

~~SECRET~~

~~CONTROLLED DISSEM~~

NIE 86.2-67
20 April 1967

APR 23 2 33 PM '67

LBJ LIBRARY
Mandatory Review
Case # NLJ 93-87
Document # 13a

Bowdler

NATIONAL INTELLIGENCE ESTIMATE

NUMBER 86.2-67

Prospects for Stability in the Dominican Republic over the Next Year or So

Submitted by

Richard Helms

DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the

UNITED STATES INTELLIGENCE BOARD

As indicated overleaf

20 April 1967

Approved for Release
Date *January 1994*

Authenticated:

James S. Lay, Jr.
EXECUTIVE SECRETARY, USIB

~~SECRET~~
~~CONTROLLED DISSEM~~

Nº 17

The following intelligence organizations participated in the preparation of this estimate:

The Central Intelligence Agency and the intelligence organizations of the Departments of State and Defense, and the NSA.

Concurring:

Vice Adm. Rufus L. Taylor, Deputy Director, Central Intelligence

Mr. Thomas L. Hughes, the Director of Intelligence and Research, Department of State

Lt. Gen. Joseph F. Carroll, Director, Defense Intelligence Agency

Lt. Gen. Marshall S. Carter, the Director, National Security Agency

Abstaining:

Dr. Charles H. Reichardt, for the Assistant General Manager, Atomic Energy Commission and Mr. William O. Cregar, for the Assistant Director, Federal Bureau of Investigation, the subject being outside of their jurisdiction.

WARNING


This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited.

GROUP 1
Excluded from automatic
downgrading and
declassification



CONTENTS

	<i>Page</i>
CONCLUSIONS	1
DISCUSSION	3
I. THE BALAGUER ADMINISTRATION	3
The Continuing US Role	5
II. THE MILITARY ESTABLISHMENT	5
III. THE POLITICAL OPPOSITION	6
IV. THE DOMINICAN ECONOMY	8
V. THE OUTLOOK	9



PROSPECTS FOR STABILITY IN THE DOMINICAN REPUBLIC OVER THE NEXT YEAR OR SO

CONCLUSIONS


A. The tensions and turmoils which are endemic in Dominican politics have recently been exacerbated by developments following the attempt to assassinate General Antonio Imbert Barrera in March. Chances are, however, that President Balaguer will continue to maneuver adroitly enough to retain power during the period of this estimate.

B. The military leadership will probably hold together behind Balaguer. We do not think that these men have given up the idea that the military establishment is the final political arbiter, but they accept Balaguer's policies and they see no viable alternative to him.

C. Balaguer's political opposition on the extreme left is in disagreement and disarray and likely to remain so for some time. One or more of the Communist splinters may again undertake sporadic urban terrorism; any attempts they might make at insurgency in the countryside will probably be unsuccessful.

D. We see more reason for concern in the possibility that Balaguer might become increasingly vulnerable to charges of neo-*Trujillismo*. This is an issue on which he is already under attack from important civilian elements of left and right. These opponents of Balaguer will almost certainly seek adherents among the military; however, we think it unlikely that they will enlist enough military support during the period of this estimate for a successful coup.

E. Even so, the combination of political and economic pressures on Balaguer could impel him to adopt a more authoritarian mode of government.



F. The performance of the Dominican economy will continue to be spotty—better than the bad year 1966, but with a high level of unemployment and a large trade deficit. Balaguer will almost certainly come under increasing pressure to raise taxes and perhaps to devalue—either of which would intensify his political problems.

G. Any economic progress will depend on a continuing substantial flow of US economic aid. A severe cut would not only have major economic repercussions but would undermine Balaguer's political power position as well.



DISCUSSION

1. In a speech in late February, President Joaquin Balaguer likened Dominican politics to "a nest of tarantulas." We would not fault his judgment on the matter. Intrigue, venality, corruption, arbitrariness have long been the rule, not the exception, among Dominican officials. Plotting against the government has been a favorite national pastime, and since 1961, when the assassination of Trujillo ended 30 years of absolute and brutal dictatorship, there have been seven changes of government.

2. Much the most serious outbreak was the revolution in April 1965 which came near to full civil war; order was restored only after the landing of US troops and the stationing in the Dominican Republic of an Inter-American Peace Force, numbering at one stage some 26,000. In June 1966, Balaguer was chosen President in an orderly election and since then political affairs have moved in a smoother fashion. But the fears and enmities of the past are still operative and much of the government's time and energy must go to efforts simply to keep the lid on. In March 1967, the attempt to assassinate General Antonio Imbert Barrera brought a revival of tension.

I. THE BALAGUER ADMINISTRATION

3. Despite his past close association with the Trujillo dictatorship, Balaguer is personally honest and is regarded by most Dominicans as an intellectual. He is eager to advance the general welfare and believes that the Dominican Republic needs strong leadership. Lacking a strong political base, he conceives of governing primarily in terms of political maneuver and manipulation of the individuals and interest groups with the most political weight. He tends to be highly suspicious of any he sees as potential rivals; he does not typically appoint strong figures to Cabinet posts; he delegates little responsibility and then usually only to his inner circle of influential advisors, who probably even more than the President, distrust the opposition and lean toward authoritarian methods. Oftentimes his motivation in making a new appointment or in undertaking some more complicated maneuver appears obscure, perhaps because he seems to act in response to pressures from the inner circle. He is intensely concerned about all actions and tactics of opposition parties, and he has come to regard a number of the leaders of Juan Bosch's left-of-center Dominican Revolutionary Party (PRD) as little better than Communists.

4. Balaguer has had fair success in his various maneuvers to keep organized opposition groups divided and off balance. He has neutralized a few of their leaders by means of Cabinet jobs or other patronage, and he has quietly done what he could to encourage their natural tendencies to fragment or simply become less active. However, his political style and policies have encouraged the "outs" to collaborate in opposition to the "ins."

5. The Balaguer administration's program has not attracted wide political support. Balaguer's lack of political appeal comes partly from his austerity measures, such as tighter controls on imports, reduction of government budgetary expenditures, a trimming of some salaries, a cutback in the number of unnecessary employees in the big government sugar enterprise, a harder try at collecting taxes. To convince the vested interests of the necessity for such unpalatable measures is never easy and Balaguer's style of governing has not made it easier. Efforts at economic development are gaining momentum, but such efforts are concentrated in the countryside with little being either undertaken or accomplished in Santo Domingo. Also, because of the continued political violence, important political segments have been alienated. Perhaps the strongest thing going for him in the broad relationship of his government with the politically influential elements is their reluctance to take the risks of another civil war.

6. In concentrating on various political manipulations, the Dominican President has foregone any systematic effort to turn his Reformist Party (PR) into an active, enduring political base, and he lacks the personality to enhance his mass appeal. The fact that Balaguer carried some 57 percent of the vote in the elections of June 1966 does not mean that he has anything close to that degree of effective political support at present, because the great majority of Dominicans tend to be politically apathetic between elections.¹ Political interest is, of course, sustained to a much greater extent in Santo Domingo than generally in the countryside, where Balaguer's strength has been greater.

7. A major weak point for Balaguer is his vulnerability to charges of neo-Trujillismo. Although most Dominicans (including Bosch) absolve him from the excesses of the Trujillo era, a number have a real and passionate fear of a possible return to the brutal Trujillo methods, and a number of others find convenient political ammunition in the issue. Moreover, certain of the government's actions have lent themselves to ominous interpretations by opponents both on the left and the right. Sometimes they picture him as the leader, sometimes as the captive of a neo-Trujillista clique. As evidence, they point to his former chief military aide, Colonel Neit Nivar Seijas, and several other Presidential advisors, who are trusted Balaguer colleagues from Trujillo days. They also cite police excesses—specifically the roundup in late January of 500-800 "leftists" suspected of plotting. And they express alarm at a series of political murders which the administration is seemingly unable to prevent. Some of Balaguer's opponents have gone a step farther and charged that his government's resumption and conduct of relations with the Duvalier government of Haiti is also a sign of Trujilloist tendencies.

8. *Neo-Trujillismo* has become the most important issue as a result of the assassination attempt in March against the perennial rightwing plotter General

¹ The population is predominantly rural and less than 65 percent literate. In the Dominican elections in December 1962, Juan Bosch won with a higher percentage of the total than did Balaguer in 1966. Yet when the Dominican military leaders ousted Bosch in September 1963, there was no significant public protest.

[REDACTED]

Imbert. In an effort to quell widespread rumors that the assassins were backed by some of his own advisors, Balaguer has taken several actions to show his determination to solve the crime and deal resolutely with the perpetrators. His administration has offered a \$25,000 reward. He has appointed as new Minister of Interior and Police, Luis Amiama Tio, Imbert's longtime associate and fellow survivor of the group that killed Trujillo. And he has said that Amiama would have a free hand to carry out the investigation.

9. However effective in quieting immediate criticism over the Imbert affair, the appointment of Amiama to Balaguer's Cabinet has admitted a highly disruptive influence into the government. A man with political aspirations of his own, Amiama represents elements of the anti-Trujillo oligarchy whose prerogatives have been limited by Balaguer and who have long been at sword's point with him and his intimates because of their past roles in the Trujillo government. Amiama has already managed to force out of office one of his old enemies, the chief of the national police. And he is causing the investigation to be pursued in the military establishment so intensively as to produce considerable resentment. Apart from official maneuverings, Amiama has also been meeting with PRD Secretary General Jose Francisco Pena Gomez whom he may hope to use to further his own ambitions.

The Continuing US Role

10. The Balaguer government realizes great advantages and some problems from the strong US role on the Dominican scene. It finds the US Embassy's counsel helpful. Its economy depends upon a continuing flow of US economic aid. It has a powerful prop in the realization throughout the Dominican Republic—and particularly within the military establishment—that the US remains firmly behind Balaguer.

11. On the other hand, Balaguer has the problem of reconciling strong dependence on the US with a posture of national independence. He is keenly aware of the increase in anti-US sentiment among a number of elements in the population since the April 1965 revolution. Although he publicly concedes US influence, he finds ways to avoid the appearance of being entirely the US puppet. He is by no means timid in negotiating many aspects of aid agreements. He speaks of the independent-minded Frei of Chile as the Latin American leader he most admires. And he tries to play up any political differences with the US; for example, after the conference in Buenos Aires of the Organization of American States, he announced that the Dominican delegation had opposed the US by voting against formation of a permanent Inter-American Peace Force.

II. THE MILITARY ESTABLISHMENT

12. Balaguer has been able to make certain changes which have improved his position vis-a-vis the military: he has dismembered and dispersed within the army the powerful Fourth Brigade (Wessin y Wessin's old outfit); he has sent

abroad, retired, or reintegrated the residuum of Constitutionalist military; he has replaced the Chiefs of Staff of the Air Force and Army; he has reduced the influence of certain of the former military cliques by retiring some officers and sending others into "golden exile." Finally, many officers have come to feel that they can best protect their own positions and that of the military establishment by a reasonable degree of cooperation with Balaguer.²

13. It is quite clear, nonetheless, that Balaguer does not completely trust his top military commanders, nor they him. This is reflected in the President's connections with the Trujillista Colonel Nivar, formerly his chief military aide and at present commanding officer of the First Brigade in Santo Domingo; Nivar is widely suspected and despised within the armed forces. Many of the military leaders who support Balaguer do so because it is advantageous to them at present, because they approve of many of his policies and because they see no better alternative. At the same time the armed forces have continued to function as a powerful interest group, and we believe they have not given up the idea that the military establishment is the final political arbiter in the Dominican Republic.

14. A key position in the military is that of Secretary of State for the Armed Forces, who acts as Minister of Defense and has also assumed certain prerogatives of the Service Chiefs. As a buffer between the President and the Chiefs of the Services, he has the task of reconciling what hitherto have been irreconcilables—a civilian chief executive and the Dominican military establishment. At present, the position is held by General Enrique Perez y Perez, who was appointed under the Provisional Government but who seems fairly responsive to Balaguer and has so far managed to retain the support of the Service Chiefs. Perez y Perez has been subject to growing criticism from below, however, particularly for his cooperation with Amiana in pressing the investigation among the military of the Imbert shooting. The present Service Chiefs of the army and navy appear to be loyal to the government and to have reasonable control over their officers. The air force is traditionally less disciplined and its officers are more susceptible to rightist coup overtures.

III. THE POLITICAL OPPOSITION

15. The leading opposition party, Bosch's PRD, has lost considerable ground. It is still suffering from the shock of defeat and the defection into Balaguer's Cabinet of some of its conservative and moderate leadership. The PRD's attempt to take a position of "creative opposition" was rejected by the administration. PRD leaders were harassed by the police, party stalwarts have been fired from government jobs, and its minority representation in the legislature has been all but ignored. The PRD was especially bitter over what it regarded as government persecution in condoning if not actually initiating police attacks on former Constitutionlists. Except in Santo Domingo, the party has lost much

²The Dominican military establishment consists at present of some 19,000: an army of about 11,700; a navy of 3,700; and an air force of 3,600.

[REDACTED]

influence in its former bailiwicks. It no longer has a stronghold in labor or in the State Sugar Council, and its hold on the Santo Domingo city government is under attack from the government as well as from party dissidents.

16. The feeling of persecution, combined with the defection of key PRD moderates, has enabled a more militant group to take over the leadership. The elder statesman of the party, Juan Bosch, now in voluntary exile in Europe, has more or less abdicated, and his young protégé, Jose Francisco Pena Gomez, has taken the helm. The new PRD leaders have responded to Balaguer's offer of a "dialogue" with them by saying that there could be no dialogue until Balaguer took steps to end persecutions and eliminate corruption. The PRD's former partner on the democratic left, the smaller Revolutionary Social Christian Party (PRSC) cautiously agreed to a dialogue, but remains basically critical of the government. Although the PRD has threatened that it would organize a "resistance movement regardless of ideologies" if the present situation continues, it has also said that it would not work to overthrow Balaguer unless all other forms of protest were silenced. The meetings with Amiana suggest that the PRD expects that a move against Balaguer may come from the right.

17. The extreme left, always divided, has further fragmented. The three major extremist parties still exist: the Revolutionary Movement of 14 June (MRIJ4), the Dominican Popular Movement (MPD) and the Dominican Communist Party (PCD). The MRIJ4, largest of the three, and the only one permitted to participate in the June 1966 elections, has suffered the greatest setback. Its percentage of the vote was far below the minimum required to keep it a legal party. Since then some of its leaders have defected to the MPD and have urged that that organization now be regarded as the true party of the proletariat. MPD strength has suffered, however, from the expulsion of a group for trying to act as a "Red Guard"; this splinter proceeded to institutionalize itself into the Communist Party of the Dominican Republic (PCRD). The founder of the MPD had been ousted earlier; he has formed still another group, the Orthodox Communist Party (PCO). Despite their differences and small numbers, the extremists have some strength or influence among students and in labor. Leadership of one labor confederation, FOUPSA-CESITRADO, is divided between representatives of the MPD and the MRIJ4.³

18. The most distinct threat to Balaguer in the short run comes from his opponents among the economic and social elite. Many of them were former members of the defunct National Civic Union and controlled economic and

³The actual number of adherents to these various extremist parties is hard to determine accurately, since their memberships are in such a state of flux. Our best estimates are:

PCD	100	PCO	25
MPD	250	MRIJ4	600
PCRD	50		

These five parties vary widely in the extent to which their ideology and aims can be identified with those of foreign Communists, whether Soviet, Chinese, or Cuban. One or another has solicited support from each of these external sources, but without significant success.

[REDACTED]

political life during the tenure of the Council of State and under the Reid government. They more than other groups chafed under Trujillo and after his death took a far more anti-Trujillo stand than did the PRD. Aligned with this grouping are Amiama and Imbert, the two surviving members of the conspiracy to assassinate Trujillo. The potential of these elements to embarrass Balaguer is high, but their potential to overthrow him depends, more than anything else, on the amount of support they can obtain among the Dominican military.

IV. THE DOMINICAN ECONOMY

19. Blessed with some of the most fertile land in the Caribbean, the Dominican Republic has been cursed by the inability of generations of Dominicans to use it effectively. The ratio of people to land is already fairly high, and the rate of population growth (estimated at 3.5 percent annually) is probably one of the highest in the world. Agriculture absorbs half the labor force and produces some 35 percent of the GNP. Per capita GNP is considerably below the average for Latin America. The problems of underemployment in agriculture and unemployment in the urban areas are chronic.

20. The economy was seriously disrupted by the revolution of April 1965: GNP fell nearly 15 percent, unemployment rose to perhaps 30 percent of the urban labor force, sugar production decreased, and there was a sharp drop in export earnings. Recovery has been painfully slow: it remains a major aim of the Balaguer government merely to restore the economy to the level of 1964. In 1966, the GNP increased modestly but probably less than the growth in population. There was no significant reduction in the level of unemployment. The administration of economic affairs suffered from ineptitude in the bureaucracy and from Balaguer's insistence on personal supervision over most financial transactions. The government was not able to realize its goal for public investment, and private investors held back to "wait and see." In spite of an unusual increase in the Dominican sugar quota for sale to the US, the total value of Dominican exports remained below that for 1964, and the trade deficit was the largest in Dominican history. In short, even with an infusion of about \$70 million in US economic aid, the overall Dominican economic performance was poor.

21. On the positive side, the government has provided some encouragement to private investors and has started a number of its own development projects, primarily in the basic agricultural sector. Efforts are being made to improve the technical level of Dominican agriculture, improve the farm credit system, rehabilitate the irrigation system, extend and improve market roads, bring new land into cultivation, diversify production, and to improve the general level of education in the countryside. It is too early for these projects to show much accomplishment but some results are evident, and a foundation is being set for future progress.

SECRET

22. The government also has established basic policies designed to prevent inflation. Budget deficits have been held within limits that could be financed without internal borrowing and a substantial number of surplus workers have been discharged from the public payrolls and from the government-owned portion of the sugar industry. Most wages have been held in line, although Balaguer found it prudent to rescind earlier cuts in salaries of the military and high government officials. The fiscal and wage restraints undoubtedly slowed the pace of economic recovery, but were probably necessary in view of the unusual danger of inflation in the Dominican economy.

V. THE OUTLOOK

23. The major issue intensifying divisions between pro and antigovernment groups will be neo-Trujillismo. As the contest between these groupings continues, the likelihood increases that military officers will be drawn in on one side or the other. Certainly one of Balaguer's main preoccupations during the next year or so will be to prevent the emergence of a rightist civilian-military combination against him. Although he will attempt to maneuver around and through rightist civilian groups, he may eventually be forced to make a hard choice among them. The combination of the political situation and his austerity program could impel him to a more authoritarian mode of government.

24. While we foresee no expansion of Balaguer's limited base of mass support, we see no substantial growth in the strength of the left-of-center political opposition either. Relations between the government and the PRSC are likely to continue cool but not hostile. Relations between the government and the PRD will almost certainly deteriorate further. We think it unlikely, however, that the PRD, as a party, will choose during the period of this estimate to go into violent opposition to the government and make common cause with the extreme left. A small number of radical PRD members may, of course, do precisely that. A more likely course for the PRD leadership would be *de facto* collaboration with Amiana and some elements of the anti-Trujillista right.

25. We think the divisions and dissensions among the far leftists will persist and will sharply limit their capabilities to make trouble. The evident disarray of the several Communist parties could even serve to discourage further such an enthusiastic, would-be backer as Fidel Castro. The Communists may resume sporadic urban terrorism, particularly in Santo Domingo, but any attempts they may make at insurgency in the countryside will probably prove unsuccessful.

26. The marriage of convenience between Balaguer and the military leadership will probably remain essentially intact for the next year or so. There will be frictions, and a few in the military are likely to engage in plotting with anti-Balaguer politicians. The military may come to exercise a somewhat greater degree of influence on the President than it does now; in any case, he is likely to move cautiously, if at all, on policy changes which would directly affect the military, e.g., the military budget, the salaries and allowances, accepted devices for graft, plans to restructure the military establishment. On most other matters,

[REDACTED]

however, Balaguer will probably continue to reach decisions without military counsel although he will, of course, keep military attitudes in mind; we do not think he will become a "prisoner" of the military.

27. The economy will do better in some ways in 1967 than it did in 1966, but the improvements will not generally be of the kind that bring political dividends. The recovery in GNP will probably be at a higher rate than in 1966, though the level of GNP is unlikely to exceed that of 1964. The amount of investment, particularly in the public sector, will probably increase. At the same time, the value of exports will remain relatively low, and the trade deficit could run more than \$80 million, its level in 1966. Import controls will have to be maintained, and the inflationary pressure, contained thus far, will probably grow. Balaguer will almost certainly come under increasing pressure to raise taxes and perhaps to devalue—either of which would pose major political problems, particularly with respect to Balaguer's rightwing opponents.

28. In any case, US backing will continue to be an essential pillar of support for Balaguer. This backing cannot insure that he will retain power, but loss of it would hurt him badly. If, for instance, the Dominican military came to feel that the US was withdrawing its backing or becoming lukewarm about it, the chances of a coup would rise precipitously. A severe cut in US economic aid would thus not only have major economic repercussions, but would undermine Balaguer's political power position as well. In a way, the US aid relationship to the Dominican Republic has become similar to the Soviet aid relationship to Cuba—though on a much less expensive scale.

29. Assuming continuation of US support, chances are that Balaguer will maneuver adroitly enough in the primitive arena of Dominican politics to retain power during the next year or so. Nevertheless, charges of *neo-Trujillismo* could weaken his tenure by producing a new and stronger alignment of forces against him. Furthermore, assassination is still a standard political tactic in the Dominican Republic, and Balaguer has his full quota of political enemies.

CENTRAL INTELLIGENCE AGENCY

DISSEMINATION NOTICE

1. This document was disseminated by the Central Intelligence Agency. This copy is for the information and use of the recipient and of persons under his jurisdiction on a need-to-know basis. Additional essential dissemination may be authorized by the following officials within their respective departments:

- a. Director of Intelligence and Research, for the Department of State
- b. Director, Defense Intelligence Agency, for the Office of the Secretary of Defense and the organization of the Joint Chiefs of Staff
- c. Assistant Chief of Staff for Intelligence, Department of the Army, for the Department of the Army
- d. Assistant Chief of Naval Operations (Intelligence), for the Department of the Navy
- e. Assistant Chief of Staff, Intelligence, USAF, for the Department of the Air Force
- f. Director of Intelligence, AEC, for the Atomic Energy Commission
- g. Assistant Director, FBI, for the Federal Bureau of Investigation
- h. Director of NSA, for the National Security Agency
- i. Director of Central Reference, CIA, for any other Department or Agency

2. This document may be retained, or destroyed by burning in accordance with applicable security regulations, or returned to the Central Intelligence Agency by arrangement with the Office of Central Reference, CIA.

3. When this document is disseminated overseas, the overseas recipients may retain it for a period not in excess of one year. At the end of this period, the document should either be destroyed, returned to the forwarding agency, or permission should be requested of the forwarding agency to retain it in accordance with IAC-D-69/2, 22 June 1953.

4. The title of this document when used separately from the text should be classified: ~~CONFIDENTIAL ONLY~~

DISTRIBUTION:

White House
National Security Council
Department of State
Department of Defense
Atomic Energy Commission
Federal Bureau of Investigation

~~SECRET~~
~~CONTROLLED DISSEM~~

~~SECRET~~
~~CONTROLLED DISSEM~~