

No. 1281

**UNITED STATES OF AMERICA
and
INDONESIA**

Exchange of notes constituting an agreement relating to the assumption by the Government of Indonesia of certain obligations of the Government of the Netherlands with respect to economic co-operation under the Economic Co-operation Agreement of 2 July 1948 and subsequent agreements concluded prior to 1 January 1950 between the Government of the United States of America and the Government of the Netherlands. Djakarta, 22 and 24 March 1950

Official text: English.

Registered by the United States of America on 10 July 1951.

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

Échange de notes constituant un accord relatif à la prise en charge par le Gouvernement de l'Indonésie de certaines obligations contractées par le Gouvernement des Pays-Bas, en matière de coopération économique, en vertu de l'Accord de coopération économique du 2 juillet 1948 et d'accords subséquents intervenus avant le 1er janvier 1950 entre le Gouvernement des États-Unis d'Amérique et le Gouvernement des Pays-Bas. Djakarta, 22 et 24 mars 1950

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 10 juillet 1951.

No. 1281. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND INDONESIA RELATING TO THE ASSUMPTION BY THE GOVERNMENT OF INDONESIA OF CERTAIN OBLIGATIONS OF THE GOVERNMENT OF THE NETHERLANDS WITH RESPECT TO ECONOMIC CO-OPERATION UNDER THE ECONOMIC CO-OPERATION AGREEMENT OF 2 JULY 1948² AND SUBSEQUENT AGREEMENTS CONCLUDED PRIOR TO 1 JANUARY 1950 BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE NETHERLANDS. DJAKARTA, 22 AND 24 MARCH 1950

I

The Indonesian Minister of Foreign Affairs to the American Ambassador

REPUBLIC OF THE UNITED STATES OF INDONESIA
THE MINISTER OF FOREIGN AFFAIRS

No. 636/L.8A/4

Djakarta, March 22, 1950

Excellency :

The Government of the Republic of the United States of Indonesia, noting that the Government of the United States of America is assisting those European countries who have joined together in the Organization for European Economic Co-operation and who have expressed their adherence to the purpose and policies of the Economic Co-operation Act of 1948;³

Considering that, due to its former status as part of the Kingdom of the Netherlands, Indonesia has received and is receiving certain financial assistance as part of the assistance furnished by the United States of America to European countries and their territories;

Considering that the Government of the Kingdom of the Netherlands has accepted certain obligations on behalf of Indonesia by the signing of the

¹ Came into force on 24 March 1950 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 20, p. 91.

³ United States of America : 62 Stat. 137.

Economic Co-operation Agreement of July 2, 1948¹ with the Government of the United States of America;

Taking note that some of these obligations relating to the receipt and utilization of said financial assistance could not yet be fulfilled;

Being aware that, due to the transfer of sovereignty over Indonesia to the Government of the Republic of the United States of Indonesia, the Government of the Kingdom of Netherlands is no longer able to fulfill certain of these obligations without interfering with the proper exercise of power of the sovereign Government of the Republic of the United States of Indonesia;

Recognizes, therefore, that it has the responsibility to accept these obligations in order to fulfill the requirements under which the Government of the United States of America has furnished and is furnishing aid to Indonesia.

In view of the above considerations the Government of the Republic of the United States of Indonesia will assume these obligations of the Government of the Kingdom of the Netherlands to the Government of the United States of America under the Economic Co-operation Agreement of July 2, 1948, and subsequent agreements concluded prior to January 1, 1950, insofar as these obligations relate to the receipt and utilization of aid furnished to Indonesia. Among other these obligations include :

(a) The obligation to deposit counterpart funds on account of financial assistance furnished to Indonesia. The Government of the Republic of the United States of Indonesia hereby recognizes the interests of the Government of the United States of America and the Government of the Kingdom of the Netherlands in the utilization of counterpart funds heretofore and hereafter deposited.

(b) The obligation to allocate for the use of the Government of the United States of America five percent of the counterpart funds so deposited; to place no restrictions on expenditures by the Government of the United States of America of the counterpart funds allocated for its use; and to facilitate the use by the Government of the United States of America of these funds for the purchase, for stockpiling or other purposes, of materials originating in Indonesia which are required by the United States of America as a result of deficiencies or potential deficiencies in its own resources.

(c) The obligation to provide the Government of the United States of America with all information requested with respect to the distribution and final disposition of commodities procured with the assistance of the Economic Co-operation Administration, and further to permit the independent verification of such information by the Economic Co-operation Administration or its agents.

¹ United Nations, *Treaty Series*, Vol. 20, p. 91.

Furthermore, the Government of the Republic of the United States of Indonesia agrees that it will co-operate to the fullest extent with the Government of the United States of America and with the Government of the Kingdom of the Netherlands in order that all obligations incurred or assumed in relation to the furnishing of aid to Indonesia will be complied with.

Please accept, Excellency, the renewed assurances of my highest consideration.

M. HATTA
(Mohammad Hatta)
Minister of Foreign Affairs

His Excellency H. Merle Cochran
Ambassador of the United States of America
Djakarta

II

The American Ambassador to the Indonesian Minister of Foreign Affairs

THE FOREIGN SERVICE
OF THE UNITED STATES OF AMERICA
AMERICAN EMBASSY

No. 24

Djakarta, March 24, 1950

Excellency :

I have the honor to acknowledge your note of March 22, 1950, informing me that the Government of the Republic of the United States of Indonesia will assume those obligations of the Government of the Kingdom of the Netherlands to the Government of the United States of America under the Economic Co-operation Administration agreement of July 2, 1948, and subsequent agreements concluded prior to January 1, 1950, insofar as those obligations relate to the receipt and utilization of aid furnished to Indonesia.

I also note that the Government of the Republic of the United States of Indonesia agrees that it will cooperate to the fullest extent with the Government of the United States of America and with the Government of the Kingdom of the Netherlands in order that all obligations incurred or assumed in relation to the furnishing of aid to Indonesia will be complied with.

I am authorized to inform you that my Government considers that your note and this reply constitute an agreement between our two Governments on this subject.

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By way of clarifying certain of the obligations assumed by the Government of the Republic of the United States of Indonesia, I enclose for your information a copy of a letter dated March 20 which I addressed to His Excellency Dr. R. Djuanda, Minister of Economic Affairs, at the request of the authorized representatives of the Economic Co-operation Administration. This letter covers certain points which I had previously discussed orally with Dr. Djuanda.

Please accept, Excellency, the renewed assurances of my highest consideration.

H. Merle COCHRAN
American Ambassador

Enclosure : ¹

Copy of letter dated March 20, 1950 to His Excellency Dr. R. Djuanda.

His Excellency Dr. Mohammad Hatta
Prime Minister & Acting Minister of Foreign Affairs
Republic of the United States of Indonesia
Djakarta

¹ Not printed by the Department of State of the United States of America.