

12 MAR 53 ?

Guatemalan Coffee project.

In order to support the ^{current} political objective of harrasing the power of the pro-communist government of Guatemala, a project is planned to injure the internal economy of the country.

In 1952, Guatemala's exports totaled approximately 87,000,000 dollars. Of this total, coffee constituted 82%. 83.3% of the overall total exports were to the U.S.

As ~~the U.S.~~ exports ~~total~~ to the U.S. totaled \$73 million, and imports from the U.S. were only \$48 million, the dollar credits overage was \$25 million. Consequently, a project that could damage Guatemala's export trade could serve a peripheral objective of curtailing dollar credits that might conceivably become available to the orbit through unilateral trade should such occur extensively.

It is proposed, therefore, to develop a plan that would either temporarily, or permanently, curtail Guatemala's export market for coffee, and thereby reduce its income and foreign exchange.

Several alternative methods are under consideration, and final determination of the most feasible has not yet been decided.

One means would be to induce the American ~~procurement~~ coffee procurement cartel to cease all imports temporarily of Guatemalan coffee--thus forcing the price down and simultaneously denying income to Guatemala. This proposal engenders a number of undetermined difficulties. (1) it would ^{possibly} cause the price of competing coffees to rise

FIBER: operational considerations

The following are operational possibilities submitted for consideration and further exploration. The objective of the FIBER program is to attain a means of sufficiently damaging the economy of Guatemala and/or the Guatemalan Government to bring about the collapse of the pro-Communist Government in that country. Since coffee represents about 70% of all Guatemalan exports (85% of this amount going to the U.S.) and exports are the principal source of National income and National product, the best approach to the problem is to discover a way in which to prevent the marketing of part or all of the Coffee Crop.

1. Denial of fuel for transporting coffee to dockside. i.e.: rail and motor fuel.
2. Denial of shipping facilities, such as thru cooperation of shipping companies, or thru economic threats against shipping companies.
3. Sabatoge of dock and port facilities.
4. Sabatoge of rail facilities to Puerto Barrios.
5. Sabatoge of crop by wetting down while in storage at dockside warehouse.
6. Sabatoge of crop at sea by inducing moisture in ships holds.
7. Sabatoge of coffee trees by inducing ^{or spreading Rumor of} hemileia rust (disease) which kills trees over period of two or three years.
8. PW project (black) to ostensibly discover plans of Communists to introduce hemileia rust in crops of countries/competing in mild coffee market with stated objectives (a) to aid the economy of the pro-Communist government of Guatemala, and (b) to weaken the economy of surrounding countries to make them more susceptible to Communism. (Could also be used as cover for item 7, above, to cast suspicion that "rust" was introduced in Guatemala as retaliation by the other Central American States.)
9. Sabatage by inducing "black bug" (see page 8, OIS draft) in coffee during dockside storage or on shipboard.

FIBER

PB 2 Time

Possible operational approaches

1. Denial of gasoline, coal, or other rail or transportation fuel to prevent movement of coffee to ports. Cut off supply for two or three months. (depends on stockpiles of fuel)
2. Sabotage of warehoused coffee by having controlled stevedore or longshoreman wet down dark corner of warehouse with hose.
3. Propaganda plant (black) of invasion plans of Canal Zone ostensibly from Cominform to Guatemalan Communists, outlining how operation is to be carried out from Guatemala in event of war.
4. Propaganda plant (black) of instructions to all Central American republics with guidances for infecting their respective coffee plantations with disease (HEMILEIA) in order to bolster the market for Guatemalan coffee (not to be infected) and thereby strengthening the position of the pro-Communist Government there, as well as bringing chaos in the other countries, thereby paving the way for Communism.
5. Bureaucratic delays in the U.S.--such as extra customs delays, dept. of Agriculture inspections for disease, etc.--tending to cause sufficient trouble for importers that they may shift to other "milds".
6. If coffee is being shipped to China, that portion of exports could be stopped by Treasury action to freeze U.S. dollar balances of exporters under the "Trading with the Enemy act"--This would also apply to transshipments.
7. Boycott here in U.S. ports by longshoremen's groups--who would refuse to touch Communist Coffee. (could probably be easily arranged, since Union Officials, especially in N.Y. would probably welcome opportunity to put themselves in "patriotic" light, in view of current investigations.
8. Sabatoge of Railroad in Guatemala. Railroad is only means of transportation to main port of Puerto Barrias, although Highway is under construction to enable Truck shipping. Estimated completion by December 53. Rail line passes through a long stretch of relatively unpopulated country.
9. Possible labor action through Coffee Roasters union here in U.S.-- refusal to handle "Communist Coffee".
10. Spread rumors of pending currency devaluation in Guat to panic growers into retaining export receipts in U.S. banks rather than returning to Guatemala.

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