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American Embassy,  
Bogotá, Colombia.

April 21, 1948

**Voluntary**

**Air Pouch**

**Preliminary Report on the  
Economic Effects in Colombia as  
a Result of the Rioting, Burning,  
and Looting which Followed the  
Assassination of Liberal Party Leader,  
Jorge Eliécer Gaitán, on April 9, 1948**

**Robert L. Harmon**

The rioting, burning, and looting which followed the assassination of Liberal Party Leader, Jorge Eliécer Gaitán, on April 9, 1948, was general throughout Colombia but was most violent in the larger cities, particularly Bogotá. The capital has been described by many as having all the appearances of a bombed-out European city. Lesser damages were sustained in the cities of Medellín, Barranquilla, Buenaventura, and Cartagena. Preliminary newspaper reports have estimated the total damage in the entire country to be approximately 1 billion pesos<sup>1/</sup>, with damage in Bogotá alone estimated to be between 350 million and 500 million pesos. Insurance circles preliminarily estimate the damage in Bogotá as being between 350,000,000 and 400,000,000 pesos.

The bulk of the damage sustained was from the burning of buildings, principally business houses in urban areas, and robbery and pilferage of business establishments. Paradoxically, with this billion-peso loss by Colombia, certain essential services were not disturbed; for example, power companies, the railroads, the ports, docks, Colombian shipping, port warehouses, water supplies, telephones, telegraphs, hospitals, and schools were left virtually unharmed. Happily this has enabled the Colombian Government to bring about a rapid return to normal of economic activity in areas which were not burned out. During the first week following the uprising on April 9, food prices sky-rocketed and were selling far above established prices, notwithstanding Government warnings against such practices. The peculiar make-up of the distribution system for staple food products has been most fortunate generally throughout Colombia. Each geographical area is largely self-sufficient in the matter of supplying its

own food

<sup>1/</sup> The Colombian peso equals approximately US\$ 0.57 at the official exchange rate.

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own food staples. The lack of refrigeration and storage facilities has necessitated the practice of small farmers, ranchers, and produce houses to transport their products to the urban areas on a daily basis; hence, it was a simple matter to resume this practice when the rioting was put under control by the Army. The cities, particularly Bogotá, quickly reverted to a more or less normal state in the sale of the staple foodstuffs required by the lower income groups. In the food line, principal losses were suffered by those merchants who carried fancy foodstuffs and canned goods in the commercial districts.

As enclosures, there are:

(A) A list of the principal buildings in Bogotá which were completely destroyed. This list of over 100 principal buildings which were completely destroyed, is preliminary, and a more complete list will be prepared when the data is available; (B) List of principal establishments damaged and robbed in Bogotá. This list is also preliminary and will be supplemented; (C) List of American-owned businesses which suffered losses, also preliminary; (D) A number of pages of pictures from the Bogotá newspapers during the week following the outburst which furnish a good indication of the terrible extent of the damage suffered in Bogotá.

In reviewing the enclosure with the list of buildings destroyed or damaged, the estimated losses opposite the names of each of the buildings or business establishments are estimates of building losses only and do not represent losses of materials which were burned or pilfered on the afternoon and night of Friday, April 9. The destruction of such historical shrines and architectural masterpieces as the Palacio de San Carlos, the Papal Nuncio's Residence, the Palacio Arzobispal and the Iglesia del Hospicio (built in 1810), are lost to the Colombian people forever.

Aside from damage to the listed public buildings, as has been previously noted, principal damages were sustained by business men and merchants in urban centers. Virtually the entire shopping area of Bogotá along prominent Carrera Septima was robbed or completely destroyed. The days following the disaster witnessed clandestine sales by looters of their stolen merchandise. Such things as fur coats, refrigerators, radios, suit cases, and general merchandise of all types were being offered at reduced prices in "alley" transactions. The Commercial Attaché to the Embassy held a meeting with a number of prominent American business men in Bogotá on Friday, April 16, to discuss the disaster and to ascertain the extent of damage sustained by American business interests in Colombia. The minutes of this meeting, in the form of a memorandum to the Ambassador, are also attached as an enclosure. Estimated insurance coverage amounted to a meager four or five million pesos. It is the opinion of the Colombian and American business men that the Government has a very definite obligation to make restitution for their losses as taxpayers, inasmuch

as they



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as they were legally entitled to police protection which they did not receive as the police force joined the mutinous mob. The Colombian Government, still very much in a state of uncertainty, has issued no statements concerning its intentions in this regard. However, a Commission has been set up to make a survey of all damage and to determine ways and means of raising funds for an effective recovery program. A significant feature of the initial program is the extension of long-term credits for the reconstruction of buildings and the purchase of stocks by merchants whose establishments were pillaged and destroyed.<sup>2/</sup>

The voluntary 10 million dollar credit made available to the Colombian Government for reconstruction by the Export-Import Bank and specifically earmarked for the purchase of construction materials and transportation equipment in the United States, has evoked favorable comment in Colombian business circles. However, the Minister of Finance in a radio address on April 14, commented that this constituted only an initial external loan. The Government has issued no statement as to how the loan will be administered, and for what specific types of reconstruction this money will be used.

On April 19, ten days after the rioting began, the city areas which were not completely destroyed have returned to a near-normal state. Thousands of laborers commenced a general city-wide clean-up of the rubble on April 17 and clean streets have now for the most part been opened to down-town traffic. Buildings gutted by fire are being torn down to prevent the danger of falling and injuring pedestrians.

The over-crowded port areas<sup>3/</sup> were over-burdened even further as a result of the six-day stoppage of unloading at ports and the halting of rail movements. However, railways, once again in operation, are now carrying normal amounts of freight to Bogotá and other industrial areas, so that no serious economic dislocation in this respect has been encountered. Passenger movement by the airlines and railways is near normal, the largest difficulty in this respect being international travel movement by those persons whose passports and other travelling documents were destroyed by fire. In Bogotá, the public transportation system is near-normal in outlying areas. However, the destruction of 40 trolleys (out of a total of 118 cars) and overhead lines in the down-town area is causing some hardship.

Banks are functioning normally, but on a shortened day from 8 a. m. to 1 p. m. The manager of the National City Bank of New York reports that their losses will probably be small. The manager expressed the opinion that because of large liquid holdings, leading merchants of Bogotá would be able to reestablish their businesses.

There has

<sup>2/</sup> See Embassy Airgram A-244, dated April 16, 1948.

<sup>3/</sup> See Embassy Airgram A-240, April 6, 1948.

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There has been continuing discussion and pressure upon the Government to re-evaluate the peso to a suggested official rate of 2 for 1 U. S. dollar, as opposed to the present rate of 1.75 pesos per 1 dollar. It is unlikely that such a change will be considered until the Government's position is stabilized. The curb market or free market exchange rate, quoted at 2.50 per 1 U. S. dollar on April 8, remained unchanged in today's trading, although a 3 peso curb or free market rate is predicted. Certainly a rising demand for dollars should result in a higher rate when the merchants again start buying dollars for United States purchases to replace lost stock. The Office of Exchange Control is expected to relax its licensing system to permit an increased flow of imports, particularly construction materials. Reports circulating in financial circles indicate a larger number of commodities will become importable at the official rate of exchange. This factor, plus the expected seasonal increases in coffee shipments, may mitigate against a rise in curb or free market rate. Some sources feel that these two factors will combine to hold the free market dollar rate to approximately 2.70 pesos per 1 U. S. dollar.

The foregoing report is to be considered by the Department as preliminary, inasmuch as most business establishments only reopened today and it has been too early to get comprehensive data to present a more accurate and defined report for the information of the Department.

Approved by:

Prepared by:

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SSO  
RLHarmon/mnt

Enclosures:

- (A) List of principal buildings in Bogotá, completely destroyed.
- (B) List of principal establishments damaged and robbed in Bogotá.
- (C) List of American-owned businesses which suffered losses.
- (D) Pages of pictures from Bogotá newspapers depicting the damage.
- (E) Minutes of Meeting of prominent American business men in office of Commercial Attaché, April 16, 1948.



ENCLOSURE A to Report No. 76 of April 21, 1948  
American Embassy, Bogota, Colombia

PRINCIPAL BUILDINGS COMPLETELY DESTROYED IN BOGOTA  
AS A RESULT OF RIOTING FOLLOWING ASSASSINATION OF  
JORGE ELINGER GAITAN ON APRIL 9, 1948.

<u>Names</u>	<u>Estimated Amount in Pesos</u>
"El Siglo".....	700,000
Palacio Gobernación and Administración de Rentas.....	3,000,000
Palacio de San Carlos and Ministry of Foreign Relations.....	1,500,000
Hotel Regina and stores.....	400,000
Palacio Arzobispal.....	700,000
Nunciatura Apostólica.....	500,000
Instituto La Salle.....	1,000,000
Prefectura de Seguridad.....	500,000
Palacio de Justicia.....	1,000,000
Edificio del Hospicio, Church and stores.....	2,000,000
Escuela Apostólica.....	400,000
Ministerio de Gobierno.....	200,000
Ministerio de Justicia.....	200,000
Cromos "Editorial".....	300,000
Hotel Atlantico and stores.....	600,000
"El Buen Gusto" store and building.....	600,000
"La Gran Drogueria" building and stores	500,000
Rex Building and stores.....	800,000
"Ferrigo" Hardware and building.....	500,000
Camacho Roldan Warehouse and stores (12th street).....	500,000
Ferreteria Americana and building.....	250,000
Ministry of National Education.....	300,000
15 old buildings in San Victorino Square and stores.....	2,000,000
8 buildings and stores on 12th street, between 12th and 10th streets.....	800,000
Libreria Voluntad and building.....	150,000
4 buildings and stores on Carrera 7a., between 11th and 12th streets.....	400,000
1 building on Carrera 4a., 12th street.	300,000
10 buildings on Carrera 6th, between 12th and 13th streets...	900,000
Hotel Avenida and stores.....	200,000
1 building on Carrera 7 and 17th street and stores.....	600,000
3 buildings on Carrera 7, between 17th and 18th streets and stores	600,000
3 edificios on Carrera 7, between 18th and 19th streets.....	600,000
2 buildings on 11th street, between Carreras 6th and 7th and stores.....	80,000
3 buildings on Carrera 7th between 21st and 22nd streets and stores	800,000
Convento Santa Clara.....	200,000
2 buildings on Carrera 10th, between 12th and 13th streets and stores	800,000
Other non-classified hardware stores.....	2,000,000
Gomez Arrubla Building and stores.....	600,000

ENCLOSURE B to Report No. 76 of April 21, 1948  
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SOME PRINCIPAL BUILDINGS DAMAGED IN BOGOTA AS A  
RESULT OF RIOTING FOLLOWING ASSASSINATION OF  
JORGE ELIECER GAITAN ON APRIL 9, 1948.

<u>Names</u>	<u>Estimated Amount in Pesos</u>
Beneficencia Building (stores etc.) 11th and 12th streets between 9th and 10th....	400,000
Palacio de Comunicaciones.....	150,000
Capitolio Nacional.....	100,000
Cudecom Building and store.....	150,000
Tranvia Municipal de Bogotá (40 Trolley Cars).....	1,000,000
Administración de Hacienda (Internal Customs).....	800,000
Sierra Building and stores.....	100,000
Picadilly Store and building.....	100,000
Cardenas Building and stores.....	400,000
Kraus Building and store.....	800,000
Bauer Building and store.....	1,200,000
Sadi Hardware Store and building.....	300,000
Other hardware stores damaged and robbed.....	6,790,000
Edificio Vasquez.....	150,000
Edificio Iberica.....	40,000
Edificio Colombiana de Seguros and stores.....	900,000
Edificio Nicolas Gomez.....	20,000
Samper Brush Building and stores.....	400,000
Lansa Building (Air-express).....	25,000



ENCLOSURE C to Report No. 76 of April 21, 1948  
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SOME AMERICAN FIRMS PARTIALLY AND TOTALLY DESTROYED  
IN BOGOTA AS A RESULT OF RIOTING FOLLOWING ASSASSINATION  
OF JORGE ELIECER GAITAN ON APRIL 9, 1948.

<u>Names</u>	<u>Estimated Amount in Pesos</u>
Clottman store and building.....	400,000
Jack Sid Building.....	300,000
National Cash Register and building..	200,000
"IKA" hardware store.....	300,000
Almacen Foaur.....	95,000
Sears Roebuck.....	100,000 (dollars U.S.)
Singer Sewing Machine.....	No estimate
General Electric.....	100,000

MEMORANDUM

April 19, 1948

TO: The Ambassador

FROM: Mr. David M. Clark

Subject: Meeting of the American businessmen held on April 15, 1948, in the office of the Commercial Attaché, American Embassy, for the purpose of reporting damage suffered by reason of the uprising as a result of Jorge Eliécer Gaitán's assassination.

The following prominent American businessmen were present at the meeting on April 15, 1948:

Mr. Weidey	Tropical Oil Co.
Mr. Dresbach	Gulf Oil Co.
Mr. Blood	Grace & Cia. (Colombia) S.A.
Mr. Pearson	Grace & Cia. (Colombia) S.A.
Mr. Wilkinson	Price Waterhouse & Co.
Mr. Rose	National City Bank
Mr. Roll	Pan American World Wide Airways
Mr. Strange	Magdalena Fruit Co.
Mr. Wilson	Fleishman Colombia, Inc.
Mr. Banker	Metro-Goldwyn-Mayer
Mr. Chapman	Home Insurance Co.
Mr. Helle	Western Electric Co.
Mr. Restrepo	"AVIANCA" Aerovias Nacionales de Colombia
Mr. Cristal	Sears-Roebuck
Mr. Plaza	Richmond Petroleum Co.

Comments recorded during the meeting are as follows:

Mr. Blood (Grace & Cia.): Telephone communications this morning with Buenaventura reported absolutely no damage or pilferage in port or customs house. Apparently very little damage in town itself. Town back to normal. Trains operating again. Export cargo moving. Expect to discharge ships this morning. Ships awaiting turn in harbor. Barranquilla and Cartagena operating normally. No reports as to damage to docks. Ships on schedule and carrying usual amount of cargo. Only remaining problem is interior transportation between Buenaventura and Cali. Started operating trains yesterday afternoon. Do not know how many trains are to be operated. Docks and warehouse, okay. No papers destroyed. Buenaventura, due to one week of no work is very heavily loaded; expect delays in getting merchandise through. Port was full when disturbance started on Friday; 35,000 tons there - 10,000 tons at anchor. 7,000 tons were sent to Guayaquil where it is awaiting turn to unload at Buenaventura. Grace & Cia. suffered no physical damage here in Bogotá.

Mr. Banker (Metro-Goldwyn-Mayer): None of theaters in Bogotá have suffered any damage. No damage has been reported to any theaters throughout the country. Only pilfering reports from Barranquilla. Exhibition of films was resumed there on Sunday and continued until yesterday. Cali has been operating normally.

None...



None of the film distributors in Bogotá were touched at all.

Mr. Rose (National City Bank): Understands the Export-Import loan is to be 10 million dollars as reported in the press. Has not had any details. As far as the Colombian Government is concerned, the Bank of the Republic, through the Banco Central Hipotecario is going to do everything possible to assess the losses of Colombians. Does not know what responsibility this means the Government will take. All private banks are mainly concerned with their own clients. National City Bank has a good preliminary list of losses pertaining to its clients. Surprising how well the people are taking the disaster. Those with greatest losses are those most financially able to take it. National City Bank's losses will be much less than anticipated at first, due to fact that clients are above average. Will affect other banks harder. Government says it will do everything possible to help each individual, but it is not yet known what that help will be.

Mr. Clark (Commercial Attaché): What is the situation regarding insurance coverage? Is it true that very few building and business enterprises in Colombia are insured against losses as a result of public rioting?

Mr. Rose: You have to have specific insurance for revolutions, wars, etc. Riccardi & Ambrosi, a department store, had complete coverage for that type of insurance. "El Siglo" also had this type. The bank has a number of clients fully insured in this respect, but this is exceptional as most damage was not covered by such insurance.

Mr. Clark: Could it be generally said that there is practically no insurance coverage when considering the over-all picture?

Mr. Rose: That is correct. However, it seems that the people have a claim against the Government.

Mr. Clark: You mean, for instance, that these small hardware stores which were gutted have a claim against the Government?

Mr. Rose: Yes. The theory is that the people pay taxes in return for police protection, and in case of civil uprising are entitled to a claim against the Government for damages.

Miss Wilkowski (Vice-Consul): Does Mr. Rose have any idea of what additional credit Colombia will be seeking?

Mr. Rose: There is no reason to believe that the present situation will stop the unlimited demand which existed before.

Mr. Rose: The Government has not actually yet formulated any policy on import licenses. The papers are certain they are going to be more liberal, but that may be mostly propaganda.

Miss Wilkowski: What do you think is going to happen to the exchange?

Mr. Rose: That subject is taboo. They are considering means of meeting this problem. It is under consideration whether they are going to change the rate or not. Political stability was holding it back before. Many people wanted it to be 2 - 1, but the President was against this on account of the under-classes. Now he may not be so interested in protecting the under-classes.

Mr. Clark: To what extent were the buildings, businesses, etc., here insured?



Mr. Chapman (Home Insurance): This is difficult to judge. I suppose in Bogotá there might be from 4- to 5 million pesos worth of insurance coverage.

Mr. Clark: What do you estimate the value of the damage to be here in Bogotá?

Mr. Chapman: Probably between 360 to 400 million pesos.

Mr. Clark: Do you think the figure published in the papers of 1 billion pesos for the whole country, of which 300 - 350 million represent Bogotá, is accurate?

Mr. Chapman: We haven't been able to get any real information. We understand that Barranquilla was not damaged greatly.

Mr. Strange (Magdalena Fruit Co.): From 35 to 60 buildings were destroyed in Barranquilla; I know, because I was there. The whole block north of the docks was completely gutted. Apparently there was no damage to private homes. A big ferreteria on the plaza facing north is gone.

Mr. Clark: What do you estimate the damage to be there?

Mr. Strange: From 25- to 30 million pesos. The damage was not in a high-value section.

Mr. Clark: Does anyone know of any manufacturing plants which were gutted?

General response: No.

Mr. Wilkinson (Price-Waterhouse): Offices in Edificio Valdiri were protected. No damage. We are going to visit all the manufacturing plants, tabulate losses, and evaluate the prospects of clients staying in business. We will be glad to furnish that information to the Embassy when it is available.

Mr. Clark: Have we any idea as to the damages in Avianca?

Mr. Roll (Pan-American): We have no more idea than just what you have seen. Mail is being collected at Hotel Granada and taken to branch at 63rd and Carrera 5. Airmail boxes were saved. Tickets are now being sold downtown here. Pan-American is running. Have not yet been able to get clearance whether Americans can leave on commercial airlines. It is felt that people with documents in order (pase salvo, permiso de salida, etc.) can go. Only other solution is for people to be evacuated to Panama.

Mr. Clark: Do you know how many mail bags were taken out of the Avianca office Friday night?

Mr. Roll: Heavy mail begins to come in around 3 o'clock. There was not so much incoming mail that day. We cannot really judge accurately. There will be a report later giving more data.

Mr. Roll: Export-Import Bank says the hotel project is okay. Ground floor of Hotel San Diego is to be used for office space.

Mr. Dresbach (Gulf Oil): No damage has been reported. Had wire from subsidiary that someone had requisitioned three launches and a radio, and suspect that it was probably the rebels.

Mr. Clark: Has anybody had any news on what has happened at the Pato Gold Mines? (No one present had information.) On March 16 the workers took complete possession of everything there.



Mr. Dresbach: It appears that very little happened at Santa Marta and Barranca, according to telephone communications. They are waiting for clearance from the CTC to go back to work. The Company has suffered no damage.

Mr. Weidey (Tropical): Tropical Oil installations are practically intact. There is one field from which no information has been received. There are still a few points not under our control up to the present time. It will take some time to organize operations again. Because of loss of production on concessions, we will probably see rationing of one kind or another on gasoline for quite some time.

Mr. Clark: What is the supply of gasoline in Bogotá?

Mr. Weidey: That is a little difficult to go into; it depends on how fast you use it. The stocks are small but enough to keep the people going on a conservative basis.

Mr. Clark: So far as you know, rail transportation in Bogotá has been resumed?

Mr. Weidey: It was my understanding that rail transportation was resumed this morning. Pacific Railway transportation began functioning yesterday.

Mr. Clark: What is the situation in Avianca?

Mr. Restrepo (Avianca): Avianca has suffered no serious losses. The worst damage is caused by paralysis; lack of income and materials. Lansa has begun operations within the country. Avianca has lost a number of studies and plans, but this loss is not irreparable. Some mail and packages were burned. Checks amounting to 30 million pesos were destroyed, but this is a negative loss as they can be replaced.

Mr. Plaza (Richmond): We have not suffered any damage whatsoever. We have a geophysical party in Guajira peninsula from which we have not heard.

Mr. Helle (Western Electric): Concerned about trans-oceanic radio telephone system. Have spare parts coming down. Were supposed to be put in aduana, and understand no damage was done to aduana. Have suffered no physical damage here.

Mr. Wilson (Fleishman): Warehouses, offices, factories, untouched. Started to work yesterday. Suffered no damage at all.

Mr. Blood (Grace): So far as we have been able to check, every truck is accounted for. No losses in transit as yet. The railroad traffic enroute, so far as we know, did not suffer.

Mr. Cristal (Sears-Roebuck): Sears has been cleaned out. Eight plane loads of merchandise were taken from storeroom and customs warehouse. Tried to pull out any moveable articles.

Mr. Clark: What do you estimate your damage?

Mr. Cristal: Roughly, about \$100,000. Had warehouse and customs room on the same floor. Raiders broke into customs rooms. Fortunately there was very little fire damage. Did "neat" job of looting. Have not yet cleared up point of insurance on air express. I hope to find out next week.

Mr. Clark:...

Mr. Clark: Does anybody have anything to report regarding any other American firms?

Mr. Roll: Buick-Chevrolet showroom had 9 cars taken out of windows. Some were returned but beyond repair. That night workers got out about 60 cars and took them to safety. Raiders did not get down to taking spare parts.

Mr. Clark: Automotriz had 5 cars taken; recovered 4.

Mr. Rose: Leonidas Lara lost depósito on Avenida Jimenez; value 2 million pesos. Singer Sewing Machine was looted and they tried to set it on fire. Everything is gone out of the two stores, one on Séptima and one on Octava streets. Will send report of complete losses. National Cash Register Co. was completely wiped out on 7th, also Jacques Sid store was completely wiped out. Squibb and Co. suffered no damage.

Mr. Banker: Delegation from theaters met yesterday to find out when shows could be resumed. It was tentatively planned to open tomorrow but will have to be through by 6 o'clock.

Mr. Pearson: No coffee damage, coffee dollars should not stop at all.

Col. Hausman (Naval Attaché): If anyone has any information (1) concerning events prior to Gaitan's assassination, which might lead to over-all picture of the plan, or (2) if anyone was on the spot at the time, (3) any organization that you saw on the streets at the time, (4) anything you might know about Juan Roa Sierra, (5) any communist influence; please communicate with Mr. Wieland, Col. Beurket, or myself.

/mnt;vmt