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 Department of State

TELEGRAM

43

UNCLASSIFIED 346

PAGE 01 SANTO 04016 192100Z

87

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 R 191928Z OCT 68  
 FM AMEMBASSY SANTO DOMINGO  
 TO SECSTATE WASHDC 6343

UNCLAS SANTO DOMINGO 4016

SUBJ: PRES'S SPEECH TO NATION

SUMMARY: PRES'S HOUR-LONG SPEECH TO NATION EVENING OCT 18 LARGELY DEVOTED TO ECONOMIC MATTERS. BOTH LISTIN AND CARIBE HEADLINED PORTION IN WHICH PRES SAID HE SUPPORTED IDEA OF CREATION OF SPECIAL COMMISSION OF CONGRESS TO INVESTIGATE CHARGES THAT NATIONAL EDUCATION BEING THREATENED BY "DENATIONALIZING INFLUENCES" AND THAT IF INVESTIGATION UNDERTAKEN SHOULD ALSO INCLUDE UNIVERSITIES. NEAR END OF SPEECH PRES ALSO REFERRED TO "ALAMRIST RUMORS" OF LAST FEW DAYS AND, RAISING VOICE TO EMPHATIC LEVEL, DECLARED POLITICAL SITUATION OF COUNTRY "IS OF ABSOLUTE STABILITY". CLOSED BY CALLING DOMS TO BATTLE IN 69 AGAINST BALANCE OF PAYMENTS DEFICIT AND SAID NATION WOULD WIN BATTLE AS IT WAS WINNING IN 68 DESPITE DROUGHT WHICH DURING 14 MONTHS IN LARGE PART PARALYZED SOURCES PRODUCTION. "UNITED WE WILL ROUSE THE WORLD, THE DOM WORLD OF TOMORROW, CONSTRUCTED FOR PEACE, FOR ORDER, FOR WORK, FOR HARMONY AND FOR JUSTICE".

1. FIRST HALF-HOUR TELEVISED SPEECH (HIS FIRST TO NATION SINCE EVE OF MAY 16 MUNICIPAL ELECTIONS) DEVOTED TO COUNTRY'S ECONOMIC SITUATION. PRES ALSO RETURNED THIS THEME LATER. PARAPHRASE THIS SECTION FOLLOWS: 69 WILL BE DIFFICULT YEAR ECONOMICALLY MAINLY BECAUSE OF DEFICIT WHICH PRESSES

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*Santo Domingo*  
*4016*  
*10/19/68*

*1/31/78*

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# Department of State **TELEGRAM**

UNCLASSIFIED

PAGE 02 SANTO 04016 192100Z

ON BALANCE OF PAYMENTS. THEREFORE COUNTRY MUST INCREASE EXPORTS. COUNTRY IS CAPABLE OF OVERCOMING PROBLEMS INHERITED FROM PREVIOUS ADMINISTRATIONS AND THOSE RESULTING FROM VISISSITUDES OF POLITICS AND NATURE SUCH AS RECENT DROUGHT. WILL BE AUTHENTIC TEST OF VITALITY OF COUNTRY'S ECONOMIC RESOURCES. NECESSITY OF IMPORTING RICE, WOOD, CORN, ETC. DURING YEAR HAD ADVERSE EFFECT ON BALANCE OF PAYMENTS BUT MOST UNFAVORABLE EFFECT IS SCHEDULED AMORTIZATION OF EXTERNAL DEBT. WILL AMOUNT TO \$39.1 MILLION IN 69. PANORAMA NOT ALL DARK, HOWEVER, RD WILL HAVE AT ITS DISPOSAL MAJOR SOURCE OF PRIVATE CAPITAL BY INITIATION FALCONBRIDGE OPERATIONS, BY BEGINNING OF TAVERA AND PROBABLE INSTALLATION OF PETROLEUM REFINERY. ALSO PROBABLE UNITED FRUIT WILL BEGIN EXPERIMENTS IN AZUA TO DETERMINE POSSIBILITIES OF EXPORTING VEGETABLES. ARE OTHER IMPORTANT PROJECTS IN VIEW SUCH AS FOREIGN INVESTMENT IN TOURIST FACILITIES. OTHER BRIGHT SPOT IS EXPORTS REALIZED IN LAST FEW MONTHS. (PRES HERE WENT INTO SOME DETAIL COMPARING DOLLAR VALUE OF 67 EXPORTS WITH THOSE OF 68). GOVT DOES NOT SUBSCRIBE TO CRITERIA OF THOSE WHO SAY BALANCE OF PAYMENTS SHOULD BE CORRECTED WITH NEW RESTRICTIONS ON IMPORTS. ONLY ANSWER IS MASSIVE INCREASE IN EXPORTS. ALL DEPENDS ON FORGETTING A LITTLE ABOUT POLITICS OF OUR LAND AND NATURAL RESOURCES. 1969 WILL BE YEAR OF TESTING WHICH WILL PERMIT US DEFINITELY RESOLVE GRAVE PROBLEMS WHICH UNTIL TODAY HAVE AFFECTED DOM ECONOMY.

2. PRES REVIEWED VARIOUS GOVT PROJECTS DESIGNED TO ACCOMPLISH ABOVE. ANNOUNCED THAT NEGOTIATIONS WHICH WERE BEING CARRIED OUT WITH US FOR NEW PL480 AGREEMENT AND WHICH WOULD FINANCE NECESSARY IMPORTATIONS OF WHEAT, TOBACCO, FODDER AND SOYBEAN OIL THROUGH JUL 69 WERE PROCEEDING SATISFACTORILY AND MENTIONED POSSIBILITY OF OBTAINING EXTENSION TO COVER IMPORTATION THESE ARTICLES FOR SECOND HALF OF 69. SAID THIS AGREEMENT WOULD SAVE ABOUT \$RD15 MILLION IN FOREIGN EXCHANGE. ALSO ANNOUNCED GODR HAD STARTED OTHER NEGOTIATIONS WITH AID WHICH WOULD HAVE CONSIDERABLE IMPORTANCE FOR DOM ECONOMY AND SAID THESE FACTS AND INCREASE IN SUGAR QUOTA TO OVER 700,000 TONS DEMONSTRATE FIRM INTENTION AND DESIRE OF USG TO CONTINUE COOPERATION UNDER ALILANZA IN DEVELOPMENT PLANS AND STRENGTHENING ORDER AND DEMOCRATIC STABILITY OF NATIONAL INSTITUTIONS. SAID IT WAS WORTHWHILE TO PERSIST WITH AUSTERITY AND SACRIFICES IN ORDER LIQUIDATE





# Department of State

# TELEGRAM

UNCLASSIFIED

PAGE 03 SANTO 04016 192100Z

LARGE PART OF SHORT-TERM PUBLIC DEBT IN 69 COUNTRY  
COULD BREATHE AIR OF MORE ECONOMICALLY STABLE SITUATION.

3. PRES SAID SUBJECT JUST AS IMPORTANT AS ECONOMICS  
WAS UASD CONSEJO#CHARGE CONCERNING INTRODUCTION OF DIVERSIFIED  
SECONDARY SCHOOLS. REMINDED LISTENERS HE FAVORED SECED  
FRANKLY EXPLAINING EDUCATIONAL PROBLEMS TO CONGRESS AND  
DEALING WITH SUPPOSED INTERFERENCE OF FOREIGN INTERESTS. WITH  
SOME EMOTION STATED HE WAS CONVINCED ACCUSATION THAT GOVT  
PERMITTED INTRODUCTION OF EXOTIC IDEAS IN FIELD OF EDUCATION  
WAS FALSE. SAID IT WAS NOT IMPORTANT THAT TECHNIQUES  
WERE NOT LATINO AS CULTURE AND SCIENCE WERE PORPERTY OF NO ONE.  
PRES SUGGESTED THAT ANY SCRUTINY OF DOM EDUCATION WOULD NOT BE  
EFFECT-

IVE OR TRULY POSITIVE IF IT DID NOT EXTEND  
TO UNIVERSITIES. INSISTED COUNTRY SHOULD KNOW NOT ONLY IF  
PRIMARY EDUCATION SUBJECT TO DENATIONALIZING INFLUENCES  
BUT ALSO IF "COMMUNIST INFLUENCES CAPABLE OF CORRUPTING THE  
NATINAL CONSCIENCE" EXIST IN THE UNIVERSITIES. SAID THERE  
COULD BE NO WORSE DEVIATION FROM NATIONAL EDUCATION THAN  
ORIENTATION OF FUTURE GENERATIONS TOWARD HISTORICAL  
MATERIALISM OR WEAKENING IN CONSCIENCE OF YOUTH THE FAITH  
IN WESTERN COULTUR. REPEATED HIS AGREEMENT WITH IDEA OF  
EXHAUSTIVE INVESTIGATION OF DOM EDUCATION FROM  
HUMBLE RURAL SCHOOL TO UNIVERSITIES. ALSO PROMISED THAT 69 BUDGET  
WOULD INCLUDE WHAT NECESSARY TO INCREASE TEACHING PERSONNEL  
REQUIRED.

4. AT THIS POINT PRES RETURNED TO ECONOMIC THEME AND  
ADMITTED GOVT HAD MADE ERRORS BUT SAID IT COULD NOT BE  
ACCUSED OF SACRIFICING INTERESTS OF DOMESTIC FIRMS IN FAVOR OF  
FOREIGN ONES. SAID GOVT HAD DEFENDED AND WOULD  
CONTINUE TO DEFEND LEGITIMATE RIGHTS OF DOM BUSINESS,  
EXPLAINED THAT HE RECENTLY DEFINED GOVT'S ATTITUDE  
TOWARD PRIVATE INVESTMENT SAYING GOVT COULD NOT OPPOSE  
FOREIGN INVESTORS INITIATING LAWFUL ACITIVIES IN COUNTRY BUT  
THAT BENEFITS OF INCENTIVES SHOULD BE LIMITED TO ALREADY  
EXISTING FIRMS WHEN INDUSTRIAL CAPACITY IN COUNTRY  
SUFFICIENT TO SATISFY DOMESTIC CONSUMPTION IN NORMAL CIRCU-  
STANCES, ANOTHER NORM OF GOVT, HE SAID, WAS NOT TO PERMIT  
NEW STATE INVESTMENT IN FIELD RESERVED FOR PRIVATE ACTIVITY.

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*Department of State***TELEGRAM**

UNCLASSIFIED

PAGE 04 SANTO 04016 192100Z

5. NEAR END OF SPEECH PRES TURNED TO WHAT HE TERMED "ALARMIST RUMORS AND SENSATIONAL STORIES" OF LAST FEW DAYS. SAID THEY WERE ANOTHER CASE OF A "COMMUNIST TECHNIQUE EMPLOYED BY OPPOSITON IN ALL COUNTRIES OF WORLD WHERE THERE ARE FRUSTRATED POLITICIANS WHO HEAR ONLY VOICE OF UNSATISFIED AMBITION AND WHO ARE AWARE THAT THEY CAN ONLY ARRIVE AT POWER BY WAY OF FRAUD OR ARMED VIOLENCE". ADVISED CITIZENS TO CLOSE EARS TO RUMORS. WITH GREAT DEAL OF FERVOR STATED POLITICAL SITUATION IN COUNTRY "IS OF ABSOLUTE STABILITY". SAID IF DESTINY OF REPUBLIC AND CONSTITUTIONAL ORDER DEPENDED ON SUCH TRIVIAL THINGS THEN BETTER CONVERT COUNTRY INTO PASTURE FOR CATTLE AND HANG OUT CROMWELL'S FAMOUS SIGN PUT ON BRITISH PARLIAMENT "THIS HOUSE FOR RENT". THE OPPOSITION THE PRES SAID WAS AFFLICTED WITH "HYDROPHOBIA" AND IN THEIR EYES NOTHING THE GOVT DID WAS GOOD. FACED WITH THIS ATTITUDE, HE SAID, GOVT AND SECTORS WHICH SUPPORT IT SHOULD NOT BE TERRIFIED BY ANY OBSTACLE AND SHOULD CONTINUE FORWARD.

6. DEPARTING FROM TEXT BALAGUER THANKED CHAMBER OF COMMERCE AND OTHER GROUPS FOR RECENT EXPRESSION OF SUPPORT. (SD-4009)

7. ANALYSIS FOLLOWS. CRIMMINS

AS RECEIVED, WILL SERVICE UPON REQUEST (#).

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