

**No. 3326**

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**CANADA  
and  
NICARAGUA**

**Trade Agreement. Signed at Managua, on 19 December  
1946**

*Official texts: English and Spanish.*

*Registered by Canada on 30 April 1956.*

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**CANADA  
et  
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**Accord commercial. Signé à Managua, le 19 décembre 1946**

*Textes officiels anglais et espagnol.*

*Enregistré par le Canada le 30 avril 1956.*

No. 3326. TRADE AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE REPUBLIC OF NICARAGUA. SIGNED AT MANAGUA, ON 19 DECEMBER 1946

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The Government of Canada and the Government of Nicaragua, desiring to strengthen the traditional bonds of friendship which unite the two countries and to facilitate further and to develop the commercial relations existing between Canada and Nicaragua, have resolved to conclude a Trade Agreement and have appointed for this purpose as their Plenipotentiaries :

The Government of Canada, Mr. Charles Blair Birkett, Canadian Government Trade Commissioner; and

The Government of Nicaragua, His Excellency Doctor Victor Manuel Román y Reyes, Minister of Foreign Affairs;

Who, having communicated to each other their full powers, found in good and due form, have agreed on the following Articles :

*Article I*

1. Canada and Nicaragua will grant each other unconditional and unrestricted most-favoured-nation treatment in all matters concerning customs duties and subsidiary charges of every kind and in the method of levying duties, and, further, in all matters concerning the rules, formalities and charges imposed in connection with importation and exportation, and with respect to all laws or regulations affecting the taxation, sale, distribution or use of imported goods within the country.

2. Accordingly, articles the growth, produce or manufacture of either country shall in no case be subject, in regard to the matters referred to above, to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like articles the growth, produce or manufacture of any other foreign country are or may hereafter be subject.

3. Similarly, articles exported from the territory of Canada or Nicaragua and consigned to the territory of the other country shall in no case be subject with respect to exportation and in regard to the above mentioned matters, to

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<sup>1</sup> Came into force provisionally on 19 December 1946, in accordance with article IX (2).

any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like articles when consigned to the territory of any other foreign country are or may hereafter be subject.

4. Any advantage, favour, privilege or immunity which has been or may hereafter be granted by Canada or Nicaragua in regard to the above mentioned matters, to any article originating in any other foreign country or consigned to the territory of any other foreign country shall be accorded immediately and without compensation to the like article originating in or consigned to the territory of Nicaragua or Canada, respectively, and irrespective of the nationality of the carrier.

### *Article II*

Whenever the Government of either country proposes to impose or alter quantitative restrictions upon imports from the other country, or to allocate shares to the countries of export or change existing allocations, it shall give notice thereof in writing to the other Government and shall afford such other Government an opportunity to consult with it in respect of the proposed action.

### *Article III*

1. Articles the growth, produce or manufacture of Nicaragua or Canada shall, after importation into the other country, be exempt from all internal taxes, fees, charges or exactions other or higher than those payable on like articles of national origin or any other foreign origin.

2. The provisions of the previous paragraph shall not prevent the Government of Canada or the Government of Nicaragua from imposing at any time on the importation of any article a charge equivalent to an internal tax imposed on a like domestic article or on the raw materials from which the said article may have been manufactured or produced in whole or in part.

3. The provisions of this Article in regard to the granting of national treatment shall not apply to the laws at present in force in Canada whereby leaf-tobacco, spirits, beer, malt and malt syrup imported from abroad are subject to special taxes, nor shall they affect the application to the natural or manufactured products in Nicaragua of the special excise taxes imposed by the stipulations in force of the Special War Tax Law. In this respect, however, most-favoured-nation treatment shall apply.

*Article IV*

1. If either country establishes or maintains a monopoly for the importation, exportation, sale, distribution or production of a particular commodity or grants exclusive privileges, formally or in effect, to one or more agencies to import, export, sell, distribute or produce a particular commodity, the Government of the country establishing or maintaining such monopoly, or granting such monopoly privileges, agrees that in respect of the foreign purchases or sales of such monopoly or agencies the commerce of the other country shall receive fair and equitable treatment. To this end it is agreed that in making its foreign purchases or sales of any product such monopoly or agency will be influenced solely by those considerations such as price, quality, marketability, transportation and terms of purchase or sale, which would ordinarily be taken into account by a private commercial enterprise interested solely in selling or purchasing such product on the most favourable terms.

2. In awarding contracts for public works and in purchasing supplies, neither Government shall discriminate against articles the growth, produce or manufacture of the territories of the other country in favour of those of any other foreign country.

*Article V*

1. In the event that the Government of either country adopts any measure which, even though it does not conflict with the terms of this Agreement, is considered by the Government of the other country as tending to nullify or impair any of its objects, the Government which has adopted such a measure shall consider such representation and proposals as the other Government may make and shall afford adequate opportunity for consultation with a view to reaching a mutually satisfactory agreement.

2. The Government of each country shall accord sympathetic consideration to, and when requested, shall afford adequate opportunity for consultation regarding such representations as the other Government may make with respect to the operation of customs regulations, control of foreign exchange, quantitative restrictions or the administration thereof, the observance of customs formalities, and the application of sanitary laws and regulations for the protection of human, animal or plant health or life.

3. If agreement is not reached after due consultation as described above, either Government shall be free to terminate this Agreement in whole or in part on thirty days' written notice.

4. Greater than nominal penalties shall not be imposed by Canada or Nicaragua in connection with the importation of articles the growth, produce or manu-

facture of the other country because of errors in documentation which are obviously clerical in origin or with regard to which good faith can be established.

#### *Article VI*

1. Nothing in this Agreement shall be construed to prevent the adoption or enforcement of such measures as the Government of either country may see fit to adopt relating to the importation or exportation of gold or silver; or relating to the control of the import or export of sale for export of arms, ammunition, or implements of war, and in exceptional circumstances, all other military supplies.

2. Subject to the requirement that, under like circumstances and conditions, there shall be no arbitrary discrimination by either country against the other country in favour of any other foreign country, and without prejudice to the provisions of paragraphs 1 and 2 of Article V, the provisions of this Agreement shall not extend to prohibitions or restrictions :

- (1) imposed on moral or humanitarian grounds;
- (2) designed to protect human, animal or plant health or life;
- (3) relating to prison-made goods;
- (4) relative to the enforcement of police or revenue laws;
- (5) directed against mis-branding, adulteration, and other fraudulent practices, such as are provided for in the pure food and drug laws of either country; or
- (6) directed against unfair practices in import trade.

3. It is understood that the provisions of this Agreement relating to laws and regulations affecting the sale, taxation or use of imported articles within Canada and Nicaragua are subject to the constitutional limitations on the authority of the Governments of the respective countries.

#### *Article VII*

The advantages already accorded or which in the future may be accorded by either country to adjacent countries to facilitate frontier traffic and the advantages which may result from a customs union of which either country may become a party shall be excepted from the operation of this Agreement.

#### *Article VIII*

1. The advantages already accorded to or which Nicaragua may hereafter grant to the trade of Costa Rica, El Salvador, Honduras, Guatemala, or Panamá, shall be excepted from the operation of this Agreement as long as the said advantages are not conceded to any other country.

2. The advantages now accorded, or which may hereafter be accorded, by Canada exclusively to other territories under the sovereignty of His Majesty the King of Great Britain, Ireland, and the British dominions beyond the seas, Emperor of India, or under His Majesty's suzerainty, protection or mandate, shall be excepted from the operation of this Agreement.

*Article IX*

1. The present Agreement shall be ratified and the instruments of ratification shall be exchanged in Managua, as soon as possible. The Agreement shall enter into force thirty days after the exchange of ratifications and shall remain in force during the term of one year and, unless at least six months before the expiration of the aforesaid term of one year the Government of either country shall have given to the other Government notice of intention to terminate the Agreement upon the expiration of the aforesaid term, the Agreement shall remain in force thereafter until six months from such time as the Government of either country shall have given notice to the other Government.

2. Pending the definitive coming into force of this Agreement, its provisions shall be applied provisionally by the two Governments on and after the nineteenth day of December, nineteen hundred and forty-six. The Government of either country, however, may, prior to the exchange of ratifications, terminate the provisional application of the Agreement by giving three months' notice to the other Government.

IN WITNESS WHEREOF, the above-mentioned Plenipotentiaries sign and seal this Agreement, in duplicate in English and in Spanish, both texts being equally authentic, at the City of Managua this nineteenth day of December nineteen hundred and forty-six.

V. M. ROMÁN  
C. Blair BIRKETT  
[SEALS]