

No. 9994

**UNITED STATES OF AMERICA
and
INDONESIA**

Memorandum of Agreement regarding the rescheduling of payments under the Surplus Property Agreement of May 28, 1947 (with annexes). Signed at Djakarta on 30 December 1967

Authentic text: English.

Registered by the United States of America on 1 November 1969.

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

Mémorandum d'accord portant modification des échéances de paiement prévues par l'Accord du 28 mai 1947 relatif aux biens en surplus (avec annexes). Signé à Djakarta le 30 décembre 1967

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} novembre 1969.

MEMORANDUM OF AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA REGARDING THE RESCHEDULING OF PAYMENTS UNDER THE SURPLUS PROPERTY AGREEMENT OF MAY 28, 1947

1. Reference is made to the "Agreement between the Government of the United States of America and the Government of the Netherlands Indies Regarding a Line of Credit for the Purchase of United States Surplus Property" signed May 28, 1947,² and to the release of the Netherlands Government from its guaranty thereunder and the assumption by the Government of the Republic of Indonesia of the debt under such Agreement. Such assumption was effected by the exchange of a joint note signed by the Netherlands and Indonesian Ministers of Foreign Affairs on September 17 and October 15, 1952,³ respectively, to the Secretary of State of the United States and the notes responding thereto of the Secretary of State to the Netherlands Ambassador and to the Indonesian Ambassador both signed April 8, 1953.³ Reference is also made to understandings reached in Paris December 19-20, 1966 and in Amsterdam February 22-24, 1967 between representatives of the Governments of the United States of America and the Republic of Indonesia and among representatives of other creditor governments regarding the rescheduling of debts owed to them by the Government of the Republic of Indonesia.

2. In accordance with such understandings and pursuant to section 2 D of the Agreement of May 28, 1947 referred to above, it is agreed that the payment obligations provided thereunder be modified as follows:

- (a) installments due and payable on July 1, 1965, 1966 and 1967, respectively, amounting to \$6,251,006.37 in principal and to \$2,000,322.03 in interest be consolidated, making a total of \$8,251,328.40 (hereinafter, the "Consolidated Amount");

¹ Came into force on 30 December 1967 by signature.

² United Nations, *Treaty Series*, vol. 723, A-267.

³ *Ibid.*, vol. 205, p. 324.

- (b) Consolidation Interest shall accrue on the Consolidated Amount at the rate of 3 per cent per annum during the period January 1, 1968 through December 31, 1970, shall not be subject to being compounded and shall be deferred and become payable in the years 1971-1978 in accordance with the schedule of subparagraph 2 (c);
- (c) the Consolidated Amount of \$8,251,328.40 and Consolidation Interest to be accrued in 1968-1970 aggregating \$742,619.56 shall each be payable in increments on July 1 in the years 1971-1978 as follows: 5 per cent in 1971; 10 per cent each in 1972, 1973 and 1974; 15 per cent each in 1975, 1976 and 1977; and 20 per cent in 1978;
- (d) in addition to the amounts payable under subparagraph 2 (c), Consolidation Interest shall accrue at the rate of 3 per cent per annum and shall be payable on July 1, 1971 and each July 1 thereafter on the outstanding balance of the Consolidated Amount;
- (e) for periods of less than a year, interest is computed on a 365-day-year, number-of-days' basis.

3. Annex A hereto sets forth a Revised Schedule of Payments including those specified in paragraph 2 of this Agreement and the remaining contractual payments due in accordance with the Agreement of May 28, 1947 which are not otherwise modified by this Agreement.

4. Annex B hereto sets forth the computation of the Consolidated Amount.

DONE at Djakarta, in duplicate, this thirtieth day of December 1967.

For the Government of the United States of America:
Marshall GREEN

For the Government of the Republic of Indonesia:
Adam MALIK

ANNEX A

SURPLUS PROPERTY AGREEMENT (MAY 28, 1947)
Revised Schedule of Payments (as of January 1, 1968)

Due Dates	Payment of "Consolidated Amount" as of Dec. 31, 1967 and Payment of "Consolidation Interest"				Original Contractual Payments Schedule (from Jan. 1, 1968 to final maturity: 2% interest per annum)			
	1	2	3	4	5	6	7	8
	Payment of "Consolidated Amount" of Principal and Interest (*)	Payment of "Con- solidation Interest" Accrued (3% p.a. in 1968-1970 (b))	Payment of "Consolidation Interest" at 3% p.a. of Balance of "Consol- idated Amount" as per Column 1 (c, d)	Total Payments Due (1 + 2 + 3)	Principal	Interest (d)	Totals (5 + 6)	Grand Totals (4 + 7)
July 1, 1968	—	—	—	—	\$ 2,083,668.79	\$ 541,753.89	\$ 2,625,422.68	\$ 2,625,422.68
July 1, 1969	—	—	—	—	2,083,668.79	500,080.51	2,583,749.30	2,583,749.30
July 1, 1970	—	—	—	—	2,083,668.79	458,407.14	2,542,075.93	2,542,075.93
July 1, 1971	\$ 412,566.42	\$ 37,130.98	\$ 247,539.85	\$ 697,237.25	2,083,668.80	416,733.76	2,500,402.56	3,197,639.81
July 1, 1972	825,132.84	74,261.96	235,162.86	1,134,557.66	2,083,668.80	375,060.38	2,458,729.18	3,593,286.84
July 1, 1973	825,132.84	74,261.96	210,408.87	1,109,803.67	2,083,668.80	333,387.01	2,417,055.81	3,526,859.48
July 1, 1974	825,132.84	74,261.96	185,654.89	1,085,049.69	2,083,668.80	291,713.63	2,375,382.43	3,460,432.12
July 1, 1975	1,237,699.26	111,392.93	160,900.90	1,509,993.09	2,083,668.80	250,040.26	2,333,709.06	3,843,702.15
July 1, 1976	1,237,699.26	111,392.93	123,769.93	1,472,862.12	2,083,668.80	208,366.88	2,292,035.68	3,764,897.80
July 1, 1977	1,237,699.26	111,392.93	86,638.95	1,435,731.14	2,083,668.80	166,693.50	2,250,362.30	3,686,093.44
July 1, 1978	1,650,265.68	148,523.91	49,507.97	1,848,297.56	2,083,668.79	125,020.13	2,208,688.92	4,056,986.48
July 1, 1979	—	—	—	—	2,083,668.79	83,346.75	2,167,015.54	2,167,015.54
July 1, 1980	—	—	—	—	2,083,668.79	41,673.37	2,125,342.16	2,125,342.16
TOTALS	\$8,251,328.40	\$742,619.56	\$1,299,584.22	\$10,293,532.18	\$27,087,694.34	\$3,792,277.21	\$30,879,971.55	\$41,173,503.73

(*) Column 1: Represents payments in arrears on due date of 7/1/1965 totaling \$2,083,668.79 principal and \$666,774.01 interest, and payments due in the consolidation period on 7/1/1966 and 7/1/1967 totaling \$4,167,337.58 on principal and \$1,333,548.02 interest. Totals equal \$6,251,006.37 principal and \$2,000,322.03 interest, or \$8,251,328.40 "Consolidated Amount".

(b) Column 2: Represents "Consolidation Interest" of 3 per cent per annum of \$8,251,328.40 "Consolidated Amount" accrued in calendar years 1960-1970. The aggregate accrual of \$742,619.56 is due in annual payments of 5 per cent in 1971; 10 per cent each in 1972-1974; 15 per cent each in 1975-1977; and 20 per cent in 1978.

(c) Column 3: Represents "Consolidated Interest" of 3 per cent per annum payable annually in 1971-1978 based on the outstanding balance of the "Consolidated Amount" declining in accordance with Column 1.

(d) For periods under a year, interest is computed on a 365-day-year, number-of-days' basis.

ANNEX B

SURPLUS PROPERTY CREDIT AGREEMENT — CONSOLIDATED AMOUNT

Contractually due for Consolidation

<i>Date</i>	<i>Principal Due</i>	<i>Interest Due</i>
July 1, 1965	<u>\$2,083,668.79</u>	<u>\$ 666,774.01</u>
Total arrears 6/30/1966	<u>\$2,083,668.79</u>	<u>\$ 666,774.01</u>
July 1, 1966	<u>\$2,083,668.79</u>	<u>\$ 666,774.01</u>
July 1, 1967	<u>2,083,668.79</u>	<u>666,774.01</u>
Total Consolidation Period 7/1/1966-12/31/ 1967	<u>\$4,167,337.58</u>	<u>\$1,333,548.02</u>
TOTALS	<u>\$6,251,006.37</u>	<u>\$2,000,322.03</u>
Consolidated Amount of Principal and Interest		<u>\$8,251,328.40</u>