

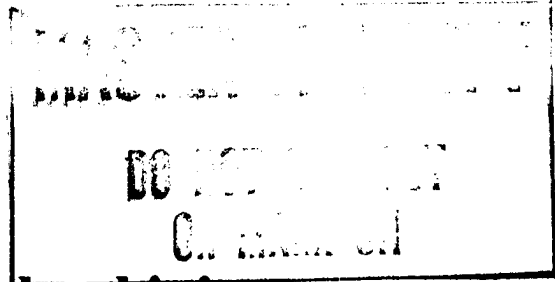


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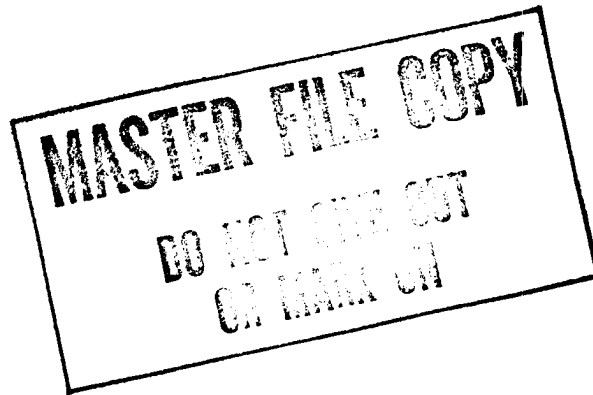
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Challenges to Colombia's New Administration

Interagency Intelligence Memorandum

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29 July 1982

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CHALLENGES TO COLOMBIA'S NEW ADMINISTRATION

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KEY JUDGMENTS

During the period of this Estimate (1982-86) Colombia will be relatively stable. It will continue to cooperate with the United States in most areas of common concern because of the effective control of the government by the traditional moderate elite, opposition to Cuban and to Nicaraguan ambitions, close ties between the US and Colombian military establishments, and dependence on US markets and sources of capital.

Newly elected President Belisario Betancur Cuartas, although a Conservative, has an eclectic political philosophy combining Christian Democratic and populist elements. From an impoverished background, he sympathizes with Colombia's poor, something that will be reflected in his economic and social programs. He strongly opposes Cuban/Soviet expansionism in the Caribbean Basin, but his nationalism and Third World tendencies will make him less openly supportive of US security initiatives in the region than the current Colombian administration has been. Respected for his integrity, Betancur is a pragmatist with a reputation for administrative skills and a willingness to conciliate and compromise to gain his ends.

President Betancur begins his term on a firm political base. The internal security situation has improved since last year. Unless the insurgent groups unite or there is a significant increase in external assistance to existing armed antigovernment groups in Colombia, security forces will be able to contain insurgency at a low threat level, although urban terrorism will continue to be a potential serious problem.

Numerous problems will nonetheless face Betancur both domestically and in his relations with the United States:

- A sagging economy presents Betancur with his most difficult challenge. Projected high fiscal and current account deficits will threaten his ability to fulfill the ambitious targets of the National

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Integration Plan (PIN), as well as his own campaign pledges on housing and education. A prolonged period of low economic growth, combined with high levels of unemployment, underemployment, and inflation, is probable. Under these circumstances, Betancur might experiment with economic innovations even at the risk of political opposition from the right.

- Severe social problems and high levels of violence and crime, exacerbated by the economic slowdown, will persist.
- Colombia will continue to be a principal producer of marijuana and cocaine and an illegal processor and transshipper of synthetic drugs such as quaalude. Betancur will be generally supportive of US narcotics control objectives, but limited resources and the pervasive nature of the problem will prevent the achievement of decisive results.
- Heavy involvement of US firms in PIN projects may well produce difficulties in US-Colombian relations, especially if slow economic recovery results in problems of financing, disappointing profits, or even abandonment of some projects. Betancur will support demands by Colombian firms for larger shares of contracted work. US firms can expect complications in their dealings with Colombian labor unions, a growing number of which are Communist-controlled, and high rates of criminal activity in regions where US firms will be operating pose additional hazards.
- While his foreign policy will be generally compatible with that of the United States, Betancur's tendency toward nonalignment and his eclectic political philosophy will lead him on occasion to demonstrate independence of Washington.

In sum, while there will be various stresses and some instability in Colombia over the next few years, and some frictions with the United States, Colombia's basic political domestic system and foreign orientation appear fairly secure and will undergo little substantial change. The major institutions—private business, the military, the bureaucracy, the Catholic Church, non-Communist labor unions, and the rising commercial agricultural sector—all have important stakes in the existing system and have expressed confidence in Betancur. The system of elite control will almost certainly remain viable, and even though severe domestic problems will persist there is no charismatic figure or organized movement in sight showing promise of being able to give political form to discontent or to rally the disaffected.

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Nevertheless, Colombia should be carefully monitored for signs of political crisis. Twice in this century Colombia has experienced civil wars that took hundreds of thousands of lives. In a region experiencing severe economic stress and political pressures exacerbated by Cuban and Soviet actions, Colombia, despite its current favorable outlook for stability, cannot be considered safe from possible drastic and unfavorable change, toward either radicalization or a military coup. Possible indicators of such change would include:

- Unification of the armed left.
- Growth of a liberation theology movement in the Colombian Catholic Church.
- Communist control of the labor movement and the successful conduct of large-scale strikes and work stoppages.
- Rise of political factionalism in the armed forces.
- An ideological split between the traditional parties and breakdown of interparty cooperation.
- Outbreaks of mass urban disturbances and the appearance of demagogic leaders of the urban poor.
- Spread of vigilantism as a response to the deterioration of the criminal justice system.
- Marked decrease in narcotics control efforts.

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DISCUSSION

The Election of 1982—Its Meaning

1. On 30 May 1982, Belisario Betancur Cuartas was elected President of Colombia for a four-year term beginning 7 August. In a three-candidate race, the 58-year-old Conservative Party candidate won 47 percent of the vote, a plurality of about 400,000 over the Liberal Party's candidate, ex-President Alfonso Lopez Michelsen. Liberal Party reformer Luis Carlos Galan Sarmiento got almost 750,000 votes, about 12 percent of the total, splitting the Liberals and ensuring Lopez's defeat.

2. The election was significant on several counts. Almost 7 million of about 12 million eligible voters went to the polls, a 40-percent increase over the 1978 turnout and a reversal of a 12-year decline in participation that had led to concern about the legitimacy of the traditional Colombian two-party system. The Conservatives' victory after two successive Liberal administrations ended fears that they were consigned to permanent, minority opposition status. The Communist-backed Democratic Front received a crushing setback, gaining only 1 percent of the vote, a convincing voter rejection of class-based electoral appeals. The violent left was also discredited when the M-19 insurgent movement was unable to carry out its threats to disrupt the elections. Galan's showing may foreshadow a change in Colombian politics toward a greater ideological distinction between the two major parties.

3. Moreover, Betancur's victory was national in scope. His inroads into traditional Liberal bastions on the north coast and in working-class urban districts indicate that his administration will have support in all regions and within all classes. Armed forces dislike of Lopez was clear, and Betancur's election all but eliminated the fears of a military coup in the near term. During the March congressional elections the Conservatives captured only a minority of seats in the two-house national legislature, but some elements of the divided Liberals are expected to support much of the administration's legislation. This, plus the strong

presidential authority in the Colombian system, indicates that the legislature is unlikely to cause Betancur any substantial trouble.

4. The platforms of the candidates were too vague to allow the election to be called a mandate for a particular program. If anything, it was a rejection of the party patronage and corruption Lopez was believed to represent. Both Betancur and Galan generally enjoy reputations for integrity. Lopez was also seen as so distrusted by key groups, particularly the Army, that his election would have increased the possibility of a coup or, at best, a series of destabilizing political confrontations. Thus, the elections can be interpreted as being essentially:

- An endorsement of the traditional political system.
- A call for elimination of political corruption.
- A rejection of class-based, leftist appeals.
- Expression of a desire for stability and rejection of violence.



President-Elect Betancur

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Betancur—President-Elect

5. Belisario Betancur is one of 22 children of a poor coalminer. He briefly studied for the priesthood as a young man before going on to earn a law degree. Joining the Conservative Party in 1947, he first became known as a political journalist expounding the views of the far right wing of the party. During the 1950s he founded his own newspaper, then became a partner in the Tercer Mundo (Third World) Publishing Company, becoming a wealthy man in the process. He was elected to the Colombian Senate in 1958.

7. Betancur's main concerns are domestic social issues—housing, education, health—and the economy. Uncharacteristically for a Colombian Conservative, he maintains a strong identification with the working class and is convinced of the need for social change to improve the condition of Colombia's poor. In foreign policy he has some Third World and nationalistic tendencies. He will be inclined to demonstrate independence of US leadership. However, he is conscious of the Cuban and Nicaraguan threats to Colombian internal and territorial security and will be supportive of regional efforts to stop the expansion of Marxism-Leninism.

Three Problem Areas for the Betancur Government**The Economy**

8. While Betancur begins his term under favorable political and security conditions, he faces the most

difficult economic situation Colombia has experienced in 20 years. Businessmen and government planners alike have had to revise their projections in the face of the persistent recession. The World Bank, for example, had predicted a 1981 recovery to a growth rate of 4.5 percent, instead of the 2.5 percent actually achieved. The current Turbay administration, fearing inflation, has made only cautious, stimulative departures from its basically monetarist program. In the face of continuing high interest rates, weak consumer demand, and declining exports, business confidence is low. According to the Colombian Chamber of Commerce, first-quarter 1982 investment fell 13 percent in real terms below that for the same period a year ago. Declines of 64 percent and 28 percent were reported in agriculture and manufacturing investment, respectively. The important textile industry was hardest hit as exports were made difficult by rising world protectionism and slack demand in its export markets, while cheaper, high-quality, smuggled goods captured much of the domestic market. The collapse of both domestic and foreign markets for Colombian cotton has led growers, who have already reduced planting from a peak of 300,000 hectares in 1977 to fewer than 70,000 last year and have seen export value during that period drop from \$120 million to \$45 million, to threaten to refuse to plant at all without purchase guarantees from the government. Sugar growers have learned that the new US sugar quotas will reduce their exports to the United States from last year's approximately 200,000 tons to 65,000 tons for 1982. Prices for coffee, Colombia's principal export, have recovered somewhat from recent lows but markets remain soft and unpredictable. (See table 1.) Betancur's political honeymoon may be of short duration if his programs for revitalizing industry and maximizing employment fail to produce results.

9. Nevertheless, while most economic analysts are markedly less optimistic about immediate prospects, they stress the basic soundness of the Colombian economy. They emphasize the adequacy of Colombia's international currency reserves, its creditworthiness, the relatively limited (although growing) role of the public sector, the drive for economic diversification, the size and potential of its domestic market, its slowing population growth rate, the general health and aptitude of its work force, and the quality and vigor of its managerial and entrepreneurial sectors.

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Table 1

Total Colombian Exports, 1980
(million dollars f.o.b.)

Coffee (green).....	2,360
Textiles and garments.....	258
Fuel oil.....	239
Raw sugar and molasses.....	202
Bananas.....	108
Fresh cut flowers.....	102
Cotton fiber.....	102
Chemicals and pharmaceuticals.....	82
Electric machinery and materials.....	70
Cardboard containers, books, and other printing.....	82
Frozen beef.....	33
Motor vehicles, planes, and spare parts.....	28
Emeralds.....	63
Tobacco leaf.....	25
Others.....	472
Total.....	4,226

Source: INCOMEX (Colombian Foreign Trade Institute).

10. New petroleum projects and a shift to nonoil (coal/hydro) sources for domestic energy requirements should result in oil self-sufficiency within the next few years with large, net foreign exchange savings. Colombia is actively pursuing new export markets in the Caribbean. The nation's agricultural resource base has potential for considerable expansion. The National Integration Plan (PIN) was adopted in 1979 in order to stimulate aggregate demand through deficit spending, while attempting through careful regulation of the money supply to avoid an acceleration in inflation.

11. PIN emphasizes development of energy resources and transportation, with major attention to the social sectors (nutrition and health, water supply and sewerage, housing and education). All these are compatible with Betancur's own program, which, if anything, will be geared to even greater stimulation of demand. PIN and associated projects call for public-sector expenditures of \$22 billion through 1985. During the same period the imports required to support the developmental aspects of the plan will require an average current account deficit of \$1.865 billion annually and a rundown of international currency reserves from present levels of a year's imports to only three months by 1985. Overall external capital requirements for the 1981-85 period are projected to total \$10.3 billion in current prices. Recent stiffening of terms by international lenders raises some question, though, about the availability and costs of foreign borrowing.

12. The plan represents a sharp departure from recent Colombian practice, which has emphasized maintenance of a current account surplus, large reserves, and a low ratio of public debt to GDP. It was based on assumptions, already revised downward, that the Colombian economy would grow over the plan period by an average 5.8 percent per year in real terms. Any significant failure would be bound to have profound and disruptive political effects. Further government attempts to ease credit—in the face of very low demand for investment money at present—are unlikely to result in increased production levels and may only raise the inflation rate. Inflationary expectations are fueled by a recent increase in the money supply; the already mentioned fiscal deficit, which, of course, was planned and reached \$1 billion in 1981; the cost of social programs under PIN, with the expected expansion of them by Betancur, particularly in the area of housing; no apparent increase in lagging agricultural production, with resultant higher food prices; and increasing protectionism for an industrial sector that seems unwilling to moderate prices or increase production to meet domestic needs.

13. The key element in Colombia's economic planning is the development of its energy resources, particularly coal. Infrastructural work on the massive Cerrejon coal project has already begun, with coal shipments scheduled to start in 1986 and to reach a capacity of 15 million tons per year by 1990. The project is being carried out by an association of Exxon Corporation, operating in Colombia as INTERCOR, and a state-owned Colombian Corporation, CARBOCOL, as equal partners. INTERCOR will provide half the development costs, estimated by EXIM Bank at \$3.448 billion, and is responsible for operation of the mine. CARBOCOL provides the other half of the startup money. The project includes building (and equipping) 150 kilometers of standard-gauge railway and construction of a new major coal-handling port at Portete on the Guajira Peninsula. Most of the construction is to be done by the US engineering firm Morrison-Knudsen, under contract to INTERCOR. Recently CARBOCOL has begun to insist, in accordance with the "buy Colombia" demands of domestic business, that it have final say on the award of subcontracts in order to involve more Colombian firms. This may add to costs.

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14. Because of rapid depreciation, high debt-service payments, and low early production levels, CARBOCOL will not receive a profit until 1990 at the earliest. The US Interagency Coal Export Task Force estimates that the world market for good-quality steam coal of the Cerrejon type, all of which is planned for export, should be able to take the whole production at favorable prices. However, signs of softness in coal markets and recent cutbacks in the more optimistic projections of demand provide reasons for caution.

15. A related mining venture is the \$300 million Cerromatoso nickel operation, in which the Colombian Government is 45-percent owner with Hanna Mining Corporation and several other major foreign partners. Cerromatoso officially went into production on 20 June 1982, but the depressed state of the world nickel market makes its profitability dubious.

16. A realistic assessment of Colombia's economic prospects for the Betancur presidency, then, is that the 5.8-percent growth rate forecast for 1981-85 is unattainable. It is unlikely that 1982 will show much, if any, improvement over 1981's 2.5-percent rate. Betancur, who espouses Keynesian beliefs, will probably push ahead with spending plans, emphasizing housing and employment-generating public construction programs. In so doing he runs the risk of higher inflation rates. Given his general economic and political philosophy, Betancur may opt for price controls to limit the impact on the working classes. This inevitably will contribute to capital flight and further private-sector reluctance to invest. Scheduled public sector investment also calls for increased efficiency in tax collection, something sure to be resisted by businessmen. Moreover, significantly lower growth rates will threaten the government's ability to collect sufficient revenues to carry out projects without resort to further borrowing.

17. Any hopes for real improvement over the 1981 economic performance depend less on the Colombian Government than on the European and North American economies. Even with the recovery foreseen for these economies by late 1982, or early 1983, Colombia would be fortunate to sustain a rate of 4 to 4.5 percent over the remainder of the plan period. Achievement of this moderate growth, even accompanied by continuing inflation and a deterioration in the level of reserves below the planned levels, would probably

contribute to national stability. The mere fact of recovery from the very low levels prevailing at the time he took office would be a plus for Betancur and contribute to confidence in him and in the system. That, and the hope that major energy investments, such as Cerrejon, would begin to pay off in the near future, should contribute to a sense of optimism and accomplishment. There might have to be renegotiation of some loans and some readjustment of programs, but there would be visible accomplishment and a sense of forward motion on which the administration could capitalize politically.

18. However, it is reasonable to suggest a less favorable scenario in which a delayed and weak global recovery is reflected in Colombian growth rates of no more than 2 to 2.5 percent. This rate of growth probably would be insufficient to sustain the ambitious development program. The economic viability of major projects would have to be recalculated, and some undoubtedly would be abandoned or cut back.

19. Under these circumstances, Betancur, with his eclectic approach to politics and economics, might well attempt populist experiments such as government control over private banks or breaking up Colombia's massive financial-industrial combines, which already are under attack by both businessmen and politicians for their alleged stranglehold on the economy. Failure to do so would expose him to attack from Galan who has proposed much more direct intervention in the economy. However, attempts to restructure the existing economic system radically would be strongly opposed by most of the elite in both parties. A politicoeconomic crisis of this type could have serious consequences, possibly forced resignation of the President, a military coup, an outbreak of large-scale violence, or combinations of these. Even if the low-growth scenario did not produce any political crisis, a continuation through the mid-1980s of low growth and high unemployment would greatly exacerbate the underlying strains on Colombian society, enhancing the potential for future violence and threatening the US with the problem of instability in the largest of its Caribbean Basin allies.

Criminality and Narcotics

20. Colombia has long been known for its high level of crime. With its population of just under 30 million,

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Colombia has about 16,000 homicides annually. More recently, it has become notorious for its role in the production and export of illicit drugs. The high rate of nonpolitical crime and violence, however, was not a major political issue in the recent elections, hardly being mentioned in the televised debates of the presidential candidates. Nor did drugs, despite the significant impact they have on the national economy and their role as an issue in relationships between Colombia and the United States, figure openly in the political contest.

21. Much violent crime has political ramifications. Insurgent groups traditionally have financed themselves through kidnappings for ransom and bank robberies. In recent months, an organization calling itself *Muerte a Secuestradores* (MAS—Death to Kidnapers), ostensibly composed of members of drug-connected groups (the so-called mafiosos) has resorted to the assassination of suspected insurgents and their supporters in order to discourage kidnaping for ransom of their own members. The appearance of MAS is a symptom of the weakness of the Colombian criminal justice system. Without major reform of law enforcement, especially the courts, there can be little progress toward crime control. Consequently, political pressures for return to the state of siege and martial law can be expected.

22. Control of the drug trade is probably the most contentious issue between the United States and Colombia and has the potential for producing deterioration in relations. The rapidity with which the drug industry has sprung up and intruded into almost every area of national life has severely disconcerted Colombian society. An economy whose fiscal and monetary policies were designed to limit inflation was overwhelmed by the influx of hundreds of millions of dollars. The drug traffic by 1980, when the value (f.o.b.) of exports was an estimated \$2 billion, involved or in some way affected a large percentage of the population.

23. National morale has been adversely affected by drug-related corruption. In 1978 the Army took over the task of patrolling the major marijuana production areas from the police, but withdrew in early 1980 when it became clear that the fortunes to be made for merely looking the other way were affecting its own personnel. A leading financial association, the National

Association of Industrial Finance (ANIF), has recommended legalization of the marijuana traffic as a solution that would at least allow the nation to regularize and profit from the situation. Although many Colombians argue that the drug problem is basically one of US demand, a 1975 Colombian Government study found that 43.3 percent of Colombian secondary school and college students used drugs.

24. During 1980 and 1981 US-Colombian joint drug enforcement efforts disrupted marijuana exportation. Allegedly, reduced prices nearly bankrupted some Colombian operators. At least one of them turned to transporting arms for insurgents apparently in return for Cuban assistance in moving drugs to the United States. However, the drug dealers and the insurgents are not generally compatible. Insurgent groups continue to kidnap mafiosos for ransom, and the drug traffickers have responded in kind by organizing the MAS and summarily executing suspected insurgents and their supporters.

25. Cocaine production is increasing. Processing both of the domestic leaf and coca paste and of cocaine base imported from Peru, Ecuador, and Bolivia goes on throughout the country. About \$600 million (f.o.b.) worth of cocaine was exported from Colombia in 1981 with a street value of as much as \$10 billion. Colombian traffickers are involved in US retailing. Increasingly, synthetic drugs such as quaalude are illegally manufactured and exported as well. In 1981 the retail price of the 7 tons exported was estimated at about \$600 million. Recent official Colombian bank calculations are that for the last year about \$329 million in narcotics profits remained in Colombia. (Much greater amounts were banked or invested abroad). By contrast, earnings from coffee exports reached only \$227 million.

26. While Betancur is expected to be more cooperative in narcotics control programs than Lopez would have been, Colombia will remain a major factor in the world drug trade, and the drug issue will continue to complicate relations with the United States. Even if the marijuana industry on the north coast declines, Colombia's importance as a cocaine producer and transshipper is growing rapidly. Since the cocaine traffic involves movement across several international borders and operations in very remote areas of Vaupes and Cauca where Communist Party-linked guerrillas

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of the Revolutionary Armed Forces of Colombia (FARC) have for years exercised effective control, the ability of the government to attack the situation is limited. [redacted] Colombian cocaine production potential has more than doubled and estimates that by 1985 more than 13 metric tons of domestically produced cocaine will be exported—as compared with the 5 metric tons reported for 1980. This is small relative to the 79 and 73 tons estimated for Bolivia and Peru, respectively, but the new production, added to the increases predicted for Bolivia and Peru, is expected to flood the world market and pose a more difficult drug problem for the United States.

27. Even if Betancur proves cooperative, several factors militate against dramatic reduction of the drug traffic. The recessed economy will make it more difficult to get marijuana growers to turn to other crops. Indeed, the decline of cotton raising on the north coast makes more land available for marijuana. Moreover, with the need for foreign exchange growing, the temptation to adopt the ANIF proposals, even if only informally and indirectly, will increase. A financially hard-pressed administration will be reluctant to commit scarce resources to drug-eradication programs having the further drawback of potentially adverse political consequences. Links between some politicians, local officials, and drug dealers are strong and make enforcement difficult [redacted]



28. There is legitimate reason for concern for the safety of US life and property, especially as increased numbers of US citizens and firms become involved in the development of the Cerrejon complex. The Guajira Peninsula is notorious for its lawlessness, and US concerns can expect to suffer property losses from criminal activity. In June of this year, for example, pirates boarded a US ship in Cartagena harbor, injuring crew members and making off with some of the cargo. Truck hijacking has become extensive in the Barranquilla area, also on the north coast. There is, moreover, the danger that drug dealers may recruit US personnel working on the Cerrejon project.

29. It is doubtful that the Betancur administration will regard crime as a priority issue. However, efforts

will be made to ensure the safety of foreign persons and property involved in the development program in order not to discourage investment.

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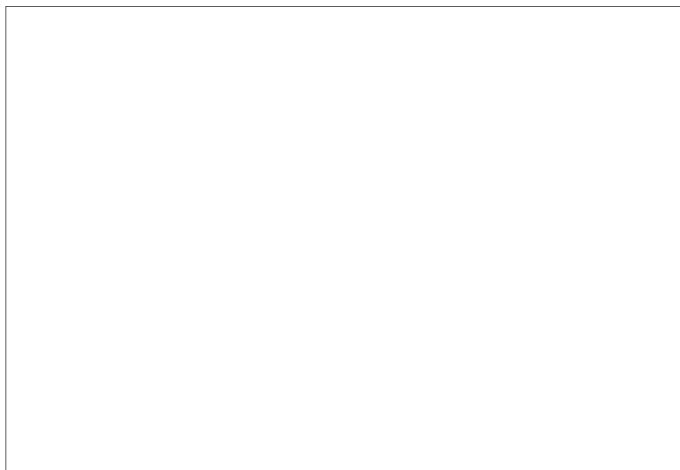
The Extreme Left and Insurgency

30. Low-level armed rural activity is endemic in Colombia. Since the mid-1950s, security forces have been able to contain it but never to eradicate it altogether. Occasionally, insurgent groups have carried out some spectacular action that temporarily embarrassed government forces or, when police or Army attempted to penetrate their remote strongholds, have been able to bloody the military in small actions. From time to time, they have attracted international support. However, their armed strength (a combined total at the end of 1981 of about 2,000, probably now reduced somewhat) and organized supporters (about 6,000) have fluctuated in a narrow range over the years, and they have generally been confined to the same geographic areas.

31. There are five insurgent groups operating in Colombia today. These are the Revolutionary Armed Forces of Colombia (FARC); the 19th of April Movement (M-19); the National Liberation Army (ELN); the People's Liberation Army (EPL); and the Armed Workers Movement (MAO). (See table 2.) There have been tentative efforts at unification of the armed groups, but to date these have been generally unsuccessful.

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32. FARC was formed from existing armed groups professing Communist or radical leftist orientation in 1966 as a result of the mid-1960s ideological controversy about the role of the armed struggle in less



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developed countries. The Colombian Communist Party (PCC), committed to the parliamentary path since its founding in the 1930s but with a dissident minority calling for revolution, at its 10th Congress in 1966 declared that in certain areas, those where guerrillas were already active, armed struggle was valid. The PCC sought out "Communist" guerrilla leaders and persuaded them to join in a confederation—FARC—which, in return for some financial and propaganda support from the PCC acknowledged its nominal authority. Some FARC leaders reportedly have received training in the USSR, and the PCC provides a link to the Soviets.

33. FARC is allied with but not closely controlled by the PCC and, in general, pursues its own interests. These seem to involve more a policy of maintaining control over its traditional areas and reacting defensively to security force intrusions into them than to carrying out the "mobile guerrilla warfare in a wide area of operations . . ." mandated in its 1966 charter. To date, FARC has avoided attacks on dams, bridges, electric grids, oil pipelines, highways, railroads, or other "nerve centers." It confines its efforts to targets that provide food and medicines, occasionally striking at small military units, either to get arms or to discourage security force activity near its refuges. Bank robberies and kidnappings provide it with funds and, increasingly, FARC groups appear to be getting money from cocaine producers in the regions in which both operate. After its severe electoral losses, the PCC has purged many nonactivist intellectuals, and it is possible that this will be reflected in an upsurge in FARC violence. While there are reports of a buildup in FARC strength (now estimated at about 1,400), it is unlikely that the canny FARC leadership will undertake actions that pose high military risks to the guerrilla group.

34. The ELN and EPL continue marginal existences. Together with a small Armed Workers Movement (MAO, known sometimes as ADO)—a group loosely connected with the radical labor organization Movement of Left Revolutionary Workers (MOIR)—they all three probably number fewer than 300 guerrillas, operating chiefly in Tolima, Santander, and Antioquia Departments. MAO's last known leader at large was captured in May, and the group is considered nearly dismantled. Both ELN and EPL date from

the 1960s period of romantic revolution. The EPL espoused a Maoist line and may have had some Chinese backing at one time. The ELN was founded by [redacted] radical student leaders at Santander University, with high ideals of peasant-based social revolution. [redacted]

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[redacted] By the mid-1970s ELN had dwindled to marginal, semibrigand status. Early in 1982, Colombian authorities claimed to have destroyed its last network in Bogota. A preelection appearance by 20 armed ELN members on the National University campus shows the group is still alive. Of more interest, though, is the fact that they were ignored by the students they had hoped to rally.

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35. M-19 had its origin in the youth wing of General Gustavo Rojas Pinilla's National Popular Alliance (ANAPO), a Conservative Party faction. It is generally believed that ANAPO—basically a cross-and-flag socially conservative, economically populist movement—was cheated of victory in the 1970 national elections. The political background gave M-19 a certain legitimacy based on the "stolen election" of 1970, when it was founded by Carlos Toledo Plata, a congressman from the leftwing ANAPO Socialista Faction. Toledo, now in prison, was one of three congressmen on M-19's directorate in the early 1970s. Under the leadership of Jaime Bateman Cayon, a lawyer and former officer of the PCC youth organization trained both in Cuba and the USSR, M-19 made idealistic appeals to Colombian youth—social justice, honest elections, an end to corruption. Unlike the rural-based ELN, M-19 stayed in the cities. In the worldwide New Left pattern, it concentrated on spectacular acts to attract the media. In February 1980 it carried out a sensational occupation of the Dominican Embassy in Bogota, holding the US Ambassador and other diplomats as hostages.

36. After some five years of urban activity the movement had grown to 600 to 800 activists and a support network of around 2,000. Probably influenced by the Sandinista success in Nicaragua, M-19 decided in the spring of 1981 to embark on rural guerrilla warfare. [redacted]

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70 received sentences ranging from 30 years for Bateman in absentia down to two months. Toledo Plata and other top leaders were sentenced to 26 years each.

41. The similar histories of M-19 and ELN demonstrate the persistent attraction of revolution for Colombia's educated youth. The experience of both groups seems also to show the government's ability to contain the threat posed by this appeal. So far, no group has been able to build a viable support or recruitment base among the peasants, the urban poor, or the Indian tribes. Nor have armed groups been able to make inroads among the unions to any great extent. The

[Redacted]

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38. More than ever, the PCC and FARC kept their distance from M-19 and the specter of a united armed left receded. Through the spring of 1982, more and more M-19 members surrendered or were killed or taken prisoner, and large numbers of weapons were captured.

39. Meanwhile, the Robin Hood image of M-19 was suffering. The public was revolted by published photographs of M-19's execution of two Army intelligence agents. Also damaging were revelations that Bateman and his childhood friend, narcotics trafficker Jaime Guillot Lara, had arranged Cuban assistance for Guillot's drug running in return for use of his boats in the delivery of weapons to the M-19.

40. The M-19 attempt to convert itself from an urban terrorist movement to a viable insurgent force has failed, at least for now. Between October 1981 and April 1982 the Army reported killing or capturing 388 M-19 members.

[Redacted]

disrupt the elections, as it had threatened to do, fully exposed its weakness and enhanced Army prestige. On 7 June, acting quickly before the lifting of the state of siege ended its jurisdiction, the Army concluded court-martial proceedings against almost 200 M-19 members. Most had already been released, but more than

42. The Guillot Lara case, which is not yet fully resolved, played a part in discrediting M-19, as well as tarnishing Castro's image in Colombia. There does not seem to be any permanent alliance between insurgent groups and the drug traffickers. If anything

[Redacted] there is intense hostility, at least between M-19 and the mafiosos. As the expansion of coca growing and processing in FARC-controlled areas continues, however, it is probable that FARC will become more deeply involved, even if only as a collector of "protection."

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43. In summary, the insurgent threat continues but does not pose an immediate danger to the government's survival. Of the major groups only FARC remains intact. Its leadership has plans to increase its membership. M-19 retains an urban network that has the capability to stage occasional spectacular terrorist incidents, especially in Bogota.

The Betancur Government's Probable Policies

Domestic Politics

44. Betancur's independent political status is probably more advantageous than disadvantageous since he does not have to repay favors for years of factional support. However, although more inclined to the relatively liberal Pastranista wing than the doctrinaire rightist views of Gomez, Betancur may owe Gomez some political payment in return for the latter's bowing out of contention in order to give him the nomination on the first ballot at the Conservative

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Party nominating convention last fall. As he forms his cabinet Betancur will also have to consider the Liberals, who, under the Colombian system, have a right to a proportional share of offices. It is likely that he will favor the followers of Galan rather than Lopez in making such appointments. It is almost certain that the current Army Chief of Staff, Fernando Landazabal Reyes, will assume the post of minister of defense, suggesting that, despite the lifting of the state of siege, current security policies will continue.

45. In the short term, Betancur's political strengths are great. He can claim an electoral mandate. While leaders of both wings of the Conservative Party have reservations about his policies, after long years in the political wilderness they have to be seen, at least for a decent interval, as supporting their president. Galan will support the thrust of Betancur's domestic policies—indeed, will want to push ahead even further. The sudden and rather unexpected lifting of the state of siege and conclusion of the M-19 military trials effectively has removed the controversial amnesty question from political contention.

46. In the longer run, Betancur has the vast powers of his office, his reputation for integrity, and a known willingness to undertake pragmatic and creative approaches to problems. Also important is that Betancur's programs, emphases aside, are to a large extent continuations, as they would be expected to be under the Colombian bipartisan system, of those initiated by the Turbay government. Mechanisms are already in place to carry out the PIN. There is no sense of a wrenching and divisive change.

Economic Approaches

47. Revitalizing the economy in the context of lagging world recovery poses the greatest immediate challenges. Betancur is committed to expansionist full-employment policies, and Colombia, under the PIN, has already accepted a deficit-financed development program. Betancur is faced not so much with a problem of analysis and planning as one of execution. In the short term, his government can both draw down foreign currency reserves and use the good credit those reserves give the nation to attract foreign capital. However, these are assets that can waste rapidly. The evident lack of Colombian business confidence, the protectionist instincts of Colombian industry, and the

anticipated resistance to the improved tax collection system vital to the PIN will demand the use of all Betancur's vaunted persuasive and conciliatory skills.

48. The high exposure of foreign, including US, firms in major development projects is a latent issue. Betancur has strong nationalistic instincts and can be expected to respond favorably to domestic business demands for a greater share of the contracts surrounding these projects. Galan forthrightly denounced the major contracts involving US firms during his campaign and, should their pace or profitability falter, could be expected to renew his attack. Since the contracts originally were negotiated by Lopez, Betancur has no political reason to defend them.

49. The next four years will be ones of economic uncertainty, with both threats and opportunities. Betancur's administration, more so than for any that have preceded it, will test whether Colombia can make the difficult transition from less developed status to that of newly industrialized country.

Narcotics and Corruption

50. The drug problem will grow and become more complex as Colombia moves into the front ranks of cocaine producers. Betancur is committed to an anti-narcotics policy and will cooperate with the United States in interdiction and eradication efforts. He might consider an airborne-spraying program, if not on the politically sensitive north coast marijuana fields at least on the jungle coca clearings. His administration also has an opportunity to replace known corrupt local officials.

51. However, the nationalistic Betancur will not allow himself to appear to be pushed by the United States in this endeavor. Moreover, he will not allow an antidrug campaign to divert resources from economic priorities. Despite his personal dislike for the drug traffic, should the economic slump continue or deepen there is the possibility that the contributions narcotics earnings make to the Colombian economy would be given some consideration.

52. A second major area of corruption besides that connected with narcotics involves widespread tax evasion, particularly among the Colombian wealthy. Improvement of the tax collection system is vital to the PIN. However, since the initiation of a reformed and

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perhaps too harsh tax system in 1974, Colombian businessmen have been flagrant in their refusal to pay, with the result that the proportion of GDP collected in taxes has dropped despite the intent of the reforms. Here again, Betancur will have to move carefully since his own party will probably provide the most determined opposition.

Internal Security

53. The insurgency situation presents less of a real or perceived problem for the new President than observers a year or so ago would have predicted. The M-19, while still capable of spectacular terrorist acts, has been militarily battered and has lost political credit. FARC remains in its strongholds, but the PCC's electoral fiasco and the ideological disarray into which it has fallen as a result argue against stepped-up armed action now. An active government drug-eradication program will increase chances of clashes and may provide the government with a rationale for a determined anti-FARC effort. While FARC does not represent a serious threat at this time, it is possible that the Army, its confidence higher after its successful M-19 campaign, may undertake a major operation against FARC.

54. Other insurgent groups are of little current significance. However, Communist influence is growing in the labor unions and as the exposure of US firms in the traditionally violent Guajira increases, the potential of possible union links with armed movements should be kept in mind. In any event, the possibility of violent labor confrontations in the politically sensitive Cerrejon region exists. It is in this area that the greatest immediate danger to US interests from actual or potential insurgency lies.

55. Overall, the domestic insurgent threat will probably remain low unless there are some Communist insurgent successes in Central America to encourage the domestic left and an increase in their external support. There is a general belief among many Colombian leaders that the battle for Colombian security will be won or lost in El Salvador. A corollary to this belief is that support for counterinsurgent forces in Central America is Colombia's best defense.

Foreign Policy and Implications for the United States

56. In recent years, Colombia's foreign policy has shifted from its traditional Andean orientation toward

the Caribbean and Central America. This is now seen as the region from which the greatest threat arises, in the form of Cuban and Nicaraguan subversion and expansionism. It is also seen, however, as the region in which there are great opportunities for Colombia to expand its trade and influence, and through which Colombia's growing commerce with Europe and the United States passes. Increasingly, Colombia seeks to identify itself as a Caribbean power. Such a perception complements US policy goals in the area.

57. Colombia's regional rival for influence is Venezuela. One outstanding issue between the two is an unresolved boundary dispute in the Gulf of Venezuela which will probably lie dormant until inauguration of a new Venezuelan administration in 1984. Another is the illegal presence of 2 million or more Colombian workers in Venezuela. The latter situation has served Colombia as a useful safety valve for worker and peasant discontent and provided Venezuela with desired cheap labor during its oil boom. The economic slump in Venezuela will produce increasing pressure on these migrants to leave, creating problems of absorption of the returnees into the Colombian job market and probably exacerbating the persistent issue of violation of the human rights of Colombian aliens by Venezuelan officials.

58. The two countries have differing perceptions of Colombia's role in the Caribbean Basin Initiative (CBI) and have taken vastly different approaches to the Falkland Islands problem in the OAS and other international forums. Relations could cool further if Venezuela's territorial claims on Guyana should produce a crisis, since it is probable that Colombia would oppose the Venezuelan position. Prospects are that Betancur will have some difficult relations with Venezuela despite his close friendship with Venezuela's President Luis Herrera Campins and their common desire to negotiate a solution to the boundary dispute. It is unlikely, though, that any crisis between the two nations will arise. Publicly, Betancur has declared he will follow "a cordial but firm policy" toward Venezuela.

59. Betancur has already pledged not to restore full relations with Cuba, and Colombia under his administration will continue to support efforts to reduce Cuban influence in the region. Betancur, however, is unlikely to be as enthusiastic in such measures as President Turbay, who has a strong personal antipathy

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toward Fidel Castro. Betancur is more likely to try to work with other Latin American countries in developing security policies in the region and to reject approaches he would regard as smacking of US intervention.

60. The Betancur administration will maintain normal relations with the Soviet Union. The Soviets have close ties with the PCC, but the extent of their dealings with FARC is not clear. We know that some FARC leaders have received training in the USSR, and Moscow has contact with FARC through the PCC. The Soviets also lend support to Communist-oriented unions. Despite this there has been little friction between Bogota and Moscow. The Soviets are negotiating for a major hydroelectric construction contract in Cordoba Department. They may also attempt to sell military supplies to Colombia but are unlikely to be successful.

61. Relations with Nicaragua are unlikely to improve so long as that country is seen to be acting as a Cuban surrogate. The outstanding issue between the two nations is the Nicaraguan claim to San Andres and Providencia Islands and the Quita Sueno keys. The Colombian military has used the Nicaraguan threat to justify a buildup of their Caribbean sea and air forces. They are also willing to negotiate airbase privileges for the United States on San Andres with the same justification. Although Betancur's position on base rights is not known, the military will probably be able to complete the arrangement with the United States if they insist.

62. The Nicaraguan situation, particularly since the emergence of Eden Pastora as a Sandinista leader in exile, is increasingly volatile. Betancur is a friend of Spanish Socialist leader Felipe Gonzales, who is known to favor Pastora, and it is possible that should Pastora develop a credible opposition movement he would get some degree of support from Betancur.

63. Under Turbay, Colombia has been friendly to foreign trade and investment. Betancur is likely to be somewhat less so, responding both to his own nationalism and the protectionist sentiments of Colombian business. Nevertheless, it is very unlikely that he will retreat to the economic regionalism and protectionism of the Andean Pact.

64. Betancur's administration will probably continue Colombia's friendly attitude toward the concept of the Central American Democratic Community and other efforts to support democracy in the region. He has suggested a regional University of the Caribbean to be located at Cartagena.

65. On the major issue of opposition to Cuba in the Caribbean, the Betancur administration will be supportive of the United States. It is also likely to be cooperative on drug matters. Economic relations, including access of US business to the Colombian market, will continue to be generally good.

66. However, Betancur will not want to appear too responsive to US leadership. He will insist on more consultation and would reject specific initiatives that could be interpreted as Colombian support for US intervention. He will very likely continue to emphasize Colombian involvement in the CBI, but will probably try to have CBI seen more as a regional effort with US and other outside support rather than as a US initiative and aid program. Colombia will be motivated as well by a desire to offset the influence of both Venezuela and Mexico. CBI or no CBI, Colombia under Betancur will stress development of its trade relations with the Caribbean and Central America. It will also probably be active in the United Nations, occasionally in opposition to the United States. For example, Betancur attaches great importance to the law of the sea and will work against US policy on that subject.

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ANNEX ¹

Social, Economic, and Political Trends

1. The turning point of modern Colombian history was *la violencia*, the civil warfare that was waged between the Liberal and Conservative parties for a decade after World War II and which claimed 200,000 or more lives. Political breakdown led to a military coup in 1953 headed by General Gustavo Rojas Pinilla. Initially welcomed in the hope they would end the carnage, Rojas and the Army were discredited as their regime became inept and dictatorial. In 1958, Rojas was ousted by moderate officers who returned government to the old political leaders after they had resolved their enmities in a compromise that established the National Front. A constitutional change required that until 1974 the Conservatives and Liberals would alternate in the presidency every four years and divide other major government offices equally. Since 1974, under Article 120 of the constitution, the presidency is contested, but cabinet and other major offices are shared in proportion to the number of seats won by each party in the two-house national legislature. Only in 1970 when General Rojas tried a comeback with his Peronist-style National Popular Alliance (ANAPO) has the Colombian experiment in consensus politics been seriously threatened.

2. The generation of the National Front and its Article 120 aftermath has been one of almost uninterrupted economic growth for Colombia. A series of coffee booms and the development of expanded markets in Europe have kept Colombia's traditional staple industry generally healthy. Nontraditional agricultural exports developed, particularly cut flowers, bananas, and sugar. Manufacturing, artificially stimulated to some extent by import substitution policies and adherence to the protectionism of the Andean Pact, grew rapidly until the mid-1970s. Burgeoning urban growth helped the construction industry and provided jobs for unskilled labor migrating from the rural areas. Beginning in the 1970s, Colombia's economy received further stimulus from increases in the illicit production and export of narcotics, particularly marijuana, but

¹ See appended graphics and tabular data.

increasingly involving cocaine and synthetic drugs as well.

3. During the 1960s Colombia's average annual GDP growth of 5.2 percent was slightly below the Middle Income Developing Country (MIDC) ² norm of 6.1. From 1970 to 1979, Colombia's annual average GDP increase improved to 6.0 percent, as compared with the 7.1 percent registered by the group. In the meantime, the population growth rate declined from more than 3 percent in the mid-1960s to just under 2 percent.

4. While aggregate growth performance and employment generation through 1979 were generally successful, income distribution continued to be among the most skewed in Latin America, with the lowest quintile receiving only 3.5 of national income in 1970, as compared with 2.1 percent in 1960. Inflation, which reached rates of about 25 percent during the 1970s and has remained at about that level, and the very rapid increase in additions to the urban labor force are the two chief culprits. Real wages for urban workers fell from 1970 to 1975. Most of the absolute loss was made up during the next five years, but the relative differential continued with the result that much of the population has had a disproportionately small share in the economic growth of the past decade.

5. Economic growth rates began to decline in 1979, when they dipped to 5.1 percent. The 1980 rate was 4 percent while that of 1981 sagged to 2.5 percent, the lowest since 1958. Manufacturing, agriculture, and construction were the hardest hit sectors. In the face of this record, official unemployment figures (kept only for the seven largest cities and counting all jobseekers over 10 years of age) showing a decline from 10.8 percent in 1976 to 8.5 percent in 1981 are probably low. In any case, the rate is distorted by including as employed the armies of street vendors whose situation in many instances is not far removed from begging. According to the Colombian Government, 61 percent

² Defined by the World Bank as countries with per capita incomes between \$551 and \$1,135.

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of urban workers earn less than the official minimum wage of approximately \$120 per month.

6. The decline in the population growth rate allows hope for some relaxation in the pressures of urbanization. However, shortages of housing, schools, water and sewage systems, and other basic human services are very great. Colombia has yet to adjust to its rapid change from a predominantly rural country to one in which most of the population lives in major urban centers.

7. Despite shortcomings, quality-of-life indexes have shown marked improvement. Life expectancy in 1950 was 48 years; today it is 63 years. Over the same period infant mortality declined from 124 to 65 per 1,000, and, by the late 1970s, 91 percent of urban children aged 7 to 14 were enrolled in school. According to a recent World Bank study, increased government expenditures on electricity, public water supplies, education, and health care have more than offset the decline in real wages for most of the urban poor. Rural populations, however, have not benefited to the same extent.

Major Political Institutions and Groups

8. The Colombian political system is built around a combination of traditional, well-organized Conservative and Liberal political parties. These are usually divided into personalistic factions, but remain essentially unified, both within themselves and in relation to each other, in program and ideology. The parties are supported by, and to some extent must acknowledge limitations imposed by, a professional military force at once integrated with but self-consciously apart from the government it serves. The parties have strong links with a loosely coordinated but ideologically united business community, well able through a multitude of organizations to articulate its interests and to ensure that these interests are protected. Organized labor, peasant groups, students, urban organizations, and the Catholic Church are all linked with the parties but are less directly influential than either the military or business.

9. Close cooperation between the two parties since creation of the National Front and the proportional sharing of cabinet posts has meant there has been no true opposition to the administration in any parlia-

mentary sense. This, combined with the relative weakness of the legislature, leaves government increasingly to be conducted by the executive in partnership with a technocratic bureaucracy. Since the bureaucracy is linked informally but closely with major private organizations, particularly the business federations (*gremios*) and the military, chances that major alternative policies or initiatives will be adopted or even debated meaningfully in public, are few. The various minor parties, including the Communist Party, have little chance of gaining influence through coalition with either of the major parties.

10. Factional struggles within the parties, although often fierce—as between the followers of Alfonso Lopez Michelsen (Lopistas) and Carlos Lleras Restrepo (Lleristas) among the Liberals and between Alvaro Gomez Hurtado (Gomecistas) and Misael Pastrana Borrano (Pastranistas) among the Conservatives—are more personal than doctrinal in nature. While the differences may be politically significant, they tend to be within the bounds of a rather narrow range of reformist or conservative tendencies. To the extent that the system has eliminated traditional partisan conflict it represents a force for stability. However, it incorporates also a tendency toward immobility. To their credit, Colombia's leaders during the 1960s and 1970s have shown ability to transcend the theoretical limitations of the system and displayed considerable flexibility, especially in the face of changing economic conditions.

11. The recent election supports a conclusion that the traditional parties will continue to withstand political or insurgent challenges. A military coup represents the only credible threat but the possibility of one occurring at this time appears remote. While political control seems sure, the success of the system leadership in grappling with problems of economic development and social welfare during the 1980s is less certain. Nevertheless, a combination of superior co-optative and repressive powers, even in the event of social or economic difficulties, should enable the current elite to prevent discontented groups from coalescing into a movement sufficient either to replace them or cause them to move drastically leftward.

12. Almost all the organized political opposition to the two major parties is on the left. The Colombian Communist Party under the leadership of the aging Gilberto Vieira White follows a rigid pro-Soviet line.

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In the aftermath of its recent electoral disaster, the party has purged dissident intellectuals who have argued for a more independent line. Despite its avowal of a nonviolent policy, the PCC maintains links with the insurgent Armed Forces of the Colombian Revolution (FARC).

13. The small Left Revolutionary Workers Movement (MOIR) was founded as a pro-Chinese party in 1968. Other leftist groups include FIRMES, an ANAPO faction, and the Liberal Independent Movement. On the center and right, a tiny Social Christian Democratic Party exists. It supported Betancur in the recent election. Rojas Pinilla's daughter, Maria Eugenia, is nominal leader of the nearly defunct ANAPO movement, which can be viewed as a Conservative Party faction of a sort. She, too, supported Betancur.

The Army

14. Allegedly chastened by memories of inept military government from 1953 to 1958, and in the absence of any political or social crisis that would justify such a move, senior officers of the 50,000-man Army are not seen likely to try to take power. In any event, military influence over internal security affairs and the security-related aspects of foreign relations is and probably will continue to be strong enough to preclude any need for the generals to seek a more active governmental role. Until 20 June, Colombia was technically under a constitutional state of siege (last proclaimed by former President Alfonso Lopez Michelsen in 1975 as a strike-control measure) which gave the armed forces virtually carte blanche in dealing with imminent or actual civil disturbance for 25 of the past 30 years. Under the Security Statute of 1978, all persons charged with terrorism or insurgency are under jurisdiction of military courts. Departments—such as Caqueta—in which insurgent groups operate in any significant strength are under martial law, which allows the Army to control the movement of people and goods and to bar journalists and other outside observers. The end of the state of siege represents a significant change, but it is probable the military did not agree to it without securing guarantees satisfactory to it.

[REDACTED]

[REDACTED] The national police are under the jurisdiction of the Ministry of Defense. The Army is an essential part of the civil-governing system and plays an important role in determining and administering those government policies of interest to it. At the same time, it maintains the fiction that it is outside and above politics. It thus enjoys great authority without having to accept commensurate responsibility. Ranking officers do not scruple to criticize governmental shortcomings publicly. Individual officers in recent years have had to accept presidential demands for resignation when their criticism was deemed excessive, but such acknowledgment of civil control does not obscure the fact of integral military power within the government.

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16. Army links with the private business sector are strong and well tended. Each year, selected representatives from the major business associations attend a six-month course at the military academy with the group of colonels selected for promotion to general. In turn, the colonels are guests at orientation visits to the headquarters of the business associations. A semiofficial series of dinners and other social events allows for frequent business-military exchange of views. Another important institution for the solidification of Army-business ties is the special reserve battalion in which carefully selected businessmen are commissioned.

Private Business

17. The Colombian business sector shows some of the same characteristics as the political system. The National Association of Industry (ANDI) represents much of the private sector, but a host of organizations with both local and national branches speaks for individual agricultural, commercial, and industrial groups. They are bipartisan in both membership and activity. There is usually a balance of Conservatives and Liberals on boards of directors, and the associations do not endorse any one candidate or platform during elections. Rather, they use their political ties to make sure that the programs of both parties are acceptable. The economic platforms of all three leading candidates in this year's presidential election (although criticized by business leaders for not treating with sufficient seriousness the recessed state of business and what they saw as its causes) were uniformly probusiness and protectionist.

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18. The producer associations are also represented on many governmental boards and committees, both nationally and at lower levels. Government and the private sector interact directly. As a result of their formal and informal integration into government, the associations have a near veto over programs affecting them. The continuing recession has put unusual strains on business-government relations, however. A recent analysis published by leading business groups attacked the growth of the public sector and deficit spending, called for more protection for Colombian industry and establishment of a "buy Colombian" policy on public works projects. It is probable that there will be movement in those directions. Continuing high interest rates have lately focused attention on the financial sector and sparked demands for major banking reforms.

Labor

19. Although a Liberal administration first legalized unions in the 1930s and the Liberal Party has a tradition of being more prolabor than the Conservatives, the heads of all three major non-Communist unions in Colombia are, paradoxically, Conservative Party activists. The executive boards of the democratic confederations are mixed Conservative and Liberal, but, unlike the business associations, labor unions in Colombia have little influence on party politics; rather it is the reverse.

20. Traditionally, Colombia's approximately 1.5 million organized workers (about 25 percent of the labor force) have followed the leadership of one of the two unions—the Colombian Workers Confederation (CTC) and the Union of Colombian Workers (UTC)—affiliated with the International Confederation of Free Trade Union (ICFTU). However, in recent years, as real wages have fallen, workers in growing numbers have defected to the Communist-led Syndical Confederation of Colombian Workers (CSTC), which now represents about 15 percent of union workers, while the CTC and UTC have declined. (See table 3.) Early in 1982 the UTC and CTC unions in Santander Department defied their national leadership to merge in a CSTC-dominated regional confederation. In May 1982, CTC President Manuel Felipe Hurtado, although a Conservative Party congressional candidate this year, announced his intention to merge his union with the CSTC.

Table 3

Membership in Colombian Labor Unions, September 1981 a

UTC.....	450,156
CTC.....	211,625
CSTC.....	153,864 b
CGT.....	102,676
Independents.....	302,850 c

a Source: Colombian Ministry of Labor.

b CSTC membership probably is understated in this Colombian figure. Most observers rank it ahead of the CTC.

c Unofficial estimates put independent membership at more than 500,000.

21. The General Confederation of Labor (CGT), also showing strong growth, is a Christian Socialist union affiliated with the World Confederation of Labor (WCL) and its Congress of Latin American Workers (CLAT). CGT had its greatest gain in late 1980 when the powerful Union of Cundinamarca Workers (UTRACUN) broke with the UTC and merged with it. There are about a half million workers in independent unions or labor organizations, some of them more to the left than CSTC, such as the Maoist MOIR. The Federation of Colombian Educators (FECODE) is strongly Marxist.

22. In industry, utilities, transportation, communications, finance, and government, about half the work force is organized. The right to strike is severely restricted, except in industry, but illegal strikes are common. Most disputes are settled through arbitration and conciliation. Representatives of CTC, UTC, and CGT serve on the National Salary Council that arbitrates the official minimum wage.

23. The growth of the CSTC, especially if its recent, planned merger with the CTC comes about, has led to fears that organized labor will become a more disruptive force in Colombia. These fears will become more real if, as expected, the CSTC organizes the workers at the Cerrejon coal complex. Despite this, organized labor is weak. Divided within itself, it is faced by a powerful and basically hostile security structure. The end of the state of siege obviously will give the unions more freedom of action, but, despite the growing power of the Communists within the labor movement, Colombian union activity will continue to be easily controlled by the government.

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Other Groups

29. Peasant—campesino—organizations play only a small role in Colombia. In response to the rapid expansion of commercial farming, concentration of landholding, and essential abandonment by the government of the rather mild distributionist land-reform programs of the 1960s, a peasant organization, the National Association of Landless Campesinos (ANUC), was organized in 1968. It quickly developed a radical, direct-action branch, the Linea Sincelejo, which organized rural strikes, boycotts, demonstrations, and the like to press for a return to land redistribution.

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30. Despite Colombia's history of rural violence and the attempts of guerrilla groups to exploit the movement, ANUC and the Linea Sincelejo have all but disappeared. The expanding middle class of commercial farmers is strongly opposed to the campesino movement and well organized. The important agrobusiness groups (FEDERCAFE, the coffeegrowers association; SAC, the Farmers Association; and FEDEGAN, the Cattlemen's Federation) are major contributors to both the Conservatives and Liberals. Government co-optation of peasant leaders, extraofficial repression that has resulted in the assassination of about 100 peasant and Indian leaders over the past five years, and the jailing of many ANUC officials under the Security Statute have nearly eliminated the peasant movement.

31. Activism on the part of peasants also has been diluted by the heavy urban migration of many of the more ambitious ones, as well as the alternative opportunities for farm labor in Venezuela, where 2 million

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or more Colombians are thought to be working at any one time. It should be noted, though, that the absolute number of campesinos has increased even while the relative numbers of the rural population have declined in the population. Their poverty and lack of access to education and health care would appear to make them a source of potential recruits for insurgent movements. However, the various leftist attempts to build a peasant base have failed over the years. FARC, it is true, does control a rural population in its traditional bases, but it is small.

32. Universities and secondary schools are traditional centers of radical activity in Colombia. Teacher unions (FECODE) are Marxist controlled, and both civil and military authorities have continually expressed alarm at the heavy Marxist content of teaching at all levels of the educational system—even, to a surprising extent, in Church-run institutions. However, tight control has been maintained over the universities. Indeed, the frequency with which national universities have been closed for political/security reasons has led to a situation in which it takes an average of eight years to complete an undergraduate degree.

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Table 4

Colombia: Indicators of Progress and Problems

Indicators of Economic Progress

Total gross domestic product, 1980: \$34 billion
 GDP per capita, 1980: \$1,254
 Annual GDP growth: 5.2% in 1960-70 (average)
 5.8% in 1970-76 (average)
 9.0% in 1978
 5.1% in 1979
 4.0% in 1980
 2.5% in 1981
 3.0% in 1982 (estimated)
 Debt relative to gross national product: 21.4% in 1973
 15.9% in 1977
 13.5% in 1980

Indicators of Social Progress

Life expectancy: 56 in 1960
 59 in 1975
 63 in 1981
 Secondary-school enrollment (in percent of population of secondary-school age): 12% in 1960
 23% in 1975
 43% in 1978
 College enrollment (in percent of population
 of college age): 2% in 1960
 10% in 1977
 Workers covered by social insurance: 700,000 in 1968
 1,200,000 in 1973

Indicators of Economic Problems

Foreign public and private debt: \$2.1 billion in 1973
 \$2.9 billion in 1976
 \$3.6 billion in 1979
 \$4.3 billion in 1980
 \$4.9 billion in 1981
 \$7.0 billion in 1982 (estimated)
 Inflation rate: 11.2% in 1960-70 (annual average)
 18.2% in 1970-76 (annual average)
 33% in 1977
 18% in 1978
 26% in 1981
 25-30% in 1982 (estimated)

Indicators of Social Problems

Population: 16 million in 1960
 27 million in 1980
 30 million in 1985 (estimated)
 40 million in 2000 (estimated)
 Urbanization rate (percent of total population): 48% in 1960
 65% in 1975
 70% in 1980
 Income distribution (1974): 54% earned by top population quintile
 5% earned by bottom population quintile

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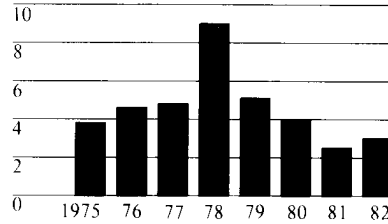
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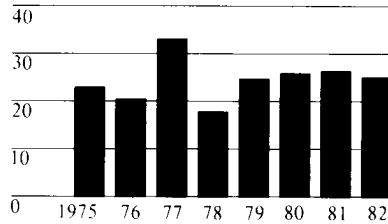
Figure 1

Colombia: Economic Profile

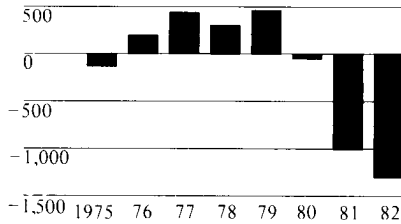
Real GDP Growth
Percent



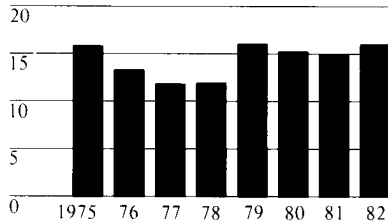
Consumer Price Inflation
Percent



Current Account Balance Excluding
Official Transfers
Percent



Debt Service Ratio
Percent



Note: Data for 1982 are estimated. Data for GDP growth take into account the flurry of election-year public spending.

Unclassified

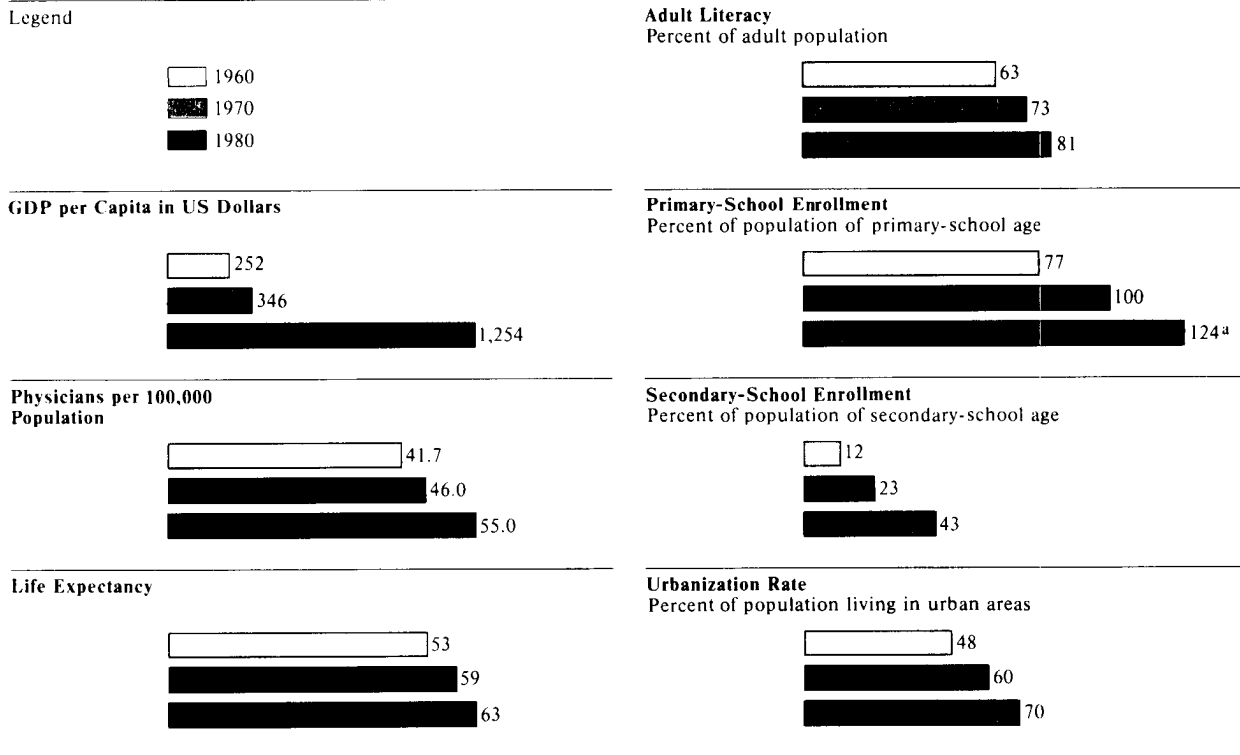
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Figure 2

Colombia: Social Indicators



^aReflects enrollment in adult education and other programs of persons over primary-school age.

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