

No. 12232

**UNITED STATES OF AMERICA
and
INDONESIA**

**Agreement for sales of agricultural commodities (with
annex). Signed at Djakarta on 26 May 1972**

**Exchange of notes constituting an agreement amending the
above-mentioned Agreement. Djakarta, 28 August 1972**

Authentic texts: English.

Registered by the United States of America on 29 December 1972.

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

**Accord relatif à la vente de produits agricoles (avec annexe).
Signé à Djakarta le 26 mai 1972**

**Échange de notes constituant un accord portant modification
de l'Accord susmentionné. Djakarta, 28 août 1972**

Textes authentiques : anglais.

Enregistrés par les États-Unis d'Amérique le 29 décembre 1972.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Republic of Indonesia have agreed to the sales of the agricultural commodities specified below. This Agreement shall consist of the preamble, parts I and III, and the convertible local currency credit annex of the September 15, 1967 Agreement² and the following part II:

PART II PARTICULAR PROVISIONS

ITEM I. *Commodity Table*

<i>Commodity</i>	<i>Supply Period (United States Calendar Year)</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value (Millions)</i>
Wheat/Wheat Flour (wheat basis)	1972	187,000 MT	\$11.5
Bulgur	1972	10,000 MT	0.9
Cotton	1972	170,000 bales	28.1
Cotton Yarn	1972	4.0 million pounds	3.7
		TOTAL	\$44.2

ITEM II. *Payment Terms*

Convertible Local Currency Credit

1. Initial Payment—None
2. Currency Use Payment—None
3. Number of Installment Payments—31
4. Amount of Each Installment Payment—approximately equal annual amounts
5. Due Date of First Installment Payment—ten years after date of last delivery of commodities in each calendar year
6. Initial Interest Rate—2 percent
7. Continuing Interest Rate—3 percent

ITEM III. *Usual Marketing Requirements: None*

ITEM IV. *Export Limitations*

A. With respect to the commodities financed under this Agreement, the export limitation period for same or like commodities shall be the period beginning on

¹ Came into force on 26 May 1972 by signature, in accordance with part III (B).

² United Nations, *Treaty Series*, vol. 693, p. 87.

the date of the Agreement and ending on the final date on which the relevant commodities financed under this Agreement are being imported and utilized.

B. For the purpose of part I, article III A 3 of the Agreement, commodities considered to be same as, or like, commodities imported under this Agreement are: for wheat/wheat flour and bulgur—wheat, wheat flour, rolled wheat, semolina, farina and bulgur (or same product under a different name); for cotton—raw cotton, cotton yarn and/or cotton textiles except batiks and similar handicraft products.

ITEM V. *Self-Help Measures*

The Government of Indonesia continues to accord its highest national priority to increasing production in the agricultural sector. Substantial progress has been made under the Five-Year Development Plan in increasing the production of rice by providing better technology to farmers and providing economic incentives for their adoption. To consolidate the gains realized, to assure continuation of progress and anticipating the time when the production of rice will be sufficient for the country's needs, the GOI intends:

- A. To continue (1) policies and activities to maintain adequate incentives to the farmers to use new production technology, (2) measures to improve marketing and (3) efforts to assure availability of production inputs at the farm level.
- B. To make a comprehensive analysis of the agricultural sector of the Indonesian economy to identify present and future problems, the major constraints to agricultural production, the areas in which assistance from foreign donors might be applied, the market potentials of alternative commodities, and the policy and organization changes needed.
- C. To promote crop diversification as a means of increasing farm income and lessening the risks inherent in the cultivation of a single crop.
- D. To take steps to improve the quality of the diet of the Indonesian people by raising the level of protein consumed.
- E. To investigate and approve for use agricultural chemicals effective in controlling pests and diseases to which high-yielding rice varieties are particularly susceptible.
- F. To continue to evaluate the level of subsidies for PL 480 commodities.

ITEM VI. *Economic Development Purposes for Which Proceeds Accruing to Importing Country are to be Used*

For the economic development purposes specified in item V (Self-Help Measures) and for such other economic development purposes as may be mutually agreed upon.

ITEM VII. *Other Provisions*

The Government of the exporting country shall bear the cost of ocean freight differential for the commodities it requires to be carried in United States flag vessels but, notwithstanding the provisions of paragraph 1 of the convertible local cur-

rency credit annex, it shall not finance the balance of the cost of ocean transportation of such commodities.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Djakarta, in duplicate, this 26th day of May, 1972.

For the Government
of the United States of America:

F. J. GALBRAITH

For the Government
of the Republic of Indonesia:

ADAM MALIK

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND INDONESIA AMENDING THE AGREEMENT OF 26 MAY 1972 FOR SALES OF AGRICULTURAL COMMODITIES²

I

*The American Ambassador to the Indonesian Minister
for Foreign Affairs*

Djakarta, August 28, 1972

No. 1258

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 26, 1972,² and propose that part II, Particular Provisions, be amended as follows:

Item I, Commodity Table. Under the appropriate column headings add Rice—1972—100,000 MT—16.3; and for the total, change dollars 44.2 to dollars 60.5 million.

Item IV, Export Limitation. In sub-paragraph B delete the period at end of the sentence, substitute a semi-colon and add: for rice—rice in the form of paddy, brown or milled.

All other terms and conditions of the May 26, 1972 Agreement remain the same.

If the foregoing is acceptable to your Government, I have the honor to propose that this note and your reply thereto constitute an agreement between our two Governments effective on the date of your note in reply.

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

FRANCIS J. GALBRAITH

His Excellency Adam Malik
Minister for Foreign Affairs
Djakarta

¹ Came into force on 28 August 1972, the date of the note in reply, in accordance with the provisions of the said notes.

² See p. 48 of this volume.

II

MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Jakarta, August 28, 1972

No. D. 0844/72/01/I.

Excellency:

I have the honour to acknowledge receipt of Your Excellency's note of today's date, which reads as follows:

[See note I]

I have the honour to confirm that the proposed arrangements as described in your note are acceptable to my Government and to agree that Your Excellency's note and this reply shall be regarded as constituting an agreement between our two Governments with effect from the date of this note.

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

[Signed]

ADAM MALIK
Minister of Foreign Affairs

His Excellency Francis J. Galbraith
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Jakarta
