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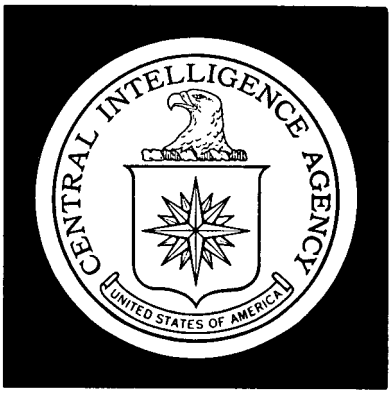

DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

The Dominican Republic Under President Joaquin Balaguer

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THE DOMINICAN REPUBLIC UNDER PRESIDENT JOAQUIN BALAGUER

Unless President Balaguer can liberalize the political atmosphere, achieve a degree of real social reform, and maintain a high rate of economic growth, his presidency may prove a sterile interlude rather than a step forward in the political and economic development of the country.

Support for the Balaguer government by the military and the conservative business and financial community appears fairly secure, strengthening, at least for the short-term, prospects for political stability and moderate economic growth. These prospects may be menaced, however, if the US Congress passes proposed legislation cutting Dominican sugar shipments to the United States by about 25 percent from the 1970 figure.

The weak, disunited, and badly led extreme left is capable of sporadic incidents of violence, even including the murder of the President, but it could not subsequently take over the government or even assume a significant political role. The probable consequence of a successful leftist attempt on the life of the President would be massive reprisals against the extreme left by the military and the formation of a repressive government controlled by the military.

Former President Juan Bosch has re-established his control over the Dominican Revolutionary Party and appears to be preparing it to take advantage of political developments. He fears random violence on the part of leftist extremists because he believes that a military take-over would follow and would postpone indefinitely his hopes for a reform government.

In Balaguer's second term, which began in August 1970 and ends in 1974, pressures for government action to improve the lot of the majority will be more insistent. The people will be less willing to subordinate all activity to the preservation of political stability. Increasing authoritarian government, the use of counterterror against the left and the extreme left, uncertainty as to whether the President will try for a third term, and too little social reform have diminished the credits Balaguer amassed during his first term and will probably continue to do so. The President is probably skillful enough to head off any serious threat to his government from these causes, but he is too circumscribed by political necessity and his own philosophy to find new ways to attack the almost insurmountable problems that afflict the country.

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Prologue

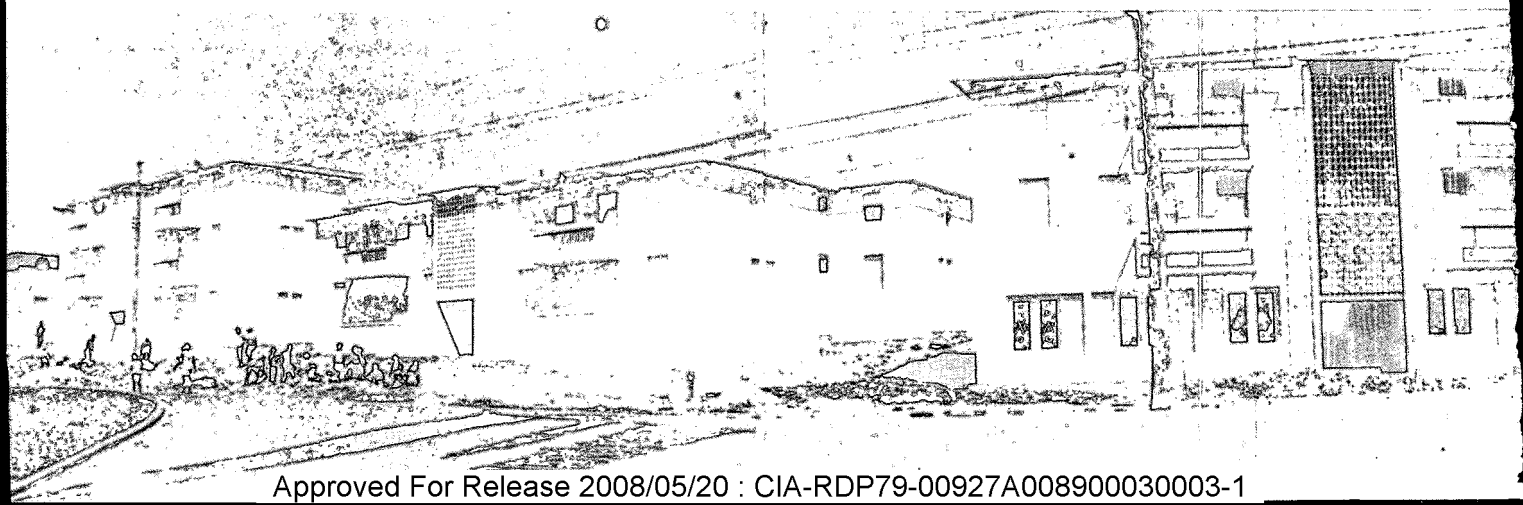
Flawed as it is, the government of President Joaquin Balaguer is one of the less melancholy moments in the Dominican Republic's long, unhappy history. Between the murder of the dictator Rafael Leonidas Trujillo in 1961 and Balaguer's inauguration in 1966, there were eight governments, three coups d'etat, a civil war and a foreign military intervention.

When Balaguer took office in 1966, virulent social and political antagonisms—some created, others intensified by the civil war of 1965—d divided the country. The state of the economy was calamitous; gross domestic product had declined nearly 13 percent in 1965, and between 30-40 percent of the labor force was jobless. Intransigents on both the left and the right resented and opposed the new government. The support of conservative military, business, and financial interests had to be maintained if the new government was to survive, and the economy had to be revived without resort to measures that would alienate this support.

Balaguer's political expertise has enabled him to keep the opposition off balance while permitting a fair degree of political liberty. Repressive measures against extremists were resorted to only infrequently. Through cautious fiscal and economic policies, and with US aid, the country has recovered from the economic devastation of the civil war and has made modest if poorly coordinated progress in providing public housing, education, and health facilities. In 1968-70 gross domestic product rose nearly 18 percent. Unemployment remained high, however, and the

President Balaguer presenting a tenant with title to an apartment in a public housing project in Santo Domingo. 10 May 1971.

Saint Martin de Porres Public Housing Project in Santo Domingo, consisting of 31 two- and three-story apartment buildings and ten shops. The apartments have three bedrooms, a living-dining room, kitchen, bath, utility room, and balcony.



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President Balaguer officiates at the opening of a country road.

government was unable to create conditions for long-term political stability and social reforms. Nevertheless, Balaguer was returned to office in the relatively peaceful and honest elections of May 1970 with a 57-percent majority of the vote. He pledged to complete the programs begun in his previous administration aimed at improving the lives of the people, and to create a "government of national unity."

The New Balaguer Government

Outwardly there is little in either personnel or policies to distinguish the ten-month-old second administration from the first. As he had done in 1966, Balaguer again offered posts in the government to members of opposition parties. No real "government of national unity" was achieved, or intended, however. Authority is centralized in the president's hands, and no member of the government exerts any real influence on presidential decisions. Bringing members of the opposition into the administration did not give the opposition a voice in government; rather, it has contributed to the weakening of the appointees' political parties. The postelection appointments and reassignments that Balaguer made in the military appear to have achieved the dual end of dispersing authority to prevent only one officer from becoming powerful enough to challenge the government while retaining the military's support.

Achieving political stability was the President's primary concern in his first term. Since re-election Balaguer has shown greater interest in long-range economic planning. In early 1970 a National Development Plan for 1970-74 was published, which the International Bank for Reconstruction and Development (IBRD) finds extremely optimistic. The bank agrees with the plan's projected structure of economic growth but finds the expected pace of advance in each sector more rapid than can be realistically anticipated. The IBRD study predates the presentation of legislation in the US Congress that would reduce Dominican sugar shipments by about 25 percent from the 1970 figure.

The proposed legislation cutting Dominican sugar shipments poses an unexpected threat to economic growth and to political stability. The Dominican press has been filled with articles protesting the "injustice" of the proposed legislation and describing its damaging effect on the Dominican economy. Critics who object to Balaguer's close ties to the United States have seized the opportunity to criticize him. Juan Bosch, leader of the strongest opposition party, the Dominican Revolutionary Party (PRD), has publicly stated that only a tough, nationalistic attitude will impress Washington. The political and psychological effect of a cut cannot be estimated; some of the

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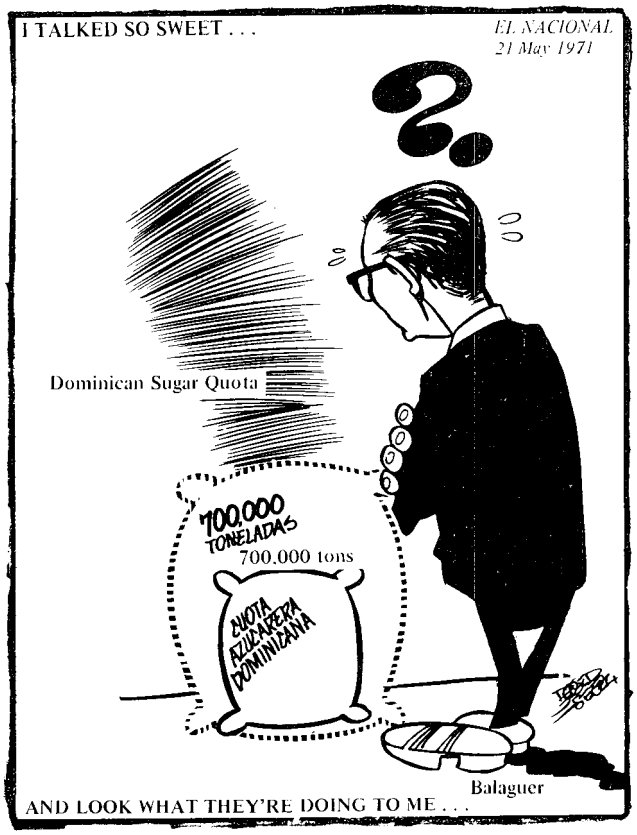

reaction undoubtedly exaggerates its probable effects. Concretely, however, the US Embassy estimates that roughly 25,000 sugar workers would lose their jobs, and the already weak balance-of-payments position would be further damaged should the quota be reduced as proposed. Balance-of-payments equilibrium was achieved in 1970 because of large sugar exports to the US market and substantial net inflows of capital, but rapidly rising imports in 1971 are expected to cause a substantial deficit despite the continued inflow of private and official capital. The reduction in sugar shipments under the US quota may be restored or the difference made up by special allocations and other measures. Nonetheless, Dominican disenchantment with the US because of the proposed cut is likely to be reflected also in a loss of prestige for Balaguer and a deterioration of public confidence in his leadership.

The Political Opposition

The government's increasingly uncompromising attitude toward the left and Balaguer's subtler seduction of opposition political parties to prevent political unrest are potential hazards both for his administration and for the future stability of the country.

Although a variety of political parties sprang into existence after the death of Trujillo, only Bosch's PRD and Balaguer's Reform Party (PR) have real importance. The PRD did not participate in the 1970 elections, and the other opposition parties made embarrassingly poor showings. Balaguer's offers of posts in the government to opposition party members were for the most part gratefully accepted. The parties, never very strong, have since drifted toward virtual extinction.

The concept of a loyal opposition is foreign to the Dominican experience, and nonpartisan cooperation for the good of the nation has never been attractive to practitioners of what has been called "the politics of annihilation." Balaguer's discouragement of opposition activity to protect his administration is understandable in the Dominican context. Such a policy, however, if continued indefinitely, endangers future political development and the administration itself to some extent. Government is increasingly centralized in the President's hands. The interests of much of the population are unrepresented. Most political parties are spurned by the majority of the youth—about half the population of the Dominican Republic is under the age of 20—and those who want to act look to the revolutionary left for inspiration. Political institutions to safeguard the public interest from the effects of political conflict are not being built: perhaps, as Bosch has come to believe, they cannot be built in the current Dominican context. There is also the hazard that, because there are no legitimate

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channels through which to discharge their political energies, the politically concerned and ambitious will turn to conspiracy to realize their objectives.

The Extreme Left and the Government

During his first administration, Balaguer took relatively restrained action against the leftist extremists in the country, but his attitude has become increasingly harsh and uncompromising. At present the extreme left consists of some seven or eight small, weak, disunited and poorly led parties and groups capable of hit-and-run incidents of terrorism, even including murdering the President. The assassination of the President by a member or members of the left would, however, almost certainly provoke an immediate reaction from the security forces that would cripple the extremists for some time. The probability is high that a military government would be formed, and the revolutionary left's prospects for coming to power would become even dimmer than they are now.

The revolutionary left is divided between those who demand immediate resort to violence to promote revolution and those who prefer to lie low, build strength, and await more favorable circumstances. The Marxist-Leninist Dominican Popular Movement (MPD) shows the greatest potential and consequently has been hardest hit by government security forces. Its already battered leadership was further damaged by the accidental death last May in Brussels of Maximiliano Gomez Horacio, secretary general of the MPD and a gifted leader. To date there is little evidence that the left is making much progress in its efforts to achieve unity of policy or action, or that it is attracting the kind of support it would need to play a political role.

The newly authoritarian note in the government and the use of almost open counterterror against disturbers of the political peace have raised public apprehension about the course of the Balaguer government and its implications for the future. Two incidents in particular may have cost the government more in confidence than the short-term gain in tranquility was worth.

In February there was a general strike in San Francisco de Macoris to force the transfer of the local police chief. There is some evidence that the PRD and members of extreme left political groups were involved. On 24 February, Balaguer delivered a major television address in which he accused Bosch and the PRD, as well as others, of trying to destroy constitutional government through "psychological terror" and of trying to impose Communism on the Dominican Republic. He warned that the government would use undemocratic measures if necessary to preserve order.

The speech was believed by some to be a carefully calculated maneuver to polarize the country politically and to confront the people with a contrived political choice between constitutional government and Communism. It was an unmistakable warning that the government would not tolerate political agitation that disturbed domestic tranquility.

Three months later *La Banda,* a police-sponsored, anti-Communist terrorist group, provoked outraged public reaction and widespread

The boys in La Banda

criticism in the press as a result of its activities. These included the invasion of private homes,

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schools, and at least one church in search of "subversives" as well as open participation with the police in a raid on the headquarters of an important labor union. *La Banda* and the government publicly disclaimed any relationship, and the chief of the National Police, who had countenanced the formation of *La Banda*, pledged that the government would not tolerate terrorism from any quarter. The assumption that *La Banda* had only suspended operations very temporarily was confirmed in June by reports of new forays by the group.

In the past, President Balaguer has escaped being held personally responsible for particularly outrageous incidents of antiterrorist police action. After his speech in February and the emergence of *La Banda*, however, the fiction of presidential ignorance or innocence has become difficult for the government to maintain.

Juan Bosch and the Dominican Revolutionary Party

Former President Juan Bosch has re-established his control over the Dominican Revolutionary Party (PRD) and appears to be readying it to take advantage of any propitious political developments. [redacted] 25X1

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He has adamantly refused to allow the PRD to cooperate with the revolutionary left, particularly the MPD, because he believes that extremist violence would only cause a military take-over and the installation of a repressive government. Bosch approves of limited collaboration with the Dominican Communist Party (PCD) because the PCD's present policy of nonviolence coincides with his own thinking. Since returning in 1970 from self-imposed exile, Bosch has concentrated on reorganizing the party to rid it of leftist extremists and to bring it more closely under his personal control. He has also attracted the annoyed notice of the government by his rather effective efforts to gain labor support and to organize a single labor confederation. There have also been reorganizations in the PRD youth group, and the PRD is the most powerful organization at the politically volatile Autonomous University of Santo Domingo. 25X1

Bosch has made no bones about his disillusionment with representative democracy, including elections, but he has been less explicit about what kind of government he envisions. The promised explanation of how his "dictatorship with popular support" would work has not been forthcoming. It appears that he proposes a government brought to power through election or coup by a broad-based mass movement led by the PRD. The aim of such an administration would be to remain in power long enough to restore "national sovereignty and identity" and to effect basic reforms that could not be easily reversed. Such a government would be a strong one and would not hesitate to use coercion to achieve its goals. The current Peruvian regime is cited by

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Bosch as an example of the kind of government he has in mind.

The PRD is likely to be of continuing importance with or without Bosch. It is not a one-man party in the classic Dominican sense and probably would survive as a significant political force even without Bosch because of its large membership, organization, and a distinctive if vague political ideology. Bosch, like Balaguer, does not enjoy sharing power, however, and his control of the party has dimmed the chances of younger party leaders. It was speculated that Jose Pena Gomez, former secretary general of the party who ran the PRD while Bosch was out of the country, resigned his post and went abroad late last year because Bosch allowed him too little scope. Pena Gomez' sympathy toward the MPD was probably a source of disagreement between the two men. Pena Gomez is an able and promising politician and a valuable asset to the PRD.

The Military

The military seems generally satisfied with President Balaguer's policies and with its own role. There is nothing to indicate that political opposition figures or parties have attracted significant military support.

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Bosch's statement that the Peruvian Government most nearly resembles what he envisions for the Dominican Republic appears to be artful angling for military attention. Nonetheless, the prevalence of tarnished top brass and Balaguer's careful coddling of this important source of support could feed discontent among younger officers who profit less from the President's favor. The political prospects of former General Elias Wessin y Wessin were wiped out on 30 June when President Balaguer hauled him before television cameras and in a nationwide speech accused him of conspiring against the government. The former general was tried and sentenced to exile by a military tribunal on the following day. There is little to suggest that a Wessin coup plot could seriously threaten the government. The President apparently used the opportunity to show would-be conspirators the folly of plotting against his government.

General Neit Nivar Seijas commands the strongest unit in the Dominican military, but Balaguer's adroit manipulation of the armed forces has confined Nivar's military power largely to his own First Brigade. Nivar's extensive business interests and his cultivation of a variety of political figures probably give him influence outside the military that will be useful if he has high political ambitions.

Nivar's goals are hard to assess. In the past, he conspired actively on Balaguer's behalf and is believed to be satisfied with the reward his service has brought him. He maintains contact with Bosch, probably at Balaguer's behest, but also perhaps to maintain a relationship that might later prove useful. Nivar's career as a plotter and money-maker make it clear that his primary loyalty is to himself. It is less clear whether he wants to be president.

If Balaguer encounters serious opposition, Nivar might try to assume power himself, but there is no proof that he has the military, much less the political, support he would need to get and keep the presidency. Nivar is the nearest thing to Trujillo's spiritual heir in the Dominican Republic, and the upper classes and the business and financial community who suffered at Trujillo's hands would probably be very unenthusiastic about returning to the old order under Nivar.

Conclusions

The going will be rougher for Balaguer's second administration. Economic performance has been reasonably encouraging, but the resolution

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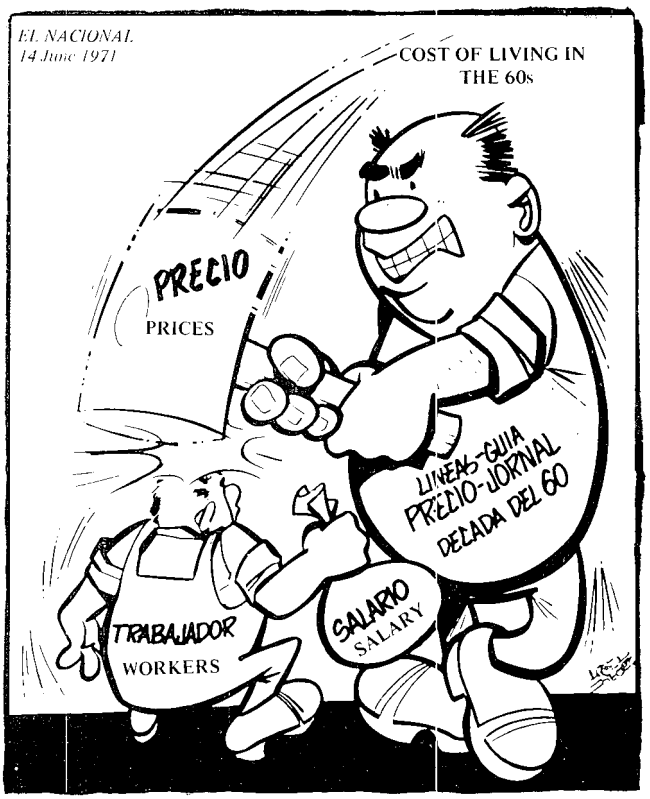
of the question of Dominican sugar shipments to the United States will affect economic growth prospects. The graphic demonstration of the economy's extreme vulnerability to external influences and the exhibition—bitter to the nationalist spirit—of Dominican dependence on the United States should intensify criticism of President Balaguer's pro-US attitudes and stimulate largely unanswerable demands for ways to promote greater economic independence.

Assuming that an adequate sugar quota is obtained, the government will probably attempt more agrarian reform and public works and development projects to improve socioeconomic conditions. Balaguer will extract maximum political credit from any improvement. But need, much less expectation, cannot possibly be met and the opposition, mainly the PRD, will miss no opportunity to publicize the government's shortcomings and stimulate popular pressure for more and faster improvements.

At present the left's intentions are undefined. Its weakness and disunity and the risk of crippling reprisals by the military should it provoke serious violence or make an attempt on the President's life should lengthen the odds against serious extreme leftist adventures. The prospect, although remote, should not be dismissed entirely, however. The relative strengths of the left and the military are such that the murder of the President would probably bring into being the repressive military government that Bosch fears and provoke severe reprisals against the extreme left.

Continuing high unemployment, widespread poverty, and allied ills, increasing apprehension



that Balaguer will run for a third term, continuing decay of opposition parties, and unchecked proliferation of government authoritarianism all are likely to gnaw away at the government's popularity. Balaguer's skill will probably prevent any serious threat to his government from developing from these causes. Even so, the problems are too great, resources too small, and the President's political philosophy too limited to permit him to convert his presidency from a moderately comfortable holding operation to a positive contribution to the political and economic development of the Dominican Republic.

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