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DIRECTORATE OF  
INTELLIGENCE

*Colombia: One Year Under President Lleras*

Special Report  
WEEKLY REVIEW

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## COLOMBIA: ONE YEAR UNDER PRESIDENT LLERAS

President Carlos Lleras Restrepo came into office in August 1966 on a wave of hope and optimism. Most sectors of the population seemed to believe that he would be able to solve many of the political and economic problems that have long plagued Colombia. So far, Congress has obstructed rapid movement on most of his promised reforms, but there is still reason to believe that Colombia will make some much-needed progress under his leadership. His government has had some success against the guerrillas, and Lleras himself has taken a leading position in the move toward Latin American economic integration.

### The National Front

Lleras was elected president under a system of government, unique to Colombia, called the National Front. The system was devised in 1957 by the leaders of the two traditional parties, the Liberals and the Conservatives, to bring an end to the conflict between their followers that had raged throughout the country since 1948.

Under the National Front, scheduled to last until 1974, the presidency is alternated between the Liberals and Conservatives, and all other elective and appointive offices are divided equally between them. This has not, however, stopped political activity. Until the reunification of the two Liberal factions this month, both parties had had offshoots that sometimes opposed the National Front. These groups, plus the National Popular Alliance (ANAPO) led by former dictator General Rojas Pinilla, have taken part in elections by

having their members register as either Liberals or Conservatives. They gained enough votes in the 1966 congressional elections to deprive the National Front of the two-thirds majority required for the passage of legislation.

The opposition parties also made a half-hearted effort at running a candidate in the presidential elections, but Lleras received over 70 percent of the vote. In spite of the apathy evidenced by the small size of the total vote, Lleras interprets his margin of victory as a mandate to carry out the social, political, and economic reforms he promised in his campaign.

### Lleras' Early Actions

Carlos Lleras had broad experience in economics, international affairs, and Colombian politics before being inaugurated in August 1966. In the early months of his administration he enjoyed support from most sectors of the population. The expectations generated by his campaign promises seemed

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justified by the vigor with which he launched his administration. Soon after assuming office he began sending comprehensive reform legislation to the Congress, and he increased his popularity by the firmness he displayed in handling student disorders and by his astute maneuvering in a controversy with the International Monetary Fund that had threatened to shut off most sources of foreign capital.

Student discontent and accompanying strikes and demonstrations are a relatively common occurrence in Colombia, as they are in most Latin American countries, and it was the students who provoked the first test of the new President's will. Lleras successfully deterred a threatened national student strike in August by issuing a series of decrees severely penalizing student strikers. In October a more serious incident occurred when students at National University in Bogota stoned the President as he toured the campus with the visiting John D. Rockefeller III. Troops were immediately called in and the developing riot was firmly put down. Lleras' prompt and decisive action brought a temporary end to student disturbances and reinforced his popular image as a man who could effectively deal with Colombia's problems.

Ironically, the same type of government reaction to student disorders in June 1967 aroused criticism of the administration and probably cost Lleras some of his popularity. The government sent troops, tanks, and

armored cars into National University to halt a five-day series of increasingly violent demonstrations by students protesting a 30-percent increase in bus fares. Although most Colombians probably sided with the government, its action was opportunistically condemned by the political opposition as excessive and brutally executed.

#### Economic Actions

An entirely different problem faced President Lleras in November 1966 when negotiations for a new agreement with the International Monetary Fund (IMF) broke down over the IMF demand for a devaluation of Colombian currency. Extraordinarily large imports and a decline in world prices for coffee, Colombia's principal export, had placed excessive pressure on foreign exchange transactions on



**President Carlos Lleras**

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29 November. Although this could have been an unpopular move, he managed to turn it into one that gained wide popular support by placing part of the blame for the situation on the international lenders, accusing them of intruding on Colombia's economic sovereignty with their demands for a devaluation.

The economic difficulties led to the most significant innovation that Lleras made during his first year in office, however, when in March 1967 the emergency controls were replaced by a completely overhauled foreign trade and exchange system. Two new exchange rates were created: a capital rate for handling most capital transactions, and the "certificate" rate for handling commodity transactions. Although the "certificate" rate is allowed to fluctuate, it is expected that in a few months the two rates will unify at the present capital rate of 16.25 pesos per US dollar. The demand for foreign exchange is controlled through a complicated system of licensing. The end result of Lleras' economic reforms was to give the government more power to regulate the economy and at the same time to meet unobtrusively the IMF demand for devaluation and thereby qualify for loans from all the international lenders.

#### Difficulties with Congress

Despite Lleras' successes and the widespread popular demand for the reforms he had promised, it has become evident that the National Front's failure to obtain a two-thirds majority in Congress is going to make it dif-

ficult for him to deliver on many of his promises.

According to law, constitutional amendments must be approved by a two-thirds vote of both the House and Senate in two legislative sessions. President Lleras believes that his proposals--including administrative reforms, reducing the number of congressmen, and eliminating the two-thirds vote required for passage of legislation--are vital to his announced program to bring progress to Colombia. Congress, however, with its many factions and its desire to retain its power and perpetuate itself, has obstructed the movement of the amendments all along the way. The Senate finally approved the amendments with only moderate changes but the House failed to approve them before the close of the legislative session. A strict adherence to the constitution would require starting the entire process again, but a looser interpretation may allow discussions and voting to continue in the new legislative session where they left off in the old.

The President has had somewhat more success in obtaining congressional approval of reforms that could be incorporated into simple legislation. In order to facilitate this procedure, the Congress--after much delay--enacted on 20 December the "Saving Clause" of the constitution which allows the two-thirds rule to be temporarily set aside for specified types of legislation, including most anticipated economic reform bills. This action, which will be in effect until 20 December 1968, enabled the President to get approval for some of his important legislative proposals, such as improvement

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of the agrarian reform program, with only a simple majority, and should allow him to accomplish much more in the coming year.

President Lleras has made several speeches over nationwide radio and television explaining his programs and exhorting Congress to work more rapidly on his legislative proposals. These talks were intended to arouse popular support for his programs and to put pressure on Congress. Nevertheless, his popularity has been hurt in recent months by the enactment of some unpopular legislation and by some presidential decrees, such as the increase in bus fares and the tightening of the income tax law. In addition, price increases--which were modest by Colombian standards through May but began to rise rapidly in June--and generally depressed business conditions are beginning to disenchant some of his staunchest supporters.

#### Insurgency Developments

Rural violence in Colombia did not end completely with the formulation of the National Front government in 1958. Roving gangs of bandits continued to plague the countryside and the government was never able to eradicate them completely because of the inaccessibility of the areas where they operated and the rugged nature of the terrain.

Gangs that had coalesced into larger bands during the early 1950s under the better known leaders, such as "Tiro Fijo," came under the influence of the Com-

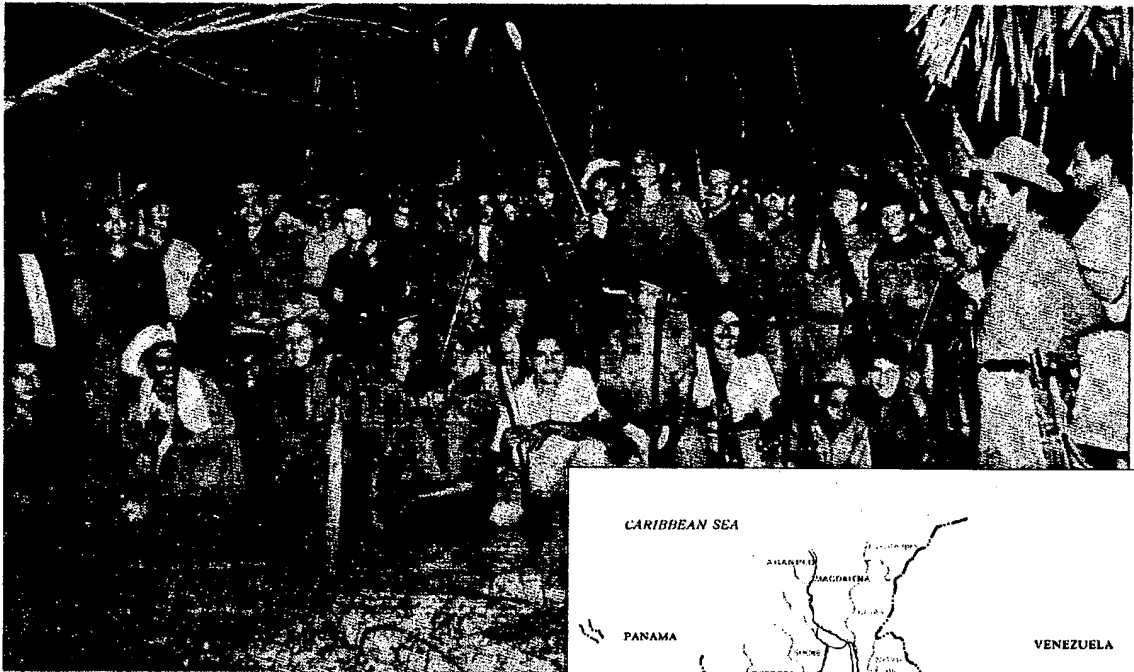
munist Party of Colombia (PCC). These bands were formed into the PCC's guerrilla force, the Revolutionary Armed Forces of Colombia (FARC), in 1966 and now operate in the southern departments of Tolima, Huila, Quindio, and Valle del Cauca.

The Army of National Liberation (ELN) operates in the northern department of Santander. This guerrilla group is the outgrowth of dissidents from the cities who moved into the countryside and, joined by groups of peasants, took up arms against the government. The ELN has received aid from Cuba, but is not under the control of the PCC.

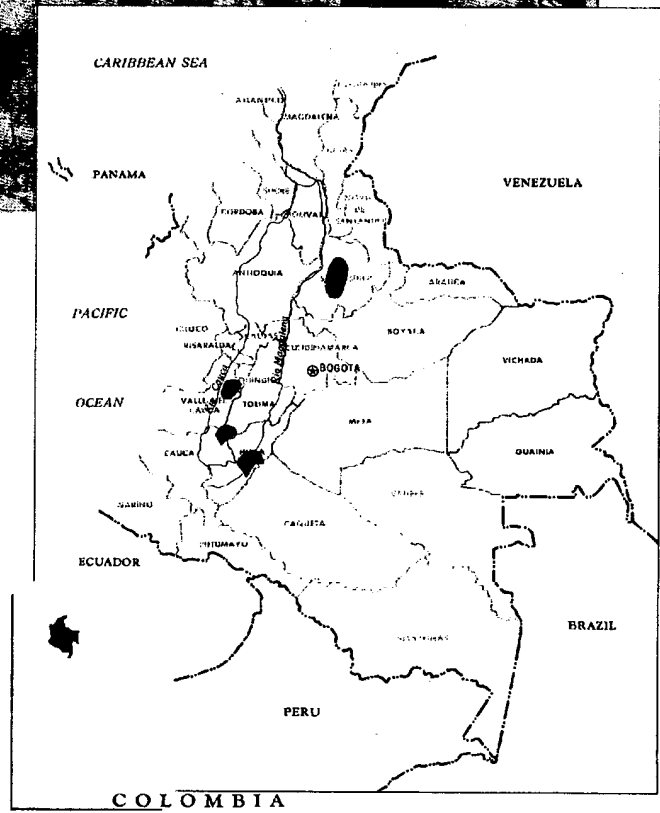
The FARC executed its first major attack on 19 August 1966 with the ambush of an army patrol. This action, which resulted in the death of 16 soldiers, broke a long period of relative inactivity by the guerrillas. In February 1967 the ELN conducted a major attack on a police outpost, and in the next two months there were several large-scale encounters between the government and guerrillas of both the ELN and the FARC. This prompted speculation that the ELN and the FARC were coordinating their activities, but later reports indicated that there has been no agreement between the two groups. The fact that the ELN is supported by Cuba and follows Castro's line works against an agreement with the PCC and FARC, which are opposed to Castro's attempts to control the revolutionary movement in Latin America.

The government has had some success in recent months in

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combating the guerrillas. From March to May 1967, 55 members of the ELN were arrested, and in June, 26 FARC members were captured. Most of those arrested were members of urban support groups for the guerrillas. There has been no major guerrilla activity by either group since the arrests, but an increase may be stimulated by the first conference of the Latin American Solidarity Organization, which has just been held in Havana.

The present level of guerrilla activity does not threaten national political stability. The lack of rural popular support for the government forces, however, raises the question of the army's ability to control the situation if guerrilla activity should increase significantly. To counter the upsurge in activity early this year, the government has been augmenting and redeploying its forces, attempting to improve its intelligence capability, and pursuing its civic action programs with greater vigor.

#### Foreign Affairs

President Lleras' greatest success during the first year of his administration has been in foreign affairs. His past reputation as an international statesman--he has served at the UN and with other international organizations--has helped improve Colombia's stature internationally. This is especially true in Latin America, where Colombia has taken a leading role in the move toward economic integration.

Less than one month after assuming office, Lleras hosted the "Little Summit," a meeting attended by the presidents of Chile and Venezuela and by presidential representatives from Peru and Ecuador. These leaders agreed to closer cooperation and promised to give their support to further Latin American economic integration. This meeting was followed in April 1967 by the "Summit" meeting of American presidents at Punta del Este, Uruguay, where economic integration became an agreed goal for Latin America. At follow-up meetings in Vina del Mar, Chile, and in Quito, Ecuador, representatives of Chile, Colombia, Ecuador, Peru, and Venezuela began planning for a sub-regional Andean common market. This grouping is intended to precede the Latin American common market, and its founders believe it will enable the five members to deal from a position of equality with the large countries of Argentina, Brazil, and Mexico.

The other major aspect of Lleras' foreign policy is a move toward expanding relations with the USSR and the countries of Eastern Europe. Lleras will continue his strong ties with the US, but he believes that Colombia will benefit from increased trade with the Communist countries. In the past year Colombia established diplomatic relations with Yugoslavia. It has consular relations with Czechoslovakia, Poland, and Bulgaria, and trade relations with all the East European countries except Albania. Trade with the East European countries has

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increased this year (although it remains a small share of Colombia's total trade) and late in June a Colombian trade mission signed a new trade agreement with East Germany and the USSR.

#### Outlook

In the next three years of his administration President Lleras will continue to experience many of the same problems--particularly obstruction in Congress and a continuance, if not an upsurge, in guerrilla activity. He should, however, be able to get most of his legislative program passed and most of his constitutional reforms approved.

A partial basis for improved economic performance has been

established, but continuing pressure on foreign exchange reserves; caused principally by slumping coffee prices, will limit the President's ability to reinvigorate the economy for at least the next few months. The guerrilla threat can probably be contained, although an appreciable increase of activity or any coordination between the ELN and FARC would put a severe strain on the military's ability to cope with the situation.

On the diplomatic front, Lleras can be expected to follow through on his announced plans to expand relations with the Communist countries of Eastern Europe, probably including the establishment of diplomatic relations or at least consular relations with the Soviet Union. ~~(SECRET)~~

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