

PURCHASE BY UNITED STATES OF
EXPORTABLE SURPLUSES OF RICE, CORN,
AND PEANUT MEAL

*Exchange of notes at Ciudad Trujillo June 10, 1943, approving memo-
randum of understanding dated May 20, 1943*

Entered into force June 10, 1943

Expired July 1, 1945

57 Stat. 1142; Executive Agreement Series 350

The American Ambassador to the Secretary of State for Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA
Ciudad Trujillo, D.R., June 10, 1943

No. 105

EXCELLENCY:

I have the honor to refer to recent conversations held in Washington between the Ambassador of the Dominican Republic, Dr. Jesús María Troncoso, the Special Representative of the Dominican Government, Sr. Manuel de Moya, and representatives of the interested agencies of my Government, regarding the purchase by the Government of the United States of the exportable surplus of a number of Dominican food products.

I enclose herewith a "Memorandum of Understanding" containing a statement of the agreements which were arrived at as a result of the conversations to which reference has been made. If the understanding set forth in the memorandum is acceptable to the Government of the Dominican Republic, this note and Your Excellency's reply thereto will be regarded as placing on record the agreement between our Governments regarding these matters.

Furthermore, I am authorized by my Government to suggest that at Your Excellency's convenience I shall be happy to continue in this capital the discussions concerning other agricultural products which were mentioned in the conversations held in Washington but which have not yet become the subject of an agreement between the two Governments.

Accept, Excellency, the assurances of my most distinguished consideration.

A. M. WARREN

His Excellency

ARTURO DESPRADEL,

*Secretary of State for Foreign Affairs
of the Dominican Republic*

May 20, 1943

MEMORANDUM OF UNDERSTANDING

1. Representatives of the Governments of the United States and of the Dominican Republic have discussed the program of the Dominican Government for agricultural diversification and the supplying of foodstuffs for distribution where needed in other areas of the Caribbean and elsewhere.

2. To aid in this objective the Government of the United States, through its agency, the Commodity Credit Corporation or its nominee, agrees to purchase from this date until July 1, 1945 the entire exportable surplus of rice grown in the Dominican Republic upon the following basis: Commodity Credit Corporation will pay \$7.90, United States currency, per hundred pounds for milled rice, f.a.s. vessel, or warehouse designated by Commodity Credit Corporation, official shipped weight final at Monte Cristi, Puerto Plata, Sánchez, San Pedro de Macorís, La Romana, or Ciudad Trujillo, Dominican Republic. The port of delivery shall be the one designated by Commodity Credit Corporation. The rice shall be delivered in sound usable bags, the cost of which is included in the price. Rice will be accepted, subject to inspection by an approved representative of Commodity Credit Corporation, which is of a quality equal to or better than the requirements for Grade No. 5 (classes I to VII), as defined in the official Milled Rice Standards of the United States, effective May 15, 1942. The rice shall be reasonably well milled and may be dark gray or rosy in color. Requirements for Grade U.S. No. 5 milled rice (classes I to VII) follow: The number of cereal grains, seeds, and heat-damaged kernels in 500 grams shall not exceed a total of 25, of which there shall be not more than 15 heat-damaged kernels and seeds (singly or combined). The quantity of red rice and damaged kernels other than heat-damaged (singly or combined) shall not exceed 6 per cent. The quantity of chalky kernels shall not exceed 6 per cent. The quantity of broken kernels shall not exceed a total of 35 per cent of which there shall be not more than 1 per cent through No. 6 sieve. If a mixture of other classes exceeds 10 per cent the rice is classified and graded as mixed rice.

3. The Government of the United States, through its agency the Commodity Credit Corporation or its nominee, agrees to purchase from July 1, 1943 to July 1, 1945 the entire exportable surplus of corn grown in the Dominican Republic upon the following basis: Commodity Credit Corporation will pay \$2.00, United States currency, per hundred pounds, for shelled corn, f.a.s. vessel, or warehouse designated by Commodity Credit Corporation, official shipped weight final at Monte Cristi, Puerto Plata, Sánchez, San Pedro de Macorís, La Romana, or Ciudad Trujillo, Dominican Republic. The port of delivery shall be the one designated by Commodity Credit Corporation. The corn shall be delivered in sound usable bags, the cost of which is included in the price. Shelled corn will be accepted,

subject to inspection by an approved representative of Commodity Credit Corporation, which is sound, merchantable, and not sour, musty, heating or weevily, which does not have any commercially objectionable foreign odor, which is No. 3 or better Yellow Flint Corn and will at least meet the requirements for No. 3 Yellow Flint Corn as defined in the official Grain Standards of the United States. The definition for No. 3 Yellow Flint Corn is as follows: "The corn shall be shelled, free from weevils, and shall weigh not less than 51 pounds per bushel. It shall contain not more than 4 per cent of cracked corn and foreign material, not more than a total of 7 per cent of damaged kernels of which not more than 0.5 per cent may be heat-damaged and shall not contain more than 17.5 per cent of moisture."

4. The Government of the United States through its agency, the Commodity Credit Corporation, or its nominee, agrees to purchase from July 1, 1943 to July 1, 1945, the entire exportable surplus of peanut meal produced in the Dominican Republic upon the following basis: Commodity Credit Corporation will pay \$35.00 United States Currency per short ton (2000 U.S. pounds) for peanut meal, f.a.s. vessel, or warehouse designated by Commodity Credit Corporation, at Monte Cristi, Puerto Plata, San Pedro de Macorís, La Romana, Sánchez or Ciudad Trujillo, Dominican Republic. The port of delivery shall be the one designated by Commodity Credit Corporation. Peanut meal will be accepted which is prepared in accordance with good commercial practice by the expeller or hydraulic process, and shall be finely ground and free from lumps. The meal shall contain not less than 50 per cent of protein ($N \times 6.25$), calculated on a moisture free basis, and shall contain not more than 10.0 per cent of moisture. (Meal containing 50 per cent of protein calculated on a moisture free basis is equivalent to meal containing 45 per cent of protein on a 10 per cent moisture basis.) For peanut meal containing less than 50 per cent protein, Commodity Credit Corporation shall pay 75 cents a ton less for each percentage point or fraction thereof less than 50 per cent. Peanut meal shall be delivered in sound usable bags, the cost of which is included in the price. Official shipped weights shall be final. All acceptances shall be subject to inspection by an approved representative of Commodity Credit Corporation.

5. The Government of the Dominican Republic through its appropriate agency agrees to transmit to the Commodity Credit Corporation or its representative on January 1, April 1, July 1, and October 1 of each year for the duration of this Memorandum, written statements as to the amount of rice, corn, and peanut meal which it expects to have available for sale to the Commodity Credit Corporation for the three months' period immediately following.

6. A representative of the Commodity Credit Corporation will be stationed in the Dominican Republic to make the purchases of rice, corn, and

peanut meal on the bases hereinbefore stated. The Dominican Government agrees to give this representative adequate notice as to the quantities of the foregoing commodities available for sale and to inform the representative whenever there exist exportable surpluses of soyabean oil or of peanut oil.

7. The Dominican Government agrees to forbid the exportation of corn and peanut meal from July 1, 1943 until July 1, 1945 except by the Commodity Credit Corporation or its nominee. The Dominican Government agrees to forbid the exportation of rice from the present date until July 1, 1945 except by the Commodity Credit Corporation or its nominee.

8. Payments for purchases will be effected by appropriate letters of credit opened in Ciudad Trujillo by the Commodity Credit Corporation or its nominee, in favor of the sellers. The prices hereinbefore stated include the payment by the sellers of all export taxes and other charges, fees or levies of whatsoever nature imposed by the Dominican Government.

9. The "official shipped weight" mentioned in the paragraphs above shall be determined by the representative of the Commodity Credit Corporation stationed in the Dominican Republic.

10. The phrase "exportable surplus" as used in this Memorandum shall include all amounts of a given commodity beyond those normally required for local consumption.

The Secretary of State for Foreign Affairs to the American Ambassador

[TRANSLATION]

DOMINICAN REPUBLIC
DEPARTMENT OF STATE
FOR FOREIGN AFFAIRS

CIUDAD TRUJILLO
DISTRICT OF SANTO DOMINGO

June 10, 1943

11549

MR. AMBASSADOR:

I have the honor to acknowledge the receipt of the kind note of this same date, in which Your Excellency is good enough to refer to the conversations recently held in Washington between the Ambassador of the Dominican Republic, Lic. Jesús Ma. Troncoso, and the special representative of the Dominican Government, Mr. Manuel de Moya, on the one hand, and the representatives of the interested agencies of the Government of the United States of America, on the other, regarding the purchase by your Government of all exportable surpluses of certain Dominican food products.

Your Excellency is good enough to transmit a memorandum, attached to the said note, with the stipulations which were fixed in the above-mentioned conversations for the agreement which might be concluded on this subject between the Governments of the two countries, and you are good enough to add that if these stipulations which are found in the said memorandum

are acceptable to the Dominican Government, your above-mentioned note and this Chancellery's note in reply would be considered as placing on record the agreement of the two Governments on the subject.

The above-mentioned memorandum which Your Excellency was good enough to transmit with your note, copied literally reads as follows:

[For text of memorandum, see p. 260.]

In reply to the said note, I have the honor to inform Your Excellency that the Dominican Government accepts the foregoing stipulations as constituting the agreement which is concluded between the two Governments for the sale of the exportable surpluses of the Dominican food products which are referred to limitatively in the said stipulations.

As a consequence of this acceptance the Dominican Government is interested in making the clarifications which are detailed below:

(1) The obligations contracted by the Dominican Government by the said stipulations in no way affect nor refer to the export permits issued by the competent Dominican authorities prior to the date of this note to the exporting firms situated in this country and concerning the following products covered by the above-mentioned stipulations:

Corn:

Sociedad Comercial Exportadora, C. por A	493, 890 kgs.
Munné & Co. C. por A	1, 323, 722 "
Francisco Marcano	77, 114 "
Teodoro Morales	111, 551 "
Cia. Antillana de Importación & Exportación, C. por A	817, 922 "
Richo M. Schiffino	125, 000 "
J. Arismendi Trujillo Molina	266, 170 "
Pascual Negroni (Representative of Bonnin & Co.)	200, 000 "
TOTAL	3, 415, 369 "
or: 75,292 quintals.	

Rice:

Badui M. Dumit & Co	3, 000 quintals
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This rice is consigned to Aruba and of this quantity 1,500 quintals are being shipped today, from the Monte Cristi dock.

(2) The acceptance which the Dominican Government gives is with the understanding that the competent authorities of the Government of the United States of America will lift the suspension they have placed on the export licenses and priorities granted for the shipment to the Dominican Government of the agricultural machinery and equipment for the intensification and development of agriculture in our country, the acquisition of which was contracted by the Dominican Government under Project No. 11 of Credit No. 266 granted by the Export-Import Bank of Washington, which project has been approved in the amount of \$300,000.

Please accept, Excellency, the assurances of my highest and most distinguished consideration.

A. DESPRADEL

His Excellency

AVRA M. WARREN,

*Ambassador Extraordinary and Plenipotentiary
of the United States of America,
Embassy.*