

No. 9699

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**UNITED STATES OF AMERICA  
and  
AFGHANISTAN**

**Agricultural Commodities Agreement under Title IV of the  
Agricultural Trade Development and Assistance Act, as  
amended (with exchange of notes). Signed at Kabul on  
22 December 1966**

*Authentic text: English.*

*Registered by the United States of America on 2 July 1969.*

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

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre IV de la loi tendant à développer et à favoriser  
le commerce agricole, telle qu'elle a été modifiée (avec  
échange de notes). Signé à Kaboul le 22 décembre 1966**

*Texte authentique: anglais.*

*Enregistré par les États-Unis d'Amérique le 2 juillet 1969.*

AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup> BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF  
AMERICA AND THE ROYAL GOVERNMENT OF AF-  
GHANISTAN UNDER TITLE IV OF THE AGRICUL-  
TURAL TRADE DEVELOPMENT AND ASSISTANCE  
ACT, AS AMENDED

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The Government of the United States of America and the Royal Govern-  
ment of Afghanistan :

Recognizing the desirability of expanding trade in agricultural commodities  
between their two countries in a manner which would utilize surplus agricultural  
commodities, including the products thereof, produced in the United States of  
America to assist economic development in Afghanistan;

Recognizing that such expanded trade should be carried on in a manner  
which would not displace cash marketings of the United States of America in  
these commodities or unduly disrupt world prices of agricultural commodities  
or normal patterns of commercial trade;

Recognizing further that by providing such commodities to Afghanistan  
under long-term supply and credit arrangements, the resources and manpower  
of Afghanistan can be utilized more effectively for economic development without  
jeopardizing meanwhile adequate supplies of agricultural commodities for  
domestic use;

Desiring to set forth the understandings which will govern the sales, as  
specified below, of commodities to Afghanistan pursuant to Title IV of the  
Agricultural Trade Development and Assistance Act, as amended (hereinafter  
referred to as the Act);

Have agreed as follows :

*Article I*

COMMODITY SALES PROVISIONS

1. Subject to issuance by the Government of the United States of America  
and acceptance by the Royal Government of Afghanistan of credit purchase  
authorizations and to the availability of commodities under the Act at the time

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<sup>1</sup> Came into force on 22 December 1966 by signature, in accordance with article V.

of exportation, the Government of the United States of America undertakes to finance, during the periods specified below, or such longer periods as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Royal Government of Afghanistan of the following commodity :

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity (metric tons)</i>	<i>Maximum Export Market Value to be Financed (1,000)</i>
Wheat and/or wheat flour . . . . .	U.S. fiscal year 1967	20,000	\$1,292
Ocean transportation (estimated) . . . . .			119
		TOTAL	\$1,411

2. The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America may limit the amount of financing provided in the credit purchase authorizations, as price declines or other marketing factors may require, so that the quantities of commodities financed will not substantially exceed the above-specified approximate maximum quantities.

3. Applications for credit purchase authorizations will be made promptly after the effective date of this Agreement. Purchase authorizations will include provisions relating to the sale and delivery of the commodities and other relevant matters.

4. The financing, sale, and delivery of commodities hereunder may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, and delivery is unnecessary or undesirable.

## *Article II*

### CREDIT PROVISIONS

1. The Royal Government of Afghanistan will pay, or cause to be paid, in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used), the amount financed by the Government of the United States of America together with interest thereon.

2. The amount of the principal due for commodities delivered in each calendar year under this Agreement, including the applicable related ocean transportation costs, shall be made in 19 approximately equal annual payments, the first of which shall become due two years after the date of last delivery of commodities in any calendar year. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal due the Government of the United States of America for commodities delivered in each calendar year shall begin on the date of last delivery of commodities in such calendar year and be paid annually beginning one year after such date of last delivery, but not later than the date on which the annual payment of principal becomes due. The interest shall be computed at the rate of 1 percent per annum during the period from the date of last delivery in each calendar year until the due date of the first annual payment of principal for deliveries in each calendar year and at the rate of 2½ percent per annum thereafter.

4. All payments shall be made in United States dollars and the Royal Government of Afghanistan shall deposit, or cause to be deposited, such payments in the United States Treasury for credit to the Commodity Credit Corporation unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amount financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the onboard date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

### *Article III*

#### GENERAL PROVISIONS

1. The Royal Government of Afghanistan will take all possible measures to prevent the resale on transshipment to other countries, or the use for other than domestic consumption of the agricultural commodities purchased pursuant to this Agreement (unless such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity of either domestic or foreign origin which is the same as or like the commodities purchased pursuant to this Agreement during the period beginning on the date of this Agreement and ending on the final date on which said commodities are being received and utilized (except where such export is specifically approved by the Government of the United States of America); and to ensure that the purchase of commodities pursuant to this Agreement does not result in

increased availability of the same or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that sales and purchases of commodities pursuant to the Agreement will not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade of countries friendly to the United States of America.

3. In carrying out this Agreement, the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Royal Government of Afghanistan will furnish quarterly information quarterly on the progress of the program, particularly with respect to the arrival and condition of the commodities, and information relating to imports and exports of the same or like commodities.

#### *Article IV*

##### CONSULTATION

The two Governments will, upon request of either of them, consult regarding any matter relating to the application of this Agreement or to the operation of arrangements carried out pursuant to this Agreement.

#### *Article V*

##### ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives duly authorized for the purpose, have signed the present Agreement.

DONE at Kabul in duplicate this twenty-second day of December, 1966.

For the Government  
of the United States of America :

Archer K. BLOOD  
Charge d'Affaires ad interim

For the Royal Government  
of Afghanistan :

Enwer ZIYAIE  
Deputy Minister of Finance

## EXCHANGE OF NOTES

## I

No. 32

Kabul, December 22, 1966

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between our two Governments signed today and to inform you of my Government's understanding of the following :

1. With regard to paragraph 4 of Article III of the Agreement, the Royal Government of Afghanistan agrees to furnish the following information quarterly in connection with each shipment of commodities financed under the agreement : the name of each vessel;\* the port of arrival; the commodity and quantity received; the condition in which the commodity was received; the date unloading was completed; and the disposition of the cargo, i.e., stored, distributed locally, or, if shipped, where shipped. In addition, the Royal Government of Afghanistan agrees to furnish quarterly : (a) a statement of measures it has taken to prevent the re-export or transshipment of the commodities furnished, (b) assurances that the program has not resulted in the increased availability of the same or like commodities to other nations. The Royal Government of Afghanistan agrees that the above statements will be accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under the agreement.

2. As agreed in conversations which have taken place between representatives of our two Governments, the Afghanis resulting from the sale of commodities financed under the Agreement, after the deduction of the part of the transportation costs other than those financed by the United States Government, will be deposited by the Royal Government of Afghanistan\*\* and will be used by the Royal Government of Afghanistan for economic and social development programs as may be mutually agreed upon by our two Governments.

3. Any afghanis resulting from the sale in Afghanistan of the commodity financed under the Agreement which are loaned by the Royal Government of Afghanistan to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in Afghanistan.

4. The Royal Government of Afghanistan agrees to furnish the Government of the United States of America semi-annual reports showing the total afghanis available to the Royal Government of Afghanistan from the sale of commodities, a list of the projects being undertaken, and related information including the name and location of each project, the amount invested in it and its state of completion.

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\* Should read " the date of arrival " .

\*\* Should read " by the Royal Government of Afghanistan in a special account in the name of the Royal Government of Afghanistan " .

I shall appreciate receiving your Excellency's confirmation of the above understanding.

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

Archer K. BLOOD  
Chargé d'Affaires ad interim

His Excellency Enwer Ziyaie  
Deputy Minister of Finance  
Kabul

II

MINISTRY OF FINANCE  
TREASURY DEPARTMENT  
KABUL, AFGHANISTAN

December 22, 1966

Dear Mr. Blood :

We are in receipt of your letter dated December 22, 1966, in which you set forth the manner in which certain information pertaining to the PL480 Title IV Agreement signed between our two governments today be provided to the Government of the United States of America.

I have the pleasure to inform you that we are in agreement with the steps outlined in your letter.

Please accept the renewed assurances of my highest regards.

Very truly yours,

M. Enwer ZIYAIE  
Deputy Minister of Finance

His Excellency Mr. Archer K. Blood  
Chargé d'Affaires  
American Embassy  
Kabul, Afghanistan