

SECRET

of Castro-Communists, the United States quickly showed its displeasure when the Bosch administration was overthrown by a military coup in September 1963. In the weeks that followed we withdrew our AID and military missions. The John Administration extended recognition to the subsequent regime in December 1963 but only after the latter had announced a schedule of future elections.

The Administration continued to watch with concern as the Dominican situation again deteriorated in 1964 and early 1965. The new President, Donald Reid Cabral, faced a whole complex of crushing economic problems, chief of which was the plummeting price of sugar, the country's main export. The regime was beset by growing dissension within the military, as well as labor hostility and opposition from the principal political parties, increasingly distrustful of Reid's intentions with regard to free elections. A special US concern, here as elsewhere in Latin America, was the possibility that