoz Meany, whom we saw act earlier, in the case of Friedrich Keller. Muñoz Meany directed Guatemala’s foreign policy after the establishment of the Revolutionary Government Junta in October 1944, but he left the Foreign Ministry at the end of 1947 when President Arévalo sought to moderate his international positions. Muñoz Meany was then sent to Paris to solve the problem of the repatriates. His work was highly appreciated, as evidenced by the numerous letters of thanks he received.

72. Acta 16, July 23, 1948, AEGE Libro de Actas Notariales, 1947-1959; “Juicio contencioso administrativo interpuesto por Cecilia Longemann Guzmán de Sass contra resoluciones del Ministerio de Hacienda y Crédito Público,” May 22, 1952, CENADOJ: *Gaceta de Tribunales* 72:1-6 (January to July 1952): 124-128.

73. US Embassy in Bern to Officer in Charge of the American Mission, April 27, 1945, NARA, RG 59, 814.0128/4-2745; US Embassy in Bern to Officer in Charge of the American Mission, September 17, 1945, NARA, RG 59, 814.0128/9-1745; US Embassy in Guatemala to Officer in Charge of the American Mission, November 16, 1945, NARA, RG 59, 814.0128/11-1645.

74. US Department of State to US Embassy in Guatemala, December 5, 1945, NARA, RG 59, 814.0128/12-1645.

75. US Consulate in Stuttgart to Secretary of State, September 19, 1946, NARA, RG 59, 814.0128/9-946.

76. Santiago López Smyth to Enrique Muñoz Meany, June 2, 1946, BB, Fondo Muñoz Meany.

In a personal letter to Muñoz Meany, a man named Francisco Zepeda wrote that he had “no words to thank you for the goodness and kindness you have shown in getting my sisters-in-law out of Germany and taking such good care of them in Paris.” Zepeda said Muñoz had gone out of his way to get his family out of “Hell, to send them to this paradise called Guatemala.”⁷⁷ Alberto Seidner also thanked Muñoz Meany for supporting his return to Guatemala, where he was able to take advantage of the “great welfare that exists in the country, and there is no doubt that we are one of the most favoured countries in the world, a situation that most Guatemalans do not understand or appreciate.”⁷⁸

Support from Muñoz Meany even crossed the official lines of the Arévalo government, as in the Keller case. The same happened with the Maul family. Carlos Maul Flores, Anita Kauffman de Maul, and son Walter Maul Kauffman had been trying to return to Guatemala since 1946, even though Carlos Maul had been accused of belonging to the Nazi Party.⁷⁹ In mid 1947, Muñoz Meany personally notified Anita Kauffman of the status of her application, stating that “there are no funds yet for you; . . . you need money for your lodging expenses in Paris and to pay for your trip to America.” Muñoz said he had written to Guatemala City, “interceding in the case of Carlos and asking that he be authorized to enter the country. Anita Kauffman and her son Walter finally returned to Guatemala in August of that year. In a letter to Muñoz Meany, Kauffman said she lacked “words to express my gratitude for all your help.”⁸⁰ Carlos was also able to return, in May 1948, after the government authorized return of the members of Category D, German citizens with Guatemalan wives and children, on condition that they commit themselves in Paris to “never participate in political activities,” to “never engage in anti-democratic propaganda” and, very important, to “renounce any claim” for the property expropriated from them by the state. The group of 44 came on a single trip, under heavy surveillance.⁸¹

Sometimes, Muñoz Meany’s diligence was not enough, as in the case of Alberto Velásquez Günther, who pushed for the return of his brother-in-law Paul Schaeffer, a past representative of the Laeisz & Co. trading house. In

77. Francisco Zepeda to Enrique Muñoz Meany, May 10, 1946, Guatemala, BB, Fondo Muñoz Meany.

78. Alberto Seidner to Enrique Muñoz Meany, March 18, 1947, Guatemala, BB, Fondo Muñoz Meany. See also Blanca Elvira Weitlauff to Enrique Muñoz Meany, May 12, 1946, Guatemala, BB, Fondo Muñoz Meany.

79. US Embassy in Guatemala to Secretary of State, July 2, 1946, NARA, RG 59, 814.0128/7-246.

80. Enrique Muñoz Meany to Anita de Maul, June 24, 1947, Paris, BB, Fondo Muñoz Meany; Anita de Maul to Enrique Muñoz Meany, August 7, 1947, Germany, BB, Fondo Muñoz Meany.

81. “44 alemanes autorizados a reingresar al país,” *Nuestro Diario*, May 17, 1948; “Autorización del gobierno de Guatemala para el reingreso de 44 ciudadanos alemanes,” letter from Ambassador to Guatemala to SRE, May 26, 1948, AHSRE, No. 00636, file 728.1-0/550, 48. See an example in Acta 42, May 16, 1950, AEGE, Libro de Actas Notariales, 1947-1959.

September 1945, Schaeffer was expelled from the country in October 1943 and it was not until January 1945 that his family learned that he was in Berlin. Velásquez wrote to Muñoz Meany, then the chancellor, from what he described as “distressing zones of uncertainty,” asking for help, but received no reply. He wrote again in June 1947, saying that he had sent the Guatemalan embassy in London the sum of \$700 to pay for his brother-in-law’s return, but had received no reply. Muñoz Meany replied days later, saying that the money “was never sent to Paris.” He stressed that it was a “Roman enterprise to overcome the resistance of the authorities of the four zones of occupation to get our compatriots out.” It was like “a hermetic feudal force. Desperate, our compatriots in the face of refusals or delays of months and years come clandestinely. . . defying slow and painful night walks, dressed in black so as not to be discovered in forests and sidewalks.” Muñoz Meany criticized the United States, “which has taken away thousands of German scientists, but denies transit visas . . . to unfortunate women and children. A danger to continental security!”⁸²

The Velásquez case reveals not only the complications for returnees but also the corruption schemes within Guatemalan diplomacy. The Guatemalan ambassador in London was General Miguel Ydígoras Fuentes, sent to that diplomatic post as a five-star political exile after it became known that he was conspiring against the Arévalo government.⁸³ In May 1946, Ydígoras began touring Occupation zones in Germany, enlisting Guatemalans seeking to return.⁸⁴ Each family was promised that in a few weeks they would be able to return to Guatemala, and asked for an advance of money to pay expenses and issue passports. News of Ydígoras’s activities reached the US State Department, which wrote to Guatemala asking for clarification. As expected, the Guatemalan Foreign Ministry denied visas to all of these applicants. Some managed to get as far as Panama, where they were stranded, unable to enter the country because their passports had been forged. Ydígoras had kept all the money, including that sent by Velásquez Günther for his brother-in-law Paul Schaeffer. Ydígoras issued in total 76 false passports.⁸⁵ He was also accused of

82. Alberto Velásquez to Enrique Muñoz Meany, September 30, 1945, Guatemala; Alberto Velásquez to Enrique Muñoz Meany, June 22, 1947, Guatemala, BB, Fondo Muñoz Meany.

83. Memorandum of conversation between Robert Newbegin and others, “Possible revolution in Guatemala,” US Department of State, October 16, 1947, NARA, RG 59, 814.00/10-1647.

84. See British Element of CCG to South American Department of FO, January 22, 1946, NA, FO 1049-358, AS 58. See also Friedman, *Nazis*, 187.

85. Chilean Embassy in Guatemala City to the Foreign Ministry, November 7, 1946, AGH, Fondo Histórico, Box 2424; Berth, *Biografías y redes*, 387; US Embassy in Guatemala to Secretary of State, May 2, 1946, NARA, RG 59, 814.0128/4-4946.

receiving money to bring important members of the Guatemalan Nazi Party into the country, as in the case of Max Paetau.⁸⁶

Other legal problems arose when members of the Guatemalan embassy in France gave money to returnees without keeping strict accounts. This was the case for Carlos Pellecer, secretary of the embassy and a member of the Communist wing of the official Revolutionary Action Party (PAR). Pellecer was also in Paris, recruiting Spanish Republicans who wished to travel to Guatemala. He was accused of giving money to 26 returnees, a total of \$8,125.⁸⁷ Pellecer returned to Guatemala in 1948, where he campaigned to become a congressional representative of the PAR, and was by then doing extensive political work on German coffee farms confiscated by the government.

A 'HARD-CORE' LIST: THE EXPROPRIATION POLICY

Back in Guatemala, revolutionary governments had been doing everything possible to pass an encompassing bill of expropriations so that the state could take full control of the intervened assets.⁸⁸ In the first days of his government, Arévalo sent a first bill “of vital importance for the country,” for “facilitating and accelerating the expropriation procedure.”⁸⁹ Another law intended that not only the farms, but also all agricultural products, bonds, stocks, shares, participation, and other related rights would belong to the state. Both laws were approved with little debate.⁹⁰

In 1946, the government decided to annul all nationalizations of Germans carried out since August 1938. This would allow the property of many of the Germans who had been nationalized for convenience to be expropriated without any problems.⁹¹ Despite these legislative efforts, there was still a need for a

86. See the case described in Leche to Bevin, October 4, 1946, NA, FO 371/51990, AS 6381.

87. The case is detailed in three acts found in AEGE, Libro de Actas Notariales, 1947-1959: Acta 17, July 27, 1948; Acta 61, July 26, 1953; and Acta 57, October 1, 1953.

88. Arévalo's government was so concerned with the issue that it even canceled official recognition (via exequatur) of the Consul of Switzerland for allowing the archives of the German Legation, under its charge, to be searched by US Embassy officials. See Chilean Embassy in Guatemala City to the Foreign Ministry, March 5, 1946, AGH, Fondo Histórico, Box 2424.

89. Guatemala Secretaría de Hacienda y Crédito Público to National Congress, April 10, 1945, AL, *Compilatorio de dictámenes para el decreto 114*; Opinion of Congress' Comisión de Hacienda to Congress, 30.04.45; Decreto 114, *Diario de Centroamérica*, May 24, 1945.

90. Dictamen de Julio Bonilla González, Comisión de Legislación y Puntos Constitucionales, to Congress, June 17, 1946, AL, *Compilatorio de Dictámenes al Decreto 258*; Decreto número 258, *Diario de Centroamérica*, June 28, 1946. See also Chilean Embassy in Guatemala City to the Foreign Ministry, May 21, 1946, AGH, Fondo Histórico, Box 2424.

91. Chilean Embassy in Guatemala City to the Foreign Ministry, October 15, 1946, AGH, Fondo Histórico, Box 2424; Opinion of the Commissions of Relaciones Exteriores and Legislación y Puntos Constitucionales to Congress, August 9, 1946, AL, *Compilatorio de Dictámenes al Decreto 281*; Decreto 281, *Diario de Centroamérica*, June 28,

comprehensive law that would allow for the expropriation of property and its defense against future claims and appeals. This priority became crucial once local courts began to give back property to some of the early German-Guatemalan returnees.⁹²

In addition, the US and British embassies and various other governmental intelligence agencies received information that movements opposing the Arévalo government were gathering money from expropriated Germans to overthrow the revolutionary regime in return for promises to give them back their lands.⁹³ Rumors about the participation of German firms in actions against the Arévalo government began in May 1945, when the Mexican embassy reported that Adrián Recinos, one of the candidates defeated in the previous election and former Guatemalan ambassador in Washington under Ubico, was part of a “seditious movement” financed by the Nottebohm firm.⁹⁴ More plots emerged during the following months. Among those named were former Ubico officials, lawyers for German companies, and other members of the opposition. Records of a plot from 1947, which involved joint attacks planned in Guatemala, Cuba, and Venezuela against the Dominican Republic and Nicaragua, stated that the objective was to “return to the former German owners their expropriated agricultural properties.” Germans also sought to improve relations with the dictatorships of Nicaragua, Honduras, and the Dominican Republic. Members of the Nottebohm family, staying in the house of a prominent member of the opposition in El Salvador, where the government had not expropriated businesses, were again mentioned as the main financiers. General Ydígoras, the former ambassador in London, was part of the conspiracies. However, none of these conspiracies gained any traction.⁹⁵

1946. See the British opinions on the law in Leche to Eden, March 18, 1946, NA, FO 371-51975, AS 1810; and Leche to Bevin, September 25, 1946, NA, FO 371/51990, AS 5293.

92. “Alemanes recobran 2 fincas, se revela,” *El Imparcial*, March 30, 1948.

93. Rumors of Nazi or German involvement in Guatemalan politics were not new. The dictator deposed in October 1944, General Federico Ponce, used the rumors in discussions with British and US authorities in an attempt to return to power. To the British, he said that the revolution “was organized and directed from Berlin”; to US officials he suggested that it was a “typically Nazi act,” and that Arévalo was a “recognized Nazi-Communist agent.” Neither his accusations, nor those of other opposition politicians, had any effect. See the telegram from General Federico Ponce to FO November 16, 1944, NA, FO 371-37909; and Ponce to Sidney O’Donoghue, US Embassy in Mexico, October 4, 1945, RG 59, 814.00/10-445. Another example is in the letter from Leche to South America Department, October 6, 1945, NA, FO 371-44903, AS 5386.

94. Encrypted telegram from Mexican Ambassador in Guatemala to SRE, May 21, 1945, No. 751, AHSRE.

95. Among many mentions of these conspiracies, see US Embassy in San Salvador to Secretary of State, October 11, 1947, NARA, RG 59, 814.00/10-1047; Office Memorandum, US Department of State, October 16, 1947, NARA, RG 59, 814.00/10-1047; Memorandum of conversation, “Possible revolution in Guatemala,” US Department of State, October 16, 1947, NARA, RG 59, 814.00/10-1647; US Embassy in Mexico to Secretary of State, November 7, 1947, RG 59, 814.00/11-747; US Embassy in Guatemala to the Secretary of State, “The problem of the former German plantation in Guatemala,” December 3, 1947, NARA, RG 59, 814.61333/12-347; and British embassy in Washington to Foreign Office, May 28, 1948, NA, FO 371, AN 1996.

Nevertheless, the prospect of losing grip on German assets produced anxiety among Guatemalan officials. Some of them recalled the expropriation process of 1921, following World War I, when a president friendly to German interests gave them back all their land. Others stated emphatically, on and off the public record, that “German farms will not be returned.”⁹⁶ By 1947, the Guatemalan government was facing difficulties in maintaining its internal political balance. The strongest pro-government party, the Frente Popular Libertador (FPL), was fighting with PAR to control the intervened farms and the votes of the workers who resided there. From June 1944, with the resignation of Ubico, banana and coffee workers had been organizing assemblies and committees, seeking to improve working conditions and own their land. The PAR and the new workers’ federations were the main mediators of the forces seeking agrarian reform.⁹⁷

The conflict between the FPL and the PAR took the form of a struggle for control of the institution in charge of the finca. Should the Ministry of Agriculture, close to PAR and part of Arévalo’s cabinet, have control? Or should it be an agency independent of the executive and dependent only on Congress, as proposed by the FPL and members of the opposition? Although the Congress, dominated in 1947 by the FPL, approved a law that gave autonomy to the fincas, Arévalo vetoed it. This generated a political impasse that prevented the process of expropriation of farms from resuming.⁹⁸

The political agitation in the fincas grew during the revolutionary years, to the point that one of Arévalo’s ministers of the interior had to warn the gobernadores (authorities named by the President for each region) to avoid large-scale mobilization. In fact, several administrators of the intervened fincas in the south of the country, some linked to former German owners, publicly asked the Arévalo government to do something about the “communist agitation” that was taking place. They pointed out as the main organizer Carlos Manuel Pellecer, now a congressman, whom we have already seen in the immigration program of Spanish Republicans.⁹⁹

96. Chilean Embassy in Guatemala City to the Foreign Ministry, June 26, 1946, AGH, Fondo Histórico, Box 2424; Chilean Embassy in Guatemala City to the Foreign Ministry, June 30, 1946, AGH, Fondo Histórico, Box 2424.

97. Forster, *The Time of Freedom*, chap. 5.

98. US Embassy in Guatemala to Secretary of State, January 18, 1946, NARA, RG 59, 814.0128/1-1846; US Embassy in Guatemala to the Secretary of State, “The problem of the former German plantation in Guatemala,” December 3, 1947, NARA, RG 59, 814.61333/12-347; “Veto al proyecto de autonomía de las fincas nacionales,” *Diario de Centroamérica*, December 2, 1947; “Expropiación de bienes alemanes en Guatemala,” in Mexican Embassy in Guatemala to SRE, December 5, 1947, AHSRE, No. 1345, file 728.1-0; “Vetada la ley sobre autonomía de fincas,” *El Imparcial*, March 9, 1948; Chilean Embassy in Guatemala City to the Foreign Ministry, July 7, 1948, AGH, Fondo Histórico, Box 2698.

99. US Embassy in Guatemala to the Secretary of State, “Publication of circular issued by the ministerio of Government,” July 8, 1947, NARA, RG 59, 814.52/7-847; US Embassy in Guatemala to the Secretary of State, “Complaint of Guatemalan finca operators to President Arévalo concerning alleged ‘communist agitation’ of deputy Carlos Manuel Pellecer and other agitators,” June 7, 1945, NARA, RG 59, 814.00/6-745.

Some of the official revolutionary parties wanted to carry out an agrarian reform with the lands expropriated from Germans. Congressman José Manuel Fortuny Arana, part of the Communist wing of the PAR, said that the farms were “a treasure that every good Guatemalan should keep in the hands of the nation.” These lands would be “the future of national economic planning, of the great economic plan that would allow the transformation of our country.”¹⁰⁰ The idea was in part shared by Arévalo, who stated that the policy aimed at “encouraging production, organizing and improving the social and economic condition of the workers in the countryside,” in a “system of progressive collectivization,” as the Chilean ambassador in the country favorably labeled it.¹⁰¹

In May 1948, after the mass return of German-Guatemalan families, efforts to define a comprehensive expropriation law, to be called the *Ley de Liquidación de Asuntos de Guerra* (Liquidation of War Matters Act), were finally resumed.¹⁰² However, it was not until early 1949 that the law was discussed in Congress. Two congressional commissions issued a joint report, stating that the law had “sufficient flexibility to allow free action by both Congress and the Executive Branch.”¹⁰³ Under Guatemalan law, the law had to be debated three times before being voted on. In the first reading, there was no debate, as was customary for all laws.¹⁰⁴ The following day, the second reading was held; discussion focused on criticism of the recent measures taken by the Ministry of Foreign Affairs in accepting the nationalization of recently returned Germans.¹⁰⁵ That set the stage for the third reading, scheduled for April 26 of that year.

In a debate that lasted more than four hours, the opposition was led by newly elected congressman Eduardo Cáceres Lehnhoff (Guatemala, UP), then an attorney for Germans who wanted their land back. Cáceres said he “absolutely disagreed with the law” as “unconstitutional, unlawful and unethical.” He underscored the absence of a compensation formula for expropriation, the lack of a similar prosecution against Italians, which he labelled as “discriminatory,” and the fact that the guilt of the owners was prejudged, with no evidence other than that provided by the US government. This made the law “in essence

100. Fortuny's words appear in *Diario de Sesiones del Congreso*, February 9, 1949, AL, vol. 14, No. 24.

101. Chilean Embassy in Guatemala City to the Foreign Ministry, June 26, 1946, AGH, Fondo Histórico, Box 2424.

102. “Reclamaciones contra Alemania,” *El Imparcial*, May 7, 1948; “Liquidación de asuntos de guerra debatiéndose,” *El Imparcial*, May 12, 1948.

103. Dictamen from Commissions of Relaciones Exteriores and Legislación y Puntos Constitucionales to Guatemalan Congress, February 1, 1949: AL, 1949, Compilatorio de Dictámenes al Decreto 630s.

104. *Guatemalan Congress session's record*, February 8, 1949, AL, vol. 14, No. 23.

105. *Guatemalan Congress session's record*, February 9, 1949, AL, vol. 14, No. 24.

nothing more than spoliation.”¹⁰⁶ Juan Mayorga Franco (Zacapa, RN), a pro-government congressman, used a nationalist discourse to counter Cáceres’ approach: “We have always given ourselves with open arms [to Germans] to do whatever they wanted to do,” pointing to their purchase of land at rock-bottom prices and “the expropriation of our indigenous people” [sic], who received “a slave’s salary.” Germans, Mayorga continued, were the “main national enemy.”

Writer and congressman Mario Monteforte (Sololá, FPL) called Cáceres’s words “demagoguery, resorting to touching symbols” in the absence of substantial ideas. The Chapultepec Conference had empowered the Guatemalan government, the congressman said, to solve the problem at will. Finally, he stated that “undoubtedly, some injustices would be committed in particular cases” but there would be the “satisfaction of granting land to the people,” for which he asked the “unrestricted approval of Congress.” After loud applause, the vote was taken and the law was approved with 49 votes in favor and 14 against.¹⁰⁷

Reactions from Allied powers were mild, despite the possible consequences of yet another expropriation policy on the continent, just a few years after the tensions provoked by the Mexican government’s oil case during the first years of the Second World War. The US Embassy expressed in late 1946 a “considerable anxiety especially among foreign business interests,” but gave no opinion once the law was approved.¹⁰⁸ For their part, the British commented that the Guatemalan government was pursuing only “self-interest,” as the country “suffered nothing” and “enjoyed considerable commercial benefits from her nominal participation” during the war.¹⁰⁹ A similar narrative came from the Argentine ambassador, whose country was clandestinely receiving Nazi officers. The ambassador pointed to the law as posing “arbitrary confiscations without compensation for alleged collaboration with the enemy.”¹¹⁰

The law allowed the expropriation process to be accelerated, bringing dozens of farms into state ownership. A good number of the intervened estates ended up being expropriated, since many of the owners had been expelled. For others, the documents they had signed in Paris prohibited appealing any type of

106. See “Juicio contencioso administrativo por Procurador General de la Nación contra la resolución número 1939 del Ministro de Hacienda y Crédito Público en el expediente sobre exclusión de bienes seguido por María Isabel Lachner Chacón de Hoepker,” November 7, 1951, CENADOJ, *Gaceta de Tribunales* 71:1-12 (January to December 1951): 175–182.

107. *Guatemalan Congress session’s record*, April 26, 1949, AL, vol. 15, No. 25; Decreto número 630, *Diario de Centroamérica*, July 22, 1949.

108. Telegram from US Embassy in Guatemala to Secretary of State, November 8, 1946, NARA, RG 59, 712.14/11-846, Box 3449; Office memorandum, November 12, 1946 NARA, RG 59, 712.14/11-746, Box 3449.

109. British embassy in Guatemala to FO, May 16, 1949, NA, FO 371-74051.

110. Argentine Embassy in Guatemala to the Foreign Relations and Cult Ministry, July 27, 1949, AHMREC, Departamento de Política, 1949, Box 20, file 2.

expropriation they suffered. As has been studied by Jim Handy at the national level, by Cindy Forster for the western region and by Julie Gibbings for the northern region, these farms were the main assets involved in the Agrarian Reform when the next government declared it in 1952.¹¹¹

The law also established the terms under which the owners and their lawyers could appeal the expropriations, in cases where appeal was allowed. Perhaps the most important and most visible case is that of the Nottebohm firm, due to the international recognition of its political and economic importance in Guatemala. The firm, founded in 1822 in Hamburg, established itself in Guatemala at the end of the nineteenth century, where through its credit and commercial capacity it began to mortgage dozens of farms.¹¹² Through the firm's lawyer (Ubico's chancellor Carlos Salazar Argumedo), they pressured the United States and the British to exclude their assets from the Proclaimed List, but failed.¹¹³ In response, the company moved its investments to London, borrowed other operating names to export its coffee to the United States, and had the family's main shareholders naturalized as Liechtenstein citizens.¹¹⁴ The Allies called them a "Nazi spearhead company" and sent two of the Nottebohm brothers to concentration camps in Texas. Although their Nazi links were never confirmed, their pro-Nazi involvement was considered both economic and political in nature.¹¹⁵ The Nottebohm Company was able to appeal an expropriation on only two occasions.

In one case, they had the support of lawyer Alejandro Arenales Catalán, who had been accused on several occasions of conspiring against the Guatemalan government.¹¹⁶ In that case, the Ministry of Finance expropriated the Nottebohm farm in October 1949. The appeal filed by Arenales was denied, so a cassation appeal was made before the Supreme Court of Justice. Nottebohm's lawyer argued that Karl Nottebohm was Guatemalan, although he had other nationalities. The chancellery pointed out that Karl was also German, that on several sorties out of the country throughout the 1930s he had used his German passport, and that a decree of the revolutionary Congress had annulled dual nationality. That argument was key to the

111. Handy, *Revolution in the Countryside*, 69; Forster, *The Time of Freedom*, 128; Gibbings, *Our Time is Now*, 311–356.

112. Berth, *Biografías y redes*, 83; Wagner "Los alemanes," 367.

113. "Informe reglamentario correspondiente al mes julio de 1941," from Mexican ambassador in Guatemala to SRE, August 9, 1941, AHSRE, No. 262-R, file 728.1-0/550 41/5-B.

114. Berth, *Biografías y redes*, 201, 243.

115. US Embassy in Bern to Officer in Charge of the American Mission, April 18, 1945, NARA, RG 59, 814.0128/4-1845.

116. See "Los ángeles del 2 de abril," *El Libertador*, April 4, 1945; "Jailing and deportation of opposition candidates," letter from US Embassy in Guatemala to US State Department, April 9, 1945, NARA, RG 39, 814.00/4-945; and "Threat to army opposition to Government," US Embassy in Guatemala to US State Department, April 9, 1945, NARA, RG 39, 814.00/7-846.

Supreme Court's denial of the cassation and approval of the expropriation.¹¹⁷ On another occasion, the company managed to transfer one of its properties, just in time, to Karl's niece, Carmen Nottebohm Stoltz, who was Guatemalan by birth and had never applied for German citizenship. Following the same doctrine as the previous ruling, the Supreme Court declared that the property was not to be expropriated.¹¹⁸

The transfer of property to Guatemalan nationals before the war became a key legal tool.¹¹⁹ One example is the case of a property owned by Otto Hartleben, expelled in 1942 for having "Nazi sympathies." Hartleben had been forbidden any appeal to an expropriation process of his properties.¹²⁰ Half of the property had been transferred before the war to Alberto Hartleben, Otto's Guatemalan son, while the other half belonged to Otto's mother, a German. In its decision, the Supreme Court ordered the expropriation of only half of the estate, the half owned by Otto's mother.¹²¹

The properties of those who managed such a transfer only after the war started were expropriated without any problem, as was the case for the Boehm Fink brothers, whose father belonged to the local branch of the Nazi Party. They had been expelled as a family in 1942.¹²² As Congressman Monteforte Toledo had predicted, some injustices would inevitably occur, as seen in the outcome of the Moeschler Dieseldorff sisters and the Paul Schaeffer cases, described above. In both cases, the expropriated properties were not large coffee farms, but the houses where these families lived. Both rulings of the Supreme Court ordered expropriation.¹²³

117. "Juicio contencioso administrativo por Karl Heinz Nottebohm contra las resoluciones números 09012 y 10977 del Ministerio de Hacienda y Crédito Público," October 17, 1951, CENADOJ, *Gaceta de Tribunales* 71:1-12 (January to December 1951): 146-151.

118. "Juicio contencioso administrativo por el Ministerio Público contra las resoluciones números del Ministerio de Hacienda y Crédito Público," December 7, 1951, CENADOJ, *Gaceta de Tribunales* 71:1-12 (January to December 1951): 198-201.

119. See Gibbings, *Our Time is Now*, 317.

120. US Embassy in Guatemala to Secretary of State, March 13, 1945, NARA, RG 59, 814.0128/3-1345; Secretary of State to American Consular Officer in Berlin, February 27, 1947, NARA, RG 59, 814.0128/7-246.

121. "Juicio contencioso administrativo por el Representante Específico de la Nación en Asuntos Alemanes y Augusto Strempele viuda de Hartleben contra las resoluciones números del Ministerio de Hacienda y Crédito Público," July 8, 1952, CENADOJ, *Gaceta de Tribunales* 72:1-6 (January to June 1952): 4-13.

122. "Juicio contencioso administrativo por el Representante de la Nación en Asuntos Alemanes contra las resoluciones números 137 y 392 del Ministerio de Hacienda y Crédito Público en el juicio seguido por Dieter, Guisela e Ilse Ana Marie Boehm Fink, May 16, 1952, CENADOJ, *Gaceta de Tribunales* 72:1-6, (January to June 1952): 116-120.

123. See "Juicio contencioso administrativo seguido por Sofia Elizabeth Moeschler Dieseldorff, contra dos resoluciones del Ministerio de Hacienda y Crédito Público," August 30, 1956, CENADOJ, *Gaceta de Tribunales* 76:7-12 (July to December 1956): 33-36; and "Juicio contencioso administrativo interpuesto por la señora Julia Velásquez Gunther de Schaeffer contra resolución del Ministerio de Hacienda y Crédito Público," May 11, 1957, CENADOJ, *Gaceta de Tribunales* 79: 7-12 (July to December 1957): 31-37.

The whole situation changed once the revolutionary regime was toppled by an authoritarian and anti-communist regional intervention in 1954. In 1958, General Ydígoras, the former ambassador to Paris accused of issuing false passports, became president of the country. Relations with West Germany were finally re-established, and the return of farms to some of their former owners began, amid allegations of money changing hands under the table.¹²⁴

CONCLUSION

The start of World War II saw a new onslaught by the United States and Britain in their efforts to displace German interests in Latin America, with the military objective of weakening the strength of the Nazi regime. Their World War I effort had failed everywhere, including Central America and especially in Guatemala, where continuous liberal governments (1871–1944) strove to protect German interests without damaging the country's relationship with the United States and Allied struggles, as had occurred under dictator Jorge Ubico. This article aimed to show how a confluence of interests between the Allies and a new Guatemalan revolutionary regime achieved a displacement of German commercial and financial networks in the coffee cycle and in the economy as a whole, albeit only temporarily and with important nuances and tensions.

To promote expropriations of German properties in Guatemala, the revolutionary governments used a nationalist narrative synchronized to the Allied position and shared by official political parties, urban voters, union federations, and the organized peasants in different coffee regions. Beyond the 'Nazi threat' narrative, they attempted to reorganize the country's resources in ways that would modify the economy to generate greater benefits. Land was a central aspect, so expelling and conditioning the return of German landowners described as 'obnoxious' in World War II jargon, as well as expropriating their lucrative properties, was fundamental to achieving this objective.

Expropriation finally put an end to the nineteenth-century German presence in the country. In spite of the criticism directed at them in postwar historiography, Arévalo and his executive branch were active and decisive in the achievement of this objective. Working as they did, in the midst of all the problems that arose with the premature return of German-Guatemalans, the cases of corruption,

124. Chilean Embassy in Guatemala City to the Foreign Ministry, March 14, 1963, AGH, Fondo Países, Box 3; Chilean Embassy in Guatemala City to the Foreign Ministry, June 26, 1963, AGH, Fondo Países, Box 3.

ambiguity among Arévalo's diplomatic staff, and domestic difficulties, they managed to issue a comprehensive expropriation law.

The argument points to the importance of understanding the workings, responses, and interfaces of national economic and political policy in the face of external pressures from powers such as the United States and United Kingdom. Other countries such as Mexico, Brazil, and Colombia, managed to continue their alliance with the US, but refused to give in to the pressures. The article showed the resistance that this impulse for change received, generally with financing from German companies affected, and carried out by exiled political operators. In connection with this, it also showed the relationship of political operators of German firms with the well-known struggles of the region's dictators to displace the revolutionary regime from the political scene of the Great Caribbean Basin. The article's documentation then adds a layer of complexity to the regional tensions between democracy and dictatorship. It also gives support to the argument that during the early postwar years the Arévalo government sought a rapprochement with the United States, despite the documented tensions with the State Department and the United Fruit company because of the Labor Code. The apparent coincidence between Arévalo and the US State Department during the early postwar period on the German issue should be understood as part of Arévalo's strategy to achieve a good relationship with the United States and also a way to gain the US's tacit support for other aspects of his international agenda, such as the Colonial issue and the problems with regional dictators such as Nicaraguan Anastasio Somoza and Dominican Rafael Trujillo. In presenting this argument, this article aimed to show the importance of analyzing and synthesizing interactions on domestic, regional and global scales to understanding the foreign policymaking of small Latin American states.

The article also aimed at showing the importance of the postwar period in posing alternatives and setting scenarios that were crucial at the onset of the Latin American and global Cold War. The Guatemalan example clearly shows a concerted effort to reorder the economy and take control of strategic assets in a narrow window of opportunity. That effort caused frictions and helped to create a growing domestic polarization, strengthen an increasingly left-leaning official alliance, and set expropriation as a precedent for future policies. Furthermore, this internal polarization coincided with the beginning of the Cold War.

The global shift represented by the Cold War had regional consequences for the domestic trajectory in revolutionary Guatemala, as authoritarian regimes (and their attacks against the Guatemalan regime) were encouraged throughout the

region. This perspective affords us greater historical depth and scope on the Agrarian Reform of 1952 and the fall of Jacobo Arbenz two years later. It should also help us to understand postrevolutionary politics and the revival of the German case.

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