AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523
BIBLIOGRAPHIC INPUT SHEET

FOR AID USE ONLY
BATCH #16

1. SUBJECT CLASSIFICATION

A. PRIMARY
Agriculture AE10-0000-G518

B. SECONDARY
Agricultural economics--Colombia

2. TITLE AND SUBTITLE
Prospects for political stability in Colombia with special reference to land reform

3. AUTHOR(S)
(101) Wis.Univ.Land Tenure Center

4. DOCUMENT DATE
1963

5. NUMBER OF PAGES
11p.

6. ARC NUMBER
ARC C0301.37.L2

7. REFERENCE ORGANIZATION NAME AND ADDRESS
Wis.

8. SUPPLEMENTARY NOTES *(Sponsoring Organization, Publishers, Availability)*

(In Discussion paper no.1)

9. ABSTRACT

10. CONTROL NUMBER
PN-RAA-869

11. PRICE OF DOCUMENT

12. DESCRIPTORS
Colombia
Land reform
Political aspects

13. PROJECT NUMBER

14. CONTRACT NUMBER
Repas-3 Res.

15. TYPE OF DOCUMENT

AID 590-1 (4-74)

Repas.-3
DP

LAND TENURE CENTER

Discussion Paper 1
January 1963

The University of Wisconsin 212 Agricultural Hall Madison 6, Wisconsin

Prospects for Political Stability in Colombia with Special Reference to Land Reform

HRSD/RES
Official File Copy

Contents

Page

- Prospects for Political Stability in Colombia by John Phelan, Land Tenure Center Faculty Seminar Member, Associate Professor, Department of History, University of Wisconsin 4

  —Critique by Charles W. Anderson, Land Tenure Center Seminar Member, Assistant Professor, Department of Political Science, University of Wisconsin 7

  —Critique by William Glade, Land Tenure Center Seminar Member, Assistant Professor, Department of Commerce, University of Wisconsin 9

  —Critique by Garland Wood (from minutes of Faculty Seminar, October 1, 1962) 10

- Two Factors Peril AID to Colombia, Bogotá's Delays and Foes of Land Reform Blamed, *New York Times*, November 5, 1962 10

- Bibliographic Notes 11

Prefatory Note

IN PREPARATION for research in a particular country in Latin America, the Land Tenure Center at the University of Wisconsin calls a meeting of faculty members to discuss the current political, social, and economic situation of the country in question. Over the last few months, the group that meets to discuss research proposals presented to the Center has been formalized as the "Land Tenure Center Faculty Seminar." It consists of University of Wisconsin staff members who have current research interests in Latin America. Authorities from other institutions are often called in to comment.

In October, 1962, the seminar met to discuss a research proposal on Colombia. As background for this discussion, Professor John Phelan presented some ideas based on his "on location" observations of the Colombian situation.

It occurred to the Center that these observations might be critiqued by seminar members and that other observations might be gathered in one pamphlet to serve as a "discussion paper" for others interested in the current Colombian situation within the framework of its current efforts in land reform. We asked staff members to comment on Professor Phelan's ideas. We are presenting these comments with some other reading suggestions in this pamphlet. Again, we must emphasize that the readings presented here are the fruits of observation of the current situation, not of research. Nevertheless, The Tenure Center realizes that extensive observation is necessary before a sound research program is possible.

Since the time of our October seminar, arrangements for "on location" research have been completed with National University in Bogotá, the Cauca Valley Corporation in Cali, and several other institutions in Colombia.

LAND TENURE CENTER
212 Agricultural Hall
University of Wisconsin
Madison 6, Wisconsin
December 1962

Prospects for Political Stability in Colombia

by

John Phelan*

WITHOUT minimum conditions of political stability, the chances for orderly social reforms as envisaged in the Alliance for Progress are bleak. Although the situation is not completely gloomy in Colombia, there are certain conditions which are a cause for legitimate concern. But let me make it clear —the overall picture in Colombia is favorable. It looks as though Colombia will be able to achieve the minimum conditions of social stability—without which reforms cannot be accomplished. Colombia's position contrasts very sharply with the virtual anarchy, which exists in Brazil and Argentina, where orderly reforms have not been instituted.

Much of the achievement of minimum conditions for political stability in Colombia lies in the accomplishments of the administration of Alberto Lleras Camargo, who was president of Colombia from 1958 until 1962. He came to power at the end of a bloody Civil War—the so-called *violencia*. The *violencia* has not been eradicated in Colombia. There are rural areas where lawlessness exists on a very alarming scale. In fact, this summer in the Cauca River Valley, for example, the *violencia* was accentuated. Nevertheless, great progress has been made in limiting lawless conditions in Colombia by separating civil war from any direct sponsorship by the two major political parties —the Liberals and the Conservatives.

One of the major accomplishments of the Lleras Camargo administration was in creating a non-partisan civil service and in attracting technicians of high quality into the government service. Camargo, himself, is a man of intellectual attainments with sufficient personal prestige. He attracted people of ability. Furthermore, he adopted the policy that many Latin American governments have followed. That is, he set up autonomous corporations so that technicians highly qualified in their training could be paid rather handsome salaries—as much as $14,000 a year—which is a substantial salary by Colombian terms.

But more than that, I think the major achievement of Lleras Camargo is in establishing a real *esprit de corps* among the technically trained bureaucrats.

Another very important accomplishment of the Lleras Camargo administration, which helps to explain the relative conditions of political stability in Colombia, is that he has taken the army out of politics. Although the army share in the national budget is about twenty percent annually (and that's frankly too much) the solution that Costa Rica adopted—confining her armed forces to a mere police operation—is not realistic in Colombia. It isn't possible at this time in view of the fact that there is a real danger of a recurrence of the *violencia*. Furthermore, there is a real danger from the radical left, the *Fidelistas*.

Much of President Lleras Camargo's time was consumed in political conciliation. I was told by people close to the former President that, at times, he became depressed because he could not devote more time to promoting significant social reform and had to expend a great deal of effort in putting out political fires and conciliating one group with another. He spent an inordinate amount of time mending political fences, but he had no alternative: without conciliation between the two parties, the whole political fabric threatened to disintegrate.

However, the President's administration did promote some very significant social reforms. For example, the Agrarian Reform Law, which was passed last year, is moderate and economically realistic. Its aim is not to upset the intensive farming as practiced in the Cauca River Valley and the *sabana* of Bogotá, but to relieve the congestion in those two areas by transferring people to the less crowded Northwest and Eastern *llanos*. The most productive farming is done in the Cauca River Valley and in the *sabana* where modern technology is used and modern capital involved. Colombia has many large family estates, but there is an absence of the irresponsible features of the "finca mentality". According to the land reform law, the land is to be expropriated or nationalized, but the criteria for expropriation is in land use. Unused land is to be paid for, for example, by long-term government bonds. The more economically used the land is, the more the compensation that is to be paid in cash. Obviously, Latin American government bonds aren't a very desirable investment, and those who have their lands expropriated would prefer to be paid in cash.

The law will be administered by an agrarian commission composed of technicians who supposedly will not be directly involved in political activity. The agrarian commission will be primarily concerned with large scale projects based upon long range planning. It is not going to encourage individuals to come in and ask

---

* Mr. Phelan teaches Latin American history courses at the University of Wisconsin.

for a little bit of land here and there. In other words, it is going to discourage individual denunciations. What the agrarian commission hopes to do is select large areas and to encourage a change of land use based upon some kind of meaningful and economically sound planning for the whole region involved.

Colombia itself is more or less self sufficient in basic food production. Occasionally they have to import rice or beans, but in some years there is a surplus of these products. The aim of the agrarian reform is to increase production. Colombia must increase production: its population is now 15 million. The rate of growth of the population is two and one half to three percent annually.

The Land Reform Law, passed by the Lleras Camargo administration, is basically a moderate measure. Its aim is to increase production, to increase the distribution of land ownership, and to broaden the base of land ownership without impairing production.

Another major social legislation passed by the Lleras Camargo administration was a new income tax. With a population of 15 million people, six to seven do not even participate in the money economy. For example, last year only one million people earned enough money to file income tax returns. The new income tax law does not provide for withholding on income, but that certainly will come very soon. The system of collecting taxes seems, at least at cursory glance, to be moderately effective and the bureaucracy seems to be relatively honest. The tax is progressive by our standards but a big question centers about whether the new income tax will take too deep a bite from the incomes of the upper-middle classes and the lower-upper classes—the so-called entrepreneurial group who should be a major source of capital investment. In political and social terms, it is wise to take some of the tax burden off the lower classes. But the bulk of the taxes—the bulk of the government's revenue—still comes from the hidden sales taxes. The historical origin of the hidden sales tax goes back to the sixteenth century and the middle ages in Spain. These hidden sales taxes, of course, bear hardest on those who have the least ability to pay.

The other major source of the government's revenue is tariffs; and, now that Colombia is undergoing fairly intensive industrialization, the whole tariff program will have to be revised. Ecuador revised her tariffs just recently—Colombia will have to do the same thing soon to meet the needs of industrialization.

The other major reform of the Lleras Camargo regime is a long range development plan. Colombia is one of the first in this field. I believe only three nations in Latin America have submitted a long range industrial development plan. This was one of the conditions laid down at the Punta del Este Conference setting up the Alliance for Progress Program. Incidentally, I think it was former President Gallo Plaza of Ecuador who told me that he felt that one of the most useful consequences of the Alliance for Progress Program is that, for the first time, the planners have been given a role in decision-making on a political level. Prior to the Alliance for Progress there were planning commissions in most of the major countries. But these planning commissions were window-dressing and nothing more. Their reports merely collected dust. They had no influence on the formulation of policy. Now, however, as a consequence of the Alliance for Progress, the planners are participating directly in the decision-making process—or much more directly than they used to.

Let us look at this long range development plan formulated by the Lleras Camargo administration. From 1950 to 1959 the annual rate of economic growth averaged four and a half to five percent. The per capita income in Colombia was $233. At this rate, the per capita national income, if it continues to grow at the same rate, will double in twenty years. The development plan, however, of Lleras Camargo envisages a faster rate of growth than this. In fact, it envisages a rate of economic growth between five and one half and six percent during the decade of the 1960's. But the population growth is two and one half to three percent annually. By 1970, according to the development plan, Colombia should reach the economic level which Holland or Italy reached around 1950.

The development plan has started poorly. Colombia has had a severe balance of payments deficit for several years. This is characteristic of all the Latin American countries since they earn most of their foreign exchange by selling primary raw materials. In many cases the prices of primary products have dropped fifty percent since the Korean War. In some cases a drop of one hundred percent has been registered. The development plan did not take into account this severe balance of payments. It is important because it is the first development plan that Colombia has ever had. Furthermore, it doesn't fit all the economic realities. Several people who have looked at it closely have indicated some severe criticism. For example, it may be that many of the figures and the projections were imaginary—perhaps inspired by the economic thinking of the distinguished but controversial economist Raúl Prebisch who heads the United Nation's Economic Commission on Latin America (ECLA). I think that there is some concern that the plan represents a conflict between political and economic goals. Economically, it would be better, for example, to concentrate electricity in a few areas which are fairly well developed such as the Cauca River Valley and the *sabana* of Bogotá, rather than attempting to bring electricity to every hamlet in the Republic as the development program proposes. Diffusion of electrical projects may be desirable in political terms, but it will be costly and inefficient.

In regard to land reform—it is possible (and many critics have pointed out that it might be better) for Colombia to concentrate resources on draining the land in areas where there is already an infrastructure. In areas like the Cauca River Valley, the Cauca Economic Corporation Administration has done just that. If you drain the land, you have new land for distribution. But the economic development plan envisages something else. It envisages not draining of land in areas where there is already infrastructure, but in contrast, concentrating on opening up new land in areas where there is no infrastructure, where the roads, electricity, and schools will have to be built from nothing. Obviously, this is going to require a very large capital investment. Admittedly, then, this plan is, in part, the result of political considerations. It isn't always based on sound economic planning and economic realities.

The important thing to bear in mind is that for the first time the Colombian government is beginning to think in systematic terms of long range planning. This, in itself, is a very important change and a very significant development. Moreover, as far as this plan is concerned, if it doesn't meet economic realities—it may be revised as conditions expose its inadequacies.

The Lleras Camargo administration represented an attempt for the two major political parties—the Liberals and the Conservatives—to form a coalition. It is destined to last for several more years. This coalition has meant, of course, that compromises must be made between the two parties, that the social reforms sponsored by Lleras Camargo are moderate, that they are perhaps inadequate, and that they do not go far enough; nevertheless, they represent an important and significant change.

What are the prospects under the new administration? Under the terms of the coalition, the successor of Liberal President Camargo had to be a conservative.

Dr. Guillermo León Valencia took office in August 1962. His term of office expires in August 1966. The new president is a man of many outstanding virtues, but he has some serious defects also. He was born in Popayán. An old Spanish colonial city in southwestern Colombia, Popayán has not participated in the modern economic development that touched other parts of Colombia. Upon visiting Popayán last summer, I was reminded of a town in southern Spain living on the margins of a modern society. It has gracious charm, but none of the furious industrial activity of nearby Cali, for example, with its bustling Colombian version of the TVA—the Cauca Valley Corporation.

The new president is an aristocrat, an intellectual, a poet. He has no real understanding of economic problems and no real background in economic and social problems. He won the respect of the nation when he previously ran for President in a hopeless campaign against the military dictator Rojas Pinilla. He is a man of principle and will fight for what he believes is right, but he lacks Lleras Camargo's skill for compromise and conciliation. Colombian politics are strife-torn and based upon personality antagonisms; it requires a great gift of diplomacy to keep all of the politicians working together on even a minimum program. Lleras Camargo is an intellectual of brilliant qualifications—with very great and extensive experience.

Nevertheless, León Valencia does have the support of the moderate wing of the Conservative party and the Liberals who found him to be the only Conservative that they could accept as president. He is full of good intentions and if he gets sound technical advice, much of the progress made under Lleras Camargo can continue.

Colombia is a very interesting example of a nation where the upper classes dominate the leadership in both the Liberal and the Conservative parties. And now that they have agreed on a formula of political conciliation dividing all political offices in the country for several years to come, it is possible that the government of León Valencia will remain in power to fulfill its constitutional mandate. In 1966 according to the terms of the *Frente Nacional,* a Liberal will be chosen president. The Liberals are the majority party if they can remain unified. The Liberals will probably string along with León Valencia until his term expires. There will be a certain amount of political stability during the León Valencia administration because the Liberals are split into several factions. One faction—the Liberal moderate majority—is headed by Lleras Restrepo, a distant cousin of the former president. The other faction—the left wing—is headed by López Michelsen. López Michelsen, the son of an ex-president, ran in 1962 against León Valencia as a left-wing candidate with *Fidelista* support. López Michelsen has criticized the *Frente Nacional* saying that in trying to solve the political problem of stability by dividing the offices between the two political parties, it has virtually frozen the economic and social situation in a status quo position. He claims that the *Frente Nacional* is not an effective vehicle for promoting the kind of social reforms that Colombia desperately needs in order to avoid future extremism.

López Michelsen is a man of great wealth and an intellectual of extraordinary ability. From a Latin American point of view his one weakness in politics seems to be that he doesn't have a charismatic quality. He is too "cold-blooded" to arouse great popular support. López Michelsen has repudiated his Fidelista support and has made it very clear that he is going to attempt to be the leader of the left wing in the Liberal Party by advocating more thorough social reforms than were accomplished in the period between 1958 and 1962. Nevertheless, chances look very favorable for the *Frente Nacional's* survival through the election of 1966 when the Liberals will return to power.

I'm trying to present a fairly optimistic picture. I am moderately optimistic. I think that there are several factors which indicate that the situation may not be quite as stable as I have said. Nevertheless, my conclusion, half based on belief and half on hope, is that Colombia does have the minimum conditions for social stability for promoting orderly social reforms inside the framework envisaged in the Alliance for Progress.

October 1, 1962

Prospects for Political Stability in Colombia: A Critique

by

Charles W. Anderson*

IT WOULD be presumptuous for me, after only a month in Colombia, to attempt an authoritative statement on the current situation in this country. Nonetheless, I can record some impressions, more by way of commentary than critique, for I largely support Phelan's overall position.

I am generally in agreement with Phelan's carefully presented reasons for "cautious optimism" in the prospects for political stability in Colombia. Like Phelan, I tend to regard political stability a prerequisite for meaningful reform. However, this is a matter of personal philosophy, based on several considerations: 1) violence or revolution releases unpredictable forces into the political process, jeopardizing the policy maker's ability to anticipate the outcome of measures being taken to improve living standards; 2) the human cost of violent change is usually incommensurate with the results achieved. However, this is a personal position on which Phelan and I seem to agree, and is not universally supported by social scientists. Many investigators have noted the influence of the Mexican Revolution in breaking up traditional patterns and paving the way for economic development.[1] Similar ideas have been expressed by Octavio Paz.[2]

In short, political stability may be the tomb of reform as well as a means to its achievement. It all depends on the type of stability we are talking about. Hence, the question must be, is the type of stability which Colombia has achieved apt to result in the reforms anticipated by the Alliance for Progress?

As Phelan pointed out, the present regime in Colombia is based on a type of "gentleman's agreement" between the two major parties to collaborate in the government of the country for a period of sixteen years. The establishment of this "National Front" *(Frente Nacional)* seems to have been an immediate response to: 1) the *violencia* which resulted in over 200,000 mortalities in a country of 14,000,000 in ten years; 2) the unsuccessful dictatorship of Rojas Pinilla, representing the first active incursion of the military into politics in half a century; 3) the threat of *Castrista* infiltration and radical agitation that seemed to derive from it.

In a larger sense, however, the National Front is no more than an extension of the historic political position of the Colombian upper and middle classes, this time in the face of unusually threatening circumstances. Colombia's long tradition of democracy was to a large extent an implicit agreement of the dominant elites to conduct their partisan affairs in a civil fashion so as to protect their position in the political order.

The National Front has succeeded largely because of the political skills of its leaders, whose use of the arts of compromise and conciliation has been imaginative and resourceful, if at times a bit bizarre. It has also progressed because of the real fear and despair of the upper and middle classes, who in the early 1950's, felt their interests were doomed. In 1957, the National Front was really the only viable political alternative. The military, first cheered when they came to power in 1953, had been discredited. No alternative political movement with popular support had emerged.

All of this has, of course, had its impact on development policy. Phelan frequently seems distressed that political considerations have so often entered into development planning. Although I do not doubt Lleras Camargo's sincere dedication to reform, the fact is that development policy had a vital political role to play in the National Front. Like the *convivencia* between the parties, like the reform and reconstruction of the army, social reform programs were essential politically as the National Front tried to demonstrate that the historic political elites could form a workable political system that could promote the development of the nation. Political stability may be essential to development; at least the appearance of concern with development is also essential to political stability.

The Agrarian Reform Law of 1961 is a case in point. There is little that the law provides that could not have been accomplished through the modification or enforcement of existing legislation. But it was essential that the National Front give the appearance of providing a fresh and dynamic approach to the land problem, as part of the drive to restore confidence in the government, as part of the total requirements of a program of political reconstruction.

---

* Mr. Anderson is currently doing research in Colombia and will be on the staff of faculty personnel to teach a University of Wisconsin graduate seminar on Colombia in the spring of 1964.

[1] Edmundo Flores, "The Significance of Land-Use Changes in the Economic Development of Mexico", *Land Economics*, Vol. 35, May 1959, and William Glade and Charles Anderson, *The Political Economy of Mexico: Two Studies*, University of Wisconsin Press, 1963.

[2] Albert O. Hirschmann (ed.), *Latin American Issues*, Twentieth Century Fund, 1961, p. 31, from *El Laberinto de la Soledad*.

The formulation of the law had to obey the dictates of the politics of the National Front. The character of the reform was of course subservient to the integrity of the political system. Hence, as one follows the course of the bill through the National Agrarian Committee and the Congress, one notes the willingness of the bill's champions to accede to the demands of the more conservative critics, so that *an* agrarian reform law could be passed, and the always fragile *convivencia* not be endangered.

One example of this process will serve to correct a minor error in Phelan's paper. He states that payment for expropriated property would be on a sliding scale; the more economically exploited the land, the more compensation would be in cash rather than bonds. That was the proposal of the National Agrarian Committee. But by the time the bill had emerged from the senate's third commission, the expropriation provisions called for payment for unused lands in bonds, and of underexploited as well as fully exploited lands equally in cash. At the same time, the total financial resources of the Agrarian Reform Institute were not raised.

Although I am sure I know what Phelan meant, his statement that, "the law will be administered by . . . technicians, who supposedly will not be directly involved in political activity," demands clarification. Certainly, INCORA, the reform institute, is legally autonomous, hence formally removed from certain types of political conflict. But it is quite clear that, with the passage of the law, the political conflict inherent in any agrarian reform has simply shifted from the legislature to INCORA.

Phelan states that the objective of the reform is to raise productivity. In the debates over this law, the defenders of the reform consistently insisted, in the face of great opposition on the part of those who felt that this should be the prime objective of a reform, that this was to them a secondary objective. That equalization of landholding was their primary value became a major issue in the debate. Further, Phelan states that there was no intention of the reform affecting "intensive farming . . . in the *sabana* of Bogotá". In fact, much of the *sabana* is devoted to cattleraising in an extensive manner, and some attention is already being given to reform in this region.

In general, I agree with Phelan that the reform is "moderate and economically realistic". But just so that our cautious satisfaction will not go unchallenged, let me provide the following quotation from López Michelsen, leader of the somewhat radical MRL party:

"I wish the defenders of the project to answer these objections, that they point out to me one other nation in which the announcement of an agrarian reform has produced so much enthusiasm, so much support, and so much prosperity among the landowners (as it has in Colombia)".

Phelan states that the current ten year plan is Colombia's first venture in economic planning. He is right in the sense that the Currie plan of the early 1950's was an utter failure, but this earlier attempt at national planning should be noted.

It is certainly clear that the history of economic planning in Latin America has not been happy. One reason for this is that, to be effective, planning must be fused with real sources of political power. Insofar as the holders of political power refuse to recognize the recommendations of planning boards, such boards are ineffective. Under the Alliance for Progress, of course, the weight of this program has been thrown behind planning activity. In Colombia, no Alliance for Progress program may be approved until it has been cleared by the planning board. But the power of the Alliance is not definitive. It is one factor in a complex political system. Planning has generally been most effective when supported by a strong executive. But the conditions of the National Front in Colombia have necessarily devolved considerable power to Congress and the leadership of the two parties. The character of Colombian political activity is not particularly congenial to planning, except in the presence of a strong president like Lleras Camargo.

The only intrinsic power that rests with a planning board is that of its own skill and the persuasiveness of its analysis. The highly unrealistic Colombian ten year plan has largely forfeited this source of power. Without consistent support by the dominant power factors for a continuing revision of this plan in the light of changing circumstances, there may be some real problems in integrating the Alliance for Progress, with its commitment to planning, into the Colombian political system.

It is extremely difficult to evaluate qualitative change in public bureaucracy. Phelan sensed a development of an *esprit de corps* in the Colombian civil service that I have not noticed except in isolated agencies. In any event, it is still true that the single most important problem in Colombian development policy is the effective implementation of legislative action. There is still a tremendous and potentially fatal gap between the provisions of the Agrarian Reform Law and the ability of INCORA to carry it out, and the enactment of a progressive income tax and the ability of the government to enforce it.

In pondering the answer to the question originally proposed, "Is the type of political stability achieved in Colombia apt to result in the reforms anticipated by the Alliance for Progress?", I think it largely depends on one's point of view on one fundamental issue. I have noticed that I tend to see more elements of stability in present day Latin American politics than many of my contemporaries. As such, I am moderately hopeful that Colombia's "gradualist" approach to reform, dictated by the requirement that each measure be acceptable to forces quite far to the right on the political spectrum, has a chance to succeed. But by success, I do not anticipate that the agrarian structure of the nation will be rebuilt within a decade, or that Colombia, as anticipated by the Ten Year Plan, will at the end of this period have a standard of living equivalent to The Netherlands.

If one believes that Latin America is a social and political tinderbox, that only if such achievements can be registered within a decade can the region be saved from chaos, Communism or worse, then the progress of the Colombian National Front must seem like the last doomed endeavor of the oligarchy of this nation to retain its historic position.

November, 1962
Bogotá, Colombia

Prospects for Political Stability in Colombia: A Critique

by

William Glade*

I SHOULD like to confine myself to a few quite cursory observations based on secondary sources.

For one thing, I am inclined to question the dissipation of the "finca mentality" referred to in the report. Verbal reports from others would seem to contradict some of Phelan's optimism on this point. On the other hand the production figures do indicate some dramatic increases in certain lines of agricultural production over the past decade—increases which evidence the presence of a dynamic and production-minded group of agricultural entrepreneurs somewhere in the country.

Evidence would also seem to indicate a more skeptical view of the agrarian reform law. According to one of my informants, an agricultural economist who was until recently working in Colombia, the regional or departmental boards charged with actual implementation of much of the reform legislation are dominated by large landholder interests. Since I do not personally know that this information is correct, I can do no more than simply raise this question.

The recent efforts of powerful landowning interests to have certain *reglamiento* decrees of the land reform law declared unconstitutional certainly merit careful analysis to determine to what extent they represent a last ditch effort to emasculate the reform further. The contention of the landowners' association that they support the law and merely wish to improve it with these changes may be valid. But it could hardly say otherwise, and the claim should not be taken uncritically. Reports from the clergy in the coastal departments that the application of the reform law has been dangerously stalled and that peasant syndicates are being persecuted do not, in my opinion, conduce to much optimism regarding the efficacy of the "reform from above" approach.

I would also question the role of the planning group in actual policy formulation and control of policy implementation. So far as I can see, the mere fact that a plan has been drawn up or even "approved" by the Alliance for Progress board is no guarantee that genuine improvement has been made. I should like, for example, to know if there is a "manpower plan" in Colombia to guide educational and training expenditures in a manner sufficient to provide the technical personnel required implicitly in other development plans. Surely Colombia is not so fortunate in its endowment of human factors of production that it does not have to marshal and cultivate these resources as systematically as any others. Have we learned nothing from the Russians about the intimate link between educational planning and economic planning? They (the Colombians) may have such a plan, but, if so, I've not heard of it, and I wonder how they expect to sustain an accelerated development program without it. In the same area of "planning support", I wonder if appropriate controls have been introduced into the system of monetary and banking policies. And what about rigorous exchange controls?

As an additional question concerning the efficiency of development planning in Colombia, I would suggest that the present plans do not sufficiently take into account the comprehensiveness of the processes of change. Thus, apart from the planning lacuna indicated above, there seems to be inadequate recognition of the centrality of institution building (and planning for same) in a program of development. The *Acción Comunal* project offers a case in point. As an effort to promote rural community development, *Acción Comunal* merits considerable praise. As yet, however, the potentialities of this program as a major focal point in agrarian reform appear not to have received sufficient emphasis so that it emerges as a program being carried on alongside of agrarian reform rather than one integrally built into the agrarian reform. I suspect that both programs—rural community development and agrarian reform—could be immeasurably strengthened if they were seen to be (and treated in the planning as such) indissociably related parts of the same policy area.

Finally, I suspect that Phelan is making more of a distinction between political, social, and economic goals than is warranted. However, that is a broad area of controversy which I have gone into in more detail elsewhere.

October, 1962

---

* Mr. Glade teaches "The Economic Development of Latin America" course at the University of Wisconsin.

Excerpts from the Minutes of the Faculty Seminar

October 1, 1962

GARLAND WOOD, associate professor of Agricultural Economics, Michigan State University, claimed the "master plan" of economic development Phelan refers to sets forth the Colombian thinking of today. But it is an idea without practical implementation. The percentage of yearly growth was arbitrarily raised from five to six, and no way of allocating resources to achieve this goal was provided. In terms of history, Wood said, six percent is totally unrealistic. "They will be lucky to get two percent." Colombia has been willing to reallocate resources to get a return. Agriculture, Wood claimed, has been the lagging sector of the economy. It is a regressive factor, in fact. Furthermore, there is now a balance-of-payments problem because coffee exports have declined and the rate of inflation recently has been severe.

Phelan said he realized what Wood said was true, but that any planning in Colombia is a revolutionary change. Therefore, he sees every reason for optimism.

Wood claimed the *Frente Nacional* is a threat to planning from the ministerial level on down. And when the person at the ministerial level is shifted, many others shift from the top to the bottom of the bureaucracy.

Two Factors Peril Aid to Colombia

by

Richard Eder

BOGOTÁ, Colombia, November 4—Two programs around which the Alliance for Progress has built its hopes for Colombia are in serious trouble.

Visitors to Washington in recent months have been given the impression that Colombia was to have been the showcase of the alliance. The International Bank for Reconstruction and Development has been trying to form an international group to invest $2,000,000,000 in Colombia in the next 10 years.

The Alliance for Progress is a United States program of assistance to spur social and economic gains in Latin America.

The choice of Colombia as a showcase was based largely on two factors. One was the speed with which Colombia set up national planning agencies and drafted a 10-year development plan. The other was the passage of a widely praised agrarian reform law.

Both programs received backing from Dr. Alberto Lleras Camargo, who then was President. His successor, Dr. Guillermo León Valencia, has shown little interest in either program.

Now, three months after Dr. Valencia took office, the planning structure has all but disintegrated. The Institute of Agrarian Reform is under political attack.

Since August, the Planning Department has been without a director. Eighty per cent of its professional staff has resigned and replacements have not been named.

The Planning Council, a high level policy group that used to meet weekly with Dr. Lleras Camargo has had almost no contact with Dr. Valencia. This weekend two of its members, Jorge Mendez and Luis Ospina, resigned.

The newspaper El Espectador cited today "the paradox that while our plans have been accepted abroad, in Colombia they are given the role of a literary exercise, useful for academic purposes but not for any substantive development."

There is conflict between the concept of central planning by professionals and Colombia's traditional political structures.

These require not only a careful parceling out of favor according to politicians' interests, but also a precise division between Liberals and Conservatives.

Many here believe someone is needed who can combine a respect for planning with the authority to step on political toes.

One official commented recently that "in Colombia there are two oligarchies—that of political power and that of professional and intellectual capacity, including some elements of the business community." He suggested that a successful leader must belong to both.

The man he was thinking of is Dr. Carlos Lleras Restrepo. He is a leader of the Liberal party and a cousin of the former President.

The land-reform law is a stringent one for a country where power and prestige still lie in the possession of an estate. The law allows expropriation not only of land that is idle, or cultivated in absentia, but in some circumstances of large, actively worked tracts.

What appears to be the heart of the reform is a decree that fixes the expropriation price at no more than 30 per cent above a property's tax-declared value. Tax declarations are notoriously low here, and experts believe this provision gives the Institute of Agrarian Reform power to change the social structure of the Colombian countryside.

So far, the institute, which started work early this year with a budget that eventually will reach $20,000,000 a year, has touched little land. But within the next year, according to its director, Enrique Penalosa, 1,000,000 hectares will have been acquired for distribution, and negotiations for another 3,000,000 will have begun. A hectare is 2.47 acres.

The recent political pressures against the institute seem to be caused by its power and determination to push through a large-scale program. And Dr. Valencia has failed so far to show any active interest.

The Agriculturists Society, which represents many large land owners, has started a court fight against the law. Cornelio Reyes, the Agriculture Minister, recently declared his opposition to the tax-valuation provision.

As for the rural masses, many people believe that their apathy and submissiveness outweigh the appeal that land reform might have for them.

The politicians thus consider it safer to appeal to the local landowner and trust to the influence his views will have on his workers and poor neighbors.

New York Times
November 5, 1962

Copyright by the New York Times. Reprinted by permission.

Bibliographic Notes

THE book *Colombia* by John D. Martz, the University of North Carolina Press, Chapel Hill, 1962, discusses the political situation through the spring of 1961. It contains an excellent annotated bibliography (pp. 360–77).

Other recent readings that might be added to Martz's bibliography are:

Ávila Franco, Julio Cesár, et al., *Compendio de legislación agropecuaria y organismos agrícolas de Colombia.* Bogotá: Ministerio de Agricultura, Servicio Técnico Agrícola Colombiano Americano, July 1962, 157 p.

Currie, Lauchlin, *Consideraciones sobre la política agraria colombiana.* Off print from the *Revista del Colegio Mayor de Nuestra Señora del Rosario,* 1962, 23 p.

Eder, Richard, "Colombia's Schools," *New York Times,* October 3, 1962, The religious issue in Colombian education.

Feder, Ernest, and Daniels, E. F., "Crédito controlado supervisado y cooperativo," *Economía Grancolombiana* (Bogotá), VI, No. 6, 1962, 17.

Guzmán, Mons. German, Fals Borda, Orlando, and Umana Luna, Eduardo, *La Violencia en Colombia,* Bogotá: Editorial Iqueima, 1962.

Restrepo, Santiago C., "Colombia Plans Sweeping Reform," *Christian Science Monitor* (Boston), September 5, 1962. A report of President Valencia's inaugural address.

Emerging Colombia, by John M. Hunter is also a useful book. This is an account of the impressions and activities of a teacher who spent two years in Colombia. While not a thorough study of the country, Mr. Hunter's survey is related to his experiences as an economist. The book outlines Colombia's problems, but is generally optimistic about the future of the country.

See also Everett E. Hagen's *On the Theory of Social Change,* The Dorsey Press, Inc., 1962, "The Transition in Colombia," pp. 353–84.