

No. 8396

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**UNITED STATES OF AMERICA  
and  
AFGHANISTAN**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act,  
as amended (with exchange of notes). Signed at Kabul,  
on 22 May 1965**

*Official text: English.*

*Registered by the United States of America on 21 November 1966.*

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

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre I 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 mai 1965**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 21 novembre 1966.*

No. 8396. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE ROYAL GOVERNMENT OF AFGHANISTAN UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT KABUL, ON 22 MAY 1965

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The Government of the United States of America and the Royal Government of Afghanistan;

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would 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 with friendly countries;

Considering that the purchase for afghani of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the afghani accruing from such purchase will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Afghanistan pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities;

Have agreed as follows :

*Article I*

SALES FOR AFGHANI

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

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<sup>1</sup> Came into force on 22 May 1965, upon signature, in accordance with article VI.

takes to finance the sales for afghani, to purchasers authorized by the Royal Government of Afghanistan, of the following agricultural commodities in the amount indicated;

| <i>Commodity</i>                        | <i>Export<br/>Market Value<br/>(millions)</i> |
|-----------------------------------------|-----------------------------------------------|
| Cottonseed and/or Soybean Oil . . . . . | \$1.0                                         |

2. Applications for purchase authorizations shall be made within 90 days after the effective date of this agreement, except that applications for purchase authorizations for any additional commodities or amount of commodities provided for in any amendment to this agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of afghani accruing from such sale, and other relevant matters.

The Government of the United States of America will finance ocean transportation incurred pursuant to this agreement only to the extent that the United States Department of Agriculture determines that such costs are higher than would otherwise be the case by reason of its requiring that commodities be transported in United States flag vessels. The Royal Government of Afghanistan will pay the balance of such costs for ocean transportation of commodities required to be carried in United States flag vessels in dollars. The Royal Government of Afghanistan will not be required to deposit any afghanis for the cost of ocean transportation financed by the Government of the United States of America.

Promptly after contracting for United States flag shipping space required to be used (and in any event not later than presentation of vessel for loading), the Royal Government of Afghanistan will open a letter of credit, in dollars, for the estimated cost of ocean transportation for commodities carried in United States flag vessels.

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

## *Article II*

### USES OF AFGHANI

The afghani accruing to the Government of the United States of America as a consequence of sales made pursuant to this agreement will be used by the

Government of the United States of America in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the proportions shown.

A. For United States expenditures under subsections (a), (b), (d), (f) and (h) through (t) of Section 104 of the Act, or under any of such subsections, 35 percent of the afghani accruing pursuant to this agreement.

B. For a loan to the Royal Government of Afghanistan under Section 104 (g) of the Act for financing such projects to promote economic development, including projects not heretofore included in plans of the Royal Government of Afghanistan, as may be mutually agreed, 65 percent of the afghani accruing pursuant to this agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event that agreement is not reached on the use of the afghani for loan purposes under Section 104 (g) of the Act within 3 years from the date of this agreement, the Government of the United States of America may use the afghani for any purpose authorized by Section 104 of the Act.

### *Article III*

#### DEPOSIT OF AFGHANI

1. The Royal Government of Afghanistan will deposit to the account of the Government of the United States of America an amount of afghanis equivalent to the dollar sales value of the commodities financed by the Government of the United States of America converted into afghanis at the applicable rate of exchange in effect on the dates of dollar disbursements by the Government of the United States of America, in accordance with the following :

- (a) if a unitary exchange rate system is maintained by the Royal Government of Afghanistan or its authorized agent, the applicable rate will be the rate at which the central monetary authority of Afghanistan sells foreign exchange for afghani, or
- (b) if a unitary exchange rate system is not maintained, the applicable rate will be mutually agreed upon by the Government of the United States of America and the Royal Government of Afghanistan.

2. The Government of the United States of America shall determine which of its funds shall be used to pay any refunds of afghani which become due under this agreement or which are due or become due under any prior agricultural commodities agreement. A reserve will be maintained under this agreement for two years from the effective date of this agreement which may be used for the payment of such refunds. Any payment out of this reserve shall be treated as a reduction in the total afghani accruing to the Government of the United States of America under this agreement.