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Sept 31/1966

SNIE 86.2-2-66

19 Sept 1966

SPECIAL NATIONAL INTELLIGENCE ESTIMATE

PROSPECTS FOR STABILITY IN THE
DOMINICAN REPUBLIC

ESTIMATE
Case # 111-93-177
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Submitted by

Richard Helms

DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the

UNITED STATES INTELLIGENCE BOARD

As indicated overleaf

19 Sept 1966

DATE

Authenticated:

James D. Ladd
EXECUTIVE SECRETARY, USIB

NOTE: This is the estimate. No further version will be published.

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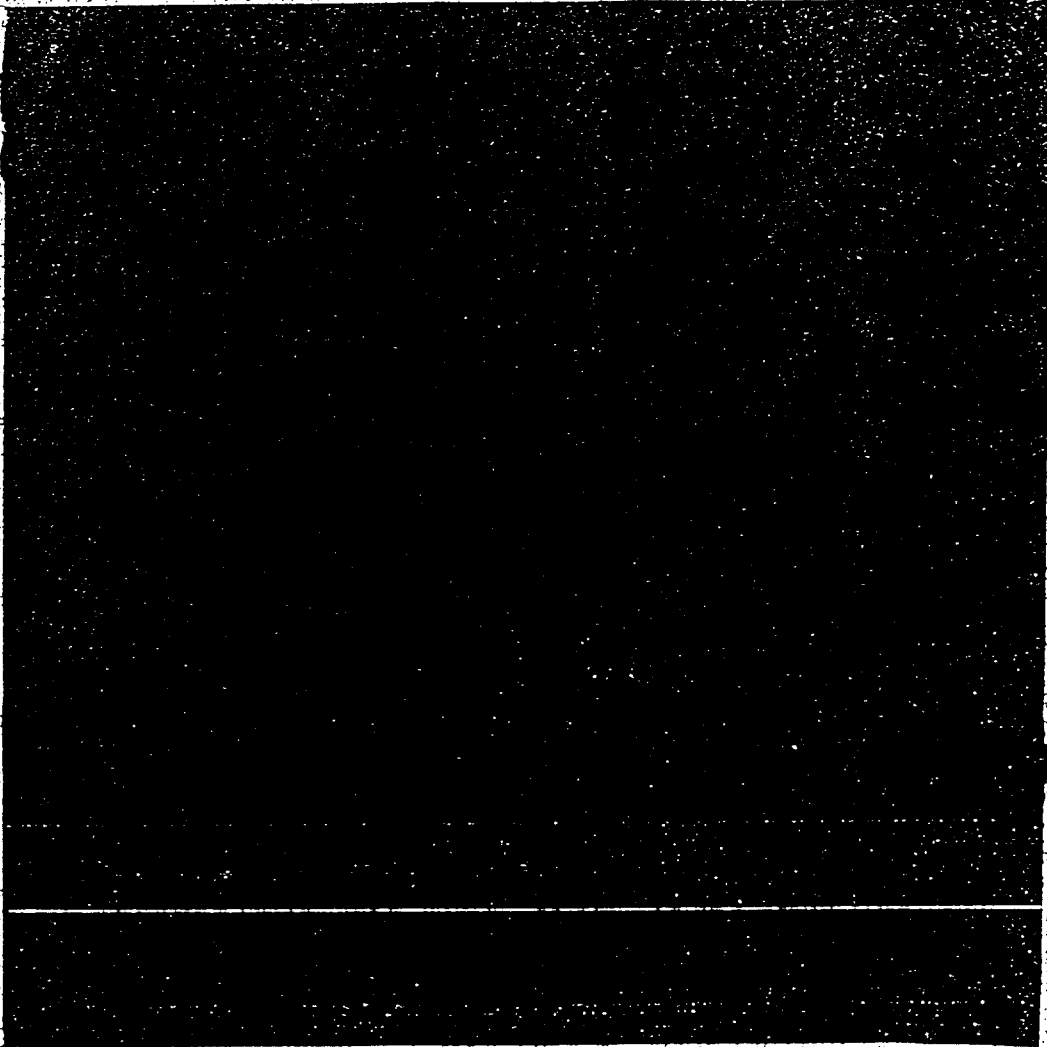
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Approved for Release

Date August 1985

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CENTRAL INTELLIGENCE AGENCY

19 September 1966

SUBJECT: SNIE 86.2-2-66: PROSPECTS FOR STABILITY IN THE
DOMINICAN REPUBLIC


THE PROBLEM

To estimate prospects for stability over the next six months or so with particular attention to the effect of the withdrawal of the Inter-American Peace Force (IAPF).

THE ESTIMATE

1. The Dominican Republic lacks many of the basic ingredients for stability. It has had scarcely any experience in achieving political compromise through representative institutions. The military -- or major groups within it -- have long acted as the arbiters of Dominican politics and have not hesitated to intervene when they thought necessary. The 1965 revolution and its aftermath produced sharp new animosities among politically

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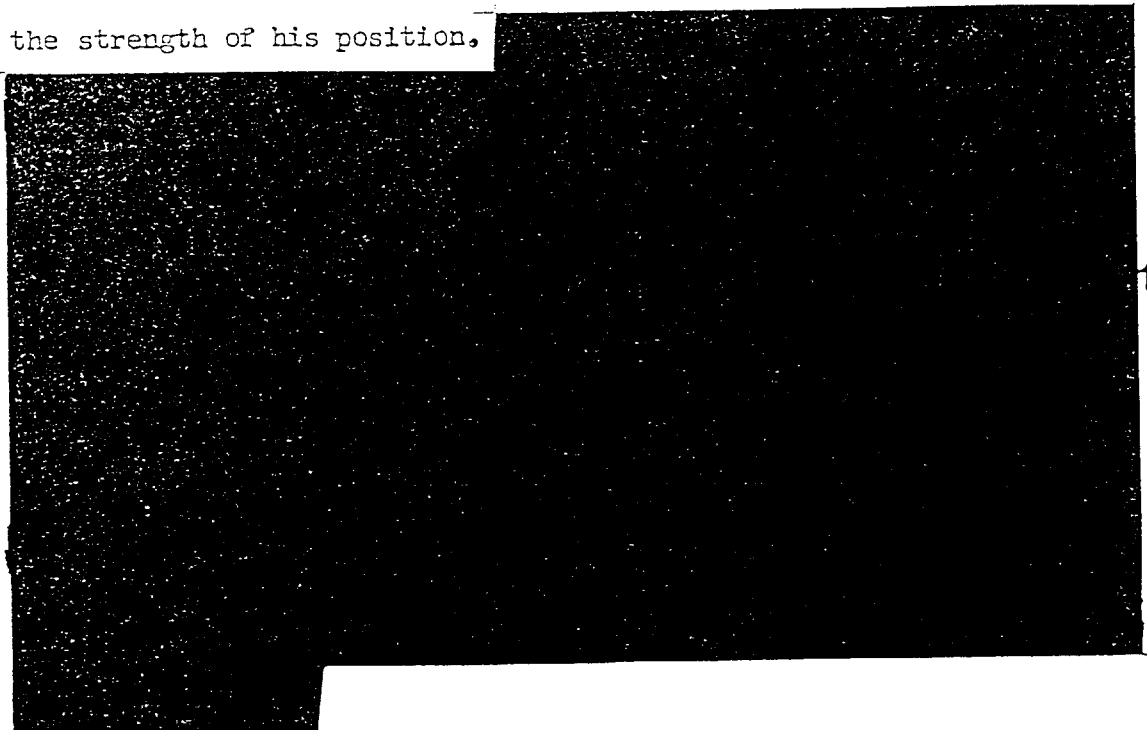
active elements of the population -- animosities which cannot be readily overcome. The scope of economic and social problems is such that, at best, progress can come only slowly.*

2. The Balaguer Administration, in office for less than three months, is only beginning to come to grips with the most serious of its problems. The mandate he received in the June elections -- some 57 percent of the vote -- helped create a honeymoon period for his Administration, and he moved quickly to establish a strong degree of control over the bureaucracy and to dominate the Congress. However, a large proportion of his Reformist party's adherents are in the rural areas and are politically inactive most of the time; partly for this reason he has been unable to establish a solid, well-organized political base, especially in Santo Domingo. A number of members of his party have become disenchanted because he has not provided patronage on the scale they expected.

3. Though Balaguer has appointed some members of other parties to cabinet and other administrative posts, this has not

* These basic considerations are treated in some detail in NIE 86.2-66, "Prospects for Stability in the Dominican Republic," dated 28 April 1966.

attracted much additional political support or otherwise added to the strength of his position.



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4. The Administration has undertaken a few positive economic actions, some popular, some not. It has slightly reduced prices of some foods, it has reduced salaries of higher paid government officials (including military officers), and it has laid off a few government employees. On the other hand, it has not put through any major new tax measures and, though there is a sizable amount of aid money available, has made only limited progress in its emergency investment program. Such projects as are underway have had only marginal impact on the severe unemployment problem, and the government plans in the near future to fire a fairly large

number of sugar workers so as to help reduce the exorbitant costs of the government-run sugar establishment.

5. Among Balaguer's strengths are his centrist political position, his staunch anticommunism, and his reputation for integrity. Another major asset is the general recognition that he has strong US support -- as indicated by the \$40 million US aid program for emergency investment and the recent increase in the US quota for sugar from the Dominican Republic. And perhaps the chief factor in his favor is that there is at present no viable alternative.

6. The various political opponents of the Balaguer government have so far acted with relative restraint. Elements of the extreme left and extreme right have perpetrated occasional incidents of terrorism and violence, but this has not been on a major scale. Juan Bosch and his left-of-center Dominican Revolutionary party have not gone so far as to cooperate with Balaguer but have shown a measure of responsibility in their opposition.

7. The most important factor affecting the government's stability will be Balaguer's relationship with the military. Balaguer has calculated that his own hold on power cannot become firm unless... and until he can establish his government's authority over the

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military. To this end, he has made plans for ambitious military reforms aimed at consolidating his control and curbing the power of certain rightwing officers. No Dominican leader since Trujillo has been able to impose his will on the military; those who have taken even tentative steps to do so, as did Reid in early 1965, soon find themselves on delicate ground.

8. Balaguer realizes that this is a risky business -- as shown by his desire to have key reforms accomplished before the departure of the IAFF. Resentment of the activities of Balaguer's military aide and suspicion that the President may eventually replace a number of top officers have contributed to some discontent in the military. A few officers of the far right and civilians of similar view are taking soundings concerning Balaguer's military support, but they do not now seem to have the strength for a successful coup.

9. Balaguer's orders issued in late August, which would break up the fourth brigade formerly commanded by General Wessin y Wessin and which would shift air force ground combat troops to the army, have been only partially implemented. One danger point in the near future may come in connection with dispersing the armored battalion of the fourth brigade to different commands;

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the military are well aware that this would be the most potent single organization for, or against, a coup effort.

10. Many of the Dominican military, perhaps a majority, are sympathetic to Balaguer's reform plans. But a growing number of officers are likely to become restive as they see the government moving to cut back not only their numbers and prerogatives, but also their power. In making new appointments of military officers he trusts, Balaguer will inevitably earn the enmity of those he replaces; this will be particularly so if he turns to certain Trujilloist officers with whom he has associated in the past but who are now regarded with disfavor by most of the younger military men.

11. The departure of the IAFF will remove what has served as a primary deterrent to a coup in which the military would be the decisive element. However, the coup danger may not be immediate; it will depend on how dangerous to the country or to their own interests, the military consider Balaguer's actions to be, and to some extent on their ability to find civilian allies. During the period of this estimate, we think that the chief risk of a coup would occur if the military came to feel that Balaguer was pushing military changes too far or too fast. There will

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probably be some increase in terrorist activities by rightist elements, but in themselves these are unlikely to threaten the stability of the regime.

12. The withdrawal of the IAPF will probably also be followed by an increase, though perhaps not a major one, in the terrorist activities of the extreme left. The 14th of June Movement is likely to play the lead role, and some members of the orthodox Communist party will almost certainly be involved. The pro-Chinese Dominican Popular Movement, militant on a number of past occasions, is so badly split that its effectiveness will be limited for some time. The combined assets of these three extreme leftist organizations are not large; the Dominican military will be able to contain and probably eliminate any guerrilla actions they may attempt in the countryside, because the peasants will not give the leftists much support. These groups do have the capability, however, to undertake violent and disruptive operations in Santo Domingo; unless they obtain support from the non-Communist left, they do not pose a serious threat to the government. There is a danger that the police or military, by over-reacting to agitation or demonstrations which they presume to be Communist directed, may create martyrs and drive some erstwhile moderate leftists into common cause with the extremists.

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13. Faced with these manifold problems, Balaguer will not achieve a strong or stable position during the period of this estimate. Moreover, it is unlikely that he can accomplish enough in the way of economic improvement to make any net gain in his political support. On the contrary, some of the economic measures he finds it necessary to take for budgetary or balance of payments purposes are likely to contribute to a gradual erosion of his support. We think, however, the chances are somewhat better than even that he will survive in office for the six month period of this estimate.

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