

No. 12221

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**UNITED STATES OF AMERICA  
and  
NICARAGUA**

**Exchange of notes constituting an agreement concerning  
trade in cotton textiles (with annex). Washington,  
5 September 1972**

*Authentic text : English.*

*Registered by the United States of America on 29 December 1972.*

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

**Échange de notes constituant un accord relatif au commerce  
des textiles de coton (avec annexe). Washington, 5  
septembre 1972**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 29 décembre 1972.*

## EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND NICARAGUA CONCERNING TRADE IN COTTON TEXTILES

### I

DEPARTMENT OF STATE  
WASHINGTON

September 5, 1972

Sir :

I refer to the Long-Term Arrangement Regarding International Trade in Cotton Textiles (hereinafter referred to as the Long-Term Arrangement), done in Geneva on February 9, 1962,<sup>2</sup> as extended until September 30, 1973.<sup>3</sup> I also refer to recent discussions between our two Governments concerning the export of cotton textiles from Nicaragua to the United States. As a result of these discussions, I propose the following agreement relating to trade in cotton textiles between Nicaragua and the United States.

1. The term of this Agreement shall be from August 1, 1972 through July 31, 1977. During the term of this agreement the Government of Nicaragua shall limit annual exports of cotton textiles from Nicaragua to aggregate and specific limits at the levels specified in the following paragraphs.

2. For the first agreement year, constituting the 12-month period beginning August 1, 1972, the aggregate limit shall be 5.0 million square yards equivalent.

3. Within this aggregate limit, the following specific limits shall apply :

<i>Category</i>	<i>Quantity</i>	<i>Square Yards Equivalent</i>
9/10	-----	1.0
15/16	-----	1.0
22/23	-----	1.0
26/27 (other than duck)	-----	2.0

4. Within the aggregate limit, each specific limit may be exceeded by not more than five percent.

5. Categories not given specific limits are subject to consultation levels and to the aggregate limit. In the event the Government of Nicaragua wishes to permit exports to the United States in any category during any agreement year in excess of the applicable consultation level, the Government of Nicaragua shall request consultations with the Government of the United States of America on this question and the Government of the United States of America shall enter into such consultations. Until agreement on a different level of exports is reached, the Government of Nicaragua shall limit exports in the category

<sup>1</sup> Came into force on 5 September 1972 by the exchange of the said notes, with retroactive effect from 1 August 1972, in accordance with their provisions.

<sup>2</sup> United Nations, *Treaty Series*, vol. 471, p. 296. As registered by the Executive Secretary to the Contracting Parties to the General Agreement on Tariffs and Trade, this Arrangement is identified in the United Nations *Treaty Series* by the date of its entry into force, i.e., 1 October 1962.

<sup>3</sup> *Ibid.*, vol. 620, p. 276, and vol. 753, p. 344.

in question to the consultation level. For the first agreement year, the consultation level for each category not given a specific limit shall be 500,000 square yards equivalent in categories 1-38 and category 64 and 350,000 square yards equivalent in categories 39-63.

6. The square yard equivalent of any shortfalls occurring in exports in the categories given specific limits may be used in any category not given a specific limit, subject to the provisions of paragraph 5, or for the purpose described in paragraph 4.

7. In the second and any succeeding agreement year, the level of exports permitted under each limitation in the agreement shall be increased by five percent of the corresponding level for the preceding agreement year, the latter level not to include any adjustments under paragraph 4 or 8.

8. (a) For any agreement year immediately following a year of shortfall (i.e., a year in which cotton textile exports from Nicaragua to the United States were below the aggregate limit and any specific limit applicable to the category concerned) the Government of Nicaragua may permit exports to exceed these limits by carryover in the following amounts and manner:

- (i) The carryover shall not exceed the amount of shortfall in either the aggregate limit or any applicable specific limit, and shall not exceed five percent of the aggregate limit applicable to the year of the shortfall;
  - (ii) In the case of shortfalls in categories subject to specific limits, the carryover shall be used in the same category in which the shortfall occurred, shall not exceed five percent of the specific limit applicable to the category in the year of the shortfall, and shall be in addition to the exports permitted by paragraph 4; and
  - (iii) In the case of shortfalls not attributable to categories subject to specific limits, the carryover shall not be used to exceed any applicable specific limit except in accordance with the provisions of paragraph 4 and shall be subject to provisions of paragraph 5.
- (b) The limits referred to in subparagraph (a) of this paragraph are without any adjustments under this paragraph or paragraph 4.

9. The Government of Nicaragua shall use its best efforts to space exports from Nicaragua to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors.

10. The Government of the United States of America shall promptly supply the Government of Nicaragua with data on monthly imports of cotton textiles from Nicaragua; and the Government of Nicaragua shall promptly supply the Government of the United States of America with quarterly data on exports of cotton textiles to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

11. In implementing this agreement, the system of categories and the rates of conversion into square yard equivalents listed in the annex hereto shall apply. In any situation where the determination of an article to be a cotton textile would be affected by whether the criterion provided for in article 9 of the Long-Term Arrangement or the criterion provided for in paragraph 2 of annex E of the Long-Term Arrangement is used, the chief value criterion used by the Government of the United States of America in accordance with paragraph 2 of annex E shall apply.

12. The Government of Nicaragua and the Government of the United States of America agree to consult on any question arising in the implementation of this agreement.

13. Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of this agreement, including differences in points of procedure or operation.

14. If the Government of Nicaragua considers that, as a result of limitations specified in this agreement, Nicaragua is being placed in an inequitable position vis-a-vis a third country, the Government of Nicaragua may request consultation with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this agreement.

15. For the duration of this agreement, the Government of the United States of America shall not invoke the procedures of article 3 or 6 (c) of the Long-Term Arrangement to request restraint on the export of cotton textiles from Nicaragua to the United States.

16. The Government of the United States of America may assist the Government of Nicaragua in implementing the limitation provisions of this agreement by controlling imports of cotton textiles covered by the agreement.

17. Either Government may terminate this agreement effective at the end of any agreement year by written notice to the other Government to be given at least 90 days prior to the end of such agreement year. Either Government may at any time propose revisions in the terms of this agreement.

If the foregoing proposal is acceptable to the Government of Nicaragua, this note and your note of confirmation on behalf of the Government of Nicaragua shall constitute an agreement between the Government of Nicaragua and the Government of the United States of America.

Accept, Sir, the renewed assurances of my high consideration.

For the Secretary of State :

WILLIS C. ARMSTRONG

Enclosure :  
Annex A

The Honorable Dr. Alvaro Rizo-Castellón  
Chargé d'affaires ad interim of Nicaragua

#### ANNEX A

Category Number	Description	Unit	Conversion
			Factor to Syds.
1	Cotton yarn, carded, singles . . . . .	Lb.	4.6
2	Cotton yarn, carded, plied . . . . .	Lb.	4.6
3	Cotton yarn, combed, singles . . . . .	Lb.	4.6
4	Cotton yarn, combed, plied . . . . .	Lb.	4.6
5	Gingham, carded . . . . .	Syd.	Not required
6	Gingham, combed . . . . .	Syd.	Not required
7	Velveteen . . . . .	Syd.	Not required
8	Corduroy . . . . .	Syd.	Not required
9	Sheeting, carded . . . . .	Syd.	Not required
10	Sheeting, combed . . . . .	Syd.	Not required
11	Lawns, carded . . . . .	Syd.	Not required
12	Lawns, combed . . . . .	Syd.	Not required
13	Voile, carded . . . . .	Syd.	Not required
14	Voile, combed . . . . .	Syd.	Not required
15	Poplin and broadcloth, carded . . . . .	Syd.	Not required
16	Poplin and broadcloth, combed . . . . .	Syd.	Not required
17	Typewriter ribbon cloth . . . . .	Syd.	Not required
18	Print cloth, shirting type, 80 × 80 type carded . . . . .	Syd.	Not required
19	Print cloth, shirting type, other than 80 × 80 type, carded . . . . .	Syd.	Not required
20	Shirting, jacquard or dobby, carded . . . . .	Syd.	Not required
21	Shirting, jacquard or dobby, combed . . . . .	Syd.	Not required
22	Twill and sateen, carded . . . . .	Syd.	Not required

23	Twill and sateen, combed . . . . .	Syd.	Not required
24	Woven fabric, n.e.s., yarn dyed, carded . . . . .	Syd.	Not required
25	Woven fabric, n.e.s., yarn dyed, combed . . . . .	Syd.	Not required
26	Woven fabric, n.e.s., other, carded . . . . .	Syd.	Not required
27	Woven fabric, n.e.s., other, combed . . . . .	Syd.	Not required
28	Pillowcases, not ornamented, carded . . . . .	Nos.	1.084
29	Pillowcases, not ornamented, combed . . . . .	Nos.	1.084
30	Towels, dish . . . . .	Nos.	.348
31	Towels, other . . . . .	Nos.	.348
32.	Handkerchiefs, whether or not in the piece . . . . .	Doz.	1.66
33	Table damask and manufactures . . . . .	Lb.	3.17
34	Sheets, carded . . . . .	Nos.	6.2
35	Sheets, combed . . . . .	Nos.	6.2
36	Bedspreads and quilts . . . . .	Nos.	6.9
37	Braided and woven elastic . . . . .	Lb.	4.6
38	Fishing nets and fish netting . . . . .	Lb.	4.6
39	Gloves and mittens . . . . .	Doz. prs.	3.527
40	Hose and half hose . . . . .	Doz. prs.	4.6
41	T-shirts, all white, knit, men's and boys' . . . . .	Doz.	7.234
42	T-shirts, other knit . . . . .	Doz.	7.234
43	Shirts, knit, other than T-shirts and sweatshirts . . . . .	Doz.	7.234
44	Sweaters and cardigans . . . . .	Doz.	36.8
45	Shirts, dress, not knit, men's and boys' . . . . .	Doz.	22.186
46	Shirts, sport, not knit, men's and boys' . . . . .	Doz.	24.457
47	Shirts, work, not knit, men's and boys' . . . . .	Doz.	22.186
48	Raincoats, $\frac{3}{4}$ length or longer, not knit . . . . .	Doz.	50.0
49	Coats, other, not knit . . . . .	Doz.	32.5
50	Trousers, slacks, and shorts (outer), not knit, men's and boys' . . . . .	Doz.	17.797
51	Trousers, slacks and shorts (outer) not knit, women's, girls' and infants' . . . . .	Doz.	17.797
52	Blouses, not knit . . . . .	Doz.	14.53
53	Dresses (including uniforms) not knit . . . . .	Doz.	45.3
54	Playsuits, sunsuits, washsuits, creepers, rompers, etc., not knit, n.e.s. . . . .	Doz.	25.0
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, housecoats, and dusters, not knit . . . . .	Doz.	51.0
56	Undershirts, knit, men's and boys' . . . . .	Doz.	9.2
57	Briefs and undershorts, men's and boys' . . . . .	Doz.	11.25
58	Drawers, shorts and briefs, knit n.e.s. . . . .	Doz.	5.0
59	All other underwear, not knit . . . . .	Doz.	16.0
60	Pajamas and other nightwear . . . . .	Doz.	51.96
61	Brassieres and other body supporting garments . . . . .	Doz.	4.75
62	Wearing apparel, knit, n.e.s. . . . .	Lb.	4.6
63	Wearing apparel, not knit, n.e.s. . . . .	Lb.	4.6
64	All other cotton textiles . . . . .	Lb.	4.6

## II

EMBAJADA DE NICARAGUA <sup>1</sup>  
WASHINGTON, D.C.

SD-CH-45

September 5, 1972

Excellency :

I have the honor to acknowledge the receipt of Your Excellency's note of September 5, containing a proposed agreement on the exportation of cotton textiles from Nicaragua to the United States of America.

Following my Government's instructions, I am happy to inform Your Excellency that the Government of Nicaragua is pleased to accept the terms and conditions specified in the above-mentioned proposal. It is my Government's understanding that Your Excellency's note, together with this note of acceptance, constitute an agreement between the Government of the United States of America and the Government of Nicaragua.

Accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

ALVARO RIZO-CASTELLÓN  
Chargé d'Affaires a.i.

His Excellency William P. Rogers  
The Secretary of State  
Washington, D.C.

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<sup>1</sup> Embassy of Nicaragua.