

9 januari 1959

U 13580/14-58 - C 46 - P1/PS9.

PA 9581/17



Land: Venezuela.

Onderwerp: Venezueaan President-elect Romulo BETANCOURT.

Referenties:

Datum van waarneming: Medio december 1958.

Bron: Van bevriende zijde.

Opmerkingen:

Verzonden aan: de Minister van Buitenlandse Zaken.

Aan Zijne Excellentie Prof. Dr. L.J.M. BEEL
Minister-President

Plein 1813 no. 4

's-GRAVENHAGE.

9 January 1959

U 13580/14-58 - C46 - VI/159

GENEIM

REVIEW: VENEZUELAN PRESIDENT-ELECT
ROMULO BETANCOURT

Romulo Betancourt, whose inauguration as Venezuela's next president will probably be held in late January, is one of Latin America's most widely known and controversial political leaders. An astute politician, moderately nationalistic, and apparently a sincere reformer, he has long been the recognized head of the leftist but non-Communist Democratic Action party (AD). He faces the difficult task of maintaining the cooperation of the other two left-of-center parties in a coalition government. At the same time, he must placate hostile military and conservative elements who were alienated by the policies he followed during his presidential term from October 1945 to February 1948.

The 50-year-old Betancourt is a lawyer and economist whose long political career has included nearly two decades of involuntary exile. Much of his life outside Venezuela was spent in Costa Rica and Puerto Rico, but he has also lived in Chile, Cuba, and the United States. He is married to a Costa Rican and has one daughter, now attending the University of Chicago.

Growing up under the Gomex dictatorship in Venezuela, Betancourt was first imprisoned in 1928 and subsequently exiled. He was a member of the Costa Rican Communist party for a brief period during his student days in exile in the early 1930s, but left the party before he returned to Venezuela in 1936.

Betancourt was again expelled from Venezuela for political activities in 1939 and did not return until 1941, when he helped found the AD. He became president of an interim governing junta in 1945 after a military coup--in which he reportedly played a prominent role--ousted the incumbent regime. Between 1945 and late 1948, Betancourt and his elected AD successor, President Romulo Gallegos, were able to launch some of the AD reform program.

The AD government, however, attempted to curb the political position of the traditionally dominant military elements, and this led to its own ouster by a military coup in November 1948. The long-standing hostility of the military and other conservative groups toward Betancourt and his party dates from this period.

Betancourt has been an ardent champion of "democracy and political freedoms" throughout the Caribbean and allegedly has been connected with the Caribbean Legion, a subversive paramilitary organization active in 1948-49 and designed for ousting authoritarian regimes in the area by force. He is a close friend of Costa Rican ex-President Figueres and Puerto Rican Governor Munoz Marin, who apparently share many of his political ideas.

Betancourt's principal enemies have been dictators: Generalissimo Rafael Trujillo of the Dominican Republic,

who reportedly is considering breaking relations with Venezuela even before Betancourt's inauguration, and former Presidents Perez of Venezuela and Somoza of Nicaragua.

Betancourt thus has often been involved in the diplomatic tension and intrigues of the Caribbean. In 1954, for example, Perez ordered the Venezuelan Air Force to drop pornographic leaflets maligning Betancourt and Figueres over the Costa Rican capital in reprisal for their opposition activities against his regime.

Political Views: The political philosophy of Betancourt has probably largely molded the AD's platform, although the party has a strong minority faction which is more leftist than its chief. His ideas are to be found in a large number of books, pamphlets, and essays, most of which have been written in exile.

Betancourt's basic objectives are to raise the educational and living levels of the Venezuelan people and to establish democratic government through broad socio-economic reforms in which the government takes a leading role. The reform measures which Betancourt emphasizes include free public education, reduction of Venezuela's estimated 50-percent illiteracy, a more equitable distribution of national income and land, agrarian reforms, higher wages and other labor benefits, extensive public works with social benefits, reduction of unemployment, and a diversification of the economy away from its top-heavy dependence on petroleum.

Betancourt also emphasizes the government's role in the economy, particularly in basic industries, apparently because he believes that the state is the only adequate instrument for accomplishing these objectives in a backward country where a small oligarchy has traditionally monopolized wealth and political privilege. He strongly denies, however, that he is opposed to private capital, foreign or domestic, and asserts that it is essential for the country's economic development.

Nevertheless, he sees the state playing the prominent role in the promotion of power projects, iron and steel industries, irrigation works, and transportation, and taking an increasingly important part in the petroleum industry. He supports the continuance of the national steel and petrochemical projects promoted by the former dictatorship, although these have proved ineffective to date.

The Oil Industry: In regard to the petroleum industry, which supplies the bulk of Venezuela's foreign exchange earnings and government revenues, Betancourt claims that the state should have a greater portion of the profits of the private foreign companies, now shared on a 50-50 basis, but only after a thorough study and under a formula which would not price Venezuelan oil out of the world market. Some reports indicate that he thinks in terms of a 60-40 profit-sharing formula in favor of the government, as opposed to a 75-25 formula backed by the Communists and the Communist-penetrated Oil Workers' Federation.

Betancourt staunchly denies, however, that he has ever considered nationalization of the private oil

industry, although he wants to extend government control over it. He has claimed--but not since his return to Venezuela last February--that he did not recognize the legality of the new petroleum concessions granted by the former regime in 1956-57 at an initial cost of almost \$700,000,000 to the foreign companies. He has also repeatedly voiced his opposition to granting new concessions to the companies, suggesting that the private oil industry will eventually be slowly phased out.

Betancourt favors the development of a national petroleum industry with its own tanker fleet. He reportedly would consider receiving a part of the government's petroleum royalty in kind for use in international barter transactions in the belief that such arrangements might save import costs.

Betancourt--unlike other Venezuelan leaders--has not reacted strongly against US oil import restrictions, believing that the country's production levels are already sufficiently high in relation to proved reserves and that the Venezuelan economy must be revamped before the exhaustion of this vital resource.

Like the leaders of other major parties, Betancourt would also revise the contracts with the two US-owned iron-mining companies in Venezuela, probably to obtain a greater share of the income for the government.

Attitude Toward Communism: Betancourt once explained his brief membership in the Costa Rican Communist party as "a youthful outbreak of political smallpox," implying that he was victim to the penchant for radicalism common among Latin American university students. He left the party apparently because its international orientation conflicted with his own nationalistic outlook and because he believed its program inadequate to solve Venezuelan problems.

In recent years, he has frequently voiced his anti-Communist attitude but is opposed to outlawing the Communist party in Venezuela, even though it is the AD's chief competitor for influence in labor and student circles. Moreover, he has repeatedly stated that the AD is a national party and will have "no connivance" with Communist ideology. He also denies that the AD was spawned by either Marxism or socialism. The frequent charges of Betancourt's enemies that while in exile he and the AD cooperated with the Communists have never been substantiated.

Long before accepting his party's nomination for the presidential campaign, Betancourt publicly declared, as chief of the AD, that he was opposed to the inclusion of Communists in the executive branch of the elected government, and he made no effort to attract Communist votes. Like the other two presidential candidates, however, he has stated that he favored establishment of relations with "all nations," which implies that his government may consider ties with one or more Soviet bloc countries.

Business Hostility: Some business elements--both US and Venezuelan--apparently retain a strong antagonism toward or suspicion of Betancourt and his true intentions, remembering his social reform measures and the favoritism which his government displayed toward organized labor.

Many apparently still believe that he has socialist or Marxist leanings.

The former AD regime did tolerate certain excesses of organized labor but probably with the primary intention of developing an effective counterweight to the military rather than to obstruct or hinder private enterprise. Furthermore, Betancourt's past experience in power and his long years of exile have possibly served to modify his approach to governmental reforms and will perhaps influence him toward a moderate and pragmatic approach toward business.