

No. 8390

**UNITED STATES OF AMERICA
and
INDONESIA**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes). Signed at Djakarta,
on 18 April 1966**

Official text: English.

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

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

**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 Djakarta, le 18 avril 1966**

Texte officiel anglais.

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

No. 8390. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA UNDER TITLE IV OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT DJAKARTA, ON 18 APRIL 1966

The Government of the United States of America and the Government of the Republic of Indonesia :

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 Indonesia;

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 those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade;

Recognizing further that by providing such commodities to Indonesia under long-term supply and credit arrangements, the resources and manpower of Indonesia 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 Indonesia 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 Government of the Republic of Indonesia of credit purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America under-

¹ Came into force on 18 April 1966, upon signature, in accordance with article V.

takes 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 Government of the Republic of Indonesia, of the following commodities :

<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>
Rice	United States Fiscal Year 1966	50,000	\$6,834
Ocean transportation (estimated) .			1,364
		TOTAL	\$8,198

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 the 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.

2. 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.

3. 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 Government of the Republic of Indonesia 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 five (5) approximately equal annual payments, the first of which shall become due one year after the date of last delivery of commodities in such calendar year. Subsequent annual payments shall become due at intervals of one year thereafter. 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 not later than the date on which the annual payment of principal becomes due. The interest shall be computed at the rate of four and seven-eighths ($4\frac{7}{8}$) percent per annum.

4. All payments shall be made in United States dollars and the Government of the Republic of Indonesia 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 amounts 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 Government of the Republic of Indonesia will take all possible measures to prevent the resale or 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 Government of the Republic of Indonesia will furnish information quarterly on the progress of the program, particularly with respect to the arrival and condition of the commodities; provisions for the maintenance of usual marketings; 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 Djakarta in duplicate this eighteenth day of April 1966.

For the Government
of the United States of America :

Marshall GREEN
Ambassador

For the Government
of the Republic of Indonesia :
Sri Sultan HAMENGKUBUWONO IX
Deputy Prime Minister for Economy,
Finance and Development

[SEAL]

[SEAL]

EXCHANGE OF NOTES

I

The American Ambassador to the Indonesian Minister for Foreign Affairs

No. 594

Djakarta, April 18, 1966

Excellency :

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

With regard to paragraph 4 of Article III of the Agreement, the Government of the Republic of Indonesia agrees to furnish the following information quarterly in connection with each shipment received of commodities financed under the Agreement : The name of each vessel; the date of arrival; 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 Government of the Republic of Indonesia 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 and (c) a statement showing progress made toward fulfilling commitments on usual marketings and offset purchases. The Government of the Republic of Indonesia 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.

As agreed in conversations which have taken place between representatives of our two Governments, the rupiah resulting from the sale of commodities financed under the Agreement will be deposited by the Government of the Republic of Indonesia in a special account in the name of the Government of the Republic of Indonesia and will be used by the Government of the Republic of Indonesia for economic and social development programs as may be mutually agreed upon by our two Governments.

It is also understood that any rupiah resulting from the sale in Indonesia of the commodities financed under the agreement which are loaned by the Government of the Republic of Indonesia to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in Indonesia.

Upon request, the Government of the Republic of Indonesia agrees to furnish the Government of the United States of America reports showing the total rupiah available to the Government of the Republic of Indonesia from the sale of the commodities, a list of the projects being undertaken, and related information including the name, location, amount invested in each project and status of completion.

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

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

Marshall GREEN

His Excellency Adam Malik
Minister for Foreign Affairs
Djakarta

II

The Indonesian Minister for Foreign Affairs to the American Ambassador

MENTERI LUAR NEGERI
REPUBLIK INDONESIA¹

No. 0198/66/83.

Djakarta, April 18, 1966

Excellency :

I have the honor to acknowledge the receipt of your Note No. 594 of April 18, 1966, which reads as follows :

[See note I]

I have the honor to confirm that the foregoing accords with the understanding of my Government.

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

For the Government
of the Republic of Indonesia :

Adam MALIK
Minister of Foreign Affairs

His Excellency Marshall Green
Ambassador Extraordinary and Plenipotentiary
Embassy of the United States of America
Djakarta

¹ The Minister for Foreign Affairs.
Republic of Indonesia.