

COLLECTION AND DISBURSEMENT OF CUSTOMS REVENUES

*Exchange of notes at Santo Domingo March 31 and April 1, 1905;
modus vivendi proposed by President of Dominican Republic
March 31, 1905*

Entered into force April 1, 1905

*Expired July 8, 1907, upon entry into force of convention of Feb-
ruary 8, 1907¹*

1905 For. Rel. 365

EXCHANGE OF NOTES

The American Minister to the Minister of Foreign Affairs

MARCH 31, 1905

MR. MINISTER: I have the honor to inform your excellency that I am in receipt of the following telegram from the Secretary of State:

“WASHINGTON, March 29, 1905

“Answering your telegram of the 25th, the President is favorable to the modus which the Dominican Republic proposes to adopt for the purpose of keeping the pending treaty alive until the Senate shall have acted upon it and in order to permit of its full execution should it be ratified, while at the same time not prejudicing any rights should the treaty eventually fail. You are instructed that the Government of the United States will acquiesce in the Dominican proposal. The President of the United States will present for nomination by the President of the Dominican Republic men to act in the positions referred to in both the northern and the southern ports, using utmost care to select men of capacity and absolute integrity, with some knowledge of Spanish. All moneys collected from both northern and southern ports not turned over to the Dominican Government in the proportion prescribed in your telegram will be deposited in some New York bank, to be designated by the President of the United States, there to be kept until the Senate has acted; if the action is adverse, the money will be turned over to the Dominican Government; if it is favorable, the money will be distributed among the creditors in proportion to their just claims under the treaty.”

Will you do me the honor of indicating your acceptance or rejection thereof so that I may transmit your answer to my government?

¹ TS 465, *post*, p. 196.

I should also be grateful if you would transmit to me a copy of the action of the Dominican Executive by which it is proposed to put the modus vivendi into operation.

I improve, etc.,

T. C. DAWSON

The Minister of Foreign Affairs to the American Minister

[TRANSLATION]

DOMINICAN REPUBLIC
MINISTRY OF FOREIGN RELATIONS
Santo Domingo, April 1, 1905

MR. MINISTER: I have the honor to advise your excellency of the receipt of your note dated yesterday, announcing to me that the Government of the United States of America is disposed to accept the modus vivendi that the Dominican Government proposes to adopt for the administration of the custom-house revenues of the Republic until the American Senate shall approve or reject the Dominican-American convention signed on the 7th of February² last between both governments.

Our respective governments being in accord as to the basis on which said modus vivendi should rest, according as appears from the telegram received by your excellency and which you have just communicated to me and from the official document published in the Gazette of this date, I take pleasure in notifying your excellency of said accord, inclosing you a copy of the Gazette, in which is inserted the resolution of my government about the matter.

I salute, etc.,

JUAN FCO. SÁNCHEZ

MODUS VIVENDI

[TRANSLATION]

Carlos F. Morales L., constitutional President of the Republic:

For the purpose of protecting all the creditors of the Republic until the Dominican Congress and the Senate of the United States shall act upon the convention signed on the 7th of February of the current year by the representatives of the governments of the Dominican Republic and of the United States, of maintaining alive meanwhile the said convention, and of facilitating its full execution if it should be ratified or not prejudicing any right should it be rejected;

The opinion of the council of secretaries of state having been heard,

Resolves: 1. To name a person to receive the revenues of all the custom-houses of the Republic, and, for the better guaranteeing of the latter's

² Unperfected; replaced by convention of Feb. 8, 1907.

creditors, to leave to the President of the United States the designation of the person who will receive said revenues, the Dominican Executive conferring upon him the office, providing always that the designation shall be satisfactory to it.

2. The sums collected shall be distributed in the following manner:

(a) Forty-five per cent to be used in administrative expenses;

(b) The necessary expenses of collection, including the salaries of all employees of the custom-houses.

3. The remainder, as a sum destined to the payment of debts, shall be immediately deposited in a bank in New York which shall be designated by the President of the United States, remaining on deposit for the benefit of all the creditors of the Republic, Dominican as well as foreign, and shall not be withdrawn before the Dominican Congress and the Senate of the United States shall have acted upon the pending convention.

4. If the final action of the Congress of the Dominican Republic and of the Senate of the United States should be favorable to the pending convention, the sums so deposited shall be distributed among the creditors in proportion to their just claims in accordance with said convention. If the action of the said Congress and Senate should be adverse, the said sums shall be at the disposition of the Dominican Government for equitable distribution among the creditors, according to the arrangement that it shall make with them.

5. In order to do effectively what is above provided for, the Executive suspends all payments upon the debts of the Republic of whatever nature during the time that this *modus vivendi* continues in operation.

§ No document shall be received in payment of customs or port duties, and the total amount of all revenues payable through the custom-houses shall be delivered to the receiver of whom this resolution makes mention.

6. This *modus vivendi* is not intended to interfere with or change the substantive rights of the creditors, nor to repudiate or modify any of the agreements heretofore made by the government, except in so far as the immediate enforcement of such rights and agreements may be suspended by the general moratorium herein declared.

7. This *modus vivendi* will take effect from the 1st of April of the current year.

Given in the national palace of Santo Domingo, capital of the Republic, on the 31st day of March, 1905, sixty-second year of independence and forty-second of the restoration.

MORALES L.

Countersigned:

FEDERICO VELÁSQUEZ H.,

The Minister of Finance and Commerce.