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19854

INTELLIGENCE

Country - Panama

25X1A2g

Subject - Position of The United Fruit Company

Place Acquired - [REDACTED]

25X1X6

Date Acquired - [REDACTED]

Date of Information - 23 June 1953

Source Description - [REDACTED]

25X1X6

[REDACTED]

25X1X6

1. The action of the Guatemalan Government in expropriating United Fruit Company property may prove a blessing to Panama, as it is quite likely that Panama will be the scene of increased United Fruit Company activity to offset the loss in production in Guatemala. In August of this year, bananas will be shipped from Almirante in the Province of Bocas del Toro for the first time in 25 years. It is expected that about 5,000 stems weekly will be cut at first and, if things go as planned, by the end of four years the annual shipment of bananas from Almirante will reach 5,000,000 stems. This, together with the production from Puerto Armuelles, would make Panama the biggest banana-producing country in which the United Fruit Company operates.
2. The United Fruit Company hires more employees and pays more taxes and salaries than any other commercial entity in the Republic, either native or foreign. There are 12,000 employees of the United Fruit Company in Panama with a pay roll of US\$8,000,000 and both are growing.
3. The United Fruit Company never closed out entirely its interests in Almirante. During the war it converted some of its lands to abacá in cooperation with the U.S. Government which needed this during wartime to make rope, etc. While this has grown to an annual business of more than US\$1,600,000, it is not the regular business of the Company, which prefers to raise bananas. Another crop put in by the Company--cacao--totaled more than US\$2,000,000 in exports last year. There are other secondary crops, such as: 1,500 acres of African palms which produce a vegetable oil sorely needed in Panama; 550 acres of mahogany; and some 1,750 acres of teak. These lumber tracts are long-term projects, but it means forest riches for future decades.

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