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General

It was a week of conventions and meetings in the Dominican Republic as 1) 700 delegates attended the VII Interamerican Savings and Loan Conference (Item 5); 2) 140 representatives of the country's municipal governments attended an assembly of the Liga Municipal; and 3) the country's First National Convention of Tourism was held in Santo Domingo and San Cristóbal with 300 delegates and observers in attendance. Also Spain's Minister of Commerce made a highly-publicized 3-day visit to the country (Item 1).

In political party news this week the Santiago Reformistas elected a new municipal slate of officers headed by Mayor Ángel LUNA Morales (Item 4). The PQD vigorously denied charges by Reformista Secretary General Raul GONZALEZ that the party of ex-General Elías

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WESSIN Y WESSIN was "golpista" (Item 6). For its part, the PRD had a busy week on both the domestic and international fronts (Item 3).

In other news 1) the lawyer for the two ARISTY Melo brothers, who were found guilty and sentenced to five years at hard labor for the April, 1967, death of Carol Morgan teacher Stewart Stearns, said he would appeal the decision; 2) the Voz Proletaria wing of the Movimiento Popular Dominicano (MPD) publicly announced that Caonabo (Juanito) JORGE Tavárez, accused of being a "CIA agent", had been executed on January 8 (Item 2); 3) Simón Tadeo GUERRERO González, a former controversial La Romana Police Chief, was named Dominican Consul in Ponce, Puerto Rico; 4) not even Federico DIAZ Andújar, identified as the principal leader of the Partido Dominicano Demócrata which uses the same palm symbol of Trujillo's old PD, showed up at a planned demonstration to "reclaim" 102 buildings which once belonged to the PD; 5) police, apparently under orders from Police and Interior Secretary Brig. Gen. Joaquín MENDEZ Lara, prohibited UASD authorities from holding a Duarte Day ceremony in Duarte Park; and finally 6) other civil and religious ceremonies took place on January 26, the 156th anniversary of Juan Pablo Duarte's birth.

1. Upswing in Spanish Activities in Country

Spain's Minister of Commerce, Faustino GARCIA Moncó, made a highly publicized 3-day visit to Santo Domingo this week during which he repeated several times the willingness of his government to cooperate "to the extent possible" with the D.R. in economic development programs. Minister GARCIA met with President Balaguer, other high GODR officials, the National Development Commission, the Spanish Chamber of Commerce and other groups and individuals and visited the Metaldom plant and Spain's highly successful EXPOTUR tourist exhibit. Minister Garcia termed the Metaldom complex, in which the Spanish have a \$6.6 million dollar investment (\$4.2 million in equipment and \$2.4 million in plant facilities), a "work of great social significance". Many of the firm's top administrators and technicians are Spaniards.

Also on the Spanish-Dominican scene this week, the local press reported that the dual citizenship treaty, negotiated some time ago and signed by President Balaguer on October 22 (see SD-4110), had been signed by Spanish Foreign Minister Fernando CASTIELLA and Dominican Ambassador Porfirio DOMINICI in Madrid. The agreement permits Spaniards residing in the D.R. for two consecutive

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years to qualify for Dominican citizenship while retaining Spanish citizenship and vice versa.

Despite a statement last November by CDA administrator **Mauricio BOGAERT** that there does not exist (nor is there under negotiation) any financial agreement between CDA and Iberia, reliable Embassy sources report that CDA is receiving financial assistance from Iberia. If the reports are true, it would appear that Iberia could be close to achieving a significant degree of influence or control over the operation of CDA. Whatever the CDA-Iberia relationship, there is no doubt that Iberia has been making a major move to strengthen its position in the area. As these recent events show, there seems to be little doubt that the Spanish government is actively interested in increasing its presence in the D.R. (CONFIDENTIAL)

2. MPD Faction "Executés CIA Agent"

The communist MPD's "Voz Proletaria" (VP) faction made headlines this week by announcing the organization's "execution" by firing squad of one of its leaders, Caonabo **JORGE Tavárez**, who had been charged with being a "CIA agent". Although the VP produced a taped "confession" and photographs and detailed some of the information allegedly obtained from Jorge, most press and other reaction was highly skeptical, with President Balaguer terming the affair "a joke in bad taste". The communist parties, however, appeared to accept the "execution" as fact: the MR-1J4's "Red Line" faction, the PCD and MPD expressed approval (as supposedly did Jorge's wife--via a VP spokesman); but the PCRD and the Homero **HERNANDEZ** faction of the MR-1J4 considered it an act of "political banditry" (MR-1J4) which "sowed panic in the revolutionary ranks" (PCRD). (A-33)(UNCLASSIFIED)

Comment: The Embassy lacks information indicating whether the "execution" really occurred and what lay behind the VP's announcement. (LIMITED OFFICIAL USE)

3. PRD Notes

While no one earth-shaking development occurred to highlight the party's week, the PRD nonetheless involved itself (or found itself involved) in numerous if less sensational aspects of the Dominican political scene.

The PRD's delegate (Secretary of Finances Almanzor **GONZALEZ Canahuate**) to a conference of the Latin American "Democratic

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Left" held recently in Costa Rica refused (along with the delegates of Ecuador, Honduras and Chile) to support a motion condemning the Castro regime, saying that the PRD believes "the real Latin American problem is not Castroism but U.S. influence and the forces of the oligarchies". Similarly, the party's three delegates to the International Union of Socialist Youth seminar celebrated January 9 to 24 in Santiago de Chile (hosted by the Swedish Social Democrats-- see WPR#2) reportedly voted with the other delegates to condemn any aggression against Cuba, to establish relations with Cuban, Yugoslavian and Rumanian youth, to expel Venezuela's Acción Democrática from the Union, and to recognize the need for "transitory" regimes using force but based on popular support.

Secretary General PEÑA Gómez took to the air twice this week to praise the Peru golpe as unique in Latin America in being neither Pentagon-backed nor anti-communist in origin. The nationalist nature of the Peruvian junta demonstrates, said Peña Gómez, that the progressive Latin American military are also capable of standing up to imperialism and defending their countries' sovereignty.

The party's "hard-liners" did not have it all their own way, however. Early in the week El Caribe carried a full-length, three-column announcement purchased by ex-Senator Thelma Frias de RODRIGUEZ (1963), now in Venezuela, in which she bitterly attacked Juan Bosch for advocating "Popular Dictatorship" and consorting with the communists, and warmly defended representative democracy. And at midweek pro-electionist Washington DE PEÑA broadcast an appeal to all PRDers to participate in the party's radio program: "all come, so all will see that we are all present!"

In other PRD related news this week: (a) the PRD (and the communist PCD) protested the Santiago arrests of three PRD youths--who were held two days and released; (b) former frogman and Constitutionalist Cándido MOREL Taveras was shot and killed in a gunfight when he was detained by police during services for a police lieutenant killed the week before; (c) Secretary General Peña Gómez scathingly answered the Partido Reformista Secretary General's charges that the PRD was serving communist interests (Item 4); (d) the MPD appealed to the PRD to cease its unproductive internecine strife and to concentrate on the primary task--the anti-Trujillista struggle against the Balaguer government; and (e) a supposedly "executed" VP leader accused PRD leaders Abraham BAUTISTA, Jottin CURY and José OVALLE of being PCD infiltrators

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ex-General Wessin y Wessin, Gonzalez said that Wessin knows that he does not have much support behind him, that he ^{is} already convinced of his defeat and that he has locked himself up in a house so no one can see him. (LIMITED OFFICIAL USE)

5. Ecuadorian Criticizes Alliance for Progress

All of the capital's major newspapers this week gave prominent front-page play to the proceedings of the VII Interamerican Savings and Loan Conference, including the walkout staged by the Ecuadorian delegation headed by Superintendent of Banks Dr. Julio MORENO Espinosa, and to his criticisms of the U.S., the Alliance for Progress and savings and loan institutions in Latin America. President Balaguer addressed the opening session of the week-long conference, which was attended by some 700 delegates. (UNCLASSIFIED).

Comment: At the time of the first Savings and Loan Conference in Lima in 1963, Moreno, who was then President of the Ecuadorian Housing Bank, delivered an almost identical diatribe. Despite this incident, USAID considers the conference a distinct success. (SD-284). (LIMITED OFFICIAL USE).

6. PQD Notes

The PQD was relatively quiet this week except for the party's reply to PR Secretary General Gonzalez' charges that the PQD had golpista intentions. The PQD denied these accusations with considerable vigor and claimed it was all part of the conspiracy to create an image of subversion to provide an excuse to repress the opposition and asserted that Gonzalez' statements must have been made with the prior approval of President Balaguer. PQD Secretary General, Guillermo Norberto JIMENEZ, invited Gonzalez to Wessin's home in order "to view from close range what he has not seen for some time -- a real leader". Speaking in Puerto Plata, PQD First Vice President Arturo MUÑIZ Marte said the PQD would not participate in a government resulting from a golpe and reiterated the PQD's adherence to constitutional government.

El Caribe reported this week that the Supreme Court of Justice had ruled on January 22 that it would not consider the suit filed by the PQD requesting the high court to rule on the constitutionality of the government's earlier bar to Wessin's return to the Dominican Republic. The Supreme Court claimed that the case was not within its jurisdiction. (UNCLASSIFIED).

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into the PRD -- which charge Cury flatly denied (Item 2).
(LIMITED OFFICIAL USE).

Comment: It was not the first time that the above three individuals had been called communist infiltrators (although Bautista is ordinarily thought to be MPD -- not PCD -- connected). What made the matter particularly interesting this time, however, was that the charge was made publicly by a communist source, and that the PRD -- although having had ample opportunity to do so -- has thus far not chosen to comment. (LIMITED OFFICIAL USE).

4. PR Notes

A slate of officers headed by Santiago Mayor Miguel LUNA Morales was nominated and elected without opposition at the Santiago Municipal Reformista convention this week after a pre-convention opposition effort by Senator Victor DALMASI Féliz and Mayor Luna's predecessor, Luis Bautista ESPAILLAT Pineda, fizzled out. PR Secretary General and Balaguer loyalist Raul GONZALEZ presided over the proceedings and called for reelection of President Balaguer as a "national necessity" and attacked both major opposition parties.

The much-discussed "split" between President Balaguer and Lora did not receive open attention at the convention. Our Consul in Santiago reported that one of the most revealing aspects of the convention was that the issue of "local control" of the party there proved to be more important in influencing the delegates than Balaguer's name alone, which should provide food for thought for both Balagueristas and Loristas.

El Nacional reported this week that the Vice President, when asked for his stand on the reelection issue, replied "Yes sir, I support reelection". In a subsequent press statement, Lora said that he has not yet decided whether he would accept renomination as Vice President in the event President Balaguer decides to seek reelection and, in any case, he said that the possibility of his own reelection was subject to the decisions of the party's national convention and to what is judged to be "the best interests of Dominican democracy".

Secretary General González was very much in the news this week as a result of his speaking out on the issue of reelection, and his sharp attacks on the PRD and the PQD drew sharp and immediate retorts from both parties. In a partisan speech before the Santiago convention, Gonzalez said that the PRD "was sheltering itself under foreign flags" and was "falling apart" and that the PQD "was born to carry out golpes de estado". In a reference to

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