

SECRET

No Foreign Dissem

109

**No. 0580
October 1972**

Update of El Salvador Handbook

Please replace the July 1970 edition of the El Salvador Handbook with the attached. Please retain the cover and dividers.

SECRET

SECRET
No Foreign Dissem

TABLE OF CONTENTS

Page

INTRODUCTION

I. GEOGRAPHY

Location	1
Area	1
Climate	1
Topography	1
Natural resources	1
Human resources	2

II. ECONOMIC BACKGROUND

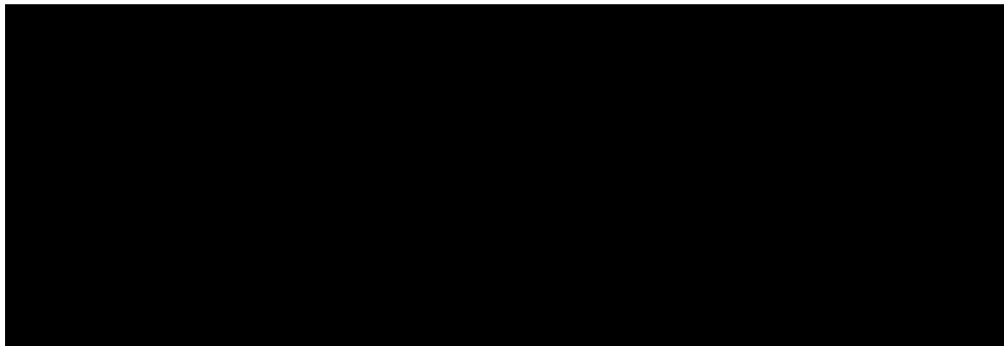
Growth rates and trends	1
Income distribution	1
Main sectors of the economy	1
Transportation and communications systems	3
Government economic policies and financial system	3
Foreign trade	4
Balance of payments and international reserves	5

III. POLITICAL SITUATION AND TRENDS

Historical summary	1
Structure and functioning of governmental system	3
Political dynamics	4
Security system	6

IV. SUBVERSION

Communist party and front groups	1
Insurgent movements and foreign support	2



25X1B

SECRET

No Foreign Dissem

VI. ARMED FORCES

Defense organization and manpower	1
Major weapons systems and logistics	1
Military budget	2

VII. FOREIGN RELATIONS

VIII. US INTERESTS

Defense commitments	1
Economic and technical assistance programs	1
US investments	2
Trade and trends	2

IX. CHRONOLOGY AND TABULAR DATA

MAP

SECRET

SECRET*No Foreign Dissem*

INTRODUCTION

El Salvador, the smallest, most densely populated mainland country in the Western Hemisphere, has been able to play a leading economic role in Central America because of a competent entrepreneurial class and a relatively rapid pace of industrial development. A high degree of internal political stability and a decade of free elections have aided economic development by providing a favorable climate for investment. Although government manipulation of election results in 1972 and a serious but unsuccessful military revolt that year marred a good record, these appear to be only temporary steps backward. The party that has governed the country since 1961 remains committed to a program of social and economic reform and has made exemplary use of US assistance.

Salvadoran society, nevertheless, is still characterized by economic extremes, with only a small middle class emerging between the wealthy few and the impoverished majority. The substandard living conditions of the majority, contrasted with the ostentatious display of wealth by a few, have for many years been a source of discontent exploitable by subversives. The disruptive efforts of the small and illegal Communist Party and its front groups, however, have been ineffective, partially because government security forces have been able to counter subversive activities, but largely because the government's reform program has made some progress on behalf of the lower income groups. For example, progress in public health—especially preventive medicine and environmental sanitation—has already reduced the infant mortality rate and lengthened life expectancy. Another factor lessening discontent is the fairly high degree of social mobility that has resulted from the homogeneity of the population. Since most Salvadorans are mestizo, Roman Catholic, and Spanish speaking, the class structure has developed along economic, rather than racial or religious, lines, thus facilitating the movement of families into the growing middle class as they improve their economic standing.

El Salvador's main foreign relations problem is with Honduras. The difficulties stem from undefined portions of their common border and from large-scale migration to Honduras of Salvadorans seeking employment. Frictions have twice erupted into military hostilities (1967 and 1969). The two belligerents have been attempting to settle their differences through negotiation since the fighting ended in 1969, and both sides are optimistic about the possibility of reaching a satisfactory settlement.

*No Foreign Dissem***SECRET**

SECRET
No Foreign Dissem

I. GEOGRAPHY

Location

El Salvador, which is centrally located on the Central American isthmus, fronts on the Pacific Ocean and has a coastline of 190 miles. It shares a 110-mile border with Guatemala and a 210-mile border with Honduras; portions of the latter are still in dispute.

Area

The smallest of the Central American republics, El Salvador has an area of 8,260 square miles—about the size of Massachusetts. It has an east-west dimension of 165 miles and measures 70 miles from north to south.

Climate

The climate is tropical with a dry season from November through April and a rainy season from May to October. The rainfall ranges from 60 to 80 inches a year, more than 90% of which occurs during the rainy season. Temperatures vary from 60 to 100 degrees F in the lowlands; mean daily maximums are generally in the 90s. At an elevation of about 3,000 feet temperatures are normally in the 80s with extremes of 50 degrees to above 90 degrees. Above 6,000 feet temperatures sometimes drop to near freezing. Earthquakes occur frequently and range from mild shocks to destructive tremors of considerable intensity and duration.

Topography

El Salvador is predominantly a rugged highland interspersed with many small upland plains and valleys; relatively wide lowland plains extend along the coast. Several mountain peaks exceed 6,000 feet, the highest being 9,200 feet. Numerous lakes and volcanoes dot the landscape.

Natural resources

Principally an agricultural nation, El Salvador raises a high percentage of its food crops, such as rice, beans, and sorghum, and exports coffee, cotton, and sugar. Forests cover only about 11% of the country; ocean resources are exploited, and shrimp has been the third most important export for over a decade. Small amounts of gold, silver, copper, lead, and

No Foreign Dissem
SECRET

~~SECRET~~

No Foreign Dissem

zinc are known to exist; nonmetallic mineral deposits, mostly limestone and marine salt, are commercially exploited.

Human resources

With a population of 3,664,000 in mid-1972, El Salvador has one of the highest densities in Latin America—443 persons per square mile. During the past two decades the birth rate has declined slightly, but a significant decline in the death rate, especially in infant deaths, as a result of improved public health programs and environmental sanitation has caused an average annual growth rate in excess of 3%.

The population growth and the large percentage of people in the younger, dependent age groups are becoming publicly recognized as drawbacks to development. Emigration to neighboring Honduras, for many years an escape valve, has not been possible since the 1969 hostilities and the strained relations that followed. El Salvador's family planning program, although still in its formative stage, is the most vigorous in Central America, and has begun to have some effect on the birth rate.

Approximately 32% of the population live in centers of 2,000 or more inhabitants. The only significant internal migration is from rural to urban areas; towns of 10,000 or more show population increases in excess of the national average. The labor force is about 1,126,000; only about 4.5% are organized.

El Salvador is basically a mestizo country, with some 84% to 88% of the inhabitants falling in this category. Between 6% and 8% are white, and about the same percentage are Indian. There are very few Negroes, and the Negro admixture in the mestizo group is so slight as to be negligible. Spanish, the official language, is spoken, or at least understood, by nearly all Salvadorans. Knowledge of English, French, and German is common among members of the upper and upper-middle class who travel frequently to the US and Europe.

No Foreign Dissem

~~SECRET~~

SECRET
No Foreign Dissem

II. ECONOMIC BACKGROUND

Growth rates and trends

El Salvador's Gross National Product (on a purchasing power parity basis) was \$1.79 billion in 1971, second only to Guatemala among the Central American republics; but its per capita GNP (\$490) is below the average of \$700 per capita for Latin America as a whole, and in Central America it leads only Honduras.

Since the boom years of 1962 to 1965 when growth rates averaged 6.8%, the economy has leveled off, as anticipated, to growth rates of 4% to 5% in the late 1960s. The conflict with Honduras in mid-1969 and the subsequent closing of the Honduran portion of the Pan American Highway to transit of Salvadoran goods dealt a heavy blow to the Salvadoran economy. Nevertheless, the country appears to have exceeded its modest pre-conflict growth rate of about 4%. This recovery, however, involved adjustments in traditional trade and investment patterns. With the loss of the Honduran market, imports and exports have shifted elsewhere. Private investors, whose inputs had peaked even before the conflict, are resuming their activity but with greater caution as they attempt to assess the future of the Central American Common Market and El Salvador's potential.

Income distribution

Income is poorly distributed. An upper class of less than 1% of the population constitutes an economic oligarchy; its members are quite wealthy by Central American standards, live lavishly, and travel frequently. The middle class—10% to 12% of the population—has an upper segment that is so well defined that it is frequently considered a separate class. Some members of the upper middle class have amassed fortunes approaching those of the upper class. Most families of the middle class, however, have annual incomes of \$2,000 to about \$10,000. Nearly 90% of the population has a family income below \$2,000 a year. About two thirds of the lower middle class live in rural areas; some of them are migratory day laborers earning as little as 40 cents per day.

Main sectors of the economy

Agriculture, the most important sector of the Salvadoran economy, accounted for about 27% of the GNP in 1971 and employed about 57% of

~~SECRET~~
No Foreign Dissem

the labor force. From 1962 to 1968 the agricultural sector grew at an average annual rate of 3.9%, consistently supplying over half of the exports (mostly coffee, cotton, and sugar) and a large portion of the raw materials for the industrial sector. Agriculture has continued to grow, and El Salvador is now almost self-sufficient in foods.

There are some large, relatively modern farms on which the three main export crops are produced. The bulk of the agricultural population, however, lives on small subsistence plots and produces food crops such as corn, sorghum, rice, and beans. These farmers are only marginally linked with the money economy and use primitive, labor-intensive farming methods.

The major constraint on the growth of agriculture is the lack of additional land; approximately 60% of the total land is devoted to crops and pastures, and this percentage has remained virtually unchanged for two decades. Mountainous terrain and a shortage of water have restricted the expansion of the farming area, but considerable increases in yields have been achieved by the use of fertilizer, giving El Salvador a 25% to 50% higher yield of most food crops than other Central American countries.

Although restrained by the thin natural resource base and a paucity of trained workers, manufacturing and construction industries have grown rapidly since World War II. Output from this sector grew at an average of almost 10% per year during the 1962-68 period and by 1970 accounted for 20% of the GNP. Most manufacturing concentrates on satisfying the domestic demand for non-durable consumer goods (mainly processed foods, textiles, and footwear) and providing semiprocessed agricultural commodities for export. Expansion has been facilitated by the development of electric power and transport facilities, government encouragement through industrial development laws, and the long-standing Salvadoran tradition of investing in domestic industries the wealth acquired from the agricultural sector. The construction industry has received its greatest stimulus since 1962 by a stepped-up government program to provide low-cost housing. The construction industry, furthermore, is a significant source of employment for unskilled peasants who migrate to urban areas.

The electric power industry has developed rapidly during the past 15 to 20 years; installed capacity in 1970 amounted to 172,000 kilowatts, approximately two thirds of which is contained in hydroelectric installations. An autonomous government agency owns nearly all of the installed capacity and all major transmission facilities. Production in 1970 amounted to 740 million kilowatt hours, or 220 kw-hr per capita. The industrial sector

~~SECRET~~
No Foreign Dissem

consumes nearly half of the power output, with the remainder divided about equally between residential, commercial, and public users.

Transportation and communications systems

The transportation system of El Salvador is generally adequate for the country's requirements; the telecommunication facilities, while incapable of meeting present demands, are improving as the modernization program progresses. The focal point for both is the capital city of San Salvador.

Highways are the most widely used means of transport in the country and are of major importance to the economy. An adequate network of roads connects the larger cities, producing areas, markets, and distribution points. With about 5,400 miles of roadway, El Salvador has .64 miles of road per square mile of area—high by Latin American standards. Major highways, including the Inter-American and littoral highways, are paved and well maintained.

Two rail systems, totaling 374 miles, provide long-haul transport of major commodities such as coffee, cotton, sugar, fertilizer, and petroleum products to larger domestic markets and ports.

There are four seaports, three of which are used as links to overseas markets; inland waterways, however, are of very little economic significance.

El Salvador's only scheduled airline, TACA, offers flights to eight countries. Another smaller line, AESA, operates nonscheduled cargo flights, primarily between El Salvador and Miami. El Salvador has one modern international airport that can accommodate jet aircraft and many smaller private airfields used mostly for crop-dusting and other small private planes.

A nationwide radio relay system is nearing completion, enabling the telephone to replace the telegraph as the major intercity means of telecommunication. Most families have a radio receiver, and AM broadcast service is good and widely distributed; FM, however, is confined to the capital and to Santa Ana, the second major city. Television sets have increased to 75,000, and there are now four TV channels.

Government economic policies and financial system

For over a decade Salvadoran economic policy has been directed toward raising the general standard of living through industrial development,

No Foreign Dissem

SECRET

No Foreign Dissem

agricultural diversification, financial stability, and a more equitable distribution of the national income. The mid-1969 hostilities and the influx of some 50,000 Salvadoran refugees from Honduras have sparked increased concern for economic and social development and for an expanded public sector investment program.

To accomplish its aims the government, especially since about 1965, has devoted considerable attention to developing over-all plans for the allocation of resources. The current plan sets out the broad objectives for the years 1968-72 and is supplemented by a series of two-year plans embodying short-term investment programs. Developing and maintaining the highway network have been important considerations in planning since the 1950s. In 1965 and 1966 public investment concentrated on expansion of hydroelectric and telephone facilities. The present plan emphasizes education, health services, and the provision of water and sewerage facilities, all areas in which there are still serious deficiencies.

For the most part the government does not attempt to influence directly the investment decisions of the private sector, although permissible credit expansion is channeled to those sectors that are assigned a high economic priority. Under the Industrial Incentive Law the manufacturing industry receives substantial fiscal benefits; the government has also made loans available to industry through the Salvadoran Institute of Industrial Development. Another credit institution, the Small Farmers' Welfare Administration, provides a similar service to the operators of small holdings.

The government's chief fiscal objective is to maximize public investment while keeping deficits within manageable limits. Changes in the tax laws have shifted the relative burden on tax sources. Export taxes and import duties, still the most important source of revenue, declined from 43% of the total in 1965 to 30% in 1972. Taxes on consumption, which formerly furnished 25% of the revenue, now provide 21.5%, and income taxes—both corporate and individual—now provide about 20% of receipts instead of 19% as in years past. The Salvadoran Government, as a general policy, avoids contracting external public indebtedness except for long-term development loans. The external debt is small in relation to the size of the economy and debt service payments run about 3% to 5% of the value of exports.

Foreign trade

During the 1960-1970 decade, exports amounted to an average of 22% of El Salvador's GNP, about average for Latin America countries. Since 1961

No Foreign Dissem
SECRET

SECRET
No Foreign Dissem

exports have grown rapidly and have become somewhat diversified. The outstanding development has been the rise in exports of manufactured goods, mainly within the Central American Common Market area (CACM). From 1961 through 1968 this type of export has risen at an average rate of 29% a year, from less than 11% of total exports in 1961 to 35% in 1968. Textiles and clothing accounted for about one third of manufactured exports, while chemical products made up 20% of this group. The traditional exports—coffee and cotton—which accounted for 75% of all exports in 1963, declined to only 52% of the total by 1968 and remained at about that percentage through 1972. Diversification within the agricultural export sector has also occurred as exports of shrimp, live cattle, rice, and sesame have increased.

Imports amounted to about 23% of GNP during the 1960s. Capital goods, especially industrial and construction machinery, were important imports; agricultural machinery imports, however, have declined since 1964. The value of imported fuels and lubricants fell appreciably from 1963 to 1965, leveling off thereafter at a relatively low level. The trend reflects the increase in local refining and a consequent shift from the importation of refined products to the cheaper crude oil.

Trade with other members of CACM increased at such a rate from 1965 to 1968 that by 1968 CACM was El Salvador's major trading partner, moving the United States into an approximate second-place tie with Western Europe. The hostilities with Honduras in mid-1969 and the consequent loss of the Honduran market and the closing of the Pan American highway were partially responsible for the approximately 6% drop in exports to CACM countries. In 1970 the US and CACM countries were tied as major suppliers of El Salvador's imports (29% each). CACM countries bought 30% of exports and the US 19%.

The volume of trade between El Salvador and Communist countries has never been large. Imports from the Soviet Union and Eastern Europe were negligible, and exports were mostly limited to surplus coffee.

Balance of payments and international reserves

The first half of the 1960s was characterized by strongly rising exports accompanied by a related increase in domestic activity and imports. Over the period there were regular deficits on goods and services but these were more than offset by capital inflows, and the net international reserves increased from year to year. In 1966 there was a marked deterioration in the balance

SECRET
No Foreign Dissem

of payments performance. Merchandise exports leveled off for the first time in several years, while imports increased further. As a result, the current account deficit rose from \$13 million in 1965 to \$41 million in 1966, and although capital receipts increased, the net international reserves were drawn down by \$11 million.

Since 1966 the over-all payments positions has shown more improvement. Merchandise exports recovered strongly in 1967, rising by 10% in that year and by a further 2% in 1968, and imports leveled off. As a result, the current account deficit was reduced to \$23 million in 1967 and to \$18 million in 1968. The over-all balance of payments was in approximate equilibrium by 1969.

Net international reserves more than tripled from 1961 to 1965, reaching a peak of \$51 million at the end of 1965. They declined to \$37 million at the end of 1967, but rose of \$42 million at the end of 1968—the equivalent of about ten weeks' imports. At the end of 1971 reserves stood at \$52 million.

No Foreign Dissem
SECRET

SECRET
No Foreign Dissem

III. POLITICAL SITUATION AND TRENDS

Historical summary

El Salvador obtained its independence from Spain in September 1821 and almost immediately became a part of the Mexican Empire. In June 1823 the Central American countries declared their independence from Mexico and formed a confederation called the United Provinces of Central America, a weak union that soon was plagued by bickering as the various members attempted to dominate the confederation. By the late 1830s the confederation had begun to dissolve, and in 1839 El Salvador declared itself an independent republic.

Throughout the 19th century and well into the 20th, El Salvador experienced periods of dictatorial rule interspersed with times of political instability when rival groups aided by supporters in neighboring countries vied for control of the government. Attempts by one or another Central American state to re-establish the confederation by force added significantly to the unrest. During most of the country's history, ultimate power rested with a small group of wealthy planters, closely allied with the military.

This pattern of control began to change in December 1948 when a group of young army officers ousted the discredited military dictatorship of General Salvador Castaneda Castro. Since then, younger, more progressive military officers and the urban middle class have gained strength. Promising to implement a program of social and economic reforms, one of the coup leaders, Major Oscar Osorio, was elected president in 1950 in a relatively free election. His government was only mildly reformist because Osorio and his followers had to maintain a delicate balance between the powerful forces committed to the status quo and the rising urban labor, professional, and intellectual groups demanding change.

Osorio's elected successor, Lt. Col. Jose Maria Lemus, a weak and vacillating president, was overthrown in a military coup in October 1960, and a six-man junta, half military and half civilian, was established. Communists and their sympathizers quickly gained influence in the government and in various political, labor, and student groups. Alarmed over the increasingly apparent Communist bid for power, army officers executed another coup on 25 January 1961. A Directorate, composed of two army officers and three civilians, assumed control of the government. It affirmed its strong anti-Communist orientation, promised early free elections, and

El Salvador

Oct 72

~~SECRET~~*No Foreign Dissem*

stated its firm intention of initiating a program of social and economic reform. Colonel Julio Adalberto Rivera, one of the two military members, soon emerged as leader. The elections for a Constituent Assembly that were held in December 1961 were widely described as the most honest in 30 years—if not in the entire history of El Salvador. The Constituent Assembly appointed a provisional president, retired the Directorate, and slightly revised the 1950 constitution. The new charter was published in January 1962. The Constituent Assembly then became a Legislative Assembly designated to serve until June 1964. Rivera's election to the presidency in April 1962 for a five-year term and his inauguration in July completed El Salvador's return to constitutional government.

Rivera was more successful than Osorio in promoting a program of social and economic reform, because he was able to gain the cooperation of some wealthy industrialists through business incentives. A minimum wage was established for farm workers, a labor code was enacted, tenement rents were reduced, the banking system was reorganized, and the tax structure was reformed. Educational and health facilities were expanded, and considerable attention was given to preventive medicine, especially country-wide vaccination campaigns and the expansion of potable water and sanitary facilities. During Rivera's tenure a system of proportional representation for legislative elections was established which, coupled with the freedom of the electoral process, encouraged opposition participation and fostered a constructive approach on the part of opposition representatives in the legislature.

The cabinet minister most responsible for encouraging Rivera to promote honest elections and for enforcing Rivera's decisions was the minister of interior, Fidel Sanchez Hernandez, who succeeded Rivera in the presidency in 1967. Sanchez, a less dynamic personality than Rivera, carried forward the basic programs initiated by his predecessor but at a slower, and at times hesitant, pace.

In electoral matters Sanchez did not live up to expectations; some fraud was evident in the 1970 legislative elections, and in 1972 the government resorted to ballot-juggling to give the official presidential candidate a plurality. In the legislative elections several opposition slates were disqualified on technicalities. Sanchez' successor, Colonel Arturo Molina, was inaugurated on 1 July 1972, backstopped by a large legislative majority. But he inherited a legacy of considerable ill-will and disillusionment on the part of the opposition, and the preinaugural period was marred by an unsuccessful revolt by part of the military. Molina will have the difficult task of repairing this damage and rebuilding confidence in the electoral process.

~~SECRET~~

SECRET
No Foreign Dissem

Structure and functioning of governmental system

The Salvadoran Government is composed of three branches—executive, legislative, and judicial. Specific powers are delegated to each within a system of checks and balances. In practice, the executive—as in most Latin American countries—is dominant; since the early 1960s, however, the legislature has shown a strength exceeded in Central America only by Costa Rica.

The executive power is exercised by the president and the ministers of state. The president and the vice president are elected by an absolute majority of the direct popular vote for a term of five years. The president may not immediately succeed himself for any reason. His fairly broad powers derive from four major constitutional functions: commander in chief of the armed forces, the conduct of foreign affairs, internal administration and security, and maintenance of the sovereignty and integrity of the republic. He is assisted by 11 ministers of state, each of whom heads one of the governmental departments under the executive branch.

The Salvadoran Legislative Assembly is relatively strong and mature. Since 1964 it has had sizable representations from minority parties, which have generally acted as a constructive opposition. The legislature is unicameral and consists of 52 deputies elected for two-year terms by a system of proportional representation. There is no limit placed on the number of times legislators may be re-elected. In addition to the normal legislative functions, the Assembly has several important appointive powers (Magistrates of the Supreme Court, Courts of Second Instance, and the Court of Accounts) and a considerable voice in authorizing the contracting of loans.

At the summit of the judicial branch is the Supreme Court, which consists of ten magistrates appointed by the Legislative Assembly for terms of three years. They may be reappointed, the appointment becoming life tenure if named for a third successive term. Judicial procedures are similar to those of continental Europe in that cases are generally presented in written form, similar to depositions, rather than argued orally. The legal system is based on code law and depends very little on judicial precedent. Trial by jury is authorized for some criminal cases, but has not proved successful because of the lack of understanding of most jury members of their responsibilities and duties. The courts are generally conscientious in the dispensation of justice, but their effectiveness is limited by understaffing, a large volume of paper work, and antiquated legal codes.

SECRET
No Foreign Dissem

The country is divided administratively into 14 departments, each of which has a governor appointed by and solely responsible to the president. There are no legislative bodies on the departmental level. Each department is divided into municipalities which have Municipal Councils that are elected every two years by popular vote.

Political dynamics

The major political forces in El Salvador are the "14 families," the military, and the political parties. The "14 families" and the military have controlled Salvadoran governments for well over a century. Political parties have existed since independence, but until recently most have been no more than personal followings of individuals. Only since about 1960 have parties begun to acquire an ideological base and existence of their own apart from the popularity of their leaders, and thus to emerge as a political force in their own right.

The group that controls most of the wealth of the country, although generally called the "14 families," probably numbers closer to 100 families. This economic and social elite has consolidated its position over many generations through intermarriage and business connections and has consistently influenced, if not dictated, government policy. The most prominent elite families are Alvarez, Duenas, DeSola, Garcia Prieto, Guirola, Hill, Meza Ayau, Melendez, Melendez Castro, Quinonez, Regalado, and Sol. In addition to extensive agricultural holdings in coffee, cotton, sugar, and cattle, these families control nearly every banking, investment, savings, and insurance institution in the country, as well as much of the manufacturing. Even though governmental emphasis has been on social reform and welfare services since 1961, the elite families have retained considerable power because their contribution to the economic development of the country has been needed to support the government's proposed reforms.

Most of the changes of power in El Salvador's history have been assisted, if not instigated, by the military. In the past, the wealthy, conservative upper class was able to purchase military support by offering social position or financial reward to military men, most of whom were from humble backgrounds. Through the years, however, the military has become less susceptible to control by the economic oligarchy, and a professional officer corps has developed as a source of power apart from any connection with the upper class. The officer corps has done this by establishing tight control over the entire military and police establishment and using force or the threat of force as a weapon. Because of their middle and lower class

SECRET
No Foreign Dissem

origins, Salvadoran military personnel have been more inclined to favor social reform than military men in most other Latin American countries. There is, however, a conservative element in the military that opposes most reforms, and the military in general has a tendency to distrust civilian politicians, especially the Christian Democrats. The reformist nature of the government is, therefore, carefully controlled not only by the oligarchy but also by the military.

There are six legally registered political parties, the largest of which is the governing National Conciliation Party (PCN), a middle-road party favoring social reform. The second largest, the Christian Democratic Party (PDC), is also reformist but left of center. Although the PDC has performed as a constructive opposition since 1964, many members of the military and the oligarchy still distrust it, and its future depends largely upon the degree of success these two power centers allow it. There are four small parties—the rightist Independent Democratic United Front (FUDI), the conservative Salvadoran Popular Party (PPS), the leftist National Revolutionary Movement (MNR), and the Communist-front National Democratic Union Party (PUDN). The Communist party is illegal.

In preparation for the 1972 elections, the PDC, MNR, and PUDN formed a coalition called the National Opposition Union (UNO), uniting for the first time the leftist opponents of the governing PCN. Some of the PCN's conservative support, furthermore, was syphoned off by the emergence of FUDI. Despite an energetic campaign, the PCN's presidential candidate, Colonel Arturo Molina, was viewed with little enthusiasm, even by some fellow officers and members of his own party. The UNO candidate, Christian Democrat Jose Napoleon Duarte, with considerable strength around the capital city where he had served three terms as mayor, made the February presidential race a close one. Many, in fact, believe that, in spite of official figures, Duarte actually polled more votes than Molina. Neither, however, won the required majority, and the legislature decided in favor of Molina.

The government, apparently alarmed, disqualified opposition slates from several departments on technicalities prior to the March legislative elections. As a result, the PCN emerged with 39 of the 52 seats in the Legislative Assembly, leaving the UNO with eight, the PPS with four, and the FUDI with one. Opposition parties, especially the PDC, now feel that the government will practice electoral fairness only as long as the opposition represents no real threat.

The government, for its part, felt the composition of the UNO necessitated assuring a PCN victory. The government's two main pillars of support,

SECRET
No Foreign Dissem

the military and the oligarchy, little more than a decade ago had looked on parties of the democratic left as Communism in disguise. This view had changed gradually, and the left-of-center parties had gained a degree of respectability. But the inclusion of the Communist-front PUDN in the UNO coalition destroyed much that had been accomplished.

Taking advantage of the mutual disillusionment among political forces, a group of dissatisfied military officers attempted a coup on 25 March 1972, fashioning an ideological facade from the disputed elections. The rebels gained an early psychological advantage by capturing (former) president Sanchez, but by the end of the day the coup had failed, leaving over 100 dead and 200 injured. Most of the leaders managed to claim asylum in an embassy and go into exile. Among those exiled was Duarte who, against the advice of other PDC leaders, broadcast his endorsement of the revolt.

The encouraging progress toward political democracy made during the decade of the 1960s received a setback, and President Molina will have the difficult task of restoring confidence in the electoral process and resolving differences within the military. El Salvador's respect for democratic principles is not deep-rooted; throughout most of its history governments have been changed more frequently by force than by ballots, and there have been the usual electoral abuses found in most other Latin American countries. This year's elections indicate that Salvadoran governments are not yet prepared to place their fate in the hands of the electorate.

The right and duty to vote is extended to all citizens 18 years of age and over; all voting is direct, secret, equal, and for a party slate rather than for individuals. The three-member Central Electoral Council supervises all matters pertaining to elections.

Security system

Law enforcement and internal security responsibilities are distributed among the National Police, the National Guard, the Treasury Police, the Immigration Service, and the Customs Police—with part-time assistance of a group called the Territorial Services and, unofficially, from the National Democratic Organization (ORDEN).

These agencies are, for the most part, staffed by civilians with key command positions held by army officers. The public security forces could probably control disorders limited to a single geographic area, but would require assistance from the army in quelling widespread rioting. Both the National

25X1C

~~SECRET~~
No Foreign Dissem

Police and the National Guard have been trained by USAID in crowd control. The National Guard has a military strike capability superior to that of the army, as demonstrated in mid-1969 against Honduras.

The main police organization is the National Police, which has responsibility for urban law enforcement as well as nationwide authority for criminal investigation and traffic control. Its total strength is approximately 2,000. Within the National Police is the Department of Investigations, which has a Technical Section providing laboratory support to about 100 members of the Detective Section. [REDACTED]

25X1C

25X1C

The 1,400-man National Guard has the dual function of maintaining law and order in rural areas and of acting as a military reserve in times of emergency. National Guardsmen served effectively during the hostilities with Honduras in 1969. One unit of the Guard, the Presidential Palace Guard, is responsible for the physical security of the Presidential Palace.

Other security forces are smaller and more specialized in their functions. The Treasury Police, numbering approximately 700, are charged with prevention of smuggling, detection of tax evasion, and control of manufacture, sale, and import of alcoholic beverages. The Immigration Service, about 350 persons, controls immigration and tourism; and the Customs Police, about 250, collect import and export duties.

About 35,000 civilian volunteers belong to a very loosely organized group called the Territorial Services. Each volunteer devotes several hours a week to maintaining order in his immediate area. The Territorial Services also assist with disaster relief, prevention of smuggling, and prevention of subversion. Except for the patrol leaders, who may have pistols, the volunteers are armed only with machetes. They are empowered to make arrests but must turn their prisoners over to the National Police or the National Guard.

25X1C

25X1C

Approved For Release 2001/07/30 : CIA-RDP79-00891A001300010001-8

Approved For Release 2001/07/30 : CIA-RDP79-00891A001300010001-8

SECRET
No Foreign Dissem

IV. SUBVERSION

Communist party and front groups

The Communist Party of El Salvador (PCES) is estimated to have about 200 active members, perhaps 500 nominal members, and up to 5,000 sympathizers. About half the party members, most of the activists within the front groups, and the majority of sympathizers are in the San Salvador area. The PCES has from time to time cooperated with other political parties on specific issues, but has had little influence within the political spectrum. There are no known Communists in high government positions, and the PCES has no leaders who have been rewarded with important positions in the international Communist movement.

Although the PCES is relatively weak and inactive—and has been illegal for all but a few months since its creation in 1925—it was one of the first Communist parties in Latin America to attempt an armed revolution. The unsuccessful uprising, which took place in 1932, cost thousands of lives. It was crushed, destroying the party, its front groups, and the labor movement. The Communists cautiously began to reorganize the party in 1936; their efforts were most effective during World War II, when they were allowed to operate fairly openly. The party's strength and influence have fluctuated since that time, but most governments have suppressed Communist activity. On 8 March 1970, for instance, when a Communist running on the National Democratic Union Party (PUDN) ticket won a mayoralty election, the election was nullified. Despite such restrictions, the party has shown remarkable powers of recuperation and has been quick to use every opportunity to spread its influence. In 1972 the PCES, having gained control of the PUDN, allied that party with the PDC and the MNR in an electoral coalition called the National Opposition Union (UNO). The coalition survived the election only on paper, as the two non-Communist members considered the Communist-front PUDN an uncooperative teammate. Alliance with the PUDN also caused a resurgence of conservative distrust of the two parties of the democratic left.

Until security forces occupied the campus in July 1972 and exiled a number of subversives, the greatest success of the PCES had been at the University of El Salvador. The student front through which it seeks to control the General Association of Salvadoran University Students (AGEUS) is the University Action Front (FAU), which has affiliated organizations in each faculty. Although FAU members are only a small portion of

El Salvador

Oct 72

~~SECRET~~
No Foreign Dissem

the total university enrollment, political apathy within the student body made it possible for the FAU to control the AGEUS for a number of years. In addition, the faculty was heavily infiltrated with PCES members and sympathizers.

Communist influence within organized labor is exercised mostly through two federations: the Salvadoran Trade Union Unity Federation (FUSS) and the Federation of Unions of Workers in Food, Clothing, Textiles, and Similar Industries of El Salvador (FESTIAVTSCES). Thirty-seven of the 116 trade unions and about a fourth of all organized workers are affiliated with these two organizations. Not all of the 37 unions, however, are Communist-controlled. The Communist federations have had little impact in labor affairs during the past few years, and their leadership is largely discredited. An increase of from 8 to 14 full-time paid activists, however, indicates that there is no shortage of funds. There is also some Communist influence in the most powerful teacher's union, the National Association of Salvadoran Educators (ANDES), although ANDES is not Communist-dominated.

Insurgent movements and foreign support

The only insurgent group is the Salvadoran Revolutionary Action (ARS), a Cuban-oriented clandestine organization. It is very small—probably not more than 50 members—and, since its formation in early 1968, has done little beyond unsuccessfully attempting two or three bank robberies. During 1969, ARS received some small amount of foreign assistance, probably from Guatemala through the Rebel Armed Forces (FAR) rather than directly from Cuba.

Since 1960 about 150 Salvadorans have traveled to the USSR and Eastern European countries, most of them for four or five years of higher education. About 180 have visited Cuba—47 for training in guerrilla warfare—and four have traveled to Communist China. Most of these grantees have had little to do with the PCES on their return, because the party leadership is unwilling to allow them any significant influence, and because the returnees feel intellectually superior to the older leaders of the PCES.

No Foreign Dissem

25X6

Approved For Release 2001/07/30 : CIA-RDP79-00891A001300010001-8

Next 4 Page(s) In Document Exempt

Approved For Release 2001/07/30 : CIA-RDP79-00891A001300010001-8

~~SECRET~~
No Foreign Dissem

VI. ARMED FORCES

Defense organization and manpower

Control of the armed forces runs downward from the president through the minister of defense to the Armed Forces General Staff, which is the planning and coordinating body for the armed forces as well as the unit through which operational control is exercised. The top level advisory body for military and security matters is the Group of Nine, which resembles the US National Security Council. The Group of Nine is composed of the president, the minister of defense, the subsecretary of defense, the minister of interior, the director general of the National Guard, the president of the National Telecommunications Agency, and the chief of the National Agency for Special Services, who is also the chief of the Presidential Military Staff.

The armed forces consist of an army, a coast guard type of navy, and a small air force. The army has 6,100 men, organized into four infantry battalions, one artillery group, one cavalry squadron, one airborne infantry company, one signal support company, one engineer support company, and one medical company. The navy, concerned mostly with anti-smuggling activities, has 155 men, and the air force has 185, including 36 pilots. All male citizens between ages 18 and 40 must perform one year of military service. Since most of the recruits are from the rural lower class and have only one or two years of schooling, their training must include literacy and vocational education as well as military skills. There are generally enough volunteers to meet the needs of the Salvadoran military.

The army has only a limited capability to perform its mission of internal security and defense against external attack. It could not successfully counter an extensive and prolonged insurgency threat or defend the country against a modern force of equal size. During the hostilities with Honduras in mid-1969, the army made a very poor showing compared to the better trained units of the National Guard.

Major weapons systems and logistics

The inefficient logistics system of the armed forces is one of the more serious limitations on the country's military capabilities. With the exception of MAP-supported units, the logistics system suffers from an overcentralized funding system combined with a loosely organized procurement system based on short-term, usually local, purchase, with little or no standardization

No Foreign Dissem

SECRET

No Foreign Dissem

of equipment. Transportation and communications are inadequate. Major weapons systems are limited to four B-26 bombers, nine F51 Mustang fighters, and four F4U Corsair fighters.

Military budget

The military budget for the armed forces in 1972 is \$8.7 million—about 6% of the national budget. The public security forces generally receive an additional 4%. Military and public security funds usually amount to slightly over 1% of GNP.

SECRET

~~SECRET~~
No Foreign Dissem

VII. FOREIGN RELATIONS

El Salvador is intimately concerned with other Central American countries and with their mutual relationship within the Organization of Central American States (ODECA) and the Central American Common Market (CACM). The countries bordering on the Caribbean, especially the United States and Cuba, are also of major concern. Other countries of Latin America, the OAS, the UN, Western Europe, Japan, and the USSR affect Salvadoran foreign policy in descending degree of influence. To Salvadorans the remainder of the world is too remote to be of much interest.

El Salvador has historically been an advocate of Central American unity. Both the 1950 and 1962 constitutions authorize the executive, with legislative approval, to reunite El Salvador with other former members of the Central American federation—provided the proposed state is based on democratic principles and respects individual rights. El Salvador is an active member of ODECA, which has its headquarters in San Salvador, and of subsidiary bodies of ODECA, such as the CACM and the Central American Defense Council (CONDECA). El Salvador aspires to leadership among the Central American states and for many years has shown the largest volume of trade within the CACM. Because of its own overcrowded area, El Salvador is an enthusiastic promoter of freedom of travel throughout Central America. It is basic to Salvadoran foreign policy to act in concert with other Central American states whenever possible and to support in principle any claim on the part of another Central American state if it is not in conflict with a Salvadoran interest. For example, El Salvador has given support, as a matter of Central American unity, to the Guatemalan claim to British Honduras.

Relations between the United States and El Salvador are excellent. Whenever Salvadoran interests have not been in conflict with US policy, the country has followed the United States as principal spokesman for the free world. El Salvador broke diplomatic relations with Cuba on 1 March 1961, the seventh Latin American country to do so, and supported the United States during the Cuban missile crisis of October 1962. It has backed the United States in other hemispheric and world problems, frequently consulting Washington in advance for guidance. The United States has assisted El Salvador with loans, grants, technical assistance, and emergency relief and is El Salvador's principal source of aid; aid from international agencies, including those of the UN, ranks far behind. El Salvador has a good record of repayment, and the Salvadorans are proud of this record.

El Salvador

Oct 72

SECRET

No Foreign Dissem

El Salvador's major foreign relations problems have been with neighboring Honduras. The dispute centers on an undefined portion of their common border and the alleged mistreatment of a large number of Salvadorans who have migrated to Honduras. The border dispute led to armed clashes in mid-1967, during which the Salvadoran armed forces made a very poor showing. Over the next two years El Salvador attempted to improve its military capability and, in mid-1969, alleging that Honduras was mistreating Salvadorans resident in Honduras, initiated armed action against Honduras. (The spark igniting the hostilities was El Salvador's loss of a soccer match to the visiting Honduran team, following which a number of Honduran players and spectators were subjected to various forms of violence. When news of this reached Honduras, rioting broke out, resulting in considerable damage to Salvadoran business establishments in Honduras. It was then that El Salvador announced that it would use force to protect the lives and property of its citizens living in Honduras.) Salvadorans have been the object of some rather mild forms of discrimination by Hondurans, mostly because of envy of the accomplishments of Salvadoran immigrants and concern over their growing numbers. Sparsely populated and largely unsettled, Honduras has for generations been attractive to Salvadorans unable to find employment or obtain land in their own densely populated country. They have migrated to Honduras by the hundreds each year, and by mid-1960 there were between 100,000 and 300,000 Salvadorans living in Honduras. About 65,000 of these returned to El Salvador after the outbreak of hostilities in 1969. The OAS has managed to maintain a cease-fire, but the rupture in diplomatic relations has severely weakened the Central American Common Market. Chances for a settlement during 1973, however, are favorable.

El Salvador generally enjoys good relations with other American republics, but it has received no significant aid from any of them except for a few scholarships in education donated by Chile and a prefabricated health center donated by Mexico.

El Salvador is an active participant in the OAS and, in general, feels that this organization, rather than the UN, is the proper forum in which to resolve conflicts among the American states.

Relations with Western European countries and Japan are of importance mostly from the standpoint of trade. El Salvador, like other Latin American countries, feels a strong cultural bond with Spain.

The USSR is of concern to El Salvador because of the potential Soviet-sponsored subversion that could be directed through Cuba. El Sal-

SECRET

SECRET

No Foreign Dissem

vador, however, has no relations of any type with the USSR or any Communist country, including Yugoslavia. El Salvador recognized the USSR in April 1945, but representation was never established, and no government since that time has acknowledged or reaffirmed the initial recognition. Soviet bloc countries have offered aid to El Salvador, but none of the offers has been accepted. Trade with bloc countries amounts to very little; El Salvador imports practically nothing from the bloc and sends it only six percent of its total exports.

No Foreign Dissem

SECRET

SECRET

No Foreign Dissem

VIII. US INTERESTS

Defense commitments

El Salvador is an original signer of the Rio de Janeiro Pact of 1947, the inter-American treaty of reciprocal military assistance in cases of aggression.

To assist El Salvador in attaining a capability to maintain internal stability, the United States has had a bilateral military assistance agreement with El Salvador since 1955. Military assistance during the years 1960-69 amounted to \$6.1 million. Training and equipment assistance under the Military Assistance Program (MAP) was suspended in 1969 because of the hostilities with Honduras and the US desire to remain neutral; a limited amount of assistance to both countries was resumed in February 1970.

US training and influence have been directly responsible for the upgrading and reorganization of the Salvadoran Armed Forces. In 1965, with US assistance, the armed forces began a major reorganization to produce a less cumbersome command structure. Training courses at the Salvadoran Military Academy and the Salvadoran Command and General Staff School have improved. The former, founded in 1868, has been significantly influenced by the United States since 1941 and is now modeled after the US Military Academy. The Command and General Staff School is well respected within the Central American area and regularly receives students from neighboring countries, as well as from Mexico.

US efforts to persuade the armed forces to lower their sights with respect to military purchases have been unsuccessful. The Salvadorans have stated that if the US is unwilling to sell them what they judge to be a minimum equipment package they will not hesitate to look elsewhere for the needed items.

Economic and technical assistance programs

During the years 1946-70, US aid to El Salvador totaled \$141.6 million: \$86.5 million in loans and \$55.1 million in grants. From 1953 to 1961 US assistance amounted to only about \$1 million a year and was mostly in the form of loans for the development of transportation and communications facilities. With the coming to power in 1961 of a government committed to Alliance for Progress type reforms, US assistance has been substantially increased and has been directed mostly toward improvements in public health, education, tax collection and other administrative reforms, low- and middle-income housing, and public safety.

El Salvador

Oct 72

SECRET

SECRET

No Foreign Dissem

US investments

Direct private investments in El Salvador amount to almost \$90 million and are concentrated in the manufacturing and petroleum industries. Neither US nor any other foreign country dominates the Salvadoran economy, as most of the investment in the country comes from domestic sources. In 1970, total investments amounted to about 12% of the GNP.

Trade and trends

The United States has always been one of El Salvador's major trading partners, although the US share of El Salvador's trade has not been as high as that in several other Latin American countries. Around 1967 the United States was replaced by the CACM area as El Salvador's chief trading partner. This, however, represented an expansion of trade with CACM countries rather than a reduction of trade with the United States. Trade with Western Europe has also increased during recent years, making that area the third most important trading partner. In this area West Germany is the largest customer for Salvadoran exports, but supplies only a small percentage of its imports.

SECRET

SECRET

No Foreign Dissem

IX. CHRONOLOGY AND TABULAR DATA

Chronology of Key Events

- | | |
|------|--|
| 1944 | (8 May) Resignation and exile of Maximiliano Hernandez Martinez, dictator since 1932. |
| 1945 | (1 March) General Salvador Castaneda Castro inaugurated as president.

(29 November) Liberal Constitution of 1886 reinstated. |
| 1948 | (13 December) Castaneda ousted by coup; Major Oscar Osorio emerges as head of ruling revolutionary council. |
| 1950 | (26 March) Major Osorio wins presidency in apparently free elections.

(14 September) New constitution promulgated. |
| 1952 | (17 December) Communist party banned. |
| 1956 | (4 March) Lt. Col. Jose Maria Lemus, candidate of the administration Revolutionary Party of Democratic Unification, elected president. |
| 1960 | (24 April) Ruling party wins all seats in legislative elections.

(26 October) Lemus ousted by military coup, interim junta promises free elections in 1962.

(3 December) US recognizes civilian military junta.

(8 December) Communist-front party (PRAM) legalized by Supreme Court. |
| 1961 | (25 January) Six-man military-civilian junta of pro-Communist tendencies ousted by anti-Communist military coup; new government promises land reform. |

El Salvador

Oct 72

SECRET

SECRET
No Foreign Dissem

- (15 February) US recognizes new government.
- (1 March) El Salvador severs relations with Cuba.
- (17 December) National Conciliation Party (PCN) of Col. Julio Adalberto Rivera wins all 54 seats in Constituent Assembly elections.
- 1962 (8 January) New Constitution promulgated by Constituent Assembly; presidential term reduced from 6 to 5 years and re-elections barred; also provides for a 52-member unicameral congress elected for 2-year term.
- (4 January) Constituent Assembly elects Eusebio Rodolfo Cordon provisional president until 1 July 1962.
- (29 April) Julio A. Rivera elected president without opposition.
- (1 July) Rivera inaugurated for 5-year term.
- (24 October) El Salvador supports OAS vote to authorize use of armed forces to enforce quarantine of Cuba.
- 1964 (8 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 (13 March) Opposition parties win 21 of the 52 legislative seats; government policy of holding honest elections continues.
- 1967 (5 March) Col. Fidel Sanchez of National Conciliation Party elected president in an honest election. No legislative or municipal seats filled this year.
- (29 May) Salvadoran and Honduran troops clash in undefined border area.
- 1968 (10 March) Opposition wins 25 of 52 legislative seats.

SECRET

SECRET
No Foreign Dissem

- (8 July) El Salvador and Honduras finally exchange prisoners captured during the 1967 border clash.
- 1969 (26 June) El Salvador and Honduras break relations over mistreatment of one another's nationals.
- (14 July) Hostilities erupt. OAS with great difficulty obtains cease-fire.
- 1970 (8 March) Governing party, the National Conciliation Party, wins 34 of the 52 seats in the legislature.
- 1972 (20 February) Col. Arturo Molina, candidate for governing National Conciliation Party, elected president.
- (12 March) National Conciliation Party wins 39 of the 52 seats in legislature. Harassment of opposition more evident than in recent past.
- (25 March) Government thwarts coup attempt; leaders exiled.
- (1 July) Molina inaugurated president for a 5-year term.

No Foreign Dissem

SECRET

SECRET
No Foreign Dissem

Tabular Data

Holidays and Significant Dates

1 January	New Year's 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 (1821)
12 October	The Day of the Race (Columbus Day)
2 November	All Souls' Day
5 November	Anniversary of the First Declaration of Independence (1820)
25 December	Christmas Day

Selected Factual Data

LAND

8,260 sq. mi.; 32% cropland, 26% meadows and pastures, 31% non-agricultural, 11% forested

Limits of territorial waters: 200 n.m.

PEOPLE

Population: 3,664,000 (1 July 1972); males 15-49, 845,000; 520,000 fit for military service; 36,000 reach military age (18) annually

Ethnic divisions: 84-88% mestizo; Indian and white, 6-8% each

Religion: 97-98% Roman Catholic

Language: Spanish

Literacy: 50% of population 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: 1.126 million (est. mid 1972); 57% agriculture, 14% services, 14% manufacturing, 6% commerce, 9% other; large pool of unskilled labor and shortage of skilled labor, but manpower training program effecting improvements.

Organized labor: 4.5% of total labor force; 8% of nonagricultural labor force

SECRET

No Foreign Dissem

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

GOVERNMENT

Legal name: Republic of El Salvador

Capital: San Salvador

Political subdivisions: 14 departments

Type: representative republic

Legal system: based on Spanish law, with traces of common law; constitution adopted 1962; judicial review of legislative acts in the Supreme Court; legal education at University of El Salvador; accepts compulsory ICJ jurisdiction, with reservations

Branches: traditionally dominant executive, unicameral legislature which is unusually independent for Central America, Supreme Court, President appoints cabinet

Government leader: President Arturo Armando Molina

Suffrage: universal over age 18

Elections: legislative and municipal elections every 2 yrs; presidential elections every 5 years

Next elections: legislative and municipal, March 1974; presidential March 1977

Congress normally convenes on 1 June and 1 December each year; length of session not specified in constitution

Principal political parties and leaders:

National Conciliation Party (PCN), governing party, advocates social and economic reform, is pro-Western and anti-Castro; leaders are President Arturo Armando Molina, Fidel Sanchez Hernandez, Enrique Mayorga Rivas;

Christian Democratic Party (PDC), major opposition party similar in ideology to other Latin American Christian Democratic parties; leaders are Jose Napoleon Duarte, Abraham Rodriguez, Carlos Herrera Rebollo, Pablo Mauricio Alverque, Roberto Lara Velado;

National Democratic Union Party (PUDN), a Communist-front party; leaders are Francisco Roberto Lima, Julio Ernesto Contreras, Julio Castro Belloso;

Salvadoran Popular Party (PPS), a rightist party; leaders are Benjamin Wilfredo Navarrete, Rafael Antonio Carbello, Jose Antonio Guzman

National Revolutionary Movement (MNR), leftist; leader, Guillermo Manuel Ungo

Independent Democratic United Front (FUDI), ultra-conservative led by General Jose Alberto Medrano and Raul Salaverria

Revolutionary Party (PR), Communist-front party, not legally recognized; leaders are Jorge Shafick Handal, Fabio Castillo Figureoa, Julio Ernesto Contreras

SECRET

SECRET

No Foreign Dissem

Communist Party of El Salvador (PCES), illegal; leader is Jorge Shafick Handal

Voting strength: February 1972 presidential election, PCN 43.4%, PDC, PUDN, and MNR coalition 42.1%, FUDI 12.3%, PPS 2.2%; March 1972 legislative election, PCN 39 seats, PDC, PUDN, MNR coalition, 8 seats; PPS 4 seats, FUDI 1 seat

Number of registered voters in 1972: 1,119,000

Abstention (1972): About 31% of registered voters

Significant exclusions from voting: none

Extent of fraud: Some voter coercion and harassment of opposition; some vote juggling; not as fairly conducted as elections of 1964, 1966, and 1968

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

ECONOMY

GDP: \$1.79 billion (purchasing power parity estimate), 1971, \$490 per capita; 79% private consumption, 9% government consumption, 12% domestic investment (1970); real growth rate, 1970, 4.5%

Agriculture: main crops—coffee, cotton, corn, sugar, rice, beans; caloric intake, 1,800 calories per day per capita (1969)

Major industries: food processing, textiles, clothing, petroleum products

Electric power: 172,000 kw capacity (1970 est.); 740 million kw-hr produced (1970), 220 kw-hr per capita

Exports: \$228.4 million (f.o.b., 1971); coffee, cotton, sugar, chemicals, other manufactures

Imports: \$249.2 million (c.i.f., 1971); machinery, automotive vehicles, petroleum, foodstuffs

Principal trading partners: exports—CACM 30%, US 19%, West Germany 27%; imports—CACM 29%, US 29%, West Germany 8% (1970)

Aid:

Economic—extensions from US (FY46-70), \$86.5 million loans, \$55.1 million grants; from international organizations (FY49-70), \$99.0 million

Military—assistance from US (FY53-70), \$6.6 million

Monetary conversion rate: 2.5 colones = US\$1 (official)

Fiscal year: calendar year

COMMUNICATIONS

Railroads: 374 mi. all narrow gage; 284 mi. privately owned, 90 mi. government owned

SECRET

SECRET
No Foreign Dissem

Highways: 5,400 mi.; 750 mi. bituminous, 950 mi. gravel or crushed stone, 3,700 earth

Inland waterways: Lempa River partially navigable

Ports: 3 major, 1 minor

Civil air: 8 major transport aircraft

Airfields: 141 total, 111 usable; 3 with permanent-surface runways 4,000-7,999 ft; 1 seaplane station

Telecommunications: nationwide radio relay system completed; extensive local telephone exchange improvements completed; 39,000 telephones; 460,000 radio and 75,000 TV receivers, 58 AM, 9 FM, and 4 TV stations

DEFENSE FORCES

Personnel: army 6,100, navy 155, air force 185 (36 pilots)

Major ground units: 3 infantry brigades (2 with one infantry battalion each and 1 with two infantry battalions), 1 artillery brigade, 1 cavalry battalion, 1 airborne infantry company, 1 signal support company, 1 engineer support company, and 1 medical company

Ships: 4 patrol craft

Aircraft: 33 prop, 1 helicopter

Supply: traditional dependence on US has for the time being shifted to Western Europe

Military budget: for fiscal year ending 31 December 1972, \$8.7 million; about 6% of total budget (does not include public security forces).

25X1C

National Intelligence Survey (NIS) Material

The following sections of the NIS are relevant:

NIS Area 74 (El Salvador)

General Survey (Jan 1972) and the following specialized sections:

Sec 2I Military Geographic Regions (Mar 60)

Sec 23S Meteorological Organizations and Facilities (Jun 68)

El Salvador

IX - 7

Oct 72

SECRET

No Foreign Dissem

Sec 24 Topography (Jan 60)
Sec 25 Urban Areas (Jul 59)
Sec 41-46 (Ch. IV) Sociological (Aug 61)
Sec 57 Subversion and Insurgency (Mar 69)
Sec 64 Manufacturing and Construction (Apr 60)
Gazetteer (Oct 56)

NIS Areas 71-77 (Central America)

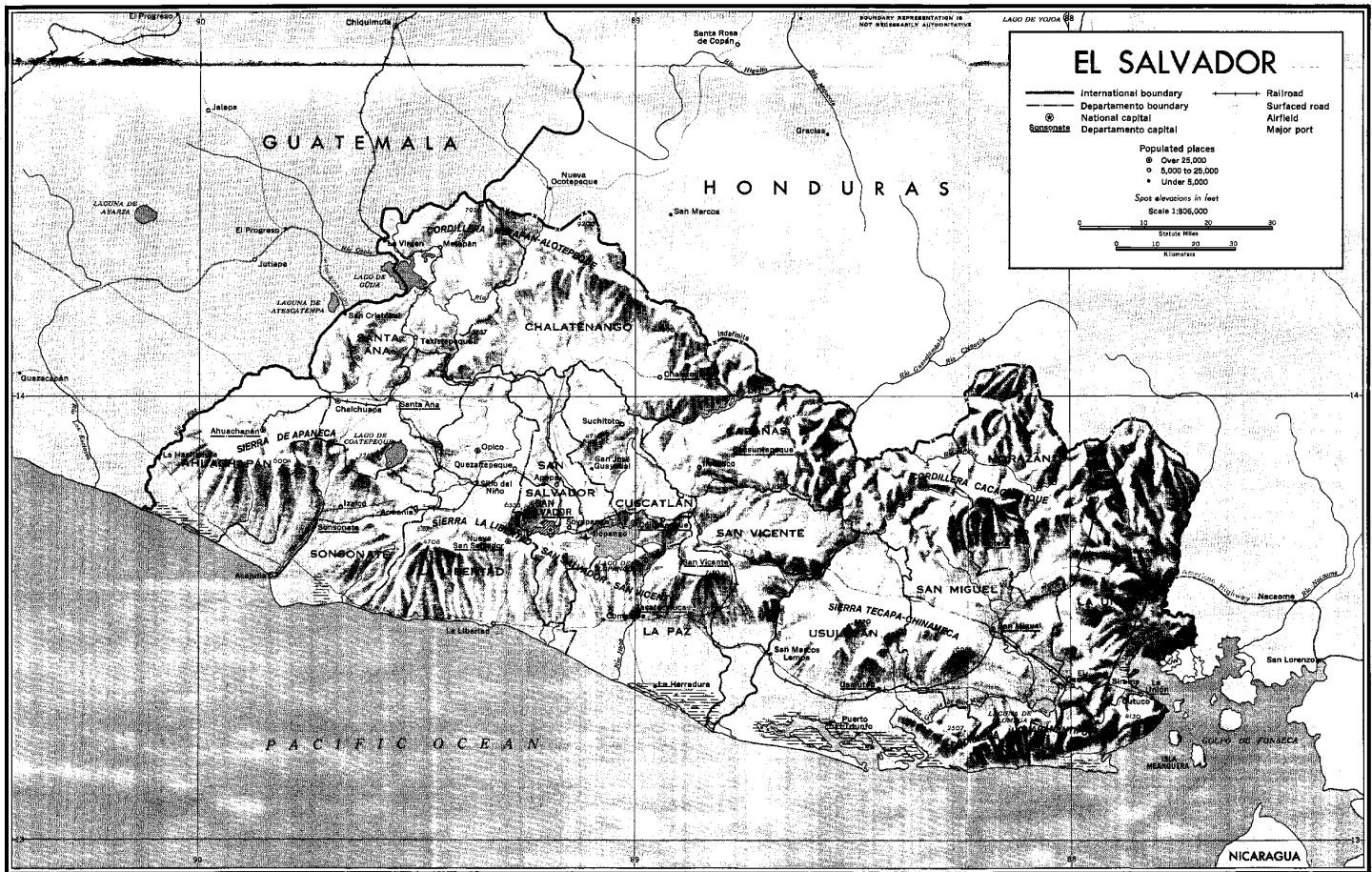
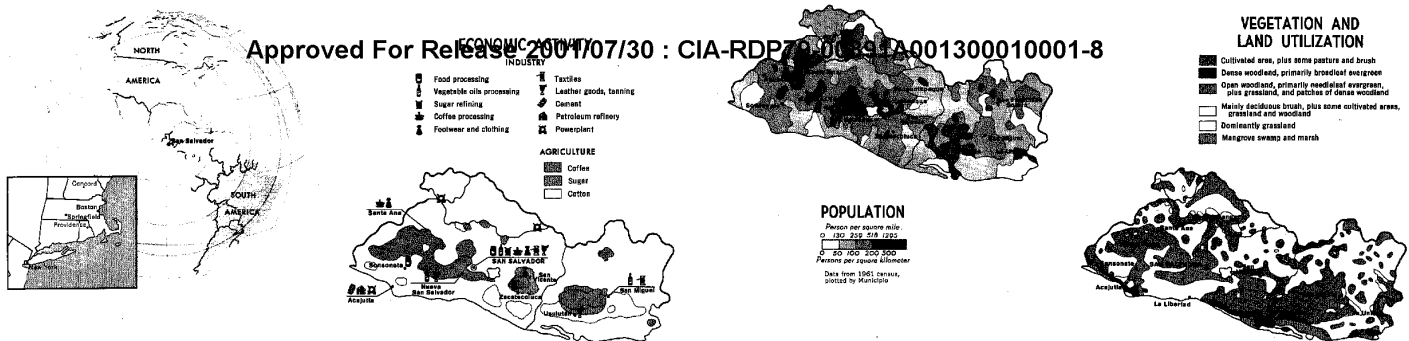
Sec 22 Coasts and Landing Beaches (Jun 69)
Sec 23 Weather and Climate (Dec 69)

Map

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

No Foreign Dissem

SECRET



Approved For Release 2001/07/30 : CIA-RDP79-00891A001300010001-8

Secret

Secret

Approved For Release 2001/07/30 : CIA-RDP79-00891A001300010001-8