

**No. 144**

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**AUSTRALIA  
and  
NETHERLANDS**

**Exchange of Notes relating to financial arrangements and  
the provision of a credit of £7,500,000. Canberra,  
24 January 1947**

*English official text communicated by the Permanent Representative of Australia  
to the United Nations. The registration took place on 18 November 1947.*

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**AUSTRALIE  
et  
PAYS-BAS**

**Echange de notes au sujet d'arrangements financiers et de  
l'ouverture d'un crédit de 7.500.000 livres. Canberra,  
24 janvier 1947**

*Texte officiel anglais communiqué par le représentant permanent de l'Australie  
auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le  
18 novembre 1947.*

No. 144. EXCHANGE OF NOTES<sup>1</sup> BETWEEN THE GOVERNMENTS OF AUSTRALIA AND THE NETHERLANDS RELATING TO FINANCIAL ARRANGEMENTS AND PROVISION OF CREDIT OF £7,500,000. CANBERRA, 24 JANUARY 1947

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I

MINISTER FOR EXTERNAL AFFAIRS

Canberra, A.C.T.  
24th January, 1947

Sir,

I have the honour to inform you that as a consequence of discussions which have taken place between the Australian and Netherlands Governments concerning financial arrangements between them, the Government of the Commonwealth of Australia records its understanding of the agreement reached in these discussions as follows:—

The Commonwealth Government, considering the fact that the Royal Netherlands Indies Army has made, or shortly will make, various purchases from the Royal Australian Air Force and/or the Australian Military Forces and/or private firms in Australia and that the Netherlands Indies Government and its agencies will have to incur within the Commonwealth of Australia considerable monthly current expenditure during the time that the Netherlands Indies Government deems it necessary to maintain its agencies within the territory of the Commonwealth of Australia, agrees to the Commonwealth Bank of Australia providing a Bank credit of A£7,500,000 (seven million five hundred thousand pounds).

2. Interest will be charged half-yearly by the Commonwealth Bank of Australia at the rate of 3½% (three and a half percent) per annum and will be calculated on daily balances.

3. Repayment by the Netherlands Indies Government of the amounts drawn under the credit and interest accrued thereon is to be effected in sterling in London to the Commonwealth Bank of Australia, unless otherwise agreed upon, and at the current rate of exchange on the day of repayment in London.

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<sup>1</sup> Came into force on 24 January 1947, by the exchange of the said notes.

4. The amounts drawn under the credit and interest accrued thereon are to be re-paid in full by the Netherlands Indies Government on or before the 31st January, 1950. The Netherlands Indies Government has the right to pay off at any time before the 31st January, 1950 the whole or part of the amounts drawn.

5. The credit of A£7,500,000 is to be utilised for the following purposes:

- (a) Capitation charges and other claims by the Royal Australian Air Force on the Royal Netherlands Indies Army and Netherlands Indies Government.
- (b) Claims by the Australian Military Forces for direct supplies and services provided in Australia to the Royal Netherlands Indies Army, Netherlands Indies Government and its agencies.
- (c) Other amounts due by the Royal Netherlands Indies Army, Netherlands Indies Government and its agencies to Commonwealth Departments and Australian Forces for services supplied in Australia.
- (d) Liabilities due by the Royal Netherlands Indies Army, the Netherlands Indies Government and its agencies for supplies and services provided by private firms in Australia.
- (e) Current expenditure for maintaining Netherlands Indies agencies in Australia.
- (f) Equipment and supplies purchased by the Netherlands Indies Government and handed over in the Netherlands Indies by Australian Forces to Netherlands Indies authorities.

6. No part of the credit is to be used by the Netherlands Indies Government for the purchase of arms or ammunition.

7. The Netherlands Indies Government will provide for its expenditure in Australia funds from resources other than the credit to an amount equal to the sum of the amounts drawn under the credit in accordance with the following provisions:—

- (a) The remittances received by the Netherlands Indies Government from London to the credit of its account with the Commonwealth Bank of Australia at Brisbane (or Melbourne) totalling A£3,812,500 (three million eight hundred and twelve thousand five hundred pounds), being A£1,250,000 on the 27th of February 1946, A£1,250,000 on the 8th of March, 1946, A£1,000,000 on the 15th June, 1946, and

A£312,500 on the 14th of January, 1947, will be considered to be initial funds provided by the Netherlands Indies Government from such other resources.

- (b) For any amount drawn under the credit in excess of A£3,500,000 after the commencement of this Agreement and prior to the 1st of August, 1947, funds equal to the amount so drawn under the credit will, prior to the 1st of August, 1947, be provided by the Netherlands Indies Government from such other resources and
- (c) For any amount drawn under the credit on or after the 1st of August 1947 funds to a like amount will in the respective month be provided by the Netherlands Indies Government from such other resources.

8. The Netherlands Indies Government will give full information to the Commonwealth Bank of Australia regarding payments made, or to be made, under the credit, whenever such information is requested by the Commonwealth Government or the Commonwealth Bank of Australia.

9. The Royal Netherlands Government at The Hague, Netherlands, guarantees repayment of all amounts drawn under the credit and the interest accrued thereon to the Commonwealth Bank of Australia in accordance with this Agreement.

10. The Netherlands Indies Government accepts responsibility for all equipment, stores and materials handed over by the Australian Forces in the Netherlands Indies at the request of the Netherlands Indies representatives who might be reasonably assumed to have proper authority for this purpose, and in respect of which the Australian authorities hold unqualified acquittances and receipts from said Netherlands Indies representatives. With regard to those items in respect of which the "hand-over take-over" vouchers indicate acceptance by the Netherlands Indies representatives on a care and custody basis only, the conditions of such care and custody shall be as follows:—

- (i) All such stores, upon the handing over thereof, will be listed and inventoried as at the date of handing over by representatives of the two Governments and the agreed list or inventory shall be conclusive as to the items handed over upon the occasion referred to in the inventory, and the condition thereof when handed over.

- (ii) The Netherlands Indies Government will accept the custody of all stores comprised in any such inventory signed and approved by its representatives and will exercise in regard to the care thereof all such reasonable precautions as the geographical situation of the stores, the available accommodation for the care and, if necessary, the warehousing thereof and the manpower available to the Netherlands Indies Government in the area of location shall permit. For any stores for which no inventory has been signed by the representatives of the two Governments no responsibility will be accepted by the Netherlands Indies Government as regards quantity and nature of such goods.
- (iii) The Netherlands Indies Government will, after the handing over of any stores, consider the possibility of purchase of such stores, or part thereof, and discuss with the Commonwealth Government the price to be paid therefor.
- (iv) Until the Netherlands Indies Government, through its duly authorised representatives in Australia or Batavia, has agreed to purchase the stores and a price for the same has been definitely agreed upon between the two Governments, the following conditions shall prevail:—
  - (a) The stores in the care and custody of the Netherlands Indies Government shall remain the property of and at the risk of the Commonwealth Government.
  - (b) The only liability of the Netherlands Indies Government in connection therewith shall be to take all reasonable precautions as set out in clause (ii) above in regard to the stores and, subject thereto, any loss or damage resulting to the stores, or the destruction thereof from any cause whatsoever shall be entirely and solely on account of the Commonwealth Government.
- (v) Upon the conclusion of any agreement for the purchase of the stores or any of them, the property therein shall pass to the Netherlands Indies Government whether the price thereof shall have been paid or not and thereafter the stores shall be in all respects at the risk of the Netherlands Indies Government.
- (vi) All agreements come to in connection with the purchase of the stores shall relate to the stores in their then condition and shall be read accordingly.

If the Netherlands Government agrees to the foregoing provisions, I have the honour to suggest that this Note and your reply in similar terms shall be deemed to constitute and evidence the agreement reached by the respective Governments and shall take effect from the date of the two Notes.

I have the honour to be, with high consideration, Sir, your obedient servant,

H. V. EVATT

Minister of State for External Affairs

His Excellency Baron F. C. van Aerssen  
Beyeren van Voshol, M.W.O., K.N.L.  
Envoy Extraordinary and Minister Plenipotentiary  
of Her Majesty the Queen of The Netherlands  
Royal Netherlands Legation  
Canberra, A.C.T.

## II

### ROYAL NETHERLANDS LEGATION

Canberra, January 24th, 1947

Sir,

I have the honour to acknowledge receipt of your Note of today's date in which you informed me that as a consequence of discussions which have taken place between the Australian and Netherlands Governments concerning the financial arrangement between them, the Government of the Commonwealth of Australia recorded its understanding of the agreement reached in these discussions as follows:—

*[As in paragraphs 1 to 10 in Note No. I]*

I am authorised by the Netherlands Government to state that the Netherlands Government agrees to the fore-going provisions and to the suggestion that your Note and this reply shall be deemed to constitute and evidence the agreement between our respective Governments which shall take effect from the date of the two Notes.

I have the honour to be, with the highest consideration, Sir, your obedient servant,

VAN AERSEN BEYEREN

The Right Honourable  
Dr. H. V. Evatt, LL.D., K.C.  
Minister for External Affairs  
Canberra, A.C.T.