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DEPARTMENT OF STATE

1968 MAY 27 PM 3 14

EMBAJADA DE LA REPUBLICA DOMINICANA  
WASHINGTON

RS/AN  
ANALYSIS BRANCH  
AIDE MEMOIRE

**ACTION**  
is assigned to

**E**

En lo que respecta a las conversaciones que se han sostenido ultimamente entre nuestros dos gobiernos, tanto en Santo Domingo como en Washington, con relacion a un nuevo convenio de la PL-480, mediante el cual la Republica Dominicana podria importar trigo, aceite de soya, sebo animal, tabaco y avena durante el año fiscal 1969, es oportuno suministrar a continuacion, datos de proyecciones de los ingresos y egresos de divisas que ofrecen detalles de las necesidades adicionales para financiar la balanza de pago del año 1968. Estos datos demuestran que con la utilizacion de solo 9.4 millones del Acuerdo PL-480 del año fiscal 1968, 25 millones de la AID, ademas de los efectos perjudiciales de la sequia, sera necesario obtener un financiamiento adicional de 22 millones para que el pais pueda cumplir compromisos de la deuda externa sin que esto aumente los retrasos comerciales y al mismo tiempo poder mantener el minimo prudente de una reserva de 40 millones.

|                             |              |
|-----------------------------|--------------|
| Ingresos Corrientes Totales | 157.0        |
| Uso de Creditos AID y BID   | 27.0         |
| <b>TOTAL</b>                | <b>184.0</b> |

EGRESOS:

|                |             |
|----------------|-------------|
| Servicios      | 44.0        |
| Amortizaciones | 28.0        |
| <b>TOTAL</b>   | <b>72.0</b> |

|                                                     |       |
|-----------------------------------------------------|-------|
| Divisas Disponibles Para<br>Financiar Importaciones | 112.0 |
|-----------------------------------------------------|-------|

Necesidades de Divisas  
Para Financiar Importaciones:

|                                                       |              |
|-------------------------------------------------------|--------------|
| Proyeccion de Importaciones                           | 170.0        |
| Menos: Importaciones que no<br>Exigen Pago en Divisas | 36.0         |
| <b>TOTAL</b>                                          | <b>134.0</b> |

|                                              |      |
|----------------------------------------------|------|
| Necesidades Adicionales de<br>Financiamiento | 22.0 |
|----------------------------------------------|------|

12567 El Gobierno Dominicano esta bien consciente de las inconveniencias que afectarian la negociacion de un nuevo convenio con la celeridad que requieren las necesidades urgentes dominicanas, pero al mismo tiempo le es de gran preocupacion el hecho de que el suministro de productos basicos alimenticios pueda ser suspendido por un lapso de varios meses. Debido a la balanza de pago desfavorable, la unica forma de abastecimiento de dichos productos basicos alimenticios seria a traves de la PL-480.

Washington, D. C.  
22 de Mayo de 1968

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DEPARTMENT OF STATE  
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

1968 MAY 31 PM 12 39

May 22, 1968

LS NO. 2269-B

T-97/R-XX

Spanish

RS/AN  
ANALYSIS BRANCHEMBASSY OF THE DOMINICAN REPUBLIC  
WASHINGTONAIDE MEMOIRE

With regard to the conversations recently held between our two Governments in both Santo Domingo and Washington, D.C., concerning a new agreement under PL-480 by which the Dominican Republic could import wheat, soybean oil, animal fat, tobacco, and oats during fiscal year 1969, it is appropriate to furnish projected data on income and expenditures in foreign exchange giving details on the additional requirements to finance the 1968 balance of payments. This information indicates that with the use of only 9.4 million under the PL-480 Agreement for fiscal year 1968 and 25 million from AID, in addition to the damaging effects of the drought, it will be necessary to obtain additional financing of 22 million in order that the nation may meet its foreign debt commitments without adding to commercial arrears and at the same time maintain a sound minimum reserve of 40 million.

|                            |              |
|----------------------------|--------------|
| Current total income       | 157 million  |
| Use of AID and IDB credits | 27 "         |
| <b>TOTAL</b>               | <b>184 "</b> |

EXPENDITURES:

|              |                   |
|--------------|-------------------|
| Service      | 44 million        |
| Amortization | 28 "              |
| <b>TOTAL</b> | <b>72 million</b> |

|                                                       |             |
|-------------------------------------------------------|-------------|
| 12567 Foreign exchange available to finance imports * | 112 million |
|-------------------------------------------------------|-------------|

Needs of foreign exchange to finance imports:

|                                                         |                    |
|---------------------------------------------------------|--------------------|
| Projection of imports                                   | 170 million        |
| Less: Imports not requiring payment in foreign exchange | 36 "               |
| <b>TOTAL</b>                                            | <b>134 million</b> |

|                                |            |
|--------------------------------|------------|
| Additional needs for financing | 22 million |
|--------------------------------|------------|

①  
5/31/68

Aid (US) 15-4 DOM REP

The Dominican Government is fully aware of the difficulties that would result from negotiating a new agreement with the speed that the country's urgent needs require, but at the same time, it is very much concerned by the fact that the supply of basic food products could be suspended for several months. In view of the unfavorable balance of payments, the only way to provide those basic food products would be through PL-480.

Washington, D.C.

May 22, 1968

Recursos Corrientes Totales  
del Sector AID y BID

157.0

27.0

130.0

Recursos Disponibles Para  
el Sector Importaciones

Recursos de Divisas

Recursos de Importaciones

Recursos de Importaciones

Recursos de Importaciones

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Recursos de Importaciones

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Recursos de Importaciones

The Dominican Government is fully aware of the difficulties that would result from negotiating a new agreement with the speed that the country's urgent needs require, but at the same time, it is very much concerned by the fact that the supply of basic food products could be suspended for several months. In view of the unfavorable balance of payments, the only way to provide those basic food products would be through PL-480.

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PL-480

21  
5/22/68  
Aid(US) 15-4 Dom R-8

Washington, D.C.  
May 22, 1968

May 22, 1968  
May 22, 1968

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