

2003

8 January 1954

MEMORANDUM FOR: OO Contact Division

SUBJECT : Possible Attempt by Guatemala to purchase  
arms; reported application for loan to Bank  
of America, San Francisco.

1. For the confidential information of your Division and your San Francisco office, we have just received a report (of undetermined reliability) from the State Department to the effect that the Guatemalan Minister of Economy Roberto Fanjul and the private secretary to President Arbenz, Umberto Gonzalez Juarez, arrived in San Francisco on or about 7 January for the purpose of applying for a loan from the Bank of America. The amount of the loan is said to be very substantial, in the neighborhood of \$4,000,000, and it is further reported that the money is to be used for the purchase of arms.

2. Some additional credibility for this report is derived from the fact that we have learned within the past few days from an entirely different source that a Latin American arms dealer has been seeking to purchase large quantities of arms through dealers in the United States for the account of a Latin American government believed to be Guatemala. (This information is also confidential and should be kept within the Agency.)

3. Both the State Department and this Agency are very interested to know whether the Bank of America has received any application or approach in connection with a loan for Guatemala and if so whether the purposes of the loan have been in any way indicated by the applicants. Our contacts in the State Department have said that normally before a loan of this size would be granted by an American bank the Department of State would be informed -- but that no word has been received by the Department thus far.

4. This is a matter of sufficient importance in my judgment to warrant your requesting the San Francisco office to attempt

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to ascertain the indicated information as a matter of urgency. If any information on this matter is developed prior to Monday, 11 January, will you please communicate it directly to Colonel J. C. King, Chief of our Western Hemisphere Division who has been in contact with the State Department.

15/  
FRANK G. WISNER  
Deputy Director (Plans)

cc: DCI  
C/WH  
C/PP (Tofte) ✓

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