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Current Intelligence Country Handbook

**EL SALVADOR**

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This revision supersedes the handbook dated July 1965, copies of which should be destroyed.

**DIRECTORATE OF INTELLIGENCE**

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## EL SALVADOR

### 1. Political

The stability and cooperative attitude which have characterized the government over the past five years have constituted a relatively new experience for the country. The outcome of the 5 March presidential election, however, presages another five years of similar accomplishment under Col. Fidel Sanchez, whose goals and attitudes are similar to those of outgoing President Julio Rivera.

Rivera's government (July 1962-July 1967) appears to have enjoyed wide-spread confidence among both the military and the general public and leaves a record of notable accomplishments. He has encouraged opposition parties to participate in the political process and has received in return constructive criticism from a responsible opposition. He has promoted social and economic reforms, while maintaining the confidence of the entrepreneurial class through his defense of free enterprise system. By obtaining the cooperation of opposition parties and wealthy investors, Rivera has been able to assist El Salvador toward the solution of some of its many problems. Many socioeconomic problems, however, remain to be solved, and any reformist government must necessarily proceed slowly in order not to provoke a coup from the right.

Sanchez, who served as Minister of Interior in Rivera's government from 1962 to late 1966, worked closely with him and shares credit for the accomplishments of his government. Sanchez will be inaugurated 1 July 1967, and, although not personally as popular as Rivera nor as effective a speaker, he appears to have sufficient support from both military and civilian sectors to enable him to serve out his term and continue the development already in progress.

The government under Rivera has been strongly pro-Western and anti-Communist, and has cooperated closely with the United States. Sanchez is expected to pursue similar policies during his administration.

### 2. Economic

El Salvador's economic upswing since 1961 has leveled off somewhat, but El Salvador is still registering a favorable balance in its international payments. Both foreign and domestic trade remain brisk. Agricultural output, electric power, and industrial production

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continue to rise, spurred in part by foreign investment and the rapidly developing Central American Common Market. Cotton and coffee remain the leading exchange earners, but the growth of agricultural output in 1967 should slow down considerably from the favorable performance of recent years, principally because of weakened world market prices for coffee and cotton. Some diversification has taken place. El Salvador's strong financial position is reflected in a stable currency, a high level of foreign exchange reserves—\$41.9 million in January 1967—and a projected balanced budget of \$102 million for 1967. A tax law enacted in 1963 is intended to make income distribution more equitable and collections more thorough. The highest personal income tax rate is 60 percent (incomes in excess of \$50,000), and the highest corporate tax rate is 38 percent. Import and export duties still account, nevertheless, for over twice as much revenue as do income taxes.

On the other hand, El Salvador has a number of long-range economic problems. There is almost no land available for further agricultural growth through increased acreage, and industrial skills are not well developed. There is still a pronounced maldistribution of income; underemployment and unemployment are high, and many essential foods are still imported. Furthermore, inadequate housing, educational, and health facilities continue to impede the country's full development potential. Over the past five years El Salvador has demonstrated its ability to use Alliance for Progress aid effectively, and favorable results have been obtained thus far. The Sanchez government is expected to continue the self-help program begun by Rivera.

### 3. International Relations

El Salvador has no major problems in international relations. There are no diplomatic relations with Communist countries or Cuba, and trade with the bloc is negligible.

El Salvador has cooperated closely with other Central American countries in support of the Organization of Central American States (ODECA) and the Central American Common Market (CACM). El Salvador opposes Guatemala's proposal to reorganize ODECA, believing that the present structure is workable if member countries want to make it work.

### 4. Subversion

At present there is little guerrilla activity in the country, and most organized political elements are opposed to subversion and violence.

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The illegal Communist Party of El Salvador (PCES) has an estimated 200 to 500 members, probably only 200 of whom are active, and maybe as many as 5,000 sympathizers. About half of the party members, most of the militants within the Communist front organizations, and the majority of the party's sympathizers are located in the San Salvador area. Until late 1965 the PCES had little influence over other political parties except for the April and May Revolutionary Party (PRAM), an illegal political front for the PCES. At that time the PCES began infiltrating the Renovating Action Party (PAR), allowing the PRAM to become dormant. Communists supported the PAR ticket in the legislative elections of March 1966 and again in the presidential election of March 1967. Communist influence over the PAR has become so obvious that considerable sentiment exists for declaring the PAR illegal—a move which will probably take place before the end of 1967.

The total number of Salvadorans who have received training in Cuba or the bloc is not known. Between April 1963 and April 1964 there were 75 Salvadorans studying guerrilla warfare in Cuba; in 1965 some 40 were known to be studying in several Communist countries. Most Communist groups in El Salvador have appeared to be short of funds and without sizable financial assistance from Cuba or other Communist countries, except for about \$50,000 reportedly sent from Cuba in 1963. During the presidential election campaign of March 1967, however, the PAR—which has never had large amounts of money to spend in the past—appeared to have sufficient financial backing. Most of this is believed to have come from Communist sources.

The national guard and the national police, supported by the armed forces, are capable of coping with any foreseeable threat to the internal security of the country.

#### Chronology of Key Events

- 1944 (May) Resignation and exile of Maximiliano Hernandez Martinez, dictator since 1932.
- 1945 General Salvador Castaneda Castro elected president; liberal Constitution of 1886 reinstated.
- 1948 (December) Castaneda ousted by coup; Major Oscar Osorio emerges as head of ruling revolutionary council.
- 1950 (March) Major Osorio wins presidency in apparently free elections.  
(September) New constitution promulgated.

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- 1952 (November) Communist party banned.
- 1956 (March) Lt. Col. Jose Maria Lemus, candidate of the administration Revolutionary Party of Democratic Unification, elected president.
- 1960 (April) Ruling party wins all seats in legislative elections.  
(October) Lemus ousted by military coup, interim junta promises free elections in 1962.  
(December) US recognizes military junta.  
(December) Communist-front party (PRAM) legalized by Supreme Court.
- 1961 (January) 6-man military-civilian junta of pro-Communist tendencies ousted by anti-Communist military coup.  
(January) Interim government promises land reform.  
(February) US recognizes new government.  
(March) El Salvador severs relations with Cuba.  
(December) National Conciliation Party (PCN) of Col. Julio Adalberto Rivera wins all 54 seats in Constituent Assembly elections.
- 1962 (January) New constitution promulgated by Constituent Assembly; presidential term reduced from 6 to 5 years and reelections barred; also provides for a 52-member unicameral congress elected for 2-year term.  
(January) Constituent Assembly elects Eusebio Rodolfo Cordon provisional president until 1 July 1962.  
(April) Julio A. Rivera elected president without opposition.  
(July) Rivera inaugurated for 5-year term.  
(September) Legislature passes law providing prison terms of 4 to 7 years for persons convicted of organizing or aiding groups which propagate the Communist doctrine; courts permitted to use hearsay as evidence.  
(October) El Salvador supports OAS vote to authorize use of armed forces to enforce quarantine of Cuba.
- 1964 (March) Opposition parties participate in legislative and municipal elections, winning 20 of the 52 seats and the mayoralty of San Salvador. Elections apparently conducted in a free and honest manner.
- 1966 (March) Opposition parties win 21 of the 52 legislative seats; government policy of holding honest elections continues.
- 1967 (March) Col. Fidel Sanchez of National Conciliation Party elected president in an honest election. No legislative or municipal seats filled this year.

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#### Holidays and Significant Dates

1 January	New Years Day
March/April	Holy Week
14 April	Pan American Day
1 May	Labor Day
10 May	Mother's Day
3 August	Employees' Day
5-6 August	Feast of San Salvador
15 September	Independence Day
12 October	The Day of the Race (Columbus Day)
2 November	All Souls Day
5 November	Anniversary of the First Declaration of Independence
14 December	Anniversary of the Revolution
25 December	Christmas Day

#### Selected Factual Data

##### LAND

8,260 sq. miles; 26% meadows and pastures; 31% nonagricultural; 11% forests; 32% crop land

##### PEOPLE

Population: 3.0 million (est. 1 January 1967); density 368 persons per sq. mile; males 15-49, 710,000; fit for military service, 495,000 (Jan. 1966); 28,000 reach military age (18) annually

Ethnic groups: 84% to 88% mestizo, 6% to 8% white, 6% to 8% Indian

Religion: 97% to 98% Roman Catholic

Language: Spanish

Literacy: 50% of persons 10 years of age and over (1966 est.); elementary school year, late January to late October; high school year, late October to late August; University, April to January

Labor force: 1 million (est. January 1967)

Organized labor: 4% of wage and salary workers

Time differential: EST -1 hour (GMT -6 hours)

##### GOVERNMENT

Type of government: representative republic

Congress normally convenes on 1 June and 1 December each year

Branches of government: traditionally dominant Executive, unicameral legislature which is unusually independent for Central American area, and Supreme Court; president appoints cabinet

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President: Julio A. Rivera (until 1 July 1967); President-elect Fidel Sanchez takes office July 1967

Attitude of incumbent regime toward US: friendly

Capital: San Salvador

Regional breakdown: 14 departments; very little local autonomy

Principal political parties and leaders:

National Conciliation Party (PCN), governing party, advocates social and economic reform, is pro-Western and anti-Castro, led by President Julio A. Rivera and President-elect Fidel Sanchez; holds 31 seats in legislature

Christian Democratic Party (PDC), primary opposition party, similar to other Latin American Christian Democratic parties, led by Jose Napoleon Duarte, Dr. Abraham Rodriguez, and Roberto Lara Velado; is anti-Communist; holds 15 seats in legislature

Renovating Action Party (PAR), small opposition party now dominated by Communists; led by Julio E. Contreras; holds 4 seats in legislature

Salvadoran Popular Party (PPS), small center-right party founded in November 1965 by Augustin Alvarenga and Joaquin Chacon. Holds 1 seat in legislature

Revolutionary Party of National Evolution (PREN), small conservative party formed in late 1965; supported by some wealthy Christian Arabs; led by Col. Luis Roberto Flores; holds 1 seat in legislature

Communist Party of El Salvador (PCES), illegal, led by Raul Castellanos Figueroa

April and May Revolutionary Party (PRAM), illegal Communist front party; small and inactive; leaders—Raul Castellanos Figueroa and Gabriel Gallegos Valdez

Suffrage: universal 18 years of age and over

Next national election: March 1968 (legislative and municipal); March 1972 (presidential)

Qualified voters: 1,263,812

Significant exclusions from voting: none

Actual voters in presidential election of March 1967: 491,894; PCN, 54.4%; PDC, 21.6%; PAR, 14.4%; PPS, 9.6%

Abstention (1967); about 61% of registered voters

Extent of fraud: negligible

Member of: UN, OAS, Organization of Central American States (ODECA), and Central American Common Market (CACM)

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### ECONOMY

GNP: US\$854 (1966); 6.2% increase during 1966; US\$281 per capita; 15% investment (11% private, 4% government), 88% consumption (79% private, 9% government), -3% net foreign balance

Agriculture: coffee, cotton, corn, sugarcane, rice, beans, sorghum. Average per capita intake 2,200 calories per day (in 1962)

Industry: food processing (49% of total value of production), textiles and clothing (23%), rubber and chemicals (5%), petroleum products (5%), metals and machinery (3%)

Shortages: heavy capital equipment, transportation equipment, manufactured fertilizers, crude petroleum, wheat, beans, corn

Electric power: 148,600 kw capacity (1966); 465 million kwh production (1966), 153 kwh per capita

Exports: US\$192 million (1966); coffee (47% of total), manufactured items (15%), cotton (12%), chemicals (5%), sugar (3%). (1966)

Imports: US\$221 million (1966); machinery, equipment and vehicles (27% of total), manufactures (32%), chemicals (17%), foodstuffs (14%). (1966)

Trade: nearly 100% with non-Communist countries: exports to U.S. (1965) US\$47 million (25% of total); imports from U.S. (1965) US\$63 million (31% of total)

Aid: U.S. economic assistance US\$66 million loans, US\$42 million grants (FY 1946-66). International organizations US\$74 million (FY 1946-65)

Exchange rate: 2.5 colones = US\$1 (Official)

Fiscal year: Calendar year

### COMMUNICATIONS

Railroads: about 374 route miles of 3'0" gage

Highways: 5,350 miles; 680 paved, 1,260 miles gravel or crushed stone; 3,410 miles earth

Inland waterways: Lempa River partially navigable

Ports: 2 principal (Acajutla and La Union), 1 secondary (La Libertad), 1 minor

Merchant marine: none

Airfields: 1 international airport (Ilopongo at San Salvador) equipped for jets; 21 others; 1 seaplane station

Telecommunications: inadequate for handling increasing private and governmental traffic but being improved

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DEFENSE FORCES

Personnel: army, 3,650; navy, 120; air force, 460; national guard, 1,500 to 2,000; national police, 1,900; treasury police, 500; territorial services, 30,000

Reserves: 10,000 to 15,000 men who have had military service within last five years; national guard and territorial services also constitute a reserve

Loyalty of armed forces to government: loyal and generally apolitical

Major ground units: 1 infantry battalion and 2 being formed; 10 infantry regiments; 1 cavalry regiment; 1 artillery regiment

Aircraft: 18 (all prop—5 fighters, 3 transports, 10 others)

Air facilities: 5; 1 with runways 5,000 to 8,000 feet; 4 with runways 2,000 to 4,999 feet

Supply: armed forces could reach maximum mobilization (38,000 troops) in about 6 months with no foreign logistic support; reliance on foreign sources for arms and equipment

US missions: army and air

US military aid: \$0.7 million (FY 1967)

RELATIONS WITH COMMUNIST COUNTRIES

None, except for negligible amount of trade

National Intelligence Survey (NIS) Material

The following sections of the NIS are relevant:

NIS Area 74 (El Salvador)

GENERAL SURVEY (May 1967) and the following specialized sections:

Sec 21 Military Geographic Regions (Mar 60)

Sec 23 Weather and Climate (Mar 57)

Sec 24 Topography (Jan 60)

Sec 25 Urban Areas (July 59)

Sec 31 Railway (Apr 58)

Sec 32 Highway (Jul 55)

Sec 35 Ports and Naval Facilities (Jun 57)

Sec 38 Telecommunications (Apr 59)

Sec 41-46 (Ch. IV) Sociological (Aug 61)

Sec 51 The Constitutional System (May 57)

Sec 52 Structure of the Government (Mar 58)

Sec 53 Political Dynamics (Dec 58)

Sec 55 National Policies (Jun 60)

Sec 57 Subversion (Sept 58)

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Sec 64 Manufacturing and Construction (Apr 60) ,  
Sec 65 Trade and Finance (Jan 57)  
Gazetteer (Oct 56)

NIS Area 71-77 (Central America)

Sec 22 Coasts and Landing Beaches (Mar 56)

**Map**

The best available general reference map is: Texaco; El Salvador;  
1:500,000; 1964

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