

PURCHASE OF RUBBER PRODUCED IN PERU

Exchange of notes at Washington April 23, 1942
Entered into force April 23, 1942
*Terminated June 30, 1947*¹

1942 For. Rel. (VI) 667

The Peruvian Minister of Finance and Commerce to the Secretary of State

PERUVIAN EMBASSY
WASHINGTON, D.C.

APRIL 23, 1942

MY DEAR MR. SECRETARY:

I am happy to be able to advise you that the Government of Peru has initiated measures designed to increase the available supplies of Peruvian rubber, and that it suggests to the Government of the United States the following proposal designed to assure to the United States the maximum amounts of raw rubber.

(1) In order to stimulate the development of the raw rubber resources of Peru, Rubber Reserve Company would establish a fund of \$1,125,000 to be available to Peruvian Amazon Corporation for the purpose of increasing the wild rubber production in Peru as approved by Rubber Reserve Company. It is estimated that the expenditure of this sum should result in increasing the export of Peruvian rubber to the United States to an annual total of not less than 6,000 long tons.

(2) Peruvian Amazon Corporation, or some other Peruvian governmental department or agency, would become the sole ultimate purchaser of rubber, both for export and for domestic consumption except that Rubber Reserve Company may buy rubber for its own account provided Peru after consultation in each instance makes no objection to such action. The Government of Peru would maintain internal and export quotas with the view to making available to the United States the maximum amounts of raw rubber.

It is understood that the Government of the United States will collaborate with the Government of Peru with the view of assuring to the Government

¹ With termination of memorandum of understanding of Apr. 23, 1942, for purchase of rubber between Peru and Rubber Reserve Company (not printed), as extended by exchange of notes of May 15 and 18, 1945 (not printed).

of Peru an equitable distribution of the supplies of rubber products available to the United States and to Peru on the basis of relative needs and of the present emergency, and that the Government of Peru will limit the consumption of crude rubber and the use of rubber products to the extent necessary to permit its maximum contribution to the defense of the Hemisphere. It is contemplated by the Government of Peru that, on this basis, its internal consumption of rubber will not exceed 468 long tons per annum.

(3) Rubber Reserve Company would enter into a five year agreement with the Government of Peru for the purchase of rubber produced in Peru.

(4) The Government of Peru and the Government of the United States would collaborate fully for the purpose of increasing the output of Peruvian raw rubber.

(5) In furtherance of Resolution XXX adopted at the Rio de Janeiro conference of Foreign Ministers,² the Government of the United States would extend to development work in the Amazon Valley and adjacent regions the good offices of the Health and Sanitation Division established by the Office of the Coordinator of Inter-American Affairs to carry out a program of improving health and sanitation conditions in cooperation with Governmental agencies of the other American republics.

I believe that the foregoing proposal will substantially further the effectiveness of Resolution II of the Rio de Janeiro Conference³ wherein the Government of Peru undertook to collaborate with the other American republics to the fullest degree possible in the mobilization of its economic resources with the special objective of increasing the production of those strategic materials essential for the defense of the Hemisphere against armed aggression and for the maintenance of the economies of Peru and the other American republics.

On behalf of the Government of Peru and in accordance with the conversations which I have had with officials of the Government of the United States, I request that the Government of the United States give consideration to the above proposals.

I avail myself of the opportunity to present to Your Excellency the assurance of my highest consideration.

DAVID DASSO
*Minister of Finance
and Commerce*

The Honorable
CORDELL HULL,
Secretary of State.

² For text, see *Department of State Bulletin*, Feb. 7, 1942, p. 137.

³ For text, see *ibid.*, p. 119.

The Secretary of State to the Peruvian Minister of Finance and Commerce

APRIL 23, 1942

EXCELLENCY:

I acknowledge the receipt of your note of April 23, 1942, outlining a program for the development of the production of rubber in Peru as a project for economic cooperation between the United States and Peru in furtherance of Resolution II of the Third Meeting of the Ministers of Foreign Affairs of the American Republics at Rio de Janeiro.

I am pleased to inform you that the appropriate agencies of the Government of the United States have considered this proposal and are prepared to undertake this development in accordance with the specific proposals with respect thereto mentioned in your note.

I believe that this program will be a substantial step forward in developing mutually advantageous economic relations between our two countries as contemplated by the Resolution adopted at the conference at Rio de Janeiro.

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

CORDELL HULL

His Excellency

DAVID DASSO,

Minister of Finance and Commerce of Peru.