

No. 12099

**UNITED STATES OF AMERICA
and
NICARAGUA**

Exchange of notes constituting an agreement regarding deposits for military assistance under the Foreign Assistance Act of 1971. Managua, 6 March and 10 April 1972

Authentic texts: English and Spanish.

Registered by the United States of America on 17 October 1972.

**ÉTATS-UNIS D'AMÉRIQUE
et
NICARAGUA**

Échange de notes constituant un accord relatif aux dépôts effectués au titre de l'assistance militaire en vertu de la loi de 1971 sur l'aide à l'étranger. Managua, 6 mars et 10 avril 1972

Textes authentiques : anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 17 octobre 1972.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN
THE UNITED STATES OF AMERICA AND NICARAGUA REGARD-
ING DEPOSITS FOR MILITARY ASSISTANCE UNDER THE FOR-
EIGN ASSISTANCE ACT OF 1971

I

The American Embassy to the Nicaraguan Ministry of Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

No. 14

Managua, D.N., March, 6, 1972

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Government of Nicaragua and has the honor to refer to recent informal discussions between His Excellency, the President of the Republic Anastasio Somoza Debayle and Ambassador Turner B. Shelton regarding the United States Foreign Assistance Act of 1971, which includes a provision requiring payment to the United States Government in Nicaraguan cordobas of ten percent of the value of grant military assistance and excess defense articles provided by the United States to the Government of Nicaragua.

In accordance with that provision, it is proposed that the Government of Nicaragua will deposit in an account to be specified by the United States Government, at a rate of exchange which is not less favorable to the United States Government than the best legal rate at which United States dollars are sold by authorized dealers in the Country of Nicaragua for Nicaraguan cordobas on the date deposits are made. The following amounts in Nicaraguan cordobas (A) in the case of any excess defense article given to the Government of Nicaragua, an amount equal to ten percent of the fair value of that article, as determined by the United States Government, and (B) in the case of a grant of military assistance to the Government of Nicaragua, an amount equal to ten percent of each such grant. The Government of Nicaragua will be notified quarterly of deliveries of defense articles and rendering of defense services and the values thereof. Deposits to the account of the United States Government will be due and payable upon request by the United States Government, which request shall be made, if at all, within one year following the aforesaid notification of deliveries. No more than dollars 20 million in Nicaraguan cordobas will be required to be deposited for deliveries in any one United States fiscal year.

It is further proposed that the amounts to be deposited may be used to pay all official costs of the United States Government payable in Nicaraguan cordobas, including but not limited to all costs relating to the financing of international educational and cultural exchange activities under programs authorized by the United States Mutual Educational and Cultural Exchange Act of 1961.

It is finally proposed that the Ministry's reply stating that the foregoing is acceptable to the Government of Nicaragua shall, together with this note, constitute an agreement between our Governments on this subject effective from and after February 7,

¹ Came into force on 10 April 1972 by the exchange of the said notes, with retroactive effect from 7 February 1972, in accordance with their provisions.

1972 and applicable to deliveries of defense articles and rendering of defense services funded or agreed to and delivered or rendered on or subsequent to that date.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

Managua, D.N., March 6, 1972.

Embassy of the United States of America

II

[SPANISH TEXT — TEXTE ESPAGNOL]

[TRANSLATION¹ — TRADUCTION²]

REPÚBLICA DE NICARAGUA
AMÉRICA CENTRAL
MINISTERIO DE RELACIONES
EXTERIORES

REPUBLIC OF NICARAGUA
CENTRAL AMERICA
MINISTRY OF FOREIGN AFFAIRS

Secretaría general
Sección diplomática

General Secretariat
Diplomatic Section

MS. No. 105

MS. No. 105

El Ministerio de Relaciones Exteriores de la República de Nicaragua saluda muy atentamente a la Honorable Embajada de los Estados Unidos de América y tiene el honor de avisar recibo a la atenta nota verbal No. 14 del 6 de Marzo próximo pasado, por medio de la cual se hace referencia a recientes conversaciones informales sostenidas entre Su Excelencia el Señor Presidente de la República, General Don Anastasio Somoza Debayle y el Excelentísimo Señor Embajador de los Estados Unidos de América Turner B. Shelton, acerca de la Ley de 1971 de los Estados Unidos sobre ayuda al exterior, que incluye una disposición requiriendo el pago al Gobierno de los Estados Unidos de América en córdobas en una proporción del diez por ciento del valor de la asistencia militar y artículos excedentes de defensa, proporcionados por aquel país al Gobierno de Nicaragua.

Se agrega en la mencionada nota que de acuerdo con dicha disposición deposite el Gobierno de Nicaragua en una cuenta que especificará el Gobierno de los Estados Unidos de América, a un tipo de cambio

The Ministry of Foreign Affairs of the Republic of Nicaragua presents its compliments to the Embassy of the United States of America and has the honor to acknowledge receipt of note no. 14 of March 6, 1972, referring to recent informal discussions between His Excellency Anastasio Somoza Debayle, President of the Republic, and Ambassador Turner B. Shelton of the United States of America, regarding the United States Foreign Assistance Act of 1971, which includes a provision requiring payment to the United States Government in cordobas of ten percent of the value of military assistance and excess defense articles provided by the United States to the Government of Nicaragua.

It is further stated in the aforesaid note that in accordance with that provision the Government of Nicaragua will deposit in an account to be specified by the Government of the United States of America, at a

¹ Translation supplied by the Government of the United States of America.

² Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.

que no sea menos favorable para el Gobierno de los Estados Unidos de América que el mejor tipo legal de cambio al cual se venden dólares de los Estados Unidos por agentes de cambio autorizados en Nicaragua por córdobas en la fecha en que se efectúan los depósitos, los montos siguientes en córdobas: « A) en el caso de cualquier artículo excedente de defensa entregado al Gobierno de Nicaragua una cantidad igual al diez por ciento del valor justo de tal artículo, según lo determine el Gobierno de los Estados Unidos, y B) en el caso de una subvención de asistencia militar al Gobierno de Nicaragua, una cantidad igual al diez por ciento de cada una de tales subvenciones. El Gobierno de Nicaragua recibirá una notificación trimestralmente sobre las entregas de artículos de defensa y la prestación de servicios de defensa, así como el valor de los mismos. Los depósitos en la cuenta del Gobierno de los Estados Unidos serán pagaderos a petición del Gobierno de los Estados Unidos. Dicha petición se hará, de hacerse, dentro del plazo de un año después de la anteriormente señalada notificación de las entregas. No se requerirá depositar mas de 20 millones de dólares en Córdobas Nicaragüenses para las entregas que se realicen durante un año fiscal cualquiera de los Estados Unidos.

« Proponemos, además, que los montos que hayan de depositarse podran utilizarse para pagar todos los costos oficiales del Gobierno de los Estados Unidos pagaderos en Córdobas Nicaragüenses, incluyendo, pero sin limitarse a ellos, todos los costos relacionados con el financiamiento de actividades internacionales educacionales y de intercambio cultural, según programas autorizados por la Ley de 1961 de los Estados Unidos sobre intercambio Mutuo Eduacional y Cultural.

« Proponemos, finalmente, que la respuesta del Ministerio declarando que lo que antecede es aceptable para el Gobierno de Nicaragua, juntamente con esta Nota, constituirán un acuerdo entre nuestros dos Gobiernos sobre esta materia, el cual en-

rate of exchange which is not less favorable to the United States Government than the best legal rate at which United States dollars are sold by authorized dealers in Nicaragua for cordobas on the date the deposits are made, the following amounts in cordobas: "(A) In the case of any excess defense article given to the Government of Nicaragua, an amount equal to ten percent of the just value of the article, as determined by the United States Government, and (B) in the case of a grant of military assistance to the Government of Nicaragua, an amount equal to ten percent of each such grant. The Government of Nicaragua, will be notified quarterly of deliveries of defense articles and rendering of defense services and the values thereof. Deposits to the account of the United States Government will be due and payable upon request by the United States Government, which request shall be made, if at all, within the year following the aforesaid notification of deliveries. No more than 20 million dollars in Nicaraguan cordobas will be required to be deposited for deliveries in any one United States fiscal year.

"It is further proposed that the amounts to be deposited may be used to pay all official costs of the United States Government payable in Nicaraguan cordobas, including but not limited to all costs relating to the financing of international educational and cultural exchange activities under programs authorized by the United States Mutual Educational and Cultural Exchange Act of 1961.

"It is finally proposed that the Ministry's reply stating that the foregoing is acceptable to the Government of Nicaragua shall, together with this note, constitute an agreement between our Governments on this subject effective from and after Fe-

trará en vigor en 7 de Febrero de 1972, y a partir de esa fecha, y será aplicable a entregas de artículos de defensa y prestación de servicios de defensa financiados o acordados y entregados o prestados en o después de esa fecha. »

En respuesta el Ministerio de Relaciones Exteriores comunica a la Honorable Embajada de los Estados Unidos de América que el Gobierno de Nicaragua acepta la propuesta hecha en los términos de la nota que se contesta, constituyendo dicha nota y la presente respuesta un acuerdo entre los dos Gobiernos.

El Ministerio de Relaciones Exteriores aprovecha complacido la oportunidad para reiterar a la Honorable Embajada de los Estados Unidos de América las seguridades de su más alta y distinguida consideración.

Managua, D.N., 10 de Abril de 1972.

A la Honorable Embajada de los Estados Unidos de América

Managua, D.N.

bruary 7, 1972, and applicable to deliveries of defense articles and rendering of defense services funded or agreed to and delivered or rendered on or subsequent to that date.”

In reply, the Ministry of Foreign Affairs informs the Embassy of the United States of America that the Government of Nicaragua accepts the proposal stated in the terms of the aforesaid note, and that the said note and this reply shall constitute an agreement between our two Governments.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest and most distinguished consideration.

Managua, D.N., April 10, 1972.

Embassy of the United States of America

Managua, D.N.