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LETTER DATED 8 JULY 1965 FROM THE ASSISTANT SECRETARY GENERAL  
OF THE ORGANIZATION OF AMERICAN STATES ADDRESSED TO THE  
SECRETARY-GENERAL OF THE UNITED NATIONS

In accordance with Article 54 of the United Nations Charter, I have the honour to transmit to you for the information of the Security Council copies in English and Spanish of the "Grant Agreement" (Doc. 214) and the "Memorandum of Agreement" (Doc. 215) entered into on 30 June 1965 by and between the Organization of American States and the United States of America.

Accept, Sir, etc.

(Signed) José A. MORA  
Secretary General  
Organization of American States

ORGANIZATION OF AMERICAN STATES

TENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS



an American Union, Washington, D.C.

1965

Doc. 214 (English)  
4 July 1965  
Original: English

**GRANT AGREEMENT**

Grant Agreement dated June 30, 1965 between the Pan American Union, General Secretariat of the Organization of American States, (hereinafter referred to as the Union) and the Agency for International Development (hereinafter referred to as AID) an Agency of the United States of America.

WHEREAS, the parties have been cooperating in activities to promote economic and political stability in the Dominican Republic and to contribute to the welfare of the Dominican people; and

WHEREAS, the parties have determined that there is an immediate and urgent need for additional emergency financing for such activities; and

WHEREAS, necessary planning for carrying out such activities in a sound manner has been completed; and

WHEREAS, the Tenth Meeting of Consultation of Foreign Ministers of the American Republics, by resolution dated May 20, 1965 has entrusted the Secretary General of the OAS, in an effort to restore peace and the normal conditions that will make it possible to establish the bases for the functioning of democratic institutions in the Dominican Republic, to "offer his good offices to the parties in conflict, with a view to the establishment of a climate of peace and conciliation that will permit the functioning of democratic institutions in the Dominican Republic."

NOW THEREFORE, the parties agree as follows:

Section 1. The Grant: AID agrees to grant to the Union up to SEVENTEEN MILLION DOLLARS (DOLS 17,000,000) to assist in promoting the economic and political stability of the Dominican Republic by providing financing for the activities described in Section 2.

Section 2. Eligible Items. The following items ("eligible items") shall be eligible for financing under the grant:

- (A) Salaries and wages of public employees, including employees of semi-autonomous agencies and military personnel (but not including military pensions);
- (B) Expenditures essential to the continued operation of public and private enterprises important to the economy of the Dominican Republic;
- (C) Emergency public works activities to provide expanded employment opportunities for unemployed laborers in the Dominican Republic; and
- (D) Such other Emergency Activities as may be agreed upon by the parties hereto.

Section 3. Disbursement.

- (A) At such time as the OAS ad hoc committee for the restoration of democratic order in the Dominican Republic, through the Secretary General of the OAS, requests AID to disburse the grant, AID shall make cash transfer disbursement of the grant in accordance with the Memorandum of Agreement.
- (B) Prior to any disbursement by AID, the Union shall have entered into arrangements with the Central Bank of the Dominican Republic (Central Bank) whereby said Central Bank shall have agreed to make available, in exchange for the dollars to be disbursed, an equivalent amount of Dominican pesos to finance eligible items, at a rate of exchange satisfactory to AID.
- (C) Dominican pesos generated in accordance with the foregoing procedures shall be disbursed to finance eligible items in accordance with procedures previously agreed upon by the Central Bank and the parties hereto.
- (D) Disbursements of dollars or Dominican pesos may also be made by such other means as may be agreed upon by the parties hereto.

Section 4. Implementation.

- (A) The Union shall carry out this agreement and the activities to be financed hereunder with due diligence and efficiency, and in accordance with sound commercial and financial practices. The Union shall exercise its rights in relation to eligible items so as to protect the interest of the Dominican people, the Union and AID and to properly meet the requirements and discharge the obligations of the Union under this agreement, and to facilitate the success of activities financed hereunder.

Section 5.

This agreement is made and entered into subject to the Memorandum of Agreement between the parties hereto dated June 30, 1965, the provisions of which shall apply to activities under this agreement as fully as if the provisions thereof were set forth herein.

Section 6.

Up to \$250,000 of the grant may be used to finance administrative expenses of the Union in carrying out activities under this agreement.

IN WITNESS WHEREOF, the Pan American Union and the Agency for International Development, each acting through their duly authorized representatives, have caused this agreement to be executed as of the day and the year first above written.

(s) Dr. José A. Mora  
Secretary General of the  
Organization of American States

(s) W. Tapley Bennett, Jr.  
Ambassador of the  
United States of America

ORGANIZATION OF AMERICAN STATES

TENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS



an American Union, Washington, D.C.

1965

Doc. 215 (English)  
4 July 1965  
Original: English

AGREEMENT BETWEEN THE  
GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND THE ORGANIZATION OF AMERICAN STATES

THIS MEMORANDUM OF AGREEMENT, made and entered into this thirtieth day of June 1965, by and between the Government of the United States of America, acting through Ambassador W. Tapley Bennett, Jr., hereinafter called the "United States," and the Pan American Union as the Secretariat of the Organization of American States, acting through Secretary General Dr. José A. Mora, hereinafter called the "Union."

WHEREAS, the General Secretariat of the Organization of American States, pursuant to the Resolution of the Tenth Meeting of Consultation of Ministers of Foreign Affairs, approved on May 20, 1965 and the Resolution approved on June 2, 1965, and under the direction of the Secretary General of the OAS and the Ad Hoc Committee established by the last cited Resolution, is carrying out an emergency program of economic and technical assistance to aid in the economic recovery of the Dominican Republic;

WHEREAS, the United States deems it desirable to participate in such an emergency program of economic recovery by providing financial assistance under the authority of the Foreign Assistance Act of 1961, as amended.

NOW THEREFORE, the parties agree as follows:

ARTICLE I

- A. The Union may from time to time undertake to provide, for a period of at least one year, programs of economic recovery in the Dominican Republic in accordance with the terms of this agreement.
- B. When appropriate or when requested by the United States, the Union will submit to the United States detailed justification for specific amounts of funds being requested under this agreement. Each such presentation will include analyses of self-help actions being taken in the Dominican Republic.

- C. After approval of a Union request, dollar funds will be deposited to the Dominican Central Bank account maintained in the Federal Reserve Bank in New York in exchange for Dominican peso equivalent which will be credited by the Central Bank to a Union account in that bank.

#### ARTICLE II

- A. The amount of assistance made available to date totals \$15,000,000, and, subject to availability of funds appropriated by the United States Congress, additional amounts of assistance may be made available as mutually agreed upon.
- B. Funds made available under this agreement may be used to cover administrative expenses of the Union in carrying out the programs contemplated herein to the extent agreed upon by the parties hereto.
- C. Programs financed through this agreement may also be supported by other member countries of the Organization of American States and international organizations.
- D. To the extent mutually agreed upon, the United States shall make available personnel and assistance needed for the purpose of this agreement.
- E. The emergency programs of economic assistance which have been financed by prior assistance and supervised by the Union shall be considered as carried out pursuant to this agreement. The financial aspects of such programs shall be reflected in the financial records of the Union, and the related records of transactions shall be the property of the Union. Such records shall be kept in accordance with sound accounting principles and shall be subject to United States inspection at any time until three years following conclusion of all emergency programs established hereunder.
- F. If either party fails to abide by the conditions set forth in this agreement, or deems it in its best interest, it may terminate this assistance immediately upon giving written notice to the other. If the Union should receive such a notice of revocation, or give such notice of revocation to AID, it shall take immediate action to minimize expenditures and obligations financed by this agreement and shall cancel all such obligations whenever possible. The Union shall, within fifteen days after the effective date of such revocation repay to the United States all unexpended portions of the funds theretofore paid by the United States to the Union which are not otherwise obligated by a legally binding transaction within the purpose of this agreement.

- G. The funds made available by the United States pursuant to this agreement may be utilized during a mutually agreeable period, such period beginning prior to June 30, 1965, and ending no later than June 30, 1966. The Union will submit to the United States an original and two copies of a certified financial statement showing expenditures and receipts. Such report will be submitted within twenty days after the close of each month, and at such other times as may be requested by the United States. This fiscal report shall include certification signed by an authorized representative of the Union as follows:

"The undersigned hereby certifies: 1) that the expenditures reflected on this report are proper under the terms of the agreement; and 2) that such detailed supporting information as the United States may require will be furnished by the Union promptly to the United States on request.

By \_\_\_\_\_"

- H. Financial transactions under this agreement shall be periodically audited at intervals satisfactory to the United States by accountants satisfactory to the United States. The Union will furnish to the United States copies of all audit reports prepared by a firm of certified public accountants in relation to the financial transactions under this agreement.

#### ARTICLE III

Upon completion of the programs of economic recovery covered by this agreement all unexpended funds and all balances of collections on loans shall revert to the United States and to other contributing governments prorated on the basis of contributions, and shall be refunded by the Union to the participating governments within fifteen days.

#### ARTICLE IV

Nothing contained in this agreement shall be construed as creating a contractual relationship between the United States and any person, contractor or sub-contractor employed by the Union.

#### ARTICLE V

This agreement shall be implemented by further agreements, or letters of understanding to be entered into by the parties hereto at subsequent dates.

(s) Dr. José A. Mora  
Secretary General of the  
Organization of American States

(s) W. Tapley Bennett, Jr.  
Ambassador of the  
United States of America