

No. 6276

**UNITED STATES OF AMERICA
and
INDONESIA**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes). Signed at Djakarta,
on 19 February 1962**

Official text: English.

Registered by the United States of America on 2 August 1962.

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

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I 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 19 février 1962**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 2 août 1962.

No. 6276. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
INDONESIA UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT DJAKARTA, ON 19 FEBRU-
ARY 1962

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 and with other friendly nations in a manner which would not displace usual marketings of the United States in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Considering that the purchase for rupiah of agricultural commodities produced in the United States will assist in achieving such an expansion of trade;

Considering that the rupiah accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales of agricultural commodities to Indonesia pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), during the calendar years 1962, 1963 and 1964 and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities;

Have agreed as follows :

Article I

SALES FOR INDONESIAN RUPIAH

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Indonesia of purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sale for rupiah to purchasers authorized by the Government of Indonesia of the following agricultural commodities in the minimum amounts indicated.

¹ Came into force on 19 February 1962, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Rice	\$24.5
Cotton (domestic processing)	19.8
Cotton (third country processing)	16.5
Wheat flour	15.0
Tobacco	10.0
Ocean transportation	6.9
TOTAL	\$92.7

2. Applications for purchase authorizations for \$5.0 million of rice, \$5.0 million of wheat flour, \$3.333 million of tobacco, \$5.7 million of cotton (domestic processing), and \$16.5 million of cotton (third country processing), plus certain ocean transportation costs, will be made within 90 calendar days after the effective date of this agreement for procurement during calendar year 1962.

The amounts of rice, cotton, tobacco, and wheat flour for subsequent years will be determined on the basis of annual review to be made by the two Governments. Purchase authorizations will include provisions relating to the sale and delivery of commodities including classes, types and/or varieties, the time and circumstances of deposit of the rupiah and other relevant matters.

Article II

USES OF INDONESIAN RUPIAH

The rupiah accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes in the amounts shown :

1. For United States expenditures under subsections (a), (b), (f), (h) through (r) of Section 104 of the Act or under any of such subsections and for other mutually agreed uses under Section 104 of the Act, other than under subsections (e) and (g), ten percent of the rupiah received under the agreement.
2. For loans to be made by the Agency for International Development under Section 104 (e) of said Act and for administrative expenses of the Agency for International Development in Indonesia incident thereto, five percent of the currencies received under the agreement.
3. For loan to the Government of Indonesia under subsection (g) of Section 104 of the Act, for financing such projects to promote balanced economic

development as may be mutually agreed, including projects not heretofore included in plans of the Government of Indonesia, 85 percent of the rupiah accruing pursuant to this agreement. The terms and conditions of the loan and other provisions will be set forth in a separate agreement.

In the event that agreement is not reached on the use of the rupiah for loan purposes within six years from the date of this agreement, the Government of the United States of America may use the local currency for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF INDONESIAN RUPIAH

1. The amount of rupiah to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) converted into rupiah, as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of Indonesia, or
- (b) if more than one legal rate for foreign exchange transactions exists, at a rate of exchange to be mutually agreed upon from time to time between the Government of the United States of America and the Government of Indonesia.

2. In the event that a subsequent Agricultural Commodities Agreement or Agreements should be signed by the two Governments under the Act, any refunds of rupiah which may be due or become due under this Agreement more than two years from the effective date of this Agreement would be made by the Government of the United States of America from funds available from the most recent Agricultural Commodities Agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Indonesia agrees that it will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the agricultural commodities purchased pursuant to the provisions of this