

No. 14967

**UNITED STATES OF AMERICA
and
DOMINICAN REPUBLIC**

Agreement for sales of agricultural commodities (with memorandum of understanding). Signed at Santo Domingo on 12 June 1973

Authentic texts: English and Spanish.

Registered by the United States of America on 19 August 1976.

**ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DOMINICAINE**

Accord relatif à la vente de produits agricoles (avec mémorandum d'accord). Signé à Saint-Domingue le 12 juin 1973

Textes authentiques : anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 19 août 1976.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE DOMINICAN REPUBLIC FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Dominican Republic have agreed to the sales of agricultural commodities specified below. This agreement shall consist of the Preamble, Parts I and III, and the Dollar Credit Annex of the Agreement signed March 31, 1970,² together with the following Part II:

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE:

| <i>Commodity</i> | <i>Supply Period (United States Fiscal Year)</i> | <i>Approximate Maximum Quantity (Metric Tons)</i> | <i>Maximum Export Market Value (1,000)</i> |
|----------------------------------|--|---|--|
| Wheat/wheat flour | 1973 and 1974 | 72,200 | \$ 7,200 |
| Soybean and/or cottonseed oil .. | 1973 and 1974 | 5,000 | 1,273 |
| Feedgrains | 1973 and 1974 | 38,000 | 2,334 |
| | | TOTAL | \$10,807 |

Item II.. PAYMENT TERMS:

Dollar Credit

1. Initial Payment — 10 percent
2. Currency Use Payment — 5 percent of the dollar amount of the financing by the Government of the exporting country under this agreement is payable upon demand by the Government of the exporting country in amounts as it may determine and in accordance with paragraph 6 of the Dollar Credit Annex applicable to this Agreement
3. Number of Installment Payments — 19
4. Amount of Each Installment Payment — approximately equal annual amounts
5. Due Date of First Installment Payment — 2 years after date of last delivery of commodities in each calendar year
6. Initial Interest Rate — 2 percent
7. Continuing Interest Rate — 3 percent

Item III. USUAL MARKETING REQUIREMENT:

| <i>Commodity</i> | <i>Import period (United States Fiscal Year)</i> | <i>Usual Marketing Requirement for each Fiscal Year</i> |
|---|--|---|
| Wheat/wheat flour | 1973 and 1974 | 13,500 MT |
| Edible vegetable oil and/or oilseeds (on oil equivalent basis) | 1973 and 1974 | 11,900 MT (of which 8,000 MT shall be imported from the USA) |
| Feedgrains | 1973 and 1974 | 5,700 MT (all from the United States) |

¹ Came into force on 12 June 1973 by signature, in accordance with part III (8).

² United Nations, *Treaty Series*, vol. 741, p. 15.

Item IV. EXPORT LIMITATIONS:

A. The export limitation period for commodities the same as wheat/wheat flour shall be United States fiscal years 1973 and 1974 or any such subsequent fiscal year in which wheat/wheat flour financed under this agreement is being imported or utilized; for commodities the same as soybean and/or cottonseed oil the export limitation period shall be United States fiscal year 1974 or any such subsequent fiscal year in which soybean and/or cottonseed oil financed under this agreement are being imported or utilized; the export limitation period for commodities the same as feedgrains shall be United States fiscal years 1973 and 1974 or any such subsequent fiscal year in which feedgrains financed under this agreement are being imported or utilized.

B. For the purposes of Part I, Article III A 3, of the agreement, the commodities considered to be the same as the commodities imported under this agreement are: for wheat/wheat flour—wheat and wheat flour, rolled wheat, semolina, farina or bulgur (or the same product under a different name); for soybean and/or cottonseed oil— all edible vegetable oils, including peanut oil, coconut oil, soybean oil, cottonseed oil, rapeseed oil, sunflower oil, sesame oil and any edible oil or oil-bearing seeds or beans; and for feedgrains—corn, cornmeal, barley, grain sorghum, rye, oats and mixed feeds containing predominantly such grains.

C. Permissible Exports

| <i>Commodity</i> | <i>Quantity</i> | <i>Period During Which Such Exports are Permitted</i> |
|--|-----------------|---|
| Edible vegetable oil and/or oil-bearing seeds (on an oil equivalent basis) | 3,200 MT | U.S. Fiscal Year 1974 |

Item V. SELF-HELP MEASURES:

The Government of the importing country agrees:

1. To continue to improve the collection, computation, and analysis of agricultural data and statistics;
2. To continue improving the operations of agricultural sector institutions.

Item VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH PROCEEDS ACCRUING TO IMPORTING COUNTRY ARE TO BE USED:

The proceeds accruing to the importing country from the sales of commodities financed under this agreement will be used for financing the self-help measures set forth in Item V and for the following sectors as described in the Government of the Dominican Republic's Development Plan for the National Economy: Investment projects in the fields of agriculture, health and education.

Item VII. OCEAN FREIGHT FINANCING:

The Government of the exporting country shall bear the cost of ocean freight differential for commodities it requires to be carried in U.S. flag vessels but, notwithstanding the provisions of paragraph 1 of the Dollar Credit Annex it shall not finance the balance of the cost of ocean transportation of such commodities.

Item VIII. OTHER PROVISIONS:

A. The currency use payment under Part II, 2, of this agreement, shall be credited against (a) the amount of each year's interest payment due during the period prior to the due date of the first installment payment, starting with the first year, plus

(b) the combined payments of principal and interest starting with the first installment payment, until value of the currency use payment has been offset.

B. Substitute the following for paragraph 4 of the Dollar Credit Annex: "The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this agreement, to be applied to the economic development uses set forth in Part II of this agreement, shall be not less than the local currency equivalent of the dollar disbursement by the government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential) provided, however, that the sales proceeds to be so applied shall be reduced by the payments, if any, made by the government of the importing country pursuant to the proviso in Section 103(b) of the Act (such payment is herein called "the currency use payment"). The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial import of the sale commodities. Any such accrued proceeds that are loaned by the government of the importing country to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The government of the importing country shall furnish, in accordance with its fiscal year budget reporting procedures, at such times as may be requested by the government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds, certified by the appropriate audit authority of the government of the importing country, and in the case of expenditures the budget sector in which they were used."

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

DONE at Santo Domingo, D. R., in duplicate, this 12th day of June, 1973.

For the Government
of the United States of America:
FRANCIS E. MELOY, Jr.

For the Government
of the Dominican Republic:
JOAQUÍN BALAGUER

MEMORANDUM OF UNDERSTANDING RELATING TO THE AGREEMENT
FOR SALES OF AGRICULTURAL COMMODITIES BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE
GOVERNMENT OF THE DOMINICAN REPUBLIC 1973

On the basis of an exchange of views between officials of the United States Government (USG) and representatives of the Government of the Dominican Republic (GODR) designated to discuss matters related to the 1973 Agricultural Commodity Sales Agreement it is understood that:

A. The Government of the United States has requested and the Government of the Dominican Republic agrees that 700,000 of the pesos produced by the 1973 Agricultural Commodity Sales Agreement will be transferred to the fund established through the trust fund agreement signed on November 8, 1967 and its amendments. Half of this amount (RD\$350,000) should be transferred within 15 days after the signing of the agreement and the other half (RD\$350,000) should be transferred before July 15, 1973.

B. The Food for Freedom Act (PL 480) requires the Sales Agreement to provide for its termination whenever the Government of the United States of America finds that the Agricultural Improvement Program described in the Sales Agreement is not being adequately developed, and the Sales Agreement in such cases can be terminated under paragraph H of Part I, Article I of the Sales Agreement.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed this Memorandum of Understanding.

DONE at Santo Domingo, D.R., in duplicate, this 12th day of June, 1973.

For the Government
of the United States of America:
FRANCIS E. MELOY, Jr.

For the Government
of the Dominican Republic:
JOAQUÍN BALAGUER