

No. 4445

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**UNITED STATES OF AMERICA  
and  
AFGHANISTAN**

**Exchange of notes constituting an agreement relating to the  
guaranties of private investments. Kabul, 5 and 9 June  
1957**

*Official texts : English and Persian.*

*Registered by the United States of America on 24 July 1958.*

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

**Échange de notes constituant un accord relatif à des garanties  
pour les investissements privés. Kaboul, 5 et 9 Juin  
1957**

*Textes officiels anglais et persan.*

*Enregistré par les États-Unis d'Amérique le 24 juillet 1958.*

No. 4445. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND AFGHANISTAN RELATING TO THE GUARANTIES OF PRIVATE INVESTMENTS. KABUL, 5 AND 9 JUNE 1957

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I

*The American Ambassador to the Afghan Deputy Prime Minister and Minister of Foreign Affairs*

EMBASSY OF THE UNITED STATES OF AMERICA

Kabul, June 5, 1957

Your Highness :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments, relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, as amended. I also have the honor to confirm the following understandings reached as a result of these conversations :

1. The Governments of Afghanistan and of the United States of America will, upon the request of either of them, consult respecting projects in Afghanistan proposed by nationals of the United States of America with regard to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.

2. The Government of the United States agrees that it will issue no guaranty with regard to any project unless it is approved by the Government of Afghanistan.

3. With respect to such guaranties extending to projects which are approved by the Government of Afghanistan in accordance with the provisions of the aforesaid Section 413 (b) (4), the Government of Afghanistan agrees :

- a. That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of Afghanistan will recognize the transfer to the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made and the subrogation of the United States of America to any claim or cause of action, or right of such person arising in connection therewith.
- b. That afghani amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which

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<sup>1</sup> Came into force on 9 June 1957 by the exchange of the said notes.

are comparable to the transactions covered by such guaranties, and that such afghani amounts will be freely available to the Government of the United States of America for administrative expenditures.

- c.* That if the Government of the United States of America issues guaranties to cover losses by reason of war with respect to investments in Afghanistan, the Government of Afghanistan agrees that nationals of the United States of America to whom such guaranties have been issued, will be accorded by the Government of Afghanistan treatment no less favorable than that accorded, in like circumstances, to its nationals or nationals of third countries, with reference to any reimbursement, compensation, indemnification, or any other payment, including the distribution of reparations received from enemy countries, that the Government of Afghanistan may make or pay for losses incurred by reason of war ; if the Government of the United States of America makes payment in U. S. dollars to any national of the United States of America under a guaranty for losses by reason of war, the Government of Afghanistan will recognize the transfer to the United States of America of any right, privilege, or interest, or any part thereof, that such nationals may be granted or become entitled to as a result of the aforementioned treatment by the Government of Afghanistan.
- d.* That any claim against the Government of Afghanistan to which the Government of the United States of America may be subrogated as a result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government. This sub-paragraph *d.*, shall not be applicable to the type of guaranties provided for in sub-paragraph *c.*, immediately above.

Upon receipt of a note from Your Highness indicating that the foregoing provisions are acceptable to the Government of Afghanistan, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Highness, the renewed assurances of my distinguished consideration.

Sheldon T. MILLS

His Royal Highness Lemar-e-'Ali Mohammed Naim  
Deputy Prime Minister and Minister of Foreign Affairs  
Royal Afghan Government  
Kabul

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

THE MINISTER OF FOREIGN AFFAIRS

19 Jowza 1336

[June 9, 1957]

Excellency :

I respectfully acknowledge the receipt of Your Excellency's letter dated June 5. The matter of the guaranties contained in Section 413 (b) (4) of the Mutual Security Act of 1954, referred to in the letter of notification, has been accepted by the Government of Afghanistan.

I avail myself of this opportunity to renew my greatest respects.

Mohammed NAIM  
Minister of Foreign Affairs

His Excellency Sheldon T. Mills  
Ambassador of the United States of America  
Kabul

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<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.