

No. 539

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**AUSTRALIA**  
and  
**NETHERLANDS**

**(acting on behalf of the Government of Indonesia)**

**Exchange of notes constituting an agreement concerning the final settlement of claims that have arisen or may in future arise in relation to facts, matters and things concurring up to and including 31 December 1948. Canberra, 12 August 1949**

*English official text communicated by the Minister in charge of the Australian mission to the United Nations. The registration took place on 30 August 1949.*

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**AUSTRALIE**  
et  
**PAYS-BAS**

**(agissant au nom du Gouvernement de l'Indonésie)**

**Echange de notes constituant un accord relatif au règlement définitif des créances auxquelles ont donné lieu ou pourront éventuellement donner lieu les faits, questions et états de choses qui sont survenus jusqu'au 31 décembre 1948 inclusivement. Canberra, 12 août 1949**

*Texte officiel anglais communiqué par le Ministre chargé de la mission australienne auprès de l'Organisation des Nations Unies. L'enregistrement a eu lieu le 30 août 1949.*

No. 539. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENTS OF AUSTRALIA AND THE NETHERLANDS (ACTING ON BEHALF OF THE GOVERNMENT OF INDONESIA) CONCERNING THE FINAL SETTLEMENT OF CLAIMS THAT HAVE ARISEN OR MAY IN FUTURE ARISE IN RELATION TO FACTS, MATTERS AND THINGS CONCURRING UP TO AND INCLUDING 31 DECEMBER 1948. CANBERRA, 12 AUGUST 1949

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I

MINISTER FOR EXTERNAL AFFAIRS  
CANBERRA, A.C.T.

12th August, 1949

Sir,

I have the honour to refer to discussions which have taken place between the representatives of the Government of Australia on the one hand, and the Government of the Kingdom of the Netherlands acting on behalf of the Government of Indonesia formerly the Government of the Netherlands Indies on the other hand, concerning the final settlement of claims and counter claims between the two Governments that have arisen or may in future arise in relation to facts, matters and things occurring up to and including the 31st December, 1948, and to record hereunder my Government's understanding of the Agreement reached between the two Governments in this matter:

1. The Government of Indonesia shall pay to the Government of Australia and the Government of Australia shall accept in full settlement of all claims against the Government of Indonesia the sum of eight million five hundred thousand pounds in Australian currency (£A8,500,000) of which the sum of five hundred thousand pounds in Australian currency (£A500,000) shall be paid in three equal annual instalments of one hundred and sixty-six thousand six hundred and sixty-six pounds, thirteen shillings and fourpence in Australian currency (£A166,666.13.4), the first of such instalments to be paid on the 1st January, 1950, and the balance of eight million pounds in Australian currency (£A8,000,000) shall be paid in seven equal annual instalments of one million one hundred

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<sup>1</sup> Came into force on 12 August 1949, by the exchange of the said notes.

and forty-two thousand eight hundred and fifty-seven pounds, two shillings and tenpence in Australian currency (£A1,142,857.2.10) the first of such instalments to be paid on the 1st January, 1953. The Government of Indonesia may, however, at any time prior to the 1st January, 1960, make payments additional to those specified in the foregoing provisions, or may at any time during the currency of this Agreement pay the total amount then outstanding.

2. In consideration of the acceptance by the Government of Australia of the amount specified in Section 1 of this Agreement in full settlement of the claims therein referred to, the Government of Indonesia shall not make or pursue any claim against the Government of Australia arising up to or on 31st December, 1948, and shall release the Government of Australia irrevocably from all claims which but for this Agreement could or might have been made.

3. This Agreement shall embrace all claims and counter claims (excluding claims under the Agreement<sup>1</sup> of 24th January, 1947, which is referred to in Clause 9 hereof) as between the two Governments that have arisen or may in future arise in relation to facts, matters and things occurring up to and including 31st December, 1948. No further issues for settlement or negotiation for settlement in respect of claims or counter claims between the two Governments prior to 1st January, 1949, shall hereafter be raised.

4. Nothing in this Agreement shall affect in any way any payments already made to the Government of Australia by the Government of Indonesia or its agents or by the Royal Netherlands Navy.

5. In consideration of the settlement effected by this Agreement, the Government of Indonesia shall acquire title to all works and installations (including Royal Australian Air Force installations and surplus property at Morotai) provided by the Australian Armed Forces in the Territories of the Netherlands Indies or Indonesia prior to and following the cessation of hostilities in the 1939-45 war.

6. (i) The Government of Australia shall not be responsible nor under any obligation to satisfy claims for compensation, damages or otherwise arising from enemy action or acts or omissions by members of the Australian Forces whether in the course of their duty or otherwise in the Netherlands Indies or Indonesian Territories which occurred prior to or after the cessation of

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<sup>1</sup> United Nations, *Treaty Series*, Volume 10, page 77.

hostilities in the 1939-45 war up to and including the 31st December, 1948.

- (ii) The Government of Indonesia shall not be responsible nor under any obligation to satisfy claims for compensation, damages or otherwise arising from enemy action or acts or omissions by members of the Netherlands Indies or Indonesian Forces whether in the course of their duty or otherwise in Australia which occurred prior to or after the cessation of hostilities in the 1939-45 war up to and including 31st December, 1948.

7. In respect of currency transactions the Government of Australia:

- (a) shall return free of charge to the Government of Indonesia all Indonesian notes and coin acquired by the Government of Australia on behalf of the Australian Defence Services up to and including the 31st December, 1948, and held by the Government of Australia on that date;
- (b) shall release free of charge to the Government of Indonesia any moneys deposited in any bank in Indonesia for the purposes of the Australian Defence Forces which shall stand to the credit of the Government of Australia or any person on behalf of the Government of Australia and which represents moneys deposited prior to the 10th March, 1942.

8. The Government of Australia and the Government of Indonesia agree that all liabilities and claims relating to supplies delivered to or services rendered on account of the Royal Netherlands Navy shall be regarded as a charge against the Government of Indonesia and accordingly included in the claims and liabilities settled in the terms of this Agreement.

9. The Government of Australia acknowledges that all moneys payable under and by virtue of the Agreement effected by the Exchange of Notes on 24th January, 1947, between the Government of Australia and the Government of the Kingdom of the Netherlands have been paid to the Government of Australia and such Agreement shall be deemed to be terminated on the date of the coming into force of this Agreement.

10. The Government of the Kingdom of the Netherlands guarantees the payment of all moneys payable to the Government of Australia under this Agreement.

11. This Agreement shall take effect on the date on which the Exchange of Notes confirming the Agreement takes place.

If the foregoing provisions are acceptable to your Government, I have the honour to propose that this Note and your confirmatory reply thereto be deemed to constitute and evidence the Agreement between the two Governments in the matter.

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

(Signed) H. V. EVATT  
Minister of State for External Affairs

His Excellency Mr. P. E. Teppema  
Envoy Extraordinary and Minister Plenipotentiary  
of the Netherlands  
Netherlands Legation  
Canberra, A.C.T.

## II

### ROYAL NETHERLANDS LEGATION

J.7/2983

Canberra, 12th August, 1949

Sir,

I have the honour to acknowledge the receipt of your Note of today's date in which you inform me that as a consequence of the discussions which have taken place between the representatives of the Government of Australia on the one hand, and the Government of the Kingdom of the Netherlands acting on behalf of the Government of Indonesia formerly the Government of the Netherlands Indies on the other hand, concerning the final settlement of claims and counter claims between the two Governments that have arisen or may in future arise in relation to facts, matters and things occurring up to and including the 31st December, 1948, your Government recorded its understanding of the Agreement reached between the two Governments in this matter:

[See note I]

I am authorised by the Netherlands Government to state that the Netherlands Government acting on behalf of the Government of Indonesia agrees to the foregoing provisions and to the suggestion that your Note and

this reply shall be deemed to constitute and evidence the agreement between the two Governments in the matter.

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

(Signed) P. E. TEPPERMA

The Right Honorable H. V. Evatt, K.C., M.P.  
Minister of State for External Affairs  
Parliament House  
Canberra, A.C.T.

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