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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

2003

COUNTRY Guatemala

REPORT NO. 00-B-66998

SUBJECT Governmental Efforts to Acquire South American and European Markets for Agricultural Products

PLACE ACQUIRED (BY SOURCE) Guatemala City

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SOURCE Guatemalan Manager for a US corporation which does an extensive business in that country.

The following is extracted from a confidential report to source's US principals dated 21 May 53. His US principals have complete confidence in the accuracy of source's reports.

1. There have been a number of rumors during the past month regarding an attempt by the government to ascertain how it can (1) replace the banana industry and (2) replace the US coffee market.

(1) From several sources we have been told that the Guatemalan Government has been studying ways and means of replacing the United Fruit Company. It is reasonably certain that exploratory discussions have been held with a group of Argentines about shipping and marketing Guatemalan bananas, and rumor has it that some approach has been made to Europeans for the same purpose. A study has also been made on the possibility of making alcohol from bananas with the aim of forcing filling stations to mix a high proportion of alcohol with gasoline.

(2) There are several reports that a Czechoslovakian economics expert has recently made a study of the possibility of selling Guatemala coffee in Europe and has arrived at a maximum market of 172 thousand cwt annually. Since Guatemala produces over a million cwt of coffee per year, those who resent Guatemalan economic dependence upon the US will find little comfort in these figures.

2. Although the items mentioned above are not 100% authenticated, there is undoubtedly some truth in the rumors and I am reporting them to show the trend in government thinking. More detailed information will be sent as it is acquired.

- end -

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