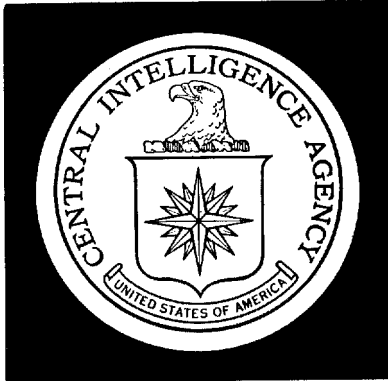


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Dominican President's Balancing Act Enters New Phase

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№ 37

13 June 1969
No. 0374/69B

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DOMINICAN PRESIDENT'S BALANCING ACT ENTERS NEW PHASE

For the past three years, President Joaquin Balaguer has presided over the longest period of calm in the Dominican Republic since Rafael Trujillo's assassination in 1961. Political necessity and Balaguer's personal style, however, have precluded any rapid movement toward real reform, and stability has largely been invested in the man. The country's economic position, while, improving, is highly dependent on foreign assistance.

Balaguer's political support has suffered some erosion as a result of pressures generated by the approach of presidential elections in May, 1970, although he is the strongest potential candidate. The prospect of increased militant action by the left, which is united only in its opposition to a second term for Balaguer, may force the President to rely increasingly upon the military. Coup plotting by rightist elements is bound to increase as the elections near.

BACKGROUND

Since his inauguration in 1966, President Balaguer has made effective use of all the prerogatives of his office to maintain stability without resorting to outright repression and has emerged as an accomplished political tactician. At various times he has courted both the right and at least the moderate left and helped to keep both off balance and divided. He has installed personally loyal officers in important military posts and neutralized others. The so-called constitutionalist military—those who fought on the rebel side in 1965—have been largely purged or exiled to posts abroad.

Balaguer's generally conservative policies have maintained the backing of such essential power elements as the military, business groups, and the bulk of his right of center Reformist Party (PR). The stability under his rule, following the turbulence of the first several post-Trujillo years, has wide appeal among Dominicans. Another plus factor is the general recognition that the US strongly supports his administration.

Balaguer's main accomplishment has been to blunt challenges from both left and right and to sustain himself in office. He has been less successful in promoting economic or social progress. His emphasis on personal loyalty rather than competence in key appointments has contributed to the government's lack of administrative skills and technical expertise. In addition, Balaguer's own cautious approach to reform has made his regime resemble a holding operation rather than one designed to alleviate the country's ills.

THE PRESIDENTIAL STYLE

Balaguer, a diminutive, greying, 62-year-old bachelor, does not project any of the qualities so intimately associated with the caudillo image of past Dominican rulers. He does, however, possess an ability to be many things to many people, to hold himself above the political fray, and to escape identification with the more unsavory aspects of rule. Despite Balaguer's long association with Trujillo—he was the dictator's puppet president in the closing days of the regime after serving in various governmental posts for nearly three

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decades—he was never popularly identified with Trujillo's excesses. Even today, perhaps partly as a result of Balaguer's own self-effacing political style, repressive or unpopular government tactics are frequently blamed by the public on forces beyond the President's control.

Balaguer himself frequently cultivates such a popular attitude, and deflects criticism from himself, by picturing one or another government institution currently under fire as a semiautonomous body which will be "investigated." This disclaimer of responsibility has an element of truth in military and police activities where headstrong commanders may hold sway, but is less than convincing in an administration where decision making has tended to become centralized in the president's office. Although this tactic has largely proven effective, Balaguer has frequently appeared insensitive to the accusations, and in some cases the just grievances, of his political opponents.

The approach of the 1970 elections points up one of the major weaknesses inherent in the Balaguer style—the failure to build political institutions that would provide the groundwork for future stable growth. The President's personalistic and centrist style of governing has inhibited the development of the judiciary and the congress, for example. Government policies have prevented the growth of any viable trade union movement.

Balaguer has neglected his own Reformist Party as well and has largely ignored lower level organization. Partly as a result of his insensitivity, Balaguer faces a prospective split even in his party. Dissident factions are maneuvering to block his nomination at the upcoming, although still unscheduled, national convention. The dissidents have been encouraged by the maneuverings of Vice President Lora, who desires the Reformista nomination for himself.

BALAGUER AND THE REFORMIST PARTY

The Reformist Party, however, owes its existence to Balaguer's presidential career. It was founded in 1963 by three small party groupings after Balaguer, then in exile, had been denied the opportunity to run in the 1962 elections on an electoral technicality. It existed chiefly to promote his return to the country and his candidacy in the next elections. Balaguer said that he intended to develop an enduring party organization, but few steps have been taken in this direction. The Reformist Party has served as Balaguer's campaign vehicle but little else, and the President has depended more on his personal political strength than on the party.



President Balaguer, whether wooing the voters or trying to cement relations with the military and labor, never neglects the personal touch.

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Balaguer's independence was perhaps never more obvious than on 27 February of this year when he publicly appealed to "the people" to guide his decision on re-election and indicated he would not be swayed by petty political leaders or members of his own party. Since 1966, dissatisfaction has increased over Balaguer's inattention to party matters and over his failure to build the party through generous use of government patronage and funds. Balaguer enjoys a reputation for personal honesty, and he has not been overly charitable in handing out posts to party hacks. Many of the President's supporters are considerably more authoritarian and conservative in their outlook than he and have probably resented even his infrequent overtures to the left.

few months of this year witnessed a proliferation of pro-Lora, ostensibly Reformist Party - allied organizations. Lora is well aware of Balaguer's strength and has attempted to keep these organizations at arm's length, hoping to avoid an open break with his chief. On the other hand, he is almost sure to give at least tacit support to further efforts to secure the nomination in the expectation that Balaguer may at some point renounce re-election. The relationship between the two men, never close, is likely to deteriorate further.

The growing disenchantment has found voice in the presidential aspirations of Vice President Lora. An unimaginative but loyal party bureaucrat, Lora has been waging a determined campaign to secure the party's nomination. The first

Balaguer's speech on 27 February, hinting at his own candidacy, has had some effect on Reformist Party dissidents. The solidly pro-Lora mayor of Santo Domingo, for example, has publicly indicated he will support the President if he chooses to run.

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President Balaguer

Vice President Lora



The relationship between the two men, never close, is likely to deteriorate further

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Balaguer's tendency to place himself above the party and Lora's own maneuvering offer the possibility of a party split, but the majority of rank-and-file Reformist Party supporters appear to be Balagueristas first and Reformistas second. Barring a major political upheaval or a complete rejection of the party by Balaguer, they appear more likely to follow the President's lead than to risk their share of the political pie.

MILITARY SUPPORT

Balaguer has had to expend considerable effort to retain the essential backing of the military. The ongoing purge of the so-called constitutionalist officers and the cashiering of even enlisted troops with suspected political ties on either the left or right, has assured the President of at least surface unity in the armed forces. A military reorganization shortly after he took office in 1966 helped to break the strength of powerful unit commanders, and officers presently in key positions are considered personally loyal to Balaguer. The President has maintained a delicate balance between contending military factions, and there has been relatively little bickering. What little discontent has surfaced has been directed at high-ranking officers and not at Balaguer personally—in part a tribute to his political manipulations. Balaguer has not pressed for any extensive military reform, undoubtedly reluctant to arouse his key supporters. The security forces' swollen ranks have remained largely intact, and local commanders have proved ingenious in circumventing streamlining and personnel cuts.

The military probably believes it owes Balaguer some debt for thwarting demands for a widespread military purge in the reaction in 1961 against everything associated with Trujillo. Balaguer undoubtedly profited from military support in 1966 when he opposed the distrusted leftist candidate, Juan Bosch. As President, he has not neglected opportunities to improve his personal

relations with the military. Visits to military establishments are commonplace, and Balaguer frequently presents promotions to both officers and enlisted men individually in lengthy ceremonies. At least over the short run, military unity is further reinforced by the memory of the ruinous debacle of 1965 when the military quickly split into two warring factions.

The military is not completely at the President's beck and call—he has been unable, for instance, to curb completely a penchant for harsh repression and extralegal activities. During April when student disorders and assassinations of security forces personnel led to pleas from the military for a free hand, Balaguer only partially succeeded in reigning in military plans for reprisals. Many of the military commanders are to the right of Balaguer and have chafed under the restraints which have prevented them from vigorously attacking Communist forces. Some of them were probably also unhappy when Balaguer cashiered the chief of police on 20 April, seemingly in response to the political outcry over harsh police methods.

Balaguer's political opponents will be attempting to exploit these largely latent dissatisfactions. Vice President Lora, if he chooses to oppose Balaguer, will be cajoling military commanders with promises of less restrictive policies and more lucrative opportunities in new posts. At this time, however, the military appears ready to support Balaguer in preference to any other potential candidate.

THE RIGHT

The far right remains a potent, if amorphous, political force. It probably poses a greater potential threat to Balaguer than the left because of the possibility that it might secure military backing. The President has been relatively successful, however, in blunting the right's traditionally

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strong influence. Balaguer's astute handling of the military has been partly responsible for this; his caution in implementing reforms has helped assure its neutrality. The economic and social elite, often not a cohesive group, has appeared relatively satisfied with the state of affairs. Rightist politicians have remained disorganized and unable to influence policy significantly; some have joined the government team.

The chief party on the right, the Democratic Quisqueyan Party (PQD), is a prime destabilizing factor although of secondary electoral importance. It was spawned by supporters of General Wessin y Wessin, leader of the regular military in 1965 and a fanatical anti-Communist. Wessin, an avowed presidential candidate, returned from exile in early 1969 and quickly became a strident administration critic. The PQD is alleged to have been involved in conspiracies with almost all elements of the political spectrum. Although the PQD's military support is probably quite limited, some factions on the left are probably encouraged by the hope of obtaining military backing through an alliance with Wessin.

[REDACTED] Tentative contacts and rumors of plotting are likely to increase, especially as long as Balaguer remains in the race and a broad anti-election front remains at least a theoretical possibility.

RELATIONS WITH THE LEFT

The strength of the left has ebbed since reaching its zenith during the 1965 rebellion. The major party on the non-Communist left, the Dominican Revolutionary Party (PRD) of Juan Bosch, has been dealt a series of defeats. The Communists have fragmented, and their influence in labor has waned. Only among students has leftist extremist sentiment remained undiminished. Under present circumstances, the left possesses the capability to provoke significant

disorder and unrest, but as long as those forces presently arrayed with Balaguer avoid divisive infighting, it probably cannot challenge the government effectively either at the polls or in the streets.

THE PRD

A succession of setbacks has eroded the PRD's popular strength since the overthrow of Juan Bosch in 1963. Attendant frustrations have prompted an increasingly radical policy. Bosch himself is embittered by the past. From his self-imposed exile in Europe, he courts an extremist following with his thesis of "dictatorship with popular support," which disdains any electoral solution. The rhetoric of some party leaders has also assumed an increasingly radical tone. In May, PRD Secretary General Pena Gomez, Bosch's delegated party chieftain, put the US on notice that if "42,000 marines were needed in 1965, then 100,000 would be needed in 1970" if Balaguer were re-elected.

Even in a country where inflamed polemics are standard, such extreme positions help Balaguer isolate the party by identifying it with the Communists. This hardens the military's attitude even further and seriously reduces the party's chances to participate as a responsible opposition. The PRD parliamentary bloc—the only legislative opposition—has been boycotting congress since April, when it charged the government with "political repression." Rank-and-file members seem to lean to an even more militant stance, with some undisciplined elements cooperating with Communist terrorist groups on a limited scale.

An influential moderate element, however, is firmly opposed to Bosch's policies and has pressed for participation in the next elections in preference to violent, revolutionary opposition. Official PRD youth groups, too, have resisted efforts to stampede them into an extremist

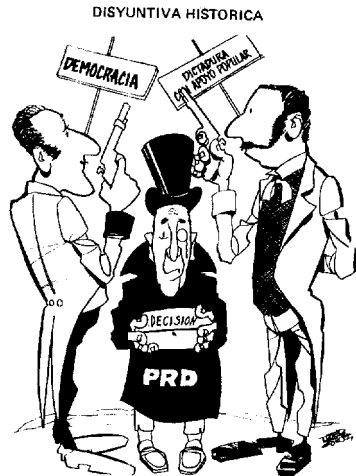
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The Dominican Revolutionary Party (PRD) is faced with a prospective moderate-radical split.

stance. While Pena is more of a political realist than Bosch, his subordinate position often forces him to try to lead both party factions rather than attempt a reconciliation on his own initiative.

The PRD's future course, given the often quixotic stance of its "maximum leader," Juan Bosch, and the general reluctance of any lesser figure to disagree publicly with him, is likely to undergo further twists and turns, responding both to internal party quarrels and external events. As long as Balaguer seems to be in the race, the party will continue to use the threat of its abstention and the specter of another civil war to induce him to withdraw. Despite the PRD's theoretical commitment to revolutionary ideology, practical concerns will prompt some search for a compromise in 1970. The intense debate in inner party circles, however, suggests that the differences will not be resolved by a majority vote, and the PRD's electoral support may be further splintered.

OTHER LEFTIST PARTIES

The Revolutionary Social Christian Party (PRSC) is the only other established party on the

left that is likely to have a significant role in the election. Since 1966, when its radical policies and an alliance with Bosch proved an electoral disaster, it has generally tried to stake out a position of more constructive opposition. It participated, for instance, in the 1968 municipal elections, when the PRD abstained.

A pre-national convention in May selected party leader Alfonso Moreno as its 1970 standard bearer, apparently subject to confirmation in November. The convention agreed "in principle" to contest the elections, although the party even hinted at one point that it might support a coup. The Social Christians, like the PRD, will probably hedge on participation as long as Balaguer remains in the race. It is, however, likely to participate chiefly to establish itself as a national political force, especially in the event of PRD abstention.

The only other group on the left which gives promise of developing into a major political force is the National Conciliation Movement (MNC), prompted by the prospective candidacy of Hector Garcia-Godoy. The former provisional president (1965) and recent ambassador to the US—he resigned in May to return home to participate in politics—may well be the most popular candidate the left could put forward. The MNC has been established only to serve as the personal-electoral vehicle for Garcia-Godoy, who is seeking to promote a coalition of moderates and leftists. He would still need a significant vote split among center-right candidates in order to have much chance of winning.

Should he somehow win, his prospects would be greatly clouded by military enmity. The military considered him overly lenient toward the extreme left, and it still resents his exiling of certain members of the regular forces. In addition, his relatively progressive views are probably somewhat suspect by the right.

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The frustrations of the left stem partly from Balaguer's success in managing two sectors that could provide them with considerable support—students and labor.

STUDENTS AND LABOR

The national university, a stronghold of leftist extremist sentiment, has provided Balaguer with a prickly, but not unmanageable political problem. This year, the semitradeional student demonstrations, sparked by a request for an increase in the government-controlled budget, continued for months. Balaguer did not hesitate to use the armed forces to intervene when campus disorders flared last year and he would probably react forcefully if the students seriously threatened public order. Given the highly politicized student body, demonstrations could well flare up again soon. Government policies, however, have not been overly harsh, and Balaguer has largely maintained public backing for his moves.

Labor has largely been brought to heel. Labor dissent has been kept within fairly well-defined limits, and Balaguer has generally succeeded in divorcing labor from politics and forcing extremist union leaders out of the influential posts they gained after Trujillo's death. The government's paternalistic and restrictive practices have rendered the three major labor federations relatively ineffective politically. Private employers have adopted a similar outlook, and labor agitation in the independent and unaffiliated unions has been held to a minimum. Balaguer does not neglect the personal touch, even in the labor field. During the traditional May Day labor celebrations, he personally greeted some 2,000 guests at a palace reception.

The administration's practices have had obvious drawbacks. Perhaps the most serious is the stunting of any responsible trade union growth, making possible the emergence of extremist lead-

ership in a time of crisis. Unemployment remains high, and the wage freeze is unpopular with rank-and-file labor elements. In part, this accounts for Balaguer's lack of support in the cities, where the austerity program has hit the hardest.

The Social Christian Labor Federation (CASC) has recently risen to greater prominence with a more politically oriented and antigovernment line. Its bid for leadership has included, at least temporarily, an alliance with the Communist-dominated labor federation. Despite its appeal to the more potentially volatile sectors—youth and the unemployed—CASC has yet to show evidence of attracting widespread support.

THE CHURCH

There have been some surface indications that the Catholic Church's tacit allegiance to Balaguer is flagging. Since early this year, influential members of the clergy have publicly voiced their dissatisfaction with the slow pace of reform, especially in the agrarian field. A pastoral letter from one of the country's six bishops, critical of the campesinos' plight, and several supporting declarations from a substantial number of parish priests have all made headlines. Although the clergy was initially careful to avoid attacking the government directly, its pronouncements have been interpreted as political criticism, and leftist forces have made haste to welcome their newest, albeit somewhat hesitant, ally.

THE EXTREME LEFT

Orderly campaigning could well be interrupted by terrorism perpetrated by elements of the splintered Communist movement, but only a grossly excessive government reaction or inability to cope with the level of violence would be likely to offset the present political trends. Although the 1,300-odd Communists, grouped in six different parties and various sub-factions, are capable of launching isolated guerrilla attacks or

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prompting disorders and terrorism in Santo Domingo, the security forces could contain their efforts. Even if the disparate elements were reconciled, they would not pose a serious threat without the support of the non-Communist left.

The Dominican Popular Movement (MPD) has been the most active Communist group in recent months, assassinating some armed forces personnel, apparently willing to risk military reprisals. In February and again in March its rumored plan for an "armed uprising," quickly aborted in the face of government countermeasures, was sufficient in itself to prompt a widespread reaction. The incident illustrated the Communists' weakened position, but also reflected the potential danger that they still pose.

The government's precautionary measures made obvious the futility of any attempted coup; yet the rumors generated concern. In the charged Dominican political atmosphere, rumor is often considered fact. An overreaction from the security forces, who often do not differentiate between the Communist and non-Communist left, could prompt moderate and extremist elements to make common cause. Additional provocations by the extreme left, probably with the aim of fostering violent agitation and laying the groundwork for a reaction that could lead to a coup, are likely.

ECONOMIC POLICIES AND PROGRAMS

Balaguer's economic policies have been an extension of his political style—cautious and committed to reform more in name than in fact, with the real emphasis on stability. His aversion to technocrats and his emphasis on personal loyalty rather than expertise have proven to be additional impediments to rapid reform. The relatively conservative policies that Balaguer has followed, however, probably do not reflect so much his political philosophy as his assessment of short term priorities.

The administration faced a formidable economic task in 1966. As a result of the insurrection in 1965, GNP in constant prices dropped 14 percent from 1964 to 1965, and investment expenditure dropped by nearly 50 percent. Concurrently, the rate of unemployment, already one of the highest in Latin America, rose further.

Immediately upon assuming office, Balaguer imposed an austerity program, freezing wages in both the public and private sectors. Import controls were instituted, especially on consumer goods, and the government cut back current expenditures; central bank credit was similarly limited. In general, these policies have helped to maintain internal price stability and to contain the trade deficit.

Partly as a result of these restrictive measures, however, economic recovery has been slow. During 1967-68 the increase in GNP barely matched the annual 3.5 percent population rise, and unemployment is still estimated at between 20 and 30 percent of the work force. In addition, the economy has become highly dependent on foreign assistance. In FY 1966-68, US and other external assistance averaged \$60 million annually. The large Dominican share of the US sugar quota is another major prop for the economy.

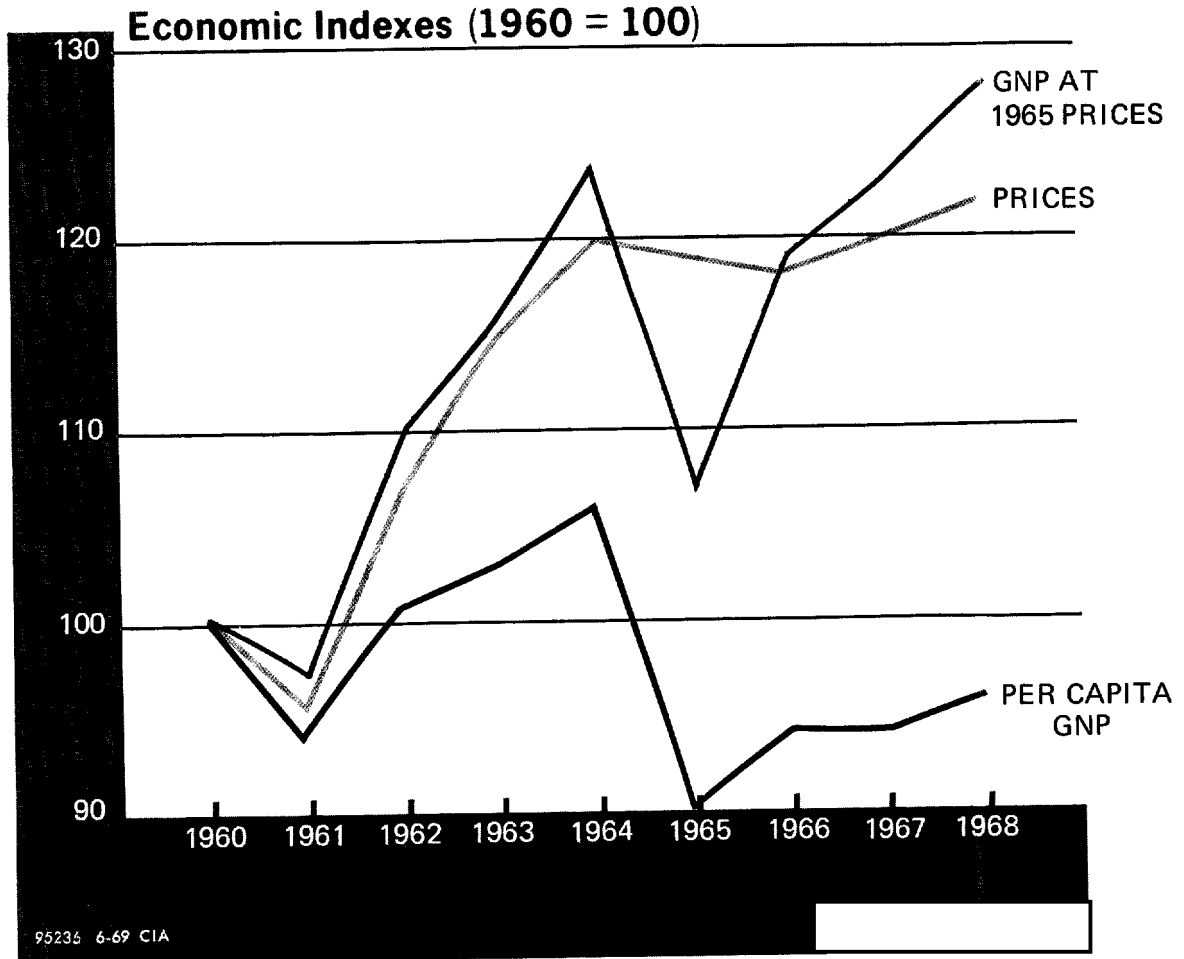
The Balaguer government has been reluctant to push programs that entail substantial political risk. Despite lip service to agrarian reform, for instance, there has been little or no action. A recently proposed agricultural incentive law is generally vague, contains no mention of land tenure reform, and appears inadequately financed. Currency devaluation, to help curtail imports and boost exports, has been rejected partly because of opposition from economic interests.

On the plus side, the government has transformed an unwieldy and graft-plagued public enterprise system into an at least manageable

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structure. Balaguer has tried to promote private investment through enactment in 1968 of an industrial incentives law and the establishment of two free trade zones—areas where raw goods for manufacture and re-export are exempt from export and import taxes. Such policies have helped to control the severe balance of payments deficit Balaguer inherited.

Economic prospects for 1969 are mildly encouraging, although dependent on a number of external factors. Recovery from the 1967-68

drought and an improved export outlook, along with a related upturn in industrial and commercial activity, point to a growth in output of about 6 percent. This is contingent, however, on a continued high flow of foreign aid, maintenance of a liberal sugar quota, and continued political stability.

1970 ELECTIONS

The elections are bound to reveal many of the latent frustrations stemming from 1965. The unsettling presence of Wessin and the prospective

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return of individuals like Hector Aristy, a leading figure in the short lived "constitutionalist cabinet," are bound to resurrect old grudges and inject new uncertainties into an already uneasy situation. The gradual tendency for political parties and individual leaders to vacate the political middle ground may increase during the campaign period.

The issue of Balaguer's re-election is the focal point for dissent. The opposition parties have denounced re-election, linking "continuismo" (extended one-man rule) to the odious practices of Trujillo. Despite the political ammunition provided by the issue, there is no evidence that it has yet had a significant impact outside of those groups that might normally be expected to oppose Balaguer.

In the meantime, it is increasingly obvious that Balaguer is moving toward a second run at the presidency. His continued hectic pace and characteristic weekend politicking as well as his seeming desire to place his personal stamp on Dominican politics as a sustained relief from instability argue that he may well make the attempt. Despite Vice President Lora's campaign, the Reformista majority in congress passed a resolution last month calling on Balaguer to seek a second term. General Perez y Perez, head of the armed forces and one of the more political figures to hold that post, has publicly termed re-election a "national necessity." Whether Balaguer is stage managing a groundswell or whether it stems from the actions of associates anxious to curry future political favor, it will heighten the opposition's fears and harden positions. Acts such as the congressional resolution, which smack of political impropriety and arm twisting, will help give substance to charges of "neo-Trujilloismo."

Balaguer's political strategy undercuts the campaigns of two of his most formidable prospec-

tive opponents. Vice President Lora is finding it difficult to garner support as long as politicians must keep a wary eye on Balaguer's intentions. Garcia-Godoy is billing himself as the peoples' united front candidate, but faces the prospect that Balaguer, in casting for support outside his own party, may follow the same tactic. In addition, it allows Balaguer, whatever his ultimate decision, to deal in coming months from a position of strength, rather than as a lame duck.

PROSPECTS

If Balaguer announces for re-election, he is likely to face increased instability. Elements on the left would be more firmly committed to force his ouster. Factions within the President's own party are dissatisfied, and the various campaign strategies, in a country where personal loyalties run far deeper than party affiliations, could easily prompt splits. Any further critical Church pronouncements, while they probably would not seriously erode Balaguer's campesino support, would raise the political temperature. Despite these liabilities, Balaguer's reservoir of political credit is deep, and at this point he must be considered the favorite should he run.

The left faces increasing political frustrations. Disorganized and weakened, it is confronted by the prospect of a rightist victory in 1970, but is unlikely to be reconciled to the role of a passive opposition. As a consequence, the sporadic terrorism that has plagued Balaguer is likely to increase. In the short run, however, the left's dwindling base of support makes it likely that the government will be able to maintain its uneasy stability through a combination of political acrobatics and military muscle, as long as it avoids major blunders.

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