BEFORE THE DEPARTMENT OF STATE

THE SUCCESSORS OF J. B. VICINI

AGAINST

THE DOMINICAN REPUBLIC

LETTER OF MR. CRAMMOND KENNEDY TO
THE SECRETARY OF STATE,
MARCH 10, 1915

SUPPLEMENT TO LETTER OF JANUARY 27, 1915.

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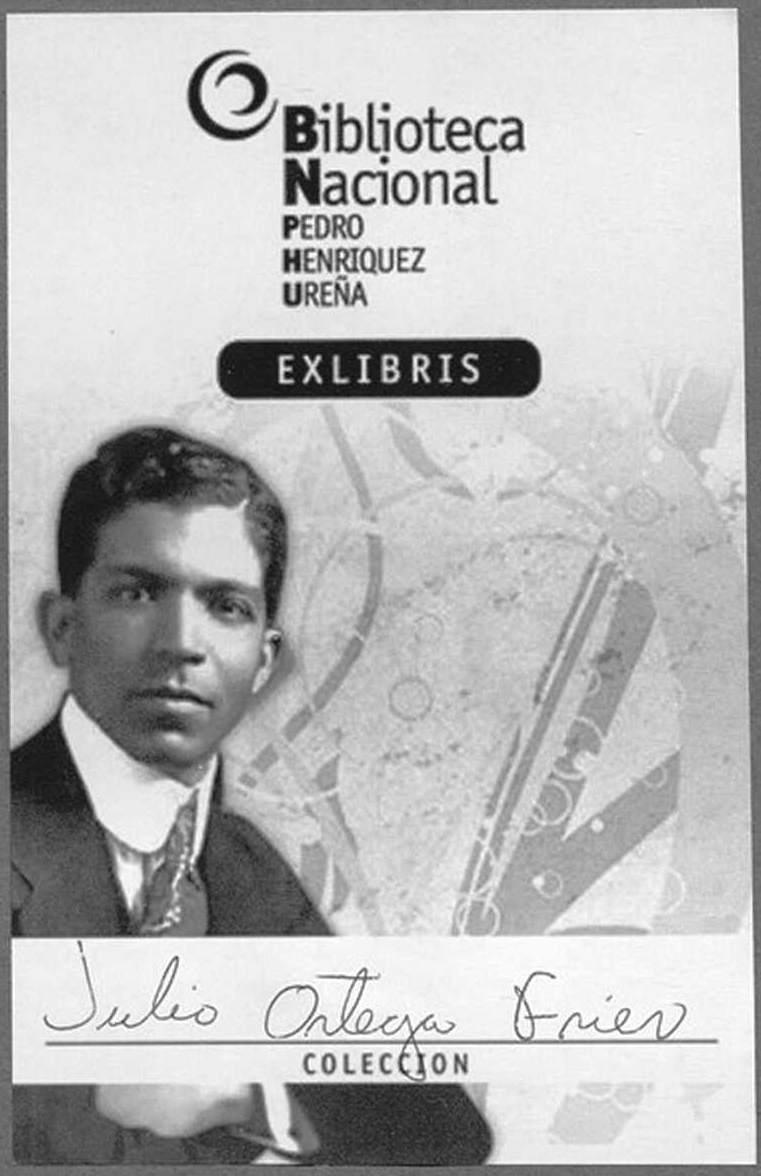

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SANTO DOMINGO, R. D.

MR. KENNEDY TO THE SECRETARY OF STATE.

WASHINGTON, D. C., March 10, 1915.

Successors of J. B. Vicini
vs.
The Dominican Republic.

THE HONORABLE WILLIAM J. BRYAN,
Secretary of State, &c., &c., &c.,
Washington, D. C.

SIR:

I have the honor to acknowledge receipt of the Department's note of the 25th ultimo, signed by Mr. Lansing, acknowledging receipt of my letter of the 16th ultimo, enclosing a Power of Attorney from Felipe A. Vicini, attorney-in-fact for the Successors of J. B. Vicini, which authorizes me to prosecute their claim in the Department or wherever and before whomsoever it may be in issue.

I am also in receipt of the Department's note of the 26th ultimo, signed by Mr. Lansing, acknowledging receipt of my letter of the 12th ultimo and remarking, with reference to my observations in regard to my relations with the Department in the past, that doubtless the Department has had entirely satisfactory information as to my right to appear in any of the cases which I mentioned, and that the Department has no doubt as to my right to appear in the case under consideration. The Department adds, however, that it regards as reasonable and proper its customary requirement respecting the filing of powers of attorney by lawyers having dealings with the Department in cases pending before it.

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Of course, I have no objection or complaint to make on account of the Department's note to me of the 8th ultimo, informing me that before giving consideration to my communication of January 27th, 1915, in regard to the case of the Successors of J. B. Vicini, and in compliance with a rule of the Department, it was advisable that I should file with the Department a power of attorney indicating that I was authorized to act in their behalf in this matter. Having had the honor of practising in the Department for so many years in such a large number and variety of cases, and never before having been requested to file a power of attorney showing my authority to represent my clients, I was naturally surprised, especially in view of the fact that the Department had been corresponding with me, in my capacity as counsel for those same clients of mine, since the 1st of the previous December, on which date I notified the Honorable the Secretary of State that I had been retained by the Successors of J. B. Vicini in the matter of their claim, under their agreement of June 25th, 1914, with the Dominican Republic, in which agreement the Italian Government had participated, through its chargé d'affaires at Santo Domingo City. As such counsel, I requested that the Department would furnish me, before I submitted a statement of my clients' case, with a copy of the reply, if any, which the Department had made to the Memorandum which was presented to the Department by the Italian Embassy at this capital, under date of January 27th, 1905. I made this request because I regarded the United States as trustee for the Vicinis in the matter of collecting, since 1905, that part of the Santo Domingo customs receipts which had been pledged to them by the Dominican Government as security for the payment of its indebtedness to them, admitted and liquidated under the contracts of 7th June, 1902, and 18th July, 1903, and after-

wards confirmed and secured to be paid in and by the Protocol of May 1, 1904, between the Italian and Dominican Governments. I assumed that, as such trustee, the United States, acting through the Department of State, would not only not prevent, but would facilitate, the execution of the adjustment which had finally been reached, in accordance with the spirit and intent of the Treaty of February 8th, 1907, by the agreement of June 25th, 1914, between the parties.

The Italian Embassy's Memorandum of January 27th, 1905, for the Department's answer to which I inquired, took its importance as showing, in connection with the Italian-Dominican Protocol of May 1st, 1904, that the Italian Government had espoused the case of the Successors of J. B. Vicini and made it its own, as against Santo Domingo, while also showing Italy's willingness to cooperate with the United States in bringing about the general adjustment and settlement of all of Santo Domingo's foreign and domestic debts, including those due to citizens of the United States, as well as those due to subjects of His Majesty, the King of Italy.

The Department of State was good enough to advise me, by letter dated December 21st, 1914, doubtless after a careful examination of the diplomatic files, "that there appears to be no record of any reply made by the Department to the note of the Italian Embassy of January 27, 1905."

The position of the United States, so far as concerns any responsibility for the amount allowed on the claims against Santo Domingo, is entirely different under the Treaty of February 8th, 1907, from what it would have been under the *modus vivendi* or the proposed treaty of 1905. This is brought out distinctly by Professor Hollander, who represented both Governments in the negotiations for the proposed "adjustment" between Santo Domingo and her cred-

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itors. In his article on "The Convention of 1907 between the United States and the Dominican Republic" (American Journal of International Law, 1907, Vol. I, Part 1, page 287), the learned Professor says (italics mine):

> "At this time of writing, the new convention awaits only the approval of the Dominican Congress to become operative. *Distinct in authorship and notably different in content,* this second instrument nevertheless represents a rational solution of the difficulties—as modified by the progress of two years—which occasioned the first agreement."

It was when the first agreement, or the *modus vivendi,* was under consideration that the Italian Embassy submitted its Memorandum of January 27th, 1905, following the Italian-Dominican Protocol of May 1st, 1904. "The distinctive feature of the new convention," says Professor Hollander, further on in the same article, "as compared with the original agreement is thus, *that the United States does not undertake to adjust or determine the Dominican debt,* but merely to administer the customs of the Republic for the service of a new loan, the proceeds of which are to be devoted to the discharge of all recognized debts and claims, *reduced to a basis acceptable both to the Republic and the creditors.*" This was and is *sine qua non.*

After receiving the Department's letter of the 12th of December, 1914, I renewed, in mine of the 23d, a request which I had made on the 9th of the same month for copies of Order No. 11, dated February 17th, 1908, signed by Federico Velasquez, Minister of the Treasury and Commerce of the Dominican Republic, and Orders Nos. 16a and 16b, dated January 25th, 1911, signed by the same official. I knew, from the letter written by the Guaranty Trust Company of New York, on July 29th, 1914, to the

Successors of J. B. Vicini, that Orders 16a and 16b authorized the payment of $1,620,713.84, the liquidation of June 7th, 1902, at 50 cents on the dollar, and $250,092.32, the liquidation of July 18th, 1903, at 40 cents on the dollar, but before discussing with the Department these Orders, which had never been accepted or authorized by the Successors of J. B. Vicini and represented no agreement or "adjustment" between them and the Dominican Government, I wanted to examine authentic copies of them, and I felt sure that the Department would be glad to furnish me with them because I felt sure that the Department, acting for the United States in this matter, which concerns the Italian Government, as well as my clients, the Successors of J. B. Vicini, would and could only desire to get at the facts with a desire to find the long-delayed "adjustment" fair and reasonable and to approve its execution, if it decided that it had any responsibility in the matter. I had also seen marginal references to those Orders on the copy of the "plan of adjustment" in which the indebtedness of Santo Domingo to the Successors of J. B. Vicini was stated in accordance with the liquidations of June 7th 1902, and July 18th, 1903, as aforesaid.

It was not until the 4th of January, 1915, that the Department answered my request for copies of these Orders and then it simply informed me that "all of said Orders appear from the records to have been forwarded to the Bureau of Insular Affairs and consequently are not in possession of the Department." I then applied to the Chief of the Bureau, to whom I showed the Department's letter, but he could not tell from its language whether the Department was willing that he should give me copies or not; whereupon a correspondence ensued on this question between the Bureau and the Department. Meanwhile I applied to the Guaranty Trust Company and was informed

by the Assistant Trust Officer that he would be pleased to give this matter his attention and advise me in regard to it in due course. I had previously been informed by the same Company, who had furnished me with copies of the Agreement between the Dominican Republic and the Morton Trust Co. and of Santo Domingo's Offer of Settlement of January 27th, 1908, that if there was any additional information with which they could furnish me they would be pleased if I would call upon them at my convenience. The Company had also made the following statement to me in its letter of the 14th of last December (italics mine):

> "No list of claims against the Dominican Republic was ever filed with the Depositary, but at various times there were filed with this Company orders issued by the Dominican Government, and properly countersigned by our Government at Washington, to the effect that various evidences of the Dominican Republic's indebtedness, when properly certified by the Minister of Finance of the Dominican Republic, should be settled to a certain amount.
>
> *"As these orders were not a part of the original agreement, there is no reason why they should not be altered at any time by the Dominican Government with the consent and approval of the Bureau of Insular Affairs at Washington."*

If these Orders had been issued as a result of an "adjustment," a meeting of minds, between the Dominican Government and Vicini's Successors, the latter would have been furnished with duplicate originals or certified copies, and the payment would have been made accordingly. But there was no such "adjustment," agreement or meeting of minds, between the parties; nor could Vicini's Successors, in view of the Italian-Dominican Protocol of May 1st, 1904, confirming the previous liquidations and pledging a

portion of the Dominican customs receipts for their payment, vary its terms without the consent and approval of the Italian Government, which consent and approval, as the Department is aware, are expressed in the agreement and adjustment of June 25th, 1914.

After being informed by the Department, in its letter of January 4th, 1915, that the aforesaid Orders had been "forwarded to the Bureau of Insular Affairs," and the Bureau having informed me, pending instructions from the Department, that the originals were deposited with the Guaranty Trust Company of New York, I wrote to the Company on January 8th, 1915, enclosing the Department's letter of December 21st, 1914, and remarking:

> "You will see from the enclosed letter (which please return) that the Department has given me information in this matter from its diplomatic records, and would doubtless furnish me with copies of the aforesaid Orders if they were in its files.
>
> "You were good enough to say in your letter of the 10th ultimo that if the Guaranty Trust Company could furnish me with any additional information, it would take pleasure in so doing.
>
> "Of course, it is to the interest of all concerned that the Vicini matter should be properly settled as soon as possible."

Not having heard again from the Insular Bureau, which I thought, by this time, might have been instructed by the Department, I wrote as follows, under date of January 14th, 1915:

> "My Dear General McIntyre:
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> "If there is no objection to let me have copies of the Vicini orders, No. 11, February 17, 1908, and Nos. 16a and 16b, January 25, 1911, the bearer, Mr. Raymond J. Bour, Jr., will copy them with your permission."

To this request the answer was that the Bureau of Insular Affairs had not yet heard from the State Department and, in the absence of definite instructions, could not allow the Orders to be copied.

A week or so later, nothing further having been heard from the Department or the Insular Bureau, Mr. Felipe A. Vicini, attorney-in-fact for Vicini's Successors, applied to the Guaranty Trust Company of New York for copies of the Orders in question, and although the Company furnished him with a copy of the order for payment accompanying the agreement of June 25th, 1914 (of which, of course, the Vicinis had a copy as they were parties to the adjustment and settlement of that date), the Company said (italics mine):

> "In reference to copies of the *letter* orders of Señor Fed'co Velasquez, Ministro de Hacienda y Comercio, both dated January 25, 1911, we beg to state that as *these are official communications from the Dominican Government to ourselves,* we feel that copies should be requested of the Dominican Government, or authority received from the Dominican Government to make copies of the letters on our files and deliver same to you.
>
> "It is possible, however, that the Bureau of Insular Affairs at Washington, where these orders are recorded, may be willing to give you the information you desire."

Of course, if these Orders had been issued to give effect to an "adjustment" or settlement that had been made by and between Señor Velasquez, representing the Dominican Government, and Vicini's Successors, the latter would have been furnished with copies and, of necessity, would have been aware of the transaction. But they did not represent and were not the evidence or outgrowth of any such settle-

ment or adjustment as the treaty required, but were, as the Guaranty Trust Company says, "official communications from the Dominican Government to ourselves," and were, doubtless, part and parcel of the "persuasive endeavors" mentioned in the preamble of the contract of June 25th, 1914, notwithstanding which the Successors of J. B. Vicini had "not agreed to accept, in connection with their credits, the proposition of adjustment which the Government published and circulated on the 12th of September, 1906, called 'Plan of Adjustment.'"

The earlier Order, No. 11 of February 17th, 1908, was probably visaed or approved by Professor Hollander, because it was issued prior to Mr. Root's letter of January 14th, 1909, as Secretary of State. to the Secretary of War, in which he said:

> "Until the 1st of August, 1908, Mr. Jacob H. Hollander, a former treasurer of Porto Rico, who had been a special commissioner from the United States in Santo Domingo, was employed by the State Department to assist in the adjustment of the financial affairs of Santo Domingo, and his certificates in regard to drafts were regarded as indicating the exercise of this scrutiny in behalf of the United States in regard to the character of the drafts made.
>
> "On the 1st of August, 1908, however, Mr. Hollander ceased to be employed by the United States, and he has now, as the State Department is informed, been employed by Santo Domingo to assist them in their financial affairs, having no further connection with the United States.
>
> "I have accordingly directed that all drafts which come to the State Department shall be submitted to the Chief of the Bureau of Accounts of the State Department, and that the responsibility be placed upon him for ascertaining from the Secretary of State or other officer of the department charged with that duty

> whether the drafts are to be deemed by the State Department to be in conformity with the convention and securing the approval of the Secretary of State or the Assistant Secretary charged with that duty. Upon receiving such approval the Chief of the Bureau of Accounts will transmit the drafts to the Chief of the Bureau of Insular Affairs."

The occasion of this letter of Mr. Root's, eliminating Professor Hollander and changing the method for examining and approving drafts on the Dominican funds, may be found in No. 5 of the Hearings before the Subcommittee of the Committee on Expenditures in the State Department, House of Representatives, on House Resolution No. 103, to Investigate the Expenditures in the State Department, etc., June 6, 1911, pages 117, 118.

Nothing further having been heard from the Department or the Bureau of Insular Affairs in regard to the desired copies of the Orders No. 11 of February 17th, 1908, and Nos. 16a and 16b of January 25th, 1911, and time being precious in a matter of this magnitude, involving the rights and duties of three Governments as well as the large financial interests of the Vicinis, I decided to file a statement of their case on the 27th of January, 1915, without waiting longer or making further attempts to obtain copies of the *ex parte* orders in question.

After the statement had been prepared, I received a letter from the Guaranty Trust Company of New York, under date of January 29th, 1915, in answer to mine of the 8th of that month, informing me that they were "in receipt of a communication from the Department of State suggesting that an application for copies of these orders should be made to the Dominican authorities through whom they were issued." Still later, the Department having finally

instructed the Bureau of Insular Affairs, General McIntyre wrote me on the 2d ultimo as follows:

> "My Dear Mr. Kennedy:
>
> "Referring to your letter to me of January 14, I would say that in reply to my letter asking if it was the desire of the Department of State that copies of the orders issued on the Guaranty Trust Company of New York in connection with the Vicini claims against the Dominican Republic be furnished you by this Bureau, the Department of State suggests that you be informed that it would appear that an application for copies of these orders should properly be made to the Dominican authorities by whom the orders were issued.
>
> "Very Sincerely,
>
> "(Signed) Frank McIntyre."

If these copies had been neecssary for the preparation of my statement, there would have been a further waste of time, maybe of months, for the new Dominican administration, knowing the attitude that the State Department had taken to the adjusment of June 25th, 1914, might not have been in any undiplomatic haste to comply with my request. In replying to General McIntyre's letter, I remarked:

> "I suppose that Mr. Velasquez felt it would be useless to furnish the Successors of J. B. Vicini with copies of these orders, when they were issued, because he knew that the Vicinis were not willing to accept the values put upon their claims in the 'plan of adjustment' which had been published in the *Gaceta Oficial* and elsewhere. As this 'plan' was necessarily based on agreements between the Dominican Government and its creditors, to the extent, at least, of a sufficient number to make the 'plan' workable, the orders in the case of the Successors of J. B. Vicini, in the absence of an

agreement between them and the Dominican Government, were unauthorized and void—'mere scraps of paper.'

* * * * * * * * *

"In view of the further waste of time which the Department's suggestion would have involved, if I had been obliged to apply to the Dominican Government for copies of those orders (my request for copies having been made to the Department as long ago as the 9th of last December), it is fortunate that their substance was so well known and that the case could be prepared for submission to the Secretary of State without such unnecessary and factitious delay in a matter of such individual and international importance."*

It seems to me a most remarkable thing, considering the relations of the parties, that these Orders should have been issued without the consent or knowledge of the ostensible payees (the persons mostly concerned), and that they were not even furnished with copies by Professor Hollander or Señor Velasquez. As already said, if the Orders had been issued with the knowledge and consent of Vicini's Successors, a settlement would have been made accordingly at the time.

Further delay having thus been avoided in connection with my request for copies of these Orders, and my statement of January 27th, 1915, having been filed in the Department, I was informed, in two separate letters of the 8th ultimo, both signed by the Solicitor, Mr. Cone Johnson, (1) that the Department had received my letter of February 2d, 1915, enclosing, for its convenience, six printed copies of the statement made by me as counsel on behalf of the Successors of J. B. Vicini against the Government of the Dominican Republic; and (2) that before giving considera-

*A copy of this letter to General McIntyre is enclosed for the Department's information.

tion to this communication, and in compliance with a rule of the Department, it was advisable that I should file with the Department a Power of Attorney indicating that I was authorized to act in the Vicinis' behalf in this matter.

Curiously enough, on this very day, His Excellency, the Italian Ambassador, had called at the Department, and, in the absence of Mr. Bryan, had seen Mr. Lansing, and had left with the latter a memorandum on this matter of the Vicinis and also a printed copy of my statement of January 27th, 1915, on their behalf,—than which, it is respectfully submitted, nothing could be more conclusive on the question of my authority to represent the claimants. I need not refer to the rule that the claimants being aliens their claims must be presented by or under authority of their own Government. In conformity with this rule, my statement of January 27th, 1915, had been submitted to His Excellency and approved by him before I filed it in the Department, and when His Excellency handed a copy of that statement to the Counselor of the Department, with a memorandum of his own in which he referred for the details of the case to the statement of the personal counsel of the Vicinis, there could be no doubt of my authority to act for them.

Messrs. J. B. and Felipe A. Vicini had come up from Santo Domingo to Washington on this business, and Mr. J. B. Vicini had returned to Santo Domingo City, but it so happened that Mr. Felipe A. Vicini, who holds a Power of Attorney for J. B. Vicini's Successors, had stopped over in New York, and I was able to get a Power of Attorney from him without delay. But if he had returned with his brother to Santo Domingo City, another quite serious delay would have been occasioned by this action of the Department.

I have already said that although I have had the honor of practising in a large number and variety of cases before

the Department, for more than thirty years, I have never before been requested to file a power of attorney showing my authority to act as counsel. Indeed, at the very time I received the Solicitor's note of the 8th ultimo, I was, and for some months had been, acting and had been recognized in the Department as of counsel in the matter of the Wireless Telegraphy Station at Tuckerton, New Jersey, which had been taken over by the Navy Department under an Executive Order of the President in conformity with an Act of Congress, and which involved many important questions, in some of which three different Embassies in Washington were concerned. In this matter, some phases of which are still pending, I was not requested to file any power of attorney as evidence of my authority to act as counsel, either in the Navy Department or in the Department of State.

Of course, as I have repeatedly said, I was perfectly willing to comply with this requirement of the Department, and I did comply with it promptly, but coming as it did after what seemed to me the unnecessary waste of time in connection with my request for copies of the Hollander-Velasquez "Orders" (which ought to have been furnished to the claimants when issued), I have thought it proper to ask the attention of the Department to the circumstances attending this incident.

In the Solicitor's note of the 8th ultimo, he requests my "compliance with a rule of the Department" before giving consideration, etc., etc.; and in Mr. Lansing's note of the 26th ultimo, after saying, "Nor has the Department any doubt as to your right to appear in the case under consideration," he says that the Department "regards as reasonable and proper its *customary requirement* respecting the filing of powers of attorney by lawyers having dealings with the Department in cases pending before it."

The rules of the Department in regard to the presentation of claims were printed in Wharton's Digest of International Law, Vol. II, section 213, pages 541-543, about thirty years ago; also in Moore's Digest of International Law, about twenty years later, Vol. VI, section 972, pages 610-613; and, under date of March 5, 1906, by the Department of State itself, in a circular entitled "Claims against Foreign Governments."

The only provision as to attorneys or counsel in those rules is found in paragraph 15 and reads as follows:

> "If the claimant shall have employed counsel, the name of such counsel should, with his address, be signed to the memorial and entered upon the record, so that all necessary notices may be addressed to such counsel or agent respecting the case."

This explains why in all my experience I never before was required or requested to file a Power of Attorney as evidence of my authority to appear in the Department as counsel. Of course, when counsel is employed to collect the claim, or any portion of it, and give a receipt or discharge to the Department for such collection, the formality of a Power of Attorney or assignment is proper, and under such circumstances I have frequently filed such documents in the Department, not as evidence of authority to appear as counsel, but of pecuniary interest in the subject-matter of the claim.

I have been counsel in cases which (or different phases of which) were in the Department of State and in the Department of Justice at the same time, like the controversy over the so-called "Valorization" of Coffee by Brazil, but in neither Department was it ever suggested that I should file a Power of Attorney. Therefore, I can not see how

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it can properly be said that the Department's note to me of the 8th ultimo was founded on or in accordance with any "rule" or "customary requirement" of the Department, even if the claimants in this case were citizens of the United States instead of aliens whose claims must be presented under authority from their own Government. It is now more than a month since His Excellency, the Italian Ambassador, submitted his memorandum and a copy of my Statement of January 27th, 1915, to the Department.

The Dominican Government has never been released by the Successors of J. B. Vicini from the assignment of that portion of the customs receipts it made to them by Article 3d of the Contract of June 7th, 1902, as security for the payment of the liquidated debt as liquidated on that date. (Statement of January 27th, 1915, page 12.) "By such fiscal receipts are understood not only the dues now existing but *all those that may be instituted or created in the future.*" (*Ibid.*) By the contract of July 18th, 1903, the Dominican "Government obligates itself irrevocably to devote, and by the present contract does, in fact, devote the following fiscal receipts which shall remain in the power of the Successors of J. B. Vicini, to be applied to the account of this contract." (*Ibid.*, pages 13, 14.) By agreement with the Italian Government, in the Protocol of May 1st, 1904 (Article IV), "the Dominican Government recognizes, in all its force and vigor, the contract of June 7, 1902, subscribed with the Successors of J. B. Vicini, with only those modifications which are the subject of the present agreement." (*Ibid.*, page 21.) These customs receipts, so assigned by the Dominican Government to the Vicinis, but, nevertheless, declared, on the face of each of the Five Per Cent Gold Bonds, to be security for their payment, have never been released to the Dominican Government, but have been collected and are now being collected by the Government of the United States,

which holds the portion belonging to the Vicinis, and so collected, as a resulting trust for their account and benefit. This situation is clearly set forth by the Dominican Government in the preamble to the agreement of June 25th, 1914, with the Vicinis (cited on page 2 of my Statement of January 27th, 1915), as follows:

> "Whereas, after the Dominican-American Convention of 1907 and of the subsequent contract for the issue of Five Per Cent Bonds dated the 27th of January, 1908, the Government has not been able to restore the Successors of J. B. Vicini to their rights without violating the terms of those two last-named agreements; and, on the other hand, is obligated by the demands of justice and by respect for its own obligations to satisfy the claims which those creditors have maintained and the diplomatic action which, in support thereof, is now being taken by Count Raybaudy Massiglia, Envoy Extraordinary and Minister Plenipotentiary of His Majesty, the King of Italy," etc., etc.

The situation was stated in substantially the same way to the Department by Señor Soler, the Dominican Minister at Washington, on August 14th, 1914, in his note of that date, and the Department, in its reply of September 25th, 1914, signed by Mr. Lansing, said:

> "I have the honor to point out to you that the terms of the agreement under date of January 27, 1908, concluded between the Dominican Republic and the Morton Trust Company, according to which you state that the order of the Dominican Minister of Finance for the payment of the claims in question has been drawn, make all payments on the part of the company subject to the convention concluded February 8, 1907, between the United States and the Dominican Re-

> public. By the terms of that convention, funds were set aside for the payment of debts of the Dominican Republic in accordance with the plan of adjustment referred to in your note. The Department accordingly does not appear to be in a position, in view of the obligations of the Government of the United States under the convention of 1907, to approve the payment of the Vicini claims from the funds in question on a basis other than that of the plan of adjustment provided for by the convention. It would seem clear that such payment, on a basis of 85 per cent of the amounts claimed, would be at variance with the stipulations of the convention."

The Bureau of Insular Affairs took substantially the same ground in its letter of July 31st, 1914, to the Guaranty Trust Company, approving the refusal of the Company to pay the order accompanying the adjustment and settlement of June 25th, 1914. In that letter, General McIntyre, the Chief of the Bureau, said:

> "Your action in this matter meets with the approval of this Bureau, since without further instructions from the Department of State the Bureau can only recognize settlements of the Vicini claims on the basis provided for in the plan of adjustment and the orders drawn in accordance therewith, previously registered in the Bureau with the approval of the Department of State, and transmitted to you."

But these "Orders," as already has been shown, were never accepted by the Vicinis, or tendered, or even communicated, to them by the Dominican Government; and the "adjustment" referred to in the treaty and in all the negotiations preceding it, and leading up to it, was an adjustment founded upon and growing out of a voluntary agreement between the Dominican Government and its creditors.

This adjustment, although made to a sufficient extent in 1907 to make the "plan" workable, was not effected in the case of the Vicinis until June 25th, 1914, when the proper order for the stipulated payment was issued to the Guaranty Trust Company according to the agreement of January 27th, 1908, between the Dominican Government and the Morton Trust Company, the original depositary of the trust funds in question.

The "plan of adjustment" provided, as already pointed out, that the $20,000,000 in bonds were *"to be charged as a first lien on all the customs of the Republic receivable after March 1, 1907."* But that could only be done by such an "adjustment" as would induce the creditors to release the Dominican Government from the assignments it had made to them of those self-same customs.

The proceeds of the customs receipts and of the bonds based upon the collection of those revenues by the United States were to be devoted (to use Professor Hollander's words) "to the discharge of all recognized debts and claims, *reduced to a basis acceptable both to the Republic and the* CREDITORS," or, as provided in the Act of the Dominican Congress of September 18th, 1907, to pay the claims of those who had accepted the adjustment proposed, *"or the adjustment which may be reserved for the payment of debts, claims and concessions of those holders who may not have accepted the adjustment proposed."*

As stated in the preamble of the Treaty, there was still to be an "adjustment" under which—

> "the remaining holders of internal debts or claims, on the same basis as the assents already given [ranging from 10 to 90 per cent] will receive *about* $2,400,000 therefor, which sum the Dominican Government has fixed and determined as the amount it will pay to such remaining internal debt holders; making the total

payments under such adjustment and settlement, including interest as adjusted and *claims not yet liquidated,* amount to not more than *about* $17,000,000."

The preamble of the Treaty further provides that, after payment of the expenses of such adjustment, the funds derived from the bonds and the customs revenues are "to be applied first to the payment of said debts and claims *as adjusted.*" The words, "as adjusted," refer not only to the adjustments already made in 1907, but also to the adjustments which were still to be made, in the just-quoted words of the preamble, with *"the remaining holders of internal debts or claims on the same basis as the assents already given,"* requiring, as estimated, *"about* $2,400,000," and bringing up the sum total "to not more than *about* $17,000,000."

This Italian claim, "as adjusted" in and by the contract of June 25th, 1914, between the Dominican Government and the Successors of J. B. Vicini, with the approval of the Italian Government, is thus clearly within the letter and intent of the Treaty, for the amounts named in the preamble and qualified by the word "about" must be regarded as nothing but a somewhat flexible and approximate estimate of what the Dominican Government was willing and expected to pay in an "adjustment" of the hitherto unadjusted claims, which adjustment, however, was still to be made, and could be made only by the mutual consent of the individual creditors and the debtor Government. For, of course, the Dominican Government and the United States Government could not get together and, by a treaty, nullify or vary the contracts of June 7th, 1902, and July 18th, 1903, between the Dominican Government and Vicini's Successors, or the Protocol of May 1st, 1904, between Santo Domingo and Italy. That was the very thing,

in principle, which Chile and Bolivia attempted to do in and by the so-called "secret notes" exchanged with the treaty of 1904, in the Alsop Case, and which the United States contended could not be done without the consent of the third parties concerned. And this contention of the United States was upheld by His Britannic Majesty, as *"amiable compositeur,"* on the unanimous report of his learned advisers, who said on this point:

> "The treaty of 1904, with its accompanying notes, was a contract to which the only parties were Bolivia and Chile, while the claims were claims by strangers; it is obvious that the rights of such strangers could not be prejudiced by any agreement to which they were not parties. In so far as the claim of Alsop and Co. was a valid claim against Bolivia, it could not be extinguished by an agreement between Bolivia and Chile. Chile undoubtedly might (and did) agree to provide a certain sum in payment of the claim; but if that sum was less than the full amount for which the claim was good, the liability for the balance would, unless the claimant was content to waive the balance, remain a burden upon Bolivia."

The two contracts of June 7th, 1902, and July 18th, 1903, with simple interest at 3% per annum, will amount, on their 13th and 12th anniversaries, respectively (June 7th, 1915, and July 18th, 1915), taken together, to $2.500,000 in round figures. This amount is secured to be paid by an assignment or appropriation of five per cent (5%) of all its customs revenues by the Dominican Government, with a guaranty that those revenues would amount to at least $1,600,000 per annum, as shown in my Statement of January 27th, 1915, page 12. They have, in fact, amounted to more than double that amount, on an average. The United States has collected, since April 1st, 1905, to

July 31st, 1914, that is in 9 1/3 years, the sum total of $31,033,207.22, or on an average of $3,326,174.40 per annum, of those customs revenues. The part assigned to Vicini's Successors (five per cent) and collected by the United States, as aforesaid, amounts to $1,551,660.36, or an average of $166,308.72 per annum, to date. This would pay more than half of the entire Vicini claims as liquidated on June 7th, 1902, and July 18th, 1903, with simple interest at 3% per annum; and, assuming that the average collections will continue at the same figures, the whole indebtedness to the Vicinis would be wiped out in about 6 years, or in less than one-third of the life of the bonds (50 years), counting from 1907, when they were issued, to 1957, when they will mature, if not sooner redeemed.

Italy is entitled to a settlement on this basis at the hands of the United States if the agreement of the 25th of last June is not carried out within a reasonable time. It is not to be forgotten that a large amount of interest, at high rates, which could legally have been included, was waived and deducted by the Vicinis in the liquidations of 1902 and 1903. Nor can the Dominican Government or the Department of State reasonably or fairly expect that the concession of fifteen per cent (15%), as stipulated in the agreement of last June, will be regarded as binding by the Vicinis unless that "adjustment" is carried into effect without further avoidable delay.

I have the honor to be, Sir,

Your obedient servant,

CRAMMOND KENNEDY,

Counsel for the Successors of J. B. Vicini.

Inclosure as stated.

ENCLOSURE.

(*Mr. Kennedy to General McIntyre.*)

WASHINGTON, D. C., February 5, 1915.

The Successors of J. B. Vicini
against the Dominican Republic.

Orders 16a and 16b.

BRIG. GEN. FRANK MCINTYRE, U. S. A.,
Chief of the Bureau of Insular Affairs,
War Department,
Washington, D. C.

MY DEAR GENERAL MCINTYRE:

I have your letter of the 2d instant, informing me that the Department of State has suggested to you that you should inform me that "an application for copies of these orders should properly be made to the Dominican authorities by whom the orders were issued."

I suppose that Mr. Velasquez felt it would be useless to furnish the Successors of J. B. Vicini with copies of those orders, when they were issued, because he knew that the Vicinis were not willing to accept the values put upon their claims in the "plan of adjustment" which had been published in the *Gaceta Oficial* and elsewhere. As this "plan" was necessarily based on agreements between the Dominican Government and its creditors, to the extent, at least, of a sufficient number to make the "plan" workable, the orders in the case of the Successors of J. B. Vicini, in the absence of an agreement between them and the Dominican Government, were unauthorized and void—"mere scraps of paper." But as they were set up by the Guaranty Trust Company as a reason for not complying with the order of payment which was based on the agreement of June 25th, 1914, between the parties, I thought, out of abundant

caution, that I would like to see them, or authenticated copies, although I had no doubt that they would correspond with the valuations put upon the liquidations of June, 1902, and July, 1903, in the "plan of adjustment," copies of which "plan" I had seen and in one of which I had noted a reference to the orders by number in the margin, opposite the Vicini liquidations of June, 1902, and July, 1903.

Recognizing me as counsel for the Successors of J. B. Vicini, the Department of State has searched its diplomatic files, at my request, and has informed me, in writing, that it could find no record showing that any response had ever been made to the Memorandum submitted to the Secretary of State in this same Vicini case by the Royal Italian Embassy at this capital about ten years ago,—a fact which the Department might have said it could disclose only upon the request of His Excellency, the Italian Ambassador,—but there was nothing secret or confidential about those orders, 16a and 16b, and, as I have said, it was only out of abundant caution that I wanted to see authenticated copies of them, for, of course, I assumed that they would correspond with the "plan of adjustment" which had been prepared by Mr. Velasquez and Professor Hollander for the Dominican Government. Indeed, the Guaranty Trust Company itself had cited those orders and stated their substance, in its letter of the 29th of last July to my clients, as a reason for refusing to comply with the order of payment which accompanied their agreement of June 25th, 1914, with the Dominican Government. You will see what I say of those orders on pages 29, 30, of my Statement of the 27th ultimo to the Department of State, of which I am sending you printed copies with this letter.

In view of the further waste of time which the Department's suggestion would have involved, if I had been obliged to apply to the Dominican Government for copies

of those orders (my request for copies having been made to the Department as long ago as the 9th of last December), it is fortunate that their substance was so well known and that the case could be prepared for submission to the Secretary of State without such unnecessary and factitious delay in a matter of such individual and international importance.

As of counsel with Messrs. Coudert Brothers of New York, from 1900 to 1908, in the Sala case against the Dominican Government—the only case in the whole affair, so far as I know, that was submitted to impartial arbitration on the merits—I participated in discussions of the various phases of the "plan of adjustment" and the terms of settlement of that and other cases with Señor Velasquez, Professor Hollander, and Messrs. Stetson, Jennings & Russell, besides maintaining a prolonged correspondence with the Department of State in the various stages of the case during all those years.

There is much more to be said, if necessary, than I have said in my Statement of the 27th ultimo to the Secretary of State, of which I beg to hand you, herewith, two copies in print.

With kindest regards,

Yours faithfully,

(Signed) CRAMMOND KENNEDY.

Inclosures:
2 printed copies
of Statement.

SECRETARÍA DE ESTADO DE RELACIONES EXTERIORES.

CONVENCION

Dominico-Americana

DE

FECHA 7 DE FEBRERO DE 1907.

Y

Documentos que se relacionan con dicha convencion.

SANTO DOMINGO.
IMPRENTA «EL TIEMPO»
1912.

RAMON CACERES,

Presidente Constitucional de la República y Jefe del Poder Ejecutivo.

Por cuanto conviene á los intereses de la República Dominicana el ajuste de un *Convenio* con los Estados Unidos de América que le permita la contratación de un empréstito para el arreglo de sus deudas interiores y exteriores y para otros fines de utilidad pública.

Por tanto, y teniendo plena confianza en la capacidad, moralidad y patriotismo del Señor Don *Federico Velázquez H.*, Secretario de Estado en los Despachos de Hacienda y Comercio, he venido en elejirlo, como por las presentes le elijo, para que en unión del Señor Don *Emiliano Tejera*, Secretario de Estado en el Despacho de Relaciones Exteriores, se aviste con el Plenipotenciario ó los Plenipotenciarios que nombre el Excelentísimo Señor *Presidente de los Estados Unidos de América*, y ambos de acuerdo ajusten el expresado *Convenio*, dándoles para ello todos los poderes y facultades que fueren necesarios, y comprometiéndome á aceptar cuanto en nombre del *Poder Ejecutivo* convinieren, de acuerdo con las instrucciones dadas al efecto, y á ratificarlo luego que el Congreso Nacional le conceda su aprobación.

Dadas en el Palacio Nacional de Santo Domingo, Capital de la República, á los 6 días del mes de Febrero del año del Señor de 1907; y refrendadas por el Secretario de Estado en el Despacho de Relaciones Exteriores.

(Fdo.) R. CÁCERES.

Refrendadas: (Fdo.) E. Tejera.

Registradas: al Nº 1 del Libro J.

RAMON CACERES,

PRESIDENTE CONSTITUCIONAL DE LA REPÚBLICA DOMINICANA Y JEFE DEL PODER EJECUTIVO.

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Dadas en el Palacio Nacional de Santo Domingo, Capital de la República, á los 6 días del mes de Febrero del año del Señor de 1907; y refrendadas por el Secretario de Estado en el Despacho de Relaciones Exteriores.

(Fdo.) R. CÁCERES.

Refrendadadas: (Fdo.) E. TEJERA.

Registradas: al Nº 2 del Libro J.

EL PODER EJECUTIVO
DE LA
REPUBLICA DOMINICANA.

Á TODOS LOS QUE LAS PRESENTES VIEREN, ¡SALUD!

Por cuanto en fecha 8 del mes de Febrero del año de 1907 fué estipulada en la ciudad de Santo Domingo, entre los Plenipotenciarios de la República Dominicana y de los Estados Unidos de América, una Convención, cuya copia fiel y textual, en inglés y castellano, es la que sigue:

Por cuanto, durante las condiciones de disturbios políticos de la República Dominicana se han originado deudas y reclamaciones, creadas unas por Gobiernos legales, y otras por Gobiernos revolucionarios, muchas de dudosa validez en todo ó en parte y montantes en total á más de $30.000.000 oro de valor nominal;

Y por cuanto, ese estado de cosas ha impedido el cobro pacífico y continuado y la aplicación de las rentas de la nación para el pago de interés ó capital de dichas deudas ó para la liquidación y ajuste de dichas reclamaciones; y dichas deudas y reclamaciones van en contínuo aumento por acumulación de intereses y son una carga onerosa para el pueblo Dominicano y un obstáculo á su mejoramiento y prosperidad;

Theodore Roosevelt

PRESIDENT OF THE UNITED STATES OF AMERICA.

To all to whom these presents shall come, Greeting:

Know Ye, that whereas a convention between United States of America and the Dominican Republic, porviding for the assistance of the United States in the collection and application of customs revenues of the Dominican Republic was concluded and signed by their respective Plenipotentiaries at the City of Santo Domingo, on the eight day of February, one thousand nine hundred and seven, a true copy of which convention in the English and Spanish languages, is word for word as follows:

WHEREAS during disturbed political conditions in the Dominican Republic debts and claims have been created, some by regular and some by revolutionary governments, many of doubtful validity in whole or in part, and amounting in all to over $ 30.000,000, nominal or face value;

And whereas the same conditions have prevented the peaceable and continuous collection and application of National revenues for payment of interest or principal of such debts or for liquidation and settlement of such claims; and the said debts and claims continually increase by accretion of interest and are a grievous burden upon the people of the Dominican Republic and a barrier to their improvement and prosperity;

Y por cuanto, el Gobierno Dominicano acaba de llevar á efecto un ajuste y arreglo condicional de dichas deudas y reclamaciones de acuerdo con cuyos términos todos sus acreedores extranjeros han convenido en aceptar unos $ 12.407.000 por deudas y reclamaciones ascendentes á unos $21.184,000, valor nominal, y los tenedores de reclamaciones y deudas interiores, por valór nominal de $2.028.258 aproximadamente, han convenido en aceptar unos $645.827 por las mismas, y los demás tenedores de deudas ó reclamaciones interiores, según los mismos términos que han servido de base en las aceptaciones ya recibidas, percibirán unos $ 2.400.000 por aquéllas, la cual suma el Gobierno Dominicano ha fijado y señalado como la que pagará á dichos tenedores restantes de la deuda interior; lo que hace ascender los pagos totales que hayan de efectuarse de acuerdo con dicho ajuste y arreglo, incluyendo el interés ajustado y las reclamaciones por liquidar, á no más de unos $ 17.000.000;

Y por cuanto, en dicho plan de arreglo entra la emisión y venta de bonos de la República Dominicana por la cantidad de $ 20.000.000, devengando interés al tipo de cinco por ciento, que serán amortizados dentro de cincuenta años y redimibles transcurridos diez años al ciento dos y medio por ciento, y requiriendo el pago del uno por ciento por lo menos al año para amortización, debiendo ser aplicado el producto de dichos bonos junto con la cantidad que se halla depositada en favor de los acreedores, procedente de los ingresos de Aduana de la República Dominicana hasta la fecha recibidos, una vez pagados los gastos de

And whereas the Dominican Government has now effected a conditional adjustment and settlement of said debts and claims under which all its foreign creditors have agreed to accept about $ 12,407,000 for debts and claims amounting to about $ 21,184,000 of nominal or face value, and the holders of internal debts or claims of about $ 2,028, 258 nominal or face value have agreed to accept about $ 645,827 therefor, and the remaining holders of internal debts or claims on the same basis as the assents already given will receive about $ 2,400,000 therefor, which sum the Dominican Government has fixed and determined as the amount which it will pay to such remaining internal debt holders; making the total payments under such adjustment and settlement, including interest as adjusted and claims not yet liquidated, amount to not more than about $ 17,000,000.

And whereas a part of such plan of settlement is the issue and sale of bonds of the Dominican Republic to the amount of $ 20,000,000 bearing five per cent interest payable in fifty years and reedemable after ten years at 102½ and requiring payment of at least one per cent per annum for amortization, the proceeds of said bonds, together with such funds as are now deposited for the benefit of creditors from customs revenues of the Dominican Republic heretofore received, after payment of the expenses of such adjustment, to be applied first to the payment of said debts and claims as adjusted and second out of the balance remaining to the retirement and extinction of cer-

dicho ajuste, primeramente al pago de dichas deudas y reclamaciones en los términos ajustados, y en segundo lugar, con el remanente, á cancelar y extinguir ciertas concesiones y monopolios en los puertos, que son una gravosa carga y un obstáculo al comercio del país, y en tercer término, el sobrante total que aun quede, á la construcción de ciertos ferrocarriles y puentes y otras obras públicas necesarias al desarrollo industrial del país;

Y por cuanto, dicho plan en su totalidad tiene por condición y depende de la ayuda de los Estados Unidos en la recaudación de las rentas aduaneras de la República Dominicana y en la aplicación de ellas hasta donde fuere necesario al pago de los intereses, amortización y redención de los referidos bonos, y que la República Dominicana ha solicitado de los Estados Unidos dicha ayuda, y que los Estados Unidos convienen en prestarla;

El Gobierno Dominicano representado por el Secretario de Estado de Relaciones Exteriores, Ciudadano Emiliano Tejera, y el Secretario de Estado de Hacienda y Comercio, Ciudadano Federico Velázquez H.,

y el Gobierno de los Estados Unidos representado por Thomas C. Dawson, Ministro Residente y Cónsul General de los Estados Unidos en la República Dominicana,

han convenido en lo siguiente:

1.—El Presidente de los Estados Unidos nombrará un Receptor General de las Aduanas dominicanas, quien en unión de los Receptores Auxiliares y otros empleados de la Receptoría que libremente

tain concessions and harbor monopolies which are a burden and hindrance to the commerce of the country and third the entire balance still remaining to the construction of certain railroads and bridges and other public improvements necessary to the industrial development of the country;

And whereas the whole of said plan is conditioned and dependent upon the assistance of the United States in the collection of customs revenues of the Dominican Republic and the application thereof so far as necessary to the interest upon and the amortization and redemption of said bonds, and the Dominican Republic has requested the United States to give and the United States is willing to give such assistance:

The Dominican Governement, represented by its Minister of State for Foreign Relations, Emiliano Tejera, and its Minister of State for Finance and Commerce, Federico Velazquez H., and the United States Government, represented by Thomas C. Dawson, Minister Resident and Consul General of the United States to the Dominican Republic, have agreed:

I. That the President of the United States shall appoint a General Receiver of Dominican Customs, who, with such Assistant Receivers and other employees of the Receivership as shall be appointed by the President of the United States in his discretion, shall collect all the customs duties accruing at the several customs houses of the Dominican Republic until the payment or retirement of any and all bonds issued by the Dominican Government, in accordance with the plan and under the lim-

nombre el Presidente de los Estados Unidos percibirá todos los derechos de Aduanas que se recauden en las distintas Aduanas de la República Dominicana hasta tanto queden pagados ó retirados todos y cada uno de los bonos emitidos por el Gobierno Dominicano de acuerdo con el plan y dentro de las limitaciones en cuanto á plazo y cantidades más arriba señalados; y dicho Receptor General aplicará las sumas así recaudadas como sigue: Primero, al pago de los gastos de Receptoría; segundo, al pago de los intereses de dichos bonos; tercero, al pago de las cantidades anuales señaladas para la amortización de dichos bonos incluyendo el interés de todos los bonos que se retengan como fondo de amortización; cuarto, á la compra y cancelación ó retiro y cancelación de cualesquiera de dichos bonos, conforme con sus propios términos, según disponga el Gobierno Dominicano; quinto, el remanente será entregado al Gobierno Dominicano.

La manera de distribuir las recaudaciones ordinarias de las rentas, á fin de darles la aplicación que anteriormente se dispone, será la siguiente:

Los gastos de la Receptoría serán pagados por el Receptor según se vayan causando. La cantidad que se señale al Receptor General y á sus Ayudantes para gastos de la recaudación de las rentas no excederá del cinco por ciento de éstas, á menos que se convenga otra cosa entre ambos Gobiernos.

El día primero de cada mes natural, el Receptor hará entrega de la suma de $ 100.000 al Agente Fiscal del Empréstito, y el remanente de la recaudación del mes próximo precedente será entregado al

itations as to terms and amounts hereinbefore recited; and said General Receiver shall apply the sums so collected, as follows: First, to paying the expenses of the Receivership; second, to the payment of interest upon said bonds; third, to the payment of the annual sums provided for amortization of said bonds including interest upon all bonds held in sinking fund; fourth, to the purchase and cancellation or the retirement and cancellation pursuant to the terms thereof of any of said bonds as may be directed by the Dominican Government; fifth, the remainder to be paid to the Dominican Government.

The method of distributing the current collections of revenue in order to accomplish the application thereof as hereinbefore provided shall be as follows:

The expenses of the receivership shall be paid by the Receiver as they arise. The allowances to the General Receiver and his assistants for the expenses of collecting the revenues shall not exceed five per cent unless by agreement between the two Goverments. On the first day of each calendar month the sum of $ 100,000 shall be paid over by the Receiver to the Fiscal Agent of the loan, and the remaining collection of the last preceding month shall be paid over to the Dominican Government, or applied to the sinking fund for the purchase or redemption of bonds, as the Dominican Government shall direct.

PROVIDED, that in case the customs revenues collected by the General Receiver shall in any year exceed the sum of $ 300,000,000, one-hafl of the surplus above such sum of $ 3,000,000 shall

Gobierno Dominicano, ó destinado al fondo de amortización para la compra ó redención de bonos, según disponga el Gobierno Dominicano.

ES ENTENDIDO que en el caso de que las rentas de Aduanas recaudadas por el Receptor General excedan en cualquier año de la cantidad de $ 3.000,000, la mitad del excedente sobre dicha suma de $ 3.000.000 se destinará al fondo de amortización para la redención de bonos.

2.—El Gobierno Dominicano dispondrá por medio de una ley, que el pago de todos los derechos de Aduanas se haga al Receptor General y á sus Auxiliares, á quienes prestará todo el apoyo y auxilio que sea necesario y la más amplia protección que pueda dentro de sus facultades. El Gobierno de los Estados Unidos dará al Receptor General y á sus Auxiliares la protección que estimare necesaria para el cumplimiento de los deberes de éstos.

3.—Hasta que la República Dominicana no haya pagado la totalidad de los bonos del Empréstito, su deuda pública no podrá ser aumentada sino mediante un acuerdo previo entre el Gobierno Dominicano y los Estados Unidos. Igual acuerdo será preciso para modificar los derechos de importación de la República por ser condición indispensable para que esos derechos puedan ser modificados que el Ejecutivo Dominicano compruebe y el Presidente de los Estados Unidos reconozca que tomando por base las importaciones y exportaciones de los dos años precedentes al en que se quiere hacer la alteración en los referidos derechos, y calculados el monto y la

be applied to the sinking fund for the redemption of bonds.

II. The Dominican Government will provide by law for the payment of all customs duties to the General Receiver and his assistants, and will give to them all needful aid and assistance and full protection to the extent of its powers. The Government of the United States will give to the General Receiver and his assistants such protection as it may find to be requisite for the performance of their duties.

III. Until the Dominican Republic has paid the whole amouut of the bonds of the debt its public debt shall not be increased except by previous agreement between the Dominican Government and the United States. A like agreement shall be necessary to modify the import duties, it being an indispensable condition for the modification of such duties that the Dominican Executive demonstrate and that the President of the United States recognize that, on the basis of exportations and importations to the like amount and the like character during the two years preceding that in which it is desired to make such modification, the total net customs receipts would at such altered rates of duties have been for each of such two years in excess of the sum of $2,000,000 United States gold.

IV. The accounts of the General Receiver shall be rendered monthly to the Contaduria General of the Dominican Republic and to the State Department of the United States and shall be subject to examination and verification by the appropriate

clase de los efectos importados ó exportados, en cada uno de esos dos años al tipo de los derechos de importación que se pretendan establecer, el neto total de esos derechos de Aduana en cada uno de los dos años, excede de la cantidad de dos millones de pesos oro americano.

4.—El Receptor General rendirá cuentas mensualmente á la Contaduría General de la República Dominicana y al Departamento de Estado de los Estados Unidos, y dichas cuentas quedarán sujetas al examen y comprobación por los funcionarios competentes de los Gobiernos de la República Dominicana y de los Estados Unidos.

5.—Este Convenio comenzará á regir una vez aprobado por el Congreso de la República Dominicana y el Senado de los Estados Unidos.

Hecho en cuatro originales, dos en idioma inglés y dos en castellano, firmado por los Representantes de las Altas Partes Contratantes, en la Ciudad de Santo Domingo á los ocho días del mes de Febrero del año del Señor de 1907.

EMILIANO TEJERA.

FEDERICO VELAZQUEZ H.

THOMAS C. DAWSON.

Por tanto, habiendo el Congreso Nacional aprobado dicha Convención, por resolución del tres de Mayo del corriente año. *El Poder Ejecutivo de la República* declara que confirma y ratifica en todas

officers of the Dominican and the United States Governments.

V. This agreement shall take effect after its approval by the Senate of the United States and the Congress of the Dominican Republic.

Done in four originals, two being in the English language, and two in the Spanish, and the representatives of the high contracting parties signing them in the City of Santo Domingo this 8th day of February, in the year of our Lord 1907.

THOMAS C. DAWSON.

EMILIANO TEJERA.

FEDERICO VELASQUEZ H.

And whereas the Senate of United States by it resolution of Febuary 25. 1907, two-thirds of the Senators concurring therein, did advise and consent to the ratification of the said Convention;

Now, therefore, I. Theodore Roosevelt, President of the United States of America, having seen and considered the said Convention, do hereby in pursuance of the aforesaid advice and consent of the Senate, ratify and confirm the same and every article and clause thereof,

IN TESTIMONY WHEREOF, I have caused the seal of the United States to be hereunto affixed.

y cada una de sus estipulaciones la antedicha Convención, tal como está expresada anteriormente y promete que será inviolablemente cumplida en todas sus partes.

En testimonio de lo cual expide las presentes, selladas con el sello de la República, y firmadas y refrendadas en la Ciudad de Santo Domingo el día 19 del mes de Junio del año del Señor de 1907.

El Presidente de la República,

RAMON CACERES.

Refrendadas: El Ministro de Relaciones Exteriores

E. Tejera.

(Hay un sello.)

Done at the City of Washington this twenty-second day of June in the year of our Lord one thousand nine hundred and seven, and of the Independence United States the one hundred and thirty-first.

THEODOR ROOSEVELT.

By the President:

ROBERT BACON

Acting Secretary of State

Protocolo de Canje.

Habiéndose reunido los infrascritos Plenipotenciarios con el objeto de efectuar el canje de las ratificaciones de la Convención firmada entre la República Dominicana y los Estados Unidos el día 8 de Febrero de 1907, contratando para la ayuda de los Estados Unidos en la recaudación de las rentas aduaneras de la República Dominicana y en la aplicación de ellas; y habiendo sido cuidadosamente cotejadas entre sí las ratificaciones de dicha Convención, y habiéndose hallado de todo punto conformes una con otra, se verificó hoy el Canje en la forma de costumbre.

En fe de lo cual han firmado el presente Protocolo de canje y le han puesto sus sellos.

Hecho en Washington el día 8 de Julio de mil novecientos siete.

EMILIO C. JOUBERT. (Hay un sello.)

ROBERT BACON. (Hay un sello.)

El Congreso Nacional

EN NOMBRE DE LA REPUBLICA.

En uso de la atribución que le confiere el inciso décimo séptimo del artículo 25 de la Constitución política del Estado y vista la Convención Domínico-Americana, celebrada *ad referendum* el 8 de Febrero del año 1907 en curso, cuyo texto dice así:

Por cuanto durante las condiciones de disturbios políticos en la República Dominicana se han originado deudas y reclamaciones, creadas unas por Gobiernos legales y otras, por Gobiernos revolucionarios, muchas de dudosa validez en todo ó en parte y montantes en total á más de $ 30.000.000 oro, de valor nominal;

Y por cuanto, ese estado de cosas ha impedido el cobro pacífico y continuado y la aplicación de las rentas de la nación para el pago de intereses ó capital de dichas deudas ó para la liquidación y ajuste de dichas reclamaciones; y dichas deudas y reclamaciones van en continuo aumento por acumulación de intereses y son una carga onerosa para el pueblo Dominicano y un obstáculo á su mejoramiento y prosperidad;

Y por cuanto, el Gobierno Dominicano acaba de llevar á efecto un ajuste y arreglo condicional de dichas deudas y reclamaciones de acuerdo con cuyos términos todos sus acreedores extranjeros han convenido en aceptar unos $ 12.407.000 por deudas y reclamaciones ascendentes á unos $ 21.184.000, valor nominal, y los tenedores de reclamaciones y deudas interiores, por valor nominal de $ 2.028.258 aproximadamente, han convenido en aceptar unos $ 645,827 por las mismas, y los demás tenedores, de deudas y reclamaciones interiores, según los mismos términos que han servido de base en las aceptaciones ya recibidas, percibirán unos $ 2.400.000 por aquellas, la cual suma el Gobierno Dominicano ha fijado y señalado como la que pagará á dichos tenedores restantes de la deuda interior: lo que hace ascender los pagos totales que hayan de efectuarse de acuerdo con dicho ajuste y arreglo, incluyendo el interés ajustado y las reclamaciones por liquidar, á no mas de unos $ 17.000.000.

Y por cuanto, en dicho plan de arreglo entra la emisión y venta de bonos de la República Dominicana por la cantidad de $ 20.000.000, devengando interés al tipo de cinco por ciento que serán amortizados dentro de cincuenta años y redimibles transcurridos diez años al ciento dos y medio por ciento, y requiriendo el pago del uno por ciento por lo menos al año para amortización, debiendo ser aplicado el producto de dichos bonos junto con la cantidad que se halla depositada en favor de los acreedores, procedente de los ingresos de Aduanas de la República Dominicana hasta la fecha recibidos, una vez pa-

gados los gastos de dicho ajuste, primeramente al pago de dichas deudas y reclamaciones en los términos ajustados, y en segundo lugar, con el remanente á cancelar y extinguir, ciertas concesiones y monopolios en los puertos, que son una gravosa carga y un obstáculo al comercio del país, y en tercer término el sobrante total que aun quede, á la construcción de ciertos ferrocarriles y puentes y otras obras públicas necesarias al desarrollo industrial del país:

Y por cuanto, dicho plan en su totalidad tiene por condición y depende de la ayuda de los Estados Unidos en la recaudación de las rentas aduaneras de la República Dominicana y en la aplicación de ellas hasta donde fuere necesario al pago de los intereses, amortización y redención de los referidos bonos, y que la República Dominicana ha solicitado de los Estados Unidos dicha ayuda, y que los Estados Unidos convienen en prestarla;

El Gobierno Dominicano, representado por el Secretario de Estado de Relaciones Exteriores, ciudadano Emiliano Tejera, y el Secretario de Estado de Hacienda y Comercio, ciudadano Federico Velázquez H;

Y el Gobierno de los Estados Unidos representado por Thomas C. Dawson, Ministro Residente y Cónsul General de los Estados Unidos en la República Dominicana, han convenido en lo siguiente:

1º El Presidente de los Estados Unidos nombrará un Receptor General de las Aduanas dominicanas, quien en unión de los Receptores Auxiliares y otros empleados de la Receptoría, que libre-

mente nombre el Presidente de los Estados Unidos percibirá todos los derechos de aduanas que se recauden en las distintas Aduanas de la República Dominicana hasta tanto queden pagados ó retirados todos y cada uno de los bonos emitidos por el Gobierno Dominicano de acuerdo con el plan y dentro de las limitaciones en cuanto á plazos y cantidades más arriba señalados; y dicho Receptor General aplicará las sumas así recaudadas como sigue: Primero, al pago de los gastos de Receptoría; segundo, al pago de los intereses de dichos bonos; tercero, al pago de las cantidades anuales señaladas para la amortización de dichos bonos, incluyendo el interés de todos los bonos, que se tengan como fondo de amortización; cuarto, á la compra y cancelación ó retiro y cancelación de cualesquiera de dichos bonos, conforme con sus propios términos, según disponga el Gobierno Dominicano; quinto, el remanente será entregado al Gobierno Dominicano.

La manera de distribuir las recaudaciones ordinarias de las rentas á fin de darles la aplicación que anteriormente se dispone, será la siguiente:

Los gastos de la Receptoría serán pagados por el Receptor según se vayan causando. La cantidad que se señale al Receptor General y á sus ayudantes para gastos de la recaudación de las rentas no excedera del cinco por ciento de éstas á menos que se convenga otra cosa entre ambos Gobiernos.

El día primero de cada mes natural, el Receptor hará entrega de la suma de $100.000 al Agente Fiscal del Empréstito, y el remanente de la recaudación del mes próximo precedente será entregado al Go-

bierno Dominicano, ó destinado al fondo de amortización para la compra ó redención de bonos, según disponga el Gobierno Dominicano.

Es entendido que en el caso de que las rentas de Aduanas recaudadas por el Receptor General excedan en cualquier año de la cantidad de $3.000.000, la mitad del excedente sobre dicha suma de $3.000.000 se destinará al fondo de amortización para la redención de bonos.

2º El Gobierno Dominicano dispondrá, por medio de una ley, que el pago de todos los derechos de Aduanas se haga al Receptor General y á sus auxiliares, á quienes prestará todo el apoyo y auxilio que sea necesario y la más amplia protección que pueda dentro de sus facultades. El Gobierno de los Estados Unidos dará al Receptor General y á sus auxiliares la protección que estimare necesaria para el cumplimiento de los deberes de éstos.

3º Hasta que la República Dominicana no haya pagado la totalidad de los bonos del empréstito, su deuda pública no podrá ser aumentada, sino mediante un acuerdo previo entre el Gobierno Dominicano y los Estados Unidos. Igual acuerdo será preciso para modificar los derechos de importación de la República por ser condición indispensable para que esos derechos puedan ser modificados que el Gobierno Dominicano compruebe y el Presidente de los Estados Unidos reconozca que tomando por base las importaciones y exportaciones de los dos años precedente al en que se quiere hacer la alteración en los referidos derechos, y calculados el monto y la clase de los efectos importados ó exportados, en cada uno

de esos dos años al tipo de los derechos de importación que se pretendan establecer, el neto total de esos derechos de Aduana en cada uno de los dos años de importación que se pretendan establecer, el neto total de esos derechos de Aduana en cada uno de los dos años, excede de la cantidad de dos millones de pesos oro americano.

4º El Receptor General rendirá cuentas mensualmente á la Contaduría General de la República Dominicana y al Departamento de Estado de los Estados Unidos, y dichas cuentas quedarán sujetas al examen y comprobación por los funcionarios competentes de los Gobiernos de la República Dominicana y de los Estados Unidos.

Este Convenio comenzará á regir una vez aprobado por el Congreso de la República Dominicana y el Senado de los Estados Unidos.

Hecho en cuatro originales, dos en idioma inglés y dos en castellano, firmados por los Representantes de las Altas Partes contratantes en la Ciudad de Santo Domingo á los ocho días del mes de Febrero del año del Señor de 1907.—firmados:—*Emiliano Tejera*, *Federico Velázquez H.*, *Thomas C. Dawson.*

Considerando: que para evitar toda ambigüedad ha creído este Alto Cuerpo conveniente establecer al pié de dicho Tratado las siguientes aclaraciones:

a.—A la cláusula 1ª: Se entiende que los empleados de que habla esta cláusula no comprende en ningún caso á los que conforme á nuestras leyes

actuales debe nombrar el Poder Ejecutivo Dominicano en las aduanas de la República.

b. —A la clausula 2ª: Esta protección del Gobierno Americano para el Receptor General y sus auxiliares sólo podrá tener lugar en el caso de que el Gobierno Dominicano se encontrare imposibilitado para prestarla.

c.—A la segunda parte de la cláusula 3ª: Se entiende que la urgente y necesaria reforma arancelaria puede realizarse inmediatamente, conforme al tenor del texto, ya que el Poder Ejecutivo Dominicano puede demostrar que en los dos años precedentes al actual, las entradas aduaneras han excedido de $ 2.000.000.

d.—Agregar á la cláusula 5ª:.....y previa la ratificación de las Altas Partes contratantes.

RESUELVE:

Unico: Aprobar, como por la presente aprueba, con las aclaraciones supra-dichas, la Convención Domínico-Americana, celebrada *ad referendum* el 8 de Febrero del año en curso.

§ Envíese al Poder Ejecutivo para los fines constitucionales.

Dada en la sala de sesiones del Palacio del Congreso á los 3 días del mes de Mayo de 1907; año 64º de la Independencia y 44º de la Restauración.

El Presidente: Ramón O. Lovatón.—Los Secretarios *C. A. Nouel—M. M. Sanabia.*

MINISTERIO
DE LO
INTERIOR Y POLICÍA

Núm. 6592.

Santo Domingo, 6 de Mayo de 1907.

Ciudadano Ministro:

Para los fines que procedan en ese Departamento de su acertada dirección, tengo á bien transcribir á Ud. el oficio que con fecha 4 de Mayo en curso, dirije á este Despacho el Ciudadano Presidente del H. Congreso Nacional. Dice así:

«Tengo la honra de acompañar á la presente, revestida ya con la aprobación de las dos terceras partes de los miembros del Congreso Nacional, en sesión celebrada ayer, la Convención Domínico-Americana, firmada *ad referendum* el 8 de Febrero del año 1907 en curso; y sometida á la aprobación de esta Cámara en el Mensaje especial del Ciudadano Presidente de la República, de fecha 5 de Abril próximo pasado.—Supone el Congreso, al impartir su aprobación á ese documento internacional, que las aclaraciones que introduce á la Resolución que

le aprueba, en nada alteran el texto de la Convención y que sólo sirven para desvanecer las dudas que pudieran ocurrir en su interpretación».

Le incluyo el Tratado á que se refiere el oficio arriba transcrito.

Muy atentamente le saluda,

El Ministro de lo Interior y Policía:
(firmado): Ml. Lamarche García.

Ciudadano Ministro de Relaciones Exteriores,
Palacio.

Washington, Mayo 24—1907.

Señor:

Tengo el honor de acusar recibo de su nota de hoy que me trasmite copia de una carta del señor Lamarche García, Ministro de lo Interior de la República Dominicana, dirigida al Ministro de Relaciones Exteriores de la misma, en fecha 6 de Mayo de 1907, en la cual figuran citas de una comunicación del Presidente del Congreso Dominicano, fechada el 4 de Mayo de 1907. Incluye, además, su carta, la copia de una Resolución del Congreso Dominicano, de fecha 3 de Mayo de 1907. que contiene la aprobación de la Convención pendiente entre los Estados Unidos y la República Dominicana, adicionada de ciertas aclaraciones.

Tomo nota de que el Presidente del Congreso dice en su comunicación del 4 de Mayo que las aclaraciones introducidas en la Resolución que aprueba la Convención citada, no alteran en modo alguno el texto de la Convención, y sólo sirven para desvanecer las dudas que pudieran presentarse en su interpretación.

Dichas aclaraciones parecen tener por objeto expresar cómo entiende el Congreso Dominicano que debe ser la operación del Tratado. Si yo las entiendo correctamente, encuentro que están en completo acuerdo con las miras del Gobierno de los Estados Unidos. Y para eliminar la posibilidad de que yo pueda entender mal el lenguaje, bastante general, de la primera aclaración referente al artículo I del Tratado, observaré que el Gobierno de los Estados Unidos entiende que la facultad que dicho artículo concede al Presidente de los Estados Unidos de nombrar un Receptor General, Receptores auxiliares y otros empleados de la Receptoría, no impide ni excluye el nombramiento de otros empleados ó agentes por la autoridad del Gobierno Dominicano; pero dichos empleados ó agentes no estarán autorizados á tomar parte en la recolección de las entradas aduaneras, ni en otros derechos asegurados á la Receptoría, excepto cuando presten ayuda al Receptor General con aprobación de éste.

Así resulta que ambos Gobiernos realizarán el Tratado en el sentido de las aclaraciones que se incluyen en la resolución del Congreso, y que el objeto de estas aclaraciones queda por tanto cumplido.

firmado:—ELIHU ROOT.

El Congreso Nacional

EN NOMBRE DE LA REPUBLICA.

DECLARADA LA URGENCIA.

Vistas las cláusulas 1ª, 2ª y 5ª de la Convención domínico-americana, aprobada por este Alto Cuerpo en fecha 3 de Mayo del año en curso,

DECRETA:

Artículo único. A partir de la fecha en que sea ratificada la expresada Convención domínico-americana, el pago de los derechos de aduanas que según las planillas hechas por los Interventores, se causen en la República, se hará directamente al Receptor General de las Rentas Aduaneras ó á sus auxiliares para ser distribuidas conforme lo determina la citada Convención.

§ Envíese al Poder Ejecutivo para los fines constitucionales.

Dado en el Palacio del Congreso Nacional á los 26 días del mes de Junio de 1907; año 64º de la Independencia y 44º de la Restauración.

El Presidente: RAMÓN O. LOVATÓN.—Los Secretarios: *Joaquín E. Salazar.—Darío Mañón.*

Ejecútese, comuníquese por la Secretaría correspondiente, publicándose en todo el territorio de la República para su cumplimiento.

Dado en el Palacio Nacional de Santo Domingo, Capital de la República, á los 26 días del mes de Junio de 1907; año 64º de la Independencia y 44º de la Restauración.

El Presidente de la República:
R. CACERES.

Refrendado: El Ministro de Hacienda y Comercio: FEDCO. VELASQUEZ H.

Casa Blanca, Washington, Julio 25 de 1907.

Por cuanto, la Convención concluída el 8 de Febrero de 1907, entre los Estados Unidos de América y la República Dominicana, ha sido debidamente firmada y ratificada por los gobiernos de dichos países,

Por tanto, se promulga el siguiente reglamento que ha de regir para la Receptoría de Aduanas que por la Convención citada se establece:

Reglamento General

porque ha de regirse la Receptoría de Aduanas Dominicanas, establecida en cumplimiento de la Convención del 8 de Febrero de 1907, entre los Estados Unidos de América y la República Dominicana.

1. De acuerdo con lo previsto en el artículo 4º de la Convención, las cuentas del Receptor General serán presentadas á la Contaduría General de la República Dominicana, y al Departamento de Estado de los Estados Unidos, y serán sometidas al examen y verificación de la Oficina de Negocios Insulares, la cual tendrá la inmediata supervigilan-

cia y fiscalización de la Receptoría, con sujeción á las indicaciones que sobre este punto se reciban del Presidente, sea directamente ó por órgano del Ministro de Estado.

2. El Presidente de los Estados Unidos señalará y fijará los sueldos del Receptor General de las Aduanas Dominicanas, del Diputado Receptor General de las Aduanas Dominicanas, como también de los demás empleados de Aduana que comprende la Receptoría. En casos de urgencia, el Receptor General podrá expedir nombramientos provisionales y determinar remociones con fundamento de causa: remociones y nombramientos qué quedarán sujetos á la aprobación del Presidente de los Estados Unidos.

3. Las fianzas que la Receptoría crea necesario exigir, salvo otras disposiciones del presente reglamento, serán fijadas por el Receptor General, y quedarán sujetas á la aprobación del Jefe de la Oficina de Negocios Insulares.

4. Bajo la jurisdicción de la Oficina de Negocios Insulares, el Receptor General tendrá completamente á su cargo y bajo su fiscalización la Receptoría de las Aduanas Dominicanas, dentro de los límites que fija la Convención del 8 de Febrero de 1907, establecida entre los Estados Unidos de América y la República Dominicana; y cumplirá y hará cumplir cuanto se provee en la citada Convención. El Receptor General prestará fianza en la forma y y cantidad que determine el Jefe de dicha Oficina de Negocios Insulares.

5 El Diputado Receptor General asistirá al

Receptor General en el cumplimiento de sus deberes y en asuntos pertenecientes á la Receptoría en la forma que determine el Receptor General; y en ausencia ó inhabilitación de este último, el Diputado Receptor General cumplirá los deberes del Receptor General, y asumirá, sin traspaso formal, la correspondiente responsabilidad. El Diputado Receptor General prestará fianza en las mismas condiciones que el Receptor General.

6. El Receptor General pagará todos los gastos necesarios y autorizados de la Receptoría, tan pronto como se causen, y ciñéndose á las limitaciones que fija la Convención. La suma estipulada «para gastos de *recaudación de las entradas*» y que no debe exceder del cinco por ciento, conforme al artículo 1º de la Convención, sólo servirá para el pago de los gastos *de aduana* de la Oficina Central de la Receptoría, de sus especiales agentes *de aduana* y de las diversas aduanas de la República, autorizados por dicho Receptor General ó por otra autoridad competente del Gobierno de los Estados Unidos.

7. Todos los gastos y desembolsos de fondos que haga la Receptoría deberán quedar cubiertos por comprobantes por duplicado. Un ejemplar de cada comprobante será retenido como parte de los expedientes de la Oficina Central de la Receptoría, y el otro será transmitido al Gobierno Dominicano, junto con la correspondiente rendición de cuentas.

8. Todos los libros, registros y cuentas de la Receptoría deberán tenerse disponibles y accesibles para el examen, inspección y revisión que en cual-

quier tiempo hagan empleados designados con tal objeto, conforme á la Convención, sea por el Gobierno Dominicano, sea por el Gobierno de los Estados Unidos. Dichos libros, registros y cuentas constituirán los archivos permanentes de la Oficina Central de la Receptoría y no podrán ser separados de esta Oficina.

9. El Receptor General, ó en su ausencia, el Diputado Receptor General, someterá á la Oficina de Negocios Insulares, y al Gobierno Dominicano, los siguientes informes:

I. El primero de cada mes, ó posteriormente á esta fecha lo más pronto posible, la Rendición de Cuentas relativa á todas las transaciones de la Receptoría durante el mes anterior.

II. El 1º de cada mes, ó posteriormente lo más pronto posible, un informe colectivo de todos los ingresos y egresos del *servicio de Aduanas* de Santo Domingo durante el mes anterior, acompañado del resumen correspondiente á cada puerto habilitado de la República, por separado.

III. Por los dos semetres de cada año, contados hasta el 30 de Junio y hasta el 31 de Diciembre, y posteriormente á estas fechas tan pronto como sea posible, informes estadísticos relativos al comercio de la República.

IV. Al final de cada año fiscal de la Receptoría, contado desde la fecha en que den principio las operaciones de la misma bajo el régimen de la Convención, y posteriormente lo más pronto posible, un informe general de todas las transacciones de la Receptoría durante el año transcurrido, con

todos los datos accesorios y todas las observaciones que se estimen pertinentes.

10. El Receptor General formulará y promulgará de tiempo en tiempo los reglamentos adicionales que juzgue necesarios á la marcha regular del servicio que á su dirección se encomienda. Y de tales reglamentos y órdenes expedidos se transmitirán copias, lo más pronto posible, después de su promulgación, á la Oficina de Negocios Insulares, quedando unos y otras sometidas á la aprobación del Jefe de esta Oficina.

11. Cuando se crea necesario, y por lo menos una vez en cada año fiscal, se hará en Santo Domingo una inspección personal y un examen de todas las cuentas y registros de la Receptoría por su representante de la Oficina de Negocios Insulares, el cual depositará en dicha Oficina un informe completo de sus observaciones para los fines convenientes.

12. Desde el 1o. de Agosto de 1907, fecha en que comenzarán á regir estos reglamentos, y hasta el tiempo en que las provisiones de la Convención, dejando completo el correspondiente arreglo financiero, queden enteramente cumplidas, el Receptor General, en su nombre y como tal Receptor General, y en cuenta nueva, continuará disponiendo de los fondos que reciba en la misma forma que lo ha venido haciendo hasta la fecha.

THEODORO ROOSEVELT.

LA REPÚBLICA DOMINICANA

Y

KUHN, LOEB & CO.

CONVENIO.

CELEBRADO EN ENERO 27 DE 1908.

BNPHU
BIBLIOTECA NACIONAL PEDRO HENRÍQUEZ UREÑA

CONVENIO celebrado en la Ciudad de Nueva York, á los 27 días del mes de Enero del año mil novecientos ocho, entre la República Dominicana, que en lo adelante se llamará «La República», por una parte, y Kuhn, Loeb & Co. de la dicha Ciudad de Nueva York, llamados en lo adelante «Los Banqueros», por otra parte.

Por cuanto, la República desea ajustar y arreglar las deudas de la República y las reclamaciones contra la República, especificadas en un Plan de Ajuste fechado en Setiembre 12 de 1906, y depositado en la Morton Trust Company de la Ciudad de Nueva York; y

Por cuanto, de acuerdo con la Convención de fecha 8 de Febrero de 1907 entre la República y los Estados Unidos de América, la República se propone crear y emitir Bonos oro de la República, del Cinco Por Ciento, con Fondo de Amortización, garantizados por los derechos de Aduana (llamados en lo adelante Bonos del Cinco por Ciento), hasta la suma de $20,000,000, moneda de oro de los Estados Unidos, que estarán garantizados por dicha Convención como primera obligación sobre todas las rentas aduaneras de la República; y

Por cuanto, la República se propone ajustar y arreglar dichas deudas y reclamaciones especificadas en dicho Plan de Ajuste, por las cantidades fijadas por el Plan de Ajuste, netas hasta 1º de Agosto

de 1907, con intereses sobre las mismas á razón de cinco por ciento anual desde dicho primero de Agosto de 1907, hasta la fecha que se fije conforme á lo provisto mas adelante para el pago de ellas; y

Por cuanto, dichos montantes así fijados por el Plan de Ajuste, con intereses como se ha expresado, son en lo adelante denominado Deuda Ajustada; y

Por cuanto, la República se propone pagar la Deuda Ajustada, veinte por ciento en dinero efectivo y ochenta por ciento en Bonos del Cinco por Ciento, que serán tomados al 98½ por ciento de su valor nominal; y

Por cuanto, la República desea obtener el concurso y servicios de los Banqueros en la consecución de dicho ajuste y arreglo ; y

Por cuanto, dicha Morton Trust Company, ha sido designada por la República como Agente Fiscal del Empréstito y Depositaria conforme al Plan de Ajuste:

Por tanto se ha convenido lo que sigue:

PRIMERO. En la forma, manera y tiempo que la República determine, la República hará una oferta de pagar la Deuda Ajustada el 1º de Febrero de 1908, ó en otra fecha cualquiera que pudiera ser especificada en dicha oferta: veinte por ciento de ella en dinero efectivo y ochenta por ciento en los Bonos del Cinco por Ciento que serán aceptados en pago al 98½ por ciento de su valor nominal. Cuando los tenedores, (ó sus representantes,) del setenticinco por ciento de la Deuda Ajustada, ó de una cantidad menor, que sea satisfactoria al Ministro de Hacien-

da de la República, hayan significado de un modo satisfactorio á él su aceptación de la oferta, el plan estará en estado de ejecución.

Segundo. La República inmediatamente creará y emitirá los Bonos del Cinco por Ciento hasta la cantidad de $20,000,000.—Los Bonos del Cinco por Ciento serán garantizados por dicha Convención de Febrero 8 de 1907, se ajustarán á sus provisiones, y en otros respectos serán de la forma aquí aprobada por la República y sometida á los Banqueros.

Tercero. Cuando el plan esté en estado de ejecución la República inmediatamente pagará ó hará que se pague y entregará ó hará que se entregue á la Morton Trust Company, en dinero efectivo hasta el montante de veinte por ciento de la Deuda Ajustada, y en Bonos del Cinco por Ciento que serán tomados al 98½ por ciento de su valor nominal, el ochenta por ciento restante de la Deuda Ajustada y como pueda ser requerido bajo los términos de dicha oferta para pagar la Deuda Ajustada. Y la República conviene en que dicho dinero efectivo y dichos Bonos serán pagados por la dicha Trust Company actuando por la República y segun orden de la República, á los tenedores de la Deuda Ajustada á prorata en cambio de la rendición y entrega por los tenedores de cualesquiera bonos, obligaciones ú otros justificativos de deudas ó contratos que evidencien sus respectivas reclamaciones y derechos, junto, en este último caso, con los correspondientes instrumentos de cesión y traspaso en la forma que la República apruebe, ó cesiones de tales deudas y

reclamaciones en forma satisfactoria á la República. Tales bonos, obligaciones, justificativos de deudas y contratos así rendidos serán cancelados y entregados á la República.

CUARTO. Los Banqueros prestarán su servicios y ejercerán sus mejores esfuerzos para promover y llevar á cabo de acuerdo con este convenio el ajuste y arreglo de la Deuda Ajustada, y ayudar y proteger los intereses de la República para efectuar dicho arreglo y ajuste, y obtener una cotización oficial para los Bonos del Cinco por Ciento en las Bolsas de las varias ciudades de Europa en que dichos bonos sean pagaderos. Cuando el plan esté en estado de ejecución, la República entregará, ó hará entregar, á los Banqueros, en Bonos del Cinco por Ciento, el dos y medio por ciento del valor total nominal de los Bonos del Cinco por Ciento que por el Artículo Tercero la República debe entregar á la Morton Trust Company. De estos Bonos del Cinco por Ciento así entregados á los Banqueros, los Banqueros

(*a*) entregarán á la Morton Trust Company bonos á la par por la cantidad de 1% del valor nominal de los Bonos del Cinco por Ciento que deben ser entregados á dicha Trust Company, de acuerdo con el Artículo Tercero, para el arreglo de la Deuda Ajustada para ser aplicados por dicha Trust Company, por orden de la República, al pago, á los Comités ú otros representantes que actúen por los tenedores de la Deuda Ajustada, de 1% del valor nominal de los Bonos del cinco por Ciento entregados en saldo de la Deuda Ajustada á dichos Comités ú otros re-

presentantes ó á los tenedores de la Deuda Ajustada representados por dichos Comités ú otros representantes, pero los Banqueros no serán responsables por la aplicación de tales bonos por dicha Trust Company.

(*b*) retendrán por sus servicios y gastos bonos á la par por una cantidad igual al medio por ciento del valor nominal de los Bonos del Cinco por Ciento que deben ser entregados á dicha Trust Company, en virtud del Artículo Tercero, para el saldo de la Deuda Ajustada.

(*c*) entregarán á la Morton Trust Company por sus servicios como Depositaria según el Plan de Ajuste, y por la ejecución del Plan, bonos á la par equivalentes á la cantidad de medio por ciento del valor nominal de los Bonos del Cinco por Ciento que deben ser entregados á dicha Trust Company conforme al Artículo Tercero, para el saldo de la Deuda Ajustada.

(*d*) pagarán, en tanto cuanto el producido del balance de los Bonos del Cinco por Ciento disponible sea suficiente para este objeto, el costo de anuncios, de entrega y distribución de los Bonos del Cinco por Ciento, y de entrega de los antiguos bonos y reclamaciones devueltos, y de aseguros y todos otros gastos en que pueda incurrirse por los Banqueros ó por la Morton Trust Company en conexión con el arreglo de la Deuda Ajustada, inclusos los gastos de otros bannqueros ó agentes en Europa, empleados por los Banqueros ó por la Morton Trust Company en relación con dicho arreglo.

Tanto como sea necesario para hacer en efectivo los pagos referidos en la subdivisión (*d*) de este

artículo, los Banqueros comprarán los Bonos del Cinco por Ciento disponibles al 96% de su valor nominal.

QUINTO. El tiempo para la aceptación de la oferta de ajuste y pago de la Deuda Ajustada, ó de cualquier parte de ella, puede ser prorrogado de tiempo en tiempo, por la República, y después de concluido el ajuste y arreglo de la Deuda Ajustada, ó de una parte de ella, según se pueda efectuar dentro del tiempo que juntamente las partes contratantes juzguen razonable, la República tendrá derecho á la devolución por la Morton Trust Company, de cualquier balance en su poder de dinero efectivo ó de Bonos del Cinco por Ciento entregados á dicha Trust Company por la República conforme al Artículo Tercero y no aplicados hasta entonces al arreglo de la Deuda Ajustada, y de cualquier balance de los Bonos del Cinco por Ciento entregados á dicha Trust Company por los Banqueros de acuedo con la subdivisión (*a*) del Artículo Cuarto y no aplicados á los propósitos de esa subdivision, y los Banqueros entregarán á la Repúbiica, bajó la orden del Ministro de Hacienda de la República, cualesquiera Bonos del Cinco por Ciento entregados á los Banqueros para los propósitos especificados en la subdivisión (*d*) del Artículo Cuarto, que no hayan sido usados ó sea necesario que se usen para dichos propósitos.

SEXTO. Este convenio es hecho exclusivamente para beneficio de las partes y nadie fuera de ellas será considerado con derecho á recurso, ó reclamación por razón de dicho convenio.

SEPTIMO. Este convenio será considerado é inter-

pretado como un contrato hecho en Nueva York.

Este convenio será redactado en español é inglés, pero al interpretarlo el texto ingles prevalecerá.

En fé de lo cual la República suscribe este convenio por medio de su representante el Señor Don Federico Velázquez, Ministro de Hacienda de la República, y los Banqueros lo han suscrito tambien el dia y el año arriba expresados.

Firmado por triplicado en castellano y en inglés.

In presence of
ROSS W. LYNN.
WM. H. BRUDER.

FEDCO VELAZQUEZ,
Ministro de Hacienda y Comercio de la República Dominicana.
KUHN, LOEB & CO.

PLAN DE AJUSTE PROPUESTO

A LOS

ACREEDORES DE LA REPUBLICA.

1º *Bonos Franco Belgas* (exclusive los bonos entregables por la San Domingo Improvement Cª según el laudo de Julio 14 de 1904.

Consistentes en:

(a) Obligations or de Saint Domingue 2¾% 1897, cuyo montante no excederá de £ 2.723,406;

(b) Dominican Unified Scrip, 4%, 1897, cuyo montante no excederá de £ 327,120, pagaderos al cincuenta (50) por ciento de su valor nominal (según contrato de Setiembre 23 de 1901, párrafo 17) y de los intereses devengados; disponiéndose que $ 50,000 (menos los pagos ya abonados) serán aceptados en saldo de intereses devengados hasta Octubre de 1901, según contrato de Setiembre 23 de 1901 (párrafo 18)

2º *San Domingo Improvement Cª Laudo Arbitral.* Pagadero al noventa (90) por ciento del capital neto y de los intereses; debiendo la Compañía hacer todas las entregas y cumplir todas las obligaciones impuestas por el protocolo y el Laudo.

3º *Reclamaciones de Sala*—Pagaderas al cincuenta (50) por ciento del capital neto y del interés símple al tres (3) por ciento.

4º *Reclamación de Bancalari, contrato número* 58 *de* 1904—Pagadero al cincuenta (50) por ciento de capital neto, sin interés.

5º *Protocolo Italiano.*—Pagadero al cincuenta (50) por ciento del capital neto, sin interés.

6º *Protocolo Bancalari.*—Pagadero al cincuenta (50) por ciento del capital neto, sin interés.

7º *Protocolo Hispano-Alemán.*—Pagadero al cincuenta (50) por ciento del capital neto, sin interés.

8º *Reclamación de Ros*—Pagadera al cincuenta (50) por ciento del capital neto, sin interés.

9º *Deuda antigua extranjera.*—Pagadera al cincuenta (50) por ciento del capital neto, sin interés.

10 *Deuda Flotante Interior, Tenedores de Títulos.*—Pagadera al cincuenta (50) por ciento del capital neto, sin interés.

11 *Deuda Flotante Interior, Sucesores de Vicini.*—Pagadera al cincuenta (50) por ciento del capital neto, sin interés.

12 *Contratos de Hacienda*—(referidos en la Memoria del Ministro de Hacienda de Febrero de 1906.) Pagaderos al cincuenta (50) por ciento del capital neto, sin interés.

13 *Reclamación Sucesores Vicini, Contrato de Julio de* 1903.—Pagadera al cuarenta (40) por ciento del capital neto, sin interés.

14 *Vales de la Contaduría General de Hacienda con fechas fijas*, cuyo montante no excederá de $468.316. Pagaderos al cuarenta (40) por ciento del capital neto, sin interés.

15 *Reclamación A. Font y Cia.*—Ajustándose.

(A INICIATIVA DEL PODER EJECUTIVO)

El Congreso Nacional

EN NOMBRE DE LA REPUBLICA,

DECLARADA LA URGENCIA, HA DADO LA SIGUIENTE

LEY.

Art. 1º Cualquiera acreencia contra la República, originada con anterioridad al 1º de Julio de 1904, debe ser presentada antes del 1º de Enero de 1910, á la Secretaría de Estado de Hacienda y Comercio, para su examen y arreglo, de acuerdo con lo dispuesto sobre el pago de la Deuda de la República.

Art. 2º Se considerará como no existente toda acreencia contra la República, de las mencionadas en el artículo anterior, que no hubiere sido presentada para su examen y arreglo antes del 1º de Enero de 1910.

Art. 3º Las acreencias ya ajustadas por la Secretaría de Estado de Hacienda y Comercio, y sobre las cuales sus acreedores no hubieren tomado determinación alguna para su cobro, antes del 1º de Enero de 1910, se cancelarán después de esta fecha conforme al Plan de Ajuste propuesto por el Poder Ejecutivo, y se depositará su equivalente en poder del Ajente Fiscal del Empréstito, para ser entregado á los acreedores cuando lo reclamen, si no hubiere

16 *Reclamación West India Public Works.* — Pagadera al treinta (30) por ciento del capital neto, sin interés.

17 *Billetes del Banco Nacional*, cuyo montante no excederá de $ 1.574, 647, valor nominal. (575,624 de 40 centavos y 999,023 de 20 cts.) pagagaderos al veinte (20) por ciento del valor nominal.

18 *Deuda Diferida*—consistente en:

(a) Deuda Diferida inscrita, cuyo montante no excederá de $ 550,683,41;

(b) Deuda Diferida no Inscrita, cuyo montante no excederá de $ 398,362,04;

(c) Deuda Privilegiada de la Revolución, cuyo montante no excederá de $ 79.812,12.—Pagadera al diez (10) por ciento del capital neto, sin interés.

19 *Vales de la Contaduría, sin fechas fijas*, consistentes en:

(a) Vales de la Contaduría, cuyo montante no excederá de $ 1.011.684,16;

(b) Vales expedidos por la Administración de Hacienda, cuyo montante no excederá de $25.867.10; pagaderos al diez (10) por ciento del capital neto, sin interés.

20 *Deuda Flotante y Reclamaciones Adjudicadas*, cuyo montante no excederá de $ 2.000.000—Pagaderas al diez (10) por ciento del capital neto, sin interés.

Nota: En vista de la Resolución del Congreso de fecha 19 de Junio de 1906 respecto al Protocolo italiano, el Poder Ejecutivo está entendiéndose con los acreedores, conforme á los términos de la Resolución.

corrido el término que las leyes de la República fijan para la prescripción.

§ Durante el tiempo que permanezca en depósito la suma, los acreedores no gozarán de los intereses que devengue, quedando estos intereses á beneficio de la República.

Art. 4º Se declara de utilidad pública la adquisición por el Estado de las Empresas de muelle y enramadas que en algunos puntos de la República, son propiedad de particulares, ó de que éstos son concesionarios ó usufructuarios.

Art. 5º Las concesiones que al 1º de enero de 1910 no se hubieren cancelado mediante entendido con la Secretería de Estado de Hacienda y Comercio, serán arreglada después de esa fecha sobre la base del valor que las obras realizadas por los concesionarios, ó cesionarios, ó adquiridas por los primeros al obtener la concesión, representen, á juicio pericial, en el momento del arreglo, si el Estado no prefiere, si á ello hubiere lugar, pedir la rescisión por incumplimiento de los contratos.

Art. 6º Envíese al Poder Ejecutivo para los fines constitucionales.

Dada en la Sala de Sesiones de la Cámara del Senado, á los 27 días de mes de Mayo de 1909; año 66º de la Independencia y 46º de de la Restauración.

El Presidente del Senado—F. L. Vasquez—Los Secretarios: *Carlos Ginebra, Ramón O. Lovaton.*

Dada en la Sala de Sesiones de la Cámara de Diputados, á los 28 días del mes de Mayo de 1909: año 66º de la Independencia y 46º de la Restauración.

El Presidente: OCTAVIO BERAS.—Los Secretorios *S. Otero Nolasco. C. A. Nouel.*

Ejecútese, comuníquese por la Secretaría correspondiente, publicándose en todo el territorio de la República para su cumplimiento.

Dada en la ciudad de Santo Domingo, Capital de la República, á los 28 días del mes Mayo de 1909; año 66º de la Independencia y 46º de la Restauración.

El Presidente de la República:

R. CACERES.

Refrendada:—El Secretario de Estado en los Despachos de Hacienda y Comercio: FEDCO. VELAZQUEZ H.