

**CIA HISTORICAL REVIEW PROGRAM  
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2003

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DD/P-1-5621

30 November 1954

MEMORANDUM FOR: The Director of Central Intelligence

SUBJECT: Guatemala -- continuing economic difficulties;  
the market for Guatemalan coffee.

1. In a lengthy discussion which I had yesterday with Colonel J. C. King and Mr. Esterline [ ] I was informed in some detail with regard to the continuing economic difficulties in Guatemala and the inability to date on the part of the Government to realize sufficient revenues to operate. One of the chief problems appears to arise from the fact that Guatemalan coffee has not been moving at all well -- apparently as one of the results of what seems to be an organized "buyers' strike" against South and Central American coffee generally. I was further informed that this matter has been the subject of much concern and considerable discussion in the ARA division of the State Department, where it has been concluded that there is nothing that State can do about this situation. In fact, we have been asked by State to see what we can do with certain American coffee buyers to the end that Guatemalan coffee may begin to move in larger quantities again.

2. I told Messrs King and Esterline that whereas we might be able to accomplish something along this line by dealing indirectly through some of our cleared contacts, etc., -- it did not seem to me that this was an undertaking which we should assume generally, and that it was much more the kind of thing that FOA and perhaps the Treasury, if not State, should interest themselves in doing. There is, or should be, no particular reason for secrecy about the concern of the US Government regarding Guatemala's economic difficulties and it seems to me that both FOA and Treasury have clear and direct interests in promoting developments which would relieve this difficulty and at the same time tend to remove or reduce requirements for the use of US governmental funds to bolster the Guatemalan economy.

3. I have the following two suggestions to make to you:

a. At the next meeting of the OCB, or perhaps in informal conversations which you may have with Governor Stassen and/or some of the Treasury people, you might make reference to this matter, calling attention to the obvious desirability of taking

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steps which would not cost the United States Government anything and which would tend to relieve the continuing Guatemalan economic difficulties. I should think that Secretary Humphrey, who will shortly be returning from the Quitandinha (Brazil) Conference, might be especially tuned up to take on this job, and that with his numerous business contacts he might well accomplish something with the coffee buying community.

b. That you give some thought to the desirability of a conversation with your friend, Mr. Chris Sonne, Chairman of the National Planning Association, with whom you had some correspondence during the pre-SUCCESS period. At that time, Mr. Sonne was a leader in urging strong action against Guatemala, and Colonel King met with him, at your request, in April 1953, to receive information which Mr. Sonne thought would be of interest. Correspondence and memorandum of meeting are attached. You will also recall that during this period and when our interests were contrary to what they are now, we -- at the request of State -- made a considerable, although not very successful, effort to enlist the cooperation of a number of important US coffee buyers. There was much more reason why this earlier approach should have been handled in a secure and discreet way than would be the case today, but even so the thought has occurred to J. C. King and myself that you might be willing to have a word with your friend, Mr. Sonne.

FRANK G. WISNER  
Deputy Director (Plans)

lcc: SA/DCI - Mr. [ ]  
lcc: C/WH

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